

WORKING TOGETHER
POWERING **GROWTH**

FORTIS_{INC.}

Third Quarter 2019
Earnings Conference Call
November 1, 2019

FORTIS inc. **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 included in this presentation reflect 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: TEP renewable energy target; FortisBC's 2030 GHG emission goal; expected expenditures related to the FortisBC energy conservation and efficiency projects; forecast capital expenditures for 2019 and the period from 2020 through 2024; forecast rate base for 2019 and the period from 2020 through 2024; targeted average annual dividend growth through 2024; the expected timing and outcome of regulatory decisions; forecast credit metrics for 2019 and the period from 2020 through 2024; the nature, timing, benefits and 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 Southline Transmission Project and Oso Grande Wind Project, FortisBC Lower Intermediate Pressure System Upgrade, Eagle Mountain Woodfibre Gas Line Project, Transmission Integrity Management Capabilities Project, Inland Gas Upgrades Project and Tilbury 1B.

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: reasonable regulatory decisions by utility regulators and the expectation of regulatory stability; the implementation of the Corporation's five-year capital expenditure plan; no material capital project and financing cost overruns related to any of the Corporation's capital projects; sufficient human resources to deliver service and execute the capital expenditure plan; the realization of additional opportunities; the impact of fluctuations in foreign exchange; 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 mid-year rate base.





BARRY PERRY
FORTIS INC. PRESIDENT & CEO



FORTIS INC.

THIRD QUARTER BUSINESS HIGHLIGHTS



Q3 Earnings Aligned With Expectations



Invested \$2.6B in Capital Through September

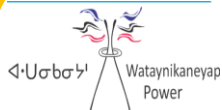


Q4 2019 Dividend Increased 6.1%



2019 Investor Day Held in Novi, MI

DELIVERING ENERGY AS CLEAN AS WE CAN, AS FAST AS WE CAN



FORTIS ONTARIO

Connecting First Nations to
Cleaner Energy

Financial Close and Notice to
Proceed Issued in October 2019



20MW Utility-Scale
Battery Storage Project
Approved



UNS
UNS Energy Corporation
A Fortis Company

TEP Approaching 2030 Renewable
Energy Goal of 30% by 2021

Process Now Underway to
Establish New Goals



Target of 30% Reduction in
Customer GHG Emissions by 2030



Energy Efficiency

Conservation & Efficiency Programs Increased to ~\$370M



Renewable Natural Gas

Currently Operate Five RNG Facilities⁽¹⁾

Regulatory Approval Received to Produce RNG at Vancouver Landfill



LNG Bunkering

Positioning BC as a Domestic & International Bunkering Hub

Provincial Government Supportive of LNG Marine Bunkering



Zero & Low-Carbon Transportation

FortisBC Will Operate 19 Charging Stations by End of 2019

Owns and Operates Five Compressed Natural Gas Stations

(1) Locations include Sea Breeze Dairy Farm, Surry Biofuel Facility, Fraser Valley Biogas, Salmon Arm Landfill & Glenmore Landfill.

OUR NEW FIVE-YEAR PLAN



\$18.3B
**CAPITAL
PLAN**

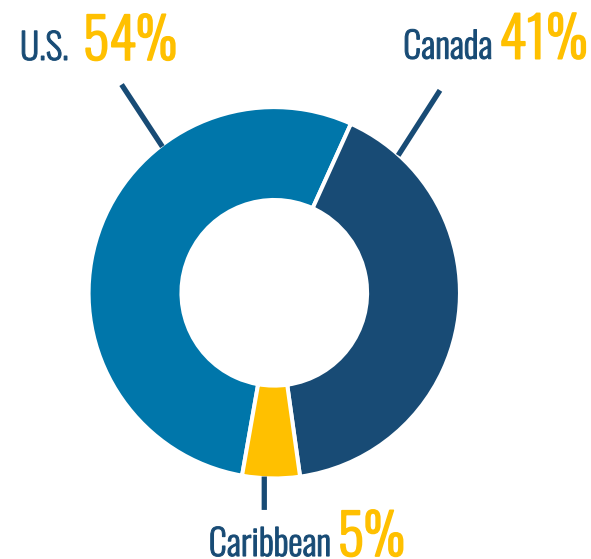
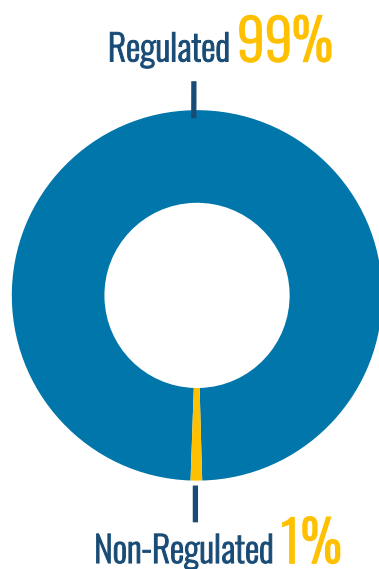


