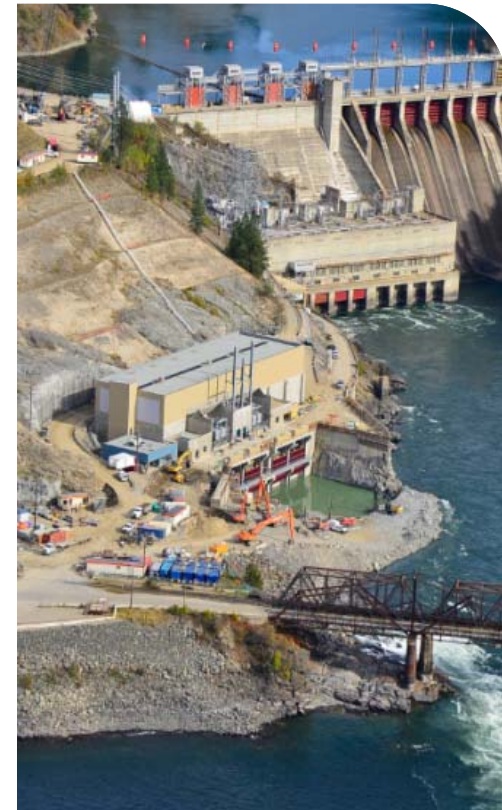
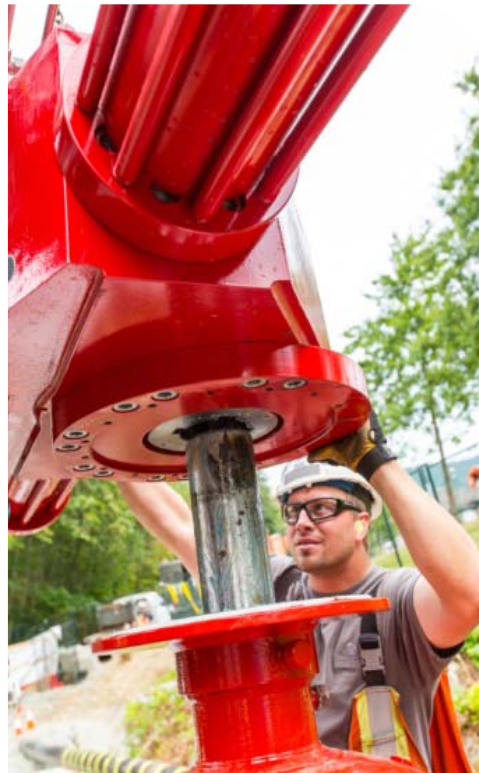


FORTIS INC.

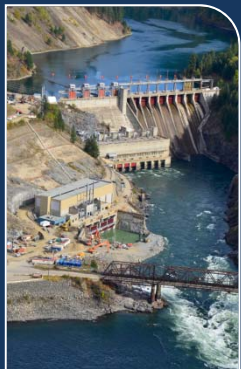
Annual Meeting



Holiday Inn St. John's



May 7, 2015



Barry Perry

President and CEO

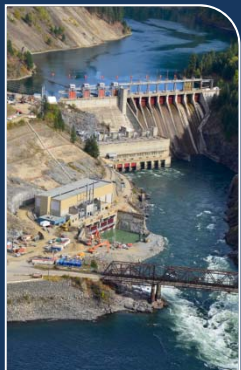
Forward-Looking Statement

Fortis Inc. (the "Corporation") includes forward-looking information in this presentation 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", "targets" 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 contained in this presentation reflects management's current beliefs and is based on assumptions developed using information currently available to the Corporation's management. All statements other than statements of historical fact in this presentation constitute forward-looking information, and include, without limitation, statements regarding: the Corporation's strategic review of Fortis Properties Corporation ("Fortis Properties"); timing of regulatory proceedings and decisions; accretion to earnings per common share from UNS Energy Corporation ("UNS Energy") and earnings at UNS Energy being seasonal; the Corporation's forecast gross consolidated capital expenditures for 2015 and the total capital spending for the five-year period 2015 through 2019; the expectation that midyear rate base will increase from 2015 through 2019; the nature, timing and expected costs of capital projects, including the Tilbury liquefied natural gas ("LNG") facility and the potential gas pipeline expansion to the Woodfibre LNG site; expectations regarding credit ratings; and expectation that capital investment will support continuing growth.

Forward-looking information contained in this presentation is based on assumptions the Corporation views as reasonable, including, without limitation: the potential sale of assets or shares in the hotel and commercial real estate market; the outcome of the strategic review of Fortis Properties; the receipt of applicable regulatory approvals and requested rate orders; no material capital project and financing cost overrun related to any of the Corporation's capital projects; no severe and prolonged downturn in economic conditions; sufficient liquidity and human and capital resources; the availability of natural gas, fuel and electricity supply; and no significant adverse change in government energy or environmental laws or policies. All forward-looking information is necessarily subject to risks and uncertainties, which could cause results to differ materially from those projected. For additional information on such risks and uncertainties, reference should be made to the Corporation's continuous disclosure materials filed from time to time with Canadian securities regulatory authorities, including those risk factors described under the heading "Business Risk Management" in the Corporation's annual and quarterly Management Discussion and Analysis. Except as required by law, the Corporation disclaims any intention or obligation to revise or update any forward-looking information as a result of new information, future events or otherwise after the date hereof.

