

Q1 2023 Earnings Conference Call

May 3, 2023



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 expected timing and outcome of the sale of Aitken Creek; forecast capital expenditures for 2023-2027, including cleaner energy investments; forecast rate base and rate base growth for 2023-2027; dividend growth guidance through 2027; the expectation of providing long-term value to shareholders; the expected timing, outcome and impact of regulatory proceedings and decisions; the nature, timing, benefits and expected costs of certain capital projects, including ITC MISO Long-Range Transmission Plan, UNS Energy Renewable Generation; UNS Energy Vail-to-Tortolita Transmission Project, FortisBC Tilbury LNG Storage Expansion, FortisBC AMI Project, FortisBC Eagle Mountain Woodfibre Gas Line Project, FortisBC Tilbury 1B Project, FortisBC Okanagan Capacity Upgrade, Wataynikaneyap Transmission Power Project; the 2030 GHG emissions reduction target; the 2035 GHG emissions reduction target; the 2050 net-zero GHG emission target; TEP's Integrated Resource Plan; the expectation to exit coal by 2032; and forecast debt maturities for 2023-2032.

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 impact from volatility in energy prices, global supply chain constraints and persistent inflation; 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.



David Hutchens
President and CEO





Q1 BUSINESS HIGHLIGHTS



**Safe & Reliable
Service**



**2023 Capital Plan of
\$4.3B On Track**



**Strong EPS
Growth**



**Regulatory Applications
Progressing**



**Announced Sale of
Aitken Creek**

SALE OF AITKEN CREEK ANNOUNCED FOR ~\$400M

Transaction Highlights

- Agreement with Enbridge to sell Fortis' interest⁽¹⁾ in its unregulated investment of the Aitken Creek Natural Gas Storage Facility for ~\$400M⁽²⁾
- Proceeds expected to be used to repay Corporate credit facilities and support our regulated utilities' growth strategy
- Subject to required approvals, including the British Columbia Utilities Commission
- Expected to close in the second half of 2023

- (1) Fortis owns 93.8% of the Aitken Creek Natural Gas Storage Facility and 100% of the Aitken Creek North Gas Storage Facility through an indirect, wholly owned subsidiary.
- (2) Sale subject to customary closing conditions and adjustments.

