



FOR IMMEDIATE RELEASE

St. John's, NL (December 22, 2010)

**Fortis Inc. Announces Private Placement of
US\$200 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:FIS) announced today that it has closed a private placement of US\$200 million in Senior Unsecured Notes (the "Notes") to US-based institutional investors. The Notes were issued in two tranches: US\$125 million of 10-year Notes maturing December 21, 2020 at a coupon rate of 3.53% and US\$75 million of 30-year Notes maturing December 21, 2040 at a coupon rate of 5.26%.

Net proceeds from the sale of the Notes will be used to refinance indebtedness under the Corporation's committed credit facility related to amounts borrowed to repay the Corporation's \$100 million 7.4% Senior Unsecured Debentures that matured in October 2010 and for general corporate purposes. The Notes will 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.

JP Morgan was lead placement agent for the sale of the Notes.

Fortis Inc. is the largest investor-owned distribution utility in Canada with total assets of \$12.5 billion and fiscal 2009 revenues totalling \$3.6 billion. The Corporation serves approximately 2,100,000 gas and electricity customers. Its regulated holdings include electric distribution utilities in five Canadian provinces and three Caribbean countries and a natural gas utility in British Columbia. Fortis owns non-regulated generation assets across Canada and in Belize and Upper New York State. It also owns hotels and commercial real estate in Canada. Fortis shares are listed on the Toronto Stock Exchange and trade under the symbol FIS. Additional information can be accessed at www.fortisinc.com or 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. The forward looking information in this media release includes, but is not limited to, the anticipated use of the net proceeds from the sale of the Notes. Although Fortis believes that these 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 from time to time with Canadian securities regulatory authorities and to the heading “Business Risk Management” in the MD&A for the three and nine months ended September 30, 2010 and for the year ended December 31, 2009. 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.

-30-

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