



Q2 Investor Marketing Presentation

FORTIS^{INC.}

Wired for Growth

Forward-Looking Information

Fortis Inc. (“Fortis” or, the “Corporation”) 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 included in this presentation reflect expectations of Fortis management regarding future growth, results of operations, performance, 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 statements, which include, without limitation: the expectation of regulatory stability in the near-term; the Corporation’s consolidated and segmented forecast midyear rate base for 2017 and the period 2017 through 2021 and associated compound annual growth rate; targeted average annual dividend growth through 2021; the acquisition of the Waneta Dam and related transmission assets and the expected timing and benefits thereof; the Corporation’s forecast gross consolidated and segmented capital expenditures for 2017 and the period 2017 through 2021; the nature, timing and expected costs of certain capital projects including, without limitation, the ITC Multi-Value Regional Transmission Projects and 34.5kV to 69kV Conversion Project, the Central Hudson Gas Main Replacement Program, the FortisBC Lower Mainland System Upgrade and expansion to Tilbury 1A, the FortisAlberta Pole Management Program, and additional opportunities including, without limitation, the Lake Erie Connector, the Wataynikaneyap Project and the pipeline expansion to the Woodfibre liquid natural gas site; the expected timing of filing of regulatory applications and receipt and outcome of regulatory decisions; and the expectation that potential U.S. tax reform will not be material to the Corporation.

Forward-looking information involves significant risk, uncertainties and assumptions. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking information. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally, including those identified from time-to-time in the forward-looking information. Such risk factors or assumptions include, but are not limited to: uncertainty regarding the outcome of regulatory proceedings of the Corporation’s utilities and the expectation of regulatory stability; no material capital project and financing cost overrun related to any of the Corporation’s capital projects; sufficient human resources to deliver service and execute the capital program; the Board of Directors exercising its discretion to declare dividends, taking into account the business performance and financial conditions of the Corporation; risk associated with the impact of less favorable economic conditions on the Corporation’s results of operations; no significant changes in laws and regulations that may materially negatively affect the Corporation and its subsidiaries; currency exchange rates and resolution of pending litigation matters. 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 Fortis with Canadian securities regulatory authorities and the Securities and Exchange Commission. 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 referenced is in Canadian dollars.

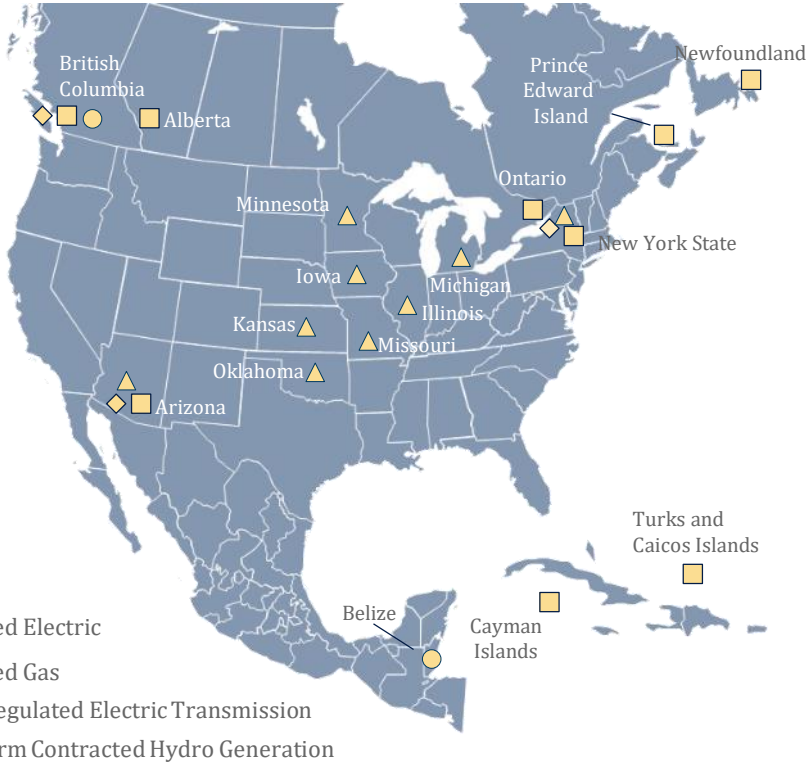
Fortis Today

- Leader in the North American regulated electric and gas utility business
- ITC provides strong platform in electric transmission sector
- Tremendous economic, geographic and regulatory diversity
- Recent regulatory outcomes provide stability for near term
- Visible growth provided by base 5-year capital program
- Pursuing several additional energy infrastructure opportunities
- Consistent dividend growth and superior long-term returns to shareholders



A Leader in North American Utility Industry

- Regulated utilities
 - 9 U.S. states
 - 5 Canadian provinces
 - 3 Caribbean countries
- ~8,400 employees
- 2017F midyear rate base ~\$26B
- ~30% of rate base regulated by FERC (ITC rate base)
- Market cap \$18.5B⁽¹⁾
- Listed on TSX/ NYSE



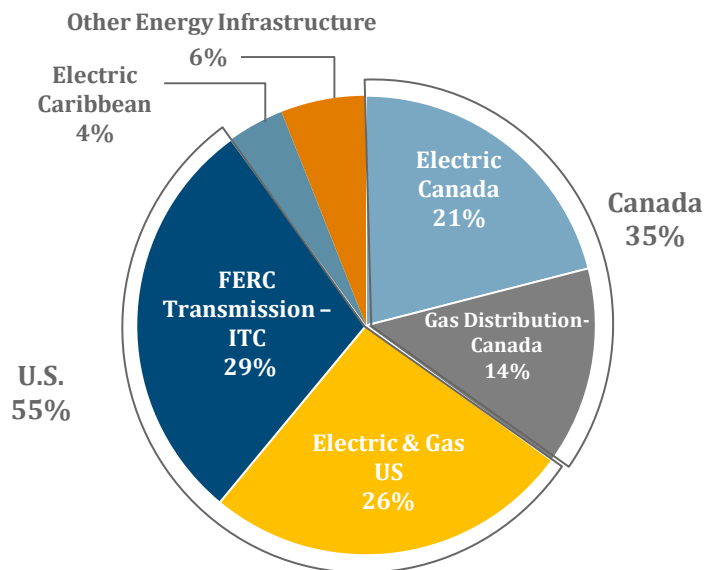
(1) Market capitalization as of April 28, 2017.



