This short form base shelf prospectus has been filed under legislation in all provinces of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of securities only in those jurisdictions where they may be lawfully offered for sale and thereby only by persons permitted to sell such securities.

***Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada**. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the Corporation at Suite 1201, 139 Water Street, St. John's, Newfoundland and Labrador A1B 3T2 (telephone (709) 737-2800) and are also available electronically at www.sedar.com. The securities being offered under this short form base shelf prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws, and, except in limited circumstances, will not be offered or sold within the United States or for the account or benefit of United States persons.*

New Issue May 10, 2012

SHORT FORM BASE SHELF PROSPECTUS

FORTIS INC.

$1,300,000,000

COMMON SHARES
FIRST PREFERENCE SHARES
SECOND PREFERENCE SHARES
SUBSCRIPTION RECEIPTS
DEBENTURES (UNSECURED)

Fortis Inc. ("Fortis" or the "Corporation") may from time to time offer and issue common shares ("Common Shares"), first preference shares (the "First Preference Shares"), second preference shares (the "Second Preference Shares"), subscription receipts ("Subscription Receipts") or unsecured debentures ("Debentures" and together with the Common Shares, First Preference Shares, Second Preference Shares and Subscription Receipts, the "Securities"), having an aggregate offering price of up to $1,300,000,000 (or the equivalent in US dollars or other currencies), during the 25 month period that this short form base shelf prospectus (the "Prospectus"), including any amendments hereto, remains valid. Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in an accompanying shelf prospectus supplement (a "Prospectus Supplement").

The specific variable terms of any offering of Securities will be set out in the applicable Prospectus Supplement including, where applicable: (i) in the case of Common Shares, the number of shares offered and the offering price (or the manner of determination thereof if offered on a non-fixed price basis); (ii) in the case of First Preference Shares and Second Preference Shares, the designation of the particular series, the number of shares offered, the offering price (or the manner of determination thereof if offered on a non-fixed price basis), the currency or currency unit for which such shares may be purchased, any voting rights, any rights to receive dividends, any terms of redemption, any conversion or exchange rights and any other specific terms; (iii) in the case of Subscription Receipts, the offering price (or the manner of determination thereof if offered on a non-fixed price basis), the procedures for the exchange of Subscription Receipts for Common Shares, First Preference Shares, Second Preference Shares or Debentures, as the case may be, and any other specific terms; and (iv) in the case of Debentures, the designation of the Debentures, the aggregate principal amount of the Debentures being offered, the currency or currency unit for which the Debentures may be purchased, authorized denominations, any limit on the aggregate principal amount of the Debentures of the series being offered, the issue and delivery date, the maturity date, the offering price (at par, at a discount or at a premium), the interest rate or method of determining the interest rate, the interest payment date(s), any conversion or exchange rights that are attached to the Debentures, any redemption provisions, any repayment provisions and any other specific terms. A Prospectus Supplement may include other terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The Corporation may sell the Securities to or through underwriters or dealers purchasing as principals and may also sell the Securities to one or more purchasers directly subject to obtaining any required exemptive relief or through agents. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, if any, engaged by the Corporation in connection with the offering and sale of Securities and will set forth the terms of the offering of such Securities, the method of distribution of such Securities including, to the extent applicable, the proceeds to the Corporation and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution. Securities may be sold from time to time in one or more transactions at a fixed price or fixed prices, or at non-fixed prices. If offered on a non-fixed price basis, Securities may be offered at market prices prevailing at the time of sale or at prices to be negotiated with purchasers at the time of sale, which prices may vary as between purchasers and during the period of distribution. If Securities are offered on a non-fixed price basis, the underwriters', dealers' or agents' compensation will be increased or decreased by the amount by which the aggregate price paid for Securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriters, dealers or agents to Fortis. See "Plan of Distribution".

No underwriter or dealer has been involved in the preparation of, or has performed any review of, this Prospectus.

The outstanding Common Shares, Cumulative Redeemable First Preference Shares, Series C, Cumulative Redeemable First Preference Shares, Series E, Cumulative Redeemable First Preference Shares, Series F, Cumulative Redeemable Five-Year Fixed Rate Reset First Preference Shares, Series G and Cumulative Redeemable Five-Year Fixed Rate Reset First Preference Shares, Series H of the Corporation are listed on the Toronto Stock Exchange (the "TSX") under the symbols "FTS", "FTS.PR.C", "FTS.PR.E", "FTS.PR.F", "FTS.PR.G" and "FTS.PR.H", respectively. **There is currently no market through which the First Preference Shares, Second Preference Shares, Subscription Receipts or Debentures may be sold and purchasers may not be able to resell any First Preference Shares, Second Preference Shares, Subscription Receipts or Debentures purchased under this Prospectus. This may affect the pricing of the Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities and the extent of issuer regulation. See the "Risk Factors" section of the applicable Prospectus Supplement.**

This Prospectus does not qualify for issuance Debentures in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for issuance Debentures in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates such as LIBOR, EURIBOR or a U.S. Federal funds rate.

Subject to applicable laws, in connection with any offering of Securities the underwriters, dealers or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities at levels other than those which may prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See "Plan of Distribution".

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus, including the documents incorporated herein by reference, contains forward-looking information which reflects management's expectations regarding the future growth, results of operations, performance, business prospects and opportunities of Fortis Inc. ("Fortis" or the "Corporation"), and may not be appropriate for other purposes. All forward-looking information is given pursuant to the "safe harbour" provisions of applicable Canadian securities legislation. The words "anticipates", "believes", "budgets", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information reflects management's current beliefs and is based on information currently available to the Corporation's management. The forward-looking information in this Prospectus, including the documents incorporated herein by reference, includes, but is not limited to, statements regarding: the Corporation's focus on the United States and Canada in the acquisition of regulated utilities; the pursuit of growth in the Corporation's non-regulated businesses in support of its regulated utility growth strategy; the current environment of low natural gas prices and an abundance of shale gas reserves should help maintain the competitiveness of natural gas versus alternative energy sources in North America; investment to harvest shale oil and gas in Alberta, Canada, is expected to continue and should favourably impact energy sales and rate base investment in FortisAlberta Inc.'s ("FortisAlberta") service territory; the expectation that the Government of British Columbia's new Natural Gas Strategy should favourably impact natural gas throughput at the FortisBC Energy companies; the expected capital investment in Canada's electricity sector over the 20-year period from 2010 through 2030; the Corporation's consolidated forecast gross capital expenditures for 2012 and in total over the five-year period through 2016; the nature, timing and amount of certain capital projects and their expected costs and time to complete; the expectation that the Corporation's significant capital expenditure program should support continuing growth in earnings and dividends; there is no assurance that capital projects perceived as required or completed by the Corporation's regulated utilities will be approved or that conditions to such approvals will not be imposed; the expectation that the Corporation's regulated utilities could experience disruptions and increased costs if they are unable to maintain their asset base; forecast midyear rate base; the expectation that cash required to complete subsidiary capital expenditure programs will be sourced from a combination of cash from operations, borrowings under credit facilities, equity injections from Fortis and long-term debt offerings; the expectation that the Corporation's subsidiaries will be able to source the cash required to fund their 2012 capital expenditure programs; the expected consolidated long-term debt maturities and repayments in 2012 and on average annually over the next five years; the expectation that the Corporation and its subsidiaries will continue to have reasonable access to capital in the near to medium terms; the expectation that the combination of available credit facilities and relatively low annual debt maturities and repayments will provide the Corporation and its subsidiaries with flexibility in the timing of access to capital markets; except for debt at the Exploits River Hydro Partnership ("Exploits Partnership"), the expectation that the Corporation and its subsidiaries will remain compliant with debt covenants during 2012; the expectation that any increase in interest expense and/or fees associated with renewed and extended credit facilities will not materially impact the Corporation's consolidated financial results for 2012; the expected timing of filing of regulatory applications and of receipt of regulatory decisions; the estimated impact a decrease in revenue at Fortis Properties Corporation's ("Fortis Properties") Hospitality Division would have on basic earnings per common share; the expected impact of a change in the US dollar-to-Canadian dollar foreign exchange rate on basic earnings per common share in 2012; the expectation that electricity sales growth at the Corporation's regulated utilities in the Caribbean will be minimal for 2012; the expectation that counterparties to the FortisBC Energy companies' gas derivative contracts will continue to meet their obligations; the expectation that FortisBC will continue efforts in 2012 to further integrate its gas and electricity businesses; the expectation that the Corporation's consolidated earnings and earnings per common share for 2012 will not be materially impacted by the transition to accounting principles generally accepted in the United States ("US GAAP") (see "Recent Developments – Transition to US GAAP"); the expectation of an increase in consolidated defined benefit net pension cost for 2012 and the fact that there is no assurance that the pension plan assets will earn the assumed long-term rates of return in the future; the expected timing of the closing of the acquisition (the "Acquisition") of CH Energy Group, Inc. ("CH Energy Group") by Fortis; and the expectation that the Acquisition will be immediately accretive to earnings per common share, excluding one-time transaction expenses (see "Recent Developments – Agreement to Acquire CH Energy Group").

