

June 2015 Investor Presentation

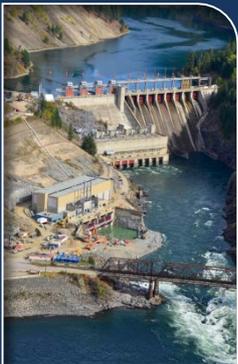
Forward-Looking Statement

Fortis Inc. (the “Corporation”) includes forward-looking information in this presentation within the meaning of applicable securities laws in Canada (“forward-looking information”). The purpose of the forward-looking information is to provide management’s expectations regarding the Corporation’s future growth, results of operations, performance, business prospects and opportunities, and it may not be appropriate for other purposes. All forward-looking information is given pursuant to the safe harbour provisions of applicable Canadian securities legislation. The words “anticipates”, “believes”, “budgets”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “projects”, “schedule”, “should”, “will”, “would”, “targets” and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information contained in this presentation reflects management’s current beliefs and is based on assumptions developed using information currently available to the Corporation’s management. All statements other than statements of historical fact in this presentation constitute forward-looking information, and include, without limitation, statements regarding: the timing of regulatory proceedings and decisions; the Corporation’s forecast gross consolidated capital expenditures for 2015 and the total capital spending for the five-year period 2015 through 2019; the expectation that midyear rate base will increase from 2015 through 2019; the nature, timing and expected costs of capital projects, including the Tilbury liquefied natural gas (“LNG”) facility and the potential gas pipeline expansion to the Woodfibre LNG site; expectations regarding credit ratings; and the expectation that capital investment will support continuing growth.

Forward-looking information contained in this presentation is based on assumptions the Corporation views as reasonable, including, without limitation: the receipt of applicable regulatory approvals and requested rate orders; no material capital project and financing cost overrun related to any of the Corporation’s capital projects; no severe and prolonged downturn in economic conditions; sufficient liquidity and human and capital resources; the availability of natural gas, fuel and electricity supply; and no significant adverse change in government energy or environmental laws or policies. All forward-looking information is necessarily subject to risks and uncertainties, which could cause results to differ materially from those projected. For additional information on such risks and uncertainties, reference should be made to the Corporation’s continuous disclosure materials filed from time to time with Canadian securities regulatory authorities, including those risk factors described under the heading “Business Risk Management” in the Corporation’s annual and quarterly Management Discussion and Analysis. Except as required by law, the Corporation disclaims any intention or obligation to revise or update any forward-looking information as a result of new information, future events or otherwise after the date hereof.

This presentation is strictly intended to provide general information about the Corporation and its business. Neither this presentation nor any part hereof constitutes an offer of securities.

All financial information referenced is in Canadian dollars.



Leader in Electric and Gas Utilities in North America

2014 Highlights

- **Adjusted EPS grew to \$1.81**
- **Annualized dividend increased to \$1.36**
- **US\$4.5 billion acquisition of UNS Energy**
- **\$1.8 billion common equity issue**
- **\$600 million preferred equity issue**

2014 Highlights

- **New organizational structure**
- **Record \$1.7 billion capital program**
- **Strategic review of Fortis Properties**
- **Waneta Expansion online** *(April 2015)*
- **Total shareholder return of 32%**

