

# INVESTOR PRESENTATION

OCTOBER 2020



# 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; TEP's carbon emissions reduction target, 2035 generation mix and coal-fired generation retirements; the Corporation's 2035 carbon emissions reduction target and projected asset mix; FortisBC's 2030 GHG emissions goal; forecast capital expenditures and expected funding sources for 2020 and 2021-2025; forecast rate base for 2020 and 2021-2025; forecast debt maturities for 2021-2025; the expected timing of regulatory filings and 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, Tilbury Resiliency Tank and Advanced Metering Infrastructure Project; and additional opportunities beyond the capital plan.

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. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally, including those identified from time to time in the forward-looking information. Such assumptions include, but are not limited to: no material impact from the COVID-19 pandemic; reasonable outcomes for regulatory proceedings and the expectation of regulatory stability; the successful execution of the five-year capital plan; no material capital project or financing cost overruns; 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 mid-year rate base.**

# A PREMIUM ENERGY DELIVERY BUSINESS



**93%** TRANSMISSION  
& DISTRIBUTION ASSETS

## HIGH-QUALITY PORTFOLIO:

- **10** Utility Businesses
- **3.3M** Electric & Gas Customers
- **9,000** Employees
- **99%** Regulated Utility Assets
- **\$25B** Market Capitalization<sup>(1)</sup>
- **~14%** Average Annual 20-Year Total Shareholder Return<sup>(1)</sup>
- **~\$30B** 2020F Rate Base

(1) As of September 30, 2020

# LONG-TERM STRATEGY



## DIVERSE BUSINESS MODEL SUPPORTING GROWTH STRATEGY

Leveraging our operating model, geographic and regulatory diversity, operating expertise, reputation and financial strength to execute on growth opportunities



## PROVEN DIVIDEND TRACK RECORD & OUTLOOK

Q4 2020 Dividend Increases **5.8%**

6% Average Annual Dividend Growth Guidance through 2025



## STRONG ESG PROFILE

Strengthening our Low-Carbon Footprint

## AREAS OF FOCUS

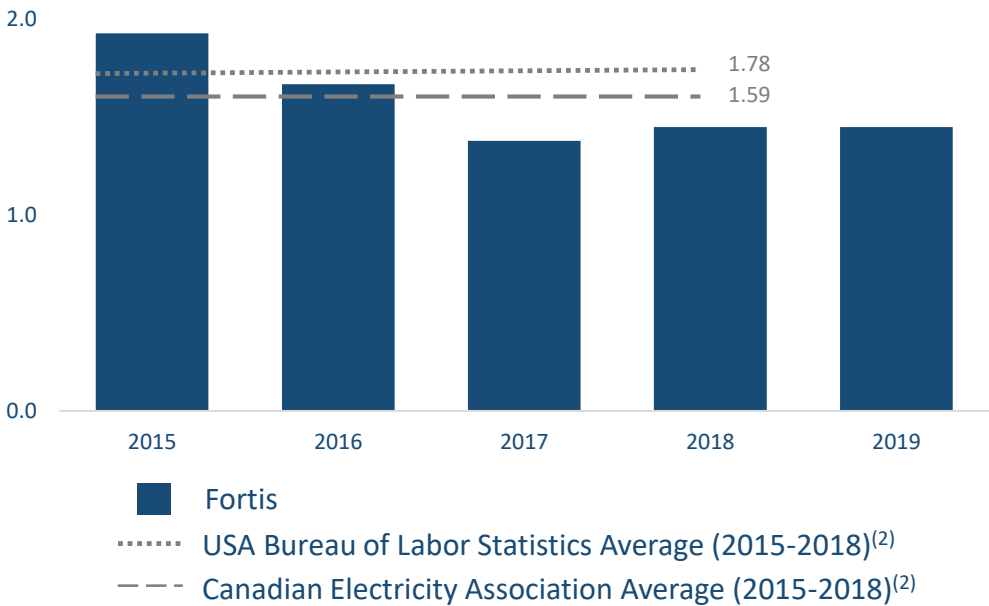
- Safe and reliable service
- Capital investment plan
- Strong customer and regulatory relationships
- Sustainability and delivery of cleaner energy
- System resiliency, innovation & cybersecurity
- Energy infrastructure, LNG expansion & storage
- Investment-grade credit ratings

# STRONG OPERATIONAL PERFORMANCE



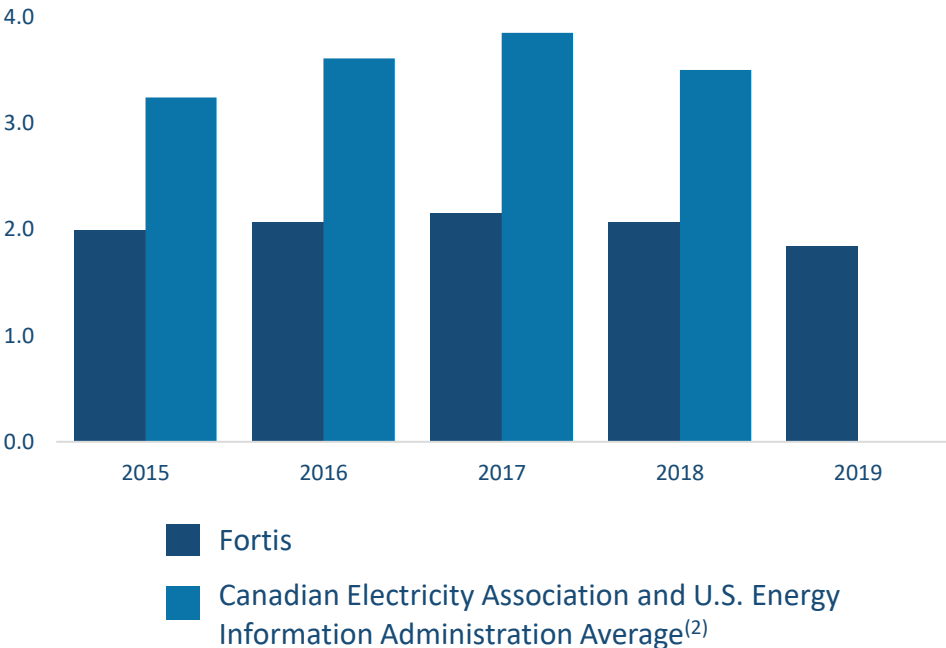
**SAFETY**

ALL INJURY FREQUENCY RATE<sup>(1)</sup>



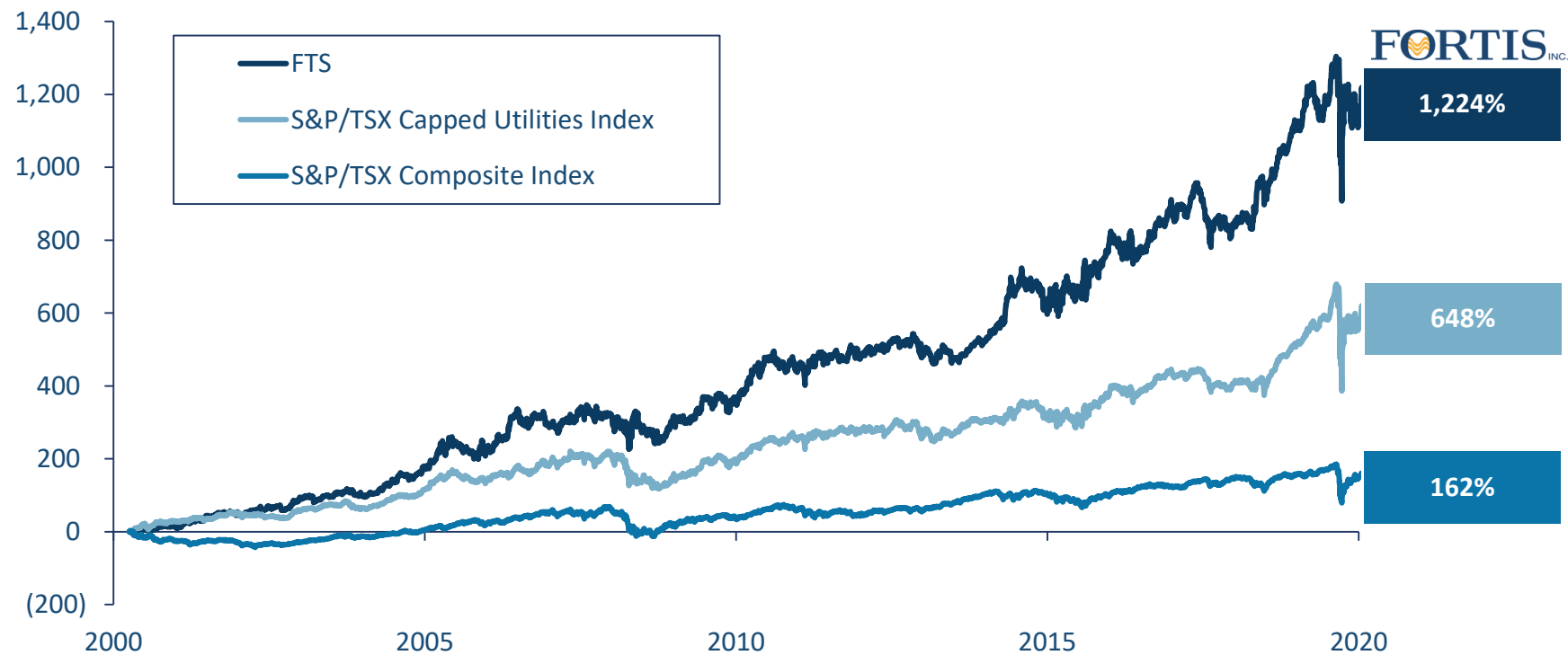
**RELIABILITY**

ELECTRICITY CUSTOMER AVERAGE OUTAGE DURATION<sup>(3)</sup>  
(HOURS)

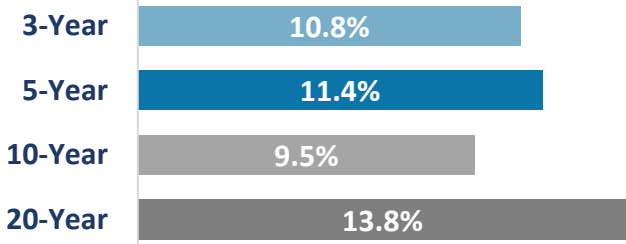


(1) Injuries per 200,000 hours worked  
(2) 2019 industry comparator will be available later in 2020  
(3) Based on weighted average of Fortis' customer count in each jurisdiction

