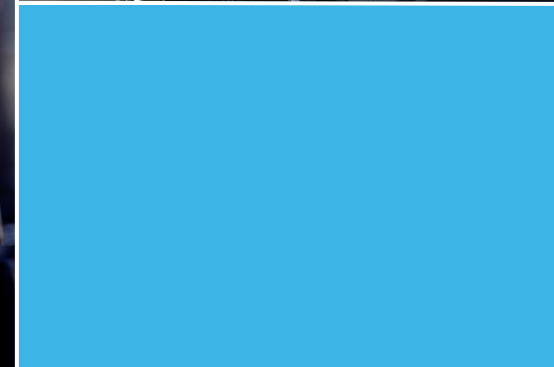
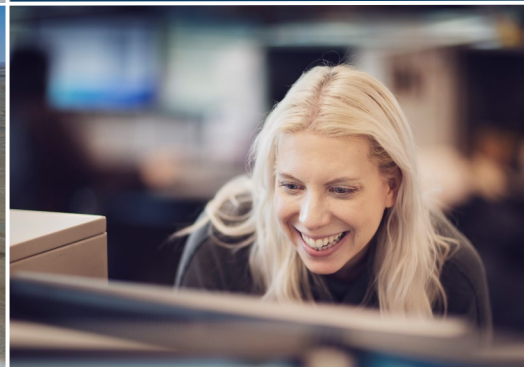




## Q2 2022 EARNINGS CONFERENCE CALL

July 28, 2022



# FORWARD-LOOKING INFORMATION

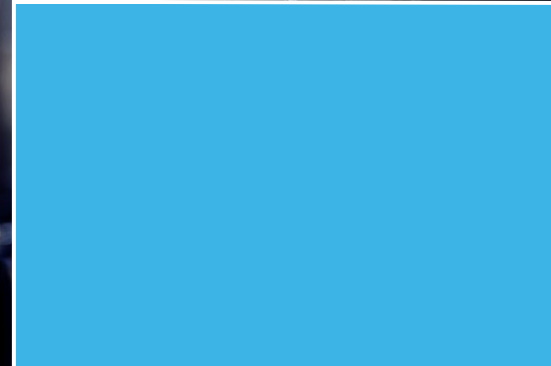
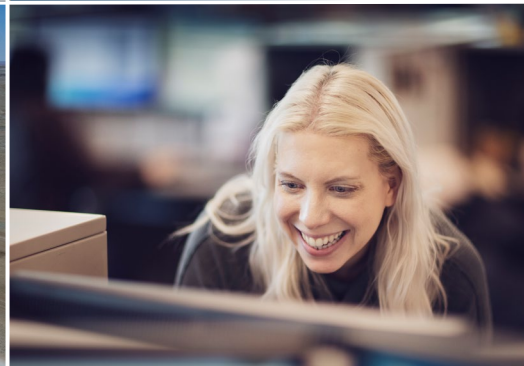
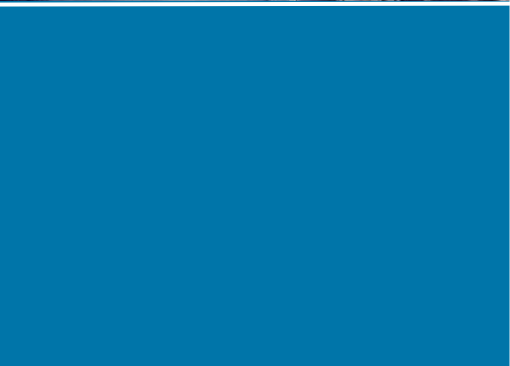
Fortis includes forward-looking information in this presentation within the meaning of applicable Canadian securities laws and forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (collectively referred to as "forward-looking information"). Forward-looking information reflects expectations of Fortis management regarding future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as anticipates, believes, budgets, could, estimates, expects, forecasts, intends, may, might, plans, projects, schedule, should, target, will, would, and the negative of these terms, and other similar terminology or expressions have been used to identify the forward-looking information, which includes, without limitation: the 2050 net-zero GHG emissions target; the 2035 GHG emissions reduction target and the projected asset mix; forecast interim GHG emissions reduction milestones; TEP's carbon emissions reduction target and projected asset mix; planned coal retirements and the expectation to exit coal by 2032; FortisBC's GHG emissions reduction target; forecast capital expenditures for 2022 and 2022-2026, including cleaner energy investments; forecast rate base and rate base growth in 2022 and through 2026; targeted average annual dividend growth through 2025; the nature, timing, benefits and expected costs of certain capital projects and additional opportunities beyond the capital plan, including the MISO Long-Range Transmission Plan; the impact of macroeconomic conditions on additional investment opportunities, including the viability of the Lake Erie Connector Project; the expected timing, outcome and impacts of regulatory proceedings; expected funding sources for the capital plan; expected capital structure stability through 2026; expected debt maturities; and the expectation Fortis is well-positioned to pursue incremental growth opportunities.

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 rising 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





# Q2 BUSINESS HIGHLIGHTS

- ✓ Focused on System Reliability and Customer Affordability
- ✓ Capital Expenditures of \$1.9B YTD June; \$4.0B Annual Capital Plan on Track
- ✓ Q2 Adjusted EPS of \$0.57
- ✓ 2022 Sustainability Report Issued
- ✓ TEP General Rate Application Filed in June

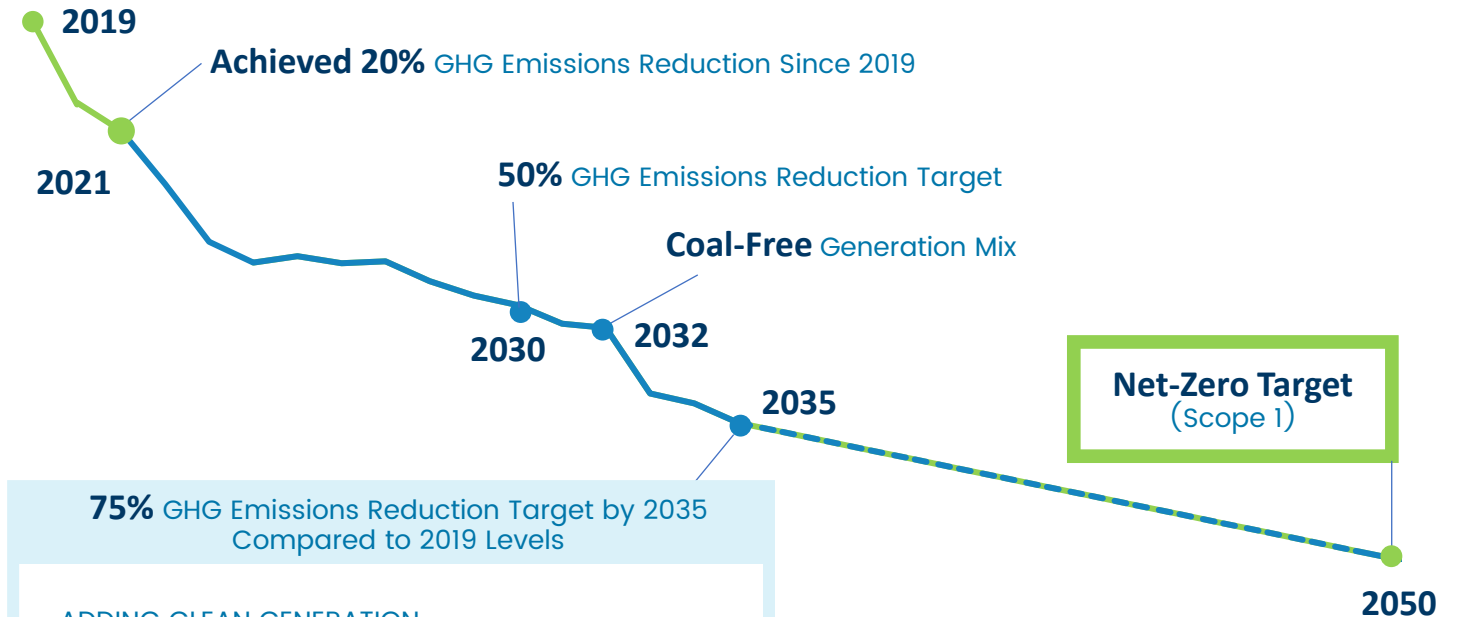


# EXECUTING ON A CLEAN ENERGY FUTURE

## 2022 Sustainability Report Highlights:

- Over 35 new key performance indicators
- Fortis aligned with GRI, TCFD and SASB
- Strong board diversity with 54% female directors
- New sustainability-linked loan provisions
- Enhanced linkage between sustainability performance and executive compensation

