

# FORTIS

INVESTOR PRESENTATION  
MAY 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, including the Lake Erie Connector Project; 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; forecast debt maturities for 2021-2025; and potential impacts of changes in tax legislation.

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
- 3.4M Electric & Gas Customers
- ~9,000 Employees
- 99% Regulated Utility Assets
- ~\$26B Market Capitalization<sup>(1)</sup>
- ~13% Average Annual 20-Year Total Shareholder Return<sup>(1)</sup>
- \$32.2B 2021F Rate Base

<sup>(1)</sup> As of April 30, 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



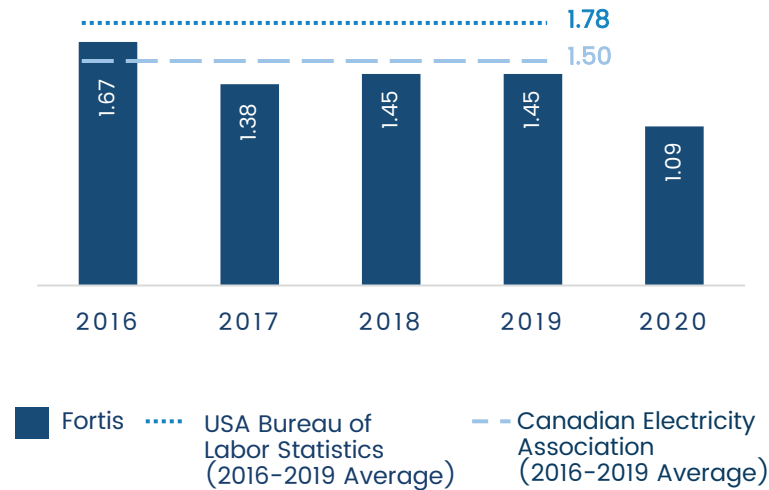
Investment-Grade Credit Ratings



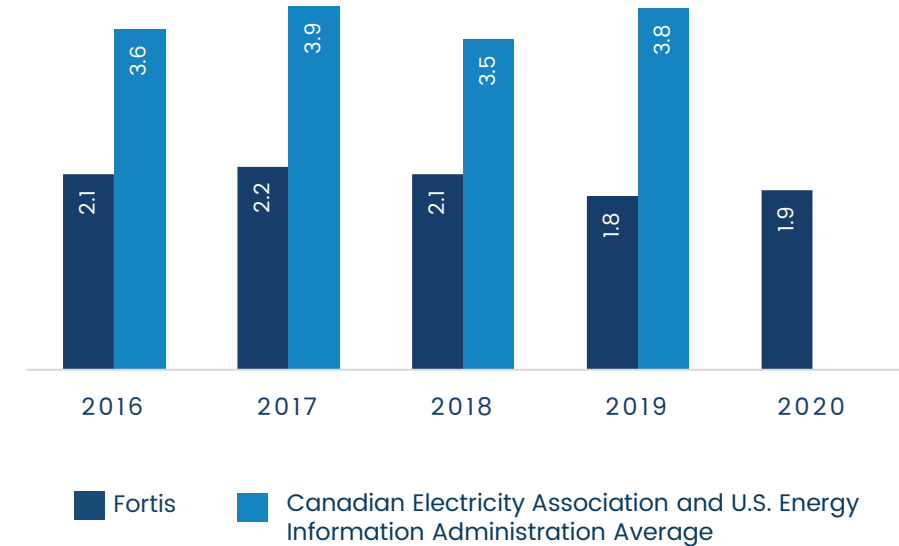
# DELIVERING SAFE AND RELIABLE SERVICE



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



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



(1) Injuries per 200,000 hours worked.

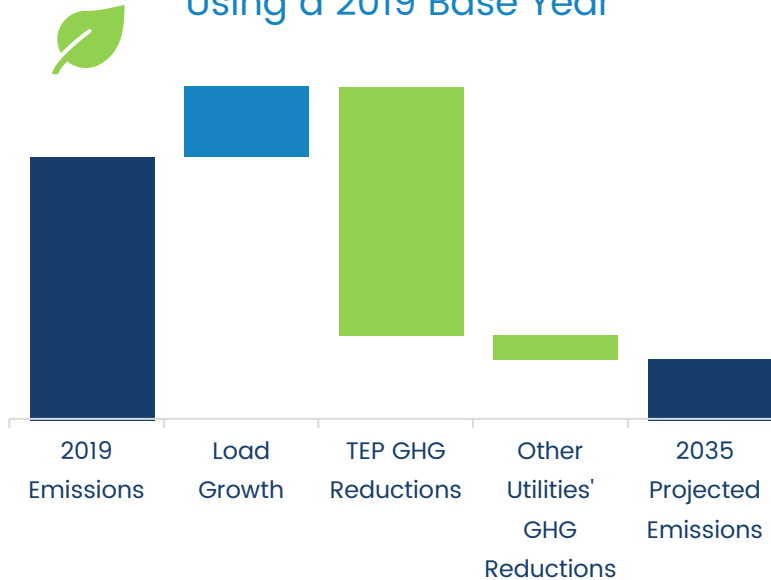
(2) Based on weighted average of Fortis' customer count in each jurisdiction.

# CARBON EMISSIONS REDUCTION TARGET OF 75% BY 2035



Our target represents avoided emissions equivalent to taking ~2 million cars off the road in 2035 compared to 2019 levels

## 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 LEADERSHIP



Continued focus on

**Energy  
Delivery**



Industry leader in  
**Safety  
and Reliability**

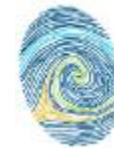
More than  
**\$15 million**  
in 2020 community  
investment