Company Overview

- **Utilities in 9 jurisdictions**

Arizona, New York

British Columbia, Alberta

Newfoundland & Labrador, Ontario, Prince Edward Island

Grand Cayman, Turks and Caicos

- **Serving 3.1 million customers**

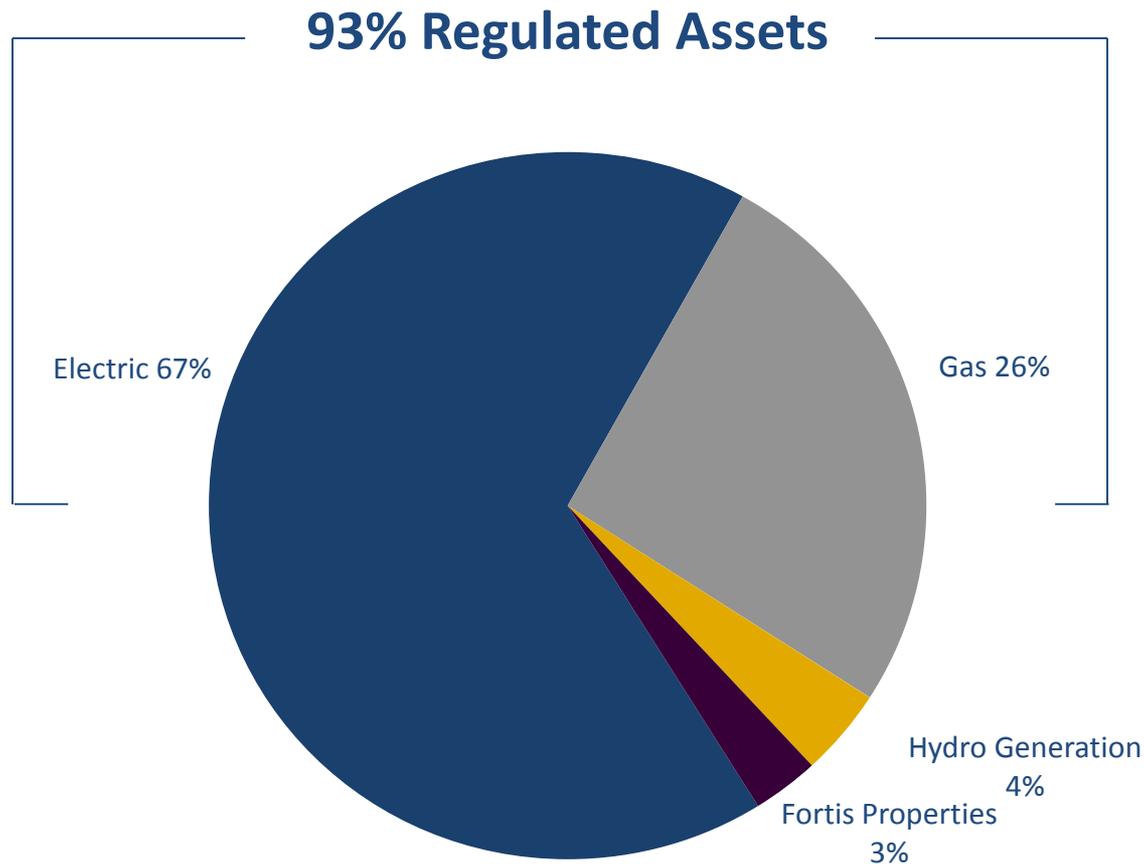
1.9 million electric

1.2 million gas



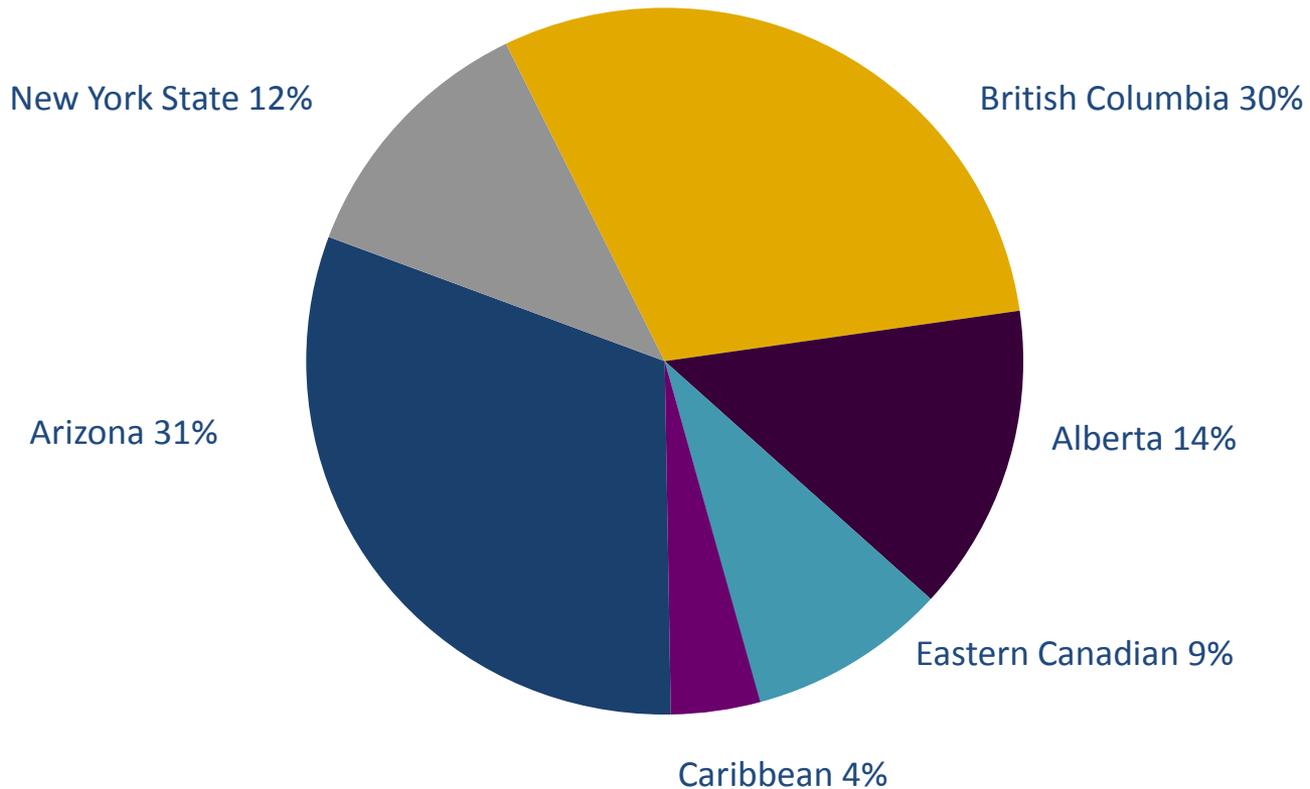
Total Assets ~\$28 Billion

(unaudited, as at March 31, 2015)



