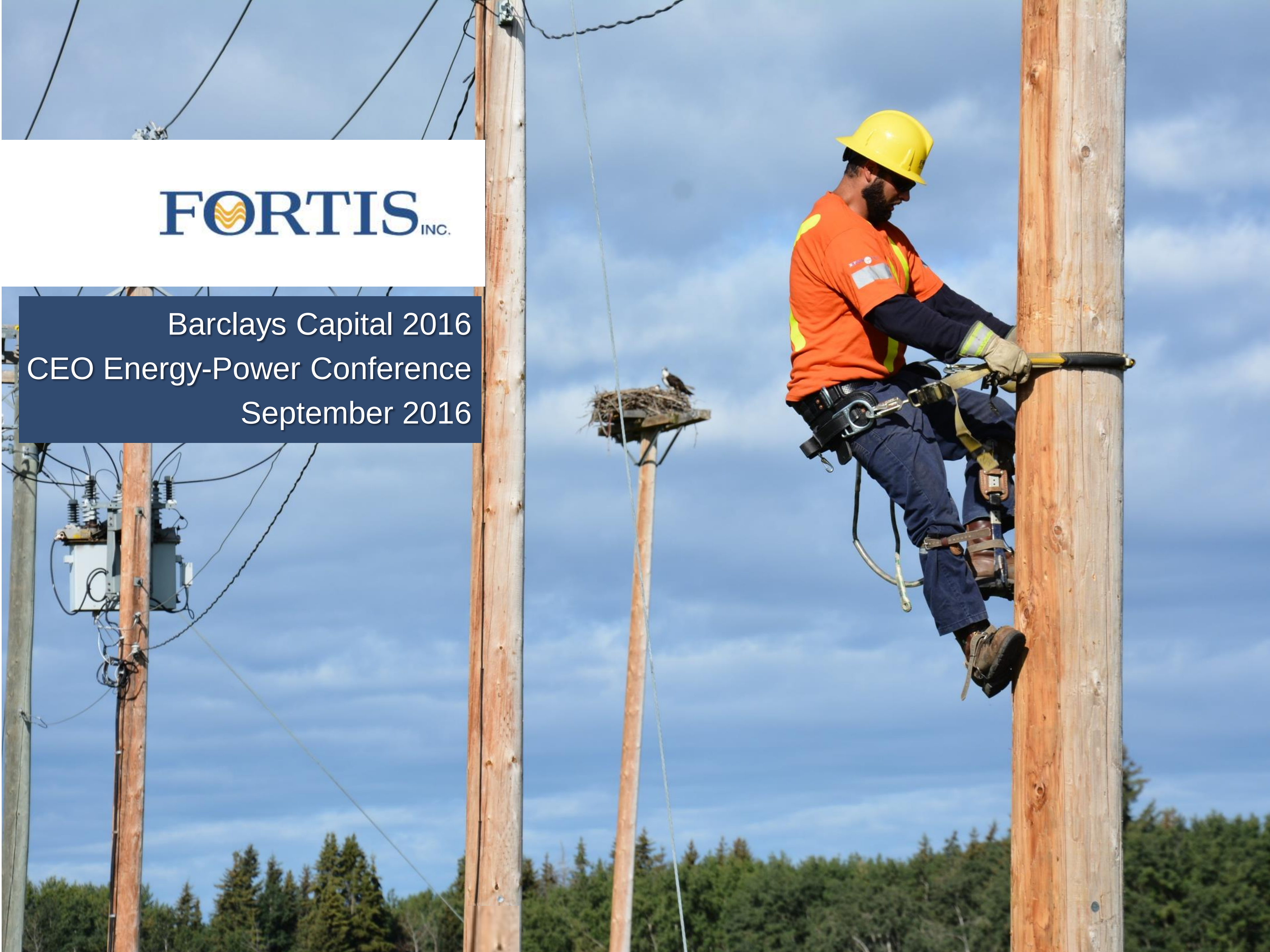
FORTIS INC.

Barclays Capital 2016
CEO Energy-Power Conference
September 2016



Forward-looking statement

This presentation includes forward-looking statements of Fortis Inc. (“Fortis” or the “Corporation”) and ITC Holdings Corp. (“ITC”) within the meaning of applicable securities laws, including the Private Securities Litigation Reform Act of 1995. Forward-looking statements included in this presentation reflect expectations of Fortis and/or ITC management regarding future growth, results of operations, performance, business prospects and opportunities. Wherever possible, words such as “anticipates”, “believes”, “budgets”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “projects”, “schedule”, “should”, “target”, “will”, “would” and the negative of these terms and other similar terminology or expressions have been used to identify the forward-looking statements, which include, without limitation: statements related to the acquisition of ITC, the expected timing of the transaction and the conditions precedent to the closing of the acquisition, including regulatory approvals and other customary closing conditions; the expectation that Fortis will borrow funds to satisfy its obligation to pay the cash portion of the purchase price; the assumption of ITC debt, expected maintenance of investment-grade credit ratings and consistent capital structure on closing of the transaction; the combined company’s enterprise value, assets, earnings, 2017 forecast mid-year rate base, 2017 forecast capital expenditures, growth potential and future business prospects and performance; the expectation that the Corporation will have its common shares listed on the New York Stock Exchange; the expectation that the acquisition of ITC will be accretive to earnings per common share in the first full year following closing; targeted annual dividend growth through 2020 and the expectation that the acquisition of ITC will support targeted annual dividend growth; the expectation that mid-year rate base will increase from 2016 to 2020 and the associated compound annual growth rate; the Corporation’s forecast gross consolidated capital expenditures through 2020; the nature, timing and expected costs of certain capital projects including, without limitation, the Tilbury liquefied natural gas (“LNG”) facility expansion, Tilbury 1A, the Woodfibre LNG project, renewable programs at UNS Energy, and the Wataynikaneyap project; and the expected timing of filing of regulatory applications and receipt and outcome of regulatory decisions.

Forward-looking statements involve significant risk, uncertainties and assumptions. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally, including those identified from time-to-time in the forward-looking statements. Such risk factors or assumptions include, but are not limited to, risks relating to the ability to obtain regulatory approvals in connection with the acquisition and the timing and terms thereof, risks relating to failure to complete the acquisition and the timing thereof and the risk that conditions to the acquisition may not be satisfied, uncertainty regarding the outcome of regulatory proceedings of the Corporation’s utilities, risk associated with the impact of less favorable economic conditions on the Corporation’s results of operations, currency exchange rates and resolution of pending litigation matters. Fortis and ITC caution readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and undue reliance should not be placed on the forward-looking statements. For additional information with respect to certain of these risks or factors, reference should be made to the continuous disclosure materials filed from time to time by Fortis or ITC with Canadian securities regulatory authorities and the Securities and Exchange Commission as applicable. Fortis and ITC disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Unless otherwise specified, all information relating to Fortis does not give effect to the merger of ITC.

Unless otherwise specified, all financial information referenced is in Canadian dollars.