Highly Diversified: Economic, Geographic and Regulatory Diversification

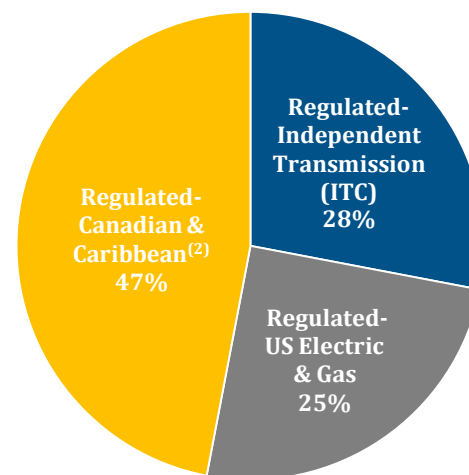
Pro Forma Operating Earnings ⁽¹⁾

For the Twelve Months
Ended March 31, 2017



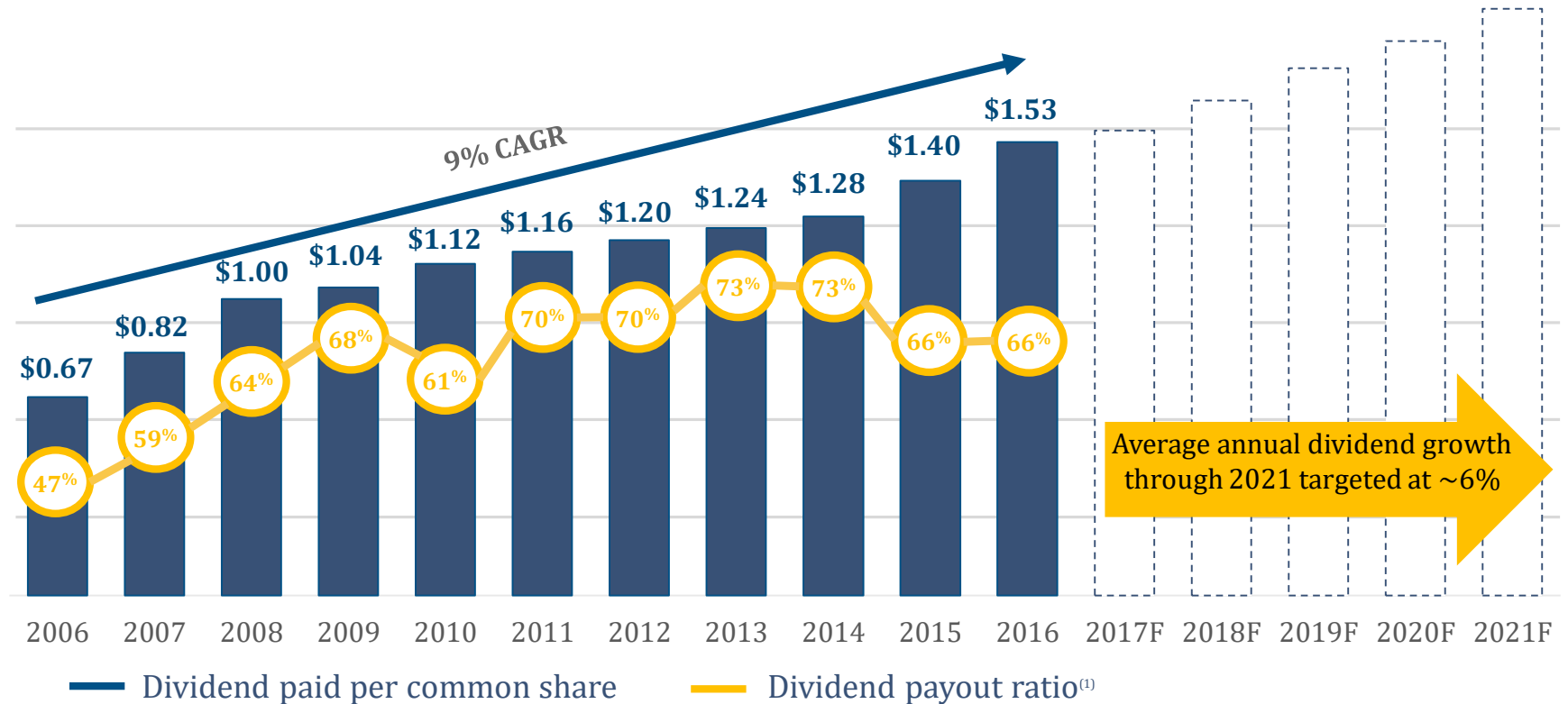
Fortis 2017 Midyear Rate Base ⁽²⁾

~\$26 Billion
Generation represents ~14% of rate base



(1) Excluding ITC's one-time merger-related expenses, "Corporate and Other" segments and intercompany eliminations.
 (2) Includes 100% of the Waneta Hydroelectric Expansion of which Fortis has a 51% controlling ownership interest.

Average Annual Dividend Growth Target of ~6% through 2021



*43 Consecutive Years of Annual Dividend Payment Increases –
 Longest record of any public company in Canada*

(1) Dividend payout ratio for 2011 through 2016 adjusted for non-recurring items

Delivering Superior Shareholder Returns

- Average annualized total shareholder return over last 5 years ⁽¹⁾

Fortis	9.39%
S&P/TSX Composite Index	8.06%
S&P/TSX Capped Utilities Index	6.45%

(1) For the 5-year period ending April 30, 2017.

Our Strategic Focus Delivers Results

Strategy

Leverage the operating model, footprint of our utilities, operating expertise, reputation and financial strength to develop growth opportunities



Strategic Initiatives

Execute
Utility CAPEX
Plan

Target
Additional
Energy
Infrastructure

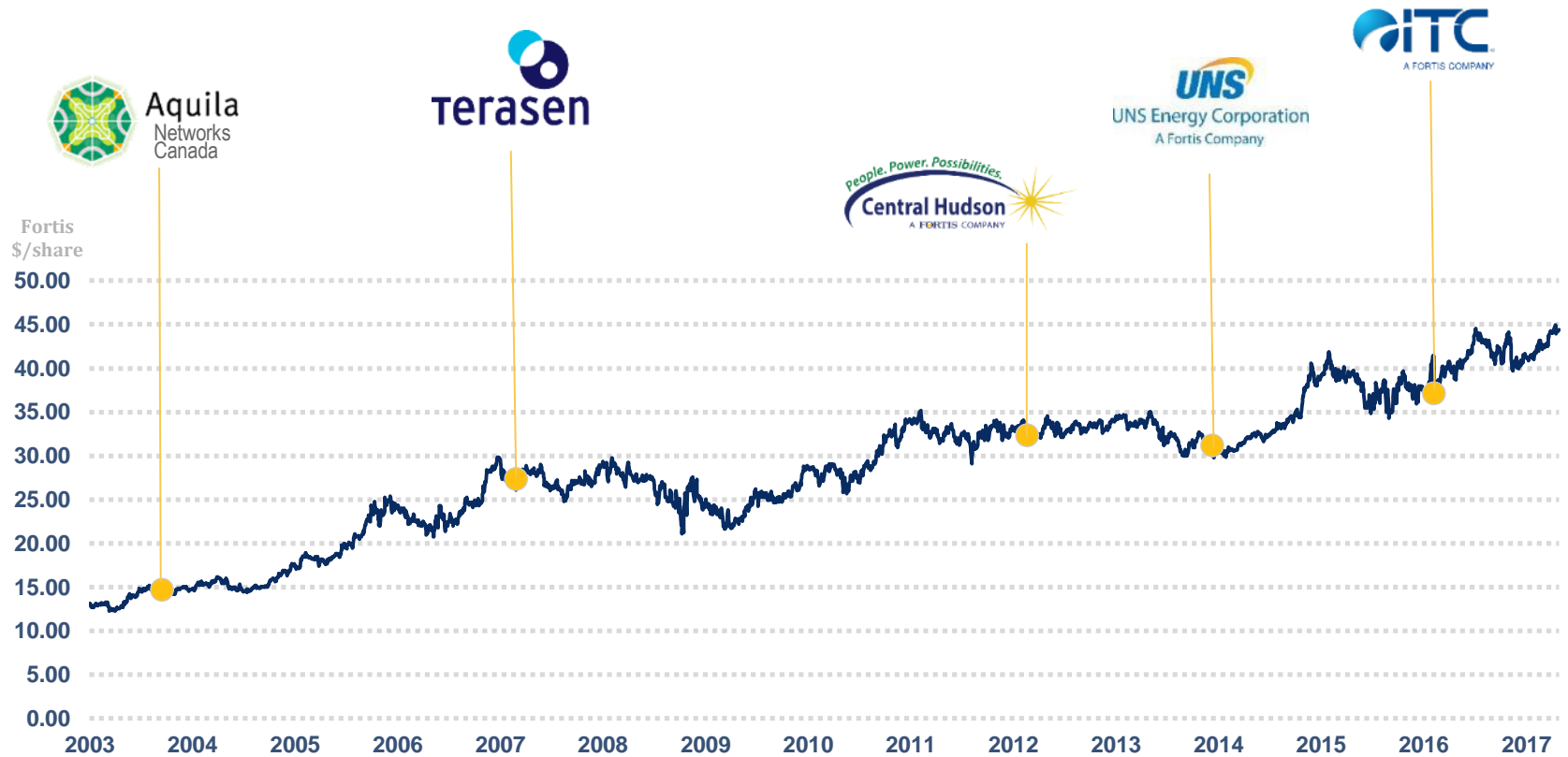
Increase
Renewables

Enhance
Customer &
Regulatory
Relationships

Unlock LNG
Value

Utility
Acquisitions

Proven Acquisition Track Record



Note: Indicates date of announcement by Fortis that it had entered into an agreement to acquire the respective utilities.