This presentation is strictly intended to provide general information about the Corporation and its business. Neither this presentation nor any part hereof constitutes an offer of securities.

Unless otherwise specified, all financial information referenced is in Canadian dollars.



Leader in Electric and Gas Utilities in North America

2014 Highlights

- **Adjusted EPS grew to \$1.81**
- **Annualized dividend increased to \$1.36**
- **US\$4.5 billion acquisition of UNS Energy**
- **\$1.8 billion common equity issue**
- **\$600 million preferred equity issue**

2014 Highlights

- **New organizational structure**
- **Record \$1.7 billion capital program**
- **Strategic review of Fortis Properties**
- **Waneta Expansion online** *(April 2015)*
- **Total shareholder return of 32%**

Company Overview

- **Utilities in 9 jurisdictions**

Arizona, New York

British Columbia, Alberta

Newfoundland & Labrador, Ontario, Prince Edward Island

Grand Cayman, Turks and Caicos

- **Serving 3.1 million customers**

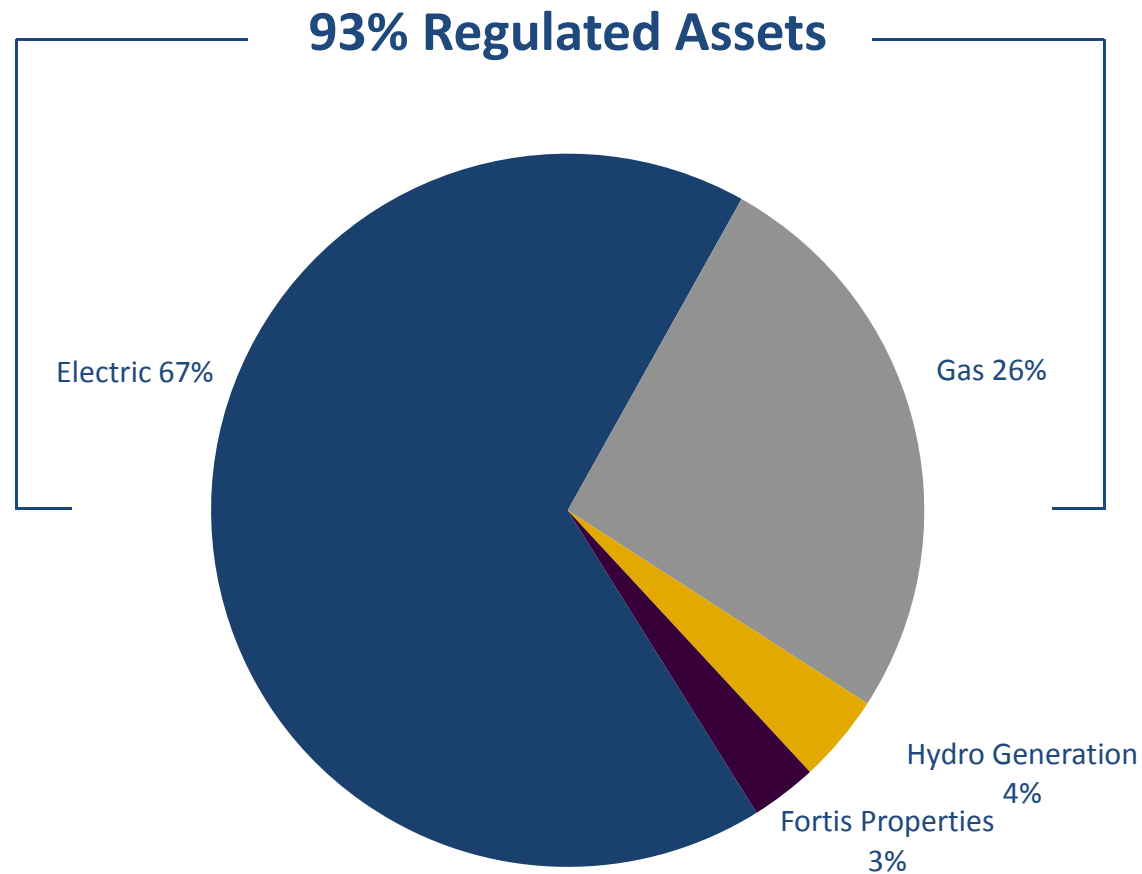
1.9 million electric

1.2 million gas



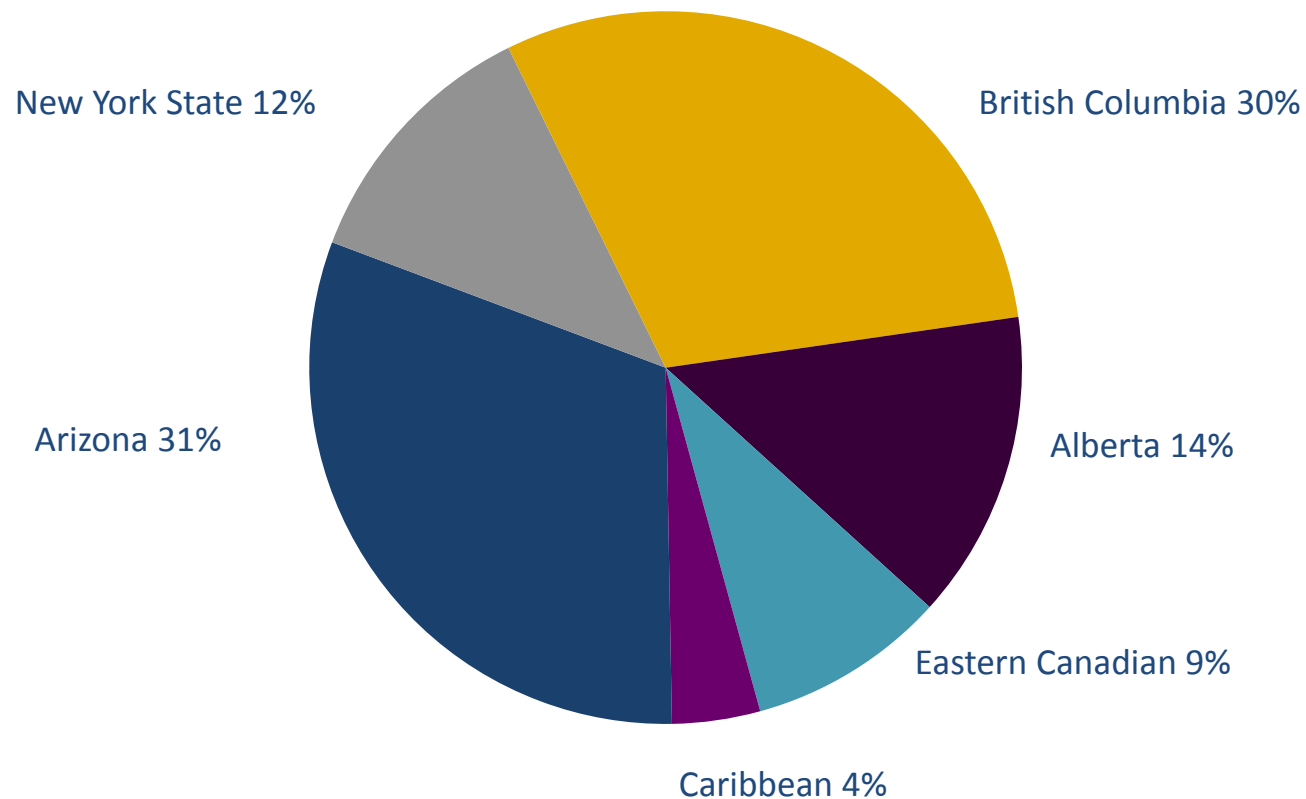
Total Assets ~\$28 Billion

(unaudited, as at March 31, 2015)

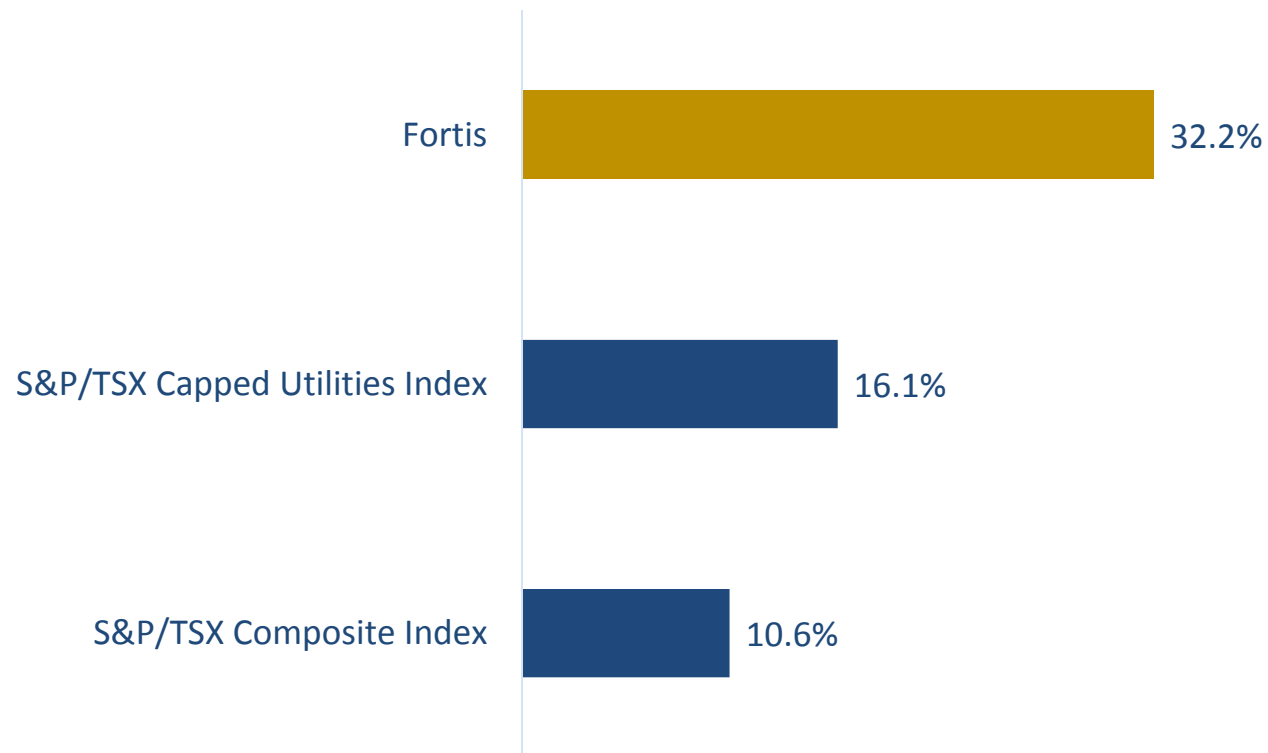


Regulated Assets ~\$26 Billion

(unaudited, as at March 31, 2015)

