

# FORTIS

## INVESTOR PRESENTATION

MARCH 2021



# FORWARD LOOKING INFORMATION

Fortis includes forward-looking information in this presentation within the meaning of applicable Canadian securities laws and forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (collectively referred to as "forward-looking information"). Forward-looking information reflects expectations of Fortis management regarding future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as anticipates, believes, budgets, could, estimates, expects, forecasts, intends, may, might, plans, projects, schedule, should, target, will, would and the negative of these terms and other similar terminology or expressions have been used to identify the forward-looking information, which includes, without limitation: targeted average annual dividend growth through 2025; the 2035 carbon emissions reduction target and projected asset mix; TEP's carbon emissions reduction target; forecast capital expenditures and expected funding sources for 2021-2025; additional opportunities beyond the capital plan; forecast rate base and rate base growth for 2021-2025; the expected timing, outcome and impacts of regulatory decisions; the nature, timing, benefits and costs of certain capital projects including, without limitation, the Wataynikaneyap Transmission Power Project, ITC Multi-Value Regional Transmission Projects and 34.5 to 69 kV Transmission Conversion Project, UNS Energy Vail-to-Tortolita Transmission Project and Oso Grande Wind Project, FortisBC Eagle Mountain Woodfibre Gas Line Project, Transmission Integrity Management Capabilities Project, Inland Gas Upgrades Project, Tilbury 1B and Tilbury Resiliency Tank and Advanced Metering Infrastructure Project; and forecast debt maturities for 2021-2025.

Forward-looking information involves significant risks, uncertainties and assumptions. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking information, including, without limitation: no material adverse effects from the COVID-19 pandemic; reasonable regulatory decisions and the expectation of regulatory stability; the successful execution of the five-year capital plan; no material capital project or financing cost overrun; sufficient human resources to deliver service and execute the capital plan; no significant variability in interest rates; and the Board exercising its discretion to declare dividends, taking into account the business performance and financial condition of the Corporation. Fortis cautions readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors should be considered carefully and undue reliance should not be placed on the forward-looking information. For additional information with respect to certain of these risks or factors, reference should be made to the continuous disclosure materials filed from time to time by the Corporation with Canadian securities regulatory authorities and the Securities and Exchange Commission. All forward-looking information herein is given as of the date of this presentation. Fortis disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Unless otherwise specified, all financial information is in Canadian dollars and rate base refers to midyear rate base.

# A PREMIUM ENERGY DELIVERY BUSINESS

## 93% TRANSMISSION & DISTRIBUTION ASSETS



### High Quality Portfolio

- 10 Regulated Utility Businesses
- 3.3M Electric & Gas Customers
- ~9,000 Employees
- 99% Regulated Utility Assets
- \$23B Market Capitalization<sup>(1)</sup>
- ~13% Average Annual 20-Year Total Shareholder Return<sup>(1)</sup>
- \$30.5B 2020 Rate Base

<sup>(1)</sup> As of February 28, 2021



# LONG-TERM STRATEGY

Leveraging our operating model, geographic and regulatory diversity, operating expertise, reputation and financial strength to deliver a cleaner energy future

## Proven Dividend Track Record & Outlook



6% Average Annual Dividend Growth Guidance through 2025

## Focus on Growth



Execute on growth opportunities

## Strong ESG Profile



Strengthening our Low-Carbon Footprint



Safe & Reliable Service



Capital Investment Plan



Strong Customer & Regulatory Relationships



Sustainability & Delivery of Cleaner Energy



System Resiliency, Innovation & Cybersecurity



Energy Infrastructure, LNG Expansion & Storage

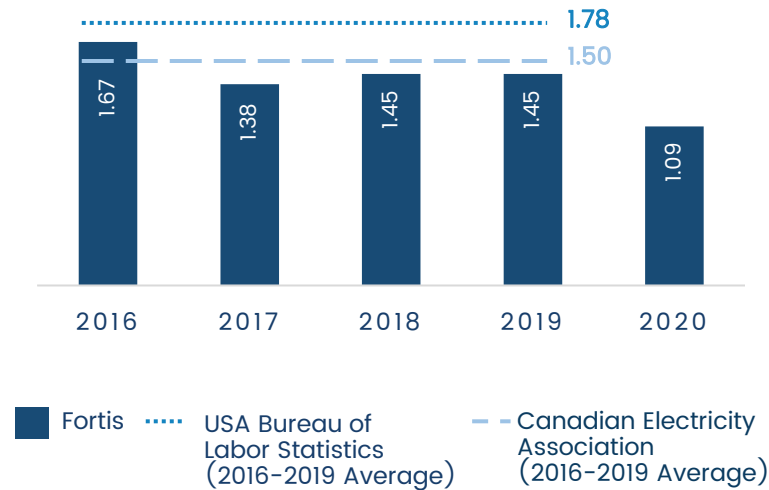


Investment-Grade Credit Ratings

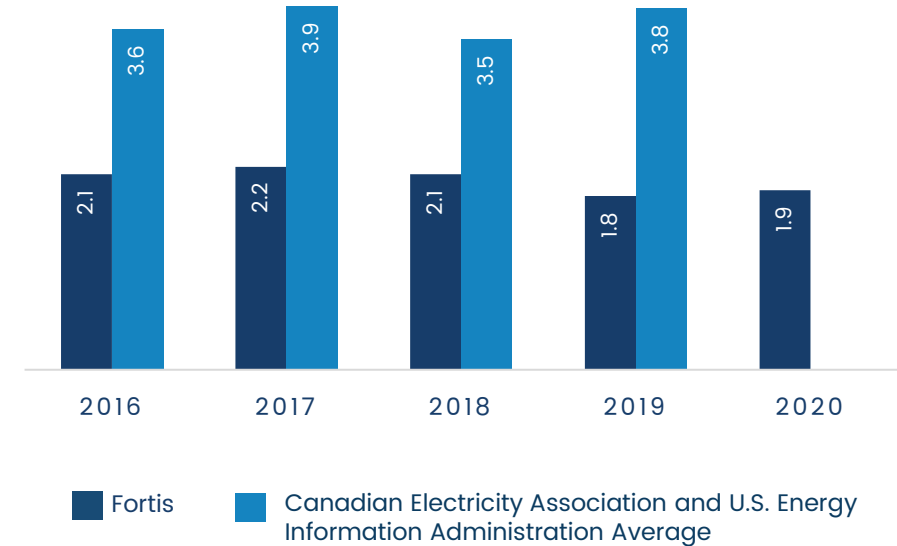
# DELIVERING SAFE AND RELIABLE SERVICE



All Injury Frequency Rate<sup>(1)</sup>



Average Electricity Customer Outage Duration<sup>(2)</sup>

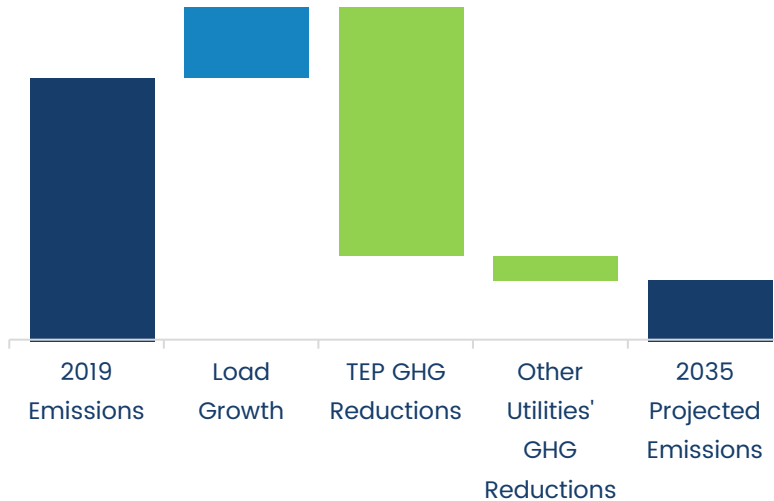


(1) Injuries per 200,000 hours worked.

(2) Based on weighted average of Fortis' customer count in each jurisdiction.

# CARBON EMISSIONS REDUCTION TARGET OF 75% BY 2035

## Reduction in Scope 1 Emissions by 2035 Using a 2019 Base Year



## Achievable Target Largely Driven by TEP's Integrated Resource Plan



Adding Clean Energy  
**2,400 MW Wind and Solar**  
**1,400 MW Battery Storage**  
• Majority of investment expected 2026-2032



Coal Free by 2032  
**1,073 MW Coal Retirements**  
• San Juan Shuts Down in 2022  
• Seasonal operations of Springerville starting in 2023

## Plan Improves Already Low Environmental Footprint



Today  
**Only 5% of Assets**  
• Fossil-Fuel Generation



By 2035  
**99% of Assets**  
• Expected to be Energy Delivery or Carbon-Free Generation

# ESG LEADER



Continued focus on

**Energy  
Delivery**



Carbon emissions reduction  
target of **75%** by 2035  
using a 2019 base year



Industry leader in  
**Safety  
and Reliability**



Industry recognition<sup>(1)</sup> for  
**Strong Governance**  
grounded in local leadership &  
independence

More than  
**\$15 million**  
in 2020 community  
investment



Continued focus on  
**Gender Diversity**  
60% of Fortis utilities have  
either a female CEO or Board Chair;  
Inclusion & Diversity Council  
created in 2020

<sup>(1)</sup> The Globe and Mail ranks over 200 Canadian corporate boards based on the quality of their governance practices. Fortis has been ranked Top 20 in Globe & Mail Board Games for the past six years.

