



FORTIS_{INC.}

2018 Third Quarter Earnings Conference Call

November 2, 2018

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 U.S. Private Securities Litigation Reform Act of 1995, collectively referred to as "forward-looking information". Forward-looking information included in this presentation 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 include, without limitation: the Corporation's forecast consolidated and segmented capital expenditures for 2018 and the period 2019 through 2023 and potential funding sources for the capital plan; the Corporation's forecast consolidated and segmented rate base for the period 2019 through 2023; targeted average annual dividend growth through 2023; targeted debt ratios for the period 2018 through 2023; the expected timing of filing of regulatory applications and receipt and outcome of regulatory decisions; the nature, timing and expected costs of certain capital projects including, without limitation, the Wataynikaneyap Transmission Power Project, ITC Multi-Value Regional Transmission Projects and 34.5 to 69 kV Transmission Conversion Project, UNS Energy Gila River Natural Gas Generating Station Unit 2, Southline Transmission Project and New Mexico Wind Project, FortisBC Lower Intermediate Pressure System Upgrade, Eagle Mountain Woodfibre Gas Line Project, Transmission Integrity Management Capabilities Project and Inland Gas Upgrades Project and additional opportunities beyond the base capital plan; and the expectation that the Corporation will maintain its investment-grade credit ratings.

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. 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: the implementation of the Corporation's five-year capital investment plan; 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 realization of additional opportunities; the impact of fluctuations in foreign exchange; the Board exercising its discretion to declare dividends, taking into account the business performance and financial condition of the Corporation; reasonable decisions by utility regulators and the expectation of regulatory stability and no significant changes in laws and regulations that may materially negatively affect the Corporation and its subsidiaries. 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. All forward-looking information in this presentation is given as of the date of this presentation and 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 and references to rate base refer to mid-year rate base.



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Barry Perry
Fortis Inc. - President & CEO

Business Update

- **FortisBC Gas Supply**
- **2018 Sustainability Report Issued**
- **Investors Days Held in Toronto and New York**
- **FERC Issues Orders on ROE Matters**



