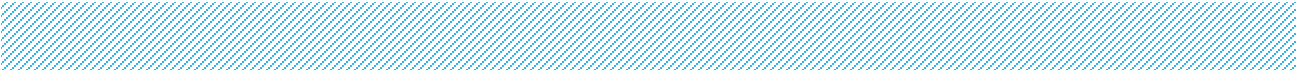


# INVESTOR PRESENTATION

## Q1 2022



# 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: targeted average annual dividend growth through 2025; carbon emissions reduction targets and projected asset mix; forecast capital expenditures for 2022-2026, including cleaner energy investments; forecast rate base and rate base growth through 2026; the nature, timing, benefits and costs of certain capital projects and additional opportunities beyond the capital plan; expected funding sources for the capital plan and expected capital structure; the expected debt issuance by ITC in May 2022; the expected timing, outcome and impacts of regulatory proceedings; potential impacts of changes in commodity prices and supply chains; and scheduled debt maturities.

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 capital plan; no material capital project or financing cost overrun; no material changes in the assumed U.S. dollar to Canadian dollar exchange rate; 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.**



# A PREMIUM ENERGY DELIVERY BUSINESS

## 93% Transmission & Distribution Assets



## HIGH QUALITY PORTFOLIO

10 Regulated Utility Businesses

3.4M Electric & Gas Customers

~9,000 Employees

99% Regulated Utility Assets

~\$29B Market Capitalization<sup>(1)</sup>

~13% Average Annual 20-Year Total Shareholder Return<sup>(1)</sup>

\$31.1B 2021 Rate Base

(1) As of January 31, 2022.

# LONG-TERM STRATEGY



LEVERAGING OUR OPERATING MODEL, GEOGRAPHIC AND REGULATORY DIVERSITY, OPERATING EXPERTISE, REPUTATION AND FINANCIAL STRENGTH TO DELIVER A CLEANER ENERGY FUTURE

## Proven Dividend Track Record & Outlook

6% Average Annual Dividend Growth Guidance through 2025

## Focus on Growth

Execute on Growth Opportunities

## Strong ESG Profile

Strengthening our Low-Carbon Footprint



Safe & Reliable Service



Capital Investment Plan



Strong Customer & Regulatory Relationships



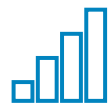
Sustainability & Delivery of Cleaner Energy



System Resiliency, Innovation & Cybersecurity



Energy Infrastructure, LNG Expansion & Storage

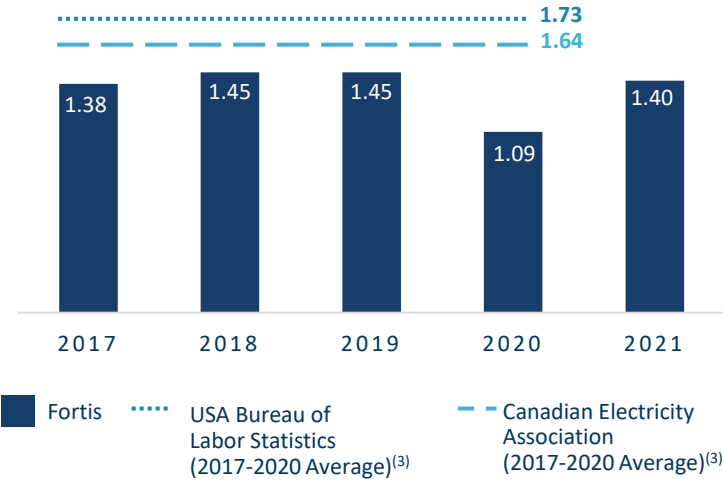


Investment-Grade Credit Ratings

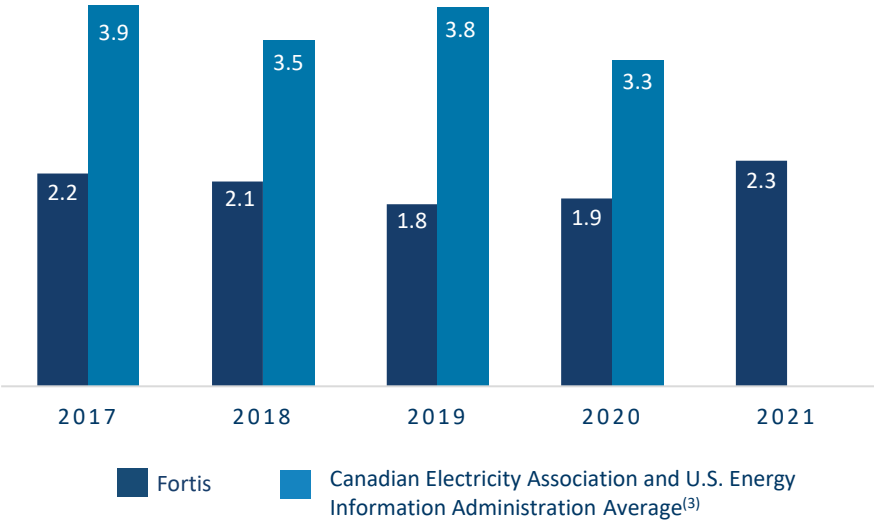
# DELIVERING SAFE AND RELIABLE SERVICE



ALL INJURY  
FREQUENCY RATE<sup>(1)</sup>

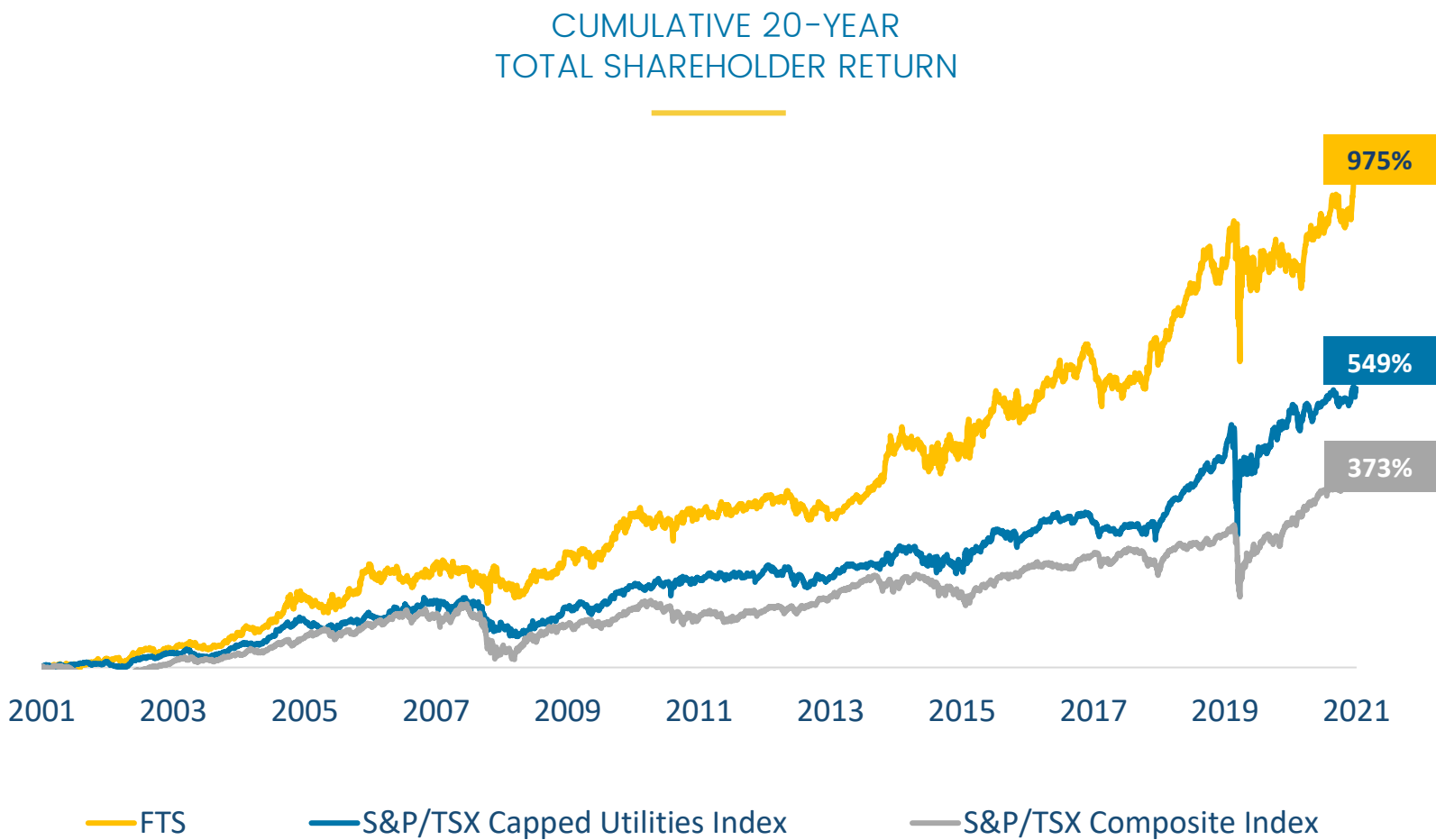


AVERAGE ELECTRICITY CUSTOMER  
OUTAGE DURATION<sup>(2)</sup>



(1) Injuries per 200,000 hours worked.  
(2) Based on weighted average of Fortis' customer count in each jurisdiction.  
(3) 2021 industry comparators will be available later in 2022.