A leader in North American utility operations

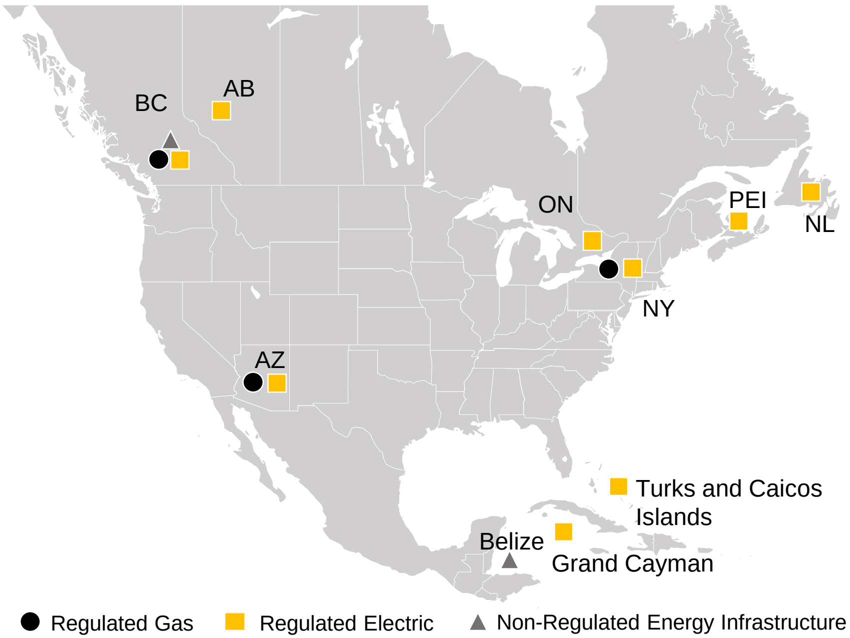
FORTIS INC.

Based in St. John's, NL

9 Utility Operations	**Transmission and Distribution Company**
2.0 million Electric Utility Customers	**1.2 million Gas** Utility Customers
$6.7 billion Revenue (Fiscal 2015)	**$17.3 billion**(1) 2016 Forecast Midyear Rate Base
$28.6 billion Total Assets (June 30, 2016)	**$11.7 billion** Market Cap (as of August 31, 2016)

Ticker Symbol FTS(TSX)

Operations



FORTIS BC | FORTIS ALBERTA | Central Hudson (A Fortis Company)
UNS Energy Corporation (A Fortis Company) | Newfoundland Power (A Fortis Company) | Maritime Electric (A Fortis Company)
FORTIS ONTARIO | FORTIS TCI | Caribbean Utilities

(1) Includes 100% of the Waneta Hydroelectric Expansion of which Fortis has a 51% controlling ownership interest. Midyear Rate Base converted at a USD/CAD exchange rate of 1.32.

Our strategic focus delivers results

Strategy

Leverage the operating model, footprint of our utilities, operating expertise, reputation and financial strength to develop growth opportunities

Strategic Initiatives

- Execute Utility CAPEX Plan
- Target Additional Energy Infrastructure
- Increase Renewables
- Enhance Customer & Regulatory Relationships
- Unlock LNG Value
- Utility Acquisitions

Predictable returns from highly regulated asset base

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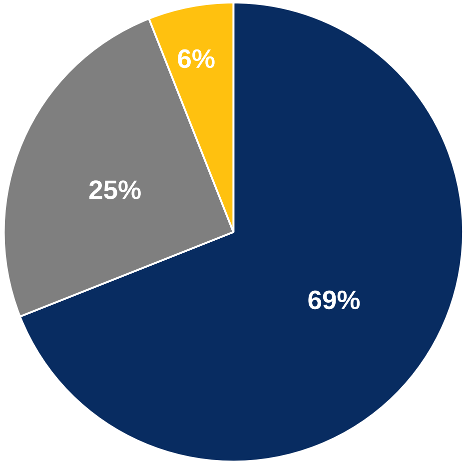
FORTIS BC	PBR through 2019 Allowed/Achieved 2015 ROE (%): 8.75/9.19 (gas) 9.15/9.26 (electric) Allowed 2016 ROE (%): 8.75-9.15 Allowed Equity in Capital (%): 38.5-40
UNS Energy Corporation	Historic Test Year Allowed/Achieved 2015 ROE (%): 10.0/9.50 (TEP) Allowed 2016 ROE (%): 9.50[1]-10.0 Allowed Equity in Capital (%): 43.5-52.83[1]
FORTIS ALBERTA	PBR through 2017 Allowed/Achieved 2015 ROE (%): 8.30/11.0 Allowed 2016 ROE (%): 8.30[2] Allowed Equity in Capital (%): 40[2]
People. Power. Possibilities. Central Hudson A FORTIS COMPANY	Future Test Year Allowed/Achieved 2015 ROE (%): 9.50/8.19 Allowed 2016 ROE (%): 9.00 Allowed Equity in Capital (%): 48

2016			
Weighted Average	**Canada**	**U.S.**	**Combined**
Allowed ROE	8.68	9.75	9.09
Actual Equity Thickness	40.0	49.5	43.6

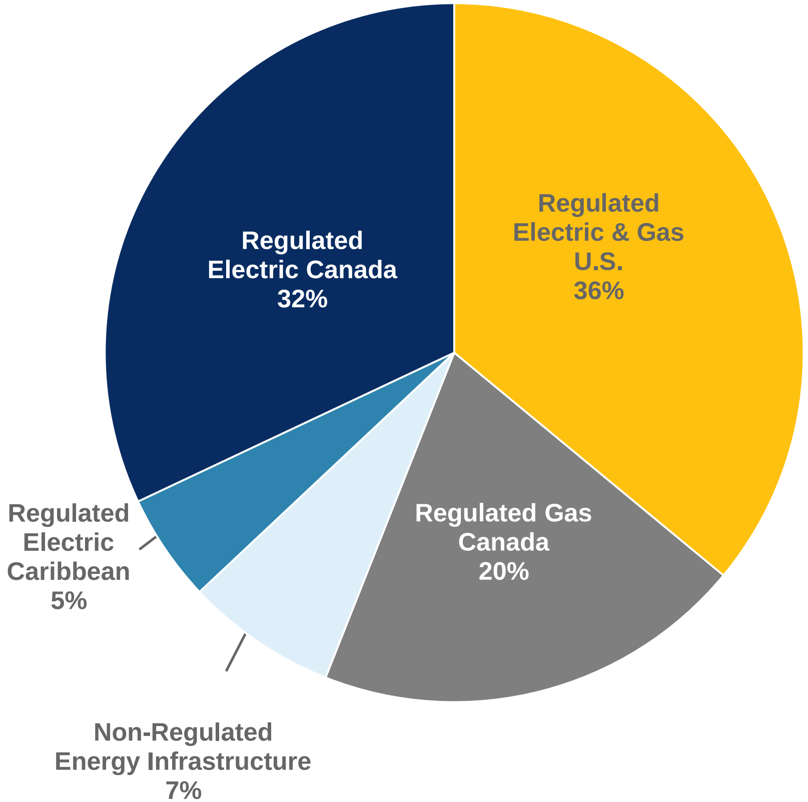
94% Regulated Assets
As at June 30, 2016



(1) Reflects ROE and equity in capital for UNS Electric as approved by regulator in 2016 general rate case decision.
(2) Interim and subject to change pending the outcome of the 2016/2017 GCOC proceedings.

Economic, geographic and regulatory diversification contributes to Fortis' strength

Diversity in Operating Earnings[1]
TTM Q2 2016



(1) Adjusted for non-recurring and non-operating items and excludes "Corporate and Other" segment.