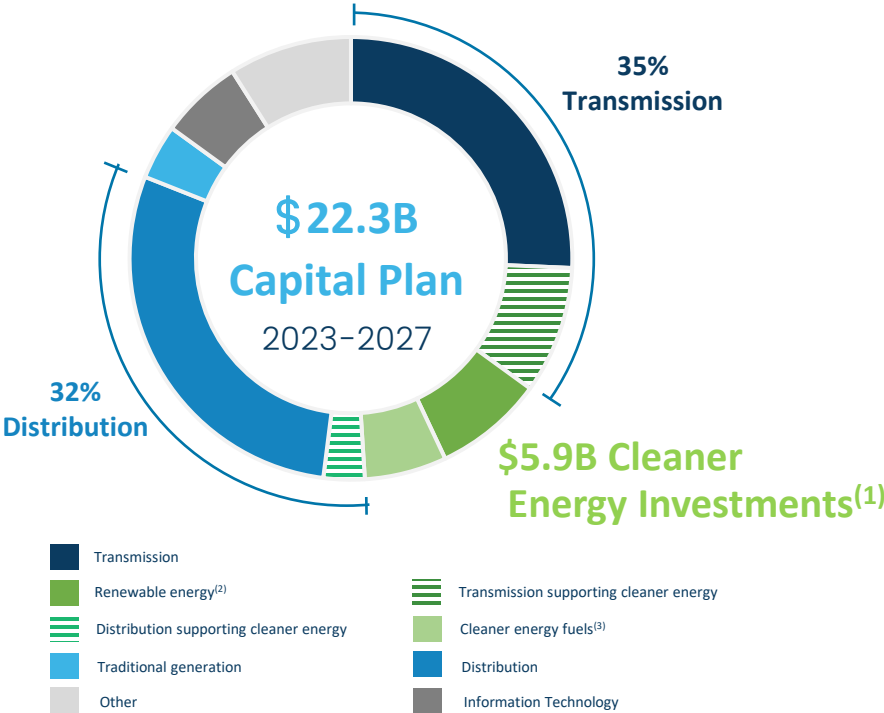


HIGHLY EXECUTABLE CAPITAL PLAN SUPPORTS LOW-RISK RATE BASE GROWTH OF ~6%

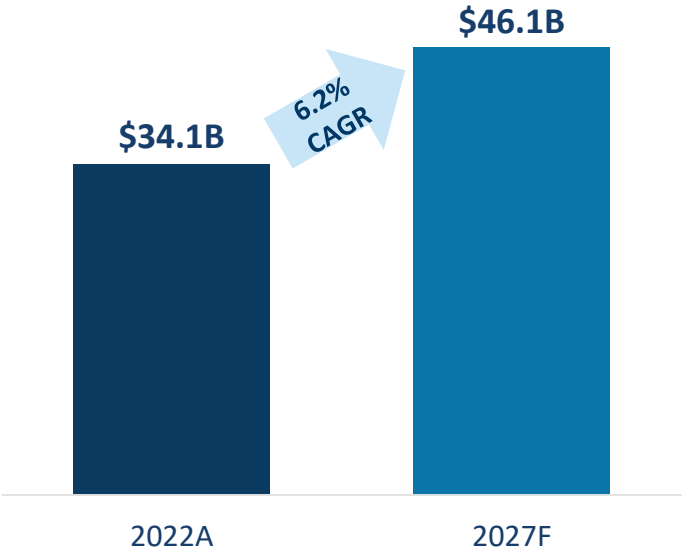
2023 Capital Plan On Track

- \$1B of capital expenditures in Q1
 - 23% of \$4.3B annual capital plan executed
- Major capital projects progressing
 - FortisBC Eagle Mountain Woodfibre Gas Line
 - ITC MISO Long-Range Transmission Plan Tranche 1