# SUPERIOR 20-YEAR TOTAL SHAREHOLDER RETURN



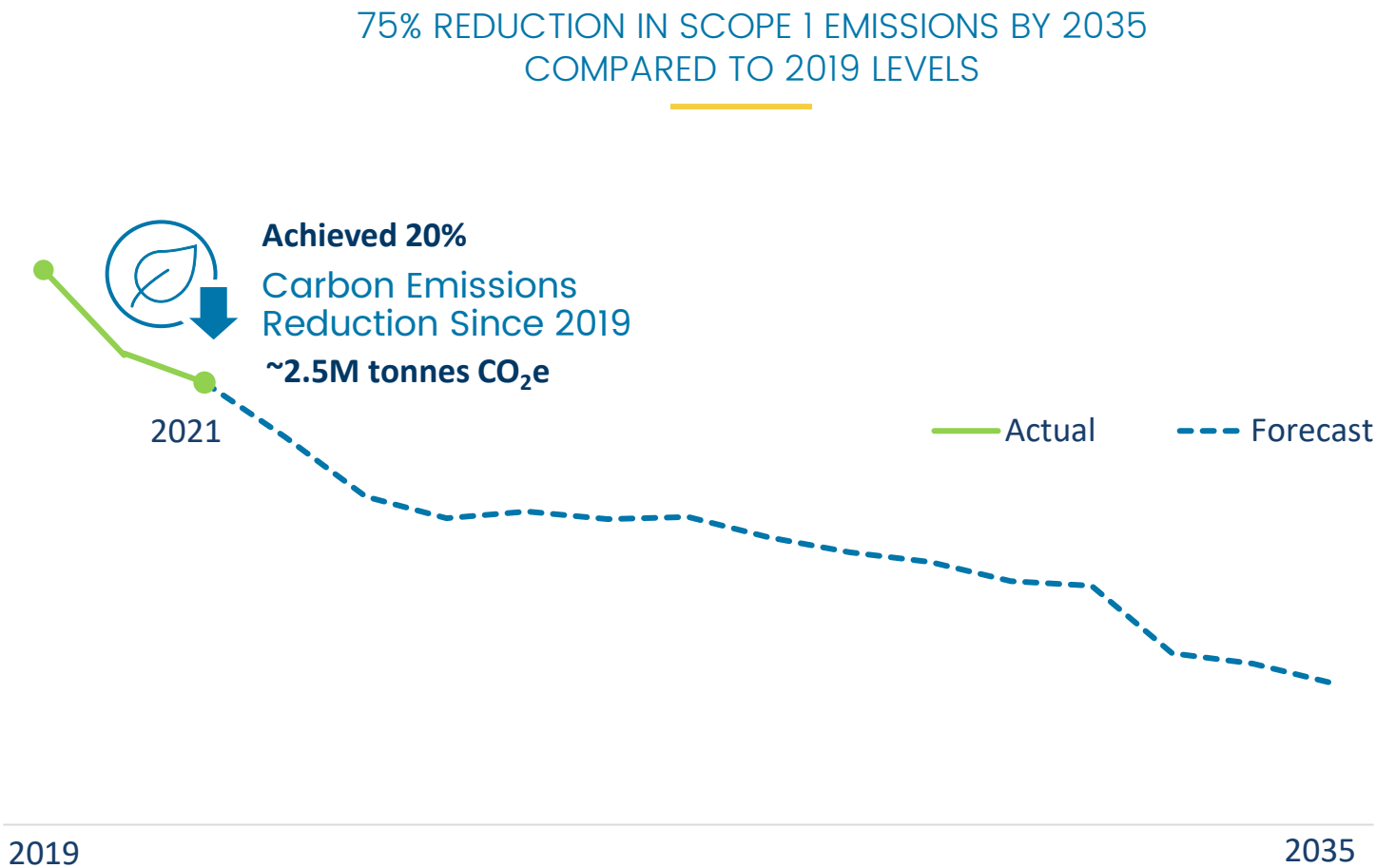
Note: Cumulative 20-year total shareholder return as at December 31, 2021

## AVERAGE ANNUAL TOTAL SHAREHOLDER RETURNS

1-Year	21.8%
5-Year	12.1%
10-Year	10.2%
20-Year	12.6%



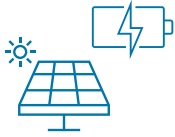
# CARBON EMISSIONS REDUCTION TARGET ON TRACK



## 2021 CLEAN GENERATION ADDITIONS IN ARIZONA



250 MW ✓  
Oso Grande



100 MW ✓  
Wilmot Solar <sup>(1)(2)</sup>



99 MW ✓  
Borderlands <sup>(1)</sup>

## TRANSITION TO 2035

- Exiting coal-fired generation by 2032
- Installing ~2,400 MW<sup>(3)</sup> of new wind and solar and 1,400 MW of battery storage
- 99% of assets expected to be energy delivery or carbon-free generation

(1) Power purchase agreement  
(2) Wilmot also has 30 MW of battery storage  
(3) Includes ~450 MW placed in-service in 2021

# ESG LEADERSHIP



**Industry leader in**  
**SAFETY AND RELIABILITY**



**Continued focus on**  
**ENERGY DELIVERY**



**Carbon emissions reduction**  
**target of 75% BY 2035**  
**using a 2019 base year<sup>(1)</sup>**



**Industry recognition for**  
**STRONG GOVERNANCE** grounded in  
**local leadership & independence**



**More than \$10 MILLION**  
**of community**  
**investment in 2021**



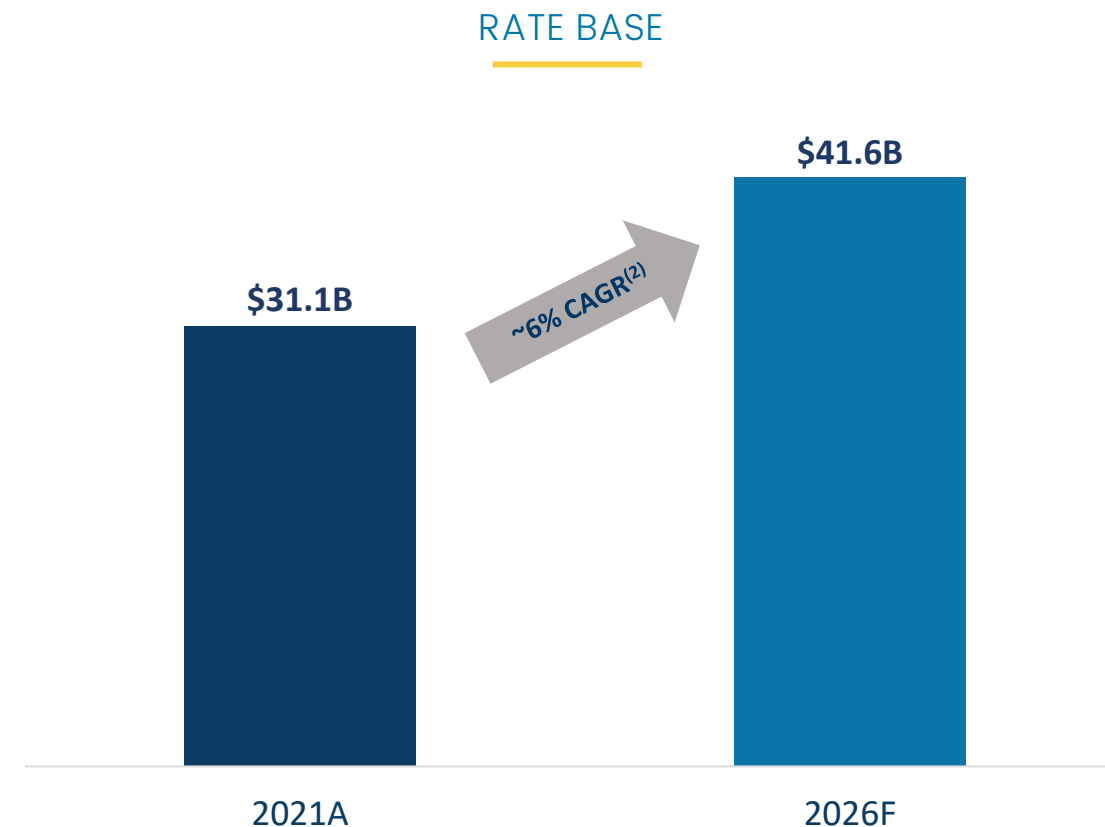
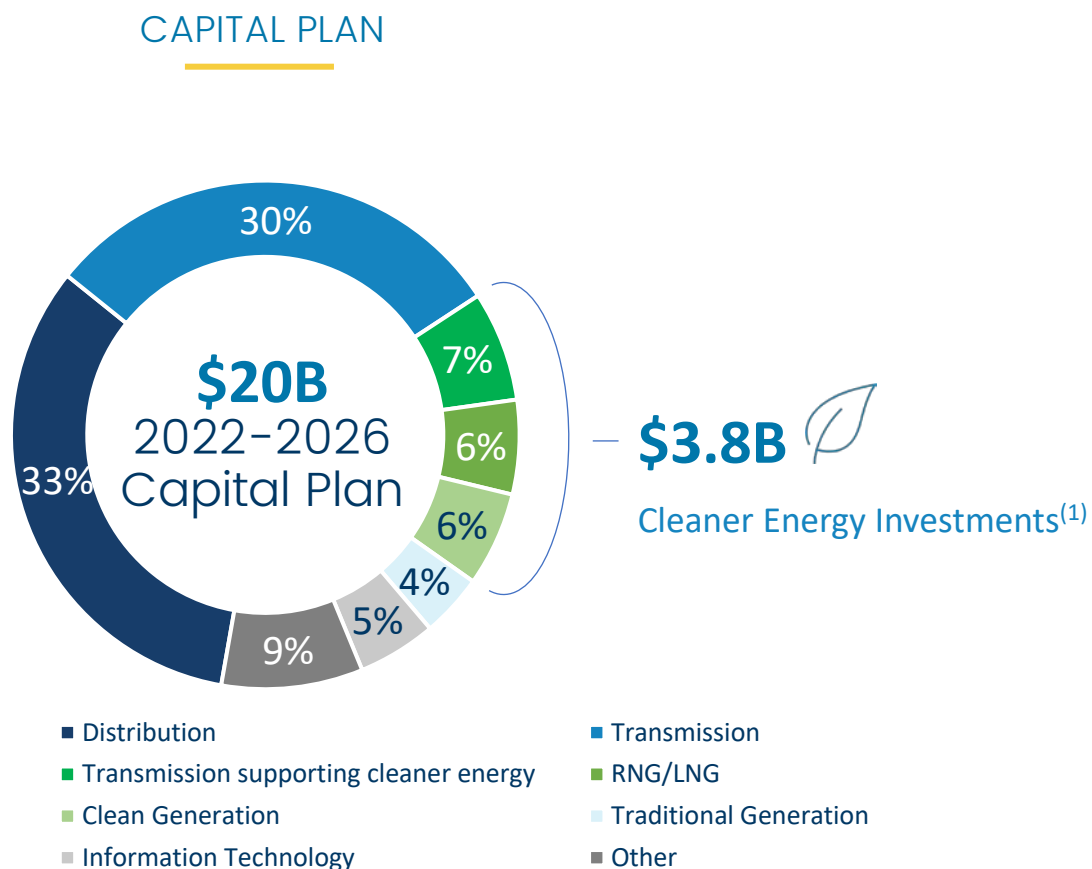
**Focused on DIVERSITY,**  
**EQUITY AND INCLUSION**

**Women represent 50% of the Fortis Board;**  
**60% of Fortis utilities have either a female CEO**  
**or Board Chair; DEI Advisory Council established**

(1) Achieved a 20% carbon emissions reduction since 2019



# HIGHLY EXECUTABLE CAPITAL PLAN SUPPORTS LOW-RISK RATE BASE GROWTH OF ~6%



Note: The Capital Plan is a forward-looking Non-U.S. GAAP financial measure calculated in same manner as Capital Expenditures. U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD foreign exchange rate of 1.25 for 2022-2026.

