

# INVESTOR PRESENTATION

## Q4 2021



# 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: targeted average annual dividend growth through 2025; carbon emissions reduction targets and projected asset mix; forecast capital expenditures for 2021 and 2022-2026, including cleaner energy investments; forecast rate base and rate base growth through 2026; the nature, timing, benefits and costs of certain capital projects and additional opportunities beyond the capital plan; expected funding sources for the capital plan and expected capital structure; expected impacts of changes in commodity prices and supply chains; the expected timing, outcome and impacts of regulatory proceedings; the expected debt issuance by ITC in May 2022; and scheduled debt maturities.

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 adverse effects from the COVID-19 pandemic; 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.**



# A PREMIUM ENERGY DELIVERY BUSINESS

## 93% Transmission & Distribution Assets



## HIGH QUALITY PORTFOLIO

10 Regulated Utility Businesses

3.4M Electric & Gas Customers

~9,000 Employees

99% Regulated Utility Assets

~\$26B Market Capitalization<sup>(1)</sup>

~12% Average Annual 20-Year Total Shareholder Return<sup>(1)</sup>

\$31.2B 2021F Rate Base

(1) As of October 31, 2021.

# LONG-TERM STRATEGY



LEVERAGING OUR OPERATING MODEL, GEOGRAPHIC AND REGULATORY DIVERSITY, OPERATING EXPERTISE, REPUTATION AND FINANCIAL STRENGTH TO DELIVER A CLEANER ENERGY FUTURE

## Proven Dividend Track Record & Outlook

6% Average Annual Dividend Growth Guidance through 2025

## Focus on Growth

Execute on growth opportunities

## Strong ESG Profile

Strengthening our Low-Carbon Footprint



Safe & Reliable Service



Capital Investment Plan



Strong Customer & Regulatory Relationships



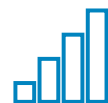
Sustainability & Delivery of Cleaner Energy



System Resiliency, Innovation & Cybersecurity



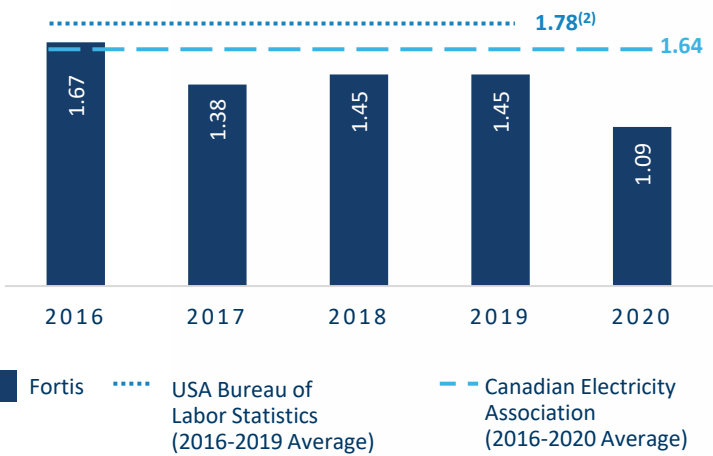
Energy Infrastructure, LNG Expansion & Storage



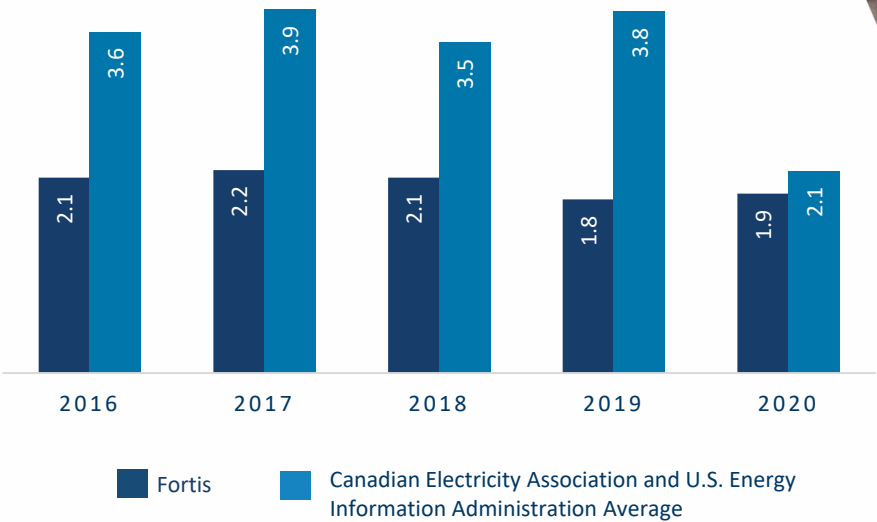
Investment-Grade Credit Ratings

# DELIVERING SAFE AND RELIABLE SERVICE

ALL INJURY FREQUENCY RATE<sup>(1)</sup>



AVERAGE ELECTRICITY CUSTOMER OUTAGE DURATION<sup>(3)</sup>



(1) Injuries per 200,000 hours worked.  
(2) USA Bureau of Labor Statistics 2020 data expected to be released in Q4 2021.  
(3) Based on weighted average of Fortis' customer count in each jurisdiction.



# Q3 SALES TRENDS

## RETAIL SALES

## Q3 2021 vs. Q3 2020 SALES TRENDS



N/A

- Peak load flat



-8%

- Overall decrease due to cooler weather and lower cooling load; Excluding weather, retail sales down 1%



-5%

- Overall decrease mainly due to cooler weather and lower cooling load; Residential sales down 7%; C&I down 2%



+5%<sup>(1)</sup>

- Gas sales up 10% due to higher consumption by transportation customers; Residential electric sales flat; C&I electric sales up 6%



+14%

- Increase in energy deliveries driven by warmer weather; Residential sales up 18%; C&I sales up 12%

Other  
Electric

+3%

- Residential sales down 1%; C&I sales up 6%
- Caribbean sales up 11% due to ongoing recovery of tourism industry

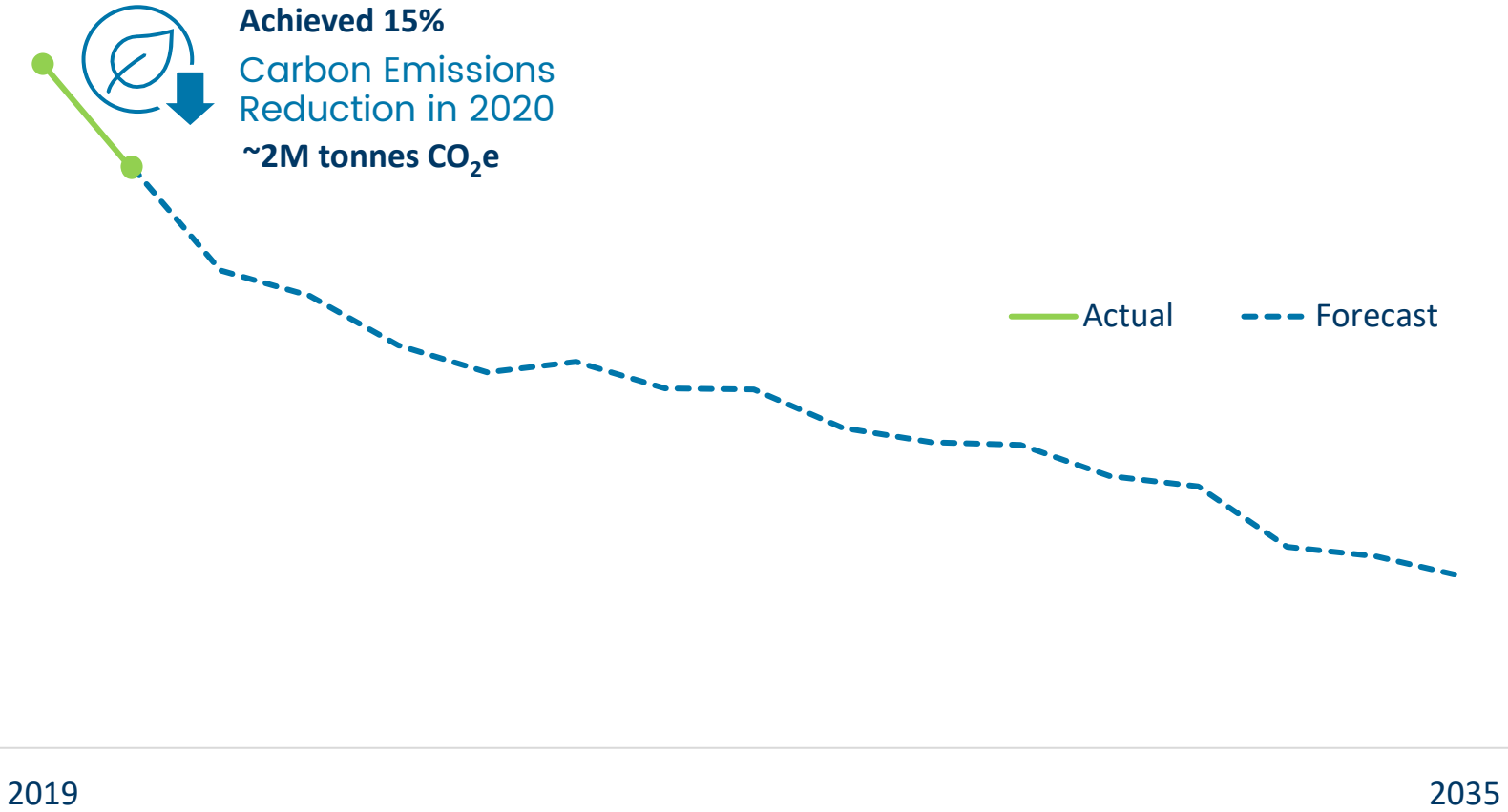


- Q3 sales reflect weather impacts in Arizona ↓ and Alberta ↑ and easing of pandemic restrictions
- Commercial and industrial (“C&I”) sales up 6% across portfolio of utilities
- Residential sales tempered by cooler weather in Arizona and decrease in work-from-home practices

(1) Reflects change in retail electric sales at FortisBC Electric.