~7%
**RATE BASE
GROWTH**



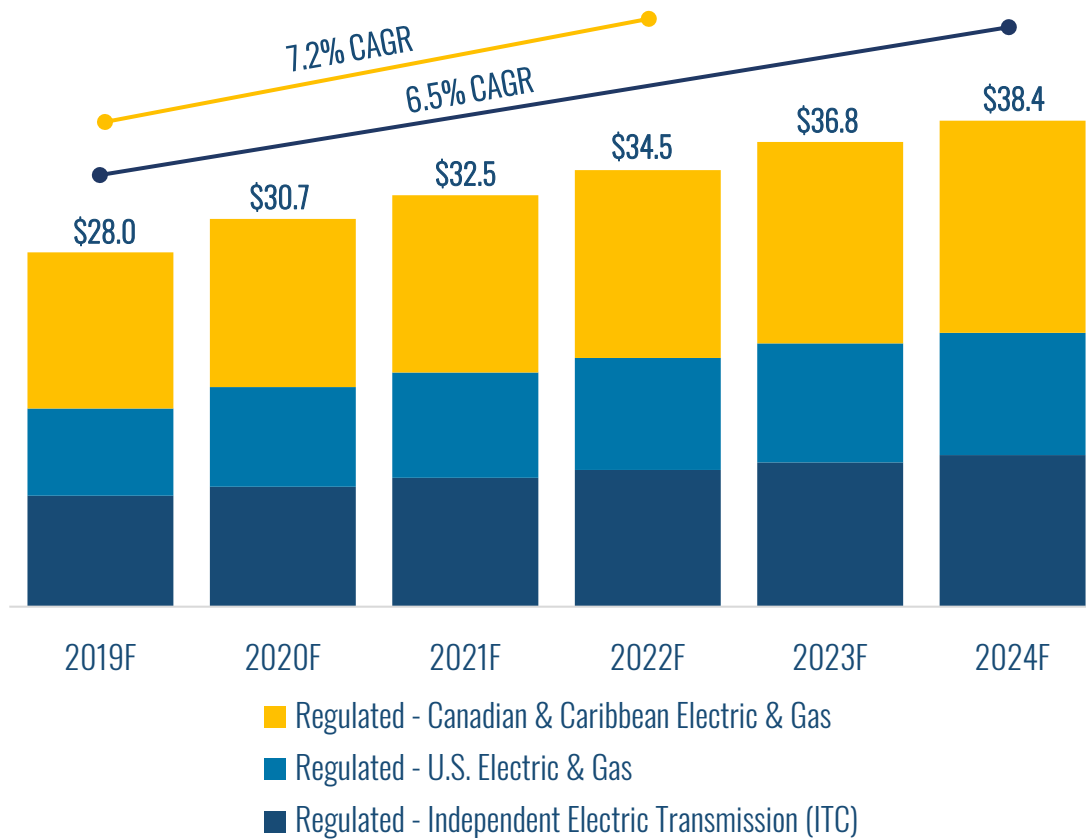
~6%
**DIVIDEND
GROWTH
GUIDANCE**

LOW RISK, HIGHLY EXECUTABLE \$18.3B CAPITAL PLAN



(1) Capital projects with a total project cost of \$200 million or greater and excludes ongoing capital maintenance projects.