(1) Cleaner energy investments defined as capital that reduces air emissions, water usage and/or increases customer energy efficiency.

(2) Refer to the 2021 MD&A glossary for the calculation of CAGR. U.S. dollar-denominated rate base converted at a USD:CAD foreign exchange rate of 1.25 for 2021-2026. Rate base refers to the stated value of property on which a regulated utility is permitted to earn a specified return in accordance with its regulatory construct.

# UPDATE ON OPPORTUNITIES TO EXPAND & EXTEND GROWTH



## LONG RANGE TRANSMISSION PLAN

- In March 2021, MISO outlined a long-range transmission planning roadmap with a focus on system constraints and configuration options
- In February 2022, FERC cost allocation filing made by MISO and a majority of the MISO transmission owners
- Visibility on initial projects expected in Q2 2022
- ITC has Right of First Refusal (ROFR) in Iowa, Michigan and Minnesota
  - In December 2021, Michigan approved Transmission Infrastructure Planning Act providing ROFR in the state



## LAKE ERIE CONNECTOR

- In January 2022, the Ontario government issued a letter acknowledging the project benefits and authorized IESO to advance contract negotiations with ITC and requested a report back in late March
- Project expected to:
  - Provide ~\$100M of annual savings to customers
  - Up to 2 to 3 million tons of CO<sub>2</sub> reductions annually
- Project is not included in five-year capital plan
  - Fully permitted in both the U.S. and Canada
  - Finalization of transmission service agreement required to advance to construction phase

# OPPORTUNITIES TO EXPAND & EXTEND GROWTH

## ITC

- Lake Erie Connector Project (~\$1.7B)
- MISO long-range transmission plan
- Significant renewable capacity and battery storage in MISO and SPP queues<sup>(1)</sup>
- Hardening of physical assets and secure fibre networks

## UNS ENERGY

- 2020 Integrated Resource Plan (IRP) outlines TEP's sustainability objectives including coal-free generation mix by 2032
- Incremental opportunity of ~\$2.5-\$4.5B

## FORTISBC

- Further develop Tilbury to position BC as a marine bunkering hub
- Long-term contracted LNG export opportunities
- Regional Gas Supply Diversity Project for market expansion and resiliency<sup>(2)</sup>
- Alignment with CleanBC's Roadmap to reduce customer GHG emissions by 2030
- Renewable natural gas target of 15% by 2030

## OTHER OPPORTUNITIES

- Electric Vehicle Infrastructure
- Climate Adaptation
- NY Transco Expansion
- *Caribbean Utilities:*
  - Achieve National Energy Policy goal of 70% renewable energy by 2037 through IRP.
  - IRP calls for 170 to 200 MW of solar in addition to wind power, battery storage & conversion of diesel to natural gas.

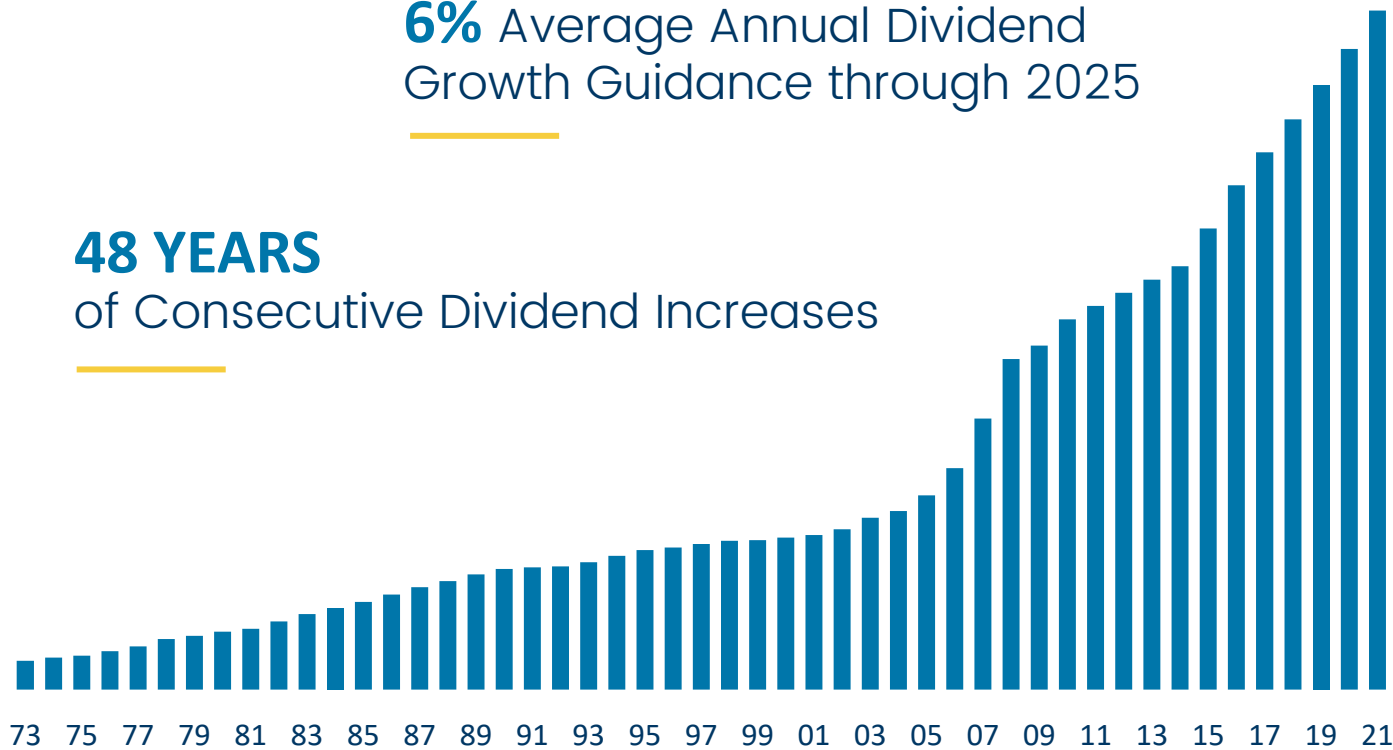
(1) 114 GW and 88 GW of additional renewable capacity in MISO and SPP queues, respectively; 14 GW and 13 GW of battery storage in MISO and SPP queues, respectively as at January 6, 2022.

(2) Previously disclosed as Southern Crossing Gas Transmission Expansion.

# DIVIDEND GUIDANCE SUPPORTED BY LONG-TERM GROWTH STRATEGY

**6%** Average Annual Dividend  
Growth Guidance through 2025

**48 YEARS**  
of Consecutive Dividend Increases





# FUNDING PLAN SUPPORTS INVESTMENT-GRADE CREDIT RATINGS



## FUNDING PLAN

- Capital plan funded primarily with cash from operations and debt at regulated utilities
- Equity funding mainly through DRIP
  - No discrete equity required to fund capital plan
- Capital structure expected to remain consistent over five-year outlook



## CREDIT RATINGS

**S&P Global**

A<sup>-(1)</sup>

**MOODY'S**

Baa3

**MORNINGSTAR**



A (low)

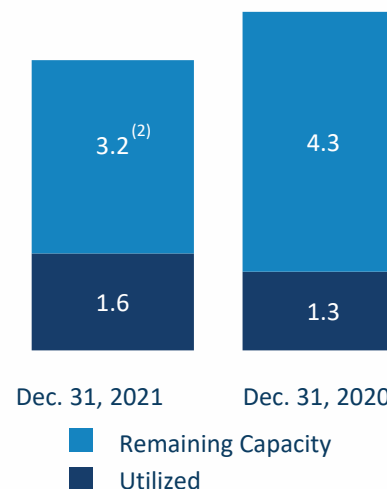
(1) S&P rating reflects the issuer credit rating. Fortis' unsecured debt rating is BBB+.

# STRONG ACCESS TO DEBT AND LIQUIDITY

## OVER \$1B DEBT RAISED IN 2021

- Fortis
  - \$500M 7-year 2.18% notes
- UNS Energy (TEP)
  - US\$325M 30-year 3.25% notes
- FortisBC Energy
  - \$150M 10-year 2.42% debentures
- ITC (METC)
  - US\$75M 30-year 2.90% notes
  - US\$75M 30-year 3.05% notes<sup>(1)</sup>
  - US\$375M interest rate swaps at 1.471% for long-term debt due in November 2022
- Central Hudson
  - US\$75M 30-year 3.29% notes
  - US\$55M 30-year 3.22% notes

## CONSOLIDATED CREDIT FACILITIES (\$B)



(1) Notes priced in July 2021 with an expected issuance date in May 2022.

(2) The Corporation's unsecured \$500M revolving 1-year term committed credit facility expired in April 2021 and was not renewed.