Capital Plan



Rate Base

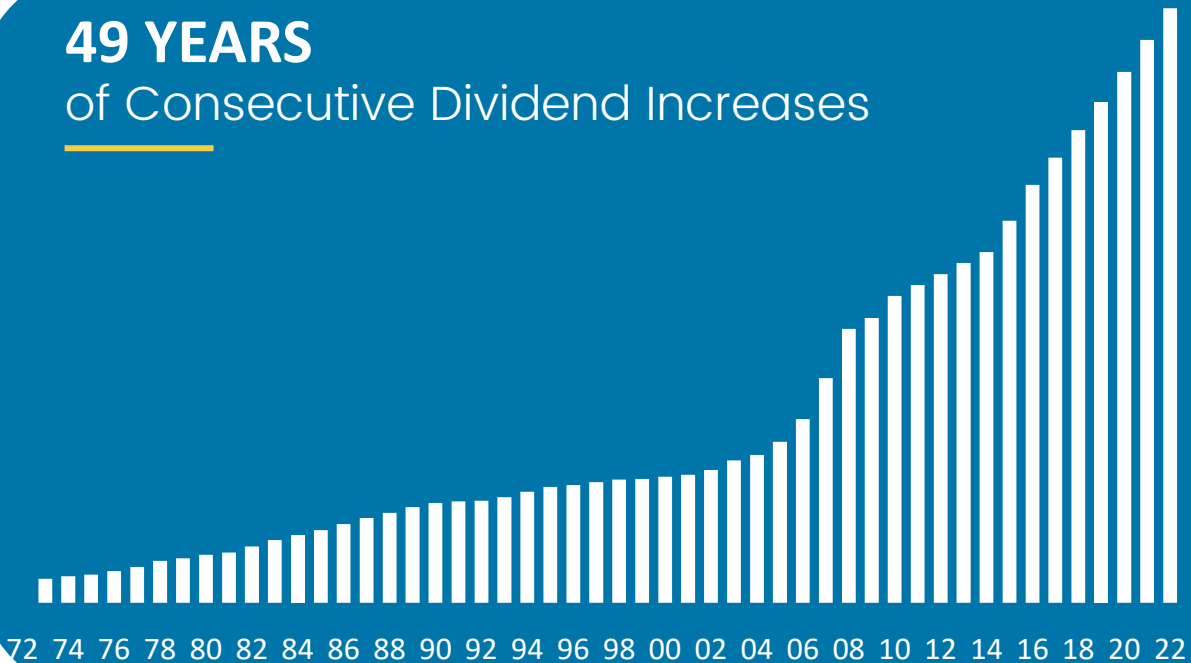


Note: The Capital Plan is a forward-looking Non-U.S. GAAP financial measure calculated in same the manner as Capital Expenditures. Refer to Q1 2023 MD&A for the Non-U.S. GAAP reconciliation. U.S. dollar-denominated capital expenditures and rate base converted at a forecast USD:CAD foreign exchange rate of 1.30.

(1) Direct cleaner energy investments defined as capital that supports reductions in air emissions, water usage and/or increases customer energy efficiency.
(2) Includes clean generation and energy storage.
(3) Includes renewable natural gas and liquefied natural gas.

