



**Investor Relations  
Presentation  
Q3 2017**



# Forward-Looking Information

Fortis Inc. (“Fortis” or, the “Corporation”) includes “forward-looking information” in this presentation within the meaning of applicable Canadian securities laws and “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (collectively referred to as “forward-looking information”). Forward-looking information included in this presentation reflects the expectations of Fortis 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 forward-looking information, which includes, without limitation: the expectation of regulatory stability in the near-term; the Corporation’s consolidated and segmented forecast midyear rate base for 2017 and the period 2017 through 2021 and associated compound annual growth rate; targeted average annual dividend growth through 2021; the Corporation’s forecast gross consolidated and segmented capital expenditures for 2017 and the period 2017 through 2021; the nature, timing and expected costs of certain capital projects including, without limitation, the ITC Multi-Value Regional Transmission Projects and 34.5kV to 69kV Conversion Project, the Central Hudson Gas Main Replacement Program, the FortisBC Lower Mainland System Upgrade and expansion to Tilbury 1A, the FortisAlberta Pole Management Program, and additional opportunities beyond the base plan including, without limitation, the Lake Erie Connector, the Wataynikaneyap Project and the pipeline expansion to the Woodfibre liquid natural gas site; the expectation that capital expenditures will exceed expectations; and the expected timing of filing of regulatory applications and receipt and outcome of regulatory decisions.

Forward-looking information involves significant risk, uncertainties and assumptions. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking information. 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 information. Such risk factors or assumptions include, but are not limited to: uncertainty regarding the outcome of regulatory proceedings of the Corporation’s utilities and the expectation of regulatory stability; no material capital project and financing cost overrun related to any of the Corporation’s capital projects; sufficient human resources to deliver service and execute the capital program; the Board of Directors exercising its discretion to declare dividends, taking into account the business performance and financial conditions of the Corporation; risk associated with the impact of less favorable economic conditions on the Corporation’s results of operations; no significant changes in laws and regulations that may materially negatively affect the Corporation and its subsidiaries; currency exchange rates and resolution of pending litigation matters. Fortis cautions 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 information. These factors should be considered carefully and undue reliance should not be placed on the forward-looking information. 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 with Canadian securities regulatory authorities and the Securities and Exchange Commission. Fortis disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

