

Forward-Looking Information

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Unless otherwise specified, all financial information referenced is in Canadian dollars and references to rate base refer to mid-year rate base.

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EDITED TRANSCRIPT

FTS.TO - Fortis Inc Annual Shareholders Meeting

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MAY 02, 2019 / 1:00PM, FTS.TO - Fortis Inc Annual Shareholders Meeting

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Sean Budgell

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Lesley Parsons

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Susan Escott

Craig Vey

PRESENTATION

Douglas J. Haughey - *Fortis Inc. - Chairman of the Board*

Well good morning, everyone. I'd like to welcome everyone to our 32nd Annual Meeting of Fortis. How is everyone doing today? We're predicting you'll be doing a lot better by the time we're done.

My name is Doug Haughey. I'm the Chair of the Board of Directors of Fortis Inc. I'm going to serve as Chair of this meeting today. And on behalf of my fellow board colleagues, I'd like to welcome all of you to the Holiday Inn St. John's. We'd also like to welcome everyone listening via our webcast, particularly those on the West Coast where it's only 6:00 AM, which is very brutal. Welcome and thank you.

Before we launch into the formal meeting, I wanted to say that 2018 was another big year in the sporting world in Newfoundland and Labrador with the 200th anniversary Royal St. John's Regatta. This Royal Regatta is the oldest North American continuing sporting event. Also, in January of this year, 17-year old Shailynn Snow of Clarke's Beach was on the ice as a member of the Canadian under 18 women's world hockey championship team. And with even more hockey news, on April 6, broadcaster Bob Cole signed off from Hockey Night in Canada for the final time after 50 years in the broadcast booth. As many of you know, Mr. Cole is a native of Newfoundland and Labrador and has called some of the biggest games in hockey history.

Now the board of directors and leadership team are deeply proud of our Fortis roots in Newfoundland and Labrador, but we're equally proud of our people and operations throughout Canada, the United States and the Caribbean. There are stories like I just mentioned in every community where Fortis does business. Next year, we're going to try to highlight a few of those.

Now at this time, I'd like to welcome some former Fortis directors who are with us here this morning. I'll ask them to stand as I call their name. Dr. Linda Inkpen, Mr. Ron Munkley, and Mr. David Norris. Ladies and gentlemen, please join me in expressing our gratitude for the contribution of these friends of Fortis.



MAY 02, 2019 / 1:00PM, FTS.TO - Fortis Inc Annual Shareholders Meeting

With me at the podium today are Barry Perry, your President and CEO; Jocelyn Perry, Executive Vice President and CFO; and Executive Vice President, Chief Legal Officer and Corporate Secretary, Jim Reid. Although Jocelyn has been with Fortis for many years, this is her first AGM as CFO of your company. Although honestly, I don't think that should inhibit you giving her a rough time during the question-and-answer period.

Now, I think it's important to say we were very pleased with the strong financial and operational performance of Fortis over the past year. Your company generated a positive total return in 2018, outperforming the negative performance of the relative market indices in Canada. As well, our current share price is 15% higher today than at the time of the AGM last year. And additionally, 2018 marks the 45th consecutive year of annual common share dividend increases; one of the longest records in Canadian history.

During management's presentation, which will occur after we conclude the formal portion of the meeting, you will hear about the strategy and highlights from the past year, and as our normal practice, we will address all of your questions at that time. People listening via the webcast can submit questions to management at any time in the text box on the right hand side of the screen under the slides.

So ladies and gentlemen, the proceedings this morning will follow our usual format with 4 main items of business. We will begin with the election of directors, followed by appointment of your auditors for 2019, and the authorization of directors to fix the remuneration. Then our annual advisory vote on the company's approach to executive compensation will follow.

The formal part of the meeting will be followed by management's presentation on the activities of Fortis during 2018 and the first quarter of 2019 and the outlook for the company. And as in prior years, in order to expedite the meeting, several shareholders have agreed to move and second the formal motions, and I will call on them at the appropriate times.

Computershare Trust Company of Canada acts as our transfer agent and registrar of the common shares. And with your consent, I appoint Mark Thompson, Relationship Manager for Computershare, and Chantelle Mugford at Fortis to act as scrutineers for this meeting. I further appoint Jim Reid, Executive Vice President, Chief Legal Officer and Corporate Secretary of Fortis, to act as secretary for the meeting.

