

FORTIS

INVESTOR PRESENTATION

Q1 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: forecast capital expenditures for 2023-2027, including cleaner energy investments; annual dividend growth guidance through 2027; forecast rate base and rate base growth for 2023 through 2027; the 2030 GHG emissions reduction target; the 2035 GHG emissions reduction target and the projected asset mix; the 2050 net-zero GHG emissions target; TEP's Integrated Resource Plan; planned coal retirements and the expectation to exit coal by 2032; the nature, timing, benefits and expected costs of certain capital projects, including Wataynikaneyap Transmission Power Project, ITC's transmission projects associated with the MISO Long-Range Transmission Plan, FortisBC Tilbury LNG Storage Expansion, FortisBC Tilbury 1B Project, FortisBC Eagle Mountain Woodfibre Gas Line Project, FortisBC AMI Project, FortisBC Okanagan Capacity Upgrade, UNS renewable energy and storage projects, UNS Vail-to-Tortolita Transmission Project, and additional opportunities beyond the capital plan, including investments related to the Inflation Reduction Act, the MISO Long-Range Transmission Plan, climate adaptation and grid resiliency, and renewable fuel solutions and LNG infrastructure in British Columbia; expected sources of funding for the 2023-2027 capital plan; expected capital structure stability through 2027; the expectation that the long-term dividend guidance will provide flexibility to fund more capital internally; forecast credit metrics through 2027; the expectation of minimal impacts from the introduction of an alternative minimum income tax; the expected timing, outcome and impact of regulatory proceedings and decisions; the expectation that there will be no significant change in UNS' 2023 pension expense; 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, the global supply chain and persistent inflation; assumed moderating inflation levels with return to historical averages in 2025; 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

9,200 Employees

99% Regulated Utility Assets

~\$26B Market Capitalization⁽¹⁾

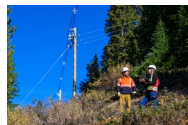
~9% Average Annual 10-Year Total Shareholder Return⁽¹⁾

\$36B 2023F Rate Base

(1) As of January 31, 2023.

OUR VISION & STRATEGY

A PREMIUM NORTH AMERICAN UTILITY
DELIVERING A CLEAN ENERGY FUTURE



Operational Excellence



Financial Strength



Diversified Regulated Portfolio



Substantially Autonomous Business Model



Strong Governance



Clean Energy
Transition



Innovation
& Technology



People
& Culture



Regulatory
Relations

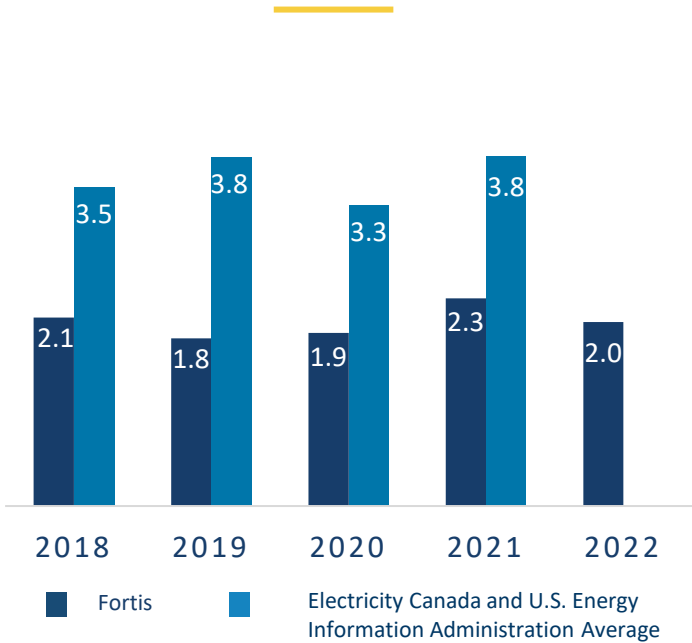


Customer
& Community

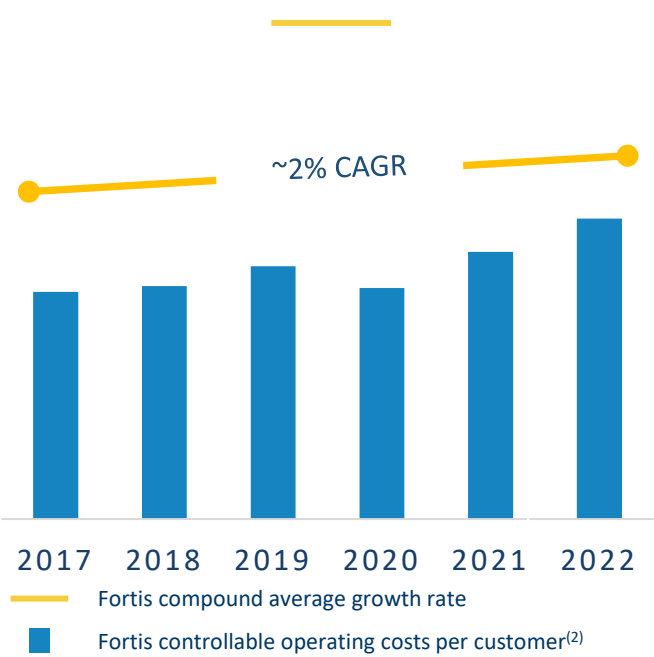
DRIVING
SUSTAINABLE
GROWTH

DELIVERING SAFE AND RELIABLE SERVICE

Average Electricity Customer Outage Duration (Hours)⁽¹⁾



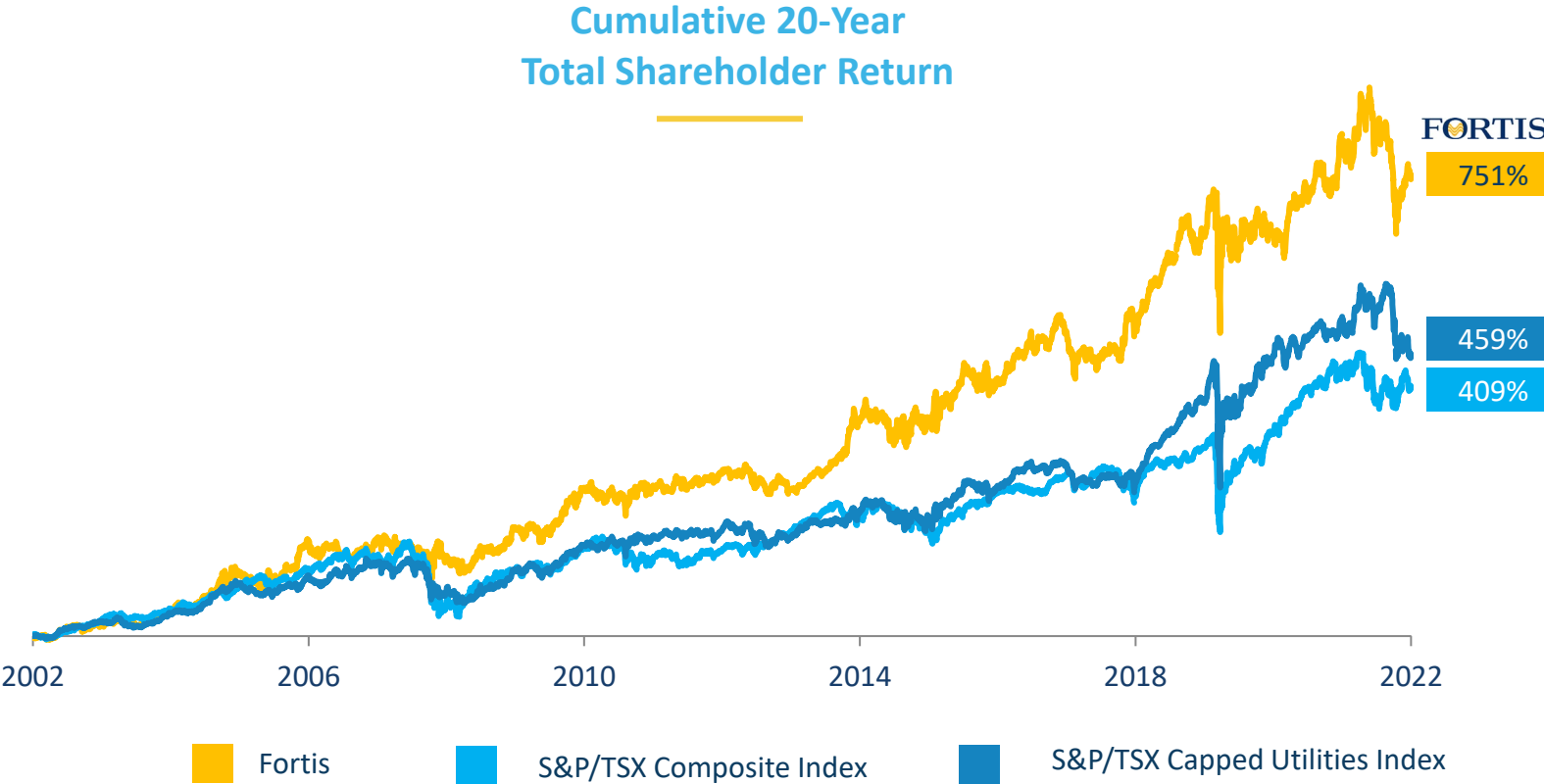
Managing Controllable Operating Costs Below Inflation



(1) Based on weighted average of Fortis' customer count in each jurisdiction. 2022 industry data not yet available.
(2) Controllable operating cost per customer is a financial measure used by management to evaluate operating efficiency. May not be comparable with measures used by other entities and excludes costs that are considered largely outside of management's control (e.g., purchased power, generation fuel expense).