New 2019-2023 Business Plan Highlights



\$17.3B

**5-Year
Capital Plan**



6-7%

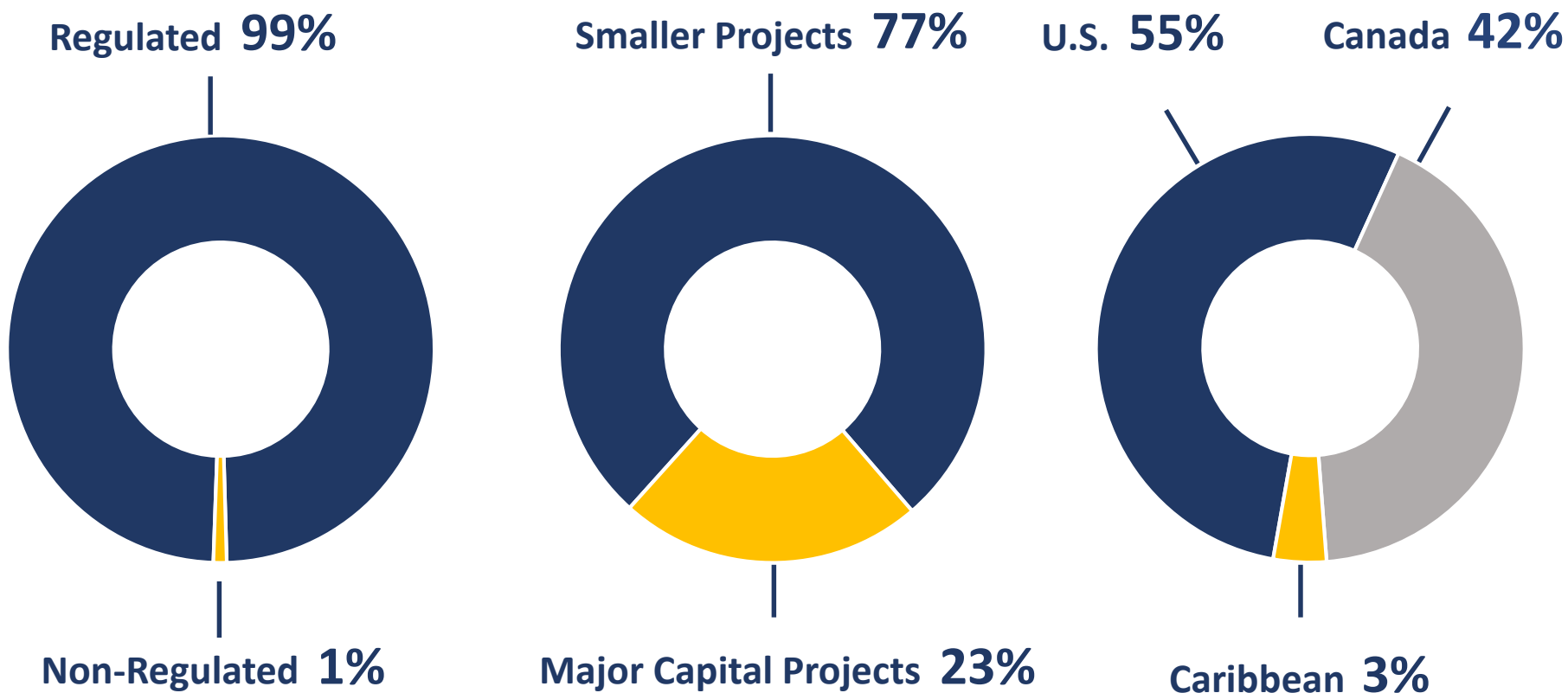
**Rate Base
Growth**



6%

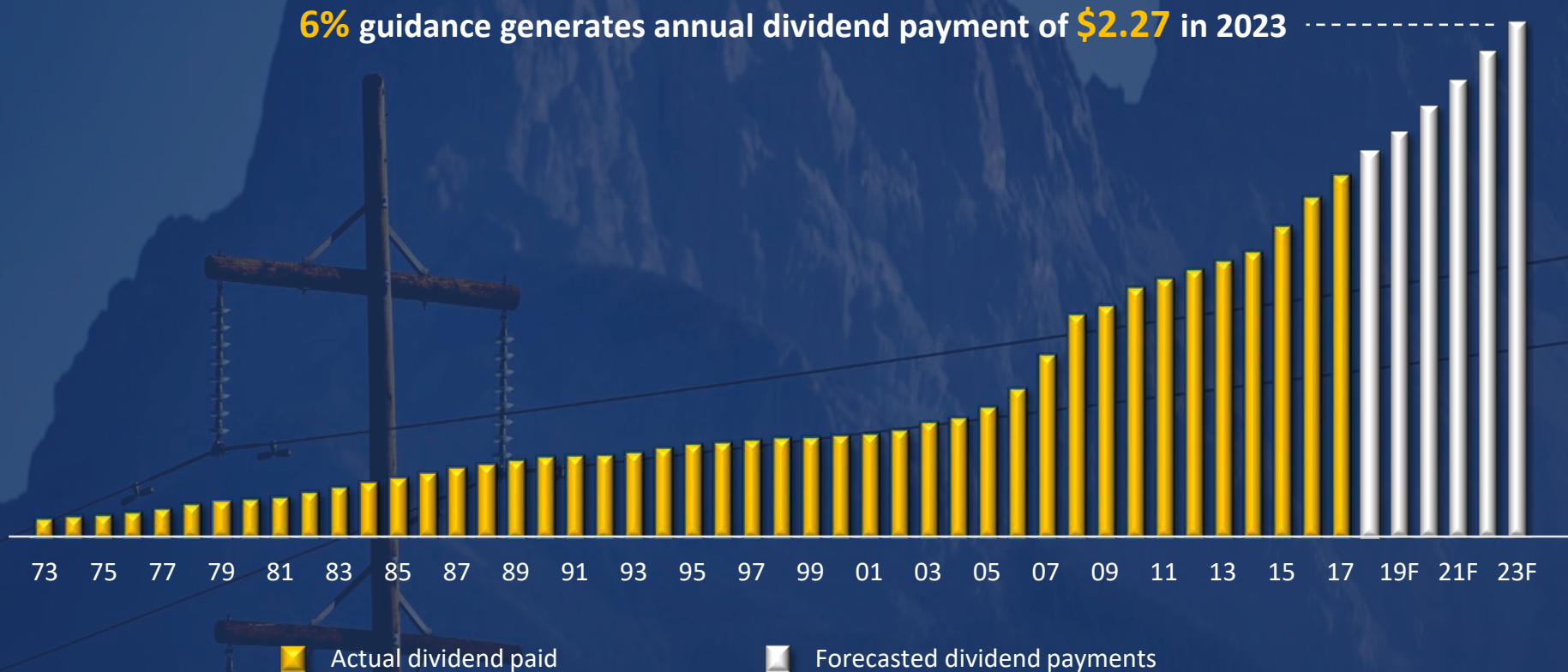
**Average Annual
Dividend Growth
Target to 2023**

