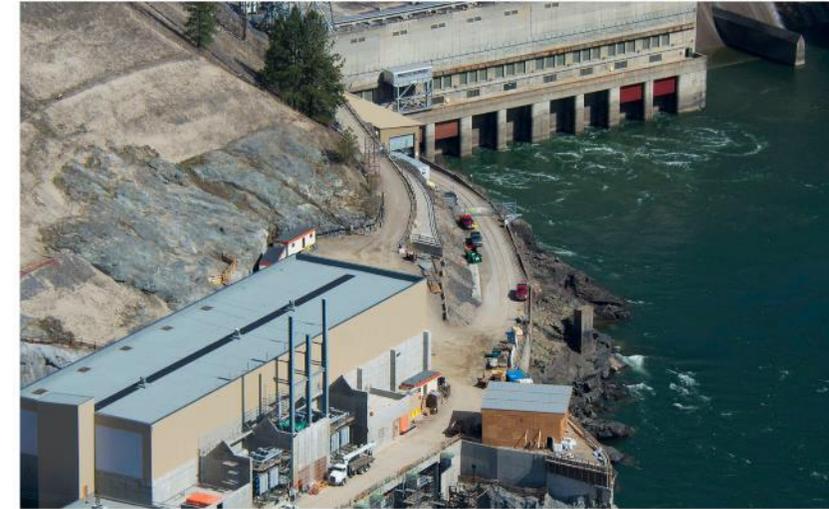
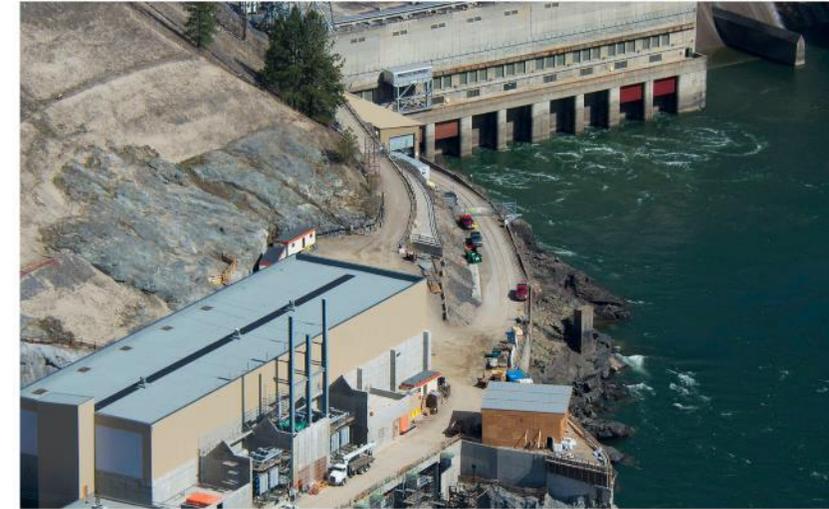


