

# INVESTOR PRESENTATION

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Q2 2024



# 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 rate base and rate base growth for 2024 through 2028; planned coal retirements and the expectation to exit coal by 2032; TEP's 2023 IRP and UNS Electric's 2023 IRP, including planned additions of wind, solar, energy storage and hydrogen ready natural gas; the 2030 GHG emissions reduction target; the 2035 GHG emissions reduction target; the 2050 net-zero GHG emissions target; forecast capital expenditures for 2024-2028, including cleaner energy investments; expected sources of funding for the Corporation's Capital Plan; expected sources of common equity proceeds and the expected uses of proceeds from the ATM; the expectation of a consistent capital structure over the planning period; annual dividend growth guidance through 2028; the expectation that the long-term dividend guidance will provide flexibility to fund more capital internally and support reduction in dividend payout ratio over time in line with historical levels; forecast credit metrics for 2024 through 2028; the nature, timing, benefits and expected costs of certain capital projects, including ITC's transmission projects associated with Tranche 1 of the MISO LRTP, UNS Roadrunner Reserve Battery Storage project, UNS Energy Vail-to-Tortolita Transmission Project, UNS IRP Resources, FortisBC Eagle Mountain Woodfibre Gas Line Project, FortisBC Tilbury LNG Storage Expansion, FortisBC AMI Project, FortisBC Tilbury 1B Project, FortisBC Okanagan Capacity Upgrade and Wataynikaneyap Transmission Power Project, and additional opportunities beyond the Capital Plan, including investments related to Tranche 2 of the MISO LRTP, the IRPs at TEP and UNS Electric, and renewable fuel solutions and LNG infrastructure and resources in British Columbia; the expected or potential timing, outcome and impact of regulatory and legal proceedings; forecast rate base by business unit for 2024 through 2028; forecast capital plans by business unit for 2024 through 2028; FortisBC's 2030 RNG supply target; forecast debt maturities for 2024 through 2033; and future scheduled preference share dividend rate resets.

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 changes in the assumed U.S. dollar to Canadian dollar exchange rate; no significant variability in interest rates; the successful execution of the Capital Plan; no material capital project or financing cost overrun; sufficient human resources to deliver service and execute the Capital Plan; the realization of additional opportunities beyond the Capital Plan; the Board exercising its discretion to declare dividends, taking into account the business performance and financial condition of the Corporation; and reasonable regulatory decisions and the expectation of regulatory stability. 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.**

# FORTIS AT A GLANCE



**93%**  
transmission &  
distribution assets



**10 regulated utilities**  
in Canada, the U.S. &  
Caribbean



**3.5 million**  
electric and gas customers



**9,600**  
dedicated employees



**99%**  
regulated utility assets



**\$38.4 billion**  
2024F rate base



**~10% average annual<sup>(1)</sup>**  
10-year total shareholder return



**82% of Fortis utilities**  
have female CEO or Board Chair

(1) As at March 31, 2024.



# OUR VISION & STRATEGY

A Premium North American Utility  
Delivering a Cleaner Energy Future



## SUSTAINABLE GROWTH

- Operational Excellence
- Financial Strength
- Diversified Regulated Portfolio
- Local Business Model
- Strong Governance



Clean Energy  
Transition



Innovation  
& Technology



People  
& Culture



Regulatory  
Relations



Customer  
& Community





# OUR COMMON GROUND



## PROVISION OF SAFE & RELIABLE SERVICE

### Priority #1

- Health and safety of our employees, customers and contractors
- Doing whatever it takes to ensure safe and reliable service to our 3.5M customers
- Consistently outperforming industry averages in both Canada and the U.S.



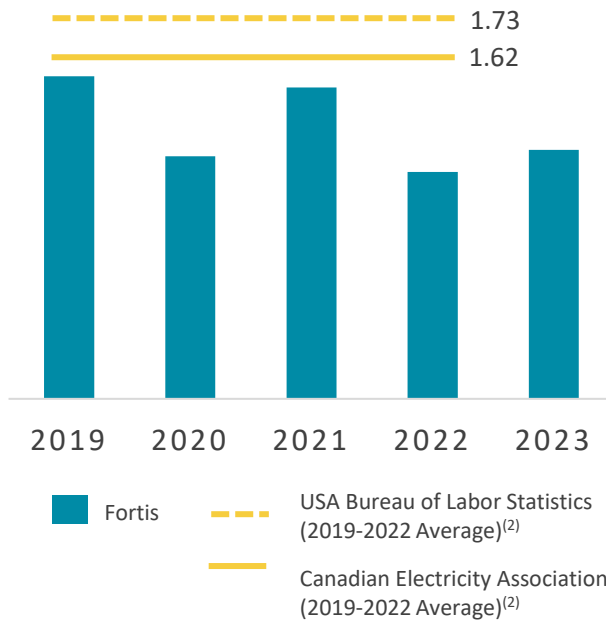
## GOOD GOVERNANCE

### Fortis Ranked #2 out of 219 S&P/TSX companies in The Globe & Mail 2023 Board Games

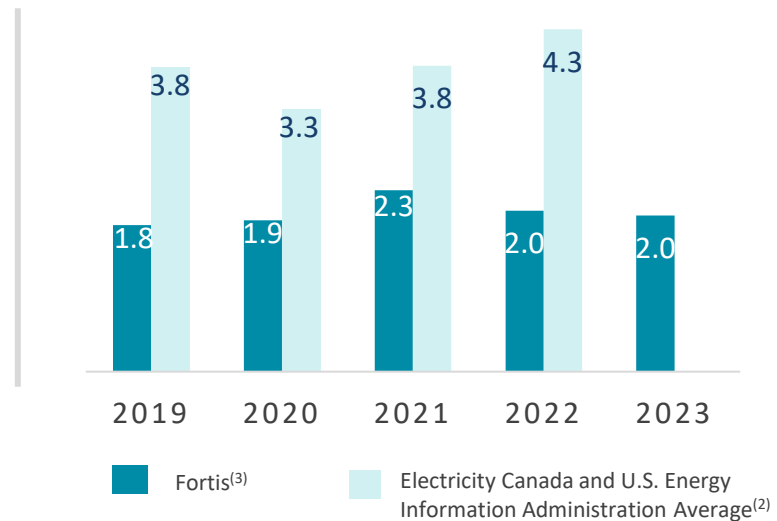
- Utilities operate within the parameters of common policies and best practices
- Local business model with subsidiary boards comprised of a majority independent local directors
- Subsidiary boards provide effective independent oversight and administration of their governance and operations

# DELIVERING SAFE, RELIABLE & AFFORDABLE SERVICE

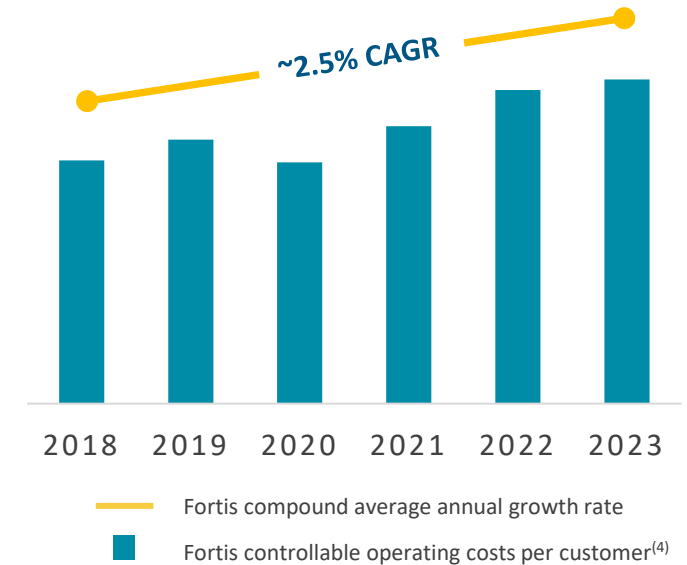
## All-Injury Frequency Rate<sup>(1)</sup>



## Average Electricity Customer Outage Duration (Hours)



## Controllable Operating Costs per Customer



(1) All injury frequency rate = (# injuries x 200,000) / hours worked.

(2) 2023 data not yet available.

(3) Based on weighted average of Fortis' customer count in each jurisdiction.

(4) 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).