2015: Transformative year

- Focus on core utility business with sale of non-core assets
- Successful integration of UNS Energy
- Introduction of dividend guidance and two dividend increases
- Successful execution of $2.2 billion capital plan; largest annual plan to date and completion of Waneta Hydroelectric Expansion project
- Continued pursuit of opportunities in existing franchise areas, including LNG and Aitken Creek

$589M Adjusted earnings(1)	▲ 50%
$2.11 Adjusted EPS(2)	▲ 21%
$1.7B CFFO(3)	▲ 70%

(1) Earnings adjusted for non-recurring and non-operating items.
(2) Basic earnings per common share adjusted for non-recurring and non-operating items.
(3) Cash flow from operations.

Strong first half 2016 results

$321M ▲ 6%

YTD Adjusted Earnings[(1)]

$1.13 ▲ 4%

YTD Adjusted EPS[(2)]

- On track to invest $1.9 billion of capital in 2016
- Continued focus on 2016 regulatory proceedings

(1) Earnings adjusted for non-recurring and non-operating items.
(2) Basic earnings per common share adjusted for non-recurring and non-operating items.

Focus on constructive regulatory relationships

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Significant Filings and Applications

Regulated Utility	Application / Proceeding	Filing Date	Details
TEP	2017 General Rate Application	November 2015	Reached a settlement agreement regarding revenue requirement in Q3 2016. Rate case expected to be finalized in fall 2016.
UNS Electric	2016 General Rate Application	May 2015	Received decision in Q3 2016. ROE of 9.50% maintained and equity thickness increased to 52.8%.
FortisBC Energy	2016 Cost of Capital Application	October 2015	Received decision in Q3 2016. ROE of 8.75% and equity thickness of 38.5% remains unchanged.
FortisAlberta	*2016/2017 GCOC Proceedings*	*Not applicable*	*Decision expected H2 2016*
Newfoundland Power	2016/2017 General Rate Application	October 2015	Received decision in Q2 2016. ROE decreased to 8.5% from 8.8%, kept equity thickness at 45%, effective January 1, 2016.

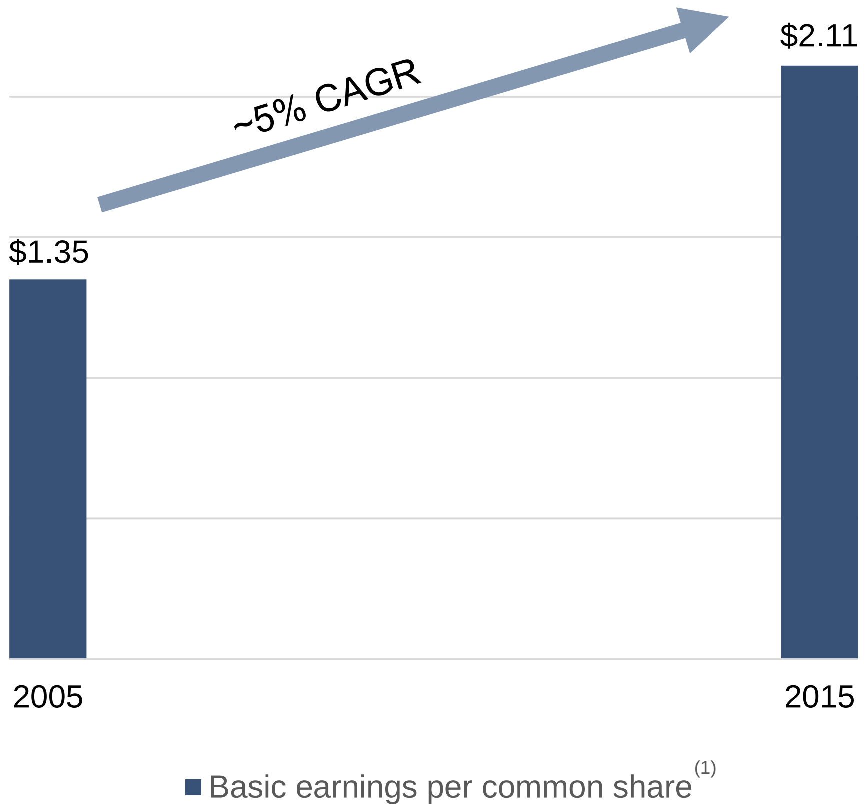
Delivered 5% EPS CAGR over the past 10 years

Strong financial metrics

EPS growth drivers

- Expanded North American footprint
- Invested $11.8 billion in capital expenditures
- Total assets increased from $5 billion in 2005 to $29 billion in 2015
- Recent US acquisitions delivering significant accretion

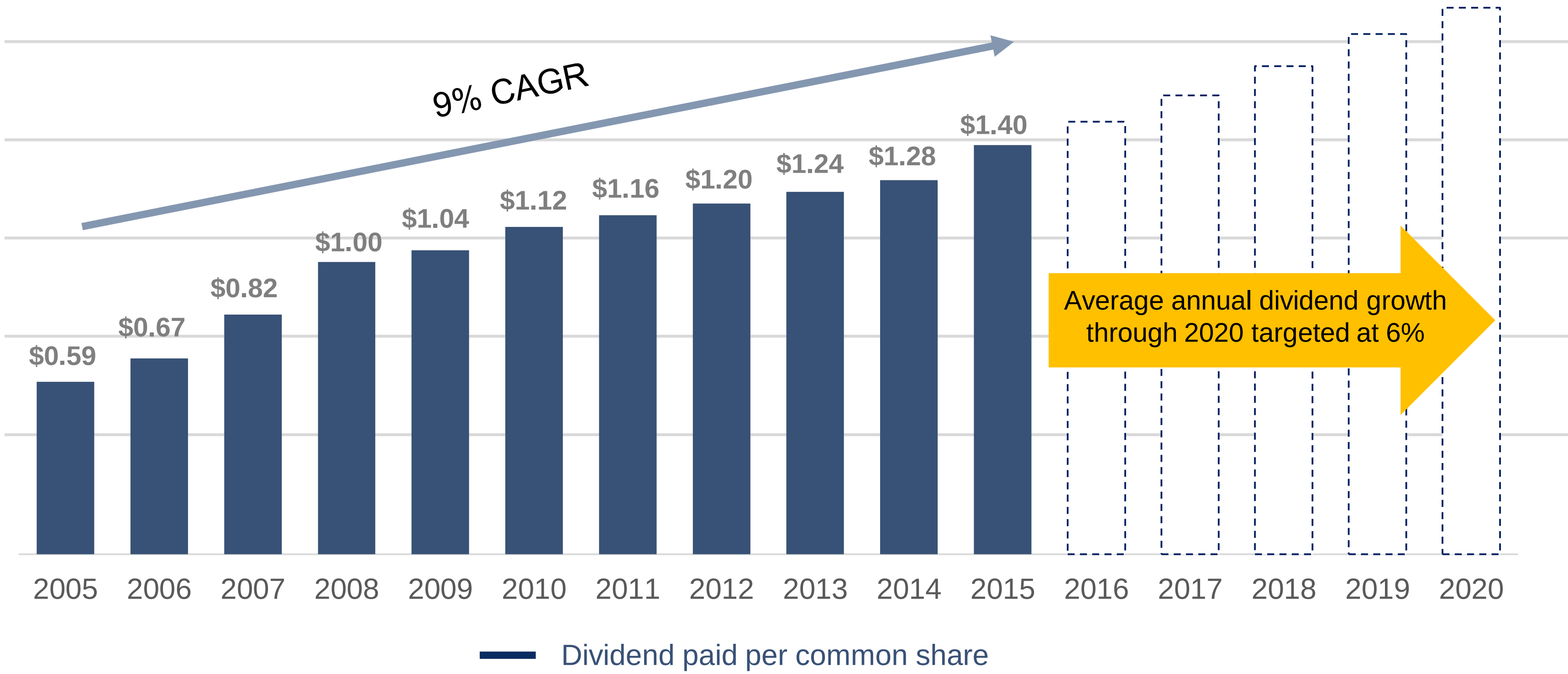
Historical EPS Growth



(1) Basic earnings per common share for 2015 adjusted for non-recurring and non-operating items.