FORTIS



2014 Earnings Call
February 19, 2015

FORTIS



Donna Hynes
Director, Investor & Public Relations

Logistics

Forward-Looking Information Disclaimer

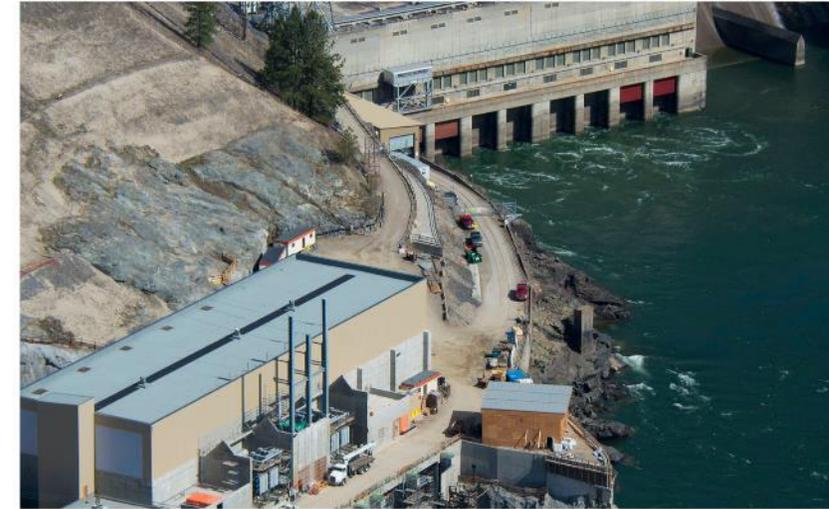


Fortis Inc. (the "Corporation") includes forward-looking information in this presentation within the meaning of applicable securities laws in Canada ("forward-looking information"). The purpose of the forward-looking information is to provide management's expectations regarding the Corporation's future growth, results of operations, performance, business prospects and opportunities, and it may not be appropriate for other purposes. All forward-looking information is given pursuant to the safe harbour provisions of applicable Canadian securities legislation. The words "anticipates", "believes", "budgets", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "will", "would", "targets" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information contained in this presentation reflects management's current beliefs and is based on assumptions developed using information currently available to the Corporation's management. All statements other than statements of historical fact in this presentation constitute forward-looking information, and include, without limitation, statements regarding: the Corporation's strategic review of Fortis Properties Corporation; the nature, timing and expected costs of capital projects; the Corporation's expected capital spending over the five-year period from 2015 through 2019; and the expected impact of fluctuations in the U.S./Canadian currency exchange rate on the Corporation's earnings per common share.

Forward-looking information contained in this presentation is based on assumptions the Corporation views as reasonable, including, without limitation: a sale of assets or shares in the hotel and commercial real estate market; the receipt of applicable regulatory approvals; no material capital project and financing cost overrun related to any of the Corporation's capital projects; sufficient liquidity and human and capital resources; the availability of natural gas, fuel and electricity supply; and no significant adverse change in government energy or environmental laws or policies. All forward-looking information is necessarily subject to risks and uncertainties, which could cause results to differ materially from those projected. For additional information on such risks and uncertainties, reference should be made to the Corporation's continuous disclosure materials filed from time to time with Canadian securities regulatory authorities, including those risk factors described under the heading "Business Risk Management" in the Corporation's annual and quarterly Management Discussion and Analysis. Except as required by law, the Corporation disclaims any intention or obligation to revise or update any forward-looking information as a result of new information, future events or otherwise after the date hereof.

Unless otherwise specified, all financial information referenced is in Canadian dollars.

FORTIS



Barry Perry
President & CEO

Corporate Update

2014

- **Transformative year**
- **Leader in electric and gas utilities in North America**
- **Acquired UNS Energy on August 15, 2014**
 - US\$4.5 billion, including assumption of US\$2 billion of debt
 - Largest acquisition in history of Fortis bolsters assets by one-third
 - Further diversifies assets geographically and by regulatory jurisdiction
 - Permanent equity-based financing complete
 - Accretive to 2014 earnings per common share, excluding one-time acquisition-related costs

Q4 2014

- **Q4 2014 Focus**

- Integration of UNS Energy
- Completion of 2014 \$1.7 billion capital expenditure program
- Strategic review of Fortis Properties

2015

- **Positioned for strong performance in 2015**
- **Key drivers**
 - Completion of Waneta expansion
 - Full year contribution from UNS Energy
 - Central Hudson rates to be rebased mid-year
 - FortisAlberta capital tracker

Growth Through Investment

- **Major energy infrastructure projects**
 - \$900 million Waneta Expansion nearly complete
 - \$400 million Tilbury Phase 1A commenced
 - Order in Council received for two potential LNG projects
 - \$450 million Tilbury Phase 1B
 - \$600 million Woodfibre
- **Entering period of significant organic growth**
 - Capex targeted to rise 30% to \$2.2 billion in 2015
 - 5-year CAGR in rate base through 2019 estimated at 6.5%
 - 5-year CAGR including the potential Tilbury Phase 1B and Woodfibre projects estimated at 7.5%