The forecasts and projections that make up the forward-looking information are based on assumptions which include, but are not limited to: the receipt of applicable regulatory approvals and requested rate orders; no significant variability in interest rates; no significant operational disruptions or environmental liability due to a catastrophic event or environmental upset caused by severe weather, other acts of nature or other major events; the continued ability to maintain the gas and electricity systems to ensure their continued performance; no severe and prolonged downturn in economic conditions; no significant decline in capital spending; no material capital project and financing cost overrun or delay related to the construction of the Waneta expansion hydroelectric generating facility (the "Waneta Expansion"); sufficient liquidity and capital resources; the expectation that the Corporation will receive appropriate compensation from the Government of Belize ("GOB") for fair value of the Corporation's investment in Belize Electricity Limited ("Belize Electricity") that was expropriated by the GOB; the expectation that Belize Electricity Company Limited ("BECOL") will not be expropriated by the GOB; the expectation that the Corporation will receive fair compensation from the Government of Newfoundland and Labrador related to the expropriation of the Exploits Partnership's hydroelectric assets and water rights; the continuation of regulator-approved mechanisms to flow through the commodity cost of natural gas and energy supply costs in customer rates; the continued ability to hedge exposures to fluctuations in interest rates, foreign exchange rates, natural gas commodity prices and fuel prices; no significant counterparty defaults; the continued competitiveness of natural gas pricing when compared with electricity and other alternative sources of energy; the continued availability of natural gas, fuel and electricity supply; continuation and regulatory approval of power supply and capacity purchase contracts; the ability to fund defined benefit pension plans, earn the assumed long-term rates of return on the related assets and recover net pension costs in rates; the absence of significant changes in government energy plans and environmental laws that may materially affect the operations and cash flows of the Corporation and its subsidiaries; maintenance of adequate insurance coverage; the ability to obtain and maintain licences and permits; retention of existing service areas; the ability to report under US GAAP beyond 2014 or the adoption of International Financial Reporting Standards ("IFRS") after 2014 that allows for the recognition of regulatory assets and liabilities; the continued tax-deferred treatment of earnings from the Corporation's Caribbean operations; continued maintenance of information technology infrastructure; the receipt of CH Energy Group shareholder, regulatory and other approvals required in connection with the Acquisition; continued favourable relations with First Nations; favourable labour relations; and sufficient human resources to deliver service and execute the capital programs. The forward-looking information is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. Factors which could cause results or events to differ from current expectations include, but are not limited to: regulatory risk; interest rate risk, including the uncertainty of the impact a continuation of a low interest rate environment may have on allowed rates of return on common shareholders' equity of the Corporation's regulated utilities; operating and maintenance risks; risks associated with changes in economic conditions; capital project budget overrun, completion and financing risk in the Corporation's non-regulated business; capital resources and liquidity risk; risk associated with the amount of compensation to be paid to Fortis for its investment in Belize Electricity that was expropriated by the GOB; the timeliness of the receipt of the compensation and the ability of the GOB to pay the compensation owing to Fortis; risk that the GOB may expropriate BECOL; an ultimate resolution of the expropriation of the hydroelectric assets and water rights of the Exploits Partnership that differs from that which is currently expected by management; weather and seasonality risk; commodity price risk; the continued ability to hedge foreign exchange risk; counterparty risk; competitiveness of natural gas pricing; natural gas, fuel and electricity supply risk; risk associated with the continuation, renewal, replacement and/or regulatory approval of power supply and capacity purchase contracts; defined benefit pension plan performance and funding requirements; risks related to FortisBC Energy (Vancouver Island) Inc. ("FEVI"); environmental risks; insurance coverage risk; loss of licences and permits; risk of loss of service area; risks relating to the ability to close the Acquisition, the timing of such closing and the realization of the anticipated benefits of the Acquisition; risk of not being able to report under US GAAP beyond 2014 or risk that IFRS does not have an accounting standard for rate-regulated entities by the end of 2014 allowing for the recognition of regulatory assets and liabilities; risks related to changes in tax legislation; risk of failure of information technology infrastructure; risk of unexpected outcomes of legal proceedings currently against the Corporation; risk of not being able to access First Nations lands; labour relations risk; and human resources risk. For additional information with respect to the Corporation's risk factors, reference should be made to the section of this Prospectus entitled "Risk Factors" and to the documents incorporated herein by reference.

All forward-looking information in this Prospectus and in the documents incorporated herein by reference is qualified in its entirety by the above cautionary statements and, except as required by law, the Corporation undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise.

DOCUMENTS INCORPORATED BY REFERENCE

The disclosure documents of the Corporation listed below and filed with the appropriate securities commissions or similar regulatory authorities in each of the provinces of Canada are specifically incorporated by reference into and form an integral part of this Prospectus:

(a) Annual Information Form dated March 15, 2012 for the year ended December 31, 2011 (the "AIF");

(b) audited comparative consolidated financial statements as at December 31, 2011 and December 31, 2010 and for the years ended December 31, 2011 and 2010, together with the notes thereto and the auditors' report thereon dated March 13, 2012, as contained in the Corporation's 2011 Annual Report, prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP");

(c) supplemental audited comparative consolidated financial statements as at December 31, 2011 and December 31, 2010 and for the years ended December 31, 2011 and 2010, together with the notes thereto and the auditor's report thereon dated March 13, 2012, prepared in accordance with US GAAP (the "US GAAP Reconciliation");

(d) Management Discussion and Analysis of financial condition and results of operations for the year ended December 31, 2011 as contained in the Corporation's 2011 Annual Report (the "MD&A");

(e) unaudited comparative interim consolidated financial statements as at March 31, 2012 and for the three months ended March 31, 2012 and 2011, together with the notes thereon, prepared in accordance with US GAAP;

(f) Management Discussion and Analysis of financial condition and results of operations for the three months ended March 31, 2012; and

(g) Management Information Circular dated March 19, 2012 prepared in connection with the Corporation's annual meeting of shareholders held on May 4, 2012 (the "Information Circular").

All documents of the type referred to in the preceding paragraph, any material change report (other than any confidential material change report) and any business acquisition reports, as well as all Prospectus Supplements disclosing additional or updated information subsequently filed by the Corporation with such securities commissions or regulatory authorities after the date of this Prospectus, and prior to the termination of the distribution under this Prospectus, shall be deemed to be incorporated by reference into this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, or in any other subsequently filed document which also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

When Fortis files a new annual information form and audited consolidated financial statements and related management's discussion and analysis with, and where required, they are accepted by, the applicable securities regulatory authorities during the time that this Prospectus is valid, the previous annual information form, the previous audited consolidated financial statements and related management's discussion and analysis and all unaudited interim consolidated financial statements and related management's discussion and analysis for such periods, all material change reports and any information circular and business acquisition report filed prior to the commencement of the Corporation's financial year in which the new annual information form is filed will be deemed no longer to be incorporated by reference in this Prospectus for purposes of future offers and sales of Securities under this Prospectus. Upon new interim financial statements and the accompanying management's discussion and analysis being filed by the Corporation with the applicable securities regulatory authorities during the term of this Prospectus, all interim financial statements and accompanying management's discussion

and analysis filed prior to the filing of the new interim financial statements shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

Investors should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. Fortis has not authorized anyone to provide investors with different or additional information. Fortis is not making an offer of Securities in any jurisdiction where the offer is not permitted by law. Prospective investors should not assume that the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement is accurate as of any date other than the date on the front of the applicable Prospectus Supplement.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the Corporation at Suite 1201, 139 Water Street, St. John's, Newfoundland and Labrador A1B 3T2 (telephone (709) 737-2800). These documents are also available through the Internet on the Corporation's website at www.fortisinc.com or on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") which can be accessed at www.sedar.com. The information contained on, or accessible through, any of these websites is not incorporated by reference into the Prospectus and is not, and should not be considered to be, a part of the Prospectus, unless it is explicitly so incorporated.

ABOUT THIS PROSPECTUS

In this Prospectus and in any Prospectus Supplement, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars. References to "dollars" or "$" are to lawful currency of Canada, and references to "US dollars" or "US$" are to lawful currency of the United States.

Unless otherwise indicated, all financial information included and incorporated by reference in this Prospectus or included in any Prospectus Supplement for financial periods beginning prior to January 1, 2012 has been prepared using Canadian GAAP. All financial information included and incorporated by reference in this Prospectus or included in any Prospectus Supplement for financial periods beginning on or after January 1, 2012 has been prepared using US GAAP. For a discussion of the principal differences between the Corporation's financial results as calculated under Canadian GAAP and US GAAP, prospective investors should refer to the US GAAP Reconciliation, incorporated by reference in this Prospectus. See "Recent Developments – Transition to US GAAP" below.