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

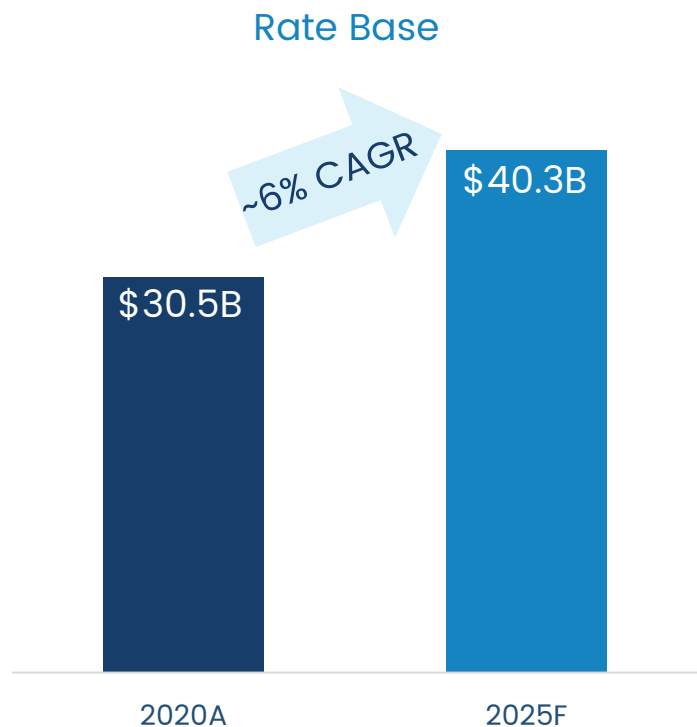
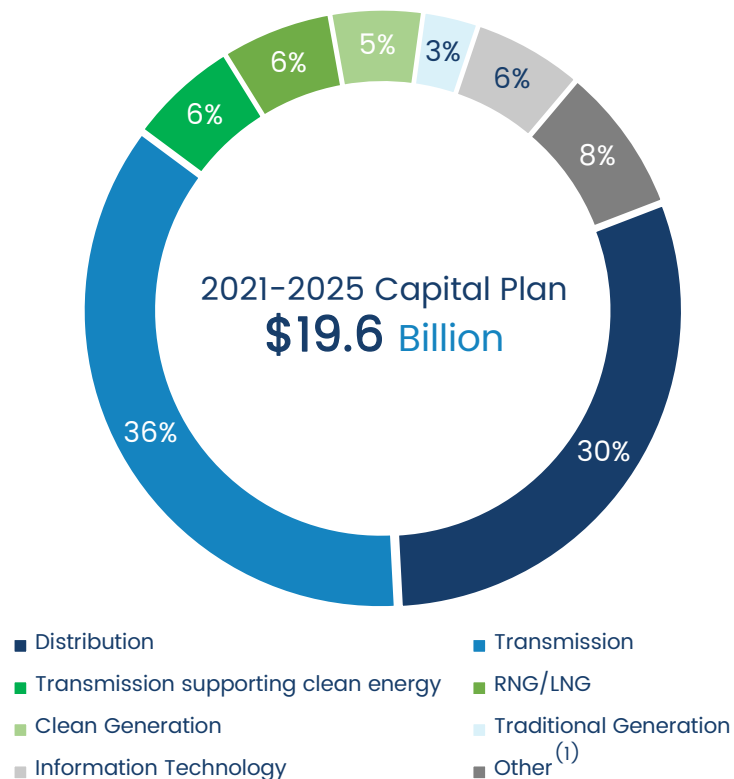


Industry recognition for  
**Strong Governance**  
grounded in local leadership &  
independence



Focused on  
**Gender Diversity**  
Women represent 50% of the Fortis Board;  
60% of Fortis utilities have either a female  
CEO or Board Chair; Inclusion & Diversity  
Council created in 2020

# BALANCED CAPITAL PLAN SUPPORTS LOW-RISK GROWTH



Note: Rate base growth percentage calculated using constant exchange rate.

(1) Other includes facilities, equipment, and vehicles.



# OPPORTUNITIES TO EXPAND & EXTEND GROWTH



- Lake Erie Connector Project (~\$1.7B)
- Significant renewable capacity and battery storage in MISO and SPP queues<sup>(1)</sup>
- MISO long-range transmission plan
- Hardening of physical assets and fibre networks



UNS Energy Corporation  
A Fortis Company

- 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 Opportunities

- Electric Vehicle Infrastructure
- Biden Infrastructure Plan
- 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 & conversion of diesel to natural gas.
- FortisTCI: Resilient National Energy Transition Strategy finalized with Government in 2019. Latest IRP completed in 2019 targets 33% renewable energy generation by 2040.



(1) 74 GW and 105 GW of additional renewable capacity in MISO and SPP queues; 4 GW and 10 GW of battery storage in MISO and SPP queues as at April 1, 2021 and April 16, 2021, respectively.

# UPDATE ON OPPORTUNITIES TO EXPAND & EXTEND GROWTH



- In March, MISO outlined a long-range transmission planning (LRTP) roadmap with a focus on system constraints and configuration options
- Potential new, regional projects
- Visibility on initial projects could be as early as this year



# UPDATE ON OPPORTUNITIES TO EXPAND & EXTEND GROWTH

**LAKE ERIE**  
*connector*



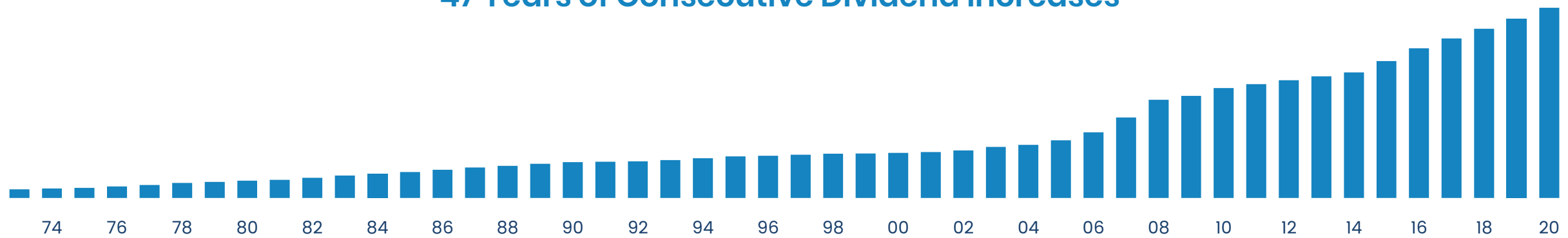
- In April, the Canada Infrastructure Bank announced that it would fund up to 40% of the ~\$1.7B project cost
- Project expected to:
  - Provide ~\$100M of annual savings to customers
  - Up to 2 to 3 million tons of CO<sub>2</sub> reductions annually
- Project is not currently included in five-year capital plan
  - ✓ Fully permitted in both the U.S. and Canada
  - Negotiation of transmission service agreements required to advance to construction phase





# 6% AVERAGE ANNUAL DIVIDEND GROWTH GUIDANCE TO 2025

47 Years of Consecutive Dividend Increases



# CREDIT RATINGS AND LIQUIDITY

Credit Ratings

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

Credit Facilities (\$B)



(1) S&P rating reflects the issuer credit rating. Fortis’ unsecured debt rating is BBB+. Ratings were affirmed in April 2021 and outlook revised to stable from negative.