# NAVIGATING THROUGH COVID-19

**9,000**

Essential Employees



Working to Keep the  
Energy Flowing

**3.3M**

Customers



Working with Customers  
Impacted by Pandemic

**\$5M**

Donated to Pandemic  
Relief Initiatives



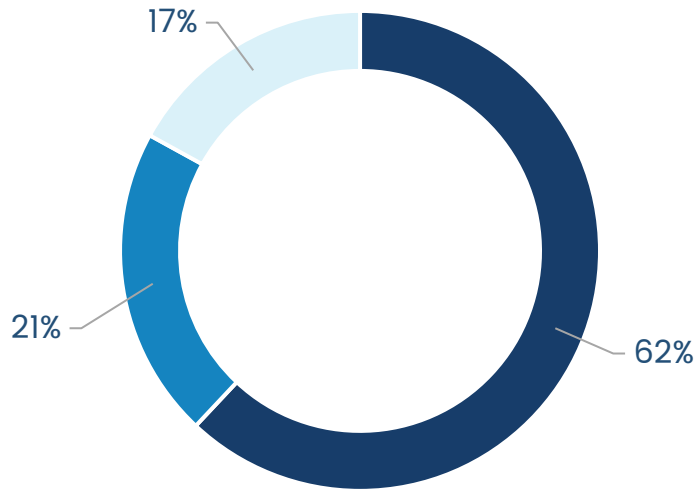
In Support of the  
Communities  
We Serve



# FOURTH QUARTER SALES AND LOAD TRENDS

## SALES UP ~1% AT UTILITIES NOT PROTECTED BY REGULATORY MECHANISMS

**83%** 2020 Revenues  
From Residential Sales  
or Protected by  
Regulatory Mechanisms



- Revenues Protected by Regulatory Mechanisms
- Residential Revenues Not Protected by Regulatory Mechanisms
- Commercial and Industrial Revenues Not Protected by Regulatory Mechanisms



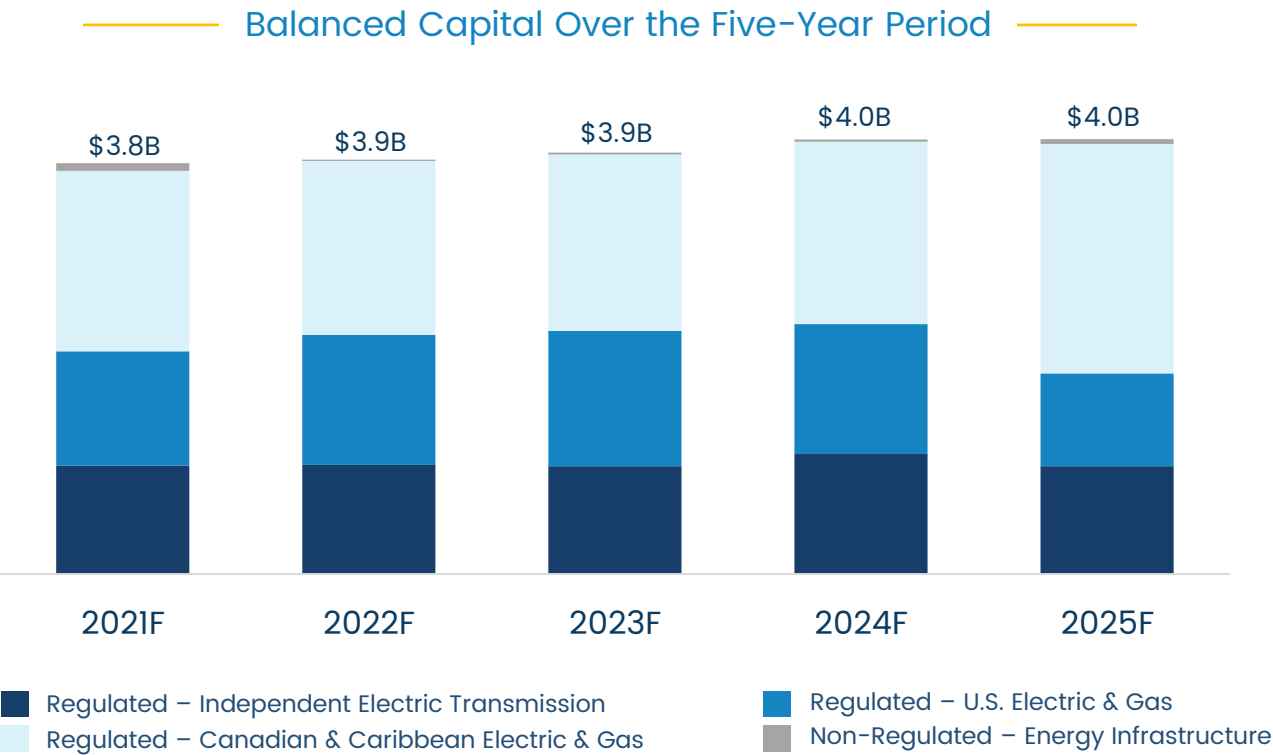
Western  
Canada



Other  
Electric

Regulatory Mechanisms Protecting Changes in Sales	Q4 2020 vs. Q4 2019 Sales Trends
ITC	<ul style="list-style-type: none"> <li>Peak load decreased ~10% mainly due to weather and COVID-19 restrictions in Michigan</li> </ul>
Central Hudson	<ul style="list-style-type: none"> <li>Electric sales up ~1%</li> <li>Minimal exposure to commercial and industrial sales</li> </ul>
Western Canada	<ul style="list-style-type: none"> <li>In B.C., gas sales down ~6% due to lower consumption by transportation customers, partially offset by higher residential consumption; electric sales up ~1% due to residential customers</li> <li>In Alberta, sales down ~3%; ~85% of revenue based on fixed-billing determinants</li> </ul>
UNS Energy Corporation	<ul style="list-style-type: none"> <li>Residential sales increased ~14%</li> <li>Commercial and industrial sales flat</li> <li>Overall retail sales increased ~5%, excluding weather impacts sales up ~2%</li> </ul>
Other Electric	<ul style="list-style-type: none"> <li>Other Electric sales down ~3%, reflecting a 6% decrease in commercial sales; residential sales flat</li> <li>~8% decrease in the Caribbean, mainly reflecting a decrease in commercial sales driven by decline in tourism</li> </ul>

# \$19.6B FIVE-YEAR CAPITAL PLAN



Note: US dollar-denominated capital expenditures converted at USD:CAD foreign exchange rate of \$1.32.

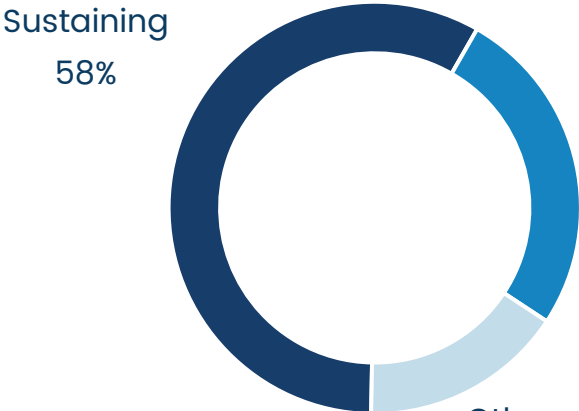
# LOW RISK, HIGHLY EXECUTABLE CAPITAL PLAN

Focused on delivering safe, reliable and cost-effective service to customers



Smaller Projects  
85%

Major  
Capital  
Projects  
15%



Sustaining  
58%

Growth  
26%

Other  
16%



U.S.  
55%

Canada  
41%

Caribbean  
4%

# CAPITAL PLAN CONCENTRATED AT THREE LARGEST UTILITIES

## Capital Plan by Company<sup>(1)</sup> (billions)

ITC \$5.1

FortisBC 4.4

UNS Energy 3.8

Other Utilities 2.3

FortisAlberta 2.0

Central Hudson 1.8

Non-Regulated 0.2

**Total 2021-2025 Capital Plan \$19.6**



- Infrastructure investments including reliability and resiliency upgrades, increased capacity, etc.
- Physical and cyber investments to enhance grid security
- Interconnections to support 2,800 MW of cleaner energy



- Major integrity projects including Inland Gas Upgrades Project and Transmission Integrity Management Capabilities Project
- Natural gas infrastructure including a new LNG storage tank
- Automated Gas Metering Infrastructure



UNS Energy Corporation  
A Fortis Company

- Distribution investments including customer meter infrastructure and grid resiliency and modernization
- Vail-to-Tortolita Transmission Project
- Transition to cleaner energy

(1) US dollar-denominated capital expenditures translated at a forecast USD:CAD foreign exchange rate of \$1.32.



# OPPORTUNITIES TO EXPAND & EXTEND CAPITAL PLAN



- Significant renewable capacity and battery storage in MISO and SPP queues<sup>(1)</sup>
- Need for additional regional transmission projects to facilitate renewables in queue (MISO multi-value projects at capacity)
- Hardening of physical assets and fibre networks
- Lake Erie Connector Project (~\$1B+)
- EV Charging Solution



- 2020 Integrated Resource Plan (IRP) outlined TEP's ambitious and realistic sustainability objectives including coal-free generation mix by 2032
  - Total opportunity of ~\$4-6B



- Further develop Tilbury to position BC as a marine bunkering hub
- Long-term contracted LNG export opportunities
- Southern Crossing Gas Transmission Expansion for market expansion and resiliency
- Target of 30% reduction in customer GHG emissions by 2030
- Renewable gas target of 15% by 2030



