Client Id: 77

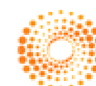
THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

FTS.TO - Fortis Inc at Barclays CEO Energy-Power Conference

EVENT DATE/TIME: SEPTEMBER 05, 2017 / 5:45PM GMT

©2017 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks of Thomson Reuters and its affiliated companies.



THOMSON REUTERS

Client Id: 77

CORPORATE PARTICIPANTS

Karl W. Smith *Fortis Inc. - CFO and EVP*

CONFERENCE CALL PARTICIPANTS

Ross A. Fowler *Barclays PLC, Research Division - Director of Power and Utilities United States Equity Research*

PRESENTATION

Ross A. Fowler *- Barclays PLC, Research Division - Director of Power and Utilities United States Equity Research*

All right, thank you very much. Next up, we've got Fortis Inc., joining us now from Newfoundland; and Karl Smith, who's the Executive VP and CFO. And he'll update us on the Fortis story.

Karl W. Smith *- Fortis Inc. - CFO and EVP*

Okay. Thanks, Ross. Good afternoon, everybody. It's a pleasure to be here, and I want to thank you for coming out to hear our update on what we have to say today. I also have with me today our Executive Vice President of Business Development, Jim Laurito. And the context I have with Jim is that I'll take the easy questions, and the tough ones, I turn it over to Jim. So if I do need some support, and I start looking down there, you know why I'm looking down there. So let's get started.

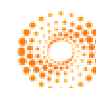
Of course, I won't read this, like everybody else doesn't read this, but I will point your attention towards it. And so we are here today just to give an update, more a continuing conversation about our story is the way I like to think about it. 2017 has been, to date, a really, really good year for us, but the primary focus this year has been to integrate the acquisition of ITC. ITC closed last October, so we're coming up to the 1 year anniversary, which seems astounding to me because it seems like it only happened yesterday.

So I'll talk a little bit about that. I'll also talk a little bit about some of the other things that have been happening around our organization. I will point out that we are conducting Investor Days in Toronto and in New York next month, October 16, in Toronto; and October 18, here in New York. At that point in time, we will be rolling forward our guidance around CapEx and our capital plan, so I apologize in advance that the information is a little bit stale and we're about to roll it over.

So Fortis, for those of you that do know us, we are based in St. John's, Newfoundland, as Ross pointed out. We have a broad portfolio of regulated utilities across Canada and here in the United States. In the United States, we have 3 subsidiaries, Central Hudson, which is located in the mid-Hudson Valley here in New York. We have UNS Electric and Gas, which is based in Tucson, Arizona and other parts of Arizona, but primarily in Tucson. And as I have referred to just recently, ITC was acquired last year, which was a transmission-focused company based in Novi, Michigan. As a snapshot, we'd like to point out the tremendous diversity that we have across a number of different areas, geography, as I just pointed out. Regulatory regimes, obviously, we deal with 9 different regulatory bodies and we're also exposed less to any particular jurisdiction than we have for a long, long time. So we think that's one of our key strengths is our diversification. Where we are currently in terms of regulatory intensity is, I would describe as relatively light compared to where we have been. We just recently concluded an extensive rate case in Arizona with a very successful outcome. We do have an ongoing regulatory situation with the FERC and ROEs that most people in this room would be familiar with. We just filed a rate case with -- Central Hudson has just filed a rate case, but compared to where we have been for the last 4 or 5 years, it's relatively benign. One of the other things that I'd like to point out is that one of our strengths, I believe, is our regulatory management, regulatory relationships are all very constructive, I would suggest.

I'll also talk a little bit more about our capital plan, the capital program. The current plan that we have over 5 years will have us spending around $13 billion in CapEx, and I'll talk a little bit about that as well. That provides visible growth, we believe, and low-risk growth, highly executable growth. I'll talk about some of the other energy-related opportunities we're pursuing in our various geographies.

©2017 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks of Thomson Reuters and its affiliated companies.