# CARBON EMISSIONS REDUCTION TARGET ON TRACK

75% REDUCTION IN SCOPE 1 EMISSIONS BY 2035  
COMPARED TO 2019 LEVELS



Fortis target to be largely achieved through TEP’s carbon emissions reduction plan:

- Exiting coal-fired generation by 2032
- Installing ~2,400 MW of new wind and solar and 1,400 MW of battery storage by 2035

Focused on reducing Scope 2 & 3 emissions:

- FortisBC reducing customer emissions through RNG and LNG
- Interconnecting renewables
- Electric vehicle adoption
- Energy efficiency

# ESG LEADERSHIP



**Industry leader in**  
SAFETY AND RELIABILITY



**Continued focus on**  
ENERGY DELIVERY



**Carbon emissions reduction**  
target of 75% BY 2035  
using a 2019 base year<sup>(1)</sup>



**Industry recognition for**  
STRONG GOVERNANCE grounded in  
local leadership & independence



**More than \$15 MILLION**  
in 2020 community  
investment



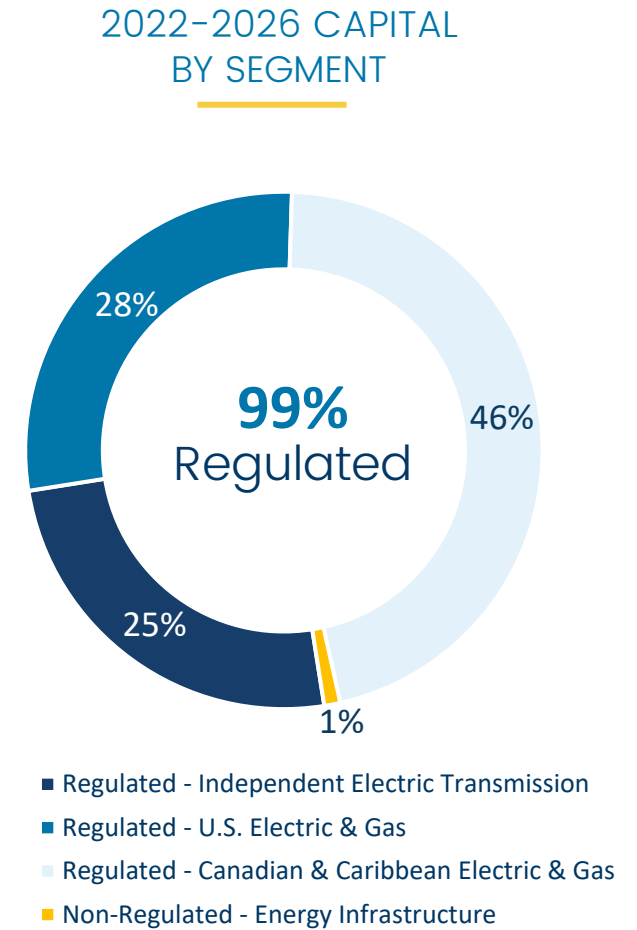
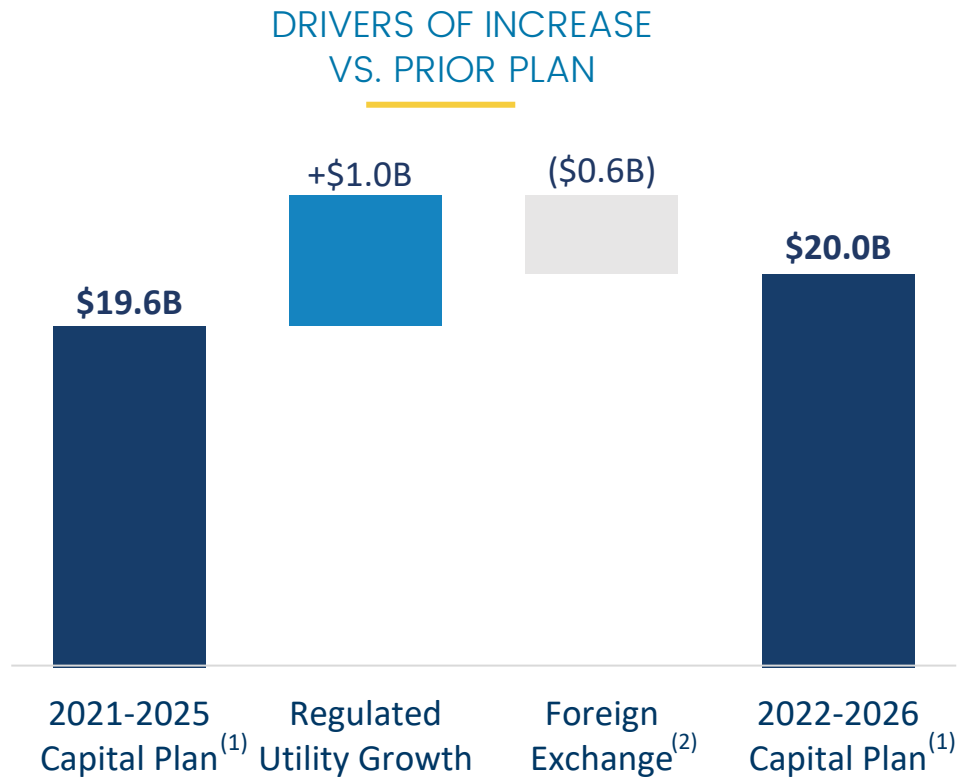
Focused on DIVERSITY,  
EQUITY AND INCLUSION

**Women represent 50% of the Fortis Board;**  
**60% of Fortis utilities have either a female**  
**CEO or Board Chair; Inclusion & Diversity**  
**Council created in 2020**

(1) Achieved a 15% carbon emissions reduction in 2020



# \$20B FIVE-YEAR CAPITAL PLAN

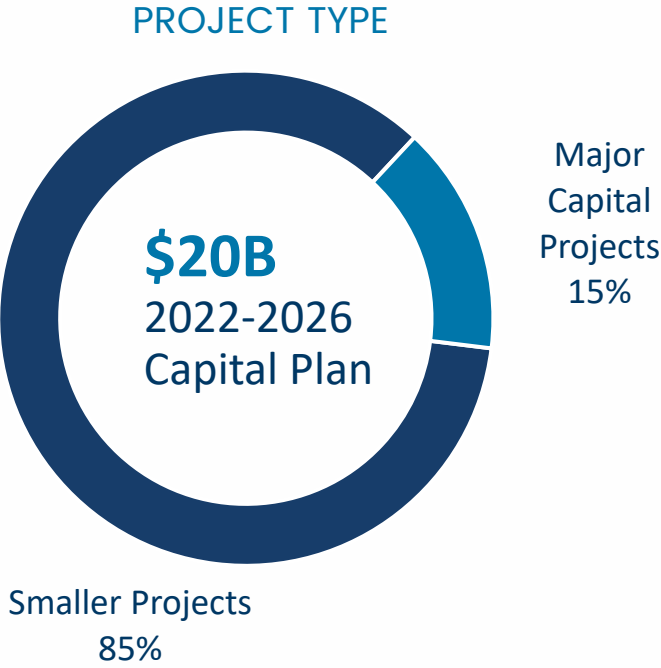


(1) Capital Plan is a forward-looking non-U.S. GAAP financial measure calculated in same manner as Capital Expenditures.

(2) Reflects reduction in USD:CAD foreign exchange rate from 1.32 in prior year plan to 1.25.

# HIGHLY EXECUTABLE CAPITAL PLAN

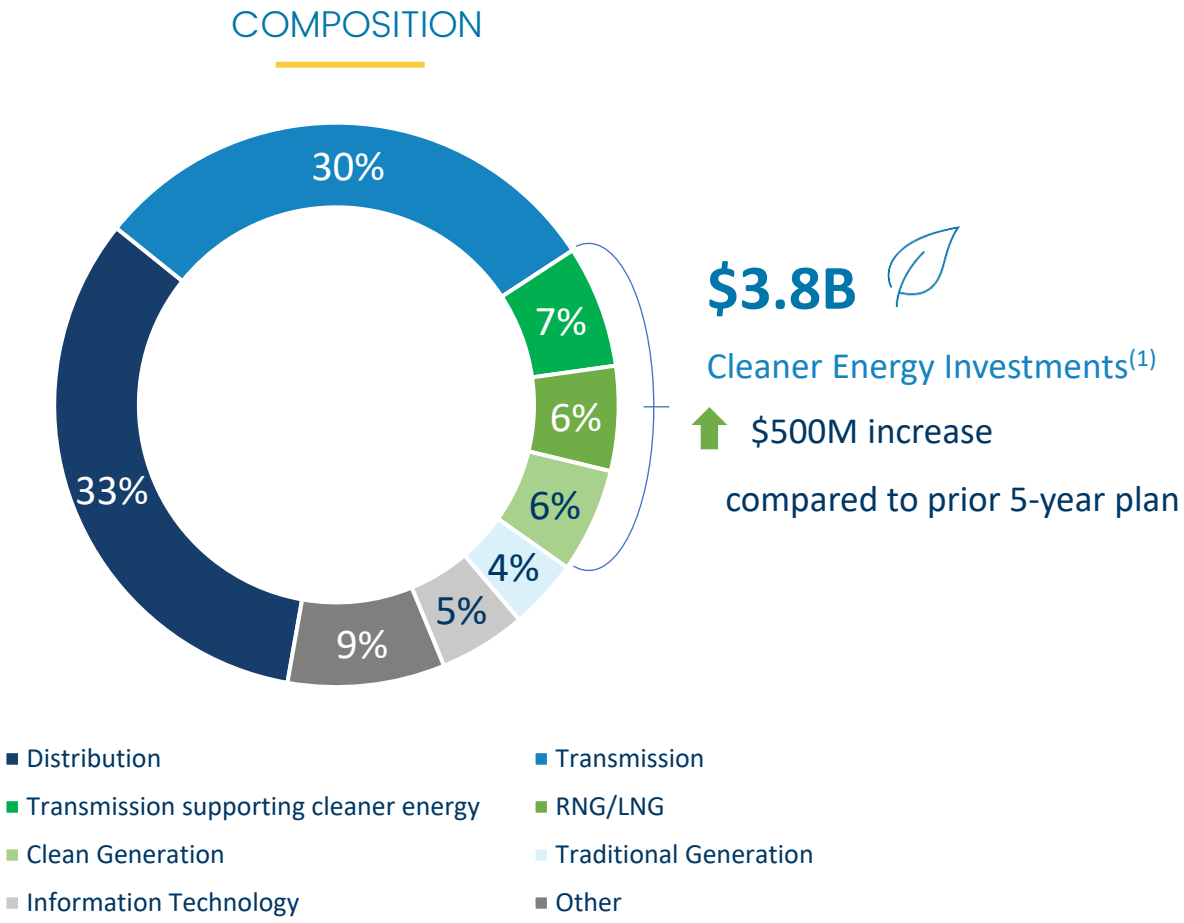
5-YEAR CAPITAL PLAN FOCUSED ON DELIVERING SAFE, RELIABLE AND COST-EFFECTIVE SERVICE TO CUSTOMERS



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



# CAPITAL PLAN SUPPORTS DELIVERY OF CLEANER ENERGY



## CLEANER ENERGY INVESTMENTS



### UNS Energy

- Battery Storage, Solar and Other Renewables

### ITC

- Interconnection of Renewables
- Multi-Value Projects

### Western Canadian Electric & Gas<sup>(2)</sup>

- LNG
- RNG
- Distributed Energy Resource Integration and IPP Interconnections



### Other Electric

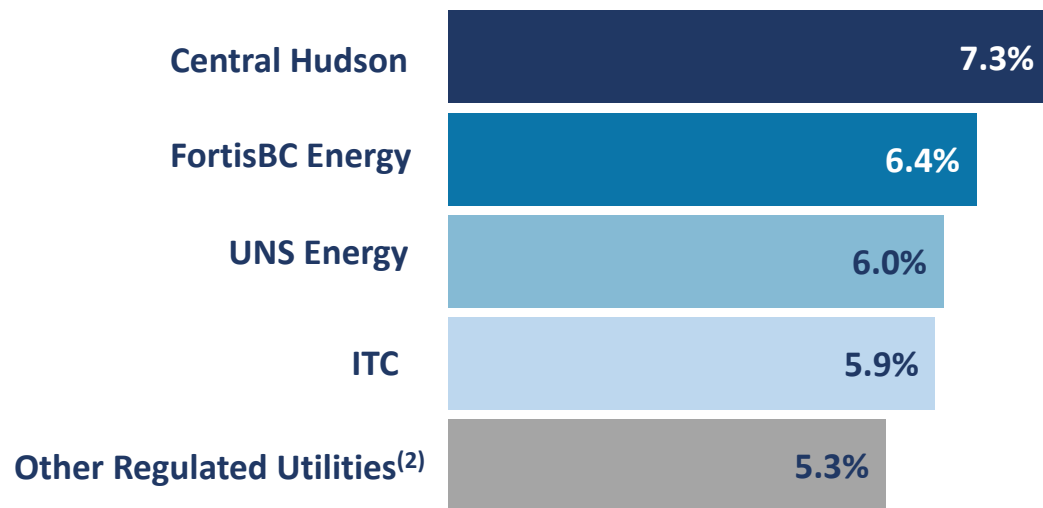
- Wataynikaneyap Transmission Power Project
- Alternative Energy Technologies & Utility Scale Battery (CUC)

(1) Cleaner energy investments defined as capital that reduces air emissions, water usage and/or increase customer energy efficiency.  
(2) Western Canadian Electric & Gas includes FortisBC Energy, FortisAlberta and FortisBC Electric.