## Other Electric

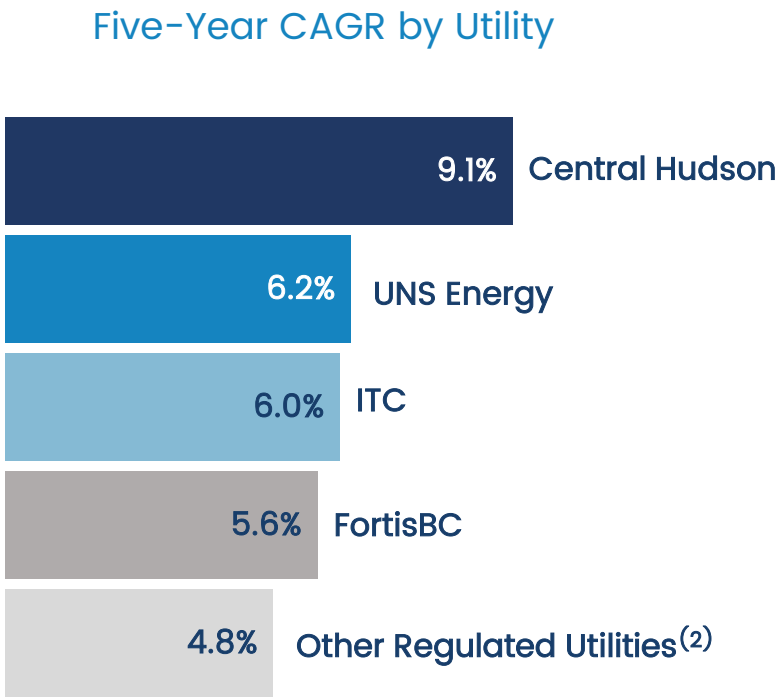
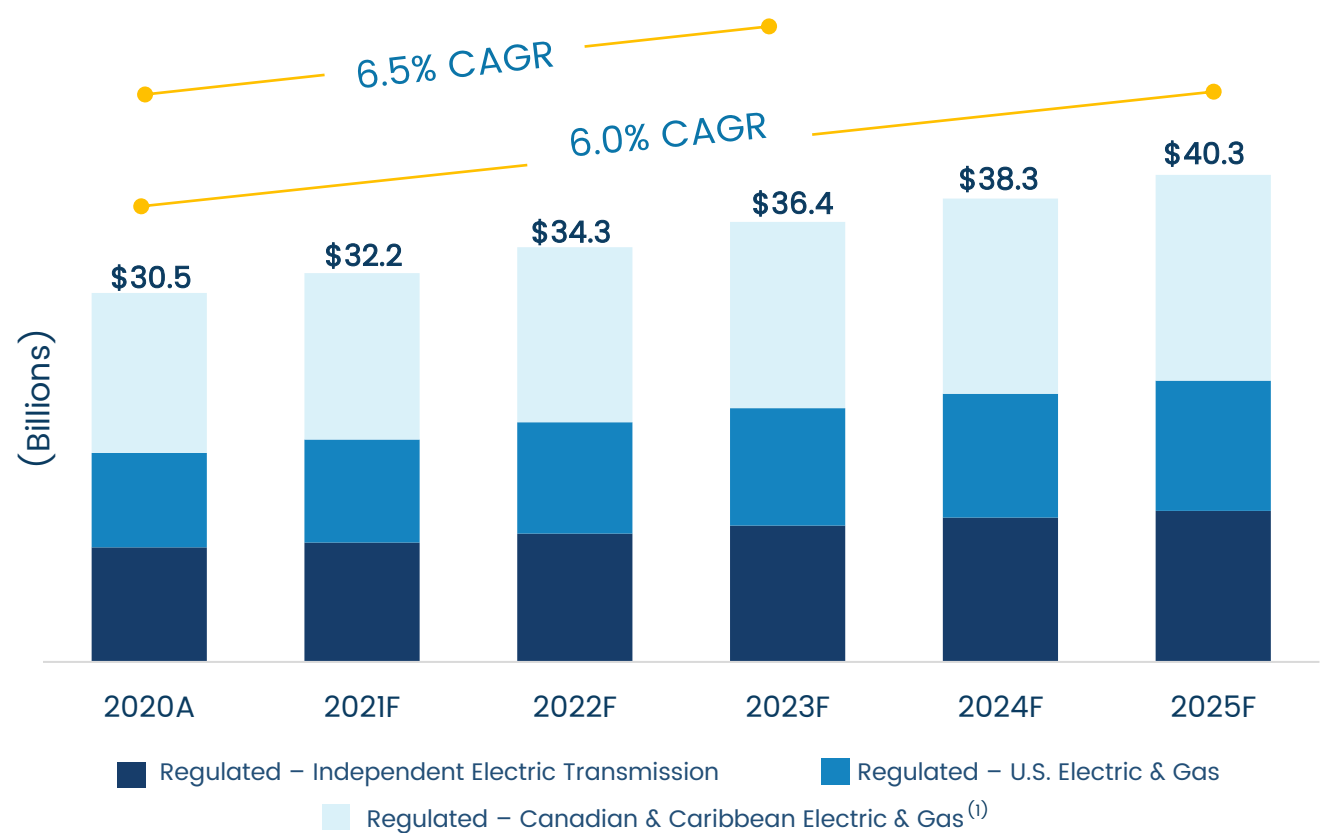
- **Caribbean Utilities:** Achieve National Energy Policy goal of 70% renewable energy by 2037 through IRP. IRP calls for 170 to 200 MW of solar in addition to wind power, battery storage and conversion of diesel to natural gas.
- **FortisTCL:** Resilient National Energy Transition Strategy finalized with Government in 2019. Latest IRP completed in 2019 targets 33% renewable energy generation by 2040.



<sup>(1)</sup> 78 GW and 105 GW of additional renewable capacity in MISO and SPP queues; 4 GW and 9 GW of battery storage in MISO and SPP queues as at January 12, 2021 and February 5, 2021, respectively.

# LOW-RISK RATE BASE GROWTH

## INCREASES BY ~\$10B OVER THE FIVE-YEAR PERIOD



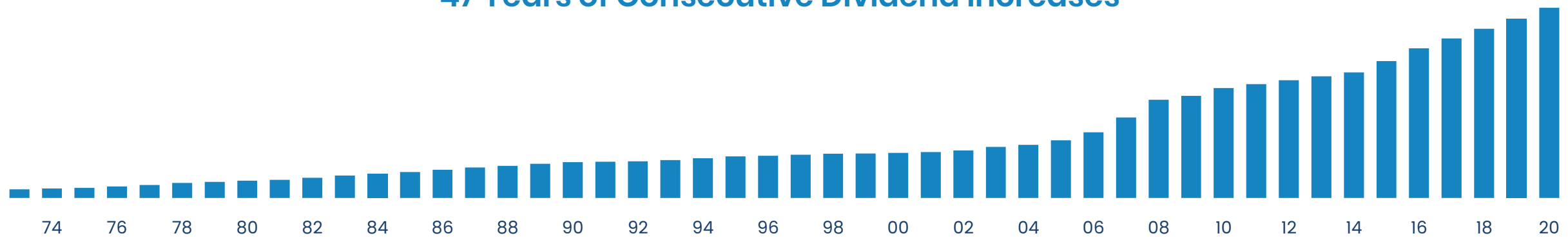
Note: US dollar-denominated rate base converted at USD:CAD foreign exchange rate of \$1.34 for 2020 and forecast of \$1.32 for 2021-2025. Rate base growth CAGRs calculated using constant USD:CAD foreign exchange rate of \$1.32.

(1) Includes Fortis' share of the rate base of the Wataynikaneyap Transmission Power Project.  
(2) Comprises FortisAlberta and Other Electric segment.



# 6% AVERAGE ANNUAL DIVIDEND GROWTH GUIDANCE TO 2025

47 Years of Consecutive Dividend Increases





# FUNDING PLAN & LIQUIDITY

## ~\$3.5B IN LONG-TERM DEBT ISSUED IN 2020

2021-2025 Funding Plan



Credit Facilities (\$B)



(1) Cash from operations after dividends and including customer contributions. This is a Non-US GAAP measure.  
(2) Regulated utility and corporate debt issuances, net of repayments.  
(3) Includes funds from the Corporation's dividend reinvestment and employee stock purchase and option plans.

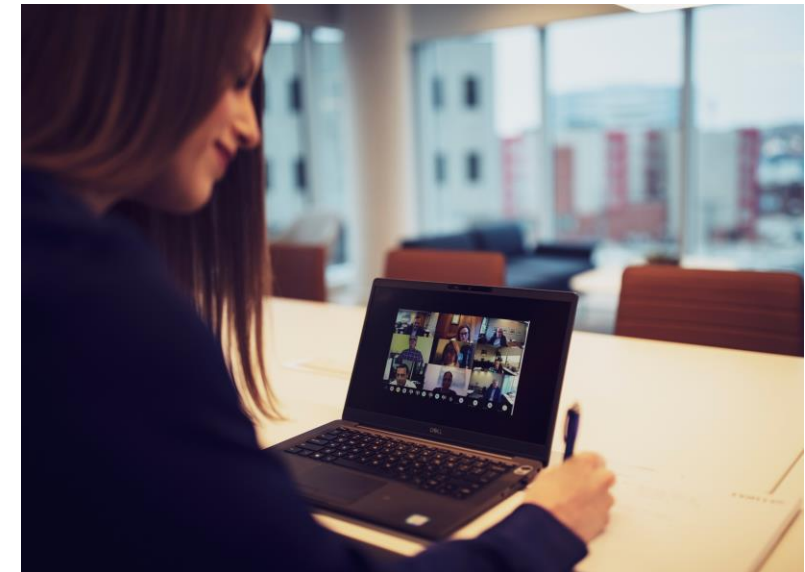
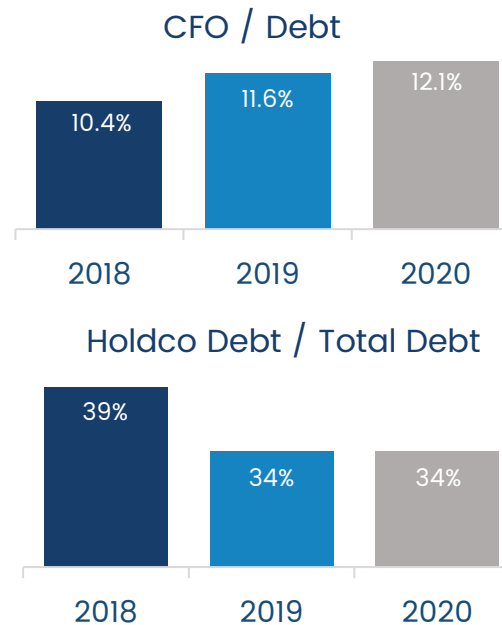


# MAINTAINING INVESTMENT-GRADE CREDIT RATINGS

## Credit Ratings

<b>S&amp;P Global</b>	A <sup>-(1)</sup>
<b>MORNINGSTAR</b>   <b>DBRS</b>	BBB (high)
<b>MOODY'S</b>	Baa3

## Credit Metrics<sup>(2)</sup>



(1) S&P rating reflects the issuer credit rating. Fortis' unsecured debt rating is BBB+.

(2) Based on Moody's methodology: (i) cash from operations ("CFO") is before changes in working capital and is reduced by 50% of preference share dividends; and (ii) holdco debt and total debt reflect 50% of preference share equity, and other adjustments, where applicable. Holdco debt reflects Fortis Inc. corporate debt and debt outstanding outside its regulated utilities. Debt excludes cash on hand.

# MANAGEABLE EXPOSURE TO FOREIGN EXCHANGE



## Earnings and Capital Plan

- ~66% of operating earnings<sup>(1)</sup> from U.S. and Caribbean
- ~60% of \$19.6B five-year capital plan from U.S. and Caribbean
- Five-year capital plan translated at forecast USD:CAD FX rate of \$1.32



## Hedging Activities

- US dollar-denominated debt held at corporate level
- Average rate forward contracts



## Five-Cent Change in USD:CAD Exchange Rate Sensitivity

- Average annual EPS: ~\$0.06
- Five-year capital plan: ~\$400M

Note: All information as at December 31, 2020.

(1) Non-US GAAP measure. Excludes Corporate and Other segment.

# CONSTRUCTIVE REGULATORY OUTCOME AT TEP

## NEW RATES EFFECTIVE JANUARY 1, 2021

### Newly Approved Trackers Reducing Risk:

#### Tax Expense Adjustor Mechanism

- Allows for flow through of income tax effects associated with post-test year tax legislation

#### Transmission Cost Adjustor

- Flow through of FERC formula rates to retail customers reducing regulatory lag
- ~\$1.1B transmission investments planned over next five years representing ~1/3 of TEP's five-year capital plan

	2017 Rate Case <i>Settlement</i>	2020 Rate Case <i>Decision</i>
Test Year	June 30, 2015	December 31, 2018
Rate Base	US\$2.0B	US\$2.7B
Non-Fuel Rate Increase	US\$82M	US\$58M
Equity/Debt	50%/50%	53%/47%
ROE	9.75%	9.15% <sup>(1)</sup>
Trackers:		
• Purchased Power & Fuel Adjustment Charge (PPFAC)	✓	✓
• Lost Fixed Cost Recovery Mechanism (LFCR)	✓	✓
• Environmental Cost Adjustor (ECA)	✓	✓
• Tax Expense Adjustor Mechanism (TEAM)		✓
• Transmission Cost Adjustor Mechanism (TCA)		✓

(1) Excludes fair value increment of 20 basis points.