20-YEAR TOTAL SHAREHOLDER RETURN



Average Annual Total Shareholder Returns

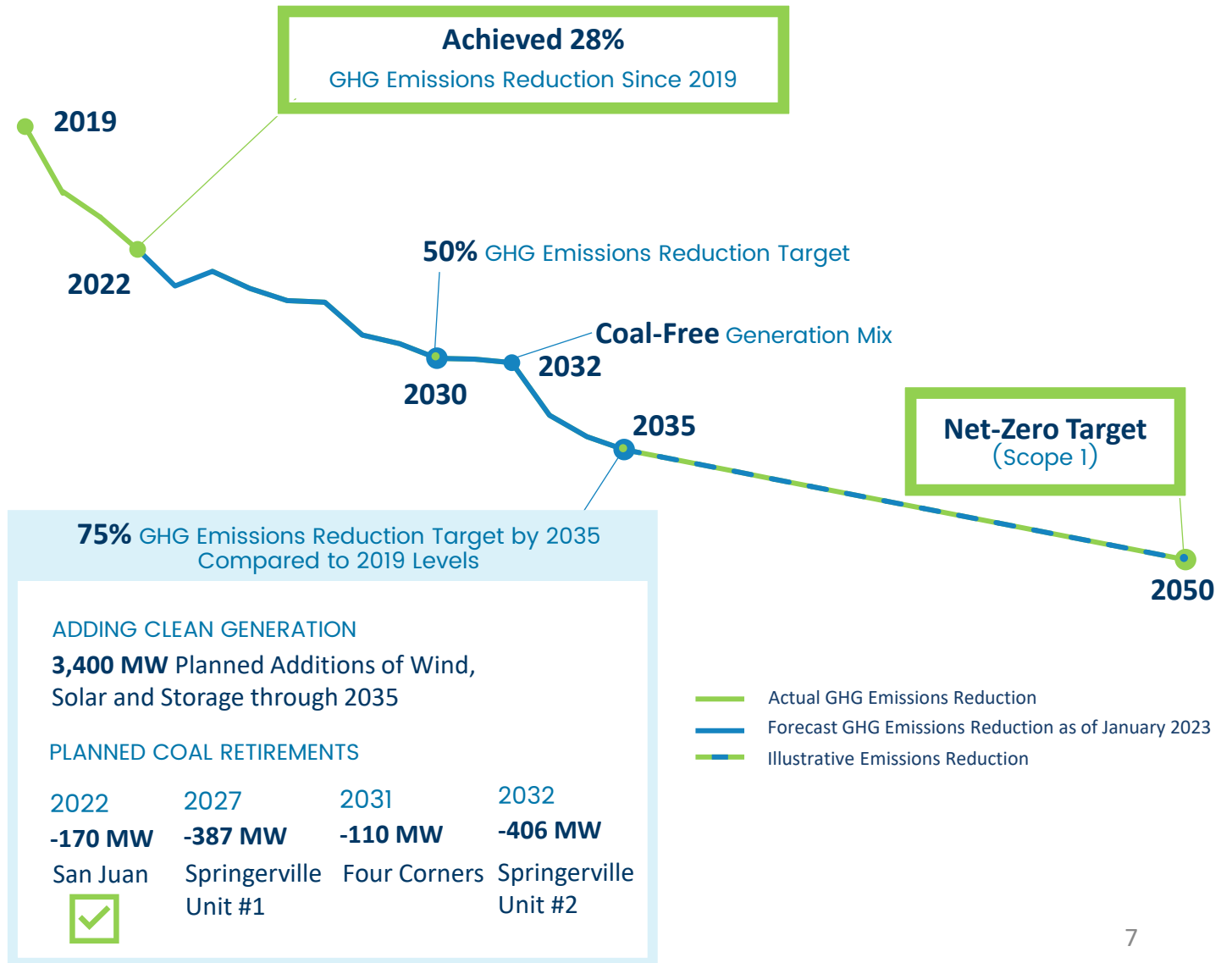
1-Year	(7.9%)
5-Year	7.2%
10-Year	8.7%
20-Year	11.3%

Note: Cumulative 20-year total shareholder return as at December 31, 2022.

CARBON EMISSIONS REDUCTION ON TRACK

2022 Sustainability Highlights:

- Released first TCFD and Climate Report
- Fortis aligned with GRI and SASB
- Strong board diversity with 54% female directors and 2 directors identifying as visible minorities
- New sustainability-linked loan provisions
- Enhanced linkage between sustainability performance and executive compensation



ESG LEADERSHIP

THE
GLOBE
AND
MAIL

BOARD
GAMES

Fortis ranked #1
in The Globe & Mail
2022 Board Games

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

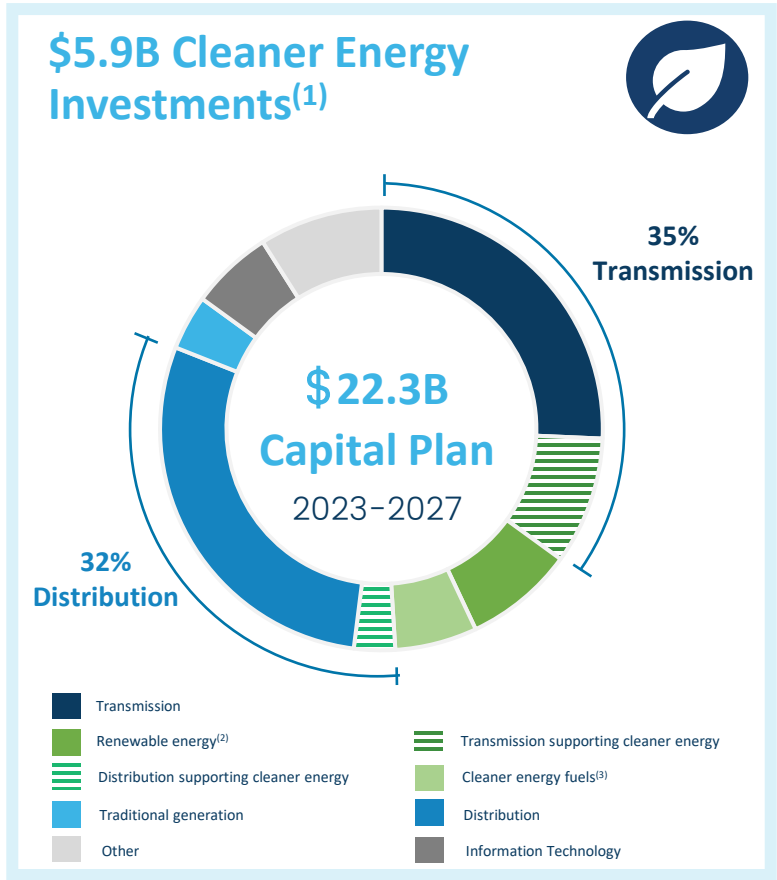
Social

- 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

- Independent chair; 12 of 13 directors are independent
- 54% of Fortis board members are female; 2 identify as a visible minority at the end of 2022
- Average board tenure of 4.9 years
- 73% of Fortis utilities have a female in the position of CEO or board chair
- Executive compensation linked to climate and diversity targets

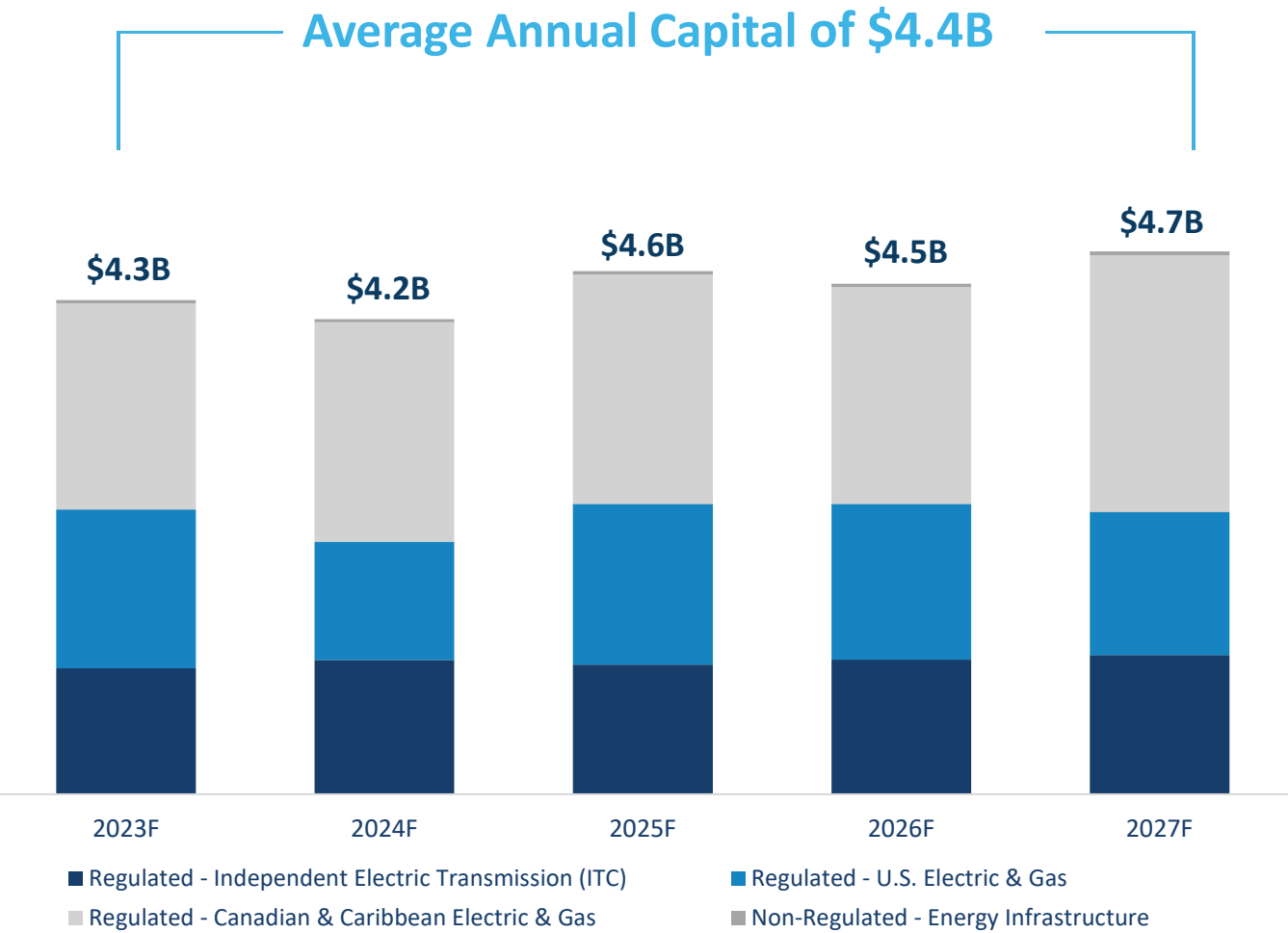
\$22.3B FIVE-YEAR CAPITAL PLAN



Note: The Capital Plan is a forward-looking Non-U.S. GAAP financial measure calculated in same the manner as Capital Expenditures. Refer to 2022 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.

FIVE-YEAR PLAN AT A GLANCE



Note: The Capital Plan is a forward-looking Non-U.S. GAAP financial measure calculated in the same manner as Capital Expenditures. Refer to 2022 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 for 2023-2027.