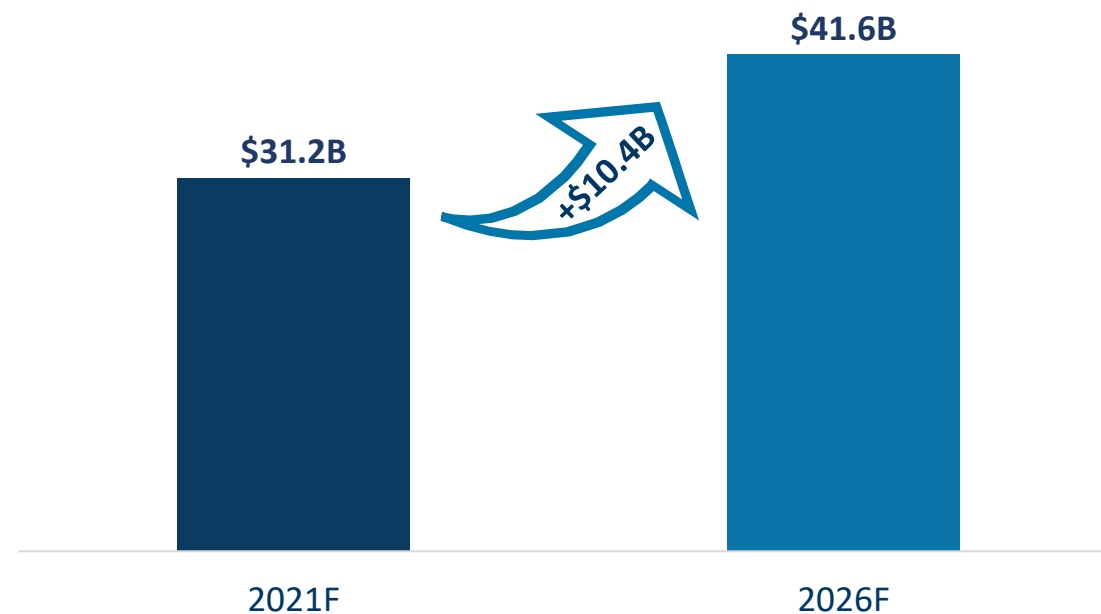


# LOW-RISK RATE BASE GROWTH OF ~6%

5-YEAR RATE BASE  
CAGR<sup>(1)</sup> BY SEGMENT



RATE BASE



Note: U.S. dollar-denominated rate base converted at a 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.

(1) Refer to the Q3 2021 MD&A glossary on the calculation of the CAGR.

(2) Includes FortisAlberta, FortisBC Electric and Other Electric segment

# OPPORTUNITIES TO EXPAND & EXTEND GROWTH

## ITC

- Lake Erie Connector Project (~\$1.7B)
- MISO long-range transmission plan
- Significant renewable capacity and battery storage in MISO and SPP queues<sup>(1)</sup>
- Hardening of physical assets and secure fibre networks

## UNS ENERGY

- 2020 Integrated Resource Plan (IRP) outlines TEP's sustainability objectives including coal-free generation mix by 2032
- Incremental opportunity of ~\$2.5-\$4.5B<sup>(2)</sup>

## FORTISBC

- Further develop Tilbury to position BC as a marine bunkering hub
- Long-term contracted LNG export opportunities
- Regional Gas Supply Diversity Project for market expansion and resiliency<sup>(3)</sup>
- Alignment with CleanBC's Roadmap to reduce customer GHG emissions by 2030
- Renewable gas target of 15% by 2030

## OTHER OPPORTUNITIES

- Electric Vehicle Infrastructure
- Climate Adaptation
- NY Transco Expansion
- *Caribbean Utilities:*
  - Achieve National Energy Policy goal of 70% renewable energy by 2037 through IRP.
  - IRP calls for 170 to 200 MW of solar in addition to wind power, battery storage & conversion of diesel to natural gas.

(1) 127 GW and 81 GW of additional renewable capacity in MISO and SPP queues; 15 GW and 12 GW of battery storage in MISO and SPP queues as at October 8, 2021.

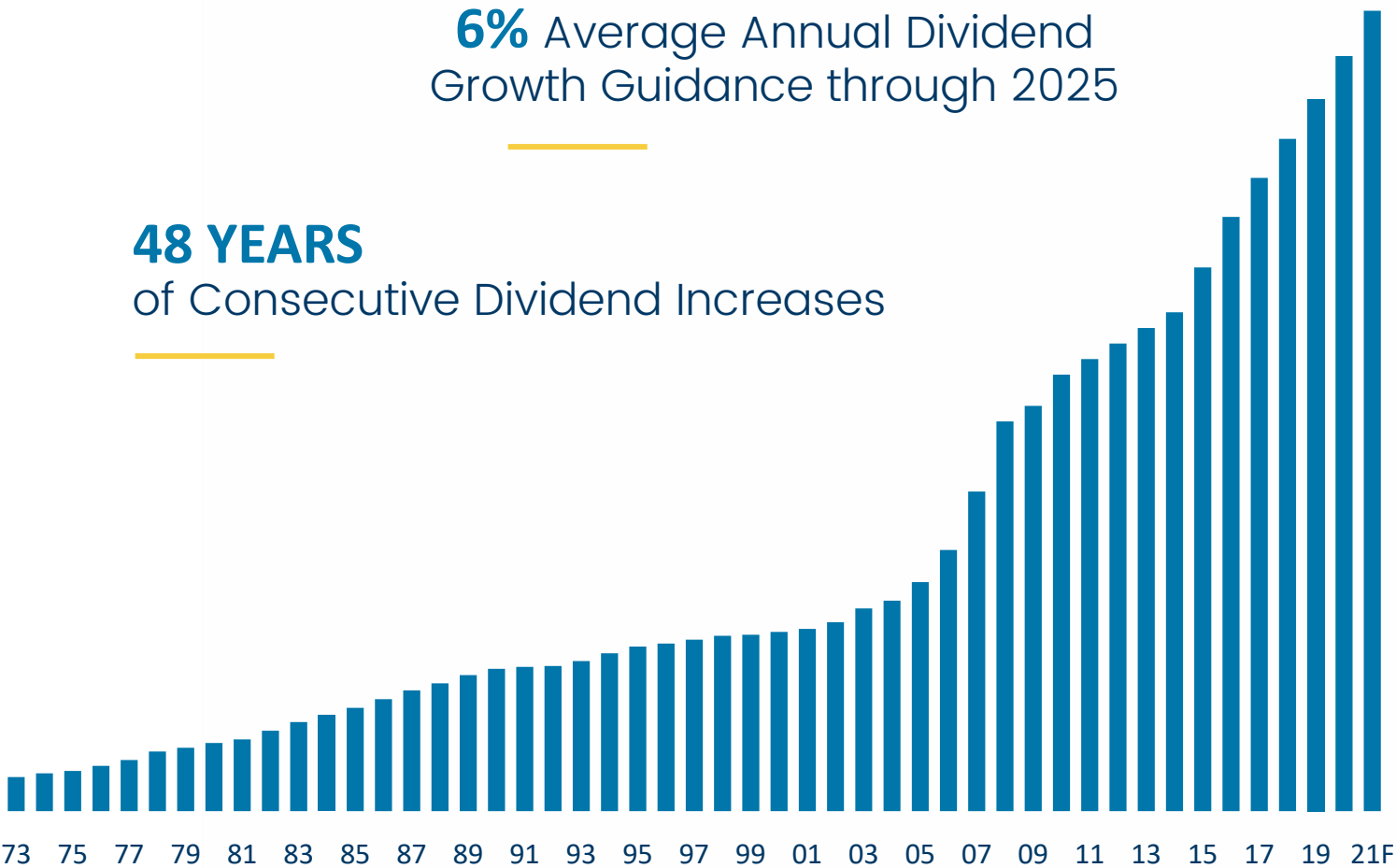
(2) Excludes ~\$1.5B in forecasted projects for the period 2022 through 2026, and the Oso Grande Wind project placed in-service in 2021.

(3) Previously disclosed as Southern Crossing Gas Transmission Expansion.

# DIVIDEND GUIDANCE SUPPORTED BY LONG-TERM GROWTH STRATEGY

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

**48 YEARS**  
of Consecutive Dividend Increases





# FUNDING PLAN SUPPORTS INVESTMENT-GRADE CREDIT RATINGS



## FUNDING PLAN

- Capital plan funded primarily with cash from operations and debt at regulated utilities
- Equity funding mainly through DRIP
  - No discrete equity required to fund capital plan
- Capital structure expected to remain consistent over five-year outlook



## CREDIT RATINGS

**S&P Global**

A<sup>-(1)</sup>

**MOODY'S**

Baa3

**MORNINGSTAR**



A (low)

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

# COMMODITY & SUPPLY CHAIN CONSIDERATIONS

## HIGHER NATURAL GAS PRICES

- Impacts fuel and power costs at electric utilities and gas supply costs for gas utilities
- Recovered from customers through regulatory mechanisms
- Causes upward bill pressure

## MITIGATING CUSTOMER IMPACTS

- Promoting energy efficiency and conservation
- Managing costs through innovation and process improvements
- Over the past 5 years, average operating expenses per customer tracked below inflation

## SUPPLY CHAIN

- Proactively managing supply chain requirements with coordinated buying and supplier alliances to ensure reliable service
- Fluctuations in commodity prices such as steel and copper not fully reflected in new five-year plan



# 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



**TEP FERC RATE CASE** – A settlement in principle was reached in August 2021, and the procedural schedule was suspended to allow the settlement to be finalized; until conclusion of the proceeding, formula transmission rates charged under the 2019 FERC order remain subject to refund; timeline and outcome remains unknown



**GENERAL RATE APPLICATION** – Joint proposal filed with NYSPC in August 2021; proposal includes allowed ROE of 9.0% and equity ratio of 50% in RY1, 49% in RY2 and 48% in RY3; NYSPC expected to issue a decision in Q4 2021



**GENERIC COST OF CAPITAL PROCEEDING (GCOC)** – GCOC proceeding initiated in Q2 2021 including a review of the common equity component of capital structure and the allowed ROE; proceeding is expected to continue into 2022 and the effective date of any change in the cost of capital remains unknown



**THIRD PBR TERM** – In July 2021, the AUC confirmed that FortisAlberta will return to a third PBR term commencing in 2024 following the completion of cost of service rebasing in 2023