ITC: Transformational Growth for Fortis



- ✓ Accretive to EPS
- ✓ Financing complete
- ✓ Integration on track
 - Minimal impact on day-to-day operations at ITC
 - ITC's new board of directors formed
 - Linda Blair appointed President and CEO of ITC during Q4 2016
 - Joe Welch elected to Fortis' board of directors in 2017



Waneta Dam Agreement: Fits Strategy of Diversification and Growth within our Existing Franchise Regions

- ✓ High-quality, renewable energy facility located in current operational area.
- ✓ Currently operated by FortisBC.
- ✓ Stable long-term contracted asset that will generate strong cash flows secured by a 20-year agreement with Teck.
- ✓ Natural fit with our strategy to increase our investment in sustainable energy.
- ✓ The transaction is expected to be immediately accretive to earnings per share.



Acquisition of Waneta Dam –

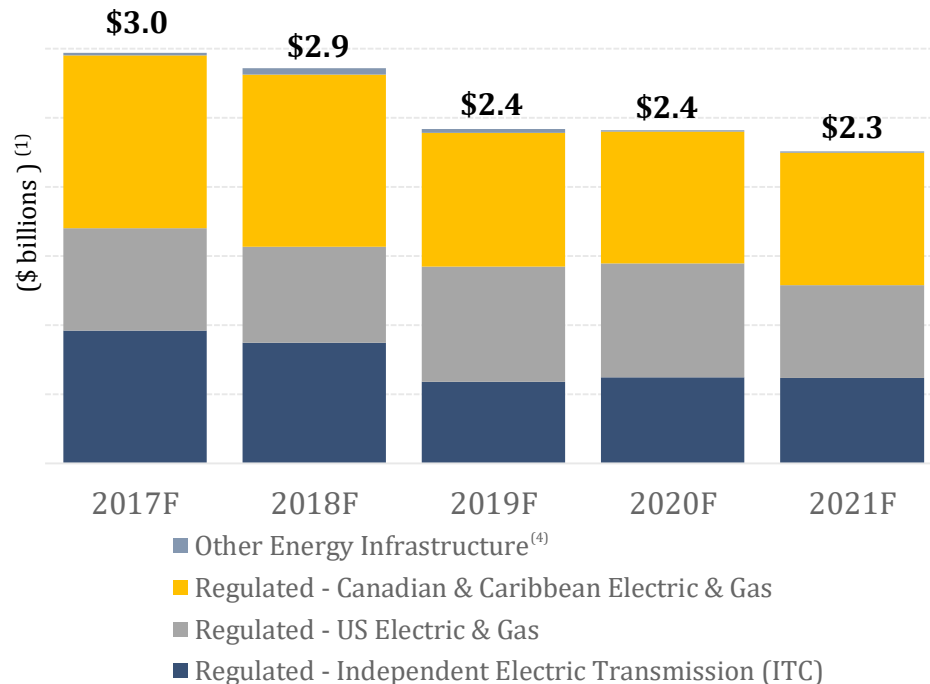
Fortis is acquiring 2/3 ownership interest from Teck for \$1.2B with BC Hydro owning the remaining 1/3 interest

Waneta Expansion Facility –

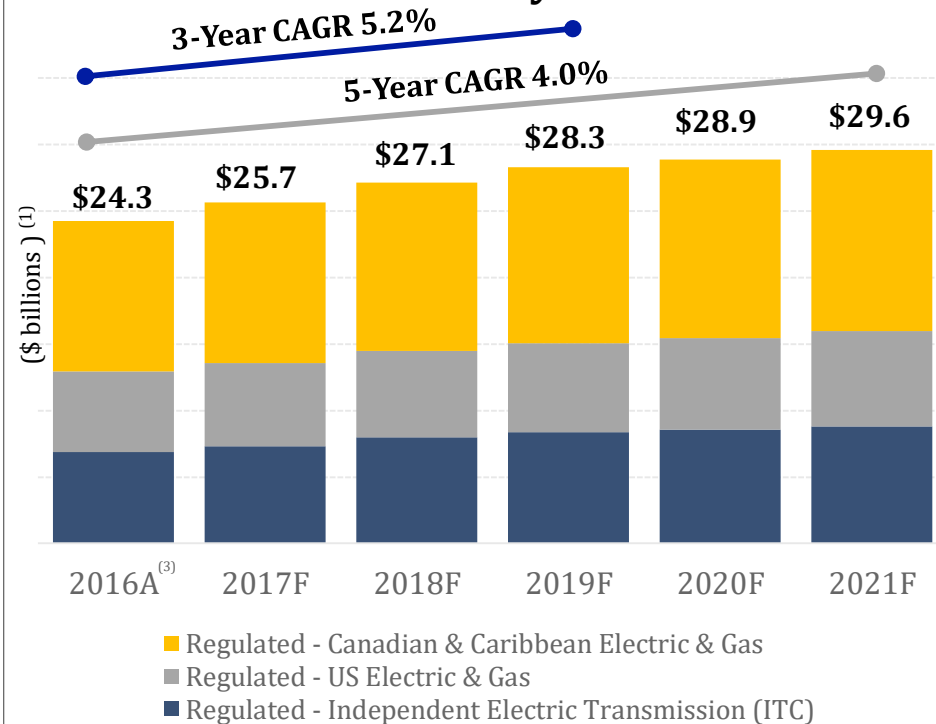
Fortis currently holds a 51% interest in the Waneta Expansion, completed in 2015. FortisBC operates the facility.

Capital Plan Grows Rate Base to ~\$30 Billion in 2021

~\$13B Five-Year Capital Program



2016 - 2021 Midyear Rate Base⁽²⁾



Midyear Rate Base Sensitivities

Capex at \$3B for all years

Add \$1 billion in rate base in the last year

3-Year CAGR to 2019

+30 bps to 5.5%

+130 bps to 6.5%

5-Year CAGR to 2021

+90 bps to 4.9%

+70 bps to 4.7%

(1) US Dollar-denominated CAPEX and midyear rate base converted at a USD/CAD exchange rate of 1.30 for 2017 through 2021.

(2) Includes the impact of bonus depreciation and excludes construction work in progress.

(3) Reflects actual midyear 2016 rate base compared to the November 2016 forecast of \$24.2 billion.

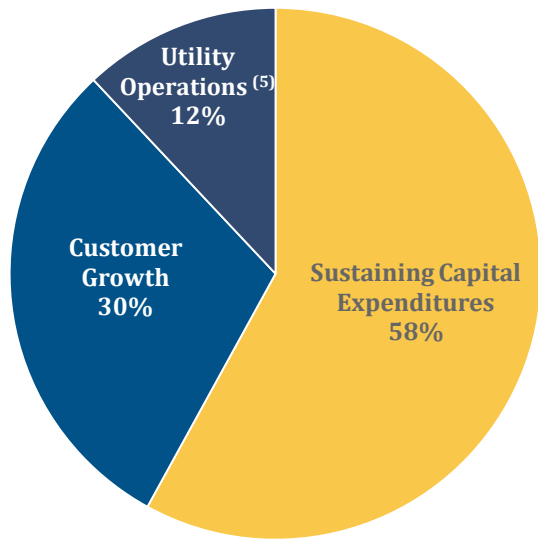
(4) Includes 100% of the Waneta Expansion, of which Fortis has a 51% controlling ownership interest.