Highly Executable Capital Plan



- 83% Smaller Projects
- 17% Major Projects



- 55% U.S.
- 41% Canada
- 4% Caribbean



- 99% Regulated

CAPITAL PLAN CONCENTRATED AT THREE LARGEST UTILITIES



- Infrastructure investments including reliability and resiliency upgrades, increased capacity, etc.
- ~US\$0.7B included in plan for MISO Long-Range Transmission Plan (LRTP). Estimated transmission investments of US\$1.4-\$1.8B through 2030 associated with six of 18 LRTP projects
- Economic development, load and changes in generation interconnections
- Grid security investments



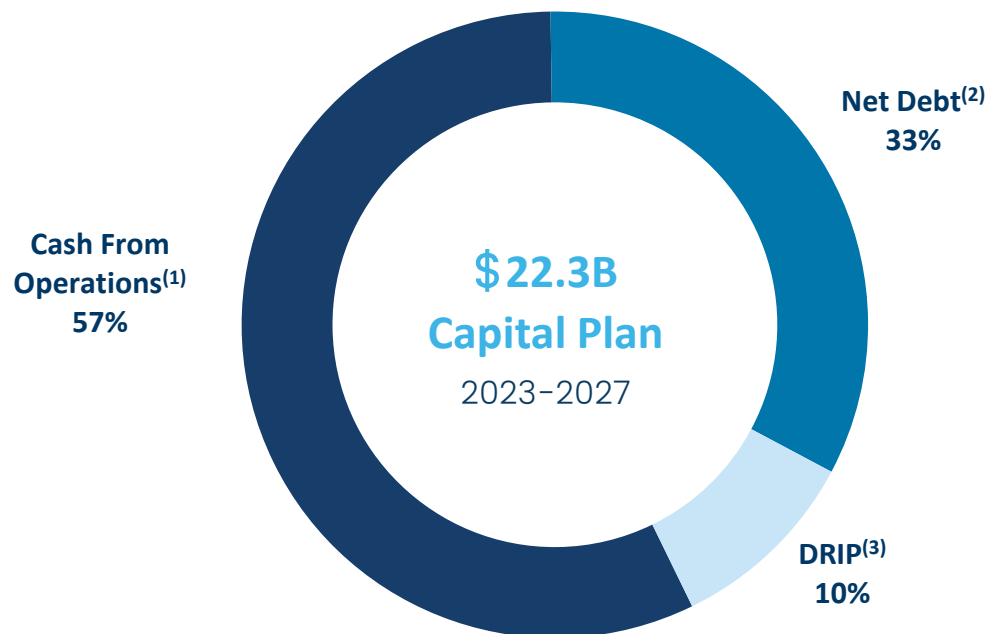
- Reliability and integrity investments
- Natural gas infrastructure including LNG resiliency tank, Tilbury 1B and Eagle Mountain Woodfibre gas line projects
- Automated Gas Metering Infrastructure and Okanagan Capacity Upgrade
- Renewable gas projects and natural gas for transportation



- Includes ~\$1.2B of renewable and storage investments to transition to cleaner energy aligned with TEP's Integrated Resource Plan (IRP)
- Distribution investments including customer meter infrastructure and grid resiliency and modernization
- Vail-to-Tortolita Transmission Project (\$378M)



NO DISCRETE EQUITY REQUIRED TO FUND 2023-2027 CAPITAL PLAN



- (1) Cash from operations is a Non-U.S. GAAP financial measure and reflects cash from operating activities net of dividends and customer contributions.
- (2) Net debt reflects regulated and non-regulated debt issuances, net of repayments.
- (3) Reflects common shares issued under the Corporation's dividend reinvestment, stock option and employee share purchase plans.
- (4) Reflects estimated impact on 2023 and 2024 forecast credit metrics, subject to publication of final regulations.

Predictable Funding Plan



Capital Plan Funded Primarily with Cash from Operations and Debt at Regulated Subsidiaries

- Regulated debt used to repay maturing debt, and fund capital expenditures and operating requirements



Equity Funding Supported by DRIP

- No discrete equity required
- Consistent capital structure expected over planning period



Dividend Growth Guidance Range Provides Incremental Funding Flexibility

- Flexibility to fund more capital with internally generated funds



Maintaining Investment-Grade Credit Ratings

- Moody's CFO/Debt and S&P FFO/Debt expected to average ~12% for 2023-2027 before Alternative Minimum Tax (AMT)
- Minimal expected impacts from AMT (<10-20 bps on CFO/Debt)⁽⁴⁾



Inflation Reduction Act

- A catalyst for future transmission investments
- Renewable generation including TEP's IRP⁽¹⁾
- Interconnecting renewables to the grid
- Electric vehicle infrastructure
- Funding for community transition from fossil fuels



Climate Adaptation & Grid Resiliency

- Investing to withstand more severe weather
- Under various climate scenarios and geographies



Renewable Fuel Solutions & LNG

- RNG & hydrogen to support British Columbia
- Develop Canadian LNG resources to aid in international energy security and GHG reductions

(1) Incremental opportunity of ~US\$2-\$4 billion through 2035. Excludes ~US\$1B for projects included in the 2023-2027 capital plan, and US\$0.5B invested previously, including the Oso Grande Wind project.



LONG CAPEX RUNWAY

Responding to stakeholder expectations and capitalizing on opportunities to expand & extend growth

Connect more renewable generation to the grid

Build more renewable generation

Provide alternative energy sources to reduce emissions

Accelerate climate change adaptation for reliability, grid resiliency and hardening

Business development in existing footprint

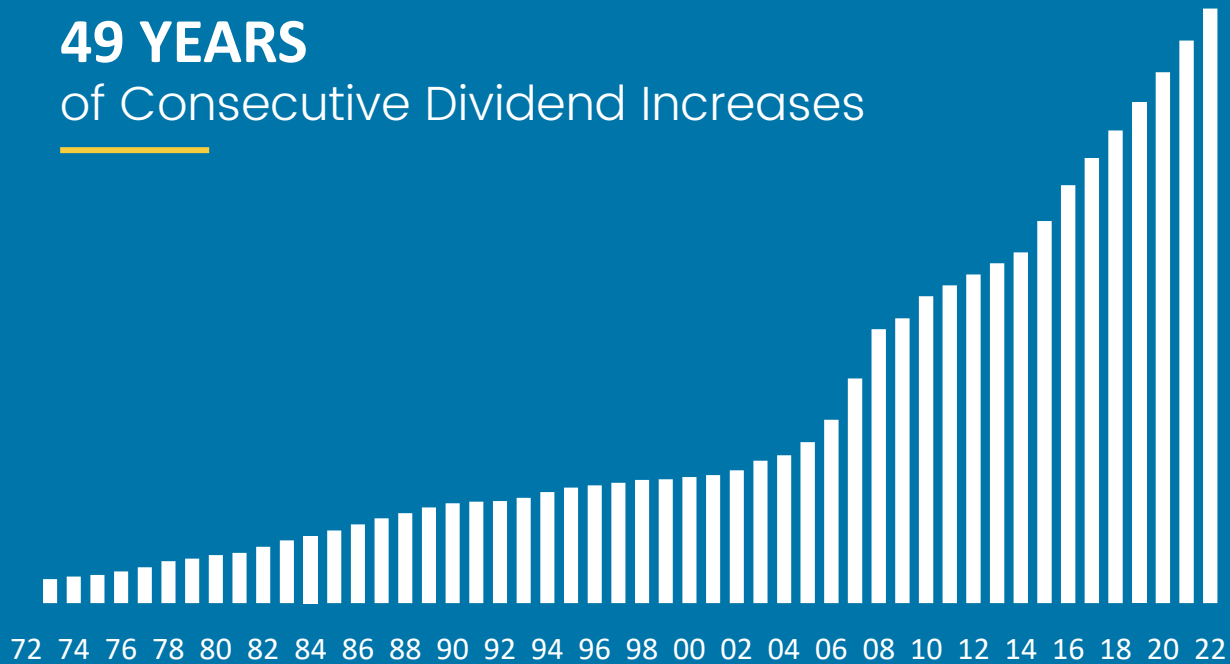
Prepare grid for additional electrification

Invest in technology to ensure security and improve service and efficiency

Replace aging assets to maintain reliability

DIVIDEND GUIDANCE SUPPORTED BY LONG-TERM GROWTH STRATEGY

49 YEARS
of Consecutive Dividend Increases



4-6%
Annual Dividend
Growth Guidance
through 2027



ONGOING REGULATORY PROCEEDINGS



ITC Midwest Capital Structure Complaint Denied – In November 2022, FERC denied the complaint filed by the Iowa Coalition for Affordable Transmission (ICAT) seeking to lower ITC Midwest’s equity ratio from 60% to 53%; ICAT filed a request for rehearing with FERC in December 2022

FERC MISO Base ROE – In August 2022, the U.S. Court of Appeals for the DC Circuit vacated certain FERC orders that established the methodology used to calculate the MISO base ROE; matter dates back to complaints filed at FERC in 2013 and 2015; DC Circuit noted FERC did not adequately explain why it reintroduced the risk-premium model in its methodology which increased the MISO Base ROE from 9.88% to 10.02%; timing and outcome remains unknown

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; the supplemental NOPR and the initial incentive NOPR remain outstanding



TEP ACC Rate Case – In June 2022, TEP filed a general rate application seeking new rates to become effective no later than September 1, 2023 using a December 31, 2021 test year



Customer Information System (CIS) Implementation – In December 2022, the New York Public Service Commission (PSC) released a show cause order to Central Hudson as to why the PSC should not pursue penalties or initiate a prudence proceeding in respect to Central Hudson’s new CIS; Central Hudson filed a response in January 2023; timing and outcome of the proceeding remains unknown



Generic Cost of Capital Proceeding (GCOC) – GCOC proceeding initiated in 2021 includes a review of the common equity component of capital structure and the allowed ROE; proceeding is ongoing with a decision expected in Q2 2023



Cost of Service Application Approved (COS) – In December 2022, the Alberta Utilities Commission approved FortisAlberta’s 2023 revenue requirement, reflecting 5% increase in distribution rates