# REDUCING CARBON EMISSIONS



## Our planned trajectory to net-zero

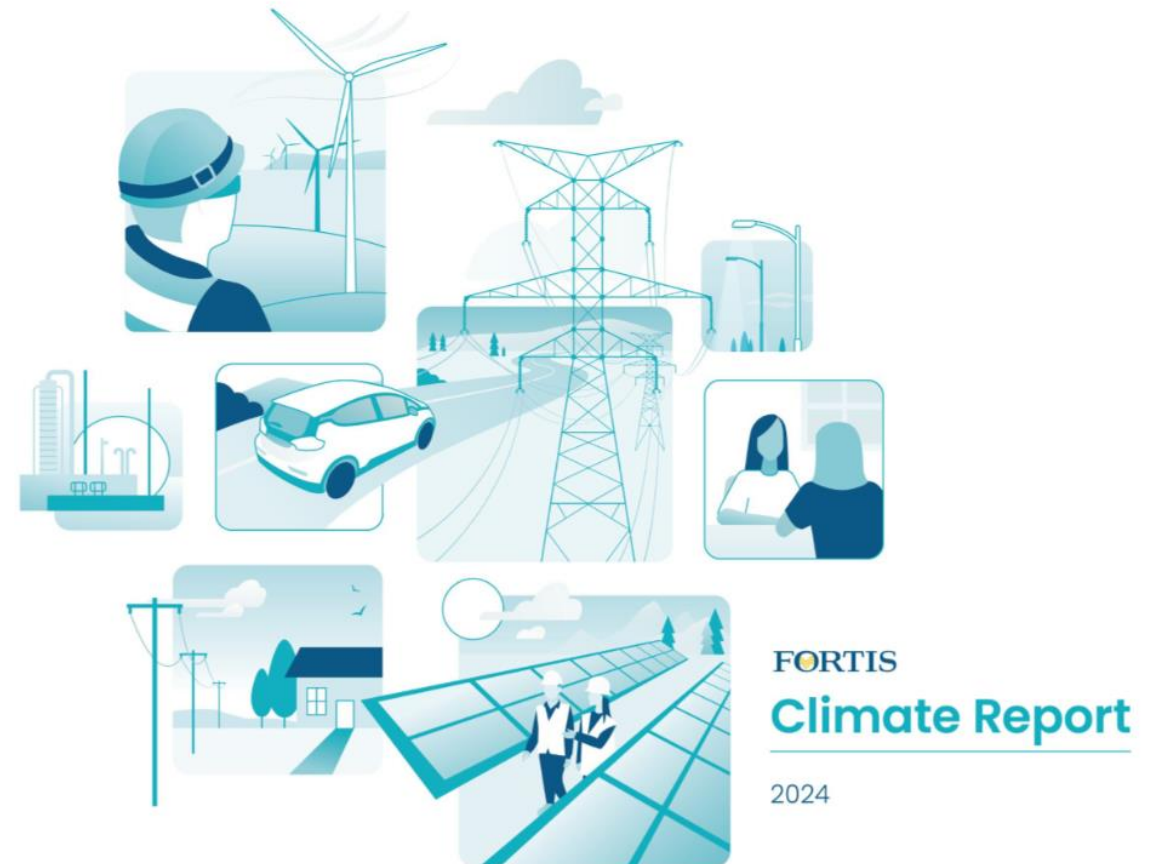




# CLIMATE REPORT HIGHLIGHTS

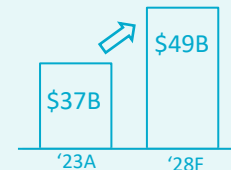
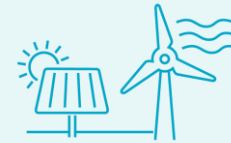
## Overview

- Climate scenario analysis conducted using low and high emissions scenarios over three time horizons (present day, 2030 and 2050)
- Physical climate risks and opportunities were assessed on priority assets using nine climate hazards
- Transition risk and opportunity assessment was aligned with enterprise risk management principles
- Fortis' business strategy addresses the identified risks and opportunities and informs future work to advance preparedness for climate impacts





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



**\$25B**

2024-2028 Capital Plan

~20% major capital projects;  
~\$7B in cleaner energy capital

**\$4.8B**

Capital Expenditures

2024 annual capital plan on track  
with major projects progressing

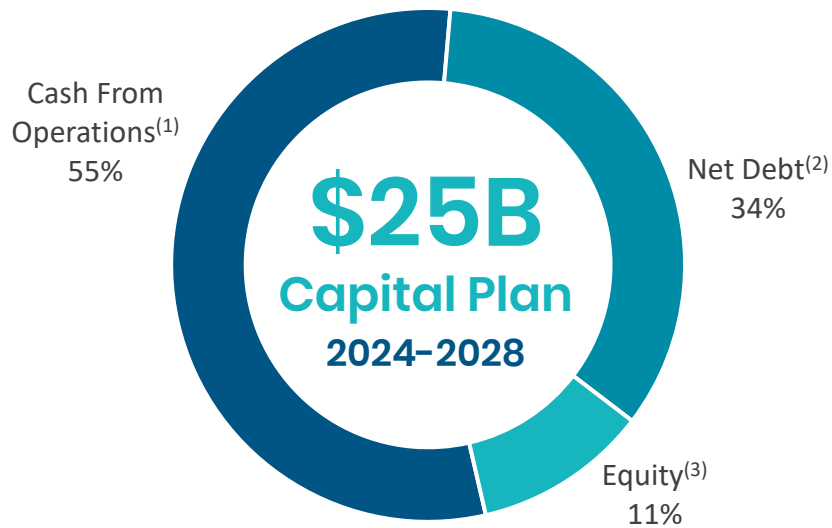
**6.3%**

5-Year Rate Base CAGR<sup>(1)</sup>

Rate Base forecast to grow from \$37.0B  
in 2023 to \$49.4B in 2028

(1) 2023-2028 CAGR calculated based on a constant foreign exchange rate.

# BALANCED APPROACH TO FUNDING GROWTH



## Equity from DRIP Supplemented by ATM Program

- Annual proceeds from DRIP of ~\$400M
- \$500M ATM program to be utilized over time with incremental capital
- Consistent capital structure expected over planning period

## 4-6% Annual Dividend Growth Guidance Range

- Flexibility to fund more capital with internally generated funds
- Range supports reduction in dividend payout ratio over time in line with historical levels

(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 and at-the-market program.

# LIQUIDITY & CREDIT RATINGS





## Raised ~\$400M in Long-Term Debt

- ITC
  - US\$85M 10-year notes at 5.98%
  - US\$75M 5-year bonds at 5.11%
  - US\$75M 10-year bonds at 5.38%
- Central Hudson
  - US\$25M 7-year notes at 5.59%
  - US\$35M 10-year notes at 5.69%

## Debt Maturities & Preference Share Dividends

- Limited near-term non-regulated debt maturities
  - Fortis Inc. – US\$190M (2024)
  - ITC Holdings – US\$400M (2024)<sup>(1)</sup>
- Preference share dividend rate resets
  - Series M (\$600M) – Q4 2024

## Credit Ratings & Outlooks

 Baa3	 A- <sup>(2)</sup>	  A (low)
Stable	Negative	Stable

(1) Partially prefunded in 2023.

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



# KEY DEVELOPMENTS ON OPPORTUNITIES BEYOND THE PLAN



## MISO Long-Range Transmission Plan Tranche 2

- In March 2024, MISO released a preliminary map of Tranche 2 projects with transmission investments estimated in the range of ~US\$17-\$23B with potential for certain projects in ITC's footprint
- MISO Board approval expected in H2 2024



## IRPs at TEP and UNS Electric

- In November 2023, TEP and UNS Electric filed new IRPs
- Estimated incremental opportunity of US\$2.0-\$4.0B at TEP and US\$0.5-\$1.0B at UNS Electric through 2038
- In December 2023, a joint all-source RFP initiated seeking up to 1,500 MW of new resources



## Approval of RNG Application

- In March 2024, the BCUC approved key elements of FortisBC's Revised RNG application
- Requires that deliveries of natural gas to all customers include a portion of RNG
- Approval enables FortisBC to decarbonize energy use in existing residential and commercial buildings



## Environmental Assessment for Tilbury Marine Jetty

- Environmental assessment certificate issued by the Province of British Columbia in March 2024
- Jetty will mainly service marine bunkering
- A federal environmental assessment certificate remains outstanding

# LONG CAPEX RUNWAY



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



Connect more renewable generation to the grid



Replace aging assets to maintain reliability



Build more renewable generation



Invest in technology to ensure security and improve service and efficiency



Provide alternative energy sources to reduce emissions



Prepare grid for additional electrification



Accelerate climate change adaptation for reliability, grid resiliency and hardening



Business development in existing footprint



# RECENT REGULATORY ACTIVITY



## Iowa Transmission Right of First Refusal

- In December 2023, the Iowa District Court ruled that the Iowa ROFR legislation is unconstitutional, based on procedural grounds
- The District Court granted an injunction enjoining further action under or in reliance on the ROFR legislation, preventing any action on MISO LRTP Tranche 1 projects in Iowa that depend on the ROFR<sup>(1)</sup>
- In March 2024, the Iowa District Court issued an order denying all motions for reconsideration; ITC filed an appeal in April 2024 with the Iowa Supreme Court



## General Rate Application

- In July 2023, application filed with PSC seeking new rates effective July 1, 2024
- Decision from the PSC expected in July 2024



## 2025-2027 Rate Framework

- In April 2024, FortisBC filed an application with the BCUC requesting approval of a rate framework for 2025 through 2027

