

RBC INVESTOR CONFERENCE (June 2, 2010) - SPEAKING NOTES

Slide 1 - Opening Slide



Good morning everyone. It's a pleasure to be here.

I will begin by providing you with a brief overview of our company and review our operational and financial highlights. I will also make some comments on our focus going forward.

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



Looking 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.

Fortis Ontario 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 here in Ontario.

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 Fortis Alberta and Fortis BC 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

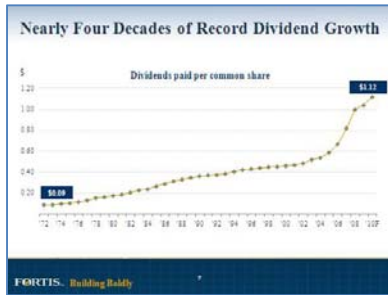


Over the past decade, Fortis delivered an average annual total shareholder return of 18%, the highest in our sector.

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 – Largest Regulated Utilities

	Customers (#000s)	Rate Base ⁽¹⁾ (\$B)	Equity (%)	2010 Allowed ROE (%)
Terasen	940	3.1	40	9.5 ⁽²⁾
FortisAlberta	450	1.6	41	9.0
FortisBC	160	1.0	40	9.9
NF Power	240	0.9	45	9.0

⁽¹⁾ 2010 year average 2010P
⁽²⁾ ROE as the Terason One Gas ROE for Terason One (Newcomer Island) is 9.0% higher

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

At Terasen Gas, the equity thickness increased to 40% from 35% and the allowed ROE increased to 9.5% from 8.47%.

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

At FortisBC the allowed ROE increased to 9.9% from 8.87%.

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 9 - First Quarter Results

<i>(\$ millions, except EPS)</i>	2010	2009	Change
Revenue	1,076	1,202	(126)
Earnings	100	92	8
EPS (\$)	0.58	0.54	0.04
Cash from operations	249	229	20

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 10 – Ample Liquidity

<i>(\$ billions)</i>	As at March 31, 2010
Total credit facilities	2.2
Credit facilities utilized	0.6
Credit facilities unused	1.6

- Strong investment-grade credit ratings
- \$280 million: average annual debt maturities next 5 years

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 11 – 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 12 – Terasen Gas



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

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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 13 – 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 14 – 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 15 – 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 16 – 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 17 – Closing Slide



Thank you for your attention, ladies and gentlemen.

Robert, I would be pleased to take your questions.