# UPDATE ON REGULATORY PROCEEDINGS



- **Notice of Proposed Rulemaking (NOPR) on Incentives** – In April 2021, FERC issued a supplemental NOPR proposing to eliminate the 50 bps RTO adder for transmission owners that have been RTO members for more than three years; stakeholder comments due in June 2021; initial NOPR issued in March 2020 remains outstanding



- **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; settlement discussions ongoing; decision expected in 2021



- **Generic Cost of Capital Proceeding (GCOC)** – In January 2021, BCUC announced a GCOC proceeding will be initiated in Q2 2021 effective January 2022; participants invited to provide comments on scope of proceeding in March 2021, including proposed effective date



- **Generic Cost of Capital Proceeding** – Currently approved ROE and equity thickness parameters extended for 2022
- **2023 Generic Cost of Service (COS) Review & Evaluation of PBR** – In March 2021, AUC initiated a generic COS review to establish 2023 rates and a generic proceeding to evaluate past and current PBR plans; reports expected in mid-2021

# WHY INVEST IN FORTIS?



Well-Run  
Businesses



ESG  
Leader



Geographic  
& Regulatory  
Diversity



Focused on  
Energy  
Delivery



Innovative



Low-Risk  
Growth  
Profile



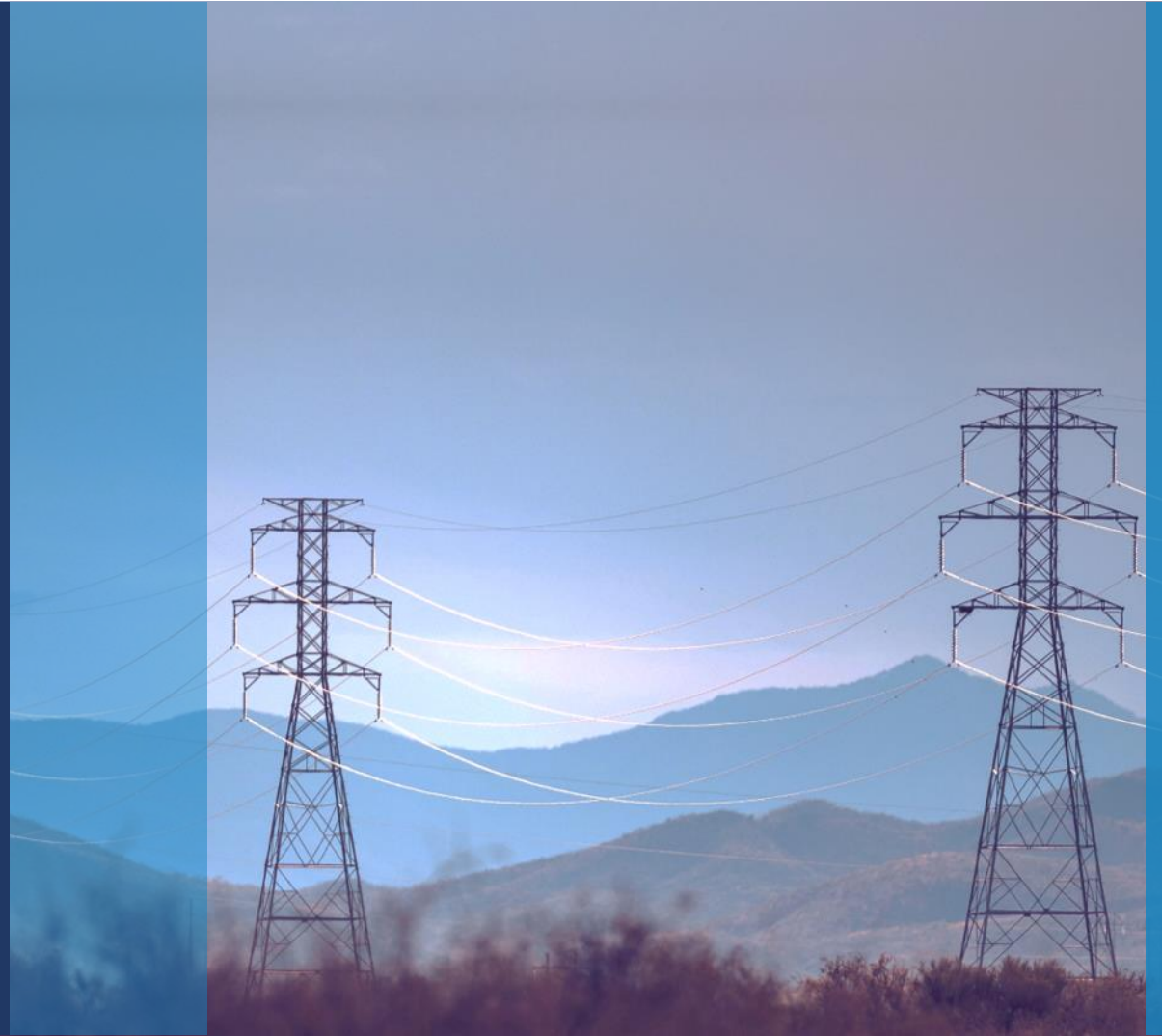
Virtually  
All  
Regulated



6%  
Dividend Growth  
Guidance

# FORTIS

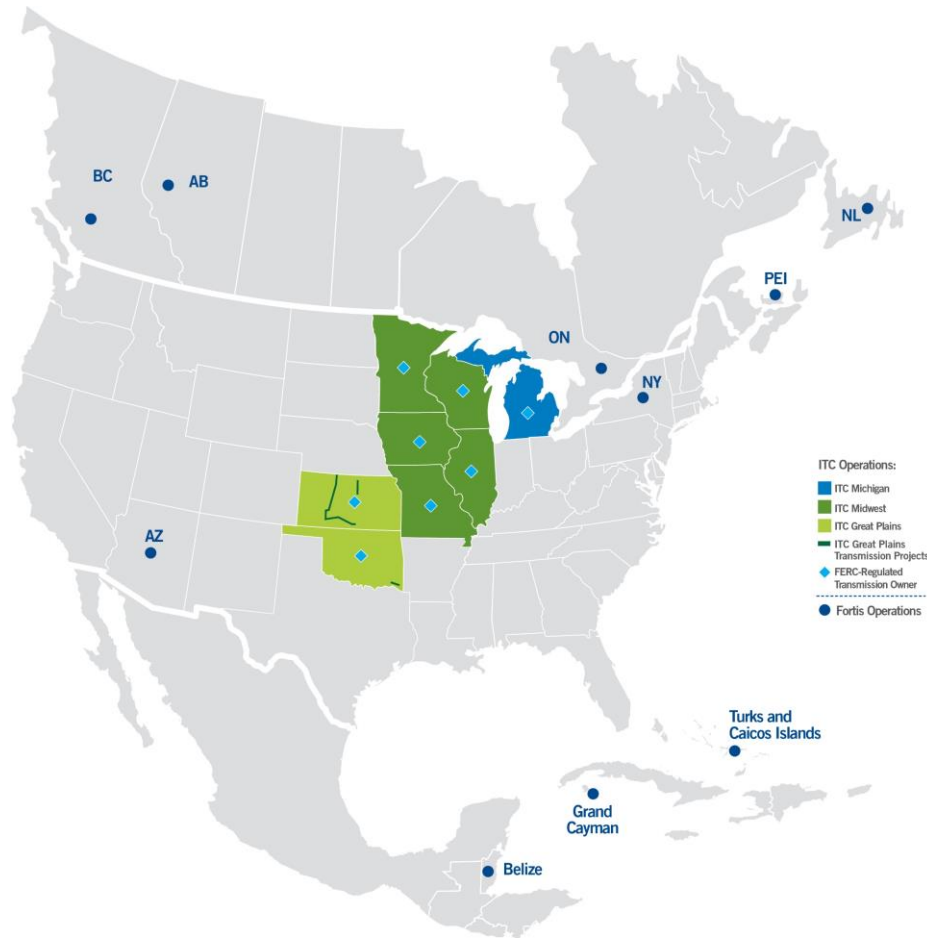
INVESTOR PRESENTATION  
MAY 2021



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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 (NOPR) on Incentive Policy & Supplemental NOPR Regional Transmission Organization incentive adder

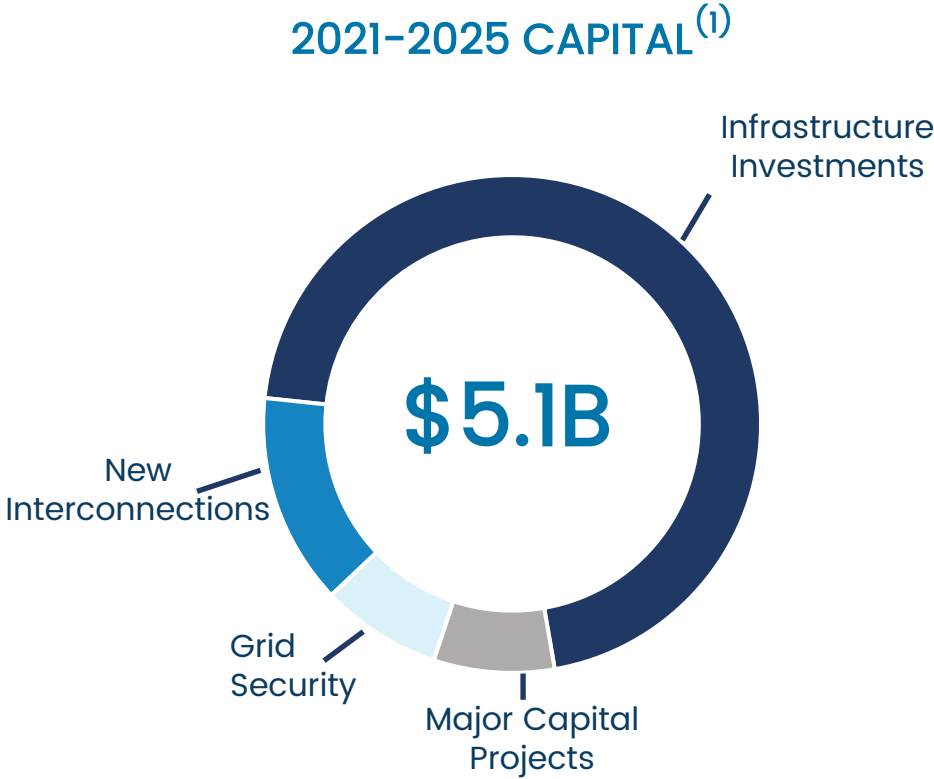
(1) US dollar-denominated rate base translated at a forecast USD:CAD foreign exchange rate of \$1.32.