42 consecutive years of annual dividend increases

Consistent dividend growth



Longest record of any public corporation in Canada

Delivering superior shareholder returns

Average annualized total shareholder return over last 10 years[1]

Fortis	8.26%
S&P 500 Utility Sector	7.41%
S&P/TSX Composite Index	4.38%
S&P/TSX Utilities Index	4.78%

(1) For the 10-year period ending December 31, 2015.

Investment-grade credit ratings and ample liquidity

Strong financial metrics

FORTIS INC.

Investment-Grade Credit Ratings [1]

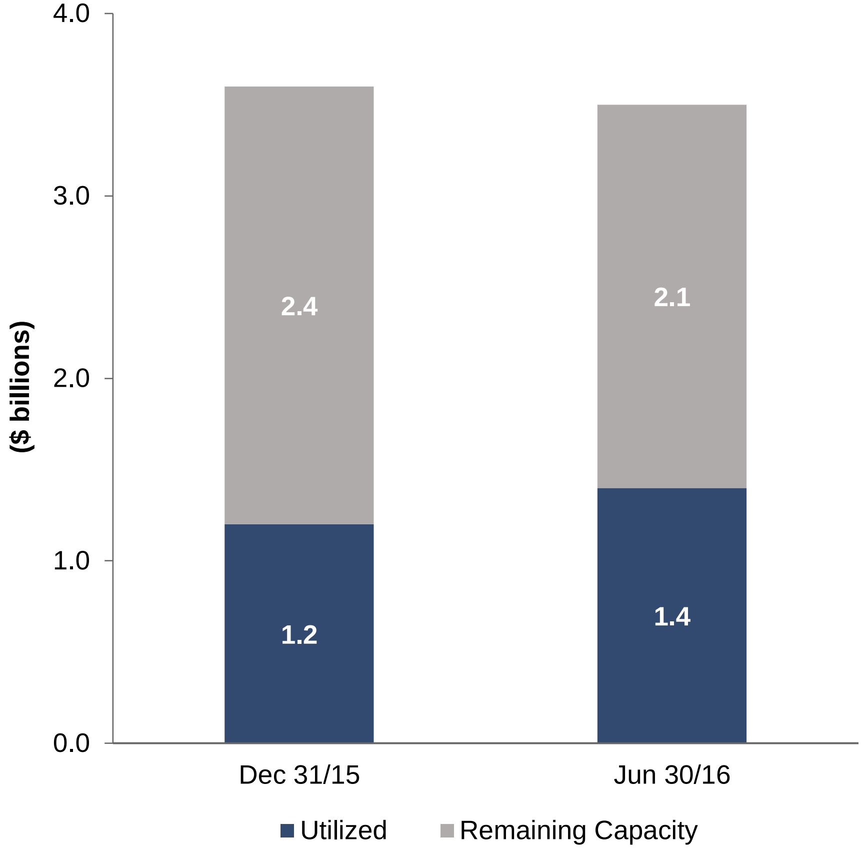
Fortis Inc.	
S&P[1]	A- / BBB+
DBRS[1]	A(low)

Capital Structure [3]

June 30, 2016

	%
Debt	58
Equity	42
Total	**100**

Consolidated Credit Facilities [2]



(1) In February 2016, after the announcement by Fortis that it had entered into an agreement to acquire ITC, S&P affirmed the Corporation's long-term corporate credit rating at A-, revised its unsecured debt credit rating to BBB+ from A-, and revised its outlook on the Corporation to negative from stable. Similarly, DBRS placed the Corporation's credit rating under review with negative implications.
(2) Excludes the additional $300 million in the Corporation's committed corporate credit facility resulting from the Corporation exercising its option in August 2016.
(3) Excludes capital lease and finance obligations. Preferred shares, which represent 8.5% of capital structure, are split 50% equity/50% debt.

Base capital program drives rate base growth

Highly executable plan delivers low risk growth

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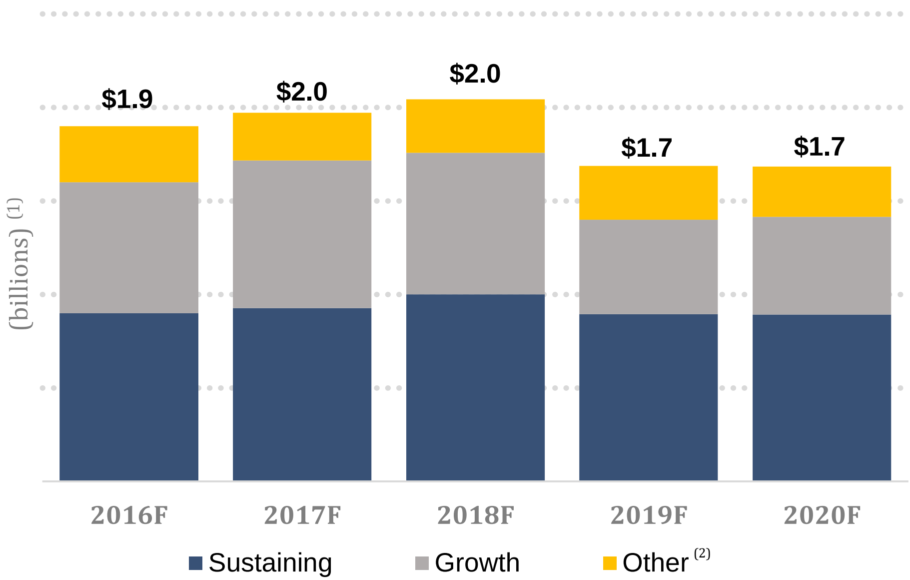
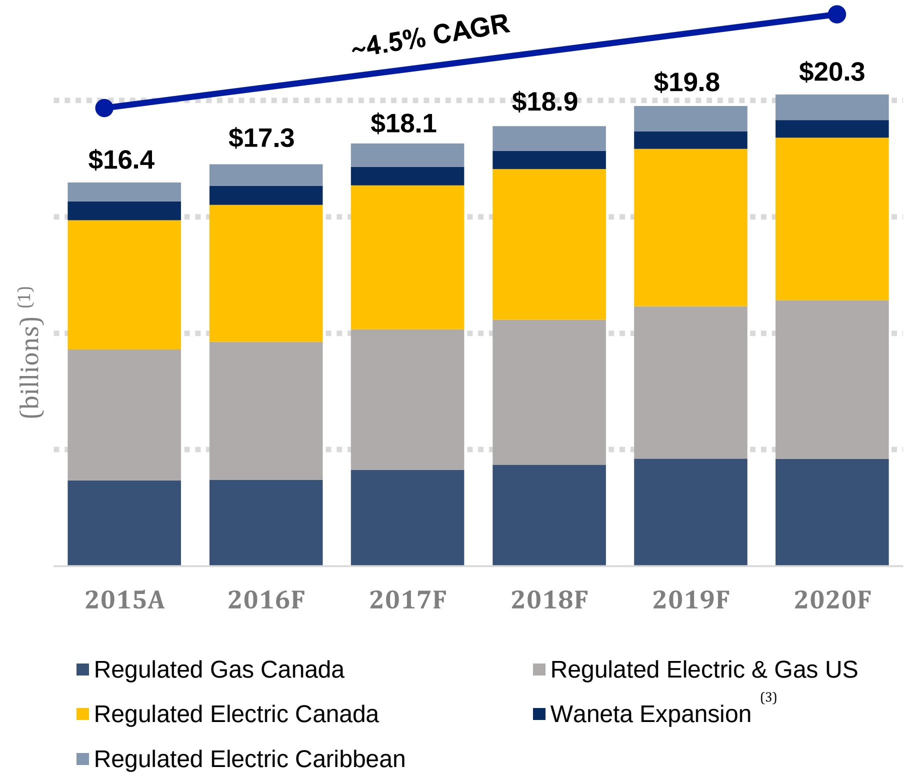
Capital Expenditures