Regulated Assets ~\$26 Billion

(unaudited, as at March 31, 2015)



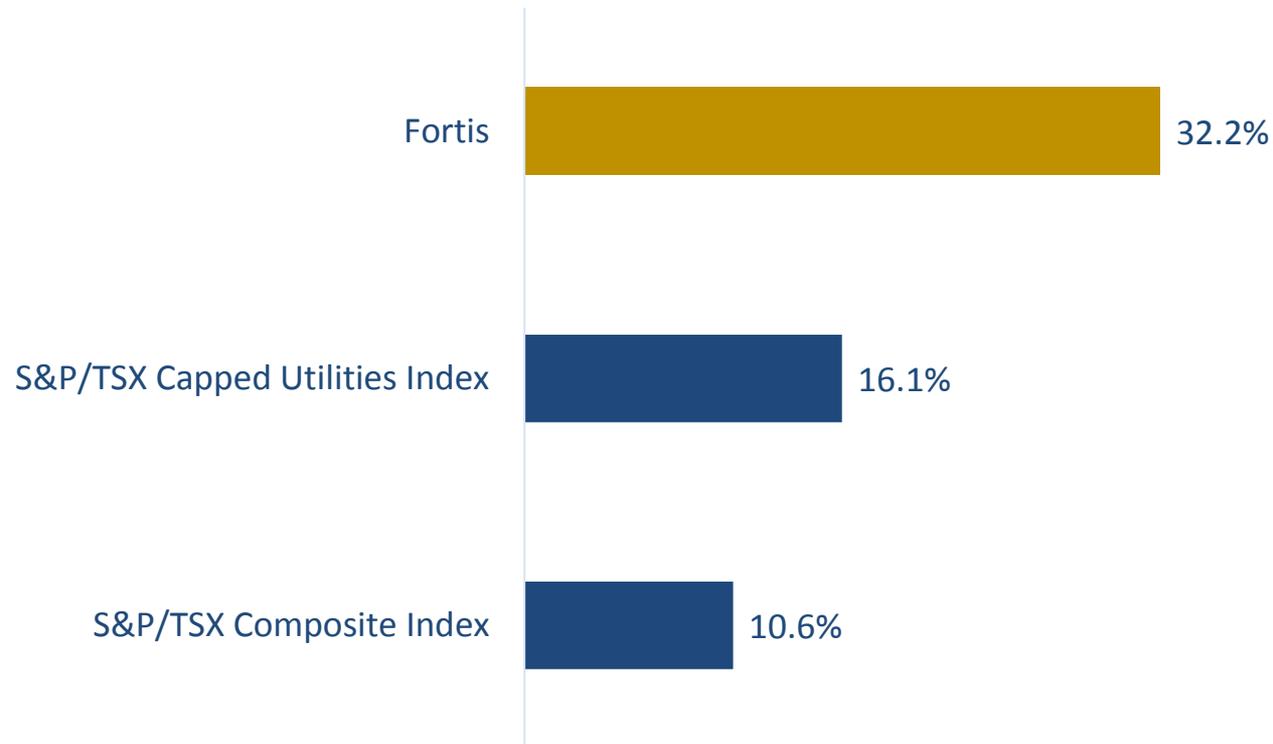
Financial Metrics

	2012A	2013A	2014A	2014 Pro-forma
Earnings to Common Shareholders (\$M)	327	344	407	482
Basic EPS (\$)	1.72	1.70	1.81	1.76
EBITDA (\$B)	1.3	1.4	1.8	2.1
FFO (\$B)	0.9	0.9	1.2	1.5
Market Cap (Dec 31) (\$B)	6.6	6.5	10.8	n/a
Enterprise Value (Dec 31) (\$B)	14.3	15.8	24.3	n/a
EV/EBITDA (x)	11.2	11.2	13.9	11.5
CAPEX (\$B)	1.1	1.2	1.7	n/a

