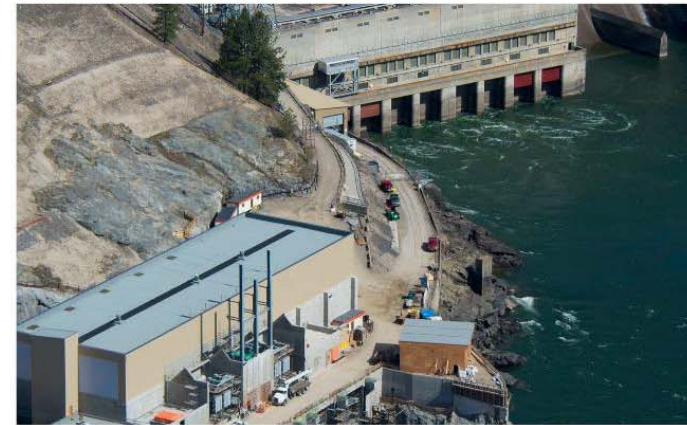


FORTIS



Q1/2015 Investor Presentation

Forward-Looking Statement



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; forecast 2015 to 2019 rate bases; the nature, timing and expected costs of capital projects; the Corporation's expected capital spending for the five-year period ending 2019; and the Corporation's targeted credit rating.

Forward-looking information contained in this presentation is based on assumptions the Corporation views as reasonable, including, without limitation: a favourable outlook for the potential 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; no severe and prolonged downturn in economic conditions; 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.

Leader in Electric & Gas Utilities
in North America

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- Fortis is entering a period of **significant organic growth**, with a 5-year CAGR in rate base through 2019 estimated at **6.5%**.
- Fortis is also pursuing **two new projects in British Columbia** – further expansion of the **Tilbury LNG facility** and the **Woodfibre gas pipeline expansion** – these projects could increase the above rate of growth to **approximately 7.5%**.

Leader in Electric & Gas Utilities in North America

- Regulated Utilities
 - 9 utilities serving 3.1 million customers (1.9 million electric, 1.2 million gas)
 - 7,700 employees
- 2015F midyear rate base \$16 billion *
- Market cap ~\$11 billion
- S&P/TSX 60 Index member

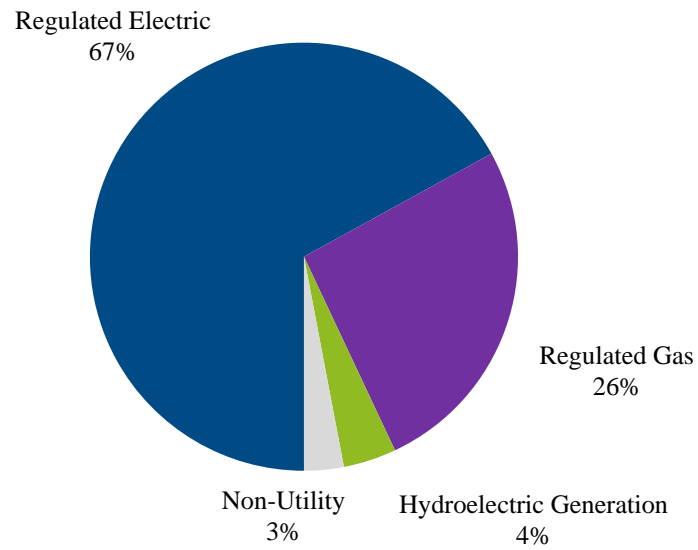


* Includes approximately \$0.8 billion associated with the Waneta Expansion hydroelectric generating facility