## PATHWAY TO 2050 NET-ZERO TARGET



**75% GHG Emissions Reduction Target by 2035**  
Compared to 2019 Levels

### ADDING CLEAN GENERATION

**3,400 MW** Planned Additions of Wind, Solar and Storage from 2022-2035

### PLANNED COAL RETIREMENTS

2022	2027	2031	2032
-170 MW	-387 MW	-110 MW	-406 MW
San Juan	Springerville Unit #1	Four Corners	Springerville Unit #2



- Actual GHG Emissions Reduction
- Forecast GHG Emissions Reduction
- Illustrative Emissions Reduction

# TEP GENERAL RATE APPLICATION

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

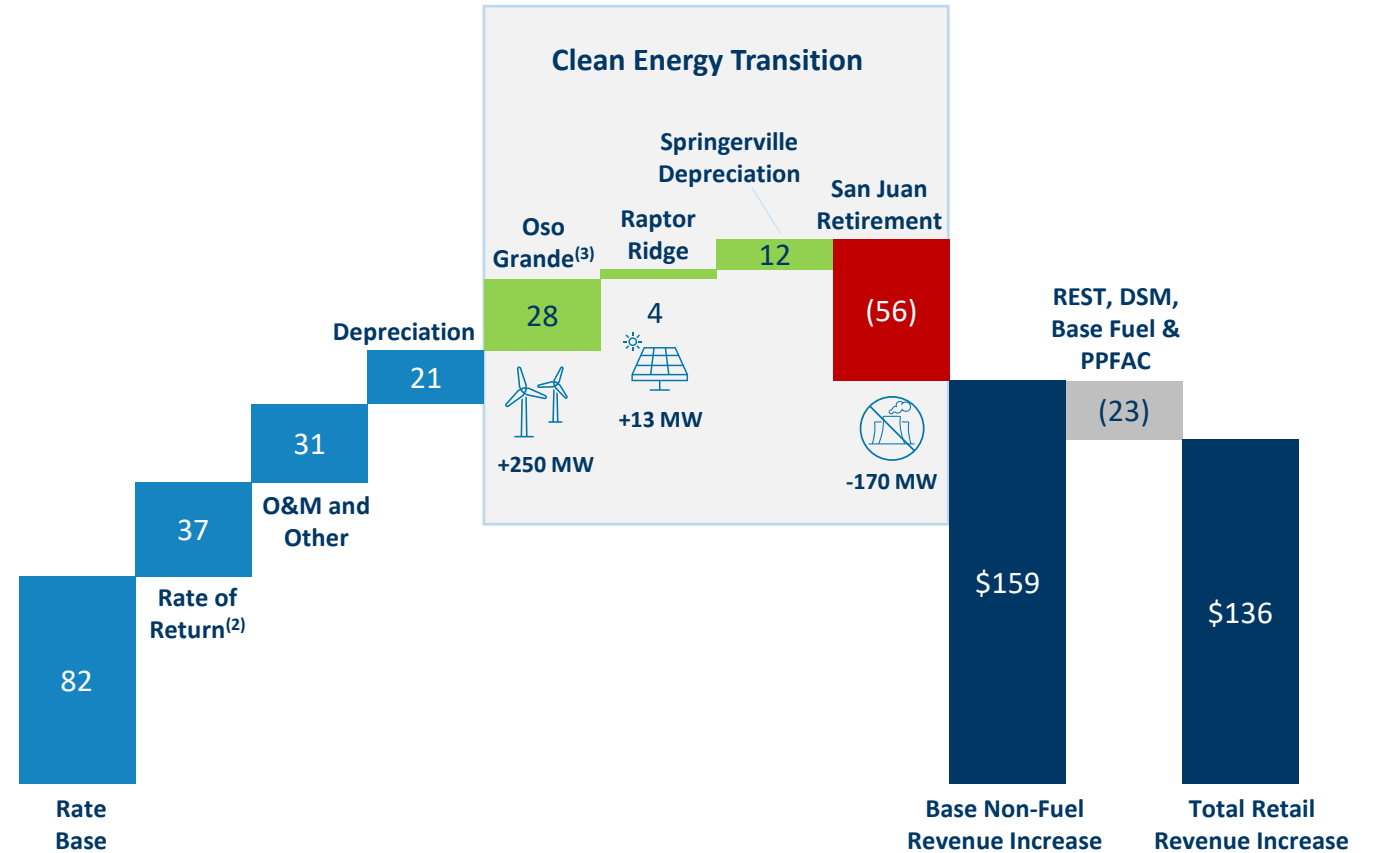
	2019 Rate Case		2022 Rate Case
	Application	Decision	Application
Test Year	December 31, 2018		December 31, 2021
New Rates Effective	May 2020	January 2021	September 2023
Rate Base	US\$2.7B	US\$2.7B	US\$3.6B <sup>(1)</sup>
Non-Fuel Revenue Increase	US\$115M	US\$58M	US\$159M
Equity/Debt	53%/47%	53%/47%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

(1) Includes US\$0.2B in post-test year adjustments.

(2) Includes fair value increment.