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

FORTIS

APPENDIX

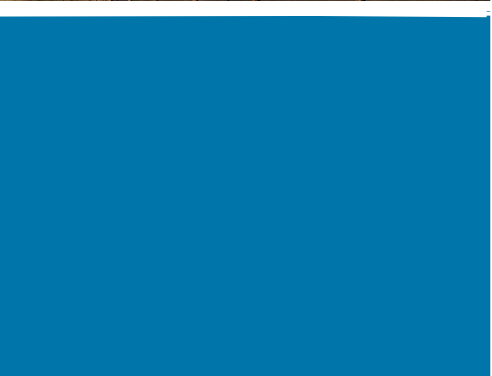
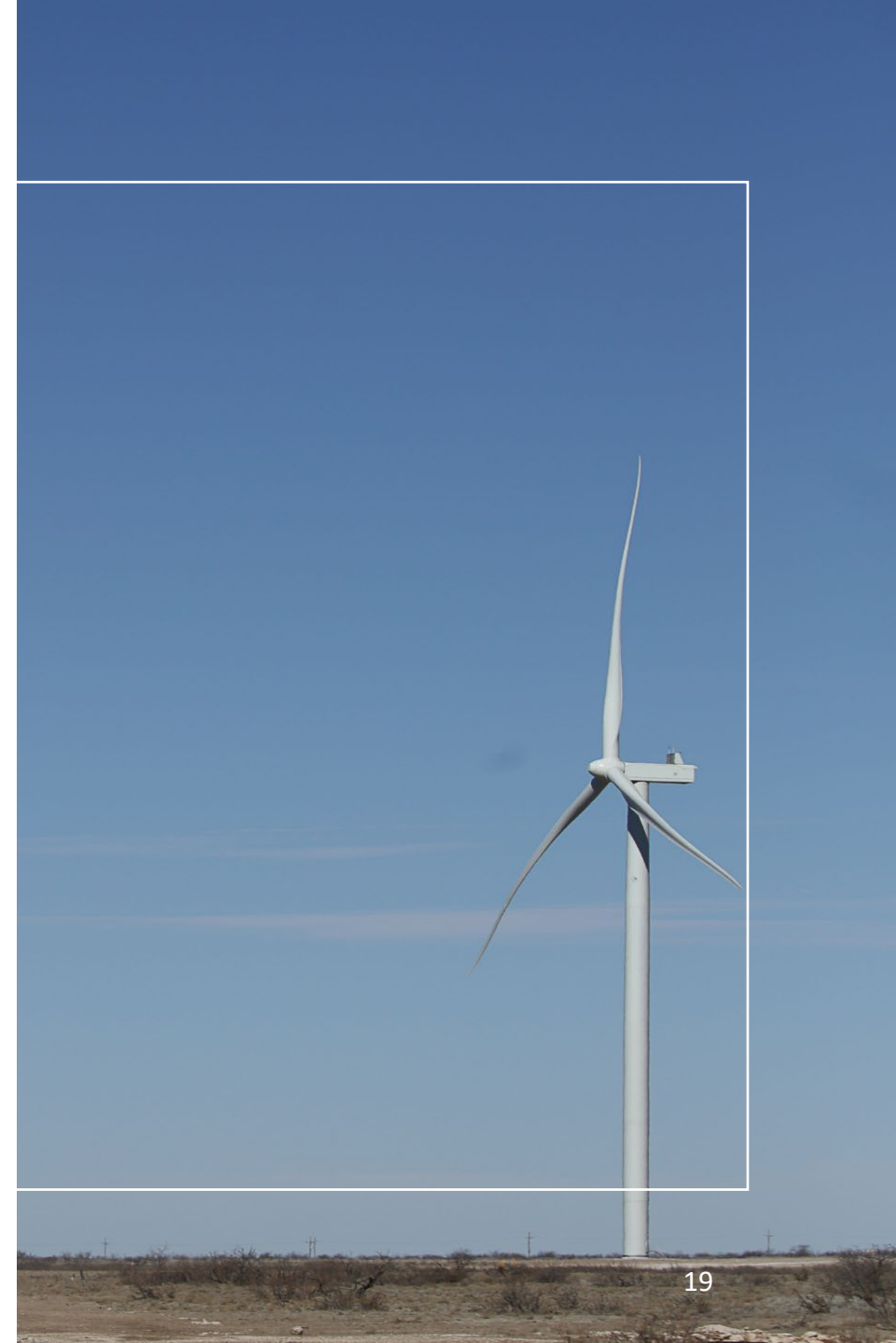
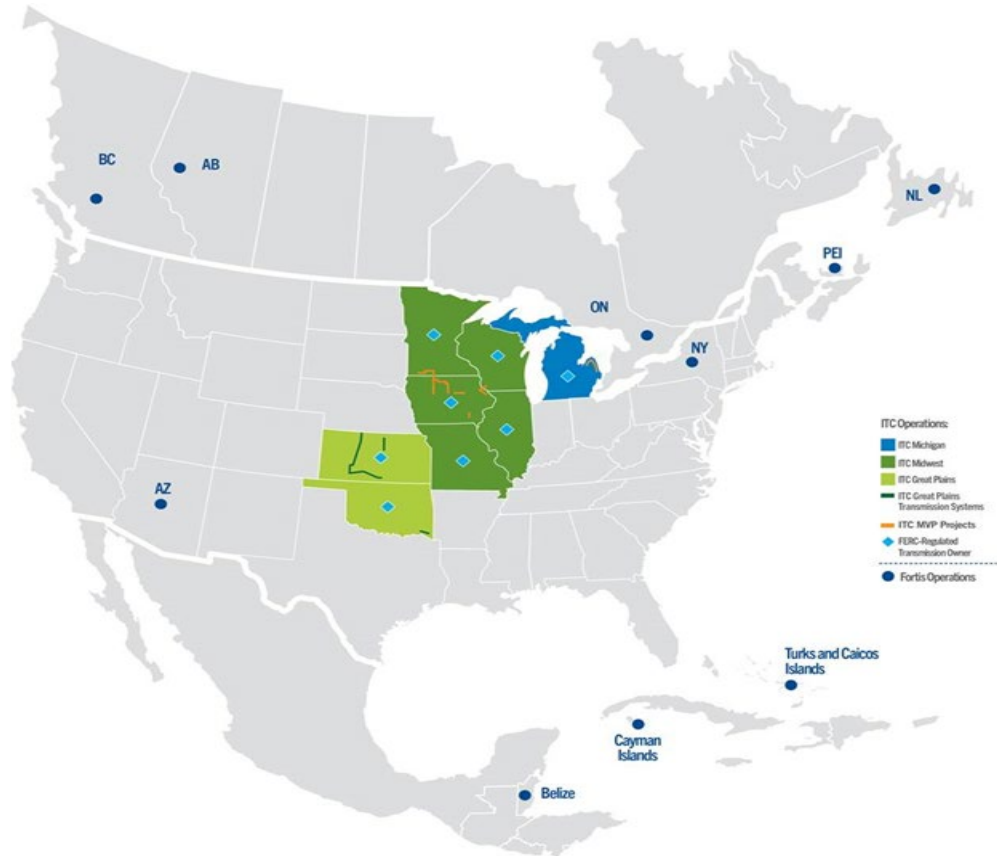


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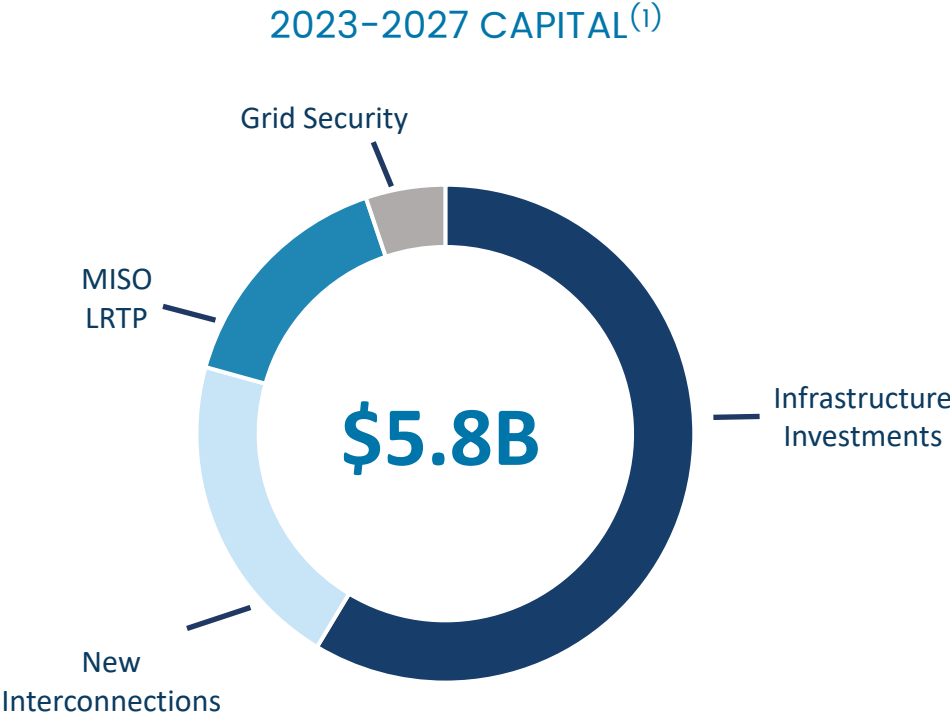


- (1) U.S. dollar-denominated rate base converted at a forecast USD:CAD foreign exchange rate of 1.30.
- (2) Includes goodwill
- (3) Development opportunities are not included in the base capital forecast and represent incremental capital spending.



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
2023F Rate Base ⁽¹⁾	\$11.1B
5-Year Rate Base CAGR (2022A-2027F)	6.1%
2022 Assets % of Total Consolidated Regulated Assets ⁽²⁾	37%
Development Opportunities ⁽³⁾	Connecting Renewables & Grid Modernization, MISO Long-Range Transmission Plan
Regulatory Proceedings	FERC MISO Base ROE, Notice of Proposed Rulemaking (NOPR) on Incentive Policy & Supplemental NOPR on Regional Transmission Organization Incentive Adder

ITC CAPITAL INVESTMENT OVERVIEW



\$3.4B Infrastructure Investments

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



\$1.2B New Interconnections

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



\$900M MISO Long-Range Transmission Plan

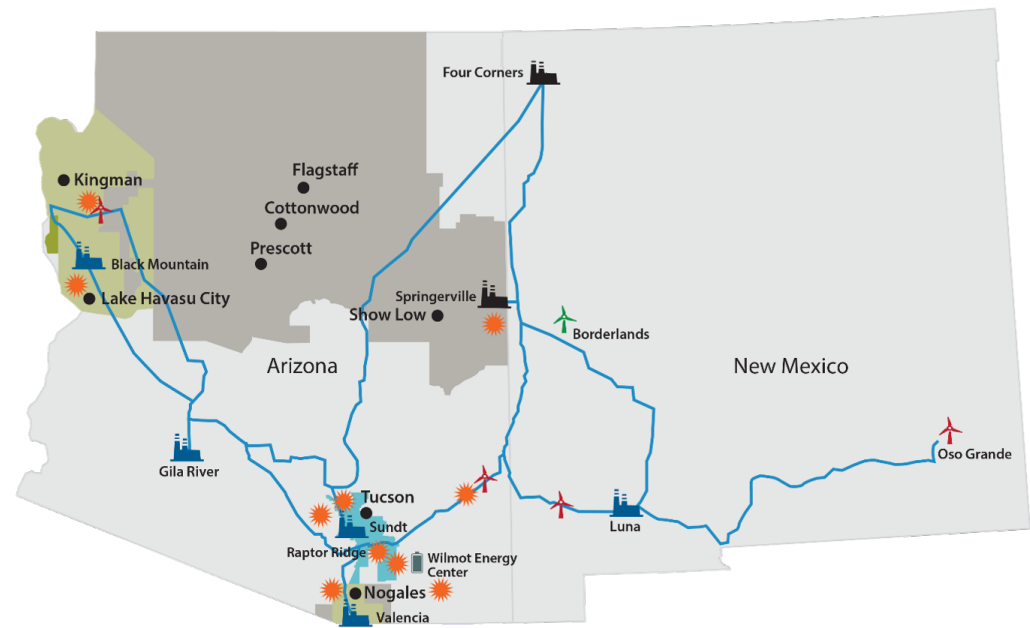
Includes portion of investments for Tranche 1



\$300M Grid Security

Physical and cyber hardening along with technology upgrades

(1) U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD foreign exchange rate of 1.30.



