

FORTIS

Q4 2020 EARNINGS CONFERENCE CALL

FEBRUARY 12, 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: 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; forecast rate base and rate base growth for 2025; targeted average annual dividend growth through 2025; the expected timing, outcome and impacts of regulatory decisions; the nature, timing, benefits and costs of certain capital projects including, without limitation, the Wataynikaneyap Transmission Power Project, ITC Multi-Value Regional Transmission Projects and 34.5 to 69 kV Transmission Conversion Project, UNS Energy Vail to Tortolita Transmission Project and Oso Grande Wind Project, FortisBC Eagle Mountain Woodfibre Gas Line Project, Transmission Integrity Management Capabilities Project, Inland Gas Upgrades Project, Tilbury 1B and Tilbury Resiliency Tank and Advanced Metering Infrastructure Project; and forecast debt maturities for 2021-2025.

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

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



FORTIS

DAVID HUTCHENS
PRESIDENT AND CEO



2020 YEAR-IN-REVIEW

Strong Operational and Financial Performance



Record Safety Results
& Strong Reliability
Performance



Navigated
COVID-19



Record Capital
Investments
of **\$4.2B**



8% Rate Base
Growth



75% Carbon
Emissions Reduction
Target by 2035

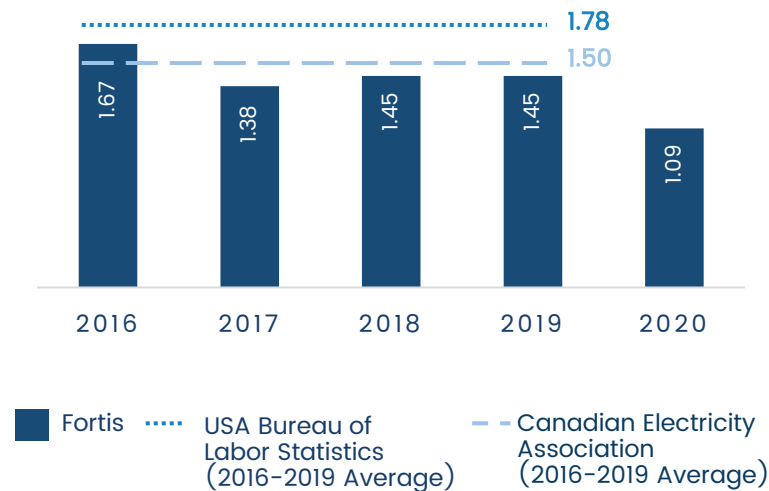


Concluded Key
Regulatory
Proceedings

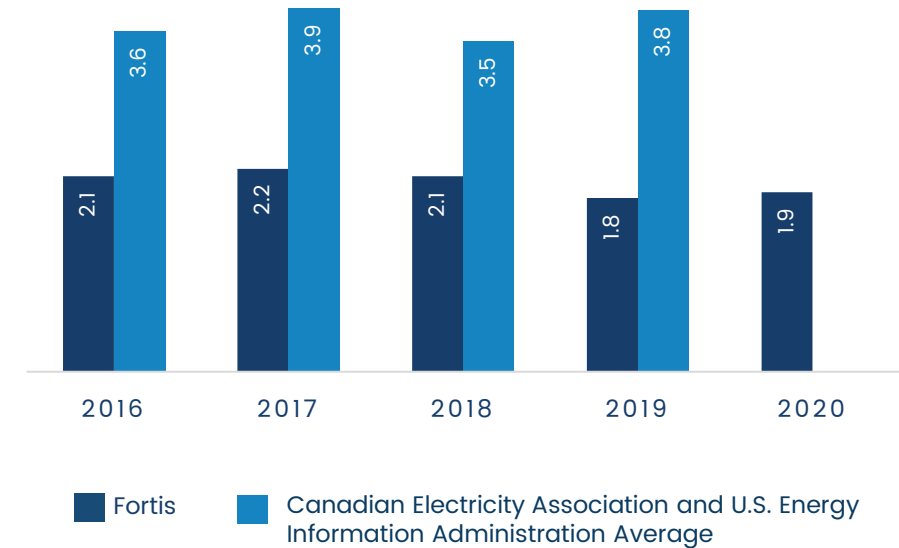
DELIVERED SAFE AND RELIABLE SERVICE



All Injury Frequency Rate⁽¹⁾



Average Electricity Customer Outage Duration⁽²⁾



⁽¹⁾ Injuries per 200,000 hours worked.