FORTIS

Fortis Inc. was incorporated as 81800 Canada Ltd. under the *Canada Business Corporations Act* on June 28, 1977. The Corporation was continued under the *Corporations Act* (Newfoundland and Labrador) on August 28, 1987 and on October 13, 1987 the Corporation amended its articles to change its name to "Fortis Inc.". The address of the head office and principal place of business of the Corporation is The Fortis Building, Suite 1201, 139 Water Street, St. John's, Newfoundland and Labrador A1B 3T2.

Fortis is the largest investor-owned distribution utility in Canada with total assets of more than $14 billion as at March 31, 2012 and fiscal 2011 revenue totalling approximately $3.7 billion. The Corporation serves more than 2,000,000 gas and electricity customers. Its regulated holdings include electric distribution utilities in five Canadian provinces and two Caribbean countries and a natural gas utility in British Columbia, Canada. As at March 31, 2012, regulated utility assets comprised approximately 91% of the Corporation's total assets, with the balance comprised of non-regulated generation assets, commercial office and retail space and hotels. Fortis is the direct owner of all of the common shares of FortisBC Holdings Inc. ("FortisBC Holdings") (formerly Terasen Inc.), a company that, through its subsidiaries, is the principal distributor of natural gas in British Columbia. Fortis is the indirect owner of all of the common shares of FortisAlberta, a regulated electric utility that distributes electricity generated by other market participants in a substantial portion of southern and central Alberta; FortisBC Inc. ("FortisBC"), a regulated electric utility that generates, transmits and distributes electricity in the southern interior of British Columbia; and Maritime Electric Company Limited ("Maritime Electric"), the principal distributor of electricity on Prince Edward Island. Fortis also holds all of the common shares of Newfoundland Power Inc. ("Newfoundland Power"), the principal distributor of electricity in Newfoundland. As well, through its wholly owned subsidiary FortisOntario Inc. ("FortisOntario") and its subsidiaries, Canadian Niagara Power Inc. ("CNPI") and Cornwall Street Railway, Light and Power Company, Limited, Fortis provides an integrated electric utility service to customers primarily in Fort Erie, Cornwall, Gananoque and Port Colborne in Ontario. Through its wholly owned subsidiary Algoma Power Inc., FortisOntario also distributes electricity to customers in the district of Algoma in northern Ontario.

The Corporation's regulated electric utility assets in the Caribbean consist of its ownership, through wholly owned subsidiaries, of an approximate 60% interest in Caribbean Utilities Company, Ltd. ("Caribbean Utilities"), the sole provider of electricity on Grand Cayman, Cayman Islands. Fortis also owns, through a wholly owned subsidiary, FortisTCI Limited (formerly P.P.C. Limited) and Atlantic Equipment & Power (Turks and Caicos) Ltd. (together, "Fortis Turks and Caicos"), the principal distributor of electricity on the Turks and Caicos Islands.

The Corporation's non-regulated electricity generation operations consist of its 100% interest in each of BECOL, FortisOntario and non-regulated generation assets owned either directly or indirectly by FortisBC, Fortis Properties and Fortis.

BECOL owns and operates the 25-megawatt ("MW") Mollejon, 7-MW Chalillo and 19-MW Vaca hydroelectric generating facilities, all of which are located on the Macal River in Belize. FortisOntario owns and operates a 5-MW gas-fired cogeneration plant in Cornwall, Ontario. The non-regulated electricity generation operations of FortisBC consist of the 16-MW run-of-river Walden hydroelectric power plant near Lillooet, British Columbia. Fortis owns a 51% controlling ownership interest in the non-regulated Waneta Expansion Limited Partnership (the "Waneta Partnership"), which was established in 2010 to construct the Waneta Expansion, a 335-MW hydroelectric generating facility adjacent to the existing Waneta plant in British Columbia.

Through FortisUS Energy Corporation ("FortisUS Energy"), an indirect wholly owned subsidiary of Fortis, the Corporation owns and operates four hydroelectric generating stations in Upper New York State with a total combined capacity of approximately 23 MW. The operations of FortisUS Energy are managed by FortisBC.

Fortis Properties' assets include six small hydroelectric generating stations in eastern Ontario with a combined capacity of 8 MW.

Through Fortis Properties, the Corporation owns 22 hotels in eight Canadian provinces and commercial office and retail space primarily in Atlantic Canada.

Regulated Gas Utilities – Canadian

FortisBC Energy Companies

The natural gas distribution business of FortisBC Holdings is one of the largest in Canada. With approximately 939,000 customers as at March 31, 2012, FortisBC Holding's subsidiaries provide service to over 96% of gas users in British Columbia. FortisBC Energy Inc. ("FEI") (formerly Terasen Gas Inc.) is the largest of these subsidiaries, serving approximately 837,000 customers as at March 31, 2012. With the implementation of a new Customer Care Enhancement Project on January 1, 2012, the gas utilities adjusted their customer count downwards by approximately 17,000 effective January 1, 2012 as a result of a change in their definition of a "customer". FEI has a service area which includes Greater Vancouver, the Fraser Valley and the Thompson, Okanagan, Kootenay and North Central interior regions of British Columbia. FEVI (formerly Terasen Gas (Vancouver Island) Inc.) owns and operates the natural gas transmission pipeline from the Greater Vancouver area across the Georgia Strait to Vancouver Island and the distribution system on Vancouver Island and along the Sunshine Coast of British Columbia, serving approximately 99,000 customers as at March 31, 2012. In addition to providing transmission and distribution services to customers, FEI and FEVI also obtain natural gas supplies on behalf of most residential and commercial customers. Gas supplies are sourced primarily from north-eastern British Columbia and Alberta. FortisBC Energy (Whistler) Inc. ("FEWI") (formerly Terasen Gas (Whistler) Inc.) owns and operates the natural gas distribution system in the Resort Municipality of Whistler, British Columbia, providing service to approximately 2,600 residential and commercial customers as at March 31, 2012. The FortisBC Energy companies own and operate almost 47,200 kilometres of natural gas distribution and transmission pipelines and met a peak day demand of 1,210 terajoules for 2011.

Regulated Electric Utilities – Canadian

FortisAlberta

FortisAlberta distributed electricity to approximately 501,000 customers in Alberta as at March 31, 2012, using approximately 114,000 kilometres of owned and/or operated distribution lines and met a peak demand of 2,505 MW for 2011. FortisAlberta's business is the ownership and operation of regulated electricity distribution facilities that distribute electricity generated by other market participants from high-voltage transmission substations to end-use customers in central and southern Alberta. FortisAlberta is not involved in the generation, transmission or direct sale of electricity.

FortisBC

FortisBC is an integrated, regulated electric utility that owns a network of generation, transmission and distribution assets located in the southern interior of British Columbia. FortisBC served a diverse mix of approximately 162,500 customers, as at March 31, 2012, with residential customers representing the largest customer segment, and met a peak demand of 669 MW for 2011. FortisBC owns four regulated hydroelectric generating plants with an aggregate capacity of 223 MW that provide approximately 45% of FortisBC's energy and 30% of its peak capacity needs. FortisBC's remaining electricity supply is acquired through long-term power purchase contracts and short-term market purchases. FortisBC's business also includes non-regulated operating, maintenance and management services relating to the 493-MW Waneta hydroelectric generation facility owned by Teck Metals Ltd. and British Columbia Hydro and Power Authority ("BC Hydro"), the 149-MW Brilliant hydroelectric plant, the 120-MW Brilliant expansion plant and the 185-MW Arrow Lakes hydroelectric plant, each owned by Columbia Power Corporation and Columbia Basin Trust ("CPC/CBT"), and the distribution system owned by the City of Kelowna.

Newfoundland Power

Newfoundland Power is a regulated electric utility that operates an integrated generation, transmission and distribution system throughout the island portion of the Province of Newfoundland and Labrador. Newfoundland Power served approximately 248,000 customers as at March 31, 2012, or approximately 87% of electricity consumers in the Province, and met a peak demand of 1,166 MW for 2011. Approximately 93% of the electricity that Newfoundland Power sells to its customers is purchased from Newfoundland and Labrador Hydro Corporation ("Newfoundland Hydro"). Currently, Newfoundland Power has an installed generating capacity of 140 MW, of which 97 MW is hydroelectric generation.

Maritime Electric

Maritime Electric is a regulated electric utility that operates an integrated generation, transmission and distribution system on Prince Edward Island. Maritime Electric directly supplied over 75,000 customers as at March 31, 2012, or 90% of electricity consumers on the Island, and met a peak demand of 224 MW for 2011. Maritime Electric purchases most of the energy it distributes to its customers from New Brunswick Power Corporation under various energy purchase agreements and maintains on-Island generating facilities with an aggregate capacity of 150 MW.

