



**Amended and Restated
Dividend Reinvestment
and
Share Purchase Plan**

Offering Circular

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FORTIS INC.

Amended and Restated Dividend Reinvestment and Share Purchase Plan Offering Circular

PARTS OF THIS OFFERING CIRCULAR

This Offering Circular has three parts.

The first part answers frequently asked questions regarding Fortis Inc.'s (the "Company") Amended and Restated Dividend Reinvestment and Share Purchase Plan but does not describe all of the provisions of the Plan.

The second part of this Offering Circular includes the Company's Amended and Restated Dividend Reinvestment and Share Purchase Plan in its entirety.

In the event of a discrepancy between the information in the Frequently Asked Questions part of this Offering Circular and the Amended and Restated Dividend Reinvestment and Share Purchase Plan (the "Plan"), the provisions of the Plan will govern. Any capitalized terms not otherwise defined can be found under "Definitions", contained in the Plan.

The last part of this Offering Circular describes some income tax considerations relating to participation in the Plan. This tax information is of a general nature only and you should consult your own tax advisor with respect to your own personal circumstances.

NOTICE TO NON-REGISTERED BENEFICIAL HOLDERS OF COMMON SHARES

Non-registered beneficial holders of the Company's common shares (i.e. shareholders who hold their common shares through an intermediary such as a financial institution, broker or other nominee) should consult with that intermediary to determine the procedures for participation in the Plan. The administrative practices of such intermediaries may vary and, accordingly, the various dates by which actions must be taken and documentary requirements set out in the Plan may not be the same as those required by intermediaries. Some intermediaries may require non-registered beneficial shareholders to become registered shareholders in order to participate in the Plan. There may be a fee charged by some intermediaries for a non-registered beneficial shareholder to become a registered shareholder, which will not be covered by the Company.

FREQUENTLY ASKED QUESTIONS

1. *What is the Amended and Restated Dividend Reinvestment and Share Purchase Plan?*

The Amended and Restated Dividend Reinvestment and Share Purchase Plan (the "Plan") provides a means for eligible holders of Fortis Inc. (the "Company") common shares ("Common Shares") to acquire additional Common Shares by the reinvestment of their dividends on all of their Common Shares and the investment of optional cash payments. Computershare Trust Company of Canada (the "Plan Agent") acts as the agent for those who enrol in the Plan (the "Participants").

2. *What should I do if I am already a Participant under the Company's Dividend Reinvestment and Share Purchase Plan?*

If you are a Participant under the Company's 1994 Dividend Reinvestment and Share Purchase Plan (the "Prior Plan") and you wish to continue to participate in the Plan you do not need to take any action at this time. If you wish to cease participation in the Plan at any time you should take the steps outlined below under "*How does a Participant terminate participation in the Plan?*"

3. *What are the advantages of the Plan?*

- Common Shares are purchased quarterly with reinvested dividends. Full investment of dividends is possible because the Plan permits fractions of shares, as well as whole shares, to be purchased and held for Participants. In addition, dividends on such fractions, as well as on whole shares, will be reinvested. Common Shares may also be purchased with optional cash payments which are subject to a minimum of \$100 per transaction and a maximum of \$30,000 per calendar year.
- All administrative costs are borne by the Company and there is no brokerage commission for the Common Shares acquired under the Plan.
- Regular quarterly statements of account are provided for Participants' record-keeping.
- A Participant may withdraw and/or sell any number of whole Common Shares held in the Plan ("Plan Shares") at any time without terminating participation in the Plan by giving written notice to the Plan Agent.

4. *What are the major changes in this Plan to be effective January 1, 2009 from the Prior Plan in place since September 16, 1994?*

Under the Prior Plan, all Common Shares purchased by the Plan Agent were issued from treasury by the Company without any discount to the market price. Beginning on January 1, 2009, the Company will have the ability to determine whether additional Plan Shares will be issued from treasury or purchased on the open market. In addition, the Plan provides that Plan Shares issued from treasury upon the reinvestment of dividends will be purchased at the Average Market Price, provided that the Company may elect at its option to provide a discount of up to 5% on such purchases.

5. *Who is eligible to participate?*

Registered shareholders who reside in Canada and hold at least one whole Common Share are eligible to participate in the Plan. Non-registered beneficial Canadian shareholders may also participate but should contact their intermediary to determine procedures for participation in the Plan. Shareholders resident outside Canada may participate unless participation is not allowed in that jurisdiction. Residents of the United States, its territories or possessions are not eligible to participate.

6. *How do I enrol in the Plan?*

To join the Plan a registered shareholder must complete, sign and return a Reinvestment Enrolment - Participant Declaration Form to the Plan Agent. A non-registered shareholder should contact the intermediary through which you hold your Common Shares to participate in the Plan. If your intermediary is unwilling or unable to enrol your Common Shares in the Plan, you may become a registered shareholder by instructing your intermediary to send you a share certificate representing your Common Shares and you may enrol in the Plan by following the procedure for registered shareholders.