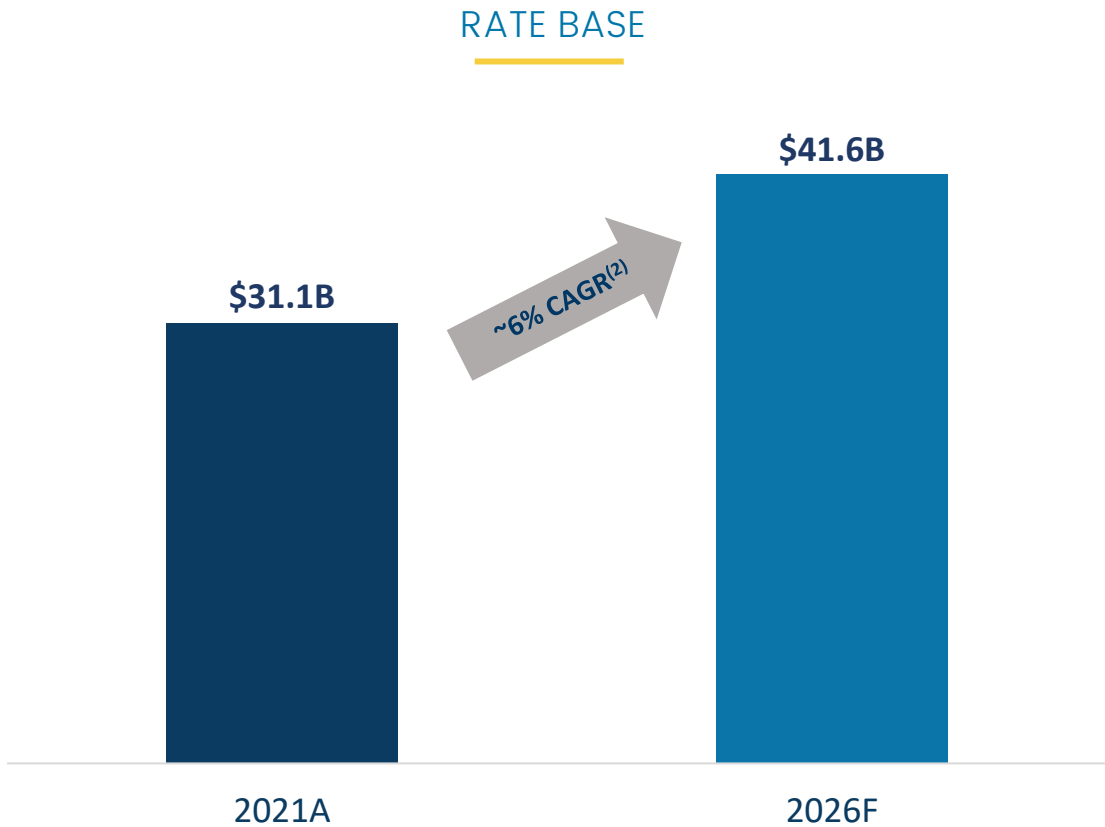
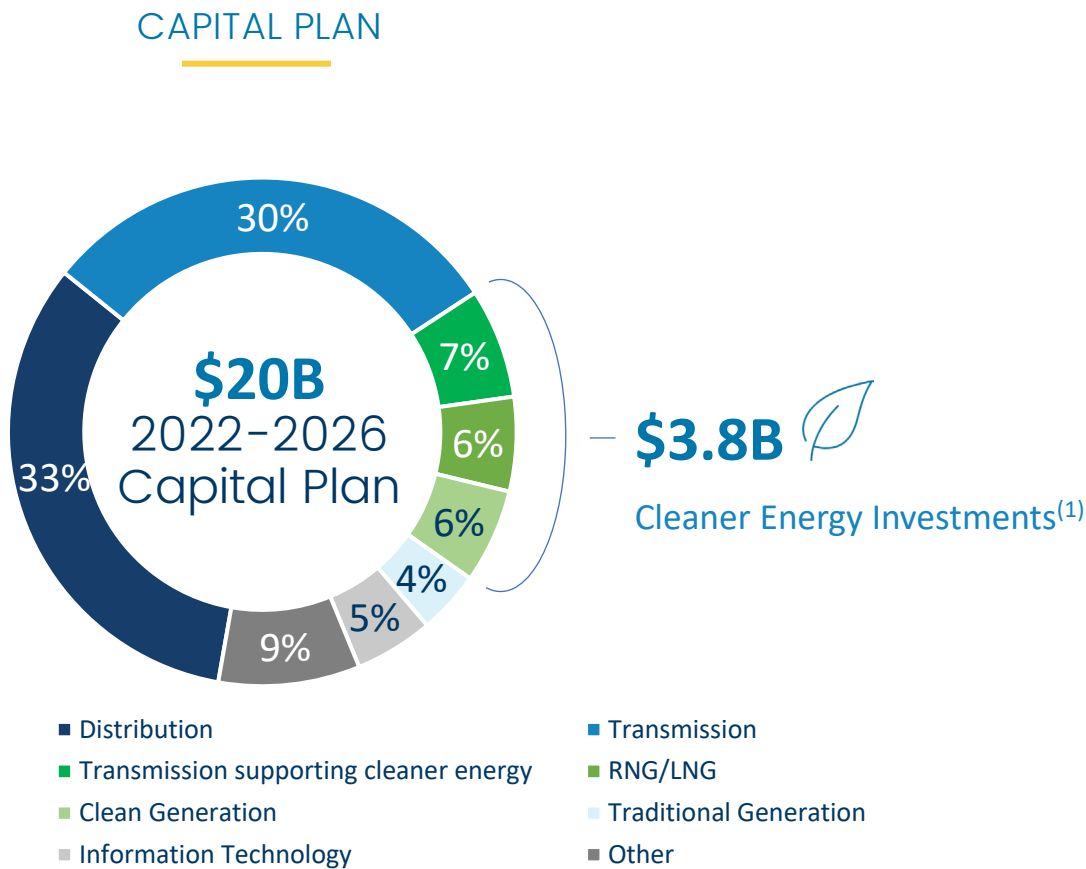
(3) Net of production tax credits.

## REVENUE REQUIREMENT (US\$M)





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



Note: The Capital Plan is a forward-looking Non-U.S. GAAP financial measure calculated in same manner as Capital Expenditures. Refer to Slide 20 for the Non-U.S. GAAP reconciliation. U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD foreign exchange rate of 1.25 for 2022-2026.

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

(2) Refer to the Q2 2022 MD&A glossary for the calculation of CAGR. U.S. dollar-denominated rate base converted at a USD:CAD foreign exchange rate of 1.25 for 2021-2026. Rate base refers to the stated value of property on which a regulated utility is permitted to earn a specified return in accordance with its regulatory construct.

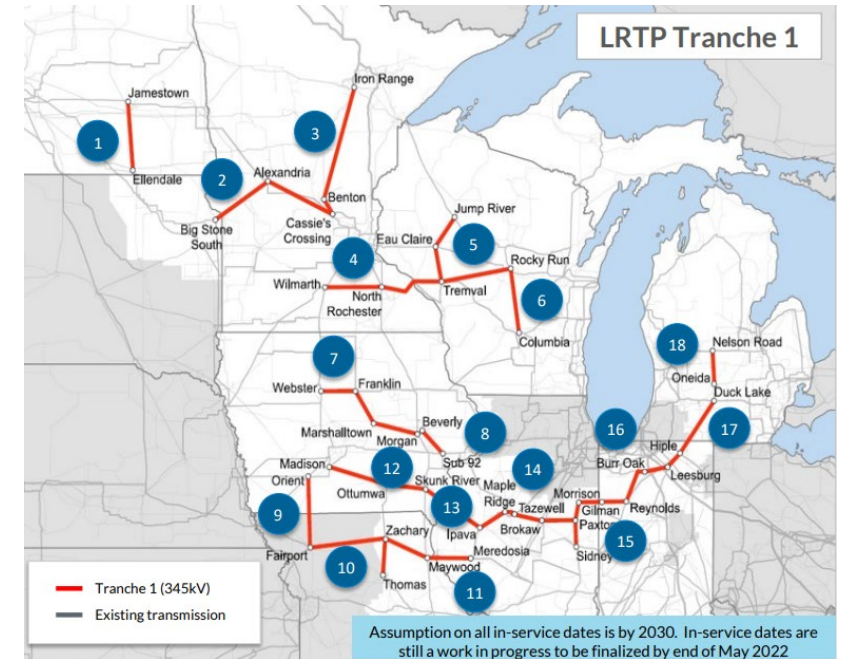
# UPDATE ON OPPORTUNITIES TO EXPAND & EXTEND GROWTH

## MISO LONG-RANGE TRANSMISSION PLAN

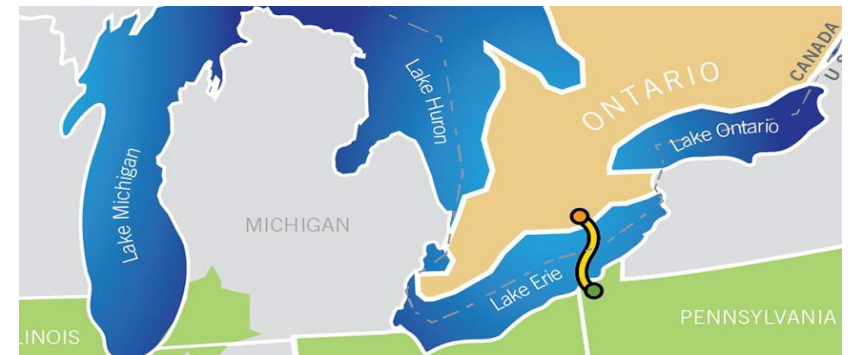
- In July 2022, the MISO Board approved the first tranche of projects, with total associated transmission investments estimated at ~US\$10B
- ITC estimates transmission investments of US\$1.4-\$1.8B through 2030 associated with six of 18 projects, up from previously estimated range
- ITC to provide visibility on expected timing of projects later this year