FortisOntario

FortisOntario's regulated distribution operations served approximately 64,000 customers in the Fort Erie, Cornwall, Gananoque, Port Colborne and the District of Algoma in Ontario, as at March 31, 2012, and met a combined peak demand of 276 MW for 2011. Through CNPI, FortisOntario owns international transmission facilities at Fort Erie and owns a 10% interest in each of Westario Power Inc., Rideau St. Lawrence Holdings Inc. and Grimsby Power Inc., three regional electric distribution companies that, together, served approximately 38,000 customers, as at March 31, 2012.

Regulated Electric Utilities – Caribbean

Caribbean Utilities

Fortis holds an indirect approximate 60% controlling ownership interest in Caribbean Utilities as of March 31, 2012. Caribbean Utilities has the exclusive right to distribute and transmit electricity on the island of Grand Cayman, Cayman Islands, pursuant to a 20-year licence entered into on April 3, 2008. Caribbean Utilities also entered into a non-exclusive 21.5-year power generation licence with the Government of the Cayman Islands on April 3, 2008.

Caribbean Utilities served approximately 27,000 customers as at March 31, 2012, has approximately 151 MW of installed diesel-powered generating capacity and met a peak demand of 99 MW for 2011. The Class A Ordinary Shares of Caribbean Utilities are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol CUP.U.

Fortis Turks and Caicos

Fortis Turks and Caicos served approximately 9,600 customers, or approximately 85% of electricity consumers, on the Turks and Caicos Islands, as at March 31, 2012. Fortis Turks and Caicos is the principal distributor of electricity on Turks and Caicos pursuant to two 50-year licences that expire in 2036 and 2037, respectively. Fortis Turks and Caicos has an installed diesel-powered generating capacity of approximately 65 MW and met a peak demand of approximately 30 MW for 2011.

Expropriated Assets – Belize Electricity

Until June 20, 2011, Fortis held an indirect approximate 70% controlling ownership interest in Belize Electricity, the regulated principal distributor of electricity in Belize, Central America. On June 20, 2011, the Government of Belize ("GOB") enacted legislation leading to the expropriation of the Corporation's investment in Belize Electricity. The consequential loss of control over the operations of the utility resulted in the Corporation discontinuing the consolidation method of accounting for Belize Electricity, effective June 20, 2011. The Corporation has classified the book value of the previous investment in Belize Electricity as a long-term other asset on the consolidated balance sheet. As at March 31, 2012, the long-term other asset, including foreign exchange impacts, totalled $104 million.

In October 2011 Fortis commenced an action in the Belize Supreme Court to challenge the legality of the expropriation of its investment in Belize Electricity and court proceedings with respect to the matter are continuing. Fortis commissioned an independent valuation of its expropriated investment in Belize Electricity and submitted its claim for compensation to the GOB in November 2011. The GOB also commissioned a valuation of Belize Electricity and communicated the results of such valuation in its response to the Corporation's claim for compensation. The fair value determined under the GOB's valuation is significantly lower than the fair value determined under the Corporation's valuation. Pursuant to the expropriation action, Fortis is assessing alternative options for obtaining fair compensation from the GOB.

Non-Regulated – Fortis Generation

Belize

Non-regulated generation operations in Belize are conducted through BECOL under a franchise agreement with the GOB. BECOL owns and operates the 25-MW Mollejon hydroelectric generating facility, the 7-MW Chalillo hydroelectric generating facility and the 19-MW Vaca hydroelectric generating facility. All such facilities are located on the Macal River in Belize. These hydro plants generate average annual energy production of approximately 240 gigawatt hours ("GWh"). BECOL sells its entire output to Belize Electricity under 50-year power purchase agreements expiring in 2055 and 2060. In October 2011, the GOB purportedly amended the Constitution of Belize to require majority government ownership of three public utility providers, including Belize Electricity, but excluding BECOL. The GOB has also indicated it has no intention to expropriate BECOL. Fortis continues to control and consolidate the financial statements of BECOL.

Ontario

Non-regulated generation assets in Ontario are owned and operated by FortisOntario and Fortis Properties and include the 5-MW gas-fired cogeneration plant in Cornwall and six small hydroelectric generating stations with a combined capacity of approximately 8 MW.

Central Newfoundland

The non-regulated generation investment in central Newfoundland is held through the Corporation's indirect 51% interest in the Exploits River Hydro Partnership (the "Exploits Partnership") between AbitibiBowater Inc. ("Abitibi") and Fortis Properties. In December 2008 the Government of Newfoundland and Labrador expropriated Abitibi's hydroelectric assets and water rights in Newfoundland, including those of the Exploits Partnership. The Government of Newfoundland and Labrador has publically stated that it is not its intention to adversely affect the business interests of lenders or independent partners of Abitibi in the Province. The loss of control over cash flows and operations has required Fortis to cease consolidation of the Exploits Partnership, effective February 12, 2009. Discussions between Fortis Properties and Nalcor Energy, acting as agent for the Government of Newfoundland and Labrador, with respect to expropriation matters are ongoing.

British Columbia

Non-regulated generation operations in British Columbia, conducted through FortisBC, include the 16-MW run-of-river Walden hydroelectric power plant near Lillooet. This plant sells its entire output to BC Hydro under a power purchase agreement expiring in 2013.

In October 2010, the Corporation formed the Waneta Partnership with CPC/CBT and concluded definitive agreements to construct the 335-MW Waneta Expansion at an estimated cost of approximately $900 million. The facility is situated adjacent to the Waneta Dam and powerhouse facilities on the Pend d'Oreille River, south of Trail, British Columbia. CPC/CBT are both 100% owned entities of the Government of British Columbia. Fortis owns a controlling 51% interest in the Waneta Partnership and, through FortisBC, will operate and maintain the Waneta Expansion when it comes into service, which is expected in spring 2015. SNC-Lavalin Group Inc. was awarded a contract for approximately $590 million to design and build the Waneta Expansion. Construction began in November 2010 and capital expenditures of approximately $290 million have been incurred on this capital project through March 31, 2012. The Waneta Expansion will be included in the Canal Plant Agreement (as described in the Corporation's AIF) and will receive fixed energy and capacity entitlements based upon long-term average water flows, thereby significantly reducing hydrologic risk associated with the project. The energy output, approximately 630 GWh, and associated capacity required to deliver such energy, from the Waneta Expansion will be sold to BC Hydro under an executed long-term energy purchase agreement. The surplus capacity, equal to 234 MW on an average annual basis, is expected to be sold to FortisBC under a long-term capacity purchase agreement. In November 2011, FortisBC executed the agreement to purchase the capacity from the Waneta Expansion and filed such executed agreement with the British Columbia Utilities Commission (the "BCUC"). The form of the agreement was originally accepted for filing by the BCUC in September 2010. The BCUC is conducting its usual review process of the executed agreement to determine whether a hearing is necessary to decide whether the agreement is in the public interest.

Upper New York State

Non-regulated generation assets in Upper New York State are owned and operated by FortisUS Energy and include four hydroelectric generating stations with a combined generating capacity of approximately 23 MW operating under licences from the U.S. Federal Energy Regulatory Commission. Since January 1, 2007, all four plants have been selling energy at market rates.

Non-Regulated – Fortis Properties

In addition to its non-regulated generation operations, Fortis Properties owns and operates 22 hotels, collectively representing approximately 4,300 rooms, in eight Canadian provinces and approximately 2.7 million square feet of commercial office and retail space primarily in Atlantic Canada.

CAPITAL RESOURCES

This Prospectus will provide the Corporation with the flexibility to access the capital markets in a timely manner. The nature, size and timing of any offering of Securities under this Prospectus will be consistent with the past capital raising practices of the Corporation and will continue to depend upon the Corporation's assessment of its requirements for funding and general market conditions.

The Corporation and its subsidiary regulated gas and electric distribution businesses require ongoing access to capital to fund maintenance and expansion of infrastructure, acquisitions and/or repay maturing debt. To meet short-term capital requirements, the Corporation and its larger regulated utility subsidiaries have secured multi-year committed credit facilities. As at March 31, 2012, the Corporation and its subsidiaries had consolidated authorized lines of credit of $2.2 billion, of which $2.0 billion was available to be drawn. In May 2012, the Corporation increased the amount available for borrowing under its committed corporate credit facility from $800 million to $1 billion, thereby increasing the aggregate authorized amount available to the Corporation and its subsidiaries under all lines of credit to $2.4 billion. As at May 9, 2012, an aggregate amount of approximately $2.1 billion was unused and available to be drawn under these facilities. See "Recent Developments – Corporate Credit Facility".

