



St. John's, NL (June 17, 2015):

Central Hudson's Three-Year Rate Plan Approved by State Regulators

The New York State Public Service Commission (the "PSC") today approved a new three-year rate plan (the "Rate Plan") for Central Hudson Gas & Electric Corporation ("Central Hudson"), an indirect, wholly owned subsidiary of Fortis Inc. ("Fortis" or the "Corporation") (TSX:FTS), providing for critical system investments and customer service programs to meet the energy needs of the Mid-Hudson Valley.

Covering the period July 1, 2015 through June 30, 2018, the Rate Plan takes effect following a two-year rate freeze that was agreed to as part of the utility's acquisition by Fortis. The allowed rate of return on equity ("ROE") under the Rate Plan is reduced from 10% to 9% and the utility's equity thickness remains at 48%. Sharing mechanisms with customers are also in effect should the actual ROE be higher.

The Rate Plan includes capital investments of approximately US\$490 million during the three-year period targeted at making the electric and natural gas systems stronger, smarter and better. Customers will now benefit from smart-grid investments in the electric distribution system that will utilize new technologies to increase automation, enhance the integration of distributed and renewable generation and improve grid efficiency. Natural gas system investments will include replacement of cast iron and bare steel gas mains on an accelerated basis in order to enhance safety and better protect the environment. Other investments include storm hardening, replacement of aging infrastructure and enhanced security measures for utility facilities.

The innovative programs included in Central Hudson's original proposal in support of the PSC's Reforming the Energy Vision ("REV") proceedings are under a separate review by regulators. A collaborative of stakeholders representing broad interests was formed to examine potential demonstration projects in support of REV, and a report detailing proposed projects was submitted by Central Hudson on May 1, 2015. Central Hudson's proposed non-wires alternatives project for targeted demand response, however, was approved as part of the Rate Plan.

For more information on the Rate Plan and demonstration projects in support of REV, visit the PSC website at <http://www.dps.ny.gov>.

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 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. 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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