2020-2024 RATE BASE⁽¹⁾



Rate base grows over
\$10B
to **\$38.4B**
during 5-year period

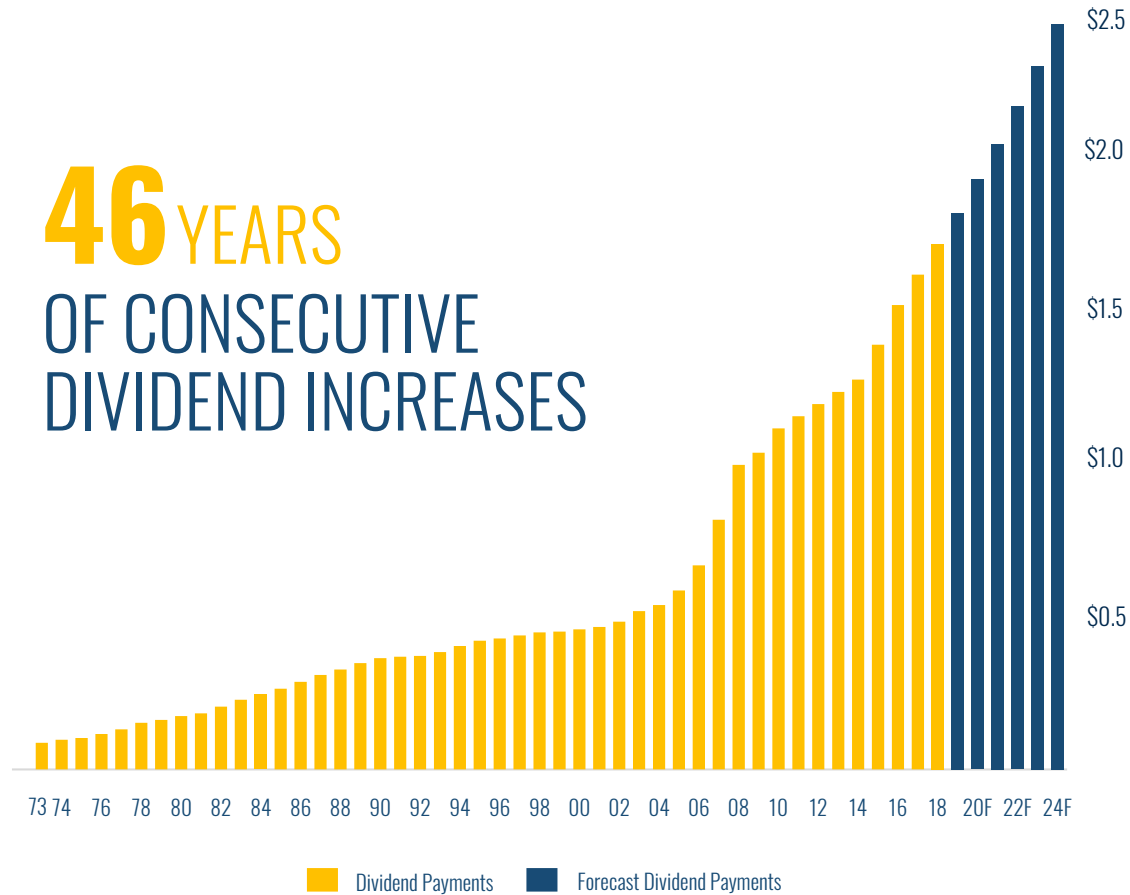
(1) Rate base is translated at a forecast USD/CAD foreign exchange rate of \$1.32.

