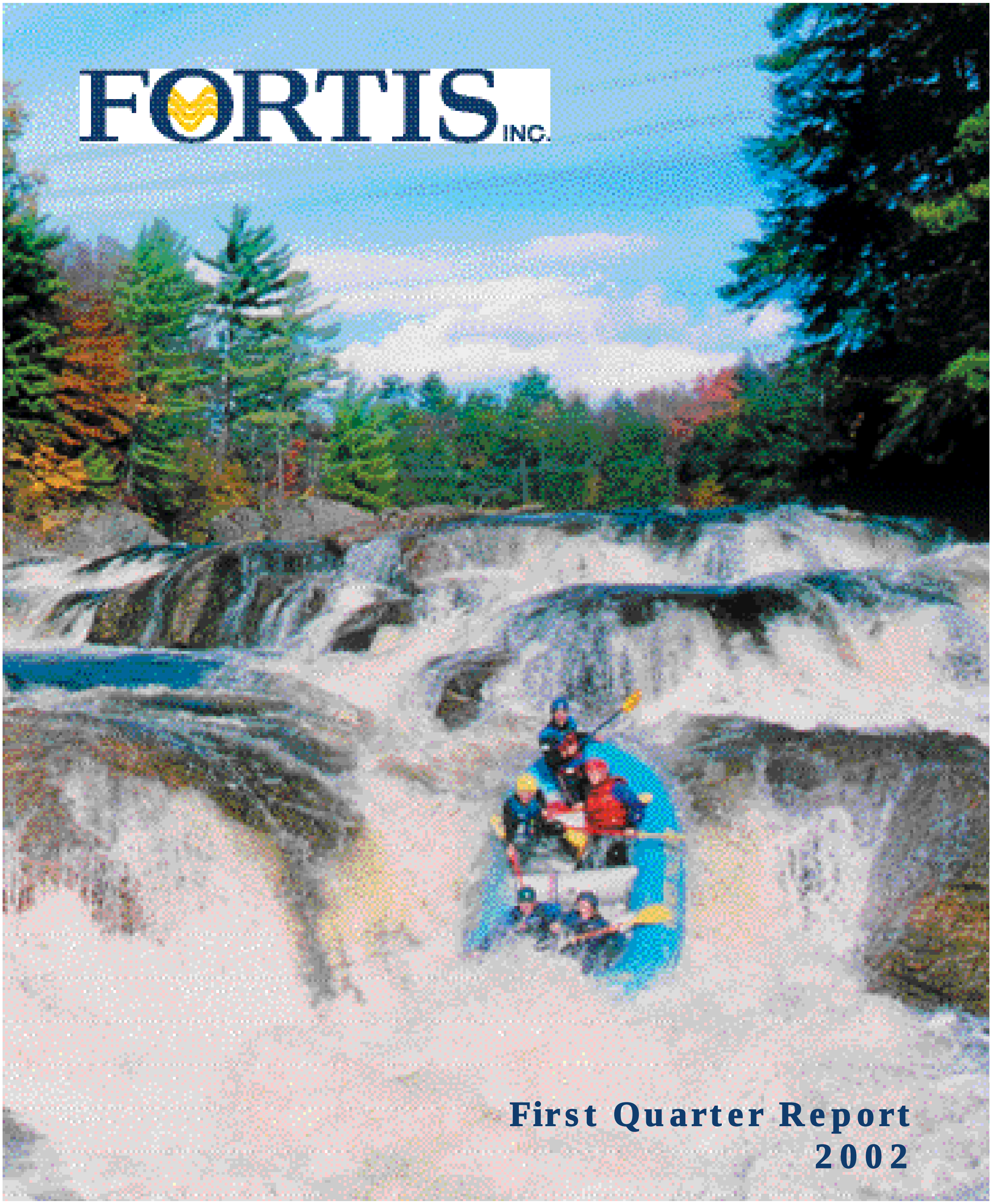


First Quarter Report 2002

Dear Shareholder:

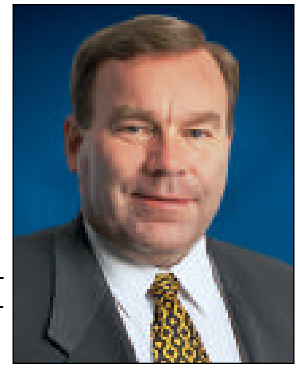
Our earnings results for the first quarter of 2002 were in line with management's expectations. Earnings for the first quarter were $15.0 million compared to $15.5 million for the first quarter of 2001. On a per share basis, earnings decreased to $1.00 from $1.04 for the same period last year. On a recurring basis, earnings per common share decreased to $1.00 from $1.02 over the reporting periods.