Highly Executable Capital Plan: Contains Few Major Capital Projects & Focuses on Sustaining Capital Expenditures

Major Capital Projects ⁽¹⁾

\$millions ^{(2) (3)}	Forecast 2017	Forecast 2018-2021	Total 2017-2021 Forecast
ITC Multi-Value Regional Transmission Projects ⁽⁴⁾	305	244	549
ITC 34.5 kV to 69 kV Conversion Project	89	369	458
Central Hudson Gas Main Replacement Program	33	169	202
FortisBC Tilbury LNG Facility Expansion – Tilbury 1A	65	-	65
FortisBC Lower Mainland System Upgrade	162	220	382
FortisAlberta Pole-Management Program	43	53	96

5-Year Capital Forecast Spending






(1) Major capital project is defined as a capital project that has a total capital cost of over \$50 million. Fortis has 11 major capital projects in the 2017 through 2021 plan.
 (2) Represents capital asset expenditures, including both the capitalized debt and equity components of AFUDC, where applicable.
 (3) US Dollar denominated CAPEX converted at a USD/CAD exchange rate of 1.30 for 2017 through 2021.
 (4) Consists of four separate multi-value projects to create a stronger connection within the Midwestern United States, improve transmission capacity and to connect wind energy.
 (5) Includes facilities, equipment, vehicles, information technology and other assets.

Opportunities Beyond Base Plan



Development Project Update

 <p>Woodfibre LNG</p>	<ul style="list-style-type: none"> • Potential pipeline expansion to the Woodfibre LNG export site • Project estimate of up to \$600 million, not currently in forecast • Earliest expected in service date is late 2020
 <p>Lake Erie Connector</p>	<ul style="list-style-type: none"> • Proposed 1,000 MW, bi-directional, high-voltage direct current transmission underwater line connecting the Ontario energy grid to the PJM energy market • Expected in-service date of late 2020, subject to meeting milestones
 <p>Wataynikaneyap Power Project</p>	<ul style="list-style-type: none"> • Opportunity to connect remote First Nations communities in Northern Ontario to the grid • Received approval from the OEB in the first quarter of 2017 to acquire Renewable Energy Systems Canada ownership interest, which closed in March 2017 • During Q1 2017 the OEB also issued its deferral account approval allowing recovery of spending that occurred since November 2010 • Construction will begin following the receipt of permitting, approvals and a cost-sharing agreement between the federal and provincial governments

Poised to Deliver Quality Results

- On track to execute 2017 plan, supported by acquisition of ITC and new UNS rates
- Consistent dividend growth
 - 43 years of consecutive dividend increases
 - 6% average annual dividend growth guidance through 2021
- Highly diversified regulated utilities, focused on wires and gas businesses
- Highly executable base capital plan
- Regulatory stability
- Strong M&A track record & upside growth potential
- Track record of superior shareholder returns





Appendix

FORTIS INC.

Appendix Table of Contents

Utilities Overview:

ITC Holdings Corp.	20
UNS Energy	21
Central Hudson	22
FortisBC	23
FortisAlberta	24
Eastern Canadian Regulated Electric Utilities	25
Caribbean Regulated Electric Utilities	26

Financial Strength:

Fortis Delivers Strong Results in 2016	27
First Quarter Performance In Line with Plan	28
Diversified Portfolio of Utilities Continues to Deliver Strong Performance	29
Q1 2017 Results by Segment	30
Investment-Grade Credit Ratings and Ample Liquidity will Assist in Execution of Growth Strategy	31
Manageable Debt Maturities	32

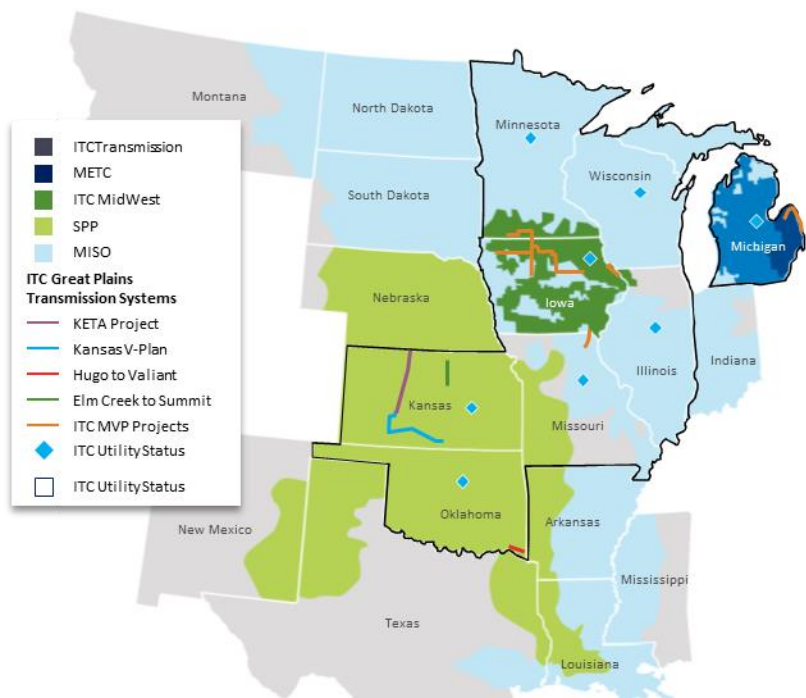
Appendix Table of Contents

Other:

Regulatory Stability	33
Predictable Returns from Highly Regulated Asset Base	34
Utility Debt Credit Ratings	35
Operational Highlights	36
U.S. Tax Reform	37
ITC's MISO Base ROE Complaint – Status Update	38
Expected Upcoming Events	39
Executive Team	40

ITC Holdings Corp.

Largest US independent transmission company



ITC Holdings Corp.	
Type of utility	Transmission
Regulator	FERC
Regulatory model	Independent Transmission Company
2017 formula	10.32-11.35% ROE on 60% equity
2017F Midyear Rate Base	\$7.3M
5-Year CAGR on Midyear Rate Base ⁽¹⁾	4.9%
2016 Assets % of total regulated assets ⁽²⁾	39%
2016 Pro Forma Earnings ⁽³⁾	\$352M
2016 Pro Forma Earnings % of total regulated operating earnings	33%
Major Capital Projects	Multi-Value Regional Transmission Projects (“MVPs”) and 34.5 to 69 kilovolt Conversion Project
Development Opportunities ⁽⁴⁾	Lake Erie Connector and Mexico Transmission Projects
Pending Regulatory Decisions	Second MISO Base ROE Complaint

(1) 5-Year CAGR on midyear rate base includes 2016 actuals to 2021 forecast.

(2) Includes goodwill.

(3) Assumes full year of earnings converted at a USD/CAD exchange rate of 1.33, represents the Corporation’s 80.1% controlling interest in ITC, excludes one-time merger-related expenses and includes consolidated purchase price accounting adjustments. Earnings from October 14, 2016, the date of acquisition were \$59 million.

