



Q1 2017 Investor
Marketing Presentation

Forward-Looking Statement



Fortis Inc. (“Fortis” or, the “Corporation”) includes forward-looking statements in this presentation within the meaning of applicable securities laws including the Private Securities Litigation Reform Act of 1995. Forward-looking statements included in this presentation reflect expectations of Fortis management regarding future growth, results of operations, performance, business prospects and opportunities. Wherever possible, words such as “anticipates”, “believes”, “budgets”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “projects”, “schedule”, “should”, “target”, “will”, “would” and the negative of these terms and other similar terminology or expressions have been used to identify the forward-looking statements, which include, without limitation: individuals to be nominated to the Board of Directors of the Corporation; the Corporation’s forecast consolidated and segmented midyear rate base through 2021; the expectation that the acquisition of ITC Holdings will be accretive to earnings per share in 2017; target average annual dividend growth through 2021; the Corporation’s forecast consolidated and segmented capital expenditures through 2021; the expected timing of filing of regulatory applications and receipt and outcome of regulatory decisions; the nature, timing and expected costs of certain capital projects including, without limitation, the Woodfibre LNG facility, the Lake Erie Connector Project and the Wataynikaneyap Project; and the potential impact of U.S. tax reform on the Corporation’s earnings.

Forward-looking statements involve significant risk, uncertainties and assumptions. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally, including those identified from time-to-time in the forward-looking statements. Such risk factors or assumptions include, but are not limited to: uncertainty regarding the outcome of regulatory proceedings of the Corporation’s utilities and the expectation of regulatory stability; no significant changes in laws and regulations that may materially negatively affect the Corporation and its subsidiaries; no significant decline in capital spending; sufficient liquidity and capital resources; no material capital project and financing cost overrun related to any of the Corporation’s capital projects; sufficient human resources to deliver service and execute the capital program; risk associated with the impact of less favorable economic conditions on the Corporation’s results of operations; currency exchange rates and resolution of pending litigation matters. Fortis cautions readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and undue reliance should not be placed on the forward-looking statements. For additional information with respect to certain of these risks or factors, reference should be made to the continuous disclosure materials filed from time to time by Fortis with Canadian securities regulatory authorities and the Securities and Exchange Commission. Fortis disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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

Fortis Today

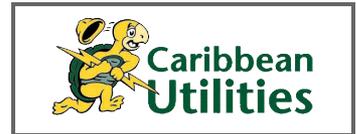
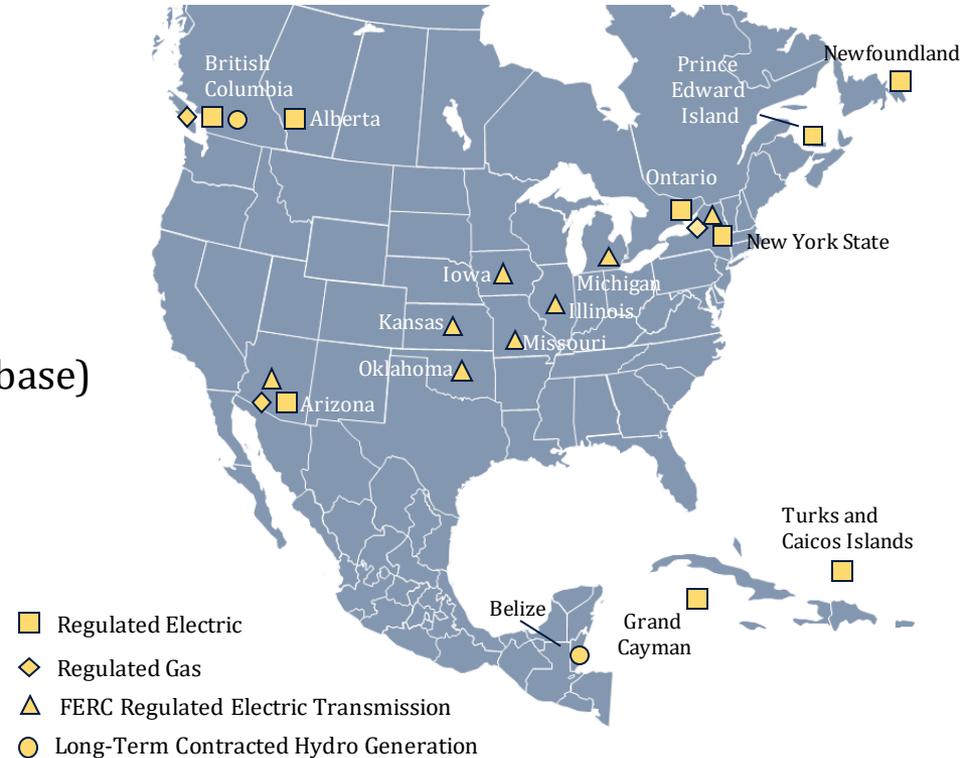
- Leader in the North American regulated electric and gas utility business
 - ITC provides strong platform in electric transmission sector
 - Successful utility acquisition track record
 - Tremendous economic, geographic and regulatory diversity
 - Regulatory outcomes provide stability for near term
 - Visible growth provided by base 5-year capital program
 - Pursuing several additional energy infrastructure opportunities
 - Record dividend growth and superior long-term returns to shareholders
-



A Leader in North American Utility Industry



- Regulated utilities
 - 9 U.S. states
 - 5 Canadian provinces
 - 3 Caribbean countries
- ~8,400 employees
- 2017F midyear rate base ~\$26B
- ~30% of rate base regulated by FERC (ITC rate base)
- Market cap \$18.1B¹
- Listed on TSX/ NYSE



(1) Market capitalization as of March 24, 2017.

Fortis Delivers Strong Results in 2016

Transformative Acquisition Completed

- ✓ Closed the acquisition of ITC in a transaction valued at ~\$16 billion on closing
- ✓ Listed on New York Stock Exchange

Strong Earnings and Cash Flow

- ✓ 18% and 8% increase in adjusted EPS for Q4 and 2016, respectively, excluding ITC
- ✓ Cash flow from operations 13% higher than 2015

Execution of Growth Strategy

- ✓ Invested \$2.1 billion in 2016
- ✓ Major capital projects progressing
- ✓ Pursuing additional opportunities in service territories