2015 Allowed Returns & Equity

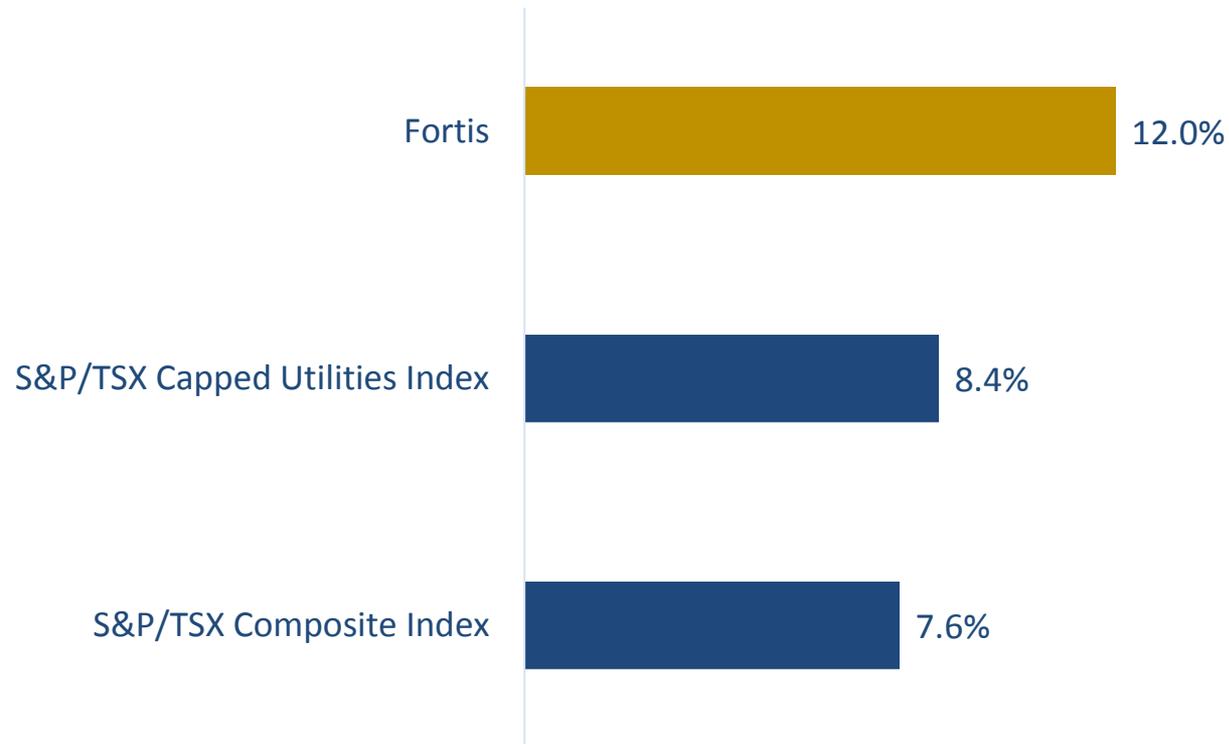
Weighted Average (%)	Canada	U.S.	Combined
Allowed ROE	8.72	9.87	9.13
Common Equity Thickness	39.9	44.6	41.6