$9.3B Five-Year Capital Plan



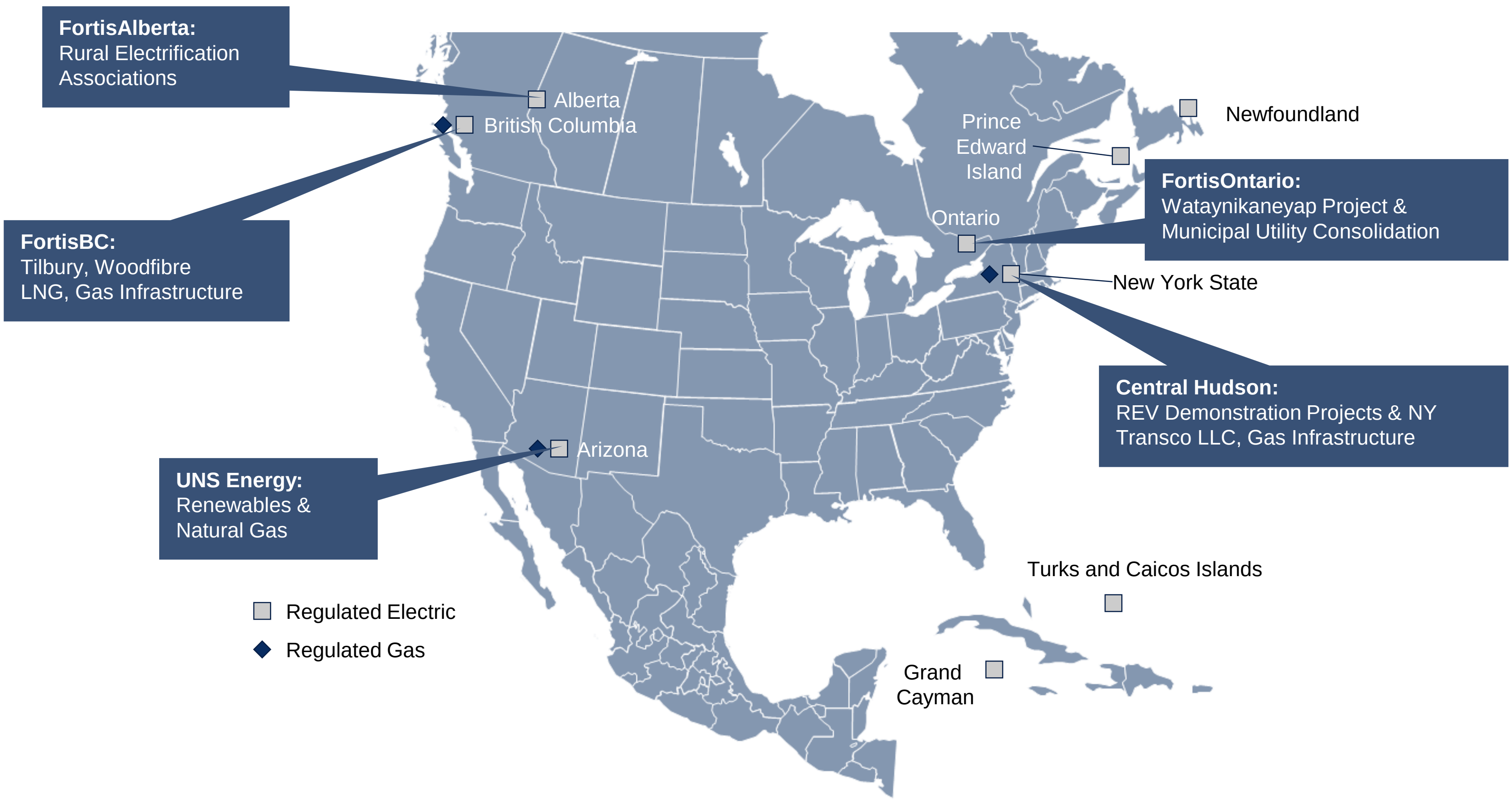
Midyear Rate Base Growth



(1) US Dollar denominated CAPEX and Midyear Rate Base converted at a USD/CAD exchange rate of 1.28 for 2015, 1.32 for 2016 and 1.30 for 2017 through 2020.
(2) Capital expenditures related to facilities, equipment, vehicles, information technology systems and other assets.
(3) Includes 100% of the Waneta Hydroelectric Expansion, of which Fortis has a 51% controlling ownership interest.

Opportunities beyond base capital plan

Focus on energy infrastructure in franchise areas



Aitken Creek an example of our strategy in action
Premier gas storage asset

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- Acquisition completed April 1, 2016
- Purchased for US$266 million
- Only underground gas storage facility in British Columbia and is an integral part of Western Canada's natural gas transmission network
- FortisBC leases one-third of the facility
- Allows opportunities to further expand our gas infrastructure
- Asset is the right fit, operationally and strategically
- Q2 2016 adjusted earnings contribution of $4 million

Renewable generation and electrical transmission opportunities

Cleaner energy trend creates opportunities

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Renewable Generation at UNS Energy

- Traditional “Build-own-operate” facilities
  - Corporation provides necessary capital
  - 10-20 MW per facility
  - Capital US$20-40 million per facility
- Purchase of existing facilities
  - Purchase from third party owners where a power purchase agreement is in place
  - Most agreements allow for mutually agreed upon sale
- Investment in larger generating facilities
  - In conjunction with a third-party developer
  - Beneficially priced purchase power agreements