# SUPERIOR 20-YEAR TOTAL SHAREHOLDER RETURN



## Fortis Total Shareholder Returns (Average Annual)

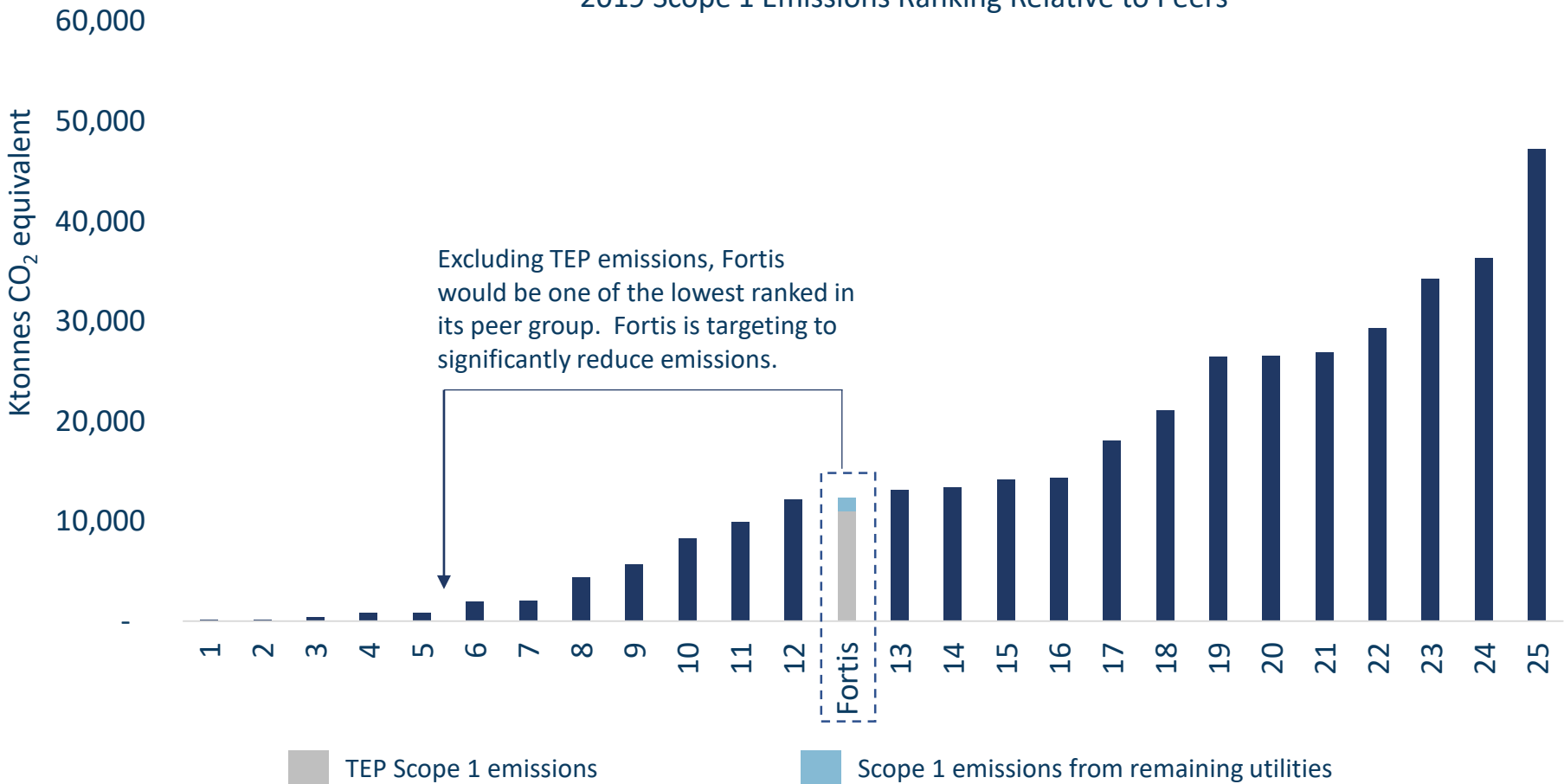


Note: Cumulative 20-year total shareholder return as at September 30, 2020.



# COMMITTED TO IMPROVING OUR LOW-CARBON EMISSIONS PROFILE

2019 Scope 1 Emissions Ranking Relative to Peers



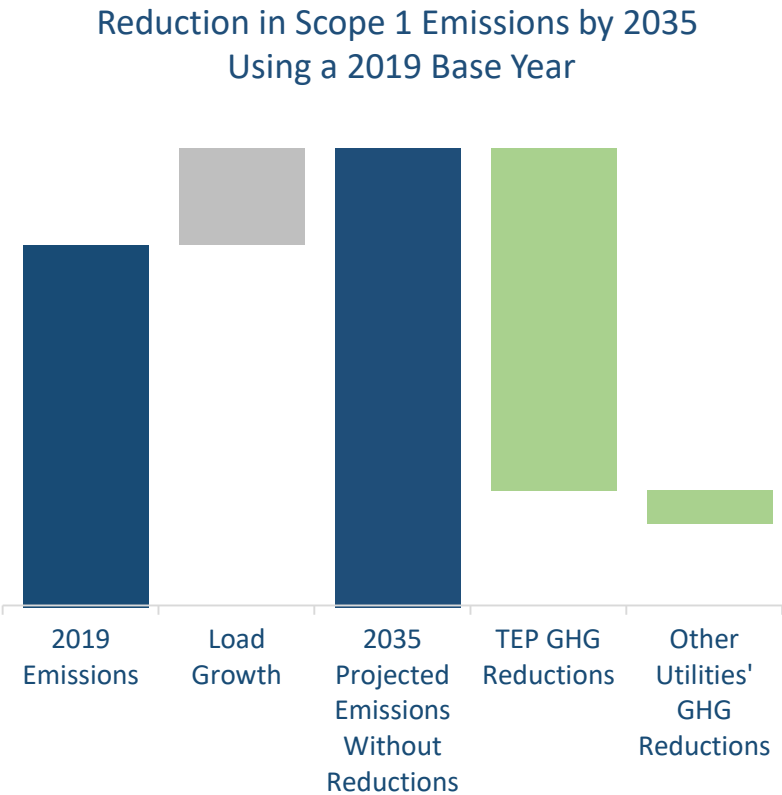
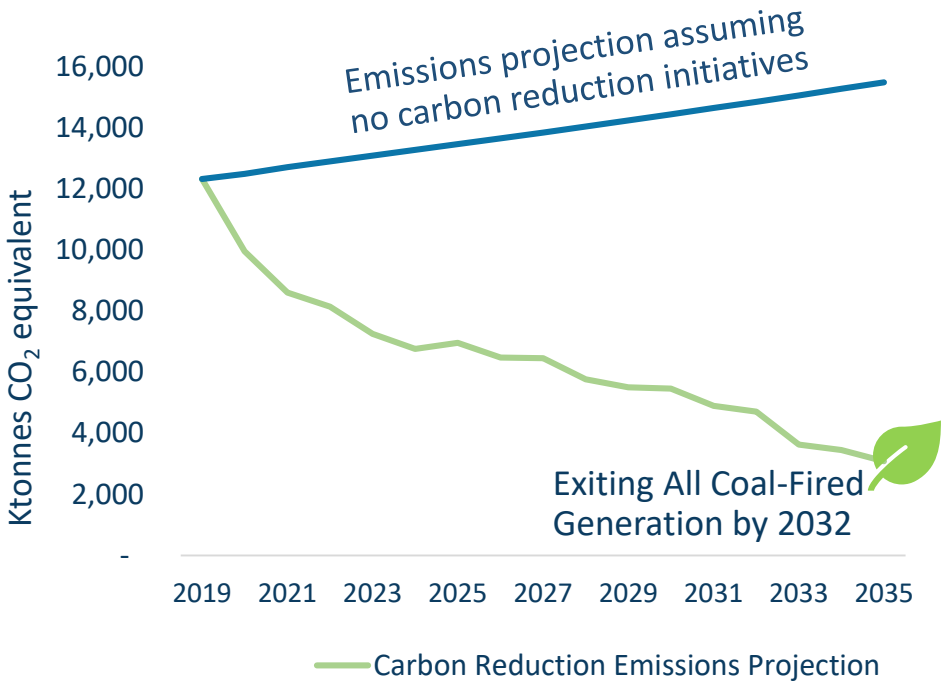
~90% OF SCOPE 1 EMISSIONS  
ARE CONCENTRATED IN  
ARIZONA AT TEP



- TEP has an ambitious plan to cut emissions:
  - Exit coal-fired generation by 2032
  - Install ~2,400 MW of new wind and solar and 1,400 MW of battery storage by 2035

# CORPORATE-WIDE CARBON EMISSIONS REDUCTION TARGET OF 75% BY 2035 COMPARED TO 2019 LEVELS

PROVIDES CUSTOMERS  
WITH CLEANER ENERGY



- Industry leader in sustainability with shorter timeframe for reduction and using current base year of 2019
- Focused on reducing Scope 1 emissions
- Target to be largely achieved through TEP's carbon emissions reduction plan
- Sustainability focus and clean energy initiatives throughout company support target



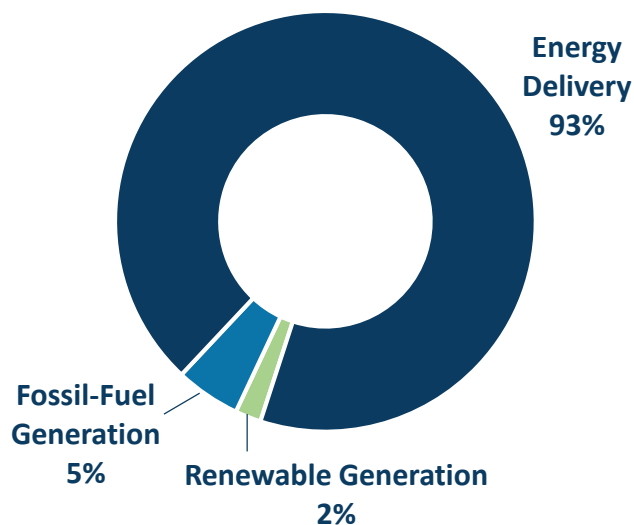


# FOCUSED ON ENERGY DELIVERY ASSETS & RENEWABLE, CARBON-FREE GENERATION

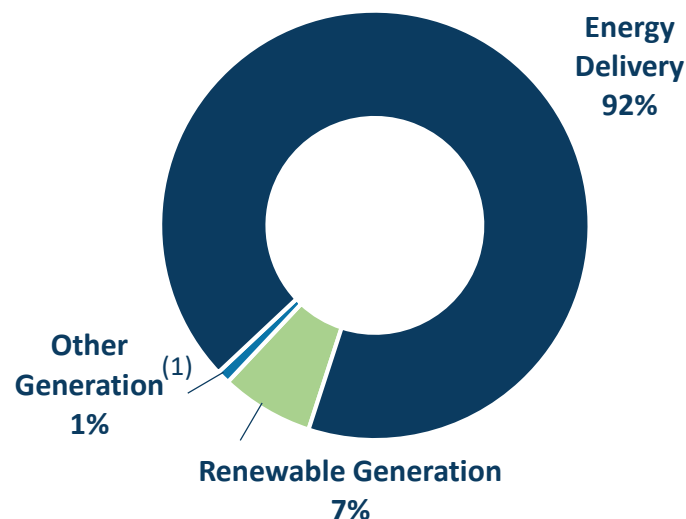
BY 2035, 99% OF FORTIS ASSETS WILL BE ENERGY DELIVERY OR RENEWABLE GENERATION

75% BY 2035 TARGET  
WILL BUILD ON EXISTING  
LOW-EMISSIONS PROFILE

2019 TOTAL ASSETS



PROJECTED 2035 TOTAL ASSETS



(1) Predominantly natural gas generation



Focused on initiatives beyond target to reduce Scopes 2 & 3 and global emissions as well:

- FortisBC 30BY30: reduce customer emissions & expand LNG bunkering
- ITC interconnecting renewables
- Wataynikaneyap Transmission Power Project
- Electric vehicle adoption
- Energy efficiency

# SUSTAINABILITY 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

**\$12 million**

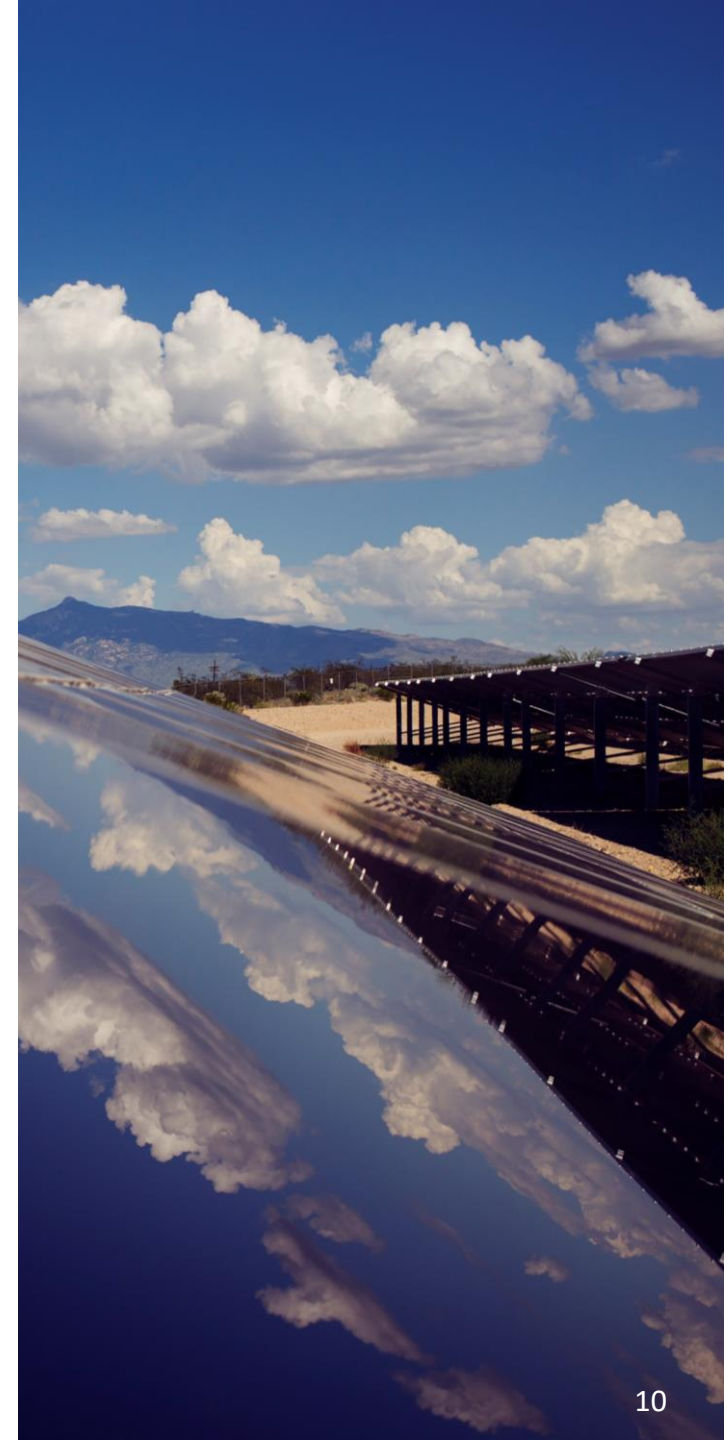
in 2019 community investment



**40%**

of Fortis Inc. Directors elected  
in 2020 are women and in  
2019 we finalized our inclusion  
and diversity framework

(1) 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 five years.