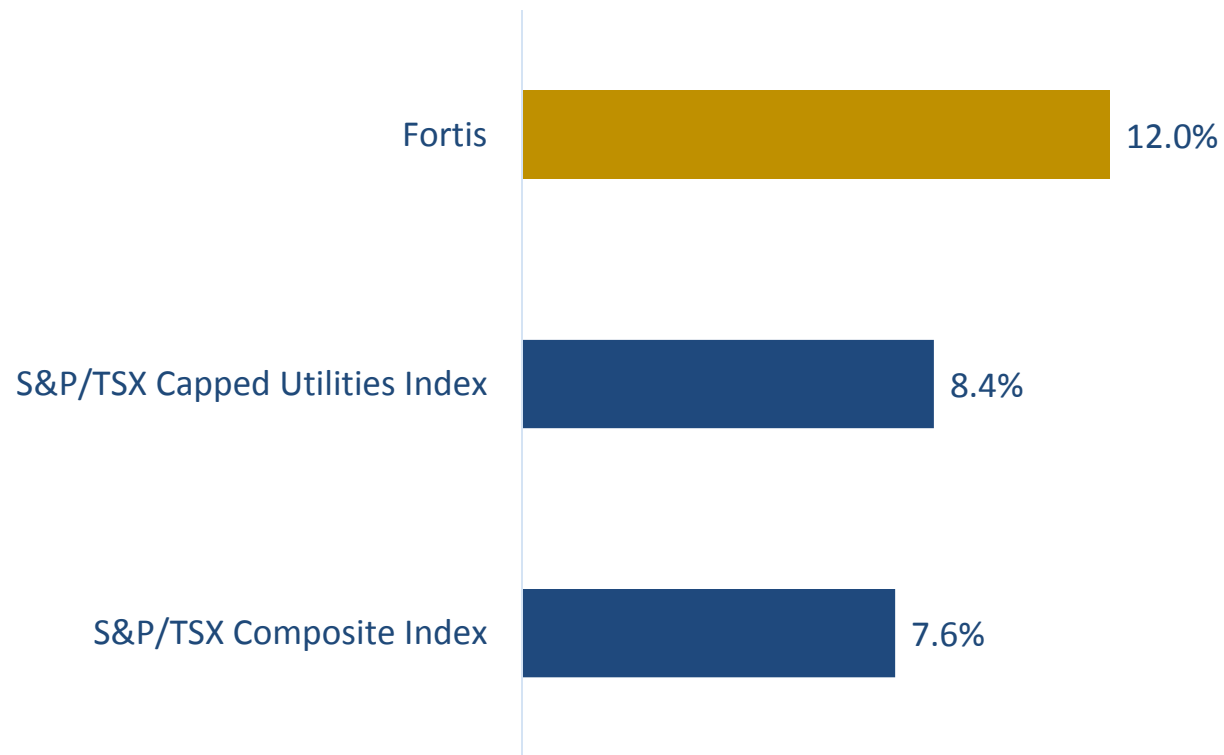


1-Year Total Shareholder Return ⁽¹⁾



⁽¹⁾ 1-year total return as at December 31, 2014

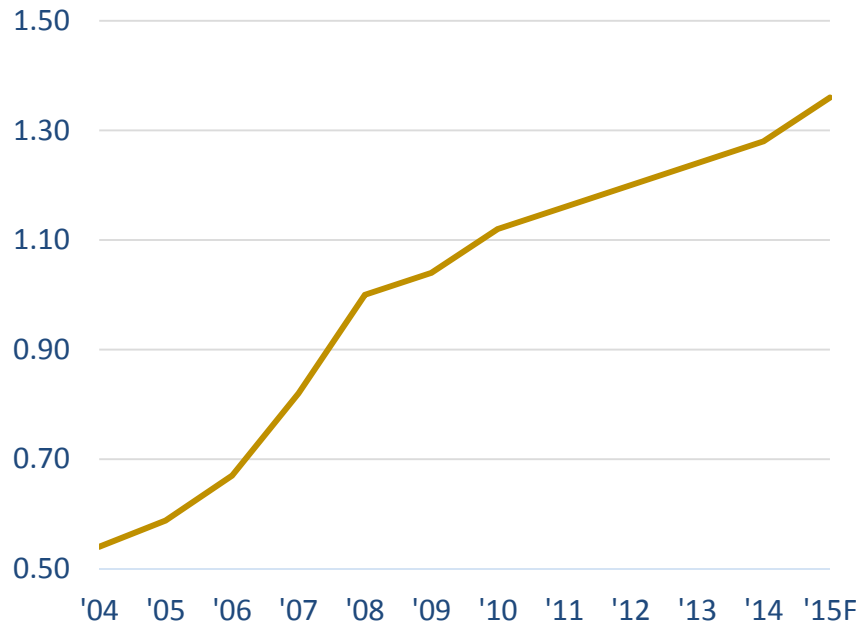
10-Year Total Shareholder Return ⁽¹⁾



⁽¹⁾ 10-year average annualized total return as at December 31, 2014

Dividend Growth

\$ per common share



- **42 consecutive years of annual dividend increases**
- **Record for a public corporation in Canada**
- **Dividend per common share 10-Year CAGR ~9%**