Now on the basis of shareholder registrations today, the proxies submitted prior to the meeting, it is clear that we have exceeded our quorum requirement. I see that the scrutineers have completed their tabulation, and I'd ask Jim to read the scrutineer's report.

James R. Reid - Fortis Inc. - Executive VP, Chief Legal Officer & Corporate Secretary

Mr. Chair, we have received an affidavit from Computershare, our transfer agent, that the documents required to be delivered to shareholders were mailed on or before March 26, 2019 to the shareholders of record as of March 15, 2019. The scrutineers have confirmed that there is a quorum present. Notice of the meeting having been given within the time prescribed by the bylaw and a quorum being present, I can confirm that this meeting is validly constituted for the transaction of business.

Douglas J. Haughey - Fortis Inc. - Chairman of the Board

Well, thank you, Jim. That's good to hear. Now the secretaries reported that notice was properly given and that a quorum is present. I therefore declare this meeting validly constituted for the transaction of business.

The 2018 Annual Report was mailed to shareholders who indicated their preference to receive a printed copy, while others were able to benefit from the electronic version on our website. Additional copies of the Annual Report are available on the table at the back of this room. Both the paper and electronic versions of the 2018 Annual Report present the Fortis consolidated financial statements for the year ended December 31, 2018 beginning on Page 73. The unqualified opinion of your auditors, Deloitte LLP, is found on Page 75 of that report. What I would ask you to do is hold any questions on the financial statements until after the presentation from Barry and Jocelyn.



MAY 02, 2019 / 1:00PM, FTS.TO - Fortis Inc Annual Shareholders Meeting

Shareholders who did not vote their shares by proxy were given ballots when they registered for this meeting. And so before we begin the business of the meeting, I thought it might be useful to explain our voting practice. As with most public companies, the vast majority of Fortis shares are voted by proxy, and these votes have been tabulated by Computershare up to the proxy cutoff of Tuesday, April 30 of this year.

Commencing with the introduction of our majority voting policy for the election of directors at our 2010 Annual Meeting, we implemented ballot voting so as to ensure that all shares voted at the meeting, both in person and by proxy, are tabulated and voted. I'm pleased to report that all resolutions received strong support from shareholders voting by proxy. Since the vast majority of shareholders have expressed their wishes by proxy, we can confirm that all matters to be considered by the shareholders at this meeting have been approved by the requisite number of shareholders represented in person and by proxy.

Now we do wish to tabulate all votes cast by proxy and in person, so I would ask that those persons receiving ballots to complete your voting and pass your ballots to the scrutineers, or raise your hand so that your ballots may be collected and your vote tabulated.

Now ladies and gentlemen, this year, each of our nominated directors currently serve on the Fortis Board. I can tell you that this team of directors are committed, active and very engaged and working on your behalf in the oversight of the affairs of the corporation. And I'd also like to mention that 4 of our Fortis board members also serve on the boards of Fortis operating companies.

So with that, let's move on to the election of directors for 2019. The resolution is discussed on Page 9 of the circular. I believe that Monica Gregory has a motion in place to place before us. Monica?

Monica Gregory

Paul J. Bonavia, Lawrence T. Borgard, Maura J. Clark, Margarita K. Dilley, Julie A. Dobson, Ida J. Goodreau, Douglas J. Haughey, Barry V. Perry, Joseph L. Welch, and Jo Mark Zurel be elected as directors of Fortis to hold office until the close of the next Annual Meeting or until their successors are elected or appointed.

Douglas J. Haughey - Fortis Inc. - Chairman of the Board

Thank you very much. I'll ask Andy Morgans to second that motion.

Andy Morgans

I second the motion.

Douglas J. Haughey - Fortis Inc. - Chairman of the Board

Thank you. Now if you haven't already returned your ballot, please raise your hand so that the scrutineers may collect your ballot. I'm advised that the tabulation of shares represented by proxy confirms that each of the nominees receive more votes in favor than votes withheld, and that no nominee received less than the 99.07% favorable vote. On that basis, I can declare that your directors are elected.