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

NAVIGATING THROUGH COVID-19

~9,000

Essential Employees



Working to Keep the
Energy Flowing

3.3M

Customers



Working with Customers
Impacted by Pandemic

~\$5M

Donated

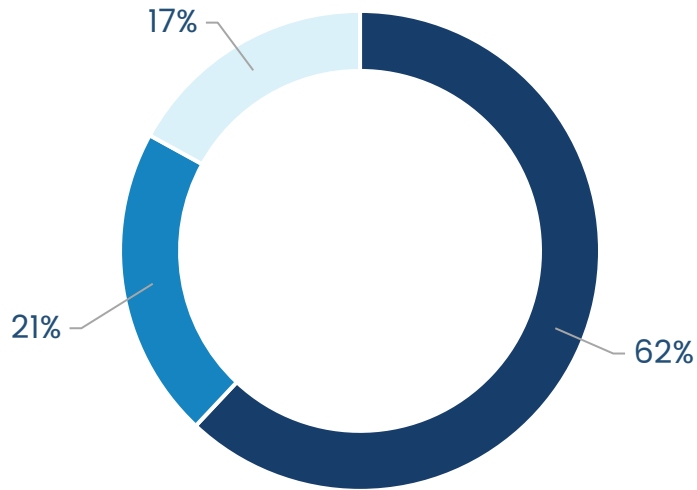


In Support of the
Communities
We Serve

FOURTH QUARTER SALES AND LOAD TRENDS

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

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



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



Western
Canada

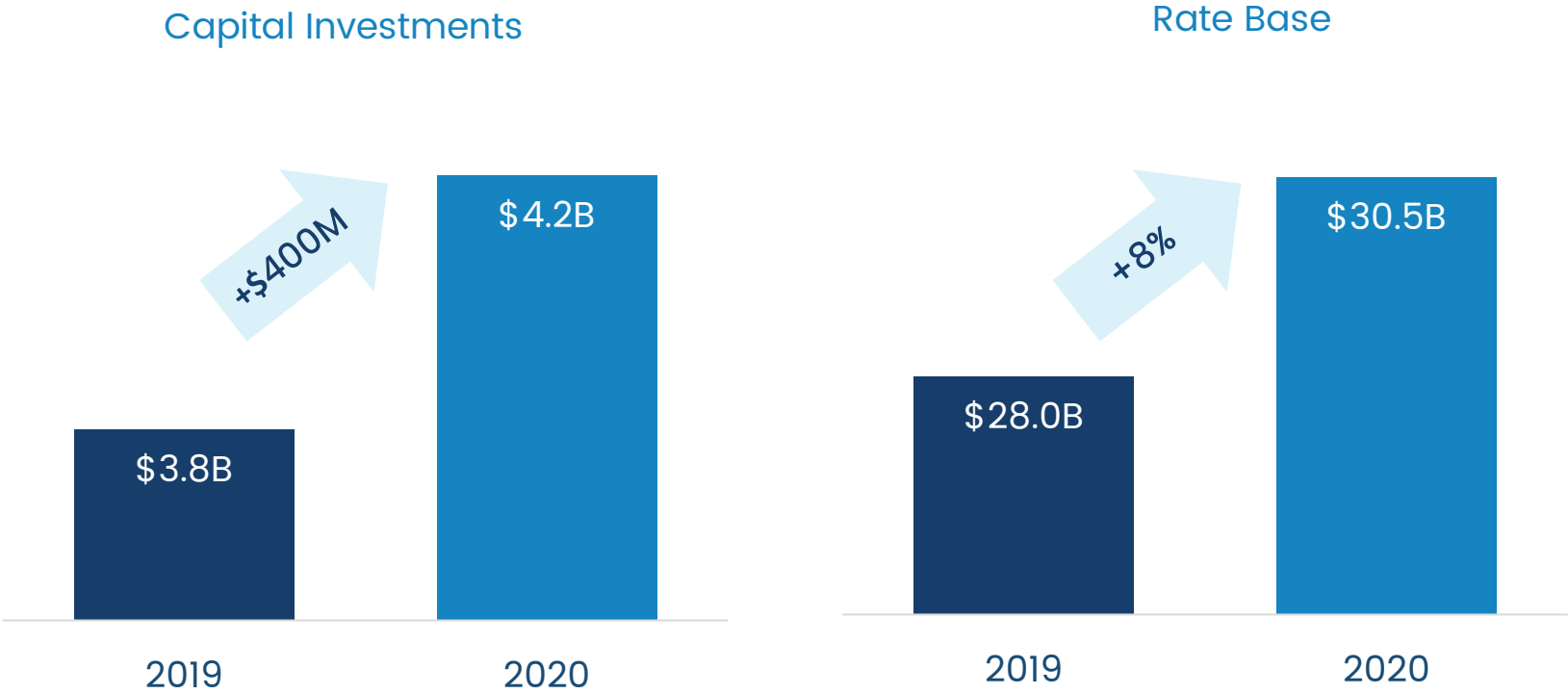


Other
Electric

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

RECORD CAPITAL INVESTMENTS

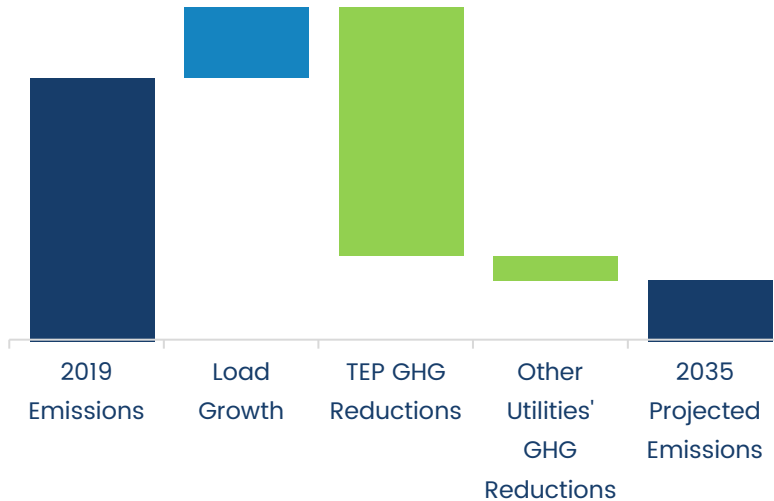
SUPPORTS 8% RATE BASE GROWTH IN 2020



Note: US dollar-denominated capital expenditures and rate base converted at USD:CAD foreign exchange rate of \$1.33 for 2019 and \$1.34 for 2020. Rate base growth percentage calculated using constant USD:CAD foreign exchange rate of \$1.32.