# 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**

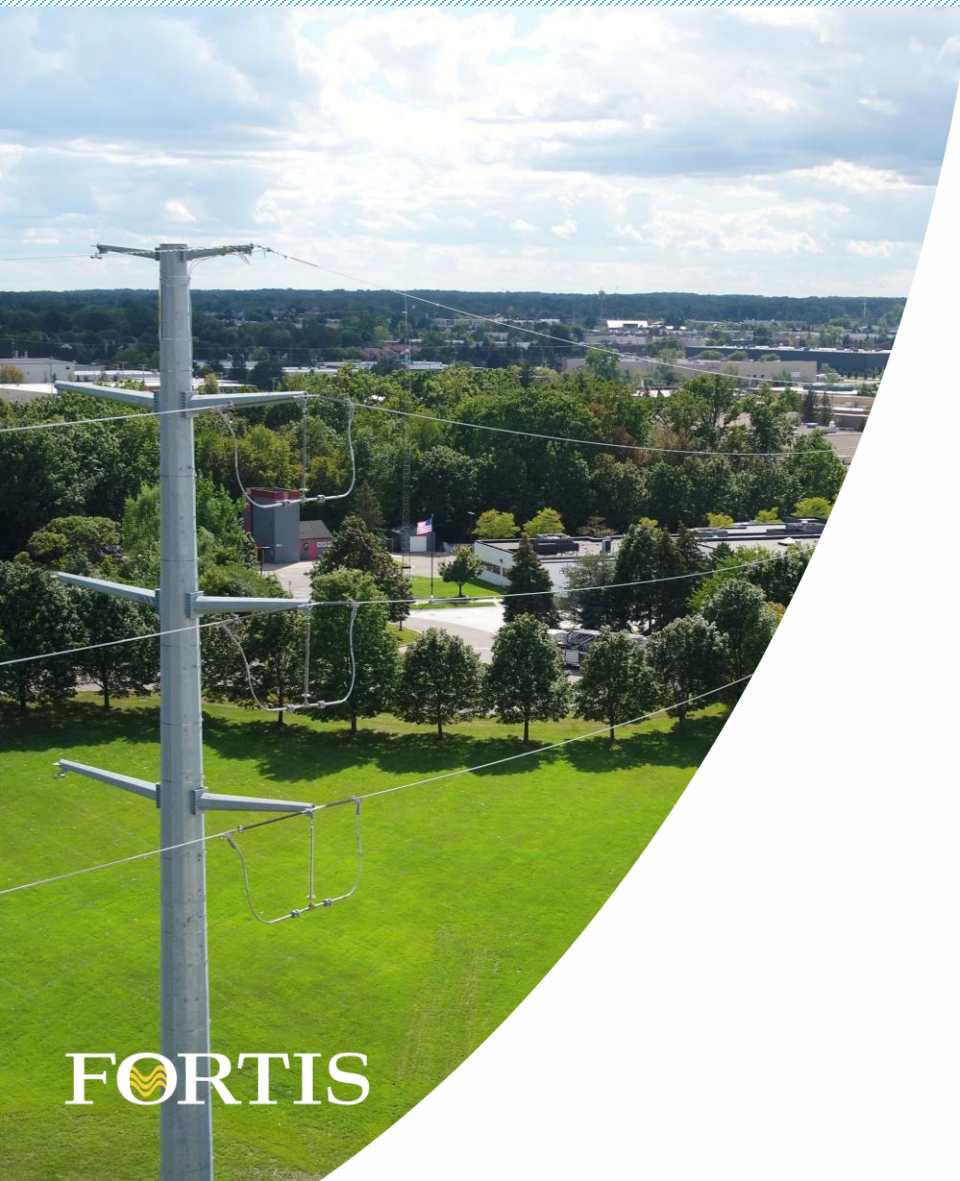
# INVESTOR PRESENTATION

## Q4 2021





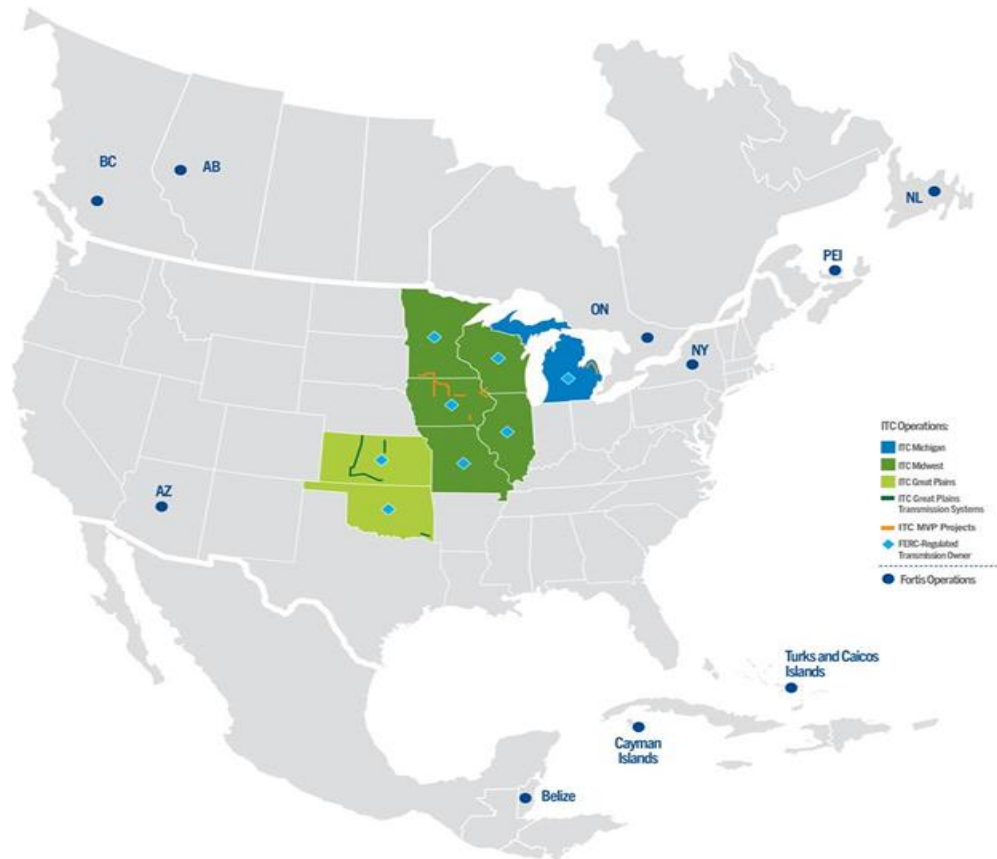
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# ITC HOLDINGS CORP.



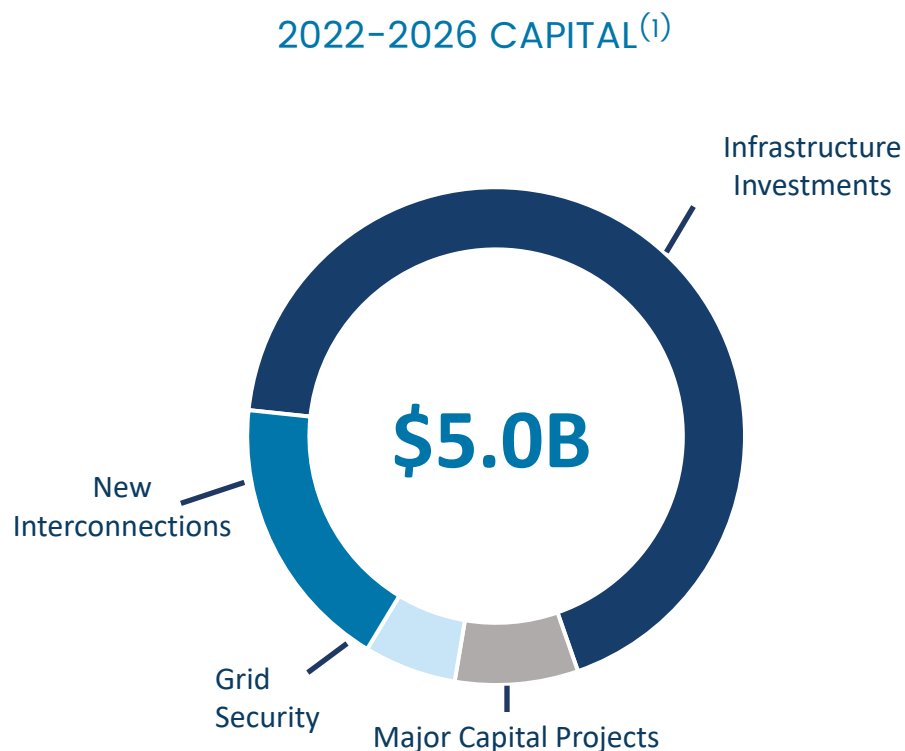
Type of Utility	Transmission
Regulator	FERC
Regulatory Model	Cost of Service with FERC Formula Rates
Current Regulatory Construct	10.77-11.41% ROE on 60% equity
Significant Regulatory Features	Cost-based, forward-looking formula rates with annual true-up
2022F Rate Base <sup>(1)</sup>	\$10.1B
5-Year Rate Base CAGR (2022F-2026F)	5.9%
2020 Assets % of Total Consolidated Regulated Assets <sup>(2)</sup>	37%
Development Opportunities <sup>(3)</sup>	Lake Erie Connector, Connecting Renewables, Grid Modernization & MISO Long Range Transmission Planning
Regulatory Proceedings	Notice of Proposed Rulemaking (NOPR) on Incentive Policy, Supplemental NOPR Regional Transmission Organization Incentive Adder & Advanced Notice of Proposed Rulemaking on Regional Transmission Planning, Cost Allocation and Generator Interconnection Processes

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

(2) Includes goodwill

(3) Development opportunities are not included in the base capital forecast and represent incremental capital spending.

# ITC CAPITAL INVESTMENT OVERVIEW



## \$3.6B Infrastructure Investments

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



## \$800M New Interconnections

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



## \$200M Grid Security

Physical and cyber hardening along with technology upgrades



## \$400M Major Capital Projects

Multi-Value Regional Transmission Projects & 34.5 to 69kV Transmission Conversion Project

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

# ITC BUILDING THE GRID OF THE FUTURE

## OPPORTUNITIES BEYOND THE PLAN

### NEW TECHNOLOGIES

**15 GW** and **12 GW** of battery storage in MISO<sup>(1)</sup> and SPP<sup>(1)</sup> queues



### GENERATION SHIFTS

**127 GW** and **81 GW** additional renewable capacity in MISO<sup>(1)</sup> and SPP queues<sup>(1)</sup>



### ACCESS TO REGIONAL MARKETS

Regional transmission necessary to facilitate increased demand for renewables



### GRID SECURITY

Hardening of secure fibre networks, physical and cybersecurity assets

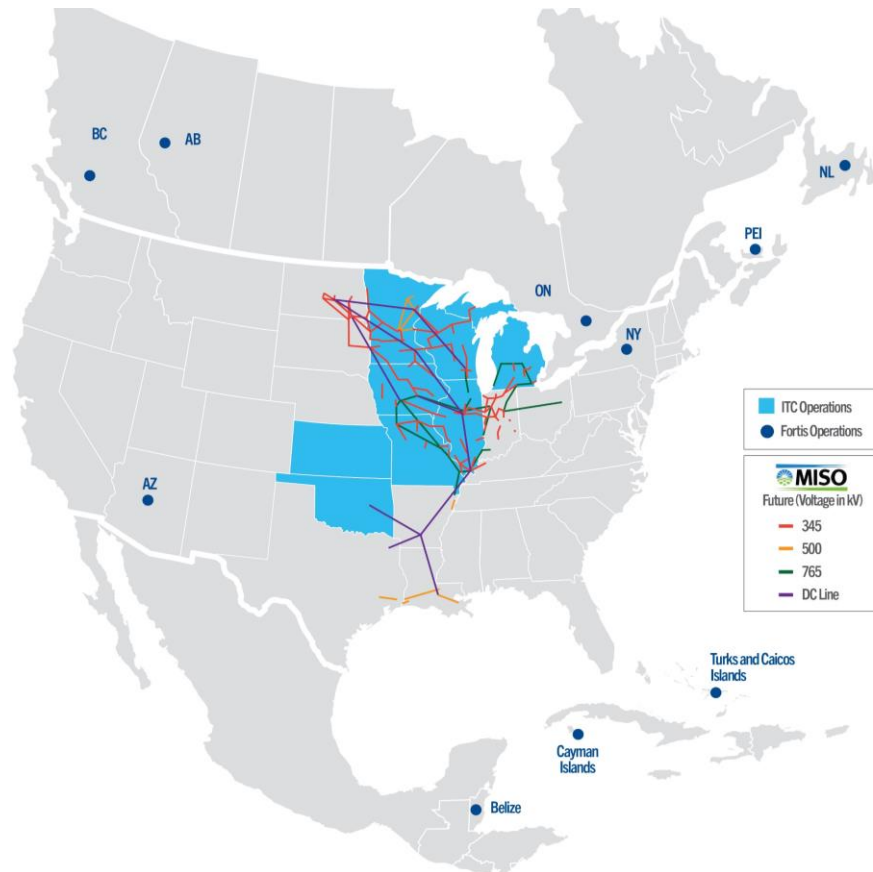


(1) Information as of October 8, 2021.