The decrease in quarterly earnings was primarily attributable to a $1.9 million reduction in earnings of Newfoundland Power partially offset by a reduction in corporate costs due to the implementation of new accounting rules associated with goodwill amortization. Last year, Newfoundland Power received a tax refund related to the successful resolution of a long-standing tax case that contributed significantly to the utility's earnings in the first quarter of 2001. As well, electricity rates were reduced by 0.6 per cent effective January 1, 2002.

Solid performance by all operating companies positions Fortis for earnings growth in the second half of 2002. While Canadian Niagara Power's first quarter earnings were lower than for the same period last year, the utility's contribution to annual earnings is expected to be consistent with 2001.

Fortis Properties, our strategic non-utility subsidiary, further strengthened its position in Atlantic Canada with the $14.3 million acquisition of Cabot Place I in St. John's, Newfoundland and Labrador and, subsequent to quarter end, with the $27.7 million acquisition of Kings Place in Fredericton, New Brunswick.

In March 2002, Fortis entered into an agreement to acquire the remaining fifty per cent interest in Canadian Niagara Power from National Grid USA for an aggregate purchase price of $49.0 million. This acquisition, which represents a significant strategic opportunity for Fortis, is expected to be immediately accretive to the Corporation's earnings.



Also in March, Fortis increased its investment in Caribbean Utilities by two per cent through several share purchases.

Fortis has delivered record earnings to our shareholders for the last two consecutive years. As a result, in the first quarter of 2002, we were extremely pleased to increase our dividend to $1.96 from $1.88 on an annualized basis.

Subsequent to quarter end, Fortis entered into an agreement to acquire Cornwall Street Railway Light and Power Company Limited (Cornwall Electric) from Enbridge Consumers Energy Inc. for an aggregate purchase price of $67 million. This acquisition builds on our investment in Ontario and is expected to be immediately accretive to the earnings of Fortis.

H. Stanley Marshall
President and Chief Executive Officer
Fortis Inc.

Fortis Inc. Financial Highlights Quarter Ended March 31		
($000's, except for per share amounts)	**2002**	2001
Revenue	**182,756**	179,438
Cash flow from operations(1)	**32,875**	32,417
Recurring earnings	**14,994**	15,103
Non-recurring items(2)	**–**	386
Earnings applicable to common shares	**14,994**	15,489
Recurring earnings per common share ($)	**1.00**	1.02
Earnings per common share ($)	**1.00**	1.04
	Revenue ($000's)	
	2002	2001
Newfoundland Power	**115,424**	116,082
Maritime Electric(3)	**25,099**	24,484
Belize Electricity	**18,158**	15,418
Belize Electric (BECOL)	**2,821**	1,666
Canadian Niagara Power(4)	**8,560**	11,064
Fortis Properties	**18,261**	16,789
	Energy Sales (GWh)	
	2002	2001
Newfoundland Power	**1,575**	1,573
Maritime Electric(3)	**285**	267
Belize Electricity	**62**	57
Belize Electric (BECOL)(5)	**12**	15
Canadian Niagara Power	**155**	155

(1) Before working capital adjustments.
(2) Non-recurring items are one-time unusual transactions such as gain or loss associated with the disposal of a significant asset or segment of the business.
(3) Results of Maritime Electric include operations of FortisUS Energy.
(4) Revenue figures represent 100% of revenue for Canadian Niagara Power. Fortis Inc. owns 50% of Canadian Niagara Power.
(5) Comparable figures include January 2001 energy sales. Fortis acquired its interest in BECOL on January 26, 2001.

Note: Financial information in this release is presented in Canadian dollars unless otherwise specified.

Fortis' earnings applicable to common shares were $15.0 million for the first quarter of 2002 compared to $15.5 million for the first quarter of 2001. Earnings per common share decreased to $1.00 for the first quarter compared to earnings per common share of $1.04 for the same period last year. On a recurring basis, earnings per common share decreased to $1.00 from $1.02 for the same period last year. The decrease in quarterly earnings was primarily attributable to a $1.9 million reduction in earnings of Newfoundland Power partially offset by a reduction in corporate costs due to the implementation of new accounting rules associated with goodwill amortization. Newfoundland Power's earnings in 2001 were higher due to a tax refund related to the successful resolution of a long-standing-tax case that contributed significantly to the utility's earnings in the first quarter of 2001. In addition, as a result of the application of the automatic adjustment formula used to determine the utility's electricity rates, the Newfoundland and Labrador Board of Commissioners of Public Utilities (PUB) ordered a 0.6 per cent reduction in rates effective January 1, 2002.

Revenue for the first quarter increased two per cent to $182.8 million from $179.4 million for the first quarter of 2001. Revenue associated with acquisitions made by Fortis Properties and growth in energy sales at Belize Electricity partially offset by the rate reduction at Newfoundland Power were the main factors contributing to the growth in revenue.

