

WORKING TOGETHER
POWERING **GROWTH**

FORTIS INC.

Fourth Quarter 2019
Earnings Conference Call
February 13, 2020

FORTIS INC. **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: forecast capital expenditures for the period from 2020 through 2024; forecast rate base for the period from 2020 through 2024; targeted average annual dividend growth through 2024; the expected timing 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; FortisBC's 2030 GHG emission goal; and TEP's renewable energy target.

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 risk factors or assumptions include, but are not limited to: 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 midyear rate base.



FORTIS INC.

BARRY PERRY
PRESIDENT & CEO

2019 HIGHLIGHTS

ANOTHER YEAR OF ADVANCING THE GROWTH STRATEGY

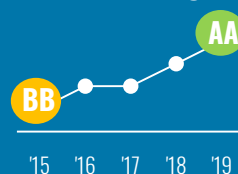


Delivered Adjusted EPS⁽¹⁾
of **\$2.55**



Completed
\$1.0B
Sale of Waneta in Q2

MSCI ESG Rating Upgrade



Improved
Sustainability

Increased Q4 Dividends
by **6.1%**



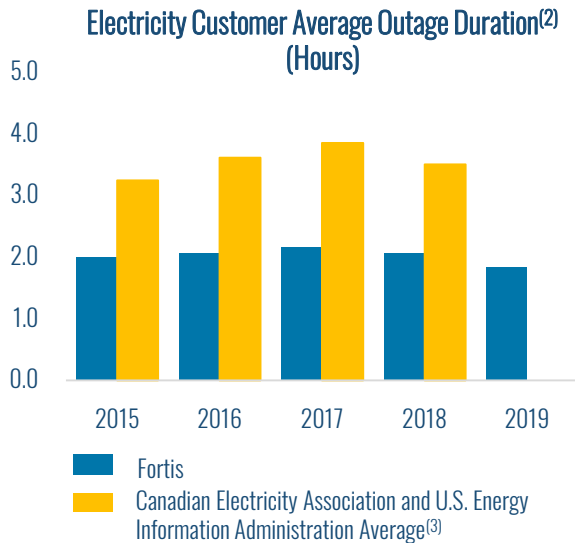
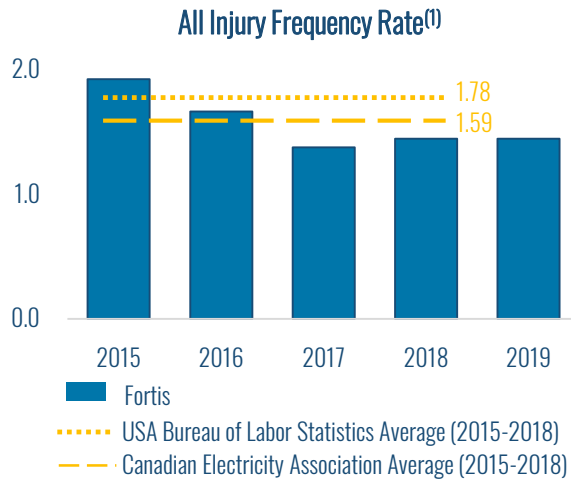
Issued **\$1.2B**
Equity in Q4



Invested ~**\$4B**
in Our Systems

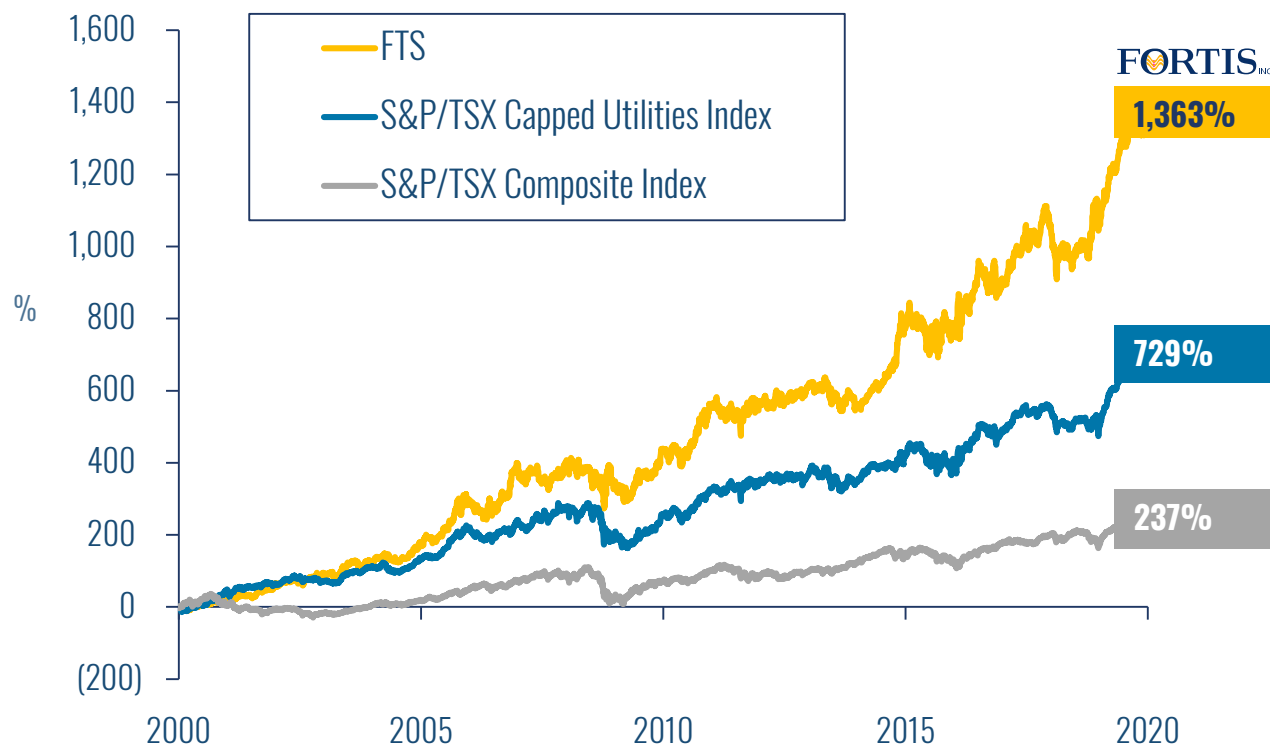
(1) Non-US GAAP measure.