The Corporation and its subsidiaries will require new capital for the repayment of at least a portion of their maturing debt. As at March 31, 2012, long-term debt maturities over the next five years are expected to average approximately $265 million annually.

RECENT DEVELOPMENTS

Agreement to Acquire CH Energy Group

On February 21, 2012, Fortis announced that it had entered into an agreement to acquire CH Energy Group for US$65.00 per common share in cash, for an aggregate purchase price of approximately US$1.5 billion, including the assumption of approximately US$500 million of debt on closing. The closing of the acquisition, which is expected to occur by the end of the first quarter of 2013, is subject to receipt of CH Energy Group's common shareholders' approval, regulatory and other approvals, and the satisfaction of customary closing conditions. The acquisition is expected to be immediately accretive to Fortis' earnings per common share, excluding one-time acquisition-related expenses.

CH Energy Group is an energy delivery company headquartered in Poughkeepsie, New York. Its main business, Central Hudson Gas & Electric Corporation ("Central Hudson"), is a regulated transmission and distribution utility serving approximately 300,000 electric and 75,000 natural gas customers in eight counties of New York State's Mid-Hudson River Valley. Central Hudson accounts for approximately 93% of the total assets of CH Energy Group. CH Energy Group also owns and operates Central Hudson Enterprises Corporation, a non-regulated subsidiary comprised primarily of a fuel delivery business serving approximately 56,000 customers in the Mid-Atlantic Region. As of December 31, 2011, CH Energy Group's total assets were US$1.7 billion and operating revenues and net income for 2011 totalled US$986 million and US$45 million, respectively. In 2011, Central Hudson accounted for approximately 97% of CH Energy Group's net income. Based on the first quarter results filed by CH Energy Group with the U.S. Securities and Exchange Commission ("SEC") on April 26, 2012, CH Energy Group's total assets at March 31, 2012 were approximately US$1.8 billion and operating revenues and net income for the first quarter totalled approximately US$274 million and US$14.6 million, respectively.

Central Hudson's electric assets, which comprise approximately 77% of its total assets, include approximately 7,300 pole miles (11,748 kilometers) of overhead lines and 1,400 trench miles (2,253 kilometers) of underground lines. The electric business met a peak demand of 1,225 MW in 2011. Central Hudson's natural gas assets, which comprise approximately 23% of its total assets, include approximately 1,185 miles (1,907 kilometers) of distribution pipelines and approximately 164 miles (264 kilometers) of transmission pipelines. The gas business met a peak day demand of 115,807 thousand cubic feet in 2011. Central Hudson is subject to regulation by the New York State Public Service Commission ("NYPSC") under a traditional cost-of-service model.

Central Hudson primarily relies on purchases from third-party providers and the New York Independent System Operator-administered energy and capacity markets to meet the demands of its full-service electric customers. It purchases its gas supply requirements from a number of suppliers at various receipt points on pipelines that it has contracted with for firm transport capacity.

In April 2012, applications were filed with the NYPSC and the Federal Energy Regulatory Commission seeking approval of the transaction. The CH Energy Group shareholder vote on the transaction is expected to occur mid-2012.

Transition to US GAAP

Due to continued uncertainty around the adoption of a rate-regulated accounting standard by the International Accounting Standards Board, Fortis adopted US GAAP, as opposed to IFRS, effective January 1, 2012.

Canadian securities rules allow a reporting issuer to file its financial statements prepared in accordance with US GAAP by qualifying as a SEC issuer. A SEC issuer is defined under the Canadian rules as an issuer that: (a) has a class of securities registered with the SEC under Section 12 of the *U.S. Securities Exchange Act of 1934*, as amended (the "Exchange Act"); or (b) is required to file reports under Section 15(d) of the Exchange Act. The Corporation is not currently a SEC issuer, but on June 9, 2011 was granted exemptive relief by Canadian securities regulators to permit it and its reporting issuer subsidiaries to prepare their financial statements in accordance with US GAAP without qualifying as SEC issuers (the "Exemption"). The Exemption applies to financial years commencing on or after January 1, 2012 but before January 1, 2015, and interim periods therein. The Exemption will terminate in respect of financial statements for annual and interim periods commencing on or after the earlier of: (i) January 1, 2015; or (ii) the date on which the Corporation ceases to have activities subject to rate regulation.

The Corporation's past application of Canadian GAAP referred to US GAAP for guidance on accounting for rate-regulated activities. The adoption of US GAAP in 2012 has resulted in fewer significant changes to the Corporation's accounting policies compared to accounting policy changes that may have resulted from the adoption of IFRS. US GAAP guidance on accounting for rate-regulated activities allows the economic impact of rate-regulated activities to be recognized in the consolidated financial statements in a manner consistent with the timing by which amounts are reflected in customer rates. Fortis believes that the continued application of rate-regulated accounting, and the associated recognition of regulatory assets and liabilities under US GAAP, accurately reflects the impact that rate regulation has on the Corporation's consolidated financial position and results of operations.

The Corporation has prepared and filed its audited Canadian GAAP consolidated financial statements for the year ended December 31, 2011, with 2010 comparatives, in the usual manner. The Corporation has also voluntarily prepared and filed the US GAAP Reconciliation. Beginning with the first quarter of 2012, the Corporation's unaudited interim consolidated financial statements have been prepared in accordance with US GAAP, with the restatement of 2011 comparatives in accordance with US GAAP.

Regulatory Decisions

In April 2012, regulatory decisions were received for 2012/2013 customer gas delivery rates at the FortisBC Energy companies and 2012 customer electricity distribution rates at FortisAlberta which reduce regulatory risk at the utilities. Effective January 1, 2012, the BCUC had previously approved an approximate 3% interim increase in rates for most residential customers at FEI and an approximate 6% interim increase in rates for residential customers at FEWI. The April 2012 decision at the FortisBC Energy companies is expected to result in a decrease in customer gas delivery rates at FEI and FEWI in the range of 1% – 2% from the January 1, 2012 interim rates. The BCUC also approved, as requested, FEVI's customer rates for 2012 and 2013 to remain unchanged from 2011 customer rates. The decision at FortisAlberta approved an average 5% increase in customer distribution electricity rates, consistent with the interim rate increase that was previously approved by the Alberta Utilities Commission effective January 1, 2012.

Corporate Credit Facility

In May 2012 the amount available for borrowing under the Corporation's committed corporate credit facility was increased from $800 million to $1 billion as permitted under the credit facility agreement. As at May 9, 2012, approximately $160 million was drawn and outstanding under this credit facility.

Approval of the 2012 Stock Option Plan and the 2012 Employee Share Purchase Plan

At the Corporation's annual general meeting held on May 4, 2012, the shareholders of the Corporation approved an amended and restated stock option plan (the "2012 Stock Option Plan") and an amended and restated employee share purchase plan (the "2012 ESPP"). Both the 2012 Stock Option Plan and the 2012 ESPP are described in more detail in the Information Circular which is incorporated by reference into this Prospectus. See "Documents Incorporated by Reference".

SHARE CAPITAL OF FORTIS

The authorized share capital of the Corporation consists of an unlimited number of common shares (the "Common Shares"), an unlimited number of First Preference Shares issuable in series and an unlimited number of Second Preference Shares issuable in series, in each case without nominal or par value. As at May 9, 2012, 189,330,675 Common Shares, 5,000,000 Cumulative Redeemable First Preference Shares, Series C (the "First Preference Shares, Series C"), 7,993,500 Cumulative Redeemable First Preference Shares, Series E (the "First Preference Shares, Series E"), 5,000,000 Cumulative Redeemable First Preference Shares, Series F (the "First Preference Shares, Series F"), 9,200,000 Cumulative Redeemable Five-Year Fixed Rate Reset First Preference Shares, Series G (the "First Preference Shares, Series G") and 10,000,000 Cumulative Redeemable Five-Year Fixed Rate Reset First Preference Shares, Series H (the "First Preference Shares, Series H") were issued and outstanding. The Corporation's Common Shares, First Preference Shares, Series C, First Preference Shares, Series E, First Preference Shares, Series F, First Preference Shares, Series G and First Preference Shares, Series H are listed on the TSX under the symbols "FTS", "FTS.PR.C", "FTS.PR.E", "FTS.PR.F", "FTS.PR.G" and "FTS.PR.H", respectively.

EARNINGS COVERAGE RATIOS

The following consolidated earnings coverage ratios have been calculated for the 12 months ended December 31, 2011 and the 12 months ended March 31, 2012. The earnings coverage ratios set forth below do not purport to be indicative of earnings coverage ratios for any future periods. The earnings coverage ratios and dividend and interest requirements do not give effect to the issuance of any Securities that may be issued pursuant to this Prospectus and any Prospectus Supplement, since the aggregate principal amounts and the terms of such Securities are not currently known. The financial ratios included below have been calculated based on financial information prepared in accordance with US GAAP. The ratios for the 12 months ended December 31, 2011 are based on audited financial information.