I will now ask each of our directors present to stand as I call their name and request that you hold your applause until I've been able to introduce all of them: Tracey Ball; Pierre J. Blouin; Paul Bonavia; Larry Borgard; Maura Clark; Margarita Dilley; Julie Dobson; Ida Goodreau; our CEO, Barry Perry; Joe Welch; and Jo Mark Zurel; and of course myself, Doug Haughey. So ladies and gentlemen, your Fortis Board of Directors.

Our next item of business is to appoint the auditors for 2019 and to authorize directors to fix the remuneration. In this regard, I believe that Sean Budgell has the motion. The resolution is discussed on Page 9 of the circular.



MAY 02, 2019 / 1:00PM, FTS.TO - Fortis Inc Annual Shareholders Meeting

Sean Budgell

I move that Deloitte LLP be appointed auditors of Fortis until the close of the next Annual Meeting, or until their successors are appointed, and that the directors be and are hereby authorized to fix the remuneration of the auditors at such amount as they may and their discretion determine.

Douglas J. Haughey - Fortis Inc. - Chairman of the Board

Thank you. I'll ask Christina Fagan to second the motion.

Christina Fagan

I second the motion.

Douglas J. Haughey - Fortis Inc. - Chairman of the Board

Thank you. Is there any discussion? Okay. On the basis of the proxy information we've received, 99.79% of the proxy votes were cast in favor of the appointment of Deloitte LLP as auditors. I therefore declare that Deloitte LLP are appointed auditors of Fortis Inc. for 2019, and that the directors are authorized to fix the remuneration.

And now everyone, the next item of formal business is the advisory vote on the Fortis approach to executive compensation. As part of the company's ongoing commitment to strong corporate governance, the board adopted an annual non-binding advisory vote on the company's approach to executive compensation. The resolution is discussed on Page 10 of the circular. I'll ask Lesley Parsons to propose the resolution in this regard.

Lesley Parsons

I move on an advisory basis and not to diminish the role and responsibilities of the Board of Directors of Fortis, the shareholders of Fortis accept the approach to executive compensation as described in the Compensation, Discussion and Analysis section of the Management Information Circular of Fortis dated March 15, 2019.

Douglas J. Haughey - Fortis Inc. - Chairman of the Board

Thank you. I'll ask Peter Upshall to second the motion.

Peter Upshall

I second the motion.

Douglas J. Haughey - Fortis Inc. - Chairman of the Board

Thank you. Is there any discussion related to this item of business? Hearing none, the proxy results indicate that 96.81% of the shares voted by proxy accept the company's approach to executive compensation, and I therefore declare the motion carried.

So ladies and gentlemen, that concludes the formal business of the meeting today. I'll have a few additional remarks after Barry and Jocelyn deliver management's presentation and answer any questions you may have. But first, we must terminate the formal portion of the meeting, and I would ask Susan Escott for a motion to terminate.



MAY 02, 2019 / 1:00PM, FTS.TO - Fortis Inc Annual Shareholders Meeting

Susan Escott

I move that the meeting be terminated.

Douglas J. Haughey - Fortis Inc. - Chairman of the Board

Thank you. I'll ask Craig Vey to second that motion.

Craig Vey

I second that motion.

Douglas J. Haughey - Fortis Inc. - Chairman of the Board

Thank you. So all those in favor, I doubt there's anyone contrary, so I'll declare that motion carried.

So ladies and gentlemen, I declare the 32nd Annual Meeting of Fortis Inc. terminated, and we'll ask our President and CEO, Barry Perry, and our CFO, Jocelyn Perry, to present the report on the company's activities for 2018 and some recent developments in 2019. But before I do that, on behalf of the Fortis board, I really would like to express our sincere appreciation to Barry and the entire Fortis management team for the great results they were able to achieve in 2018. It was really quite remarkable. So if you'd join me in giving them a round of applause. But before I do turn things over to Barry and Jocelyn, we have a short video that I think you'll find quite enjoyable.

(presentation)

Barry V. Perry - Fortis Inc. - President & CEO

So I'm an emotional kind of guy. That gets me every time. The work that our employees are doing in the communities that we serve is incredible. And to see them describe what Fortis means to them is remarkable. The other thing I would say is that I think I'd like to be a lineman. Man, those pictures of being up in those poles are pretty damn impressive. As well as I think on the gas side, in our business, we have the frontline gas technicians working in the streets of Vancouver, putting in gas pipe. These are incredible jobs that they're doing.