STRONG OPERATIONAL PERFORMANCE



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

FORTIS INC. SUPERIOR 20-YEAR TOTAL SHAREHOLDER RETURN

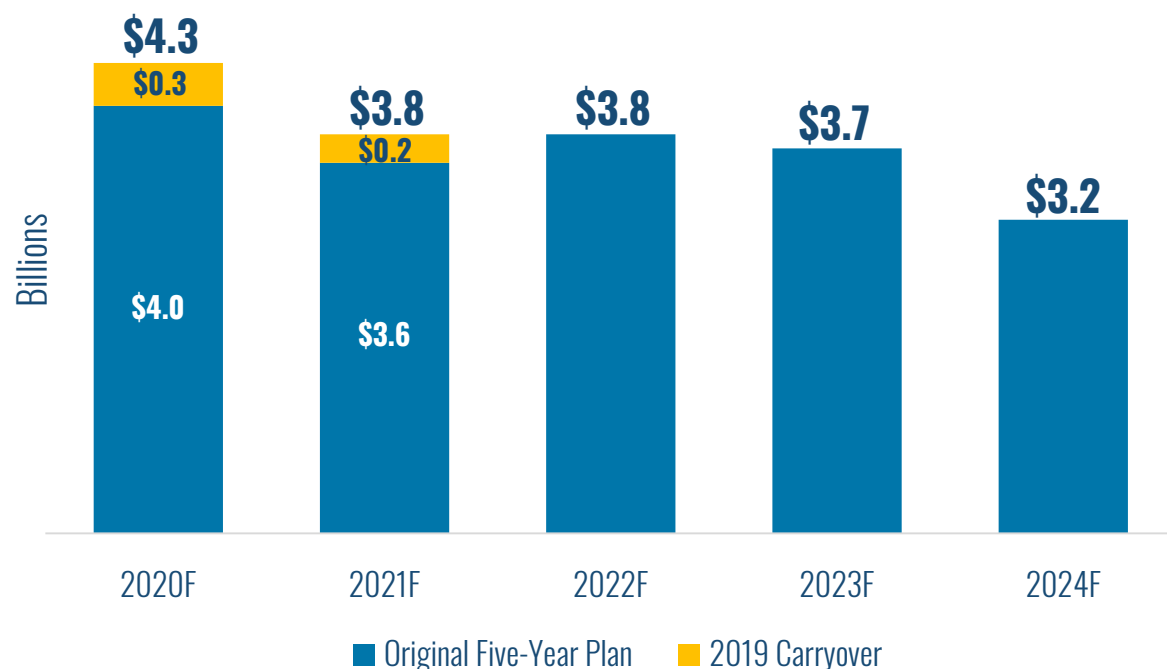


FTS Total Shareholder Returns (Average Annual)	
1-Year	22.7%
5-Year	10.8%
10-Year	10.6%
20-Year	14.3%