The signature of the shareholder on a Reinvestment Enrolment – Participant Declaration Form must correspond exactly to the name(s) of the registered holder(s). If a shareholder has Common Shares registered in different names on different share certificates, it is necessary for such shareholder to complete, sign and submit as many separate Reinvestment Enrolment - Participant Declaration Forms as there are different registrations, or else request that the certificates be consolidated.

Once enrolled, participation in the Plan continues until terminated by the Participant, by the Company or by death of the Participant, or until the Plan is terminated by the Company. See "Termination of Participation" and "Amendment, Suspension or Termination of the Plan".

7. *How are Optional Cash Payments made?*

An optional cash payment may be made when or after enrolling in the Plan by enclosing a cheque payable to the Plan Agent accompanied by an Optional Cash Purchase - Participant Declaration Form properly completed and signed. Thereafter, optional cash payments should be made by using the Optional Cash Purchase - Participant Declaration Form enclosed with each quarterly statement of account sent to Participants. Additional forms may be obtained at any time from the Plan Agent. The same amount of money need not be sent each time and there is no continuing obligation to make optional cash payments.

The Plan Agent is required under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) to collect and record certain information relating to optional cash purchases. Plan Participants wishing to make an optional cash purchase of Common Shares will be required to complete the Optional Cash Purchase - Participant Declaration Form in addition to meeting compliance measures as explained in the form.

8. *Where will the Plan Shares be purchased for Participants under the Plan?*

The Plan Shares purchased by the Plan Agent will either be existing shares purchased through a stock broker on the open market through the facilities of the Toronto Stock Exchange or new shares purchased directly from the Company. Under the Plan, the Company determines, by written notice to the Plan Agent, which of these two sources the Plan Agent will use. The Plan Agent will advise Participants of the method of purchase of Plan Shares by notification with the quarterly statements of account.

9. *How will Plan Shares be purchased for Participants?*

Participation in the Plan becomes effective on the first Common Share Dividend Record Date after the Plan Agent receives the completed shareholder participation form(s). A Participant's cash dividends (less any applicable withholding taxes) are invested on each subsequent Dividend Payment Date. An optional cash payment received from a Participant is invested on the Dividend Payment Date following receipt of such payment by the Plan Agent if the payment is received at least three full business days prior thereto.

10. *What will be the price of Plan Shares purchased under the Plan?*

If Plan Shares are issued from treasury upon the reinvestment of cash dividends under the Plan, the price at which such Plan Shares are purchased by Participants will be the average of the average of the high and low prices of Common Shares actually traded on The Toronto Stock Exchange on the five trading days immediately preceding the dividend payment date on which not less than 100 Common Shares were traded (the "Average Market Price") less a discount, if any, of up to 5%, at the Company's election. If Plan Shares are issued from treasury for an optional cash payment, the price at which such Plan Shares are purchased by Participants will be the Average Market Price. The discount will not apply to optional cash purchases under the Plan.

The Company has set an initial discount to the Average Market Price for purchases upon the reinvestment of cash dividends under the Plan at 2%. The Company may, subject to the terms of the Plan, alter or eliminate this discount at any time.

If Plan Shares are purchased on the open market, upon either the reinvestment of cash dividends or as a result of an optional cash payment, the price at which such Plan Shares are purchased by Participants will be the average of the actual price paid (excluding brokerage commissions, fees and transaction costs) per Plan Share by the Plan Agent.

11. *Will certificates be issued for Plan Shares?*

No. Certificates for Plan Shares purchased under the Plan will not be issued to Participants. The number of shares held for an account under the Plan will be shown on the Participant's quarterly statement of account. This convenience protects against loss, theft or destruction of share certificates. Dividends paid on Plan Shares held for a Participant will be reinvested under the Plan unless such shares are withdrawn.

12. *What kind of statements will be sent to Participants in the Plan?*

A quarterly statement of account will be mailed to each Participant approximately three weeks after the Dividend Payment Date in March, June, September and December. The statement of account is a Participant's continuing record of purchases made under the Plan and should be retained for tax purposes. In addition, each Participant will receive such tax information required to be provided by law annually for reporting dividends paid on their Plan Shares.

13. *Can a Participant withdraw or sell shares held in the Plan?*

A Participant who is not terminating participation in the Plan may, by duly completing the withdrawal portion of the voucher located on the reverse of a quarterly statement of account and sending it to the Plan Agent, withdraw whole Common Shares from the Plan. Upon receipt of a withdrawal request, the Plan Agent will withdraw the specified number of whole shares from the Participant's account and deliver a share certificate in the Participant's name.