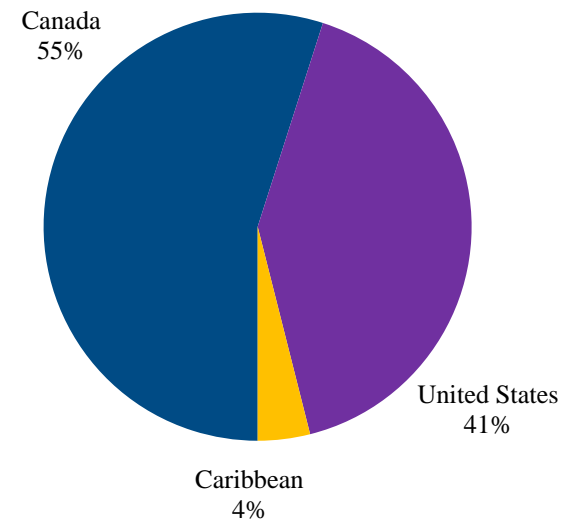
Total Assets
\$26.6 Billion



Business Segment



Regulated Assets

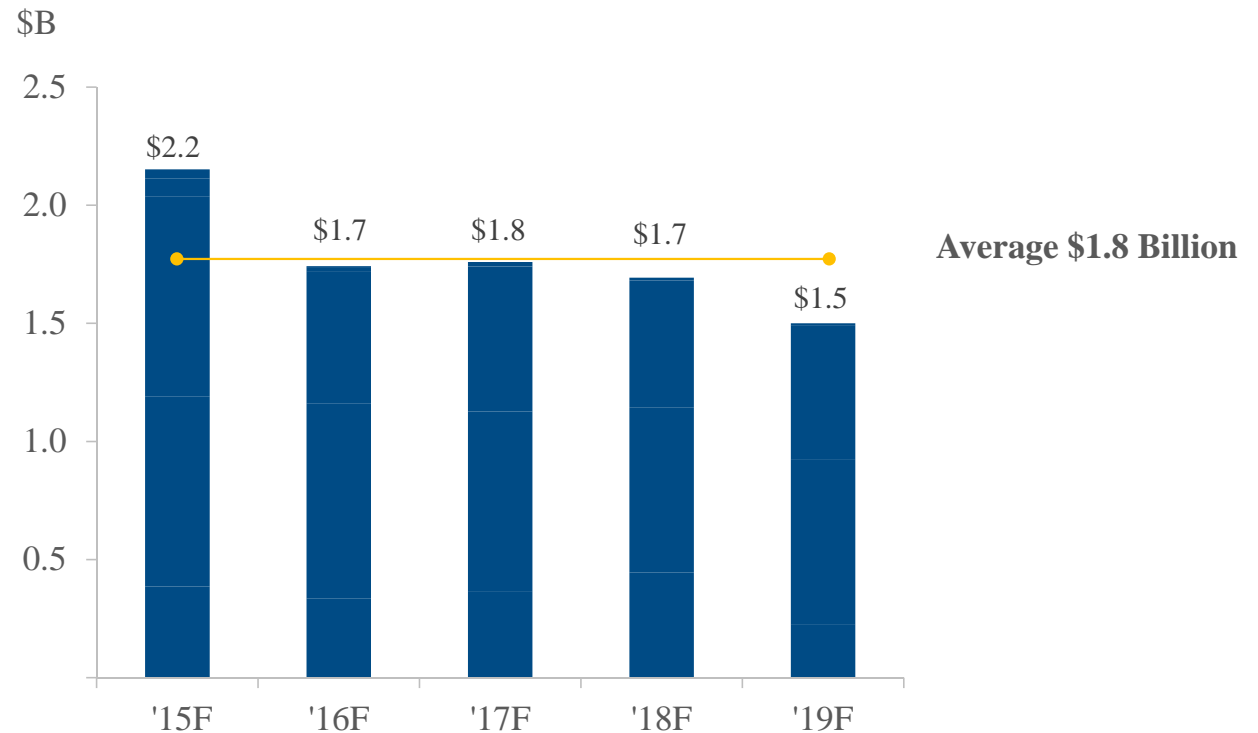


Strategic Review of Non-Utility Business: Fortis Properties

- Announced review in September 2014
- Successful high-performing business
- Owns and operates 23 hotels and 2.8 million square feet of commercial real estate
- In 2014 revenue was ~\$250 million and EBITDA was ~\$80 million
- Strategic options could include sale of all or a portion of the assets, sale of shares of Fortis Properties or an initial public offering
- Targeting to complete this process in Q2/2015

5-Year Capital Expenditures

~\$9 Billion



NOTE: US dollar-denominated forecast capital expenditures are translated at a forecast exchange rate of US\$1.00=CDN\$1.20.