So good morning, shareholders, ladies and gentlemen. The video you just watched includes pictures submitted by some of our 8,800 employees throughout North America. We asked employees to submit pictures that represent what Fortis means to them. And it's uplifting, and there's no better way to kick this meeting off than -- and share the performance of your company in 2018 than to start with that video.

I'm going to start by introducing our Fortis executive team. Please stand as I call your name. Previously introduced by Doug we have Jocelynn Perry, Executive Vice President, Chief Financial Officer. No relation to me. Jim Reid, EVP, Chief Legal Officer and Corporate Secretary. Nora Duke EVP, Sustainability and Chief Human Resource Officer. Jim Laurito, our EVP, Business Development. Phonse Delaney, our EVP, Chief Information Officer. Gary Smith, our EVP of Eastern Canadian and Caribbean Operations. And David Hutchens, EVP of Western Utility Operations. Dave is also President and CEO of our utility business in Arizona.

2018 marked the successful transition of key leadership positions, including the appointments of Jocelyn Perry, Jim Reid and David Hutchens. The transitions were smooth and demonstrated the strength of our succession planning process.

I'll now introduce the CEOs of our operating companies. I ask you to please stand as you're introduced. Starting with Peter Alteen at Newfoundland Power. Linda Apsey, ITC Holdings. Roger Dall'Antonia, FortisBC. Charlie Freni at Central Hudson. John Gaudet at Maritime Electric. Richard Hew, Caribbean Utilities. David Hutchens in UNS Energy in Arizona. Michael Mosher at FortisAlberta. Mike was previously President and CEO of Central



MAY 02, 2019 / 1:00PM, FTS.TO - Fortis Inc Annual Shareholders Meeting

Hudson. Last year he made the move north to Alberta. Eddinton Powell, Fortis Turks and Caicos. And Mr. Lynn Young, BECOL in Belize. Not in attendance today is FortisOntario President and CEO, Scott Hawkes.

We also have joining us today Margaret Kenequanash -- Margaret, where are you -- CEO of Wataynikaneyap Power, which is a licensed transmission company that is majority owned by 24 First Nations in Northwestern Ontario. Fortis has a 39% ownership interest. Watay is undertaking the construction of 1,800 kilometers of transmission lines and will connect 17 communities to the Ontario power grid for the first time. Watay Power had a big year in 2018, which we'll share more about a little later in the presentation.

We have a great group of leaders right across Fortis. I would like to personally thank each of them for their dedication and commitment.

Next up, we're going to give an update on the performance of your company. To begin, please take note of our cautionary statements regarding forward-looking information. Unless otherwise indicated, all financial information referenced is in Canadian dollars.

Our strategy is focused on growing our existing group of companies. Our 2018 results are proof that our strategy is working successfully. Our utilities executed a plan -- a capital plan of \$3.2 billion in 2018, our largest capital program to date. We invested capital throughout our North American utilities to ensure they continue to deliver affordable, cleaner energy to our customers in a safe and reliable manner.

In 2018, we delivered our new 5-year \$17.3 billion capital investment plan. Our investments will help strengthen natural gas infrastructure, modernize the electricity grid, and enable the delivery of cleaner energy. We remain committed to our strategy of focusing on growing our existing companies with 2019 shaping up to be a good year for your company.

I wanted to highlight 3 characteristics of Fortis which are particularly important in the context of successfully executing our capital investment plan. They also underpin why Fortis is a good investment decision for you, our shareholders. Firstly, nearly 100% of our operating assets are regulated assets. This regulatory diversity is a key component to lowering our corporate business risk.

Secondly, I ask you to look closely at this map of Fortis utilities. You can see that 17 regions in which we have operations in Canada, the U.S. and the Caribbean. These regions are where we serve our 3.3 million customers and where our \$53 billion in assets are used in energy delivery each and every day. We believe our geographic diversity is good for our investors. As extreme weather events become more common, if one utility is impacted in a specific region, our network of utilities serve as a safety net that can quickly respond and offer support.