Participants may request that the Plan Agent sell any number of Plan Shares on their behalf. Upon receipt of such a request, the Plan Agent will, as soon as practicable, arrange for the sale of such Plan Shares through a registered broker-dealer selected by the Plan Agent from time to time. The proceeds of such sale, less brokerage commissions, administrative fees and applicable taxes, if any, will be paid to the Participant by the Plan Agent. A Participant may obtain a duplicate copy of their quarterly statement of account containing the required voucher from the Plan Agent at any time.

14. *How does a Participant terminate participation in the Plan?*

Participants may terminate their participation in the Plan by completing the termination portion of the voucher on the reverse of their quarterly statement of account and sending it to the Plan Agent at any time. Where notice of termination is received at least three business days prior to a Dividend Record Date for Common Shares the termination will be effective for the applicable record date. Any requests received less than three business days prior to a Dividend Record Date for Common Shares will become effective after the next following Dividend Payment Date. Otherwise, termination will be effective upon receipt of the notice by the Plan Agent.

The Plan Agent will settle a terminating Participant's account by issuing a share certificate for the number of whole Plan Shares held in such Participant's account and making a cash payment to such Participant for any fraction of a Plan Share remaining. The amount of the payment for any such fraction will be determined by reference to the Average Market Price determined for the preceding Dividend Payment Date. Any optional cash payment received prior to termination of participation but not invested in Plan Shares will be returned to the Participant upon such termination.

15. *What are the tax consequences of participation in the Plan?*

It should be understood that the fact that dividends are invested does not relieve Participants of any liability for taxes that may be payable on such amounts (see the section entitled "Tax Considerations" in this Offering Circular).

CAUTION

The foregoing constitutes only a summary of some of the features of the Plan. The terms and conditions are described in full on the reverse of this Offering Circular and a shareholder should read them carefully before signing the shareholder participation form(s).

If any interpretation of the Dividend Reinvestment and Share Purchase Plan is required, the text of the section entitled "Terms and Conditions" shall govern.

Dividend Reinvestment and Share Purchase Plan – Terms and Conditions

1. PURPOSE

This Plan provides a means for the Company's Shareholders to invest Common Share cash dividends and Optional Cash Payments to purchase additional Common Shares. Common Shares are purchased by the Plan Agent on behalf of the Participants under the Plan. The Plan Agent purchases such shares, as determined from time to time by the Company, by written notice to the Plan Agent, either on the open market through the facilities of the TSX or directly from the Company. Therefore, the Plan also provides a means by which the Company may retain and reinvest dividends to acquire additional equity capital.

2. DEFINITIONS

"1994 Plan" means the Company's dividend reinvestment and share purchase plan effective September 16, 1994, which plan is superceded by this Plan.

"Average Market Price" has the meaning set out in Section 5.4.

"Business Day" means any day on which the Plan Agent's offices are generally open, but does not include a Saturday, Sunday, civic or statutory holiday in Toronto, Ontario or St. John's, Newfoundland & Labrador or a day on which the Toronto Stock Exchange is not open for trading.

"Common Shares" means common shares of the Company.

"Company" means Fortis Inc.

"CSPP" means the Company's consumer share purchase plan effective September 16, 1994, pursuant to which shareholders resident in the provinces of Newfoundland & Labrador and Prince Edward Island can elect to have their cash dividends on Common Shares automatically reinvested in the Company.

"Discount" has the meaning set out in Section 6.

"Dividend Payment Date" means the date chosen by the Board of Directors of the Company for the payment of a cash dividend on Common Shares. This historically has been a business day in each of March, June, September and December of each year.

"Dividend Record Date" means the date chosen by the Board of Directors of the Company to determine those Shareholders entitled to receive payment of the dividend on Common Shares.

"ESPP" means the Company's employee share purchase plan effective in 1994 pursuant to which employees of the Company and its subsidiaries are entitled to invest in the Company on a preferential basis.

"Investment Date" means for the reinvestment of dividends and optional cash purchases under the Plan, the Dividend Payment Date.

"Market Purchase" has the meaning set out in Section 5.3.

"Non-Registered Participant" means a non-registered beneficial holder of Plan Shares that are held through an intermediary such as a financial institution, broker or nominee.

"Optional Cash Payment" has the meaning set out in Section 5.2.

"Participant" means a registered holder of Plan Shares or a Non-Registered Participant.

"Plan" means the Company's Amended and Restated Dividend Reinvestment and Share Purchase Plan.

"Plan Agent" means Computershare Trust Company of Canada, or such other firm as may be designated by the Company from time to time to act as agent under the Plan.

"Plan Shares" Common Shares registered in the name of a Participant under the Plan.

"Registered Participant" means a Participant who is registered in its own name under the Plan.

"Shareholder" means every registered holder of Common Shares.

"Treasury Purchase" has the meaning set out in Section 5.3.