Low Risk, Highly Executable Capital Plan



45 Years of Dividend Growth and 6% Guidance Extended to 2023

6% guidance generates annual dividend payment of **\$2.27** in 2023





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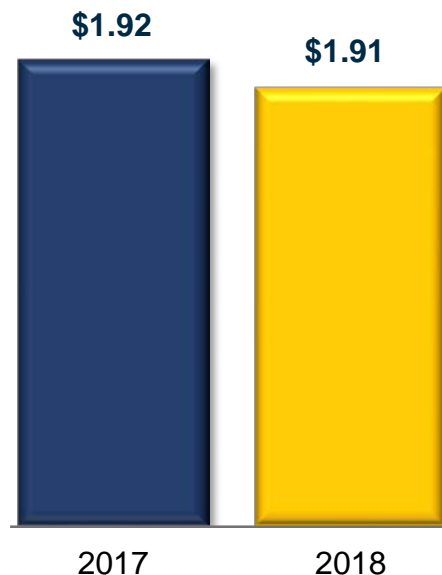
Jocelyn Perry
Fortis Inc. – EVP, CFO

Fortis Delivers Strong Results

Adjusted Q3 EPS⁽¹⁾



Adjusted Q3 YTD EPS⁽¹⁾



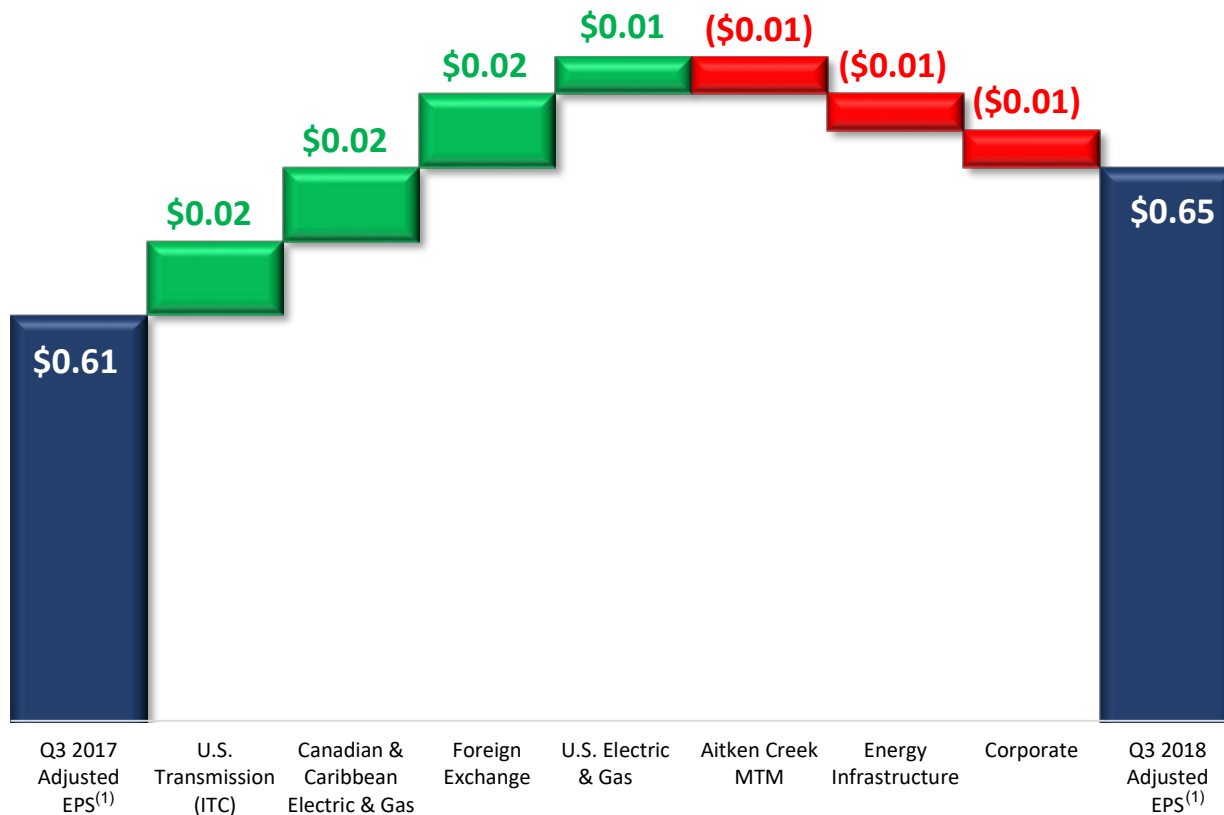
(1) Non-US GAAP measure. Reported Q3 EPS was \$0.65 in 2018 compared to \$0.66 in 2017. On a year-to-date basis, reported EPS was \$1.98 in 2018 compared to \$2.00 in 2017.