	12 Months Ended December 31, 2011	12 Months Ended March 31, 2012
Dividend and interest requirements ($ millions)	$ 442	$ 439
Earnings before interest expense and taxes ($ millions)	$ 791	$ 790
Earnings coverage	1.79	1.80

DIVIDEND POLICY

Dividends on the Common Shares are declared at the discretion of the board of directors of Fortis (the "Board of Directors"). The Corporation paid cash dividends on its Common Shares of $1.16 in 2011, $1.12 in 2010 and $1.04 in 2009. On May 3, 2012, the Board of Directors declared a third quarter dividend of $0.30 per Common Share, payable on September 1, 2012 to holders of record of such Common Shares on August 17, 2012.

Regular quarterly dividends at the prescribed annual rate have been paid on all of the First Preference Shares, Series C, First Preference Shares, Series E, First Preference Shares, Series F, First Preference Shares, Series G and

First Preference Shares, Series H, respectively. The Board of Directors declared a third quarter dividend on the First Preference Shares, Series C, First Preference Shares, Series E, First Preference Shares, Series F, First Preference Shares, Series G and First Preference Shares, Series H on May 3, 2012, in each case in accordance with the applicable prescribed annual rate, payable on September 1, 2012 to holders of record of such First Preference Shares on August 17, 2012.

RATINGS

Each of the First Preference Shares, Series C, First Preference Shares, Series E, First Preference Shares, Series F, First Preference Shares, Series G and First Preference Shares, Series H are rated Pfd-2 (low)/Under Review – Developing Implications by DBRS Limited ("DBRS") and P-2/CreditWatch – Negative by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies (Canada) Corporation ("S&P"). The Corporation's unsecured debentures are rated A(low)/Under Review – Developing Implications by DBRS and are rated A-/Credit Watch – Negative by S&P. S&P and DBRS placed the Corporation's credit ratings on "Credit Watch – Negative" and "Under Review – Developing Implications", respectively, in February 2012 after the Corporation announced that it had entered into an agreement to acquire all of the shares of CH Energy Group. Credit ratings relating to the Securities offered pursuant to this Prospectus, where applicable, will be described in the relevant Prospectus Supplement.

The DBRS rating of Pfd-2 (low) is the lowest of three sub-categories within the second highest rating of the six standard categories of ratings utilized by DBRS for preferred shares. The DBRS rating of A(low) is the lowest of three subcategories within the third highest rating of ten major categories for debt securities, ranging from AAA to D. A P-2 rating by S&P is the second of the three sub-categories within the second highest rating of the five standard categories of ratings utilized by S&P for preferred shares. The S&P rating of A- is the lowest standing within the third highest rating of ten major categories for debt securities, ranging from AAA to D.

According to S&P, the rating action "Credit Watch – Negative" means that the Corporation's credit ratings have been placed under surveillance by S&P and that the ratings may be lowered due to S&P's view that there is at least a 50% probability that the Corporation's non-consolidated credit metrics will fall below thresholds previously established for the Corporation's current credit ratings, following the close of the proposed acquisition of CH Energy Group.

According to DBRS, the rating action "Under Review – Developing Implications" means that the Corporation's credit ratings are under review by DBRS due to the uncertainty of the impact on the Corporation's credit ratings upon close of the proposed acquisition of CH Energy Group, but that DBRS expects the Corporation to finance the acquisition of CH Energy Group such that its non-consolidated debt-to-capital structure remains within the 20% range.

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. The credit ratings accorded to the First Preference Shares, Series C, First Preference Shares, Series E, First Preference Shares, Series F and First Preference Shares, Series G, First Preference Shares, Series H and the Corporation's unsecured debentures by these rating agencies are not recommendations to purchase, hold or sell such securities, as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

Fortis has paid each of DBRS and S&P their customary fees in connection with the provision of the ratings described herein. Fortis has not made any payments to DBRS or S&P for services unrelated to the provision of such ratings.

DESCRIPTION OF SECURITIES OFFERED

Common Shares

Common Shares may be offered separately or together with First Preference Shares, Second Preference Shares, Subscription Receipts or Debentures under this Prospectus.

Dividends

Holders of Common Shares are entitled to dividends on a *pro rata* basis if, as and when declared by the Board of Directors. Subject to the rights of the holders of the First Preference Shares and Second Preference Shares and any other class of shares of the Corporation entitled to receive dividends in priority to or rateably with the holders of the Common Shares, the Board of Directors may declare dividends on the Common Shares to the exclusion of any other class of shares of the Corporation.

Liquidation, Dissolution or Winding-Up

On the liquidation, dissolution or winding-up of Fortis, holders of Common Shares are entitled to participate rateably in any distribution of assets of Fortis, subject to the rights of holders of First Preference Shares and Second Preference Shares and any other class of shares of the Corporation entitled to receive the assets of the Corporation on such a distribution in priority to or rateably with the holders of the Common Shares.

Voting Rights

Holders of the Common Shares are entitled to receive notice of and to attend all annual and special meetings of the shareholders of Fortis, other than separate meetings of holders of any other class or series of shares, and to one vote in respect of each Common Share held at such meetings.

First Preference Shares

The following is a summary of the material rights, privileges, conditions and restrictions attached to the First Preference Shares as a class. The specific terms of the First Preference Shares, including the currency in which First Preference Shares may be purchased and redeemed and the currency in which any dividend is payable, if other than Canadian dollars, and the extent to which the general terms described in this section apply to those First Preference Shares, will be set forth in the applicable Prospectus Supplement. One or more series of First Preference Shares may be sold separately or together with Common Shares, Second Preference Shares, Subscription Receipts or Debentures under this Prospectus.

Issuance in Series

The Board of Directors may from time to time issue First Preference Shares in one or more series. Prior to issuing shares in a series, the Board of Directors is required to fix the number of shares in the series and determine the designation, rights, privileges, restrictions and conditions attaching to that series of First Preference Shares.

Priority

The shares of each series of First Preference Shares rank on a parity with the First Preference Shares of every other series and in priority to all other shares of the Corporation, including the Second Preference Shares, as to the payment of dividends, return of capital and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs. Each series of First Preference Shares participates rateably with every other series of First Preference Shares in respect of accumulated cumulative dividends and returns of capital if any amount of cumulative dividends, whether or not declared, or amount payable on the return of capital in respect of a series of First Preference Shares, is not paid in full.

Voting

The holders of the First Preference Shares are not entitled to any voting rights as a class except to the extent that voting rights may from time to time be attached to any series of First Preference Shares, and except as provided by law or as described below under "Modification". At any meeting of the holders of the First Preference Shares, each holder shall have one vote in respect of each First Preference Share held.

Redemption

Subject to the provisions of the *Corporations Act* (Newfoundland and Labrador) and any provisions relating to any particular series, Fortis, upon giving proper notice, may redeem out of capital or otherwise at any time, or from time to time, the whole or any part of the then outstanding First Preference Shares of any one or more series on payment for each such First Preference Share of such price or prices as may be applicable to such series. Subject to the foregoing, in case a part only of the then outstanding First Preference Shares of any particular series is at any time redeemed, the shares to be redeemed will be selected by lot in such manner as the directors or the transfer agent for the First Preference Shares, if any, decide, or if the directors so determine, may be redeemed *pro rata* disregarding fractions.

Modification

The class provisions attached to the First Preference Shares may only be amended with the prior approval of the holders of the First Preference Shares in addition to any other approvals required by the *Corporations Act* (Newfoundland and Labrador) or any other statutory provisions of like or similar effect in force from time to time. The approval of the holders of the First Preference Shares with respect to any and all matters may be given by at least two-thirds of the votes cast at a meeting of the holders of the First Preference Shares duly called for that purpose.

Second Preference Shares

The rights, privileges, restrictions and conditions attaching to the Second Preference Shares are substantially identical to those attaching to the First Preference Shares, except that the Second Preference Shares are junior to the First Preference Shares with respect to the payment of dividends, repayment of capital and the distribution of assets of the Corporation in the event of a liquidation, dissolution or winding up of the Corporation.

The specific terms of the Second Preference Shares, including the currency in which Second Preference Shares may be purchased and redeemed and the currency in which any dividend is payable, if other than Canadian dollars, and the extent to which the general terms described in this Prospectus apply to those Second Preference Shares, will be set forth in the applicable Prospectus Supplement. One or more series of Second Preference Shares may be sold separately or together with Common Shares, First Preference Shares, Subscription Receipts or Debentures under this Prospectus.

Subscription Receipts

Subscription Receipts may be offered separately or together with Common Shares, First Preference Shares, Second Preference Shares or Debentures, as the case may be. Subscription Receipts will be issued under a subscription receipt agreement that will be entered into by the Corporation at the time of issuance of the Subscription Receipts.