# REGULATORY UPDATE



**NOTICE OF PROPOSED RULEMAKING (NOPR) ON INCENTIVES** – In April 2021, FERC issued a supplemental NOPR proposing to eliminate the 50 bps regional transmission organization (RTO) adder for transmission owners that have been RTO members for more than three years; stakeholder comments filed in June 2021; initial NOPR issued in March 2020 remains outstanding



**TEP FERC RATE CASE** – Settlement in principle reached in August 2021 and filed with FERC in December 2021; key provisions of the settlement include an allowed ROE of 9.79% and a single, rolled-in rate design; subject to conclusion of the proceeding, formula transmission rates charged under the 2019 FERC order remain subject to refund



**GENERIC COST OF CAPITAL PROCEEDING (GCOC)** – GCOC proceeding initiated in 2021 including a review of the common equity component of capital structure and the allowed ROE; proceeding is expected to continue into 2022 and the effective date of any change in the cost of capital for 2022 and beyond remains unknown



**THIRD PBR TERM** – In July 2021, the AUC confirmed that FortisAlberta will return to a third PBR term commencing in 2024 following the completion of cost of service rebasing in 2023

**GCOC** – In January 2022, the AUC initiated a proceeding to consider whether current cost of capital parameters should be maintained for 2023; decision expected as early as March 2022; AUC also confirmed that it will begin a separate process to explore a formula-based approach to cost of capital for 2024 and beyond

# WHY INVEST IN FORTIS?



**Focused on**  
ENERGY DELIVERY



**Geographic &**  
**Regulatory** DIVERSITY



6% DIVIDEND  
**Growth Guidance**



WELL-RUN  
**Local Utilities**



LOW-RISK  
**Growth Profile**



**Virtually**  
**All** REGULATED

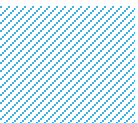


ESG  
**Leader**



INNOVATIVE



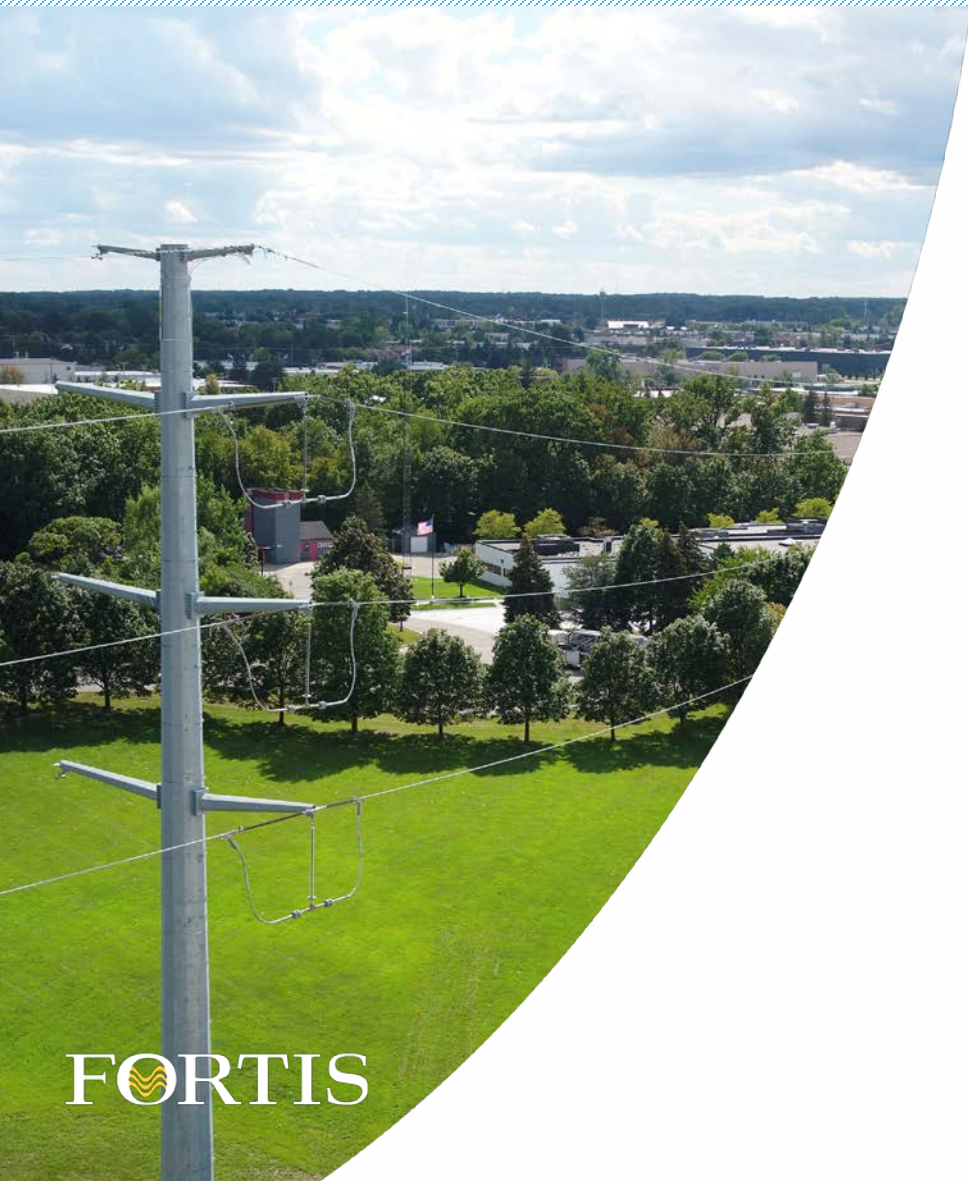


# INVESTOR PRESENTATION

## Q1 2022

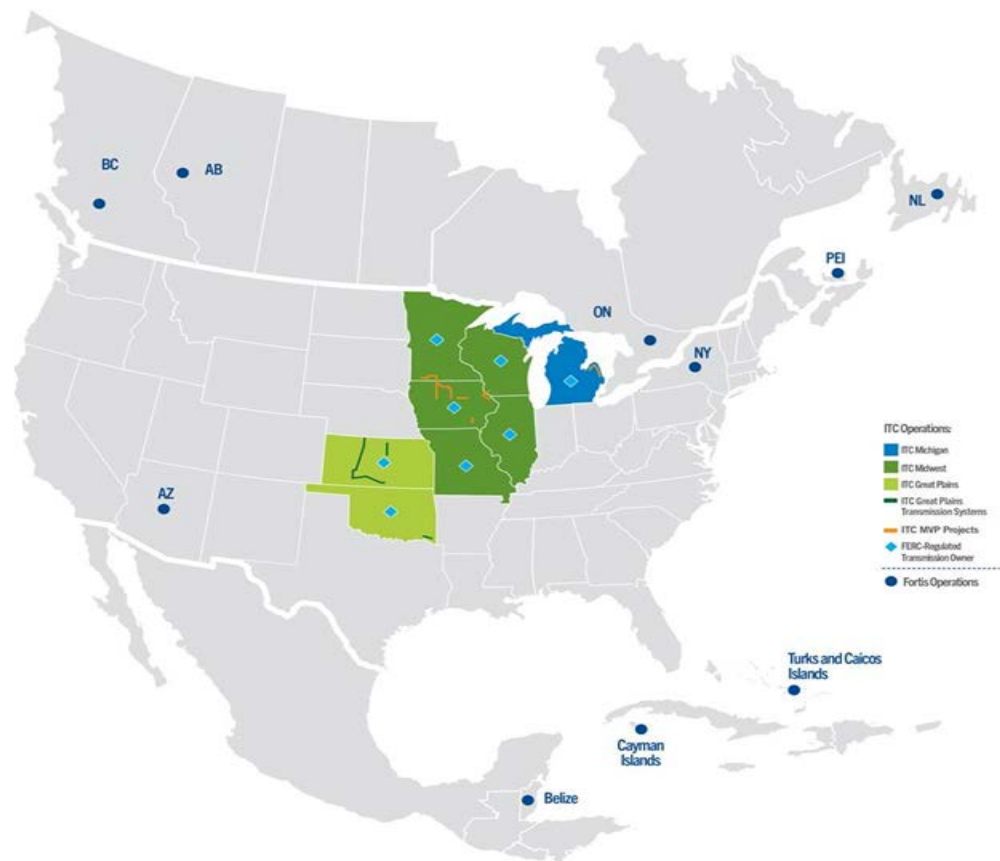


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# ITC HOLDINGS CORP.



(1) U.S. dollar-denominated rate base converted at a forecast USD:CAD foreign exchange rate of 1.25.

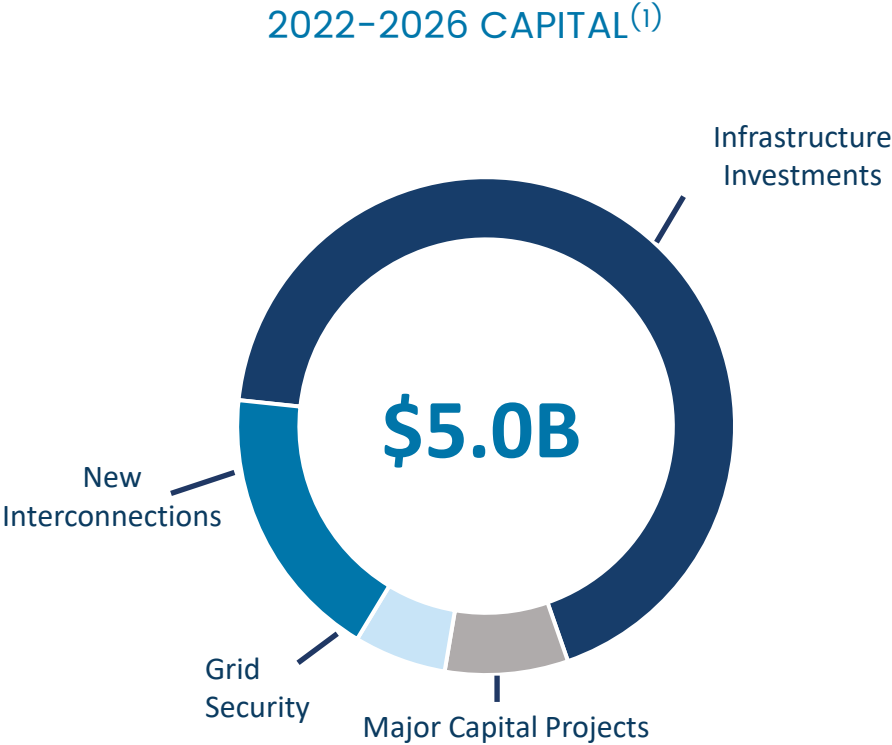
(2) Includes goodwill

(3) Development opportunities are not included in the base capital forecast and represent incremental capital spending.