"TSX" means The Toronto Stock Exchange, or any successor stock exchange.

3. USE OF PROCEEDS

The net proceeds to the Company from the sale of Common Shares under the Plan will be added to the Company's general funds and used for general corporate purposes.

4. PARTICIPATION IN THE PLAN

4.1 General

Provisions of this Plan apply to all Participants, but are subject to the administrative practices and requirements of intermediaries through whom Plan Shares are held by Non-Registered Participants. Those administrative practices and requirements may vary and Non-Registered Participants should contact their intermediary to determine the requirements of such intermediary regarding participation in the Plan.

4.2 Eligibility

Every registered holder of Common Shares who is a resident of Canada is eligible to participate in the Plan. A Shareholder resident in any jurisdiction outside of Canada has the right to participate in the Plan, but may be prohibited from participating in the Plan by the laws of the

jurisdiction where the Shareholder resides. For example, a Shareholder resident in the United States of America or any of its territories or possessions cannot participate in the Plan as result of United States law since the Common Shares are not registered under the *United States Securities Act of 1933*.

4.3 Enrolment – Registered Shareholders

Registered holders of Common Shares may enrol their Common Shares in the Plan by completing the Reinvestment Enrolment - Participant Declaration Form approved by the Company and the Plan Agent from time to time and mailing such form to the Plan Agent.

4.4 Enrolment – Non-Registered Beneficial Shareholders

Shareholders who hold their Common Shares through an intermediary must have such Common Shares registered in their own name and enrolled in accordance with Section 4.3, or instruct their intermediary to enrol their Common Shares in the Plan on their behalf, if the intermediary allows such enrolment.

4.5 Date of Enrolment

An eligible Shareholder will become a Participant and the Common Shares designated by the Participant will be recorded by the Plan Agent for participation in the Plan effective as of the first Dividend Record Date of the Common Shares following receipt by the Plan Agent of the duly completed "Reinvestment Enrolment – Participant Declaration Form" and, if making an initial Optional Cash Payment, an "Optional Cash Purchase - Participant Declaration Form".

4.6 Transfer of Common Shares

Participants in the Company's CSPP or ESPP, or other share purchase plans of the Corporation from time to time, may transfer the Common Shares registered in their name pursuant to such plans to the Plan by providing written notice to the Plan Agent of their desire to terminate their enrolment in their existing plan and to transfer the Common Shares currently held under such plan to the Plan. The Participant must also complete a Reinvestment Enrolment - Participant Declaration Form and mail both documents together to the Plan Agent. Where notice of termination and enrolment is received pursuant to this Section 4.6 at least three Business Days prior to a Dividend Record Date for Common Shares the termination and enrolment in the Plan will be effective for the applicable record date. Any requests received less than three Business Days prior to a Dividend Record Date for Common Shares will not be completed until after the next following Dividend Payment Date.

4.7 Other Restrictions

The Company may, in its sole discretion, determine from time to time that any Shareholder or group of Shareholders may not participate or continue to participate in the Plan. Without limitation, the Company may deny the right to participate in the Plan to any Shareholder if the Company has reason to believe that such Shareholder has been engaged in market activities, or has been artificially accumulating securities of the Company for the purpose of taking undue advantage of the Plan to the detriment to the Company.

5. PURCHASE OF COMMON SHARES UNDER THE PLAN

5.1 Dividend Reinvestment

All dividends payable on Plan Shares recorded for participation in the Plan, including Plan Shares acquired and retained under the Plan, will be paid by the Company to the Plan Agent and will, after the deduction of any withholding tax applicable to Participants residing outside of Canada, be used by the Plan Agent to purchase Common Shares for the Participant's account on the Dividend Payment Date.

5.2 Optional Cash Payments

Participants may choose to make optional cash purchases of Plan Shares under the Plan provided that optional cash payments made by any Participant shall not be less than \$100 per transaction nor greater than \$30,000 per calendar year (an "Optional Cash Payment"). An Optional Cash Payment may be made by using the Optional Cash Purchase - Participant Declaration Form, together with a Canadian dollar cheque to make the optional cash purchase.

Optional cash payments will be used by the Plan Agent to purchase Plan Shares on the first Dividend Payment Date following receipt of an Optional Cash Purchase - Participant Declaration Form and cleared funds, provided that any such form or cleared funds is received not less than three Business Days before a Dividend Payment Date. Enrolment forms and cleared funds received less than three Business Days before a Dividend Payment Date will be used to purchase Plan Shares on the next Dividend Payment Date.

There is no obligation to make Optional Cash Payments, to continue to make Optional Cash Payments or to make all such payments in the same amount. No interest will be paid to Participants on any funds held for investment under the Plan. The Discount will not apply to purchases made pursuant to Optional Cash Payments.