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

UNS Energy



- TEP Service Territory
- UNS Gas Service Territory
- UNS Electric Service Territory
- Shared UNS Gas and UNS Electric Service Territory

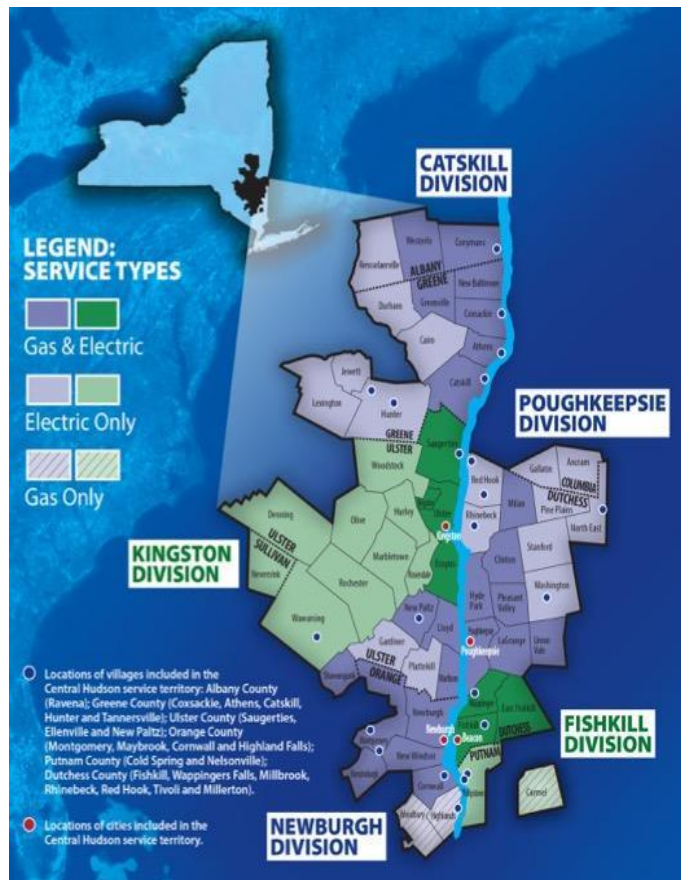
	Tucson Electric	UNS Electric	UNS Gas
Type of utility	Electricity	Electricity	Gas distribution
Regulator	Arizona Corporation Commission		
Regulatory model	Cost of service/Historical Test Year		
2017 formula	9.75% ROE on 50% equity	9.5% ROE on 52.83% equity	9.75% ROE on 50.8% equity
2017F Midyear Rate Base	\$4.7M		
5-Year CAGR on Midyear Rate Base ⁽¹⁾	2.1%		
2016 Assets % of total regulated assets ⁽²⁾	19%		
2016 Earnings	\$199M		
2016 Pro Forma Earnings % of total regulated operating earnings	19%		
Development Opportunities ⁽³⁾	Renewables and Generation Opportunities		

(1) 5-Year CAGR on midyear rate base includes 2016 actuals to 2021 forecast.

(2) Includes goodwill.

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

Central Hudson



Central Hudson Gas and Electric	
Type of utility	Gas and electricity
Regulator	NY State Public Service Commission
Regulatory model	Cost of service on future test year
2017 formula	9% ROE on 48% equity
2017F Midyear Rate Base	\$1.6M
5-Year CAGR on Midyear Rate Base ⁽¹⁾	7.2%
2016 Assets % of total regulated assets ⁽²⁾	7%
2016 Earnings	\$70M
2016 Pro Forma Earnings % of total regulated operating earnings	7%
Major Capital Projects	Gas Main Replacement Program
Development Opportunities ⁽³⁾	REV Demonstration Projects & NY Transco LLC, Gas Infrastructure

(1) 5-Year CAGR on midyear rate base includes 2016 actuals to 2021 forecast.

(2) Includes goodwill.

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

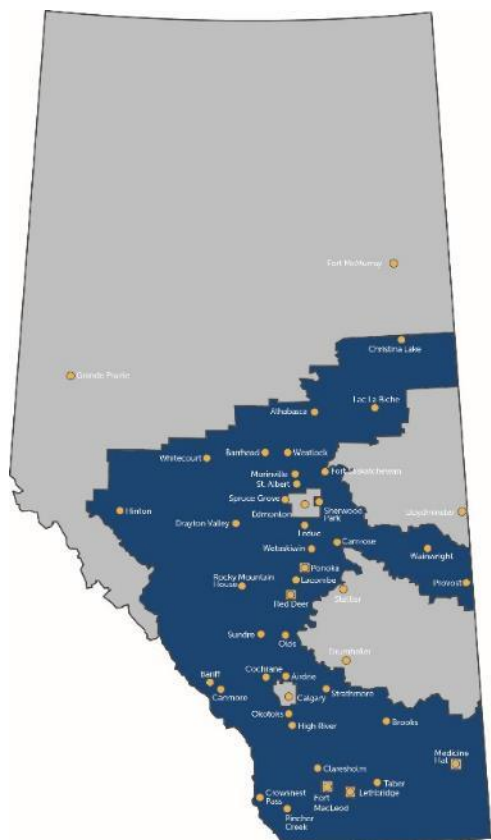


FortisBC		
Type of utility	Gas distribution	Electricity
Regulator	BC Utilities Commission	BC Utilities Commission
Regulatory model	Cost of service + PBR	Cost of service + PBR
2017 formula	8.75% ROE on 38.5% equity	9.15% ROE on 40.0% equity
2017F Midyear Rate Base	\$4.1M	\$1.3M
5-Year CAGR on Midyear Rate Base ⁽¹⁾	4.4%	2.7%
2016 Assets % of total regulated assets ⁽²⁾	13%	5%
2016 Earnings	\$151M	\$54M
2016 Pro Forma Earnings % of total regulated operating earnings	14%	5%
Major Capital Projects	Tilbury LNG Facility Expansion and Lower Mainland System Upgrade	N/A
Development Opportunities ⁽³⁾	Woodfibre LNG, Tilbury further expansion and additional gas infrastructure opportunities	N/A

(1) 5-Year CAGR on midyear rate base includes 2016 actuals to 2021 forecast.

(2) Includes goodwill.

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



FortisAlberta	
Type of utility	Electricity distribution
Regulator	Alberta Utilities Commission
Regulatory model	PBR
2017 formula	8.5% on 37% equity
2017F Midyear Rate Base	\$3.2M
5-Year CAGR on Midyear Rate Base ⁽¹⁾	5.3%
2016 Assets % of total regulated assets ⁽²⁾	9%
2016 Earnings	\$121M
2016 Pro Forma Earnings % of total regulated operating earnings	11%
Major Capital Projects	Pole-Management Program
Pending Regulatory Decisions	PBR Next Generation Compliance Application

- (1) 5-Year CAGR on midyear rate base includes 2016 actuals to 2021 forecast.
 (2) Includes goodwill.

Eastern Canadian Regulated Electric Utilities

	FortisOntario ⁽¹⁾	Maritime Electric	Newfoundland Power
Type of utility	Electricity	Electricity	Electricity
Regulator	Ontario Energy Board	Island Regulatory and Appeals Commission	Newfoundland and Labrador Board of Commissioners of Public Utilities
Regulatory model	Cost of service with incentives	Cost of service on future test year	Cost of service on future test year
2017 formula	8.93% - 9.30% on 40% equity	9.35% ROE on 40% equity	8.50% ROE +/- 50 bp on 45% equity
2017F Midyear Rate Base	\$0.3M	\$0.4M	\$1.1M
5-Year CAGR on Midyear Rate Base ⁽²⁾	3.9%	2.6%	2.8%
2016 Assets % of total regulated assets ⁽³⁾	1%	1%	3%
2016 Earnings	\$12M	\$12M	\$40M
2016 Pro Forma Earnings % of total regulated operating earnings	1%	1%	4%
Development Opportunities ⁽⁴⁾	Wataynikaneyap Power Project	N/A	N/A

(1) Includes three electric utilities: Canadian Niagara Power, Cornwall Electric and Algoma Power.

(2) 5-Year CAGR on midyear rate base includes 2016 actuals to 2021 forecast.

(3) Includes goodwill.

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

Caribbean Regulated Electric Utilities

	Caribbean Utilities ⁽¹⁾	Fortis Turks & Caicos
Type of utility	Electricity	Electricity
Regulator	Electricity Regulatory Authority	Government of the Turks and Caicos Islands
Regulatory model	Cost of service with historical test year	Cost of service with historical test year
2017 formula	6.75-8.75% Return on Assets	15-17.50% Return on Assets
2017F Midyear Rate Base	\$0.6M	\$0.4M
5-Year CAGR on Midyear Rate Base ⁽²⁾	3.0%	4.8%
2016 Assets % of total regulated assets ⁽³⁾	2%	1%
2016 Earnings	\$20M	\$18M
2016 Pro Forma Earnings % of total regulated operating earnings	2%	2%

(1) Fortis has an approximate 60% controlling interest in Caribbean Utilities Company, Ltd. Excludes earnings from Fortis' 33% ownership interest totaling \$8 million, or 1% of total regulated operating earnings.

