



FOR IMMEDIATE RELEASE:

St. John's, NL (February 3, 2014):

**FORTIS PROVIDES UPDATE ON
ARIZONA CORPORATION COMMISSION APPROVAL PROCESS
REGARDING UNS ENERGY CORPORATION ACQUISITION APPLICATION**

Fortis Inc. (TSX:FTS) (“Fortis” or the “Corporation”) announced today that the Arizona Corporation Commission (the “ACC”) has issued a procedural order adopting the schedule to be followed in connection with the joint application filed by Fortis and UNS Energy Corporation (“UNS Energy”) (NYSE:UNS) on January 10, 2014 requesting that the ACC approve the proposed acquisition in which UNS Energy would become an indirect wholly owned subsidiary of Fortis.

On January 24, 2014, UNS Energy and Fortis filed testimony with the ACC in support of the application. On January 28, 2014, the ACC administrative law judge (“ALJ”) assigned to this matter issued a procedural order adopting the following schedule:

ACC Staff / Intervenor Testimony	April 22, 2014
Settlement Discussions Begin	April 28, 2014
Settlement Agreement Filed	May 12, 2014
Testimony in Support of/Opposition to Settlement Agreement	May 30, 2014
Settlement Agreement Responsive Testimony	June 13, 2014
Rebuttal Testimony (if No Settlement)	May 7, 2014
ACC Staff / Intervenor Rebuttal Testimony (if No Settlement)	May 30, 2014
UNS Energy and Fortis Rejoinder Testimony (if No Settlement)	June 13, 2014
ALJ Hearing Commences	June 16, 2014

The acquisition is subject to: the approval of UNS Energy shareholders and regulators, including the ACC and the Federal Energy Regulatory Commission; the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; review of the Acquisition by the Committee on Foreign Investment in the United States; and the satisfaction of other customary closing conditions.

Fortis includes forward-looking statements in media releases which reflect management's expectations regarding the Corporation's future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expects", "intend" and similar expressions have been used to identify the forward-looking statements which, without limitation, include those statements related to the acquisition of UNS Energy, the expected timing and benefits thereof, the conditions precedent to the closing of such acquisition and the Corporation's future growth, results of operations, performance, business prospects and

opportunities. These statements reflect management's current beliefs and are based on information currently available to the Corporation's management. Forward-looking statements involve significant risk, uncertainties and assumptions. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally. Such risk factors or assumptions include, but are not limited to, the ability to obtain stockholder, regulatory and other approvals and to satisfy conditions to closing, the ability to realize the expected benefits of the acquisition, regulation, energy prices, general economic conditions, weather, derivatives and hedging, capital resources, loss of service area, licences and permits, environment, insurance, labour relations, human resources and liquidity risk. 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 statements. These factors should be considered carefully and undue reliance should not be placed on the forward-looking statements. For additional information with respect to certain of these risks or factors, reference should be made to the Corporation's continuous disclosure materials filed from time to time with Canadian securities regulatory authorities. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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For more information please contact:

Mr. Barry Perry
Vice President, Finance & Chief Financial Officer
Fortis Inc.
Phone: 709.737.2800

Ms. Donna Hynes
Manager, Investor & Public Relations
Fortis Inc.
Phone: 709.737.5323