# ONGOING REGULATORY PROCEEDINGS



- [Notice of Proposed Rulemaking \(NOPR\) on Incentives](#) – Transmission Incentive NOPR issued in March 2020; comments filed in July 2020; awaiting next steps



- [General Rate Application](#) – Rate case filed in August 2020 with NYPSC requesting an electric rate increase of US\$33 million and gas delivery rate increase of US\$14 million; decision expected in 2021



- [Generic Cost of Capital Proceeding \(GCOC\)](#) – In January 2021, BCUC announced that a GCOC proceeding will be initiated in the spring of 2021 for all regulated utilities in British Columbia effective January 2022



- [Generic Cost of Capital Proceeding](#) – Currently approved ROE and equity thickness parameters extended on a final basis for 2022



# WHY INVEST IN FORTIS?



Well-Run  
Businesses



ESG  
Leader



Geographic  
& Regulatory  
Diversity



Focused on  
Energy  
Delivery



Innovative



Low-Risk  
Growth  
Profile



Virtually  
All  
Regulated



6%  
Dividend  
Guidance



# FORTIS

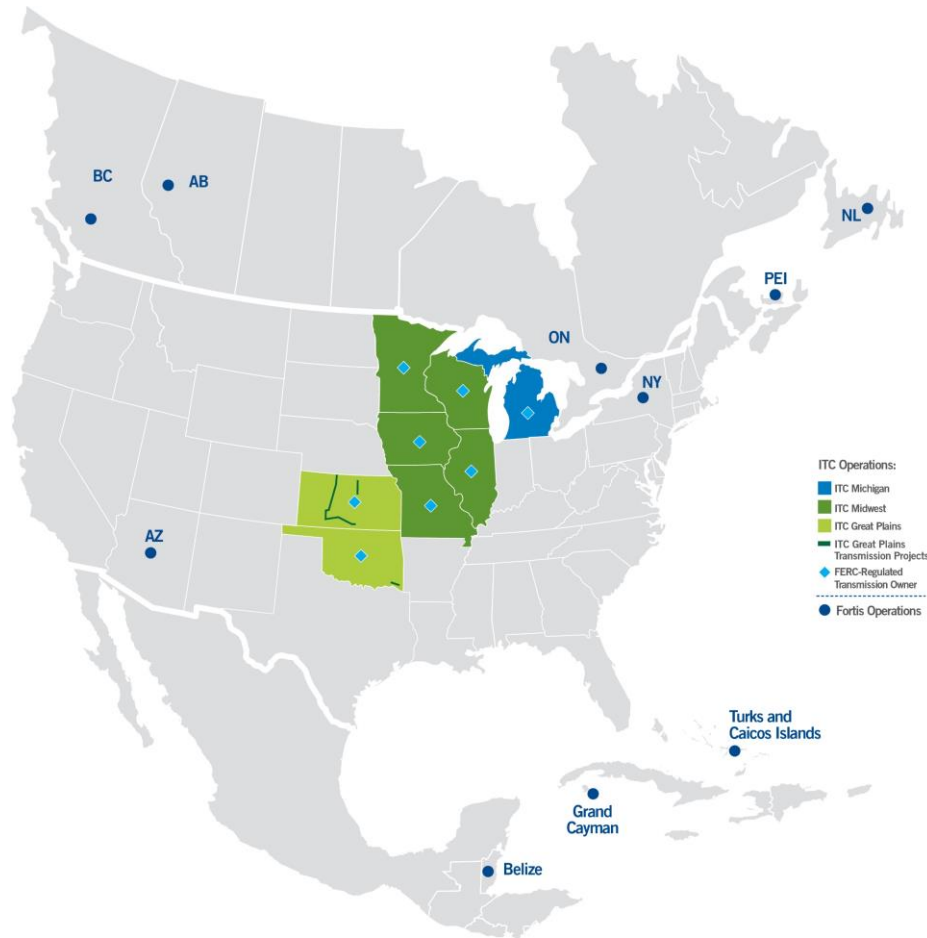
## APPENDIX



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# ITC HOLDINGS CORP.



Type of Utility	Transmission
Regulator	FERC
Regulatory Model	Cost of Service with FERC Formula Rates
Current Regulatory Construct	10.77–11.41% ROE on 60% equity
Significant Regulatory Features	Cost-based, forward-looking formula rates with annual true-up
2021F Rate Base <sup>(1)</sup>	\$9.9B
5-Year Rate Base CAGR	6.0%
2020 Assets % of Total Consolidated Regulated Assets <sup>(2)</sup>	37%
Development Opportunities <sup>(3)</sup>	Lake Erie Connector, Connecting Renewables & Grid Modernization
Regulatory Proceedings	Notice of Proposed Rulemaking on Incentive Policy & EV Charging Station Pilot Program

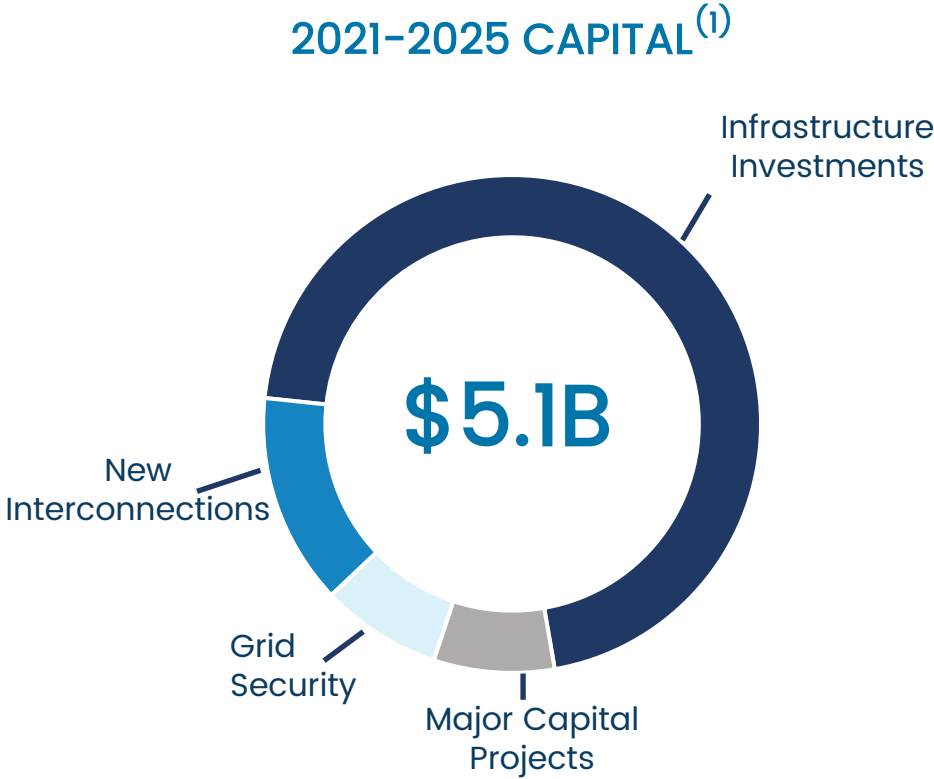
(1) US dollar-denominated rate base translated at a forecast USD:CAD foreign exchange rate of \$1.32.

(2) Includes goodwill

(3) Development opportunities are not included in the base capital forecast and represent incremental capital spending.



# ITC CAPITAL INVESTMENT OVERVIEW



## **\$3.6B Infrastructure Investments**

Rebuild, reliability, resiliency, system efficiencies, increased capacity, circuit overloads, pocket load growth



## **\$700M New Interconnections**

Supports economic development, load interconnection requests and changes in generation sources



## **\$400M Grid Security**

Physical and cyber hardening along with technology upgrades



## **\$400M Major Capital Projects**

Multi-Value Regional Transmission Projects & 34.5 to 69kV Transmission Conversion Project

(1) US dollar-denominated capital expenditures translated at a forecast USD:CAD foreign exchange rate of \$1.32.

# ITC BUILDING THE GRID OF THE FUTURE

## OPPORTUNITIES BEYOND THE PLAN

### New Technologies

**4 GW** and **9 GW** of battery storage in MISO<sup>(1)</sup> and SPP<sup>(2)</sup> queues



### Generation Shifts

**78 GW** and **105 GW** additional renewable capacity in MISO<sup>(1)</sup> & SPP queues<sup>(2)</sup>



### Access to Regional Markets

Regional transmission necessary to facilitate increased demand for renewables



### Grid Security

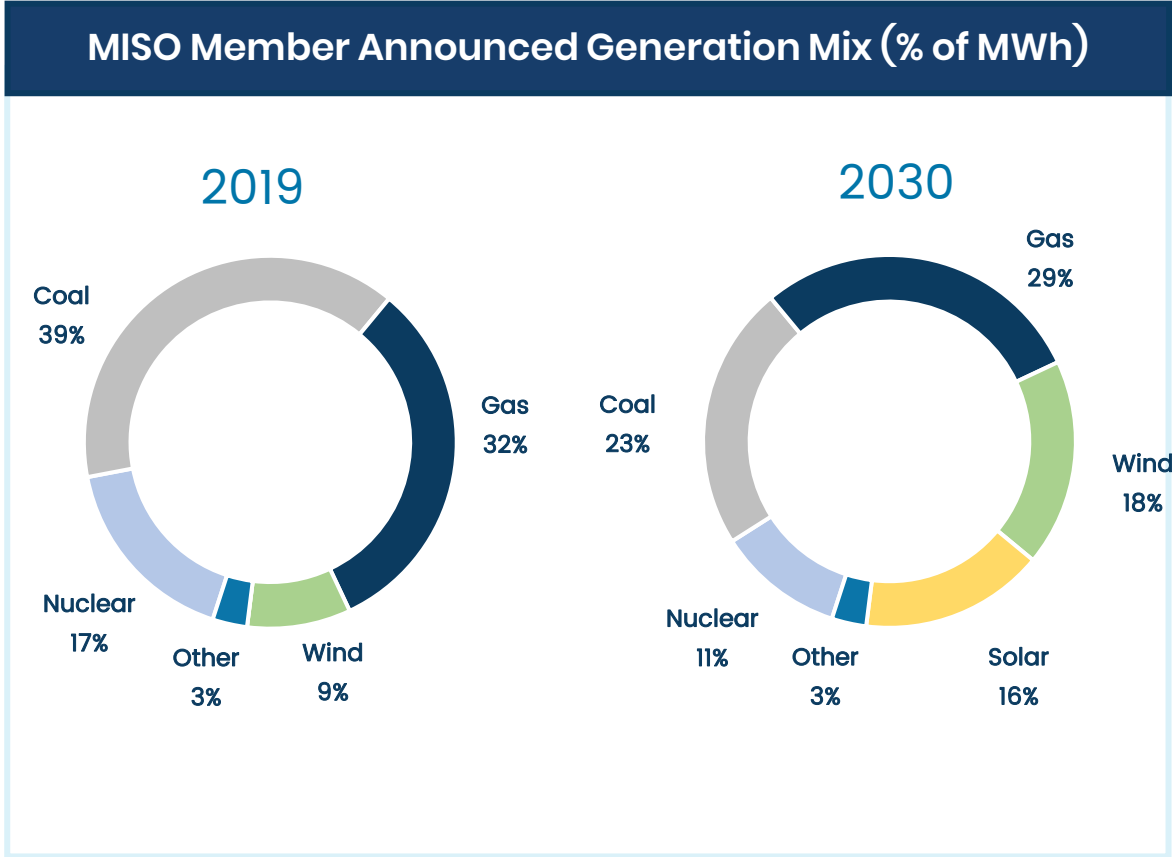
Hardening of telecommunications networks, physical and cybersecurity assets