THOMSON REUTERS

Client Id: 77

Just a word on our business model. All our businesses are operated fairly autonomously. They have their own and separate management teams. They have their, for the most part, the larger ones, all have their own independent Board of Directors. And we consider that to be an important part of how we conduct ourselves. We've always thought that having management teams and boards that are close to the customers, that are close to the regulatory decision-makers and the economies and their specific jurisdictions is really, really important. To put a fine point on that, we're a $19 billion market cap company. In our head office, we have 50, 5-0 employees, so very skinny corporate office. Most of the decisions and the autonomy is out in the various operating companies.

We have a track record of increasing our dividend for 43 consecutive years, something we're very, very proud of. We also currently provide dividend guidance, and we're guiding investors to expect our dividend to grow at an average rate of 6% over the next 5 years.

So a little bit more about where are. We operate in 9 U.S. states, 5 Canadian provinces. We also operate in 3 Caribbean countries, Turks and Caicos, Grand Cayman, and we have some generating assets in Belize, Central America. We have 8,400 employees, and our major rate base this year would be approximately $26 billion. 30% of our rate base is regulated by FERC, and we consider FERC to be, if not the best, one of the best regulators in North America. We love the regulatory construct there as real-time. They're affording us really good returns. We think, 60% equity thickness. And currently, we're earning 11.35%, for the most part, on that. That is currently under review. Our market cap is $19 billion.

Last year, we listed on the New York Stock Exchange around almost the same time that we closed the acquisition of ITC. So we're working really hard on expanding our investor base in the U.S., and the deep pool of capital is here. And we've made some fairly significant inroads over the last year, I would suggest. 97% of our assets are regulated rate base assets, primarily poles, wires and low-volume pipes.

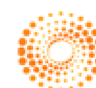
In terms of the diversification that I mentioned earlier, as you can see, we're no longer a Canadian company. We're a U.S. based utility -- we're a U.S. utility based in St. John's, Newfoundland is what I like to say to people. Approximately 60% of our earnings, we anticipate, will come from the United States. Also, in terms of rate base, you can see that about 47% of our assets currently are regulated assets in Canada and the Caribbean. About 30% is transmission here in the United States and the remainder is regulated U.S., either gas or electric. So a good, diverse range of assets.

Here's the track record about the dividend, and as I mentioned, we are guiding towards 6% growth in our dividend going forward. Just our return track record, the comparatives we're using here are Canadian because we've only been listed in the U.S. for the last 10 or 11 months, but our returns have been consistently higher than the indexes in Canada, both the broader index as well as the utility index.

This slide is intended to give you some insight into how we think about our strategy. And as I mentioned, we embarked on a strategy of growth through acquisition, probably about 10 years ago. And for those of you that are familiar with the Canadian landscape when it comes utilities, it tends to be dominated by Crown corporations, and we started in Newfoundland, started moving our way west across the nation. And we currently have electric assets or gas assets in Prince Edward Island, Ontario, Alberta and British Columbia. And when we put together our portfolio of assets and looked around the country, there wasn't a lot left that wasn't owned by the Crowns in the various provinces. So the largest provinces in Canada are dominated by Crown corporations. So in order to grow, we look south of the border and we started coming to the U.S. to pursue opportunities about a decade ago. And our first successful acquisition was Central Hudson where Jim was the CEO for a number of years. And then, shortly after that, we invested in UNS; and then, of course, last year with ITC. So we have been very acquisitive in the past. But we've really added to the bulk and the size of the organization. And when I talk to you about our capital plans for the next 5 years, you'll see that we have some fairly significant organic growth opportunities. So really, our focus currently is more internal than external. We're quite happy with the portfolio of assets that we have. We don't think that we need to get involved in M&A to continue to grow and grow at a reasonable rate compared to our peers. But -- so M&A is really in the back burner right now. We're really focusing on getting the most growth out of our existing geographies and rate bases.

We do target other energy infrastructure opportunities. But we tend to focus our attention on places where we currently do business. An example of that would be our gas storage facility in British Columbia. And we consider that almost to be an extension of our existing gas distribution franchise in British Columbia. We also have a fairly large or a 51% ownership interest in a fairly large generating plant in the interior of British Columbia as well. The output for that plant is sold to -- a large portion of it anyway sold to our existing utility to provide electricity to our customers. So there's a natural connection. We currently went through a process where we were the successful bidder for another generating asset in British Columbia. Unfortunately, the Crown corporation there had the right of first refusal and decided to exercise that. But those are the types of opportunities, and I'll talk about a couple of more here today that we pursue. So we're not interested in breaking ground in new geographies necessarily. We really

©2017 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks of Thomson Reuters and its affiliated companies.