DIVIDEND GUIDANCE SUPPORTED BY GROWTH STRATEGY

6%

AVERAGE ANNUAL
DIVIDEND
GROWTH GUIDANCE
EXTENDED TO 2024

46 YEARS
OF CONSECUTIVE
DIVIDEND INCREASES





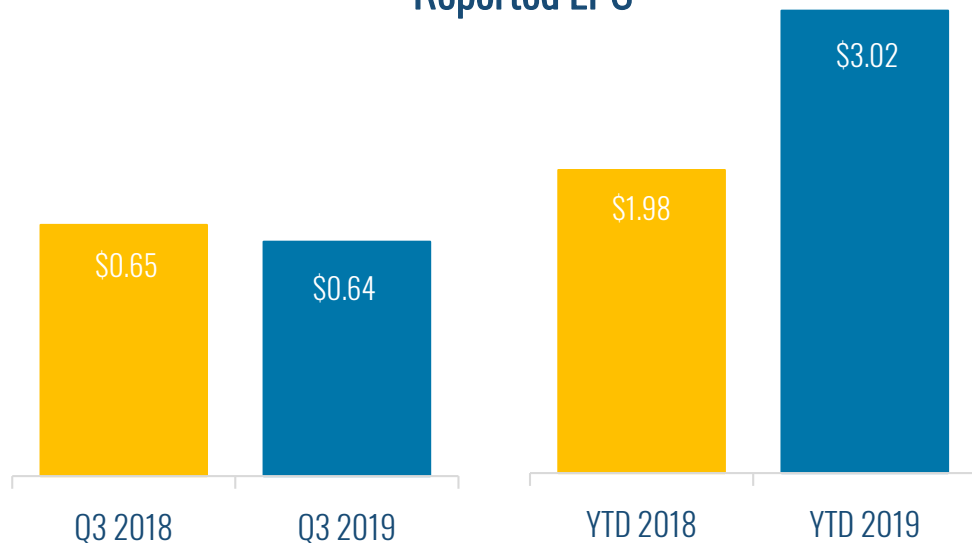
JOCELYN PERRY
FORTIS INC. EVP & CFO



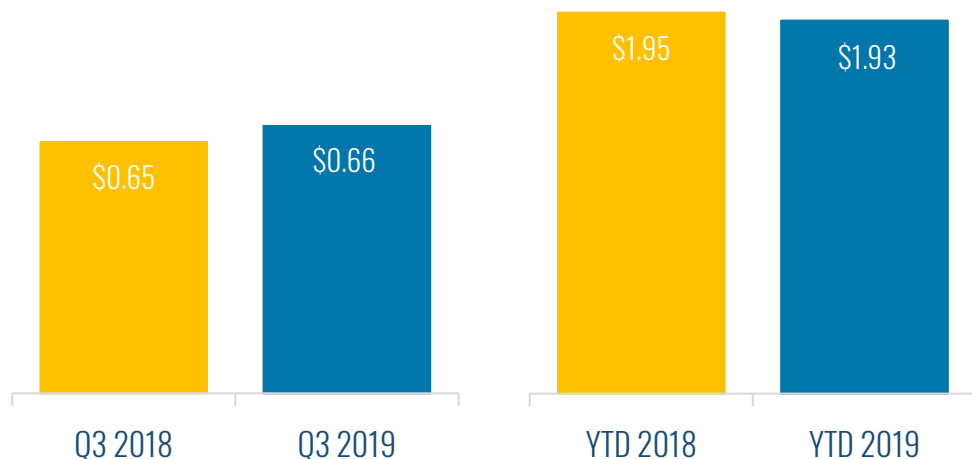
FORTIS_{INC.}

THIRD QUARTER RESULTS

Reported EPS



Adjusted EPS⁽¹⁾



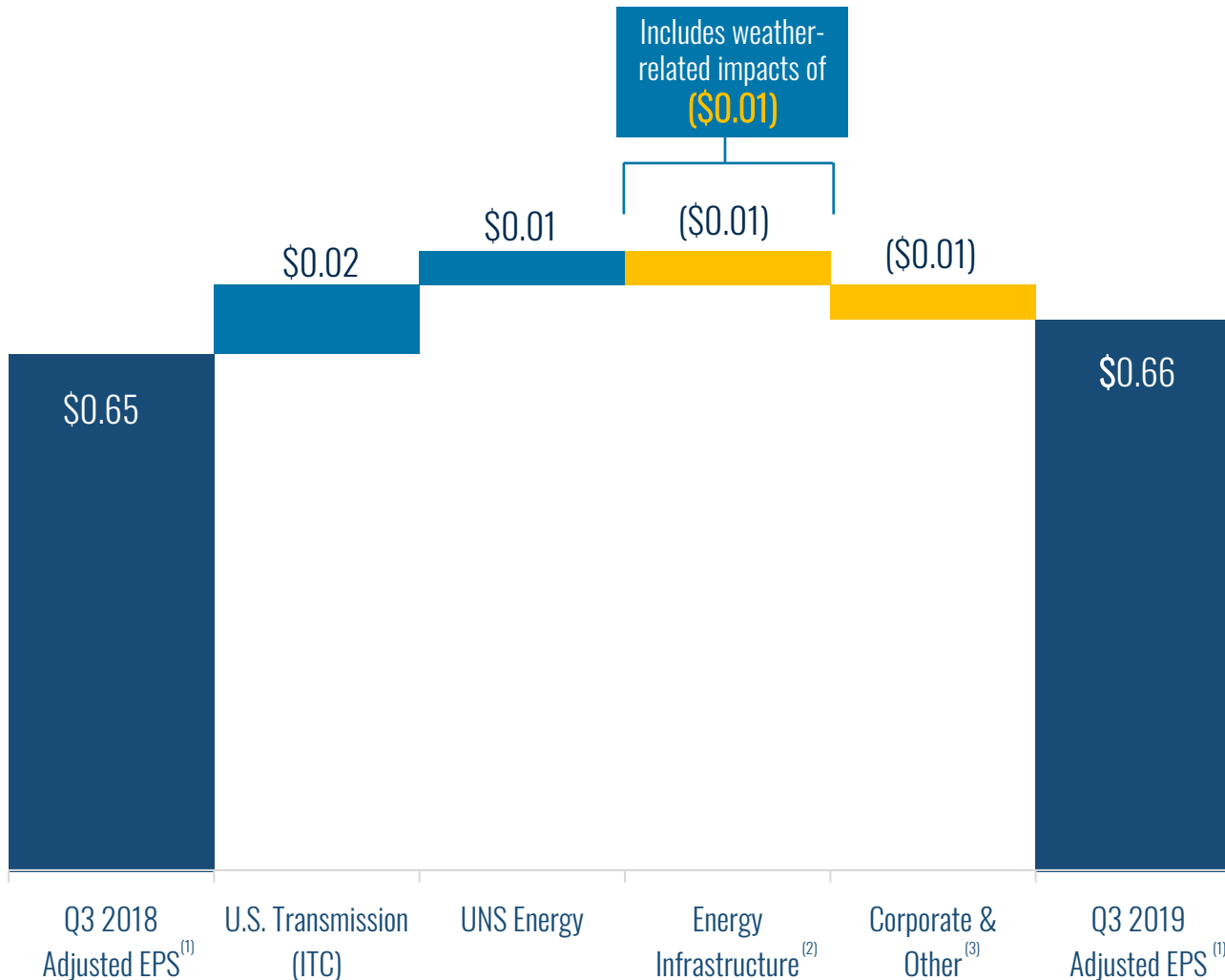
Q3 Reflects Rate Base Growth Tempered by Lower Rainfall in Belize