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

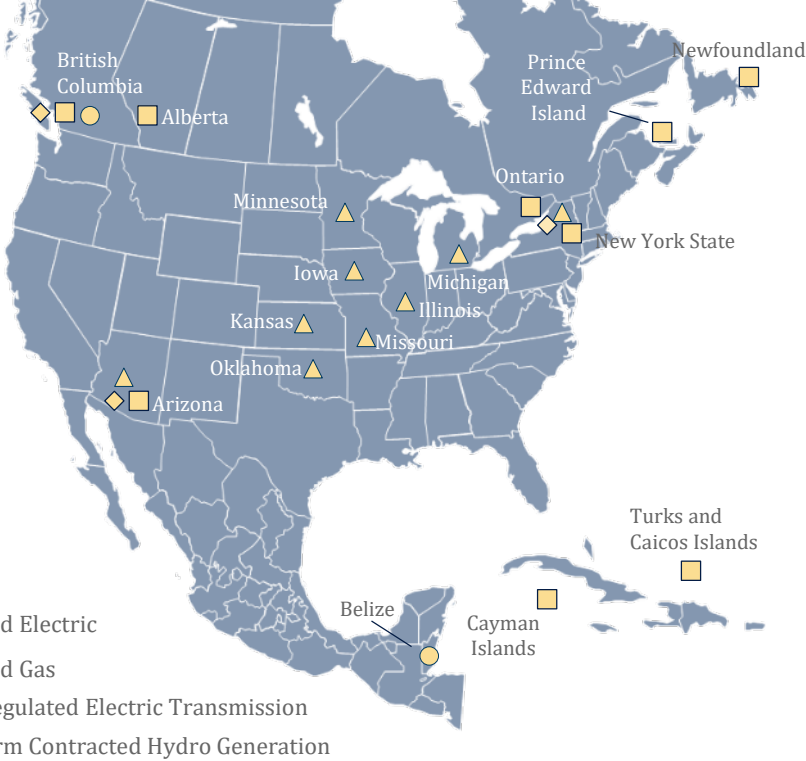
# Fortis Today

- Leader in the North American regulated electric and gas utility business
- ITC provides strong platform in electric transmission sector
- Tremendous economic, geographic and regulatory diversity
- Recent regulatory outcomes provide stability for near term
- Visible growth provided by base 5-year capital program
- Pursuing several additional energy infrastructure opportunities
- Consistent dividend growth and superior long-term returns to shareholders



# A Leader in North American Utility Industry

- Regulated utilities
  - 9 U.S. states
  - 5 Canadian provinces
  - 3 Caribbean countries
- ~8,400 employees
- 2017F midyear rate base ~\$26B
- ~30% of rate base regulated by FERC (ITC rate base)
- Market cap \$19.0B<sup>(1)</sup>
- Listed on TSX/ NYSE

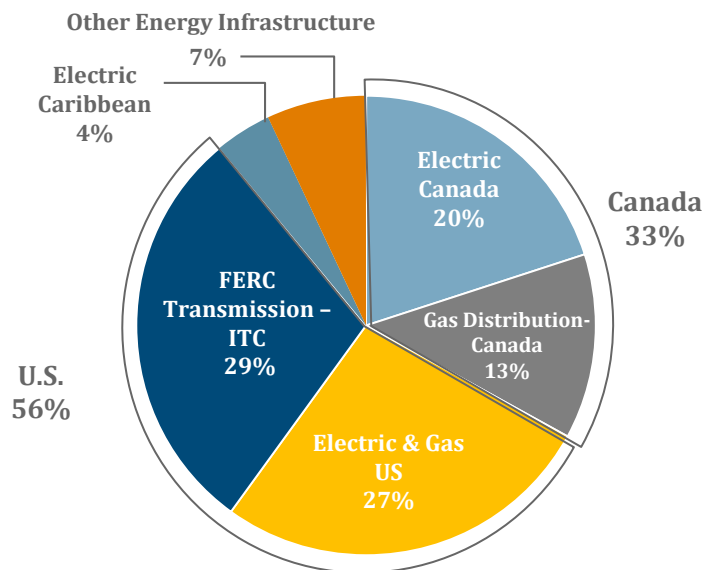


(1) Market capitalization as of July 31, 2017.