# STRATEGICALLY POSITIONED TO NAVIGATE THROUGH COVID-19



## Operationally:

- 10 locally operated utilities
- Essential workers maintaining and operating electricity grids and natural gas networks
- Excellent safety performance during the pandemic period
- Limited impacts on supply chain
- Key operational employees sequestered as necessary
- Social distancing and good hygiene practices in place



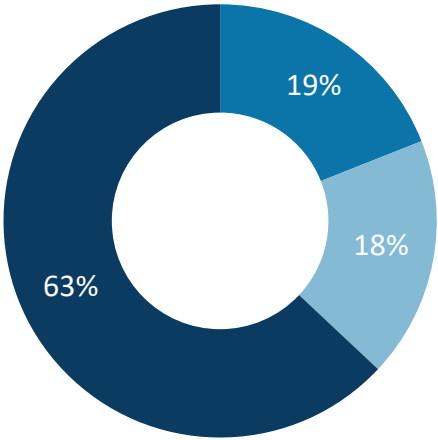
## Financially:

- ~82% of annual revenues protected by regulatory mechanisms or from residential sales<sup>(1)</sup>
- Strong liquidity
- Limited pension expense exposure

(1) ~63% of annual revenues protected by regulatory mechanisms from changes in sales. Remaining ~37% of annual revenues consists of ~19% residential and ~18% commercial and industrial.

# ~82% OF REVENUES PROTECTED BY REGULATORY MECHANISMS OR FROM RESIDENTIAL SALES

2019 REVENUES



- Revenues Protected by Regulatory Mechanisms<sup>(1)</sup>
- Residential Revenues Not Protected by Regulatory Mechanisms<sup>(2)</sup>
- Commercial and Industrial Revenues Not Protected by Regulatory Mechanisms<sup>(3)</sup>

EPS SENSITIVITY

Annual EPS Impact (\$)	UNS Energy	Other Electric
+/- 1% Residential Sales	+/- \$0.008	+/- \$0.006
+/- 1% Commercial and Industrial Sales	+/- \$0.008	+/- \$0.004

(1) Includes regulatory mechanisms at ITC, Central Hudson, FortisBC, and 85% of FortisAlberta’s revenues which are based on fixed-billing determinants. Also includes wholesale/other revenues at UNS that do not have a significant impact on earnings and are primarily returned to customers through regulatory mechanisms.

(2) Residential revenues not protected by regulatory mechanisms from change in sales with 9% at UNS and 10% at Other Electric in 2019.

(3) Commercial and Industrial revenues not protected by regulatory mechanisms from change in sales with 9% at UNS and 9% at Other Electric in 2019.





# COVID-19 Q2 SALES AND LOAD TRENDS:

## SALES UP ~3% AT UTILITIES NOT PROTECTED BY REGULATORY MECHANISMS

### REGULATORY MECHANISMS PROTECTING CHANGES

### Q2 2020 VS. Q2 2019 SALES TRENDS



- Peak load increased ~5% including weather impacts
- Sales improved with reopening of auto manufacturers and suppliers in mid-May



- Electric sales down ~1%
- Minimal exposure to commercial and industrial sales

WESTERN  
CANADA



- In B.C., gas sales comparable, electric sales down ~5%
- In Alberta, sales down 9%; ~85% of revenue based on fixed-billing determinants



- Residential sales increased ~24% mainly due to weather
- Commercial and industrial sales down ~3%
- **Overall retail sales increased ~9%**
- **Excluding weather, retail sales up ~2%**

OTHER  
ELECTRIC



- Residential sales increased ~4%
- Commercial sales down ~11%
- **Overall sales decreased ~3% primarily driven by decline in Caribbean tourism**



# FIVE-YEAR OUTLOOK HIGHLIGHTS

~\$19.6B

2021-2025  
Capital Plan

\$800M increase  
over prior year  
plan of \$18.8B

~6%

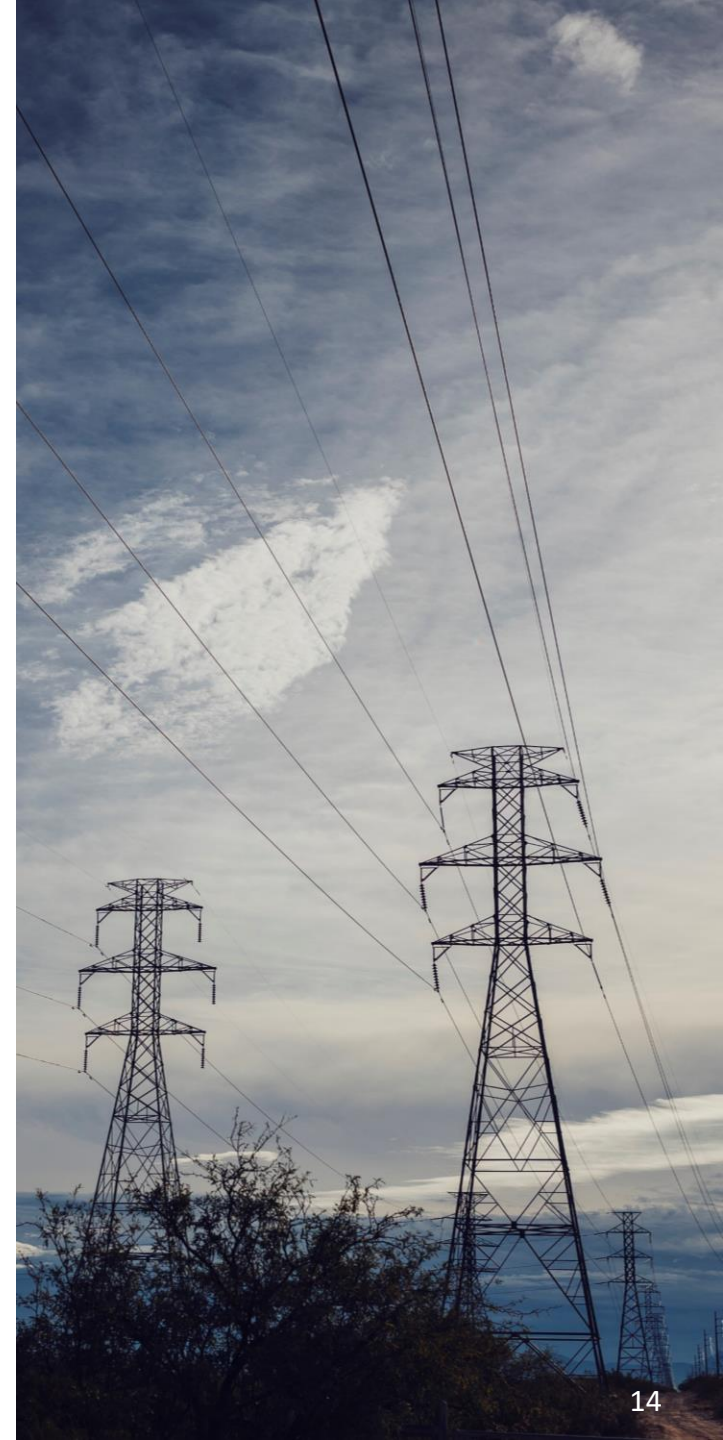
Rate Base  
Growth

Rate base grows  
~\$10B to \$40.3B  
over five-year plan

~6%

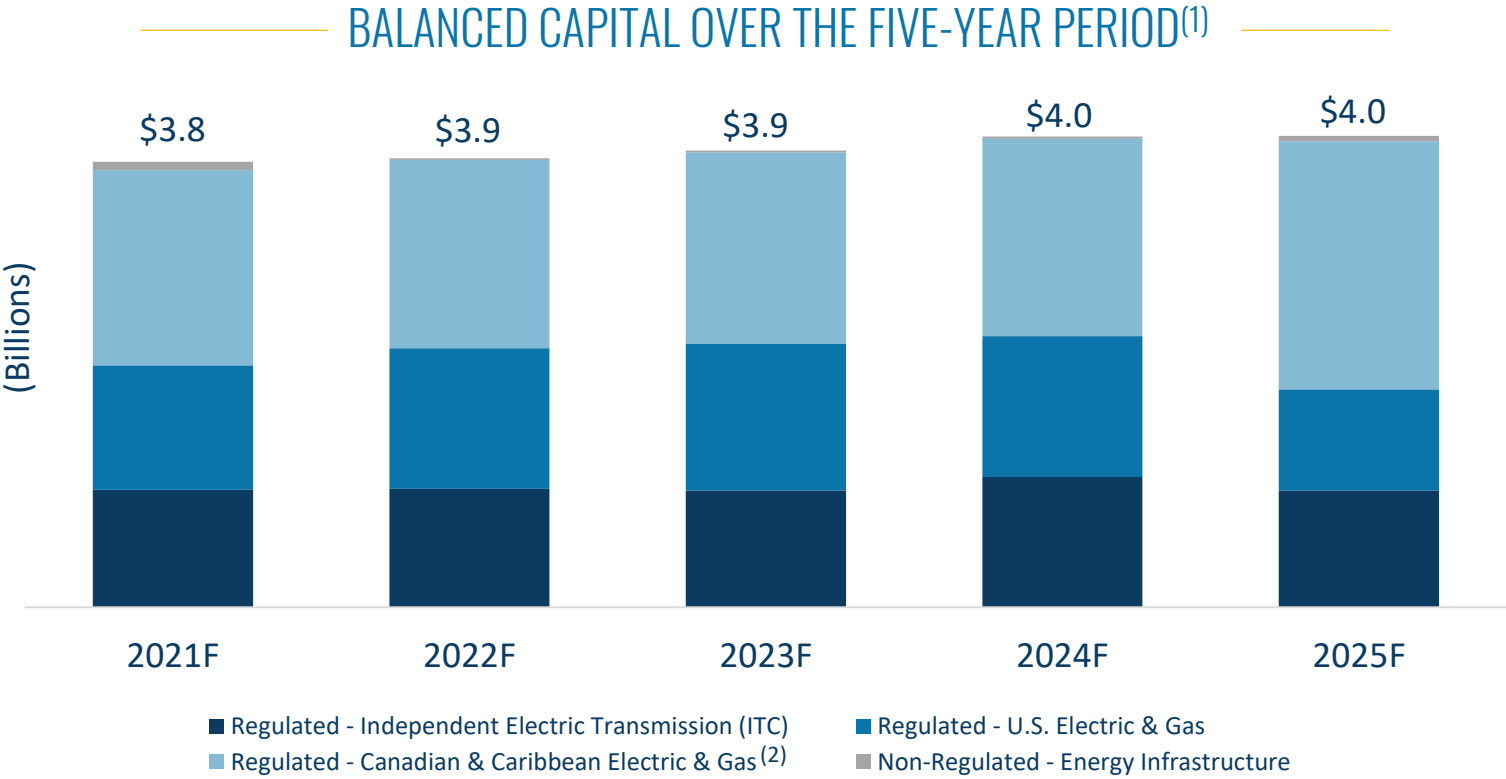
Average Annual  
Dividend Growth  
Guidance to 2025

47 consecutive years  
of dividend increases



# \$19.6B FIVE-YEAR CAPITAL PLAN

## \$800M INCREASE OVER PRIOR PLAN



(1) US dollar-denominated capital expenditures translated at a forecast USD:CAD foreign exchange rate of \$1.32.  
(2) Includes Fortis' 39% share of the Wataynikaneyap Transmission Power Project.