Note: Cumulative 20-year total shareholder return as at December 31, 2019

FORTIS INC. FIVE-YEAR CAPITAL PLAN

\$18.8B Capital Plan⁽¹⁾

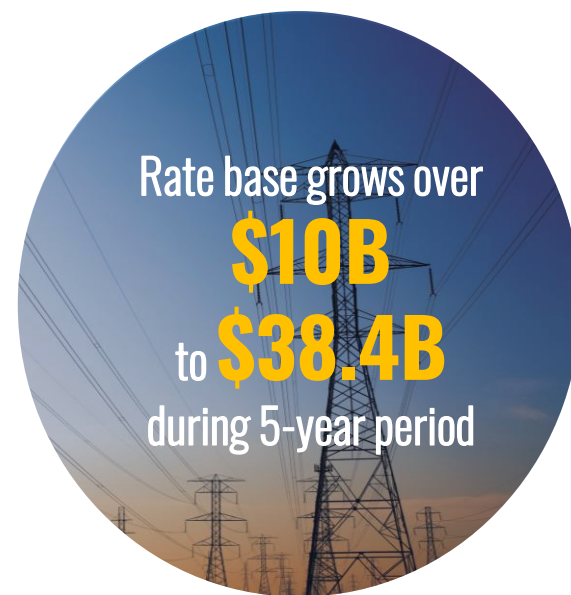
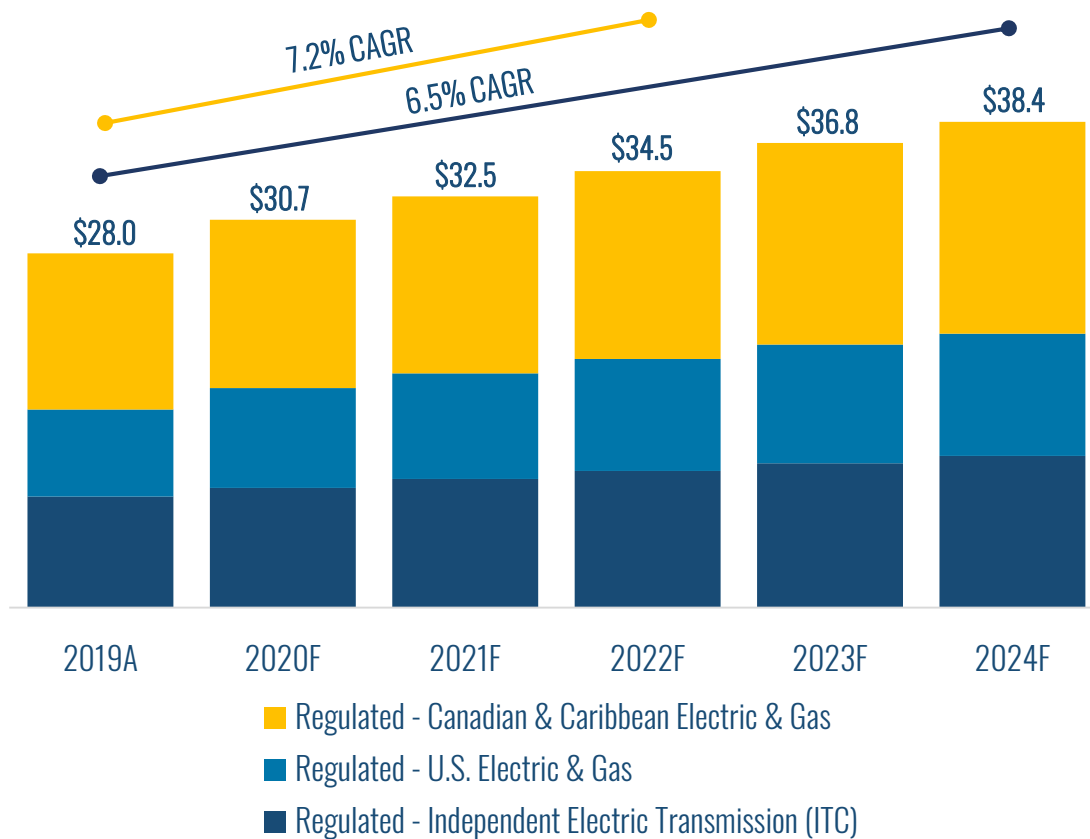


Capital Revised to Account for
\$500M Shifted
from 2019 to 2020 & 2021

Primarily Driven by Timing of
Oso Grande Wind Project
Payment of ~\$300M
Capital Invested in January 2020

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

FORTIS INC. 2020-2024 RATE BASE⁽¹⁾



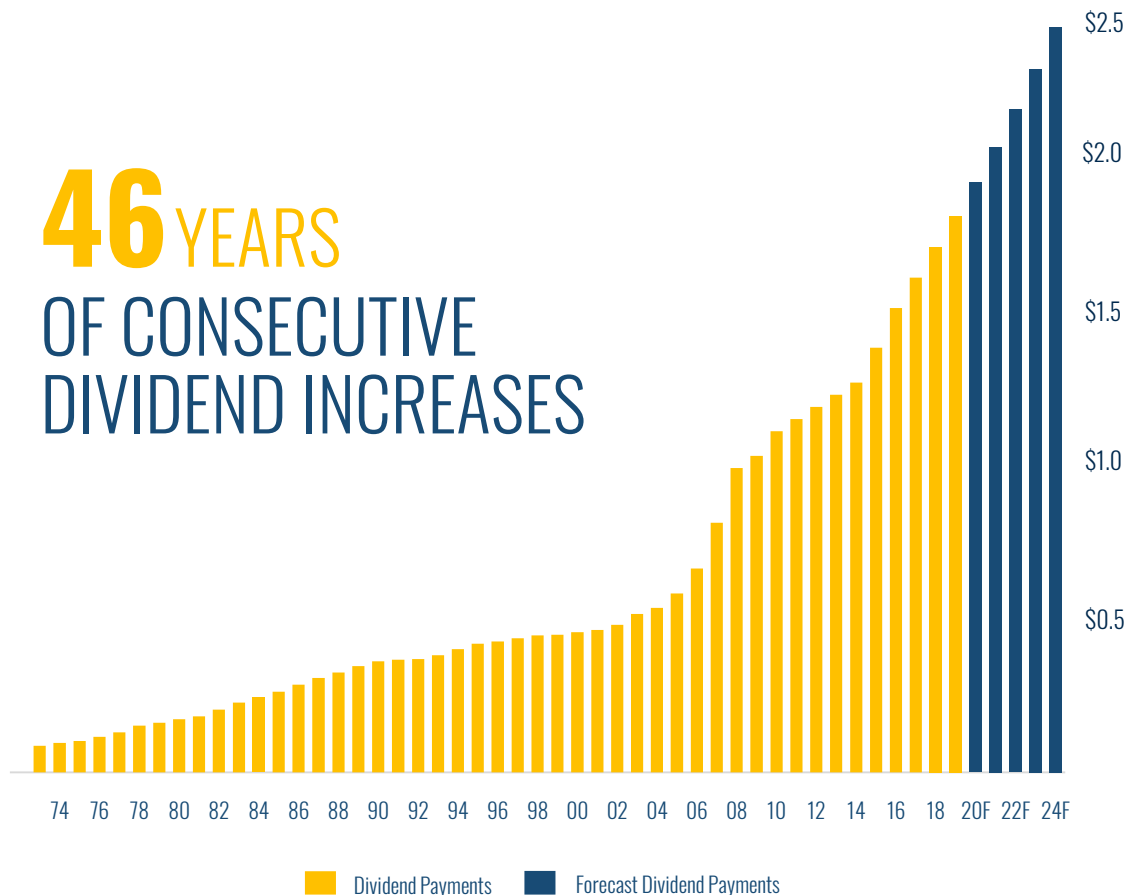
(1) US dollar-denominated rate base for 2019 is based on the actual average USD/CAD foreign exchange rate of \$1.33 and forecast rate base for 2020-2024 is based on \$1.32.