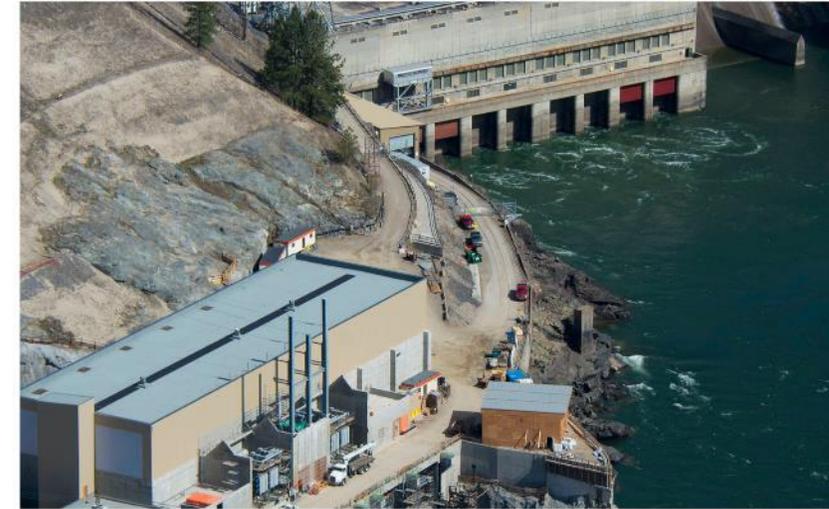
Focus

- **Initial push into U.S. utility business accomplished**
- **Focus over the next 12-18 months**
 - Fully integrate UNS Energy
 - Execute capital expenditure program
 - Progress LNG opportunities
 - Complete strategic review of Fortis Properties
- **Well positioned for 2015 and beyond**

FORTIS



Karl Smith
Executive VP, CFO



Financial Results
Regulatory Update

Earnings

(\$M, except as noted)	Q4			Annual		
	2014	2013	Change	2014	2013	Change
Basic Earnings per Common Share	\$0.44	\$0.47	(\$0.03)	\$1.41	\$1.74	(\$0.33)
Net Earnings Attributable to Common Shares	113	100	13	317	353	(36)
Adjusting items:						
Acquisition-related costs	5	2		90	34	
Part VI.1 tax adjustment					(23)	
Exploits Partnership gain		2			(20)	
Adjusted Net Earnings Attributable to Common Shares	118	104	14	407	344	63
Adjusted Basic Earnings per Common Share	\$0.46	\$0.49	(\$0.03)	\$1.81	\$1.70	\$0.11

Earnings Sensitivity to Foreign Exchange

- **Approximately 38% of the total assets of Fortis are now in the United States**
- **Each 5 cent, or 5%, change in the US dollar-to-Canadian dollar exchange rate is estimated to have a 4 cent impact on basic earnings per common share**

Financing

- **In excess of \$1 billion of long-term debt raised in 2014**
- **UNS Energy equity financing complete**
 - \$1.8 billion common equity
 - \$600 million preference shares
- **Cash flow from operating activities for 2014 was \$982 million**
- **Low debt maturity profile**
- **Unutilized committed credit facilities \$2.2 billion**
- **S&P and DBRS confirmed ratings of A- and A(low), respectively, and reinstated “Stable” outlook**
- **TEP upgraded to BBB+**

Regulatory

- **Central Hudson**
 - General rate application for July 2015 rates
 - Reforming the Energy Vision (REV) proceeding
- **FortisAlberta**
 - 2013-2015 capital tracker
 - 2013-2014 generic cost of capital proceeding

Q&A

Leader in Electric & Gas Utilities
in North America