



Q4 2022 EARNINGS CONFERENCE CALL

February 10, 2023



FORWARD-LOOKING INFORMATION

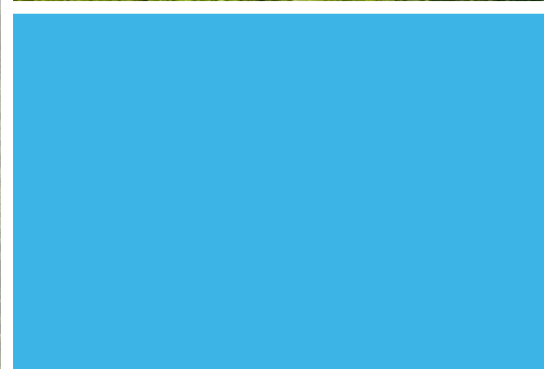
Fortis includes forward-looking information in this presentation within the meaning of applicable Canadian securities laws and forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (collectively referred to as "forward-looking information"). Forward-looking 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 capital expenditures for 2023-2027, including cleaner energy investments; forecast rate base and rate base growth for 2023-2027; dividend growth guidance through 2027; the expectation of delivering stable and compelling total returns to shareholders over the long-term; the 2030 GHG emissions reduction target; the 2035 GHG emissions reduction target and projected asset mix; the 2050 net-zero GHG emission target; TEP's Integrated Resource Plan; planned coal retirements and the expectation to exit coal by 2032; the expected timing, outcome and impact of regulatory proceedings and decisions; the nature, timing, benefits and expected costs of certain capital projects, including ITC MISO Long-Range Transmission Plan, UNS Energy Renewable Generation; UNS Energy Vail-to-Tortolita Transmission Project, FortisBC Tilbury LNG Storage Expansion, FortisBC AMI Project, FortisBC Eagle Mountain Woodfibre Gas Line Project, FortisBC Tilbury 1B Project, FortisBC Okanagan Capacity Upgrade, Wataynikaneyap Transmission Power Project, and additional opportunities beyond the capital plan, including investments related to the Inflation Reduction Act, the MISO Long-Range Transmission Plan, climate adaptation and grid resiliency, and renewable fuel solutions and LNG infrastructure in British Columbia; the anticipated impacts of the Inflation Reduction Act on the transition to a cleaner energy future, the MISO Long-Range Transmission Plan and TEP's Integrated Resource Plan; and forecast debt maturities for 2023-2032.

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 impact from volatility in energy prices, the global supply chain and rising inflation; 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.