Non-Regulated Waneta Expansion Project

- 2 Unit 335-MW Hydroelectric Plant
- ~\$900 million (51% FTS)
- Supported by 40-year PPAs with BC Hydro and FortisBC Electric
- Earnings commence Q2/2015 (upon completion)
- Ongoing testing and commissioning
- First unit completed mechanical test run in Q4/2014
- Second unit commenced mechanical testing in Q1/2015



LNG – FortisBC Strategic Advantage



- Existing infrastructure
- Brownfield sites
- Proximity to Asia/Hawaii
- Scalable
- Alignment with provincial energy objectives
- Constructive First Nations relationships
- Low-risk tolling model
- No commodity risk
- Local and export demand

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Tilbury LNG Phase 1A



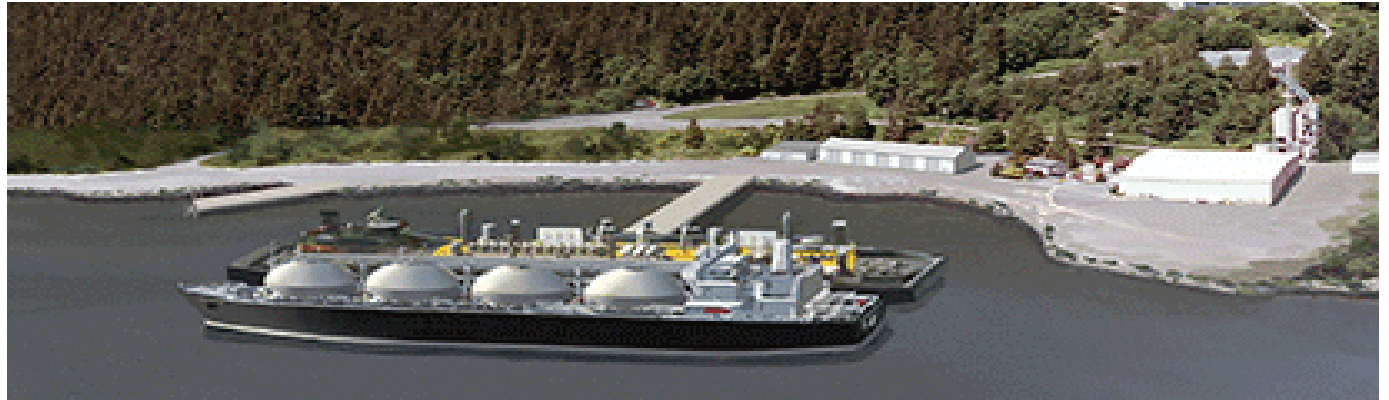
- Operating since 1971
- 600,000 GJ storage and 5,000 GJ/day liquefaction
- Phase 1A expansion to add a 1,000,000 GJ storage tank and up to 36,000 GJ/day liquefaction capacity
- Construction started
- Estimated cost \$400 million (included in current forecast)
- Approved in regulated rate base