1-Year Total Shareholder Return ⁽¹⁾



⁽¹⁾ 1-year total return as at December 31, 2014

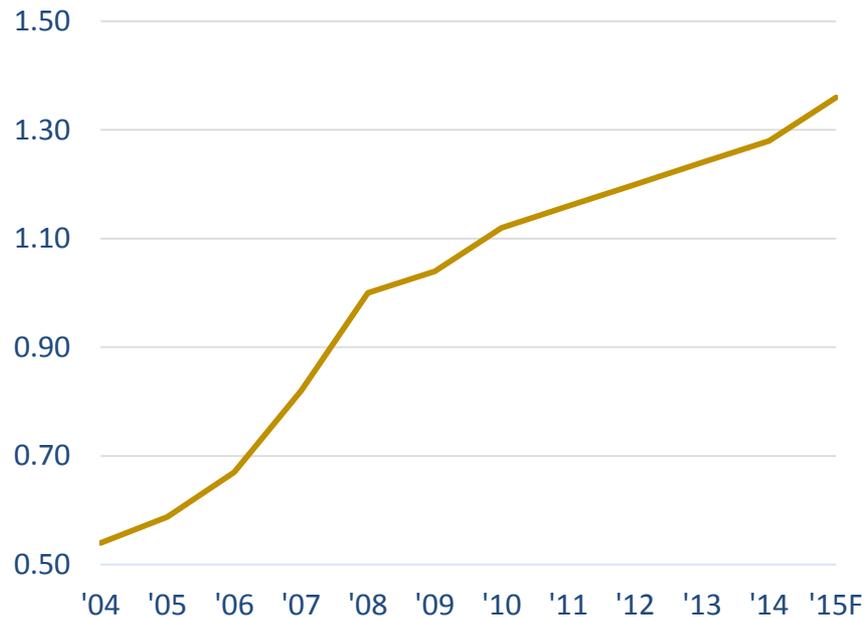
10-Year Total Shareholder Return ⁽¹⁾



⁽¹⁾ 10-year average annualized total return as at December 31, 2014

Dividend Growth

\$ per common share

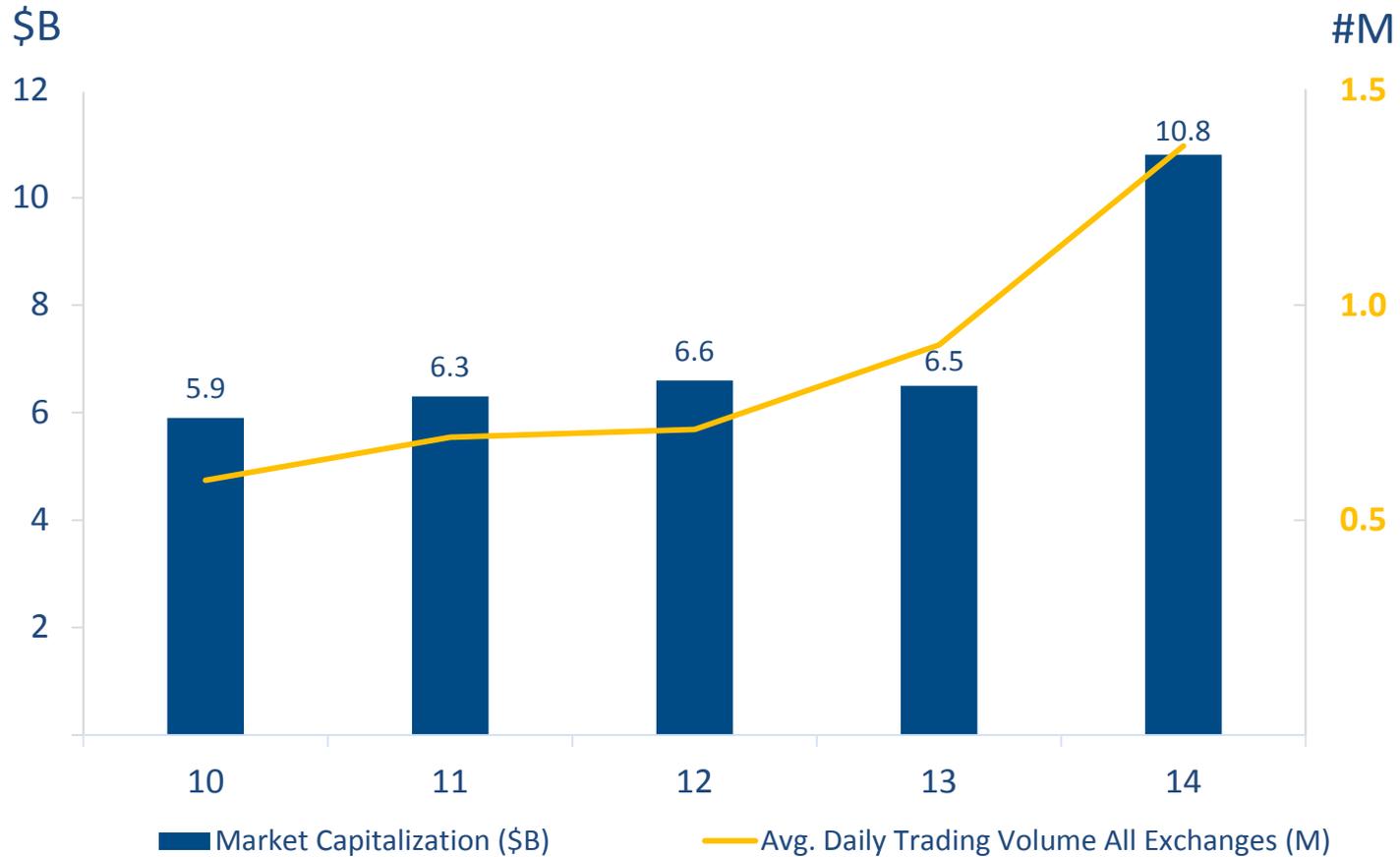


- **42 consecutive years of annual dividend increases**
- **Record for a public corporation in Canada**
- **Dividend per common share 10-Year CAGR ~9%**

Annual EPS

	2014	2013	Change
Basic Earnings per Common Share	\$1.41	\$1.74	(\$0.33)
Adjusting items:			
Acquisition-related costs	0.40	0.17	0.23
Part VI.1 tax adjustment	-	(0.11)	0.11
Exploits Partnership gain	-	(0.10)	0.10
Adjusted Basic Earnings per Common Share	\$1.81	\$1.70	\$0.11

Market Capitalization



Dividend Payout Ratio

	2014	2013
Adjusted Basic EPS (\$)	1.81	1.70
Dividend (\$)	1.28	1.24
Payout Ratio (%)	71	73