YTD Results Impacted by Weather at UNS in Q2 and Drought Conditions in Belize

\$484M Net Gain Recognized in Q2 for Waneta Asset Sale

(1) Non-US GAAP measure

EPS DRIVERS: THIRD QUARTER



Increase in Quarterly EPS Tempered by Weather And Higher Common Shares

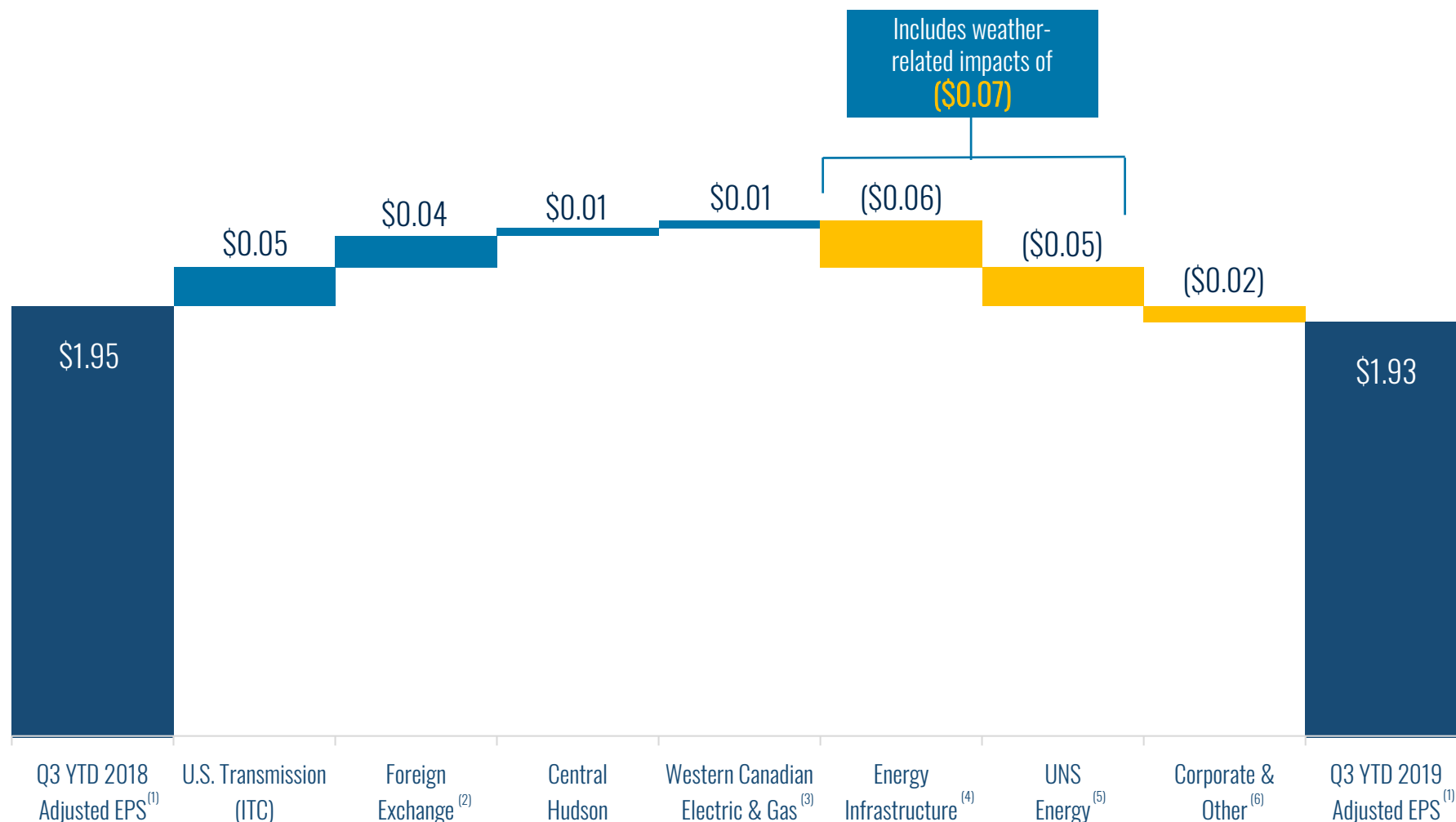
UNS Weather in Q3 Comparable to 2018

(1) Non-US GAAP measure

(2) Includes weather impacts of ~\$0.01 on EPS related to lower rainfall in Belize. Excludes earnings impact related to the disposition of Waneta.

(3) Includes Corporate costs, weighted average common share impacts and the net impact of the disposition of Waneta. During the quarter, there was no net earnings impact related to the Waneta disposition.

EPS DRIVERS: SEPTEMBER YEAR-TO-DATE



(1) Non-US GAAP measure

(2) Reflects higher average U.S. dollar-to-Canadian dollar foreign exchange rate of \$1.33 YTD 2019 versus \$1.29 YTD 2018.

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

(4) Excludes earnings impact related to the disposition of Waneta. Includes weather impacts of ~\$0.04 on EPS related to lower rainfall in Belize.

(5) Includes weather impacts of ~\$0.03 on EPS related to cooler temperatures in Q2 2019.

(6) Includes Corporate costs, weighted average common share impacts and the net earnings impact as a result of the disposition of Waneta.