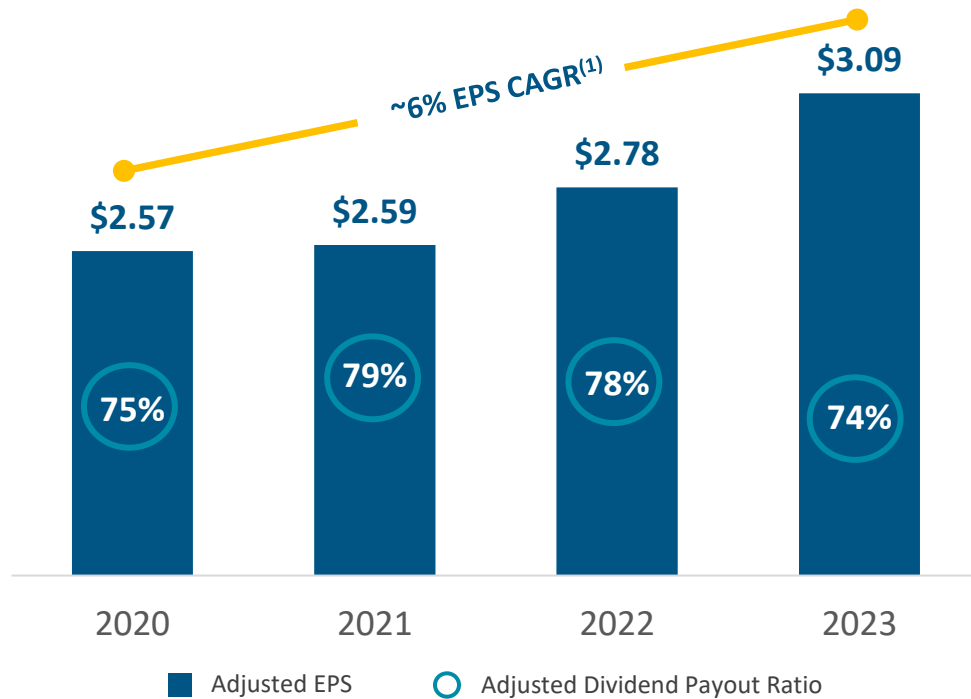
(1) ITC's five-year capital plan includes ~US\$900M in MISO LRTP Tranche 1 projects in Iowa. Under the MISO tariff, approximately 70% of the Tranche 1 projects are upgrades to ITC Midwest facilities along existing rights of way, which under MISO's tariff grants ITC Midwest the option to construct the upgrades regardless of the outcome of the appeal to the Iowa Supreme Court.





# THREE – YEAR LOOK BACK

## Adjusted EPS & Adjusted Dividend Payout Ratio



Note: Adjusted EPS and Adjusted Dividend Payout Ratio are Non-U.S. GAAP financial measures. Adjusted Dividend Payout Ratio calculated using annual dividends paid per common share as disclosed in the 2023 MD&A divided by annual Adjusted EPS. Refer to the 2023 MD&A for the Non-U.S. GAAP reconciliation.

(1) Annual rate base growth for 2023 and 2020-2023 CAGR for EPS and rate base calculated based on a constant foreign exchange rate.

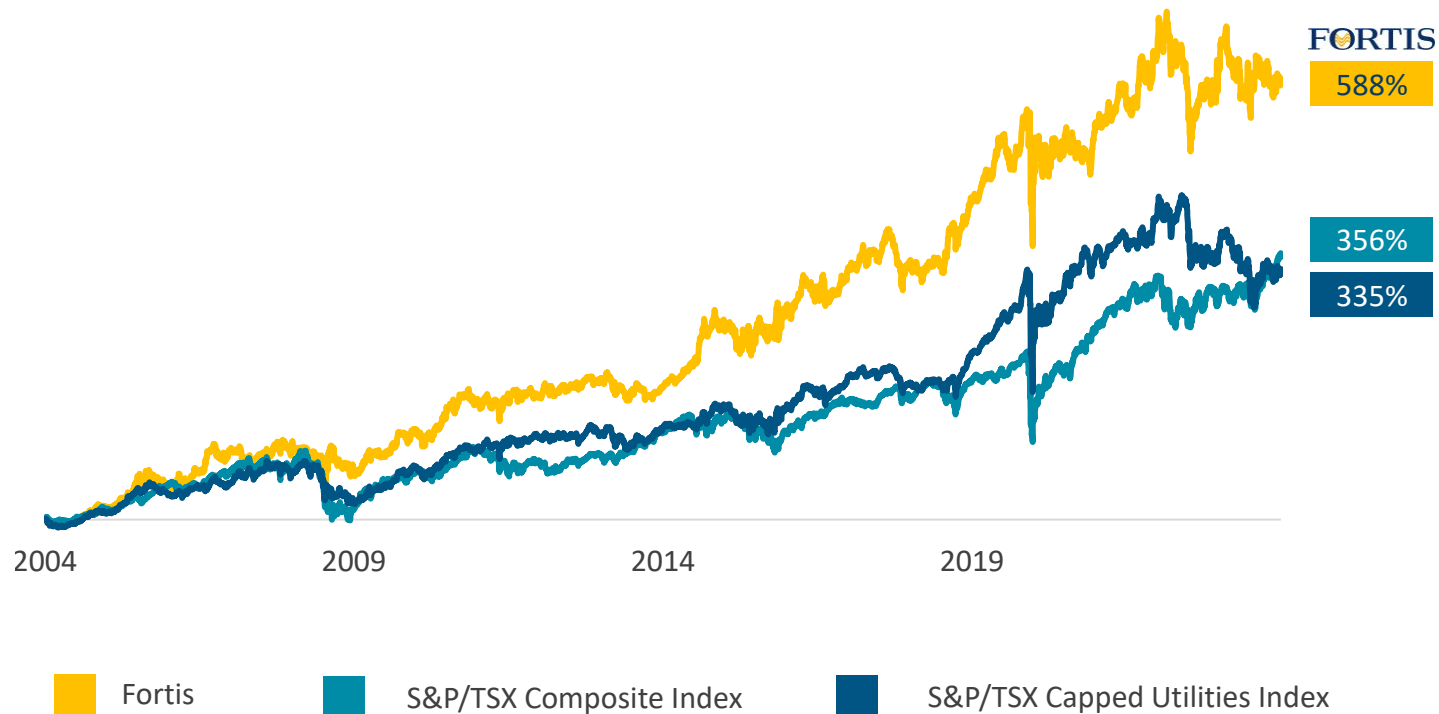
## Strong Rate Base Growth

**6.3%** 2023 Rate Base Growth<sup>(1)</sup>

**6.5%** 3-Year Rate Base CAGR<sup>(1)</sup>

# TOTAL SHAREHOLDER RETURNS

## Cumulative 20-Year Total Shareholder Return



## Average Annual Total Shareholder Returns

1-Year	(2.9%)
5-Year	5.5%
10-Year	9.5%
20-Year	10.1%

Note: Cumulative 20-year total shareholder return as at March 31, 2024.

