



For Immediate Release

St. John's, NL – June 27, 2008

PUC Issues Final Decision on Belize Electricity Rates

Earlier today, Belize Electricity Limited, 70.1% owned by Fortis Inc. (TSX:FTS), issued a media release in respect of the Final Decision of the Annual Rate Review Proceeding by the Public Utilities Commission. Substantively, the Final Decision retroactively disallows BZ\$36 million (Cdn\$18 million; Cdn\$12.6 million of which is Fortis' share) of previously incurred power costs and reduces Belize Electricity's rate of return on assets to 10 per cent from 12 per cent. The Final Decision provides for an automatic mechanism to adjust monthly the cost of power component of rates to reflect the current cost of power.

The Final Decision violates both established regulatory practice and contractual obligations made by the Government of Belize at the time Fortis made its initial investment in Belize Electricity. Fortis is considering its options and legal remedies.

The following is the text of the media release issued by Belize Electricity:

The Public Utilities Commission (PUC) yesterday released its Final Decision under the Annual Rate Review Proceeding. The PUC's Decision rejected most of the recommendations of the Independent Expert, Jonathan Lesser, and failed to increase the average electricity rate.

"The Final Decision of the PUC threatens the financial health of the Company. BEL will not be able to meet all of its financial obligations," said BEL's President and Chief Executive Officer, Lynn Young.

BEL plans to legally contest the Final Decision of the PUC.

A full copy of the Final Decision can be accessed from BEL's website at www.bel.com.bz and the PUC's website at www.puc.bz.

Belize Electricity is the primary distributor of electricity in Belize, Central America, serving 73,000 customers. The Company has total assets of approximately Cdn\$221 million and earned Cdn\$17 million in 2007. Fortis holds a 70.1% controlling interest in Belize Electricity.

Fortis Inc. is the largest investor-owned distribution utility in Canada. With total assets exceeding \$10 billion and annual revenue of more than \$2.7 billion, the Corporation serves approximately 2,000,000 gas and electricity customers. Its regulated holdings include a natural gas utility in British Columbia and electric distribution utilities in five

Canadian provinces and three Caribbean countries. Fortis owns non-regulated hydroelectric generation assets across Canada and in Belize and Upper New York State. The Corporation also owns hotels and commercial real estate across Canada. Fortis Inc. shares are listed on the Toronto Stock Exchange and trade under the symbol FTS. Additional information can be accessed at www.fortisinc.com.

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