\$3.9B ANNUAL AVERAGE



80% Electric 20% Gas



5-Year Capital by Location:

55% U.S.

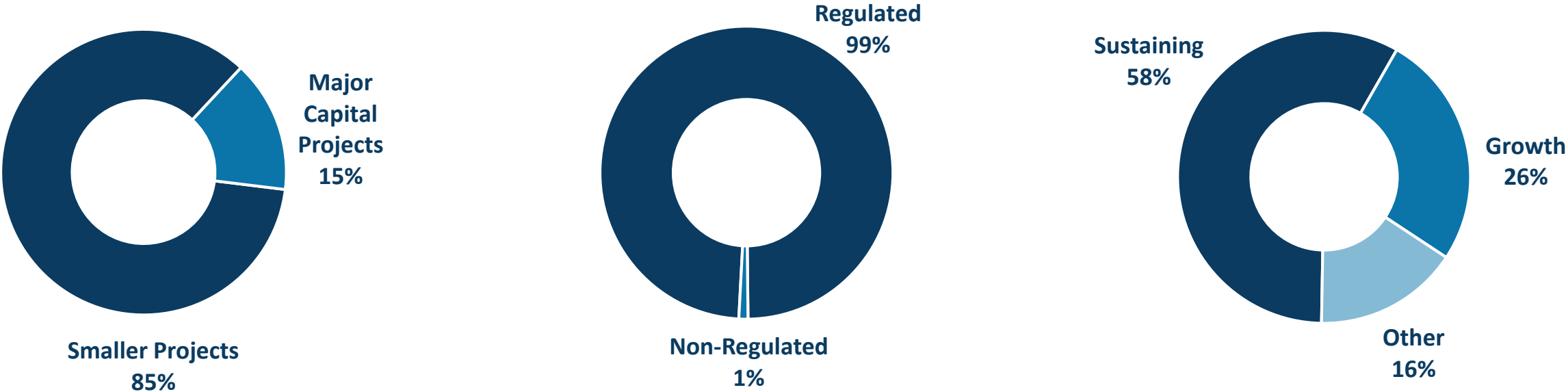
41% Canada

4% Caribbean



# LOW RISK, HIGHLY EXECUTABLE CAPITAL PLAN

CAPITAL PLAN IS FOCUSED ON DELIVERING SAFE, RELIABLE AND COST-EFFECTIVE SERVICE TO OUR CUSTOMERS



# 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
<b>Total 2021-2025 Capital Plan</b>	<b>\$19.6</b>



- 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



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

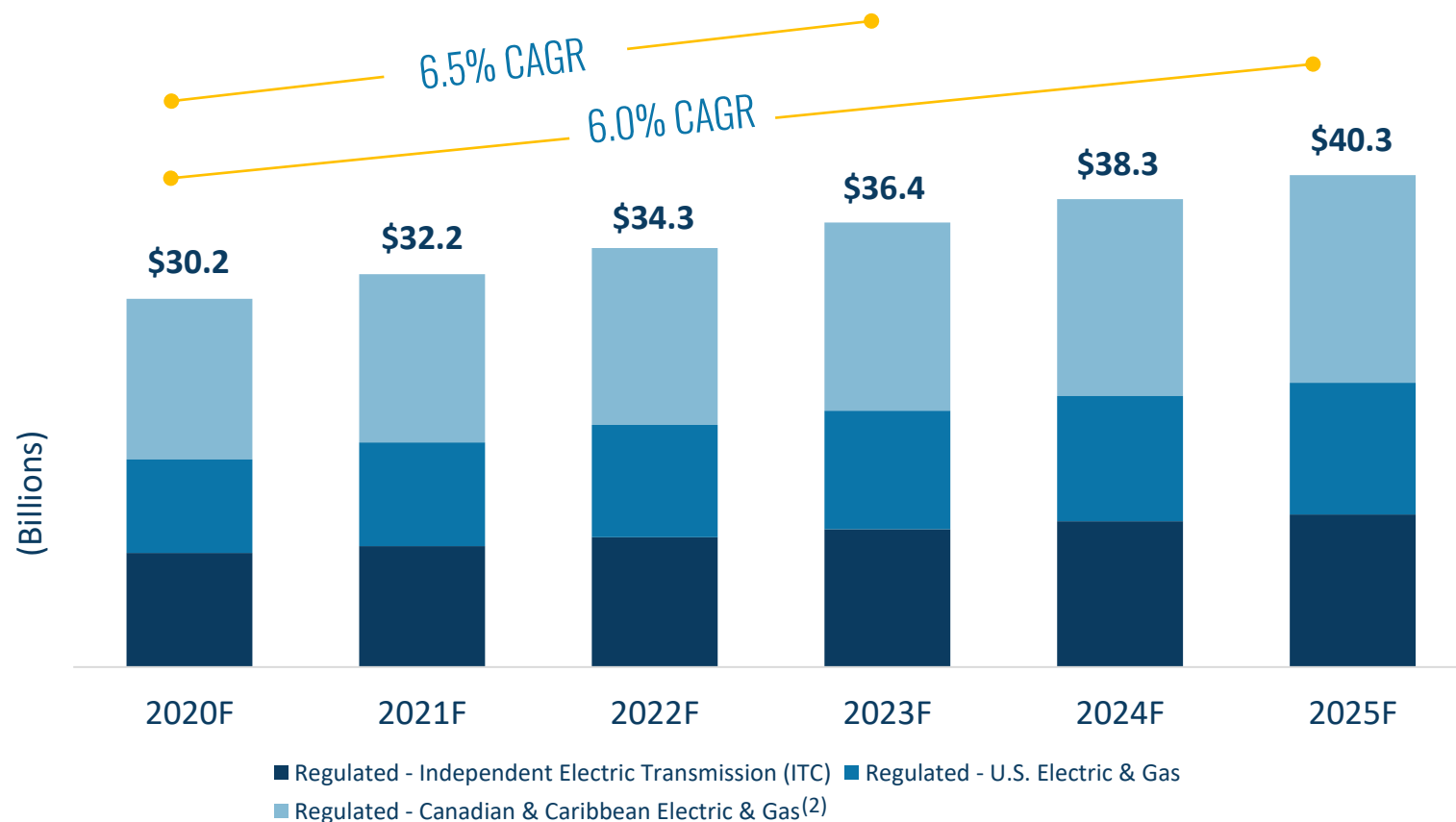
(1) US dollar-denominated capital expenditures translated at a forecast USD/CAD foreign exchange rate of \$1.32.

# OPPORTUNITIES TO EXPAND & EXTEND CAPITAL PLAN

ITC	UNS	FortisBC	CUC
<ul style="list-style-type: none"> <li>➤ Significant renewable capacity and battery storage in MISO and SPP queues<sup>(1)</sup></li> <li>➤ Need for additional regional transmission projects to facilitate renewables in queue (MISO multi-value projects at capacity)</li> <li>➤ Hardening of physical assets and fibre networks</li> <li>➤ Lake Erie Connector Project (~\$1B+)</li> </ul>	<ul style="list-style-type: none"> <li>➤ 2020 Integrated Resource Plan (IRP) filed in June outlined TEP's ambitious and realistic sustainability objectives including coal-free generation mix by 2032                             <ul style="list-style-type: none"> <li>• Total opportunity of ~\$4-6B</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>➤ Further develop Tilbury to position BC as a marine bunkering hub</li> <li>➤ Long-term contracted LNG export opportunities</li> <li>➤ Southern Crossing Gas Transmission Expansion for market expansion and resiliency</li> <li>➤ Target of 30% reduction in customer GHG emissions by 2030</li> <li>➤ Renewable gas target of 15% by 2030</li> </ul>	<ul style="list-style-type: none"> <li>➤ Achieve local government goal of 70% renewable energy by 2037 through IRP</li> </ul>
			

(1) 101 GW and 92 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 August 31, 2020.

# CONSOLIDATED RATE BASE



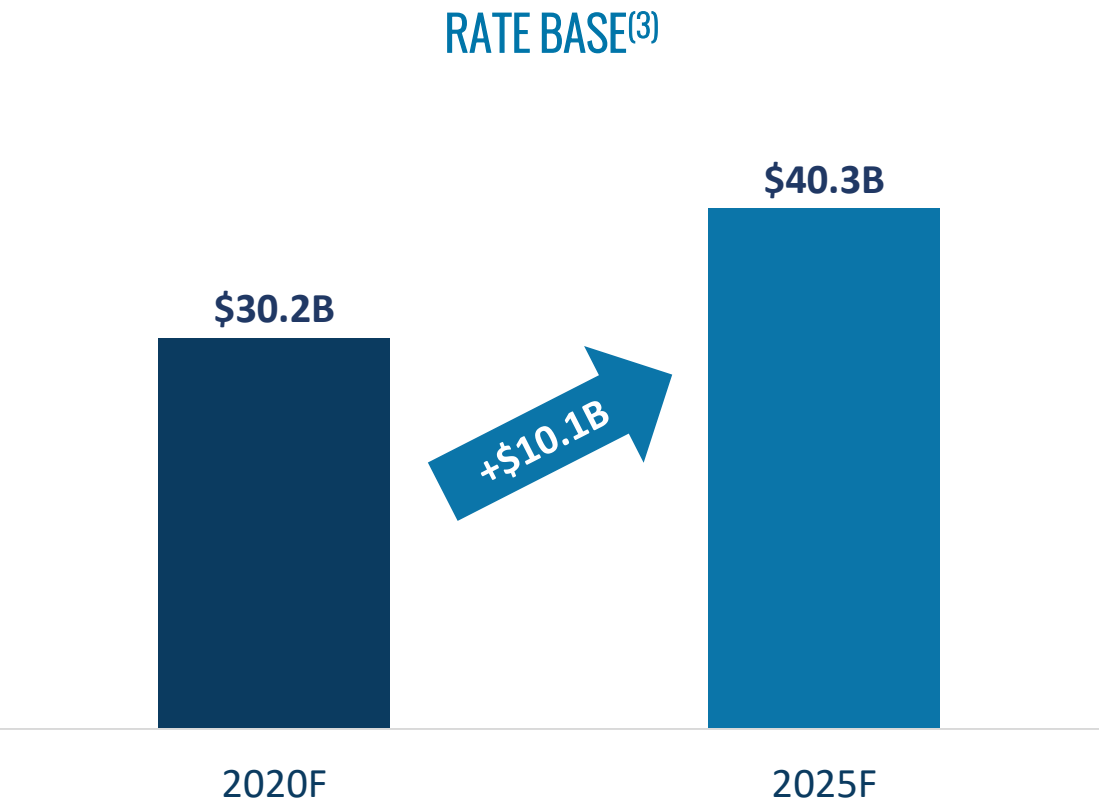
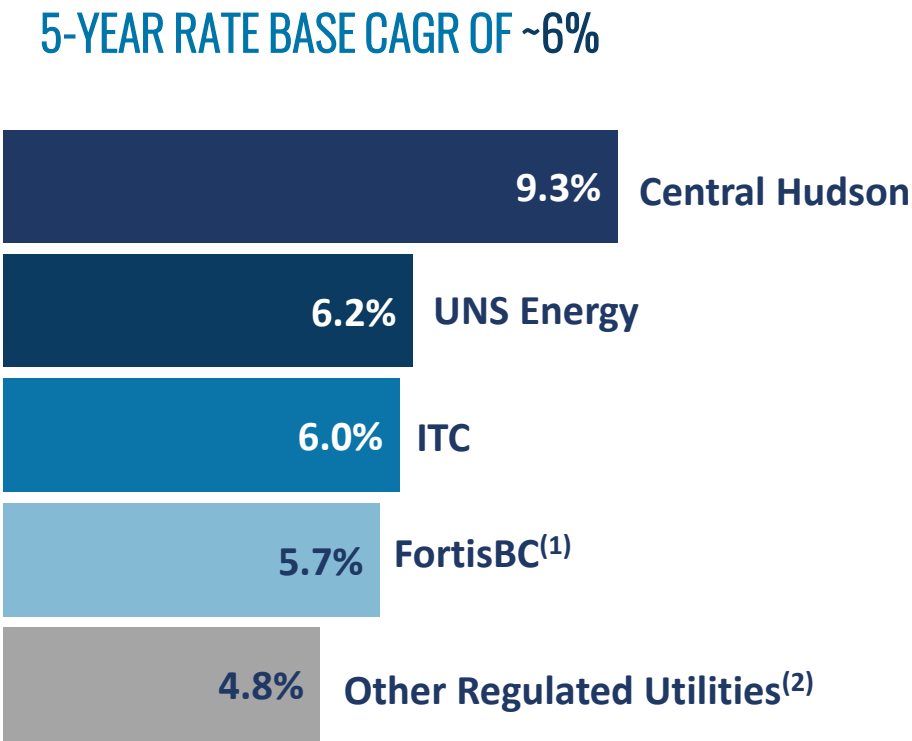
(1) US dollar-denominated rate base translated at a forecast USD:CAD foreign exchange rate of \$1.32.