DIVIDEND GUIDANCE SUPPORTED BY LONG-TERM GROWTH STRATEGY

49 YEARS
of Consecutive Dividend Increases



4-6%
Annual Dividend
Growth Guidance
through 2027

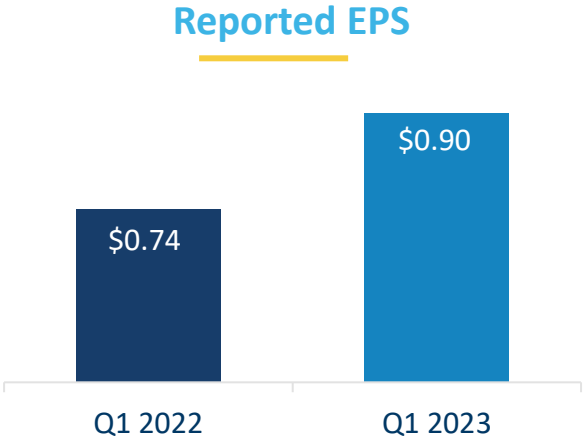




Jocelyn Perry
Executive Vice President and CFO



FIRST QUARTER RESULTS

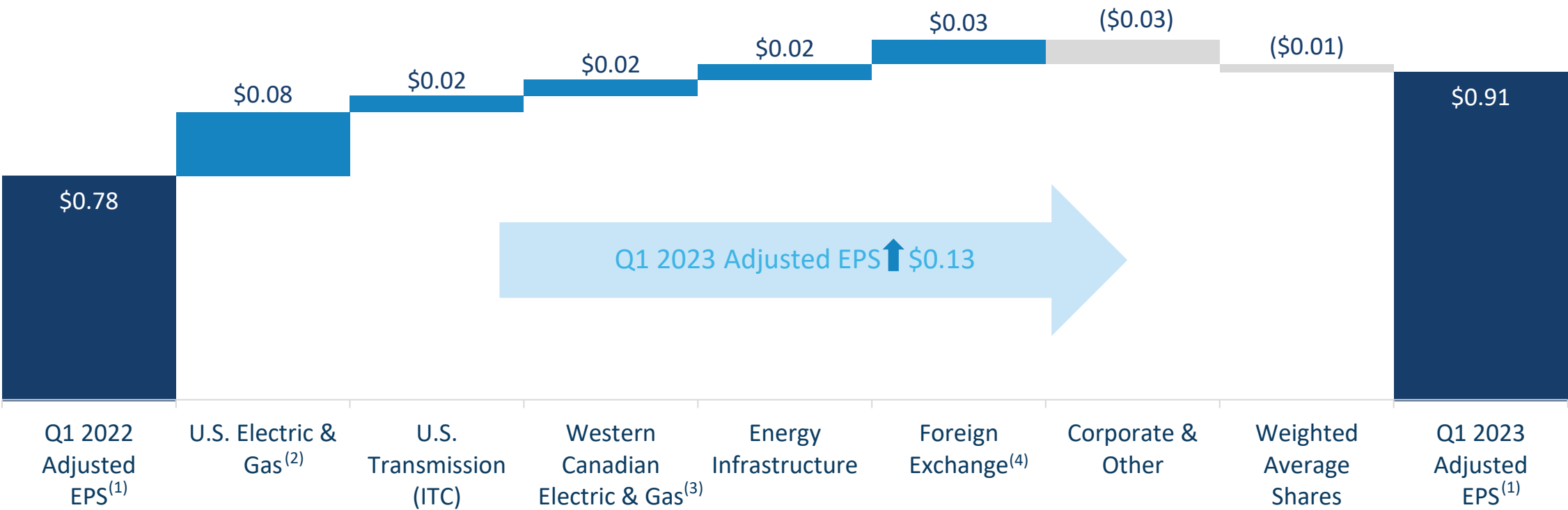


EPS Drivers

- ↑ Rate base growth
- ↑ Higher earnings at UNS Energy, partially driven by timing of long-term wholesale sales and FERC transmission revenue
- ↑ Favourable foreign exchange
- ↓ Higher holding company finance charges and weighted average shares

Note: Adjusted EPS is a Non-U.S. GAAP financial measure. Refer to Slide 16 for the Non-U.S. GAAP reconciliation.

FIRST QUARTER EPS DRIVERS



(1) Non-U.S. GAAP financial measure. Refer to Slide 16 for the Non-U.S. GAAP reconciliation.
(2) Includes UNS Energy and Central Hudson.
(3) Includes FortisBC Energy, FortisAlberta and FortisBC Electric.
(4) Impact of average USD:CAD foreign exchange rate of 1.35 in Q1 2023 compared to 1.26 in Q1 2022.

LIQUIDITY & CREDIT RATINGS

Active in Debt Markets

- Over \$600M in long-term debt raised in Q1 2023
- UNS Energy
 - US\$375M 30-year 5.50% notes
- Central Hudson
 - US\$90M notes⁽¹⁾

Credit Facilities



Mar. 31, 2023

■ Remaining capacity ■ Utilized

Credit Ratings

S&P Global

A⁻⁽²⁾

MOODY'S

Baa3

MORNINGSTAR

DBRS

A (low)

(1) Includes US\$40M 10-year 5.68% notes, US\$15M 12-year 5.78% notes and US\$35M 15-year 5.88% notes.

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

Q1 REGULATORY HIGHLIGHTS



Iowa Transmission Right of First Refusal (ROFR) – In March 2023, the Iowa Supreme Court granted certain parties standing to challenge the Iowa ROFR statute, issued a temporary injunction staying enforcement of the ROFR statute, and remanded the matter to the district court to decide the merits of the claim; timing and outcome of the proceeding remains unknown; ITC's Tranche 1 MISO Long-Range Transmission Plan projects in Iowa are not expected to be impacted



TEP ACC Rate Case – Hearings concluded in April 2023; recommended order and opinion from administrative law judge expected mid-year



Customer Information System (CIS) Implementation – Response filed to the New York Public Service Commission's show cause order in January 2023; timing and outcome of the proceeding remains unknown



Generic Cost of Capital (GCOC) Proceeding – Final reply arguments filed in February 2023; decision expected by mid-2023



GCOC Proceeding – Includes a review of the common equity component of capital structure and the allowed ROE for 2024 and beyond; proceeding is ongoing with a decision expected in Q3 2023

Third Performance-Based Rates (PBR) Term – Proceeding to consider the design of the third PBR term, commencing in 2024, remains ongoing with a decision from the AUC expected in Q4 2023



WHY INVEST IN FORTIS?