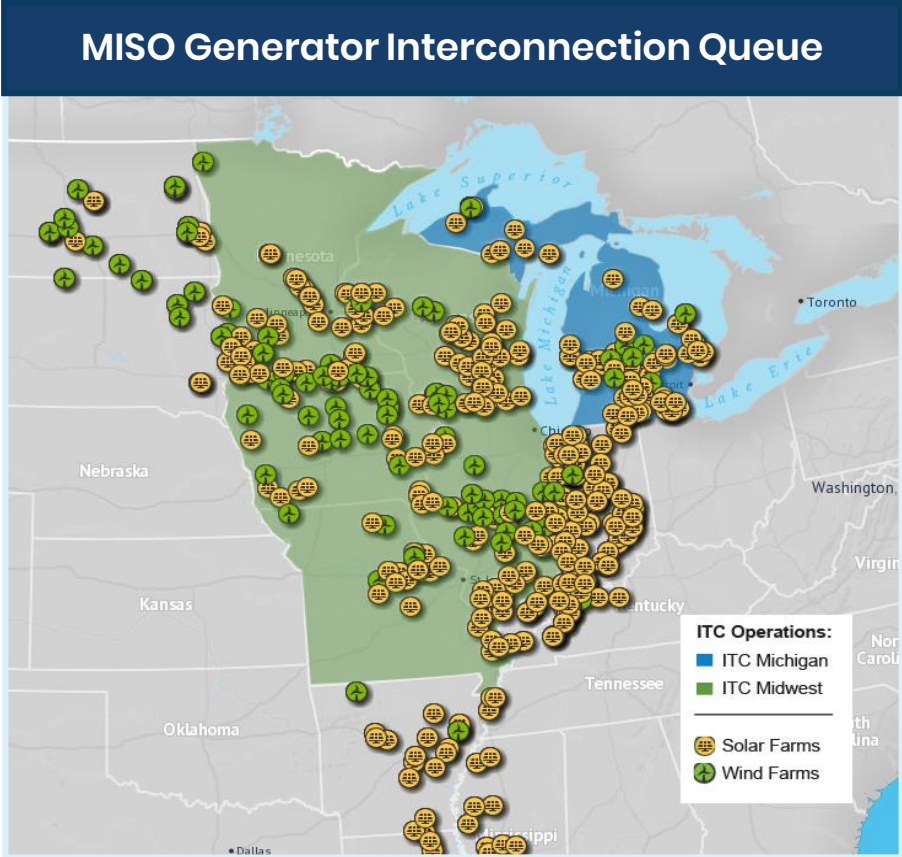
(1) Information as at January 12, 2021.  
(2) Information as at February 5, 2021.

# GENERATION PORTFOLIO CHANGES & NEW INTERCONNECTIONS

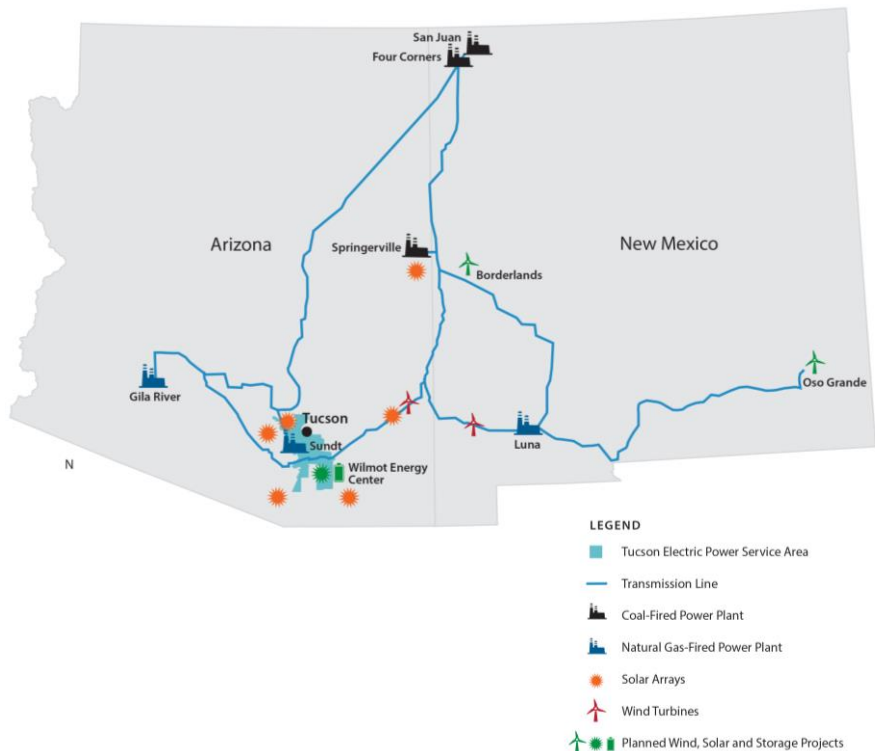
## POTENTIAL INCREMENTAL OPPORTUNITIES AT ITC



Source: MTEP20 <https://www.misoenergy.org/planning/planning/mtep20>



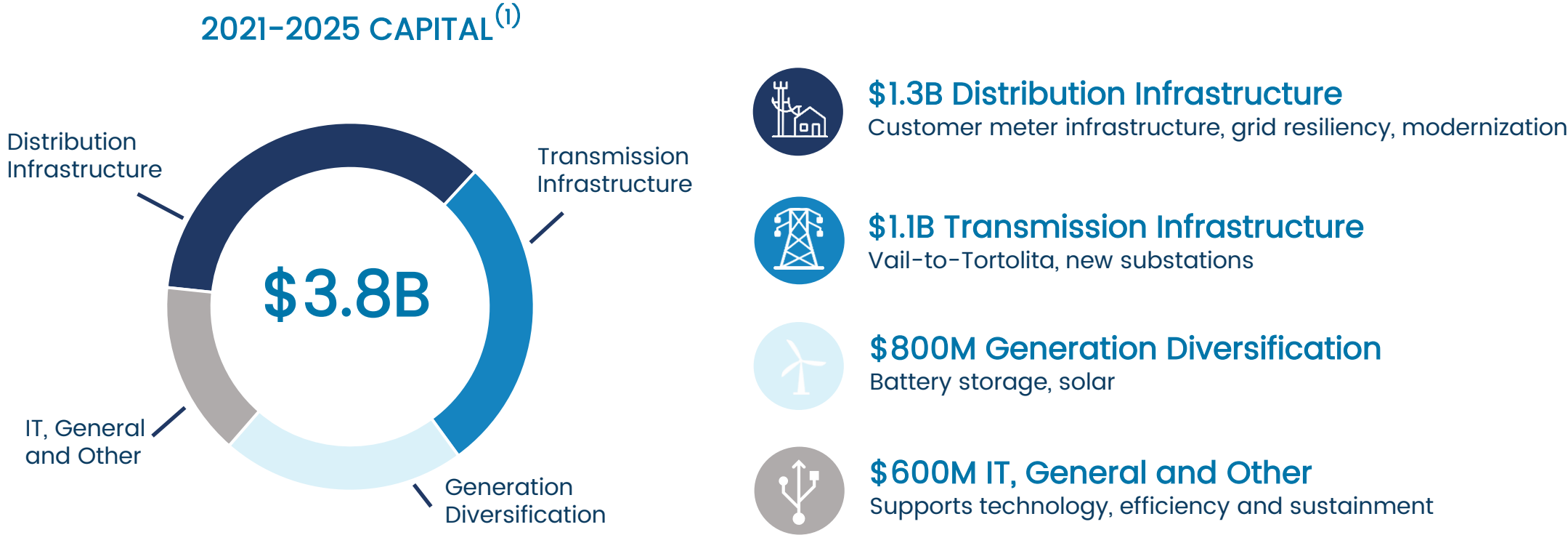
Source: <https://api.misoenergy.org/PublicGiQueueMap/index.html>



	Tucson Electric	UNS Electric	UNS Gas
Type of Utility	Electricity		Gas Distribution
Regulator	Arizona Corporation Commission & FERC		
Regulatory Model	Cost of service/historical test year & FERC formula transmission rates		
Current Regulatory Compact	9.15% ROE on 53.0% equity	9.50% ROE on 52.8% equity	9.75% ROE on 50.8% equity
2021F Rate Base <sup>(1)</sup>	\$6.2B		
5-Year Rate Base CAGR	6.2%		
2020 Assets % of Total Consolidated Regulated Assets <sup>(2)</sup>	20%		
Development Opportunities <sup>(3)</sup>	Renewables, Storage & Electric Transmission		
Regulatory Proceedings <sup>(4)</sup>	Hearing and Settlement Procedures for FERC Formula Rate Application		

(1) US dollar-denominated rate base translated at a forecast USD:CAD foreign exchange rate of \$1.32.  
(2) Includes goodwill  
(3) Development opportunities are not included in the base capital forecast and represent incremental capital spending.  
(4) Allowed ROE and equity based on Arizona Corporation Commission regulatory authority. FERC formula transmission rates reflect 10.40% ROE on 54.0% equity.

# UNS CAPITAL INVESTMENT OVERVIEW



(1) US dollar-denominated capital expenditures translated at a forecast USD:CAD foreign exchange rate of \$1.32.