## LAKE ERIE CONNECTOR PROJECT SUSPENDED

- In late July 2022, development activities on the \$1.7 billion Lake Erie Connector project were suspended
- Macroeconomic conditions relating to rising inflation, interest rates and foreign exchange impacted the viability of the project
- This project was not included in the five-year capital plan



Source: MISO Transmission Expansion Plan: MTEP21 Addendum - L RTP Tranche 1 Report Overview Presentation dated April 2022



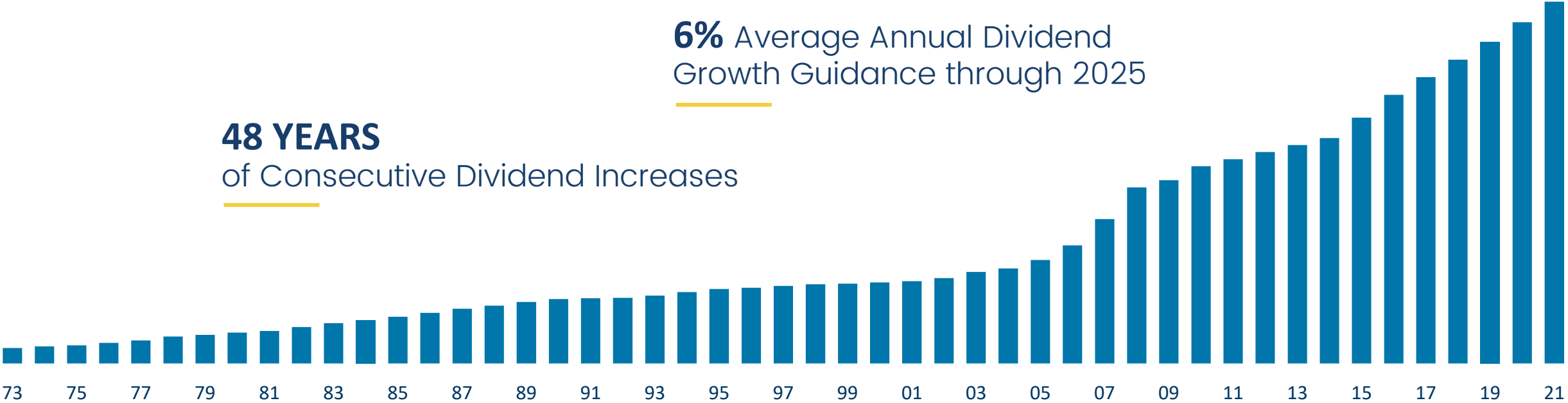


# DIVIDEND GUIDANCE SUPPORTED BY LONG-TERM GROWTH STRATEGY



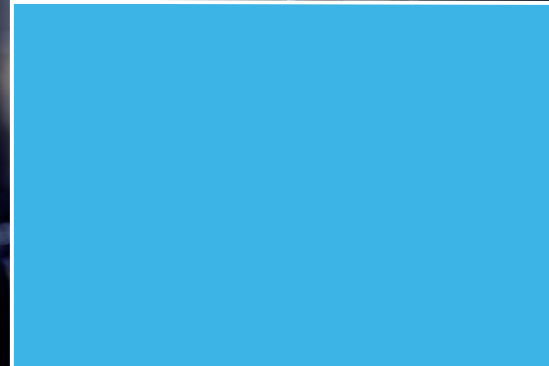
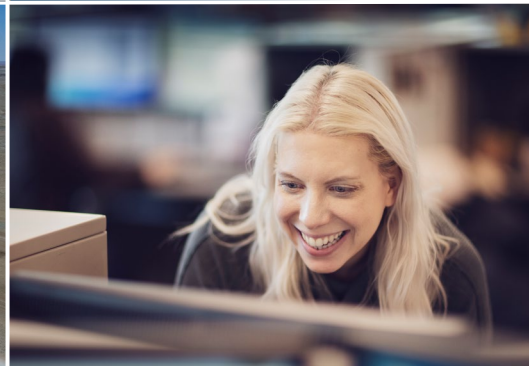
**6%** Average Annual Dividend  
Growth Guidance through 2025

**48 YEARS**  
of Consecutive Dividend Increases



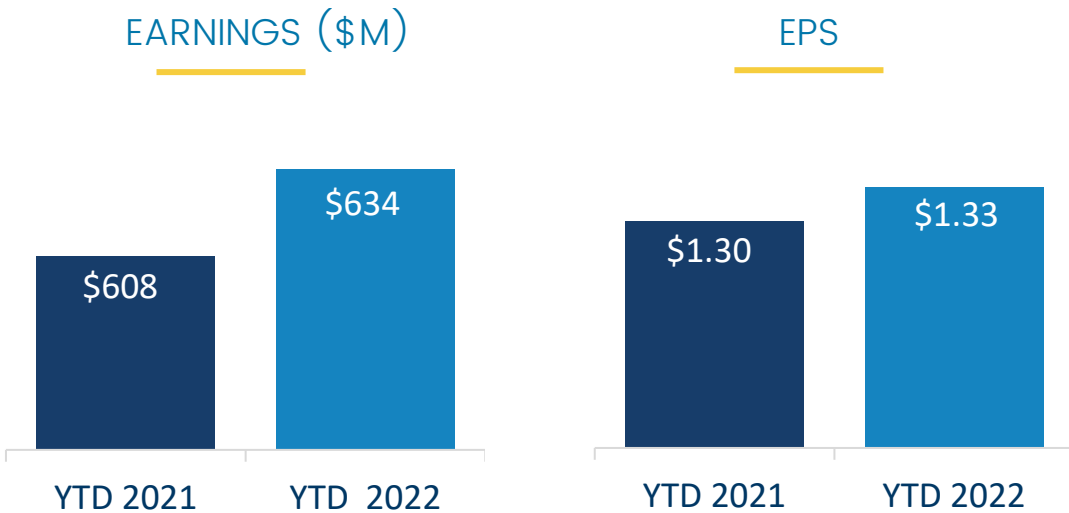
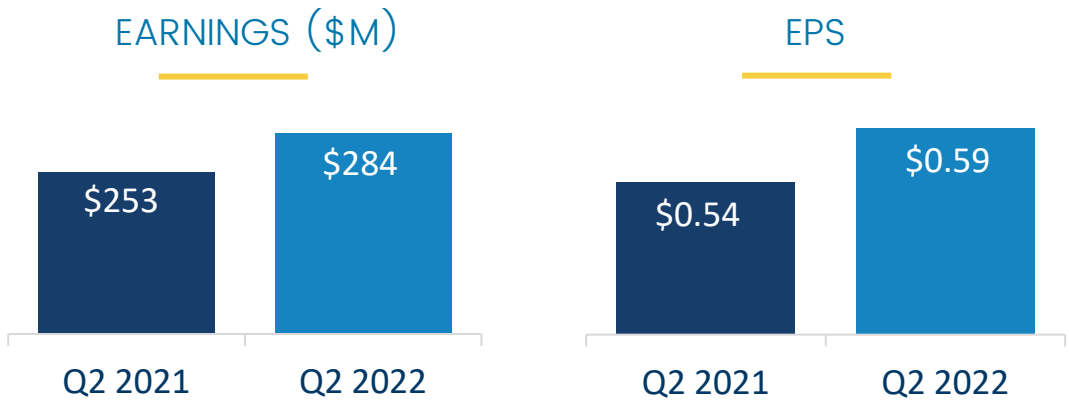