	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 ⁽¹⁾	9.15% ROE on 53.0% equity	9.50% ROE on 52.8% equity	9.75% ROE on 50.8% equity
2023F Rate Base ⁽²⁾	\$7.0B		
5-Year Rate Base CAGR (2022A-2027F)	6.3%		
2022 Assets % of Total Consolidated Regulated Assets ⁽³⁾	20%		
Development Opportunities ⁽⁴⁾	Renewables, Storage & Electric Transmission		
Regulatory Proceedings	TEP General Rate Application & UNS Electric General Rate Application		

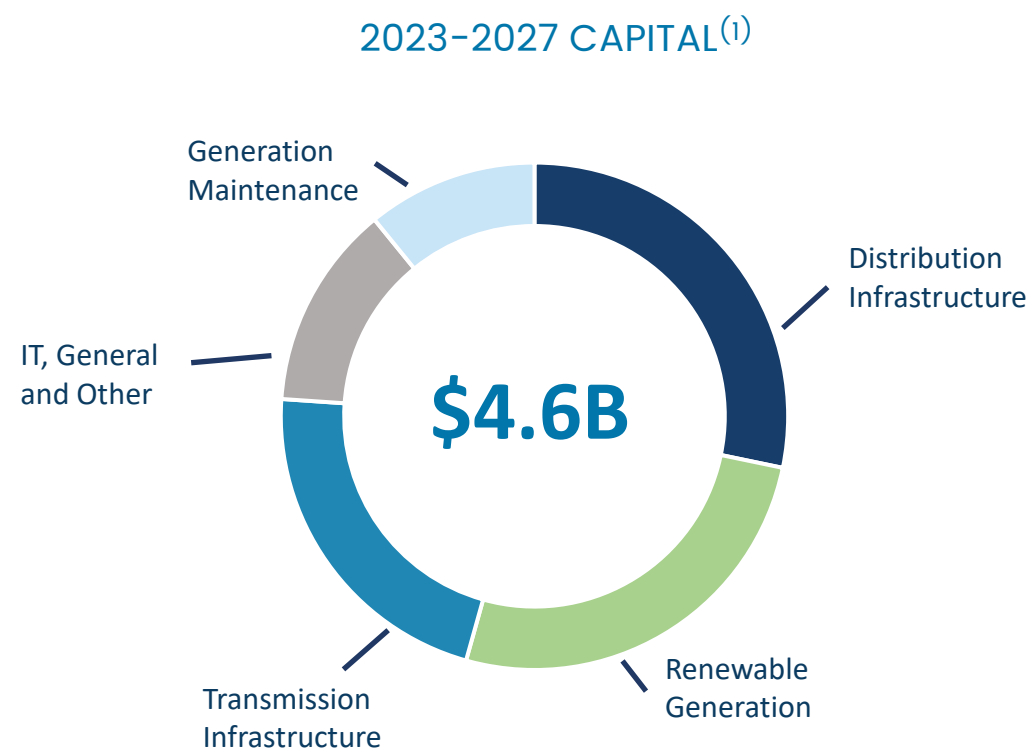
(1) Allowed ROE and equity based on Arizona Corporation Commission regulatory authority.

(2) U.S. dollar-denominated rate base converted at a forecast USD:CAD foreign exchange rate of 1.30.

(3) Includes goodwill

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

UNS CAPITAL INVESTMENT OVERVIEW



\$1.3B Distribution Infrastructure
Grid resiliency and modernization



\$1.2B Renewable Generation
Energy storage, renewable investments



\$1.0B Transmission Infrastructure
Vail-to-Tortolita, new substations



\$600M IT, General and Other
Supports technology, efficiency and sustainment



\$500M Generation Maintenance

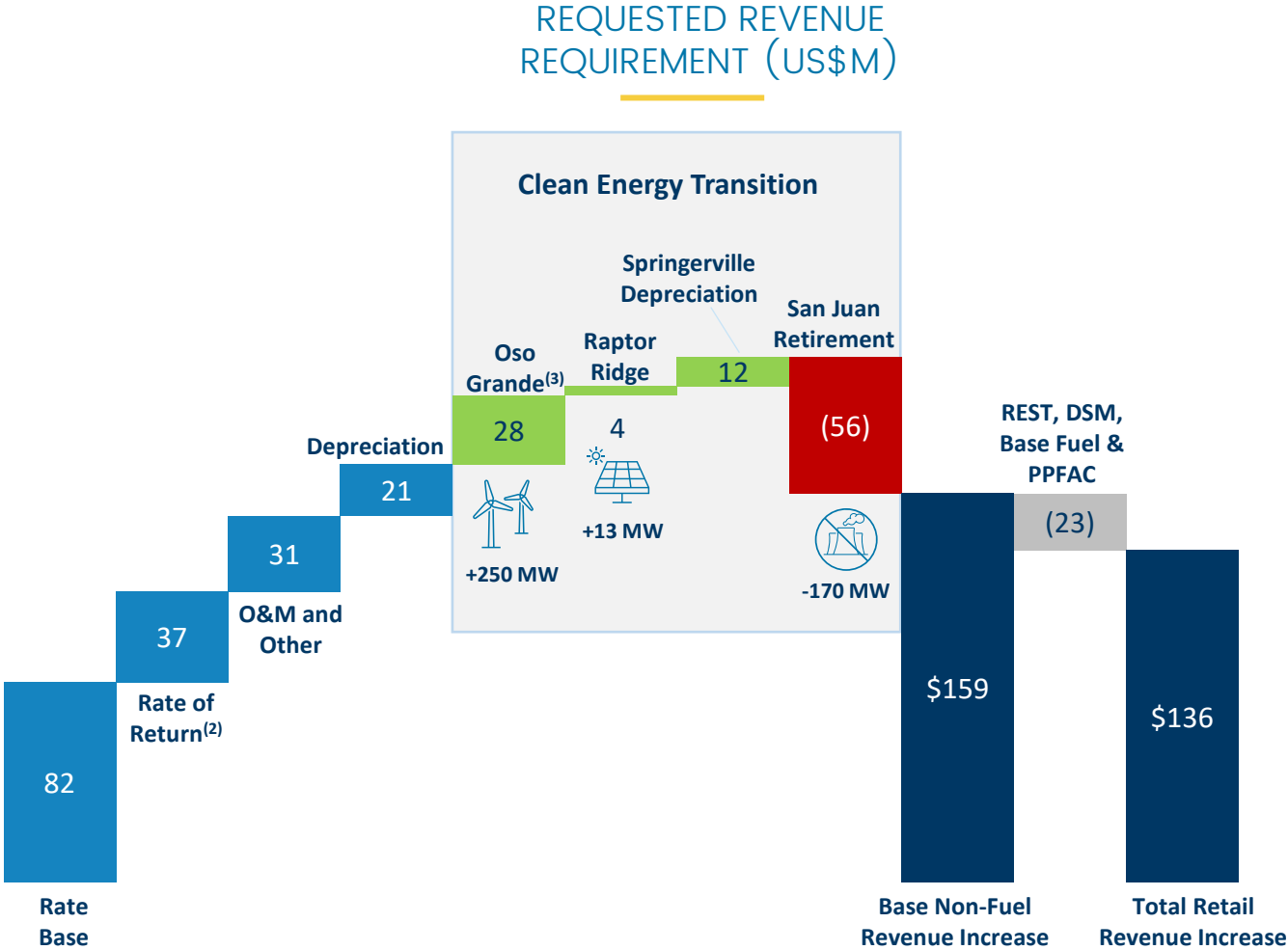
(1) U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD foreign exchange rate of 1.30.

TEP GENERAL RATE APPLICATION

APPLICATION SUPPORTS TEP'S CLEAN
ENERGY TRANSITION AND CONTINUED
DELIVERY OF SAFE AND RELIABLE SERVICE

	2019 Rate Case		2022 Rate Case	
	Application	Decision	Application	Staff Testimony
Test Year	December 31, 2018		December 31, 2021	
New Rates Effective	May 2020	January 2021	September 2023	
Rate Base	US\$2.7B	US\$2.7B	US\$3.6B ⁽¹⁾	US\$3.6B
Non-Fuel Revenue Increase	US\$115M	US\$58M	US\$159M	US\$97-\$108M
Equity/Debt	53%/47%	53%/47%	54%/46%	54%/46%
ROE	10.35%	9.15%	10.25%	9.60%

(1) Includes US\$0.2B in post-test year adjustments.
(2) Includes fair value increment.
(3) Net of production tax credits.