Strong Utility
Performance

Aitken Creek
Mark-to-Market
Tempers Earnings

\$3.2 Billion Capital Plan
for 2018 Remains
on Track

EPS Drivers – Q3

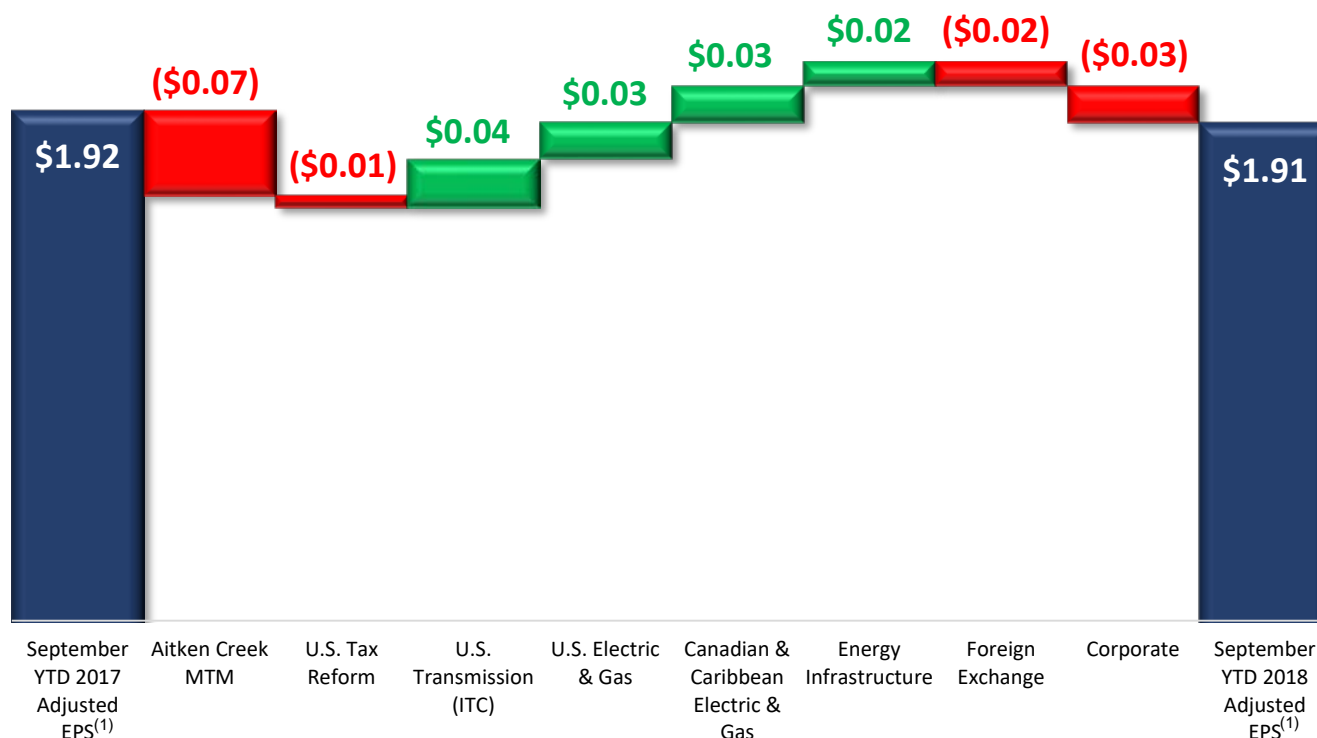


Adjusted Q3 EPS
\$0.04 Higher
Than 2017

Growth in Regulated
Businesses

(1) Non-US GAAP measure.