DIVIDEND GUIDANCE SUPPORTED BY GROWTH STRATEGY

6%

AVERAGE ANNUAL
DIVIDEND
GROWTH GUIDANCE
EXTENDED TO 2024

46 YEARS
OF CONSECUTIVE
DIVIDEND INCREASES

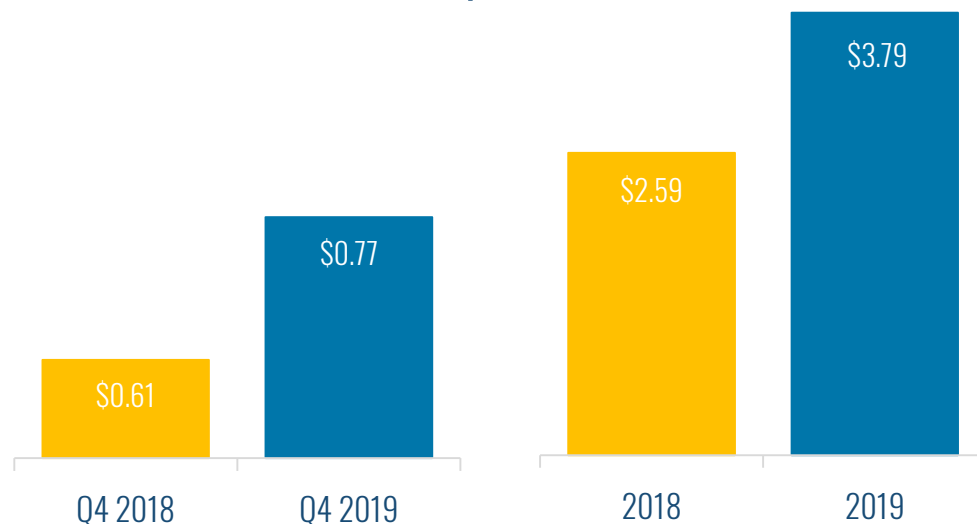




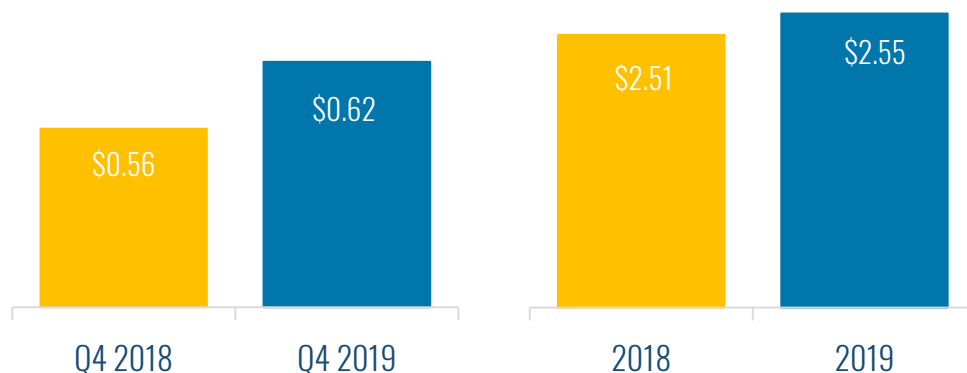
FORTIS INC.