Cash flow from operations before working capital adjustments for the first quarter was $32.9 million comparable to $32.4 million for the same period last year.

Fortis Inc.
Earnings Contribution by Company
Quarter Ended March 31

($ millions)	**2002**	**2001**
Earnings / (Loss)		
Newfoundland Power	**10.3**	12.2
Maritime Electric (1)	**1.7**	1.7 (2)
Belize Electricity	**1.3**	1.2 (2)
BECOL	**0.0**	(0.2)
Canadian Niagara Power	**1.1**	1.4
Caribbean Utilities	**1.2**	1.0
Fortis Properties	**0.9**	0.8
Corporate	**(1.5)**	(3.0)
Earnings before non-recurring items	**15.0**	15.1
Fortis Trust - discontinued operations	–	0.1
Interest on income tax reassessment - CNP	–	0.3
Earnings applicable to common shares	**15.0**	15.5

(1) Results of Maritime Electric include operations of FortisUS Energy.
(2) Restated, see Note 8 to the consolidated financial statements.

UTILITY OPERATIONS

NEWFOUNDLAND POWER

Newfoundland Power's earnings for the first quarter were $10.3 million compared to $12.2 million for the same quarter last year. The favourable resolution of a long-standing income tax issue contributed significantly to earnings in the first quarter of 2001. In addition, the PUB ordered a 0.6 per cent reduction in rates effective January 1, 2002 related to the operation of the automatic adjustment formula.

Energy sales for the first quarter were 1,575 GWh comparable to the same quarter last year. The company's residential energy sales increased 0.6 per cent offset by a decrease in commercial energy sales as a result of completion of the construction phase of the Terra Nova Project.

Revenue for the first quarter was $115.4 million compared to $116.1 million for the same quarter last year. The decrease in revenue was attributable to $1.7 million in interest received in the first quarter of 2001 as part of the resolution of the income tax issue and the 0.6 per cent reduction in electricity rates effective January 1, 2002.

Newfoundland Power's operating expenses excluding purchased power costs were $13.0 million for the first quarter of 2002 comparable to the first quarter of 2001.

Amortization expense for the first quarter of 2001 totalled $11.2 million compared to $10.8 million over the same period last year. The company's continued investment in the electricity system combined with the purchase of joint-use poles from Aliant Telecom Inc. resulted in increased amortization expense.

MARITIME ELECTRIC[1]

Maritime Electric's earnings for the first quarter were $1.7 million consistent with restated earnings for the first quarter of 2001.[2]

Energy sales for the first quarter were 256 GWh slightly higher than for the same period last year. Energy sales for the four plants owned by FortisUS Energy were 29 GWh in the first quarter of 2002 compared to 15 GWh for the same period in the previous year. Increased rainfall levels contributed to the higher production in the first quarter of 2002.

Revenue for the first quarter was $25.1 million compared to restated revenue of $24.5 million for the same period in 2001. The increase in revenue was primarily attributable to higher energy sales of FortisUS Energy.

Maritime Electric's operating expenses excluding energy costs were $3.3 million for the first quarter of 2002 compared to $2.8 million for the same period last year. The increase in operating expenses was primarily the result of increased maintenance and property taxes.

On May 15, 2001 amendments to the Maritime Electric Company Limited Regulation Act were passed by the Government of Prince Edward Island which enabled the Lieutenant Governor in Council to make regulations amending basic rates. The legislation permits Maritime Electric to recover costs above an established benchmark and provide for a cost of capital adjustment mechanism.

BELIZE ELECTRICITY

Belize Electricity contributed $1.3 million to earnings in the first quarter of 2002 comparable to the same period last year.

1 Unless otherwise stated, results of Maritime Electric include operations of FortisUS Energy.
2 Comparative 2001 figures have been restated to reflect the amendments to the Maritime Electric Company Limited Regulation Act which came into effect October 2001 and had application effective January 1, 2001.

Energy sales for the first quarter were 62 GWh, nine per cent higher than energy sales of 57 GWh for the same period last year. Growth in the residential sector and completion of a comprehensive Street Light Program contributed to the increase in energy sales.

Revenue for the first quarter was $18.2 million, a $2.7 million increase over the same period last year reflecting growth in energy sales.

Energy costs for the first quarter were $8.7 million, a $1.0 million increase over energy costs of $7.7 million for the first quarter of 2001. The thirteen per cent increase in energy costs is the result of the growth in energy sales.

Belize Electricity's operating expenses excluding energy costs were $3.5 million for the first quarter of 2002 compared to $2.7 million for the first quarter of 2001. The main reason for the increase in operating expenses was associated with additional expenditures pertaining to the maintenance of the distribution system.