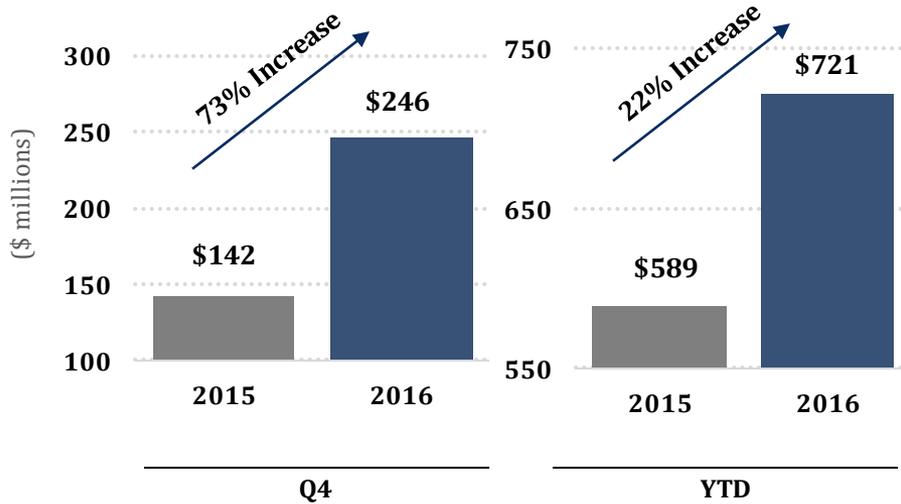
Progress in Regulatory Proceedings

- ✓ Constructive outcomes at FortisBC, FortisAlberta, TEP & ITC in 2016

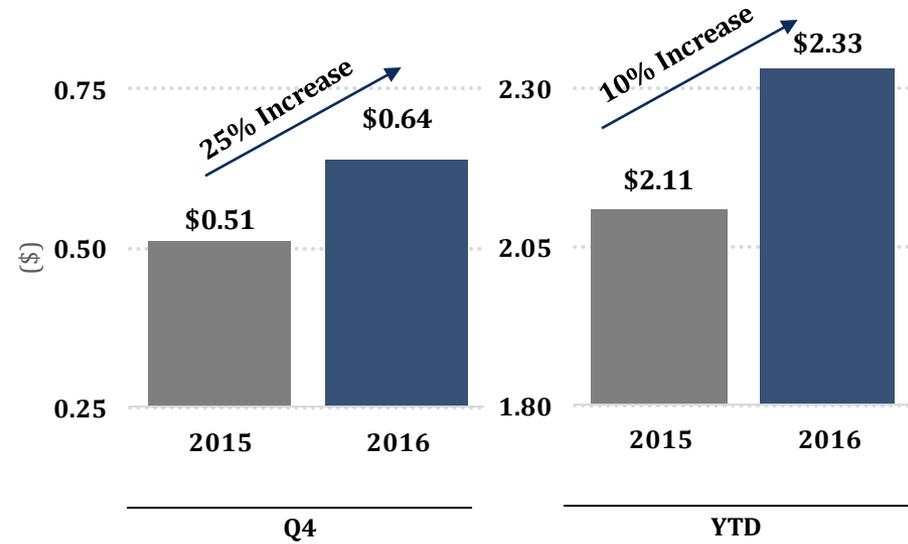
Diversified Portfolio of Utilities Continues to Deliver Strong Performance



Adjusted Earnings



Adjusted EPS



ITC Accretive to EPS with Integration on Track

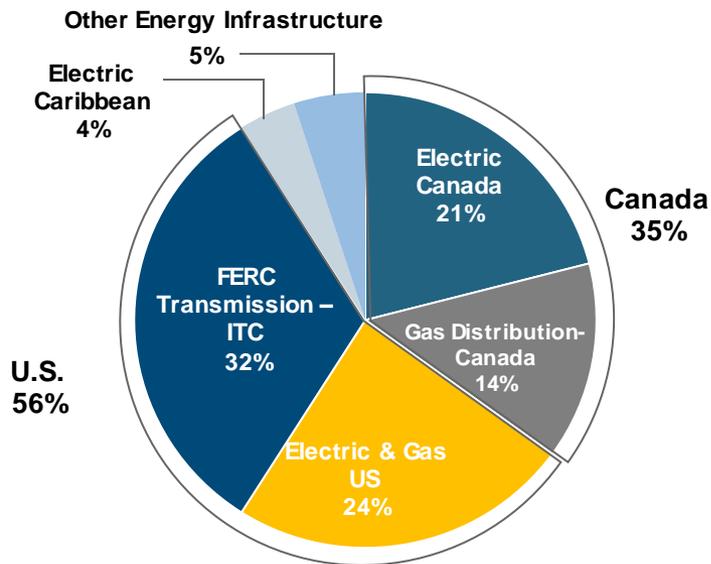
- ITC Immediately Accretive to EPS in 2016 ⁽¹⁾
- Integration On Track
 - Minimal impact on day-to-day operations at ITC
 - ITC's new board of directors formed
 - Linda Blair appointed President and CEO of ITC during Q4 2016
 - Joe Welch to be nominated for Fortis' board of directors in 2017



*We remain confident that the transaction
will be nicely accretive to EPS in 2017*

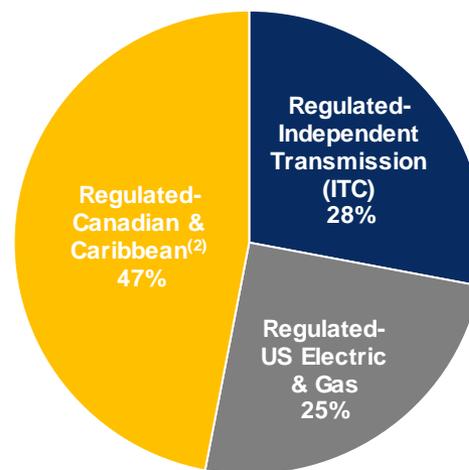
Pro Forma Operating Earnings ⁽¹⁾

For the Twelve Months
Ended December 31, 2016



Fortis 2017 Midyear Rate Base⁽²⁾

~\$26 Billion
Generation represents ~14% of rate base

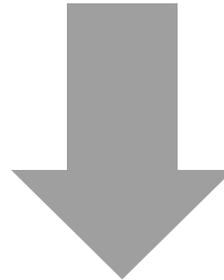


(1) Excluding ITC's one-time merger-related expenses, "Corporate and Other" segments and intercompany eliminations.

(2) Includes 100% of the Waneta Hydroelectric Expansion of which Fortis has a 51% controlling ownership interest.

Strategy

Leverage the operating model, footprint of our utilities, operating expertise, reputation and financial strength to develop growth opportunities



Strategic Initiatives

Execute
Utility CAPEX
Plan

Target
Additional
Energy
Infrastructure

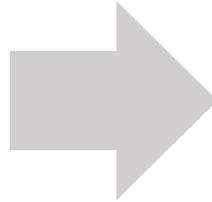
Increase
Renewables

Enhance
Customer &
Regulatory
Relationships

Unlock LNG
Value

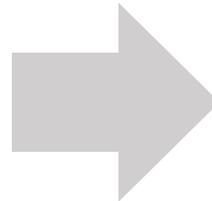
Utility
Acquisitions

*SUBSTANTIALLY
AUTONOMOUS*
Operating Companies



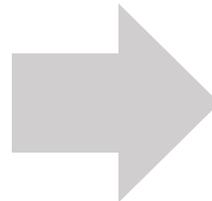
Local teams empowered to maximize the value of utility operations