(2) 5-Year CAGR on midyear rate base includes 2016 actuals to 2021 forecast.

(3) Includes goodwill.

Fortis Delivers Strong Results in 2016



Transformative Acquisition Completed

- ✓ Closed the acquisition of ITC in a transaction valued at ~\$16 billion on closing
- ✓ Listed on New York Stock Exchange

Strong Earnings and Cash Flow

- ✓ Adjusted EPS 8% higher in 2016 over prior year, excluding ITC
- ✓ Cash flow from operations 13% higher than 2015

Execution of Growth Strategy

- ✓ Invested \$2.1 billion in 2016
- ✓ Major capital projects progressing
- ✓ Pursuing additional opportunities in service territories

Progress in Regulatory Proceedings

- ✓ Constructive outcomes at FortisBC, FortisAlberta, TEP & ITC in 2016

First Quarter Performance In Line with Plan

Earnings & Cash Flows

- Q1 2017 adjusted EPS of \$0.69
 - An increase of \$0.02 compared to Q1 2016
 - Earnings growth driven by UNS and accretion from ITC
 - Tempered by lower earnings at FortisAlberta as well unfavourable foreign exchange associated with US dollar-denominated earnings
- Cash flow from operating activities totalled ~\$500 million, increasing 12% compared to Q1 2016 driven by ITC

Accretion at ITC on Plan

- ITC accretive in Q1 2017
- Raised \$500 million through a private placement of 12.2 million common shares to a large US institutional investor

Execution of Growth Strategy

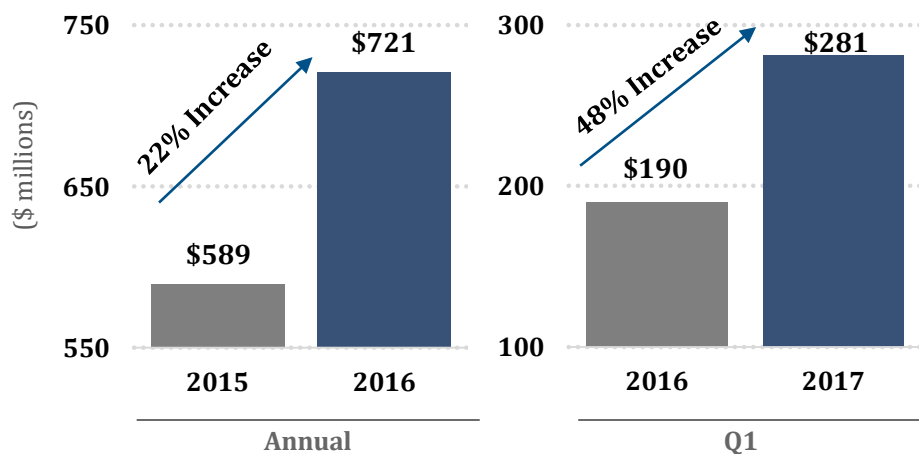
- Invested ~\$700 million in Q1; on track to invest \$3.0 billion in 2017
- Major capital projects progressing as planned

Dividend

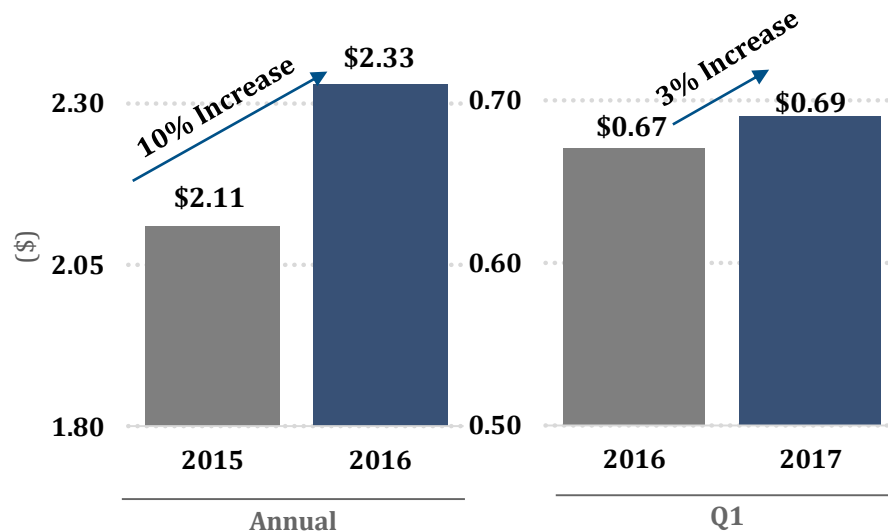
- Dividends paid per common share of \$0.40 in Q1 2017 compared to \$0.375 in Q1 2016
- Targeting average annual dividend growth of ~6% through 2021

Diversified Portfolio of Utilities Continues to Deliver Strong Performance

Adjusted Earnings



Adjusted EPS



Q1 2017 Results by Segment

	Q1 Variance Analysis By Segment						
	Q1 2017	Adj.	Q1 2017 (Adjusted)	Q1 2016	Adj.	Q1 2016 (Adjusted)	Q1 (Adjusted) Variance
<i>(Millions excluding EPS)</i>							
Regulated- Independent Electric Transmission							
ITC Holdings	91	-	91	-	-	-	91
Regulated - US Electric & Gas							
UNS Energy	41	(7)	34	12	11	23	11
Central Hudson	23	-	23	24	-	24	(1)
	<u>64</u>	<u>(7)</u>	<u>57</u>	<u>36</u>	<u>11</u>	<u>47</u>	<u>10</u>
Regulated Canadian & Caribbean Electric & Gas							
FortisBC Gas	97	-	97	92	-	92	5
FortisAlberta	25	-	25	31	-	31	(6)
FortisBC Electric	15	-	15	15	-	15	-
Eastern Canadian	18	-	18	18	-	18	-
Caribbean	8	-	8	10	-	10	(2)
	<u>163</u>	<u>-</u>	<u>163</u>	<u>166</u>	<u>-</u>	<u>166</u>	<u>(3)</u>
Other Energy Infrastructure	23	(6)	17	11	-	11	6
Corporate and Other	(47)	-	(47)	(51)	17	(34)	(13)
Net Earnings	\$ 294	\$ (13)	\$ 281	\$ 162	\$ 28	\$ 190	\$ 91
Weighted Avg Shares	406.2		406.2	282.4		282.4	123.8
EPS	\$ 0.72		\$ 0.69	\$ 0.57		\$ 0.67	\$ 0.02

Investment-Grade Credit Ratings and Ample Liquidity Will Assist In Execution of Growth Strategy