Energy sales for the first quarter were 62 GWh, nine per cent higher than energy sales of 57 GWh for the same period last year.

Amortization expense for the first quarter was $2.1 million compared to $1.8 million for the first quarter of 2001. The increase in amortization expense results from the company's ongoing capital initiatives.

First quarter financing charges were $1.8 million compared to $1.2 million for the first quarter of 2001. The increase in financing charges reflects financing costs associated with the acquisition of transmission line assets and the issuance of $15 million in debentures during the second quarter of 2001.

Belize Electricity adopted the new recommendations of the Canadian Institute of Chartered Accountants on accounting for foreign exchange gains and losses. As a result, the 2001 comparative financial statements have been restated to record a $0.2 million foreign currency gain associated with long-term debt denominated in euros. In the first quarter of 2002, Belize Electricity recognized a foreign currency loss of $0.1 million associated with the same loan.

BECOL

On January 26, 2001, Fortis acquired a 95 per cent interest in BECOL. In the first quarter of 2002, BECOL contributed $17,000 to earnings compared to a loss of $195,000 for the first quarter of 2001. The $0.2 million increase in earnings was primarily attributable to the inclusion of an additional month's revenue in the first quarter of 2002 partially offset by increased financing charges.

Energy production for the first quarter was 12 GWh compared to 15 GWh for the same period last year. Lower rainfall levels in January caused the decline in energy production.

Revenue for the first quarter of 2002 was $2.8 million compared to $1.7 million for the first quarter of 2001 primarily due to the inclusion of an additional month's revenue in the first quarter of 2002.

Operating expenses were $0.4 million for the first quarter, a $0.2 million increase over the corresponding period last year primarily due to the impact of increasing foreign exchange rates.

Financing costs were $2.0 million for the first quarter of 2002. Financing costs associated with the acquisition of BECOL were $1.3 million for the first quarter of 2001. The increase in financing costs resulted from an additional month's interest in the first quarter of 2002 and the replacement of US$45.0 million in short-term borrowings with 9.45 per cent long-term debt. The interest rate on the short-term facility in the first quarter of 2001 averaged 6.28 per cent.

CANADIAN NIAGARA POWER

Canadian Niagara Power contributed $1.1 million to operating earnings in the first quarter of 2002 compared to $1.4 million for the first quarter of 2001. The decrease in earnings resulted from lower prices on energy sales into the United States.

Energy sales for the first quarter were 155 GWh comparable to the first quarter of 2001.

In March 2002, Fortis entered into an agreement to acquire the remaining 50 per cent interest in Canadian Niagara Power from National Grid USA.

Revenue for the first quarter was $8.6 million compared to $11.1 million for the same period last year. The decrease in revenue resulted from lower prices on energy sales into the United States which were $36 per MWh compared to $57 per MWh for the first quarter of 2001.

In March 2002, Fortis entered into an agreement to acquire the remaining 50 per cent interest in Canadian Niagara Power from National Grid USA for an aggregate purchase price of $49.0 million. The closing of the acquisition is subject to obtaining required regulatory approvals.

In April 2002, Canadian Niagara Power closed its agreement to lease the electricity distribution business of Port Colborne Hydro Inc. Under the terms of the $15.7 million, ten-year agreement, Canadian Niagara Power will receive all revenues from Port Colborne Hydro Inc. in exchange for assuming responsibility for the operation of the business.

CARIBBEAN UTILITIES

Fortis owns approximately 22 per cent of the outstanding Class A Ordinary Shares of Caribbean Utilities and accounts for the investment on the cost basis. Dividends of $1.2 million from Caribbean Utilities were included in the earnings of Fortis in the first quarter of 2002 compared to $1.0 million in the first quarter of 2001.

Caribbean Utilities has announced its unaudited financial results for the third quarter ended January 31, 2002. Earnings for the third quarter were US$3.5 million comparable to the same quarter last year. Earnings per Class A Ordinary Share were US$0.15, the same as for the corresponding period last year.

NON-UTILITY OPERATIONS

FORTIS PROPERTIES

Earnings for the first quarter of 2002 were $0.9 million compared to earnings of $0.8 million in the first quarter of 2001.

Revenue for the first quarter was $18.3 million, a nine per cent increase over revenue of $16.8 million for the first quarter last year.

The increase in revenue was primarily attributable to the contribution of acquisitions in the last eight months including TD Place and Cabot Place as well as opening of the Four Points by Sheraton hotel.

Fortis Properties' occupancy level in its Real Estate Division was 93.9 per cent at March 31, 2002 slightly lower than 94.8 per cent at March 31, 2001. In its Hospitality Division, revenue per available room (REVPAR) for the first quarter was $44.44 compared to $46.29 for the same period last year. The primary reason for the decline in REVPAR was due to the timing of the opening of the new hotel in Halifax, Nova Scotia.