5.3 Source of Plan Shares

The Plan Shares acquired by the Plan Agent pursuant to the Plan will be, at the Company's discretion, either newly issued Common Shares purchased from the Company (a "Treasury Purchase") or Common Shares purchased on the open market through the facilities of the TSX (a "Market Purchase").

5.4 Price of Plan Shares – Reinvestment of Dividends

The purchase price for Plan Shares under the Plan on any Dividend Payment Date from the reinvestment of cash dividends will be:

- (a) in the case of a Market Purchase, the average of the actual price paid (excluding brokerage commissions, fees and transaction costs) per Common Share by the Plan Agent; or
- (b) in the case of a Treasury Purchase, the price will be the average of the average of the high and low prices of Common Shares actually traded on the TSX on the five

trading days immediately preceding the dividend payment date on which not less than 100 Common Shares were traded (the "Average Market Price") less a Discount, if any, of up to 5% at the Company's election.

5.5 Price of Plan Shares – Optional Cash Payment

The purchase price for Plan Shares under the Plan on any Dividend Payment Date acquired from Optional Cash Payments will be:

- (a) in the case of a Market Purchase, the average of the actual price paid (excluding brokerage commission, fees and transaction costs) per Common Share by the Plan Agent; or
- (b) in the case of a Treasury Purchase, the Average Market Price.

6. APPROVAL OF DISCOUNT

The Board of Directors of the Company may from time to time approve a discount (the "Discount") of up to 5% on the purchase price of Common Shares issued from treasury and purchased under the Plan pursuant to Section 5.4(b). The Board of Directors has the discretion to alter or eliminate the Discount at any time in its absolute discretion. If the Discount is altered or eliminated by the Board of Directors of the Company, the Company shall publish a press release notifying Participants of such change.

The Discount applicable to purchases of Common Shares under the Plan pursuant to Section 5.4(b) is 2% as of January 1, 2009, the effective date of the Plan. The Discount will not apply to purchases made pursuant to Optional Cash Payments.

7. COSTS

All administrative costs of the Plan, including any brokerage commissions, fees or other expenses of the Plan Agent incurred for the purchase of Plan Shares for Participants are borne by the Company.

8. TRANSITION TO AMENDED AND RESTATED PLAN

For continuity of treatment in respect of their dividends and Optional Cash Payments, participants in the 1994 Plan will automatically be enrolled in the Plan on January 1, 2009 and become Participants in the Plan, unless such Participants forward notice to the Plan Agent exiting from the Plan. The Plan accounts of these Participants will contain the Common Shares, including fractional shares, if any, held by such Participant prior to January 1, 2009. Cash dividends on the Common Shares in the accounts of such Participants under the 1994 Plan will automatically be reinvested in the purchase of Plan Shares pursuant to the Plan.

9. ADMINISTRATION

9.1 The Plan Agent

The Company may, from time to time, appoint a Plan Agent to administer the Plan on behalf of the Company and the Participants pursuant to an agreement between the Company and the Plan Agent.

The Plan Agent is required to comply with applicable laws, orders or regulations of any governmental authority which impose on the Plan Agent a duty to take or refrain from taking any action under the Plan and to permit any properly authorized person to have access to and to examine and make copies of any records relating to the Plan.

9.2 Registration of Plan Shares

Plan accounts shall be maintained in the names in which certificates were registered or enrolment forms submitted at the time the Participant enrolled in the Plan. Consequently, certificates for whole Plan Shares withdrawn from the Plan will be registered in exactly the same manner when issued.

9.3 Statement of Account

The Plan Agent will maintain a dividend reinvestment and share purchase account for each Participant. A statement of account will be mailed to each Participant by the Plan Agent as soon as practical after each Dividend Payment Date. Each such statement will indicate changes to the account over the relevant period including:

- (a) the dividends received by the Plan Agent in respect of Plan Shares recorded in the account;
- (b) the amount of any Optional Cash Payments received by the Plan Agent from such Participant; and
- (c) the number of additional Plan Shares acquired for the account.

Non-Registered Participants will receive statements of account from their intermediary in accordance with the intermediary's administrative practices. Non-Registered Participants should contact their intermediary to determine the procedures for requesting statements.

9.4 Certificates

Share certificates will not be issued to a Participant unless specifically requested. This convenience protects against loss, theft or destruction and reduces administrative costs. Certificates for whole Plan Shares purchased with reinvested dividends and Optional Cash Payments will be provided upon written request to the Plan Agent from the Participant or automatically upon termination of participation in the Plan. Certificates will be issued in the name of the Participant. Certificates will not be issued for a fraction of a Plan Share.

10. DISPOSITION OR WITHDRAWAL OF PLAN SHARES

10.1 Withdrawal of Plan Shares

A Participant who is not terminating participation in the Plan may, upon written request to the Plan Agent, withdraw whole Plan Shares from the Plan. Upon receipt of a withdrawal request, the Plan Agent will withdraw the specified number of whole Plan Shares from the Participant's account and deliver a share certificate representing such shares in the Participant's name.