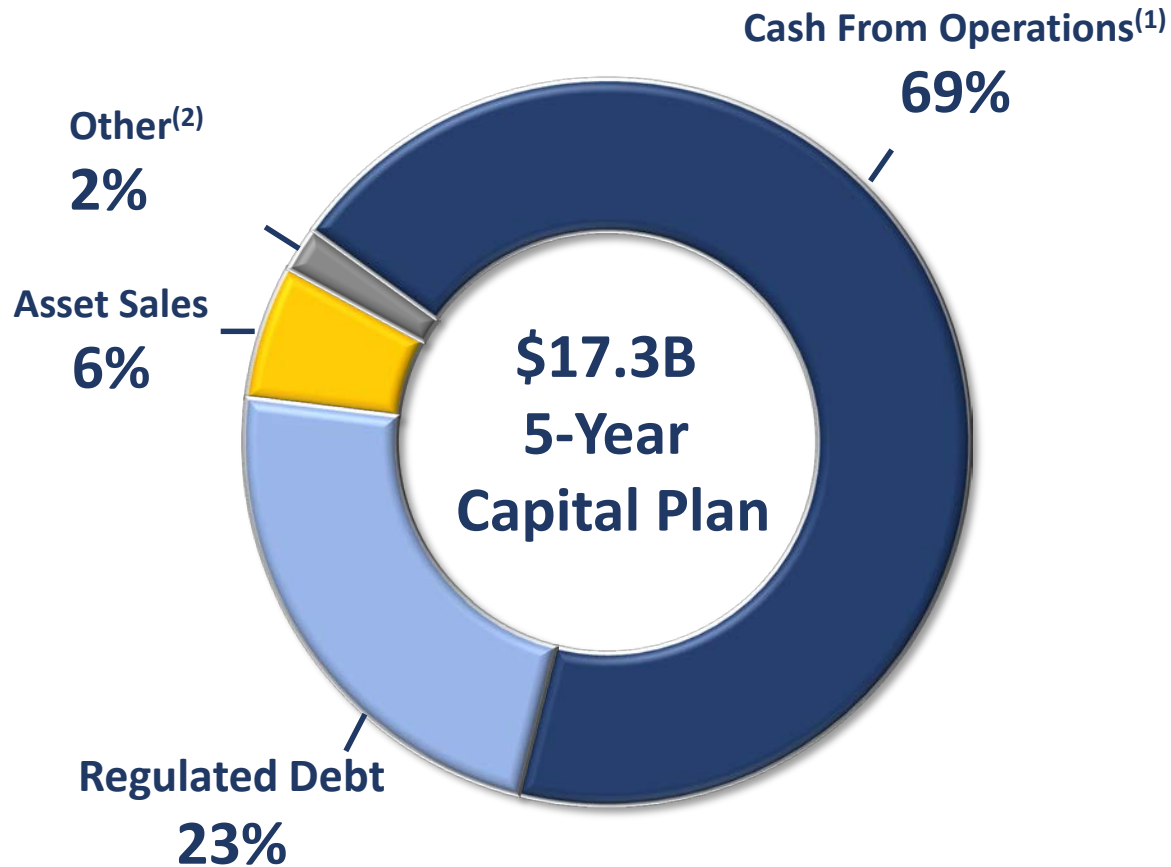
EPS Drivers – September Year-to-Date



Aitken Creek
Mark-to-Market
Losses
and
U.S. Tax Reform
Tempers Earnings

(1) Non-US GAAP measure.

Effective Funding Plan For 5-Year Capital Program



(1) Cash from operating activities after net dividends and customer contributions. This is a non-US GAAP measure.

(2) Includes non-regulated debt and funds from the Corporation's employee stock purchase plan and stock option plan.

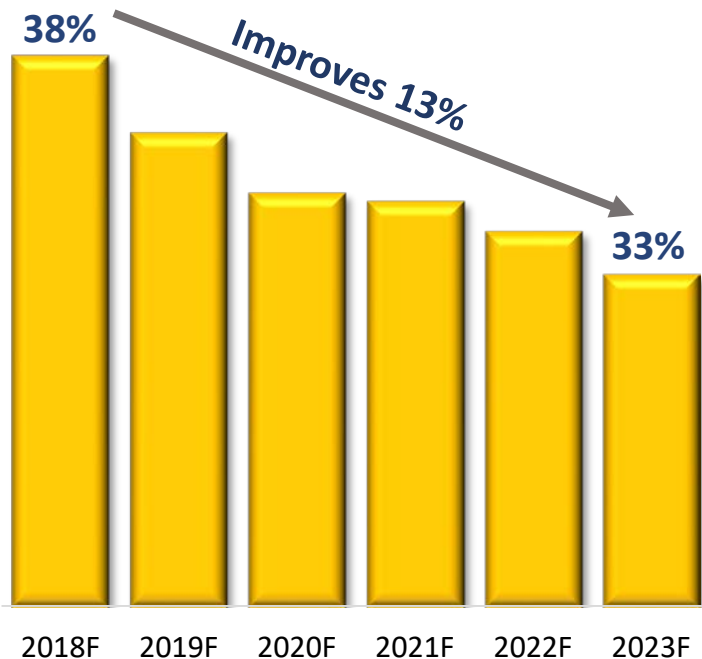
**No Discrete Equity
Required to Fund
5-Year Capital Plan**

**Asset Sales Expected
to Provide \$1-\$2 Billion
in Proceeds**

**ATM Program Unutilized
And Provides Financial
Flexibility**

Strengthening Our Credit Profile

Improved Holdco Debt / Total Debt



Credit Rating
Agencies Rank
Business Risk
Profile as
Excellent/Strong⁽¹⁾

Improving Credit
Metrics Over The
5-Year Plan

(1) S&P ranks business risk profile as excellent and Moody's ranks it as strong.