CARBON EMISSIONS REDUCTION TARGET OF 75% BY 2035

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



Achievable Target Largely Driven by TEP's Integrated Resource Plan



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



Coal Free by 2032
1,073 MW Coal Retirements
• 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

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⁽¹⁾ for
Strong Governance
grounded in local leadership &
independence

More than
\$15 million
in 2020 community
investment

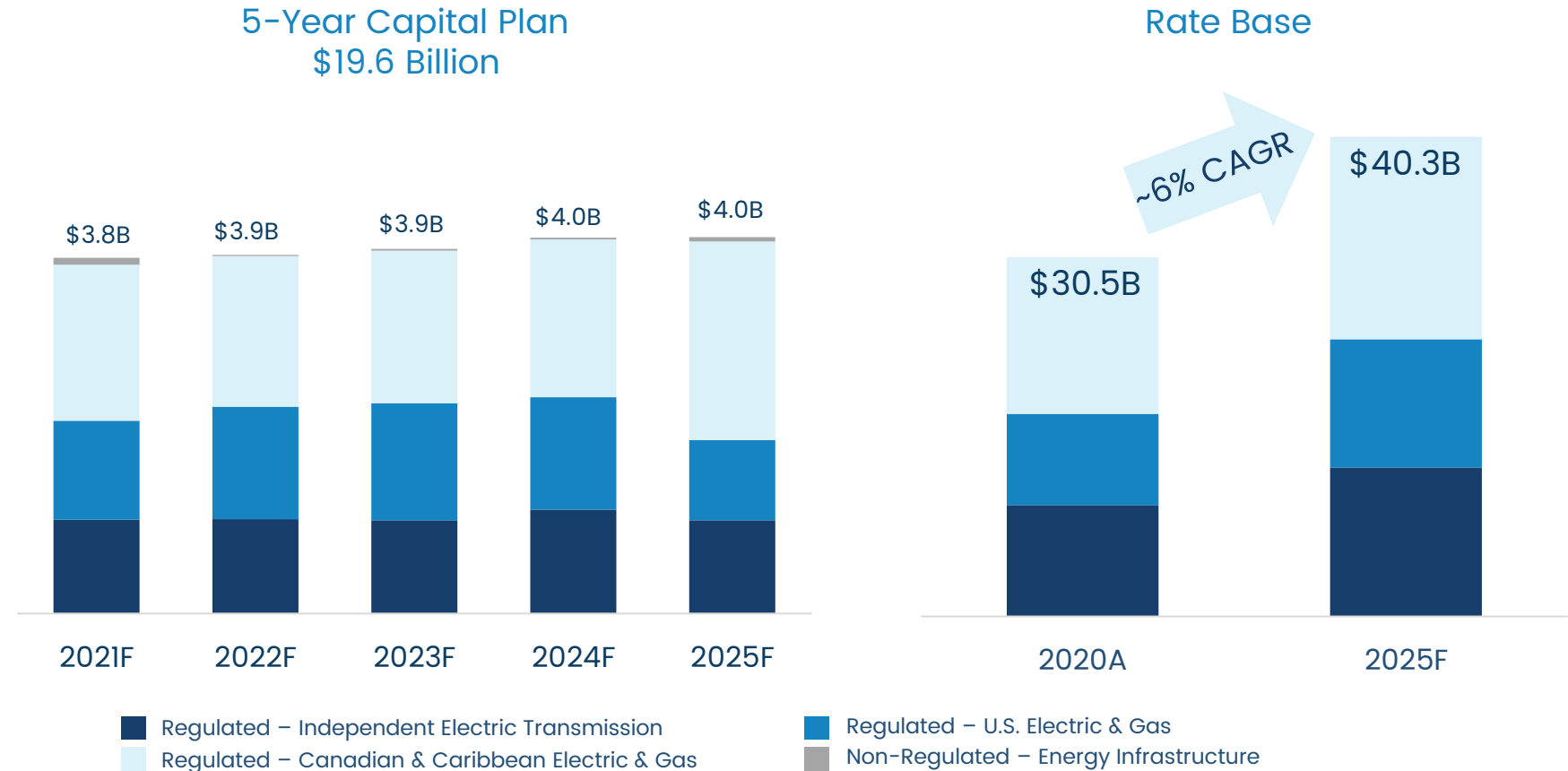


Continued focus on
Gender Diversity
60% of Fortis utilities have
either a female CEO or Board Chair;
Inclusion & Diversity Council
created in 2020

(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 six years.