Type of Utility	Transmission
Regulator	FERC
Regulatory Model	Cost of Service with FERC Formula Rates
Current Regulatory Construct	10.77-11.41% ROE on 60% equity
Significant Regulatory Features	Cost-based, forward-looking formula rates with annual true-up
2022F Rate Base <sup>(1)</sup>	\$10.1B
5-Year Rate Base CAGR (2022F-2026F)	5.9%
2021 Assets % of Total Consolidated Regulated Assets <sup>(2)</sup>	37%
Development Opportunities <sup>(3)</sup>	Lake Erie Connector, Connecting Renewables, Grid Modernization & MISO Long Range Transmission Planning
Regulatory Proceedings	Notice of Proposed Rulemaking (NOPR) on Incentive Policy, Supplemental NOPR on Regional Transmission Organization Incentive Adder & Advanced NOPR on Regional Transmission Planning, Cost Allocation and Generator Interconnection Processes

# ITC CAPITAL INVESTMENT OVERVIEW



## \$3.6B Infrastructure Investments

Rebuild, reliability, resiliency, system efficiencies, increased capacity, circuit overloads, pocket load growth



## \$800M New Interconnections

Supports economic development, load interconnection requests and changes in generation sources



## \$200M Grid Security

Physical and cyber hardening along with technology upgrades



## \$400M Major Capital Projects

Multi-Value Regional Transmission Projects & 34.5 to 69kV Transmission Conversion Project

(1) U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD foreign exchange rate of 1.25.



# OPPORTUNITIES BEYOND THE PLAN

## NEW TECHNOLOGIES

**14 GW** and **13 GW** of battery storage in MISO<sup>(1)</sup> and SPP<sup>(1)</sup> queues



## GENERATION SHIFTS

**114 GW** and **88 GW** additional renewable capacity in MISO<sup>(1)</sup> and SPP queues<sup>(1)</sup>



## ACCESS TO REGIONAL MARKETS

Regional transmission necessary to accommodate increased demand for renewables



## GRID SECURITY

Hardening of secure fibre networks, physical and cybersecurity assets



(1) Information as of January 6, 2022.



	Tucson Electric	UNS Electric	UNS Gas
Type of Utility	Electricity		Gas Distribution
Regulator	Arizona Corporation Commission & FERC		
Regulatory Model	Cost of service/historical test year & FERC formula transmission rates		
Current Regulatory Construct <sup>(1)</sup>	9.15% ROE on 53.0% equity	9.50% ROE on 52.8% equity	9.75% ROE on 50.8% equity
2022F Rate Base <sup>(2)</sup>	\$6.5B		
5-Year Rate Base CAGR (2022F-2026F)	6.4%		
2021 Assets % of Total Consolidated Regulated Assets <sup>(3)</sup>	20%		
Development Opportunities <sup>(4)</sup>	Renewables, Storage & Electric Transmission		
Regulatory Proceedings	FERC Formula Rate Application <sup>(5)</sup>		

(1) Allowed ROE and equity based on Arizona Corporation Commission regulatory authority.

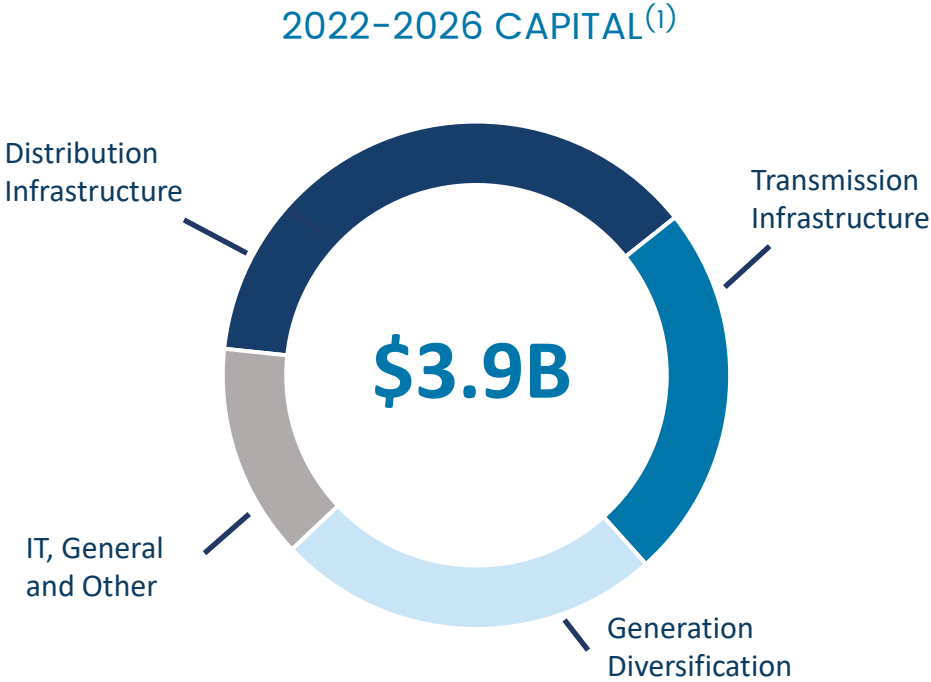
(2) U.S. dollar-denominated rate base converted at a forecast USD:CAD foreign exchange rate of 1.25.





(3) Includes goodwill

(4) Development opportunities are not included in the base capital forecast and represent incremental capital spending.

(5) FERC formula transmission rates reflect 10.4% ROE on 54.0% equity and remain subject to refund until conclusion of the proceeding. A settlement in principle was filed with FERC in December 2021 and key provisions of the settlement include a 9.79% ROE and single, rolled-in rate design.

# UNS CAPITAL INVESTMENT OVERVIEW



-  **\$1.5B Distribution Infrastructure**  
Customer meter infrastructure, grid resiliency, modernization
-  **\$900M Transmission Infrastructure**  
Vail-to-Tortolita, new substations
-  **\$1.0B Generation Diversification and Maintenance**  
Battery storage, solar
-  **\$500M IT, General and Other**  
Supports technology, efficiency and sustainment

(1) U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD foreign exchange rate of 1.25.

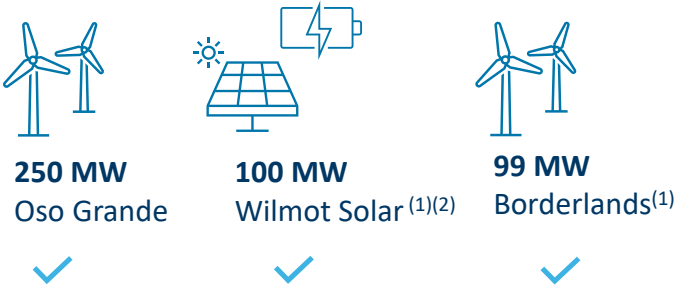
# ARIZONA FOCUSED ON RENEWABLES

TEP INTEGRATED RESOURCE  
PLAN FILED IN 2020

**Coal-free**  
generation mix by 2032

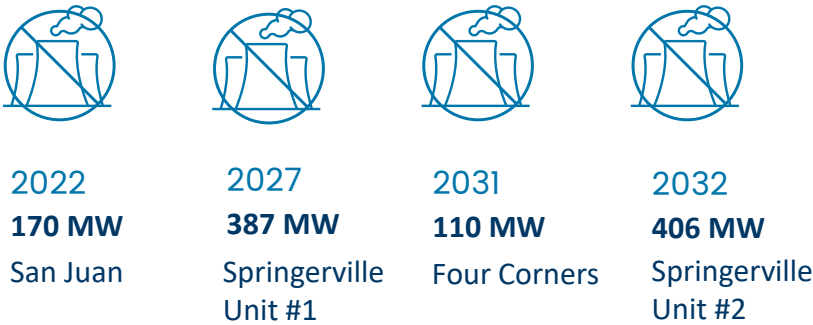
**>70%** renewable power  
by 2035

**Over 50 million tonnes**  
**of CO<sub>2</sub> emissions**  
avoided over 15 years



3,400 MW Planned Additions of  
Wind, Solar and Storage

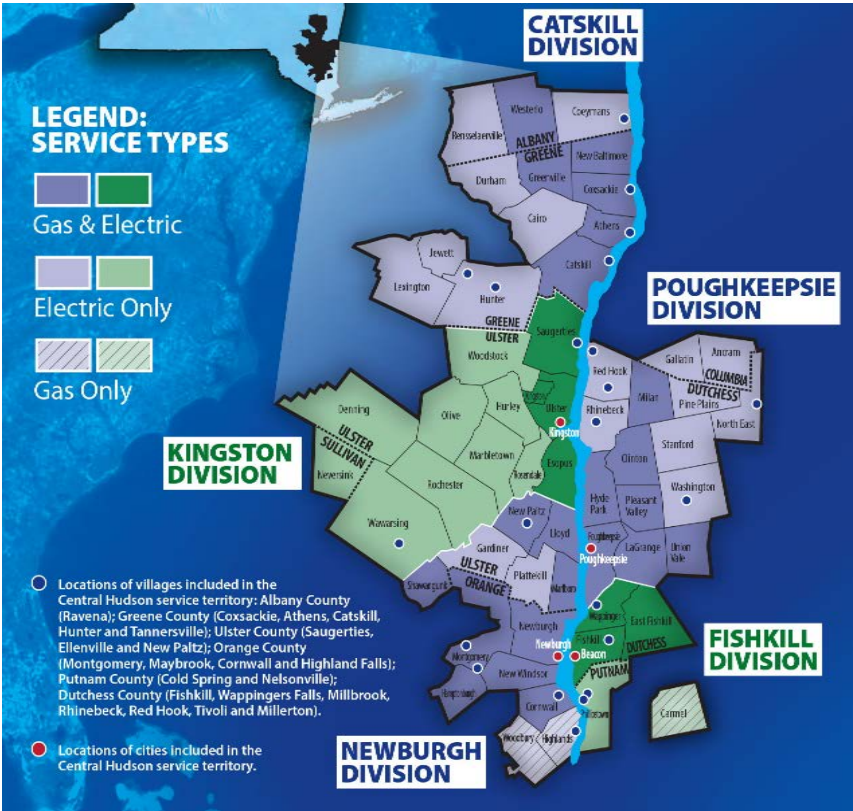
1,073 MW  
Planned Coal Retirements



(1) Power purchase agreement  
(2) Wilmot also has 30 MW of battery storage



# CENTRAL HUDSON



Type of Utility Electric and Gas Transmission & Distribution

Regulator New York State Public Service Commission

Regulatory Model Cost of service on future test year

Current Regulatory Construct<sup>(1)</sup> 9.0% ROE on 50% equity

Significant Regulatory Features Revenue decoupling

2022F Rate Base<sup>(2)</sup> \$2.4B

5-Year Rate Base CAGR (2022F-2026F) 7.4%

2021 Assets % of Total Consolidated Regulated Assets<sup>(3)</sup> 8%

Development Opportunities<sup>(4)</sup> Grid Modernization & NY Transco Expansion