DAVID HUTCHENS
President and CEO



2022 YEAR-IN-REVIEW



DELIVERED
**Safe and
Reliable Service**



CAPITAL
EXPENDITURES OF
\$4.0B



Strong
EPS & RATE BASE
GROWTH



28%
REDUCTION IN
GHG EMISSIONS
SINCE 2019



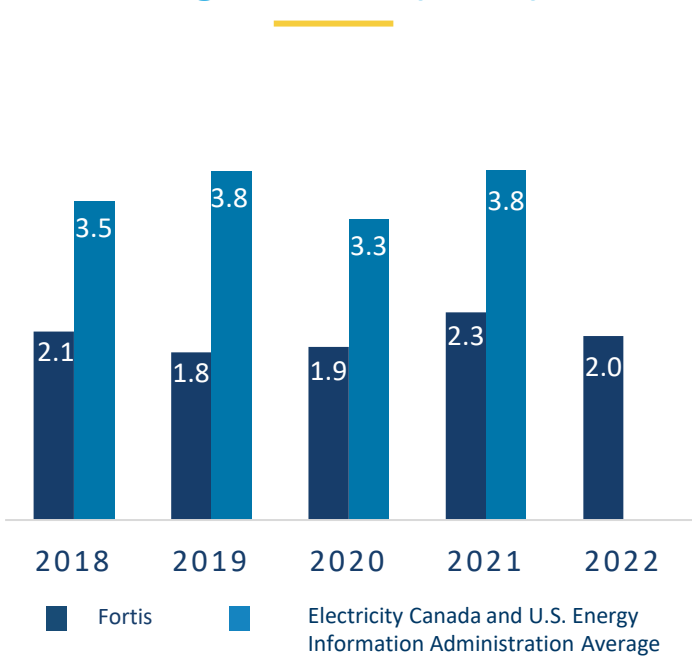
Ranked #1
BY GLOBE AND MAIL
BOARD GAMES



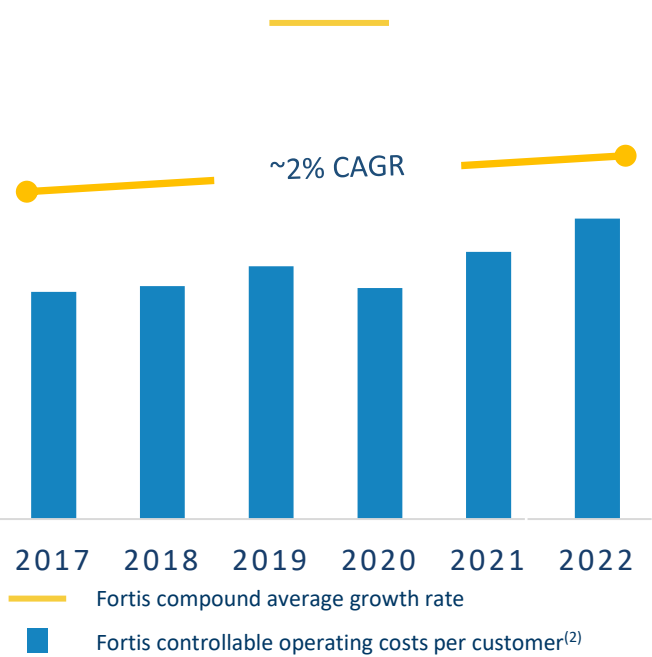
~6% INCREASE
IN DIVIDENDS PAID

DELIVERING SAFE AND RELIABLE SERVICE

Average Electricity Customer Outage Duration (Hours)⁽¹⁾



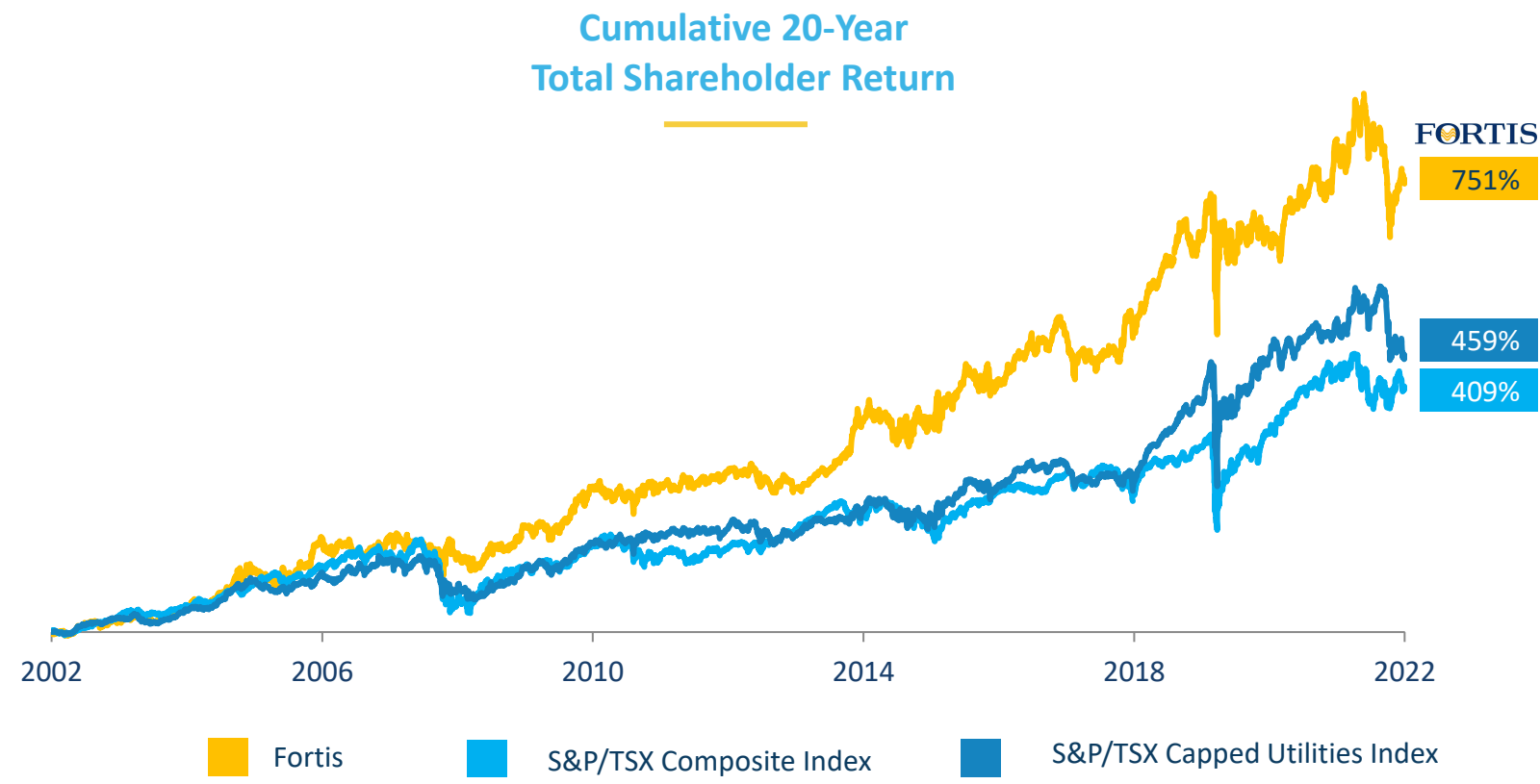
Managing Controllable Operating Costs Below Inflation



(1) Based on weighted average of Fortis' customer count in each jurisdiction. 2022 industry data not yet available.
(2) 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).



20-YEAR TOTAL SHAREHOLDER RETURN



Average Annual Total Shareholder Returns

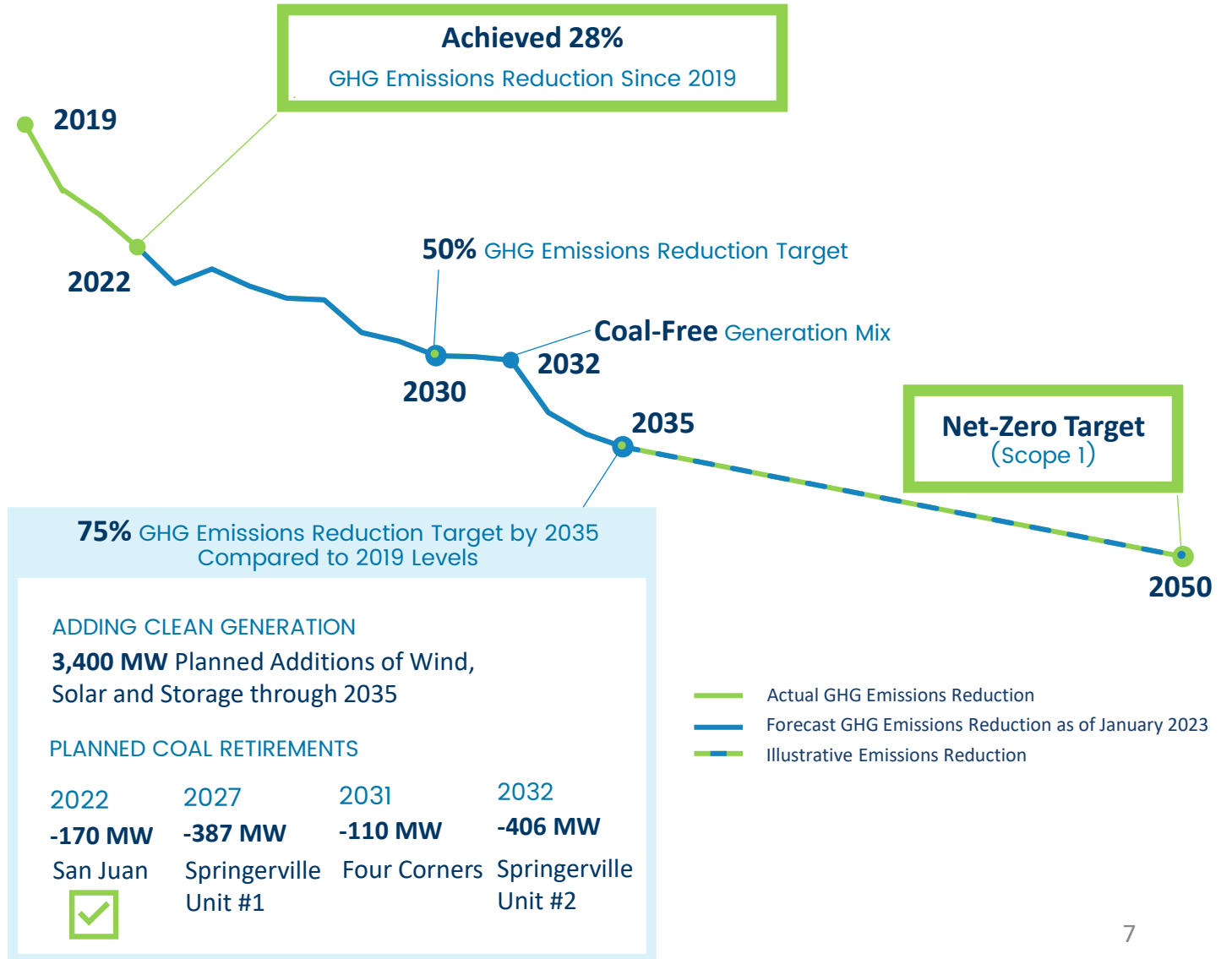
1-Year	(7.9%)
5-Year	7.2%
10-Year	8.7%
20-Year	11.3%

Note: Cumulative 20-year total shareholder return as at December 31, 2022.