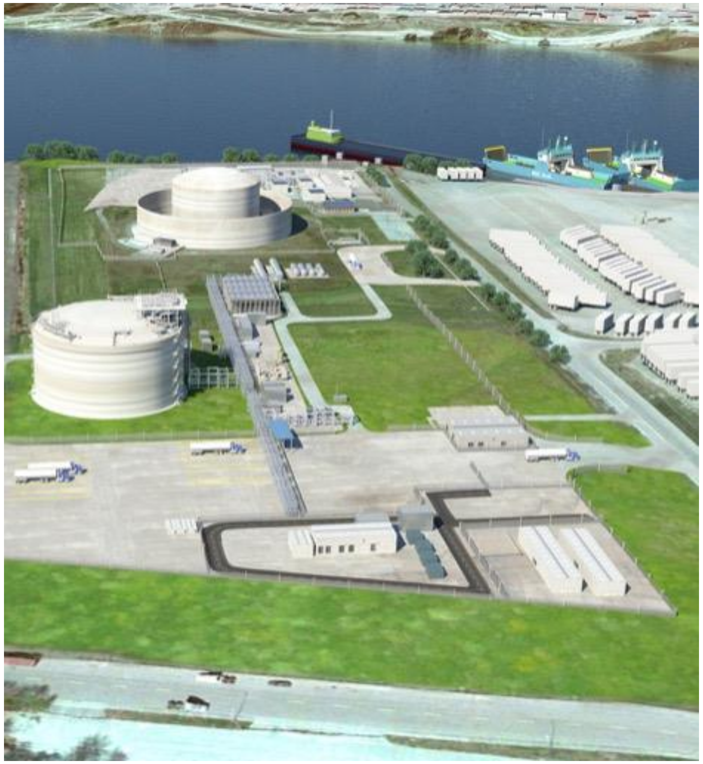
Wataynikaneyap Project at FortisOntario

- Connection of First Nations communities in Northern Ontario to electricity grid
  - 1,800 kilometers of transmission lines
  - Eliminates remote diesel generation
  - Wataynikaneyap Power is a partnership of 22 First Nations, FortisOntario and Renewable Energy Systems Canada Inc.
  - Designation of Wataynikaneyap Power as the transmission company for the project in July
  - Fortis ownership approximately 25%
  - Construction of the $1.35 billion project expected to begin in 2018 subject to regulatory approvals

LNG can deliver significant upside

FortisBC's large gas infrastructure footprint presents opportunities

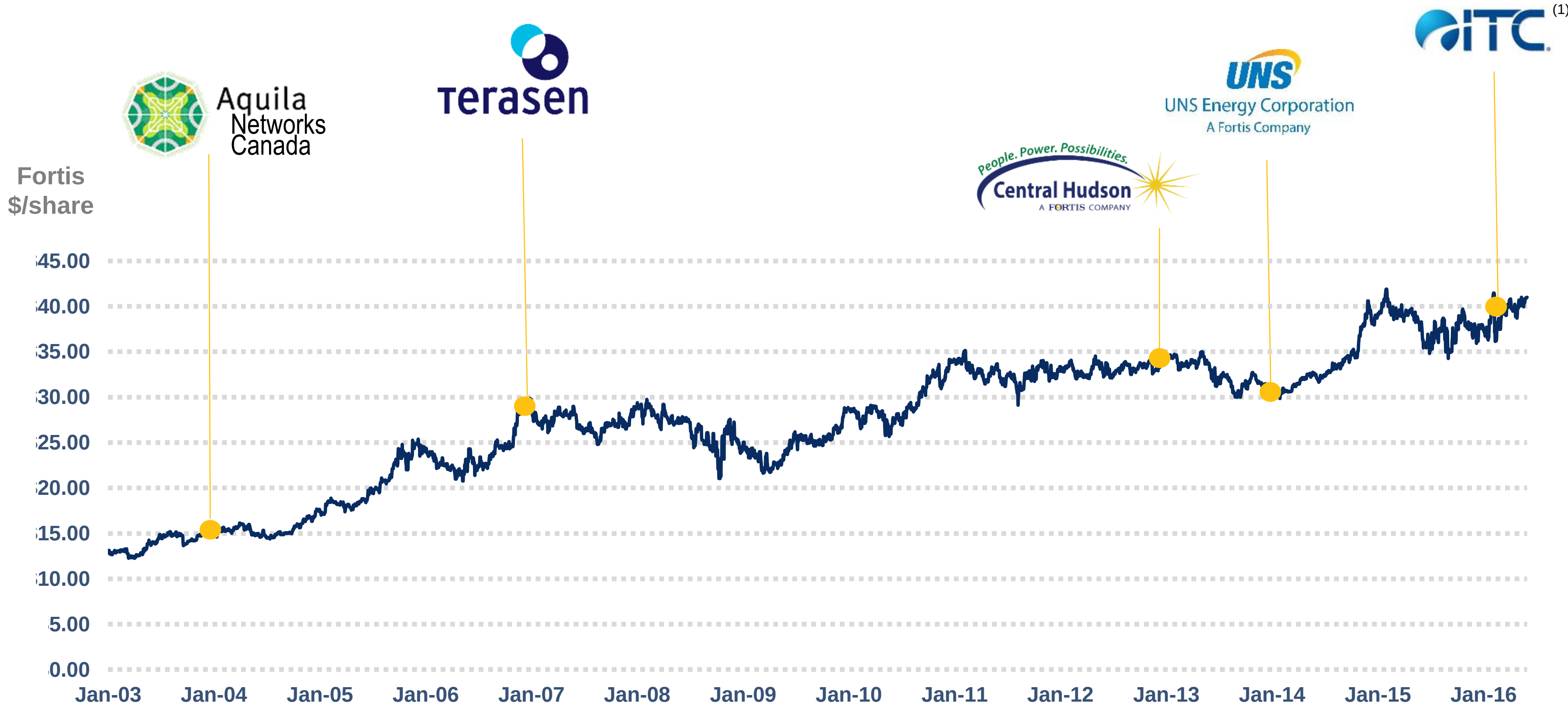
FORTIS INC.



- Favourable alignment with provincial goals
- Tilbury 1A
  - $440 million storage and liquefaction
  - In service expected in Q1 2017
- Further Tilbury Expansion
  - HECO agreement cancelled as a result of Hawaiian state regulator denying merger of HECO and NextEra
  - Potential expansion remains an opportunity
  - Currently exploring other options for site expansion
- Woodfibre LNG
  - Pipeline to service new LNG export terminal known as Woodfibre LNG
  - Woodfibre LNG received export license and environmental approvals
  - FortisBC received provincial environmental assessment certificate in August 2016
  - $600 million in rate base – NOT in forecast
  - Final investment decision by proponent of export terminal expected late 2016

Proven acquisition track record

Accelerating growth through strategic utility acquisitions



(1) Indicates date of announcement by Fortis that it had entered into an agreement to acquire ITC. Transaction is expected to close by the end of 2016.

ITC acquisition strategic rationale

Accelerating growth through strategic utility acquisitions

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Premier Electric Transmission Utility

Fully Regulated

Accretive to EPS

Accretive in First Full Year Following Close[(1)]

Increases Diversification

Pro Forma, more than one-third FERC-Regulated Earnings

Supportive FERC Regulation

Formula-based with >11% Allowed ROE and 60% Equity Ratio

Long-Term Rate Base Growth Prospects

7.5% CAGR from 2015-2018[(2)]

Proven Management Team

Top 10% Ranking for Safety Performance[(3)]

(1) Excluding one-time acquisition-related expenses.
(2) Reflects average rate base growth, includes construction work in progress, and excludes the impact of bonus depreciation.
(3) Based on 2014 Edison Electric Institute Safety Survey.

