H. Stanley Marshall
President and Chief Executive Officer

Barry V. Perry
Vice President, Finance and Chief Financial Officer

Presented at the Annual Meeting of Fortis Inc. Shareholders

Tuesday, May 4, 2010

St. John's, Newfoundland & Labrador

Check Against Delivery

Slide 1 - Opening Slide

H. Stanley Marshall, President & CEO, Fortis Inc.

Thank you, Mr. Chair. Good morning shareholders, ladies and gentlemen.

I'd like to take a moment to introduce the CEOs of our operating companies present this morning. Please stand as I introduce you.

John Walker, FortisBC;
Karl Smith, FortisAlberta;
Bill Daley, FortisOntario;
Fred O'Brien, Maritime Electric;
Earl Ludlow, Newfoundland Power;
Lynn Young, Belize Electricity
Richard Hew, Caribbean Utilities;
Eddinton Powell, Fortis Turks and Caicos;
Nora Duke, Fortis Properties; and
Randy Jespersen, Terasen.

Randy will be retiring at the end of June, and I would like to take this opportunity to thank him for his leadership, commitment and valuable contribution since Fortis acquired Terasen in 2007.

Upon Randy's retirement, the Boards and executives of Terasen and FortisBC will be combined, with John Walker as President and CEO.

I will begin the management presentation this morning with some of the highlights of 2009.

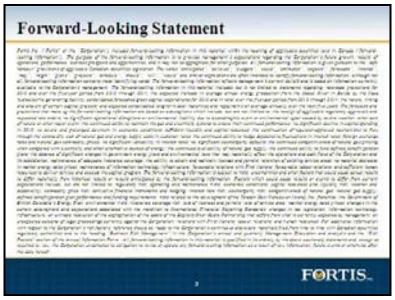
Barry Perry, our Chief Financial Officer, will then review the financial performance of the Company last year. He will also provide a summary of results for the first quarter of 2010.

I will then make some concluding remarks.

Following that, we'll be pleased to take any questions you may have.

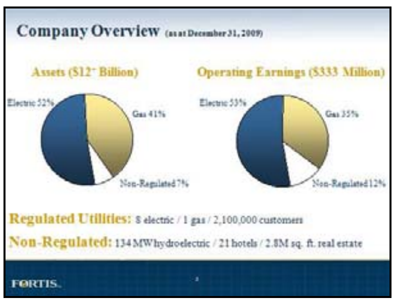
After the meeting, please join us for lunch where you will have an opportunity to talk to members of our management team.

Slide 2 – Forward-Looking Statement



This slide is a note of caution about forward-looking statements and a reminder that actual results may vary significantly from forecasts.

Slide 3 – Company Overview



Fortis is the largest investor-owned distribution utility in Canada.

Our utilities serve 2.1 million customers.

In 2009, the total assets of Fortis surpassed $12 billion. Operating earnings, before corporate expenses, were $333 million.

Regulated utilities comprise 93% of total assets - Electric being 52% and Gas 41%.

The remaining 7% of assets are non-regulated and include hydroelectric generating facilities, hotels and commercial real estate.

Slide 4 – 2009 Performance Highlights

We will now look at some of the major highlights for 2009:

For the 10th consecutive year, Fortis delivered record earnings to shareholders.

Our capital program was a record $1 billion in 2009, driven by our regulated utilities in western Canada.

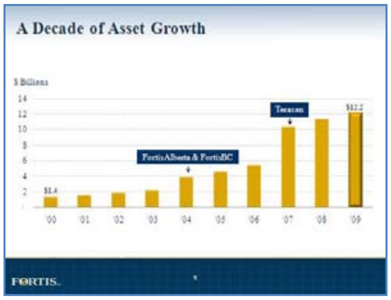
Regulatory decisions received in the fourth quarter of 2009 relating to allowed ROEs and capital structure will provide regulatory certainty for 2010.

The average allowed ROE for our four largest utilities is 9.4% in 2010 compared to 9.0% in 2009. The average allowed equity level is 41% compared to 39% in 2009.

FortisOntario acquired Algoma Power in October for $75 million. This utility serves 12,000 customers in the District of Algoma in north western Ontario. Fortis is now the only investor-owned electric distribution utility in that province.

Despite the severe global economic downturn and capital market volatility, Fortis and its utilities raised almost $1.3 billion in the capital markets since late 2008, demonstrating our financial strength.