Tilbury LNG Potential Expansion



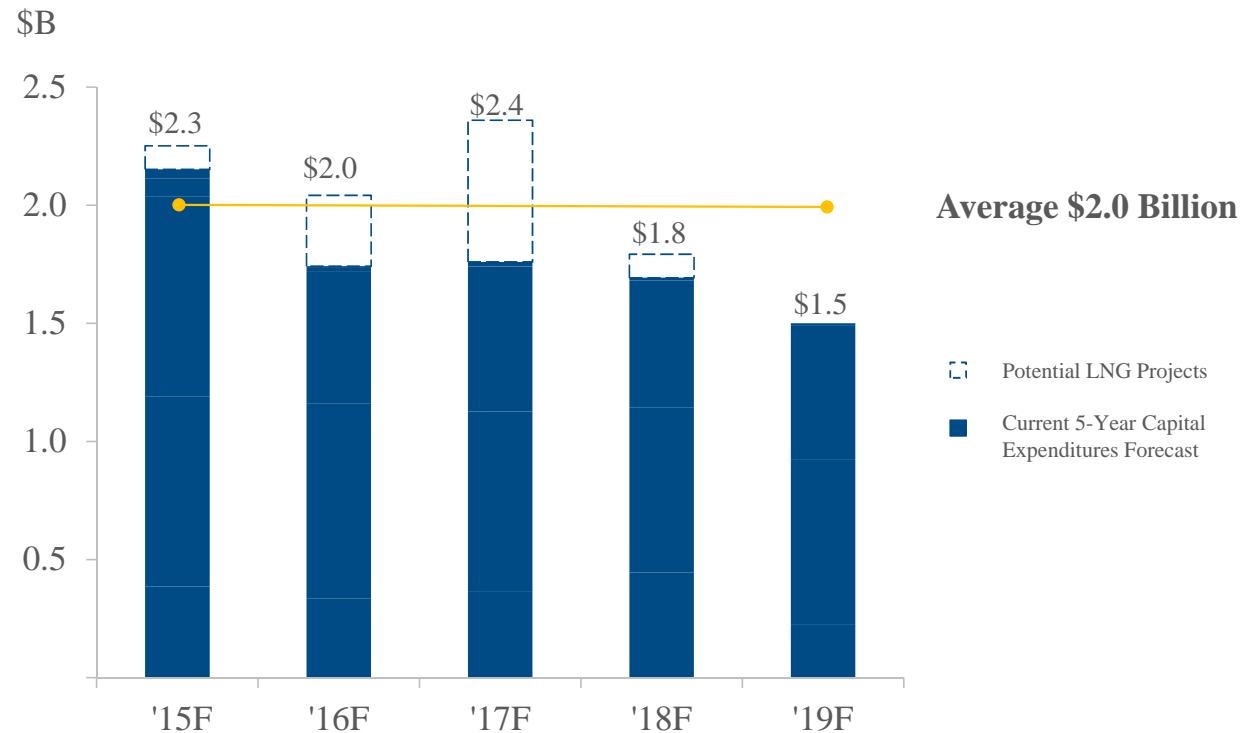
- 35-acre site zoned for LNG
- Ocean access
- Tilbury Phase 1B adds 140,000 GJ/day of liquefaction at an estimated rate base addition of \$450 million (not in forecast)
- Conditional contract with Hawaiian Electric
- Site suitable for further staged expansion
- Full build out estimated at 3 million metric tonnes per annum / 450,000 GJ/day of liquefaction
- B.C. Government Order in Council provides clarity on regulatory direction

Woodfibre LNG Pipeline Expansion



- Opportunity to expand compression and pipeline from Eagle Mountain to the Woodfibre LNG site near Squamish
- Privately owned LNG processing and export facility expected to be operational in 2018
 - Brownfield development – subject to various approvals
- 2.1 million metric tonnes of production per annum
- Pipeline and design permitting underway
- Estimated rate base addition of \$600 million (not in forecast)
- B.C. Government Order in Council approval

5-Year
Capital
Expenditures
+
Potential
LNG Projects
~\$10 Billion



NOTE: US dollar-denominated forecast capital expenditures are translated at a forecast exchange rate of US\$1.00=CDN\$1.20.