Regulatory Outlook

Recent Decisions:



Independence Incentive Adder Complaint

- Adder reduced to 0.25%
- Effective April 20, 2018

Upcoming Proceedings and Decisions:



MISO Base ROE Complaints



Targeted TEP Rate Case Filing in 2019



Targeted PBR Renewal Filing in 2019

Why Invest In Fortis?



Well-Run Utilities



Highly Regulated



Highly Diversified



Strong Growth Profile



6% Dividend Guidance



Opportunities Beyond
Capital Plan



Expected Upcoming Events

Upcoming Q4 2018 Investor Presentations

EEI – 53 rd Financial Conference	November 13, 2018
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Scotiabank Energy Infrastructure Conference	November 14, 2018
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Expected Upcoming Earnings Release Dates

Q4 – 2018	February 15, 2019
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Q1 – 2019	May 1, 2019
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Appendix

Q3 2018 Results by Segment

APPENDIX

Third Quarter 2018 Variance Analysis by Segment							
(\$millions, excluding weighted average shares and EPS)	Q3 2018	Adjustment	Adjusted Q3 2018 ⁽¹⁾	Q3 2017	Adjustment	Adjusted Q3 2017 ⁽¹⁾	Adjusted Q3 Variance
Regulated – Independent Electric Transmission							
ITC	97	-	97	89	-	89	8
Regulated – US Electric & Gas							
UNS Energy	135	-	135	112	-	112	23
Central Hudson	<u>17</u>	<u>-</u>	<u>17</u>	<u>15</u>	<u>-</u>	<u>15</u>	<u>2</u>
	152	-	152	127	-	127	25
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	(22)	-	(22)	(15)	-	(15)	(7)
FortisAlberta	39	-	39	35	-	35	4
FortisBC Electric	12	-	12	11	-	11	1
Other Electric ⁽²⁾	<u>30</u>	<u>-</u>	<u>30</u>	<u>20</u>	<u>-</u>	<u>20</u>	<u>10</u>
	59	-	59	51	-	51	8
Non-Regulated Energy Infrastructure	12	-	12	21	-	21	(9)
Corporate and Other	(44)	-	(44)	(10)	(24)	(34)	(10)
Net Earnings Attributable to Common Equity Shareholders	276	-	276	278	(24)	254	22
Weighted Average Shares (# millions)	425.6	-	425.6	418.6	418.6	418.6	7
EPS	\$0.65	-	\$0.65	\$0.66	(\$0.05)	\$0.61	\$0.04

(1) Non-US GAAP measure.

(2) Comprises Eastern Canadian and Caribbean electric utilities.

September YTD 2018 Results by Segment

APPENDIX

September Year-to-Date 2018 Variance Analysis by Segment							
(\$millions, excluding weighted average shares and EPS)	YTD 2018	Adjustment	Adjusted YTD 2018 ⁽¹⁾	YTD 2017	Adjustment	Adjusted YTD 2017 ⁽¹⁾	Adjusted YTD Variance
Regulated – Independent Electric Transmission							
ITC	269	-	269	273	-	273	(4)
Regulated – US Electric & Gas							
UNS Energy	266	-	266	242	(11)	231	35
Central Hudson	<u>50</u>	<u>-</u>	<u>50</u>	<u>48</u>	<u>-</u>	<u>48</u>	<u>2</u>
	316	-	316	290	(11)	279	37
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	83	-	83	88	-	88	(5)
FortisAlberta	98	-	98	91	-	91	7
FortisBC Electric	43	-	43	42	-	42	1
Other Electric ⁽²⁾	<u>83</u>	<u>-</u>	<u>83</u>	<u>73</u>	<u>-</u>	<u>73</u>	<u>10</u>
	307	-	307	294	-	294	13
Non-Regulated Energy Infrastructure	50	-	50	69	-	69	(19)
Corporate and Other	(103)	(30)	(133)	(97)	(24)	(121)	(12)
Net Earnings Attributable to Common Equity Shareholders	839	(30)	809	829	(35)	794	15
Weighted Average Shares (# millions)	423.8	423.8	423.8	413.9	413.9	413.9	9.9
EPS	\$1.98	(\$0.07)	\$1.91	\$2.00	(\$0.08)	\$1.92	(\$0.01)

(1) Non-US GAAP measure.