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



### Generation Shifts

**74 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

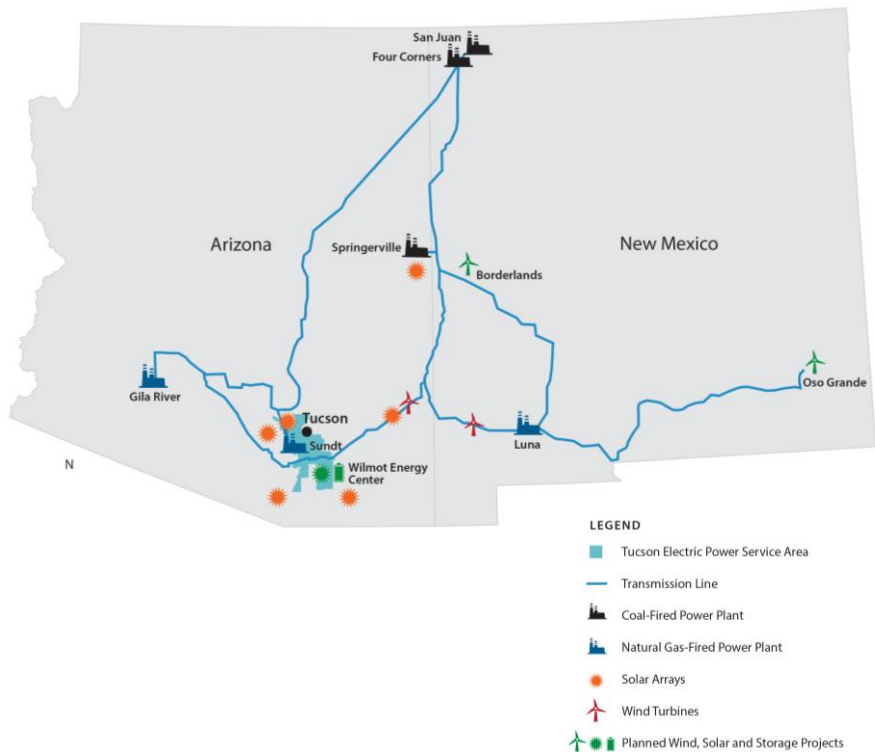


### Grid Security

Hardening of telecommunications networks, physical and cybersecurity assets



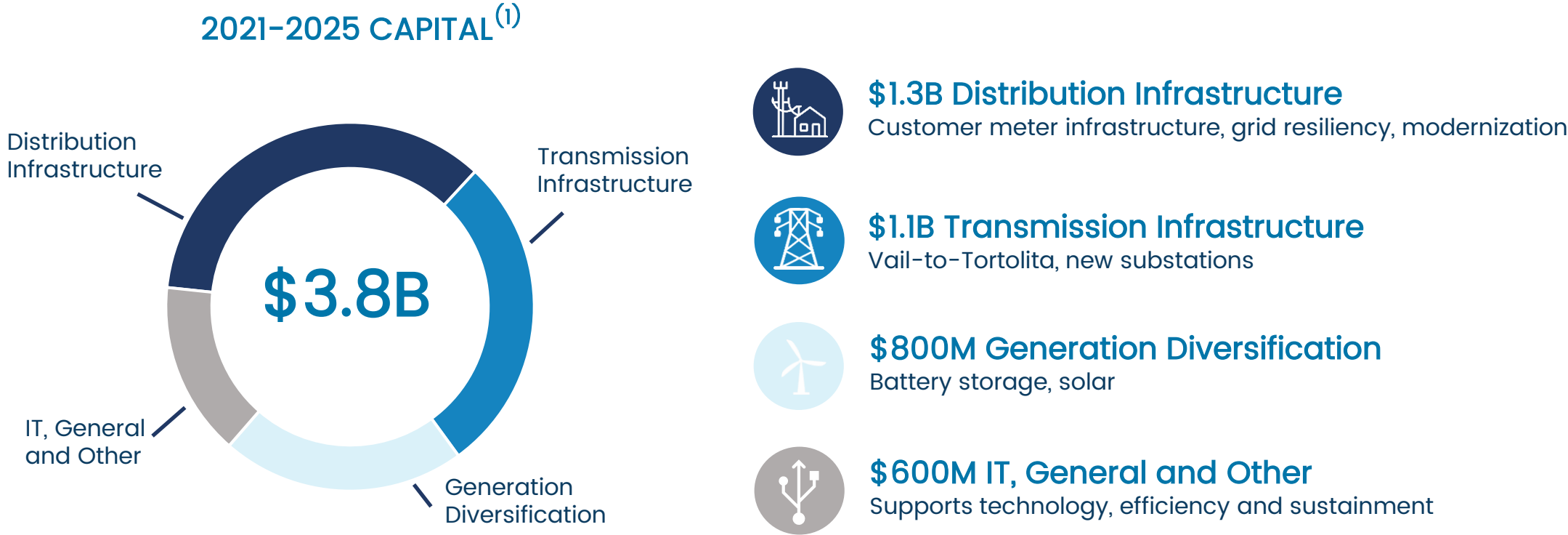
(1) Information as at April 16, 2021.  
(2) Information as at April 1, 2021.



	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



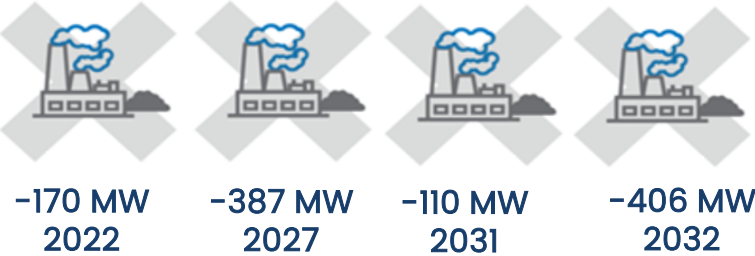
~460 MW of New Wind,  
Solar and Storage