LOW-RISK RATE BASE GROWTH

SUPPORTED BY HIGHLY EXECUTABLE CAPITAL PLAN

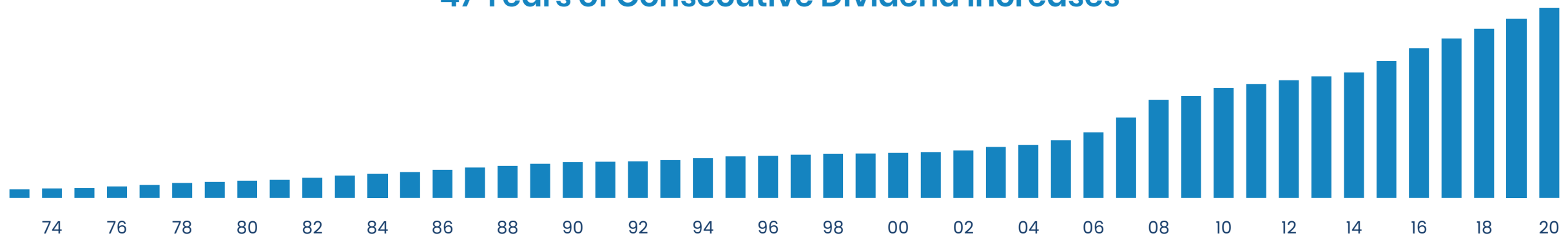


Note: US dollar-denominated capital expenditures and rate base converted at USD:CAD foreign exchange rate of \$1.34 for 2020 and \$1.32 for 2021-2025.
Rate base growth percentage calculated using constant USD:CAD foreign exchange rate of \$1.32.



6% AVERAGE ANNUAL DIVIDEND GROWTH GUIDANCE TO 2025

47 Years of Consecutive Dividend Increases





FORTIS

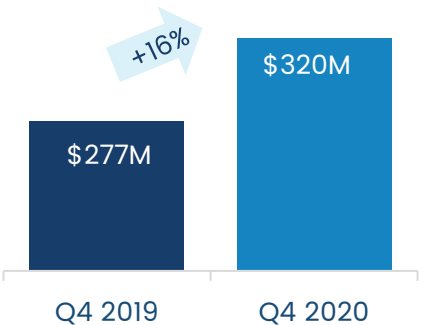
JOCELYN PERRY

EXECUTIVE VICE PRESIDENT AND CFO

2020 ADJUSTED RESULTS

Q4

Adjusted Earnings



Adjusted EPS

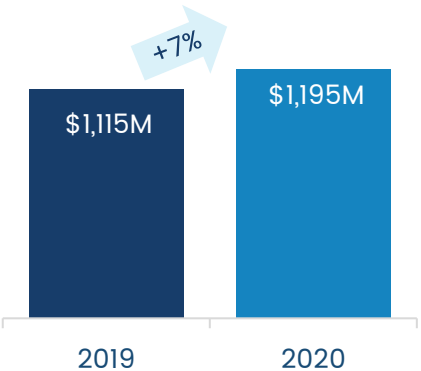


Q4 Adjusted EPS Impacted by:

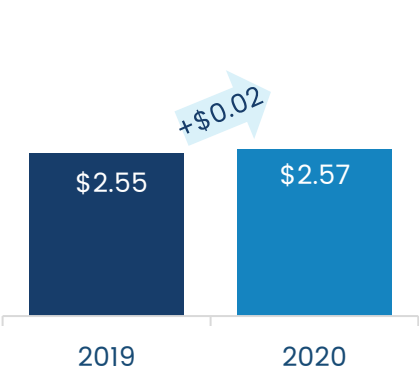
- ↑ Rate base growth
- ↑ Earnings at ITC due to timing of ROE adjustments
- ↑ Retail sales in Arizona
- ↑ Hydroelectric production in Belize