# DIVIDEND GUIDANCE SUPPORTED BY LONG-TERM GROWTH STRATEGY



**4-6%**  
Annual Dividend  
Growth Guidance  
through 2028





# WHY INVEST IN FORTIS?



## SUSTAINABLE GROWTH

### Focused on Executing



**Strong  
Rate Base Growth**



**Robust Transmission  
Investment Pipeline**



**Transparent  
Funding Plan**



**Cleaner  
Energy Transition**



**4-6% Annual  
Dividend Growth**



**Investment-Grade  
Credit Ratings**

## LOW-RISK

### Safe, Well-Run Utilities



**Strong  
Governance**



**Regulatory &  
Geographic  
Diversity**



**Constructive  
Regulatory  
Relationships**



**Local Business  
Model**



**Virtually  
100% Regulated**



**Low  
Environmental  
Footprint**

# APPENDIX



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# ITC OVERVIEW

FERC regulated electric transmission utility



**26,100 km**

Lines of transmission



**\$12.0 billion**

2024F rate base



**Assets in 8 U.S. States**

Michigan and Iowa key states

**22,102 MW**

Peak demand



**Fortis owns 80.1%**

Interest in ITC



**10.77–11.41% Allowed  
ROE on 60% Equity**

in MISO and SPP, respectively



**FERC Rate Regulated**

Cost-based, forward-looking  
formula rates with annual true-up

**~750**

dedicated employees

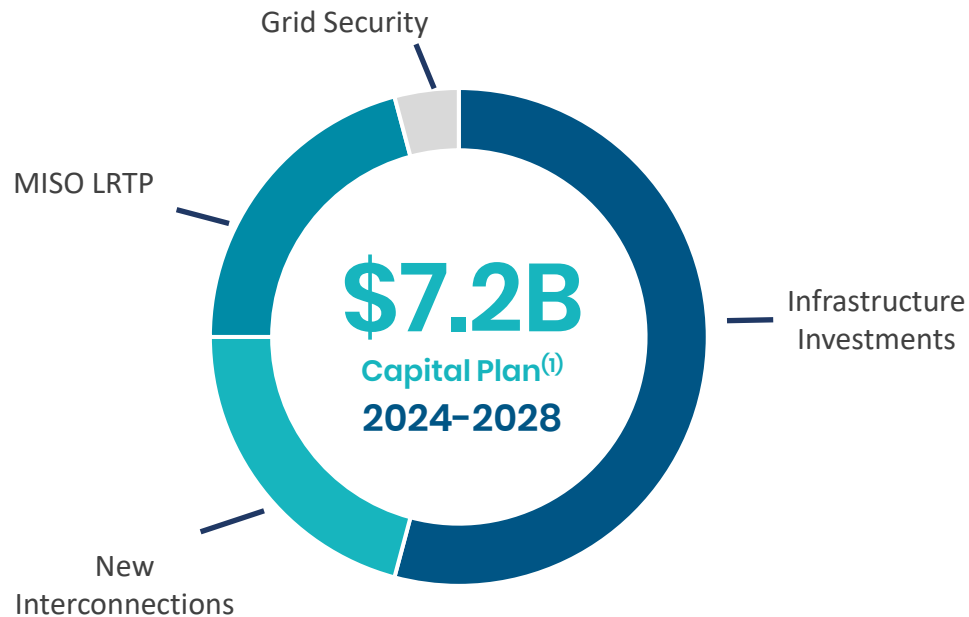


Note: Data as of December 31, 2023 unless otherwise noted

**GREATER GRID >  
GREENER FUTURE**



# ITC CAPITAL INVESTMENT OVERVIEW



## \$3.9B Infrastructure Investments

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



## \$1.5B MISO Long-Range Transmission Plan

Includes portion of investments for Tranche 1



## \$1.5B New Interconnections

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



## \$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.

# UNS ENERGY OVERVIEW

Vertically integrated electric and gas utility



**23,200 km**  
of electric T&D lines



**5,100 km**  
of natural gas T&D lines



**719,000**  
electric and gas customers



**~2,100**  
dedicated employees



**\$7.6 billion**  
2024F rate base



**3,314 MW**  
Peak demand



**ACC & FERC Regulated**  
Cost of service/historical test year  
& FERC formula transmission rates



**9.55% Allowed ROE on**  
**54.32% Equity<sup>(1)</sup>**

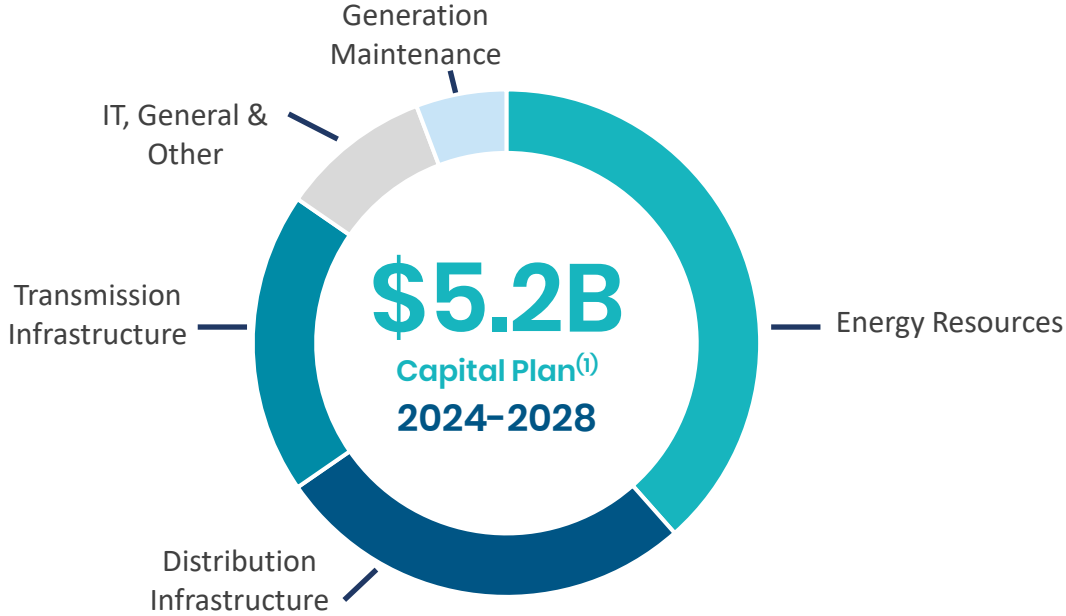
Note: Data as of December 31, 2023 unless otherwise noted

(1) Reflects TEP's cost of capital parameters. UNS Electric has an allowed ROE of 9.75% on 53.72% equity and UNS Gas has an allowed ROE of 9.75% on 50.82% equity.

# BUILDING A SUSTAINABLE & RELIABLE ENERGY FUTURE



# UNS ENERGY CAPITAL INVESTMENT OVERVIEW



### \$2.0B Energy Resources

Expected energy storage, renewables and other investments associated with exit from coal



### \$1.4B Distribution Infrastructure

Grid resiliency and modernization



### \$1.0B Transmission Infrastructure

Vail-to-Tortolita, new substations



### \$500M IT, General & Other

Supports technology, efficiency and sustainment

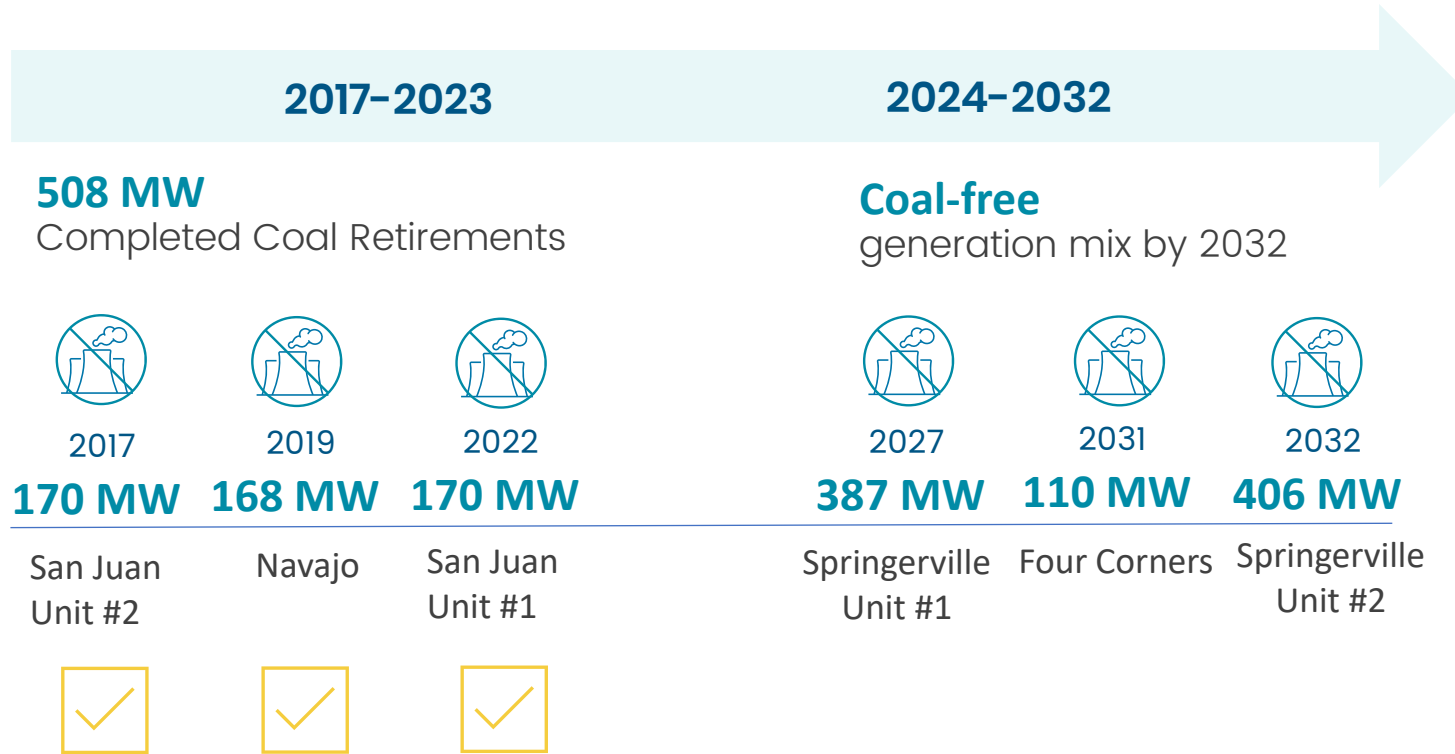


### \$300M Generation Maintenance

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

# 2023 TEP IRP SUPPORTS EXIT FROM COAL

Exit from Coal On Track



Delivering reliable, cleaner energy that is lower risk and affordable for customers

## TEP 2023 IRP Highlights (3,970 MW)

- ✓ 2,240 MW of wind and solar generation
- ✓ 1,330 MW of energy storage
- ✓ 400 MW hydrogen ready natural gas
- ✓ Fully exiting coal by 2032

## UNS Electric 2023 IRP Highlights (775 MW)

- ✓ 350 MW of wind and solar generation
- ✓ 225 MW of energy storage
- ✓ 200 MW hydrogen ready natural gas
- ✓ IRP supports reducing wholesale market exposure

## Next Steps and Expected Impacts

- ✓ ACC review process expected to conclude in fall of 2024
- ✓ No significant changes expected to five-year capital plan
- ✓ Incremental investment opportunity of ~US\$2.5-5.0B through 2038<sup>(1)</sup>
- ✓ By ramping up renewable energy and natural gas capacity, UNS will rely even less on coal from 2028-2032, reducing cumulative forecasted Scope 1 emissions

(1) Incremental opportunity of ~US\$2.0-4.0B at TEP and US\$0.5-1.0B at UNS Electric through 2038.