FORTIS ^{INC.} CURRENT REGULATORY OUTLOOK



- Final decision pending from FERC on MISO Base ROE
- Notices of Inquiry issued by FERC in 2019 on incentive policies for transmission investment and methodology for establishing base ROEs



UNS Energy Corporation
A Fortis Company

- TEP rate case filed with the ACC on April 1, 2019 using a December 31, 2018 test year
- Requested 10.35% ROE & 53% equity thickness on US\$2.7B of rate base
- Intervenor testimony filed in October 2019



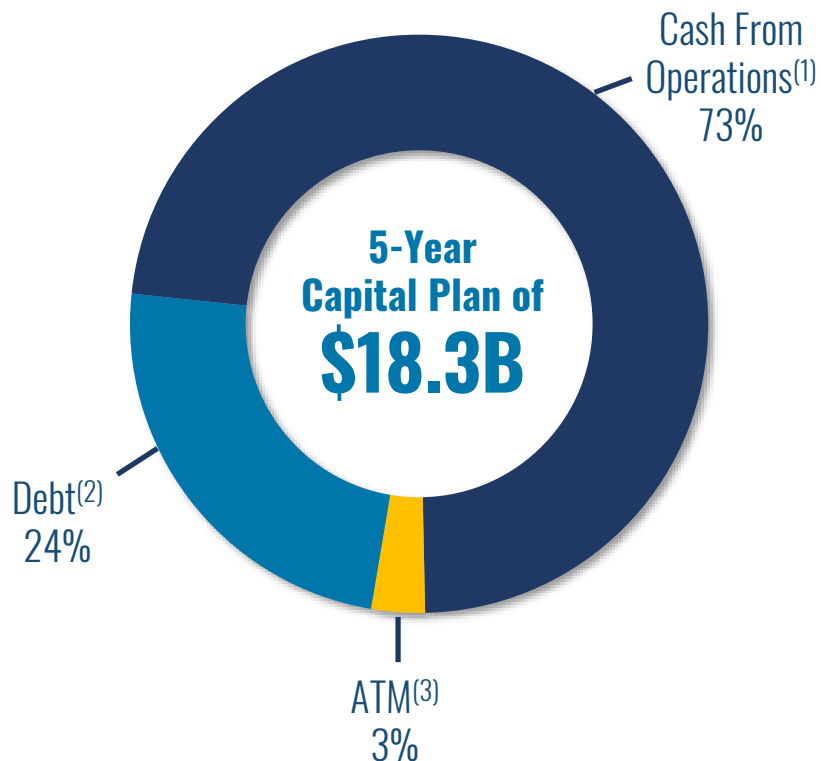
- 2020-2024 Multi-Year Rate Plan filed in March 2019
- Filed for interim rates to be effective January 1, 2020



- AUC order received in September 2019 changing AESO contribution policy
- Order prevents future transmission-related investments at Fortis Alberta and impacts ~\$400M of rate base
- Filed for a Review and Variance and filing is under review by the AUC

STRENGTHENING CREDIT METRICS

FUNDING PLAN



RECOVERING FROM U.S. TAX REFORM

	2018	2019F
CFO/Debt ⁽⁴⁾	~10.5%	~11%
Holdco Debt/Total Debt ⁽⁴⁾	~39%	~36%



2020-2024 Business Plan

Average CFO/Debt⁽⁴⁾ ~12%

2024 Holdco Debt/Total Debt⁽⁴⁾ ~32%

(1) Cash from operations after net dividends and customer contributions.

(2) Regulated and corporate debt issuances, net of repayments.

(3) Also includes shares issued under the Corporation's employee stock purchase plan and stock option plan.

(4) Based on Moody's methodology: (i) cash from operations ("CFO") is before changes in working capital and is reduced by 50% of preference share dividends; and (ii) holdco debt and total debt reflect 50% of preference share balance and other adjustments, where applicable. Holdco debt reflects Fortis Inc. corporate debt and debt outside its regulated utilities.

FORTIS INC. WHY INVEST IN FORTIS?



WELL-RUN
BUSINESSES



HIGHLY
DIVERSIFIED



FOCUSED ON
ENERGY
DELIVERY



INNOVATIVE



STRONG
GROWTH
PROFILE



VIRTUALLY
ALL
REGULATED



SUSTAINABILITY
LEADER



6%
DIVIDEND
GUIDANCE

EXPECTED UPCOMING EVENTS

Upcoming Events

EEI – 54 th Financial Conference	November 10-12, 2019
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Expected Earnings Release Dates