Capital Structure

%	Dec 31/14	Dec 31/13
Debt	57	56
Preferred	9	9
Common	34	35
Total	100	100

Quarter 1 EPS

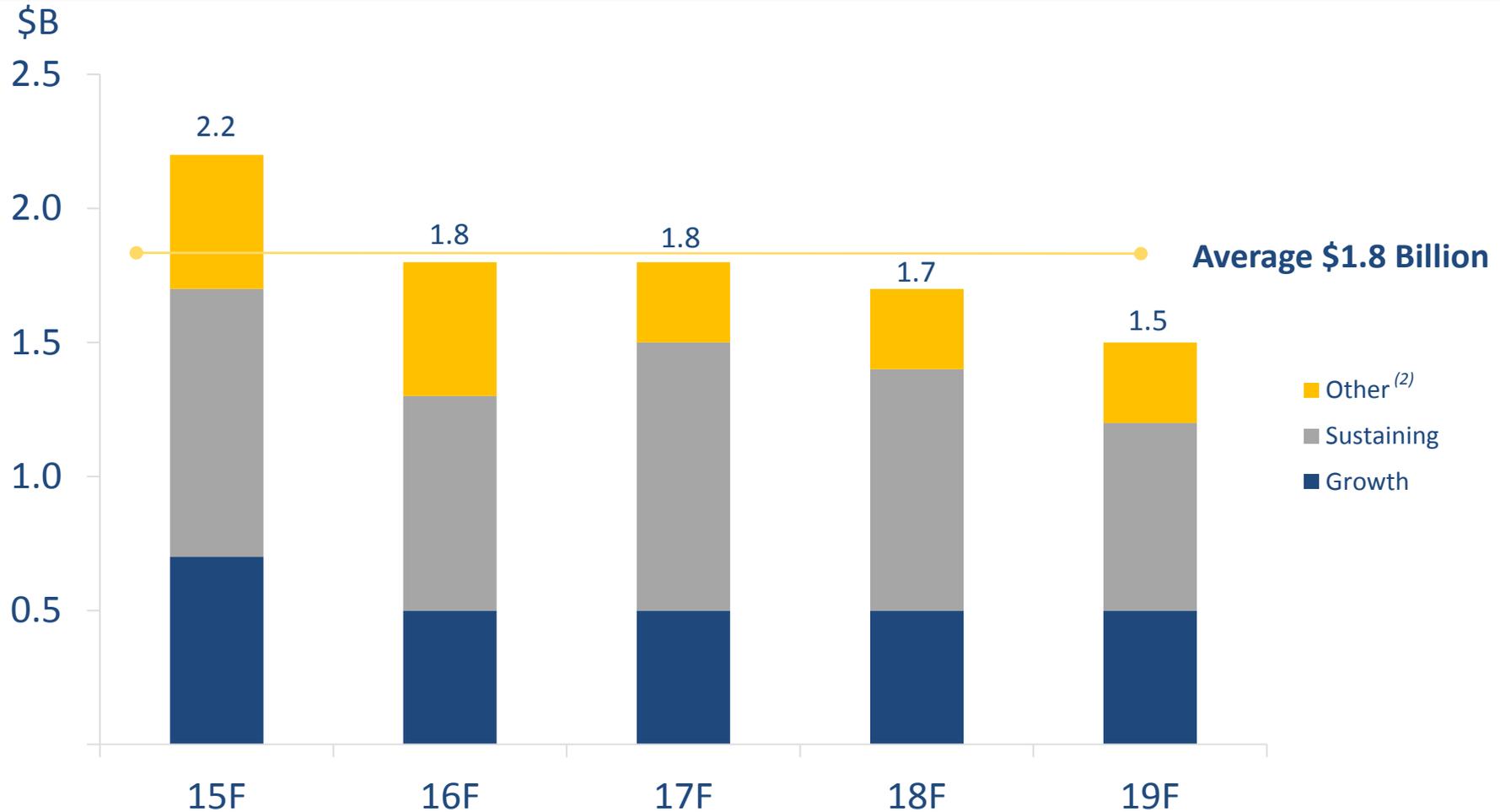
	Q1/2015	Q1/2014	Change
Basic Earnings per Common Share	\$0.72	\$0.67	\$0.05
Adjusting items:			
Acquisition-related costs	-	0.05	(0.05)
Capital Tracker true-up	(0.04)	-	(0.04)
F/X gain Belize Electricity	(0.03)	(0.02)	(0.01)
Griffith earnings	-	(0.02)	0.02
Adjusted Basic Earnings per Common Share	\$0.65	\$0.68	(\$0.03)

Looking Forward

- Fortis has entered a period of significant growth, with a 5-year compound annual growth rate in rate base through 2019 estimated at ~6.5%.
- Two natural gas infrastructure investments – Tilbury 1B and the pipeline expansion to the Woodfibre LNG site – would increase the 5-year compound annual growth rate in rate base to ~7.5%.