10.2 Sale of Plan Shares

Participants may request the Plan Agent sell any number of Plan Shares on their behalf. All such Plan Shares sold by the Plan Agent will be deemed to have been withdrawn from the Plan pursuant to Section 10.1. Upon receipt of such a request, the Plan Agent will, as soon as practicable, arrange for the sale of such Plan Shares through a registered broker-dealer selected by the Plan Agent from time to time. The proceeds of such sale, less brokerage commissions, administrative fees and applicable taxes, if any, will be paid to the Participant by the Plan Agent. Plan Shares that are to be sold for a Participant may be commingled with Plan Shares of other Participants requesting a sale of Plan Shares in which case the proceeds to each Participant will be based on the average sale prices and the average brokerage commissions, administrative fee and applicable taxes of all Plan Shares so commingled.

10.3 No Pledge

Plan Shares held by the Plan Agent may not be pledged, hypothecated, assigned or otherwise disposed of or transferred. Participants who wish to pledge, hypothecate, assign, dispose of or otherwise transfer their Plan Shares held by the Plan Agent, must first withdraw such shares under the Plan.

10.4 Remaining Plan Shares

If a Participant sells or withdraws less than all of their Plan Shares, dividends paid on their remaining Plan Shares will continue to be reinvested in Common Shares under the Plan.

11. TERMINATION OF PARTICIPATION

11.1 Termination by Participant

Participants may terminate their participation in the Plan by completing the termination portion of the voucher on the reverse of their quarterly statement of account and sending it to the Plan Agent at any time. Where notice of termination is received at least three Business Days prior to a Dividend Record Date for Common Shares the termination will be effective for the applicable record date. Any termination request received less than three Business Days before a Dividend Record Date for Common Shares will become effective after the next following Dividend Payment Date.

The Plan Agent will settle a terminating Participant's account by issuing a share certificate for the number of whole Plan Shares held in such Participant's account and making a cash payment to such Participant for any fraction of a Plan Share remaining. The amount of the payment for any such fraction will be determined by reference to the Average Market Price determined for the preceding Common Share Dividend Payment Date. Any Optional Cash Payment received prior to termination of participation but not invested in Common Shares will be returned to the Participant upon such termination.

11.2 Death of a Participant

Participation in the Plan will be terminated upon receipt by the Plan Agent of appropriate evidence of the death of a Participant from such Participant's duly appointed legal representative and written instructions to terminate. Proof of the legal representative's authority to act must accompany the evidence of death. The Plan Agent will terminate and settle the account for such deceased Participant in the manner provided for in Section 11.1.

11.3 Termination by the Company

The Company reserves the right to terminate a Participant's participation in the Plan at any time if there is less than one Common Share recorded in the Participant's account or the Participant cannot be contacted at the addresses given by the Participant.

12. VOTING RIGHTS

Participants may vote whole Plan Shares held by the Plan Agent on their behalf, in the same manner as any other Common Shares of the Company either by proxy or in person. The Plan Agent will forward to Participants, as soon as practicable following receipt, any proxy solicitation materials. Plan Shares held by the Plan Agent representing fractional interests in Common Shares will not be voted.

Non-Registered Participants should contact their intermediary to determine the procedures for voting their Common Shares.

13. RIGHTS OFFERING

If the Company offers rights to its Shareholders then rights certificates will be issued to Participants in respect of whole Plan Shares as on the record date of the rights issue. Where a Participant would be entitled to receive a fractional interest in a right as a result of the ownership of a fractional interest in a Plan Share, such fractional interest in the right will be sold by the Plan Agent on a commingled basis together with other fractional interests in rights held on behalf of other Participants and the proceeds, less brokerage commissions, will be invested in the same manner as an Optional Cash Payment on the next Investment Date.

14. STOCK DIVIDENDS AND STOCK SPLITS

Any Common Shares distributed pursuant to a stock dividend or a stock split on Plan Shares held by the Plan Agent for Participants under the Plan will be retained by the Plan Agent

and credited, net any applicable withholding or non-resident taxes, to the account of the Participant in accordance with their entitlement under the Plan.

15. RESPONSIBILITIES OF THE COMPANY AND THE PLAN AGENT

Neither the Company nor the Plan Agent shall be liable under the Plan, except in the case of wilful misconduct, for any act or for any omission to act, in connection with the operation of the Plan including, without limitation, any claims of liability:

- (a) arising out of failure to terminate a Participant's account upon such Participant's death prior to receipt of notice in writing of such death;
- (b) with respect to the prices at which Plan Shares are purchased for the Participant's account and the times such purchases are made; or
- (c) actions taken as a result of inaccurate and incomplete information or instructions.