# OPPORTUNITIES TO EXPAND & EXTEND GROWTH



## LONG RANGE TRANSMISSION PLANNING ROADMAP



- In March, MISO outlined a long-range transmission planning (LRTP) roadmap with a focus on system constraints and configuration options
- Potential new, regional projects
- Visibility on initial projects expected in Q1 2022



# OPPORTUNITIES TO EXPAND & EXTEND GROWTH



## LAKE ERIE CONNECTOR



LAKE ERIE  
connector

- In April, the Canada Infrastructure Bank announced that it would fund up to 40% of the ~\$1.7B project cost
- In May, the Ontario government authorized IESO to commence contract negotiations and report back by the end of 2021
- Project expected to:
  - Provide ~\$100M of annual savings to customers
  - Up to 2 to 3 million tons of CO<sub>2</sub> reductions annually
- Project is not currently included in five-year capital plan
  - ☒ Fully permitted in both the U.S. and Canada
  - ☐ Negotiation of transmission service agreements required to advance to construction phase



	Tucson Electric	UNS Electric	UNS Gas
Type of Utility	Electricity		Gas Distribution
Regulator	Arizona Corporation Commission & FERC		
Regulatory Model	Cost of service/historical test year & FERC formula transmission rates		
Current Regulatory Compact	9.15% ROE on 53.0% equity	9.50% ROE on 52.8% equity	9.75% ROE on 50.8% equity
2022F Rate Base <sup>(1)</sup>	\$6.5B		
5-Year Rate Base CAGR (2022F-2026F)	6.0%		
2020 Assets % of Total Consolidated Regulated Assets <sup>(2)</sup>	20%		
Development Opportunities <sup>(3)</sup>	Renewables, Storage & Electric Transmission		
Regulatory Proceedings <sup>(4)</sup>	Hearing and Settlement Procedures for FERC Formula Rate Application		

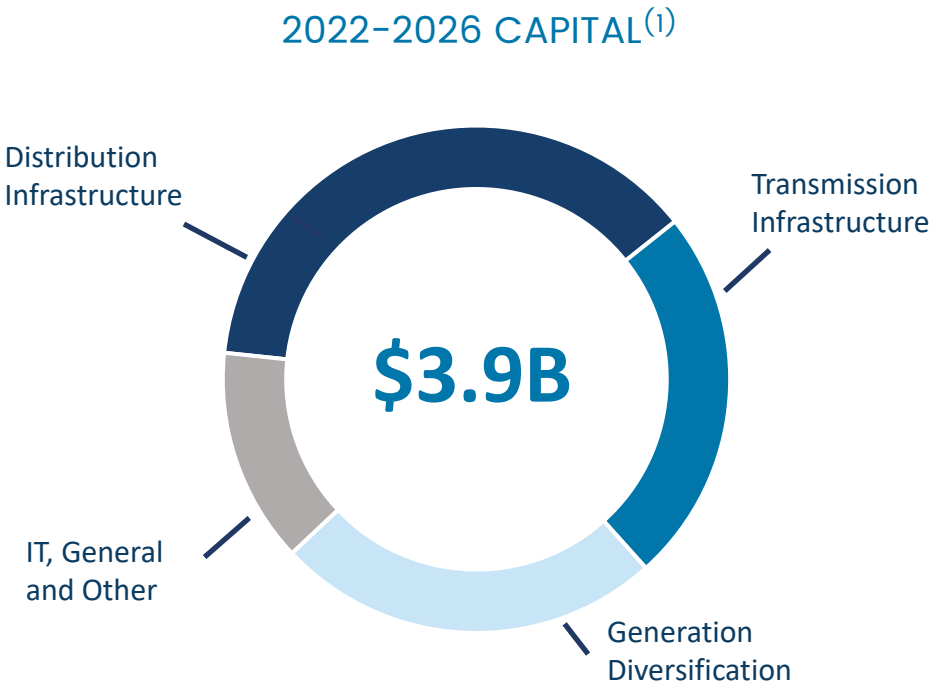
(1) U.S. dollar-denominated rate base converted at a forecast USD:CAD foreign exchange rate of 1.25.





(2) Includes goodwill

(3) Development opportunities are not included in the base capital forecast and represent incremental capital spending.

(4) Allowed ROE and equity based on Arizona Corporation Commission regulatory authority. FERC formula transmission rates reflect 10.40% ROE on 54.0% equity, subject to refund and settlement procedures.

# UNS CAPITAL INVESTMENT OVERVIEW



-  **\$1.5B Distribution Infrastructure**  
Customer meter infrastructure, grid resiliency, modernization
-  **\$900M Transmission Infrastructure**  
Vail-to-Tortolita, new substations
-  **\$1.0B Generation Diversification and Maintenance**  
Battery storage, solar
-  **\$500M IT, General and Other**  
Supports technology, efficiency and sustainment

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

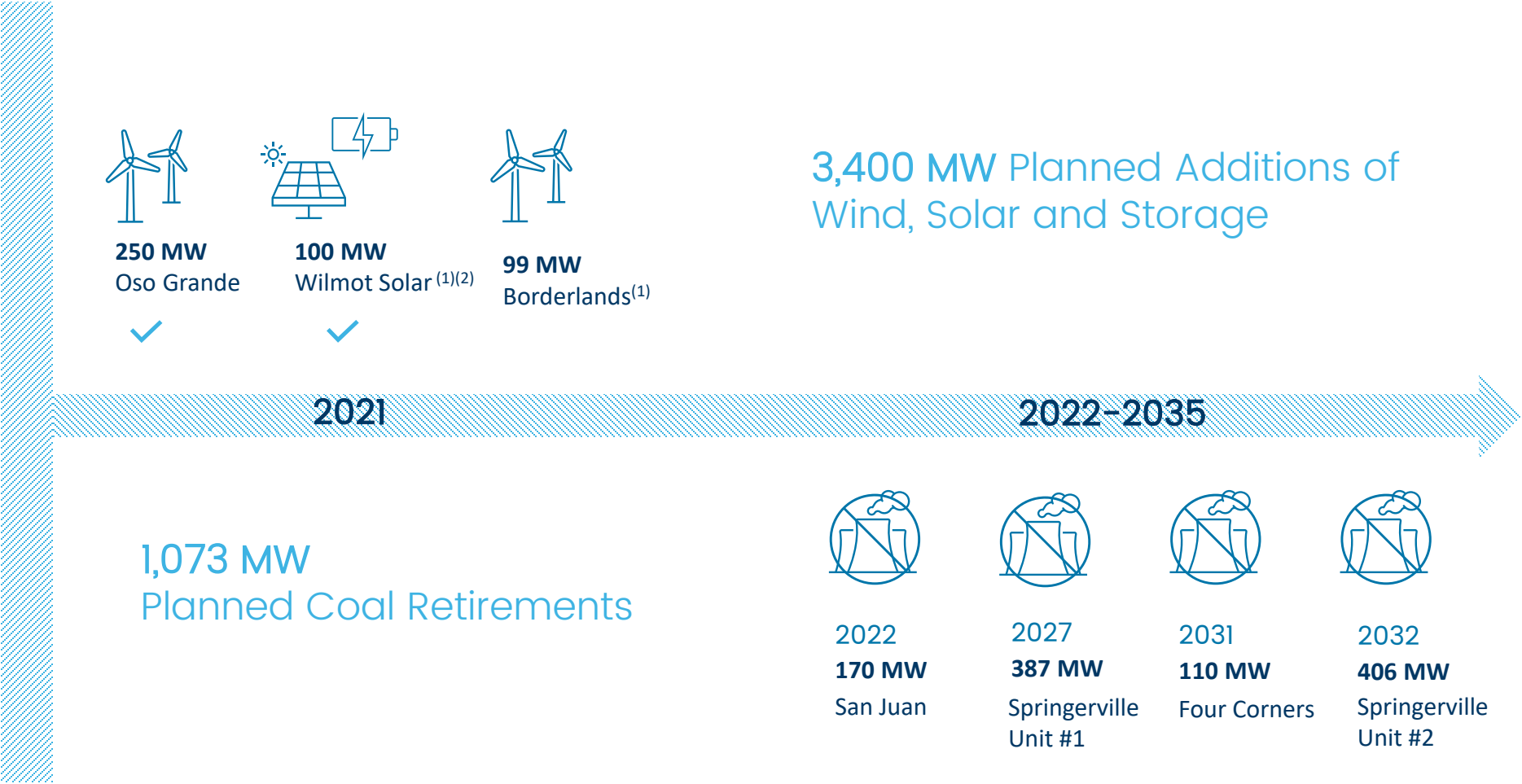
# ARIZONA FOCUSED ON RENEWABLES

TEP INTEGRATED RESOURCE  
PLAN FILED IN 2020

**Coal-free**  
generation mix by 2032

**>70%** renewable power  
by 2035

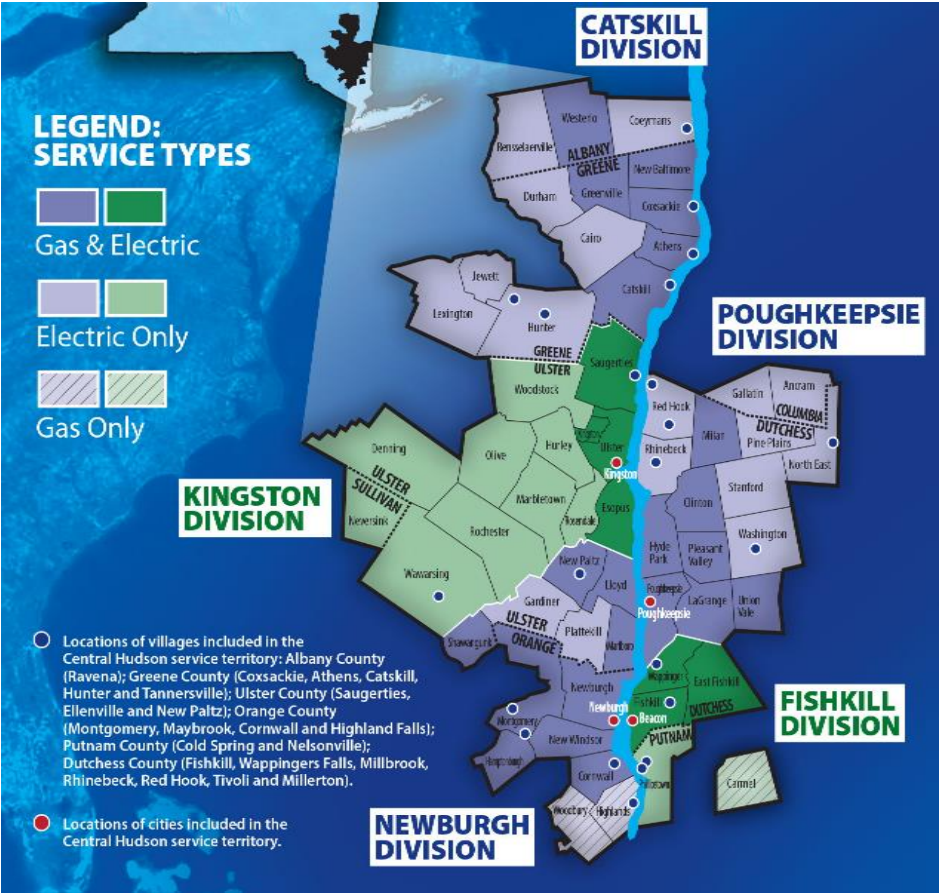
**Over 50 million tonnes**  
**of CO<sub>2</sub> emissions**  
avoided over 15 years



