



Second Quarter 2020  
Earnings Conference Call  
July 30, 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: TEP's carbon emissions reduction target, 2035 generation mix, coal-fired generation retirements and associated benefits; FortisBC's 2030 GHG emissions target; forecast capital expenditures for 2020-2024; forecast rate base for 2020-2024; targeted average annual dividend growth through 2024; 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 Southline Transmission Project and Oso Grande Wind Project, FortisBC Lower Intermediate Pressure System Upgrade, Eagle Mountain Woodfibre Gas Line Project, Transmission Integrity Management Capabilities Project, Inland Gas Upgrades Project and Tilbury 1B; and forecast debt maturities for 2020-2024.

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 adverse effects from the COVID-19 pandemic; reasonable regulatory decisions and the expectation of regulatory stability; the implementation of the five-year capital expenditure plan; no material capital project or financing cost overruns; sufficient human resources to deliver service and execute the capital expenditure 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.**



Barry Perry  
President and  
Chief Executive Officer



# **FORTIS** INC. Second Quarter Business Update



- ✓ Continuing to Navigate Through COVID-19
- ✓ Regulatory Proceedings Advanced
- ✓ TEP files Integrated Resource Plan
- ✓ 2020 Sustainability Report Issued
- ✓ \$2 Billion Invested through June YTD



# FORTIS INC. COVID-19 Q2 Sales and Load Trends:

## Sales Up ~3% at Utilities Not Protected by Regulatory Mechanisms

### Regulatory Mechanisms Protecting Changes in Sales

### 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



UNS Energy Corporation  
A Fortis Company



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

Other  
Electric



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



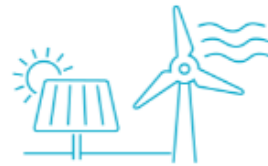
# TEP Files 2020 Integrated Resource Plan in Arizona

## Fortis Expects to Have a **Coal-Free Generation Mix** by 2032

TEP Sets  
Target to Reduce  
Carbon Emissions by

**80%**

by 2035



**2,457 MW** of new wind  
and solar power systems

TEP's power will be more than 70% renewable by 2035.



Springerville units begin seasonal operations in 2023.

- **Unit 1 to retire in 2027**
- **Unit 2 to retire in 2032**



**1,400 MW** of  
new energy  
storage systems

# 2020 Sustainability Report Issued in July

Continued Focus on

**Energy  
Delivery**



FortisBC's  
**30BY30**

goal will **reduce greenhouse gas emissions** associated with customer energy use by 30% by 2030.

TEP will reduce carbon emissions by

**80%**  
by 2035.



More than  
**70%**



of our 2020 **\$4.3 billion capital** plan is dedicated to asset resiliency, modernization & cleaner energy initiatives.

**Sustainability  
Highlights**



More than

**\$12 million**

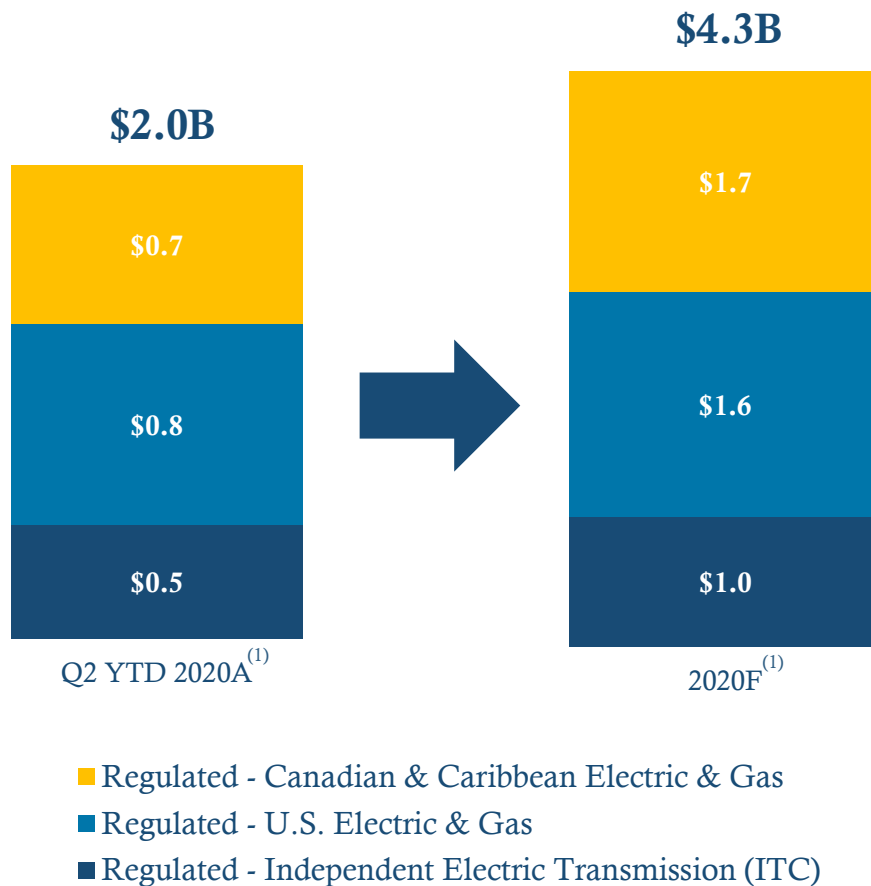
in 2019 community investment.