ARIZONA FOCUSED ON RENEWABLES

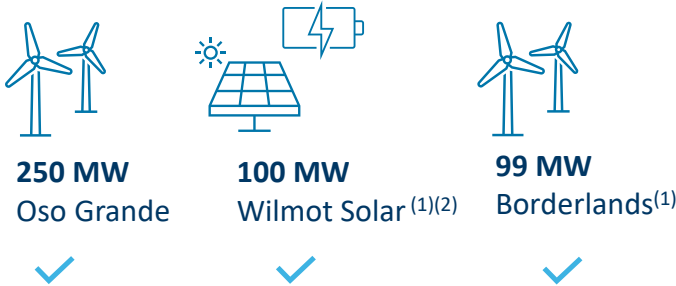
TEP INTEGRATED RESOURCE PLAN FILED IN 2020

- Next IRP expected in 2023

Coal-free
generation mix by 2032

>70% renewable power
by 2035

Over 50 million tonnes
of CO₂ emissions
avoided over 15 years



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



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

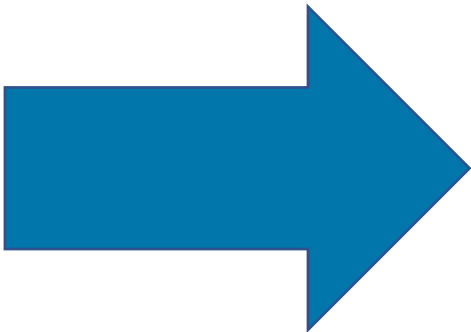
RELIABLE & AFFORDABLE SERVICE DURING CLEAN ENERGY TRANSITION

TEP's goal is to transition to a cleaner grid while maintaining affordable rates and reliable service for our customers



1,073 MW Planned Coal Retirements by 2032

Current



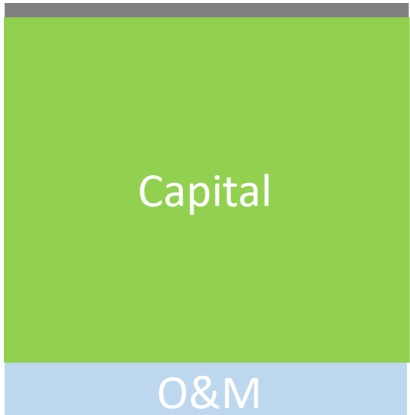
Steel for Fuel Transition

- Significant fuel and fixed O&M costs replaced with capital investment
- Coal exit plan provides time for development of impacted community transition assistance
- ~492 MW of wind, solar and energy storage resources added in 2021-2022
- All-Source RFP launched in April 2022 targeting both energy and firm capacity

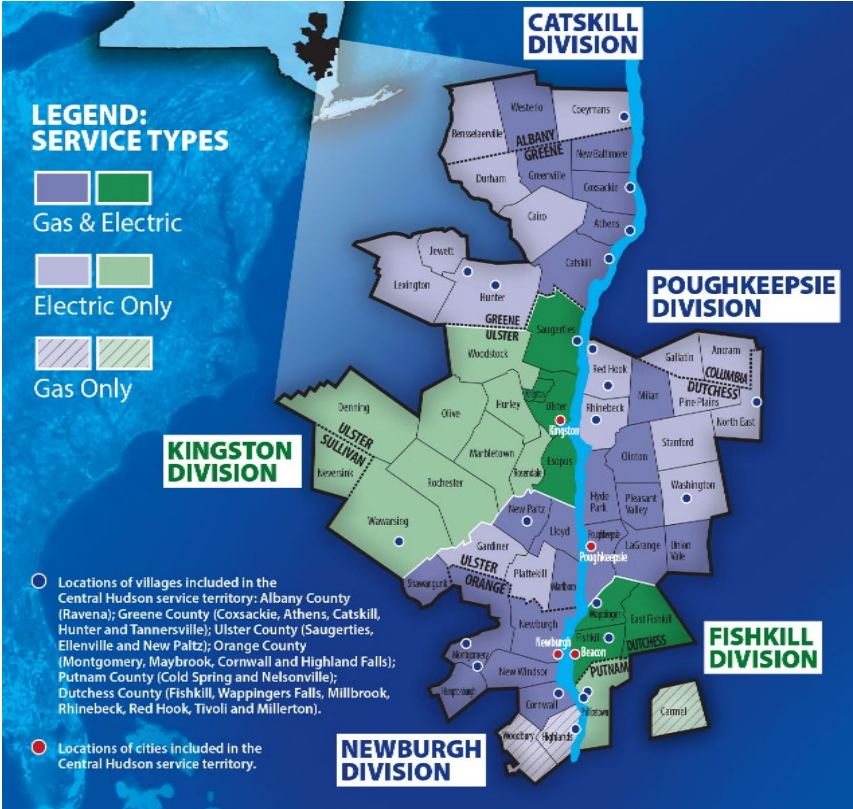


3,400 MW of Planned Wind, Solar and Storage Resources

Future



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 ⁽¹⁾	9.0% ROE on 49% equity
Significant Regulatory Features	Revenue decoupling
2023F Rate Base ⁽²⁾	\$2.7B
5-Year Rate Base CAGR (2022A-2027F)	6.4%
2022 Assets % of Total Consolidated Regulated Assets ⁽³⁾	8%
Development Opportunities ⁽⁴⁾	Grid Modernization & NY Transco Expansion
Regulatory Proceedings	Customer Information System Implementation

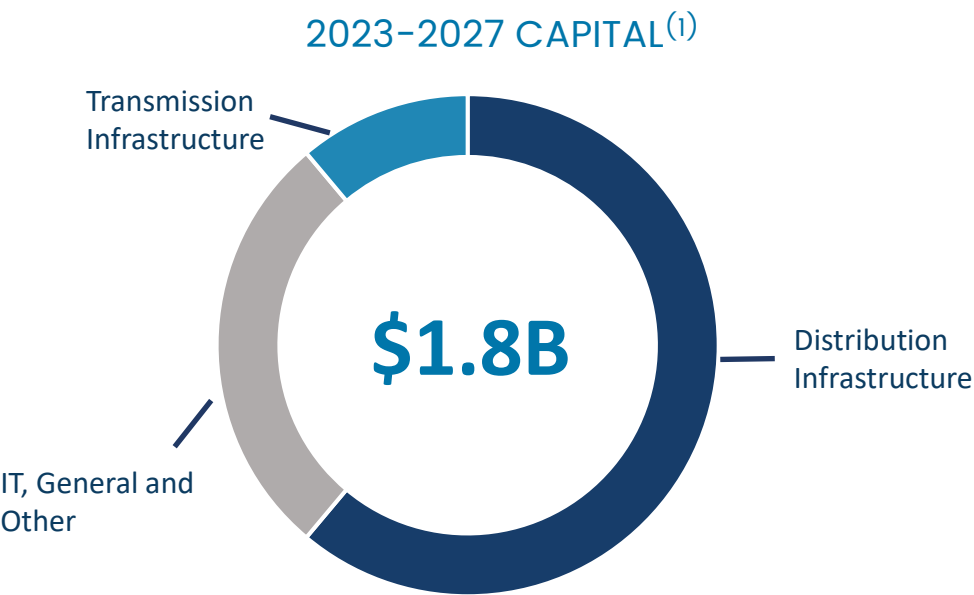
(1) In November 2021, the New York Public Service Commission approved a three-year rate plan for Central Hudson with retroactive application to July 1, 2021, including an ROE of 9.0%, and common equity component of capital structure of 50% declining by 1% annually to 48% in the third rate year.

(2) U.S. dollar-denominated rate base converted at a forecast USD:CAD foreign exchange rate of 1.30.

(3) Includes goodwill

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

CENTRAL HUDSON CAPITAL INVESTMENT OVERVIEW



\$1.1B Distribution Infrastructure
Distribution automation and modernization



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



\$200M Transmission Infrastructure
Replacement of aging infrastructure

(1) U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD foreign exchange rate of 1.30.



	FortisBC Energy	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	
2023F Rate Base	\$5.8B	\$1.7B
5-Year Rate Base CAGR (2022A-2027F)	6.9%	4.3%
2022 Assets % of Total Consolidated Regulated Assets ⁽¹⁾	14%	4%
Development Opportunities ⁽²⁾	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



\$2.6B Reliability & Integrity Investments

Ongoing maintenance requires significant capital investment
Includes customer growth and general plant investment



\$1.3B LNG Projects

Tilbury 1B
Tilbury LNG Resiliency Tank
Eagle Mountain Woodfibre Gas Line Project



\$600M Major Integrity Projects

Advanced Metering Infrastructure Project
Okanagan Capacity Upgrade



\$100M Sustainability

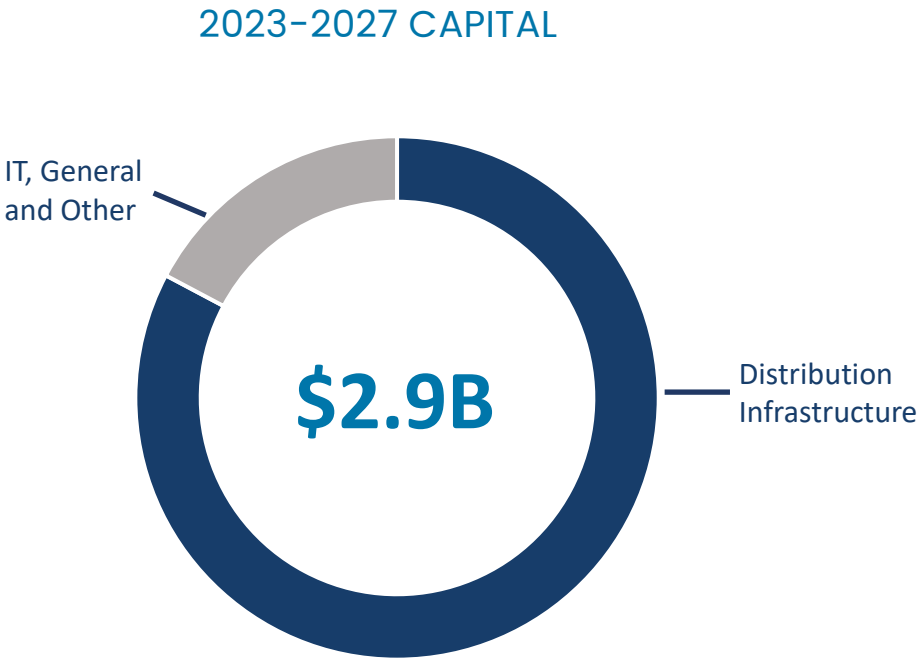
Renewable gas projects
Natural gas for transportation



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
2023F Rate Base	\$4.2B
5-Year Rate Base CAGR (2022A-2027F)	4.7%
2022 Assets % of Total Consolidated Regulated Assets ⁽¹⁾	9%
Regulatory Proceedings	2024 Generic Cost of Capital Proceeding & Third PBR Term

(1) Includes goodwill.