ITC Holdings Corp. overview

Largest US independent transmission company

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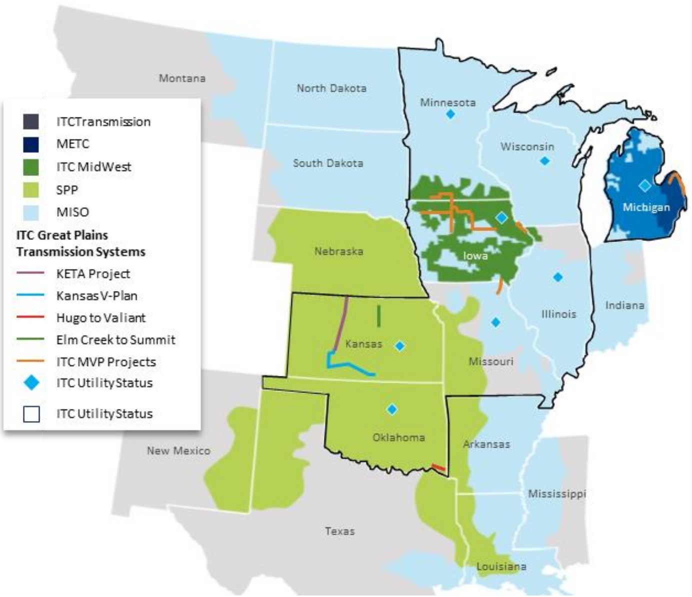
- ITC's business model creates a unique, structurally advantaged infrastructure portfolio
- Rate construct supports efficient capitalization of needed investment and timely return of capital
  - Forward-looking rates
  - Supportive rate structure
- Actively developing electrical infrastructure required for increasing system demands through:
  - Investing in existing systems
  - Regional projects
  - Development / M&A



Assets	~US$8.1 billion
Annual Capital Investments:	~US$700-$800 million
Line Miles	~15,700
Stations / Substations:	~560
States:	Seven

Note: ITC is authorized to do business in eight states. ITC Midwest maintains utility status in Wisconsin. Statistics reflect June 30, 2016.

Long-term rate base growth prospects
Accelerating growth through strategic utility acquisitions

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In Infancy of Multi-Decade Investment Cycle – Projected System Needs Require US$120 - US$160 billion of Investment per Decade Through 2030[(1)]





Historical Underinvestment

Aged infrastructure remains prevalent

Power Market Dynamics

Price differential between power regions

Reliability

NERC requirements, FERC enforcement activities and storm hardening

Changing Generation Fleet

EPA and coal plant implications, nuclear closures and plant outages

RPS Mandates & Intermittent Resource Integration

Individual State needs

(1) The Brattle Group, Investment Trends and Fundamentals in US Transmission and Electricity Infrastructure, July 2015.

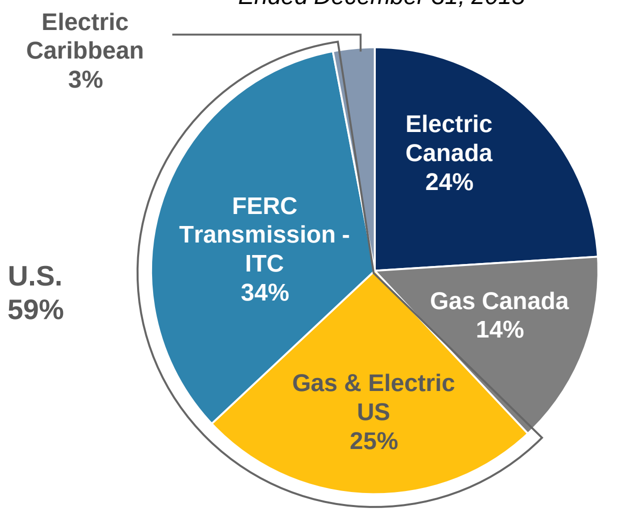
Acquisition delivers increased US presence and FERC regulated returns

Accelerating growth through strategic utility acquisitions

Singular opportunity for Fortis to increase its economic, geographic and regulatory diversification

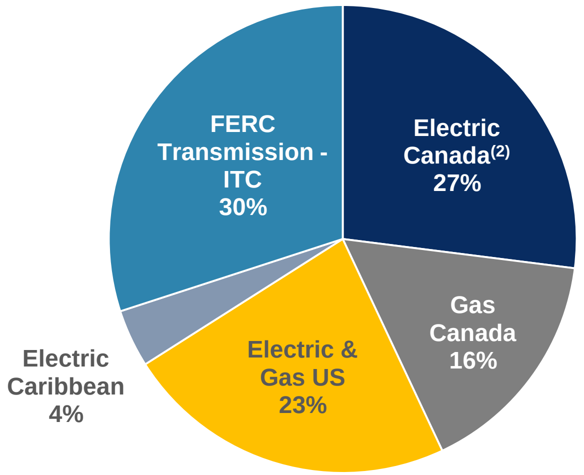
Pro Forma Regulated Operating Earnings (1)

For the Twelve Months Ended December 31, 2015



Fortis Pro Forma 2017 Midyear Rate Base

$26 Billion



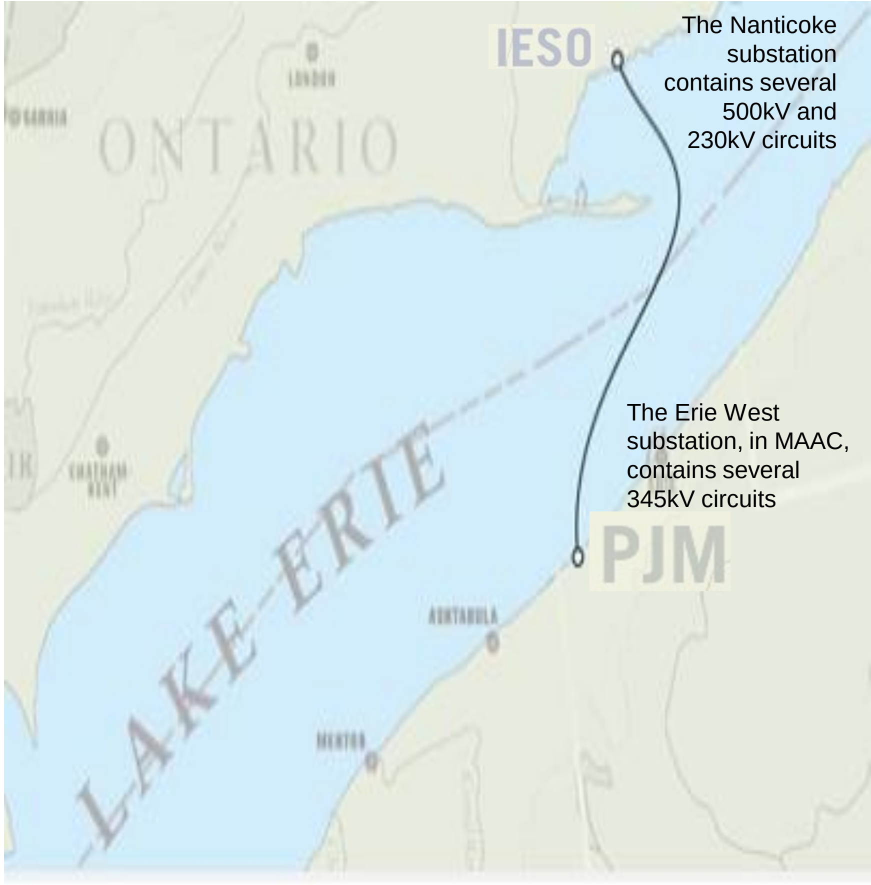
Positions Fortis as a leading Transmission and Distribution business

(1) Excluding one-time acquisition-related expenses, Fortis' "Non-Regulated Energy Infrastructure", "Non-Utility" and "Corporate and Other" segments, ITC's "ITC Holdings and other" segment and intercompany eliminations.
(2) Includes 100% of the Waneta Hydroelectric Expansion of which Fortis has a 51% controlling ownership interest.