JOCELYN PERRY  
Executive Vice President and CFO





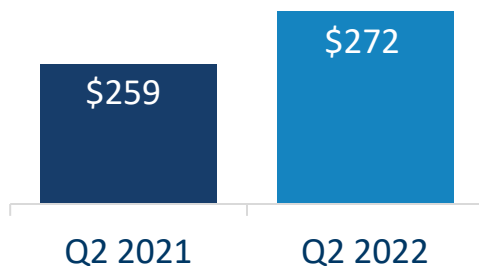
# SECOND QUARTER REPORTED RESULTS



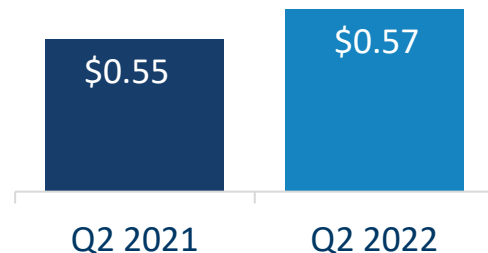


# SECOND QUARTER ADJUSTED RESULTS

ADJUSTED EARNINGS (\$M)



ADJUSTED EPS



Q2 EPS DRIVERS:



Rate base growth



Favourable foreign exchange

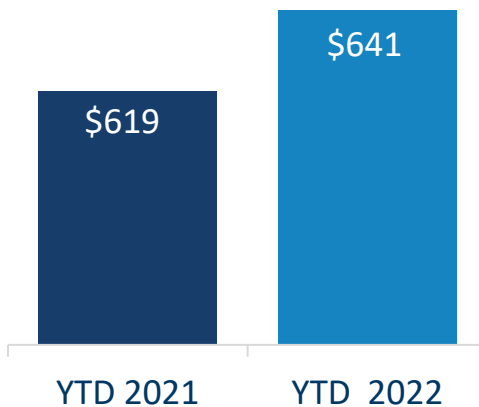


Timing of earnings at UNS Energy and FortisAlberta

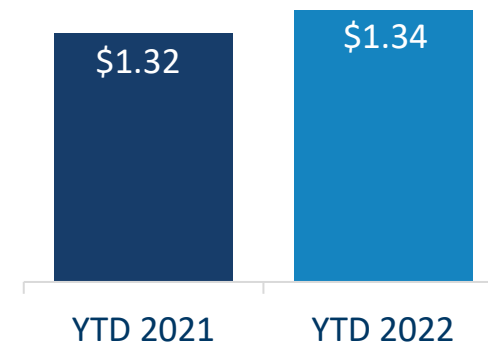


Losses on retirement investments at UNS Energy and ITC

ADJUSTED EARNINGS (\$M)

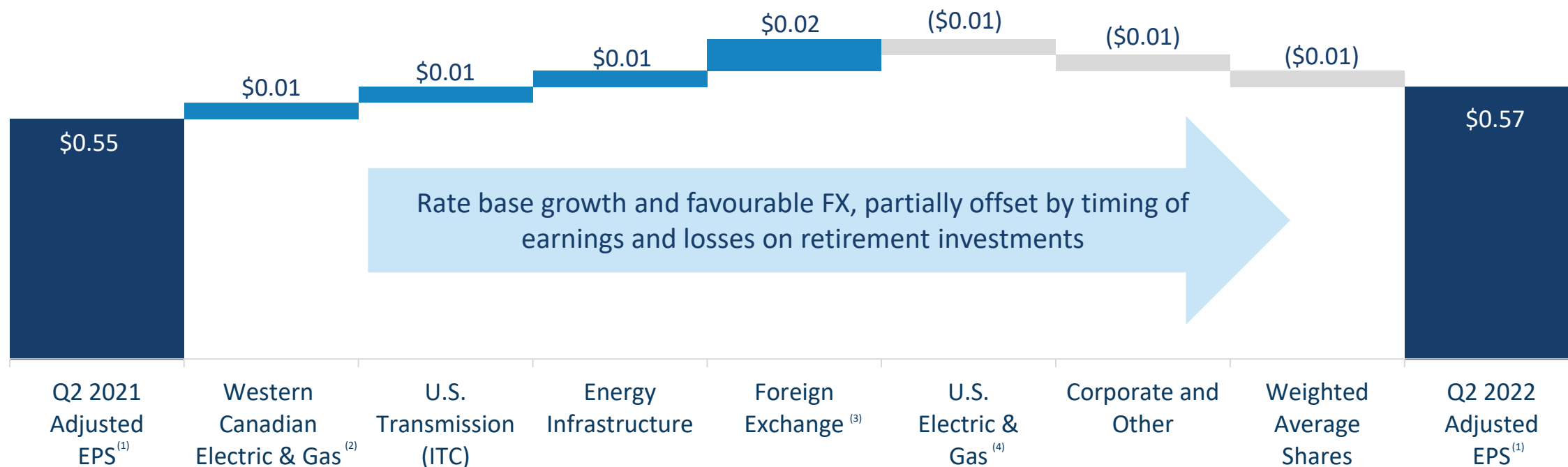


ADJUSTED EPS



Note: Adjusted EPS is a Non-U.S. GAAP financial measure and excludes timing differences related to the accounting of natural gas derivatives at Aitken Creek, net of income tax. Refer to Slide 20 for the Non-U.S. GAAP reconciliation.

# SECOND QUARTER EPS DRIVERS



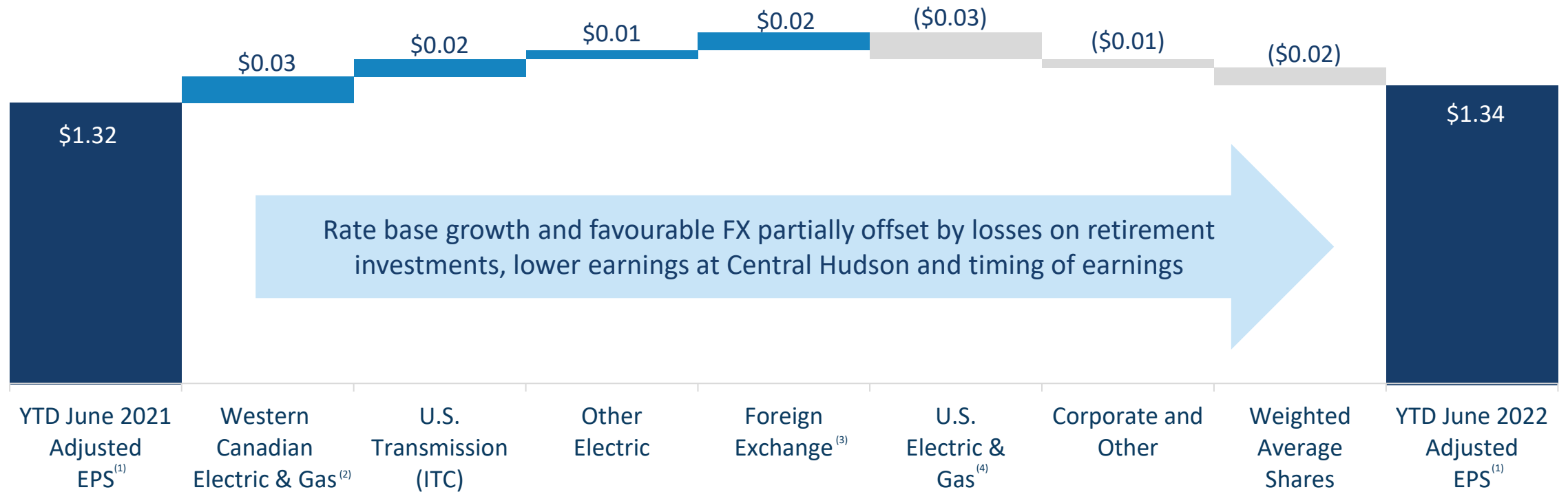
(1) Non-U.S. GAAP financial measure. Refer to Slide 20 for the Non-U.S. GAAP reconciliation.

(2) Includes FortisBC Energy, FortisAlberta and FortisBC Electric.

(3) Impact of average USD:CAD foreign exchange rate of 1.28 in Q2 2022 compared to 1.23 in Q2 2021.

(4) Includes UNS Energy and Central Hudson.