Financial Highlights

	2014	2013	Change
Revenue (\$M)	5,401	4,047	1,354
Adjusted Net Earnings (\$M) ⁽¹⁾	407	344	63
Adjusted Basic Earnings per Common Share (\$) ⁽¹⁾	1.81	1.70	0.11

(1) Adjusted to exclude interest on convertible debentures, acquisition-related expenses, Part VI.1 tax impacts and Exploits River Hydro Partnership extraordinary gain. See Appendix A for reconciliation of adjusted earnings.

Financial Strength

- Strong credit ratings: S&P: A- DBRS: A(low)
- Ample consolidated credit facilities
 - \$3.9B total; \$2.2B unused (as at December 31, 2014)
- Low consolidated debt maturities & repayments
 - \$240M average annual over next 5 years, excluding credit facility borrowings (as at December 31, 2014)
- UNS Energy acquisition equity financing complete
 - \$1.8B common shares
 - \$600M preference shares

Funding

- Target 'A-' credit rating
- Debt primarily at operating company level
- Common equity: Dividend Reinvestment Plan ~\$100 million annually
- Non-core asset divestitures
- Financing non-regulated energy infrastructure opportunities

Regulatory Environment: Significant Proceedings

FortisAlberta

- Capital Tracker Proceeding
- Generic Cost of Capital Proceeding

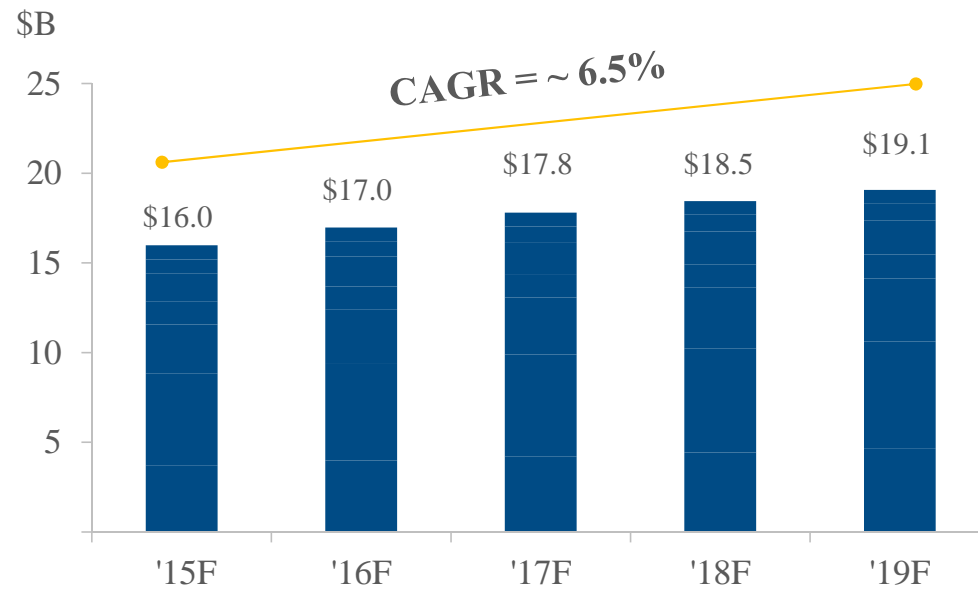
Central Hudson

- General Rate Application / Joint Settlement Proposal
- Generic Proceeding: Reforming the Energy Vision (REV)