Lake Erie Connector at ITC Holdings Corp.

Accelerating growth through strategic utility acquisitions

- First direct link between the PJM and IESO markets
  - 1,000 MW, bi-directional high-voltage direct current (HVDC) transmission line
  - Approximately 73 miles in length (majority buried in Lake Erie)
  - Connecting Erie County, Pennsylvania with Nanticoke, Ontario
  - Transmission customers will more efficiently access energy, capacity, and renewable energy credit opportunities in both markets
  - Currently in negotiations with parties who expressed interest in acquiring capacity on the line
  - Projected in service in Q4 2020



ITC acquisition financing plan

Accelerating growth through strategic utility acquisitions

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~US$11.3B (1) Transaction

Funded through

Issue	~US$3.7B in Fortis shares
Assume	~US$4.4B in ITC debt
Incur	~US$2.0B in new debt
Raise	US$1.228B through minority investment

Fortis to maintain investment-grade credit ratings and consistent capital structure

(1) Based on the US$ / C$ exchange rate on February 8, 2016 and the C$41.38 closing price of Fortis' common shares on such date.

Acquisition still on track for targeted late 2016 transaction close

Accelerating growth through strategic utility acquisitions

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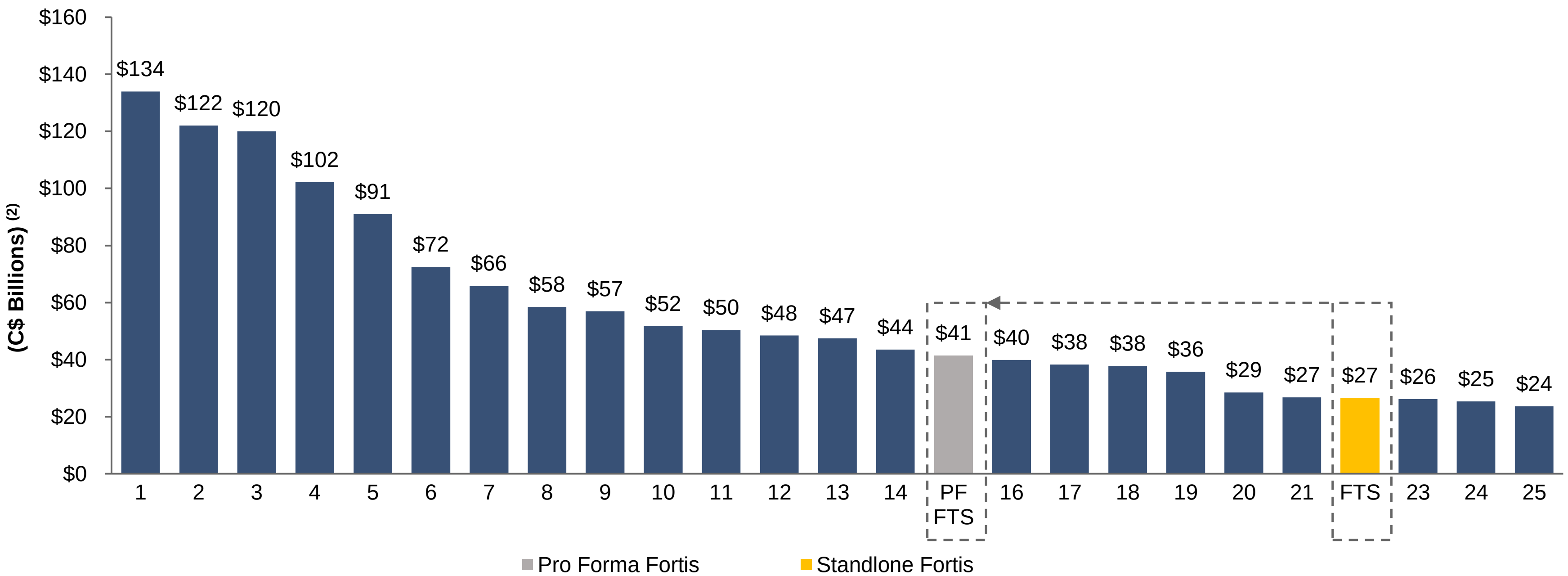
Secured minority investor. GIC Private Limited to acquire a 19.9% equity interest in ITC for US$1.228 billion. The process was completed in April 2016 in 71 days.	Completed
Received Fortis shareholder approval on May 5, 2016	Completed
Completed registration process with the SEC in May 2016; Approved to list on NYSE	Completed
Received ITC shareholder approval on June 22, 2016	Completed
Federal and state regulatory applications filed	Completed
Transaction review by the Committee on U.S. Foreign Investment was completed in July 2016	Completed
Expiration of the waiting period under the *Hart-Scott-Rodino Antitrust Improvements Act of 1976* in August 2016	Completed
Fortis to list shares on NYSE in Fall 2016	On Track
Complete transaction financing	On Track
Federal and remaining state regulatory approvals (FERC: On Track; MO: On Track; IL: Completed; WI: On Track; KS: On Track; OK: Completed)	On Track
Close of transaction	On Track

Completed   On Track

Achieves scale and EPS accretion

Accelerating growth through strategic utility acquisitions

Following the acquisition, Fortis will be among the top 15 North American investor-owned utilities ranked by enterprise value(1)



Source: Management projections, company filings

(1) Includes integrated electric utilities and gas distribution utilities per CapitalIQ. Enterprise values based on market close as of August 1, 2016. Pro forma Fortis adjusted for US$11.3bn ITC acquisition value as of February 9, 2016.

(2) Based on US$/C$ foreign exchange rate of 1.31 as of August 31, 2016.

Superior risk adjusted returns

Strong Financial Metrics	• Consistent and predictable returns • Adjusted EPS grew at a CAGR of ~5% over past 10 years • Investment-grade credit ratings and strong liquidity
Consistent Dividend Growth	• 42 consecutive years of annual dividend increases • Commenced dividend guidance in 2015 with a target of 6% average annual dividend increase through 2020
Base Capital Plan Delivers Growth	• Over $9B capital plan from 2016 to 2020, excluding ITC • Rate base expected to grow to over $20 billion by 2020, excluding ITC
Additional Growth Opportunities	• Incremental energy infrastructure opportunities in franchise regions
Accelerating Growth through Strategic Utility Acquisitions	• Throughout Fortis' history, it has grown both organically and by acquisition. The transformational ITC acquisition accelerates growth and positions Fortis as a leading transmission and distribution business

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