# Highly Diversified: Economic, Geographic and Regulatory Diversification

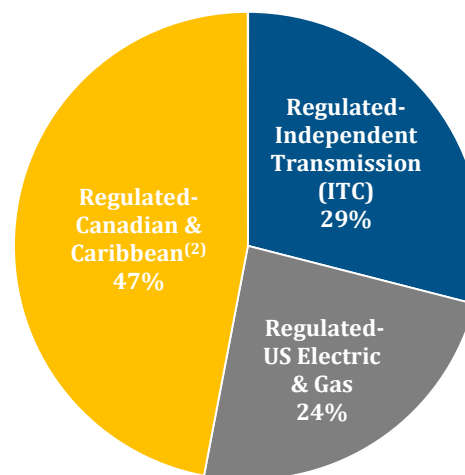
## Pro Forma Net Earnings<sup>(1)</sup>

For the Twelve Months  
Ended June 30, 2017



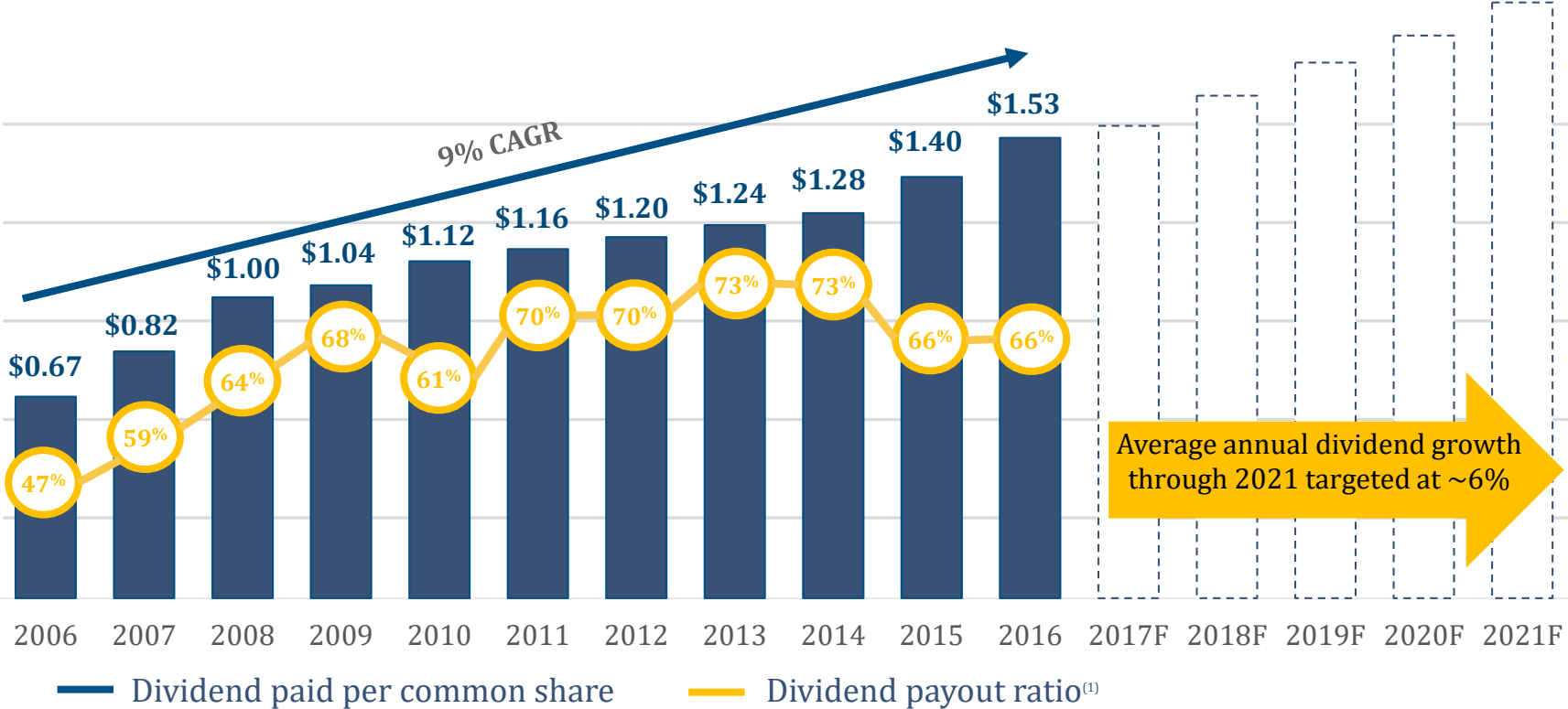
## Fortis 2017 Midyear Rate Base<sup>(2)</sup>

~\$26 Billion  
Transmission & Distribution  
represents ~86% of rate base



(1) Excluding ITC's one-time merger-related expenses, "Corporate and Other" segments and intercompany eliminations.  
 (2) Includes 100% of the Waneta Hydroelectric Expansion of which Fortis has a 51% controlling ownership interest.