The applicable Prospectus Supplement will include details of the subscription receipt agreement covering the Subscription Receipts being offered. The specific terms of the Subscription Receipts, and the extent to which the general terms described in this section apply to those Subscription Receipts, will be set forth in the applicable Prospectus Supplement. A copy of the subscription receipt agreement will be filed by the Corporation with securities regulatory authorities after it has been entered into by the Corporation.

The subscription receipt agreement will provide each initial purchaser of Subscription Receipts with a contractual right of rescission following the issuance of any Common Shares, First Preference Shares, Second Preference Shares or Debentures, as applicable, to such purchaser upon the exchange of the Subscription Receipts if this Prospectus, the Prospectus Supplement under which the Subscription Receipts are offered, or any amendment hereto or thereto contains a misrepresentation, as such term is defined in the *Securities Act* (Ontario). This contractual right of rescission will entitle such initial purchaser to receive the amount paid for the Subscription Receipts upon surrender of the Securities issued in exchange therefor, provided that such remedy for rescission is exercised in the time stipulated in the subscription receipt agreement. This right of rescission will not extend to any holders of Subscription Receipts who acquire such Subscription Receipts from an initial purchaser on the open market or otherwise.

The particular terms of each issue of Subscription Receipts that will be described in the related Prospectus Supplement will include, where applicable:

- the number of Subscription Receipts;
- the price at which the Subscription Receipts will be offered;
- the procedures for the exchange of the Subscription Receipts into Common Shares, First Preference Shares, Second Preference Shares or Debentures, as the case may be;
- the number of Common Shares, First Preference Shares, Second Preference Shares or Debentures, as the case may be, that may be obtained upon exercise of each Subscription Receipt;
- the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- terms relating to the holding and release or return of the gross proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- material income tax consequences of owning the Subscription Receipts; and
- any other material terms and conditions of the Subscription Receipts.

Securities issued upon the exchange of Subscription Receipts will be issued for no additional consideration.

Debentures

The following sets forth certain general terms and provisions of Debentures. The particular terms and provisions of Debentures offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debentures, will be described in such Prospectus Supplement.

The Debentures may be offered separately or together with the Common Shares, First Preference Shares, Second Preference Shares or Subscription Receipts, as the case may be. The Debentures will be issued in series under the Corporation’s existing trust indenture or one or more trust indentures to be entered into between the Company and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee. Each such trust indenture will set out the terms of the applicable series of Debentures. The statements in this Prospectus relating to any trust indenture and the Debentures to be issued under it are summaries of certain anticipated provisions of the trust indenture and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable trust indenture.

Each trust indenture may provide that Debentures may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by the Corporation. Any Prospectus Supplement for Debentures supplementing this Prospectus will contain the terms and other information with respect to the Debentures being offered, including:

- the designation, aggregate principal amount and authorized denominations of such Debentures,
- the currency for which the Debentures may be purchased and the currency in which the principal and any interest is payable (in either case, if other than Canadian dollars),
- the percentage of the principal amount at which such Debentures will be issued,
- the date or dates on which such Debentures will mature,
- the rate or rates at which such Debentures will bear interest (if any), or the method of determination of such rates (if any),
- the dates on which any such interest will be payable and the record dates for such payments,
- any redemption term or terms under which such Debentures may be defeased,

- any exchange or conversion terms, and
- any other specific terms.

Each series of Debentures may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary.

The Debentures will be direct, unsecured obligations of the Company. The Debentures will be senior or subordinated indebtedness of the Company as described in the relevant Prospectus Supplement.

This Prospectus does not qualify for issuance Debentures in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for issuance Debentures in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates such as LIBOR, EURIBOR or a U.S. Federal funds rate.

CHANGES IN SHARE AND LOAN CAPITAL STRUCTURE

The following describes the changes in the share and loan capital structure of Fortis since March 31, 2012:

- During the period from April 1, 2012 up to and including May 9, 2012, Fortis issued an aggregate of 56,242 Common Shares upon the exercise of options granted pursuant to the 2002 and 2006 Stock Option Plans, for aggregate consideration of $1.4 million.
- During the period from April 1, 2012 up to and including May 9, 2012, the Corporation's consolidated long-term debt and capital lease obligations, including the current portion and committed credit facility borrowings classified as long-term debt, increased by $131 million, largely due to additional borrowings under the Corporation's committed corporate credit facility.

PRIOR SALES

Fortis has not sold or issued any First Preference Shares, Second Preference Shares, Subscription Receipts, Debentures or securities convertible into First Preference Shares, Second Preference Shares or Debentures during the 12 months prior to the date hereof. The following table summarizes the issuances by the Corporation of Common Shares and securities convertible into Common Shares during the 12 months prior to the date of this Prospectus:

Date	Security	Weighted Average Issue Price or Exercise Price per Security, as applicable	Number of Securities
May 2011	Common – Exercise of Stock Options[(1)]	$20.68	20,524
June 1, 2011	Common – DRIP[(2)]	$32.64	454,874
June 1, 2011	Common – CSPP[(3)]	$33.29	10,780
June 2011	Common – Exercise of Stock Options[(1)]	$21.60	17,148
June 2011	Common[(4)]	$33.00	9,100,000
July 2011	Common – Exercise of Over-Allotment Option[(4)]	$33.00	1,240,000
July 2011	Common – Exercise of Stock Options[(1)]	$28.19	1,707
August 2011	Common – Exercise of Stock Options[(1)]	$12.04	19,940
September 1, 2011	Common – DRIP[(2)]	$30.69	528,636
September 1, 2011	Common – CSPP[(3)]	$31.30	9,146
September 2011	Common – Exercise of Stock Options[(1)]	$20.68	74,766
October 2011	Common – Exercise of Stock Options[(1)]	$26.46	70,810
November 2011	Common – Exercise of Stock Options[(1)]	$15.10	40,928
November 2011	Common – Conversion of US$40 million of Convertible Debentures[(5)]	$29.63	1,374,098
December 1, 2011	Common – DRIP[(2)]	$31.86	390,303
December 1, 2011	Common – CSPP[(3)]	$32.48	9,332
December 2011	Common – Exercise of Stock Options[(1)]	$23.83	9,413
January 2012	Common – Exercise of Stock Options[(1)]	$25.41	16,012
February 2012	Common – Exercise of Stock Options[(1)]	$22.29	3,870
March 1, 2012	Common – DRIP[(2)]	$31.52	399,640
March 1, 2012	Common – CSPP[(3)]	$32.14	12,994
March 2012	Common – Exercise of Stock Options[(1)]	$25.62	13,639
April 2012	Common – Exercise of Stock Options[(1)]	$25.49	28,290
May 4, 2012	Stock Options convertible into Common Shares[(6)]	$34.27	789,220
May 1-9, 2012	Common – Exercise of Stock Options[(1)]	$23.75	27,952

(1) Issued on the exercise of options granted pursuant to the Executive, 2002 and 2006 Stock Option Plans of the Corporation.
(2) Issued pursuant to the Corporation's Dividend Reinvestment Plan ("DRIP").
(3) Issued pursuant to the Corporation's Consumer Share Purchase Plan ("CSPP").
(4) Issued to the public pursuant to a short-form prospectus dated June 8, 2011.
(5) Convertible debentures issued pursuant to a debenture purchase agreement dated November 7, 2006.
(6) Options granted under the 2012 Stock Option Plan of the Corporation.

TRADING PRICES AND VOLUMES

The following tables set forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of the Corporation's Common Shares; First Preference Shares, Series C; First Preference Shares, Series E; First Preference Shares, Series F; First Preference Shares, Series G; and First Preference Shares, Series H, on the TSX.