(2) Includes Fortis' share of the rate base of the Wataynikaneyap Transmission Power Project.

**\$40.3B IN  
RATE BASE  
BY 2025<sup>(1)</sup>**

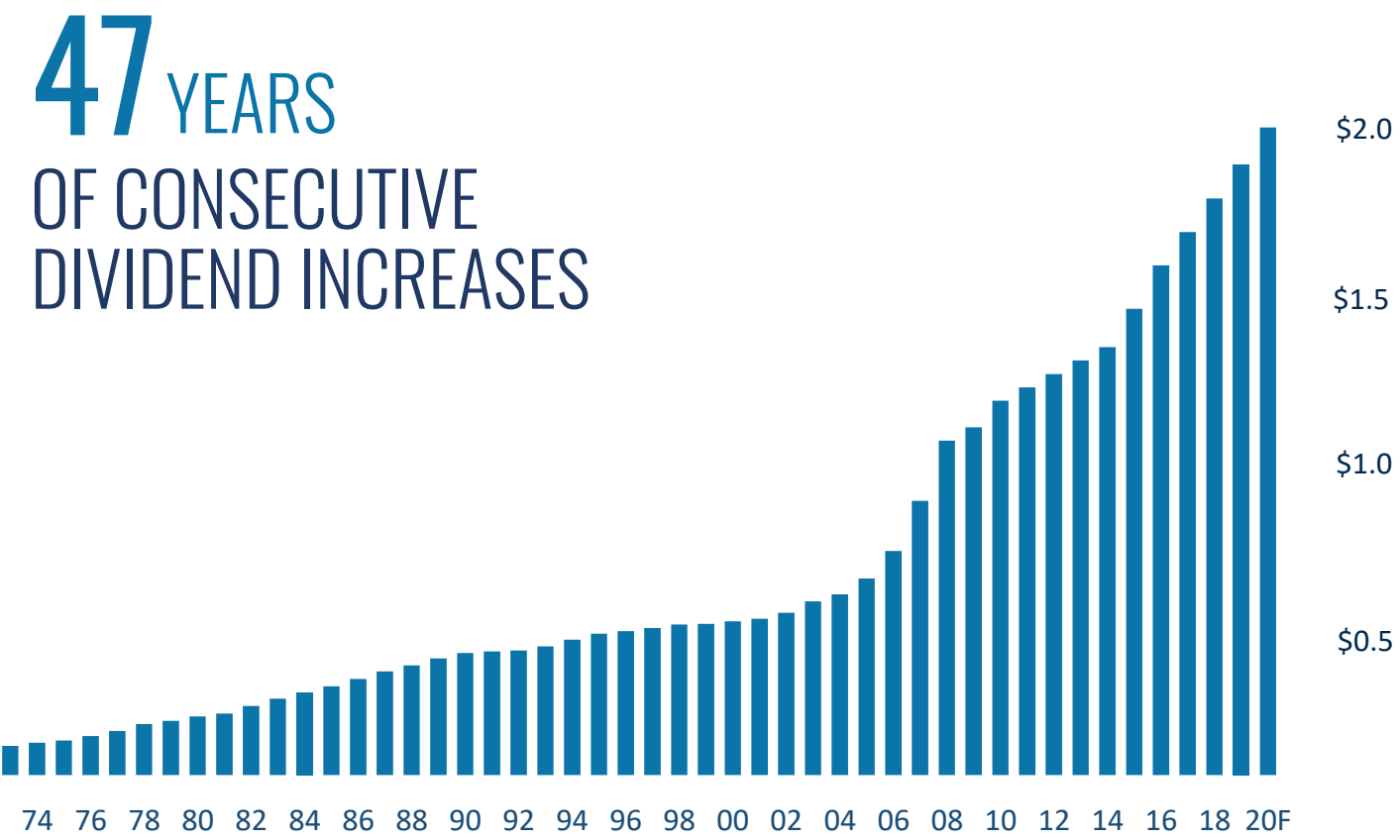
- Rate base grows by ~\$10B over the five-year period
- Growth driven by asset resiliency, modernization and cleaner energy initiatives

# STRONG RATE BASE GROWTH ACROSS PORTFOLIO OF UTILITIES

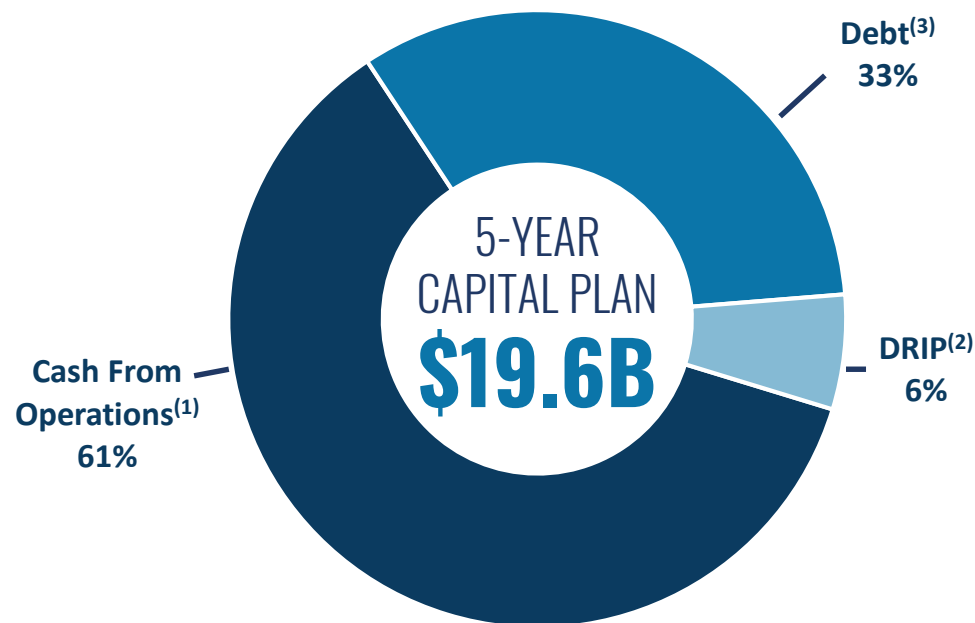


(1) Includes energy efficiency programs that are included in rate base but are not included in capital forecast.  
(2) Comprises FortisAlberta and Other Electric segment.  
(3) US dollar-denominated rate base translated at a forecast USD:CAD foreign exchange rate of \$1.32.

# DIVIDEND GUIDANCE SUPPORTED BY LONG-TERM GROWTH STRATEGY



# 2021-2025 FUNDING PLAN



(1) Cash from operations after dividends and including customer contributions. This is a non-US GAAP measure.

(2) Includes funds from the Corporation's dividend reinvestment and employee stock purchase and options plans.

(3) Regulated and corporate debt issuances, net of repayments.

(4) Funding plan assumes DRIP participation of ~20% upon 2% discount being reinstated compared to current participation levels of ~5%.




## MAINTAINING INVESTMENT-GRADE CREDIT RATINGS

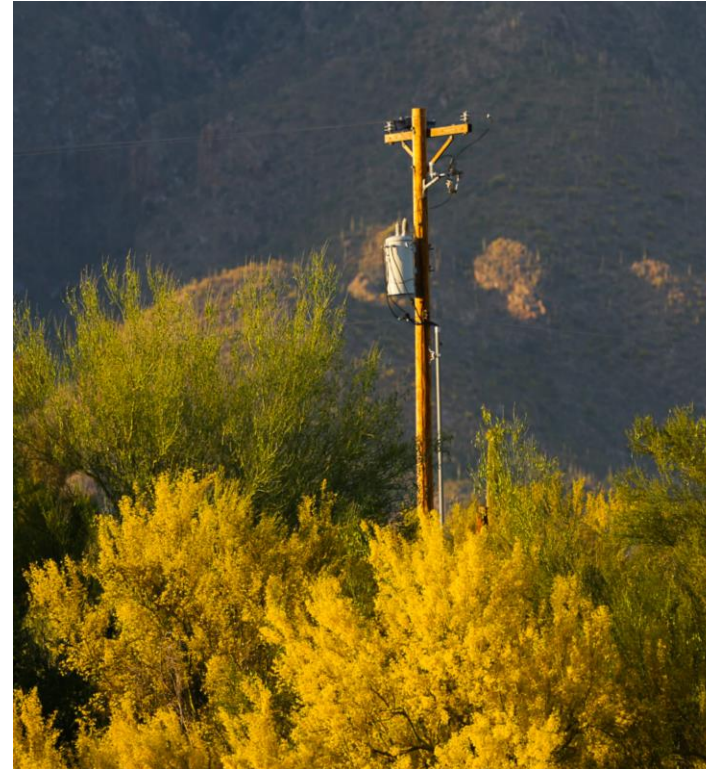
- Acceleration of equity funding in late 2019
- Debt primarily at operating utilities
- Subsidiary balance sheets reflect approved capital structures by regulators
- 2% DRIP discount reinstated<sup>(4)</sup>
- Ample liquidity



# INVESTMENT-GRADE CREDIT RATINGS

## CREDIT RATINGS

	A <sup>-(1)</sup>
	Baa3
	BBB (High) <sup>(2)</sup>



“The ratings affirmation on Fortis and subsidiaries reflect the parent’s **execution of its deleveraging plan** over the past year and improved financial measures... Our view of **Fortis’ business risk profile as excellent** has not changed.”

- S&P Global Credit Opinion (March 27, 2020)

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“Fortis has a very strong business risk profile, which is a key credit strength. About 99% of its cash flow comes from a **diverse portfolio of low risk investment grade regulated utilities**... Fortis has a highly diversified portfolio of utilities operating in what are largely credit supportive environments, a key credit strength... Financial or regulatory issues at any one utility in isolation would be unlikely to severely affect Fortis Inc.”

- Moody’s Credit Opinion (August 27, 2020)

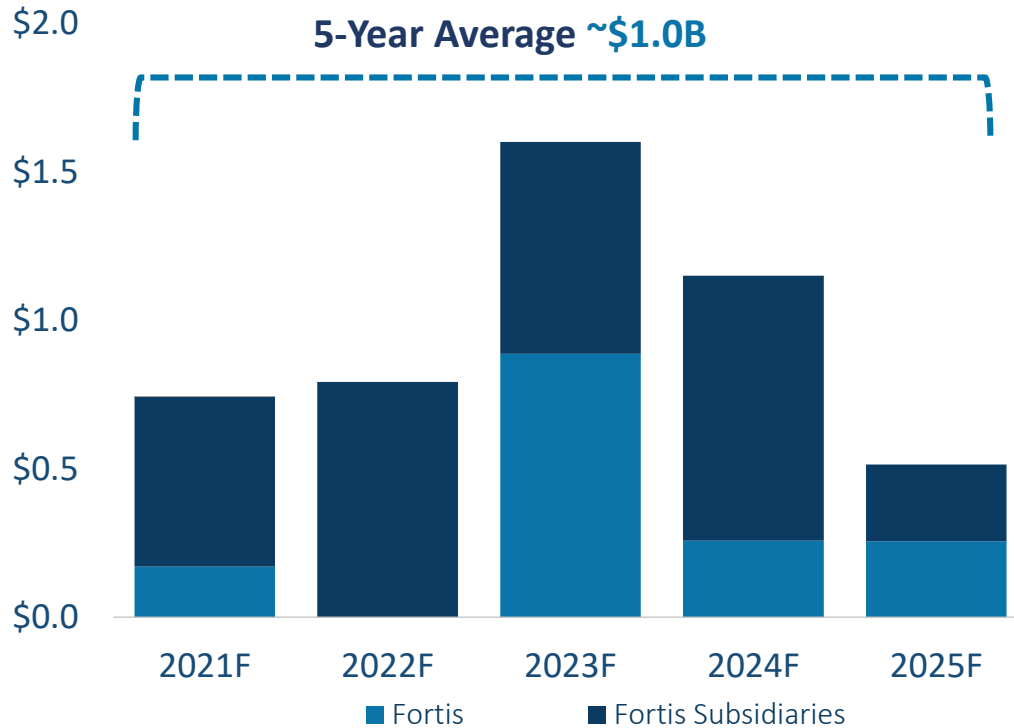
(1) S&P rating reflects the issuer credit rating. Fortis’ unsecured debt rating is BBB+. In March 2020 S&P maintained the negative outlook due to COVID-19.