FORTISALBERTA CAPITAL INVESTMENT OVERVIEW



\$2.4B Distribution Infrastructure
Safety & reliability of distribution assets, meter upgrades, pole management program, modernization



\$500M IT, General and Other

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% - 9.36% ROE on 40% equity ⁽²⁾
2023F Rate Base	\$1.3B	\$0.5B	\$0.7B ⁽¹⁾
5-Year Rate Base CAGR (2022A-2027F)	4.2%	8.1%	15.3% ⁽³⁾
2022 Assets % of Total Consolidated Regulated Assets ⁽⁴⁾	3%	1%	1%
Development Opportunities ⁽⁵⁾	Grid Modernization	Grid Modernization	Municipal Utility Consolidation
Regulatory Proceedings	-	General Rate Application	-

(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, 9.30% for Canadian Niagara Power transmission and 9.36% for Wataynikaneyap Transmission Power Project. 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)



(1)



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
2022 Achieved ROE	10.8%	10.8%
2023F Rate Base ⁽²⁾	\$0.8B	\$0.5B
5-Year Rate Base CAGR (2022A-2027F)	10.6%	3.3%
2022 Assets % of Total Consolidated Regulated Assets ⁽³⁾	2%	1%
Development Opportunities ⁽⁴⁾	Grid Modernization, Battery Storage & Renewables	

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

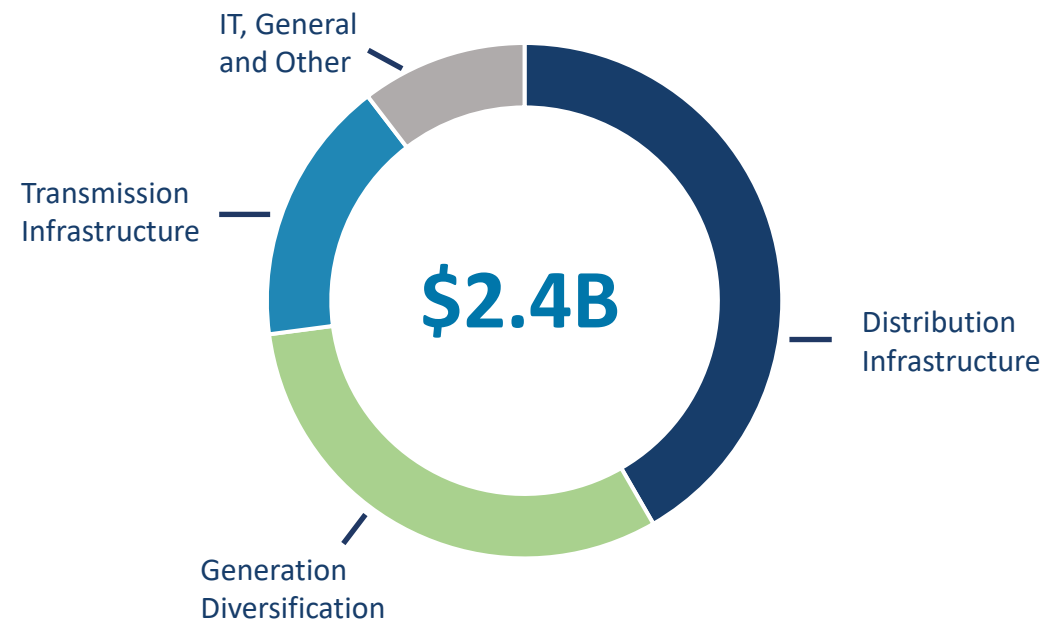
(2) U.S. dollar-denominated rate base converted at a forecast USD:CAD foreign exchange rate of 1.30.





(3) Includes goodwill

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

OTHER ELECTRIC CAPITAL INVESTMENT OVERVIEW

2023-2027 CAPITAL⁽¹⁾



-  **\$1B Distribution Infrastructure**
Newfoundland Power, Maritime Electric and Caribbean Utilities
-  **\$750M Generation Diversification**
Caribbean Utilities shift to cleaner energy
-  **\$400M Transmission Infrastructure**
Maritime Electric
Wataynikaneyap Transmission Power Project
-  **\$250M IT, General and Other**

(1) U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD foreign exchange rate of 1.30.

2022-2027 RATE BASE BY BUSINESS UNIT

Rate Base

(\$BILLIONS, EXCEPT FOR CAGR)	2022A	2023F	2024F	2025F	2026F	2027F	5-YEAR CAGR to 2027
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 2022 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

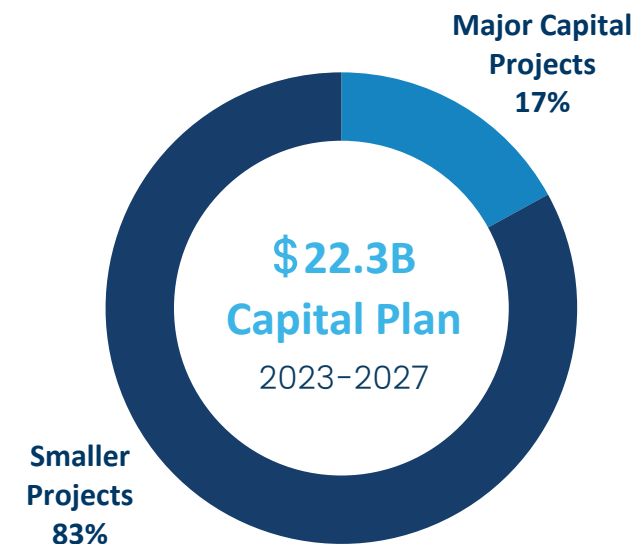
(\$MILLIONS)	Capital Plan ⁽¹⁾					2023-2027 TOTAL
	2023F	2024F	2025F	2026F	2027F	
Regulated - Independent Electric Transmission						
ITC	1,103	1,177	1,137	1,180	1,220	5,817
Regulated – U.S. Electric & Gas						
UNS Energy	1,006	690	986	1,027	891	4,600
Central Hudson	384	343	418	334	360	1,839
Total Regulated – 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 2022 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.

MACRO OUTLOOK & ASSUMPTIONS



Foreign Exchange

- USD:CAD FX Rate of 1.30 for 2023-2027
- 65% of operating earnings⁽¹⁾ / 60% of capital plan from U.S. & Caribbean
- +/- \$0.05 change in USD:CAD – EPS: \$0.06⁽²⁾
Five-year capital plan: \$500M



Interest Rates

- Primary exposure to rising rates at Fortis Inc. and ITC Holdings (non-regulated)
- Average annual near-term non-regulated maturities of ~US\$400M at ~4% weighted average rate for 2023-2025



Inflation

- Plan assumes moderating inflation levels with return to historical averages in 2025
- +/- 100 bps in inflation impacts five-year capital plan by ~\$200M



ROE & Equity Ratio

(EPS Impact)	ROE +/- 25 bps	Equity +/- 100 bps
• ITC	• \$0.03	• \$0.02
• UNS Energy	• \$0.02	• \$0.01
• FortisBC Energy	• \$0.01	• \$0.01

(1) Non-U.S. GAAP financial measure as at December 31, 2022. Excludes Net Expense of Corporate and Other segment.

(2) Foreign exchange EPS sensitivity inclusive of the Corporation's hedging activities.



Q4 SALES TRENDS

RETAIL ELECTRIC SALES

Q4 2022 vs. Q4 2021 SALES TRENDS



N/A

- Peak load down 5% due to milder weather impacts and economic conditions



+3%

- Increase primarily due to favourable weather impacts and customer growth; excluding weather impacts, retail sales up 1%



-4%

- Residential sales down 7% due to lower average consumption; commercial and industrial (C&I) sales down 1%



+1%

- Residential sales up 3% due to colder temperatures; C&I sales up 1% due to higher load from industrial customers



+4%

- Residential electric sales up 2% due to colder temperatures; C&I electric sales up 8%

Other Electric

-

- Eastern Canadian residential sales flat and C&I sales up 2%
- Caribbean sales up 3% due to increased tourism-related activities

(1) Excludes wholesale sales at UNS Energy.

(2) Reflects electric sales at FortisBC Electric. Gas sales at FortisBC up 1% primarily due to higher average consumption by residential and commercial customer due to colder temperatures.



2022 SALES TRENDS

RETAIL ELECTRIC SALES

2022 vs. 2021 SALES TRENDS



N/A

- Peak load up 1% due to favourable weather impacts



+1%

- Increase primarily due to higher cooling load associated with warmer temperatures and customer growth; Excluding weather impacts, retail sales flat



-

- Residential sales down 1% due to lower average consumption and C&I up 2%



+2%

- Residential sales down 2% due to milder weather in Q3; C&I up 3% due to higher load from industrial customers, higher average consumption from commercial customers, and customer additions



+2%

- Residential electric sales flat; C&I electric sales up 5% due to higher average consumption by industrial customers

Other
Electric

+2%

- Eastern Canadian residential and C&I sales each up 2%
- Caribbean sales up 3% due to increased tourism-related activities

(1) Excludes wholesale sales at UNS Energy.

(2) Reflects electric sales at FortisBC Electric. Gas sales at FortisBC Energy up 1% primarily due to higher average consumption by residential and commercial customer due to colder temperatures.



LIMITED PENSION EXPOSURE

Defined Benefit Pension Plans

- 101% of \$3.1B pension benefit obligation funded at December 31, 2022
- Allocation of plan assets at December 31, 2022
 - Equities – 48%
 - Fixed income – 43%
 - Other – 9%
- ~80% of pension assets subject to regulatory mechanisms
 - UNS pension plan assets (~\$0.6B) not subject to automatic regulatory mechanisms
 - No significant change expected in UNS' 2023 pension expense based on actuarial calculations and asset valuations at December 31, 2022


Certain U.S. Retirement Benefits

- Certain retirement benefits funded through trusts are subject to market changes each quarter
- Decline in market values in 2022 resulted in year-over-year unfavourable EPS impact of \$0.04
- ~US\$150M in assets at December 31, 2022

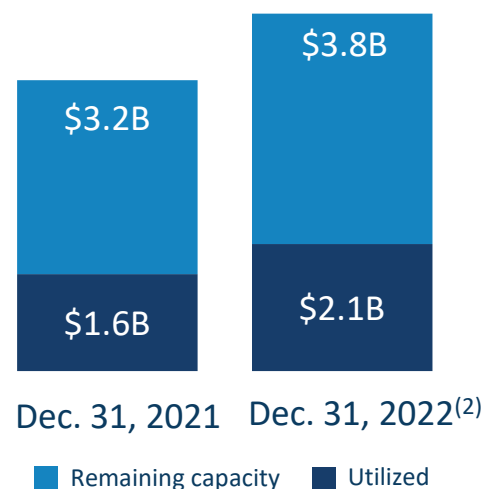


STRONG LIQUIDITY & CREDIT METRICS

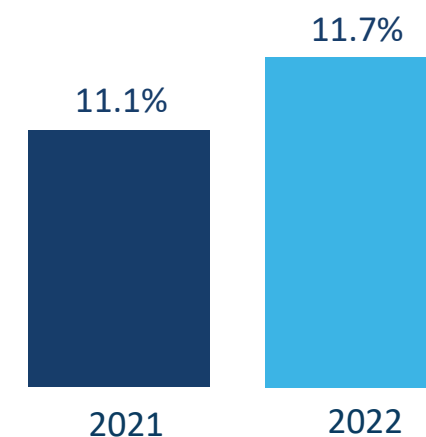
Active in Debt Markets

- Over \$3B in long-term debt raised in 2022
 - Weighted average rate of 3.9%⁽¹⁾
 - Terms ranging from 5-30 years
- Includes ~\$400M in green debt 
 - US\$170M at ITC
 - \$150M at FortisBC Energy

Ample Credit Facilities



Improving CFO/Debt Metrics⁽³⁾



(1) Refer to Slide 44 for additional details surrounding Fortis' debt issuances in 2022. Weighted average interest rate calculated using the effective interest rate, inclusive of hedging activities.