THOMSON REUTERS

Client Id: 77

like to grow out from where we currently are. We focus on regulatory relationships a lot. That's always been our focus right from the start. And that has stuck with our business model, to be quite honest with you, managing those relationships, very close to regulators, making the right decisions, was what really prompted us to adopt the business model that we've adopted.

We do have a, what in my view, a very attractive LNG facility in British Columbia as well. Currently, most of that is part of our rate base in British Columbia. But it's a brownfield site on the Delta River, which runs into the Pacific, so it was on tidal water. It would be the closest LNG facility to Asian markets. For instance, we're currently focused on expanding that for domestic use and we're currently in the very final stages of finishing up a $400 million expansion of that facility that will go into rate base and we'll earn a regulated return on that. But there are possibilities to expand that for other uses, including export. Currently, nothing's on the books with respect to that, but it is a valuable site because it is brownfield, regulatory -- or environmental approval is not a huge challenge there.

Just talking about ITC for a minute. Because we're a business plan, the integration of new utilities is not a real big deal for us. For example, when we acquired UNS, even though the CEO that was there at the time decided to retire, the rest of the management team is intact from the day that we bought it. We put in place independent boards in all the jurisdictions where we have these autonomous operating subsidiaries. ITC is no exception. So 11 months on, most of the integration has taken place. We have a fully functioning independent Board of Directors in place there. Joe Welch, who was the CEO of that organization, retired. Linda Apsey, who has been with the organization from the start, in essence, was the second in charge there, has moved into the CEO role. The CFO that was there at the time has moved on as well. Like Gretchen Holloway, who, again, is with the organization for a long time, has stepped into that role, so that transition has gone very, very smoothly.

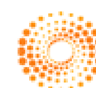
For most employees in ITC, it's no different working in ITC today than it was 2 years ago. So that's gone extremely well for us. And the accretion that we anticipated when we announced the acquisition last year is happening. It's nicely accretive this year, right in line with where we thought it would be. All the financing that was necessary to close this transaction has been completed. The last piece was a $500 million equity raise that we did in March of this year. So after this presentation or after our outlook, our new update this fall, we probably won't talk about ITC in transition anymore once we get through this year. It's basically done.

So in terms of our strategy, we are benefiting from the acquisition of ITC. The rate case -- the UNS rate case settlement earlier this year was quite constructive. The returns that were allowed were right in line with what you would anticipate, 9.5% on about a 50% equity layer. But more importantly, the regulator in Arizona has really decided to take on the right structure around solar in Arizona. And this has been a very hotly contested issue for the last couple of years. And it's all about how much customers should pay for implementing solar generation, and there was a big pushing force, like in other -- like it has been in other jurisdictions, to put in place a lot of rooftop solar. UNS has never resisted solar at all, but their argument always has been, let's do it in the most efficient and effective way that we can. The regulator seems to have bought into that argument. And my view is that going forward in the State of Arizona, the bulk of solar generation will be done at a utility scale level. And I think that's the right way to go and it also creates opportunities for us.

In terms of our capital plan, I'll talk about that in a few minutes. Here we go. We only provide guidance on CapEx, rate base growth and dividends. We don't provide earnings guidance, and there's -- the history behind that is because we've been adding utilities and acquiring, it's difficult to be able to, at any particular point in time, have a stable enough base where the earnings are predictable enough. We need to integrate. We need to see whether the utilities we acquire realize their earning potential.