LEAN and EFFICIENT
Corporate Model



Small management group able to focus and execute on opportunities quickly

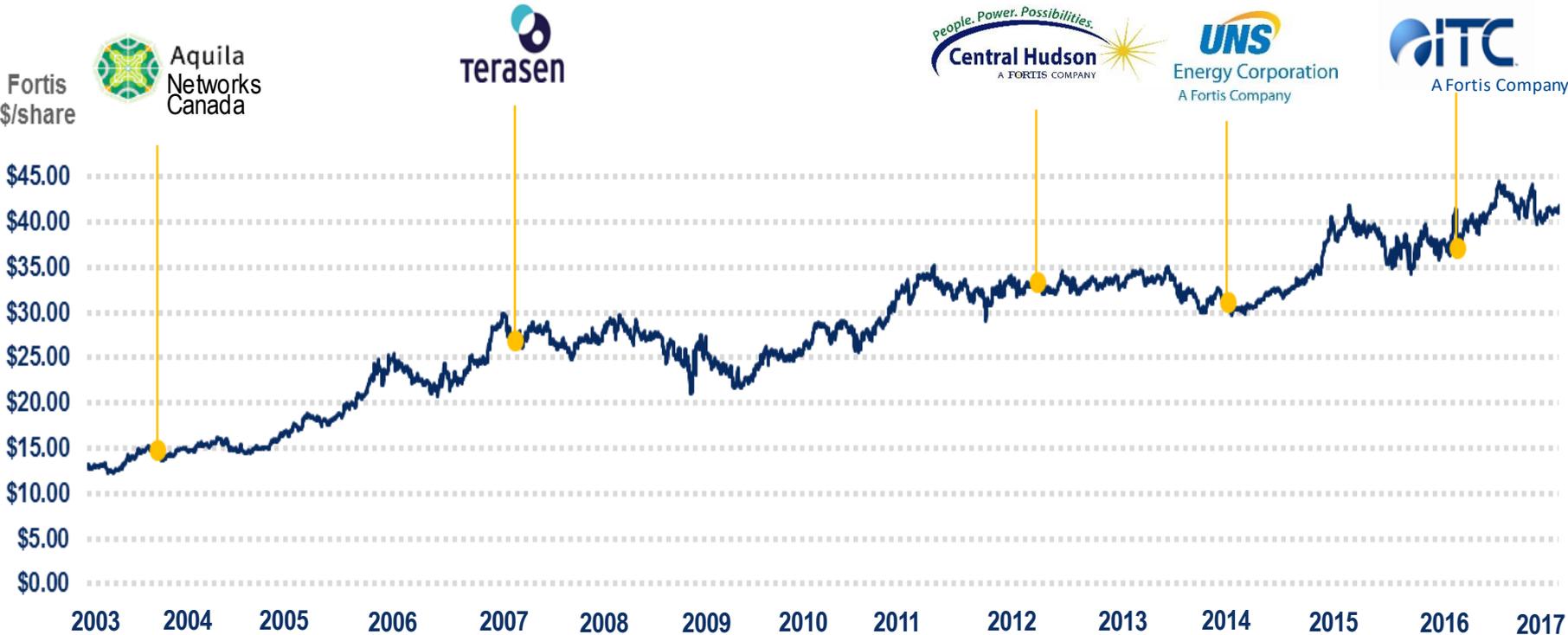
ADAPTABLE
Operating Model



From a set of independent operations to leveraging the expertise and competencies across businesses

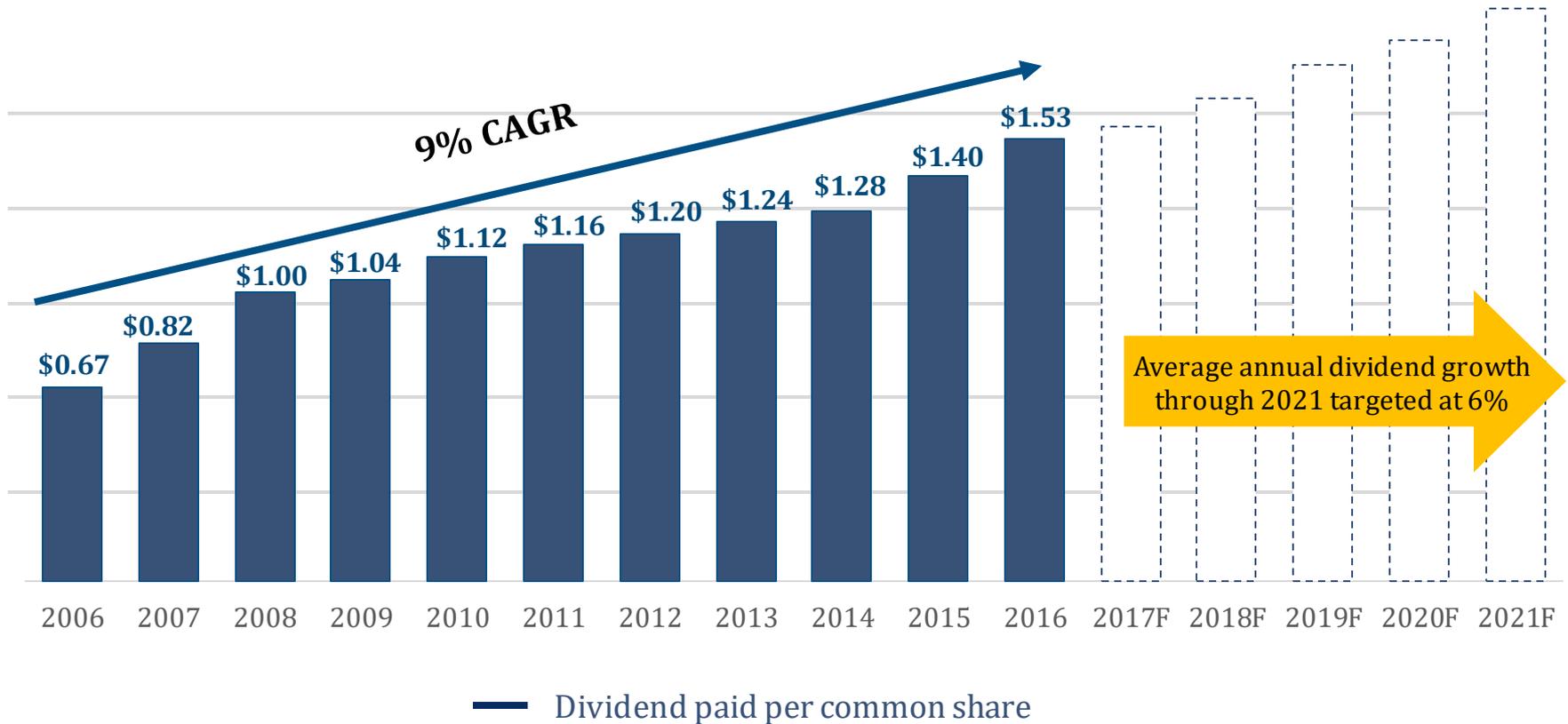
Proven Acquisition Track Record

Accelerating growth through strategic utility acquisitions



Note: Indicates date of announcement by Fortis that it had entered into an agreement to acquire the respective utilities.

