



**FOR IMMEDIATE RELEASE:**

St. John's, NL (January 31, 2014):

**FORTIS INC. ANNOUNCES DETAILS OF FIRST INTEREST PAYMENT ON CONVERTIBLE DEBENTURES REPRESENTED BY INSTALMENT RECEIPTS**

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

Fortis Inc. (TSX:FTS) ("Fortis" or the "Corporation") confirmed today details regarding the first interest payment on its 4.00% convertible unsecured subordinated debentures (the "Convertible Debentures").

The Convertible Debentures were sold on an instalment basis at a price of \$1,000 per Convertible Debenture, of which \$333 was paid on January 9, 2014 and the remaining \$667 is payable on a date ("Final Instalment Date") to be fixed following satisfaction of all conditions precedent to the closing of the Corporation's acquisition of UNS Energy Corporation (NYSE:UNS) announced on December 11, 2013.

The first interest payment will be paid on March 3, 2014 to holders of record at the close of business on February 18, 2014 in the amount of \$5.5890 per \$1,000 principal amount of Convertible Debentures.

Subsequent quarterly interest payments will be made in the amount of \$10.00 per \$1,000 principal amount of Convertible Debentures on the first business day of June, September, December and March to and including the Final Instalment Date to holders of record on the applicable record date.

The record date for each quarterly interest payment date will be May 15, August 15, November 15 or February 15 (or the next business day if such date is not a business day) immediately preceding the interest payment date. In the case of the interest payment date occurring on the Final Instalment Date, the record date will be the Final Instalment Date.

Prior to the Final Instalment Date, the Convertible Debentures are represented by instalment receipts that are listed on the Toronto Stock Exchange and trade under the symbol "FTS.IR".

Fortis is the largest investor-owned gas and electric distribution utility in Canada, with total assets of approximately \$17,600,000,000, as at September 30, 2013, and fiscal 2012 revenue (which excludes the June 2013 acquisition of CH Energy Group, Inc.) totalling approximately \$3,700,000,000. Its regulated utilities serve more than 2,400,000 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 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 Corporation, the conditions precedent to the closing of such acquisition and the timing of payment of the final instalment amount. 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, 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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