UNS Energy

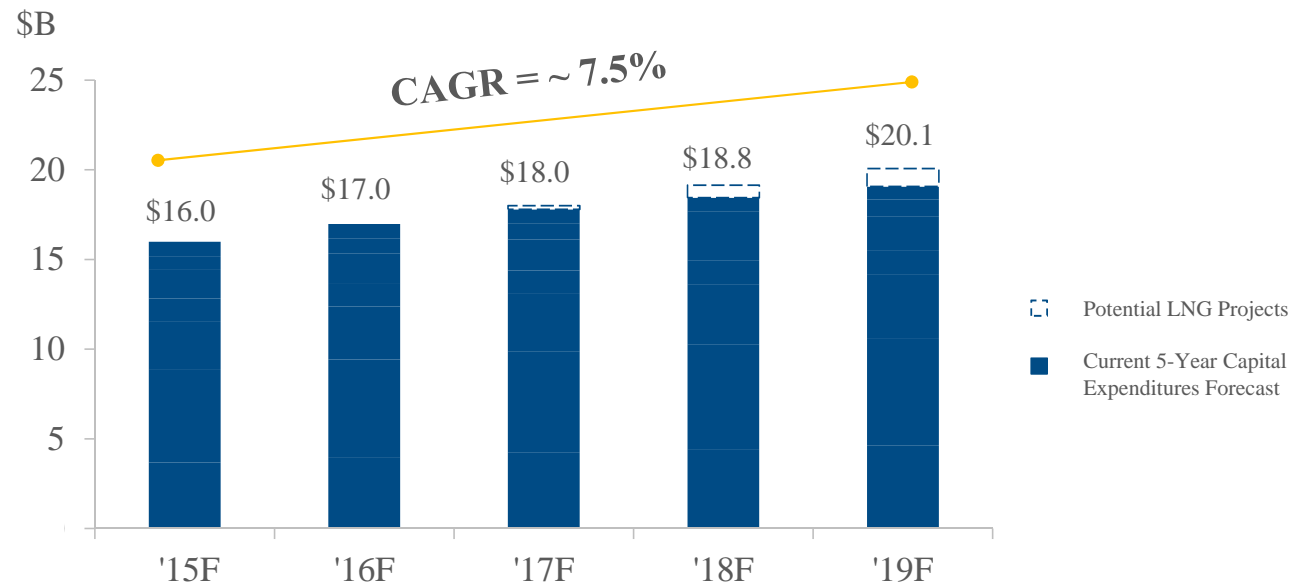
- Clean Power Plan

Rate Base Growth & Waneta Investment



NOTE: US dollar-denominated midyear rate base is translated at a forecast exchange rate of US\$1.00=CDN\$1.20.

Rate Base
Growth
&
Waneta
Investment
+
Potential
LNG Projects



NOTE: US dollar-denominated midyear rate base is translated at a forecast exchange rate of US\$1.00=CDN\$1.20.

Why Invest in Fortis?

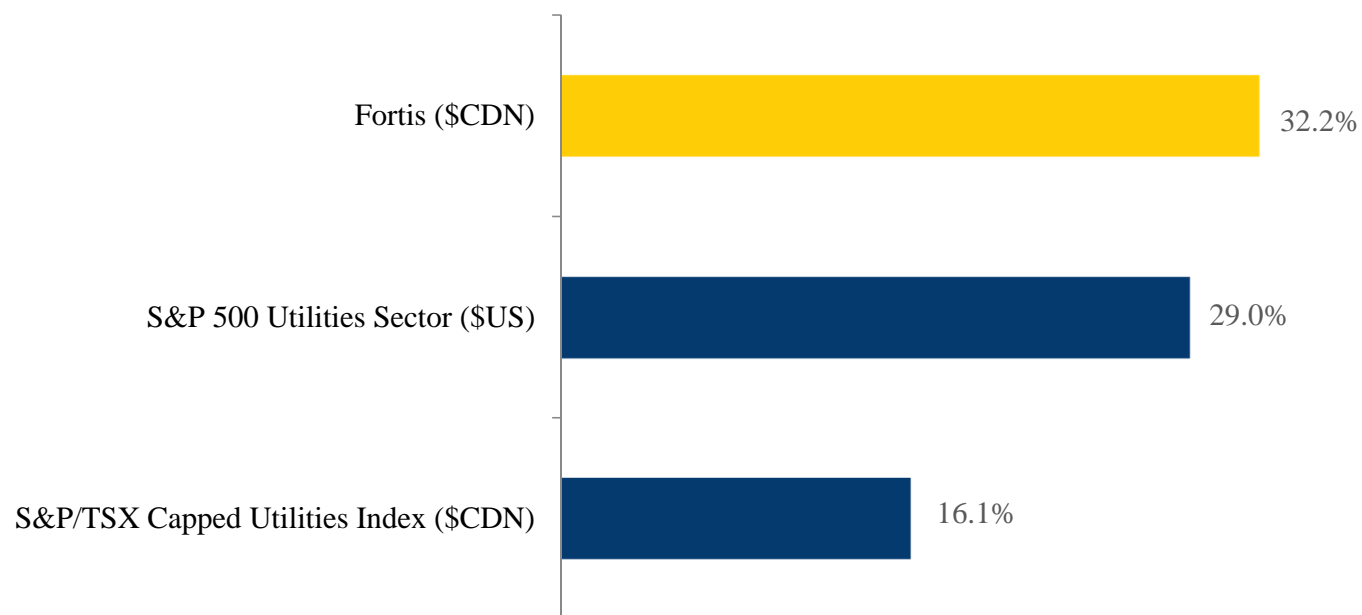
- Focus on regulated utility business and long-term contracted energy infrastructure
- Mix of electric and gas infrastructure
- Geographic and regulatory diversity
- Strong organic earnings growth
- Strong balance sheet and credit ratings
- 42 years of consecutive dividend increases. Record in Canada.