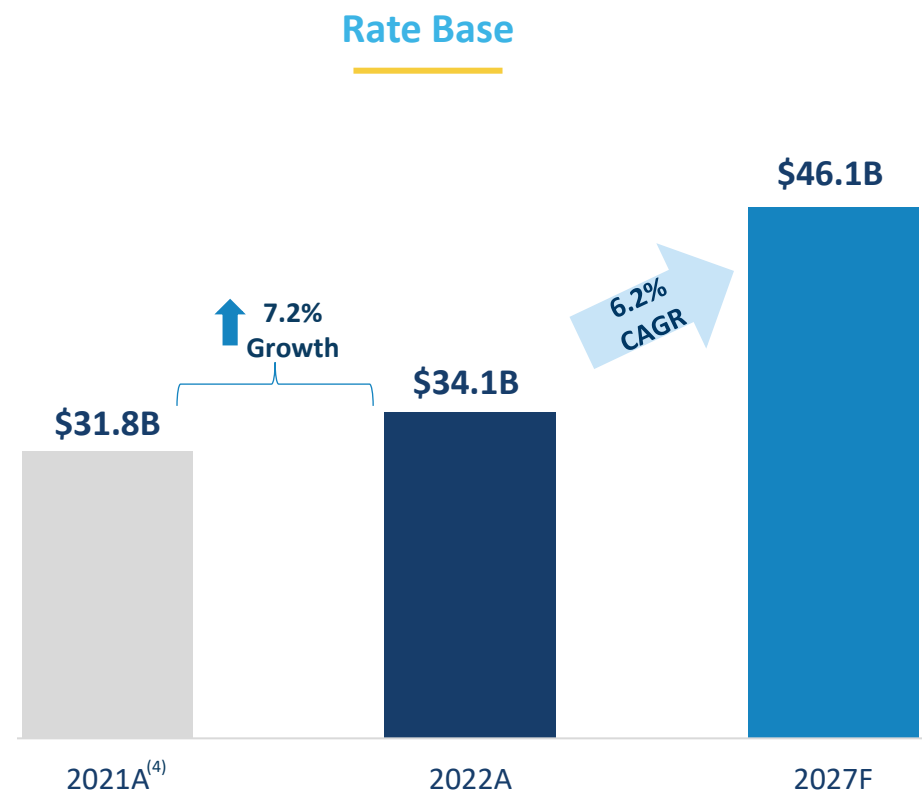
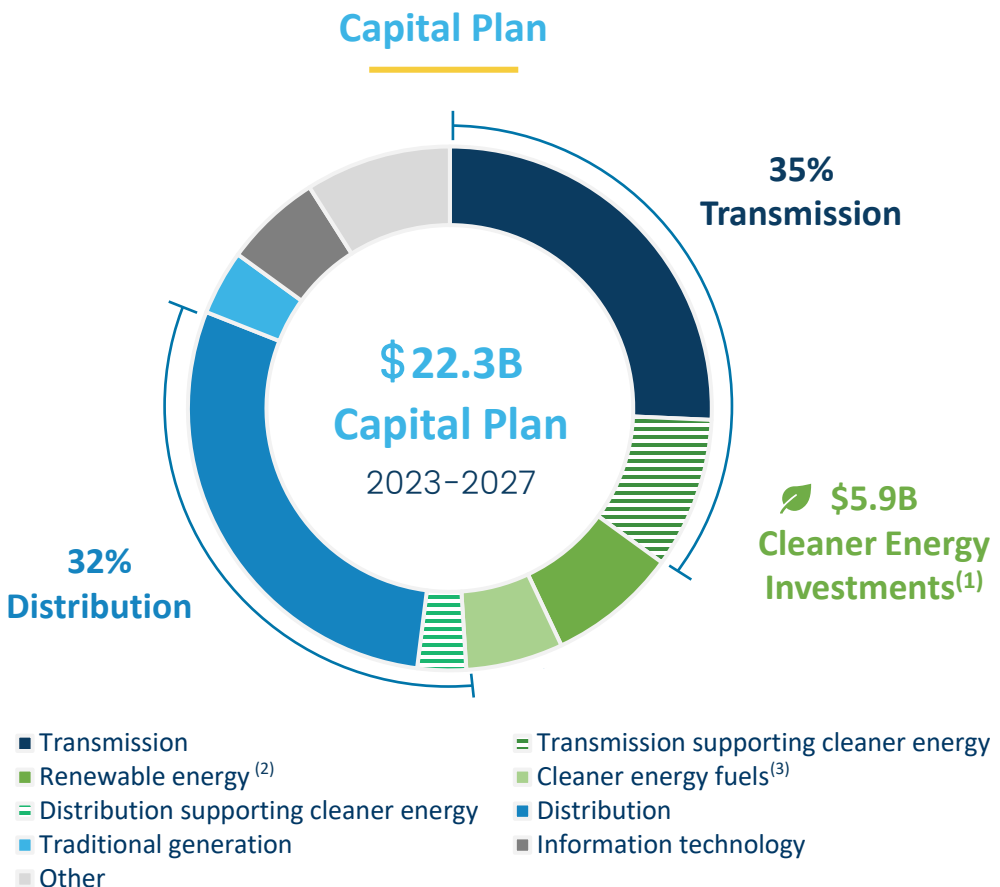
CARBON EMISSIONS REDUCTION ON TRACK

2022 Sustainability Highlights:

- Released first TCFD and Climate Report
- Fortis aligned with GRI and SASB
- Strong board diversity with 54% female directors and 2 directors identifying as visible minorities
- New sustainability-linked loan provisions
- Enhanced linkage between sustainability performance and executive compensation



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



Note: The Capital Plan is a forward-looking Non-U.S. GAAP financial measure calculated in same the manner as Capital Expenditures. Refer to 2022 MD&A for the Non-U.S. GAAP reconciliation. U.S. dollar-denominated capital expenditures and rate base converted at a forecast USD:CAD foreign exchange rate of 1.30.

(1) Direct cleaner energy investments defined as capital that supports reductions in air emissions, water usage and/or increases customer energy efficiency.
(2) Includes clean generation and energy storage.
(3) Includes renewable natural gas and liquefied natural gas.
(4) Reflects rate base using USD:CAD foreign exchange rate of 1.30 for comparison purposes.



Inflation Reduction Act

- A catalyst for future transmission investments
- Renewable generation including TEP's IRP⁽¹⁾
- Interconnecting renewables to the grid
- Electric vehicle infrastructure
- Funding for community transition from fossil fuels



Climate Adaptation & Grid Resiliency

- Investing to withstand more severe weather
- Under various climate scenarios and geographies