JOCELYN PERRY
EXECUTIVE VICE PRESIDENT, CFO

Reported EPS



Adjusted EPS⁽¹⁾



2019 Reported EPS Includes:

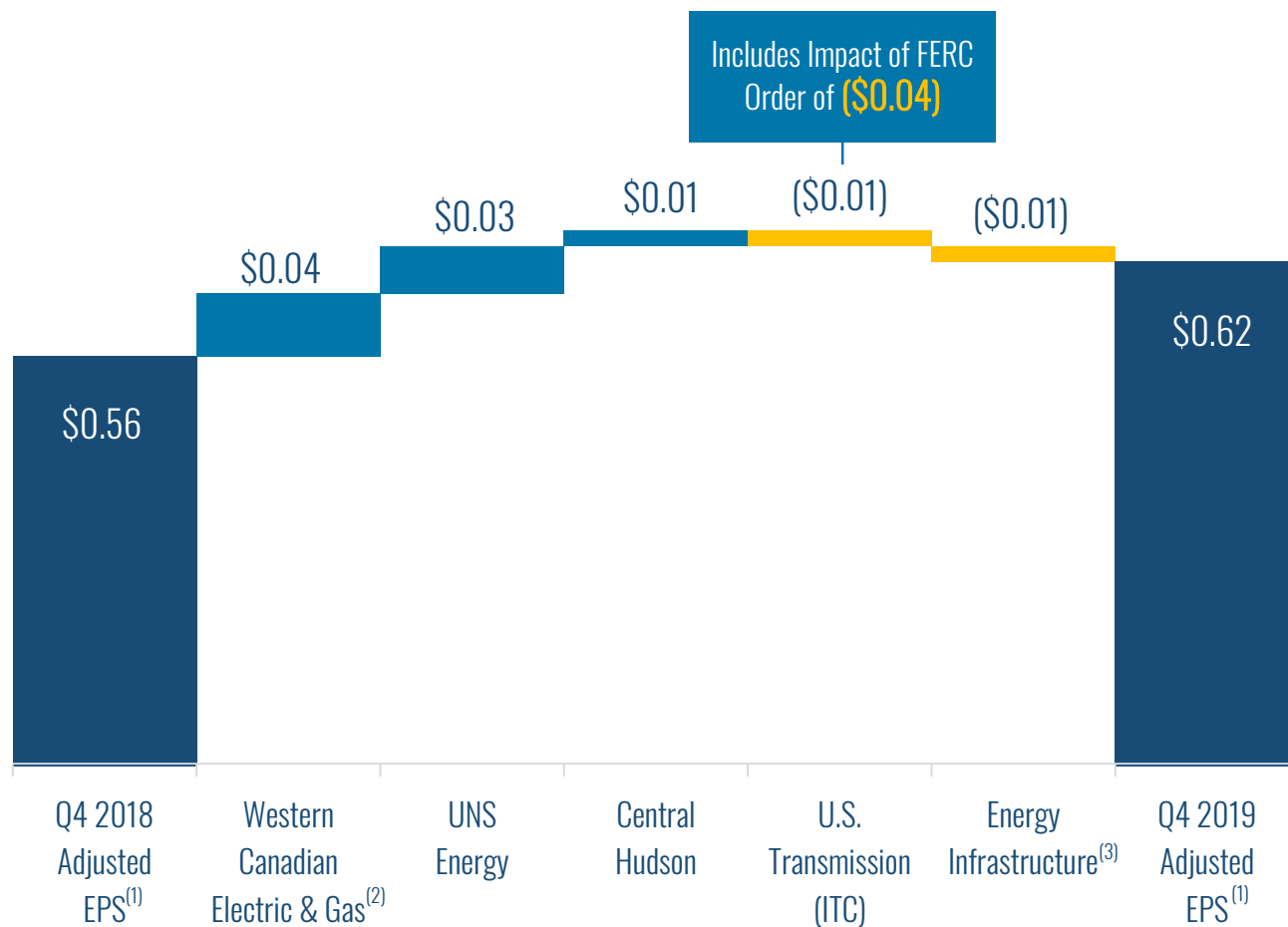
- \$484M Net Gain on Waneta Asset Sale in Q2
- \$63M net favorable impact of FERC Order in Q4