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A Year
of Strong
Shareholder
Returns

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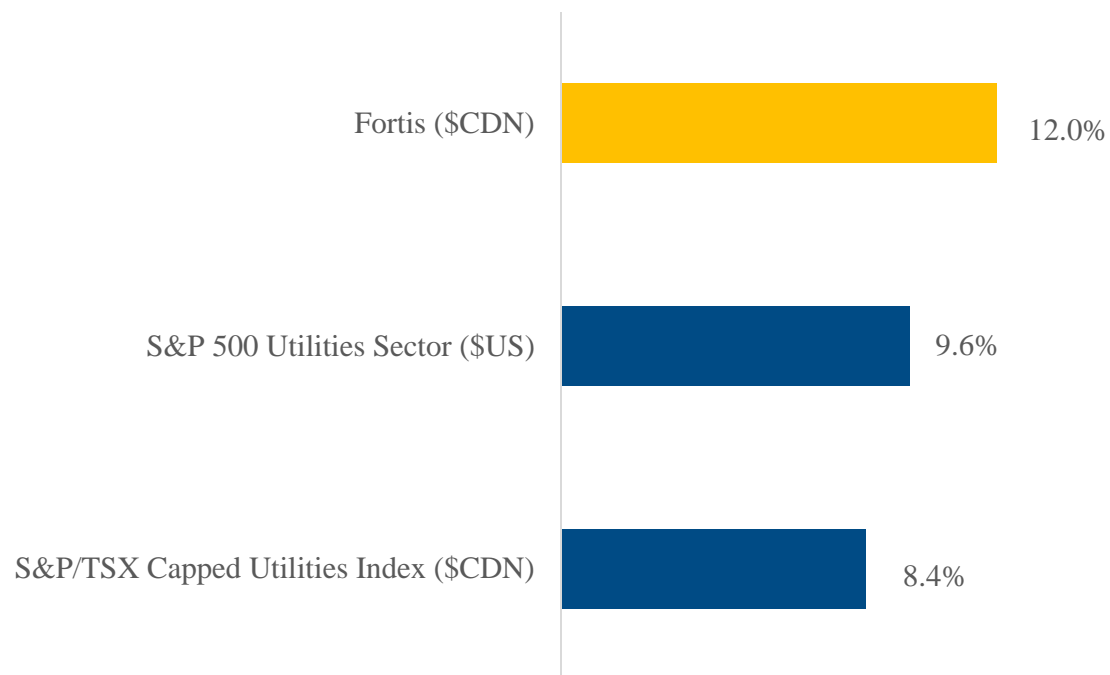
1-Year Average Annualized Total Return *(as at December 31, 2014)*