Renewable Fuel Solutions & LNG

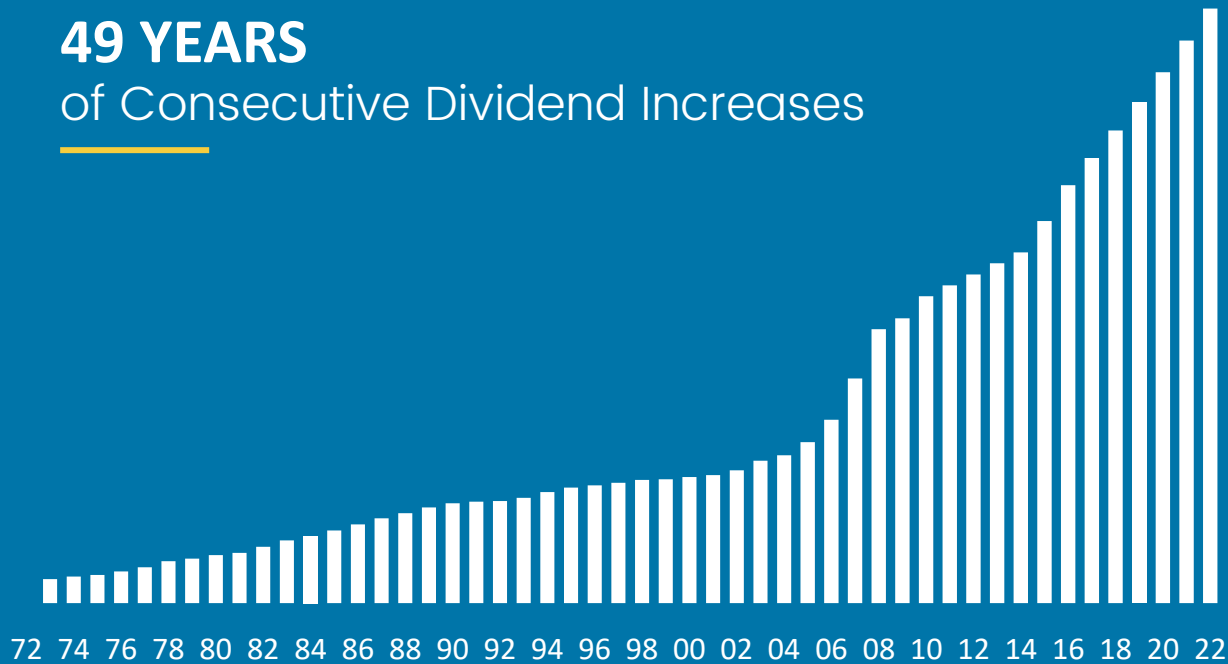
- RNG & hydrogen to support British Columbia
- Develop Canadian LNG resources to aid in international energy security and GHG reductions

(1) Incremental opportunity of ~US\$2-\$4 billion through 2035. Excludes ~US\$1B for projects included in the 2023-2027 capital plan, and US\$0.5B invested previously, including the Oso Grande Wind project.



DIVIDEND GUIDANCE SUPPORTED BY LONG-TERM GROWTH STRATEGY

49 YEARS
of Consecutive Dividend Increases



4-6%
Annual Dividend
Growth Guidance
through 2027



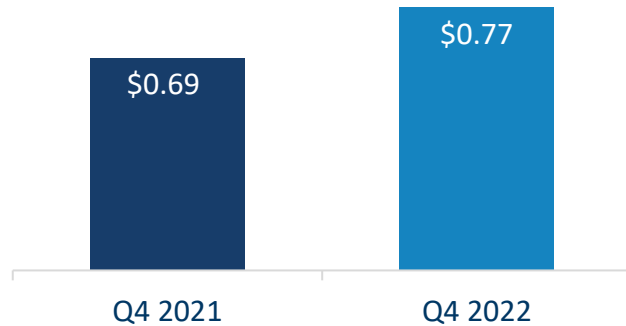


JOCELYN PERRY
Executive Vice President and CFO

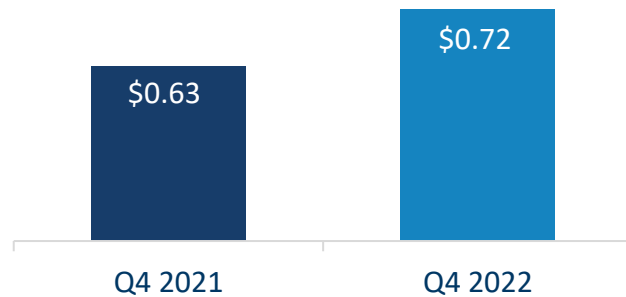


FOURTH QUARTER RESULTS

Reported EPS



Adjusted EPS

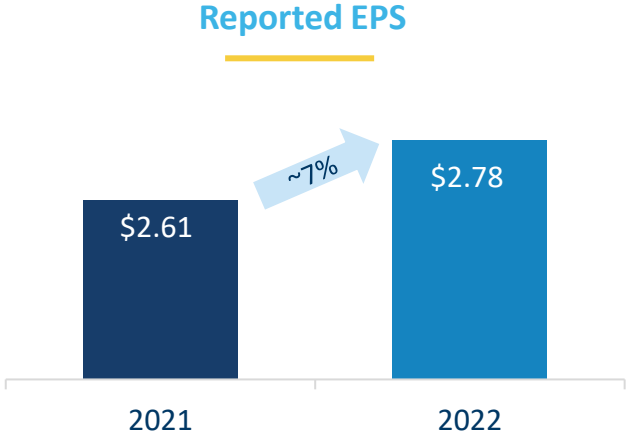


Q4 Adjusted EPS – Key Drivers

- ↑ Underlying regulated utility growth
- ↑ Higher production in Belize and higher earnings at Aitken Creek
- ↑ Higher FX
- ↓ Higher Corporate costs and weighted average shares

Note: Adjusted EPS is a Non-U.S. GAAP financial measure. Refer to Slide 20 for the Non-U.S. GAAP reconciliation.

ANNUAL RESULTS



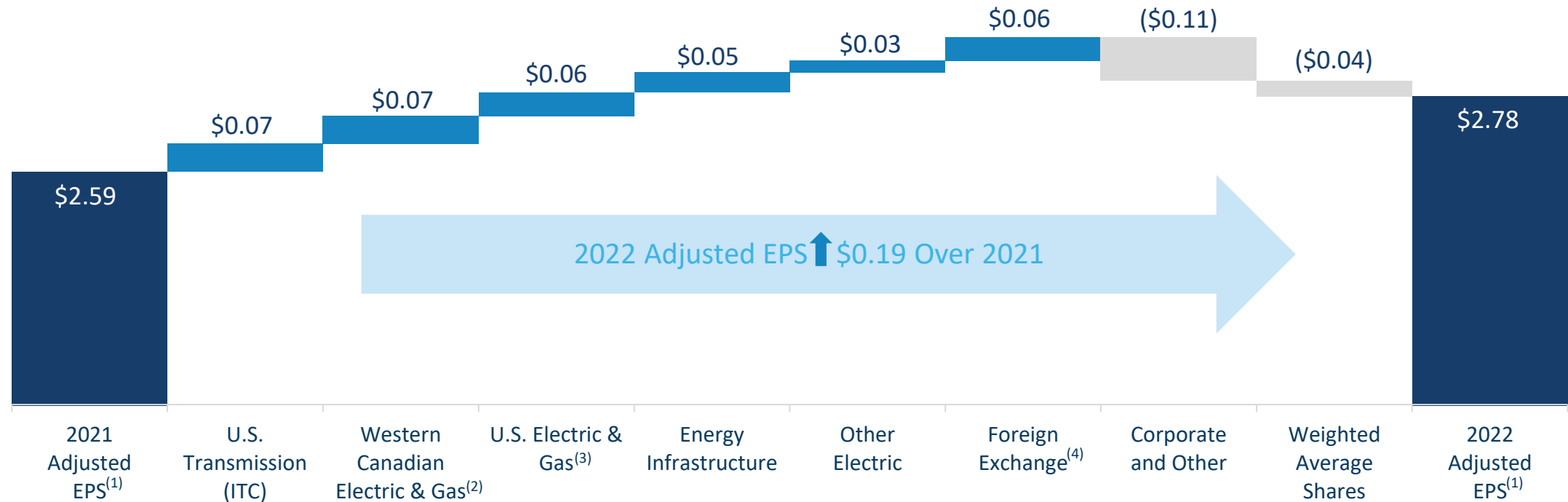
Reported EPS
↑\$0.17 OVER 2021



Adjusted EPS
↑\$0.19 OVER 2021

Note: Adjusted EPS is a Non-U.S. GAAP financial measure. Refer to Slide 20 for the Non-U.S. GAAP reconciliation.