Thirdly, and one of our most important characteristics, we are an energy delivery company. Energy delivery represents 93% of our total assets. Our assets are primarily poles, wires and gas lines. Our focus on delivering energy to customers naturally limits our impact on the environment in comparison to utility businesses that have heavy fossil fuel-based generation. These 3 characteristics combine to make Fortis one of the most low-risk, highly diversified utility companies in North America.

With our low-risk profile, we are positioned to deliver long-term shareholder value. At the end of 2018, we announced a 5.9% quarterly dividend increase to \$0.45 from \$0.425 per common share. 2018 marked 45 consecutive years of annual common share dividend payment increases; one of the longest records for a Canadian public corporation. If you bought Fortis shares and held them 45 years ago for the full 45 years, you'd have more money in your pocket every year for the last 45 years. I think there's only one other company in Canada that actually can say that. I'm extremely proud to be the CEO of a company that can deliver these results.

I'll now pass things over to Jocelyn who will review the financial performance of Fortis last year and for the first quarter of 2019, then I'll return to present the outlook for 2019. I will say she's been 10 months on the job and she's doing a fantastic job.

Jocelyn H. Perry - Fortis Inc. - Executive VP & CFO

Thank you, Barry, and good day everyone. And thank you for clarifying that we're not related. It's important. As Barry said, I've been on the job 10 months, and I have to say it's been an exciting 10 months. I'm pleased to be back to Fortis, and particularly pleased to be here today to report yet



MAY 02, 2019 / 1:00PM, FTS.TO - Fortis Inc Annual Shareholders Meeting

another great year for Fortis. Our financial results for 2018 and for the first quarter of 2019 were very strong and reflect the continued investment in each of our regulated utilities.

2018 adjusted earnings were more than \$1 billion, an increase of 4% over the previous year. And this marked the second consecutive year our adjusted earnings surpassed \$1 billion. Adjusted earnings per share in 2018 was higher by 2%, reaching \$2.51. As expected, the impact of U.S. tax reform tempered this increase on an adjusted earnings per share basis.

Turning to the first quarter of 2019, we are off to a good start with operational and financial performance aligned with our expectations. We delivered \$316 million in adjusted earnings in Q1 2019, up 6% compared to the same quarter last year. This equated to adjusted earnings per share growth of approximately 6% over Q1 2018. Again, our financial results reflect the strong growth across each of our regulated businesses.

For the first quarter of 2019, our utilities continue to execute on their capital plans with \$740 million invested during the quarter. As Barry said, we remain on track to deliver an annual capital plan of \$3.7 billion.

In March, Tucson Electric Power announced the construction of the USD \$370 million Oso Grande Wind Project. Once complete, this 247-megawatt windfarm will become Tucson Electric Power's largest renewable energy resource.

Also in March, FortisBC announced a substantial investment increase in its energy conservation and efficiency program to approximately \$370 million over the next 4 years.

We continue to maintain our investment-grade credit ratings. Our ratings reflect our excellent business risk profile, which is driven by our stable, predictable cash flows from our regulated businesses. As Barry mentioned earlier, we are an energy delivery company and we are nearly 100% regulated. All of these characteristics contribute to our excellent business risk profile.

As we expected, our credit metrics were tempered in 2018 by U.S. tax reform, but our cash flows and our credit metrics are expected to improve over the 5-year plan. This improvement is reflective of our capital funding plan, including proceeds from the recent sale of our Waneta hydro assets in British Columbia. This approximately \$1 billion transaction closed on April 16, 2019. We used the proceeds from the sale to repay short-term debt and to repurchase USD \$400 million of outstanding notes due 2026. Barry wasn't kidding when he said we were busy.

Holding company debt to total debt is expected to decrease, reflecting a higher proportion of regulated debt to fund growth at each of our businesses. Our capital plan, together with our funding strategy and the flexibility provided by our at-the-market common equity program, further supports our investment-grade credit ratings.

I'd now like to take a few minutes to provide examples of the types of projects included in our 5-year capital plan. FortisBC is the largest distributor of natural gas in British Columbia with more than 1 million customers. In 2018, the utility began construction of 20 kilometers of new gas lines to ensure the reliable delivery of natural gas to more than 210,000 homes and businesses in the Metro Vancouver area. This line is actually located under one of the busiest streets leading to downtown Vancouver, so that's a challenge. Several years before construction began, FortisBC started talking with residents and businesses in the area to understand and lessen the impacts of the project. This approximately \$500 million project is on time and scheduled for completion in 2020.