Reiterating Average Annual Dividend Growth Target of 6% through 2021



Confident with capital plan and associated rate base growth which supports dividend guidance

Average annualized total shareholder return over last 5 years⁽¹⁾

Fortis	9.28%
S&P/TSX Composite Index	7.19%
S&P/TSX Capped Utilities Index	5.35%

(1) For the 5-year period ending February 28, 2017.

Continued Regulatory Stability

Summary of Recent Regulatory Outcomes

Regulated Utility	Application/Proceeding	Outcome	Agreement/Decision Timing
ITC	Initial MISO Base ROE Complaint	– 10.32% base ROE with a high-end zone of reasonableness of 11.35%	September 2016
FortisBC Energy	2016 Application: ROE and Common Equity Thickness	– Maintained ROE at 8.75% and common equity thickness of 38.5%	August 2016
FortisAlberta	2016/2017 Generic Cost of Capital Proceeding (GCOC)	– ROE maintained for 2016 at 8.30% and increasing to 8.50% for 2017. Common equity thickness reduced from 40% to 37% for 2016 and 2017	October 2016
TEP	2017 General Rate Application (GRA)	– Decision issued approving settlement agreement on revenue requirement – 9.75% ROE and common equity thickness of 50%	February 2017

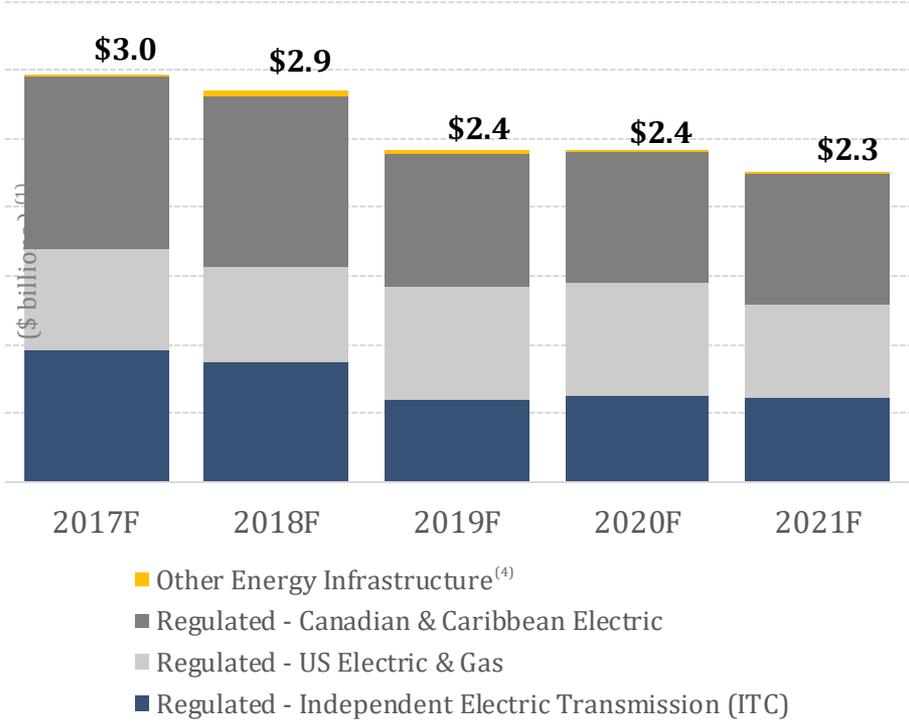
Remaining Significant Regulatory Decisions

Regulated Utility	Application/Proceeding	Filing Date	Expected Decision
ITC	Second MISO Base ROE Complaint	Not applicable	2017

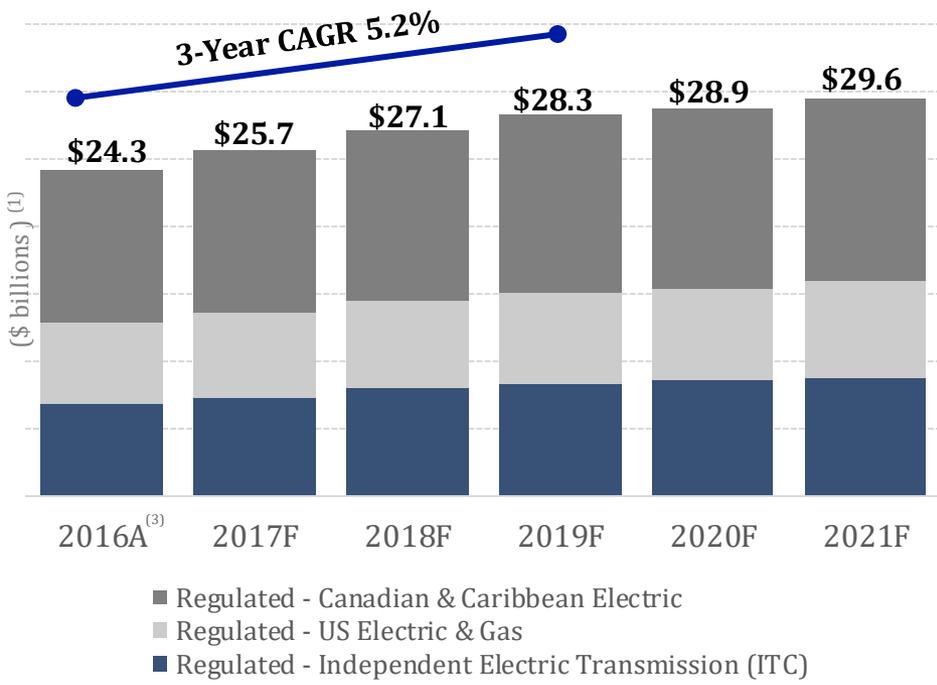
Capital Plan Grows Rate Base to \$30 Billion in 2021



~\$13B Five-Year Capital Program



2016 - 2021 Midyear Rate Base⁽²⁾

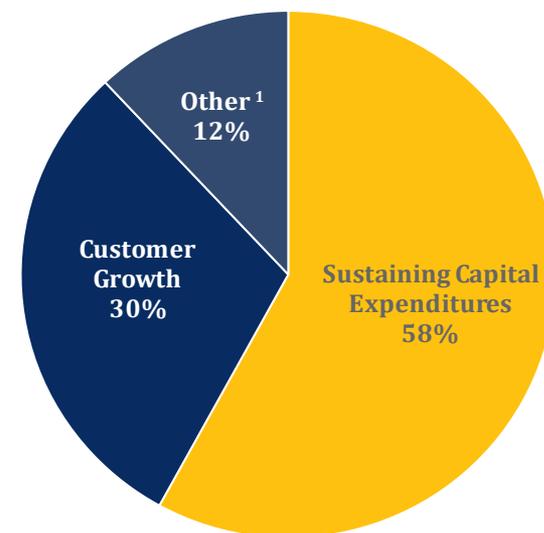


(1) US Dollar denominated CAPEX converted at a USD/CAD exchange rate of 1.30 for 2017 through 2021.
 (2) Includes the impact of bonus depreciation and excludes construction work in progress.
 (3) Reflects actual midyear 2016 rate base compared to previous forecast of \$24.2 billion.
 (4) Includes 100% of the Waneta Expansion, of which Fortis has a 51% controlling ownership interest.