	Trading of Common Shares			Trading of First Preference Shares, Series C		
	TSX			TSX		
	High	Low	Volume	High	Low	Volume
	($)	($)	(#)	($)	($)	(#)
2011						
May	33.85	31.98	15,795,186	26.19	25.54	463,532
June	33.05	30.79	9,954,946	26.04	25.75	348,223
July	32.85	31.53	5,183,546	26.49	25.85	80,991
August	32.75	28.24	14,509,526	26.45	25.86	34,748
September	33.78	31.44	11,207,968	26.14	25.55	135,005
October	34.39	31.32	7,950,203	26.26	25.60	75,014
November	34.16	31.32	18,591,643	26.45	25.75	123,447
December	33.62	31.97	9,940,675	26.21	25.65	187,813
2012						
January	33.67	32.66	7,561,933	26.61	25.90	21,229
February	34.31	31.76	19,233,895	26.54	25.50	50,239
March	33.17	31.70	11,072,696	25.90	25.53	35,364
April	34.35	31.88	7,960,525	26.25	25.53	275,288
May 1 to 9	34.98	33.55	2,888,641	25.95	25.60	9,625

	Trading of First Preference Shares, Series E			Trading of First Preference Shares, Series F		
	TSX			TSX		
	High	Low	Volume	High	Low	Volume
	($)	($)	(#)	($)	($)	(#)
2011						
May	27.34	26.74	272,521	24.00	23.05	87,756
June	27.24	26.61	143,830	24.25	23.16	74,591
July	27.53	26.80	16,908	24.79	24.01	46,339
August	27.86	26.51	367,951	25.10	23.68	67,083
September	27.00	26.59	60,562	25.00	24.33	52,951
October	27.22	26.50	126,929	26.24	24.50	96,924
November	28.12	27.11	114,823	25.69	24.92	56,811
December	27.45	26.98	28,011	26.41	24.98	39,355
2012						
January	27.60	26.97	72,839	25.85	25.05	70,415
February	28.98	26.75	68,038	25.94	25.00	239,924
March	27.58	26.02	53,080	25.60	25.00	328,502
April	26.60	26.05	333,365	25.30	25.00	167,439
May 1 to 9	26.66	26.59	1,430	25.60	25.21	25,850

	Trading of First Preference Shares, Series G			Trading of First Preference Shares, Series H		
	TSX			TSX		
	High	Low	Volume	High	Low	Volume
	($)	($)	(#)	($)	($)	(#)
2011						
May	26.50	25.88	97,923	26.50	25.14	96,623
June	26.99	25.88	128,971	25.96	25.25	251,857
July	26.30	25.81	68,285	25.95	25.21	67,873
August	26.40	25.34	75,920	26.00	25.14	156,853
September	26.30	25.58	110,543	26.05	25.00	94,461
October	26.58	25.80	69,175	26.00	25.10	48,926
November	26.19	25.43	107,174	25.84	25.10	95,476
December	26.65	25.70	40,271	26.00	25.29	210,693
2012						
January	26.45	25.75	47,858	26.00	25.50	263,320
February	26.50	25.35	88,246	26.72	25.60	111,592
March	25.92	25.46	168,124	25.99	25.45	85,935
April	25.85	25.60	54,552	25.93	25.46	28,764
May 1 to 9	25.95	25.73	21,021	26.00	25.61	21,874

USE OF PROCEEDS

Unless otherwise indicated in a Prospectus Supplement relating to a particular offering of Securities, the Corporation intends to use the net proceeds from the sale of Securities to repay indebtedness and/or to, directly or indirectly, finance future growth opportunities. Specific information about the use of net proceeds will be set forth in a Prospectus Supplement. The Corporation may invest funds which the Corporation does not immediately use. Such investments may include short-term marketable investment grade securities. The Corporation may, from time to time, issue securities (including debt securities) other than pursuant to this Prospectus.

PLAN OF DISTRIBUTION

The Corporation may sell the Securities, separately or together, to or through one or more underwriters or dealers, purchasing as principals for public offering and sale by them, and also may sell Securities to one or more other purchasers directly or through agents. Each Prospectus Supplement will set out the terms of the offering, including the name or names of any underwriters, dealers or agents, the purchase price or prices of the Securities (or the manner of determination thereof if offered on a non-fixed price basis), and the proceeds to the Corporation from the sale of the Securities. Only underwriters, dealers or agents so named in the Prospectus Supplement are deemed to be underwriters, dealers or agents, as the case may be, in connection with the Securities offered thereby.

The Securities may be sold, from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a *bona fide* effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters, dealers or agents will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters, dealers or agents to the Corporation.

If underwriters or dealers purchase Securities as principal, the Securities will be acquired by the underwriters or dealers for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters or dealers to purchase those Securities will be subject to certain conditions precedent, and the underwriters or dealers will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid may be changed from time to time.

The Securities may also be sold directly by the Corporation in accordance with applicable securities laws at prices and upon terms agreed to by the purchaser and the Corporation or through agents designated by the Corporation from time to time. Any agent involved in the offering and sale of the Securities pursuant to a particular Prospectus Supplement will be named, and any commissions payable by the Corporation to that agent will be set forth, in such Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent would be acting on a best efforts basis for the period of its appointment.

In connection with the sale of the Securities, underwriters, dealers or agents may receive compensation from the Corporation in the form of commissions, concessions and discounts. Any such commissions may be paid out of the general funds of the Corporation or the proceeds of the sale of the Securities. Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreement to be entered into with the Corporation to indemnification by the Corporation against certain liabilities, including liabilities under Canadian securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may engage in transactions with, or perform services for, the Corporation in the ordinary course of business.

In connection with any offering of Securities, the applicable Prospectus Supplement will set forth any intention by the underwriters, dealers or agents to offer, allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time.

CERTAIN INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement will describe certain material Canadian federal income tax consequences to an investor who is a resident of Canada or who is a non-resident of Canada of the acquisition, ownership and disposition of any Securities offered thereunder, including whether the payment of dividends will be subject to Canadian non-resident withholding tax.

RISK FACTORS

An investment in Securities involves certain risks. A prospective purchaser of Securities should carefully consider the risk factors described under the heading "Business Risk Management" in the MD&A found on pages 48 to 61 of the Corporation's 2011 Annual Report and on pages 28 to 29 of the Corporation's Management Discussion and Analysis of financial condition and results of operations for the three months ended March 31, 2012, each of which is incorporated by reference herein. In addition, a prospective purchaser of Securities should carefully consider the other information contained in this Prospectus and in all subsequently filed documents incorporated by reference and those described in a Prospectus Supplement relating to a specific offering of Securities.

Completion of the Acquisition of CH Energy Group

The acquisition of CH Energy Group is subject to certain shareholder, regulatory and other approvals. Failure to obtain, or any delay in obtaining, such approvals could adversely impact the Corporation's ability to close the Acquisition or the timing of such closing. In addition, there is risk that some, or all, of the expected benefits of the acquisition of CH Energy Group may fail to materialize or may not occur within the time periods anticipated by the Corporation. The realization of such benefits may be impacted by a number of factors, many of which are beyond the control of Fortis.

No Market for the Securities

There is currently no trading market for the First Preferred Shares, Second Preferred Shares, Subscription Receipts or Debentures that may be offered pursuant to this Prospectus and any Prospectus Supplement. No assurance can be given that an active or liquid trading market for these securities will develop or be sustained. If an active or liquid market for these Securities fails to develop or be sustained, the prices at which the Securities trade may be adversely affected. Whether or not the Securities will trade at lower prices depends on many factors, including liquidity of these Securities, prevailing interest rates and the markets for similar securities, the market price of the Common Shares, general economic conditions and the Corporation's financial condition, historic financial performance and future prospects.

AUDITOR

The auditors of the Corporation are Ernst & Young LLP, Chartered Accountants, The Fortis Building, 7th Floor, 139 Water Street, St. John's, Newfoundland and Labrador A1C 1B2.

LEGAL MATTERS

Unless otherwise specified in a Prospectus Supplement relating to a specific offering of Securities, certain legal matters relating to the offering of Securities will be passed upon on behalf of the Corporation by Davies Ward Phillips & Vineberg LLP, Toronto and McInnes Cooper, St. John's. At the date hereof, partners and associates of each of Davies Ward Phillips & Vineberg LLP and McInnes Cooper own beneficially, directly or indirectly, less than 1% of any securities of the Corporation or any associate or affiliate of the Corporation.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENT

We have read the Short Form Base Shelf Prospectus (the "Prospectus") of Fortis Inc. (the "Corporation") dated May 10, 2012 relating to the issue and sale of Common Shares, First Preference Shares, Second Preference Shares, Subscription Receipts and Debentures of the Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference, in the Prospectus, of our reports to the shareholders of the Corporation: (i) on the consolidated balance sheets of the Corporation as at December 31, 2011 and 2010 and the consolidated statements of earnings, retained earnings, comprehensive income and cash flows for each of the years in the two-year period ended December 31, 2011, prepared in accordance with Canadian generally accepted accounting principles; and (ii) on the consolidated balance sheets of the Corporation as at December 31, 2011 and 2010 and the consolidated statements of earnings, retained earnings, comprehensive income and cash flows for each of the years in the two-year period ended December 31, 2011, prepared in accordance with accounting principles generally accepted in the United States. Each such report is dated March 13, 2012.

St. John's, Canada
May 10, 2012

(Signed) ERNST & YOUNG LLP
Chartered Accountants

CERTIFICATE OF FORTIS INC.

Dated: May 10, 2012

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by the prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces of Canada.

(Signed) H. STANLEY MARSHALL President and Chief Executive Officer	(Signed) BARRY V. PERRY Vice-President, Finance and Chief Financial Officer

On behalf of the Board of Directors

(Signed) DAVID G. NORRIS Director	(Signed) PETER E. CASE Director