# ARIZONA FOCUSED ON RENEWABLES

TEP Integrated Resource Plan filed in June 2020. With this IRP, TEP expects to have coal-free generation mix by 2032 and TEPs power will be more than 70% renewable by 2035



~460 MW of New Wind,  
Solar and Storage



3,400 MW Planned Additions of  
Wind, Solar and Storage



1,073 MW Planned Coal Retirements  
Complete Exit from Coal by 2032



-170 MW  
2022



-387 MW  
2027



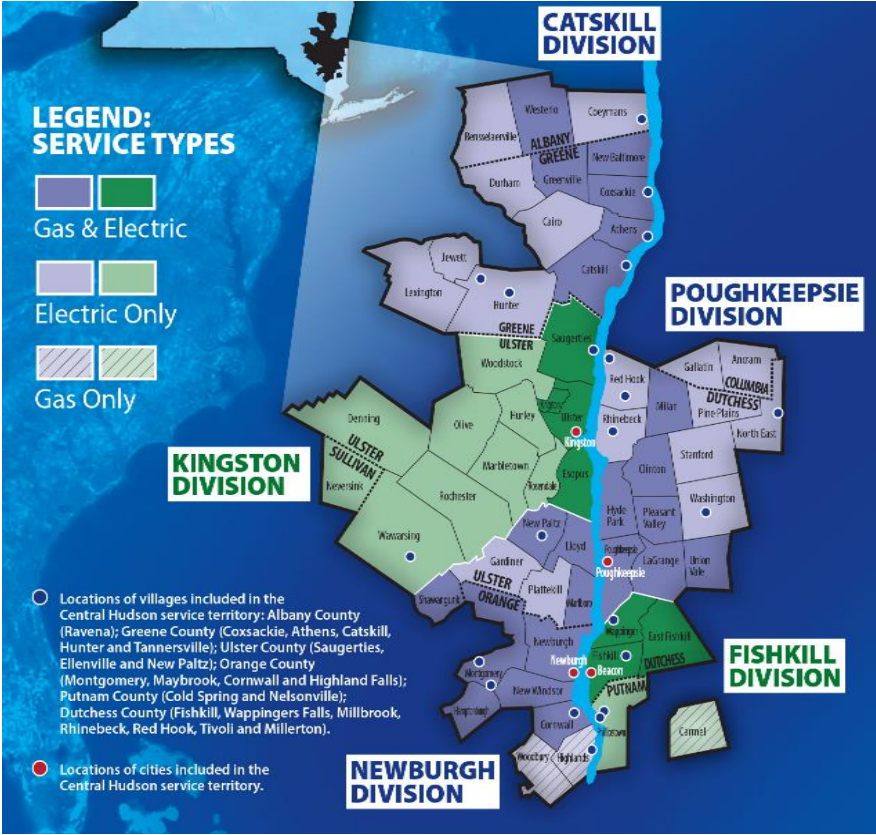
-110 MW  
2031



-406 MW  
2032



# CENTRAL HUDSON

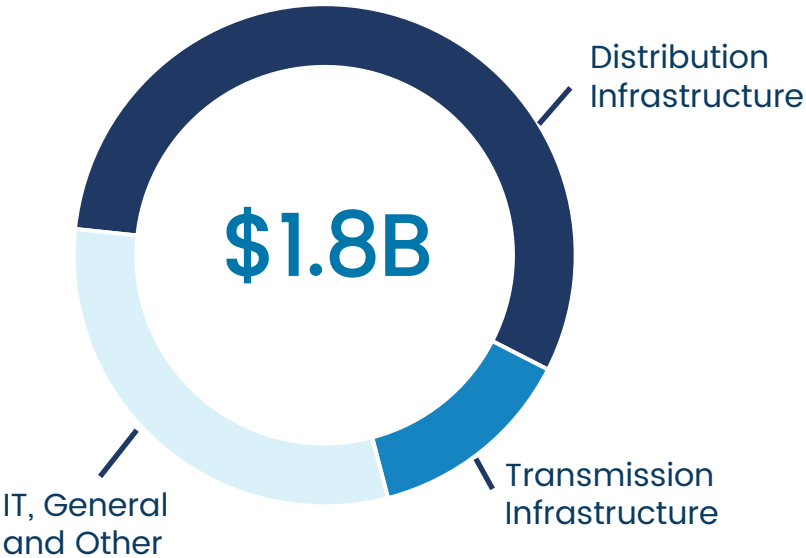


Type of Utility	Gas and Electricity
Regulator	New York State Public Service Commission
Regulatory Model	Cost of service on future test year
Current Regulatory Compact	8.8% ROE on 50% equity
Significant Regulatory Features	Revenue decoupling
2021F Rate Base <sup>(1)</sup>	\$2.3B
5-Year Rate Base CAGR	9.1%
2020 Assets % of Total Consolidated Regulated Assets <sup>(2)</sup>	7%
Development Opportunities <sup>(3)</sup>	Grid Modernization
Regulatory Proceeding	General Rate Application & COVID-19 Generic Proceeding

(1) US dollar-denominated rate base translated at a forecast USD:CAD foreign exchange rate of \$1.32.  
(2) Includes goodwill  
(3) Development opportunities are not included in the base capital forecast and represent incremental capital spending.

# CENTRAL HUDSON CAPITAL INVESTMENT OVERVIEW

## 2021-2025 CAPITAL<sup>(1)</sup>



**\$1.0B Distribution Infrastructure**  
Distribution automation and modernization

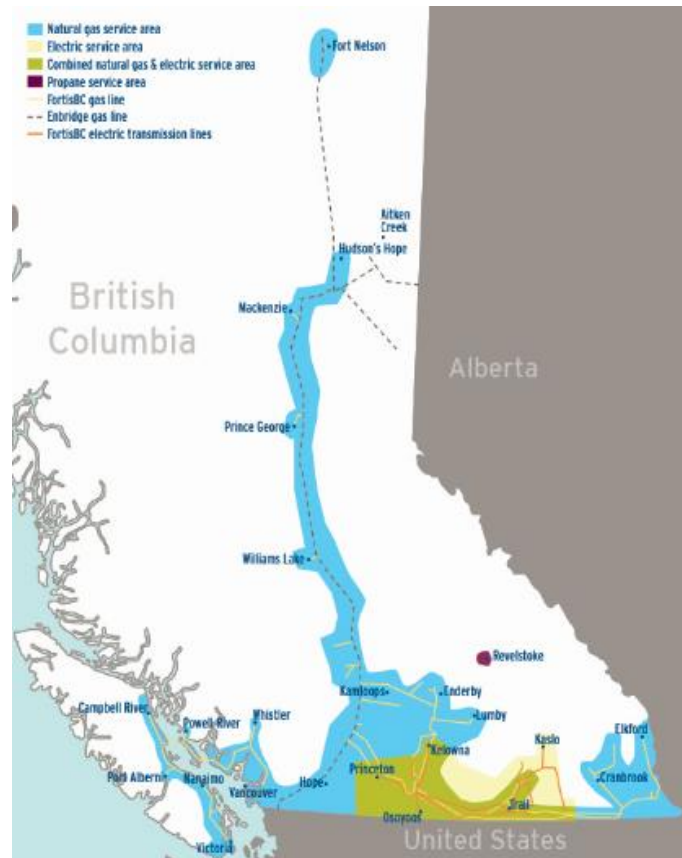


**\$240M Transmission Infrastructure**  
Replacement of aging infrastructure



**\$550M IT, General and Other Modernization**  
Building the Workforce of the Future

(1) US dollar-denominated capital expenditures translated at a forecast USD:CAD foreign exchange rate of \$1.32.



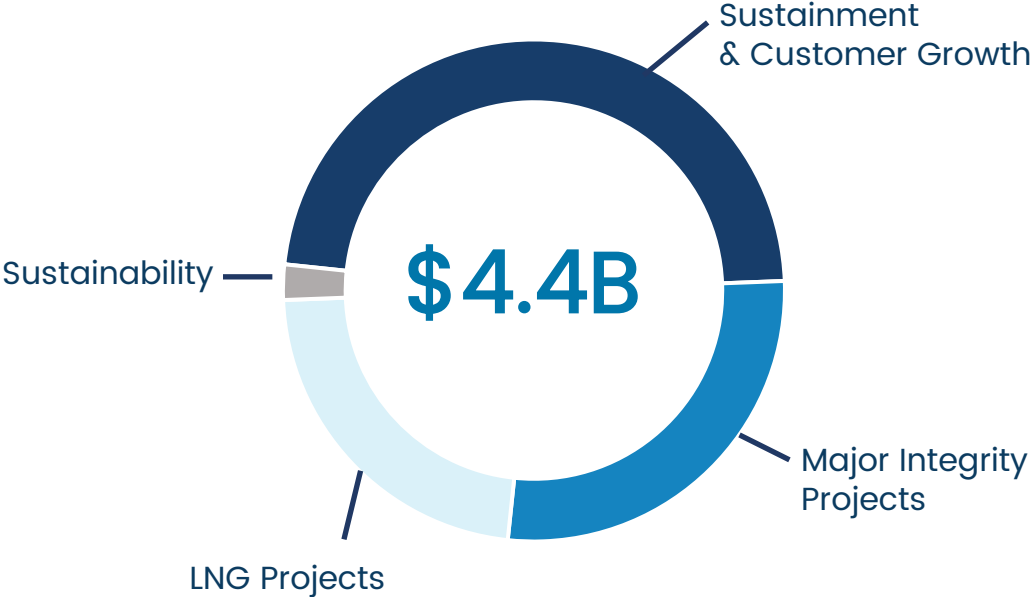
	FortisBC Gas	FortisBC Electric
Type of Utility	Gas distribution	Electricity
Regulator	British Columbia Utilities Commission	
Regulatory Model	Cost of service with incentive mechanisms	
Current Regulatory Compact	8.75% ROE on 38.5% equity	9.15% ROE on 40.0% equity
Significant Regulatory Features	Multi-year rates with revenue deferrals – changes in consumption and commodity costs do not impact earnings	
2021F Rate Base	\$5.2B	\$1.5B
5-Year Rate Base CAGR	6.1%	3.5%
2020 Assets % of Total Consolidated Regulated Assets <sup>(1)</sup>	14%	5%
Development Opportunities <sup>(2)</sup>	LNG for Marine Bunkering, LNG Bulk Export & Gas Infrastructure	N/A
Regulatory Proceeding	Generic Cost of Capital	

(1) Includes goodwill

(2) Development opportunities are not included in the base capital forecast and represent incremental capital spending.