Annual

Adjusted Earnings



Adjusted EPS

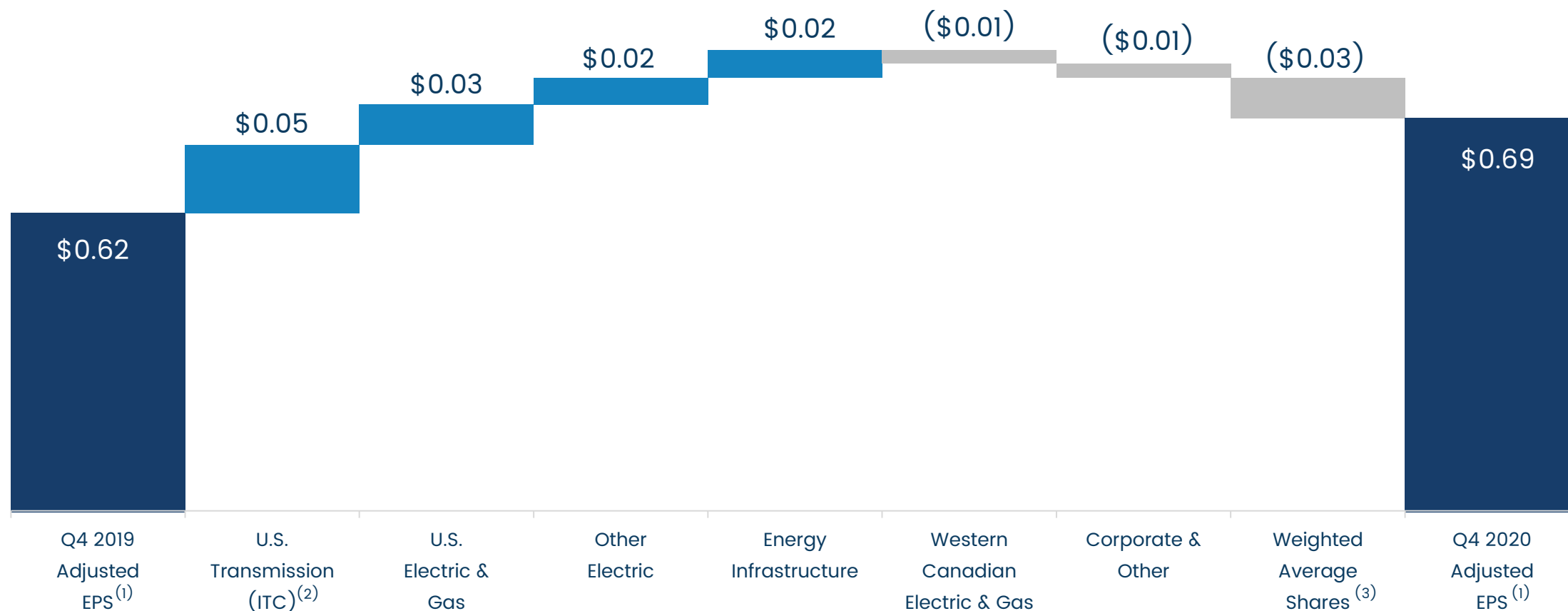


Annual Adjusted EPS Impacted by:

- ↑ Rate base growth
- ↑ Weather in Arizona and Belize
- ↓ Delay in TEP rate case
- ↓ COVID-19 Impact
- ↓ Q4 '19 share issuance

Note: Adjusted Earnings and EPS are Non-US GAAP measures. Refer to Slide 27 for the Non-US GAAP reconciliation.

FOURTH QUARTER EPS DRIVERS

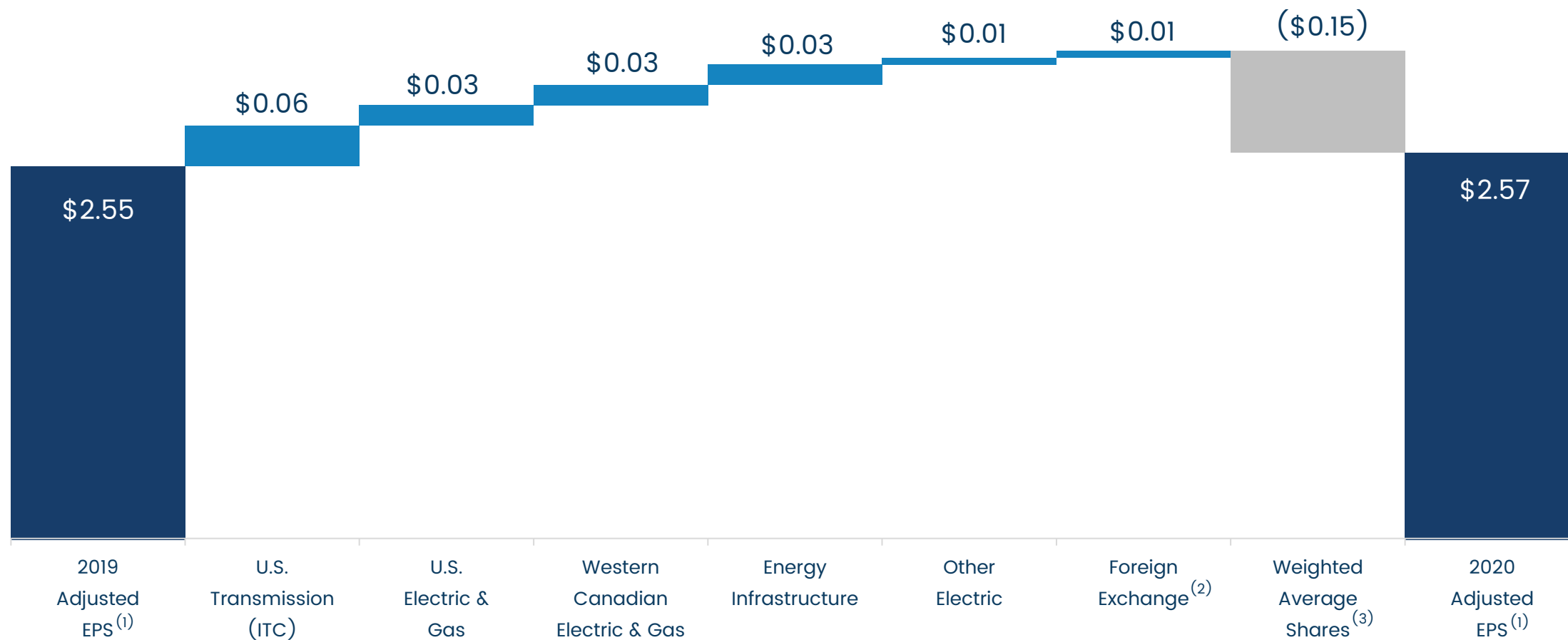


(1) Non-US GAAP measure

(2) Includes \$0.04 annual impact of November 2019 FERC Order recognized in Q4 2019