# Average Annual Dividend Growth Target of ~6% through 2021



*43 Consecutive Years of Annual Dividend Payment Increases*

(1) Dividend payout ratio for 2011 through 2016 adjusted for non-recurring items

# Delivering Superior Shareholder Returns

- Average annualized total shareholder return over last 5 years <sup>(1)</sup>

<b>Fortis</b>	<b>10.34%</b>
S&P/TSX Composite Index	8.55%
S&P/TSX Capped Utilities Index	6.69%

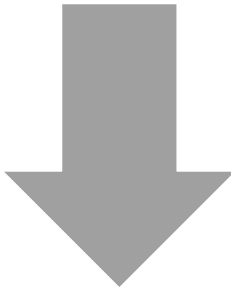


(1) For the 5-year period ending July 31, 2017.

# 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



# ITC: Transformational Growth for Fortis

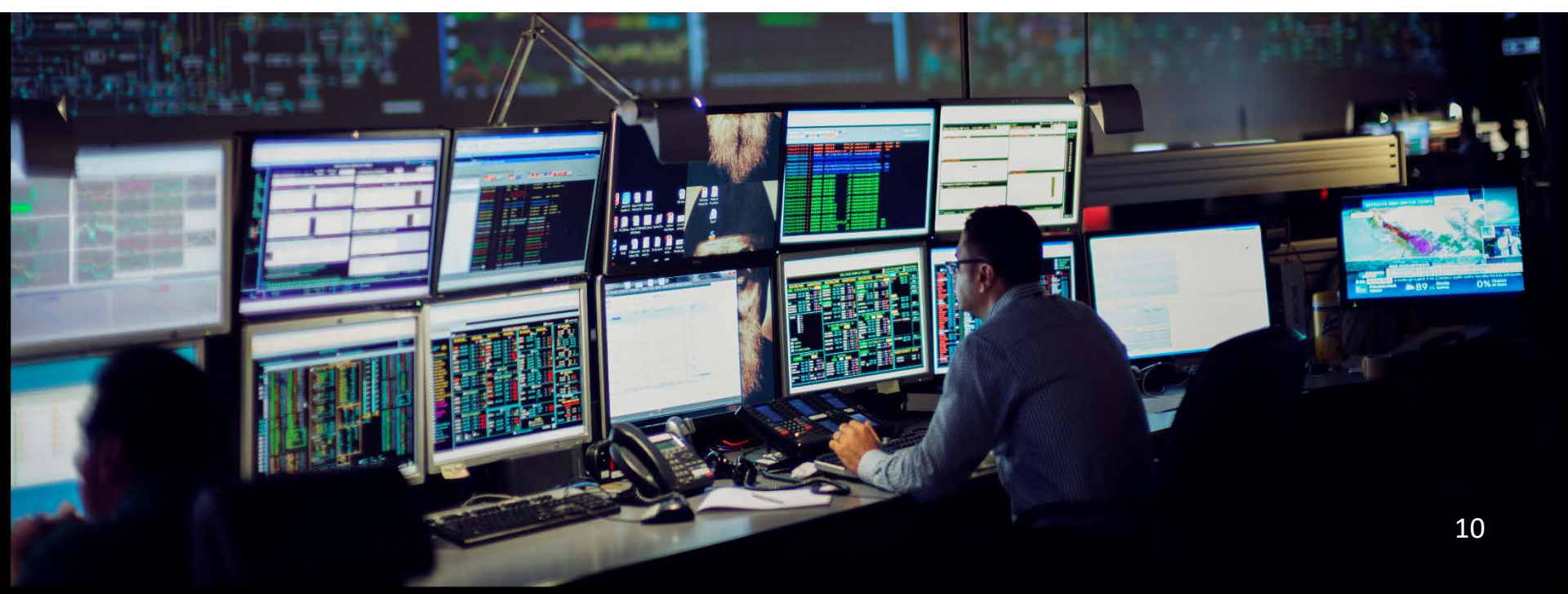


- ✓ Accretive to EPS
- ✓ Financing complete
- ✓ Integration on track
  - Minimal impact on day-to-day operations at ITC
  - ITC's new board of directors formed
  - Linda Apsey appointed President and CEO of ITC during Q4 2016
  - Joe Welch elected to Fortis' Board of Directors in 2017