In February 2002, the company acquired Cabot Place I for $14.3 million. Cabot Place I is a premium high-rise office tower with a gross leasable area of 133,759 square feet, and a 317 car parkade.

Subsequent to quarter end, Fortis Properties acquired Kings Place in downtown Fredericton, New Brunswick for $27.675 million. Kings Place is a 289,437 square foot multi-use office and retail complex located in Fredericton's business district.

CORPORATE

Corporate Expenses

Corporate expenses for the first quarter were $1.5 million compared to $3.0 million for the same period last year. The $1.5 million decrease in corporate expenses was primarily due to cessation of goodwill amortization in accordance with new accounting guidelines and lower corporate income tax expense.

Dividends

On March 7, 2002, Fortis Inc. increased its quarterly dividend by two cents to $0.49 per common share. On an annualized basis, the dividend rate will increase to $1.96 from $1.88 per common share.

CONSOLIDATED FINANCIAL POSITION

Assets and Liabilities

Total assets as at March 31, 2002 were $1.7 billion compared to $1.6 billion as at March 31, 2001. The increase related to the acquisition of 102,000 poles and related infrastructure from Aliant Telecom Inc. and Fortis Properties' completion of its newest hotel in Halifax, Nova Scotia in September 2001 and its acquisition of TD Place and Cabot Place I in September 2001 and January 2002, respectively.

The $22.9 million increase in accounts receivable over March 31, 2001 was primarily due to the enactment of regulations by the Government of Prince Edward Island resulting in the deferral of $17.9 million recoverable from customers beginning on April 1, 2002 and growth in Belize Electricity's Cost of Power Rate Stabilization Adjustment account.

The $53.8 million decrease in the assets of discontinued operations resulted from the sale of the assets of Fortis Trust.

The $13.1 million increase in deferred charges over the same period last year largely resulted from an increase in deferred pension costs at Newfoundland Power.

The $10.9 million increase in long-term investments resulted from the purchase of 542,200 shares of Caribbean Utilities during March 2002.

The $49.5 million decrease in the liabilities of discontinued operations resulted from the sale of the liabilities of Fortis Trust.

The $92.1 million increase in long-term debt resulted from the issue of $71.7 million in financing in November 2001 associated with the acquisition of BECOL, the issuance of

$15.0 million in debentures by Belize Electricity during the second quarter of 2001 and the private placement of $16.0 million in Unsecured Subordinated Convertible Debentures by Fortis Inc. during the first quarter of 2002 partially offset by a $13.5 million repayment of long-term debt by Newfoundland Power in the third quarter of 2001.

The $14.3 million decrease in deferred credits primarily resulted from the application of contributions in aid of construction to transmission assets acquired by Belize Electricity.

The assets and liabilities of foreign operations, all of which are self-sustaining, are translated at the exchange rates in effect at the balance sheet dates. The resulting unrealized translation gains and losses are accumulated as a separate component of common shareholders' equity under the Foreign Currency Translation Adjustment heading. The increase in the foreign currency translation adjustment since March 2001 reflects the appreciation of the United States dollar compared to the Canadian dollar.

Cash Flow

Cash flow from operations before working capital adjustments for the first quarter was $32.9 million comparable to $32.4 million for the same period last year.

Cash used in investing totalled $60.2 million in the first quarter of 2002 compared to $126.5 million for the same period last year. In addition to the Corporation's ongoing capital initiatives, expenditures on investing activities included the purchase of Cabot Place I, the purchase of poles and related infrastructure from Aliant Telecom and the acquisition of 542,200 shares of Caribbean Utilities in the first quarter of 2002.

Cash provided from financing in the current quarter was $42.2 million compared to $109.6 million in the same period last year. During the quarter, Fortis issued approximately $16.0 million in Unsecured Subordinated Convertible Debentures which were used to finance the acquisition of the shares of Caribbean Utilities and repay bank indebtedness. The Debentures bear interest at an annual rate of 6.75 per cent and mature on March 12, 2012. The Corporation financed the acquisition of Cabot Place I and the purchase of poles and related infrastructure from Aliant Telecom with short-term borrowings.

Fortis Inc., on occasion, may include forward-looking statements in its media releases, in other filings with Canadian regulators, in reports to shareholders and in other communications. By their very nature, forward-looking statements are based on underlying assumptions and are subject to certain risks and uncertainties that may cause actual results to vary from plans, objectives and estimates. Such events include, but are not limited to, general economic market and business conditions, regulatory developments, weather and competition. Fortis Inc. cautions readers that should certain risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary significantly from those expected.