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

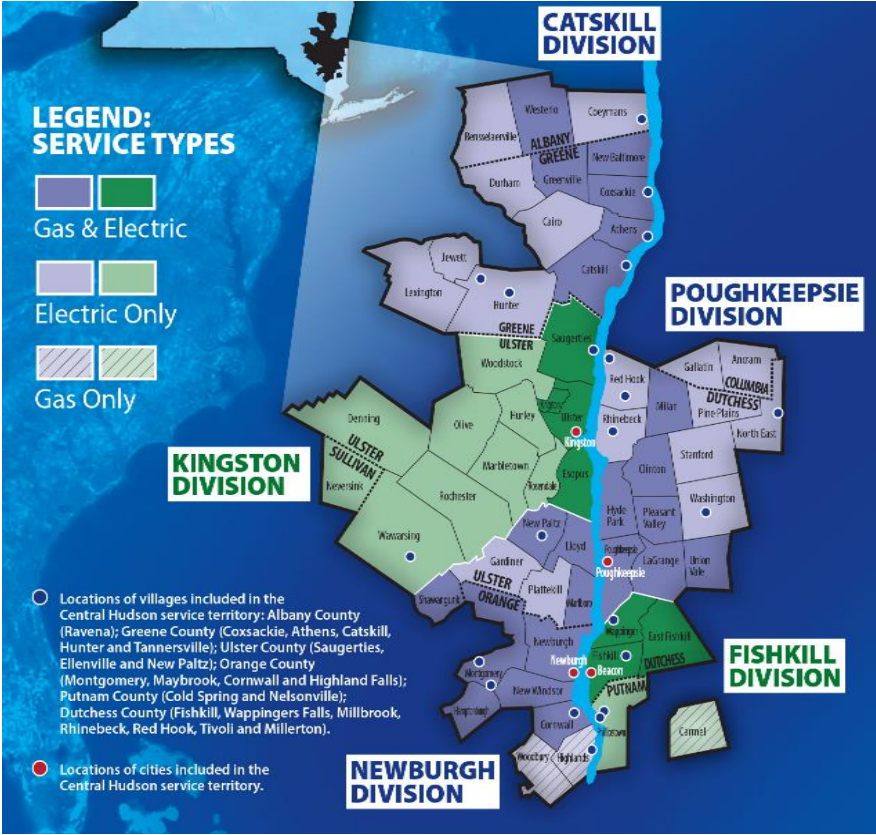


1,073 MW Planned Coal Retirements  
Complete Exit from Coal by 2032





# CENTRAL HUDSON

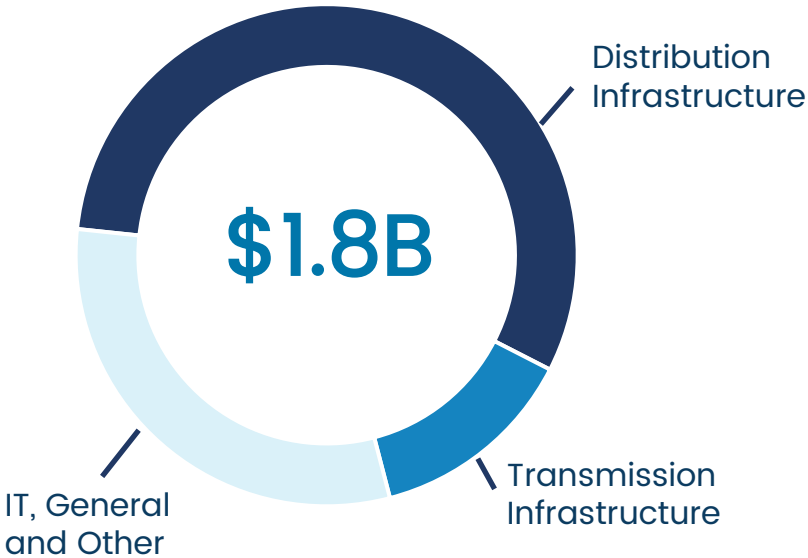


Type of Utility	Gas and Electricity
Regulator	New York State Public Service Commission
Regulatory Model	Cost of service on future test year
Current Regulatory Compact	8.8% ROE on 50% equity
Significant Regulatory Features	Revenue decoupling
2021F Rate Base <sup>(1)</sup>	\$2.3B
5-Year Rate Base CAGR	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.



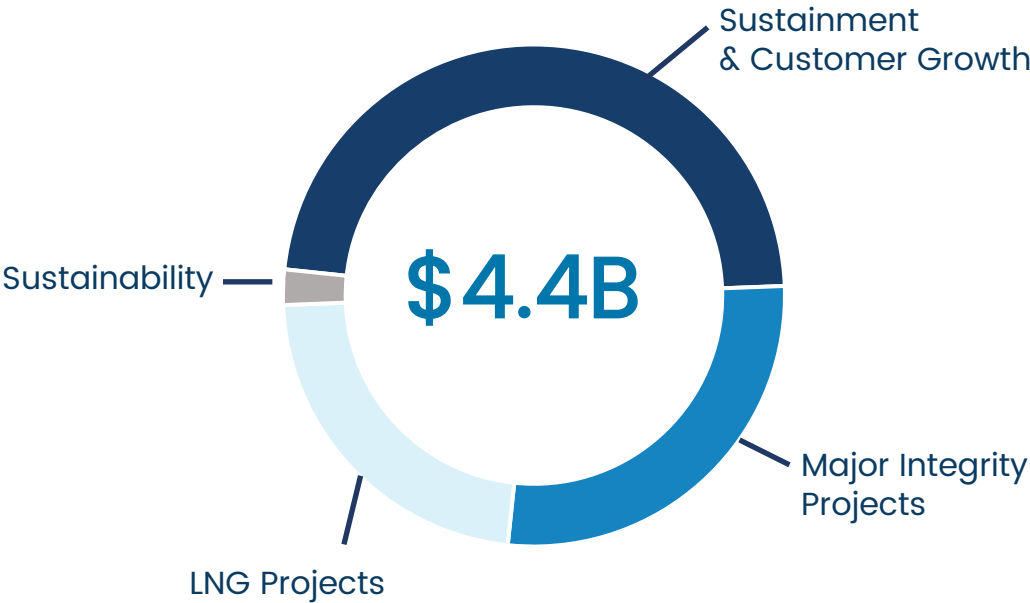
	FortisBC Gas	FortisBC Electric
Type of Utility	Gas distribution	Electricity
Regulator	British Columbia Utilities Commission	
Regulatory Model	Cost of service with incentive mechanisms	
Current Regulatory Compact	8.75% ROE on 38.5% equity	9.15% ROE on 40.0% equity
Significant Regulatory Features	Multi-year 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

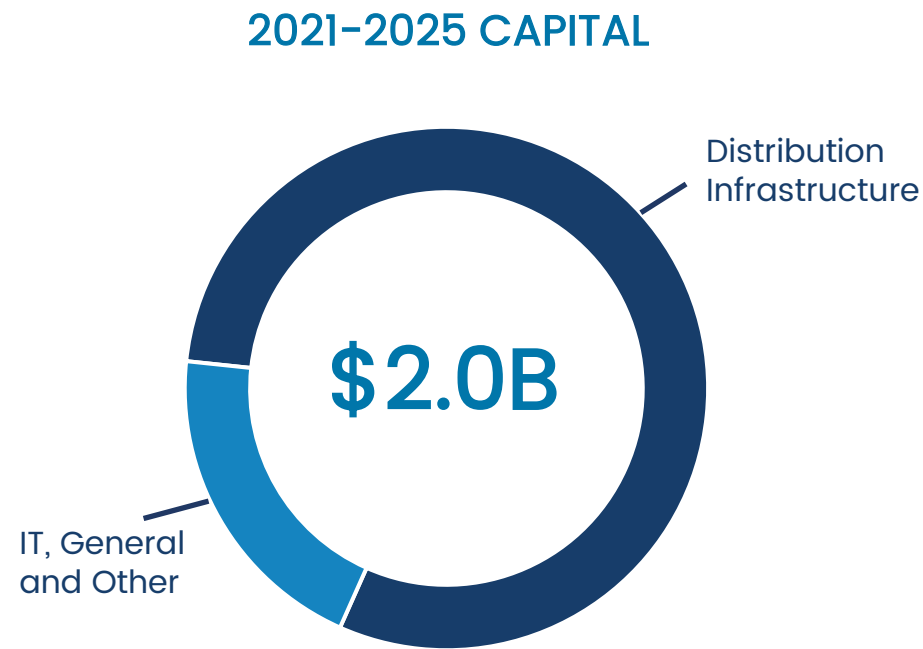


Type of Utility	Electricity distribution
Regulator	Alberta Utilities Commission
Regulatory Model	PBR
Current Regulatory Compact	8.5% ROE on 37% equity
Significant Regulatory Features	~85% of revenue derived from fixed-billing determinants
2021F Rate Base	\$3.8B
5-Year Rate Base CAGR	2.9%
2020 Assets % of Total Consolidated Regulated Assets <sup>(1)</sup>	9%
Regulatory Proceeding	Generic Cost of Capital & 2023 Generic Cost of Service Review and Evaluation of Performance-Based Rate-Setting

(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.