5-Year Capital Expenditures ⁽¹⁾

\$9.0 Billion



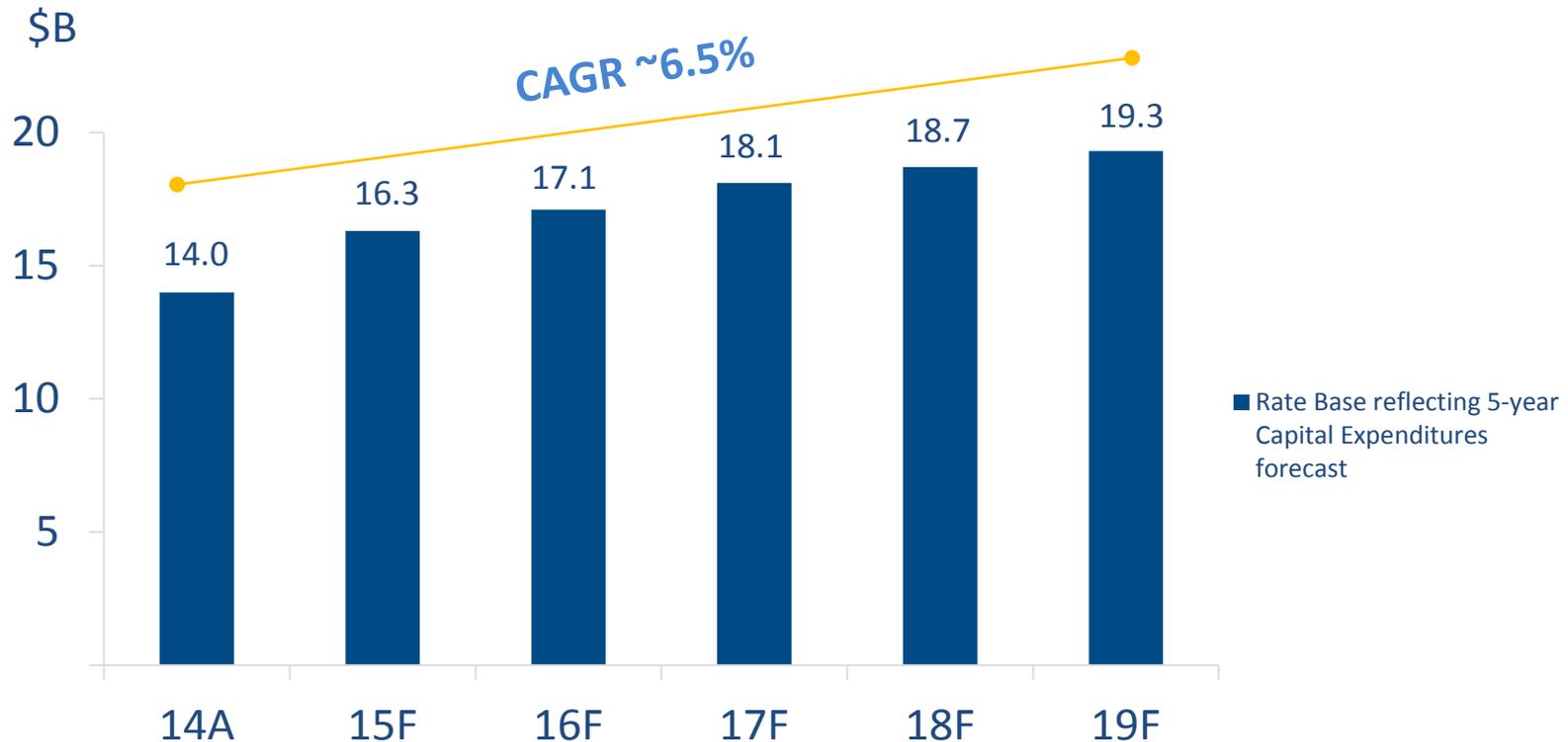
⁽¹⁾ US Utilities CAPEX converted at a USD/CAD exchange rate of 1.27

⁽²⁾ Capital expenditures related to facilities, equipment, vehicles, information technology systems and other assets, including transmission-related capital expenditures at FortisAlberta

Major Capital Projects

\$M	2015	2016	2017	2018	2019	Total
Tilbury Phase 1A	170	158	-	-	-	328
UNS Springerville	151	-	48	-	-	199
FortisAlberta Pole Management	41	43	27	20	20	151
UNS Pinal Transmission	97	-	-	-	-	97
CUC Generation Expansion	60	32	-	-	-	92
Waneta Expansion	45	13	2	21	1	82
Other Capital Projects	1,607	1,530	1,736	1,708	1,512	8,093
Total	2,171	1,776	1,813	1,749	1,533	9,042

Rate Base Growth ⁽¹⁾ ⁽²⁾



⁽¹⁾ Rate base reflects midyear amounts and includes Waneta Expansion

⁽²⁾ US Utilities rate base converted at a USD/CAD exchange rate of 1.27

Tilbury LNG

Tilbury 1A *(under construction)*

- Adds 950,000 mmBtu of storage and 34,000 mmBtu/day liquefaction capacity
- Expected in service by end of 2016
- FortisBC rate base addition of ~\$440 million