**Focused on
ENERGY
DELIVERY**



**Geographic &
Regulatory
DIVERSITY**



4-6%
ANNUAL DIVIDEND
Growth Guidance



SAFE,
WELL-RUN
Local Utilities



LOW-RISK
**Growth
Profile**



**Virtually
All
REGULATED**



ESG
Leader



Innovative



UPCOMING EVENTS



Expected Earnings Release Dates

- Q2 2023 – August 2, 2023
- Q3 2023 – October 27, 2023



Save the Date

- Investor Day – September 19, 2023
(Event hosted in St. John's, NL with webcast)

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FORTIS_{INC.}



NON-U.S. GAAP RECONCILIATION

(\$MILLIONS, EXCEPT EPS)

	Q1 2023	Q1 2022	VARIANCE
Adjusted Net Earnings			
Net Earnings	437	350	87
Adjusting Item:			
Unrealized loss on mark-to-market of derivatives ⁽¹⁾	2	19	(17)
Adjusted Net Earnings	439	369	70
Adjusted Net Earnings per Share	\$0.91	\$0.78	\$0.13
Capital Expenditures			
Additions to property, plant and equipment	907	866	41
Additions to intangible assets	47	49	(2)
Adjusting Item:			
Wataynikaneyap Transmission Power Project ⁽²⁾	41	49	(8)
Capital Expenditures	995	964	31

(1) Represents timing differences related to the accounting of natural gas derivatives at Aitken Creek, net of income tax recovery of \$1M for Q1 2023 (\$7M for Q1 2022), included in the Energy Infrastructure segment.

(2) Represents Fortis' 39% share of capital spending for the Wataynikaneyap Transmission Power Project, included in the Other Electric Segment.

FIRST QUARTER RESULTS BY BUSINESS UNIT

First Quarter Earnings Variance Analysis by Business Unit

(\$MILLIONS, EXCEPT WEIGHTED AVERAGE SHARES AND EPS)

	Q1 2023	ADJUSTMENT	ADJUSTED Q1 2023 ⁽¹⁾	Q1 2022	ADJUSTMENT	ADJUSTED Q1 2022 ⁽¹⁾	VARIANCE
Regulated – Independent Electric Transmission							
ITC	126	-	126	109	-	109	17
Regulated – U.S. Electric & Gas							
UNS Energy	90	-	90	43	-	43	47
Central Hudson	32	-	32	32	-	32	-
	122	-	122	75	-	75	47
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	123	-	123	119	-	119	4
FortisAlberta	40	-	40	36	-	36	4
FortisBC Electric	18	-	18	18	-	18	-
Other Electric ⁽²⁾	30	-	30	26	-	26	4
	211	-	211	199	-	199	12
Energy Infrastructure	19	2	21	(6)	19	13	8
Corporate and Other	(41)	-	(41)	(27)	-	(27)	(14)
Common Equity Earnings	437	2	439	350	19	369	70
Weighted Average Shares (# millions)	483.1	-	483.1	475.7	-	475.7	7.4
EPS	\$0.90	\$0.01	\$0.91	\$0.74	\$0.04	\$0.78	\$0.13

(1) Non-U.S. GAAP financial measure. Refer to Slide 16 for the Non-U.S. GAAP reconciliation.

(2) Includes Eastern Canadian and Caribbean electric utilities.