Wataynikaneyap Power, our partnership with First Nations communities in Northwestern Ontario, saw great progress in 2018. This project will enable 17 communities in remote Northwestern Ontario to move away from an unreliable diesel plant system to a safer, cleaner, reliable electricity system that will support the growth of these communities.

Two major milestones were achieved in 2018. The first was the announcement of a \$1.6 billion funding framework with the governments of Ontario and Canada. The second was the connection of the First Community, Pikangikum, to the Ontario power grid in December. And then a third major milestone came a month ago on April 2 when Wataynikaneyap Power received approval from the Ontario Energy Board to construct the transmission project.



MAY 02, 2019 / 1:00PM, FTS.TO - Fortis Inc Annual Shareholders Meeting

ITC is our biggest utility and the largest independent transmission company in the United States. It has more than 25,000 circuit kilometers of transmission wires across 7 Midwestern states. ITC's investment in infrastructure is a key component of our capital investment plan, and their rate base is expected to grow at an average annual growth rate of approximately 7% through 2023.

Tucson Electric Power is targeting to serve 30% of retail sales from renewable generation by 2030. Good progress was made in 2018 to achieve this target, including the start of construction of fuel efficient natural gas generators to compensate for energy fluctuations associated with expanded use of renewable energy. Tucson Electric Power recently announced the construction of the Oso Grande Wind Project. Once the Oso Grande Windfarm is operational, Tucson Electric Power's renewable energy production is expected to exceed 28% of its retail sales by 2021, bringing it very close to its target of 30% and certainly well in advance of 2030.

I'll now turn things back to Barry.

Barry V. Perry - Fortis Inc. - President & CEO

Every one of the examples provided by Ms. Perry has a strong connection to our sustainable operations and practices. In 2018, we released our first Sustainability Report that covered our 10 utility operations. It contains complete information on our operations, focusing on the environment, governance, our customers, our people and community engagement. As included in the report, the carbon intensity of energy we deliver to our customers in 2017 decreased by more than 60%. This decrease was largely related to our acquisition of transmission-focused ITC in 2016. Further, we decreased greenhouse gas emissions within the Fortis Group by 6% in 2017 compared to 2016.

We outperform industry averages in safety and reliability measures, and last year we donated \$13 million in the communities that we serve.

We continue to build an inclusive and diverse workplace, and we are proud of our progress specifically around gender diversity. Women now represent approximately 1/3 of our executives throughout the Fortis group of companies, 42% of our board and 60% of our employees at head office.

Looking to our future, we are focused on successful execution of our 5-year \$17.3 billion capital plan. The plan for the period 2019 to 2023 represents an increase of \$2.8 billion, or 20%, over last year's plan. Our plan is highly executable with low risk. In fact, 77% of the 5-year plan consists of projects that individually total less than \$150 million each.

The execution of this plan is expected to translate into average annual rate base growth of 7.1% for the next 3 years and 6.3% over the 5-year planning period. Once completed, our utility rate base will have grown from \$26.1 billion today to \$35.5 billion by 2023, a 36% increase. And I always have to remind, Newfoundland Power's rate base is about \$1 billion. So that's equivalent to 36 Newfoundland Powers across North America that our company owns at this point in time. It's been a pretty amazing story.

I'm confident in our ability to execute it successfully. We have a track record to prove it. At a time when we achieve one of the most strategic moves in the industry to push into the United States, buy 3 great franchises -- Central Hudson, UNS Energy in Arizona and ITC Holdings based in Michigan -- we also grew our earnings per share on average by over 8% annually over this 5-year period. And yes, we bought those 3 companies over the last 5 years.

Much of our success can be credited to how we run our business. We are a stable, well-run company with a purposeful, measured approach to growth and operations. That's what you get when you invest in Fortis. At Fortis, energy delivery is not just what we do, it's who we are. Our subsidiaries are local champions serving as responsive leaders in our communities.

With authority and independence, they deliver what's most important every day. Our utilities use local knowledge to drive purposeful progress, innovation and sustainability. That independence is critical. It's the backbone of Fortis and guides how we are governed. Each of our major utilities is governed by its own board of directors with a majority of independent directors. These directors are generally members of the communities that our utilities serve. I believe our commitment to independence is unparalleled in our industry.