ANNUAL EPS DRIVERS



(1) Non-U.S. GAAP financial measure. Refer to Slide 20 for the Non-U.S. GAAP reconciliation.


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

(3) Includes UNS Energy and Central Hudson.

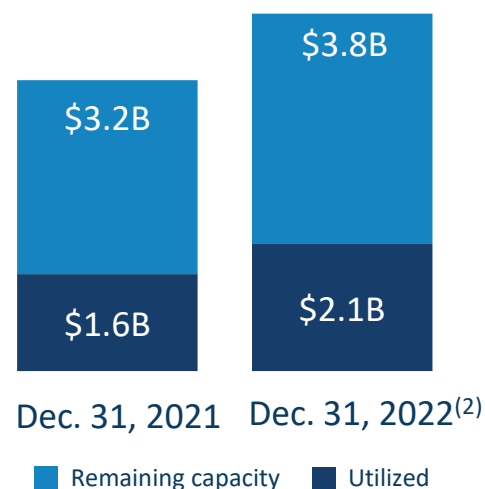
(4) Impact of average USD:CAD foreign exchange rate of 1.30 in 2022 compared to 1.25 in 2021.

STRONG LIQUIDITY & CREDIT METRICS

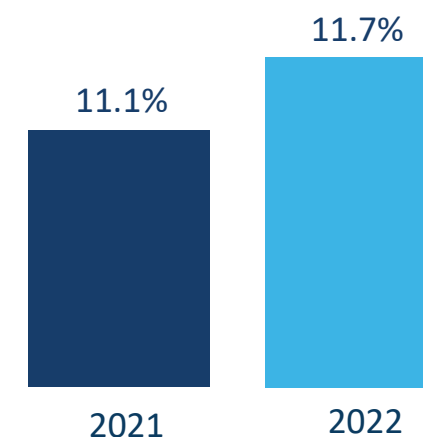
Active in Debt Markets

- Over \$3B in long-term debt raised in 2022
 - Weighted average rate of 3.9%⁽¹⁾
 - Terms ranging from 5-30 years
- Includes ~\$400M in green debt 
 - US\$170M at ITC
 - \$150M at FortisBC Energy

Ample Credit Facilities



Improving CFO/Debt Metrics⁽³⁾



(1) Refer to Slide 30 for additional details surrounding Fortis' debt issuances in 2022. Weighted average interest rate calculated using the effective interest rate, inclusive of hedging activities.

(2) In May 2022, Fortis Inc. entered a 1-year, unsecured US\$500M non-revolving term credit facility.

(3) CFO/Debt calculated in accordance with Moody's methodology. Excluding the foreign exchange impact on debt, CFO/Debt would be 12.0% and 11.2% in 2022 and 2021, respectively.

ONGOING REGULATORY PROCEEDINGS



ITC Midwest Capital Structure Complaint Denied – In November 2022, FERC denied the complaint filed by the Iowa Coalition for Affordable Transmission (ICAT) seeking to lower ITC Midwest’s equity ratio from 60% to 53%; ICAT filed a request for rehearing with FERC in December 2022

FERC MISO Base ROE – In August 2022, the U.S. Court of Appeals for the DC 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%; timing and outcome remains unknown

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; the supplemental NOPR and the initial incentive NOPR remain outstanding



TEP ACC Rate Case – In June 2022, TEP filed a general rate application seeking new rates to become effective no later than September 1, 2023 using a December 31, 2021 test year



Customer Information System (CIS) Implementation – In December 2022, the New York Public Service Commission (PSC) released a show cause order to Central Hudson as to why the PSC should not pursue penalties or initiate a prudence proceeding in respect to Central Hudson’s new CIS; Central Hudson filed a response in January 2023; timing and outcome of the proceeding remains unknown



Generic Cost of Capital Proceeding (GCOC) – GCOC proceeding initiated in 2021 includes a review of the common equity component of capital structure and the allowed ROE; proceeding is ongoing with a decision expected in Q2 2023



Cost of Service Application Approved (COS) – In December 2022, the Alberta Utilities Commission approved FortisAlberta’s 2023 revenue requirement, reflecting 5% increase in distribution rates

WHY INVEST IN FORTIS?



Focused on
ENERGY
DELIVERY



Geographic &
Regulatory
DIVERSITY



4-6%
ANNUAL DIVIDEND
Growth Guidance



SAFE,
WELL-RUN
Local Utilities



LOW-RISK
Growth
Profile



Virtually
All
REGULATED



ESG
Leader



INNOVATIVE

UPCOMING EVENTS

Expected Earnings Release Dates



- Q1 2023 – May 3, 2023
- Q2 2023 – August 2, 2023

Save the Date



- Expected Investor Day – September 19, 2023
(Event hosted in St. John's, NL with webcast)





Q4 2022 EARNINGS CONFERENCE CALL

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NON-U.S. GAAP RECONCILIATION

(\$ MILLIONS, EXCEPT EPS)

	Q4 2022	Q4 2021	VARIANCE	2022	2021	VARIANCE
Adjusted Net Earnings						
Net Earnings	370	328	42	1,330	1,231	99
Adjusting Items:						
Unrealized gain on mark-to-market of derivatives ⁽¹⁾	(23)	(28)	5	(20)	(12)	(8)
Lake Erie Connector project suspension costs ⁽²⁾	-	-	-	10	-	10
Revaluation of deferred income tax assets ⁽³⁾	-	-	-	9	-	9
Adjusted Net Earnings	347	300	47	1,329	1,219	110
Adjusted Net Earnings per Share	\$0.72	\$0.63	\$0.09	\$2.78	\$2.59	\$0.19
Capital Expenditures						
Additions to property, plant and equipment	987	897	90	3,587	3,189	398
Additions to intangible assets	127	77	50	278	197	81
Adjusting Item:						
Wataynikaneyap Transmission Power Project ⁽⁴⁾	34	35	(1)	169	178	(9)
Capital Expenditures	1,148	1,009	139	4,034	3,564	470

(1) Represents timing differences related to the accounting of natural gas derivatives at Aitken Creek, net of income tax expense of \$8M and \$7M for the three and twelve months ended December 31, 2022, respectively (\$11M and \$5M for the three and twelve months ended December 31, 2021, respectively), included in the Energy Infrastructure segment.

(2) Represents costs incurred upon the suspension of the Lake Erie Connector project, net of income tax recovery of \$nil and \$4M for the three and twelve months ended December 31, 2022, included in the ITC segment.

(3) Represents the revaluation of deferred income tax assets resulting from the reduction in the corporate income tax rate in the state of Iowa, included in the ITC segment.

(4) Represents Fortis' 39% share of capital spending for the Wataynikaneyap Transmission Power Project, included in the Other Electric Segment.