(1) Power purchase agreement  
(2) Wilmot also has 30 MW of battery storage



# CENTRAL HUDSON



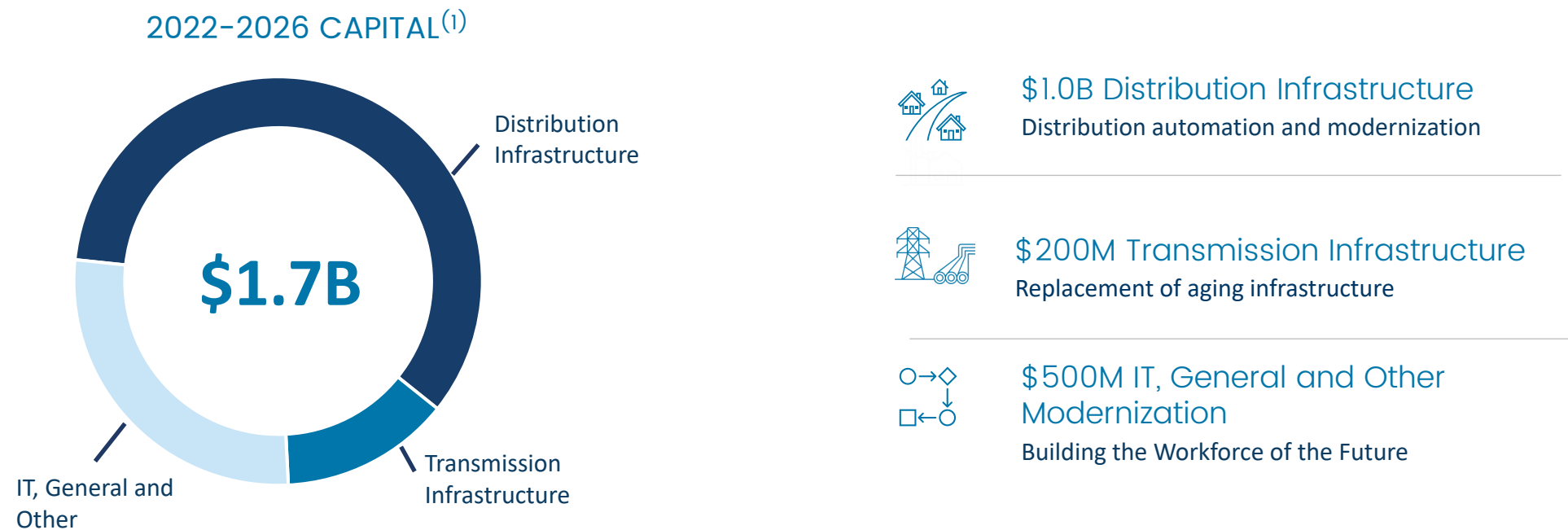
Type of Utility	Gas and Electricity
Regulator	New York State Public Service Commission
Regulatory Model	Cost of service on future test year
Current Regulatory Compact	8.8% ROE on 50% equity
Significant Regulatory Features	Revenue decoupling
2022F Rate Base <sup>(1)</sup>	\$2.4B
5-Year Rate Base CAGR (2022F-2026F)	7.3%
2020 Assets % of Total Consolidated Regulated Assets <sup>(2)</sup>	7%
Development Opportunities <sup>(3)</sup>	Grid Modernization & NY Transco Expansion
Regulatory Proceedings	General Rate Application & COVID-19 Generic Proceeding

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

(2) Includes goodwill

(3) Development opportunities are not included in the base capital forecast and represent incremental capital spending.

# CENTRAL HUDSON CAPITAL INVESTMENT OVERVIEW



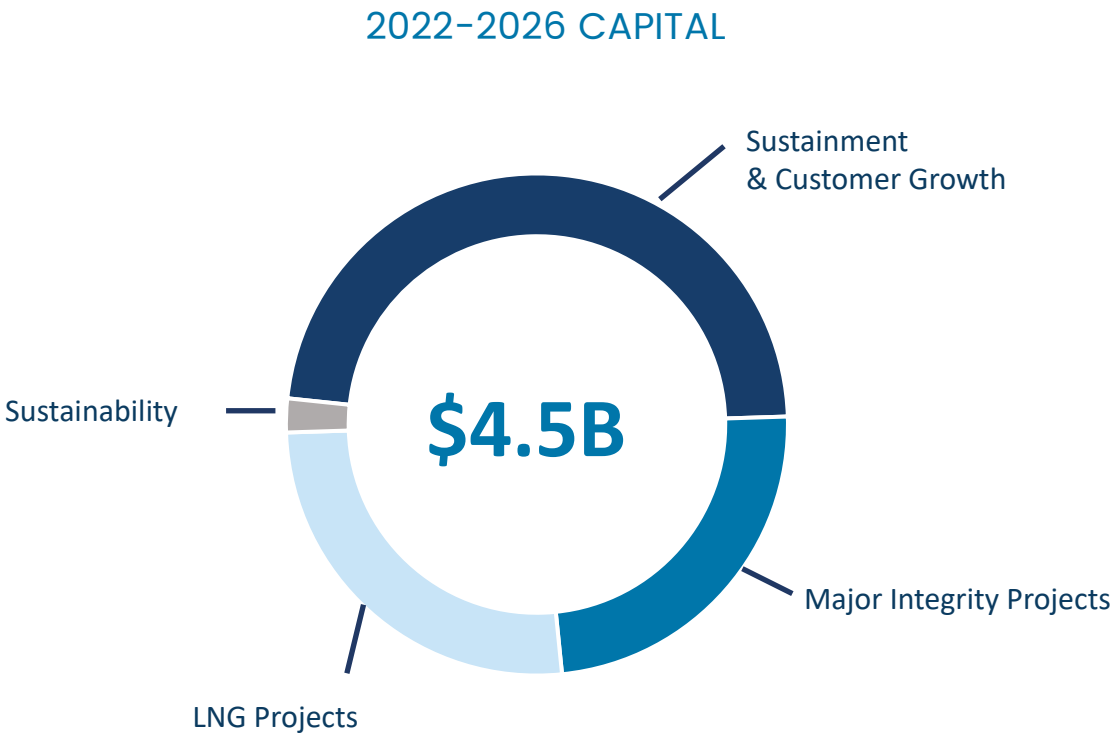
(1) U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD foreign exchange rate of 1.25.



	FortisBC Gas	FortisBC Electric
Type of Utility	Gas distribution	Electricity
Regulator	British Columbia Utilities Commission	
Regulatory Model	Cost of service with incentive mechanisms	
Current Regulatory Compact	8.75% ROE on 38.5% equity	9.15% ROE on 40.0% equity
Significant Regulatory Features	Multi-year rates with revenue deferrals – changes in consumption and commodity costs do not impact earnings	
2022F Rate Base	\$5.4B	\$1.5B
5-Year Rate Base CAGR (2022F-2026F)	6.4%	4.1%
2020 Assets % of Total Consolidated Regulated Assets <sup>(1)</sup>	14%	5%
Development Opportunities <sup>(2)</sup>	LNG for Marine Bunkering, LNG Bulk Export & Gas Infrastructure	N/A
Regulatory Proceeding	Generic Cost of Capital	

(1) Includes goodwill  
(2) Development opportunities are not included in the base capital forecast and represent incremental capital spending.

# FORTISBC CAPITAL INVESTMENT OVERVIEW



**\$2.1B Sustainment & Customer Growth**  
Ongoing maintenance requires significant capital investment  
Includes customer growth and general plant investment



**\$1.1B Major Integrity Projects**  
Inland Gas Upgrades Project  
Transmission Integrity Management Capabilities Project  
Advanced Metering Infrastructure Project  
Okanagan Capacity Upgrade



**\$1.2B LNG Projects**  
Eagle Mountain Woodfibre Gas Line Project  
Tilbury 1B  
Tilbury LNG Resiliency Tank



**\$100M Sustainability**  
Renewable gas projects  
Natural gas for transportation



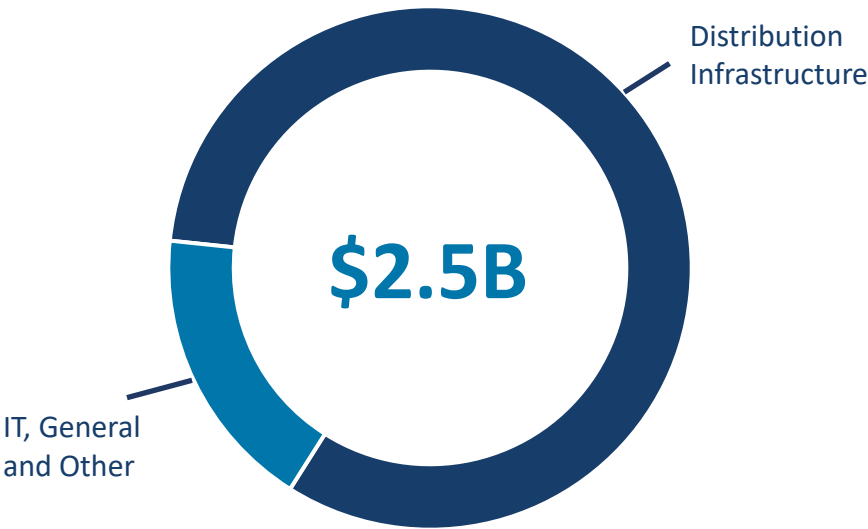


Type of Utility	Electricity distribution
Regulator	Alberta Utilities Commission
Regulatory Model	PBR
Current Regulatory Compact	8.5% ROE on 37% equity
Significant Regulatory Features	~85% of revenue derived from fixed-billing determinants
2022F Rate Base	\$4.0B
5-Year Rate Base CAGR (2022F-2026F)	4.0%
2020 Assets % of Total Consolidated Regulated Assets <sup>(1)</sup>	9%
Regulatory Proceedings	2023 Generic Cost of Service Application & Third PBR term

(1) Includes goodwill.

# FORTISALBERTA CAPITAL INVESTMENT OVERVIEW

2022-2026 CAPITAL



**\$2.1B Distribution Infrastructure**  
Safety & reliability of distribution assets, meter upgrades, pole management program, modernization



**\$400M IT, General and Other**

# OTHER ELECTRIC UTILITIES



Type of Utility	Electricity		
Regulator	Newfoundland and Labrador Board of Commissioners of Public Utilities	Island Regulatory and Appeals Commission	Ontario Energy Board
Regulatory Model	Cost of service on future test year	Cost of service on future test year	Cost of service with incentives
Current Regulatory Compact	8.50% ROE on 45% equity	9.35% ROE on 40% equity	8.52% - 9.30% ROE on 40% equity <sup>(2)</sup>
2022F Rate Base	\$1.2B	\$0.4B	\$0.6B <sup>(1)</sup>
5-Year Rate Base CAGR (2022F-2026F)	3.8%	6.4%	20.4% <sup>(3)</sup>
2020 Assets % of Total Consolidated Regulated Assets <sup>(4)</sup>	3%	1%	1%
Development Opportunities <sup>(5)</sup>	Grid Modernization	Grid Modernization	Municipal Utility Consolidation

(1) Includes Canadian Niagara Power, Cornwall Electric, Algoma Power and Fortis' 39% ownership of the Wataynikaneyap Transmission Power Project.