Looking Forward

- Fortis has entered a period of significant growth, with a 5-year compound annual growth rate in rate base through 2019 estimated at ~6.5%.
- Two natural gas infrastructure investments – Tilbury 1B and the pipeline expansion to the Woodfibre LNG site – would increase the 5-year compound annual growth rate in rate base to ~7.5%.

Tilbury LNG



Tilbury 1A *(under construction)*

- Adds 950,000 mmBtu of storage and 34,000 mmBtu/day liquefaction capacity
- Expected in service by end of 2016
- FortisBC rate base addition of ~\$440 million

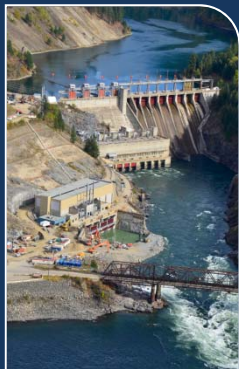
Tilbury 1B

- Adds 133,000 mmBtu/day of liquefaction and increases FortisBC rate base by ~\$450 million
- Investment approved by the Province. Subject to completing contracts for 70% of capacity.
- Conditional contract with Hawaiian Electric meets provincial requirements
- FortisBC expects to make its investment decision by the end of 2015

Pipeline Expansion to Woodfibre LNG

- Gas pipeline expansion to proposed 3rd party-owned LNG export site
- Final investment decision by site owner expected by the end of 2015
- Pipeline expansion represents FortisBC rate base addition of ~\$600 million
- Investment approved by the Province; Environmental permitting underway