# CENTRAL HUDSON OVERVIEW

Electric and gas T&D utility



**15,200 km**  
of electric T&D lines



**2,400 km**  
of natural gas T&D lines



**315,000**  
electric customers



**90,000**  
natural gas customers



**~1,200**  
dedicated employees



**\$3.1 billion**  
2024F rate base



**New York Public Service  
Commission Regulated**

Cost of service on future test year



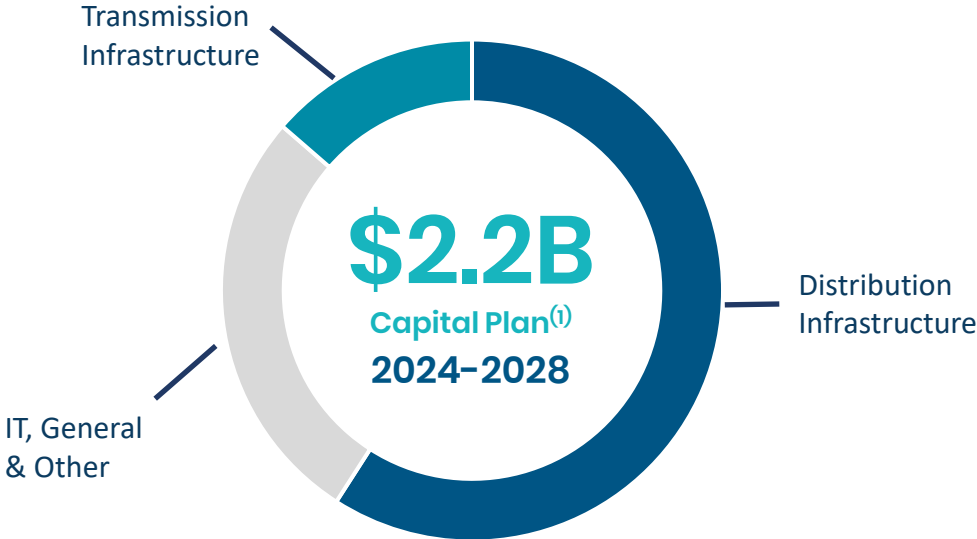
**9.0%**      **48%**  
Allowed      Equity  
ROE        Ratio

Note: Data as of December 31, 2023 unless otherwise noted



TOGETHER WE  
POWER ENDLESS  
POSSIBILITIES

# CENTRAL HUDSON CAPITAL INVESTMENT OVERVIEW



## \$1.3B Distribution Infrastructure

Distribution automation and modernization



## \$600M IT, General & Other

Building the Workforce of the Future



## \$300M 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 OVERVIEW

## Gas LDC and integrated electric utility



**51,600 km**  
of natural gas T&D lines



**~2,700**  
dedicated employees



**7,300 km**  
of electric T&D lines



**\$7.6 billion**  
2024F rate base



**1.1 million**  
natural gas customers



**BCUC Regulated**  
Cost of service with  
incentive mechanisms



**191,000**  
electric customers



**9.65%**  
Allowed  
ROEs

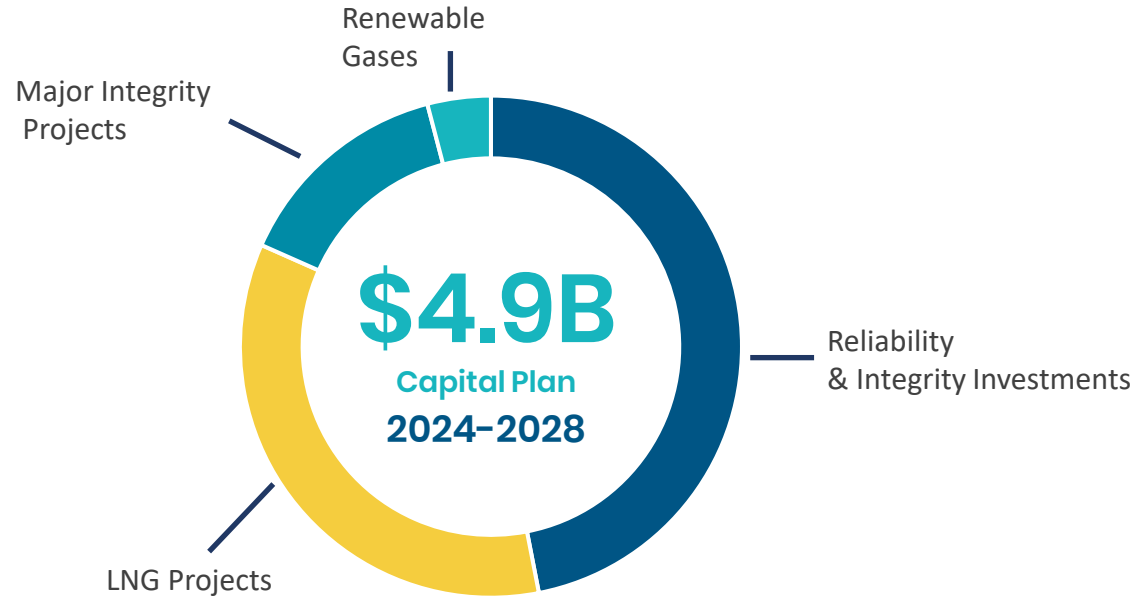
Gas	<b>45%</b>
Electric	<b>41%</b>
Equity Ratios	



**ENERGY FOR  
A BETTER BC**

Note: Data as of December 31, 2023 unless otherwise noted

# FORTISBC CAPITAL INVESTMENT OVERVIEW



## **\$2.3B Reliability & Integrity Investments**

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



## **\$1.7B LNG Projects**

Tilbury 1B  
Tilbury LNG Storage Expansion  
Eagle Mountain Woodfibre Gas Line Project



## **\$700M Major Integrity Projects**

Advanced Metering Infrastructure Project  
Okanagan Capacity Upgrade



## **\$200M Renewable Gases**

Hydrogen and renewable natural gas  
Natural gas for transportation



# FORTISALBERTA OVERVIEW

Electric distribution utility



**90,500 km**  
distribution lines



**\$4.4 billion**  
2024F rate base



**592,000**  
customers



**~85%**  
of revenue derived from  
fixed-billing determinants



**2,643 MW**  
Peak demand



**AUC Regulated**  
PBR setting



**~1,200**  
dedicated employees



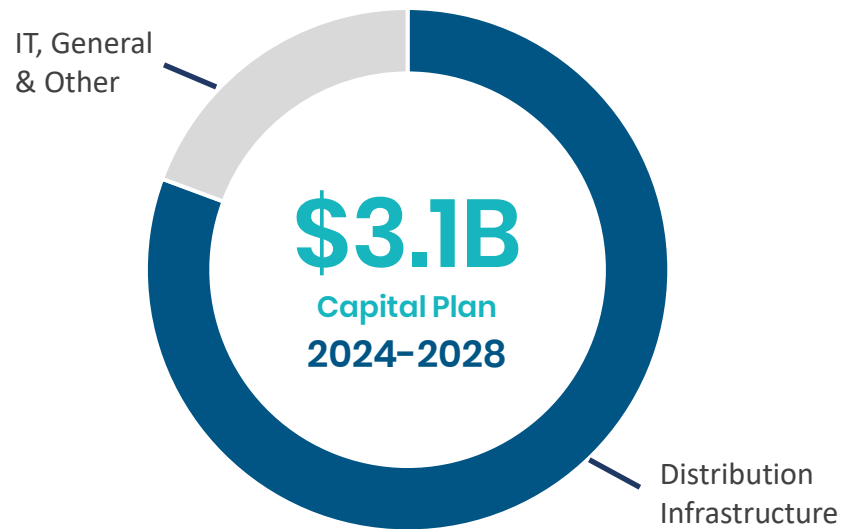
**9.28%**    **37%**  
Allowed    Equity  
ROE      Ratio

Note: Data as of December 31, 2023 unless otherwise noted



## THE LINE THAT CONNECTS US ALL

# FORTISALBERTA CAPITAL INVESTMENT OVERVIEW



## **\$2.5B Distribution Infrastructure**

Safety and reliability of distribution assets, meter upgrades, pole management program, modernization



## **\$600M IT, General & Other**

# OTHER ELECTRIC OVERVIEW

Electric T&D utilities



**23,000 km**  
of electric T&D lines



**Five**  
regulated electric utilities<sup>(1)</sup>



**484,000**  
customers



**Equity investments**  
Wataynikaneyap Partnership &  
Belize Electricity



**~1,550**  
dedicated employees



**Three**  
North American countries



**\$3.7 billion**  
2024F rate base



**8.75%**    **43.0%**  
Allowed    Equity  
ROE<sup>(2)</sup>    Ratio<sup>(2)</sup>

Note: Data as of December 31, 2023 unless otherwise noted

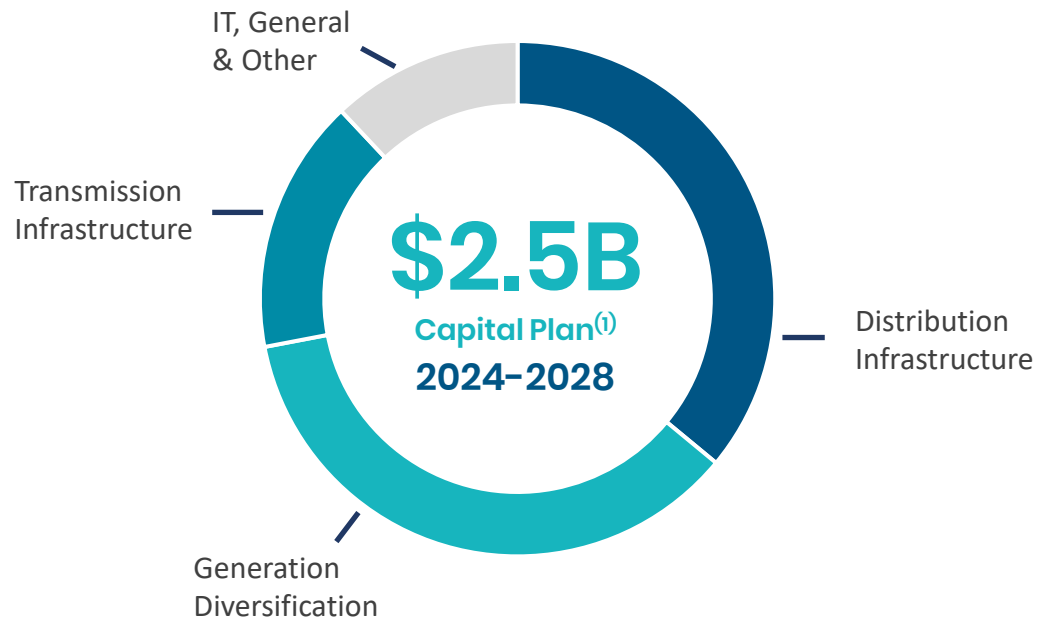
(1) Includes Newfoundland Power, Maritime Electric, FortisOntario, FortisTCI and Fortis' approximately 60% interest in Caribbean Utilities.

