



**FOR IMMEDIATE RELEASE**

St. John's, NL (October 2, 2013)

**Fortis Inc. Announces Private Placement of  
US\$325 Million Senior Unsecured Notes**

**Not for distribution to U.S. news wire services or dissemination in the United States.**

Fortis Inc. ("Fortis" or the "Corporation") (TSX:FTS) announced today that it has closed a private placement of US\$325 million in Senior Unsecured Notes (the "Notes") to US-based institutional investors. The Notes were issued in two tranches: US\$285 million of 10-year Notes maturing October 1, 2023 at a coupon rate of 3.84% and US\$40 million of 30-year Notes maturing October 1, 2043 at a coupon rate of 5.08%.

Net proceeds from the sale of the Notes will be used to repay a portion of the Corporation's US dollar-denominated committed credit facility borrowings incurred to finance a portion of the CH Energy Group, Inc. acquisition and for general corporate purposes. The Notes rank pari passu in right of payment with all current and future senior indebtedness of the Corporation.

The Notes will not be registered under the Securities Act of 1933 (the "Securities Act"), as amended, nor will they be registered under any state securities laws. Unless so registered, the Notes may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Bank of America Merrill Lynch was lead placement agent for the sale of the Notes. Wells Fargo Securities LLC also acted as placement agent for the sale of the Notes.

Fortis is the largest investor-owned gas and electric distribution utility in Canada, with total assets exceeding \$17 billion and fiscal 2012 revenue totalling approximately \$3.7 billion. Its regulated utilities account for 90% of total assets and serve more than 2.4 million customers across Canada and in New York State and the Caribbean. Fortis owns non-regulated hydroelectric generation assets in Canada, Belize and Upstate New York. The Corporation's non-utility investments are comprised of hotels and commercial real estate in Canada and petroleum supply operations in the Mid-Atlantic Region of the United States. Fortis shares are listed on the Toronto Stock Exchange and trade under the symbol FTS. Additional information can be accessed at [www.fortisinc.com](http://www.fortisinc.com) or [www.sedar.com](http://www.sedar.com).

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*Fortis includes forward-looking information in this media release 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" 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 reflects management's current beliefs and is based on assumptions developed using information currently available to the Corporation's management. Although Fortis believes that the forward-looking statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a variety of risks and uncertainties. For additional information on risk factors that have the potential to affect the Corporation, reference should be made to the Corporation's continuous disclosure materials filed regularly with Canadian securities regulatory authorities and to the heading "Business Risk Management" in the Corporation's annual and quarterly Management Discussion and Analysis. Except as required by law, the Corporation undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise after the date hereof.*

**For more information, please contact:**

Barry V. Perry  
Vice President, Finance and Chief Financial Officer  
Fortis Inc.  
Phone: 709.737.2800