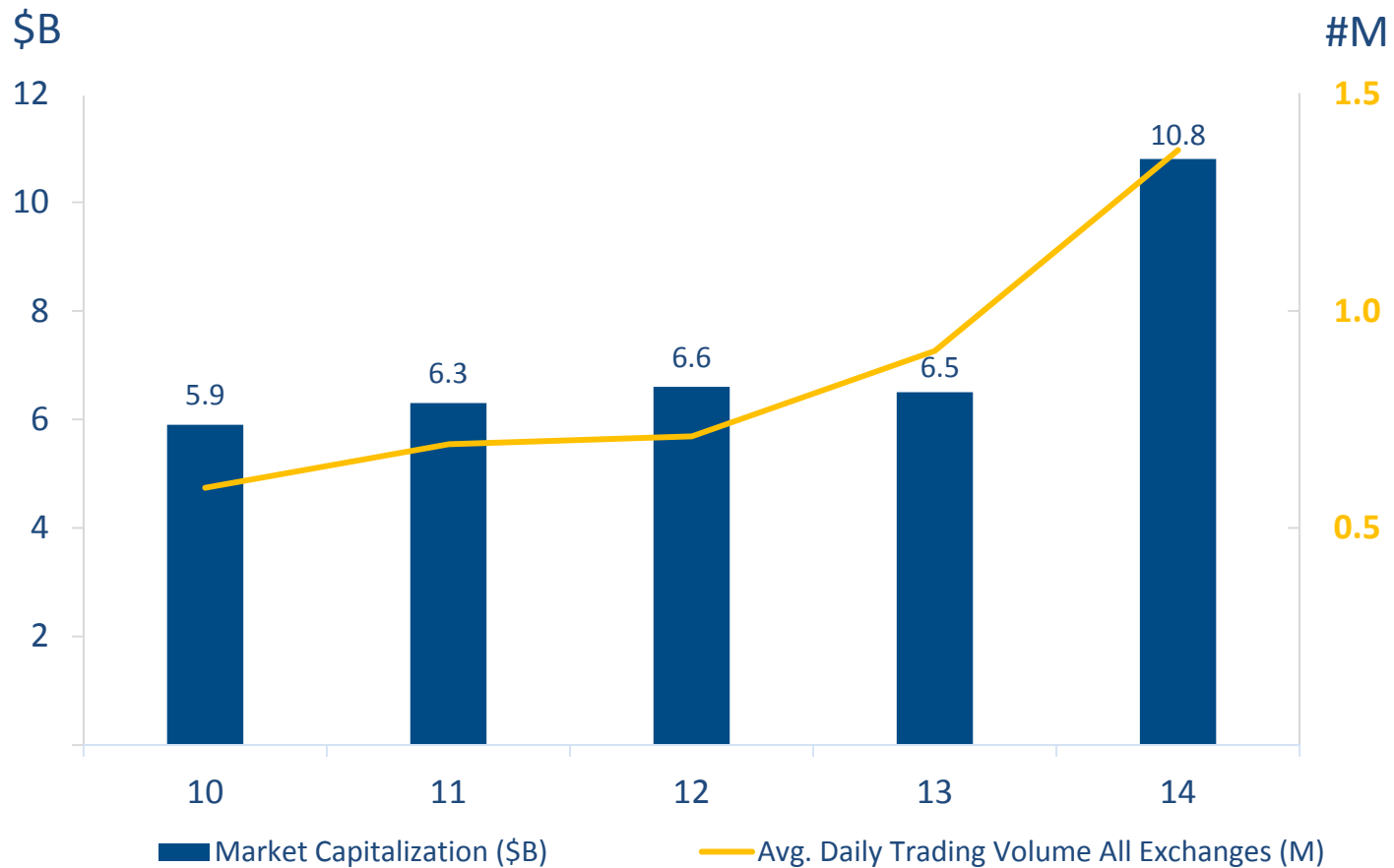
Karl Smith

Executive VP, Chief Financial Officer

Annual EPS

	2014	2013	Change
Basic Earnings per Common Share	\$1.41	\$1.74	(\$0.33)
Adjusting items:			
Acquisition-related costs	0.40	0.17	0.23
Part VI.1 tax adjustment	-	(0.11)	0.11
Exploits Partnership gain	-	(0.10)	0.10
Adjusted Basic Earnings per Common Share	\$1.81	\$1.70	\$0.11

Market Capitalization



Dividend Payout Ratio

	2014	2013
Adjusted Basic EPS (\$)	1.81	1.70
Dividend (\$)	1.28	1.24
Payout Ratio (%)	71	73

Capital Structure

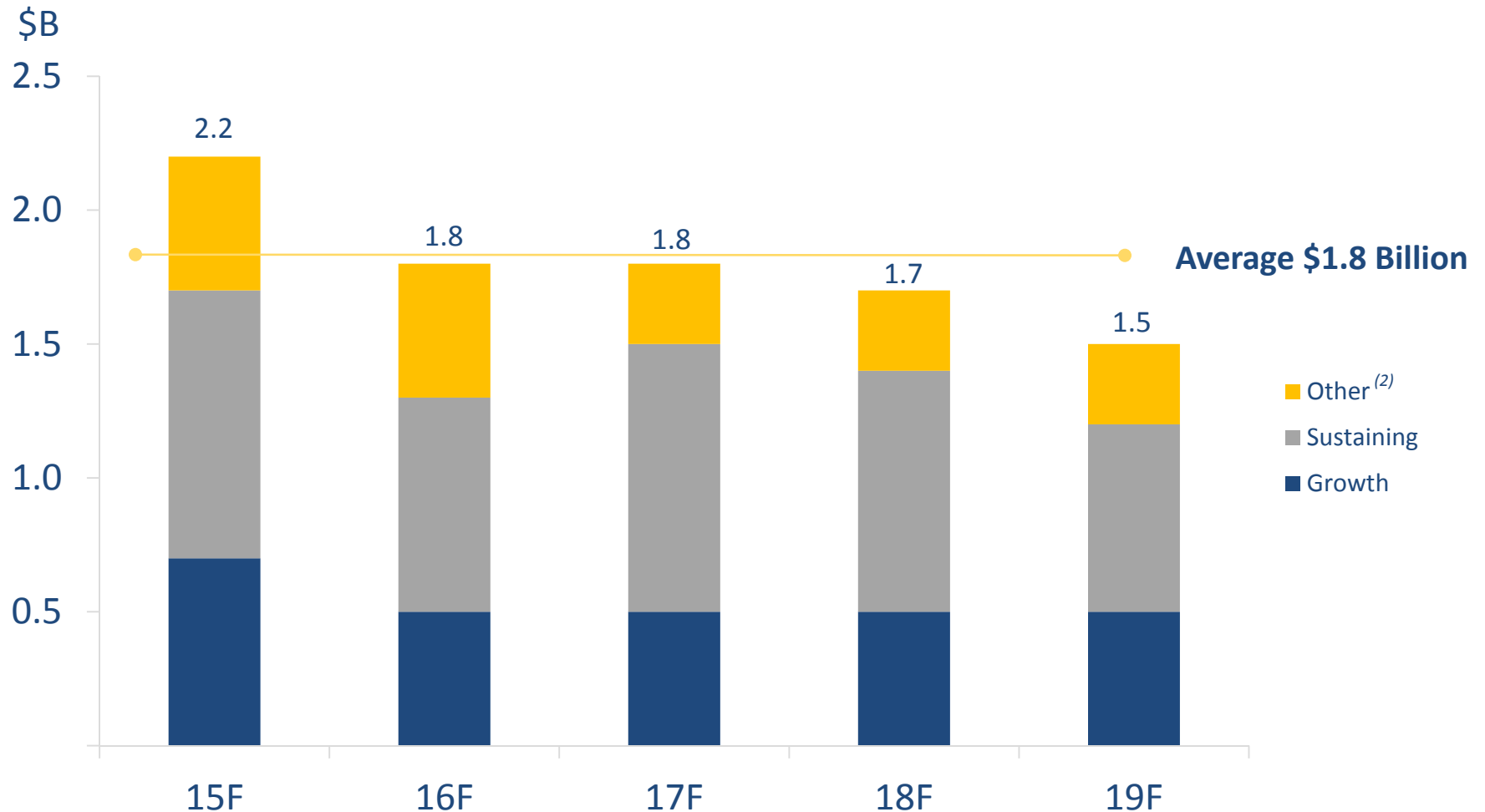
%	Dec 31/14	Dec 31/13
Debt	57	56
Preferred	9	9
Common	34	35
Total	100	100