So where we are today, we're looking at a 5-year capital plan of $13 billion. And that's a fairly sizable capital plan. What you will note when you look at it the first thing is that the outer years tend to tail off. Historically, that never ever materializes. Because of the nature of our capital plan where we don't have any large projects, such as huge generating plants and so on, we're really talking about thousands and thousands of smaller projects. That's good news to the extent that it's highly executable and low risk. For example, in our $13 billion capital plan, we have no more than 11 projects that would exceed $100 million in size. And even those are really numerous small projects with an umbrella over them, such as a pole management program in Alberta that takes 10 years to complete. That's thousands of thousands of thousands of poles. So even though it's a larger project, it still is low risk. And because of the nature of those projects, there's not a lot of engineering that's required, they're sustainable and you just go out and you do nuts and bolts every single day. Therefore, you don't have a 5-year project plan that an engineer says, it's going to be x dollars 4 years from now or 5 years from now. But historically, when you take the package away in the appendix, you'll see the history of what actually transpired compared to what was planned at the outset. So my view is the CapEx that you see this year is probably more indicative of the

©2017 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks of Thomson Reuters and its affiliated companies.



THOMSON REUTERS

Client Id: 77

CapEx that you'll see in any given year going forward. Based on our current plan, we have a 3-year compound annual growth rate of a little over 5% because of that dropoff in the outer years. The 5-year compound rate is about 4%, but if you flatline that $3 billion spending, it would translate into a 5% compound annual growth rate for the 5-year period.

These are examples of the larger projects that we have in our capital plan. And for instance, I mentioned the FortisAlberta Pole Management Program; the FortisBC LNG facility expansion; the last item there, we're at the very end of that so that should be completed within the next month or so. The FortisBC Lower Mainland system upgrade is an example. That's a multiyear project that's just expanding the size of our distribution pipes in that particular area. So we believe that our capital plan is highly doable, low risk and relatively regulatorily benign.

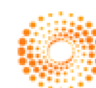
These are -- this slide demonstrates a number of examples of other projects that we're pursuing, and I'll pick a couple just to go into a little bit of detail. The FortisOntario Wataynikaneyap project is a transmission project that's designed to connect a number of First Nations communities in Northern Ontario to the electrical grid. Both levels of government, provincial and federal, are very supportive of this because it checks off a number of boxes for them. Environmentally, it gets those communities off diesel and bunker and so on. In Canada currently, there's a raising debate about First Nations and supporting First Nations and so on. This would enhance reliability. It's got a lot of support from those 2 levels of government, but also has a lot of support from the regulator in Ontario. And most recently, we see the approval from the regulator to actually defer our cost and recoup our cost in the deferral account, which is really the first step in that jurisdiction to allow you to put that in rate base, so we're highly confident on that one. The Lake Erie Connector is one that we inherited from ITC that we continue to pursue, and it's designed to install a high-voltage direct current transmission line under Lake Erie that would connect Ontario with the PJM, the system operator here in the U.S. Again, the Government of Ontario is highly supportive of that. One of the likely contractors for the capacity line is a Crown corporation. From their perspective, they see that they're generating a lot of renewable energy, namely, nuclear in Ontario, that has value to be exported into the U.S. And there's also excess capacity in Ontario today as well. But the interest on this side of the border would be optionality. And again, that project has received a number of really significant approvals. A Presidential Permit has been received. The National Energy Board in Canada has granted approval to go ahead and construct and so on.

And then, I'll talk about FortisBC. One of the projects that we've been working on out there for quite a while is a project called Woodfibre, which is a very small-scale LNG facility that a private developer based in Malaysia is trying to develop. They've been working on this for several years now. Our involvement in the project would be to build the pipeline to their site that delivers gas to their site. And our investment, we think, would be somewhere around $600 million. Again, that's well-advanced. It's received environmental approvals. We have approval from the regulator through the Government of British Columbia to include us some rate base. So again, if that goes ahead, it's a rate base investment, very low risk, guaranteed returns type of thing.

The point I really want to make sure you get though is that none of these projects are included in our base plan. So the base plan of $13 billion plus that you see does not include these projects. And to give you some idea of scale, the Lake Erie Connector project would be over $1 billion. The Wataynikaneyap project, we would own 49% of that project in Northern Ontario. It's probably in the neighborhood -- in excess of $1.5 billion. And as I mentioned, the Woodfibre project will probably see us invest up to $600 million. So that's probably $4 billion possible investment just in those 3 projects alone, but these are examples of projects that are sort of call them in our backyard that we have some advantage with respect to others in terms of prosecuting.