MAY 02, 2019 / 1:00PM, FTS.TO - Fortis Inc Annual Shareholders Meeting

Today, I'm happy to say we have 15 independent members of our utility boards of directors joining us. Please stand as I call your name. We have Steven Fetter and Mark Kastner, board members at Central Hudson in New York State. Board chair Bob Elliott and Greg Pivrotto at UNS Energy in Arizona.

Doug Rothwell and Kevin Prust, board members at ITC Holdings based in Michigan. Mona Hale and Ross Bricker, both with the FortisAlberta Board. Board chair David Ritch and Jennifer Dilbert who serve on the Caribbean Utilities Company Board in Grand Cayman. Board chair Jackie McIntyre and Bob Sear, Maritime Electric board members on Prince Edward Island. And from Newfoundland Power, we have board chair Anne Whelan and board members Glenn Mifflin and Gina Pecore joining us today.

As Doug mentioned previously, 4 of our Fortis Inc. board members also serve on the boards of our utilities. We are honored to have you joining us today, and please join me acknowledging the independent board members of our utilities.

As a larger family of companies with expansive market reach, we are not only local champions, but champions of progress at every level. Our connected network can learn, anticipate and find new ways to go above and beyond everywhere we work. In the past, our FortisAlberta CEO, Michael Mosher, has called it our secret sauce, and he's right. Together, we can do more than any one of us could do alone, realizing sustainable value, delivering progress in our industry and our communities. Our way of doing things drives our ability to consistently deliver superior shareholder returns.

And I think I'm saving the best for last here, at least I feel that way. And that's your company's long history of superior shareholder returns. We continued our strong performance in 2018. And these charts are actually as of March 31. They would be better if we used April 30, but they're pretty damn good at this point. So, no matter the time frame -- and this is important -- no matter the time frame, 1 year, 5 years, 10 years or 20 years, Fortis has outperformed comparable indices. We have delivered average annual total shareholder returns of 12.9% for the past 20 years. And for the non-accountants in the room, that's every year on average for the past 20 years we've delivered about 13% return. I'm not sure there's another company in Canada that's done that.

And in 2018, we extended our dividend growth guidance of approximately 6% through 2023. This guidance is based on continued good performance of our utilities, reasonable regulatory outcomes, the successful execution of our 5-year capital plan and growth in our franchise territories. I'm confident in the ability of your company to execute on this dividend guidance, given the growth that's occurring in our utilities.

Over the past month, our stock has traded in the \$49 to \$50 range. It recently closed at \$50.27 in mid-April, and that's an all-time high for us. As President and CEO, it gives me great pleasure to report this good news to a group of shareholders. To every shareholder joining us today, I just want to say thank you. Your investment and your belief in Fortis has helped create one heck of a story.

With that, we're going to move on to some questions and answers portion of the meeting this morning. As Doug mentioned, we're accepting questions online from those joining us via webcast. Our Vice President Investor Relations, Stephanie Amaimo, will share the questions as we receive them through the webcast. And Stephanie, please stand so people see who you are. Now let's start with a question from those in the room.

QUESTIONS AND ANSWERS

Barry V. Perry - Fortis Inc. - President & CEO

Sorry, is someone asking a question? Sorry. If you want to ask, can you come up and take the mic?

Unidentified Shareholder

No, thank you. I don't (inaudible).



MAY 02, 2019 / 1:00PM, FTS.TO - Fortis Inc Annual Shareholders Meeting

Barry V. Perry - Fortis Inc. - President & CEO

Sorry, are there any questions from the room? I just want to make sure this lady didn't have a question. I'm sorry, I can't hear you. I just want to be clear. Do you have -- sorry. Can you step up to the mic?

Unidentified Shareholder

(inaudible)

Barry V. Perry - Fortis Inc. - President & CEO

Okay, thank you. Thank you very much. Just wanted to make sure. Any questions from the audience? Stephanie, do we have a question from the webcast?

Stephanie A. Amaimo - Fortis Inc. - VP of IR

Good morning. So we actually have a question from Derrick Hutchens, who normally I think attends in person. So I'm going to read it verbatim. There are 3 questions embedded, but I'll read it verbatim here.