(2) Comprises Eastern Canadian and Caribbean electric utilities.

2019-2023 Capital Forecast by Segment

APPENDIX

Capital Forecast ⁽¹⁾						
(\$millions)	2019	2020	2021	2022	2023	2019-2023 Total
Regulated - Independent Electric Transmission						
ITC	865	878	951	943	861	4,498
Regulated - US Electric & Gas						
UNS Energy	1,076	875	624	476	476	3,527
Central Hudson	280	268	276	291	274	1,389
Total Regulated- US Electric & Gas	1,356	1,143	900	767	750	4,916
Regulated - Canadian & Caribbean Electric & Gas						
FortisBC Energy	503	408	430	654	978	2,973
FortisBC Electric	116	125	101	105	90	537
FortisAlberta	414	427	434	449	467	2,191
Other Electric ⁽²⁾	418	479	415	364	376	2,052
Total Regulated - Canadian & Caribbean Electric & Gas	1,451	1,439	1,380	1,572	1,911	7,753
Energy Infrastructure	28	19	19	18	44	128
Total Capital Forecast	3,700	3,479	3,250	3,300	3,566	17,295

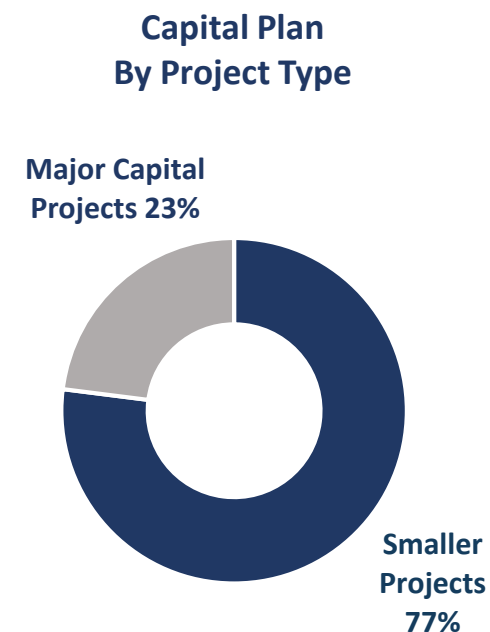
(1) Capital expenditures are translated at a forecast USD/CAD foreign exchange rate of \$1.28.

(2) Comprises Eastern Canadian and Caribbean electric utilities.