Slide 5 – A Decade of Asset Growth



Fortis has grown dramatically over the last decade.

Our two large acquisitions were the $3.7 billion acquisition of Terasen in May 2007 and the $1.5 billion acquisition of FortisAlberta and FortisBC in May 2004.

Growth has also occurred through ongoing investment.

Over the past five years, our utilities have invested $3.6 billion in capital projects to ensure reliability of service to customers and to meet growth in energy demand.

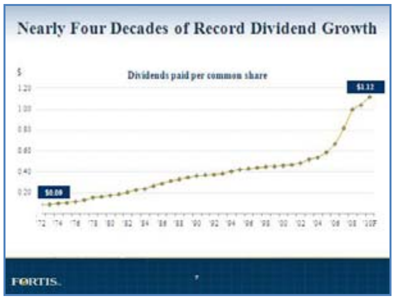
Slide 6 – A Decade of Strong Returns

Over the past decade, Fortis delivered an average annual total shareholder return of 18%, the highest in our sector.

We outperformed the Utilities Index and Composite Index, which delivered 14% and 6%, respectively, over the same period.

A $100 investment in Fortis at the beginning of 2000 was worth more than $500 at the end of 2009.

Slide 7 – Nearly Four Decades of Record Dividend Growth

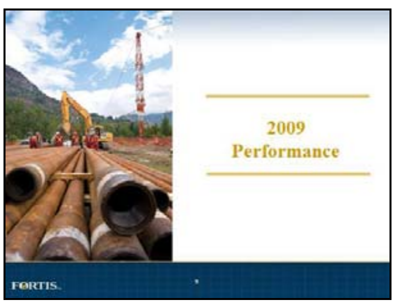


Fortis has increased annual dividends to common shareholders for 37 consecutive years, the record for a public corporation in Canada.

Our dividend payout ratio was 68% in 2009.

Fortis increased its quarterly common share dividend to 28 cents, effective March 1 of this year, or $1.12 on an annualized basis.

Slide 8 – 2009 Performance



I will now turn the presentation over to Barry.

Barry V. Perry, VP Finance & CFO, Fortis Inc.

Thank you Stan and good morning everyone.

Slide 9 – Annual Results

Looking at our 2009 results:

Revenue was $3.6 billion in 2009 compared to $3.9 billion in 2008. The decrease related to lower natural gas and energy supply costs combined with the loss of revenue in Ontario due to the expiration of the Rankine water rights in April 2009.

Natural gas and energy supply costs are a flow through to customers and have minimal impact on gross margin.

Fortis achieved record earnings of $262 million in 2009.

Earnings growth reflected increased allowed ROEs at FortisAlberta and Terasen Gas and increased equity thickness at FortisAlberta, combined with rate base growth mainly at the electric utilities in western Canada.

Growth in earnings was tempered by the impact of the expiration of the Rankine water rights.

Earnings per common share were $1.54 compared to $1.56 for 2008, reflecting the issuance of 11.7 million common shares in December 2008.

Cash flow from operations was $637 million in 2009, down $24 million from 2008. The decrease was mainly due to the timing of the declared dividends and payment of corporate income taxes.

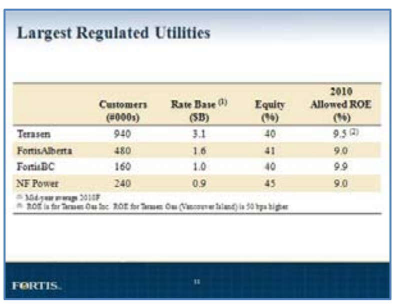
Slide 10 – Strong Access to Capital Markets

Fortis and its utilities have raised $1.3 billion in the capital markets since late 2008.

In December 2008, Fortis completed a $300 million common share issue.

In 2009, we raised $740 million of long-term debt and, in January 2010, Fortis issued $250 million of preference shares, all at attractive rates.

Slide 11 – Largest Regulated Utilities



Our four largest utilities serve more than 1.8 million customers. All four of these utilities received significant regulatory decisions in 2009.

At FortisAlberta, the allowed ROE increased to 9% from 8.51% and the equity thickness increased to 41% from 37%.

At Terasen Gas, the equity thickness increased to 40% from 35%, and at FortisBC the allowed ROE increased to 9.9% from 8.87%.

The allowed ROE at Terasen Gas increased to 9.5% from 8.47%.