FOURTH QUARTER RESULTS BY BUSINESS UNIT

Fourth Quarter Earnings Variance Analysis by Business Unit

(\$MILLIONS, EXCEPT WEIGHTED AVERAGE SHARES AND EPS)

	Q4 2022	ADJUSTMENT	ADJUSTED Q4 2022 ⁽¹⁾	Q4 2021	ADJUSTMENT	ADJUSTED Q4 2021 ⁽¹⁾	VARIANCE
Regulated – Independent Electric Transmission							
ITC	126	-	126	103	-	103	23
Regulated – U.S. Electric & Gas							
UNS Energy	45	-	45	33	-	33	12
Central Hudson	37	-	37	39	-	39	(2)
	82	-	82	72	-	72	10
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	84	-	84	78	-	78	6
FortisAlberta	34	-	34	23	-	23	11
FortisBC Electric	14	-	14	14	-	14	-
Other Electric ⁽²⁾	40	-	40	29	-	29	11
	172	-	172	144	-	144	28
Energy Infrastructure	49	(23)	26	40	(28)	12	14
Corporate and Other	(59)	-	(59)	(31)	-	(31)	(28)
Common Equity Earnings	370	(23)	347	328	(28)	300	47
Weighted Average Shares (# millions)	481.1	-	481.1	473.7	-	473.7	7.4
EPS	\$0.77	(\$0.05)	\$0.72	\$0.69	(\$0.06)	\$0.63	\$0.09

(1) Non-U.S. GAAP financial measure. Refer to Slide 20 for the Non-U.S. GAAP reconciliation.

(2) Includes Eastern Canadian and Caribbean electric utilities.

ANNUAL RESULTS BY BUSINESS UNIT

Annual Earnings Variance Analysis by Business Unit

(\$MILLIONS, EXCEPT WEIGHTED AVERAGE SHARES AND EPS)

	2022	ADJUSTMENT	ADJUSTED 2022 ⁽¹⁾	2021	ADJUSTMENT	ADJUSTED 2021 ⁽¹⁾	VARIANCE
Regulated – Independent Electric Transmission							
ITC	454	19	473	426	-	426	47
Regulated – U.S. Electric & Gas							
UNS Energy	328	-	328	292	-	292	36
Central Hudson	103	-	103	93	-	93	10
	431	-	431	385	-	385	46
Regulated – Canadian & Caribbean Electric & Gas							
FortisBC Energy	203	-	203	185	-	185	18
FortisAlberta	151	-	151	141	-	141	10
FortisBC Electric	64	-	64	59	-	59	5
Other Electric ⁽²⁾	134	-	134	118	-	118	16
	552	-	552	503	-	503	49
Energy Infrastructure	72	(20)	52	38	(12)	26	26
Corporate and Other	(179)	-	(179)	(121)	-	(121)	(58)
Common Equity Earnings	1,330	(1)	1,329	1,231	(12)	1,219	110
Weighted Average Shares (# millions)	478.6	-	478.6	470.9	-	470.9	7.7
EPS	\$2.78	-	\$2.78	\$2.61	(\$0.02)	\$2.59	\$0.19

(1) Non-U.S. GAAP financial measure. Refer to Slide 20 for the Non-U.S. GAAP reconciliation.

(2) Includes Eastern Canadian and Caribbean electric utilities.

2022-2027 RATE BASE BY BUSINESS UNIT

Rate Base

(\$BILLIONS, EXCEPT FOR CAGR)	2022A	2023F	2024F	2025F	2026F	2027F	5-YEAR CAGR to 2027
Regulated - Independent Electric Transmission ITC ⁽¹⁾	10.5	11.1	11.9	12.5	13.2	14.1	6.1%
Regulated – U.S. Electric & Gas							
UNS Energy	6.7	7.0	7.4	7.8	8.5	9.1	6.3%
Central Hudson	2.6	2.7	2.9	3.1	3.4	3.6	6.4%
Total Regulated – U.S. Electric & Gas	9.3	9.7	10.3	10.9	11.9	12.7	6.3%
Regulated - Canadian & Caribbean Electric & Gas							
FortisBC Energy	5.4	5.8	6.0	6.5	7.0	7.6	6.9%
FortisAlberta	4.0	4.2	4.4	4.6	4.8	5.0	4.7%
FortisBC Electric	1.6	1.7	1.7	1.8	1.9	2.0	4.3%
Other Electric ⁽²⁾	3.3	3.8	4.1	4.4	4.5	4.7	7.7%
Total Regulated - Canadian & Caribbean Electric & Gas	14.3	15.5	16.2	17.3	18.2	19.3	6.2%
Total Rate Base Forecast	34.1	36.3	38.4	40.7	43.3	46.1	6.2%

Note: U.S. dollar-denominated rate base converted at a foreign exchange rate of 1.30 for 2022-2027. CAGR, as defined in the 2022 MD&A.

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

(2) Includes Eastern Canadian and Caribbean electric utilities.

2023-2027 CAPITAL PLAN BY BUSINESS UNIT

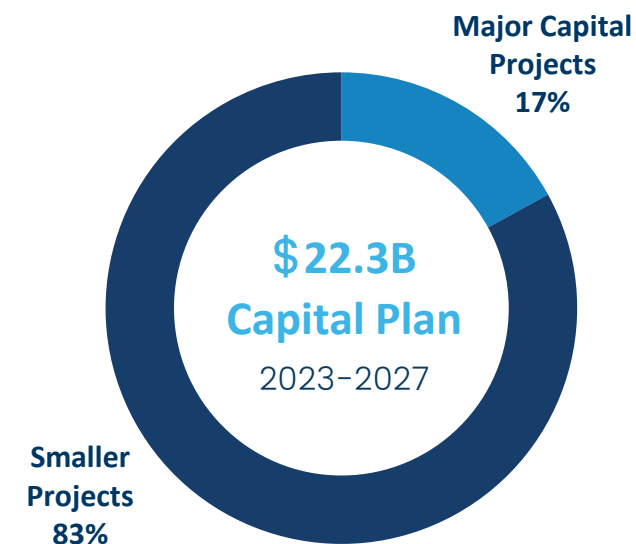
(\$MILLIONS)	Capital Plan ⁽¹⁾					2023-2027 TOTAL
	2023F	2024F	2025F	2026F	2027F	
Regulated - Independent Electric Transmission						
ITC	1,103	1,177	1,137	1,180	1,220	5,817
Regulated – U.S. Electric & Gas						
UNS Energy	1,006	690	986	1,027	891	4,600
Central Hudson	384	343	418	334	360	1,839
Total Regulated – U.S. Electric & Gas	1,390	1,033	1,404	1,361	1,251	6,439
Regulated - Canadian & Caribbean Electric & Gas						
FortisBC Energy	536	748	851	724	1,087	3,946
FortisAlberta	556	568	564	588	599	2,875
FortisBC Electric	132	140	143	147	141	703
Other Electric ⁽²⁾	579	465	451	439	419	2,353
Total Regulated - Canadian & Caribbean Electric & Gas	1,803	1,921	2,009	1,898	2,246	9,877
Non-Regulated	31	28	29	31	35	154
Total Capital Plan	4,327	4,159	4,579	4,470	4,752	22,287

(1) Capital Plan is a forward-looking Non-U.S. GAAP financial measure calculated in same manner as Capital Expenditures. Refer to 2022 MD&A for the Non-U.S. GAAP reconciliation. U.S. dollar-denominated capital expenditures converted at a forecast USD:CAD foreign exchange rate of 1.30.