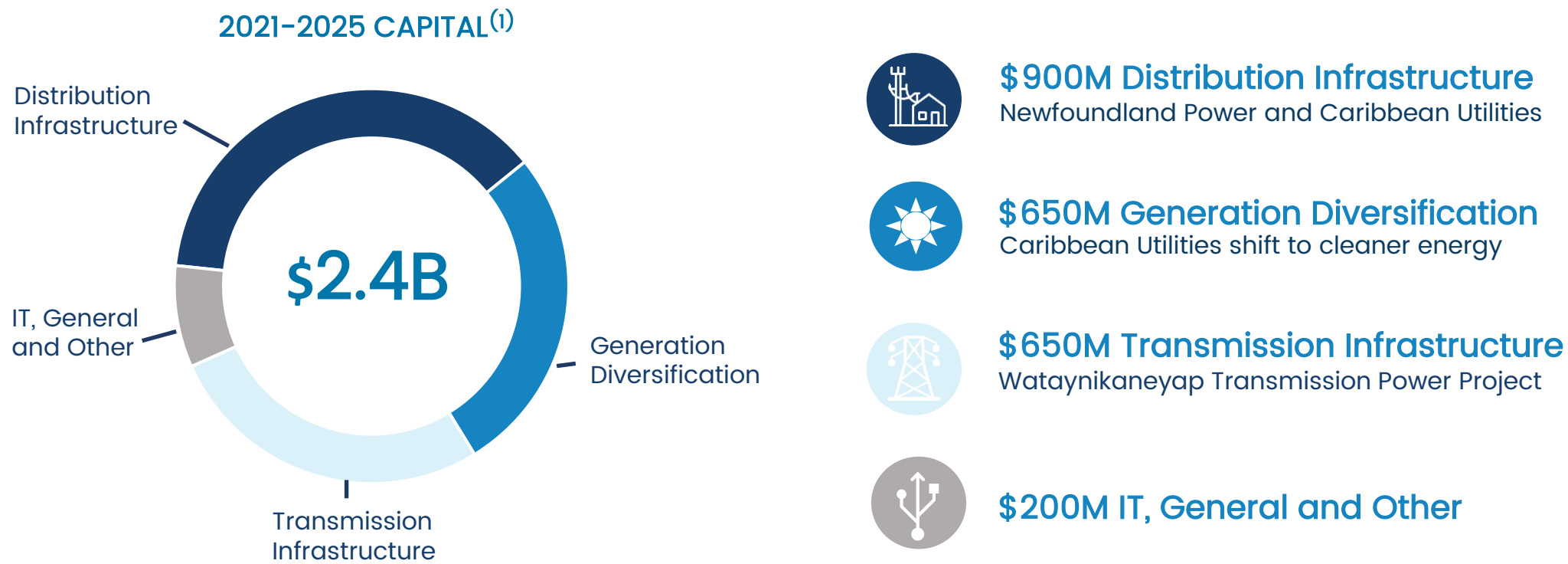
(2) Lower achieved ROEs in 2020 reflect impacts of COVID-19 pandemic.

(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

(\$billions)	Rate Base <sup>(1)</sup>						5-Year CAGR to 2025
	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	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>3.0</u>	<u>3.2</u>	<u>9.1%</u>
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>	<u>3.0</u>	<u>3.3</u>	<u>3.7</u>	<u>4.1</u>	<u>4.1</u>	<u>4.3</u>	<u>6.8%</u>
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 PLAN 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.

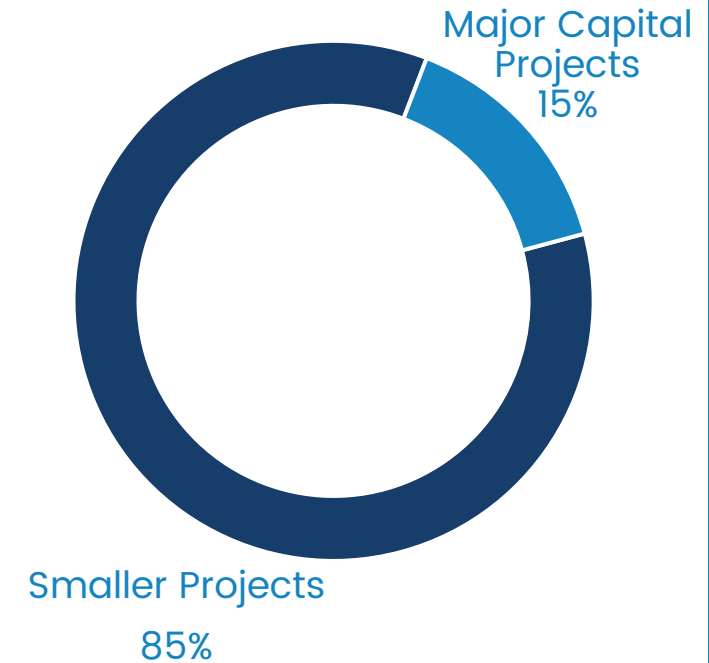
(2) Comprises Eastern Canadian and Caribbean electric utilities.