2017-2021 Five Year Forecast by Segment

2017 Capital Forecast	(\$millions)
Regulated-Independent Transmission (ITC)	
ITC	958
Regulated-US Electric & Gas	
UNS Energy	520
Central Hudson	222
Regulated-Canadian & Caribbean	
FortisBC Gas	467
FortisAlberta	419
FortisBC Electric	111
Eastern Canadian	153
Caribbean	99
Other Energy Infrastructure	18
Total Capital	2,967

5-Year Capital Forecast Spending



<i>\$millions</i>	2017	2018	2019	2020	2021
Regulated – Independent Transmission (ITC)	\$ 958	\$872	\$590	\$619	\$616
Regulated – US Electric & Gas	742	693	830	825	671
Regulated – Canadian & Caribbean	1,249	1,244	970	955	958
Other Energy Infrastructure	18	50	27	8	8
Total Capital Expenditures	\$2,967	\$2,859	\$2,417	\$2,407	\$2,253

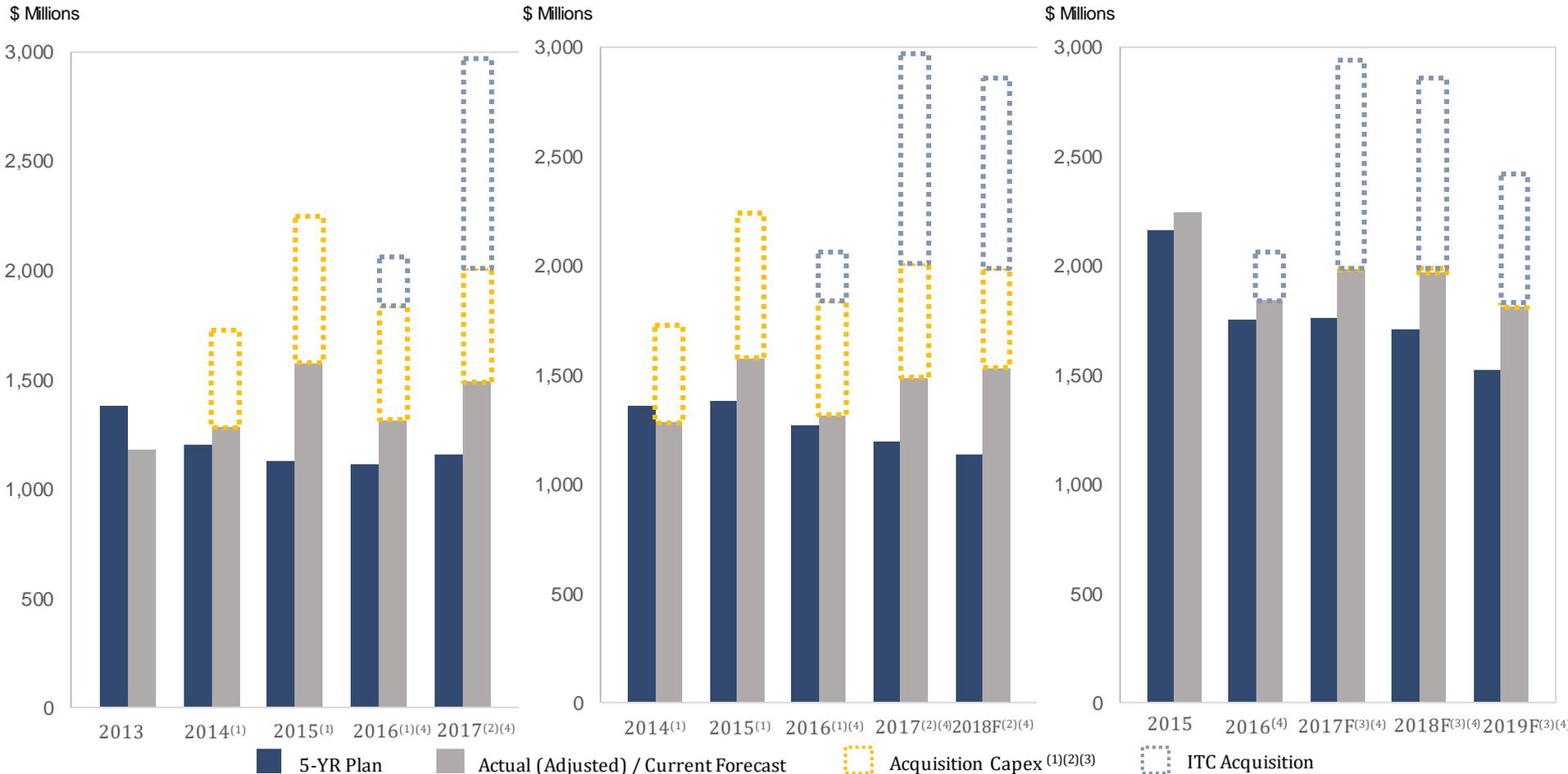
(1) Includes facilities, equipment, vehicles, information technology and other assets.

Capital Expenditures Exceeding Expectations

2013-2017 Business Plan Capex

2014-2018 Business Plan Capex

2015-2019 Business Plan Capex



(1) Acquisition capex relates to UNS Energy acquired in August 2014.
 (2) Acquisition capex relates to UNS Energy acquired in August 2014 and capex from Aitken Creek effective April 1, 2016.
 (3) Acquisition capex relates to Aitken Creek effective April 1, 2016.
 (4) ITC acquisition capex relates to capex contribution from ITC following acquisition in October 2016.

Opportunities Beyond Base Plan





- Potential pipeline expansion to the Woodfibre LNG export site
- Earliest expected in service date is late 2020
- Project estimate of up to \$600 million, not currently in forecast



- Proposed 1,000 MW, bi-directional, high-voltage direct current transmission line connecting the Ontario energy grid to the PJM energy market
- Expected in-service date of late 2020, subject to meeting milestones



- Opportunity to connect remote First Nations communities in Northern Ontario to clean electricity
- The agreement with Renewable Energy Systems Canada to acquire its ownership interest in the Wataynikaneyap Partnership is subject to approval by the OEB and is expected to close in the first quarter of 2017



Key Assumptions in Fortis Sensitivity Analysis

Corporate Tax Rate	Stress tested corporate tax rates at 20% and assumed remeasurement of existing deferred tax liabilities would be offset by a regulatory deferral mechanism
100% Deductibility of Capital Investments	Assumes deductibility is required rather than a discretionary election
Interest Expense Deductibility	Loss of interest deductibility only applies to prospective debt

Key Takeaways

A slight negative impact to earnings. This assumes no mitigating factors like additional capital investments or improved economic conditions.

Not material to Fortis and does not change our strategy going forward.

- Highly diversified; regulated utility, focused on wires and gas businesses
- Highly executable base capital plan
- Regulatory stability
- Consistent dividend growth
 - 43 years of consecutive dividend increases
 - 6% average annual dividend growth guidance through 2021
- Strong M&A track record & upside growth potential
 - Integrate ITC
 - Pursue additional growth opportunities
- Track record of superior shareholder returns



The logo for Fortis Inc. features the word "FORTIS" in a bold, blue, sans-serif font. The letter "O" is replaced by a stylized yellow and orange wave icon. To the right of "FORTIS" is the word "INC." in a smaller, blue, sans-serif font.