Major Capital Projects

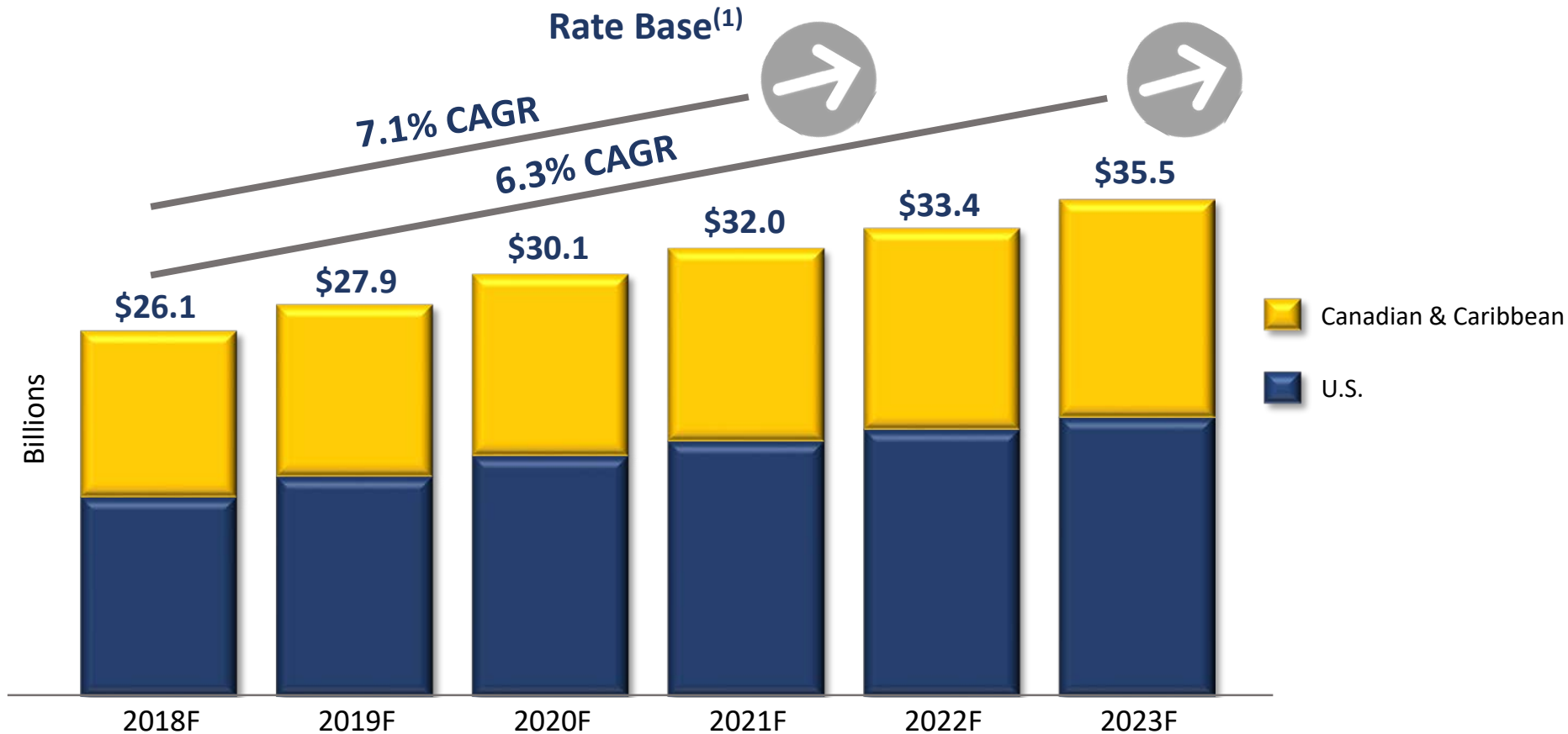
APPENDIX

Significant Capital Projects (\$millions)	2018 Forecast	Total 2019-2023 Plan	Expected Year of Completion
ITC Multi-Value Regional Transmission Projects	140	332	Post-2023
ITC 34.5 kV to 69 kV Transmission Conversion Project	118	369	Post-2023
UNS Energy Gila River Natural Gas Generating Station Unit 2	-	211	2020
UNS Energy Southline Transmission Project	-	389	2021
UNS Energy New Mexico Wind Project	6	271	2020
FortisBC Lower Mainland Intermediate Pressure System Upgrade	175	252	2020
FortisBC Eagle Mountain Woodfibre Gas Line Project	-	348	2023
FortisBC Transmission Integrity Management Capabilities Project	-	568	Post-2023
FortisBC Inland Gas Upgrades Project	5	220	Post-2023
Wataynikaneyap Transmission Power Project	36	576	2023



Capital Plan Grows Rate Base to \$35 Billion in 2023

APPENDIX



(1) Rate base converted at a projected USD/CAD foreign exchange rate of \$1.28 for 2018 through 2023.

2018-2023 Rate Base Forecast by Segment

APPENDIX

Rate Base Forecast ⁽¹⁾								
(\$millions)	2018	2019	2020	2021	2022	2023	3-Year CAGR to 2021	5-Year CAGR to 2023
Regulated - Independent Electric Transmission								
ITC	7,706	8,463	9,148	9,745	10,305	10,824	8.1%	7.0%
Regulated - US Electric & Gas								
UNS Energy	4,850	5,362	5,984	6,292	6,442	6,580	9.1%	6.3%
Central Hudson	1,640	1,827	2,004	2,148	2,259	2,459	9.4%	8.4%
Total Regulated - US Electric & Gas	6,490	7,189	7,988	8,440	8,701	9,039	9.2%	6.9%
Regulated - Canadian & Caribbean Electric & Gas								
FortisBC Energy	4,382	4,444	4,696	5,009	5,052	5,858	4.6%	6.0%
FortisBC Electric	1,322	1,329	1,388	1,438	1,464	1,488	2.8%	2.4%
FortisAlberta	3,352	3,555	3,755	3,936	4,113	4,297	5.5%	5.1%
Other Electric ⁽²⁾	2,849	2,946	3,144	3,452	3,738	3,961	6.6%	6.8%
Total Regulated - Canadian & Caribbean Electric & Gas	11,905	12,274	12,983	13,835	14,367	15,604	5.1%	5.6%
Total Rate Base Forecast	26,101	27,926	30,119	32,020	33,373	35,467	7.1%	6.3%

(1) Rate base translated at a forecast USD/CAD foreign exchange rate of \$1.28.

(2) Comprises Eastern Canadian and Caribbean electric utilities.