Consolidated Balance Sheets (Unaudited)
(in thousands)

	31-Mar 2002	31-Mar* 2001	31-Dec* 2001
ASSETS			
Current assets			
Cash	$ 16,091	$ 12,799	$ 14,285
Accounts receivable	114,229	91,311	102,156
Materials and supplies	16,681	18,575	18,173
Assets of discontinued operations	321	54,125	321
	147,322	176,810	134,935
Other assets			
Corporate income tax deposit	6,949	13,506	6,949
Deferred charges	89,301	76,224	83,224
	96,250	89,730	90,173
Utilities' capital assets	1,079,342	1,014,609	1,064,257
Income producing properties	234,688	208,175	220,338
Long-term investments	92,467	81,538	82,211
Goodwill	32,838	35,431	32,838
	$ 1,682,907	$ 1,606,293	$ 1,624,752
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	$ 158,919	$ 155,422	$ 129,882
Accounts payable and accrued charges	122,877	114,859	121,898
Current installments of long-term debt	18,263	11,722	20,644
Liabilities of discontinued operations	11	49,462	11
	300,070	331,465	272,435
Long-term debt	765,778	680,221	746,092
Preference shares	50,000	50,000	50,000
Deferred credits	69,020	83,361	70,283
Non-controlling interest	36,324	34,600	36,421
Shareholders' equity			
Common shares	220,605	211,572	216,440
Foreign currency translation adjustment	5,438	4,456	5,380
Retained earnings	235,672	210,618	227,701
	461,715	426,646	449,521
	$ 1,682,907	$ 1,606,293	$ 1,624,752

*Restated, Note 8

Consolidated Statement of Earnings (Unaudited)
For three months ended March 31

(in thousands)		2002		2001*
Operating revenues	$	**182,756**	$	179,438
Expenses				
Operating		**122,231**		119,830
Depreciation and amortization		**17,763**		17,635
		139,994		137,465
Operating income		**42,762**		41,973
Finance charges				
Interest		**16,815**		16,104
Dividends on preference shares		**744**		744
Earnings before income taxes and undernoted items		**25,203**		25,125
Income taxes		**9,457**		9,346
Earnings before undernoted items		**15,746**		15,779
Income tax reassessment - Canadian Niagara Power		–		257
Results of discontinued operations		–		129
Non-controlling interest		**(752)**		(676)
Earnings applicable to common share	$	**14,994**	$	15,489
Average common shares outstanding (000's)		**15,069**		14,836
Earnings per common share ($)		**$1.00**		$1.04
Fully diluted earnings per common share ($)		**$0.99**		$1.04

Consolidated Statement of Retained Earnings (Unaudited)
For three months ended March 31

(in thousands)		2002		2001*
Balance at beginning of period	$	**227,701**	$	201,683
Change in accounting policy for foreign exchange gains and losses		–		435
As restated		**227,701**		202,118
Earnings applicable to common shares		**14,994**		15,489
		242,695		217,607
Dividends on common shares		**(7,023)**		(6,989)
Balance at end of period	$	**235,672**	$	210,618

* Restated, Note 8

FORTIS INC.

Consolidated Statement of Cash Flows (Unaudited)
For three months ended March 31

(in thousands)		2002		2001*
Cash from (used in) Operations				
Earnings applicable to common shares	**$**	**14,994**	$	15,489
Items not affecting cash				
Depreciation and amortization		**17,763**		17,635
Future income taxes		**190**		657
Accrued employee future benefits		**(2,067)**		(2,040)
Other		**1,995**		676
		32,875		32,417
Change in non-cash working capital		**(13,231)**		(21,225)
Cash from continuing operations		**19,644**		11,192
Cash from discontinued operations		–		313
		19,644		11,505
Cash used in investing				
Capital additions		**(47,249)**		(18,502)
Business acquisitions, net of cash		**–**		(101,775)
Long-term investments		**(10,352)**		(20)
Proceeds on sale of capital assets		**4**		–
Net assets on wind-up of subsidiary		**137**		–
Change in corporate tax deposit		**–**		130
Change in deferred charges and credits		**(2,749)**		(6,339)
		(60,209)		(126,506)
Cash from financing				
Issue of common shares		**4,166**		2,278
Proceeds from long-term debt		**22,187**		1,563
Repayment of long-term debt		**(5,310)**		(2,945)
Change in short-term borrowings		**29,038**		115,782
Contributions in aid of construction		**(7)**		330
Dividends				
Common shares		**(7,023)**		(6,989)
Subsidiaries to non-controlling shareholders		**(838)**		(452)
		42,213		109,567
Effect of exchange rates on cash		**158**		(199)
Change in cash		**1,806**		(5,633)
Cash, beginning of period		**14,285**		18,432
Cash, end of period	**$**	**16,091**	$	12,799

*Restated, Note 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
March 31, 2002

1. Basis of Presentation

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and do not include all of the disclosures normally found in the Fortis Inc. ("the Corporation") annual consolidated financial statements. These interim consolidated financial statements should be read in conjunction with the Corporation's consolidated financial statements for the year ended December 31, 2001.