2019 Adjusted EPS Impacted by:

- ↑ Rate Base Growth
- ↓ Lower ROE at ITC
- ↓ Weather in Belize and Arizona

(1) Non-US GAAP measure

EPS DRIVERS: FOURTH QUARTER



Increase Mainly Driven by Rate Base Growth and Lower Operating Costs

Earnings Tempered by

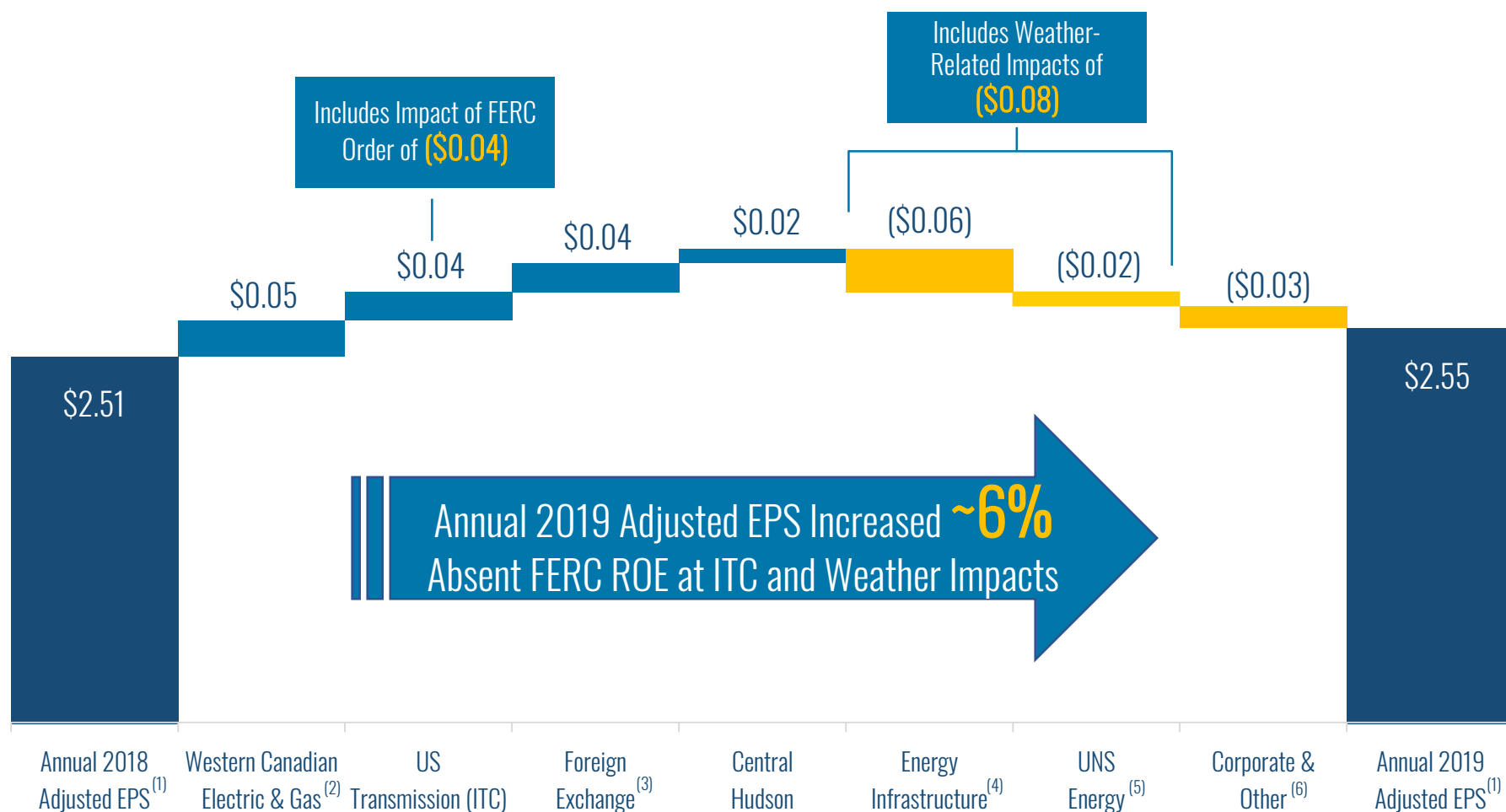
- 2019 FERC ROE Order at ITC
- Lower Rainfall in Belize

(1) Non-US GAAP measure

(2) Includes FortisBC Energy, FortisBC Electric and FortisAlberta.

(3) Excludes earnings impact related to the disposition of Waneta. Includes unfavourable weather impacts of ~\$0.01 on EPS related to lower rainfall in Belize.

EPS DRIVERS: ANNUAL 2019



(1) Non-US GAAP measure

(2) Includes FortisBC Energy, FortisBC Electric and FortisAlberta.

(3) Reflects higher average USD/CAD foreign exchange rate of \$1.33 for 2019 versus \$1.30 for 2018.

(4) Excludes earnings impact related to the disposition of Waneta. Includes unfavourable weather impacts of ~\$0.05 on EPS related to lower rainfall in Belize.

(5) Includes unfavourable weather impacts of ~\$0.03 on EPS related to cooler temperatures in Q2 2019.

(6) Includes Corporate costs, weighted average common share impacts and the net earnings impact as a result of the disposition of Waneta.



- Order received from FERC in November 2019 adopting a new MISO base ROE of 9.88%, equating to an all-in ROE of 10.63%⁽¹⁾ for ITC's MISO companies. MISO transmission owners, including ITC, and other organizations, filed requests for rehearing in December 2019. In January 2020 FERC issued an Order granting the rehearing for further consideration.
- Accruals previously recorded to cover refunds.
- Notices of Inquiry issued by FERC in 2019 on incentives and establishing base ROEs are still pending



- TEP rate case filed with the ACC in April 2019 using a December 31, 2018 test year
- In November 2019 TEP filed revised testimony requesting an allowed ROE of 10.00% & 53% equity thickness on US\$2.7B of rate base
- Hearings commenced in January 2020



- 2020-2024 Multi-Year Rate Plan filed in March 2019
- BCUC Orders received in November 2019 approving interim rates effective January 1, 2020



- AUC Order received in September 2019 changing AESO contribution policy. The Order prevents future transmission investments and impacts ~\$400M of rate base.
- Filed for a Review and Variance and implementation of the decision is on hold pending a review by the AUC.
- Expert evidence filed in the Generic Cost of Capital proceeding in January 2020. Proceeding will establish the allowed ROEs and capital structures for 2021 and 2022. A decision is expected later in 2020.

(1) Includes base ROE of 9.88% plus ROE incentive adders of 50 basis points for Regional Transmission Organization participation and 25 basis points for independence.