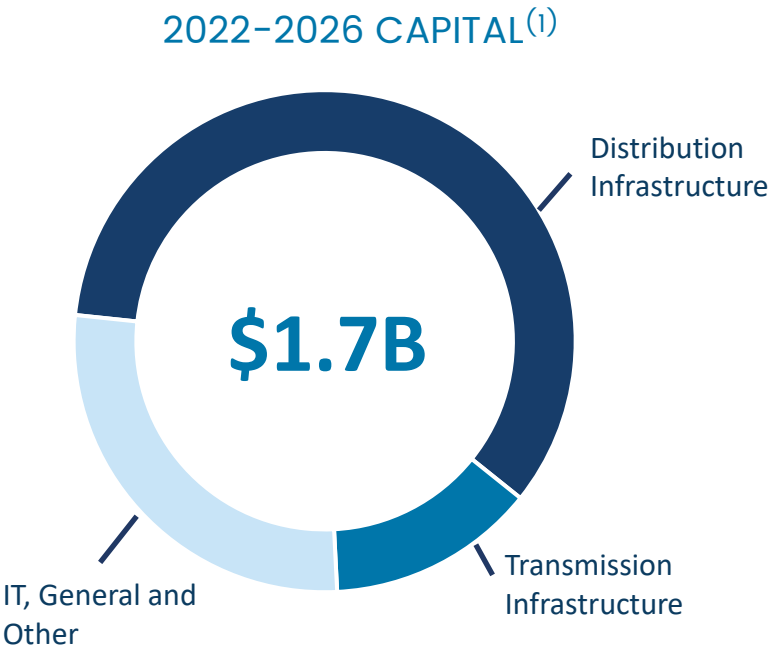
(1) In November 2021, the New York Public Service Commission approved a three-year rate plan for Central Hudson with retroactive application to July 1, 2021, including an ROE of 9.0%, and common equity component of capital structure of 50% declining by 1% annually to 48% in the third rate year.

(2) U.S. dollar-denominated rate base converted at a forecast USD:CAD foreign exchange rate of 1.25.


(3) Includes goodwill

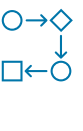
(4) Development opportunities are not included in the base capital forecast and represent incremental capital spending.

# CENTRAL HUDSON CAPITAL INVESTMENT OVERVIEW



 **\$1.0B Distribution Infrastructure**  
Distribution automation and modernization

 **\$200M Transmission Infrastructure**  
Replacement of aging infrastructure

 **\$500M IT, General and Other Modernization**  
Building the Workforce of the Future

(1) U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD foreign exchange rate of 1.25.

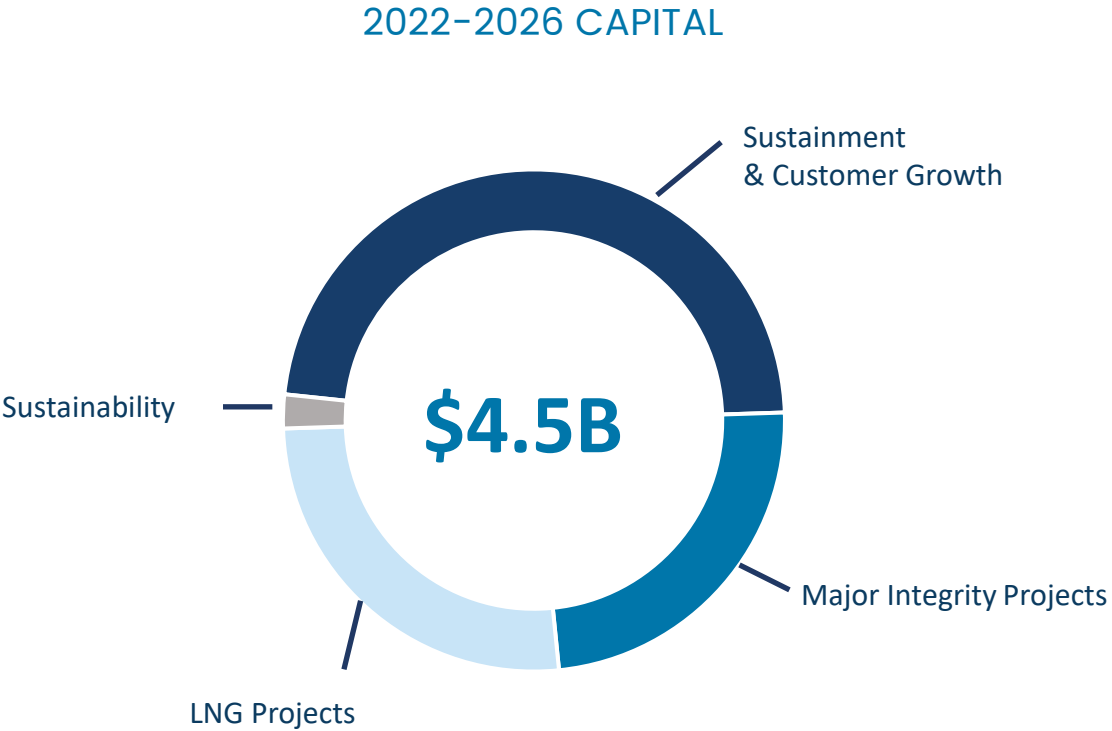


	FortisBC Gas	FortisBC Electric
Type of Utility	Gas distribution	Electricity
Regulator	British Columbia Utilities Commission	
Regulatory Model	Cost of service with incentive mechanisms	
Current Regulatory Construct	8.75% ROE on 38.5% equity	9.15% ROE on 40.0% equity
Significant Regulatory Features	Multi-year rates with revenue deferrals – changes in consumption and commodity costs do not impact earnings	
2022F Rate Base	\$5.4B	\$1.5B
5-Year Rate Base CAGR (2022F-2026F)	6.4%	4.1%
2021 Assets % of Total Consolidated Regulated Assets <sup>(1)</sup>	14%	4%
Development Opportunities <sup>(2)</sup>	LNG for Marine Bunkering, LNG Bulk Export & Gas Infrastructure	N/A
Regulatory Proceedings	Generic Cost of Capital	

(1) Includes goodwill

(2) Development opportunities are not included in the base capital forecast and represent incremental capital spending.

# FORTISBC CAPITAL INVESTMENT OVERVIEW



**\$2.1B Sustainment & Customer Growth**  
Ongoing maintenance requires significant capital investment  
Includes customer growth and general plant investment



**\$1.1B Major Integrity Projects**  
Inland Gas Upgrades Project  
Transmission Integrity Management Capabilities Project  
Advanced Metering Infrastructure Project  
Okanagan Capacity Upgrade



**\$1.2B LNG Projects**  
Eagle Mountain Woodfibre Gas Line Project  
Tilbury 1B  
Tilbury LNG Resiliency Tank



**\$100M Sustainability**  
Renewable gas projects  
Natural gas for transportation

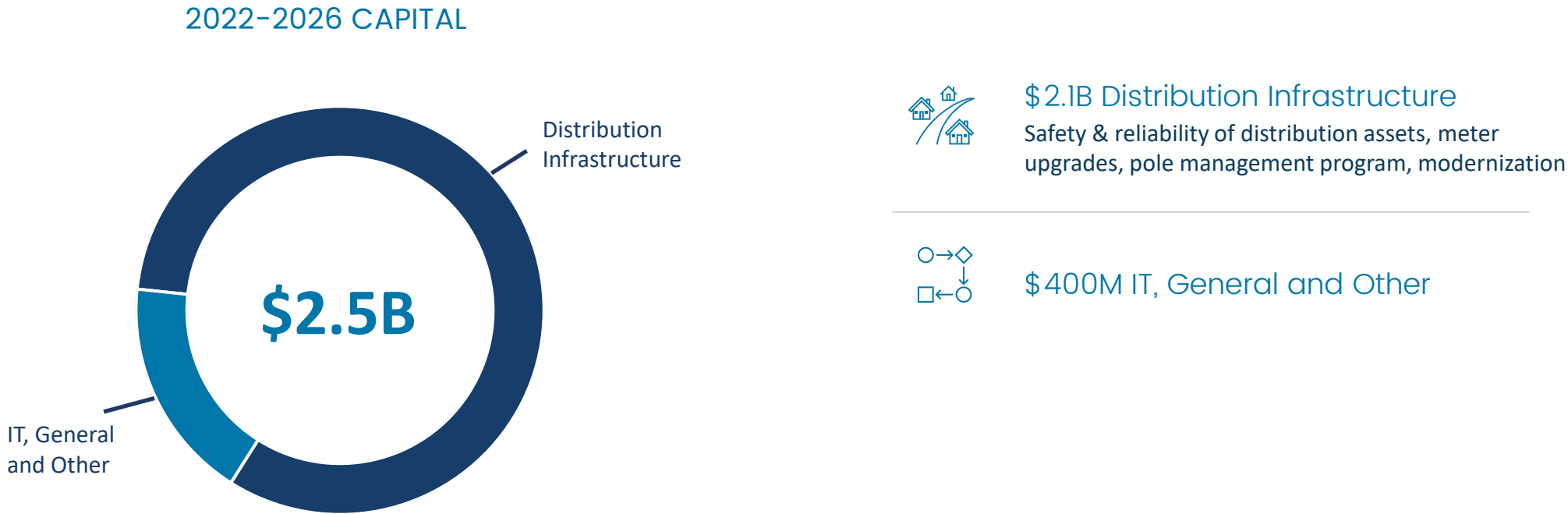




Type of Utility	Electricity distribution
Regulator	Alberta Utilities Commission
Regulatory Model	PBR
Current Regulatory Construct	8.5% ROE on 37% equity
Significant Regulatory Features	~85% of revenue derived from fixed-billing determinants
2022F Rate Base	\$4.0B
5-Year Rate Base CAGR (2022F-2026F)	4.1%
2021 Assets % of Total Consolidated Regulated Assets <sup>(1)</sup>	9%
Regulatory Proceedings	2023 Cost of Service Application, 2023/2024 Generic Cost of Capital Proceeding & Third PBR Term

(1) Includes goodwill.