(2) In May 2020 DBRS Morningstar changed the trend to positive from stable.

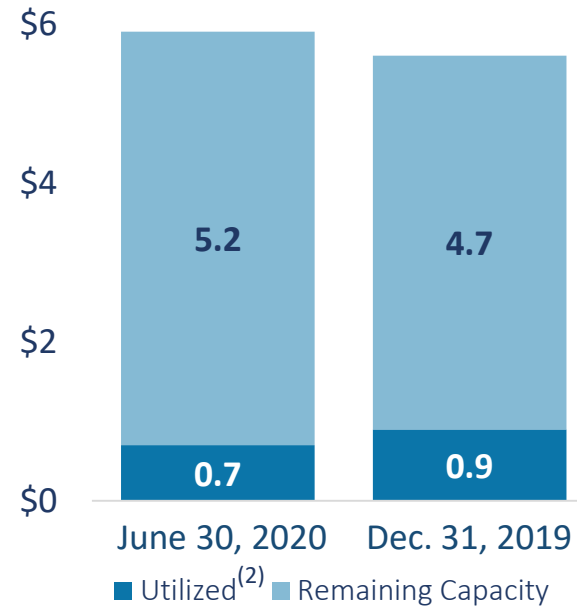
# MANAGEABLE DEBT MATURITIES & STRONG LIQUIDITY

CONSOLIDATED FIXED-TERM DEBT MATURITIES<sup>(1)</sup> (\$B)

5-Year Average ~\$1.0B



LIQUIDITY (\$B)



~\$3B IN LONG-TERM DEBT ISSUED YEAR-TO-DATE 2020

- Strong access to debt markets
- Highlighted by inaugural green bonds at FortisBC and TEP
  - FortisBC - \$200M 30-year 2.54%
  - TEP – US\$300M 10-year 1.50%



(1) Debt as at June 30, 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.

(2) Net of cash on hand.

# UPDATE ON REGULATORY PROCEEDINGS



- **Notice of Proposed Rulemaking (NOPR) on Incentives** – Transmission Incentive NOPR issued in March 2020; comments filed July 1, 2020 and awaiting next steps



UNS Energy Corporation  
A Fortis Company

- **TEP General Rate Application** – Hearings concluded in June 2020; decision expected in late 2020



- **2020 Rate Increase Delayed** – July 1, 2020 rate increase postponed until October 1, 2020 due to COVID-19; revenues to be deferred and collected over remaining nine months of rate year
- **General Rate Application** – Rate case filed on August 27, 2020 with NYPSC requesting an electric rate increase of US\$33 million and gas delivery rate increase of US\$14 million; decision expected in mid-2021



- **Generic Cost of Capital Proceeding** – Currently approved ROE and equity thickness parameters will be extended quarterly, and on a final basis, until the AUC renders a decision in the ongoing proceeding
- **AESO Tariff Application** – Additional procedural steps to be completed by September 2020; decision expected in late 2020

# WHY INVEST IN FORTIS?



Well-Run  
Businesses



ESG  
Leader



Highly  
Diversified



Focused on  
Energy  
Delivery



Innovative



Strong  
Growth  
Profile



Virtually  
All  
Regulated



6%  
Dividend  
Guidance



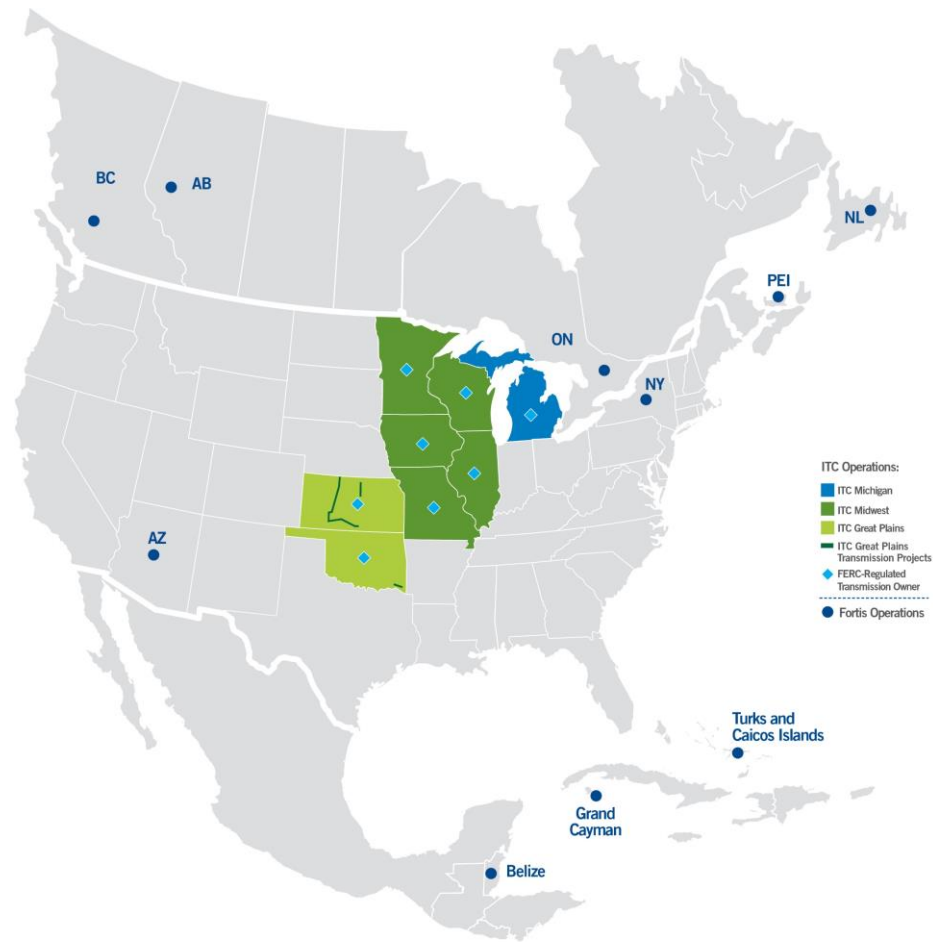
# APPENDIX



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# ITC HOLDINGS CORP.

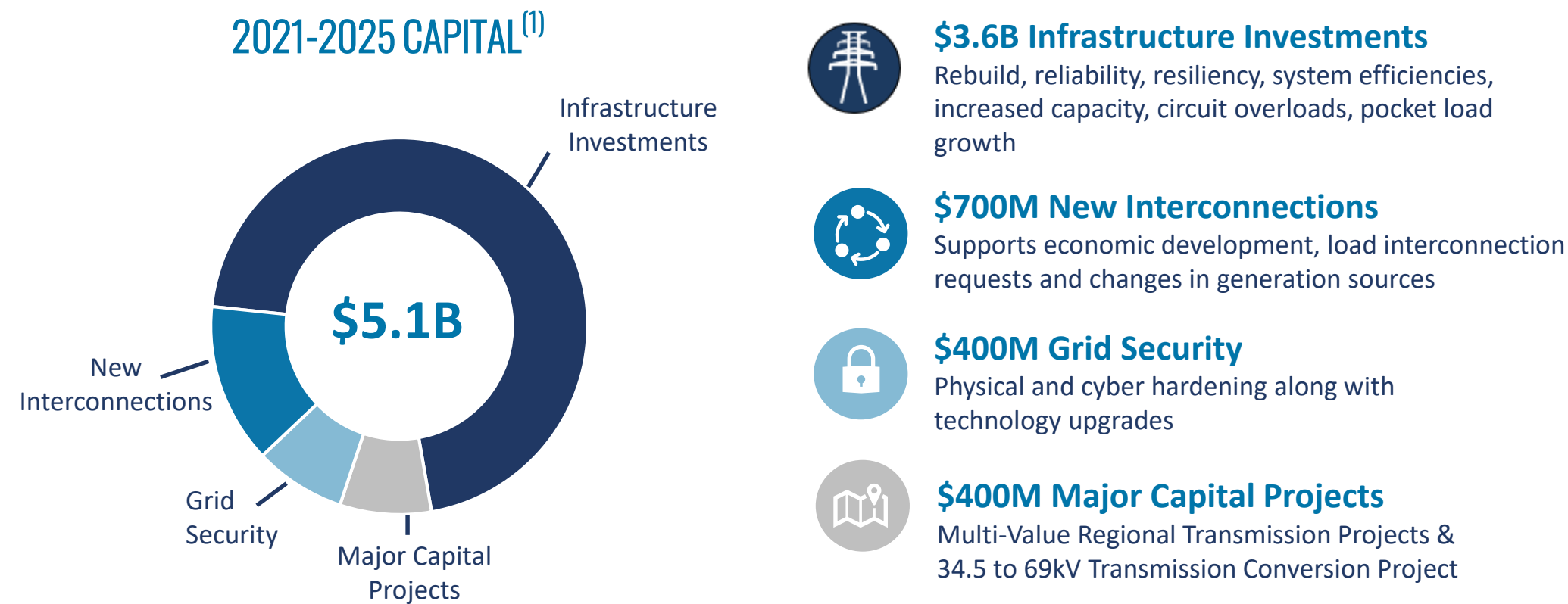


Type of Utility	Transmission
Regulator	FERC
Regulatory Model	Cost of Service with FERC Formula Rates
Current Regulatory Construct	10.77-11.41% ROE on 60% equity
Significant Regulatory Features	Cost-based, forward-looking formula rates with annual true-up
2020F Rate Base <sup>(1)</sup>	\$9.4B
5-Year Rate Base CAGR	6.0%
2019 Assets % of Total Consolidated Regulated Assets <sup>(2)</sup>	38%
Development Opportunities <sup>(3)</sup>	Lake Erie Connector, Connecting Renewables & Grid Modernization
Regulatory Proceeding	Notice of Proposed Rulemaking on Incentive Policy

(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



(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 and SPP queues<sup>(1)</sup>

Access to Regional Markets



Regional transmission necessary to facilitate increased demand for renewables

Grid Security



Hardening of telecommunications networks, physical and cybersecurity assets

Generation Shifts



101 GW and 92 GW additional renewable capacity in MISO & SPP queues<sup>(1)</sup>

~16,000  
Miles of Transmission

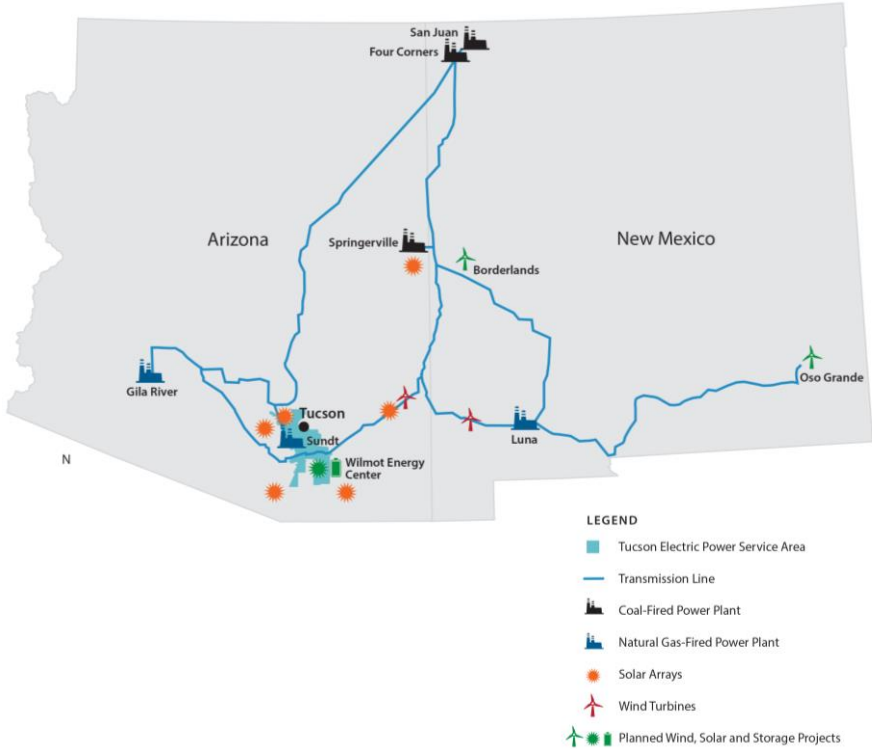
565  
Substations

~6,800 MW  
Wind Energy Connected

US \$9.1B  
Invested Since Inception<sup>(2)</sup>

(1) Information as at August 31, 2020.  
(2) Total invested up to June 30, 2020.