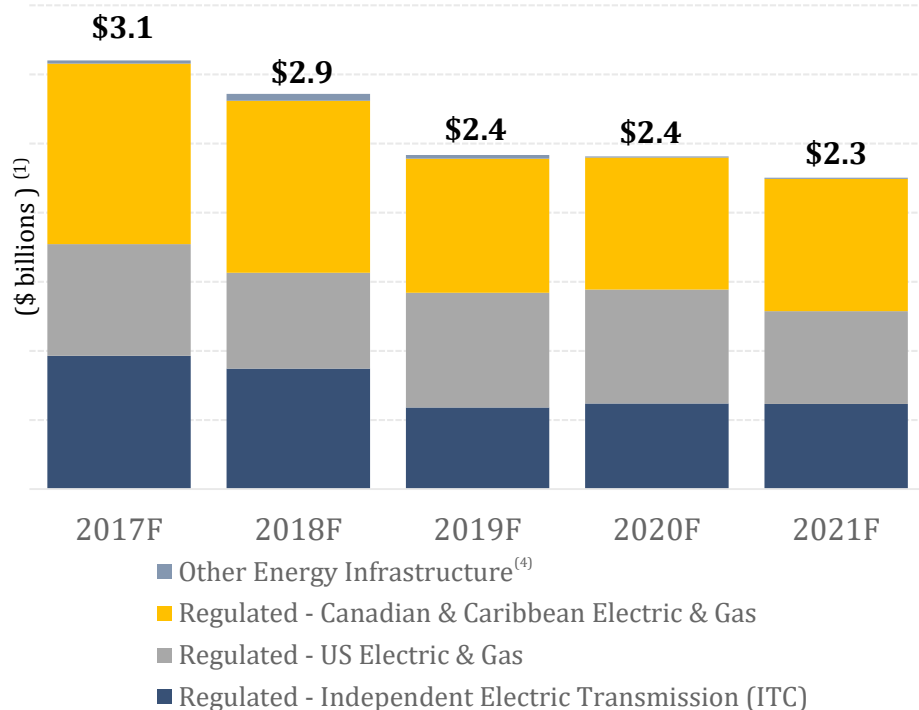
# Our Focused Strategy Continues to Yield Strong Results

- ✓ Focused on base growth while making prudent investments to provide safe, reliable and cost effective energy solutions to our customers
- ✓ Benefitting from the acquisition of ITC
- ✓ Maintaining constructive regulatory relationships:
  - UNS rate case settlement
- ✓ Highly executable, low risk capital plan remains on track