Q4 2019	February 13, 2020
Q1 2020	May 6, 2020



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Appendix

Q3 2019 RESULTS BY SEGMENT

Third Quarter Variance Analysis by Segment							
(Smillions, excluding weighted average shares and EPS)	Q3 2019	Adjustment	Adjusted Q3 2019 ⁽¹⁾	Q3 2018	Adjustment	Adjusted Q3 2018 ⁽¹⁾	Adjusted Q3 Variance
Regulated – Independent Electric Transmission							
ITC	107	-	107	97	-	97	10
Regulated – US Electric & Gas							
UNS Energy	139	-	139	135	-	135	4
Central Hudson	<u>16</u>	<u>-</u>	<u>16</u>	<u>17</u>	<u>-</u>	<u>17</u>	<u>(1)</u>
	155	-	155	152	-	152	3
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	(22)	-	(22)	(22)	-	(22)	-
FortisAlberta	37	-	37	39	-	39	(2)
FortisBC Electric	11	-	11	12	-	12	(1)
Other Electric ⁽²⁾	<u>32</u>	<u>-</u>	<u>32</u>	<u>30</u>	<u>-</u>	<u>30</u>	<u>2</u>
	58	-	58	59	-	59	(1)
Non-Regulated Energy Infrastructure	(4)	9	5	12	1	13	(8)
Corporate and Other	(38)	-	(38)	(44)	-	(44)	6
Net Earnings Attributable to Common Equity Shareholders	278	9	287	276	1	277	10
Weighted Average Shares (# millions)	437.4	437.4	437.4	425.6	425.6	425.6	11.8
EPS	\$0.64	\$0.02	\$0.66	\$0.65	\$0.00	\$0.65	\$0.01

(1) Non-US GAAP measure

(2) Comprises Eastern Canadian and Caribbean electric utilities.

SEPTEMBER YEAR TO DATE 2019 RESULTS BY SEGMENT

September YTD Variance Analysis by Segment							
(\$millions, excluding weighted average shares and EPS)	September YTD 2019	Adjustment	Adjusted September YTD 2019 ⁽¹⁾	September YTD 2018	Adjustment	Adjusted September YTD 2018 ⁽¹⁾	Adjusted September YTD Variance
Regulated – Independent Electric Transmission							
ITC	300	-	300	269	-	269	31
Regulated – US Electric & Gas							
UNS Energy	254	-	254	266	-	266	(12)
Central Hudson	55	-	55	50	-	50	5
	309	-	309	316	-	316	(7)
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	88	-	88	83	-	83	5
FortisAlberta	98	-	98	98	-	98	-
FortisBC Electric	42	-	42	43	-	43	(1)
Other Electric ⁽²⁾	84	-	84	83	-	83	1
	312	-	312	307	-	307	5
Non-Regulated Energy Infrastructure	12	13	25	50	16	66	(41)
Corporate and Other	376	(484)	(108)	(103)	(30)	(133)	25
Net Earnings Attributable to Common Equity Shareholders	1,309	(471)	838	839	(14)	825	13
Weighted Average Shares (# millions)	433.3	433.3	433.3	423.8	423.8	423.8	9.5
EPS	\$3.02	\$(1.09)	\$1.93	\$1.98	\$(0.03)	\$1.95	\$(0.02)

(1) Non-US GAAP measure

(2) Comprises Eastern Canadian and Caribbean electric utilities.

ADJUSTED EARNINGS RECONCILIATION

Non-US GAAP Reconciliation						
(\$millions, except for common share data)	Q3 2019	Q3 2018	Variance	September YTD 2019	September YTD 2018	Variance
Net Earnings Attributable to Common Equity Shareholders	278	276	2	1,309	839	470
Adjusting Items:						
Unrealized loss on mark-to-market of derivatives ⁽¹⁾	9	1	8	13	16	(3)
Gain on disposition ⁽²⁾	-	-	-	(484)	-	(484)
Consolidated state income tax election ⁽³⁾	-	-	-	-	(30)	30
Adjusted Net Earnings Attributable to Common Equity Shareholders	287	277	10	838	825	13
Adjusted EPS	\$0.66	\$0.65	\$0.01	\$1.93	\$1.95	\$(0.02)

(1) Represents timing differences related to the accounting of natural gas derivatives at Aitken Creek, included in the Energy Infrastructure segment.

(2) Gain, net of expenses, on the sale of the 51% ownership interest in the Waneta Expansion hydroelectric generating facility. The sale closed on April 16, 2019.

(3) Remeasurement of deferred income tax liabilities, included in the Corporate and Other segment.

FORTIS INC. 2019-2024 RATE BASE BY SEGMENT

Rate Base ⁽¹⁾								
(\$billions)	2019F	2020F	2021F	2022F	2023F	2024F	3-Year CAGR to 2022	5-Year CAGR to 2024
Regulated - Independent Electric Transmission								
ITC ⁽²⁾	8.8	9.5	10.2	10.8	11.4	12.0	7.2%	6.4%
Regulated - US Electric & Gas								
UNS Energy	5.0	5.8	6.1	6.4	6.8	6.9	8.6%	6.5%
Central Hudson	1.9	2.1	2.2	2.4	2.6	2.8	9.0%	8.2%
Total Regulated - US Electric & Gas	6.9	7.9	8.3	8.8	9.4	9.7	8.7%	7.0%
Regulated - Canadian & Caribbean Electric & Gas								
FortisBC Energy	4.5	5.0	5.1	5.4	6.1	6.6	6.4%	7.8%
FortisAlberta	3.5	3.7	3.9	4.1	4.2	4.3	4.8%	4.1%
FortisBC Electric	1.3	1.4	1.5	1.5	1.5	1.5	3.6%	3.0%
Other Electric ⁽³⁾	3.0	3.2	3.5	3.9	4.2	4.3	9.2%	7.9%
Total Regulated - Canadian & Caribbean Electric & Gas	12.3	13.3	14.0	14.9	16.0	16.7	6.3%	6.3%
Total Rate Base Forecast	28.0	30.7	32.5	34.5	36.8	38.4	7.2%	6.5%

(1) Rate base is translated at a USD/CAD foreign exchange rate of \$1.32.