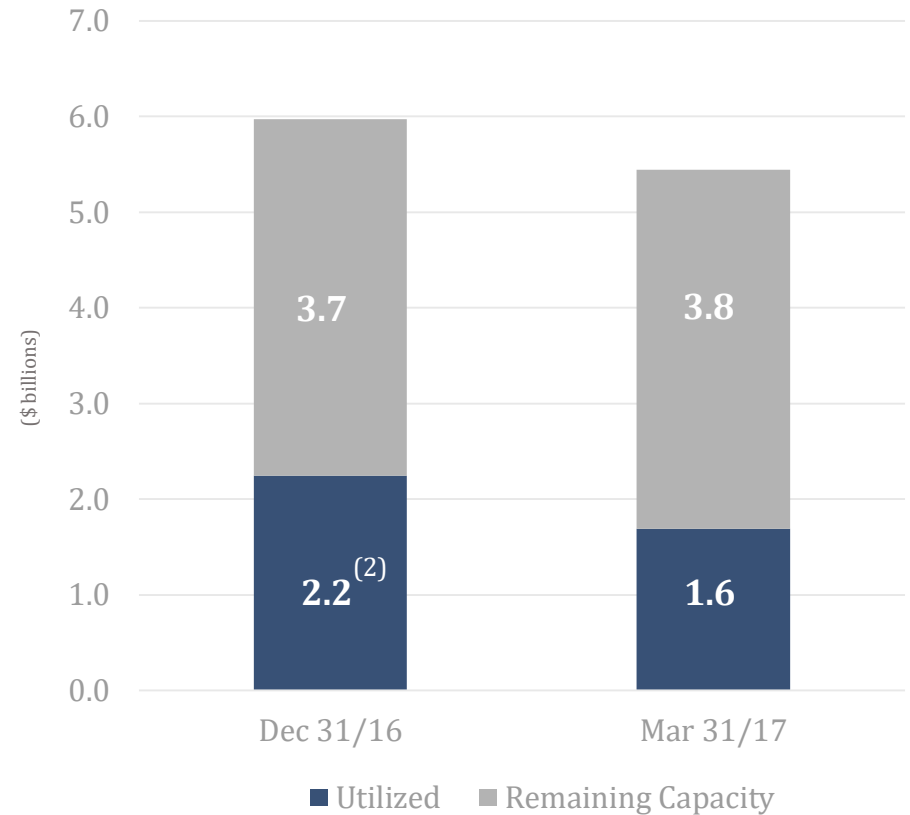
Credit Ratings⁽¹⁾

Fortis Inc.	
S&P	A- / BBB+
DBRS	BBB (high)
Moody's	Baa3

Capital Structure⁽³⁾

Debt	59.3%
Preferred	4.3%
Common	36.4%

Consolidated Credit Facilities



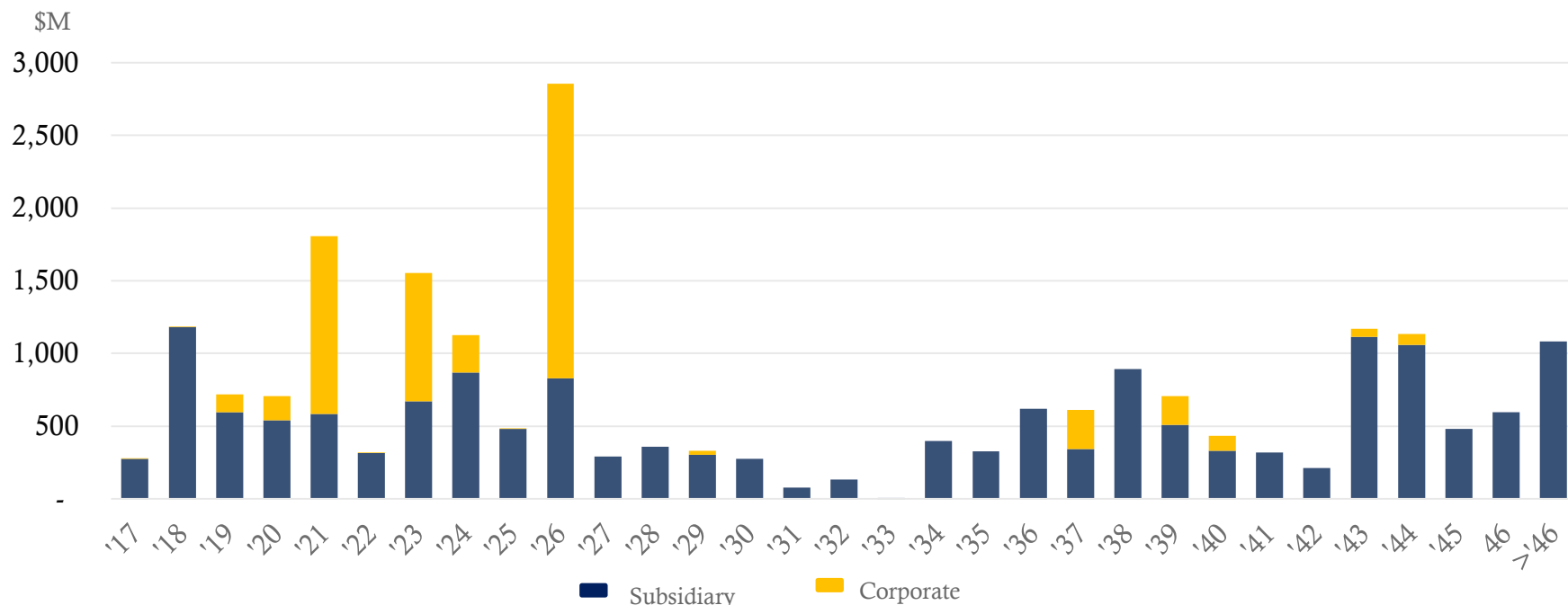
(1) In October 2016, following the completion of the acquisition of ITC, DBRS revised the Corporation's unsecured debt credit rating to BBB(high) from A(low) and revised its outlook to stable from under review with negative implications. In September 2016, Moody's assigned to Fortis, with a stable outlook, a Baa3 issuer and Baa3 senior unsecured debt credit ratings.

(2) Included \$500 million non-revolving term senior unsecured equity bridge credit facility, used to finance a portion of the cash purchase price of the acquisition of ITC, which facility was repaid in March 2017.

(3) As at March 31, 2017. Debt includes long-term debt and capital lease and finance obligations, including current portion, and short-term borrowings, net of cash.

Manageable Debt Maturities

Average Annual fixed-term debt maturities over the next five years ~\$900M



\$M	2017	2018	2019	2020	2021	Total
Canadian Regulated Electric	94	73	6	35	65	273
Canadian Regulated Gas	-	-	-	-	-	-
U.S. Regulated	166	1,086	575	476	488	2,791
Other Segments	17	27	17	32	34	127
Corporate	-	-	120	166	1,222	1,508
Total	277	1,186	718	709	1,809	4,699

Regulatory Stability

Recent Regulatory Outcomes

Regulated Utility	Application/Proceeding	Outcome	Agreement/ Decision Timing
ITC	Initial MISO Base ROE Complaint	– 10.32% base ROE with a high-end zone of reasonableness of 11.35%	September 2016
FortisBC Energy	2016 Application: ROE and Common Equity Thickness	– Maintained ROE at 8.75% and common equity thickness of 38.5%	August 2016
FortisAlberta	2016/2017 Generic Cost of Capital Proceeding (GCOC)	– ROE maintained for 2016 at 8.30% and increasing to 8.50% for 2017. Common equity thickness reduced from 40% to 37% for 2016 and 2017	October 2016
TEP	2017 General Rate Application (GRA)	– Decision issued approving settlement agreement on revenue requirement – 9.75% ROE and common equity thickness of 50%	February 2017


Remaining Significant Regulatory Decisions

Regulated Utility	Application/Proceeding	Filing Date	Expected Decision
ITC	Second MISO Base ROE Complaint	– Not applicable	To be determined

Predictable Returns From Highly Regulated Asset Base

 **FORTIS BC™**

PBR through 2019
 Allowed/Achieved 2016 ROE (%): 8.75/9.28(gas), 9.15/9.38(electric)
 Allowed 2017 ROE (%): 8.75-9.15
 Allowed Equity in Capital (%): 38.5-40

 **UNS Energy Corporation**


Historic Test Year
 Allowed/Achieved 2016 ROE (%): 10.0/8.20 (TEP)
 Allowed 2017 ROE (%): 9.50-9.75
 Allowed Equity in Capital (%): 50-52.8

 **FORTIS ALBERTA**

PBR through 2022
 Allowed/Achieved 2016 ROE (%): 8.30/9.70
 Allowed 2017 ROE (%): 8.50
 Allowed Equity in Capital (%): 37