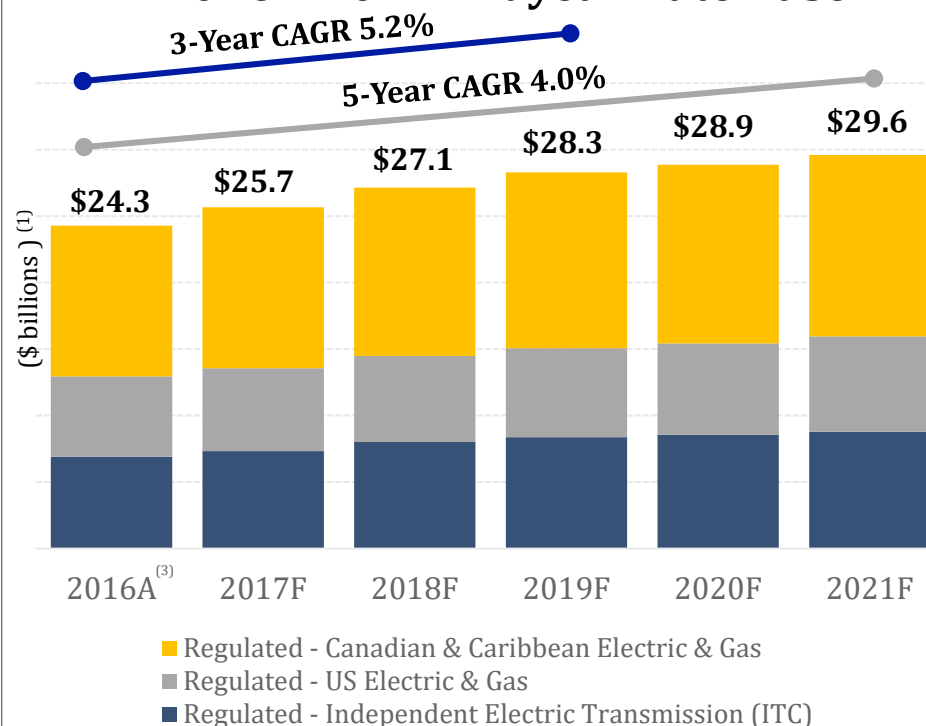


# Capital Plan Grows Rate Base to ~\$30 Billion in 2021

## ~\$13B Five-Year Capital Program



## 2016 - 2021 Midyear Rate Base<sup>(2)</sup>



### Midyear Rate Base Sensitivities

Capex at ~\$3B for all years
Add \$1 billion in rate base in the last year

### 3-Year CAGR to 2019

+30 bps to 5.5%
+130 bps to 6.5%

### 5-Year CAGR to 2021

+90 bps to 4.9%
+70 bps to 4.7%

(1) US Dollar-denominated CAPEX and midyear rate base converted at a USD/CAD exchange rate of 1.30 for 2017 through 2021.

(2) Includes the impact of bonus depreciation and excludes construction work in progress.

(3) Reflects actual midyear 2016 rate base compared to the November 2016 forecast of \$24.2 billion.

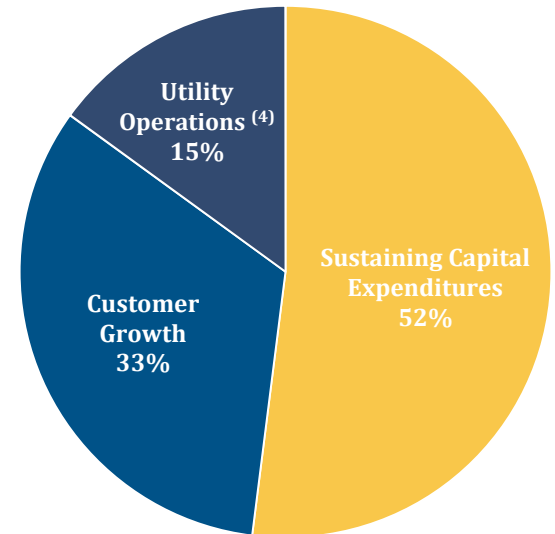
(4) Includes 100% of the Waneta Expansion, of which Fortis has a 51% controlling ownership interest.

# Highly Executable Capital Plan

## Major Capital Projects

\$millions <sup>(1) (2)</sup>	Forecast 2017	Forecast 2018-2021	Total 2017-2021 Forecast
ITC Multi-Value Regional Transmission Projects <sup>(3)</sup>	305	244	549
ITC 34.5 kV to 69 kV Conversion Project	89	369	458
FortisBC Lower Mainland System Upgrade	200	182	382
Central Hudson Gas Main Replacement Program	33	169	202
FortisAlberta Pole-Management Program	43	53	96
FortisBC Tilbury LNG Facility Expansion – Tilbury 1A	65	-	65

## 5-Year Capital Forecast Spending



(1) Represents capital asset expenditures, including both the capitalized debt and equity components of AFUDC, where applicable.

(2) US Dollar denominated CAPEX converted at a USD/CAD exchange rate of 1.30 for 2017 through 2021.

(3) Consists of four separate multi-value projects to create a stronger connection within the Midwestern United States, improve transmission capacity and to connect wind energy.

(4) Includes facilities, equipment, vehicles, information technology and other assets.