2022-2027 RATE BASE BY BUSINESS UNIT

	Rate Base						5-YEAR CAGR to 2027
(\$BILLIONS, EXCEPT FOR CAGR)	2022A	2023F	2024F	2025F	2026F	2027F	
Regulated – Independent Electric Transmission							
ITC ⁽¹⁾	10.5	11.1	11.9	12.5	13.2	14.1	6.1%
Regulated – U.S. Electric & Gas							
UNS Energy	6.7	7.0	7.4	7.8	8.5	9.1	6.3%
Central Hudson	2.6	2.7	2.9	3.1	3.4	3.6	6.4%
Total Regulated – U.S. Electric & Gas	9.3	9.7	10.3	10.9	11.9	12.7	6.3%
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	5.4	5.8	6.0	6.5	7.0	7.6	6.9%
FortisAlberta	4.0	4.2	4.4	4.6	4.8	5.0	4.7%
FortisBC Electric	1.6	1.7	1.7	1.8	1.9	2.0	4.3%
Other Electric ⁽²⁾	3.3	3.8	4.1	4.4	4.5	4.7	7.7%
Total Regulated – Canadian & Caribbean Electric & Gas	14.3	15.5	16.2	17.3	18.2	19.3	6.2%
Total Rate Base Forecast	34.1	36.3	38.4	40.7	43.3	46.1	6.2%

Note: U.S. dollar-denominated rate base converted at a foreign exchange rate of 1.30 for 2022-2027. CAGR, as defined in the Q1 2023 MD&A.

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

(2) Includes Eastern Canadian and Caribbean electric utilities.

2023-2027 CAPITAL PLAN BY BUSINESS UNIT

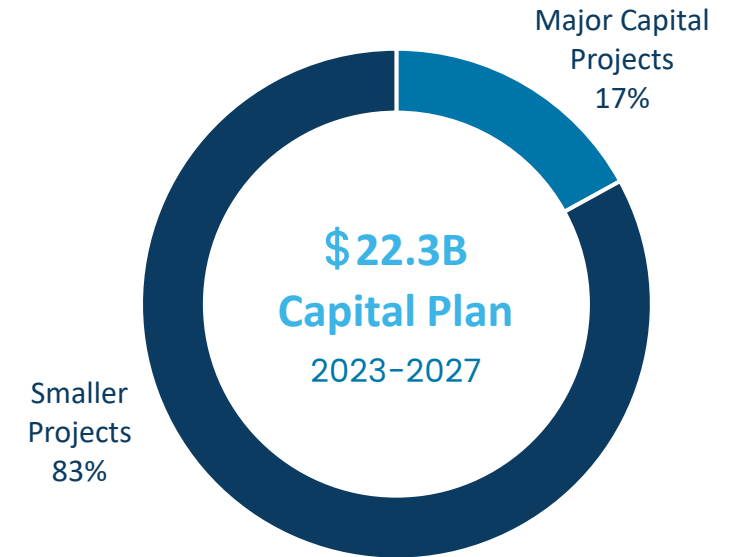
(\$MILLIONS)	Capital Plan ⁽¹⁾					2023-2027 TOTAL
	2023F	2024F	2025F	2026F	2027F	
Regulated – Independent Electric Transmission						
ITC	1,103	1,177	1,137	1,180	1,220	5,817
Regulated – U.S. Electric & Gas						
UNS Energy	1,006	690	986	1,027	891	4,600
Central Hudson	384	343	418	334	360	1,839
Total Regulated – U.S. Electric & Gas	1,390	1,033	1,404	1,361	1,251	6,439
Regulated – Canadian & Caribbean Electric & Gas						
FortisBC Energy	536	748	851	724	1,087	3,946
FortisAlberta	556	568	564	588	599	2,875
FortisBC Electric	132	140	143	147	141	703
Other Electric ⁽²⁾	579	465	451	439	419	2,353
Total Regulated – Canadian & Caribbean Electric & Gas	1,803	1,921	2,009	1,898	2,246	9,877
Non-Regulated	31	28	29	31	35	154
Total Capital Plan	4,327	4,159	4,579	4,470	4,752	22,287

(1) Capital Plan is a forward-looking Non-U.S. GAAP financial measure calculated in same manner as Capital Expenditures. Refer to Q1 2023 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 1.30.