16. RISK OF MARKET PRICE FLUCTUATIONS

Participants should recognize that Plan Shares acquired under the Plan are no different from an investment in Common Shares directly held. Accordingly, neither the Company nor the Plan Agent can assure a profit or protect Participants against a loss on the Plan Shares purchased under the Plan.

17. AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

The Company reserves the right to amend, suspend or terminate the Plan at any time, but any such action shall not have retroactive effect that would prejudice the interests of the Participants. All Participants will be sent written notice of any such amendment, suspension or termination. In the event of termination of the Plan by the Company, the Plan Agent will terminate and settle the account for each Participant in the manner provided for in Section 11.1. In the event of suspension of the Plan by the Company, no investment will be made by the Plan Agent on the Investment Date immediately following the effective date of such suspension. Optional Cash Payments which are not invested as of the effective date of such suspension and Common Share dividends which are subject to the Plan and which are paid after the effective date of such suspension will be remitted by the Plan Agent to the Participants to whom these are due.

Amendments to the Plan (including changes in the Discount under the Plan) will be notified to the TSX and, in the case of material amendments (which shall not include changes in the Discount under the Plan), its prior approval will be obtained before the material amendment is implemented.

18. CURRENCY

All monetary amounts identified in the Plan are stated in Canadian dollars.

19. GOVERNING LAW

This Plan will be governed and construed in accordance with the laws of the Province of Newfoundland & Labrador and the laws of Canada applicable therein.

20. NOTICES AND CORRESPONDENCE

All notices required to be given to Participants under the Plan shall be mailed to the Participants at the addresses shown on the records of the Plan Agent. Participants must notify the Plan Agent promptly in writing of any change of address.

Notices to the Plan Agent shall be sent to:

Fortis Inc. Dividend Reinvestment and Share Purchase Plan
c/o Computershare Trust Company of Canada
100 University Avenue, 9th Floor
Toronto, ON M5J 2Y1
Telephone: 1-866-586-7638
Facsimile: 1-888-453-0330

Web: www.computershare.com/fortisinc

21. EFFECTIVE DATE

The Plan is effective as of January 1, 2009. The first Investment Date under this Plan is March 1, 2009.

TAX CONSIDERATIONS

Certain of the Canadian federal income tax considerations arising from participation in the Plan are generally summarized below. This summary is based upon the law and the Canada Revenue Agency's administrative policy in effect on December 10, 2008. Participants should consult and rely on their own tax advisers with respect to the tax consequences which will result from their participation in the Plan, taking into account tax consequences in their country of residence.

Resident Participants

This portion of the summary is applicable only to a Participant who, for purposes of the *Income Tax Act* (Canada) (the "Act") and at all relevant times, is resident or deemed to be resident in Canada, holds Common Shares as capital property and deals at arm's length with the Company (a "Resident Participant"). This summary does not apply to a Resident Participant: (i) that is a "financial institution" for the purposes of the "mark-to-market" rules; (ii) that is a "specified financial institution"; (iii) an interest in which is a "tax shelter investment"; or (v) that has elected to determine its Canadian tax results in accordance with the "functional currency" rules, as each of those terms is defined in the Act.

For purposes of the Act, Resident Participants will be considered to have received a taxable dividend on each Dividend Payment Date equal to the full amount of the cash dividend paid on that date. Resident Participants must include in their annual taxable income the taxable amount of dividends and will be subject to tax under the Act in the same manner as they would have been had they received the dividends directly.

Based on the Canada Revenue Agency's administrative policy, the purchase by a Resident Participant of Common Shares from the reinvestment of cash dividends at a Discount that is no greater than 5% should not result in income under the Act to such Resident Participant in respect of the Discount.

The amount paid to acquire Common Shares will be added to the Resident Participant's cost of such Common Shares. For purposes of determining the Resident Participant's gain or loss from the disposition or deemed disposition of Common Shares, the cost of such Common Shares will be averaged with the adjusted cost base of all of the Common Shares the Resident Participant holds as capital property.

Non-Resident Participants

This portion of the summary is applicable only to a Participant who, for purposes of the Act and at all relevant times, is neither resident nor deemed to be resident in Canada, holds the Common Shares as capital property, does not use or hold and is not deemed to use or hold Common Shares in the course of carrying on a business in Canada, deals at arm's length with the Company and whose Common Shares are not "designated insurance property" or "taxable Canadian property" (a "Non-Resident Participant").

Dividends paid to a Non-Resident Participant will generally be subject to Canadian withholding tax at a rate of 25% unless the Non-Resident Participant is entitled to the benefits of

an income tax treaty between Canada and the Non-Resident Participant's country of residence. If a Non-Resident Participant is entitled to the benefits of such a treaty, the Canadian withholding tax rate will generally be reduced to 15%.