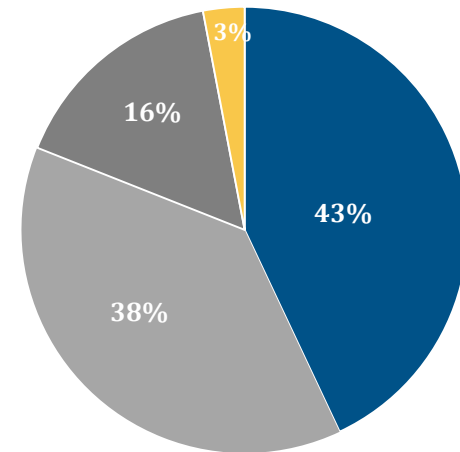
 **Central Hudson**
A FORTIS COMPANY

Future Test Year
 Allowed/Achieved 2016 ROE (%): 9.00/9.98
 Allowed 2017 ROE (%): 9.00
 Allowed Equity in Capital (%): 48

 **ITC**
A FORTIS COMPANY

FERC Regulated
 Forward Looking Rate Construct with True-Up
 Allowed/Achieved 2016 ROE (%): 11.32-13.88/12.65
 Allowed 2017 ROE (%): 10.32-11.35
 Allowed Equity in Capital (%): 60

97% Regulated Assets
 as at March 31, 2017



- Electric
- Transmission- ITC
- Gas
- Non-Regulated Energy Infrastructure

	2017		
Weighted Average	Canada	U.S.	Combined
Allowed ROE	8.73	10.50	9.74
Actual Equity Thickness	39.0	55.1	48.1

Utility Debt Credit Ratings

Company	S&P	DBRS	Moody's
Tucson Electric Power	A-	n/a	A3
Central Hudson	A-	n/a	A2
FortisBC (Gas)	n/a	A	A3
FortisAlberta	A-	A (low)	n/a
FortisBC (Electric)	n/a	A (low)	Baa1
Newfoundland Power	n/a	A	A2
ITCTransmission	A	n/a	A1
Michigan Electric Transmission Company (METC)	A	n/a	A1
ITC Midwest	A	n/a	A1
ITC Great Plains	A	n/a	A1

Operational Highlights

Regulated

UTILITY	(as at March 31, 2017)				Q1 2017				2017F		
	Customers			Total Assets (\$B)	Peak Demand		Volumes Gas (PJ)	Sales Electric (GWh)	Operating Earnings (\$M)	Midyear Rate Base (\$B)	Capital Program (\$M)
	Electric (#)	Gas (#)	Employees (#)		Gas (TJ)	Electric (MW)					
ITC ⁽¹⁾	N/A	-	650	18.0	-	15,798	-	N/A	91	7.3	958
UNS Energy	518,000	155,000	2,034	8.9	105	2,015	5	3,384	41	4.7	520
Central Hudson	300,000	80,000	999	3.2	126	827	9	1,244	23	1.6	222
FortisBC	170,000	998,000	2,185	8.3	1,336	522	83	945	112	5.4	578
FortisAlberta	550,000	-	1,113	4.1	-	2,725	-	4,551	25	3.2	419
Eastern Canadian	410,000	-	1,007	2.4	-	1,902	-	2,737	18	1.7	153
Caribbean Electric ⁽²⁾	43,000	-	373	1.3	-	130	-	191	8	1.0	99
Total Regulated	1,991,000	1,233,000	8,361	46.4	1,567	23,919	97	13,052	318	24.9	2,949

⁽¹⁾ Financial results are from date of acquisition. Highlights represent 100% of ITC except for earnings which represent the Corporation's 80.1% controlling ownership interest in ITC.

⁽²⁾ Includes 100% of Caribbean Utilities' operations except for earnings, which represent Caribbean Utilities' contribution to consolidated earnings of Fortis based on the Corporation's approximate 60% ownership interest.

Energy Infrastructure

	(as at March 31, 2017)			Q1 2017		2017F
	Generating Capacity (MW)	Storage Capacity (BCF)	Total Assets (\$B)	Energy Sales (GWh)	Operating Earnings (\$M)	Capital Program (\$M)
Energy Infrastructure	391	77	1.6	82	23	18

U.S. Tax Reform



Key Assumptions in Fortis Sensitivity Analysis

Corporate Tax Rate	Stress tested corporate tax rates at 20% and assumed remeasurement of existing deferred tax liabilities would be offset by a regulatory deferral mechanism
100% Deductibility of Capital Investments	Assumes deductibility is required rather than a discretionary election
Interest Expense Deductibility	Loss of interest deductibility only applies to prospective debt

Key Takeaways

A slight negative impact to earnings. This assumes no mitigating factors like additional capital investments or improved economic conditions.

Not material to Fortis and does not change our strategy going forward.

ITC's MISO Base ROE Complaint – Status Update

MISO Complaint 1 - EL14-12

Effective November 12, 2013 – February 11, 2015

- ✓ February 2015 - Testimony filed by Interveners
 - ❖ Base ROE of 8.58% - 9.54% depending on the party
- ✓ April 2015 – Answering Testimony filed by MISO TO's
 - ❖ Current **ROEs just and reasonable**
 - ❖ Base ROE **no less than 10.8%**
 - ❖ Value Line 6.61% - 16.17%, midpoint **11.39%**
 - ❖ IBES 6.60% - 11.47%, midpoint 9.03%, upper-half midpoint 10.25%
- ✓ May 2015 – Testimony filed by FERC Trial Staff
 - ❖ Recommend Base ROE **8.69%**; 6.45% - 10.92%
- ✓ August 2015 – Hearings commence
- ✓ September/ October 2015 – Briefings & Oral Arguments
- ✓ December 2015 – Administrative Law Judge provided Initial Decision
 - ❖ Recommend Base ROE **10.32%**; 7.23% - 11.35%
- ✓ September 2016 – FERC Commission Order on MISO Base ROE
 - ❖ **Base ROE 10.32%; 7.23% - 11.35%**

MISO Complaint 2 - EL15-45

Effective February 12, 2015 – May 11, 2016

- ✓ September 2015 - Testimony filed by Interveners
 - ❖ Base ROE of 8.72% - 9.13% depending on the party
- ✓ October 2015 – Answering Testimony filed by MISO TO's
 - ❖ Base ROE **recommended at 10.75%**;
 - ❖ Value Line 6.61% - 12.13%, midpoint 9.37%, upper-half midpoint **10.75%**;
 - ❖ IBES 6.75% - 11.67%, midpoint 9.21%, upper-half midpoint 10.44%
- ✓ November 2015 – Testimony filed by FERC Trial Staff
 - ❖ Base ROE **9.03%**; 6.36%-11.70%
- ✓ January 2016 – Testimony filed by MISO TO's
 - ❖ Recommend Base ROE **10.96%**; IBES 6.95% – 10.70%; Value Line 6.94% – 12.29%
- ✓ February 2016 – Hearings commence
- ✓ March - May 2015 – Briefings & Oral Arguments
- ✓ June 2016 – Administrative Law Judge provide Initial Decision
 - ❖ Recommend Base ROE **9.70%**; 6.76%-10.68%
- ❑ Late 2017/Early 2018– FERC Commission to rule on MISO Base ROE

Expected Upcoming Events

Expected Earnings Release Dates

Q2 – 2017	July 28, 2017
Q3 – 2017	November 3, 2017

Save the Date - 2017 Investor Day

Toronto	October 16, 2017
New York	October 18, 2017



Barry Perry
President & CEO



Karl Smith
EVP, CFO



Nora Duke
EVP, Corporate
Services & CHRO



Gary Smith⁽¹⁾
EVP, Eastern Canadian
& Caribbean Operations



James Laurito
EVP,
Business Development



David Bennett
EVP,
Chief Legal Officer &
Corporate Secretary



Phonse Delaney⁽¹⁾
EVP,
Chief Information
Officer



David Hutchens
President & CEO
UNS Energy



Michael Mosher
President & CEO
Central Hudson



Linda Blair
President & CEO
ITC Holdings Corp.



Michael Mulcahy
President & CEO
FortisBC



Karl Bomhof⁽¹⁾
President & CEO
FortisAlberta

(1) Effective June 1st, 2017