(2) In May 2022, Fortis Inc. entered a 1-year, unsecured US\$500M non-revolving term credit facility.

(3) CFO/Debt calculated in accordance with Moody's methodology. Excluding the foreign exchange impact on debt, CFO/Debt would be 12.0% and 11.2% in 2022 and 2021, respectively.

LONG-TERM DEBT ISSUANCES

Over \$3B in Long-Term Debt issued in 2022

- Fortis Inc. – \$500M unsecured 7-year 4.43% notes⁽¹⁾
- ITC
 - US\$300M secured mortgage bonds⁽²⁾ 🌱
 - US\$75M secured 30-year 3.05% notes
 - US\$600M unsecured 5-year 4.95% notes⁽³⁾
- UNS Energy – US\$325M unsecured 10-year 3.25% notes
- Central Hudson – US\$220M unsecured notes⁽⁴⁾
- FortisBC Energy – \$150M unsecured 30-year 4.67% debentures 🌱
- FortisAlberta – \$125M unsecured 30-year 4.62% debentures
- FortisBC Electric – \$100M unsecured 30-year 4.16% debentures
- Newfoundland Power - \$75M first mortgage 30-year 4.20% bonds
- Caribbean Utilities – US\$80M unsecured 30-year 5.88% notes

(1) The Corporation entered into cross-currency interest rate swaps to effectively convert the debt into US\$391M with an interest rate of 4.34%.

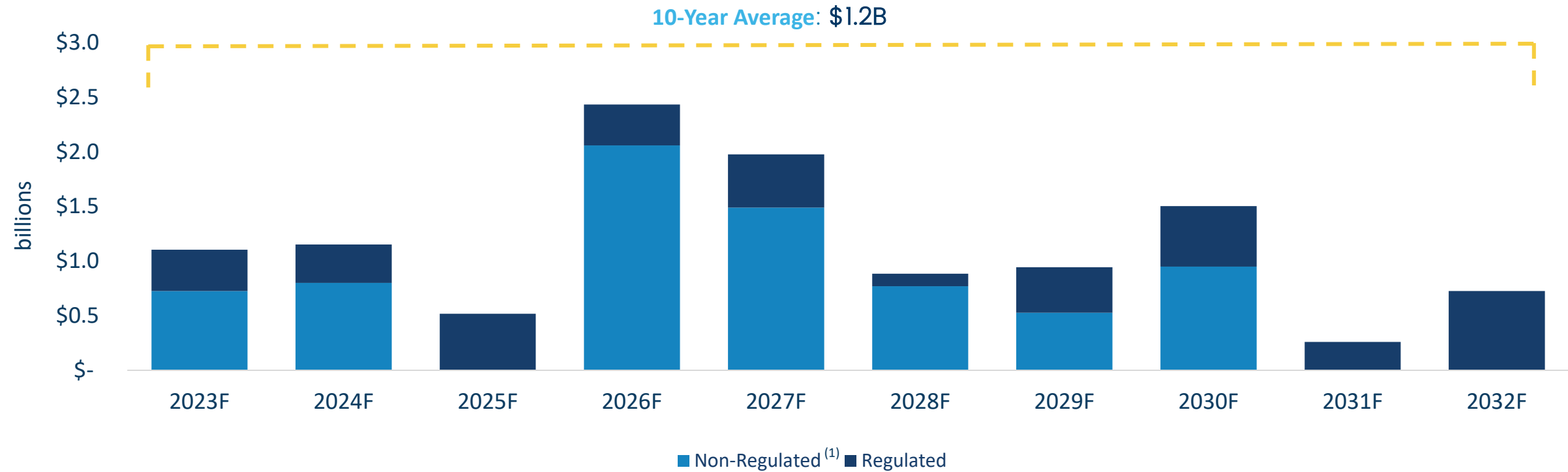
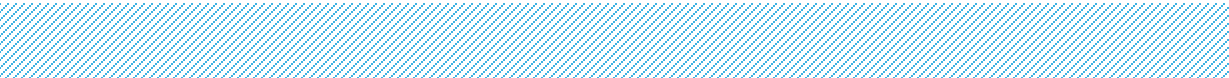
(2) Includes US\$150M 30-year 2.93% bonds issued in January, US\$75M 30-year 4.53% bonds issued in October and US\$75M 5-year 3.87% bonds issued in October. US\$170M of the US\$300M secured mortgage bonds proceeds used to fund eligible green projects.

(3) Prior to the issuance in September 2022, ITC executed US\$450M in interest rate swaps to manage refinancing risk associated with the debt issuance. Inclusive of the hedging activities, the effective interest rate on the US\$600M debt is 3.54%.

(4) Includes US\$50M 5-year 2.37% notes issued in January, US\$60M 7-year 2.59% notes issued in January, US\$100M 10-year 5.07% notes issued in September and US\$10M 30-year 5.42% notes issued in September.



DEBT MATURITIES



Note: Debt as at December 31, 2022 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

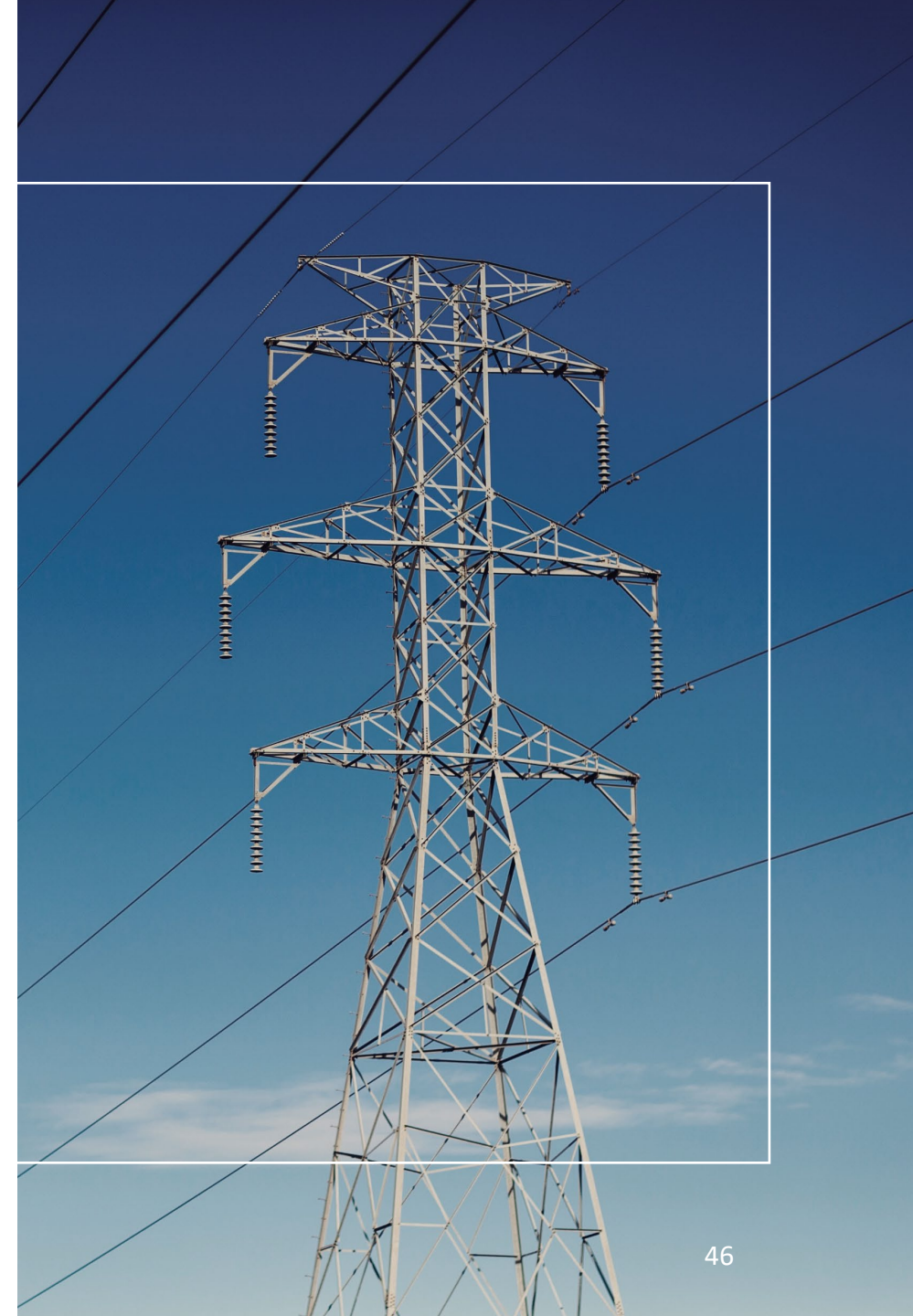
FortisBC Energy n/a A3 A

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+.



STRONG LEADERSHIP TEAM

Fortis Inc.
Exec.



David Hutchens
President & CEO



Jocelyn Perry
EVP, CFO



Jim Reid
EVP, Sustainability & CLO



Gary Smith
EVP, Operations & Innovation



Stuart Lochray
Sr. VP Capital Markets &
Business Development



Stephanie Amaimo
VP, Investor Relations



Julie Avery
VP, Controller



Karen Gosse
VP, Finance



Ron Hinsley
VP, IT & CIO



Karen McCarthy
VP, Communications &
Corporate Affairs



Regan O'Dea
VP, General Counsel



Kevin Woodbury
VP, Innovation &
Technology

Utility
CEOs



Linda Apsey
ITC



Chris Capone
Central Hudson



Roger Dall'Antonia
FortisBC



Ruth Forbes
FortisTCI



Susan Gray
UNS Energy



Scott Hawkes
FortisOntario



Richard Hew
Caribbean Utilities



Kay Menzies
Fortis Belize



Gary Murray
Newfoundland Power



Jason Roberts
Maritime Electric



Janine Sullivan
FortisAlberta