



FOR IMMEDIATE RELEASE:

St. John's, NL (June 19, 2012):

**FORTIS INC. ACQUISITION OF CH ENERGY GROUP, INC.
APPROVED BY SHAREHOLDERS**

The Fortis Inc. (“Fortis” or the “Corporation”) (TSX:FIS) acquisition of CH Energy Group, Inc. (“CH Energy Group”) (NYSE:CHG) has been approved by CH Energy Group shareholders, with 92% of shares cast voted in favour of the acquisition. At a Special Meeting of Shareholders held in Poughkeepsie, New York, earlier today, CH Energy Group shareholders approved the adoption of the merger agreement under which Fortis will acquire CH Energy Group for US\$65.00 per common share in cash, for an aggregate purchase price of approximately US\$1.5 billion, including the assumption of approximately US\$500 million of debt (the “Acquisition”).

The Acquisition is subject to certain regulatory and other approvals and is expected to close by the end of the first quarter of 2013. In April 2012, Fortis and Central Hudson Gas & Electric Corporation (“Central Hudson”) filed a joint petition with each of the New York State Public Service Commission and the Federal Energy Regulatory Commission to launch the regulatory review for approval of the Acquisition.

About Fortis: Fortis is the largest investor-owned distribution utility in Canada, with total assets of more than \$14 billion and fiscal 2011 revenue totalling approximately \$3.7 billion. The Corporation serves more than 2,000,000 gas and electricity customers. Its regulated holdings include electric distribution utilities in five Canadian provinces and two Caribbean countries and a natural gas utility in British Columbia, Canada. Fortis owns and operates non-regulated generation assets across Canada and in Belize and Upstate New York. The Corporation also owns hotels and commercial office and retail space in Canada.

About CH Energy Group: CH Energy Group is predominantly an energy delivery company headquartered in Poughkeepsie, New York. Regulated transmission and distribution subsidiary Central Hudson, which accounted for approximately 97% of CH Energy Group’s net income in 2011, serves approximately 300,000 electric and 75,000 natural gas customers in eight counties of New York State’s Mid-Hudson River Valley.

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 CH Energy Group. 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 and the "Risk Factors" section of the Annual Information Form. 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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