FORTIS INC.

Appendix

Q4 Results by Segment

Q4 Variance Analysis By Segment

<i>(Millions excluding EPS)</i>	Q4 2016	Adjustments	Q4 2016 (Adjusted)	Q4 2015	Adjustments	Q4 2015 (Adjusted)	Q4 (Adjusted) Variance
Regulated- Independent Electric Transmission (ITC)							
ITC Holdings	59	22	81	-	-	-	81
Regulated - US Electric & Gas							
UNS Energy	29	-	29	26	-	26	3
Central Hudson	20	-	20	15	-	15	5
	49	-	49	41	-	41	8
Regulated Canadian & Caribbean Electric							
FortisBC Gas	70	-	70	65	-	65	5
FortisAlberta	30	-	30	29	-	29	1
FortisBC Electric	13	-	13	8	-	8	5
Eastern Canadian	16	-	16	15	-	15	1
Caribbean	12	-	12	9	-	9	3
	141	-	141	126	-	126	15
Non-Utility (Fortis Properties)	-	-	-	1	-	1	(1)
Other Energy Infrastructure	15	3	18	11	-	11	7
Corporate and Other	(75)	32	(43)	(44)	7	(37)	(6)
Net Earnings	\$ 189	\$ 57	\$ 246	\$ 135	\$ 7	\$ 142	\$ 104
Weighted Avg Shares	384.6		384.6	280.7		280.7	103.9
EPS	\$ 0.49		\$ 0.64	\$ 0.48		\$ 0.51	\$ 0.13

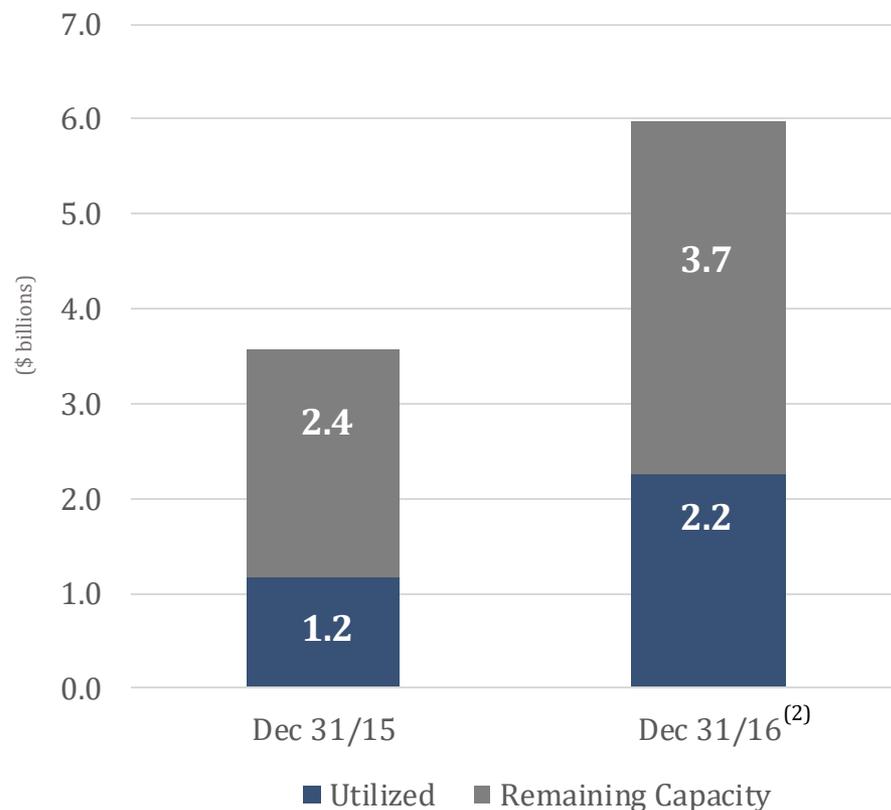
Full Year Results by Segment

Annual Variance Analysis By Segment							
<i>(Millions excluding EPS)</i>	Annual 2016	Adjustments	Annual 2016 (Adjusted)	Annual 2015	Adjustments	Annual 2015 (Adjusted)	Annual (Adjusted) Variance
Regulated- Independent Electric Transmission (ITC)							
ITC Holdings	59	22	81	-	-	-	81
Regulated - US Electric & Gas							
UNS Energy	199	18	217	195	-	195	22
Central Hudson	70	-	70	58	-	58	12
	<u>269</u>	<u>18</u>	<u>287</u>	<u>253</u>	<u>-</u>	<u>253</u>	<u>34</u>
Regulated Canadian & Caribbean Electric							
FortisBC Gas	151	-	151	140	-	140	11
FortisAlberta	121	-	121	138	(9)	129	-8
FortisBC Electric	54	-	54	50	-	50	4
Eastern Canadian	64	-	64	62	-	62	2
Caribbean	46	-	46	34	-	34	12
	<u>436</u>	<u>-</u>	<u>436</u>	<u>424</u>	<u>(9)</u>	<u>415</u>	<u>21</u>
Non-Utility (Fortis Properties)	-	-	-	114	(101)	13	(13)
Other Energy Infrastructure	60	6	66	77	(32)	45	21
Corporate and Other	(239)	90	(149)	(140)	3	(137)	(12)
Net Earnings	\$ 585	\$ 136	\$ 721	\$ 728	\$ (139)	\$ 589	\$ 132
Weighted Avg Shares	308.9		308.9	278.6		278.6	30.3
EPS	\$ 1.89		\$ 2.33	\$ 2.61		\$ 2.11	\$ 0.22

Credit Ratings⁽¹⁾

Fortis Inc.	
S&P	A- / BBB+
DBRS	BBB (high)
Moody's	Baa3

Credit Facilities



(1) In October 2016, following the completion of the acquisition of ITC, DBRS revised the Corporation's unsecured debt credit rating to BBB (high) from A (low) and revised its outlook to stable from under review with negative implications, and S&P affirmed the Corporation's long-term corporate and unsecured debt credit ratings. In September 2016, Moody's assigned to Fortis, with a stable outlook, a Baa3 issuer and Baa3 senior unsecured debt credit ratings.

(2) Includes \$500 million of non-revolving senior unsecured equity bridge credit facility used to finance a portion of the cash purchase price of ITC.