**40%**



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

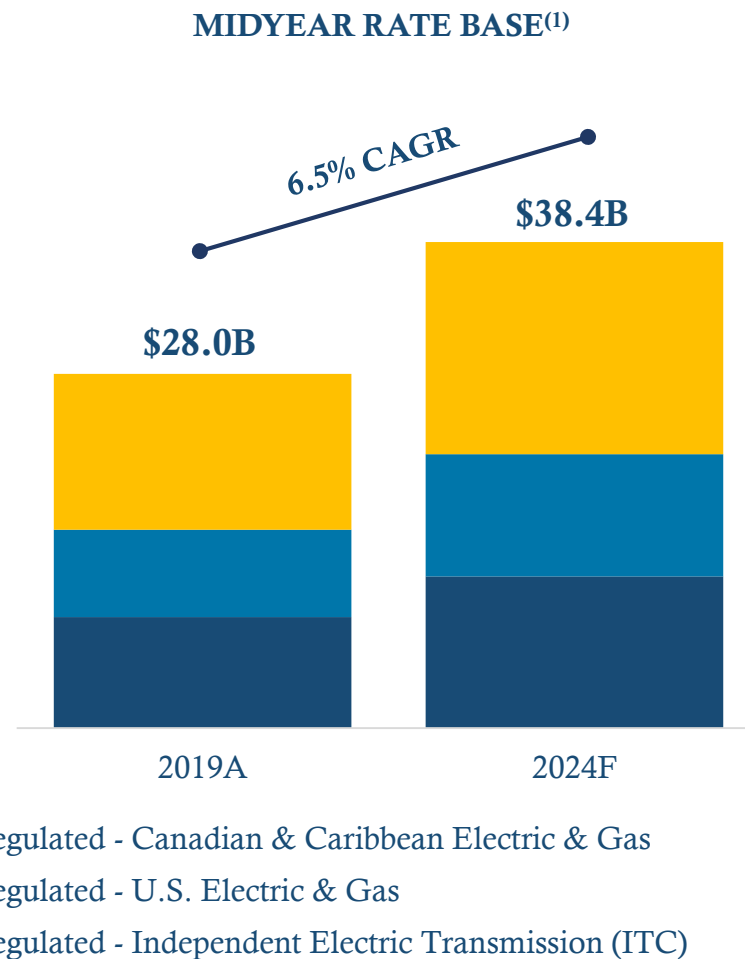
# FORTIS INC. 2020 Capital Plan On Track



(1) US dollar-denominated capital expenditures for Q2 YTD 2020 based on USD/CAD foreign exchange rate of \$1.37 and 2020F capital expenditures based on \$1.32.



# 5-Year Capital Plan & Rate Base Growth Outlook



(1) US dollar-denominated rate base for 2019 is based on the actual average USD/CAD foreign exchange rate of \$1.33 and forecast rate base for 2020-2024 is based on \$1.32.

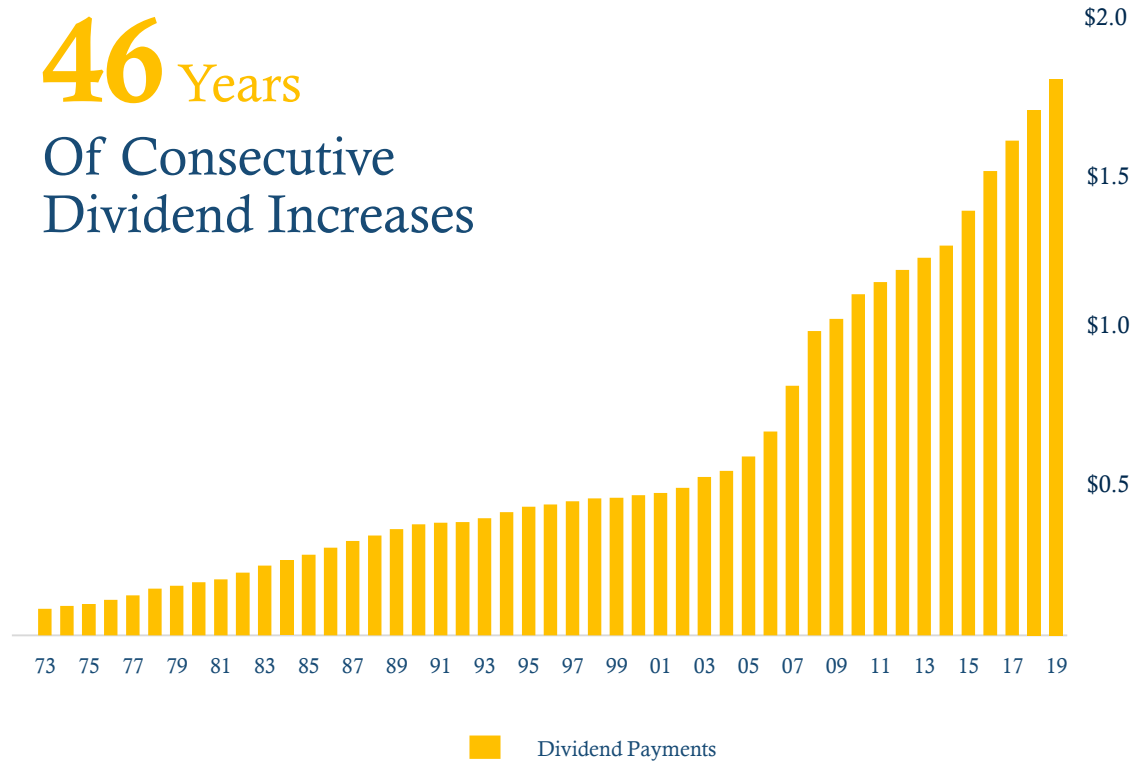
# Dividend Guidance Supported by Long-Term Growth Strategy