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

ANNUAL EPS DRIVERS



(1) Non-US GAAP measure

(2) Reflects higher average USD:CAD foreign exchange rate of \$1.34 for 2020 versus \$1.33 for 2019

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

FUNDING PLAN AND LIQUIDITY

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

2021-2025 Funding Plan



Credit Facilities (\$B)



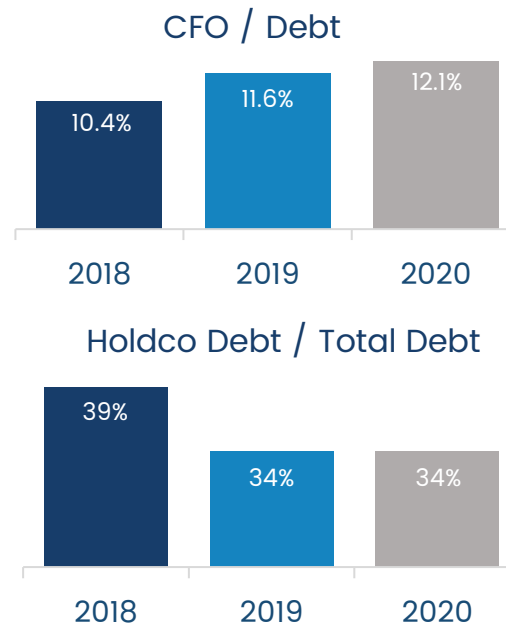
(1) Cash from operations after dividends and including customer contributions. This is a Non-US GAAP measure.
(2) Regulated utility and corporate debt issuances, net of repayments.
(3) Includes funds from the Corporation's dividend reinvestment and employee stock purchase and option plans.

MAINTAINING INVESTMENT-GRADE CREDIT RATINGS

Credit Ratings

S&P Global	A ⁻⁽¹⁾
MORNINGSTAR DBRS	BBB (high)
MOODY'S	Baa3

Credit Metrics⁽²⁾



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

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

MANAGEABLE EXPOSURE TO FOREIGN EXCHANGE



Earnings and Capital Plan

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



Hedging Activities

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



Five-Cent Change in USD:CAD Exchange Rate Sensitivity

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

Note: All information as at December 31, 2020.

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

CONSTRUCTIVE REGULATORY OUTCOME AT TEP

NEW RATES EFFECTIVE JANUARY 1, 2021

Newly Approved Trackers Reducing Risk:

Tax Expense Adjustor Mechanism

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

Transmission Cost Adjustor

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

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

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

ONGOING REGULATORY PROCEEDINGS



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



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



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



- [Generic Cost of Capital Proceeding](#) – Currently approved ROE and equity thickness parameters extended on a final basis for 2021; AUC initiated new proceeding in December 2020 to establish post-2021 parameters with a decision expected by the end of 2021
- [Independent System Operator Tariff Application](#) – AUC decision issued in November 2020 rescinding September 2019 order; FortisAlberta retains ~\$400 million in transmission investments

WHY INVEST IN FORTIS?



Well-Run
Businesses



ESG
Leader



Geographic
& Regulatory
Diversity



Focused on
Energy
Delivery



Innovative



Low-Risk
Growth
Profile



Virtually
All
Regulated



6%
Dividend
Guidance

FORTIS

UPCOMING EVENTS

Expected Earnings Release Dates

Q1 2021
Q2 2021

May 5, 2021
July 29, 2021



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Q4 2020 EARNINGS CONFERENCE CALL

FEBRUARY 12, 2021



Q4 2020 RESULTS BY SEGMENT

Fourth Quarter Variance Analysis by Segment

(\$millions, except weighted average shares and EPS)	Q4 2020	Adjustment	Adjusted Q4 2020 ⁽¹⁾	Q4 2019	Adjustment	Adjusted Q4 2019 ⁽¹⁾	Adjusted Q4 Variance
Regulated – Independent Electric Transmission							
ITC	109	–	109	171	(83)	88	21
Regulated – US Electric & Gas							
UNS Energy	45	–	45	38	–	38	7
Central Hudson	<u>35</u>	–	<u>35</u>	<u>30</u>	–	<u>30</u>	<u>5</u>
	80	–	80	68	–	68	12
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	74	–	74	77	–	77	(3)
FortisAlberta	33	–	33	33	–	33	–
FortisBC Electric	13	–	13	12	–	12	1
Other Electric ⁽²⁾	<u>32</u>	–	<u>32</u>	<u>22</u>	–	<u>22</u>	<u>10</u>
	152	–	152	144	–	144	8
Non-Regulated Energy Infrastructure	27	(11)	16	6	2	8	8
Corporate and Other	(37)	–	(37)	(43)	12	(31)	(6)
Common Equity Earnings	331	(11)	320	346	(69)	277	43
Weighted Average Shares (# millions)	465.8	–	465.8	447.1	–	447.1	18.7
EPS	\$0.71	(\$0.02)	\$0.69	\$0.77	(\$0.15)	\$0.62	\$0.07