(2) Includes Eastern Canadian and Caribbean electric utilities.

MAJOR CAPITAL PROJECTS

(\$ Millions)	2023-2027 PLAN	ESTIMATED COMPLETION DATE
ITC MISO Long-Range Transmission Plan ⁽¹⁾	923	Post-2027
UNS Energy Renewable Generation ⁽²⁾	417	Various
UNS Energy Vail-to-Tortolita Transmission Project	378	2027
FortisBC Tilbury LNG Storage Expansion	504	Post-2027
FortisBC AMI Project	421	Post-2027
FortisBC Eagle Mountain Woodfibre Gas Line Project ⁽³⁾	420	2027
FortisBC Tilbury 1B Project	343	Post-2027
FortisBC Okanagan Capacity Upgrade	200	2025
Wataynikaneyap Transmission Power Project ⁽⁴⁾	137	2024



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

- (1) Reflects investments associated with six projects in states with rights of first refusal for incumbent transmission owners. Total estimated transmission investments of US\$1.4-\$1.8B through 2030 inclusive of the US\$700M reflected in the 2023-2027 capital plan.
- (2) Reflects expected investments in renewable generation to support TEP's Integrated Resource Plan. Excludes energy storage investments not yet defined.
- (3) Capital plan is net of forecast customer contributions.
- (4) Represents Fortis' 39% share of the estimated capital spending for the project.

THE
GLOBE
AND
MAIL

BOARD
GAMES

Fortis ranked #1
in The Globe & Mail
2022 Board Games

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 28% 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
- 15% increase in renewable electricity generation capacity since 2019: TEP plans to add 3,400 MW of wind, solar and storage through 2035
- Five-year capital plan includes \$5.9B for cleaner energy investments
- FortisBC experienced its largest annual increase in renewable gas supply in recent years and has signed more than 30 RNG supply agreements
- In 2022, FortisBC announced a partnership for a new pilot project that will use an innovative technology for the first time in North America to produce zero-carbon hydrogen from natural gas

Social

- Focus on Indigenous partnerships and business
- 1,800 KM Wataynikaneyap transmission line connecting 17 remote First Nations communities to the Ontario power grid is 73% complete at the end of 2022; expected to be completed in 2024
- Focus on just transition
- ~\$10M of community investment in 2022

Governance

- Independent chair; 12 of 13 directors are independent
- 54% of Fortis board members are female; 2 identify as a visible minority at the end of 2022
- Average board tenure of 4.9 years
- 73% of Fortis utilities have a female in the position of CEO or board chair
- Executive compensation linked to climate and diversity targets

Q4 SALES TRENDS

RETAIL ELECTRIC SALES

Q4 2022 vs. Q4 2021 SALES TRENDS



N/A

- Peak load down 5% due to milder weather impacts and economic conditions



+3%

- Increase primarily due to favourable weather impacts and customer growth; excluding weather impacts, retail sales up 1%



-4%

- Residential sales down 7% due to lower average consumption; commercial and industrial (C&I) sales down 1%



+1%

- Residential sales up 3% due to colder temperatures; C&I sales up 1% due to higher load from industrial customers



+4%

- Residential electric sales up 2% due to colder temperatures; C&I electric sales up 8%

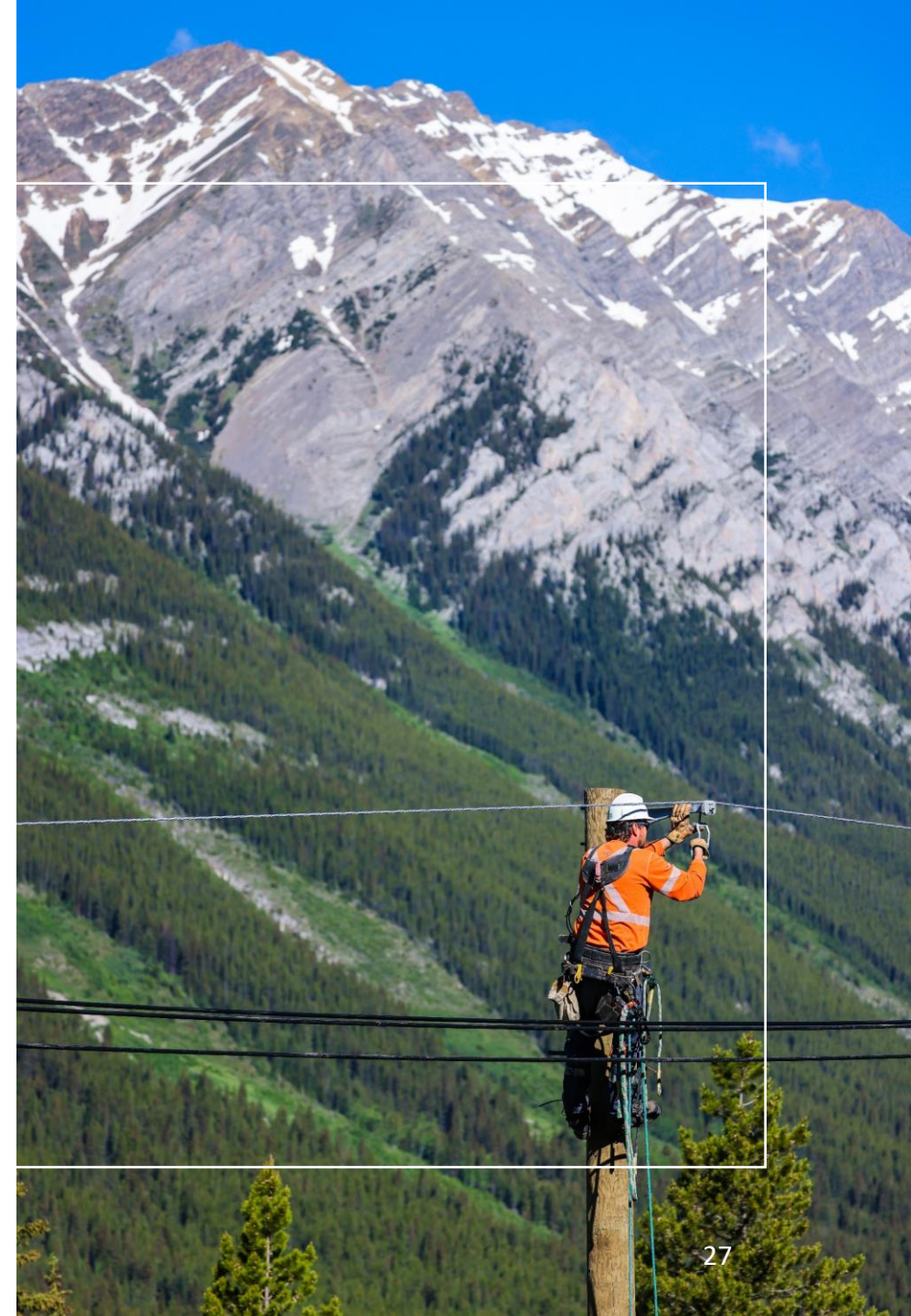
Other Electric

-

- Eastern Canadian residential sales flat and C&I sales up 2%
- Caribbean sales up 3% due to increased tourism-related activities

(1) Excludes wholesale sales at UNS Energy.