6%

Average Annual Dividend  
Growth Guidance to 2024

46 Years

Of Consecutive  
Dividend Increases



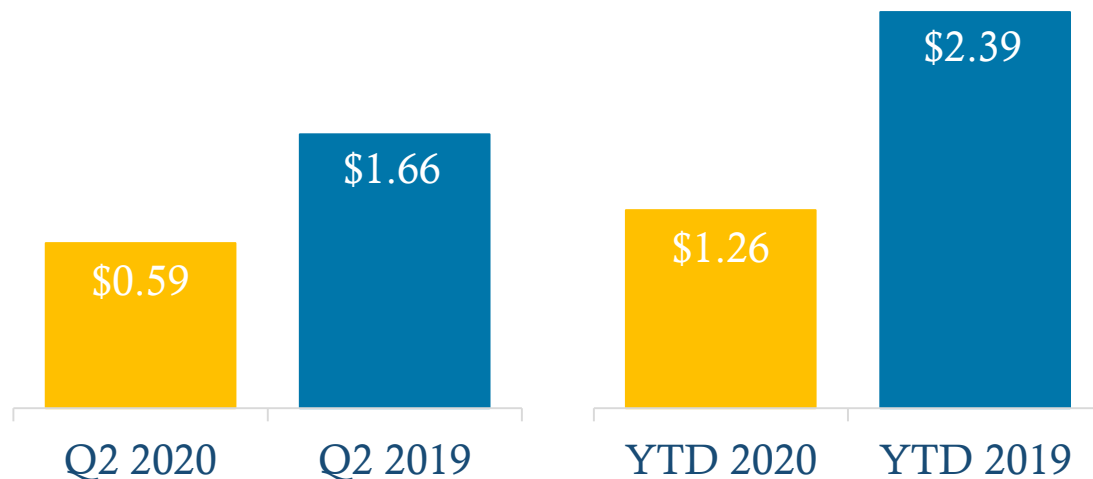


Jocelyn Perry  
Executive Vice President  
and Chief Financial Officer

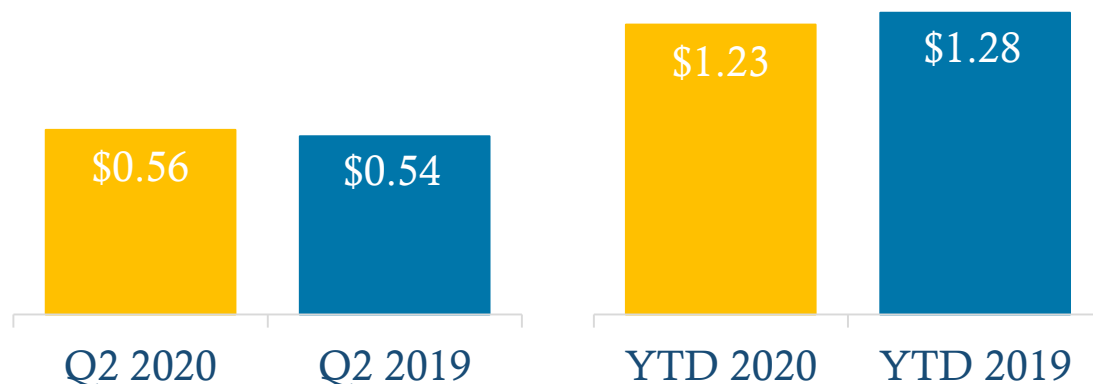


# FORTIS INC. Second Quarter Results

## REPORTED EPS



## ADJUSTED EPS<sup>(1)</sup>



## Reported EPS Includes:

- \$484M Net Gain on Waneta Asset Sale in Q2 2019
- \$27M Favourable Impact of May 2020 FERC Order at ITC

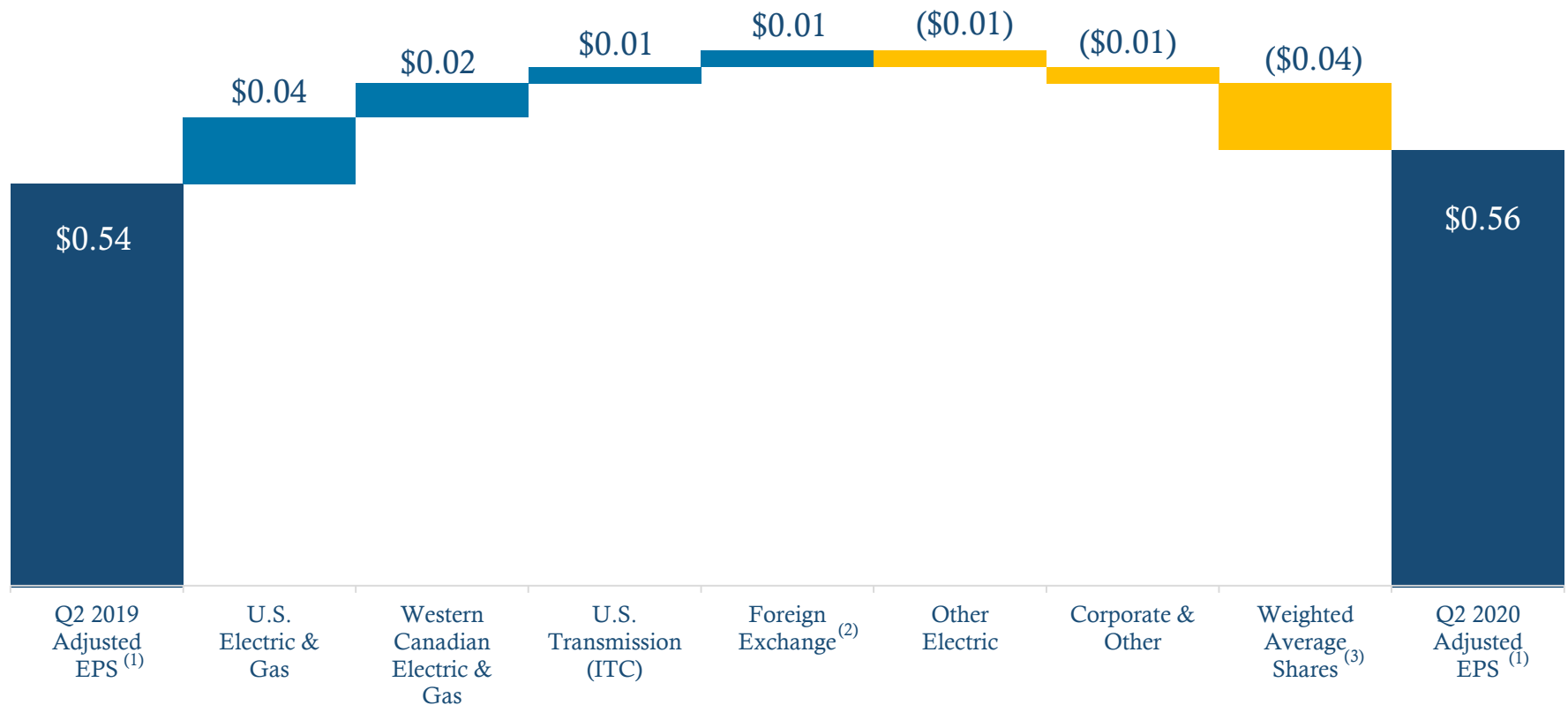
## Q2 Adjusted EPS Impacted by:

- ↑ Rate Base Growth
- ↑ Weather in Arizona
- ↓ COVID-19
- ↓ Q4 2019 Share Issuance

(1) Non-US GAAP measure



# FORTIS INC. Second Quarter EPS Drivers

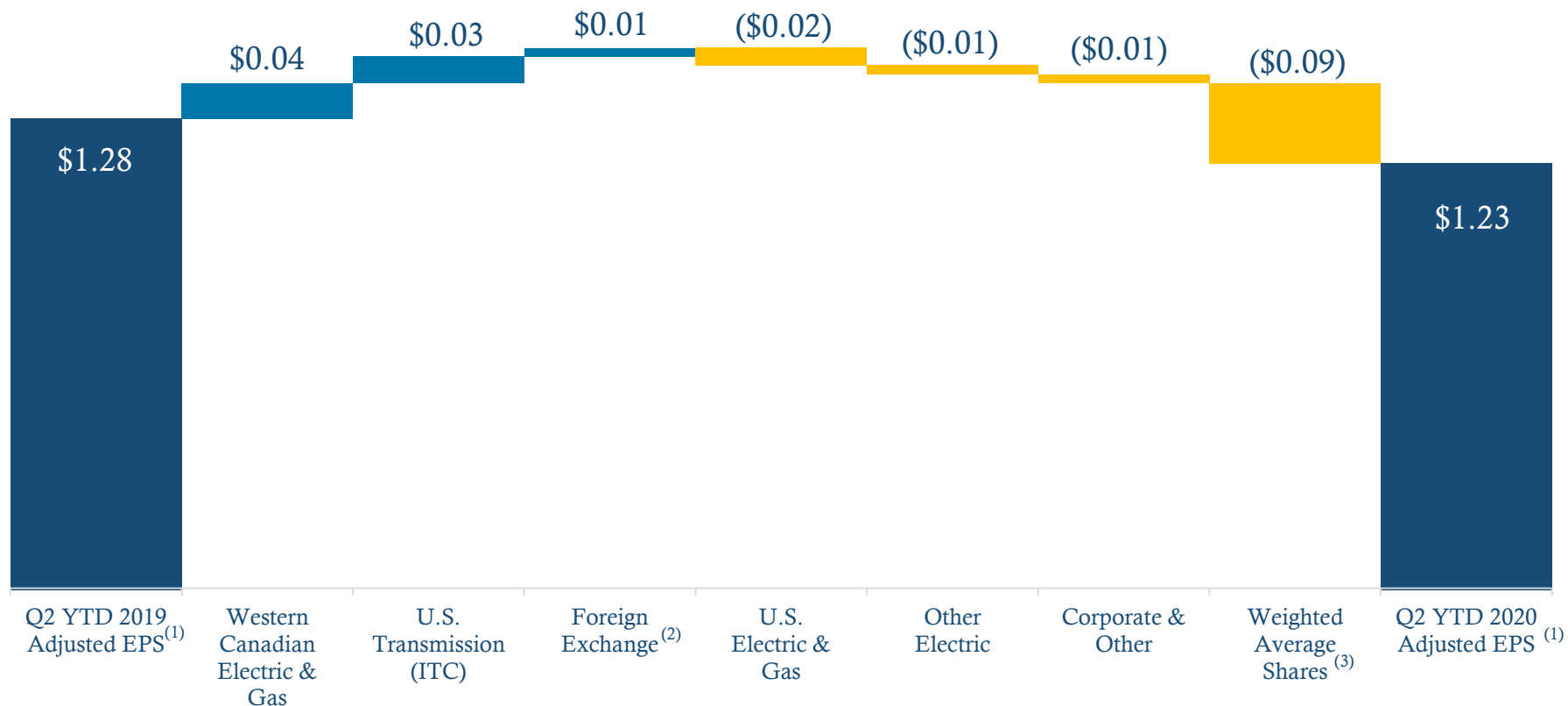


(1) Non-US GAAP measure

(2) Reflects higher average USD/CAD foreign exchange rate of \$1.39 for Q2 2020 versus \$1.34 for Q2 2019

(3) Reflects common shares issued under the \$1.2B equity issuance in Q4 2019

# FORTIS INC. June Year-to-Date EPS Drivers



(1) Non-US GAAP measure

(2) Reflects higher average USD/CAD foreign exchange rate of \$1.37 for Q2 YTD 2020 versus \$1.33 for Q2 YTD 2019