# FORTISBC CAPITAL INVESTMENT OVERVIEW

## 2021-2025 CAPITAL



### \$2.1B Sustainment & Customer Growth

Ongoing maintenance requires significant capital investment  
Includes customer growth and general plant investment



### \$1.2B Major Integrity Projects

Inland Gas Upgrades Project  
Transmission Integrity Management Capabilities Project  
Advanced Metering Infrastructure Project



### \$1.0B LNG Projects

Eagle Mountain Woodfibre Gas Line Project  
Tilbury 1B  
Tilbury LNG Resiliency Tank



### \$100M Sustainability

Renewable gas projects  
Natural gas for transportation

# FORTISALBERTA

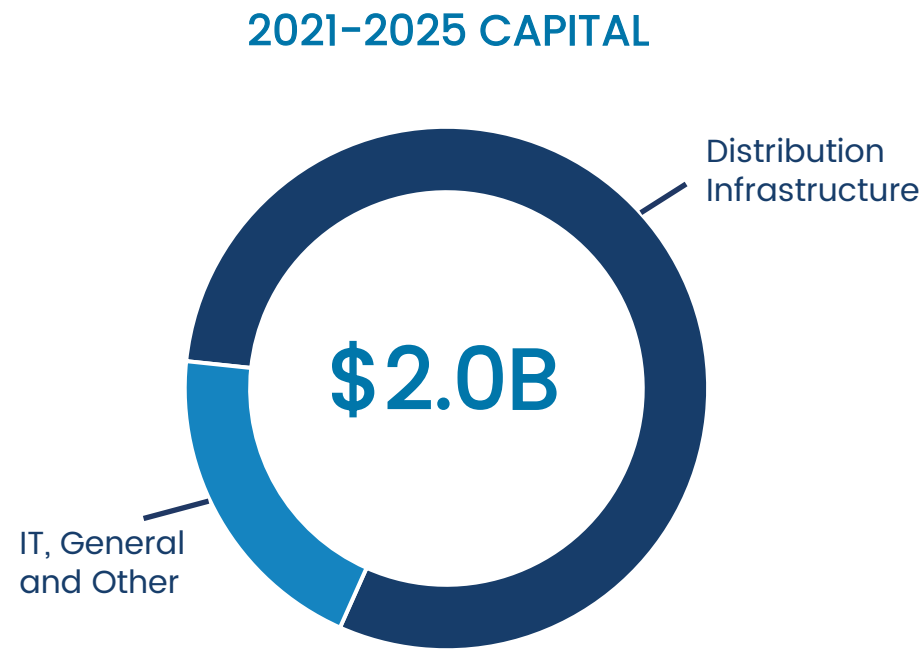


Type of Utility	Electricity distribution
Regulator	Alberta Utilities Commission
Regulatory Model	PBR
Current Regulatory Compact	8.5% ROE on 37% equity
Significant Regulatory Features	~85% of revenue derived from fixed-billing determinants
2021F Rate Base	\$3.8B
5-Year Rate Base CAGR	2.9%
2020 Assets % of Total Consolidated Regulated Assets <sup>(1)</sup>	9%

(1) Includes goodwill



# FORTISALBERTA CAPITAL INVESTMENT OVERVIEW



**\$1.6B Distribution Infrastructure**  
Safety & reliability of distribution assets, meter upgrades, pole management program, modernization



**\$400M IT, General and Other**

# OTHER ELECTRIC UTILITIES



Type of Utility	Electricity		
Regulator	Newfoundland and Labrador Board of Commissioners of Public Utilities	Island Regulatory and Appeals Commission	Ontario Energy Board
Regulatory Model	Cost of service on future test year	Cost of service on future test year	Cost of service with incentives
Current Regulatory Compact	8.50% ROE on 45% equity	9.35% ROE on 40% equity	8.52% – 9.30% ROE on 40% equity <sup>(2)</sup>
2021F Rate Base	\$1.2B	\$0.4B	\$0.4B <sup>(1)</sup>
5-Year Rate Base CAGR	3.4%	4.7%	21.7% <sup>(3)</sup>
2020 Assets % of Total Consolidated Regulated Assets <sup>(4)</sup>	3%	1%	1%
Development Opportunities <sup>(5)</sup>	Grid Modernization	Grid Modernization	Municipal Utility Consolidation

(1) Includes Canadian Niagara Power, Cornwall Electric, Algoma Power and Fortis' 39% ownership of the Wataynikaneyap Transmission Power Project.

(2) Allowed ROE is 8.52% for Algoma Power, 8.78% for Canadian Niagara Power distribution and 9.30% for Canadian Niagara Power transmission. Cornwall Electric operates under a franchise agreement with a price-cap and commodity cost flow through and, therefore, is not regulated with reference to an allowed ROE.

(3) Reflects Fortis' 39% ownership of the Wataynikaneyap Transmission Power Project

(4) Includes goodwill

(5) Development opportunities are not included in the base capital forecast and represent incremental capital spending.

# OTHER ELECTRIC UTILITIES (CONTINUED)



Type of Utility	Electricity	
Regulator	Utility Regulation and Competition Office	Government of the Turks and Caicos Islands
Regulatory Model	Cost of service	Cost of service
2020 Achieved ROE <sup>(2)</sup>	9.0%	4.1%
2021F Rate Base <sup>(3)</sup>	\$0.8B	\$0.5B
5-Year Rate Base CAGR	8.8%	1.9%
2020 Assets % of Total Consolidated Regulated Assets <sup>(4)</sup>	2%	1%
Development Opportunities <sup>(5)</sup>	Grid Modernization, Battery Storage & Renewables	

(1) Fortis has an approximate 60% controlling interest in Caribbean Utilities Company, Ltd.

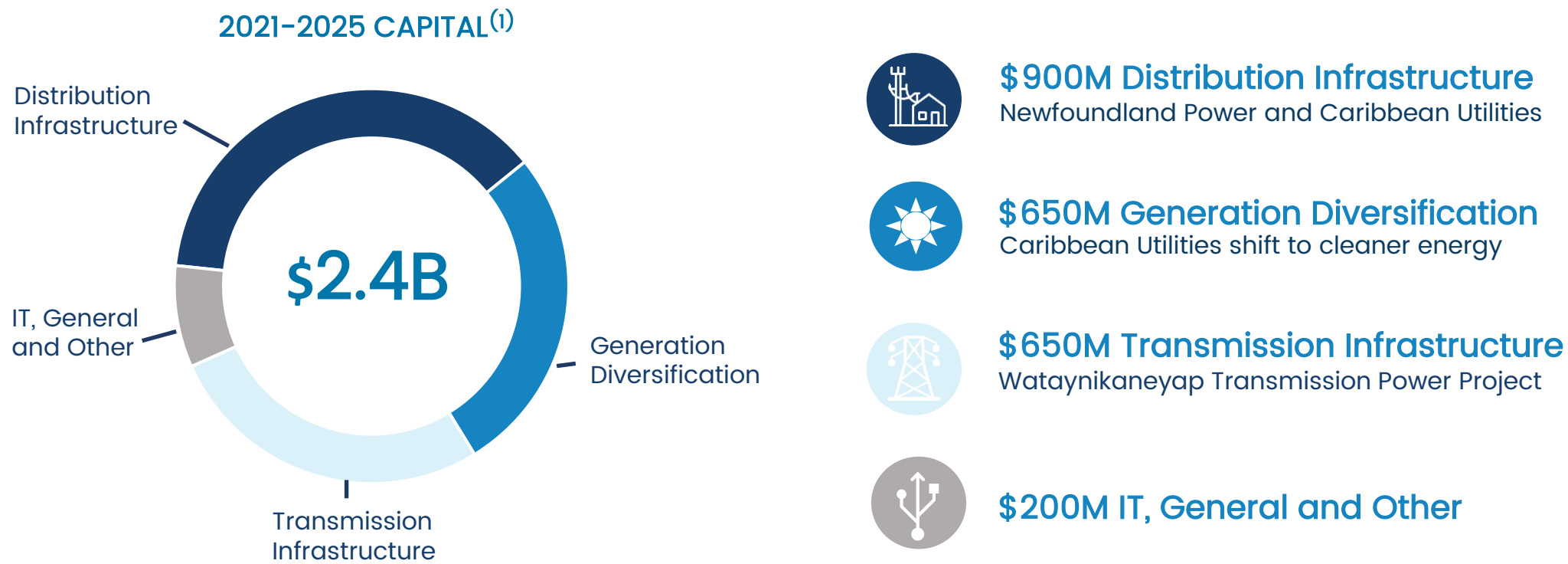
(2) Lower achieved ROEs in 2020 reflect impacts of COVID-19 pandemic.

(3) US dollar-denominated rate base translated at a forecast USD:CAD foreign exchange rate of \$1.32.

(4) Includes goodwill

(5) Development opportunities are not included in the base capital forecast and represent incremental capital spending.

# OTHER ELECTRIC CAPITAL INVESTMENT OVERVIEW



(1) US dollar-denominated capital expenditures translated at a forecast USD:CAD foreign exchange rate of \$1.32.

# 2020–2025 RATE BASE BY SEGMENT

	Rate Base <sup>(1)</sup>						5-Year CAGR to 2025
(\$billions)	2020A	2021F	2022F	2023F	2024F	2025F	
Regulated – Independent Electric Transmission ITC <sup>(2)</sup>	9.5	9.9	10.6	11.3	11.9	12.5	6.0%
Regulated – US Electric & Gas							
UNS Energy	5.7	6.2	6.7	7.0	7.3	7.6	6.2%
Central Hudson	2.1	2.3	2.5	2.7	3.0	3.2	9.1%
Total Regulated – US Electric & Gas	7.8	8.5	9.2	9.7	10.3	10.8	7.0%
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	5.1	5.2	5.4	5.7	6.2	6.8	6.1%
FortisAlberta	3.7	3.8	3.9	4.0	4.1	4.2	2.9%
FortisBC Electric	1.4	1.5	1.5	1.6	1.7	1.7	3.5%
Other Electric <sup>(3)</sup>	3.0	3.3	3.7	4.1	4.1	4.3	6.8%
Total Regulated – Canadian & Caribbean Electric & Gas	13.2	13.8	14.5	15.4	16.1	17.0	5.2%
<b>Total Rate Base Forecast</b>	<b>30.5</b>	<b>32.2</b>	<b>34.3</b>	<b>36.4</b>	<b>38.3</b>	<b>40.3</b>	<b>6.0%</b>

(1) US dollar-denominated rate base converted at USD:CAD foreign exchange rate of \$1.34 for 2020 and \$1.32 for 2021–2025. Five-year CAGRs calculated using constant USD:CAD foreign exchange rate of \$1.32.

(2) Fortis has an 80.1% controlling ownership interest in ITC, rate base represents 100% ownership.

(3) Comprises Eastern Canadian and Caribbean electric utilities.



# 2021-2025 CAPITAL BY SEGMENT

Capital Plan <sup>(1)</sup>						
(\$millions)	2021F	2022F	2023F	2024F	2025F	2021-2025 TOTAL
Regulated – Independent Electric Transmission ITC	1,000	1,007	993	1,107	993	5,100
Regulated – US Electric & Gas						
UNS Energy	749	781	840	853	547	3,770
Central Hudson	<u>306</u>	<u>416</u>	<u>409</u>	<u>346</u>	<u>310</u>	<u>1,787</u>
Total Regulated – US Electric & Gas	1,055	1,197	1,249	1,199	857	5,557
Regulated – Canadian & Caribbean Electric & Gas						
FortisBC Energy	467	569	671	788	1,238	3,733
FortisAlberta	346	367	413	438	468	2,032
FortisBC Electric	153	130	112	111	132	638
Other Electric <sup>(2)</sup>	<u>721</u>	<u>560</u>	<u>453</u>	<u>368</u>	<u>307</u>	<u>2,409</u>
Total Regulated – Canadian & Caribbean Electric & Gas	1,687	1,626	1,649	1,705	2,145	8,812
Non-Regulated	71	13	17	21	46	168
<b>Total Capital Plan</b>	<b>3,813</b>	<b>3,843</b>	<b>3,908</b>	<b>4,032</b>	<b>4,041</b>	<b>19,637</b>

(1) US dollar-denominated capital expenditures translated at a forecast USD:CAD foreign exchange rate of \$1.32.

