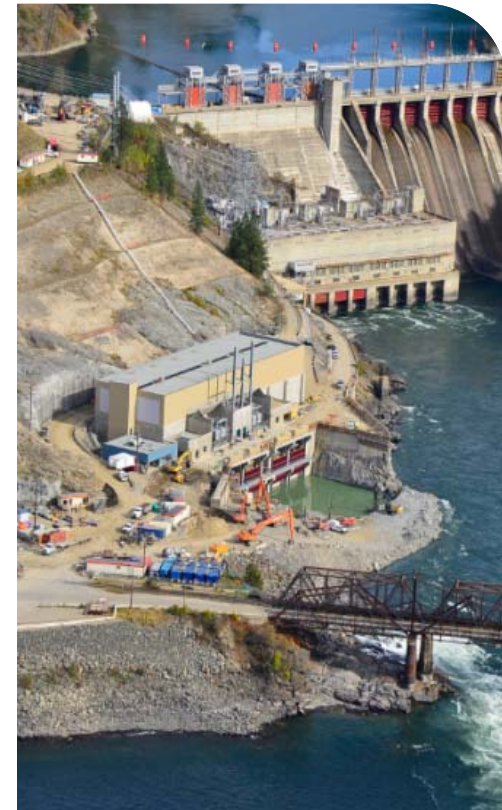
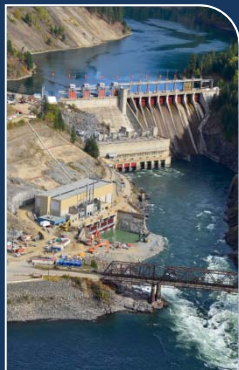




Second Quarter 2015 Earnings Call



July 31, 2015



Logistics

Donna Hynes

Director, Investor & Public Relations

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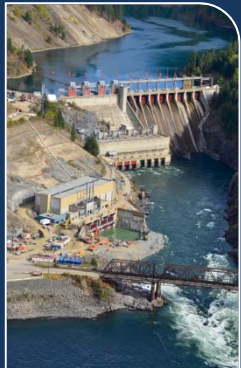
Forward-Looking Statement

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 expected sale of the Corporation's hotel assets; expected performance from operations, including, without limitation, the Waneta Expansion; the nature, timing and expected costs of certain capital projects including, without limitation, the Tilbury liquefied natural gas ("LNG") facility expansion and the pipeline expansion to the Woodfibre LNG site; the expected timing of filing of regulatory applications and the receipt and outcome of regulatory decisions; positive foreign exchange rate; the Corporation's forecast gross consolidated capital expenditures for 2015 and the total capital spending for the five-year period 2015 through 2019; the expected consolidated long-term debt maturities and repayments; and expectations regarding credit ratings.

Forward-looking information contained in this presentation is based on assumptions the Corporation views as reasonable, including, without limitation: the sale of the Corporation's hotel assets; 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; sufficient liquidity and human and capital resources; 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.

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

Corporate Update



Barry Perry
President and CEO

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Q2 2015

- **Q2 Performance**
 - Record earnings
 - Gains on sale of non-core assets
 - UNS Energy a key driver
 - Contribution from Waneta generating station
 - Strong performance from other regulated utilities
- **Q2 Focus**
 - Execute \$2.2 billion annual capital expenditure program
 - Sell non-core assets

2015

- **Positioned for strong performance in 2015**
- **Key drivers**
 - UNS Energy full year contribution
 - Central Hudson new rates July 1, 2015
 - Waneta generating station online early April
 - FortisAlberta growth

Significant Organic Growth

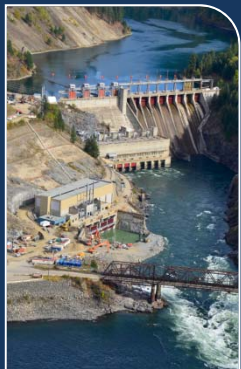
5-year horizon 2015 - 2019

- Capex over \$9 billion, including \$2.2 billion in 2015
- Potential LNG projects
 - Tilbury Phase 1B expansion
 - Pipeline expansion to Woodfibre LNG site
- Rate base CAGR
 - $\approx 6.5\%$
 - Including potential LNG projects $\approx 7.5\%$

Focused and Well Positioned

- **Fortis has successfully navigated a period of transformative change**
 - Expansion into US regulated utility market
 - Waneta generating station online
 - Sale of non-core assets
- **Near term focus**
 - Execute capital expenditure program
 - Navigate significant regulatory proceedings
 - Progress LNG opportunities
 - Complete sale of hotel portfolio
- **Post hotel sale, virtually all assets will be regulated utilities or long-term contracted energy infrastructure**
- **Well positioned for 2015 and beyond**

Financial & Regulatory Update



Karl Smith

Executive VP, Chief Financial Officer

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Earnings

(\$M, except as noted)	Q2		
	2015	2014	Change
Basic Earnings per Common Share	\$0.88	\$0.22	\$0.66
Net Earnings to Common Equity Shareholders	244	47	197
Adjusting Items:			
Net gain regarding divestiture of non-core assets	(123)	-	(123)
UNS Energy acquisition-related costs	-	14	(14)
F/X loss Belize Electricity	1	4	(3)
FortisAlberta capital tracker true-up	1	-	1
Adjusted Net Earnings to Common Equity Shareholders	123	65	58
Adjusted Basic Earnings per Common Share	\$0.44	\$0.30	\$0.14

Financing

- **Net proceeds from sales of non-core assets**
 - Repay credit facility borrowings
 - Completes financing of UNS Energy acquisition
- **Over \$200 million of long-term debt issued in Q2 2015**
- **US\$180 million equity injection into TEP**
 - TEP pro forma equity thickness nearly 50%

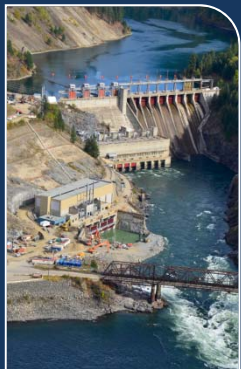
Liquidity

- **Q2 2015 operating cash flow increased 46% to \$468 million**
- **Low debt maturity profile**
- **Unutilized committed credit facilities \$2 billion**
- **Strong access to capital. Investment-grade credit ratings**
- **Consolidated capital structure 36% common, 9% preferred, 55% debt**

Regulatory

- **Central Hudson**
 - 3-year rate plan commenced July 1, 2015
 - Reforming the Energy Vision proceeding
- **FortisAlberta**
 - Capital Tracker application 2016/2017
 - Generic Cost of Capital proceeding 2016/2017
- **FortisBC Energy to file application to review 2016 benchmark ROE and common equity thickness**
- **NL Power to file general rate application to set 2016 rates**
- **TEP to file general rate application to set 2017 rates**

Q&A



Leader in Electric and Gas Utilities in North America

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