These financial statements have been prepared following the same accounting policies and methods as those used in preparing the most recent annual financial statements.

2. Seasonal Nature of Operations

Interim results will fluctuate due to the seasonal nature of electricity demand and water flows as well as the timing and recognition of regulatory decisions. Consequently, interim results are not necessarily indicative of annual results.

The Board of Commissioners of Public Utilities of Newfoundland has ordered provision of a weather normalization account for Newfoundland Power to adjust for the effect of variations in weather and streamflow when compared to long term averages. As a result, electricity sales revenue and purchased power expense are reported on a weather adjusted basis.

3. Capital Stock

Authorized

(a) an unlimited number of Common Shares without nominal or par value;
(b) an unlimited number of First Preference Shares, Series A without nominal or par value; and
(c) an unlimited number of First Preference Shares, Series B without nominal or par value.

Common shares were issued during the period for cash as follows:

	Quarter ended and Year-to-date March 31, 2002	
	Number of Shares	**Amount** *(in 000's)*
Balance, beginning of period	14,980,507	$ 216,440
Consumer Share Purchase Plan	9,794	467
Dividend Reinvestment Plan	10,692	510
Employee Share Purchase plan	12,713	606
Executive Stock Option Plan	74,542	2,582
	15,088,248	$ 220,605

At March 31, 2002, 2,255,428 common shares remained in reserve for issuance under the terms of the above plans.

Stock Options

The Corporation is authorized to grant certain key employees of Fortis Inc. and its subsidiaries and directors of Fortis Inc. options to purchase common shares of the Corporation.

Number of Options:	**Quarter end and Year-to-date March 31, 2002**
Outstanding, beginning of period	436,848
Granted	-
Exercised	74,542
Cancelled	-
	362,306
Range of Exercise prices:	
Granted	$ -
Exercised	$29.15 - 45.12
Outstanding at March 31	$29.15 - 45.67

Details of stock options outstanding are as follows:	Number of Shares	Exercise Price	Expiry Date
	49,709	$45.67	2003
	20,000	$45.12	2003
	53,466	$36.83	2004
	63,492	$29.15	2005
	30,000	$38.27	2006
	145,639	$38.27	2011
	362,306		

The stock options which expire in 2011 vest evenly over a four-year period, commencing in 2002. At March 31, 2002, the Corporation has two stock-based compensation plans, an Executive Stock Option Plan and a Director Stock Option Plan, which were described above. The Corporation applies the intrinsic value based method of accounting for stock-based compensation awards granted to employees. Accordingly, no compensation cost has been recognized for its fixed stock options plans and its stock purchase plan. As no stock options were granted during the first quarter of 2002, proforma earnings disclosure is not applicable at this time.

Earnings per share

The Corporation calculates earnings per common share on the weighted average number of common shares outstanding of 15,068,575 and 14,836,416 at March 31 2002 and 2001 respectively. Fully diluted earnings per common share are calculated using the treasury method.

Earnings per common share before and after discontinued operations are as follows:

	Quarter ended and Year-to-date March 31	
Earnings per common share	**2002**	2001
Basic		
Before discontinued operations	**$ 1.00**	$ 1.04
After discontinued operations	**$ 1.00**	$ 1.04
Fully diluted		
Before discontinued operations	**$ 0.99**	$ 1.03
After discontinued operations	**$ 0.99**	$ 1.04

4. Segmented Information

Information by reportable segment is as follows:

Quarter ended and Year-to-Date March 31, 2002 *(in thousands of dollars)*	**Newfoundland Power**	**Maritime Electric**	**Canadian Niagara Power**	**Belize Electricity**	**BECOL**	**Non-Utility**	**Corporate[1]**	**Inter-segment Eliminations**	**Consolidated**
Operating revenues	115,424	25,099	4,280	18,158	2,821	18,261	2,751	(4,038)	182,756
Operating expenses	80,525	17,034	1,929	12,173	379	12,258	325	(2,392)	122,231
Depreciation and Amortization	11,168	2,446	386	2,124	426	1,065	148		17,763
Operating income	23,731	5,619	1,965	3,861	2,016	4,938	2,278	(1,646)	42,762
Finance charges	6,634	2,497	213	1,785	1,972	3,066	3,038	(1,646)	17,559
Income taxes	6,668	1,401	681	224		938	(455)		9,457
Non-controlling interest	153			602	27		(30)		752
Earnings	10,276	1,721	1,071	1,250	17	934	(275)		14,994
Goodwill		19,858	12,980						32,838
Identifiable assets, excluding Goodwill	699,944	252,601	34,172	217,859	108,956	244,225	123,705	(31,393)	1,650,069
Capital expenditures	16,925	3,740	398	3,626	107	15,309	7,144		47,249