(2) Reflects weighted average allowed ROE and equity ratio for Newfoundland Power (8.50% / 45%), Maritime Electric (9.35% / 40%) and FortisOntario (8.52%-9.30% / 40%). Caribbean Utilities and FortisTCI earn a return on rate base. For 2023, Caribbean Utilities and FortisTCI achieved ROEs of 11.9% and 10.6%, respectively.



## DELIVERING A CLEANER ENERGY FUTURE

# OTHER ELECTRIC CAPITAL INVESTMENT OVERVIEW



**\$900M Distribution Infrastructure**



**\$900M Generation Diversification**



**\$400M Transmission Infrastructure**



**\$300M IT, General & Other**

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



# 2024–2028 CAPITAL PLAN BY BUSINESS UNIT

Capital Plan						
(\$ MILLIONS)	2024F	2025F	2026F	2027F	2028F	2024–2028 TOTAL
Regulated – Independent Electric Transmission						
ITC	1,252	1,474	1,449	1,477	1,537	7,189
Regulated – U.S. Electric & Gas						
UNS Energy	1,111	854	912	1,310	973	5,160
Central Hudson	408	421	437	421	485	2,172
Total Regulated – U.S. Electric & Gas	1,519	1,275	1,349	1,731	1,458	7,332
Regulated – Canadian & Caribbean Electric & Gas						
FortisBC Energy	764	868	775	1,093	699	4,199
FortisAlberta	586	574	623	629	657	3,069
FortisBC Electric	134	152	158	150	141	735
Other Electric	507	470	484	502	488	2,451
Total Regulated – Canadian & Caribbean Electric & Gas	1,991	2,064	2,040	2,374	1,985	10,454
Non-Regulated – Corporate & Other	7	4	3	3	2	19
<b>Total Capital Plan</b>	<b>4,769</b>	<b>4,817</b>	<b>4,841</b>	<b>5,585</b>	<b>4,982</b>	<b>24,994</b>

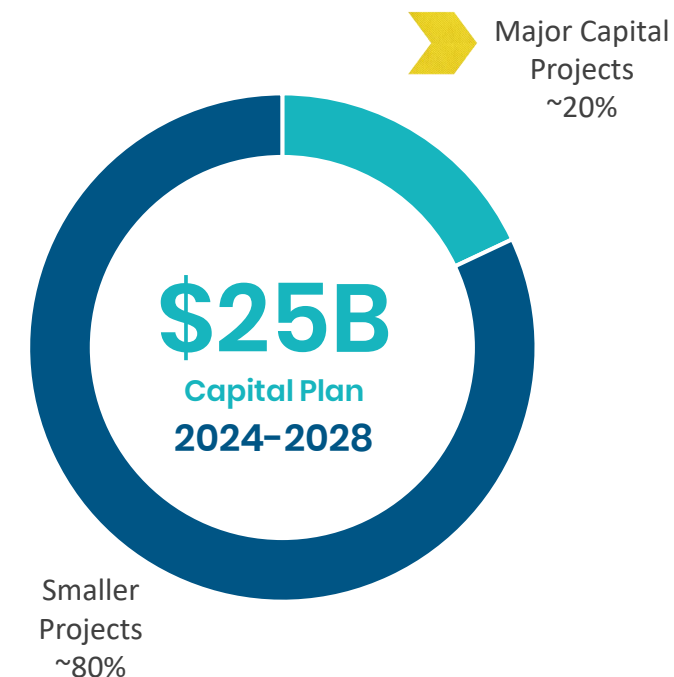
Note: Capital Plan is a forward-looking Non-U.S. GAAP financial measure calculated in same manner as Capital Expenditures. Refer to the Non-U.S. GAAP reconciliation on in the Q1 2024 MD&A. U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD foreign exchange rate of 1.30.

# MAJOR CAPITAL PROJECTS

(\$ Millions)	2024-2028F	Estimated Completion Date
ITC MISO LRTP <sup>(1)</sup>	1,477	Post-2028
UNS Roadrunner Reserve Battery Storage Project	345	2025
UNS Vail-to-Tortolita Transmission Project	286	2026
UNS IRP Energy Resources <sup>(2)</sup>	417	2027
FortisBC Eagle Mountain Woodfibre Gas Line Project <sup>(3)</sup>	750	2027
FortisBC Tilbury LNG Storage Expansion	537	Post-2028
FortisBC AMI Project	515	2028
FortisBC Tilbury 1B Project	378	Post-2028
FortisBC Okanagan Capacity Upgrade <sup>(4)</sup>	213	2026
Wataynikaneyap Transmission Power Project <sup>(5)</sup>	65	2024

Note: Projects, other than ongoing maintenance projects, individually costing \$200M or more in the forecast/planning period.

- (1) Reflects investments associated with six projects that run through ITC's MISO operating companies' service territories, including Michigan and Iowa. Total estimated transmission investments of US\$1.4B to US\$1.8B through 2030, with capital expenditures of approximately \$1.5B (US\$1.2B) included in the Corporation's 2024-2028 Capital Plan.
- (2) Includes capital expenditures for resource requirements, including wind and solar generation and energy storage systems, supporting the transition to cleaner energy as outlined in TEP's 2023 IRP.
- (3) FortisBC Energy's investment in the project has increased to \$750M, net of customer contributions, as compared to \$420M previously expected. The increase was due to amendments to previous development, construction, transportation and other commercial agreements with Woodfibre LNG Limited and other partners, that became effective with the completion of the remaining substantive conditions, including BCUC approval of amended transportation rate schedules.
- (4) In December 2023, the BCUC denied the CPCN application for the Okanagan Capacity Upgrade. While the BCUC agreed with the imminent need to address pipeline capacity shortfalls in the Okanagan Region, the Panel was not persuaded that the project was the optimal solution given the potential future impacts of provincial policy on natural gas peak demand over the long-term. The BCUC has instructed FortisBC to investigate short-term solutions to meet capacity needs in the Okanagan Region and submit a plan by the end of July 2024. Impact on amount and timing of capital expenditures remain unknown.
- (5) Represents Fortis' 39% share of the estimated capital spending for the project.



# 2023–2028 RATE BASE BY BUSINESS UNIT

## Rate Base

(\$BILLIONS, EXCEPT FOR CAGR)	2023A	2024F	2025F	2026F	2027F	2028F	5-YEAR CAGR to 2028
Regulated – Independent Electric Transmission ITC <sup>(1)</sup>	11.5	12.0	12.7	13.4	14.4	15.6	7.0%
Regulated – U.S. Electric & Gas							
UNS Energy	7.3	7.6	8.1	8.5	9.0	9.5	6.3%
Central Hudson	3.0	3.1	3.4	3.6	3.8	4.1	7.1%
Total Regulated – U.S. Electric & Gas	10.3	10.7	11.5	12.1	12.8	13.6	6.5%
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	5.9	5.9	6.3	6.8	7.7	8.4	7.1%
FortisAlberta	4.2	4.4	4.6	4.8	5.0	5.2	4.6%
FortisBC Electric	1.7	1.7	1.8	1.9	1.9	2.0	4.0%
Other Electric	3.4	3.7	3.9	4.2	4.4	4.6	6.1%
Total Regulated – Canadian & Caribbean Electric & Gas	15.2	15.7	16.6	17.7	19.0	20.2	5.9%
<b>Total Rate Base Forecast</b>	<b>37.0</b>	<b>38.4</b>	<b>40.8</b>	<b>43.2</b>	<b>46.2</b>	<b>49.4</b>	<b>6.3%</b>

Note: U.S. dollar-denominated rate base converted at a foreign exchange rate of 1.35 for 2023 and 1.30 for 2024-2028. CAGR, as defined in the Q1 2024 MD&A, is calculated on a constant foreign exchange rate basis.

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

# SENSITIVITY EXPOSURE

## Foreign Exchange

- Assumed forecast USD:CAD FX rate of 1.30 for 2024-2028
- 65% of regulated earnings<sup>(1)</sup> / 60% of capital plan in USD at U.S. & Caribbean utilities
- +/- \$0.05 change in USD:CAD
  - EPS: ~\$0.06
  - Five-year capital plan: \$600M

## ROE & Equity Ratio

	ROE +/- 25 bps	Equity +/- 100 bps
ITC	\$0.03	\$0.03
UNS Energy	\$0.02	\$0.01
FortisBC	\$0.01	\$0.01
Central Hudson	\$0.01	\$0.006
FortisAlberta	\$0.01	\$0.01

Note: EPS sensitivities reflect forecasted average annual impacts for 2024-2028. Foreign exchange EPS sensitivity inclusive of the Corporation's hedging activities.