(1) Non-US GAAP measure

(2) Comprises Eastern Canadian and Caribbean electric utilities

2020 RESULTS BY SEGMENT

Annual 2020 Variance Analysis by Segment							
(\$millions, except weighted average shares and EPS)	2020	Adjustment	Adjusted 2020 ⁽¹⁾	2019	Adjustment	Adjusted 2019 ⁽¹⁾	Adjusted Annual Variance
Regulated – Independent Electric Transmission							
ITC	449	(27)	422	471	(83)	388	34
Regulated – US Electric & Gas							
UNS Energy	302	–	302	292	–	292	10
Central Hudson	91	–	91	85	–	85	6
	393	–	393	377	–	377	16
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	175	–	175	165	–	165	10
FortisAlberta	133	–	133	131	–	131	2
FortisBC Electric	56	–	56	54	–	54	2
Other Electric ⁽²⁾	112	–	112	106	–	106	6
	476	–	476	456	–	456	20
Non-Regulated Energy Infrastructure ⁽³⁾	39	–	39	18	15	33	6
Corporate and Other	(148)	13	(135)	333	(472)	(139)	4
Common Equity Earnings	1,209	(14)	1,195	1,655	(540)	1,115	80
Weighted Average Shares (# millions)	464.8	–	464.8	436.8	–	436.8	28.0
EPS	\$2.60	\$(0.03)	\$2.57	\$3.79	\$(1.24)	\$2.55	\$0.02

(1) Non-US GAAP measure

(2) Comprises Eastern Canadian and Caribbean electric utilities

(3) Annual 2019 earnings for Non-Regulated Energy Infrastructure include \$9 million in earnings from the Waneta Expansion up to the April 16, 2019 date of disposition.

ADJUSTED EARNINGS RECONCILIATION

Non-US GAAP Reconciliation						
(\$millions, except EPS)	Q4 2020	Q4 2019	Variance	2020	2019	Variance
Common Equity Earnings	331	346	(15)	1,209	1,655	(446)
Adjusting Items:						
FERC Base ROE decisions ⁽¹⁾	-	(83)	83	(27)	(83)	56
US tax reform ⁽²⁾	-	12	(12)	13	12	1
Unrealized (gain) loss on mark-to-market of derivatives ⁽³⁾	(11)	2	(13)	-	15	(15)
Gain on disposition ⁽⁴⁾	-	-	-	-	(484)	484
Adjusted Common Equity Earnings	320	277	43	1,195	1,115	80
Adjusted Basic EPS	\$0.69	\$0.62	\$0.07	\$2.57	\$2.55	\$0.02

(1) Represents prior period impacts of the May 2020 and November 2019 FERC base ROE decisions, respectively, included in the ITC segment

(2) The finalization of US tax reform regulations associated with anti-hybrid regulations in 2020 and base-erosion and anti-abuse tax in 2019, 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

2020–2025 RATE BASE BY SEGMENT

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

(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 ⁽¹⁾						
(\$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 ⁽²⁾	<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
Total Capital Plan	3,813	3,843	3,908	4,032	4,041	19,637

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

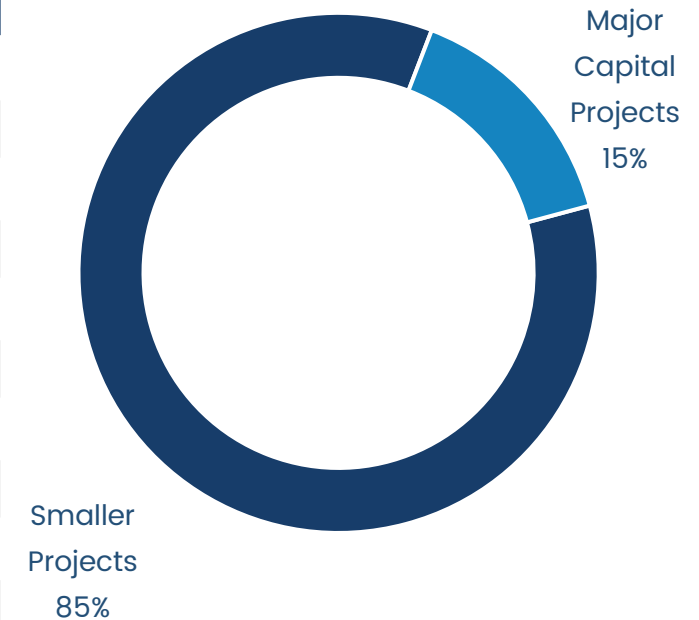
(2) Comprises Eastern Canadian and Caribbean electric utilities.

MAJOR CAPITAL PROJECTS

(\$ Millions)	Total Incurred to the End of 2020	2021-2025 Plan ⁽¹⁾	Expected Year of Completion
ITC Multi-Value Regional Transmission Projects	642 ⁽²⁾	261	2023
ITC 34.5 kV to 69 kV Transmission Conversion Project	445	148	Post-2025
UNS Vail-to-Tortolita Project ⁽³⁾	-	244	2023
UNS Oso Grande Wind Project ⁽⁴⁾	574	24	2021
FortisBC Eagle Mountain Woodfibre Gas line Project ⁽⁵⁾	-	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 ⁽⁶⁾	178	536	2023