\$1.2B OF EQUITY ISSUED IN FOURTH QUARTER




DEAL OVERVIEW:

- \$700M Bought Deal
 - \$500M Private Placement
 - Issued at \$52.15 or 1% Discount
-

OUTCOME:

- Terminated ATM Program
- 2% DRIP discount terminated
- Acceleration of equity funding needs
- Redemption of US\$500M notes
- Repayment of credit facilities

CREDIT RATINGS

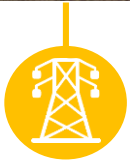
	A ⁻⁽¹⁾
	BBB (high)
	Baa3

	<u>2018</u>	<u>2019</u>
 CFO/Debt ⁽²⁾	~10.5%	~12%
Holdco Debt/Total Debt ⁽²⁾	~39%	~34%

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

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

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**

Expected Earnings Release Dates

Q1 2020	May 6, 2020
Q2 2020	July 30, 2020



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Appendix

Q4 2019 RESULTS BY SEGMENT

Fourth Quarter Variance Analysis by Segment							
(\$millions, excluding weighted average shares and EPS)	Q4 2019	Adjustment	Adjusted Q4 2019 ⁽¹⁾	Q4 2018	Adjustment	Adjusted Q4 2018 ⁽¹⁾	Adjusted Q4 Variance
Regulated – Independent Electric Transmission							
ITC	171	(83)	88	92	-	92	(4)
Regulated – US Electric & Gas							
UNS Energy	38	-	38	27	-	27	11
Central Hudson	30	-	30	24	-	24	6
	68	-	68	51	-	51	17
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	77	-	77	72	-	72	5
FortisAlberta	33	-	33	22	-	22	11
FortisBC Electric	12	-	12	13	-	13	(1)
Other Electric ⁽²⁾	22	-	22	22	-	22	-
	144	-	144	129	-	129	15
Non-Regulated Energy Infrastructure	6	2	8	22	(6)	16	(8)
Corporate and Other	(43)	12	(31)	(33)	(14)	(47)	16
Net Earnings Attributable to Common Equity Shareholders	346	(69)	277	261	(20)	241	36
Weighted Average Shares (# millions)	447.1	-	447.1	427.5	-	427.5	19.6
EPS	\$0.77	(\$0.15)	\$0.62	\$0.61	(\$0.05)	\$0.56	\$0.06

(1) Non-US GAAP measure

(2) Comprises Eastern Canadian and Caribbean electric utilities.

ANNUAL 2019 RESULTS BY SEGMENT

Annual 2019 Variance Analysis by Segment							
(\$millions, excluding weighted average shares and EPS)	2019	Adjustment	Adjusted 2019 ⁽¹⁾	2018	Adjustment	Adjusted 2018 ⁽¹⁾	Adjusted Variance
Regulated – Independent Electric Transmission							
ITC	471	(83)	388	361	-	361	27
Regulated – US Electric & Gas							
UNS Energy	292	-	292	293	-	293	(1)
Central Hudson	85	-	85	74	-	74	11
	377	-	377	367	-	367	10
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	165	-	165	155	-	155	10
FortisAlberta	131	-	131	120	-	120	11
FortisBC Electric	54	-	54	56	-	56	(2)
Other Electric ⁽²⁾	106	-	106	105	-	105	1
	456	-	456	436	-	436	20
Non-Regulated Energy Infrastructure	18	15	33	72	10	82	(49)
Corporate and Other	333	(472)	(139)	(136)	(44)	(180)	41
Net Earnings Attributable to Common Equity Shareholders	1,655	(540)	1,115	1,100	(34)	1,066	49
Weighted Average Shares (# millions)	436.8	-	436.8	424.7	-	424.7	12.1
EPS	\$3.79	(\$1.24)	\$2.55	\$2.59	(\$0.08)	\$2.51	\$0.04

(1) Non-US GAAP measure

(2) Comprises Eastern Canadian and Caribbean electric utilities.

ADJUSTED EARNINGS RECONCILIATION

Non-US GAAP Reconciliation						
(\$millions, except for common share data)	Q4 2019	Q4 2018	Variance	2019	2018	Variance
Net Earnings Attributable to Common Equity Shareholders	346	261	85	1,655	1,100	555
Adjusting Items:						
Gain on disposition ⁽¹⁾	-	-	-	(484)	-	(484)
November 2019 FERC Order ⁽²⁾	(83)	-	(83)	(83)	-	(83)
U.S. tax reform ⁽³⁾	12	-	12	12	-	12
Unrealized loss (gain) on mark-to-market of derivatives ⁽⁴⁾	2	(6)	8	15	10	5
Consolidated state income tax election ⁽⁵⁾	-	-	-	-	(30)	30
Assets held for sale ⁽⁵⁾	-	(14)	14	-	(14)	14
Adjusted Net Earnings Attributable to Common Equity Shareholders	277	241	36	1,115	1,066	49
Adjusted EPS	\$0.62	\$0.56	\$0.06	\$2.55	\$2.51	\$0.04

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

(2) Represents the prior period impacts of the FERC Order that reduced ITC's base ROE, included in the ITC segment

(3) The finalization of U.S. tax reform regulations associated with Base Erosion Anti-Abuse Tax, included in the Corporate and Other segment

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

(5) Remeasurement of deferred income tax liabilities, included in the Corporate and Other segment

2019-2024 RATE BASE BY SEGMENT

Rate Base ⁽¹⁾								
(\$billions)	2019A	2020F	2021F	2022F	2023F	2024F	3-Year CAGR to 2022	5-Year CAGR to 2024
Regulated - Independent Electric Transmission ITC ⁽²⁾	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	1.9	2.1	2.2	2.4	2.6	2.8	9.0%	8.2%
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 ⁽³⁾	3.0	3.2	3.5	3.9	4.2	4.3	9.2%	7.9%
Total Regulated - Canadian & Caribbean Electric & Gas	12.3	13.3	14.0	14.9	16.0	16.7	6.3%	6.3%
Total Rate Base Forecast	28.0	30.7	32.5	34.5	36.8	38.4	7.2%	6.5%