# 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

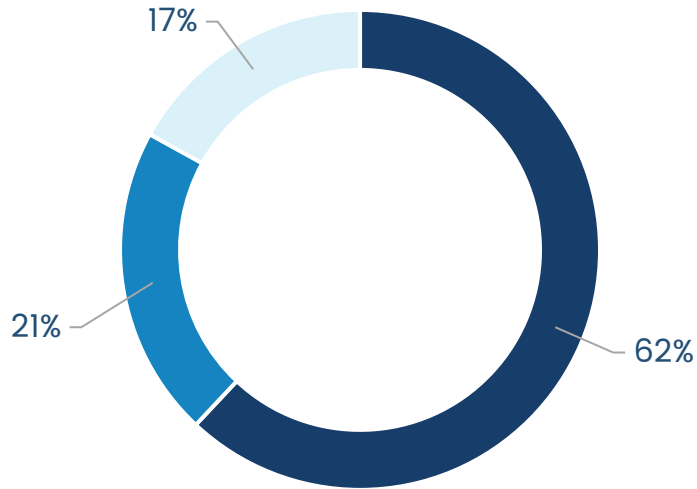
Note: Major capital projects are defined as projects, other than ongoing maintenance projects, individually costing \$200 million or more. Total project costs include forecasted capitalized interest and non-cash equity component of allowance for funds used during construction, where applicable.

- (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 completed in May 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.



# Q1 SALES AND LOAD TRENDS

**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	Q1 2021 vs. Q1 2020 Sales Trends
ITC	<ul style="list-style-type: none"> <li>Peak load flat; decrease in January peak load offset by increase in March peak load due to easing of pandemic restrictions</li> </ul>
Central Hudson	<ul style="list-style-type: none"> <li>Electric sales up 4% due to higher residential consumption, due to work-from-home practices and colder temperatures</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 2% due to lower consumption by transportation customers, increase in residential sales due to work-from-home practices offset by warmer temperatures; electric sales up 2% 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 3%; commercial and industrial decreased 3%</li> <li>Overall retail sales decreased 1%; weather did not have a material impact on quarter over quarter sales</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 decreased 1%</li> <li>7% decrease in the Caribbean, mainly reflecting a decrease in commercial sales driven by decline in tourism</li> </ul>

# INVESTMENT-GRADE CREDIT RATINGS



Company	S&P Global	Moody's	Morningstar
Fortis Inc.	A-(1)	Baa3	A (low)
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+.

# PROPOSED TAX & INFRASTRUCTURE PLAN

## Made in America Tax Plan

### Increase corporate tax rate to 28% from 21%

- Expected to be EPS and cash flow **positive**
- EPS impacts driven by higher tax rate on non-regulated interest deductions

### Transmission tax credits

- EPS neutral and cash flow **positive**
- Expected to encourage transmission projects

## American Jobs Plan



### Proposal aims to

- Build a resilient grid
- Lower energy bills for Americans
- Create good jobs
- Achieve 100% carbon-free electricity by 2035



### Strong focus on transmission & grid resiliency



### ~US\$400B identified for **green** infrastructure

- US\$100B electric grid resilience
- US\$174B electric vehicles





# 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



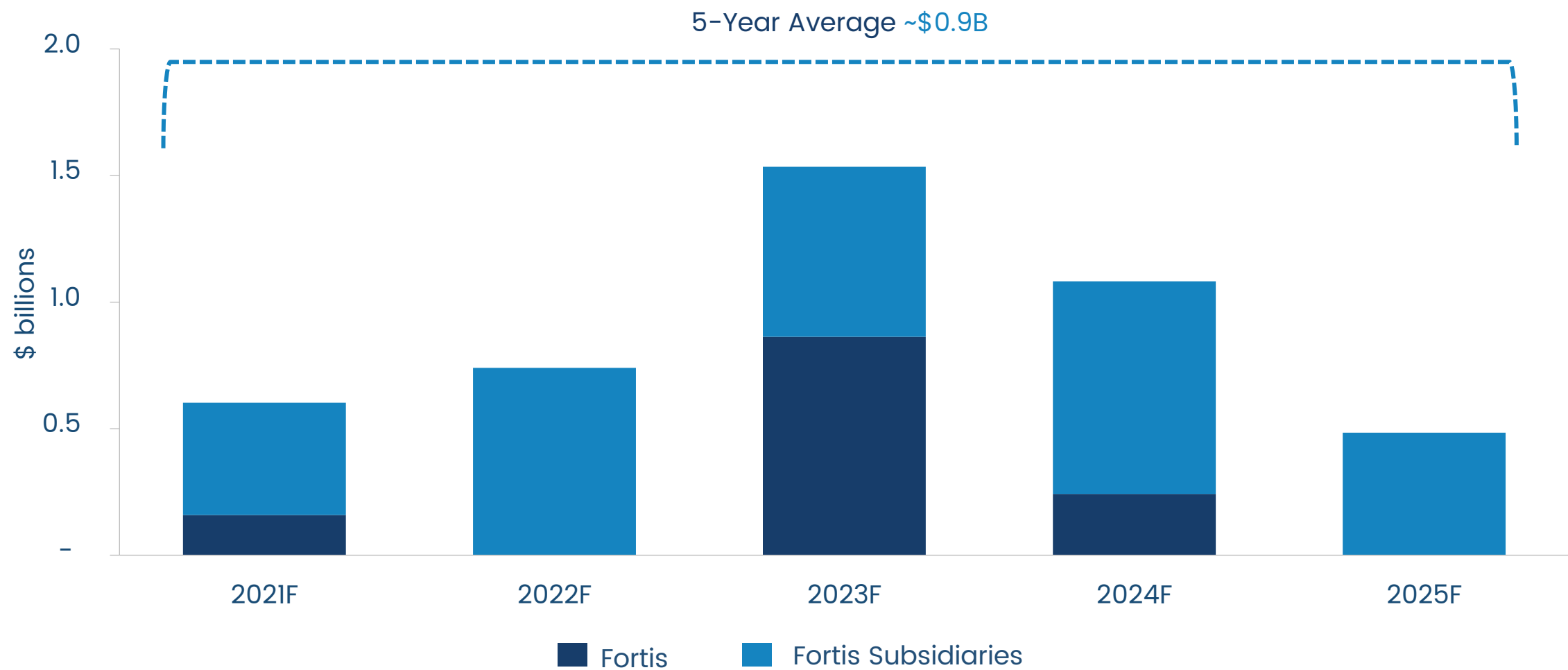
## Five-Cent Change in USD:CAD Exchange Rate Sensitivity

- 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.

# MANAGEABLE DEBT MATURITIES



Note: Debt as at March 31, 2021 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.  
Exec.

Utility  
CEOs