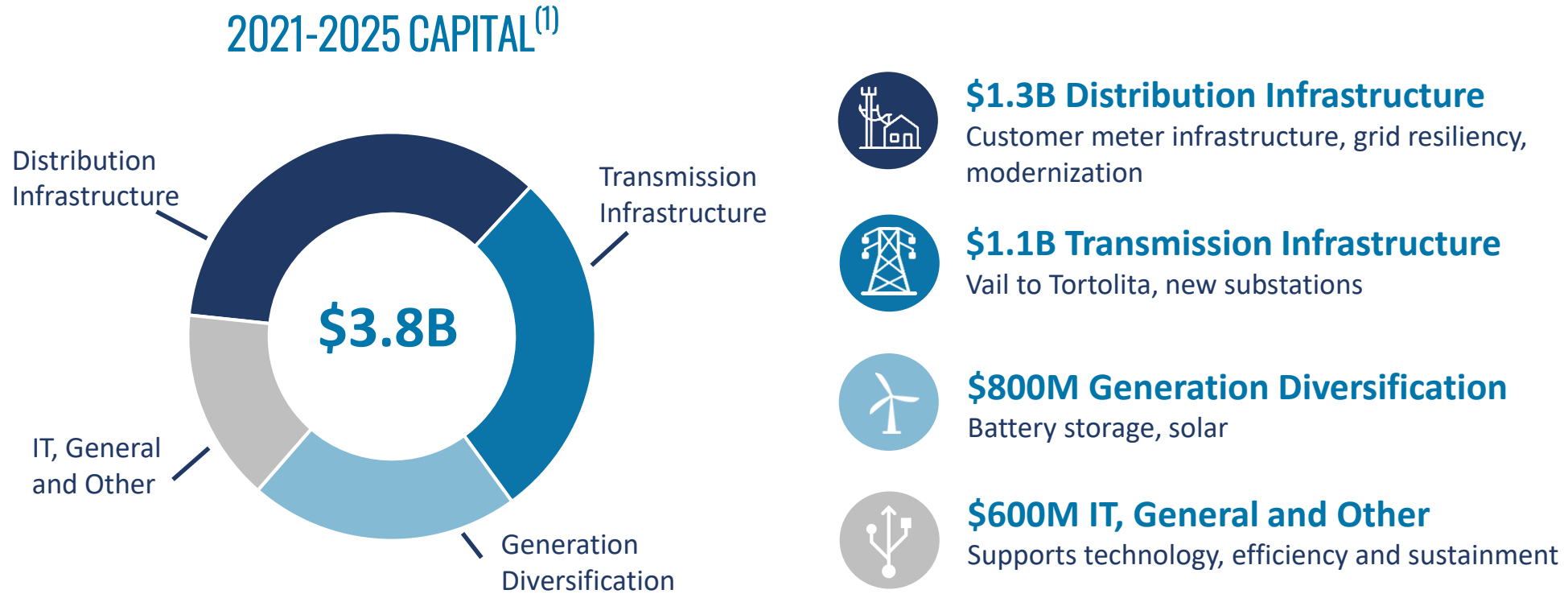
# UNS ENERGY



	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	9.75% ROE on 50% equity	9.5% ROE on 52.8% equity	9.75% ROE on 50.8% equity
2020F Rate Base <sup>(1)</sup>	\$5.6B		
5-Year Rate Base CAGR	6.2%		
2019 Assets % of Total Consolidated Regulated Assets <sup>(2)</sup>	20%		
Development Opportunities <sup>(3)</sup>	Renewables, Storage & Electric Transmission		
Regulatory Proceedings	TEP General Rate Application & 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.

# 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



**~460 MW** of New Wind,  
Solar and Storage



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

2020-2021

2022-2035

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



-170 MW  
2022

-387 MW  
2027

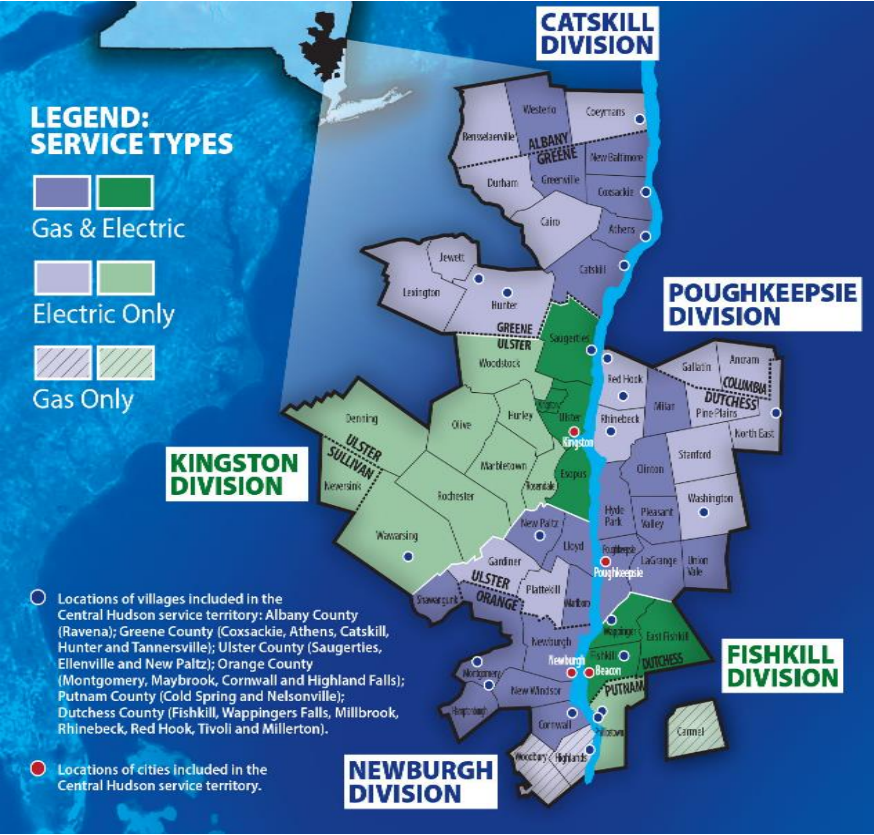
-110 MW  
2031

-406 MW  
2032

TEP INTEGRATED  
RESOURCE PLAN  
FILED IN JUNE 2020

- TEP expects to have **coal-free generation mix** by 2032
- TEP's power will be more than **70% renewable** by 2035

# 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
2020F Rate Base <sup>(1)</sup>	\$2.1B
5-Year Rate Base CAGR	9.3%
2019 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

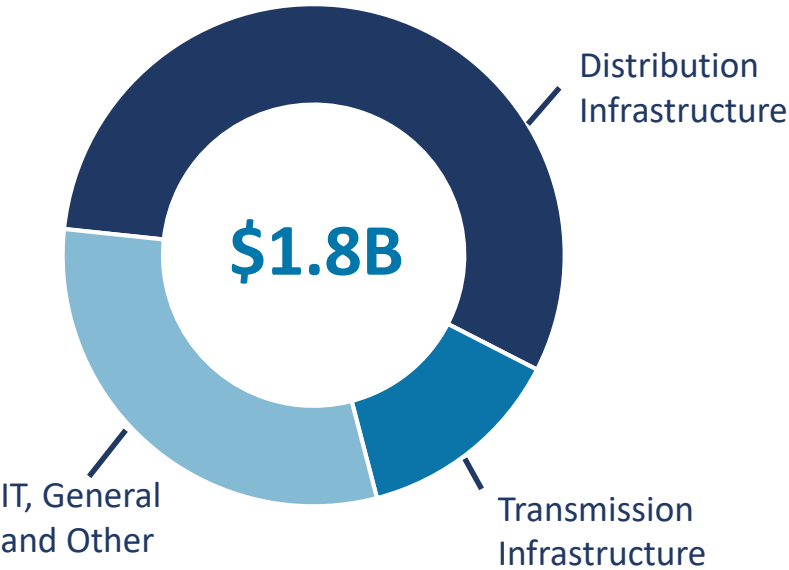
(1) US dollar-denominated rate base translated at a forecast USD:CAD foreign exchange rate of \$1.32.

(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

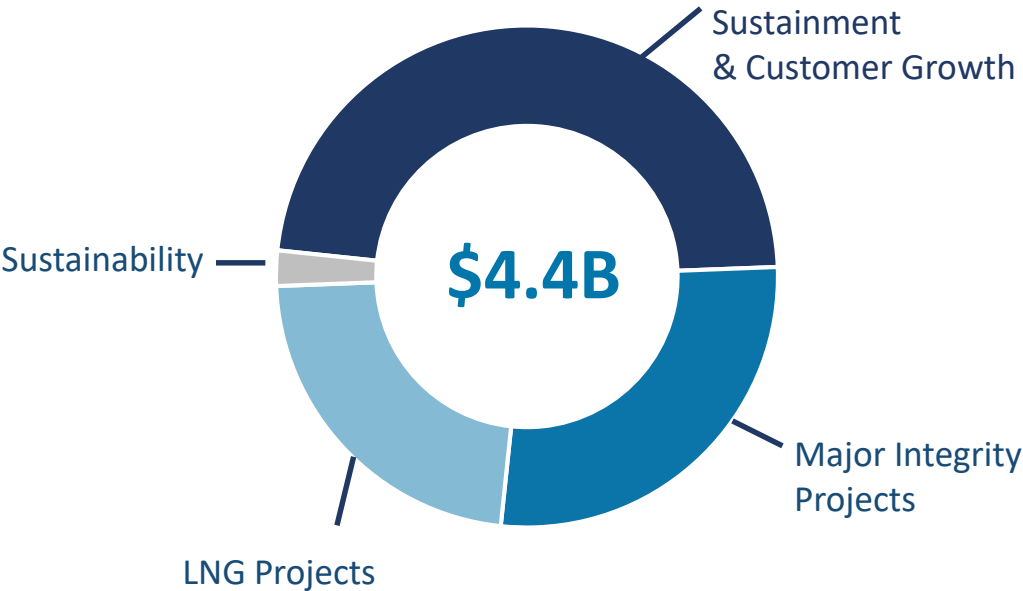


	FortisBC Gas	FortisBC Electric
Type of Utility	Gas distribution	Electricity
Regulator	British Columbia Utilities Commission	
Regulatory Model	Cost of service with incentive mechanisms	
Current Regulatory Compact	8.75% ROE on 38.5% equity	9.15% ROE on 40.0% equity
Significant Regulatory Features	Multi-year rates with revenue deferrals – changes in consumption and commodity costs do not impact earnings	
2020F Rate Base	\$5.0B	\$1.4B
5-Year Rate Base CAGR	6.2%	3.8%
2019 Assets % of Total Consolidated Regulated Assets <sup>(1)</sup>	14%	4%
Development Opportunities <sup>(2)</sup>	LNG for Marine Bunkering, LNG Bulk Export & Gas Infrastructure	N/A

(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



### \$1.0B LNG Projects

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



### \$100M Sustainability

Renewable Gas Projects  
Natural gas for transportation

# FORTISBC'S CLEAN GROWTH PATHWAY

## 30% GHG REDUCTION BY 2030



### Energy Efficiency

Conservation & Efficiency Programs Increased to ~\$370M for 2019-2022



### Renewable Natural Gas

Currently Utilizing Renewable Natural Gas<sup>(1)</sup>

-----  
Regulatory Approval Received at FortisBC's largest RNG project to date<sup>(2)</sup>



### LNG

Positioning BC as a Domestic & International Bunkering Hub

-----  
Exploring bulk export opportunities for Tilbury



### Zero & Low-Carbon Transportation

FortisBC Owns and Operates 25 EV Charging Stations<sup>(3)</sup>

-----  
Owns and Operates 15 Compressed Natural Gas Stations

(1) Locations include Sea Breeze Dairy Farm, Surrey Biofuel Facility, Fraser Valley Biogas, Salmon Arm Landfill (owned and operated by FortisBC) & Glenmore Landfill (owned and operated by FortisBC).

