



FOR IMMEDIATE RELEASE:

St. John's, NL (May 21, 2014):

**Fortis Inc. and UNS Energy Corporation Transaction Review Completed
by the Committee on Foreign Investment in the United States**

Fortis Inc. (“Fortis”) (TSX:FTS) and UNS Energy Corporation (“UNS Energy”) (NYSE:UNS) have been advised that the Committee on Foreign Investment in the United States (“CFIUS”) has completed its review of the proposed acquisition of UNS Energy by Fortis. CFIUS has determined that there are no unresolved national security concerns with respect to the transaction and that action under Section 721 of the Defense Production Act of 1950, as amended, is concluded with respect to this transaction. The CFIUS review concluded on May 20, 2014.

Completion of the proposed merger (“Merger”), in which UNS Energy would become an indirect wholly owned subsidiary of Fortis, is subject to the following remaining processes: the approval of the Arizona Corporation Commission (“ACC”); the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; and the satisfaction of other customary closing conditions.

As previously reported, on May 16, 2014, UNS Energy, Fortis, ACC Staff, the Residential Utility Consumer Office and other parties to the Merger proceedings entered into a settlement (“Settlement”) in which the parties agree that the Merger is in the public interest, and recommend approval by the ACC, subject to certain conditions. The Settlement is subject to the review and approval of the ACC, which could approve, reject or require modifications to the Settlement as a condition of approval. ACC approval of the Merger must be obtained before the Merger can be completed.

Fortis and UNS Energy expect the Merger to close by the end of 2014.

About UNS Energy

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 657,000 electricity and gas customers.

About Fortis

Fortis is the largest investor-owned distribution utility in Canada, with total assets of approximately \$18.6 billion and fiscal 2013 revenue exceeding \$4 billion. Its regulated utilities account for approximately 90% of total assets and serve approximately 2.5 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.

For more information, visit www.fortisinc.com or www.sedar.com.

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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