Quarter ended and Year-to-Date March 31, 2001 *(in thousands of dollars)*	**Newfoundland Power**	**Maritime Electric**	**Canadian Niagara Power**	**Belize Electricity**	**BECOL**	**Non-Utility**	**Corporate[1]**	**Inter-segment Eliminations**	**Consolidated**
Operating revenues	116,082	24,484	5,532	15,418	1,666	16,789	2,982	(3,515)	179,438
Operating expenses	80,673	16,511	2,233	10,421	161	11,180	341	(1,690)	119,830
Depreciation and Amortization	10,827	2,453	359	1,821	445	904	826		17,635
Operating income	24,582	5,520	2,940	3,176	1,060	4,705	1,815	(1,825)	41,973
Finance charges	6,753	2,436	263	1,212	1,271	3,075	3,663	(1,825)	16,848
Income taxes	5,508	1,342	1,319	190		836	151		9,346
Non-controlling interest	157			563	(16)		(28)		676
Income tax reassessment-Canadian Niagara Power			257						257
Results of discontinued operations						129			129
Earnings	12,164	1,742	1,615	1,211	(195)	923	(1,971)		15,489
Goodwill		20,705	14,418			308			35,431
Identifiable assets, excluding Goodwill	655,409	231,438	31,807	194,485	110,750	273,212	73,761		1,570,862
Capital expenditures	5,792	3,758	692	4,708		3,407	145		18,502

[1] Dividends received from Caribbean Utilities Company, Ltd. are included in Corporate operating revenues.

5. Long-term Debt

During March 2002 the Corporation issued US$10 million of Unsecured Subordinated Convertible Debentures bearing an interest rate of 6.75 per cent per annum, payable semi-annually on January 31 and July 31 in each year, and maturing on March 12, 2012. The Debentures may be redeemed by Fortis at par at any time on or after March 12, 2007, and are convertible, at the option of the holder, into Fortis Common Shares at C$58.20 per share. The Debentures are subordinated to all other indebtedness of Fortis, other than subordinated indebtedness ranking equally with the Debentures.

6. Commitments

On March 20, 2002, the Corporation entered into an agreement to acquire the remaining 50 per cent interest in Canadian Niagara Power Company, Limited for an aggregate purchase price of $49.0 million. The closing of the acquisition is subject to obtaining required regulatory approvals.

7. Subsequent Event

During April 2002, Fortis Properties acquired Kings Place, a multi-use office and retail complex comprising of two office towers located in downtown Fredericton, New Brunswick, for $27.675 million.

8. Comparative Figures

On May 15, 2001, amendments to the Maritime Electric Company Limited Regulation Act were passed enabling the Lieutenant Governor in Council to make regulations amending basic rates. The regulations have application as of January 1, 2001 and came into effect on October 13, 2001. As a result of the amendments, the comparative consolidated earnings have increased by $2.8 million from the earnings previously reported in the March 31, 2001 Interim Consolidated Statement of Earnings.

On January 1, 2002, the Corporation adopted the new recommendation of the Canadian Institute of Chartered Accounts on accounting for foreign exchange gains and losses which requires the recognition of foreign exchange gains and losses on long-term debt directly into income. The policy, which was adopted as of January 1, 2002, was applied retroactively and comparative financial statements have been restated to reflect this change. The cumulative effect of the change as of January 1, 2001 was $0.4 million increase in retained earnings and $0.2 million increase in non-controlling interest associated with long-term debt of Belize Electricity denominated in euros. The March 31, 2001 financial statements have been restated to record a $0.1 million increase in earnings applicable to common shares.

Dates – Dividends* and Earnings

Expected Earnings Release Dates

July 31, 2002
October 30, 2002
January 29, 2003
April 30, 2003

Expected Dividend Record Dates

August 9, 2002
November 9, 2002
February 7, 2003
May 9, 2003

Expected Dividend Payment Dates

June 1, 2002
September 1, 2002
December 1, 2002
March 1, 2003

* *The declaration and payment of dividends are subject to Board of Directors' approval.*

Registrar and Transfer Agent

Computershare Trust Company of Canada

Share Listings

Toronto Stock Exchange
Common Shares: FTS
First Preference Shares, Series B: FTSPRB

Share Price

Quarter Ended March 31		
	2002	**2001**
High	49.75	39.90
Low	44.00	34.25
Close	48.55	38.19

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