Utility Debt Credit Ratings

Company	S&P	DBRS	Moody's
Tucson Electric Power	BBB+	n/a	A3
Central Hudson	A-	n/a	A2
FortisBC (Gas)	n/a	A	A3
FortisAlberta	A-	A (low)	n/a
FortisBC (Electric)	n/a	A (low)	Baa1
Newfoundland Power	n/a	A	A2
ITCTransmission	A	n/a	A1
Michigan Electric Transmission Company (METC)	A	n/a	A1
ITC Midwest	A	n/a	A1
ITC Great Plains	A	n/a	A1

Operational Highlights



Regulated

UTILITY	(as at December 31, 2016)				2016				2017F		
	Customers			Total Assets (\$B)	Peak Demand		Volumes Gas (PJ)	Sales Electric (GWh)	Operating Earnings (\$M)	Midyear Rate Base (\$B)	Capital Program (\$M)
	Electric (#)	Gas (#)	Employees (#)		Gas (TJ)	Electric (MW)					
ITC ⁽¹⁾	N/A	-	660	18.0	-	23,231	-	N/A	59	7.3	958
UNS Energy	515,000	154,000	2,023	8.9	103	3,386	13	14,387	199	4.7	520
Central Hudson	300,000	79,000	992	3.2	149	1,088	24	5,112	70	1.6	222
FortisBC	170,000	994,000	2,134	8.4	1,334	712	197	3,119	205	5.4	578
FortisAlberta	549,000	-	1,132	4.1	-	2,581	-	16,788	121	3.2	419
Eastern Canadian	408,000	-	1,011	2.4	-	1,880	-	8,374	64	1.7	153
Caribbean Electric ⁽²⁾	44,000	-	372	1.3	-	143	-	837	46	1.0	99
Total Regulated	1,986,000	1,227,000	8,324	46.3	1,586	33,021	234	48,617	764	24.9	2,949

⁽¹⁾ Financial results for 2016 are from date of acquisition. Highlights represent 100% of ITC except for earnings which represent the Corporation's 80.1% controlling ownership interest in ITC.

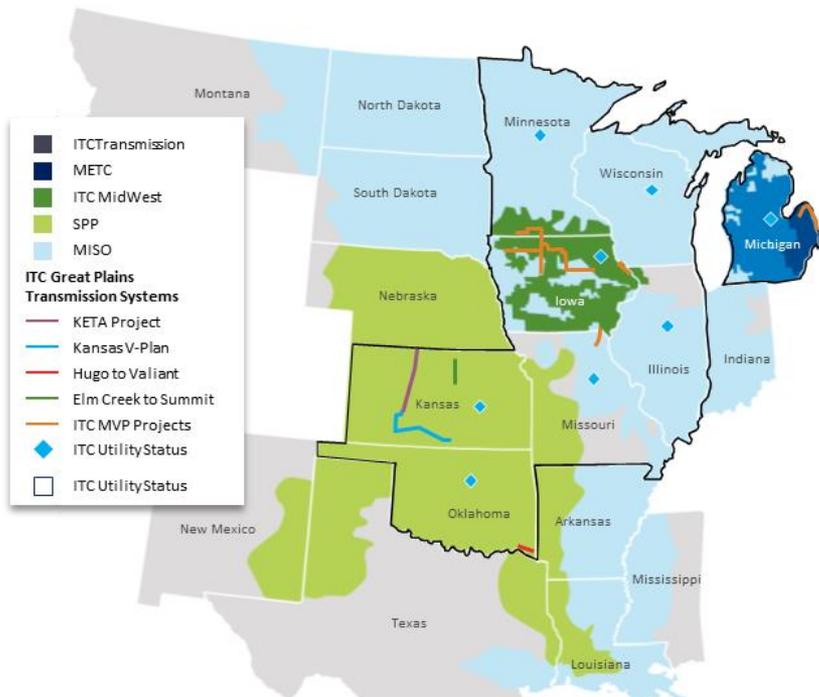
⁽²⁾ Includes 100% of Caribbean Utilities' operations except for earnings, which represent Caribbean Utilities' contribution to consolidated earnings of Fortis based on the Corporation's approximate 60% ownership interest.

Energy Infrastructure

	(as at December 31, 2016)			2016		2017F
	Generating Capacity (MW)	Storage Capacity (BCF)	Total Assets (\$B)	Energy Sales (GWh)	Operating Earnings (\$M)	Capital Program (\$M)
Energy Infrastructure	391	77	1.5	901	60	18

ITC Holdings Corp. overview

Largest US independent transmission company



ITC Holdings Corp.	
Type of utility	Transmission
Regulator	FERC
Regulatory model	Independent Transmission Company
2017 formula	10.32-11.35% ROE on 60% equity
2016 Assets % of total regulated assets⁽¹⁾	39%
2016 Pro Forma Earnings⁽²⁾ (\$millions)	352
2016 Pro Forma Earnings % of total regulated operating earnings	33%

(1) Includes goodwill.

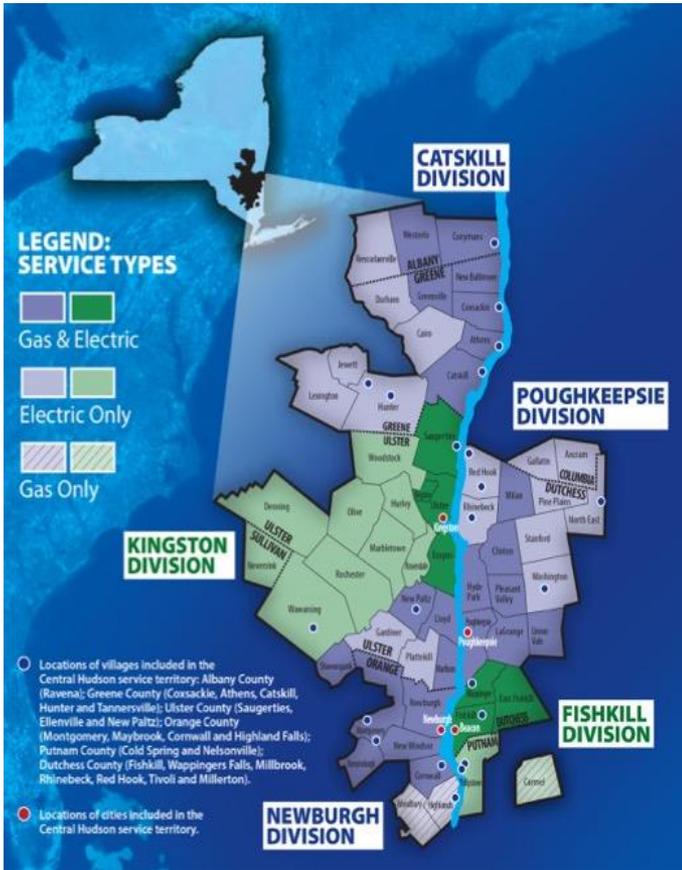
(2) Assumes full year of earnings converted at a USD/CAD exchange rate of 1.33, represents the Corporation's 80.1% controlling interest in ITC, excludes one-time merger-related expenses and includes consolidated purchase price accounting adjustments. Earnings from October 14, 2016, the date of acquisition were \$59 million.



- TEP Service Territory
- UNS Gas Service Territory
- UNS Electric Service Territory
- Shared UNS Gas and UNS Electric Service Territory

	Tucson Electric	UNS Electric	UNS Gas
Type of utility	Electricity	Electricity	Gas distribution
Regulator	Arizona Corporation Commission		
Regulatory model	Cost of service/Historical Test Year		
2017 formula	9.75% ROE on 50% equity	9.5% ROE on 52.83% equity	9.75% ROE on 50.8% equity
2016 Assets % of total regulated assets ⁽¹⁾	19%		
2016 Earnings (\$millions)	199		
2016 Pro Forma Earnings % of total regulated operating earnings	19%		

(1) Includes goodwill.