# FORTISALBERTA CAPITAL INVESTMENT OVERVIEW



# OTHER ELECTRIC UTILITIES



Type of Utility	Electricity		
Regulator	Newfoundland and Labrador Board of Commissioners of Public Utilities	Island Regulatory and Appeals Commission	Ontario Energy Board
Regulatory Model	Cost of service on future test year	Cost of service on future test year	Cost of service with incentives
Current Regulatory Construct	8.50% ROE on 45% equity	9.35% ROE on 40% equity	8.52% - 9.30% ROE on 40% equity <sup>(2)</sup>
2022F Rate Base	\$1.2B	\$0.4B	\$0.6B <sup>(1)</sup>
5-Year Rate Base CAGR (2022F-2026F)	3.8%	6.4%	19.8% <sup>(3)</sup>
2021 Assets % of Total Consolidated Regulated Assets <sup>(4)</sup>	3%	1%	1%
Development Opportunities <sup>(5)</sup>	Grid Modernization	Grid Modernization	Municipal Utility Consolidation

(1) Includes Canadian Niagara Power, Cornwall Electric, Algoma Power and Fortis' 39% ownership of the Wataynikaneyap Transmission Power Project.

(2) Allowed ROE is 8.52% for Algoma Power, 8.66% for Canadian Niagara Power distribution and 9.30% for Canadian Niagara Power transmission. Cornwall Electric operates under a franchise agreement with a price-cap and commodity cost flow through and, therefore, is not regulated with reference to an allowed ROE.

(3) Reflects Fortis' 39% ownership of the Wataynikaneyap Transmission Power Project

(4) Includes goodwill

(5) Development opportunities are not included in the base capital forecast and represent incremental capital spending.

# OTHER ELECTRIC UTILITIES (CONTINUED)



Type of Utility	Electricity	
Regulator	Utility Regulation and Competition Office	Government of the Turks and Caicos Islands
Regulatory Model	Cost of service	Cost of service
2021 Achieved ROE <sup>(2)</sup>	10.2%	8.5%
2022F Rate Base <sup>(2)</sup>	\$0.8B	\$0.5B
5-Year Rate Base CAGR (2022F-2026F)	9.7%	1.6%
2021 Assets % of Total Consolidated Regulated Assets <sup>(3)</sup>	2%	1%
Development Opportunities <sup>(4)</sup>	Grid Modernization, Battery Storage & Renewables	

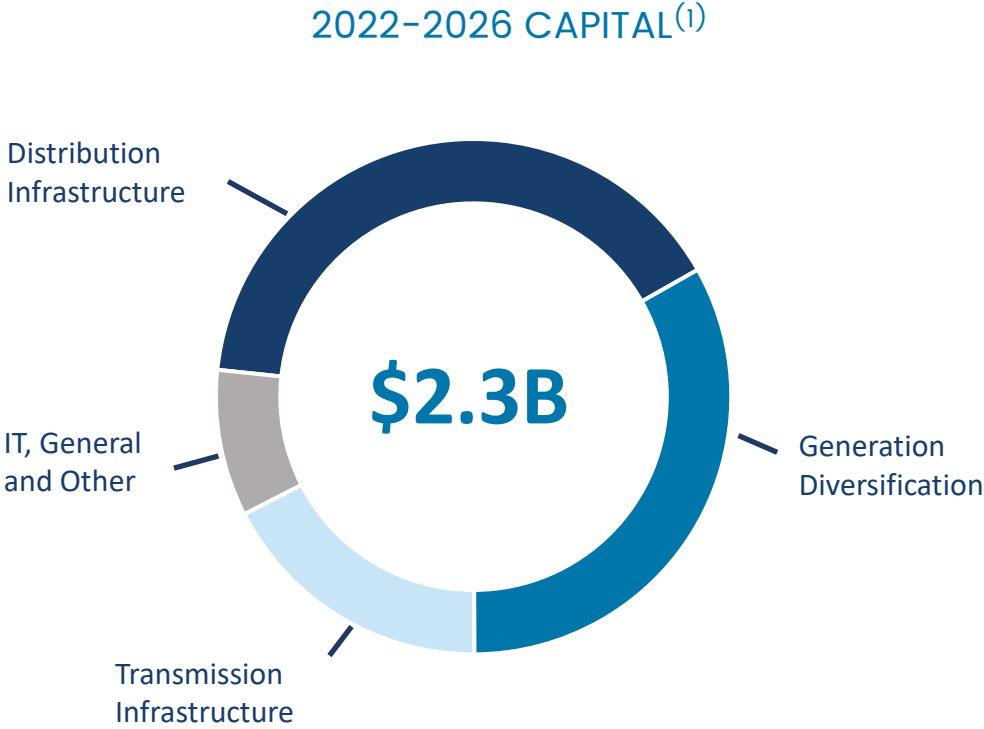
(1) Fortis has an approximate 60% controlling interest in Caribbean Utilities Company, Ltd.

(2) U.S. dollar-denominated rate base converted at a forecast USD:CAD foreign exchange rate of 1.25.

(3) Includes goodwill

(4) Development opportunities are not included in the base capital forecast and represent incremental capital spending.

# OTHER ELECTRIC CAPITAL INVESTMENT OVERVIEW



**\$900M Distribution Infrastructure**  
Newfoundland Power and Caribbean Utilities



**\$750M Generation Diversification**  
Caribbean Utilities shift to cleaner energy



**\$400M Transmission Infrastructure**  
Wataynikaneyap Transmission Power Project



**\$200M IT, General and Other**

(1) U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD foreign exchange rate of 1.25.



# 2022-2026 CAPITAL PLAN BY BUSINESS UNIT

(\$MILLIONS)	CAPITAL PLAN <sup>(1)</sup>					2022-2026 TOTAL
	2022F	2023F	2024F	2025F	2026F	
Regulated - Independent Electric Transmission						
ITC	998	999	1,010	998	1,000	5,005
Regulated – U.S. Electric & Gas						
UNS Energy	704	810	924	729	725	3,892
Central Hudson	344	335	311	331	349	1,670
Total Regulated – U.S. Electric & Gas	1,048	1,145	1,235	1,060	1,074	5,562
Regulated - Canadian & Caribbean Electric & Gas						
FortisBC Energy	622	585	798	761	1,078	3,844
FortisAlberta	445	477	494	534	544	2,494
FortisBC Electric	156	127	120	129	127	659
Other Electric <sup>(2)</sup>	621	470	357	443	387	2,278
Total Regulated - Canadian & Caribbean Electric & Gas	1,844	1,659	1,769	1,867	2,136	9,275
Non-Regulated	77	36	27	26	28	194
<b>Total Capital Plan</b>	<b>3,967</b>	<b>3,839</b>	<b>4,041</b>	<b>3,951</b>	<b>4,238</b>	<b>20,036</b>

(1) Capital Plan is a forward-looking non-U.S. GAAP financial measure calculated in same manner as Capital Expenditures. Refer to 2021 MD&A for the Non-U.S. GAAP reconciliation. U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD foreign exchange rate of 1.25.

(2) Comprises Eastern Canadian and Caribbean electric utilities.

# 2021-2026 RATE BASE BY BUSINESS UNIT

(\$BILLIONS, EXCEPT FOR CAGR)	RATE BASE <sup>(1)</sup>						5-YEAR CAGR to 2026
	2021A	2022F	2023F	2024F	2025F	2026F	
Regulated - Independent Electric Transmission ITC <sup>(2)</sup>	9.5	10.1	11.0	11.6	12.1	12.6	5.9%
Regulated – U.S. Electric & Gas							
UNS Energy	5.8	6.5	6.7	6.9	7.4	8.0	6.4%
Central Hudson	2.2	2.4	2.6	2.7	3.0	3.1	7.4%
Total Regulated – U.S. Electric & Gas	8.0	8.9	9.3	9.6	10.4	11.1	6.7%
Regulated - Canadian & Caribbean Electric & Gas							
FortisBC Energy	5.2	5.4	5.6	6.0	6.5	7.1	6.4%
FortisAlberta	3.8	4.0	4.1	4.3	4.5	4.7	4.1%
FortisBC Electric	1.5	1.5	1.6	1.7	1.7	1.8	4.1%
Other Electric <sup>(3)</sup>	3.1	3.6	4.1	4.1	4.2	4.3	7.4%
Total Regulated - Canadian & Caribbean Electric & Gas	13.6	14.5	15.4	16.1	16.9	17.9	5.8%
<b>Total Rate Base Forecast</b>	<b>31.1</b>	<b>33.5</b>	<b>35.7</b>	<b>37.3</b>	<b>39.4</b>	<b>41.6</b>	<b>6.0%</b>

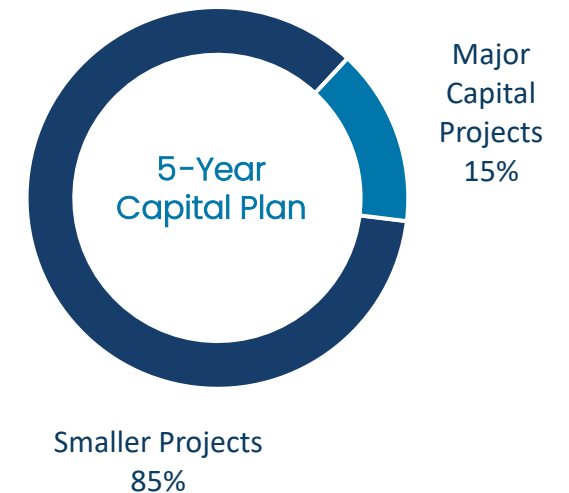
(1) U.S. dollar-denominated rate base converted at a USD:CAD foreign exchange rate of 1.25.

(2) Fortis has an 80.1% controlling ownership interest in ITC; rate base represents 100% ownership.

(3) Comprises Eastern Canadian and Caribbean electric utilities.