I've talked about that already. So just in summary then. When you look at Fortis, what you should see is a very low risk, highly diversified regulated utility. One of the things that I don't think most people appreciate when they're looking at us is that we have a large size, local distribution gas company in British Columbia with 1 million customers that sort of gets lost in the mix. So if you look at valuation of utilities in North America, gas distribution utilities are getting premium valuation these days. I don't think Fortis is afforded that. It's not well-understood enough that we have this huge LDC and we're not getting valued properly for that. But then, when you look at the bigger picture and you see all the jurisdictions that we're in, the capital plan that we have in place that's organic, that's highly executable and, I would say, consistent in terms of growth with our peers, then that's what you should take away from this when you think about Fortis. We're having a really good year in 2017. You're going to see the full value of the acquisition of ITC. You're going to see a significant step-up in terms of earnings at UNS because of the successful conclusion of the rate case there. We are very -- we are very, very, very committed to a 6% dividend growth and continued -- and we'll continue to be. And we have a great track record of managing regulatory relationships and regulatory outcomes.

©2017 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks of Thomson Reuters and its affiliated companies.



THOMSON REUTERS

Client Id: 77

There are differences between regulation in Canada and in the United States, not so much in construct, but I think in terms of outcome. Regulation in Canada, for the most part, follow the lead of regulation in the United States. For the most part, it's cost-based regulation. You'll see a bit more performance-based regulation in Canada, and we experienced that in Alberta and British Columbia. The returns are less in Canada than they are in the U.S., and again, that was one of the attractions to us was to come here. But one thing that you will observe when you look at Fortis a little bit closer is that we have a track record of always earning our allowed returns, particularly in Canada. In Canada, we earn and have been for a long time, earning above our allowed returns in Canada, even though they are lower than in the U.S.

UNS by its nature, because Arizona utilizes -- in historical test year does experience some regulatory drag, but again, UNS has been very, very good at managing their relationship with their regulator and the rates to their customers and they've been investing a lot of money. And with a utility that's investing a lot of money in a jurisdiction where there's a historical test year, there always will be, by its very nature, some drag on earnings. But they've been very successful in earning close to their allowed returns, even throughout the period between rate returns or rate earnings.

So I was going to leave it there and open it up for questions.

QUESTIONS AND ANSWERS

Ross A. Fowler - *Barclays PLC, Research Division - Director of Power and Utilities United States Equity Research*

There's a microphone going around in the room. I guess, I'll start probably and get you kicked off. So you talk about sort of this 5% growth rate of CapEx even if you backfill some of that, but your dividend growth rate is 6%. So that sort of pushes you towards the higher end of that payout ratio. Is that comfort level for you going forward, and you think more out there to kind of get you to from that 5% to 6% level?

Karl W. Smith - *Fortis Inc. - CFO and EVP*

Yes. We think about the appropriate payout ratio somewhere around the 70% range. By Canadian standards, that would be considered to be low, by the way. I realize that, in the U.S., it may be a little bit different. But 70% is something that we'd be very comfortable with. So when you look at our capital plan that's very conservative at 5% and when you look at the number of projects that we have that we're pursuing at any particular point in time, and then you look at our track record of earning or exceeding our allowed returns, that gives us a lot of comfort around that 6% growth rate in dividends.

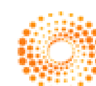
Ross A. Fowler - *Barclays PLC, Research Division - Director of Power and Utilities United States Equity Research*

I was wondering if you could just comment on your strategy around leverage at the HoldCo. Should we expect a reduction by 2020? Or are you comfortable with where leverage is at, at this point?

Karl W. Smith - *Fortis Inc. - CFO and EVP*

No. You will see some deleveraging taking place. It will be slow and gradual though. And again, because of the acquisitive nature of our organization, there is some HoldCo debt. You look at the credit ratings, this leads into a conversation about credit ratings obviously. And currently, we're A low at -- from a corporate point of view at S&P. And we're at Baa3 at Moody's, and we had a conversation with Moody's very recently. Moody's, for those of you that follow the utility sector closely, has taken a tough stand over the last year with respect to buyouts and M&A in the utility space and so on, so we sort of got caught up in that when we announced our acquisition early last year. But they rate us -- they rate our business risk extremely low. Our FFO to debt, which is the primary metric that they look at, improved steadily over the next 3 to 5 years. The HoldCo debt is an issue for them, but it's not the biggest issue. There are others in our sector that have greater leverage at the HoldCo level than we do, so we're really rock solid in terms of Moody's. My expectation is that, over the next couple of years, we'll see an uptick in our credit rating there as well. So we're comfortable with the path that we're on and we expect that we'll see continued improvement over the next -- it'll probably take 3 or 4 years before you see significant movement. But even with this capital plan, our cash flow will improve significantly 2 and 3 years out.