Tilbury 1B

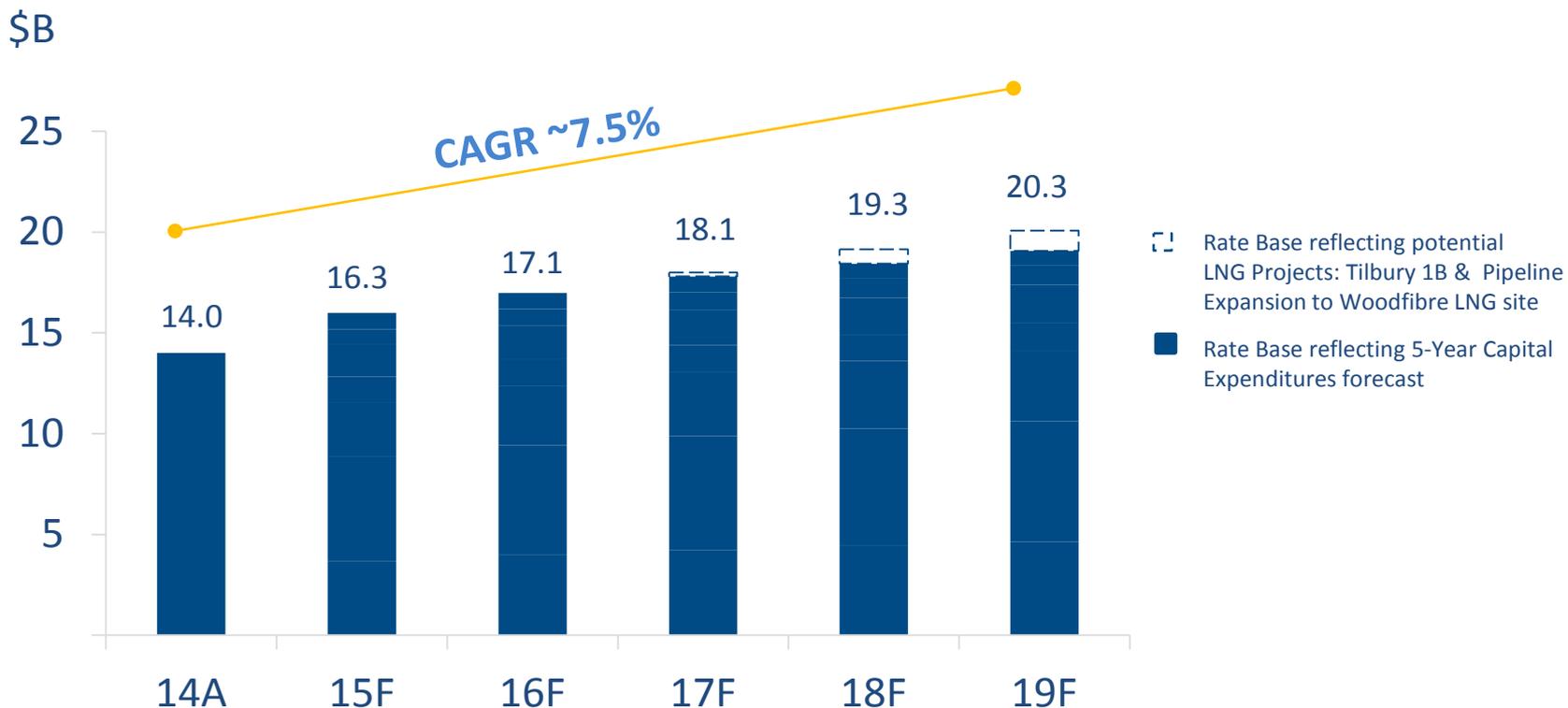
- Adds 133,000 mmBtu/day of liquefaction and increases FortisBC rate base by ~\$450 million
- Investment approved by the Province. Subject to completing contracts for 70% of capacity.
- Conditional contract with Hawaiian Electric meets provincial requirements
- FortisBC expects to make its investment decision by the end of 2015

Pipeline Expansion to Woodfibre LNG

- Gas pipeline expansion to proposed 3rd party-owned LNG export site
- Final investment decision by site owner expected by the end of 2015
- Pipeline expansion represents FortisBC rate base addition of ~\$600 million
- Investment approved by the Province; Environmental permitting underway



Rate Base Growth including LNG Opportunities ⁽¹⁾ ⁽²⁾



⁽¹⁾ Rate base reflects midyear amounts and includes Waneta Expansion

⁽²⁾ US Utilities rate base converted at a USD/CAD exchange rate of 1.27

Regulatory Matters

FortisBC

- 2016 Generic Cost of Capital Proceeding

FortisAlberta

- Capital Tracker Filing for 2016 and 2017
- 2016 Generic Cost of Capital Proceeding

Central Hudson

- General Rate Application / Joint Settlement Proposal
- Generic Proceeding: Reforming the Energy Vision

UNS Energy

- Clean Power Plan

Investment Thesis

- **Focus on low-risk regulated utility business and long-term contracted energy infrastructure**
- **Geographic and regulatory diversity**
- **Strong organic rate base growth**
- **Proven utility acquisition model**
- **Strong balance sheet and credit ratings**
- **42 years of consecutive dividend increases. Record in Canada.**