# YEAR-TO-DATE JUNE EPS DRIVERS



(1) Non-U.S. GAAP financial measure. Refer to Slide 20 for the Non-U.S. GAAP reconciliation.

(2) Includes FortisBC Energy, FortisAlberta and FortisBC Electric.

(3) Impact of average USD:CAD foreign exchange rate of 1.27 YTD June 2022 compared to 1.25 YTD June 2021.

(4) Includes UNS Energy and Central Hudson.

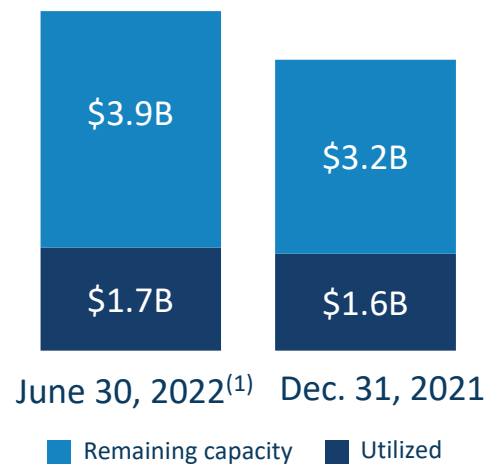


# STRONG LIQUIDITY

## OVER \$1.5B IN DEBT RAISED YTD



- ITC
  - US\$150M 30-year 2.93% bonds 
  - US\$75M 30-year 3.05% notes
- UNS Energy
  - US\$325M 10-year 3.25% notes
- Central Hudson
  - US\$50M 5-year 2.37% notes
  - US\$60M 7-year 2.59% notes
- FortisAlberta
  - \$125M 30-year 4.62% debentures
- Fortis Inc.
  - \$500M 7-year 4.43% notes

## CREDIT FACILITIES



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

Corporation's \$1.3B revolving-term credit facility amended in May 2022 to include **sustainability-linked** targets

- **Board diversity** 
- **GHG Emissions** 

# REGULATORY UPDATE



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

**ITC MIDWEST CAPITAL STRUCTURE COMPLAINT** – In May 2022, the Iowa Coalition for Affordable Transmission filed a complaint with FERC, seeking to lower ITC Midwest's equity ratio from 60% to 53%; ITC Midwest filed reply comments in June outlining why the complaint is without merit; the timing and outcome of this proceeding remains uncertain



**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

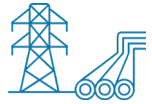
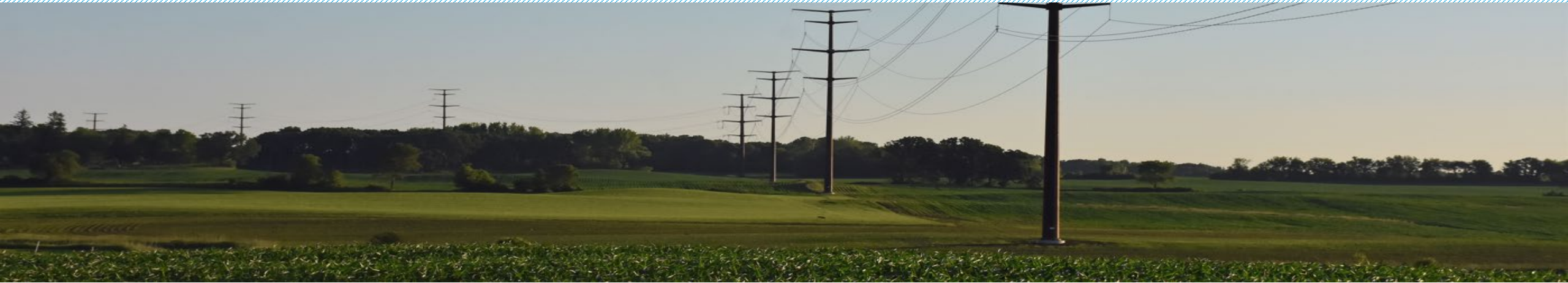


**GENERIC COST OF CAPITAL PROCEEDING (GCOC)** – GCOC proceeding initiated in 2021 including a review of the common equity component of capital structure and the allowed ROE; proceeding is ongoing and the effective date of any change in the cost of capital in 2023 remains unknown



**COST OF SERVICE APPLICATION** – FortisAlberta filed its cost of service application in 2021; proceeding remains ongoing and a decision from the AUC is expected in Q3 2022

# WHY INVEST IN FORTIS?



**Focused on**  
ENERGY DELIVERY



**Geographic &  
Regulatory** DIVERSITY



6% DIVIDEND  
**Growth Guidance**



WELL-RUN  
**Local Utilities**



LOW-RISK  
**Growth Profile**



**Virtually**  
All REGULATED



ESG  
**Leader**

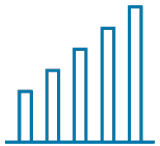


INNOVATIVE



# UPCOMING EVENTS

## EXPECTED EARNINGS RELEASE DATES

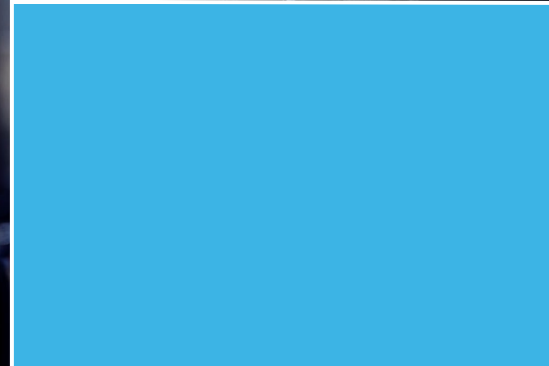
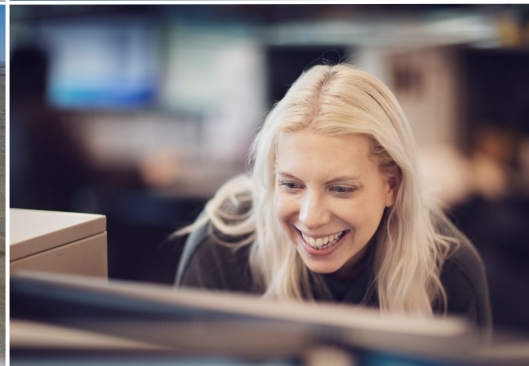


- Q3 2022 – October 28, 2022
- Q4 2022 – February 10, 2023



## Q2 2022 EARNINGS CONFERENCE CALL

July 28, 2022



# NON-U.S. GAAP RECONCILIATION

(\$MILLIONS, EXCEPT EPS)	Q2 2022	Q2 2021	VARIANCE	YTD June 2022	YTD June 2021	VARIANCE
<b>Adjusted Net Earnings</b>						
Net Earnings	<b>284</b>	<b>253</b>	<b>31</b>	<b>634</b>	<b>608</b>	<b>26</b>
Adjusting Item:						
Unrealized (gain) loss on mark-to-market of derivatives <sup>(1)</sup>	(12)	6	(18)	7	11	(4)
Adjusted Net Earnings	<b>272</b>	<b>259</b>	<b>13</b>	<b>641</b>	<b>619</b>	<b>22</b>
Adjusted Net Earnings per Share	<b>\$0.57</b>	<b>\$0.55</b>	<b>\$0.02</b>	<b>\$1.34</b>	<b>\$1.32</b>	<b>\$0.02</b>
<b>Capital Expenditures</b>						
Additions to property, plant and equipment	827	751	76	1,693	1,515	178
Additions to intangible assets	58	39	19	107	79	28
Adjusting Item:						
Wataynikaneyap Transmission Power Project <sup>(2)</sup>	45	50	(5)	94	126	(32)
Capital Expenditures	<b>930</b>	<b>840</b>	<b>90</b>	<b>1,894</b>	<b>1,720</b>	<b>174</b>

(1) Represents timing differences related to the accounting of natural gas derivatives at Aitken Creek, net of income tax expense of \$5M and income tax recovery of \$3M for Q2 2022 and June YTD 2022, respectively (income tax recovery of \$2M and \$4M for Q2 2021 and YTD June 2021, respectively), 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.



