



FOR IMMEDIATE RELEASE:

St. John's, NL (April 20, 2012):

Fortis Files for State Approval of Central Hudson Merger

A rate freeze and a community benefit fund for Central Hudson Gas & Electric Corporation (“Central Hudson”) are among the highlights of a joint petition filed with the New York State Public Service Commission today to launch the regulatory review for the approval of the acquisition of CH Energy Group, Inc. (“CH Energy Group”) (NYSE:CHG) by Fortis Inc. (“Fortis” or the “Corporation”) (TSX:FTS), the largest investor-owned distribution utility in Canada.

“The joint petition includes the potential for at least US\$20 million in overall benefits for customers and the communities we serve,” said Steven V. Lant, Chairman of the Board, President and Chief Executive Officer of CH Energy Group, Inc., parent company of Central Hudson. “For example, if approved the merger transaction would provide a rate freeze until July 2014 and could moderate future rate filings. Fortis has pledged to provide a community benefit fund of US\$5 million devoted to broader community interests, such as economic development, energy efficiency and low-income programs, and an additional US\$5 million to absorb costs that would normally be recovered in rates from customers.”

Lant indicated that in addition to the US\$10 million in community and customer benefits described above, the transaction will position Central Hudson to avoid certain operating costs it now incurs, totaling an estimated US\$10 million over the first five years after closing of the merger transaction. These savings will be guaranteed as customer benefits by Fortis, under the joint petition, bringing total customer benefits to US\$20 million over five years.

CH Energy Group and Fortis announced on February 21, 2012 that they had entered into a definitive merger agreement under which Fortis would acquire CH Energy Group for an aggregate purchase price of approximately US\$1.5 billion, including the assumption of approximately US\$500 million of debt.

Today’s petition, jointly filed by CH Energy Group, Central Hudson, FortisUS Inc. and Fortis, outlines the benefits of the proposed transaction and other information to assist state regulators in making a determination regarding the merger.

“Under the merger agreement, Central Hudson would continue to retain substantial autonomy under local management serving residents and businesses of the Mid-Hudson Valley,” said Stan Marshall, President and Chief Executive Officer, Fortis Inc. “Fortis has committed to retaining all of Central Hudson’s employees and continuing their long tradition of supporting community agencies and providing leadership in local economic development efforts.” Marshall indicated that the board composition of Central Hudson would transition to a majority of members from New York State.

Lant noted that the merger would also bring the experience and knowledge of Fortis utility companies to Central Hudson so that best practices can be learned and shared among all subsidiary operations. He said that as a larger company, Fortis has access to capital that could enhance Central Hudson’s ability to make investments in the electric and gas system to improve customer service and system reliability.

The petition is one of several regulatory filings that will be made in connection with the merger. Additional filings will be made in coming months including with the Federal Energy Regulatory Commission, Securities and Exchange Commission, the U.S. Department of Justice and the Federal Trade Commission.

In addition to regulatory approvals, CH Energy Group shareholders will be asked to approve the transaction by a vote to be held mid-2012.

For more information on the proposed transaction, visit www.chenergygroup.com and www.fortisinc.com.

About Fortis: Fortis is the largest investor-owned distribution utility in Canada, with total assets of more than \$14 billion and fiscal 2011 revenue totalling approximately \$3.7 billion. The Corporation serves more than 2,000,000 gas and electricity customers. Its regulated holdings include electric distribution utilities in five Canadian provinces and two Caribbean countries and a natural gas utility in British Columbia, Canada. Fortis owns and operates non-regulated generation assets across Canada and in Belize and Upstate New York. It also owns hotels and commercial office and retail space in Canada.

About CH Energy Group: CH Energy Group is predominantly an energy delivery company headquartered in Poughkeepsie, New York. Regulated transmission and distribution subsidiary *Central Hudson Gas & Electric Corporation* serves approximately 300,000 electric and 75,000 natural gas customers in eight counties of New York State’s Mid-Hudson River Valley, delivering natural gas and electricity in a 2,600-square-mile service territory that extends north from the suburbs of metropolitan New York City to the Capital District at Albany. CH Energy Group also operates Central Hudson Enterprises Corporation, a non-regulated subsidiary composed primarily of

Griffith Energy Services, which supplies petroleum products and related services to approximately 56,000 customers in the Mid-Atlantic Region.

Fortis includes forward-looking information in this material 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 acquisition of CH Energy Group by Fortis and the expected timing and benefits thereof, 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, including the ability to obtain approval of the shareholders of CH Energy Group and regulatory and other approvals and to satisfy conditions to closing and the ability to realize the expected benefits of the acquisition of CH Energy Group by Fortis. 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 from time to time with Canadian securities regulatory authorities and to the heading “Business Risk Management” in the Corporation’s annual and quarterly Management Discussion and Analysis and the “Risk Factors” section of the Annual Information Form. 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.

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