(2) Includes Eastern Canadian and Caribbean electric utilities.

MAJOR CAPITAL PROJECTS

(\$ Millions)	2023-2027 PLAN	ESTIMATED COMPLETION DATE
ITC MISO Long-Range Transmission Plan ⁽¹⁾	923	Post-2027
UNS Energy Renewable Generation ⁽²⁾	417	Various
UNS Energy Vail-to-Tortolita Transmission Project	378	2027
FortisBC Tilbury LNG Storage Expansion	504	Post-2027
FortisBC AMI Project	421	Post-2027
FortisBC Eagle Mountain Woodfibre Gas Line Project ⁽³⁾	420	2027
FortisBC Tilbury 1B Project	343	Post-2027
FortisBC Okanagan Capacity Upgrade	200	2025
Wataynikaneyap Transmission Power Project ⁽⁴⁾	137	2024



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

- (1) Reflects investments associated with six projects in states with rights of first refusal for incumbent transmission owners. Total estimated transmission investments of US\$1.4-\$1.8B through 2030 inclusive of the US\$700M reflected in the 2023-2027 capital plan.
- (2) Reflects expected investments in renewable generation to support TEP's Integrated Resource Plan. Excludes energy storage investments not yet defined.
- (3) Capital plan is net of forecast customer contributions.
- (4) Represents Fortis' 39% share of the estimated capital spending for the project.

ESG LEADERSHIP

Environmental

- 2050 net-zero direct emissions goal, with interim targets to reduce GHG emissions 50% by 2030 and 75% by 2035
- Progress: More than halfway to achieving our 50% by 2030 target with a 28% reduction in Scope 1 emissions relative to 2019 levels
- 170 MW of coal generation capacity was retired at TEP in June 2022: expect to be coal-free by 2032
- 15% increase in renewable electricity generation capacity since 2019: TEP plans to add 3,400 MW of wind, solar and storage through 2035
- Five-year capital plan includes \$5.9B for cleaner energy investments
- FortisBC experienced its largest annual increase in renewable gas supply in recent years and has signed more than 30 RNG supply agreements
- In 2022, FortisBC announced a partnership for a new pilot project that will use an innovative technology for the first time in North America to produce zero-carbon hydrogen from natural gas

Social

- Focus on Indigenous partnerships and business
- 1,800 KM Wataynikaneyap transmission line connecting 17 remote First Nations communities to the Ontario power grid is 73% complete at the end of 2022; expected to be completed in 2024
- Focus on just transition
- ~\$10M of community investment in 2022

Governance⁽¹⁾

- Ranked #1 in the Globe & Mail 2022 Board Games
- Independent chair; 11 of 12 directors are independent
- 58% of Fortis board members are female; 2 identify as a visible minority
- Average board tenure of 4.8 years
- 82% of Fortis utilities have a female in the position of CEO or board chair
- Executive compensation linked to climate and diversity targets






(1) Board composition reflects nominated directors based on 2023 Management Information Circular.