(3) Reflects common shares issued under the \$1.2B equity issuance in Q4 2019

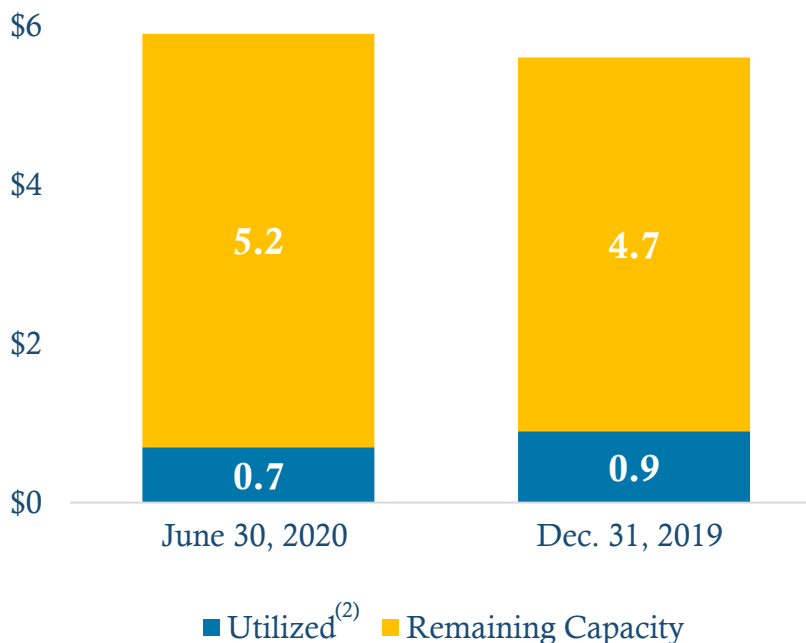
# Strong Access to Debt Markets & Strong Liquidity

## Over \$2B issued since March 2020

### DEBT ISSUANCES COMPLETED

- ✓ **ITC**
  - US\$700M 10-year 2.95% notes
  - US\$180M 31-year 3.13% bonds<sup>(1)</sup>
- ✓ **UNS**
  - US\$350M 30-year 4.00% notes
- ✓ **Central Hudson**
  - US\$30M 30-year 3.42% notes
  - US\$30M 40-year 3.62% notes<sup>(1)</sup>
- ✓ **FortisBC**
  - \$75M 30-year 3.12% debentures
  - \$200M 30-year 2.54% green bond<sup>(1)</sup> 🌱
- ✓ **Newfoundland Power**
  - \$100M 40-year 3.61% bonds

### LIQUIDITY (\$B)



(1) Debt issued in July 2020.

(2) Net of cash on hand.

# ITC: MISO Base ROE Order Issued in Q2

In May, FERC issued an order in response to requests for rehearing of FERC's November 2019 decision regarding base ROE

The new ROE methodology was revised to reflect a three-part approach using:

- ✓ Two-Step Discounted Cash Flow
- ✓ Capital Asset Pricing Model
- ✓ Modified Risk Premium Model

	New ROE Under May 2020 Order	Previous ROE Under Nov. 2019 Order
MISO Base ROE	10.02%	9.88%
ITC's Incentive Adders <sup>(1)</sup>	<u>0.75%</u>	<u>0.75%</u>
All-In MISO ROE at ITC	10.77%	10.63%

## EPS Impacts:

- ✓ Q2 Reported EPS **+\$0.06** Recognized for Historical Periods
- ✓ Annual EPS **~+\$0.015** Prospectively

(1) ITC's incentive adders reflect 50 bps for regional transmission organization participation and 25 bps for independent transmission ownership.



# FORTIS INC. Update on Other Regulatory Proceedings



- **NOIs on ROE and Incentives** – Transmission Incentive NOPR issued in March 2020; comments filed July 1, 2020



- **TEP General Rate Application** – Hearings completed 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 the remaining nine months of the rate year
- **COVID-19 Proceeding** – In June 2020 the NYPSC initiated a generic proceeding into the impacts of COVID-19 on utilities, ratepayers and commission-adopted programs



- **2020-2024 Multi-Year Rate Plan** – Decision received from the BCUC in June 2020 for the rate-setting framework for the next five years; requests for final 2020 and 2021 rates reflecting this decision will be filed in Q3
- **Customer Recovery Fund** – Order establishing a rate base deferral account for credit losses/payment deferrals associated with COVID-19 issued in June 2020