(2) Allowed ROE is 8.52% for Algoma Power, 8.78% for Canadian Niagara Power distribution and 9.30% for Canadian Niagara Power transmission. Cornwall Electric operates under a franchise agreement with a price-cap and commodity cost flow through and, therefore, is not regulated with reference to an allowed ROE.

(3) Reflects Fortis' 39% ownership of the Wataynikaneyap Transmission Power Project

(4) Includes goodwill

(5) Development opportunities are not included in the base capital forecast and represent incremental capital spending.

# OTHER ELECTRIC UTILITIES (CONTINUED)



(1)



Type of Utility	Electricity	
Regulator	Utility Regulation and Competition Office	Government of the Turks and Caicos Islands
Regulatory Model	Cost of service	Cost of service
2020 Achieved ROE <sup>(2)</sup>	9.0%	4.1%
2022F Rate Base <sup>(3)</sup>	\$0.8B	\$0.5B
5-Year Rate Base CAGR (2022F-2026F)	9.5%	1.6%
2020 Assets % of Total Consolidated Regulated Assets <sup>(4)</sup>	2%	1%
Development Opportunities <sup>(5)</sup>	Grid Modernization, Battery Storage & Renewables	

(1) Fortis has an approximate 60% controlling interest in Caribbean Utilities Company, Ltd.

(2) Lower achieved ROEs in 2020 reflect impacts of COVID-19 pandemic.

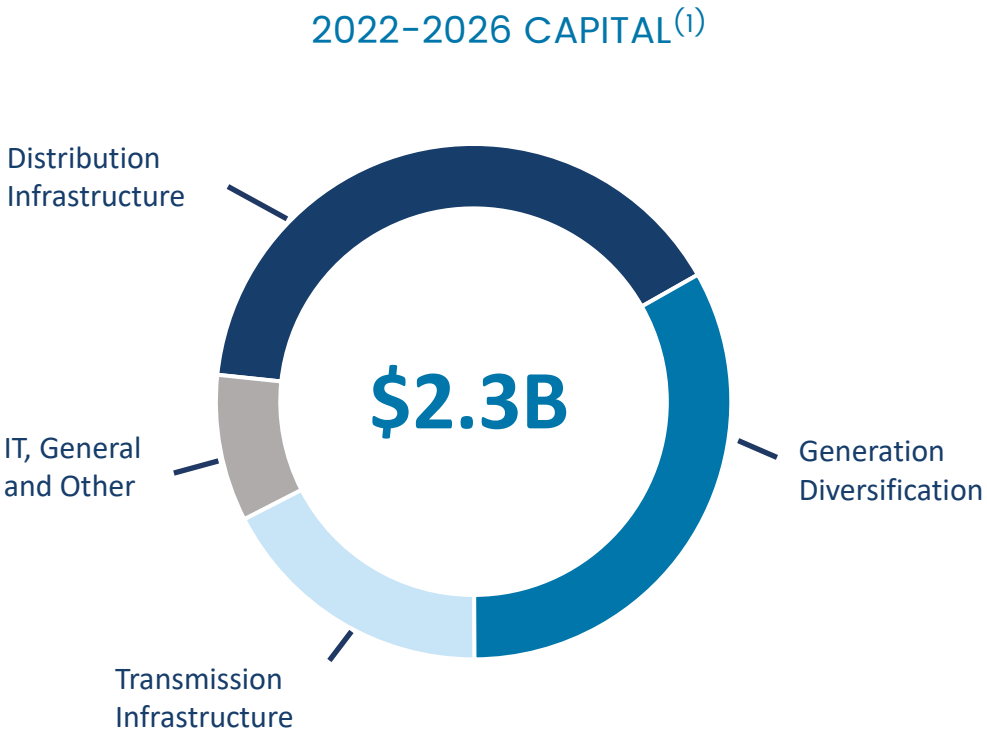
(3) U.S. dollar-denominated rate base converted at a forecast USD:CAD foreign exchange rate of 1.25.





(4) Includes goodwill

(5) Development opportunities are not included in the base capital forecast and represent incremental capital spending.



# OTHER ELECTRIC CAPITAL INVESTMENT OVERVIEW



-  **\$900M Distribution Infrastructure**  
Newfoundland Power and Caribbean Utilities
-  **\$750M Generation Diversification**  
Caribbean Utilities shift to cleaner energy
-  **\$400M Transmission Infrastructure**  
Wataynikaneyap Transmission Power Project
-  **\$200M IT, General and Other**

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

# 2022-2026 CAPITAL PLAN BY SEGMENT

(\$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. 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.

# 2021-2026 RATE BASE BY SEGMENT

(\$BILLIONS, EXCEPT FOR CAGR)	RATE BASE <sup>(1)</sup>						5-YEAR CAGR to 2026
	2021F	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	5.9	6.5	6.7	6.9	7.4	8.0	6.0%
Central Hudson	2.2	2.4	2.6	2.7	3.0	3.1	7.3%
Total Regulated – U.S. Electric & Gas	8.1	8.9	9.3	9.6	10.4	11.1	6.4%
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	4.0%
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	7.3%
Total Regulated - Canadian & Caribbean Electric & Gas	13.6	14.5	15.4	16.1	16.9	17.9	5.7%
<b>Total Rate Base Forecast</b>	<b>31.2</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>

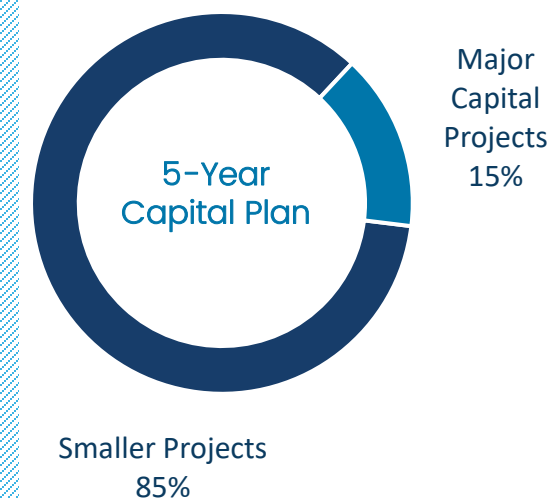
(1) U.S. dollar-denominated rate base converted at a forecast USD:CAD foreign exchange rate of 1.25.

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

(3) Comprises Eastern Canadian and Caribbean electric utilities.

# MAJOR CAPITAL PROJECTS

(\$ MILLIONS)	TOTAL INCURRED TO THE END OF 2020	2021 FORECAST <sup>(1)</sup>	2022-2026 PLAN <sup>(1)</sup>	ESTIMATED COMPLETION DATE
ITC Multi-Value Regional Transmission Projects	642 <sup>(2)</sup>	88	154	2023
ITC 34.5 to 69kV Transmission Conversion Project	445	53	145	Post-2026
UNS Vail-to-Tortolita Project	-	20	240	2025
FortisBC Eagle Mountain Woodfibre Gas Line Project <sup>(3)</sup>	-	-	350	2026
FortisBC Transmission Integrity Management Capabilities Project	21	19	222	Post-2026
FortisBC Inland Gas Upgrade Project	59	79	144	2025
FortisBC Okanagan Capacity Upgrade	9	9	201	2024
FortisBC Tilbury 1B	20	-	355	Post-2026
FortisBC Tilbury LNG Storage Expansion <sup>(4)</sup>	10	4	457	Post-2026
FortisBC Gas Advanced Metering Infrastructure (AMI) Project	-	4	380	Post-2026
Wataynikaneyap Transmission Power Project <sup>(5)</sup>	178	309	220	2023



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 2021 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) Previously disclosed as Tilbury LNG Resiliency Tank

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



# MAJOR CAPITAL PROJECTS

## ITC MULTI-VALUE REGIONAL TRANSMISSION PROJECTS

- MVP 5 Hickory Creek Line comprised of ~100-mile 345kV transmission line from Iowa to Wisconsin
- ITC has ~45% ownership in joint venture with ATC and Dairyland Power Cooperative
- The project is expected to improve reliability locally and regionally, deliver economic benefits for consumers and utilities, and further the use of renewables



## ITC 34.5 TO 69KV TRANSMISSION CONVERSION PROJECT

- 22-year investment program required to rebuild and convert 34.5 kV lines to 69 kV standards
- Aged system past its useful life and radial versus networked
- ~640 miles included in rebuild
- 149 circuits to be converted or retired as part of the conversion plan



## UNS ENERGY VAIL-TO-TORTOLITA PROJECT

- Includes the construction of an upgraded 230kV transmission line within TEP's service territory
- Improves reliability and facilitates the connection of renewable energy resources to the grid



## FORTISBC EAGLE MOUNTAIN WOODFIBRE GAS LINE PROJECT

- 47-km gas line will service a small-scale, third-party owned facility for export to Asian market
- Woodfibre facility will export up to 2.1 MTPA of LNG for 40 years
- Contingent on Woodfibre LNG making a final investment decision



## FORTISBC TRANSMISSION INTEGRITY MANAGEMENT CAPABILITIES PROJECT

- Multi-phase project requiring significant investment over multiple years and various CPCN applications
- Improves gas line safety and integrity; includes gas line modification and looping
- CPCN application was filed for the coastal transmission system section of the project in February 2021



## FORTISBC INLAND GAS UPGRADES PROJECT

- Key tool to confirm integrity of transmission gas lines
- Multi-year risk mitigation project for 29 transmission pressure lateral gas lines (400 kms)
- Construction activities will include the installation of new pressure regulating stations and completion of pipeline retrofits



# MAJOR CAPITAL PROJECTS

## FORTISBC OKANAGAN CAPACITY UPGRADE

- Construction of a new section of pipeline and associated facilities to address expected load growth in the Okanagan region
- CPCN application filed in 2020



## FORTISBC TILBURY 1B

- Construction of additional liquefaction and dispensing in support of optimizing the existing investment in Tilbury Phase 1A Expansion Project
- Order-in-Council received from BC government allowing for \$400 million of regulated investment
- Supports FortisBC's 30BY30 target by meeting increasing customer demand for LNG as a lower-carbon fuel for marine vessels



## FORTISBC TILBURY LNG STORAGE EXPANSION

- Increase LNG storage at the Tilbury site and increase available regasification capacity to provide short-term backup gas supply
- Project will enhance resiliency in face of system or supply disruptions
- CPCN application filed in December 2020



## FORTISBC GAS ADVANCED METERING INFRASTRUCTURE PROJECT

- Replacement or retrofitting of residential, commercial and industrial gas meters and installation of ~700,000 by-pass valves
- Project will assist in load management by allowing for remote meter reading on a near real-time basis and remote shutoff of gas flow
- CPCN application filed in May 2021



## WATAYNIKANEYAP TRANSMISSION PROJECT

- Partnership with 24 First Nations to connect remote communities in Northern Ontario to the grid via 1,800 km transmission line
- In September 2021, the Ontario Energy Board approved rates for the project
- Construction is underway and the project is expected to be completed by the end of 2023



# INVESTMENT-GRADE CREDIT RATINGS

COMPANY	S&P Global	Moody's	MORNINGSTAR DBS
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+.