Quarter 1 EPS

	Q1/2015	Q1/2014	Change
Basic Earnings per Common Share	\$0.72	\$0.67	\$0.05
Adjusting items:			
Acquisition-related costs	-	0.05	(0.05)
Capital Tracker true-up	(0.04)	-	(0.04)
F/X gain Belize Electricity	(0.03)	(0.02)	(0.01)
Griffith earnings	-	(0.02)	0.02
Adjusted Basic Earnings per Common Share	\$0.65	\$0.68	(\$0.03)

5-Year Capital Expenditures ⁽¹⁾

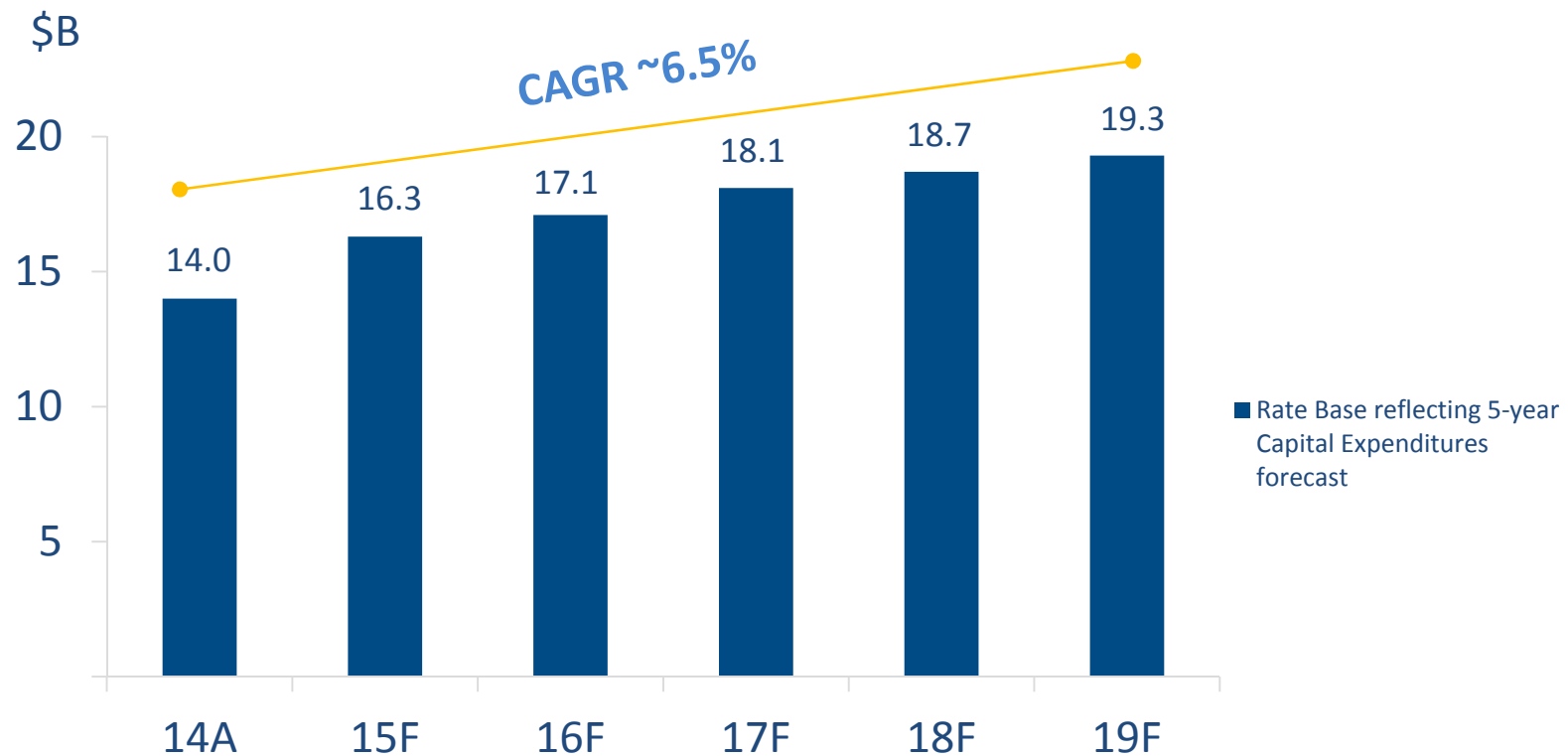
\$9.0 Billion



⁽¹⁾ US Utilities CAPEX converted at a USD/CAD exchange rate of 1.27

⁽²⁾ Capital expenditures related to facilities, equipment, vehicles, information technology systems and other assets, including transmission-related capital expenditures at FortisAlberta