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

(3) Comprises Eastern Canadian and Caribbean electric utilities.


FORTIS INC. 2020-2024 CAPITAL PLAN BY SEGMENT

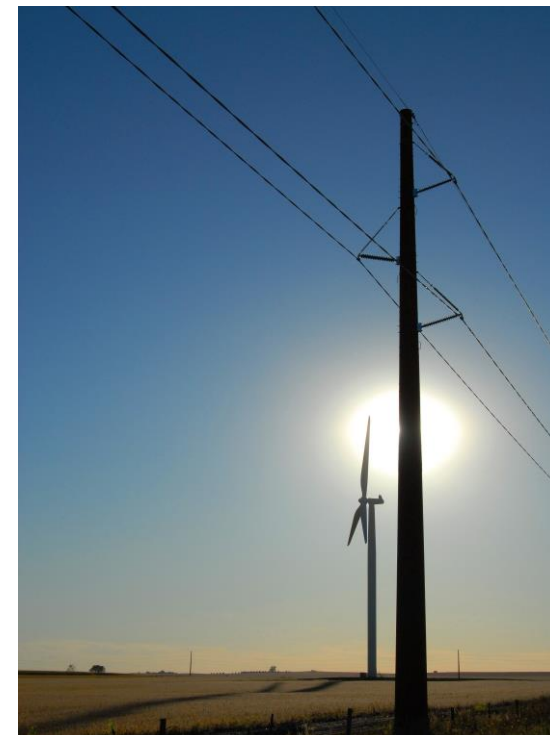
Capital Forecast ⁽¹⁾						
(\$millions)	2020F	2021F	2022F	2023F	2024F	2020-2024 TOTAL
Regulated - Independent Electric Transmission						
ITC	976	987	1,043	1,018	922	4,946
Regulated - US Electric & Gas						
UNS Energy	1,160	677	575	526	441	3,379
Central Hudson	292	309	359	306	292	1,558
Total Regulated - US Electric & Gas	1,452	986	934	832	733	4,937
Regulated - Canadian & Caribbean Electric & Gas						
FortisBC Energy	507	546	648	850	688	3,239
FortisAlberta	436	460	421	420	417	2,154
FortisBC Electric	141	139	110	109	108	607
Other Electric ⁽²⁾	502	473	485	442	352	2,254
Total Regulated - Canadian & Caribbean Electric & Gas	1,586	1,618	1,664	1,821	1,565	8,254
Non-Regulated	32	13	35	10	36	126
Total Capital Forecast	4,046	3,604	3,676	3,681	3,256	18,263

(1) Capital expenditures are translated at a USD/CAD foreign exchange rate of \$1.32.

(2) Comprises Eastern Canadian and Caribbean electric utilities.

FORTIS **MAJOR CAPITAL PROJECTS⁽¹⁾**

(\$Millions)	Expected to be Incurred to the End of 2019	Total 2020-2024 Plan	Expected Year of Completion
ITC Multi-Value Regional Transmission Projects	646 ⁽²⁾	276	2023
ITC 34.5 kV to 69 kV Transmission Conversion Project	345 ⁽²⁾	268	Post-2024
UNS Southline Transmission Project	102	441	2022
UNS Oso Grande Wind Project	346	181	2020
FortisBC Lower Mainland Intermediate Pressure System Upgrade	397	72	2020
FortisBC Eagle Mountain Woodfibre Gas Line Project	-	350	2023
FortisBC Transmission Integrity Management Capabilities Project	14	517	Post-2024
FortisBC Inland Gas Upgrades Project	9	319	Post-2024
FortisBC Tilbury 1B 	12	352	2024
Wataynikaneyap Transmission Power Project ⁽³⁾	188	437	2023



(1) Major capital projects are identified as those with a total project cost of \$200 million or greater and exclude ongoing capital maintenance projects. Total project costs include forecasted capitalized interest and non-cash equity component of AFUDC. Capital expenditures are translated at a forecast USD/CAD foreign exchange rate of \$1.32.

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

(3) Reflects Fortis' assumed 39% share of the estimated capital spending for the project. Under the funding framework, Fortis will be funding its equity component only.

FORTIS^{INC} REGULATED UTILITIES HAVE STRONG INVESTMENT-GRADE CREDIT RATINGS

Company	S&P Global	MOODY'S	DBRS
ITC Regulated Subsidiaries	A	A1	n/a
TEP	A-	A3	n/a
Central Hudson	A-	A3	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