Based on the Canada Revenue Agency's administrative policy, the purchase by a Non-Resident Participant of Common Shares from the reinvestment of cash dividends at a Discount of that is no greater than 5% should not result in a deemed dividend under the Act to such Non-Resident Participant.

Use a black or blue pen. Print in CAPITAL letters inside the grey areas as shown in this example.

A B C

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X



9th Floor, 100 University Avenue
Toronto, Ontario M5J 2Y1
Telephone 1-800-564-6253
www.computershare.com

Please complete the information fields below (print clearly) in full

Name of Reinvestment Company Plan

Holder Account Number

Registered Name in which account is held (eg. John Smith)

Apt.

Street Number

Street Name

City

Prov. / State

Postal / Zip Code

Optional Cash Purchase (OCP) - Participant Declaration Form

The *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* and the Regulations made thereunder (collectively, the "Act") require that Computershare collect and record specified information and take other compliance measures on new or existing participants who elect to purchase additional securities under the reinvestment plan. **Please read the instructions below before completing the form on the reverse.**

INSTRUCTIONS

The Act requires Computershare to verify the identity of plan account holders or their representatives. To do this, (i) we require that you provide a 'cheque' (personal or certified; min. \$1.00, non-refundable) with a current home address that will clear through a Canadian financial institution or a Canadian branch of a foreign bank authorized under the Bank Act (Canada); and (ii) we will attempt to verify the personal information that you have provided to us by conducting a search through a credit reporting service, which will base its report on your Canadian credit history. If you don't think you have a Canadian credit history of at least 6 months duration or do not consent to such a search, please contact our National Customer Contact Centre at the telephone number above before submitting this form. **Note:** Cheque(s) should be made payable to Computershare. A joint 'cheque' is acceptable, provided one of the names is the account holder.

Please complete this form in FULL if you are making an OCP **AND** have not previously submitted an OCP Declaration for this account. Once you have satisfied the requirements, Computershare will code your account as "Compliant". Further OCP's simply require a valid payment and completion of part **D – OPTIONAL CASH PURCHASE** only.

Part A – PARTICIPANT DECLARATION – If a plan account is registered to:

- 1) **an individual over age 12 or account held in more than one name** - each must complete their Date of Birth and Principal Business or Occupation. Payment may be made by either:
i) a 'cheque' for the total OCP drawn from a bank account in the name of all such individuals, or ii) a separate 'cheque' from each individual which together total the OCP amount.
- 2) **a child under age 12** – complete Date of Birth and indicate "Student" or "Child" in the Principal Business or Occupation field. A Parent or Legal Guardian must provide a 'cheque' (min. \$1.00), and also write his/her Date of Birth on line 2, in order that we may conduct the search described above. Mark applicable account holder status box.
- 3) **a Corporation, Trust, Partnership, or an unincorporated Fund or Organization** – This form must be completed and signed by the individual(s), not more than 3, who will be authorized to give instructions for the account. Each individual must provide their Date of Birth and a 'cheque' (min. \$1.00). Principal Business or Occupation is NOT required. As space on the front of this form is limited to 2 holder declarations and signatures, photocopies of this form may be made if required.

In addition, mark applicable account holder status box, and:

- For a Corporation, we require (i) a copy of its records relating to the authority to operate this account (e.g., excerpts of articles, by-laws and/or board resolutions); (ii) either a certificate of corporate status and a list of directors or another record that confirms its existence and includes a list of its directors (e.g., a filing under securities laws); and (iii) the occupation of each of its directors.
- For a Trust, Partnership, or an unincorporated Fund or Organization, complete Principal Business or Occupation of the entity. Also, we require a copy of its partnership agreement, articles of association or other document that evidences the entity's existence.

Part B – THIRD PARTY DETERMINATION

Check one of the two boxes provided with regard to any third party interest in the account, and fill in the additional fields if required, including a description of the relationship. For example, are you an agent, custodian, attorney, or legal guardian, or otherwise holding the account on behalf of a spouse, relative, business partner or friend?

Part C – POLITICAL PERSON DETERMINATION

Computershare is required to determine if account holders currently hold or have previously held a foreign political position or are related to a political person, past or present. You must check one of the two boxes provided and complete the additional fields if applicable.

Part D – OPTIONAL CASH PURCHASE

OCP instructions and investment details are also included on the reverse. Complete the \$ amount and ensure you have a valid payment. Your Social Insurance (SIN), Driver's License and Province of Issue and/or Home Phone Number may improve our ability to verify your identity. Due to limited space, there is only room for 2 numbers. Please sign and date the form to confirm your understanding of the terms and conditions of the plan and to consent to identity search through the credit reporting service. If you do not consent to the latter, please be sure to contact us at the telephone number at the top of the form. If you are an entity, you must provide certification and information regarding ownership (direct or indirect).