©2017 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks of Thomson Reuters and its affiliated companies.



THOMSON REUTERS

Client Id: 77

Unidentified Analyst

Could you talk a little bit about what you were hoping to achieve with the dual listing and how that's been going so far? Has it been what you expected?

Karl W. Smith - *Fortis Inc. - CFO and EVP*

Yes. Expectations are always at a point in time, aren't they? So I would suggest that 12 months ago, 18 months ago, what we expected was based on a low level of understanding of what would actually transpire here. But it's worked out really well for us so far. We're still learning a lot about what's involved there. And a lot of that learning is observing others that have gone before us, the Embridges of the world, the TRAPS of the world and so on. We're making some progress. We estimate that we're probably about 25% of our shares are now held by U.S.-based investors. And quite frankly, that's probably a little bit better than we would have anticipated. But we've been working really, regard, really hard at it. So I guess, Dan, the answer is depends on the day because some days, it seems like we're working really, really, really hard without the requisite payback. And then, other days, when we stand back and look at the shareholders that we've brought on over the last year that we've learned a lot from and they have a great deal of confidence in us. It makes us feel real, real good. So it's slow going. We're making really, really good progress. The other area we've been focused on as well just while we're talking on the subject, is that we've been spending a bit of time in Europe, and we're seeing a lot of interest with European-based investors as well. They tend to be comfortable with the slow and steady, regulated, especially the Canadian-based organizations. So I would summarize by saying that it's been a good experience for us. There's been a lot of work than we anticipated. It's a little bit slower in terms of the takeoff than when we had hoped for. But realistically, when we compare ourselves to others, we're quite happy with where we are.

Ross A. Fowler - *Barclays PLC, Research Division - Director of Power and Utilities United States Equity Research*

Maybe picking up on Dan's question, can you talk about FX?

Karl W. Smith - *Fortis Inc. - CFO and EVP*

In what sense?

Ross A. Fowler - *Barclays PLC, Research Division - Director of Power and Utilities United States Equity Research*

Yes. Well, we've got a weak dollar now so -- weaker anyway, and what is your hedge strategy and how...

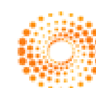
Karl W. Smith - *Fortis Inc. - CFO and EVP*

Yes. And we're just starting to put in place currency hedging with respect to our earnings. And our focus there is to hedge our cash flow because we have to bring our cash -- the U.S. cash back into Canada, North, to continue to support our dividend. So we're going -- I think the deterioration in the greenback over the last 2 months has taken us by surprise, like it has taken many others by surprise. So in hindsight, I wish we've been a bit more aggressive on that path maybe 3 or 4 months ago. But again, the nature of our business, we should be thinking longer term and putting in place a program rather than trying to pick our spots. Our earnings aren't terribly sensitive to FX or currency exposure. It's a little bit more than $0.01 to $0.01 change in the currency. So if the currency -- if the U.S. dollar drops by $0.05, it could have a $0.06 impact on our earnings. So we tend not to get too terribly fussed about it, but we will put in place a program that's tied into our cash flow over the next, say, 12 to 18 months.

Ross A. Fowler - *Barclays PLC, Research Division - Director of Power and Utilities United States Equity Research*

All right. That wraps us up. There's a breakout session in Liberty 5.

©2017 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks of Thomson Reuters and its affiliated companies.



THOMSON REUTERS

Client Id: 77

Karl W. Smith - *Fortis Inc. - CFO and EVP*

Thank you.

DISCLAIMER

Thomson Reuters reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2017, Thomson Reuters. All Rights Reserved.

©2017 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks of Thomson Reuters and its affiliated companies.

THOMSON REUTERS