- **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

# **FORTIS** INC. **Why Invest In Fortis?**



**Well-Run  
Businesses**



**Sustainability  
Leader**



**Highly  
Diversified**



**Focused on  
Energy  
Delivery**



**Innovative**



**Strong  
Growth  
Profile**



**Virtually  
All  
Regulated**



**6%  
Dividend  
Guidance**

# FORTIS INC. Expected Upcoming Events

## Expected Earnings Release Date

Q3 2020

October 30, 2020





Second Quarter 2020  
Earnings Conference Call  
July 30, 2020





# FORTIS INC. Q2 2020 Results by Segment

Second Quarter Variance Analysis by Segment							
(\$millions, except weighted average shares and EPS)	Q2 2020	Adjustment	Adjusted Q2 2020 <sup>(1)</sup>	Q2 2019	Adjustment	Adjusted Q2 2019 <sup>(1)</sup>	Adjusted Q2 Variance
Regulated – Independent Electric Transmission							
ITC	138	(27)	111	101	-	101	10
Regulated – US Electric & Gas							
UNS Energy	85	-	85	60	-	60	25
Central Hudson	<u>2</u>	-	<u>2</u>	<u>7</u>	-	<u>7</u>	<u>(5)</u>
	87	-	87	67	-	67	20
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	16	-	16	10	-	10	6
FortisAlberta	33	-	33	34	-	34	(1)
FortisBC Electric	17	-	17	15	-	15	2
Other Electric <sup>(2)</sup>	<u>24</u>	-	<u>24</u>	<u>29</u>	-	<u>29</u>	<u>(5)</u>
	90	-	90	88	-	88	2
Non-Regulated Energy Infrastructure	3	(2)	1	8	(1)	7	(6)
Corporate and Other	(44)	13	(31)	456	(484)	(28)	(3)
Common Equity Earnings	<b>274</b>	<b>(16)</b>	<b>258</b>	<b>720</b>	<b>(485)</b>	<b>235</b>	<b>23</b>
Weighted Average Shares (# millions)	464.6	-	464.6	433.1	-	433.1	31.5
EPS	<b>\$0.59</b>	<b>(\$0.03)</b>	<b>\$0.56</b>	<b>\$1.66</b>	<b>\$1.12</b>	<b>\$0.54</b>	<b>\$0.02</b>

(1) Non-US GAAP measure

(2) Comprises Eastern Canadian and Caribbean electric utilities

# FORTIS INC. June Year-to-Date 2020 Results by Segment

Second Quarter June Year-to-Date Variance Analysis by Segment							
(\$millions, except weighted average shares and EPS)	June YTD 2020	Adjustment	Adjusted June YTD 2020 <sup>(1)</sup>	June YTD 2019	Adjustment	Adjusted June YTD 2019 <sup>(1)</sup>	Adjusted June YTD Variance
Regulated – Independent Electric Transmission							
ITC	239	(27)	212	193	-	193	19
Regulated – US Electric & Gas							
UNS Energy	113	-	113	115	-	115	(2)
Central Hudson	<u>37</u>	-	<u>37</u>	<u>39</u>	-	<u>39</u>	<u>(2)</u>
	150	-	150	154	-	154	(4)
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	122	-	122	110	-	110	12
FortisAlberta	65	-	65	61	-	61	4
FortisBC Electric	32	-	32	31	-	31	1
Other Electric <sup>(2)</sup>	<u>47</u>	-	<u>47</u>	<u>52</u>	-	<u>52</u>	<u>(5)</u>
	266	-	266	254	-	254	12
Non-Regulated Energy Infrastructure	12	1	13	16	4	20	(7)
Corporate and Other	(81)	13	(68)	414	(484)	(70)	2
Common Equity Earnings	<b>586</b>	<b>(13)</b>	<b>573</b>	<b>1,031</b>	<b>(480)</b>	<b>551</b>	<b>22</b>
Weighted Average Shares (# millions)	464.2	-	464.2	431.3	-	431.3	32.9
EPS	<b>\$1.26</b>	<b>(\$0.03)</b>	<b>\$1.23</b>	<b>\$2.39</b>	<b>(\$1.11)</b>	<b>\$1.28</b>	<b>(\$0.05)</b>

(1) Non-US GAAP measure

(2) Comprises Eastern Canadian and Caribbean electric utilities

# FORTIS **Adjusted Earnings Reconciliation**

Non-US GAAP Reconciliation						
(\$millions, except as indicated)	Q2 2020	Q2 2019	Variance	June YTD 2020	June YTD 2019	Variance
Common Equity Earnings	274	720	(446)	586	1,031	(445)
Adjusting Items:						
May 2020 FERC Order <sup>(1)</sup>	(27)	-	(27)	(27)	-	(27)
Anti-hybrid tax regulations <sup>(2)</sup>	13	-	13	13	-	13
Unrealized (gain) loss on mark-to-market of derivatives <sup>(3)</sup>	(2)	(1)	(1)	1	4	(3)
Gain on disposition <sup>(4)</sup>	-	(484)	484	-	(484)	484
Adjusted Common Equity Earnings	258	235	23	573	551	22
Adjusted Basic EPS	\$0.56	\$0.54	\$0.02	\$1.23	\$1.28	(\$0.05)

(1) Reversal of regulatory liabilities accrued in prior years as a result of an order from FERC in May 2020 establishing a new base ROE, included in the ITC segment

(2) Reversal of a tax recovery, originally recognized in 2019, due to the finalization of anti-hybrid tax regulations in April 2020 associated with U.S. tax reform, included in the Corporate and Other segment

(3) Represents timing differences related to the accounting of natural gas derivatives at Aitken Creek, included in the Energy Infrastructure segment

(4) Gain on sale of the Waneta Expansion, net of expenses, in April 2019, included in the Corporate and Other segment

# FORTIS INC. 2019-2024 Rate Base by Segment

Midyear Rate Base <sup>(1)</sup>								
(\$billions)	2019A	2020F	2021F	2022F	2023F	2024F	3-Year CAGR to 2022	5-Year CAGR to 2024
Regulated - Independent Electric Transmission ITC <sup>(2)</sup>	8.8	9.5	10.2	10.8	11.4	12.0	7.2%	6.4%
Regulated - US Electric & Gas								
UNS Energy	5.0	5.8	6.1	6.4	6.8	6.9	8.6%	6.5%
Central Hudson	<u>1.9</u>	<u>2.1</u>	<u>2.2</u>	<u>2.4</u>	<u>2.6</u>	<u>2.8</u>	<u>9.0%</u>	<u>8.2%</u>
Total Regulated - US Electric & Gas	6.9	7.9	8.3	8.8	9.4	9.7	8.7%	7.0%
Regulated - Canadian & Caribbean Electric & Gas								
FortisBC Energy	4.5	5.0	5.1	5.4	6.1	6.6	6.4%	7.8%
FortisAlberta	3.5	3.7	3.9	4.1	4.2	4.3	4.8%	4.1%
FortisBC Electric	1.3	1.4	1.5	1.5	1.5	1.5	3.6%	3.0%
Other Electric <sup>(3)</sup>	<u>3.0</u>	<u>3.2</u>	<u>3.5</u>	<u>3.9</u>	<u>4.2</u>	<u>4.3</u>	<u>9.2%</u>	<u>7.9%</u>
Total Regulated - Canadian & Caribbean Electric & Gas	12.3	13.3	14.0	14.9	16.0	16.7	6.3%	6.3%
<b>Total Midyear Rate Base Forecast</b>	<b>28.0</b>	<b>30.7</b>	<b>32.5</b>	<b>34.5</b>	<b>36.8</b>	<b>38.4</b>	<b>7.2%</b>	<b>6.5%</b>

(1) US dollar-denominated rate base for 2019 is based on the actual average USD/CAD foreign exchange rate of \$1.33 and forecast rate base for 2020-2024 is based on \$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.