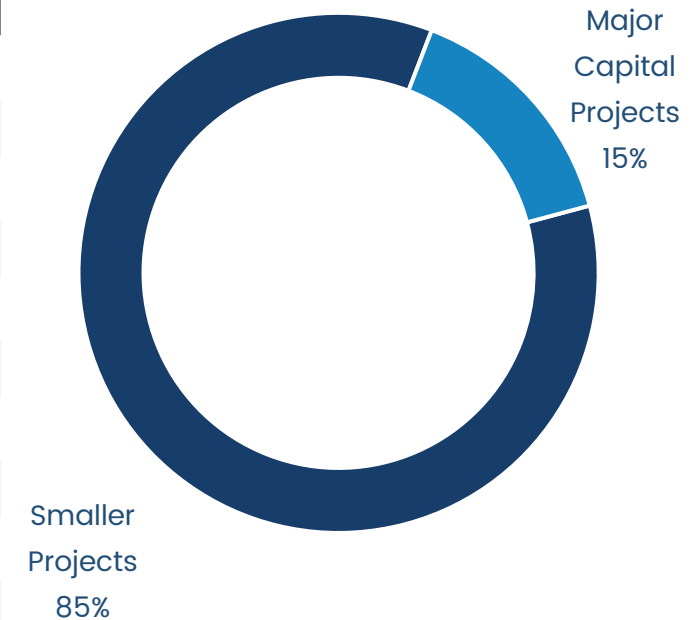
(2) Comprises Eastern Canadian and Caribbean electric utilities.

# MAJOR CAPITAL PROJECTS

(\$ Millions)	Total Incurred to the End of 2020	2021-2025 Plan <sup>(1)</sup>	Expected Year of Completion
ITC Multi-Value Regional Transmission Projects	642 <sup>(2)</sup>	261	2023
ITC 34.5 kV to 69 kV Transmission Conversion Project	445	148	Post-2025
UNS Vail-to-Tortolita Project <sup>(3)</sup>	-	244	2023
UNS Oso Grande Wind Project <sup>(4)</sup>	574	24	2021
FortisBC Eagle Mountain Woodfibre Gas line Project <sup>(5)</sup>	-	350	2025
FortisBC Transmission Integrity Management Capabilities Project	21	441	Post-2025
FortisBC Inland Gas Upgrades Project	59	230	2025
FortisBC Tilbury 1B	20	376	2025
FortisBC Tilbury LNG Resiliency Tank	10	209	Post-2025
FortisBC Advanced Metering Infrastructure Project	-	247	Post-2025
Wataynikaneyap Transmission Power Project <sup>(6)</sup>	178	536	2023

Note: Major capital projects are defined as projects, other than ongoing maintenance projects, individually costing \$200 million or more. Total project costs include forecasted capitalized interest and non-cash equity component of allowance for funds used during construction, where applicable.

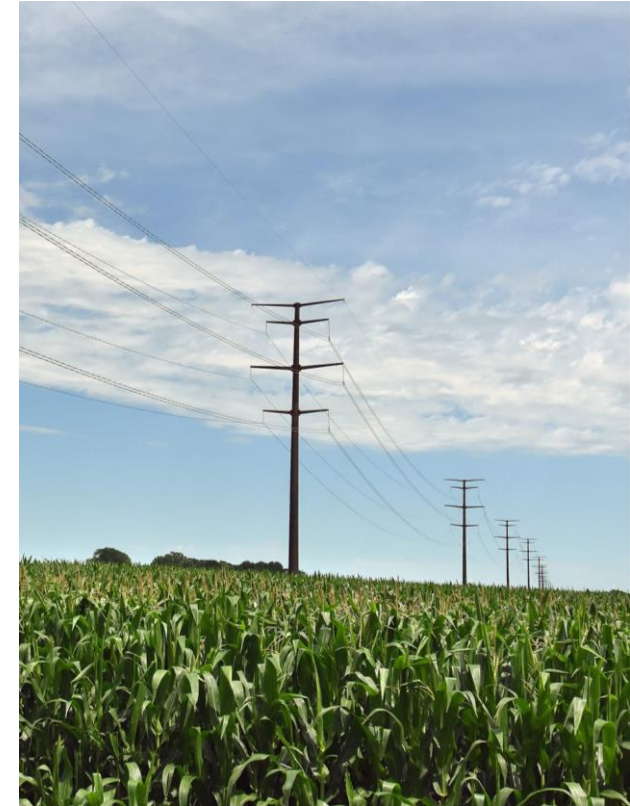
- (1) U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD exchange rate of 1.32 for 2021 through 2025.
- (2) Reflects capital expenditures since date of acquisition of ITC on October 14, 2016.
- (3) The Vail-to-Tortolita transmission project was previously disclosed as a phase of the Southline Transmission Project.
- (4) Construction is expected to be completed and the facility placed in service in the first half of 2021.
- (5) Capital plan is net of customer contributions.
- (6) Represents Fortis' 39% share of the estimated capital spending for the project, including deferred development costs.



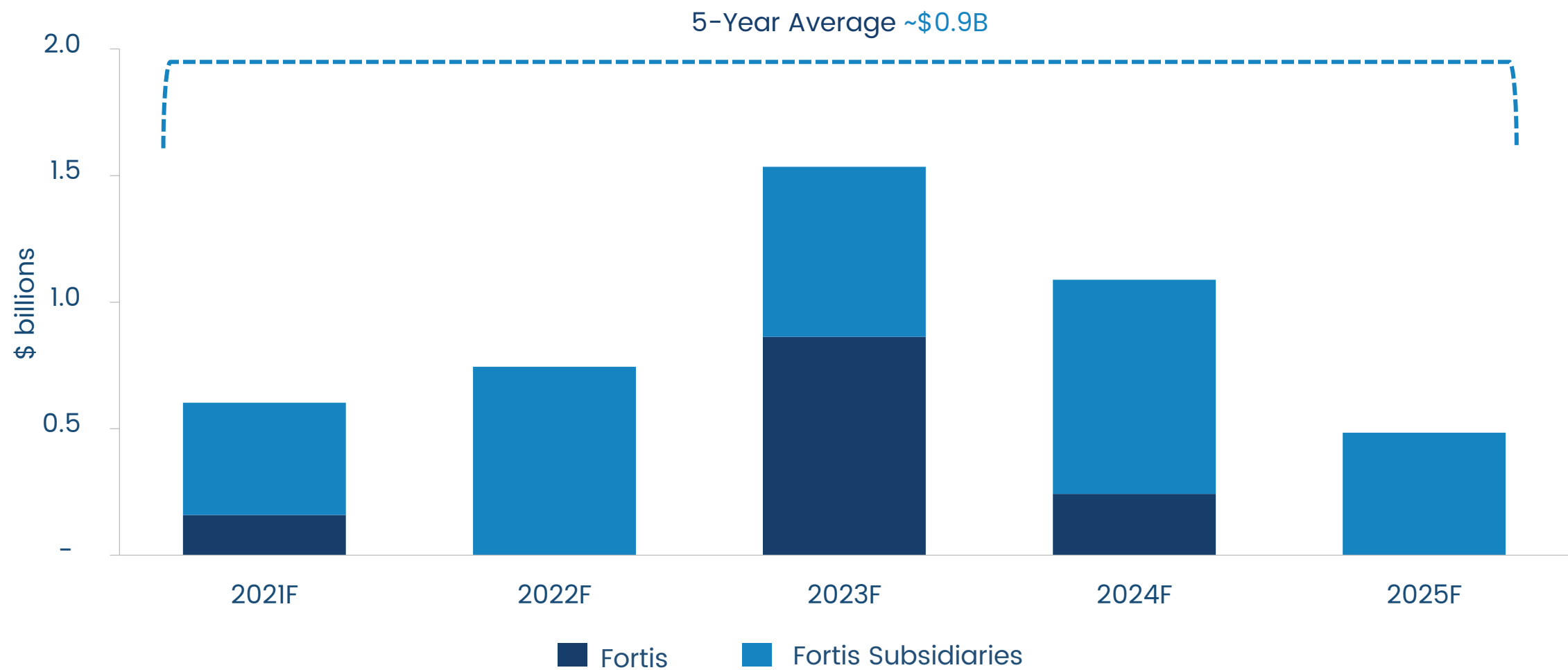
# INVESTMENT-GRADE CREDIT RATINGS

Company	S&P Global	MOODY'S	MORNINGSTAR
Fortis Inc.	A-(1)	Baa3	BBB (High)
ITC Holdings Corp.	A-(1)	Baa2	n/a
ITC Regulated Subsidiaries	A	A1	n/a
TEP	A-	A3	n/a
Central Hudson	A-	A3	n/a
FortisBC Energy	n/a	A3	A
FortisBC Electric	n/a	Baa1	A (low)
FortisAlberta	A-	Baa1	A (low)
Newfoundland Power	n/a	A2	A

(1) S&P credit ratings for Fortis Inc. and ITC Holdings Corp. reflect the issuer credit ratings. The unsecured debt rating for Fortis Inc. and ITC Holdings Corp. is BBB+.



# MANAGEABLE DEBT MATURITIES



Note: Debt as at December 31, 2020 and excludes any new debt issuances during the forecast period. Excludes repayments of finance leases along with the current portion of credit facilities, which are assumed to be extended by one-year annually.



# STRONG LEADERSHIP TEAM



**David Hutchens**  
President & CEO



**Nora Duke**  
EVP, Sustainability &  
CHRO



**James Laurito**  
EVP, Business  
Development & CTO



**Jocelyn Perry**  
EVP, CFO



**Jim Reid**  
EVP, CLO &  
Corporate Secretary



**Gary Smith**  
EVP, Eastern Canadian &  
Caribbean Operations



**Linda Apsey**  
ITC



**Roger Dall'Antonia**  
FortisBC



**Ruth Forbes**  
FortisTCI



**Charles Freni**  
Central Hudson



**Susan Gray**  
UNS Energy



**Scott Hawkes**  
FortisOntario



**Richard Hew**  
Caribbean Utilities



**Gary Murray**  
Newfoundland Power



**Janine Sullivan**  
FortisAlberta



**Jason Roberts**  
Maritime Electric



**Lynn Young**  
BECOL

Fortis Inc.  
Executives

Utility  
CEOs