# MAJOR CAPITAL PROJECTS

(\$ MILLIONS)	TOTAL INCURRED TO THE END OF 2021	2022-2026 PLAN <sup>(1)</sup>	ESTIMATED COMPLETION DATE
ITC Multi-Value Regional Transmission Projects	710 <sup>(2)</sup>	154	2023
ITC 34.5 to 69kV Transmission Conversion Project	482	145	Post-2026
UNS Vail-to-Tortolita Project	21	240	2025
FortisBC Eagle Mountain Woodfibre Gas Line Project <sup>(3)</sup>	-	350	2026
FortisBC Transmission Integrity Management Capabilities Project	30	222	Post-2026
FortisBC Inland Gas Upgrade Project	128	144	2025
FortisBC Okanagan Capacity Upgrade	16	201	2024
FortisBC Tilbury 1B Project	29	355	Post-2026
FortisBC Tilbury LNG Storage Expansion <sup>(4)</sup>	16	457	Post-2026
FortisBC Gas Advanced Metering Infrastructure (AMI) Project	-	380	Post-2026
Wataynikaneyap Transmission Power Project <sup>(5)</sup>	355	357	2024



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 1.25 for 2022 through 2026.

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

(3) Capital plan is net of forecast customer contributions.

(4) Previously disclosed as Tilbury LNG Resiliency Tank.

(5) Represents Fortis' 39% share of the estimated capital spending for the project.

# COMMODITY & SUPPLY CHAIN CONSIDERATIONS

## HIGHER NATURAL GAS PRICES

- Impacts fuel and power costs at electric utilities and gas supply costs for gas utilities
- Recovered from customers through regulatory mechanisms
- Causes upward bill pressure

## MITIGATING CUSTOMER IMPACTS

- Promoting energy efficiency and conservation
- Managing costs through innovation and process improvements
- Over the past 5 years, average operating expenses per customer tracked below inflation

## SUPPLY CHAIN

- Proactively managing supply chain requirements with coordinated buying and supplier alliances to ensure reliable service
- Fluctuations in commodity prices such as steel and copper not fully reflected in new five-year plan








# INVESTMENT-GRADE CREDIT RATINGS

COMPANY	S&P Global	Moody's	MORNINGSTAR DRIES
Fortis Inc.	A <sup>-(1)</sup>	Baa3	A (low)
ITC Holdings Corp.	A <sup>-(1)</sup>	Baa2	n/a
ITC Regulated Subsidiaries	A	A1	n/a
TEP	A-	A3	n/a
Central Hudson	A-	Baa1	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+.



# 2021 SALES TRENDS

	RETAIL ELECTRIC SALES <sup>(1)</sup>	2021 vs. 2020 SALES TRENDS
 ITC A FORTIS COMPANY	N/A	<ul style="list-style-type: none"> <li>Peak load up 2% mainly due to weather and temporary closure of auto manufacturers and suppliers in Q2 2020</li> </ul>
 UNS Energy Corporation A Fortis Company	-3%	<ul style="list-style-type: none"> <li>Overall decrease due to milder weather and reduced heating load; Excluding weather, retail sales down 1%</li> </ul>
 Central Hudson A FORTIS COMPANY	+1%	<ul style="list-style-type: none"> <li>Residential sales flat; C&amp;I up 1%</li> </ul>
 FORTIS BC	+5% <sup>(2)</sup>	<ul style="list-style-type: none"> <li>Gas sales up 4% due to colder temperatures; Residential electric sales up 4%; C&amp;I electric sales up 6%</li> </ul>
 FORTIS ALBERTA	+3%	<ul style="list-style-type: none"> <li>Residential sales up 4% driven by weather; C&amp;I up 3%</li> </ul>
Other Electric	+1%	<ul style="list-style-type: none"> <li>Residential sales flat; C&amp;I up 3.5%</li> <li>Caribbean sales up 6% due to ongoing recovery of tourism industry</li> </ul>

(1) Excludes wholesale sales at UNS Energy.

(2) Reflects change in retail electric sales at FortisBC Electric.



- Total retail electric sales up 1% over 2020; reflects weather impacts in Arizona ↓ and British Columbia ↑
- Commercial and industrial (“C&I”) electric sales up 2% across portfolio of utilities
- Residential electric sales down 1% mainly due to milder weather in Arizona

# FOREIGN EXCHANGE EXPOSURE



## EARNINGS AND CAPITAL PLAN

- ~65% of operating earnings<sup>(1)</sup> from U.S. and Caribbean
- ~55% of \$20.0B five-year capital plan from U.S. and Caribbean
- Five-year plan translated at a forecast USD:CAD FX rate of 1.25



## HEDGING ACTIVITIES

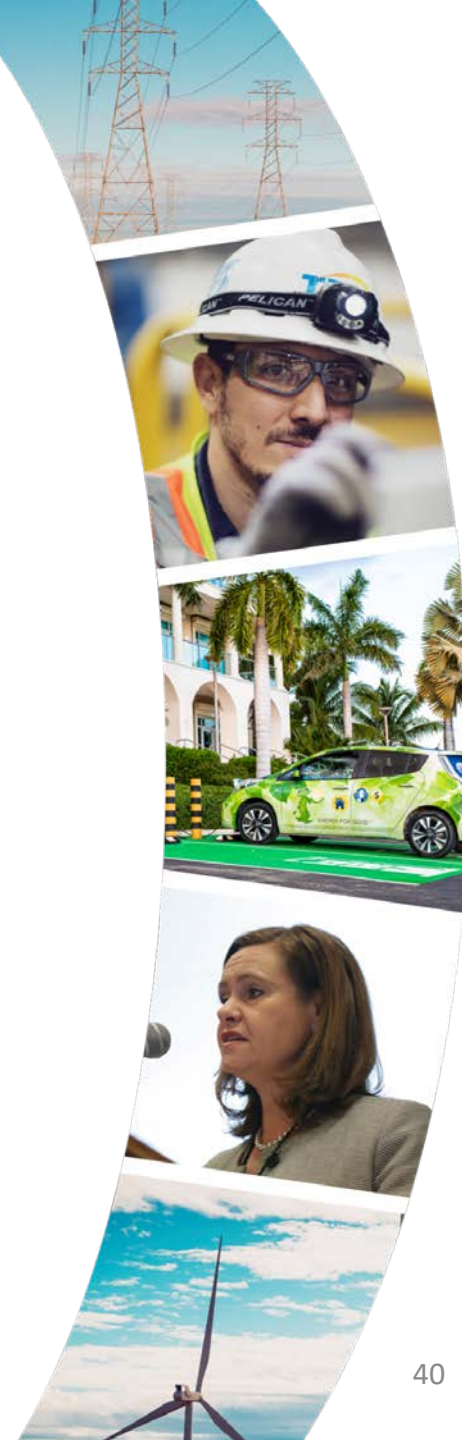
- U.S. dollar-denominated debt at corporate level
- Average rate forward contracts



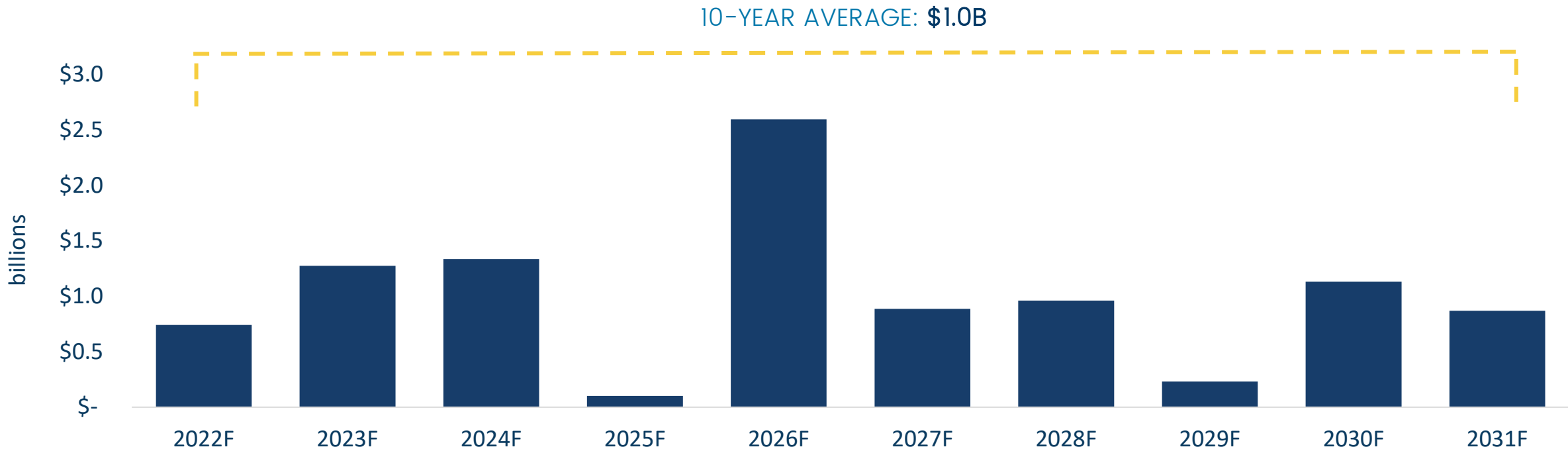
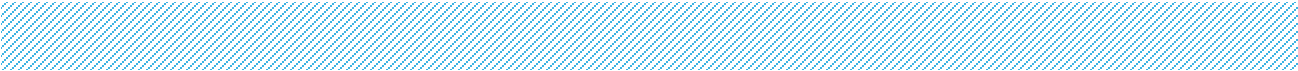
## EXCHANGE RATE SENSITIVITY FIVE-CENT CHANGE IN USD:CAD

- Average annual EPS: ~\$0.06
- Five-year capital plan: ~\$450M

(1) Non-U.S. GAAP financial measure as at December 31, 2021. Excludes Net Expense from the Corporate and Other segment.



# MANAGEABLE DEBT MATURITIES



Note: Debt as at December 31, 2021 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.

# STRONG LEADERSHIP TEAM



**David Hutchens**  
President & CEO



**Nora Duke**  
EVP, Sustainability &  
CHRO



**Jocelyn Perry**  
EVP, CFO



**Jim Reid**  
EVP, CLO &  
Corporate Secretary



**Gary Smith**  
EVP, Operations and  
Innovation



**Linda Apsey**  
ITC



**Roger Dall'Antonia**  
FortisBC



**Ruth Forbes**  
FortisTCI



**Charles Freni**  
Central Hudson



**Susan Gray**  
UNS Energy



**Scott Hawkes**  
FortisOntario



**Richard Hew**  
Caribbean Utilities



**Kay Menzies**  
BECOL



**Gary Murray**  
Newfoundland Power



**Jason Roberts**  
Maritime Electric



**Janine Sullivan**  
FortisAlberta

Fortis Inc.  
Exec.

Utility  
CEOs