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

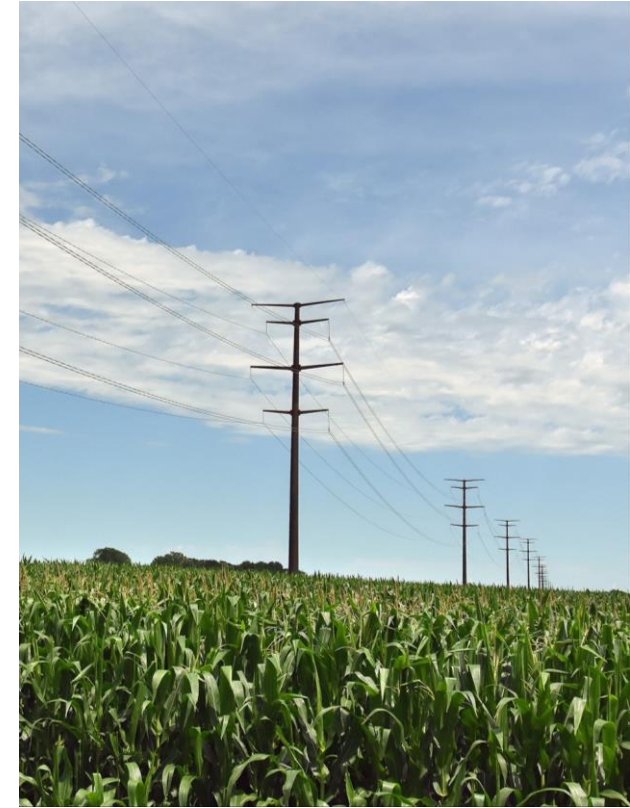
- (1) U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD exchange rate of 1.32 for 2021 through 2025.
- (2) Reflects capital expenditures since date of acquisition of ITC on October 14, 2016.
- (3) The Vail-to-Tortolita transmission project was previously disclosed as a phase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



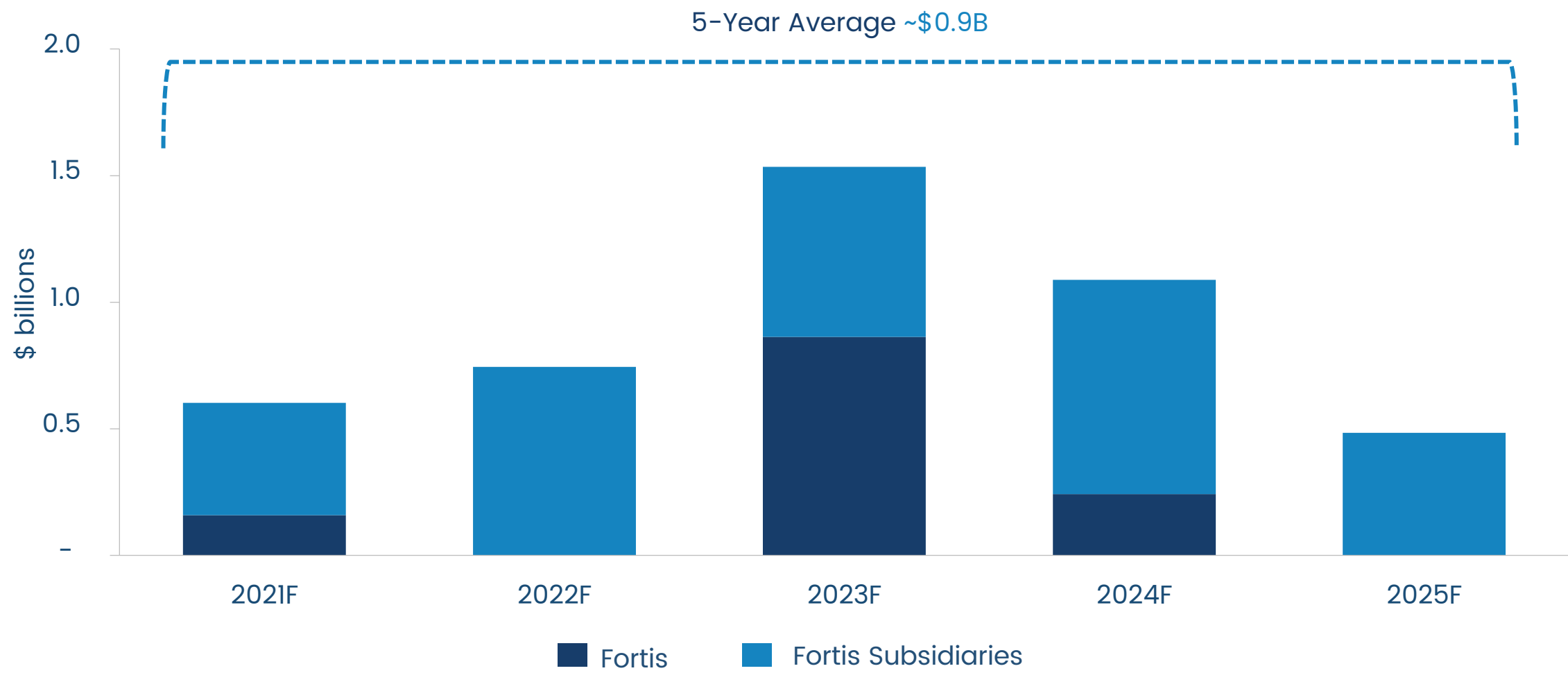
INVESTMENT-GRADE CREDIT RATINGS

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

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



MANAGEABLE DEBT MATURITIES



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