So good morning, Mr. Perry. You are looking good. May I say better as each year goes by. First of all, I would like to comment on our 8,800 employees, who because of their commitment and hard work, they make you, the Senior Management Team and the Board of Directors, look good and shareholders happy. So thank you to all employees. In recent years, you have made some major acquisitions in the U.S. and excellent ones at that. Do you have any plans in the near future for further investment in the U.S.? The second question, maybe with a new federal government in the fall and the TransCanada Pipeline a go, do you see any further investment in Western Canada? And then lastly, what about closer to home? Do you see any opportunity to invest in Labrador? Thank you.

Barry V. Perry - Fortis Inc. - President & CEO

Thank you, Stephanie, and thank you, Derrick, for your questions. In terms of acquisitions, we've been saying for some time our focus currently is on organic growth. And we have a great business now that's growing around 7% a year. And when you grow organically by investing in your existing utilities, you're not paying a premium. And that premium, usually when you pay it for acquisitions, it's not recoverable in your -- in rates and it's a much more risky approach. So we're very happy now that we have got a great portfolio of businesses that are growing well, and we're focused in that area; not on acquisitions. In terms of Western Canada, we have I would say 2 really strong franchises, FortisAlberta business, electricity business that keeps the lights on in a lot of Alberta. We have over 1 million poles in our system there serving about 550,000 customers. That business has grown so much over the last 15 years and continues to grow at around 5-plus percent, and we're very, very happy with that business and we continue to invest in it. In Alberta we -- sorry, in British Columbia we have a large natural gas business, distribution franchise serving over 1 million customers. I think it's the best natural gas franchise in all of North America, but I'm biased. It's growing well. We're doing lots of great things on renewable natural gas, gas for transportation, investing in our infrastructure there, and that business has a great future in that province. And there's so much gas in British Columbia, so we're so happy there. And we do have a smaller electric franchise that's based in the sort of southeast part of British Columbia with its offices in the Kelowna region. That's a very strong franchise as well. So we're pretty excited about the Western Canadian business. And we work well with all governments. That's the beauty of the Fortis model. We have our teams on the ground. They interact with their regulators and their governments and they work through their issues, and they find ways to grow their businesses and serve their customers well. It's a beautiful model and one that we are very much committed to. In terms of Newfoundland and Labrador, listen; I've been saying for a long time I want to do more business in Newfoundland and Labrador. Newfoundland Power 20 years ago was almost 100% of Fortis. It's now 3% of Fortis. So that's a problem. It's a problem, and we need to solve it. The province is obviously going through some difficult times here right now. We do have some overlapping costs I think on the energy delivery side in the province. We have 2 companies that are both delivering product to customers. I think we need to get at that, and Fortis would like to play a role in that in the future and we'll see where it goes. We've told premiere after premiere



MAY 02, 2019 / 1:00PM, FTS.TO - Fortis Inc Annual Shareholders Meeting

after premiere that we want to do more in this province, and we have not yet been successful. And if I retire without making progress there, then I will be disappointed. I will be disappointed. But that could happen. That could happen. So we are committed to the province, and we'd like to do more here, but it's been a tough slog. Any other questions? Stephanie, anything else on the webcast? Good. Well, thank you very much. I think this has been the shortest question period. Maybe it's because of Derrick not being physically present. But I do very much appreciate all your support, and thank you for being shareholders of Fortis. Now with that, I think Doug is going to come up and finish.

Douglas J. Haughey - *Fortis Inc. - Chairman of the Board*

Well, everybody, I hope you agree with my premise at the beginning that the performance and prospects for the company are outstanding. I agree with Derrick, the premise to Derrick's question which was, you know what, it's the employees of Fortis and our operating companies who make the executive and our board look good. And so on behalf of our board of directors, could you please join me in thanking all of those employees from Fortis that get the job done every single day? A few other thank yous just before we wrap up. We'd like to thank you everyone who's helped organize this meeting, particularly our key Fortis employees, those Star Wars guys at the back with all the audio and visual, it's amazing, and obviously the staff of the Holiday Inn. And finally and I think most importantly, we'd like to thank you, our stakeholders, for the continuing support of the company and your participation both today and hopefully in the future. So on behalf of everyone, thank you, and we're going to break for lunch. Thank you everyone.



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