At Newfoundland Power, the allowed ROE increased to 9% from 8.95%.

Combined 2010 rate base for these utilities is forecast to be $6.6 billion or 85% of total rate base of Fortis.

Slide 12 - First Quarter Results

Looking at our results for the first quarter of 2010:

Revenues were almost $1.1 billion, down $126 million quarter over quarter, reflecting lower natural gas costs at Terasen.

Fortis achieved record first quarter earnings of $100 million, $8 million higher than earnings for the first quarter of 2009.

Performance for the quarter was driven by the Terasen Gas companies and our Canadian Regulated Electric Utilities, reflecting increased allowed ROEs and the higher equity thickness at Terasen Gas and FortisAlberta quarter over quarter.

Earnings per common share were 58 cents compared to 54 cents for the first quarter of 2009.

Cash flow from operations was $249 million for the quarter, up $20 million from the same quarter in 2009.

Slide 13 – Ample Liquidity

Fortis has consolidated credit facilities of $2.2 billion, of which $1.6 billion is unused.

$2 billion of the facilities are committed facilities, the majority with maturities ranging from 2011 to 2013. The facilities are syndicated almost entirely with the seven largest Canadian banks, with no bank holding more than 25%.

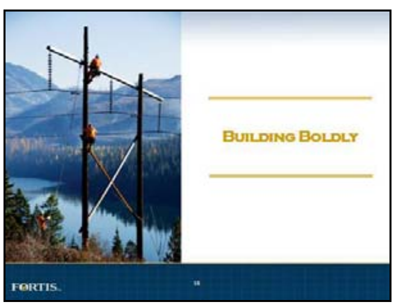
Fortis and its largest utilities continue to maintain strong investment-grade credit ratings.

Fortis debt is rated A- by Standard & Poor's and BBB (high) by DBRS.

The Corporation's long-term debt maturities are expected to average just $280 million annually over the next 5 years.

Strong investment-grade credit ratings, ample credit facilities and minimal debt maturities provide flexibility to access the debt capital markets at attractive rates.

Slide 14 – Building Boldly



I will now turn the presentation back to Stan.

H. Stanley Marshall, President & CEO, Fortis Inc.

Thank you, Barry.

Slide 15 – Energy Infrastructure Investment

We continue to build boldly.

Our 2010 capital program of more than $1 billion is well underway.

Over the next 5 years, our capital program is expected to approach $5 billion, driven by ongoing investment in our regulated utilities in western Canada.

Capital investments should allow rate base to grow, on average, by 6% annually. Rate base is expected to increase by 28% from $7.8 billion in 2010 to almost $10 billion in 2014.

To highlight a few major capital projects:

Slide 16 – Terasen Gas

Construction of Terasen's $211 million LNG storage facility will be completed in May 2011.

In February, Terasen Gas received approval to bring all customer care functions in-house with company-owned call centres and a new customer information system. This should be in place by January 2012 at a total project cost of $116 million.

Slide 17 – FortisBC

FortisBC has begun construction of its $110 million Okanagan Transmission Reinforcement Project, with completion expected in mid-2011.

This is the largest capital project ever to be undertaken by FortisBC.

It will provide system enhancements in the region and help ensure the delivery of safe, reliable energy to customers.

Slide 18 – FortisAlberta

FortisAlberta continues to install automated meters, at a total cost of $155 million.

This project, which involves the replacement of 466,000 conventional meters, will be completed by the end of 2011.

Slide 19 – Vaca Hydroelectric Generating Facility

The 19-MW Vaca hydroelectric facility in Belize was commissioned in March of this year at a cost of US$53 million.

This completes the three-phase hydroelectric development for the Macal River.

The facility is expected to increase energy production from the Macal River by 80 gigawatt hours to 240 gigawatt hours.

Slide 20 – Focus Going Forward

Fortis will continue to improve service to customers, providing safe, reliable energy in the most cost-effective manner.

Regulatory decisions received at the end of 2009 provide regulatory stability for 2010. Our utilities are focused on operations and meeting the energy needs of our customers.

Over the next 5 years, our capital program is expected to be $5 billion, driving growth in earnings and dividends.

Fortis continues to pursue acquisitions for profitable growth, focusing on electric and gas utilities in the United States, Canada, and the Caribbean.

Slide 21 – Closing Slide

Thank you for your attention, ladies and gentlemen. We would be pleased to take any questions you may have.