Q1 SALES TRENDS

CHANGE IN RETAIL ELECTRIC SALES

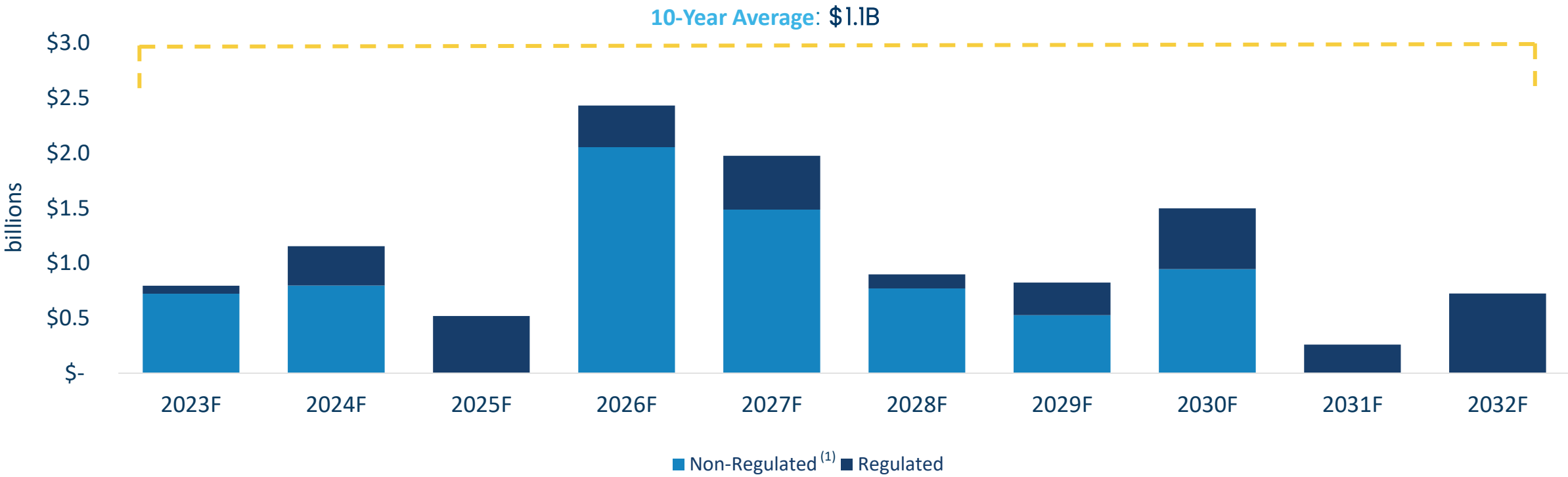
Q1 2023 vs. Q1 2022 SALES TRENDS

 A FORTIS COMPANY	N/A	<ul style="list-style-type: none">• Peak load down 2% due to milder weather and economic conditions
 UNS Energy Corporation A Fortis Company ⁽¹⁾	+2%	<ul style="list-style-type: none">• Increase primarily due to higher heating load associated with cooler temperatures and customer growth; excluding weather impacts, retail sales up 1%
 Central Hudson A FORTIS COMPANY	+1%	<ul style="list-style-type: none">• Retail sales largely consistent as higher consumption partially offset by milder weather
 FORTIS ALBERTA	-2%	<ul style="list-style-type: none">• Residential sales down 6% due to milder weather; C&I sales flat
 FORTIS BC ⁽²⁾	-	<ul style="list-style-type: none">• Residential electric sales down 1% due to lower consumption; C&I electric sales up 2%
Other Electric	+1%	<ul style="list-style-type: none">• Eastern Canadian residential sales up 1% and C&I sales flat• Caribbean sales up 6% due to customer growth and increase in tourism-related activities

(1) Excludes wholesale sales at UNS Energy.
(2) Reflects electric sales at FortisBC Electric. Gas sales at FortisBC down 2% primarily due to lower average consumption by residential and transportation customers.







DEBT MATURITIES



Note: Debt as at March 31, 2023 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.

(1) Includes non-regulated debt issued at Fortis Inc. and ITC Holdings.

INVESTMENT-GRADE CREDIT RATINGS

COMPANY	 S&P Global	 MOODY'S	 MORNINGSTAR 
Fortis Inc.	A ⁻⁽¹⁾	Baa3	A (low)
ITC Holdings Corp.	A ⁻⁽¹⁾	Baa2	n/a
ITC Regulated Subsidiaries	A	A1	n/a
TEP	A-	A3	n/a
Central Hudson	BBB+	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+.

