



FOR IMMEDIATE RELEASE:

St. John's, NL (March 26, 2014):

**FORTIS INC. ACQUISITION OF UNS ENERGY CORPORATION
APPROVED BY SHAREHOLDERS**

The Fortis Inc. ("Fortis" or the "Corporation") (TSX:FTS) acquisition of UNS Energy Corporation ("UNS Energy") (NYSE:UNS), announced in December 2013, has been approved by UNS Energy shareholders, with approximately 97% of shares cast voted in favour of the acquisition. At a Special Meeting of Shareholders held in Tucson, Arizona earlier today, UNS Energy shareholders approved the adoption of the merger agreement under which Fortis will acquire UNS Energy for US\$60.25 per common share in cash, for an aggregate purchase price of approximately US\$4.3 billion, including the assumption of approximately US\$1.8 billion of debt on closing.

UNS Energy is a vertically integrated utility services holding company, headquartered in Tucson, Arizona, engaged through three subsidiaries in the regulated electric generation and energy delivery business, primarily in the State of Arizona, serving approximately 656,000 electricity and gas customers.

The closing of the acquisition of UNS Energy, which is expected to occur by the end of 2014, is subject to receipt of certain regulatory and government approvals, including approval by the Arizona Corporation Commission ("ACC") and the U.S. Federal Energy Regulatory Commission. On January 24, 2014, Fortis and UNS Energy filed a joint application with the ACC seeking approval of the acquisition. On January 28, 2014, the ACC administrative law judge ("ALJ") assigned to this matter issued a procedural order adopting the schedule to be followed, including the commencement of an ALJ Hearing on June 16, 2014.

"The UNS Energy acquisition is expected to contribute to earnings per share growth in 2015 and future years. It is also expected to add US\$1.5 billion to our capital program between 2015 and 2018," says Stan Marshall, President and Chief Executive Officer of Fortis Inc. "We look forward to UNS Energy becoming part of the Fortis family," he concludes.

Fortis is the largest investor-owned gas and electric distribution utility in Canada with total assets of approximately \$18 billion and fiscal 2013 revenue exceeding \$4 billion. Its regulated utilities account for 90% of total assets and serve more than 2.4 million 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 investment is comprised of hotels and commercial real estate in Canada.

Fortis includes forward-looking information in this material 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 acquisition and the expected timing and benefits thereof, 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. Although Fortis believes that the forward-looking 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, including the ability to obtain regulatory and other approvals and to satisfy conditions to closing and the ability to realize the expected benefits of the acquisition of UNS Energy. 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 Corporation’s annual and quarterly Management Discussion and Analysis. 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.

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