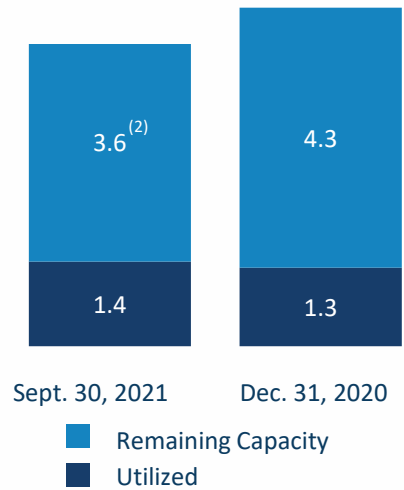


# STRONG ACCESS TO DEBT AND LIQUIDITY

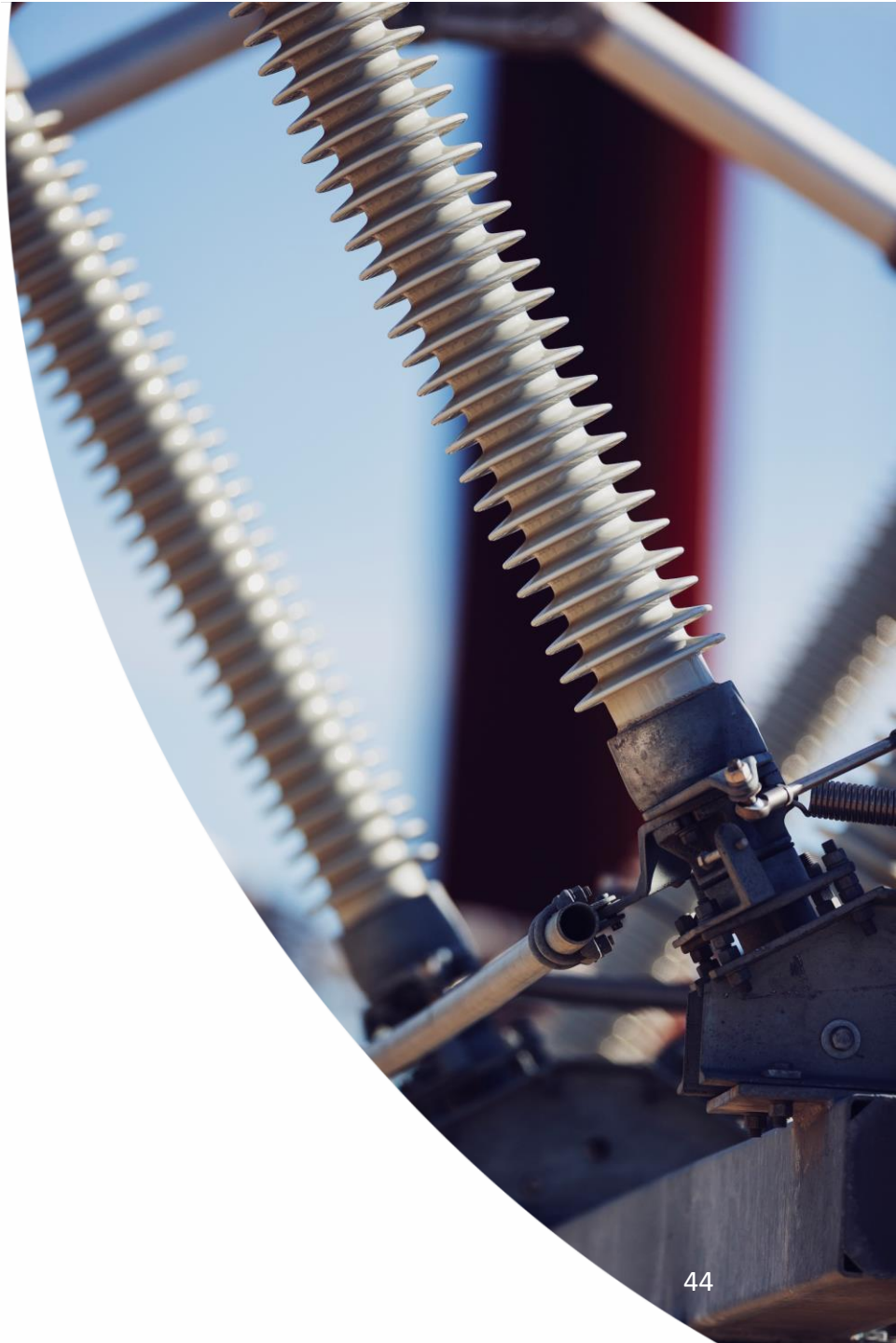
## OVER \$1B DEBT RAISED IN 2021

- UNS Energy (TEP)
  - US\$325M 30-year 3.25% notes
- FortisBC Energy
  - \$150M 10-year 2.42% debentures
- Fortis
  - \$500M 7-year 2.18% notes
- ITC (METC)
  - US\$75M 30-year 2.90% notes 
  - US\$75M 30-year 3.05% notes<sup>(1)</sup>

## CONSOLIDATED CREDIT FACILITIES (\$B)



(1) Notes priced in July 2021 with an expected issuance date in May 2022.  
(2) The Corporation’s unsecured \$500M revolving 1-year term committed credit facility expired in April 2021 and was not renewed.





# FOREIGN EXCHANGE EXPOSURE



## EARNINGS AND CAPITAL PLAN

- ~66% of operating earnings<sup>(1)</sup> from U.S. and Caribbean
- ~55% of \$20.0B five-year capital plan from U.S. and Caribbean
- Five-year plan converted at a forecast USD:CAD FX rate of 1.25



## HEDGING ACTIVITIES

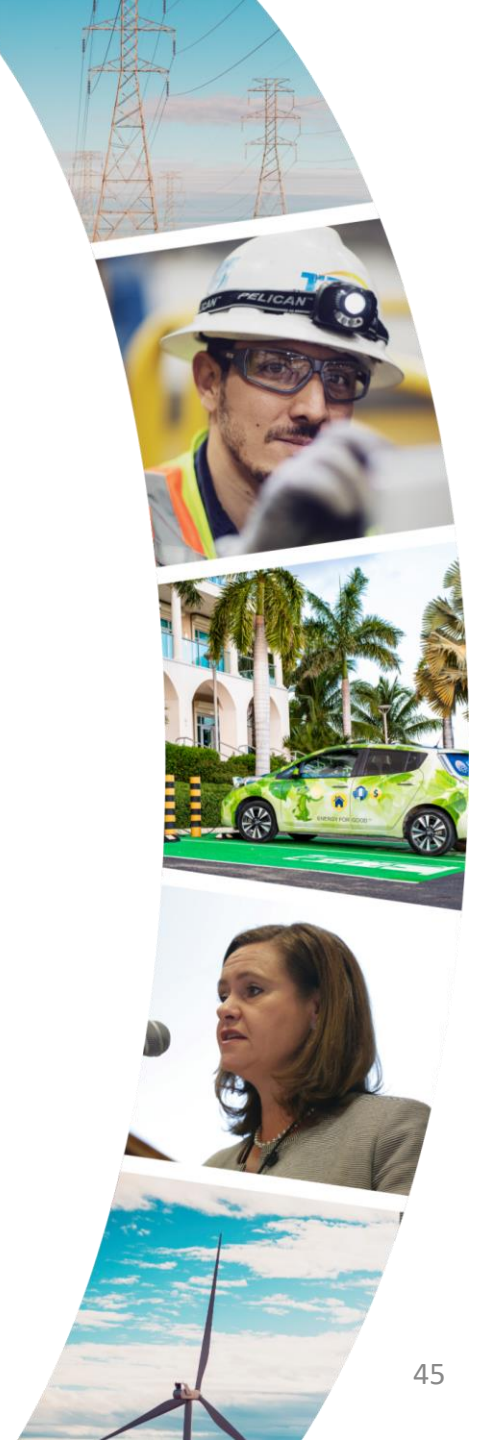
- U.S. dollar-denominated debt at corporate level
- Average rate forward contracts



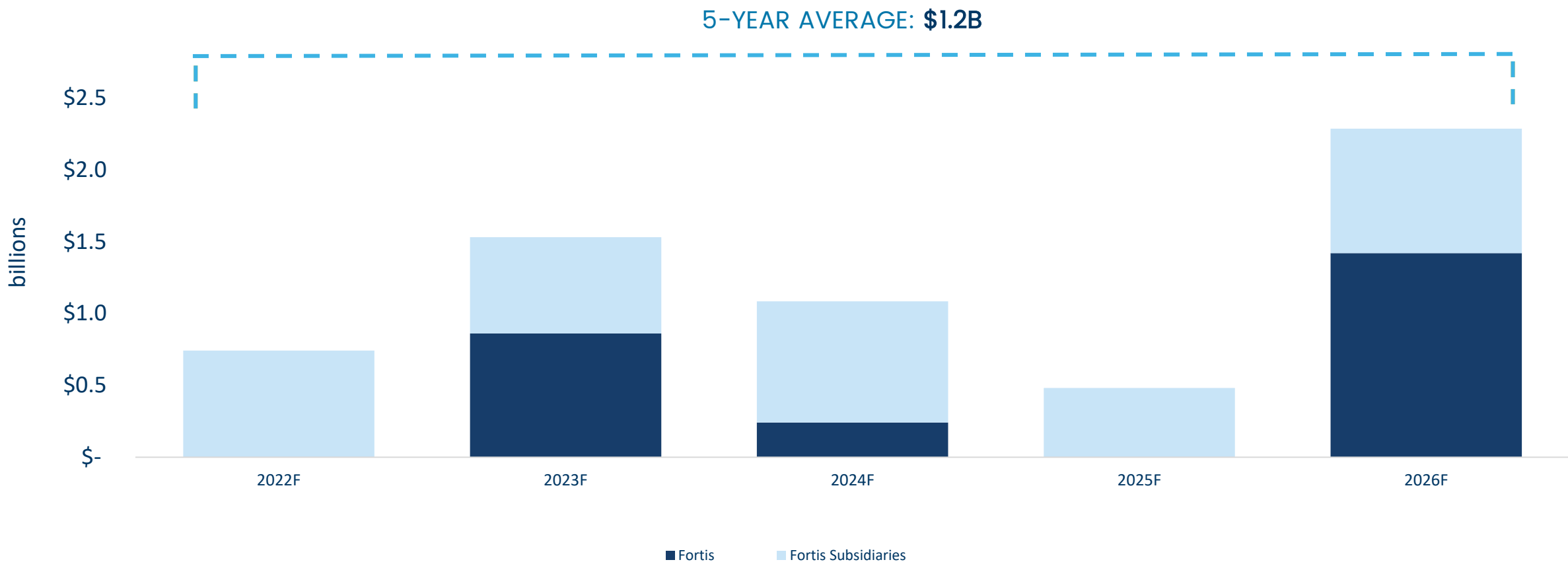
## EXCHANGE RATE SENSITIVITY FIVE-CENT CHANGE IN USD:CAD

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

(1) Non-U.S. GAAP financial measure as at December 31, 2020. Excludes Net Expense from the Corporate and Other segment.



# MANAGEABLE DEBT MATURITIES



Note: Debt as at September 30, 2021 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.

# STRONG LEADERSHIP TEAM



**David Hutchens**  
President & CEO



**Nora Duke**  
EVP, Sustainability &  
CHRO



**James Laurito**  
EVP, Business  
Development & CTO



**Jocelyn Perry**  
EVP, CFO



**Jim Reid**  
EVP, CLO &  
Corporate Secretary



**Gary Smith**  
EVP, Eastern Canadian &  
Caribbean Operations



**Linda Apsey**  
ITC



**Roger Dall'Antonia**  
FortisBC



**Ruth Forbes**  
FortisTCI



**Charles Freni**  
Central Hudson



**Susan Gray**  
UNS Energy



**Scott Hawkes**  
FortisOntario



**Richard Hew**  
Caribbean Utilities



**Kay Menzies**  
BECOL



**Gary Murray**  
Newfoundland Power



**Jason Roberts**  
Maritime Electric



**Janine Sullivan**  
FortisAlberta

Fortis Inc.  
Exec.

Utility  
CEOs