(2) Reflects electric sales at FortisBC Electric. Gas sales at FortisBC up 1% primarily due to higher average consumption by residential and commercial customer due to colder temperatures.



2022 SALES TRENDS

RETAIL ELECTRIC SALES

2022 vs. 2021 SALES TRENDS



N/A

- Peak load up 1% due to favourable weather impacts



+1%

- Increase primarily due to higher cooling load associated with warmer temperatures and customer growth; Excluding weather impacts, retail sales flat



-

- Residential sales down 1% due to lower average consumption and C&I up 2%



+2%

- Residential sales down 2% due to milder weather in Q3; C&I up 3% due to higher load from industrial customers, higher average consumption from commercial customers, and customer additions



+2%

- Residential electric sales flat; C&I electric sales up 5% due to higher average consumption by industrial customers

Other
Electric

+2%

- Eastern Canadian residential and C&I sales each up 2%
- Caribbean sales up 3% due to increased tourism-related activities

(1) Excludes wholesale sales at UNS Energy.

(2) Reflects electric sales at FortisBC Electric. Gas sales at FortisBC Energy up 1% primarily due to higher average consumption by residential and commercial customer due to colder temperatures.



LIMITED PENSION EXPOSURE

Defined Benefit Pension Plans

- 101% of \$3.1B pension benefit obligation funded at December 31, 2022
- Allocation of plan assets at December 31, 2022
 - Equities – 48%
 - Fixed income – 43%
 - Other – 9%
- ~80% of pension assets subject to regulatory mechanisms
 - UNS pension plan assets (~\$0.6B) not subject to automatic regulatory mechanisms
 - No significant change expected in UNS' 2023 pension expense based on actuarial calculations and asset valuations at December 31, 2022

Certain U.S. Retirement Benefits

- Certain retirement benefits funded through trusts are subject to market changes each quarter
- Decline in market values in 2022 resulted in year-over-year unfavourable EPS impact of \$0.04
- ~US\$150M in assets at December 31, 2022



LONG-TERM DEBT ISSUANCES

Over \$3B in Long-Term Debt issued in 2022

- Fortis Inc. – \$500M unsecured 7-year 4.43% notes⁽¹⁾
- ITC
 - US\$300M secured mortgage bonds⁽²⁾ 🌱
 - US\$75M secured 30-year 3.05% notes
 - US\$600M unsecured 5-year 4.95% notes⁽³⁾
- UNS Energy – US\$325M unsecured 10-year 3.25% notes
- Central Hudson – US\$220M unsecured notes⁽⁴⁾
- FortisBC Energy – \$150M unsecured 30-year 4.67% debentures 🌱
- FortisAlberta – \$125M unsecured 30-year 4.62% debentures
- FortisBC Electric – \$100M unsecured 30-year 4.16% debentures
- Newfoundland Power - \$75M first mortgage 30-year 4.20% bonds
- Caribbean Utilities – US\$80M unsecured 30-year 5.88% notes

(1) The Corporation entered into cross-currency interest rate swaps to effectively convert the debt into US\$391M with an interest rate of 4.34%.

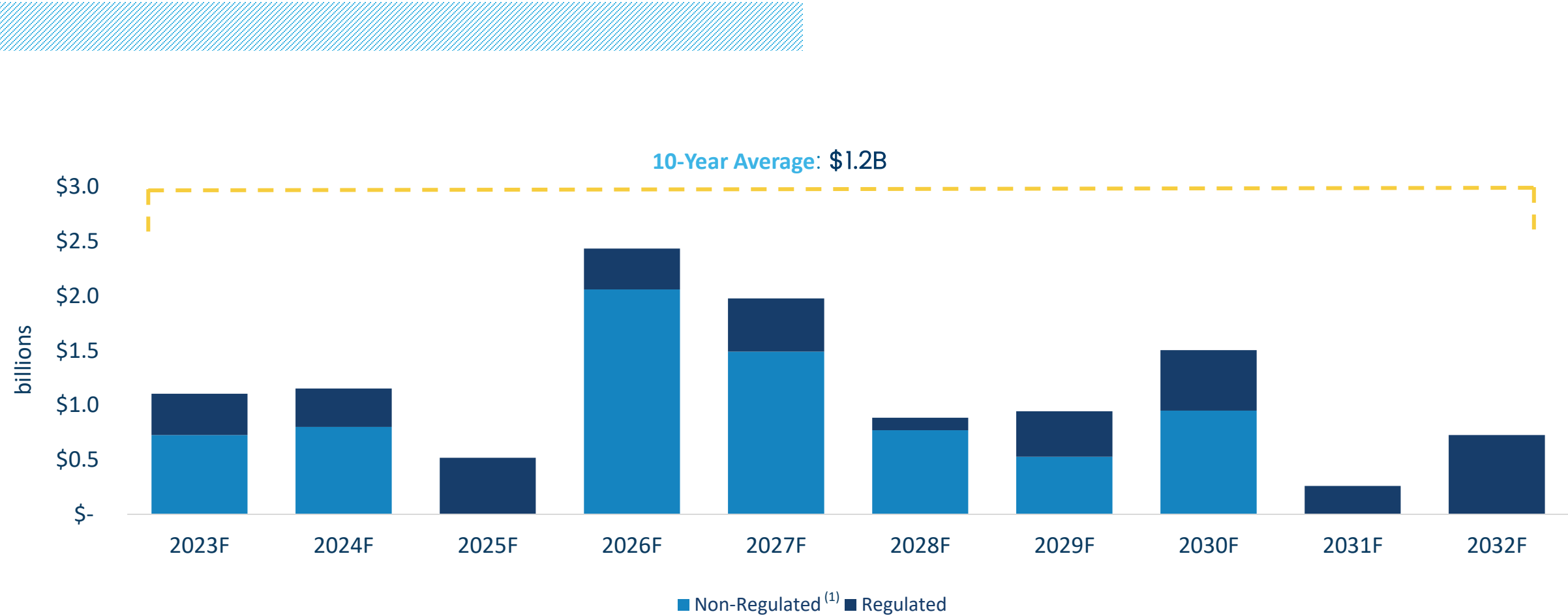
(2) Includes US\$150M 30-year 2.93% bonds issued in January, US\$75M 30-year 4.53% bonds issued in October and US\$75M 5-year 3.87% bonds issued in October. US\$170M of the US\$300M secured mortgage bonds proceeds used to fund eligible green projects.

(3) Prior to the issuance in September 2022, ITC executed US\$450M in interest rate swaps to manage refinancing risk associated with the debt issuance. Inclusive of the hedging activities, the effective interest rate on the US\$600M debt is 3.54%.

(4) Includes US\$50M 5-year 2.37% notes issued in January, US\$60M 7-year 2.59% notes issued in January, US\$100M 10-year 5.07% notes issued in September and US\$10M 30-year 5.42% notes issued in September.



DEBT MATURITIES



Note: Debt as at December 31, 2022 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.

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

INVESTMENT-GRADE CREDIT RATINGS

COMPANY

S&P Global

MOODY'S

MORNINGSTAR



Fortis Inc. A⁻⁽¹⁾ Baa3 A (low)

ITC Holdings Corp. A⁻⁽¹⁾ 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) 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+.