# Q2 2022 RESULTS BY BUSINESS UNIT

## SECOND QUARTER EARNINGS VARIANCE ANALYSIS BY BUSINESS UNIT

(\$MILLIONS, EXCEPT WEIGHTED AVERAGE SHARES AND EPS)	Q2 2022	ADJUSTMENT	ADJUSTED Q2 2022 <sup>(1)</sup>	Q2 2021	ADJUSTMENT	ADJUSTED Q2 2021 <sup>(1)</sup>	VARIANCE
Regulated – Independent Electric Transmission							
ITC	114	-	114	103	-	103	11
Regulated – U.S. Electric & Gas							
UNS Energy	77	-	77	83	-	83	(6)
Central Hudson	10	-	10	6	-	6	4
	87	-	87	89	-	89	(2)
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	17	-	17	15	-	15	2
FortisAlberta	35	-	35	36	-	36	(1)
FortisBC Electric	19	-	19	17	-	17	2
Other Electric <sup>(2)</sup>	33	-	33	34	-	34	(1)
	104	-	104	102	-	102	2
Energy Infrastructure	19	(12)	7	(5)	6	1	6
Corporate and Other	(40)	-	(40)	(36)	-	(36)	(4)
Common Equity Earnings	<b>284</b>	<b>(12)</b>	<b>272</b>	<b>253</b>	<b>6</b>	<b>259</b>	<b>13</b>
Weighted Average Shares (# millions)	477.8	-	477.8	470.2	-	470.2	7.6
EPS	<b>\$0.59</b>	<b>(\$0.02)</b>	<b>\$0.57</b>	<b>\$0.54</b>	<b>\$0.01</b>	<b>\$0.55</b>	<b>\$0.02</b>

(1) Non-U.S. GAAP financial measure. Refer to Slide 20 for the Non-U.S. GAAP reconciliation.

(2) Includes Eastern Canadian and Caribbean electric utilities.

# YTD JUNE 2022 RESULTS BY BUSINESS UNIT

## YEAR-TO-DATE JUNE EARNINGS VARIANCE ANALYSIS BY BUSINESS UNIT

(\$MILLIONS, EXCEPT WEIGHTED AVERAGE SHARES AND EPS)	YTD June 2022	ADJUSTMENT	ADJUSTED YTD June 2022 <sup>(1)</sup>	YTD June 2021	ADJUSTMENT	YTD JUNE 2021 <sup>(1)</sup>	VARIANCE
Regulated – Independent Electric Transmission							
ITC	223	-	223	206	-	206	17
Regulated – U.S. Electric & Gas							
UNS Energy	120	-	120	128	-	128	(8)
Central Hudson	42	-	42	45	-	45	(3)
	162	-	162	173	-	173	(11)
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	136	-	136	126	-	126	10
FortisAlberta	71	-	71	71	-	71	-
FortisBC Electric	37	-	37	33	-	33	4
Other Electric <sup>(2)</sup>	59	-	59	54	-	54	5
	303	-	303	284	-	284	19
Energy Infrastructure	13	7	20	9	11	20	-
Corporate and Other	(67)	-	(67)	(64)	-	(64)	(3)
Common Equity Earnings	<b>634</b>	<b>7</b>	<b>641</b>	<b>608</b>	<b>11</b>	<b>619</b>	<b>22</b>
Weighted Average Shares (# millions)	476.8	-	476.8	469.0	-	469.0	7.8
EPS	<b>\$1.33</b>	<b>\$0.01</b>	<b>\$1.34</b>	<b>\$1.30</b>	<b>\$0.02</b>	<b>\$1.32</b>	<b>\$0.02</b>

(1) Non-U.S. GAAP financial measure. Refer to Slide 20 for the Non-U.S. GAAP reconciliation.

(2) Includes Eastern Canadian and Caribbean electric utilities.

# 2021-2026 RATE BASE BY BUSINESS UNIT

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

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

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

(3) Comprises Eastern Canadian and Caribbean electric utilities.



# 2022-2026 CAPITAL PLAN BY BUSINESS UNIT

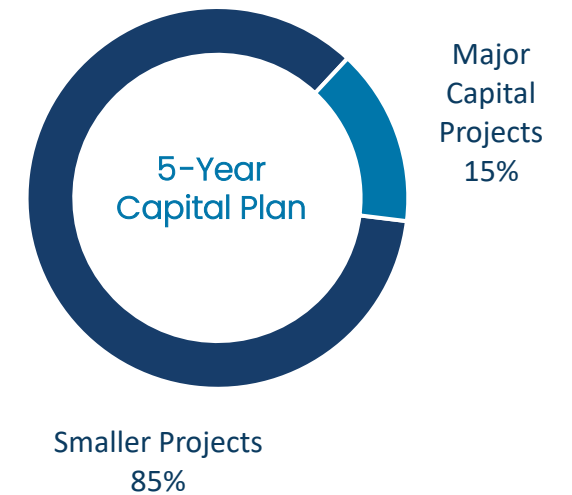
(\$MILLIONS)	CAPITAL PLAN <sup>(1)</sup>					2022-2026 TOTAL
	2022F	2023F	2024F	2025F	2026F	
Regulated - Independent Electric Transmission						
ITC	998	999	1,010	998	1,000	5,005
Regulated – U.S. Electric & Gas						
UNS Energy	704	810	924	729	725	3,892
Central Hudson	344	335	311	331	349	1,670
Total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

(1) Capital Plan is a forward-looking non-U.S. GAAP financial measure calculated in same manner as Capital Expenditures. Refer to Slide 20 for the Non-U.S. GAAP reconciliation. U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD foreign exchange rate of 1.25.

(2) Comprises Eastern Canadian and Caribbean electric utilities.

# MAJOR CAPITAL PROJECTS

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



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





(1) U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD exchange rate of 1.25 for 2022 through 2026.

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

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

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

# INVESTMENT-GRADE CREDIT RATINGS

COMPANY	 S&P Global	 MOODY'S	 MORNINGSTAR 
Fortis Inc.	A <sup>-(1)</sup>	Baa3	A (low)
ITC Holdings Corp.	A <sup>-(1)</sup>	Baa2	n/a
ITC Regulated Subsidiaries	A	A1	n/a
TEP	A-	A3	n/a
Central Hudson	A-	Baa1	n/a
FortisBC Energy	n/a	A3	A
FortisBC Electric	n/a	Baa1	A (low)
FortisAlberta	A-	Baa1	A (low)
Newfoundland Power	n/a	A2	A

(1) S&P credit ratings for Fortis Inc. and ITC Holdings Corp. reflect the issuer credit ratings.  
The unsecured debt rating for Fortis Inc. and ITC Holdings Corp. is BBB+.





# Q2 SALES TRENDS



Other  
Electric

## RETAIL ELECTRIC SALES

## Q2 2022 vs. Q2 2021 SALES TRENDS

N/A	<ul style="list-style-type: none"> <li>Peak load up 7% mainly due to favourable weather impacts</li> </ul>
-1% <sup>(1)</sup>	<ul style="list-style-type: none"> <li>Decrease primarily due to lower cooling load due to cooler temperatures; Excluding weather impacts, retail sales up 1%</li> </ul>
10%	<ul style="list-style-type: none"> <li>Residential sales up 15% and C&amp;I up 7% due to higher average consumption</li> </ul>
-1% <sup>(2)</sup>	<ul style="list-style-type: none"> <li>Residential electric sales down 7% due to cooler temperatures; C&amp;I electric sales up 10%</li> </ul>
-	<ul style="list-style-type: none"> <li>Overall sales flat with residential sales down 2% due to milder weather; C&amp;I up 2% due to higher load from industrial customers and higher average consumption from commercial customers</li> </ul>
1%	<ul style="list-style-type: none"> <li>Eastern Canadian residential and C&amp;I sales both up 1%</li> <li>Caribbean sales up 1% due to continued recovery of tourism industry driven by higher retail sales at FortisTCI increasing 4% and CUC sales consistent compared to Q2 2021</li> </ul>

(1) Excludes wholesale sales at UNS Energy.  
 (2) Reflects electric sales at FortisBC Electric. Gas sales at FortisBC Energy up 12% due to higher average consumption.