# FORTIS INC. 2020-2024 Capital Plan by Segment

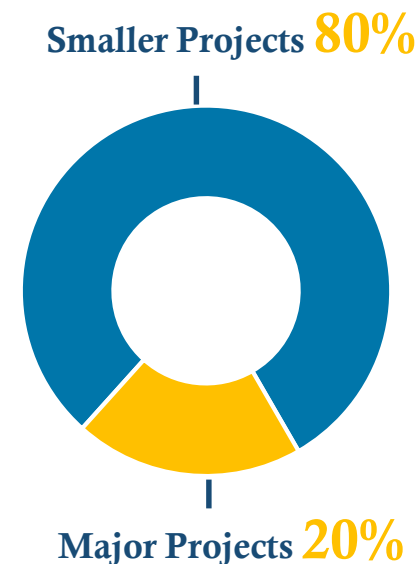
Capital Forecast <sup>(1)</sup>						
(\$millions)	2020F	2021F	2022F	2023F	2024F	2020-2024 TOTAL
Regulated - Independent Electric Transmission						
ITC	976	987	1,043	1,018	922	4,946
Regulated - US Electric & Gas						
UNS Energy	1,390	828	710	575	371	3,874
Central Hudson	<u>292</u>	<u>309</u>	<u>359</u>	<u>306</u>	<u>292</u>	<u>1,558</u>
Total Regulated - US Electric & Gas	1,682	1,137	1,069	881	663	5,432
Regulated - Canadian & Caribbean Electric & Gas						
FortisBC Energy	507	546	648	850	688	3,239
FortisAlberta	436	460	421	420	417	2,154
FortisBC Electric	141	139	110	109	108	607
Other Electric <sup>(2)</sup>	<u>566</u>	<u>473</u>	<u>485</u>	<u>438</u>	<u>348</u>	<u>2,310</u>
Total Regulated - Canadian & Caribbean Electric & Gas	1,650	1,618	1,664	1,817	1,561	8,310
Non-Regulated	32	13	35	10	36	126
<b>Total Capital Forecast</b>	<b>4,340</b>	<b>3,755</b>	<b>3,811</b>	<b>3,726</b>	<b>3,182</b>	<b>18,814</b>

(1) Capital expenditures are translated at a USD/CAD foreign exchange rate of \$1.32.

(2) Comprises Eastern Canadian and Caribbean electric utilities.

# FORTIS INC. Major Capital Projects<sup>(1)</sup>

(\$Millions)	Incurred to End of 2019	2020-2024 Plan	Expected Year of Completion
ITC Multi-Value Regional Transmission Projects	625 <sup>(2)</sup>	276	2023
ITC 34.5 to 69 kV Transmission Conversion Project	352 <sup>(2)</sup>	268	Post-2024
UNS Southline Transmission Project	-	392	Post-2024
UNS Oso Grande Wind Project	65	453	2020
FortisBC Lower Mainland Intermediate Pressure System Upgrade	388	72	2020
FortisBC Eagle Mountain Woodfibre Gas Line Project	-	350	2024
FortisBC Transmission Integrity Management Capabilities Project	13	517	Post-2024
FortisBC Inland Gas Upgrades Project	9	319	Post-2024
FortisBC Tilbury 1B Project	8	352	2024
Wataynikaneyap Transmission Power Project <sup>(3)</sup>	123	501	2023



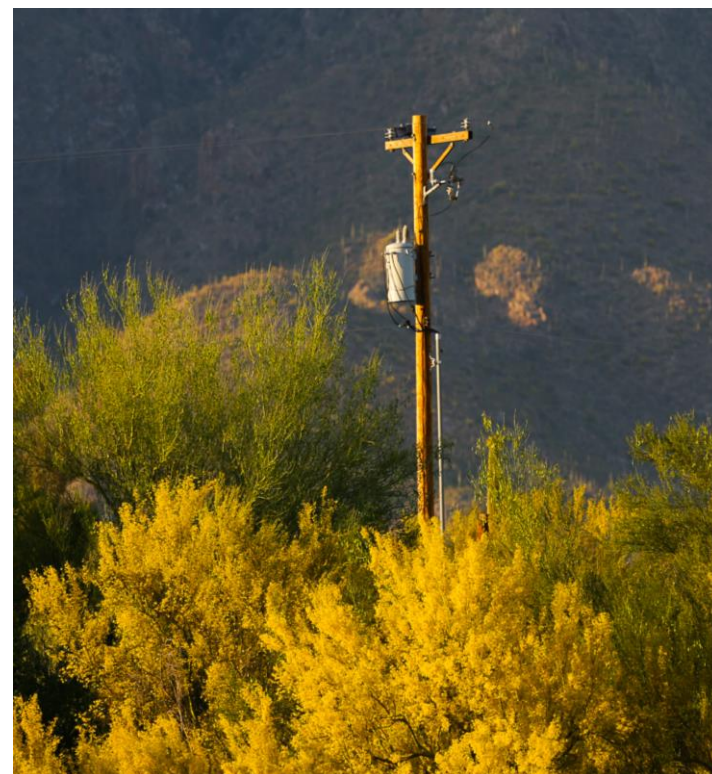
(1) Major capital projects are identified as those with a total project cost of \$200 million or greater and exclude ongoing capital maintenance projects. Total project costs include forecasted capitalized interest and non-cash equity component of AFUDC. Capital expenditures for 2020-2024 are translated at a forecast USD/CAD foreign exchange rate of \$1.32.