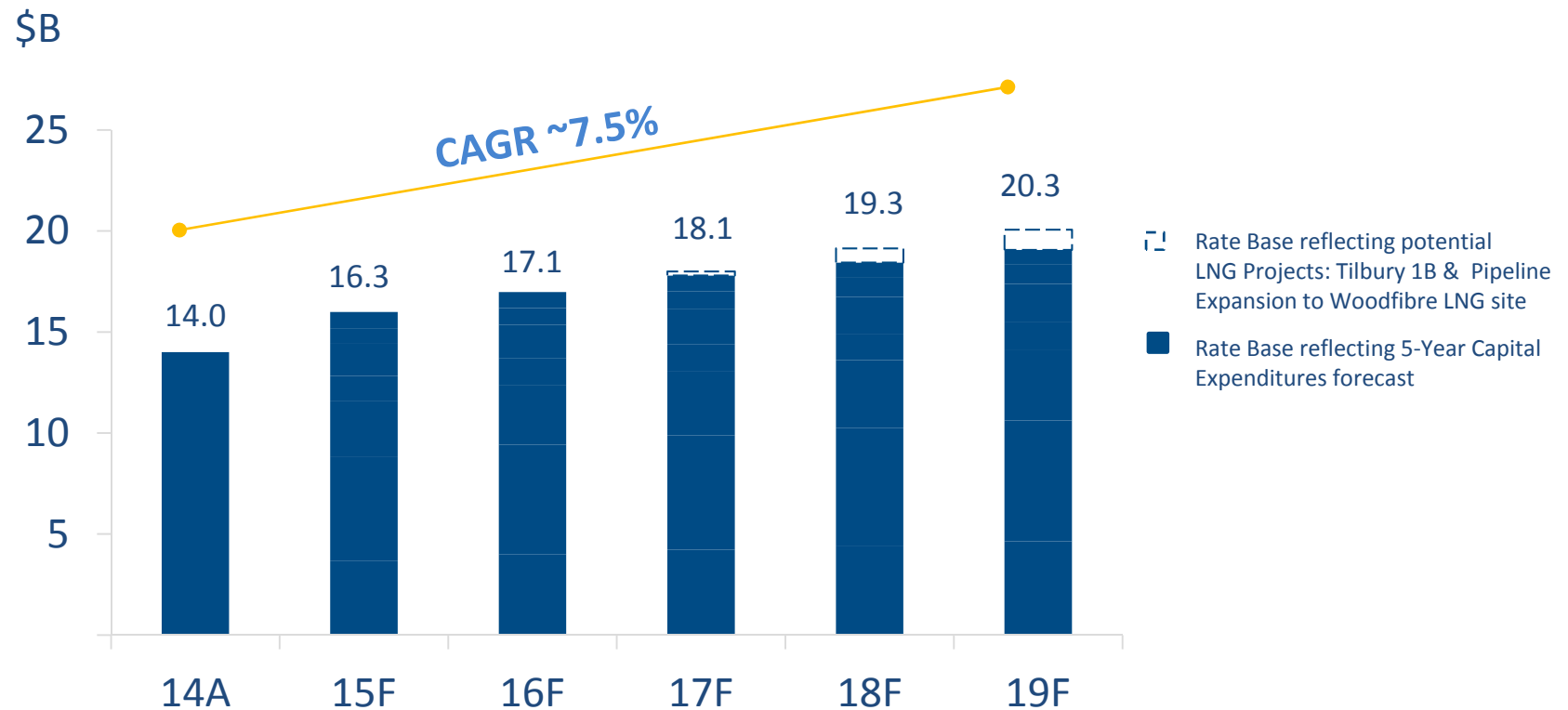
Rate Base Growth ⁽¹⁾ ⁽²⁾



⁽¹⁾ Rate base reflects midyear amounts and includes Waneta Expansion

⁽²⁾ US Utilities CAPEX converted at a USD/CAD exchange rate of 1.27

Rate Base Growth including LNG Opportunities ⁽¹⁾ ⁽²⁾



⁽¹⁾ Rate base reflects midyear amounts and includes Waneta Expansion

⁽²⁾ US Utilities CAPEX converted at a USD/CAD exchange rate of 1.27

Regulatory Matters

FortisBC

- 2016 Generic Cost of Capital Proceeding

FortisAlberta

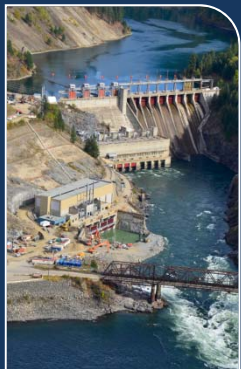
- Capital Tracker Filing for 2016 and 2017
- 2016 Generic Cost of Capital Proceeding

Central Hudson

- General Rate Application / Joint Settlement Proposal
- Generic Proceeding: Reforming the Energy Vision

UNS Energy

- Clean Power Plan



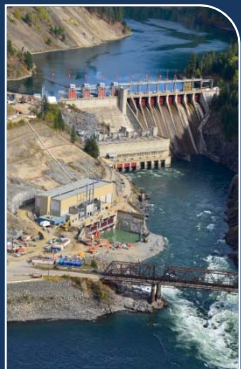
Barry Perry

President and CEO

Going Forward

- **Continue to serve customers well**
- **Conclude Fortis Properties strategic review**
- **Complete \$9 billion 5-year capital expenditure program**
- **Pursue further LNG Opportunities including:**
 - Tilbury 1B
 - Pipeline Expansion to Woodfibre LNG site
- **Pursue opportunities in our existing franchise areas**

Discussion



Leader in Electric and Gas Utilities in North America