A Decade
of Strong
Shareholder
Returns

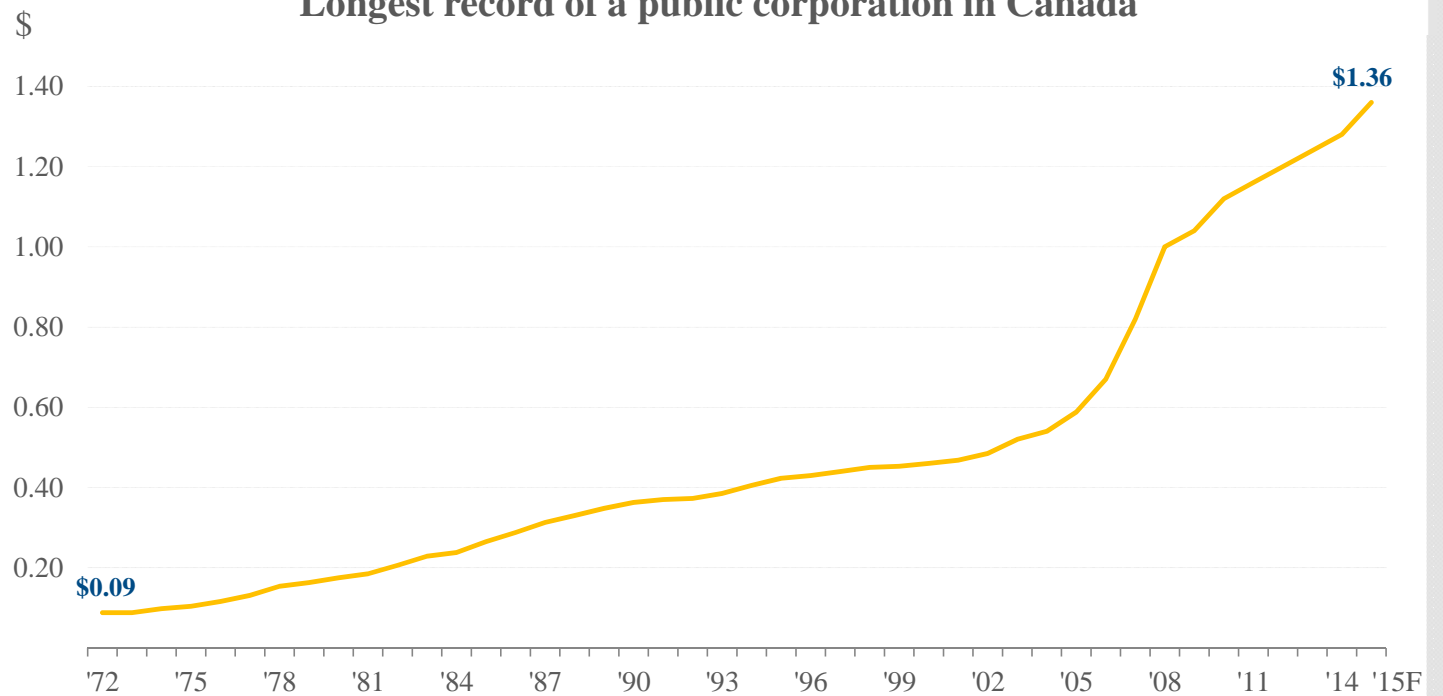
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10-Year Average Annualized Total Return *(as at December 31, 2014)*



Dividend Growth

42 consecutive years of annual dividend increases
Longest record of a public corporation in Canada



Leader in Electric & Gas Utilities
in North America

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Adjusted
Earnings

(\$M)			
	2014	2013	Change
Net Earnings Attributable to Common Shares	317	353	(36)
Adjusted items:			
Interest on convertible debentures	51	-	51
Acquisition-related expenses	39	34	5
Part VI.1 tax impacts	-	(23)	23
Exploits River Hydro Partnership extraordinary gain	-	(20)	20
Adjusted Net Earnings	407	344	63