(1) Non-U.S. GAAP financial measure for year ended December 31, 2023. Excludes Net Expense of Corporate and Other segment.





# ONGOING REGULATORY PROCEEDINGS

**MISO Base ROE** In 2022, the U.S. Court of Appeals for the D.C. 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%; the court remanded the matter to FERC for further process, timing and outcome remain unknown

**Notice of Proposed Rulemaking on Incentives** In 2021, FERC issued a supplemental NOPR proposing to eliminate the 50-bps 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

**Iowa Transmission Right of First Refusal<sup>(1)</sup>** In December 2023, the Iowa District Court ruled that the manner in which Iowa's ROFR statute was passed is unconstitutional; statute granted incumbent electric transmission owners, including ITC, a ROFR to construct, own and maintain certain electric transmission assets in the state; the District Court did not make any determination on the merits of the ROFR itself, but did issue a permanent injunction preventing ITC and others from taking further action to construct the MISO LRTP Tranche one Iowa projects in reliance on the ROFR; in March 2024, the District Court issued an order denying all motions for reconsideration of its decision, including ITC's motion seeking reconsideration of the scope of the injunction; ITC appealed the District Court's order to the Iowa Supreme Court in April 2024; until there is more certainty around the resolution of these matters, we cannot predict the impact on the timing of capital expenditures related to the LRTP Tranche one Iowa LRTP projects

**Customer Information System Implementation** In 2023, Central Hudson filed a response to the PSC's show cause order in respect of its new CIS; interim agreement reached with the PSC in July 2023 including independent third-party verification of recent system improvements relating to billing system and acceleration of plans to perform monthly meter reading; third-party review is complete, and PSC is reviewing the related report; timing and outcome remain unknown

**General Rate Application** In 2023, an application was filed with the PSC requesting new rates effective July 1, 2024 with an allowed ROE of 9.8% and 50% common equity ratio; in March 2024, Central Hudson agreed to an extension of the proceeding to July 31, 2024, subject to retroactive application to July 1, 2024; decision from the PSC expected in July 2024; timing and outcome remain unknown

**2025-2027 Rate Framework** In April 2024, FortisBC filed an application with the BCUC requesting approval of a rate framework for 2025-2027; process will continue throughout 2024

**GCOC Decision** In 2023, the AUC issued a decision on the GCOC proceeding and FortisAlberta sought permission to appeal the decision to the Court of Appeal on the basis that the AUC erred in its decision to not adjust FortisAlberta's ROE and common equity component for certain risk factors; in April 2024, the Court of Appeal granted permission to appeal; the appeal is expected to be complete by the end of 2024

**Third PBR Term Decision** In 2023, the AUC issued a decision establishing the parameters for the third PBR term for 2024-2028; FortisAlberta sought permission to appeal the decision to the Court of Appeal on the basis that the AUC erred in its decision to determine capital funding using 2018-2022 historical capital investments without consideration for funding of new capital programs included in the company's 2023 COS revenue requirement as approved by the AUC; timing and outcome remain unknown

(1) ITC's five-year capital plan includes ~US\$900M in MISO LRTP Tranche 1 projects in Iowa. Under the MISO tariff, approximately 70% of the Tranche 1 projects are upgrades to ITC Midwest facilities along existing rights of way, which under MISO's tariff grants ITC Midwest the option to construct the upgrades regardless of the outcome of the appeal to the Iowa Supreme Court.

# ESG LEADERSHIP



## Environmental

- 2050 net-zero direct emissions goal, with interim targets to reduce GHG emissions 50% by 2030 and 75% by 2035
- Progress: More than halfway to achieving our 50% by 2030 target with a 33% 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; seasonal operations commenced at Springerville in 2023
- Five-year capital plan includes ~\$7B for cleaner energy investments
- Pilot project formed to produce low-carbon hydrogen; FortisBC continues to partner with local universities and partners to study safe and reliable hydrogen blending with natural gas
- FortisBC plans to increase RNG supply so that at least 15% of natural gas consumption comes from renewable and low-carbon gas by 2030

## Social

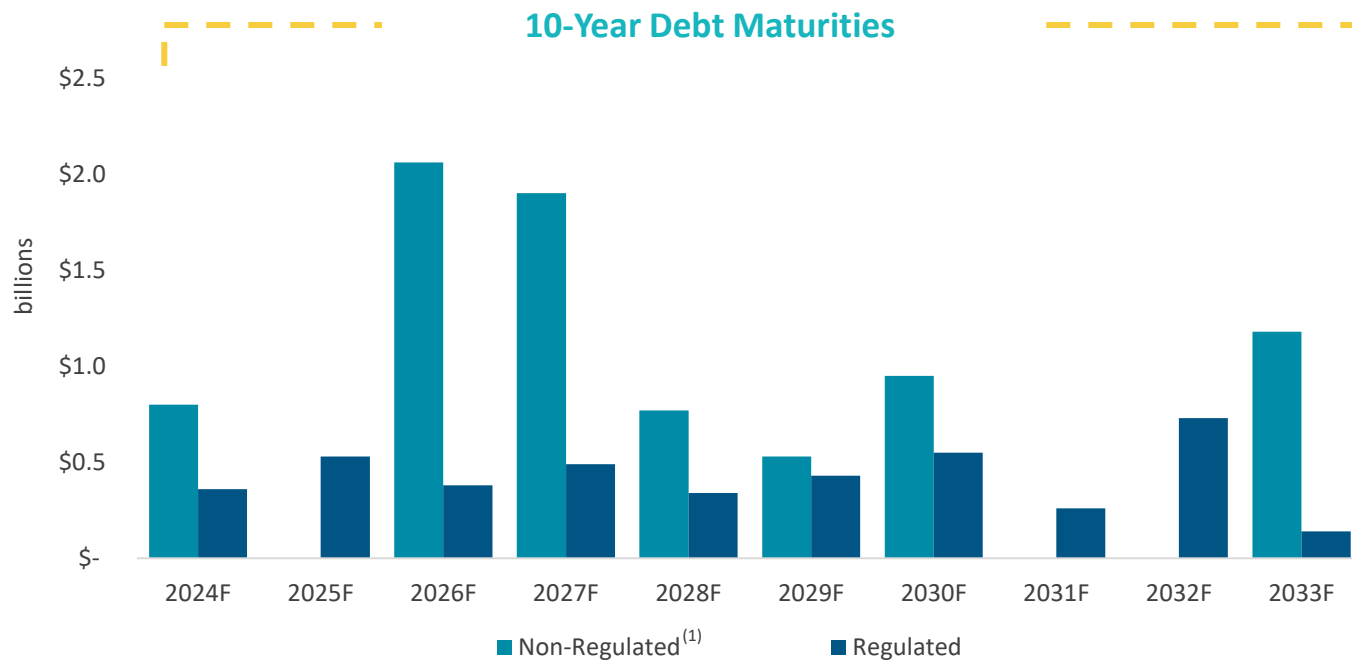
- Building on our strong record of mutually beneficial partnerships with Indigenous peoples
- FortisBC awarded silver-level designation in Progressive Aboriginal Relations™ from the Canadian Council of Aboriginal Business
- 1,800 KM Wataynikaneyap transmission line connecting 17 remote First Nations communities to the Ontario power grid; expected to be completed in 2024
- Focus on just transition
- ~\$11M of community investment in 2023

## Governance

- Ranked #2 out of 219 S&P/TSX companies in The Globe & Mail 2023 Board Games
- Independent chair; 11 of 12 directors are independent
- 58% of Fortis board members are women; 2 of 12 identify as a visible minority
- Average board tenure of 4.8 years
- Women currently represent 50% of the Fortis Inc. executive leadership team
- 82% of Fortis utilities have a female in the position of CEO or board chair
- Executive compensation linked to climate and diversity targets