(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

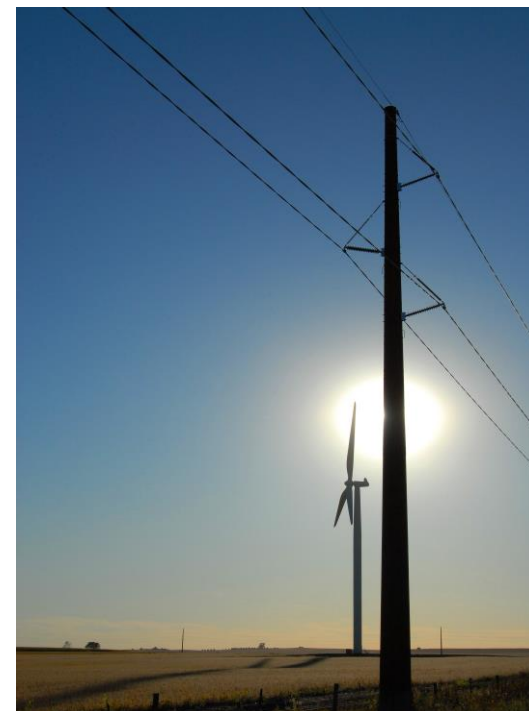
Capital Forecast ⁽¹⁾						
(\$millions)	2020F	2021F	2022F	2023F	2024F	2020-2024 TOTAL
Regulated - Independent Electric Transmission						
ITC	976	987	1,043	1,018	922	4,946
Regulated - US Electric & Gas						
UNS Energy	1,390	828	710	575	371	3,874
Central Hudson	292	309	359	306	292	1,558
Total Regulated - 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 ⁽²⁾	566	473	485	438	348	2,310
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
Total Capital Forecast	4,340	3,755	3,811	3,726	3,182	18,814

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

(2) Comprises Eastern Canadian and Caribbean electric utilities.

FORTIS **MAJOR CAPITAL PROJECTS⁽¹⁾**

(\$Millions)	Total Incurred to the End of 2019	Total 2020-2024 Plan	Expected Year of Completion
ITC Multi-Value Regional Transmission Projects	625 ⁽²⁾	276	2023
ITC 34.5 to 69 kV Transmission Conversion Project	352 ⁽²⁾	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	2023
FortisBC Transmission Integrity Management Capabilities Project	13	517	Post-2024
FortisBC Inland Gas Upgrades Project	9	319	Post-2024
FortisBC Tilbury 1B	8	352	2024
Wataynikaneyap Transmission Power Project ⁽³⁾	123	501	2023






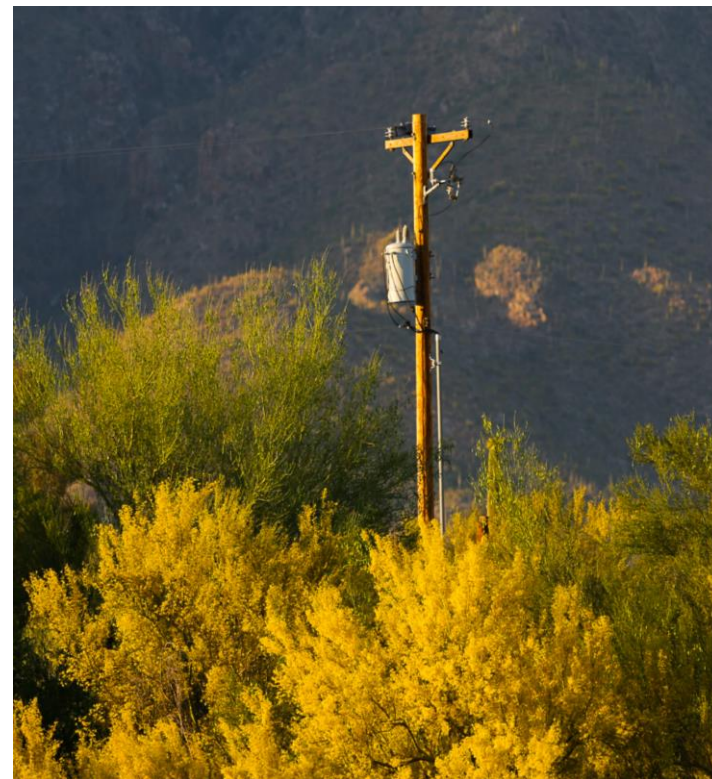
(1) Major capital projects are identified as those with a total project cost of \$200 million or greater and exclude ongoing capital maintenance projects. Total project costs include forecasted capitalized interest and non-cash equity component of AFUDC. Capital expenditures for 2020-2024 are translated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

INVESTMENT-GRADE CREDIT RATINGS

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



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

FORTIS INC. **EXECUTIVE TEAM**



Barry Perry
President & CEO



Jocelyn Perry
EVP, CFO



Jim Reid
EVP, CLO &
Corporate Secretary



David Hutchens
Chief Operating Officer,
CEO UNS Energy



Nora Duke
EVP, Sustainability &
CHRO



James Laurito
EVP, Business Development &
CTO



Linda Apsey
President & CEO ITC



Charles Freni
President & CEO
Central Hudson



Gary Smith
EVP, Eastern Canadian &
Caribbean Operations



Michael Mosher
President & CEO
FortisAlberta



Roger Dall'Antonia
President & CEO
FortisBC