# ESG LEADERSHIP



## ENVIRONMENTAL

- 93% energy delivery assets
- GHG emissions reduction target of 75% by 2035 compared to 2019 levels and net zero by 2050
- In 2021, 4% of rate base and 5% of total revenues related to coal-fired electricity; TEP retired 170 MW of coal generation capacity in June 2022; expect to be coal-free by 2032
- Five-year capital plan includes \$3.8B for cleaner energy investments
- Executive compensation linked to climate targets
- In 2021, TEP added 450 MW of wind and solar power and 30 MW of battery energy storage system
- FortisBC has targeted to reduce customer emissions 30% by 2030 relative to 2007 levels

## SOCIAL

- Strong safety culture and commitment to employee well-being
- More than \$10 million of community investment in 2021
- Economic and business development in the communities we serve
- Focus on Indigenous partnerships and Indigenous businesses
- Focused on just transition
- Fortis-wide Diversity, Equity and Inclusion Advisory Council established
- Signatory of the BlackNorth Initiative in efforts to end anti-Black systemic racism

## GOVERNANCE

- Independent chair; 12 of 13 directors are independent
- 54% of directors are female; 16% identify as a visible minority
- Average board tenure of 4.9 years
- 70% of Fortis utilities have either a female president or female board chair
- Board-shareholder engagement ongoing with Board and committee chairs
- Decentralized business model and focus on independent governance with each subsidiary governed by its own board of directors

# FOREIGN EXCHANGE EXPOSURE



## EARNINGS AND CAPITAL PLAN

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



## HEDGING ACTIVITIES

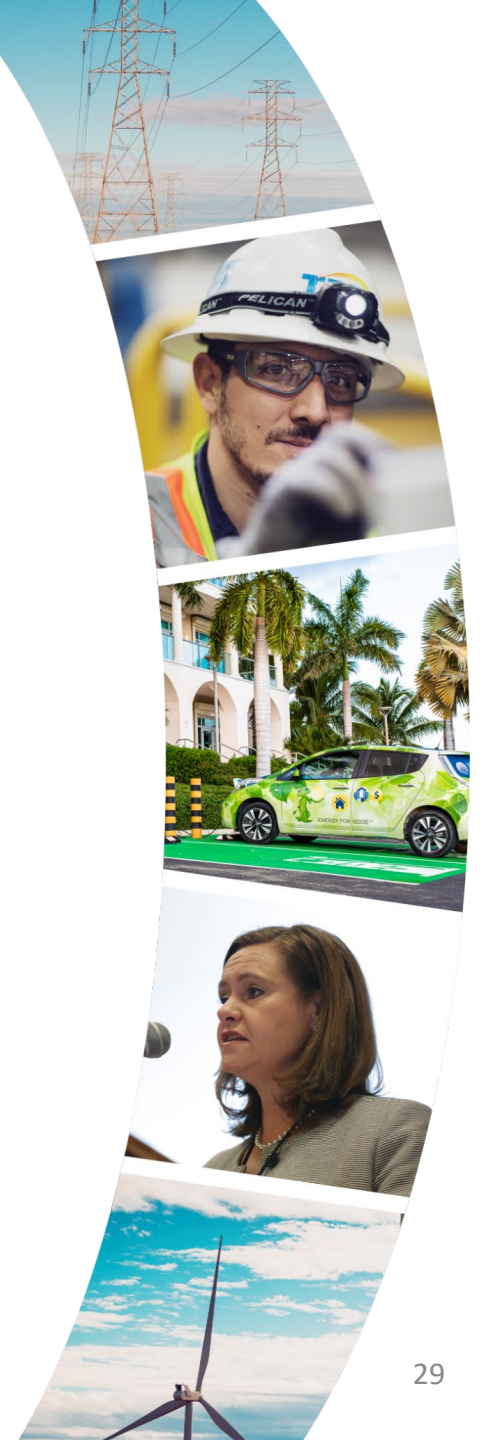
- U.S. dollar-denominated debt at corporate level
- Average rate forward contracts
- Cross-currency interest rate swaps



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

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

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





# LIMITED PENSION EXPOSURE

## DEFINED BENEFIT PENSION PLANS

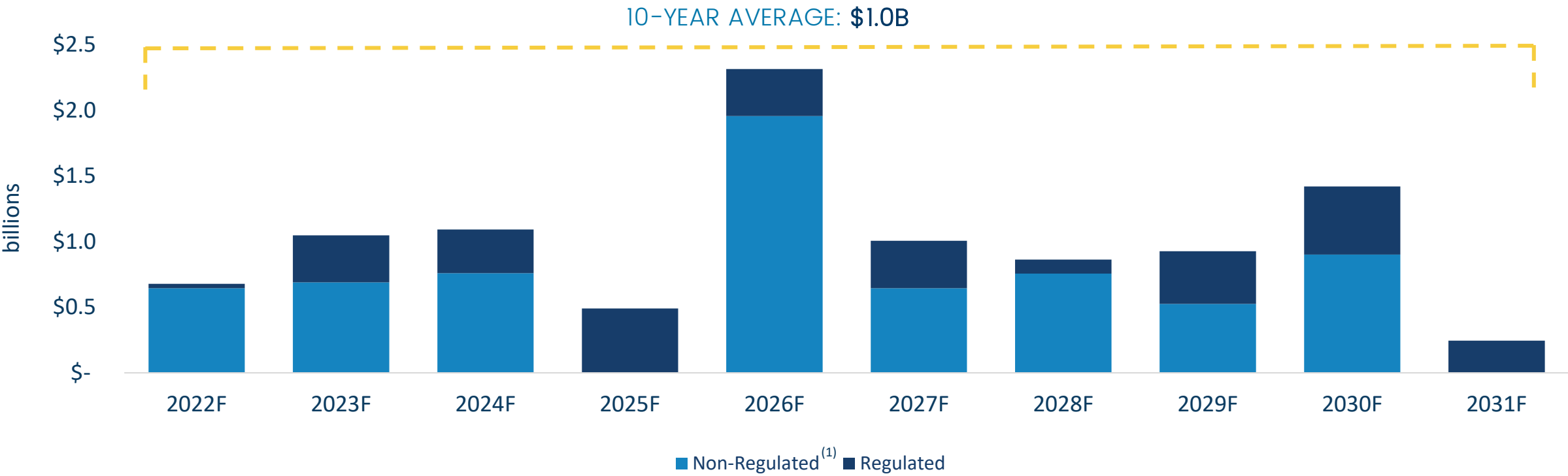
- 95% of \$3.9B pension benefit obligation funded at December 31, 2021
- Allocation of plan assets at December 31, 2021
  - Equities – 48%
  - Fixed income – 45%
  - Other – 7%
- ~80% of pension assets subject to regulatory mechanisms
  - UNS pension plan assets (~\$0.7B) not subject to automatic regulatory mechanisms
  - Future pension expense depends on actuarial calculations and asset valuations at December 31<sup>st</sup>

## CERTAIN U.S. RETIREMENT BENEFITS

- Certain retirement benefits funded through trusts are subject to market volatility each quarter
- Decline in market values in 2022 resulted in year-over-year unfavourable EPS impact of \$0.02 and \$0.04 for Q2 and YTD June 2022, respectively
- ~US\$150M in assets at June 30, 2022



# DEBT MATURITIES



Note: Debt as at June 30, 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.