# DEBT MATURITIES & PREFERENCE SHARE DIVIDENDS

## Debt Maturities





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

## Preference Share Dividend Rate Resets

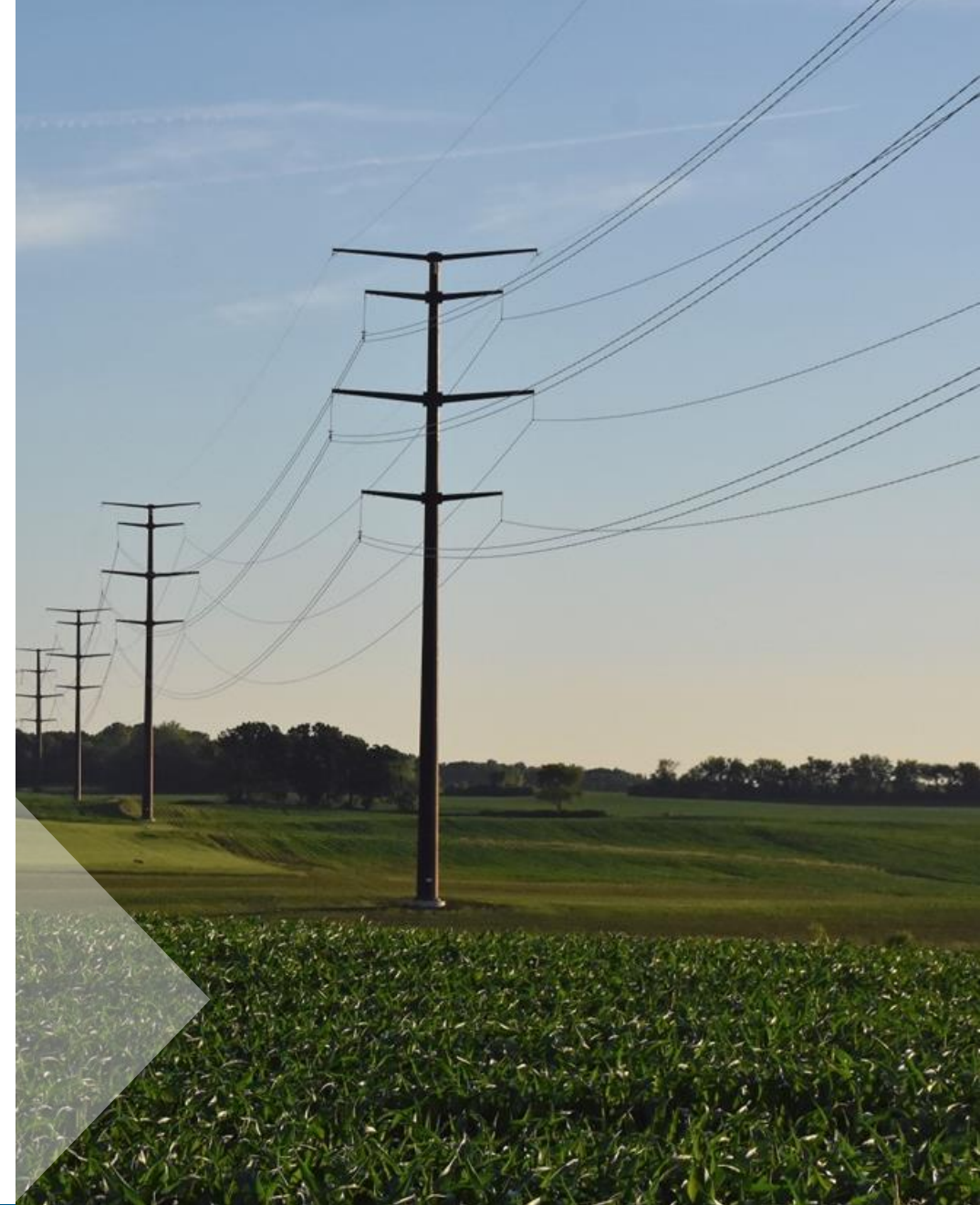


# STRONG INVESTMENT-GRADE CREDIT RATINGS

COMPANY	 <sup>(1)</sup>		
Fortis Inc.	A <sup>-(2)</sup>	Baa3	A (low)
ITC Holdings Corp.	A <sup>-(2)</sup>	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) In November 2023, S&P confirmed the Corporation's credit ratings and revised the issuer rating outlook for the Corporation and certain of its subsidiaries from stable to negative. S&P noted that the change reflects rising exposure to physical risks due to climate change. S&P also revised the FFO to debt downgrade threshold for the Corporation from 10.5% to 12.0%.

(2) 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. Executive



**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

## Utility CEOs



**Linda Apsey**  
ITC



**Chris Capone<sup>(1)</sup>**  
Central Hudson



**Roger Dall'Antonia**  
FortisBC



**Ruth Forbes**  
FortisTCI



**Susan Gray**  
UNS Energy



**Glen King**  
FortisOntario



**Richard Hew**  
Caribbean Utilities



**Kay Menzies**  
Fortis Belize



**Gary Murray**  
Newfoundland Power



**Jason Roberts**  
Maritime Electric



**Janine Sullivan**  
FortisAlberta

(1) Mr. Capone will be retiring as CEO of Central Hudson Gas and Electric Corporation in October 2024 at which time Ms. Stephanie Raymond, currently President of Central Hudson Gas and Electric Corporation, will assume full responsibilities as President and CEO.

# GLOSSARY

ACC	Arizona Corporation Commission
AMI	Advanced Metering Infrastructure
ATM	At-the-market equity program
AUC	Alberta Utilities Commission
BCUC	British Columbia Utilities Commission
Belize Electricity Board	Belize Electricity Limited, in which Fortis indirectly holds a 33% equity interest
CAGR	Board of Directors of the Corporation compound average growth rate of a particular item. $CAGR = (EV/BV)^{1/N} - 1$ , where: (i) EV is the ending value of the item; (ii) BV is the beginning value of the item; and (iii) N is the number of periods. Calculated on a constant U.S. dollar to Canadian dollar exchange rate
Capital Expenditures	cash outlay for additions to property, plant and equipment and intangible assets as shown in the Annual Financial Statements, as well as Fortis' 39% share of capital spending for the Wataynikaneyap Transmission Power Project. See "Non-US GAAP Financial Measures" in Q1 2024 MD&A.
Capital Plan	forecast Capital Expenditures. Represents a non-U.S. GAAP financial measure calculated in the same manner as Capital Expenditures
Caribbean Utilities	Caribbean Utilities Company, Ltd., an indirect approximately 60%-owned (as at December 31, 2023) subsidiary of Fortis, together with its subsidiary
Central Hudson	CH Energy Group, Inc., an indirect wholly owned subsidiary of Fortis, together with its subsidiaries, including Central Hudson Gas & Electric Corporation
CEO	Chief Executive Officer of Fortis
CFO	Chief Financial Officer of Fortis
CIS	Customer information system
Corporation	Fortis Inc.
CPCN	Certificate of Public Convenience and Necessity
DBRS Morningstar	DBRS Limited
D.C. Circuit Court	U.S. Court of Appeals for the District of Columbia Circuit
DRIP	dividend reinvestment plan
EPS	earnings per common share
ESG	Environment, Social and Governance
EVP	Executive Vice President
FERC	Federal Energy Regulatory Commission
FFO	funds from operations
Fortis	Fortis Inc.
FortisAlberta	FortisAlberta Inc., an indirect wholly owned subsidiary of Fortis
FortisBC	FortisBC Energy and FortisBC Electric
FortisBC Electric	FortisBC Inc., an indirect wholly owned subsidiary of Fortis, together with its subsidiaries
FortisBC Energy	FortisBC Energy Inc., an indirect wholly owned subsidiary of Fortis, together with its subsidiaries
FortisOntario	FortisOntario Inc., a direct wholly owned subsidiary of Fortis, together with its subsidiaries
FortisTCI	FortisTCI Limited, an indirect wholly owned subsidiary of Fortis, together with its subsidiary
FX	foreign exchange associated with the translation of U.S. dollar-denominated amounts. Foreign exchange is calculated by applying the change in the U.S.-to-Canadian dollar FX rates to the prior period U.S. dollar balance.
GCOC	generic cost of capital

GHG	greenhouse gas
IRP	Integrated Resource Plan
km	Kilometre(s)
IT	Information technology
ITC	ITC Investment Holdings Inc., an indirect 80.1%-owned subsidiary of Fortis, together with its subsidiaries, including International Transmission Company, Michigan Electric Transmission Company, LLC, ITC Midwest LLC, and ITC Great Plains, LLC
LNG	liquefied natural gas
L RTP	Long-Range Transmission Plan
Major Capital Projects	projects, other than ongoing maintenance projects, individually costing \$200M or more
Maritime Electric	Maritime Electric Company, Limited, an indirect wholly owned subsidiary of Fortis
MD&A	the Corporation's management discussion and analysis
MISO	Midcontinent Independent System Operator, Inc.
Moody's	Moody's Investor Services, Inc.
MW	megawatt(s)
Newfoundland Power	Newfoundland Power Inc., a direct wholly owned subsidiary of Fortis
NOPR	notice of proposed rulemaking
Non-U.S. GAAP Financial Measure	financial measures that do not have a standardized meaning prescribed by U.S. GAAP
PBR	performance-based rate-setting
PSC	New York Public Service Commission
Rate Base	the stated value of property on which a regulated utility is permitted to earn a specified return in accordance with its regulatory construct
RFP	request for proposal
RNG	renewable natural gas
ROE	rate of return on common equity
ROFR	right of first refusal
RTO	Regional transmission organization
S&P	Standard & Poor's Financial Services LLC
SPP	Southwest Power Pool
T&D	transmission and distribution
TEP	Tucson Electric Power Company, a direct wholly owned subsidiary of UNS Energy
Total Shareholder Return	Total shareholder return, or TSR, which is a measure of the return to common equity shareholders in the form of share price appreciation and dividends (assuming reinvestment) over a specified time period in relation to the share price at the beginning of the period.
U.S.	United States of America
U.S. GAAP	accounting principles generally accepted in the U.S.
UNS	UNS Energy Corporation, an indirect wholly owned subsidiary of Fortis, together with its subsidiaries, including TEP, UNS Electric, Inc. and UNS Gas, Inc.
UNS Electric	UNS Electric, Inc.
USD:CAD	U.S. Dollar to Canadian Dollar foreign exchange rate
Wataynikaneyap Partnership	Wataynikaneyap Power Limited Partnership