(2) Renewable Natural Gas production at Vancouver Landfill

(3) Includes 23 fast-charging stations and 2 level-two chargers.

# 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
2020F Rate Base	\$3.7B
5-Year Rate Base CAGR	3.0%
2019 Assets % of Total Consolidated Regulated Assets <sup>(1)</sup>	9%
Regulatory Proceedings	AESO Customer Contribution Policy Decision Review and Variance Application & 2021 Generic Cost of Capital

(1) Includes goodwill

# FORTISALBERTA CAPITAL INVESTMENT OVERVIEW



# 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>
2020F Rate Base	\$1.2B	\$0.4B	\$0.3B
5-Year Rate Base CAGR	3.4%	4.7%	20.5% <sup>(3)</sup>
2019 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.



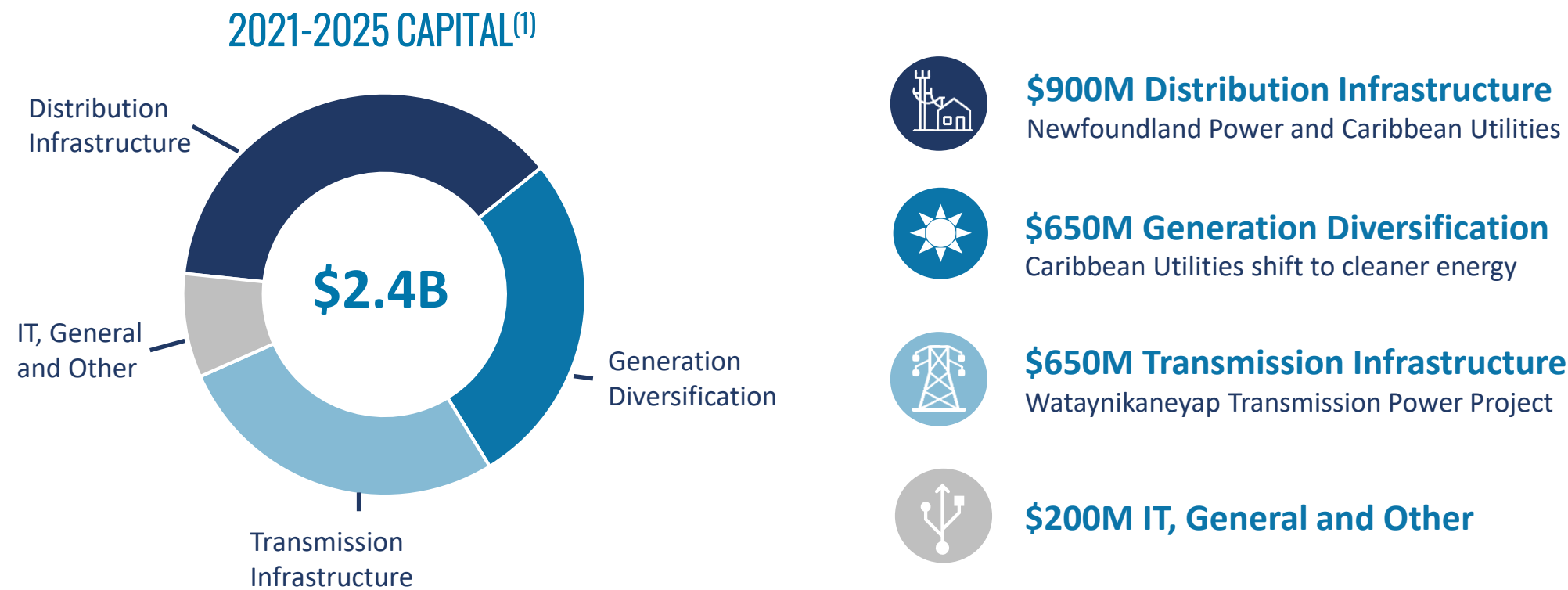
# OTHER ELECTRIC UTILITIES (CONTINUED)



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
2019 Achieved ROE	12.10%	8.00%
2020F Rate Base <sup>(2)</sup>	\$0.7B	\$0.5B
5-Year Rate Base CAGR	8.8%	1.7%
2019 Assets % of Total Consolidated Regulated Assets <sup>(3)</sup>	2%	1%
Development Opportunities <sup>(4)</sup>	Grid Modernization, Battery Storage & Renewables	

(1) Fortis has an approximate 60% controlling interest in Caribbean Utilities Company, Ltd.  
 (2) US dollar-denominated rate base translated at a forecast USD:CAD foreign exchange rate of \$1.32.  
 (3) Includes goodwill  
 (4) 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>							
(\$billions)	2020F	2021F	2022F	2023F	2024F	2025F	5-Year CAGR to 2025
<b>Regulated - Independent Electric Transmission</b>							
ITC <sup>(2)</sup>	9.4	9.9	10.6	11.3	11.9	12.5	6.0%
<b>Regulated - US Electric &amp; Gas</b>							
UNS Energy	5.6	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>9.3%</u>
Total Regulated - US Electric & Gas	7.7	8.5	9.2	9.7	10.3	10.8	7.1%
<b>Regulated - Canadian &amp; Caribbean Electric &amp; Gas</b>							
FortisBC Energy	5.0	5.2	5.4	5.7	6.2	6.8	6.2%
FortisAlberta	3.7	3.8	3.9	4.0	4.1	4.2	3.0%
FortisBC Electric	1.4	1.5	1.5	1.6	1.7	1.7	3.8%
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	13.1	13.8	14.5	15.4	16.1	17.0	5.3%
<b>Total Rate Base Forecast</b>	<b>30.2</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 translated at a forecast 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

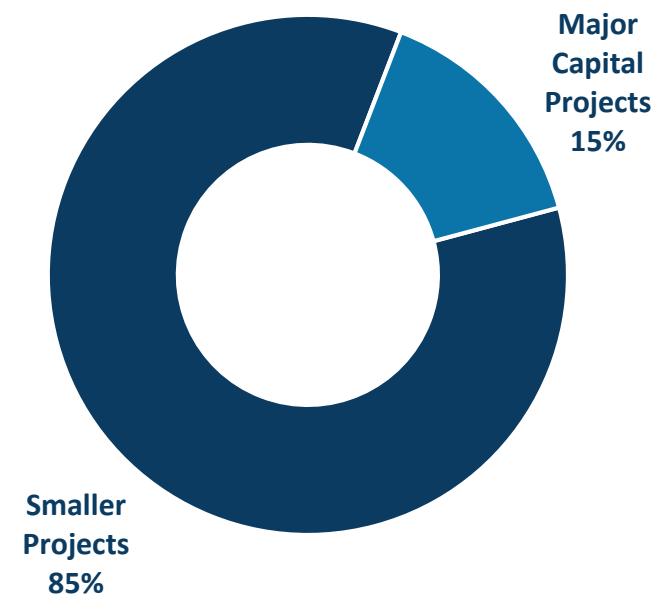
Capital Forecast <sup>(1)</sup>						
(\$millions)	2021F	2022F	2023F	2024F	2025F	2021-2025 TOTAL
<b>Regulated - Independent Electric Transmission</b>						
ITC	1,000	1,007	993	1,107	993	5,100
<b>Regulated - US Electric &amp; Gas</b>						
UNS Energy	749	781	840	853	547	3,770
Central Hudson	<u>306</u>	<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
<b>Regulated - Canadian &amp; Caribbean Electric &amp; Gas</b>						
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
<b>Non-Regulated</b>	71	13	17	21	46	168
<b>Total Capital Forecast</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

	2020 Forecast <sup>(1)</sup>	2021-2025 Plan <sup>(1)</sup>	Expected Year of Completion
(\$ Millions)			
ITC Multi-Value Regional Transmission Projects	12	261	2023
ITC 34.5 kV to 69 kV Transmission Conversion Project	99	148	Post-2025
UNS Vail to Tortolita <sup>(2)</sup>	-	244	2023
UNS Oso Grande <sup>(3)</sup>	514	-	2021
FortisBC Eagle Mountain Woodfibre Gas line Project <sup>(4)</sup>	-	350	2025
FortisBC Transmission Integrity Management Capabilities Project	6	441	Post-2025
FortisBC Inland Gas Upgrades Project	46	230	2025
FortisBC Tilbury 1B	1	376	2025
<b>NEW</b> FortisBC Tilbury Resiliency Tank	9	209	Post-2025
<b>NEW</b> FortisBC Advanced Metering Infrastructure	-	247	Post-2025
Wataynikaneyap Transmission Power Project <sup>(5)</sup>	212	479	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 1.36 for 2020 and 1.32 for 2021 through 2025.




(2) The Vail to Tortolita transmission project was previously disclosed as a phase of the Southline transmission project.

(3) Construction began in 2019 and is expected to be commissioned in 2021.

(4) Capital plan is net of customer contributions.

(5) Represents Fortis' 39% share of the estimated capital spending for the project, including deferred development costs.

# INVESTMENT-GRADE CREDIT RATINGS

Company			
Fortis Inc.	A <sup>-(1)</sup>	Baa3	BBB (High)
ITC Holdings Corp.	A <sup>-(1)</sup>	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+.





# COVID-19: OTHER FINANCIAL IMPLICATIONS

## Defined Benefit Pension Plan

- ✓ ~46% of assets invested in fixed income
- ✓ ~88% of \$3.2B plan assets funded at December 31, 2019
- ✓ ~80% of pension assets subject to regulatory mechanisms
  - UNS pension plan assets (~\$0.6B) not subject to automatic regulatory mechanisms
  - Impact of asset valuation on future pension expense depends on asset valuations as of December 31<sup>st</sup>

## Certain U.S. Retirement Benefits

- ✓ Certain retirement benefits funded through trusts and are subject to market volatility each quarter
  - Decline in market values in the first six months resulted in a ~\$0.02 EPS decline year-over-year for UNS
  - Minimal impact at other utilities as assets are more heavily invested in fixed income

## Foreign Exchange – Earnings & Capital Plan

- ✓ 65%<sup>(1)</sup> of earnings and 60% of 5-year \$19.6B capital plan from U.S. and Caribbean
- ✓ Foreign exchange sensitivity for every 5-cent change in USD:CAD exchange rate:
  - Average Annual EPS – \$0.06
  - 5-year Capital Plan – \$400M

## Credit Losses

- ✓ Potential for recovery of credit losses through extraordinary riders in regulatory mechanisms
  - FortisBC received approval for recovery in June 2020
- ✓ FortisAlberta and ITC collect revenues from retail energy providers and distribution utilities reducing collection risk vs. end-use customers.
  - Together they represent ~30% of annual revenues

(1) Non-US GAAP Measure. Data as of December 31, 2019.

# OUR LEADERSHIP TEAM



**Barry Perry**  
President & CEO

Fortis Inc.  
Executives



**Nora Duke**  
EVP, Sustainability &  
CHRO



**David Hutchens**  
COO,  
CEO UNS Energy



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



**Jocelyn Perry**  
EVP, CFO



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



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

Utility  
Presidents



**Linda Apsey**  
President & CEO  
ITC



**Roger Dall'Antonia**  
President & CEO  
FortisBC



**Ruth Forbes**  
President & CEO  
FortisTCI



**Charles Freni**  
President & CEO  
Central Hudson



**Susan Gray**  
President & COO  
UNS Energy



**Scott Hawkes**  
President & CEO  
FortisOntario



**Richard Hew**  
President & CEO  
Caribbean Utilities



**Gary Murray**  
President & CEO  
Newfoundland Power



**Michael Mosher**  
President & CEO  
FortisAlberta



**Jason Roberts**  
President & CEO  
Maritime Electric



**Lynn Young**  
President & CEO  
BECOL