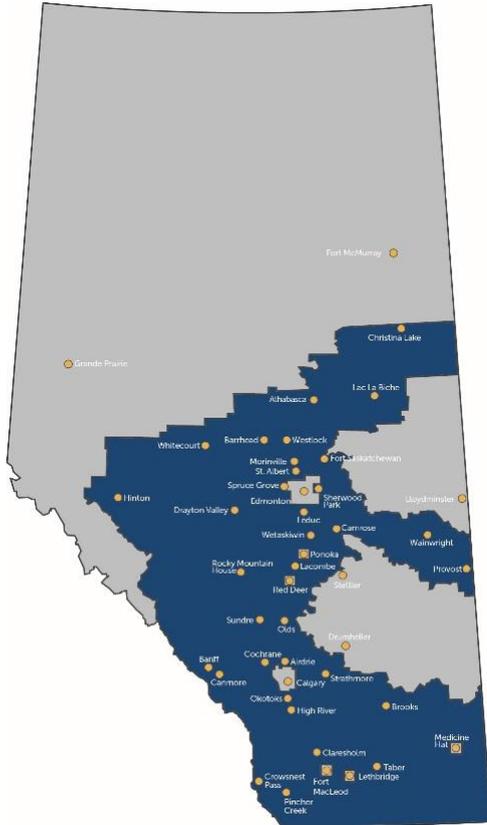
Central Hudson Gas and Electric	
Type of utility	Gas and electricity
Regulator	NY State Public Service Commission
Regulatory model	Cost of service on future test year
2017 formula	9% ROE on 48% equity
2016 Assets % of total regulated assets ⁽¹⁾	7%
2016 Earnings (\$millions)	70
2016 Pro Forma Earnings % of total regulated operating earnings	7%

⁽¹⁾ Includes goodwill.



FortisBC		
Type of utility	Gas distribution	Electricity
Regulator	BC Utilities Commission	BC Utilities Commission
Regulatory model	Cost of service + PBR	Cost of service + PBR
2017 formula	8.75% ROE on 38.5% equity	9.15% ROE on 40.0% equity
2016 Assets % of total regulated assets⁽¹⁾	13%	5%
2016 Earnings (\$millions)	151	54
2016 Pro Forma Earnings % of total regulated operating earnings	14%	5%

⁽¹⁾ Includes goodwill.



FortisAlberta	
Type of utility	Electricity distribution
Regulator	Alberta Utilities Commission
Regulatory model	PBR
2017 formula	8.5% on 37% equity
2016 Assets % of total regulated assets⁽¹⁾	9%
2016 Earnings (\$millions)	121
2016 Pro Forma Earnings % of total regulated operating earnings	11%

(1) Includes goodwill.

	FortisOntario ⁽¹⁾	Maritime Electric	Newfoundland Power
Type of utility	Electricity	Electricity	Electricity
Regulator	Ontario Energy Board	Island Regulatory and Appeals Commission	Newfoundland and Labrador Board of Commissioners of Public Utilities
Regulatory model	Cost of service with incentives	Cost of service on future test year	Cost of service on future test year
2017 formula	8.93% - 9.30% on 40% equity	9.35% ROE on 40% equity	8.50% ROE +/- 50 bp on 45% equity
2016 Assets % of total regulated assets	1%	1%	3%
2016 Earnings (\$millions)	12	12	40
2016 Pro Forma Earnings % of total regulated operating earnings	1%	1%	4%

(1) Includes three electric utilities: Canadian Niagara Power, Cornwall Electric and Algoma Power.

	Caribbean Utilities ⁽¹⁾	Fortis Turks & Caicos
Type of utility	Electricity	Electricity
Regulator	Electricity Regulatory Authority	Government of the Turks and Caicos Islands
Regulatory model	Cost of service with historical test year	Cost of service with historical test year
2017 formula	6.75-8.75% Return on Assets	15-17.50% Return on Assets
2016 Assets % of total regulated assets	2%	1%
2016 Earnings (\$millions)	20	18
2016 Pro Forma Earnings % of total regulated operating earnings	2%	2%

(1) Fortis has an approximate 60% controlling interest in Caribbean Utilities Company, Ltd. Excludes earnings from Fortis' 33% ownership interest totaling \$8 million, or 1% of total regulated operating earnings.

Predictable returns from highly regulated asset base



PBR through 2019
 Allowed 2017 ROE (%): 8.75-9.15
 Allowed Equity in Capital (%): 38.5-40



Historic Test Year
 Allowed 2017 ROE (%): 9.50-9.75
 Allowed Equity in Capital (%): 50-52.8



PBR through 2022
 Allowed 2017 ROE (%): 8.50
 Allowed Equity in Capital (%): 37

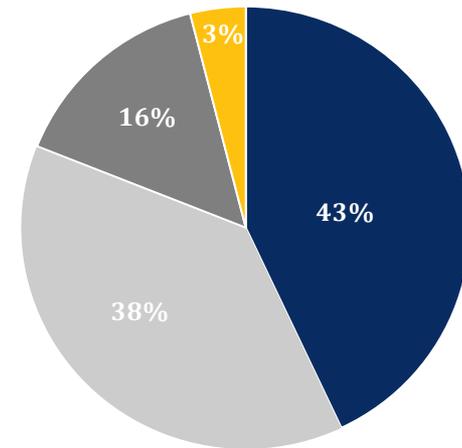


Future Test Year
 Allowed 2017 ROE (%): 9.00
 Allowed Equity in Capital (%): 48



FERC Regulated
 Forward Looking Rate Construct with True-Up
 Allowed 2017 ROE (%): 10.32-11.35
 Allowed Equity in Capital (%): 60

97% Regulated Assets
 as at Dec 31, 2016



- Electric
- Transmission- ITC
- Gas
- Non-Regulated Energy Infrastructure

	2016		
Weighted Average	Canada	U.S.	Combined
Allowed ROE	8.68	10.59	9.77
Actual Equity Thickness	39.1	52.8	46.9

Expected Earnings Release Dates

Q1 – 2017	May 2, 2017
Q2 – 2017	July 28, 2017
Q3 – 2017	November 3, 2017

Save the Date - 2017 Investor Day

Toronto	October 16, 2017
New York	October 18, 2017



Barry Perry
President & CEO



Karl Smith
EVP, CFO



Nora Duke
EVP, Corporate Services & CHRO



Earl Ludlow
EVP, Eastern Canadian & Caribbean Operations



James Laurito
EVP, Business Development



David Bennett
EVP, Chief Legal Officer & Corporate Secretary



David Hutchens
*President & CEO
UNS Energy*



Michael Mosher
*President & CEO
Central Hudson*



Linda Blair
*President & CEO
ITC Holdings Corp.*



Michael Mulcahy
*President & CEO
FortisBC*



Phonse Delaney
*President & CEO
Fortis Alberta*