(2) Reflects capital expenditures since date of acquisition of ITC on October 14, 2016.

(3) Reflects Fortis' assumed 39% share of the estimated capital spending for the project. Under the funding framework, Fortis will be funding its equity component only.

# FORTIS INC. Investment-Grade Credit Ratings

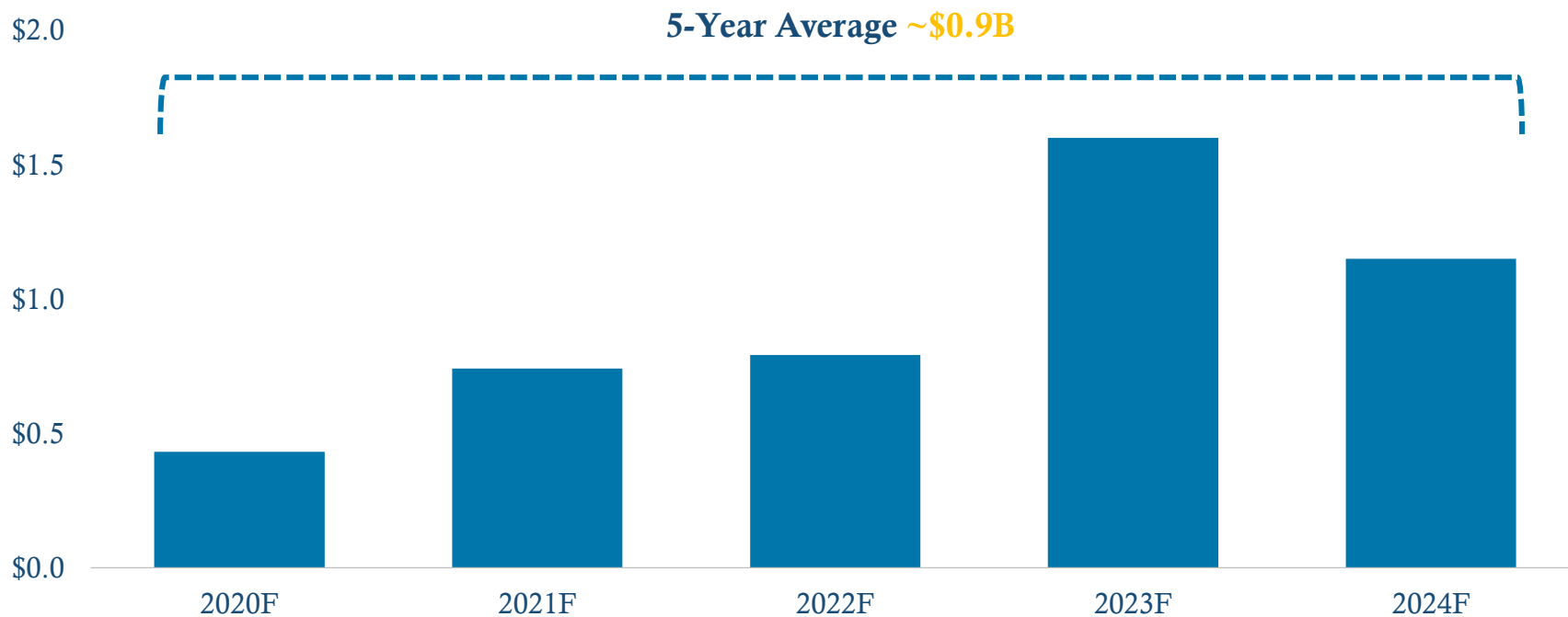
Company	S&P Global	MOODY'S	DBRS
Fortis Inc.	A <sup>(1)</sup>	Baa3	BBB (High)
ITC Holdings Corp.	A <sup>(1)</sup>	Baa2	n/a
ITC Regulated Subsidiaries	A	A1	n/a
TEP	A-	A3	n/a
Central Hudson	A-	A3	n/a
FortisBC Energy	n/a	A3	A
FortisBC Electric	n/a	Baa1	A (low)
FortisAlberta	A-	Baa1	A (low)
Newfoundland Power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

# FORTIS INC. Manageable Debt Maturities

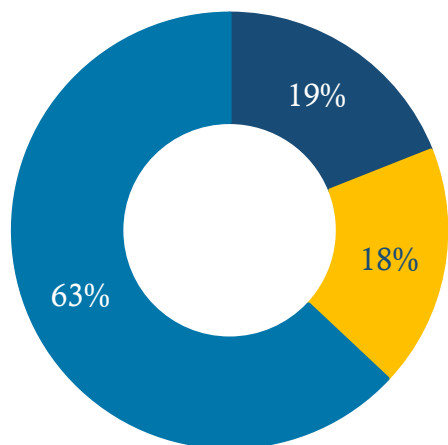
## FIXED-TERM DEBT MATURITIES<sup>(1)</sup> (\$B)



(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.

# ~82% of Revenues Protected by Regulatory Mechanisms or From Residential Sales

2019 Revenues



EPS Sensitivity

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

- 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>

(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 for change in sales with 9% at UNS and 10% at Other Electric in 2019.

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

# 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 \$18.8B capital plan from U.S.
- ✓ Expect tailwind due to higher USD/CAD exchange rate
- ✓ Foreign exchange sensitivity for every 5 cent change in USD/CAD exchange rate:
  - 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.