# Opportunities Beyond Base Plan

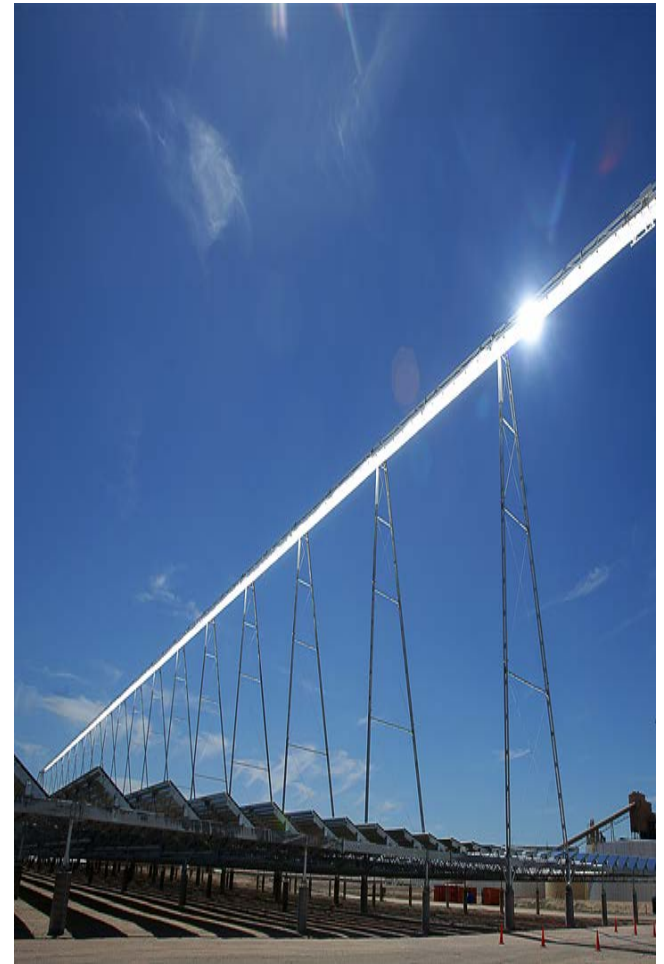


# Beyond the Forecast: Development Project Update

 <p><b>FORTIS ONTARIO</b>  <b>Wataynikaneyap</b>  <b>Power Project</b></p>	<ul style="list-style-type: none"> <li>✓ Opportunity to connect remote First Nations communities in Northern Ontario to the grid</li> <li>✓ In Q1 2017, the Ontario Energy Board issued its deferral account approval allowing recovery of spending that occurred since November 2010</li> <li>✓ Federal Government announced in August 2017 up to \$60 million in funding to connect Pikangikum First Nation to the power grid with construction to commence in October 2017</li> <li>✓ Construction will begin following the receipt of permitting, approvals and a cost-sharing agreement between the federal and provincial governments</li> </ul>
 <p><b>FORTIS BC™</b>  <b>Woodfibre LNG</b></p>	<ul style="list-style-type: none"> <li>✓ Potential pipeline expansion to the Woodfibre LNG export site</li> <li>✓ Earliest expected in service date is late 2020</li> </ul>
 <p><b>ITC</b>  <small>A FORTIS COMPANY</small>  <b>Lake Erie Connector</b></p>	<ul style="list-style-type: none"> <li>✓ Proposed 1,000 MW, bi-directional, high-voltage direct current transmission underwater line connecting the Ontario energy grid to the PJM energy market</li> <li>✓ In May 2017, ITC completed the major permit process in Pennsylvania upon receipt of two required permits from the Pennsylvania Department of Environmental Protection, and in June approval was received from Canada's Governor in Council and the Certificate of Public Convenience and Necessity was issued by the National Energy Board</li> </ul>

# Poised to Deliver Quality Results

- On track to execute 2017 plan, supported by acquisition of ITC and reasonable rate case outcome at UNS
- Consistent dividend growth
  - 43 years of consecutive dividend increases
  - 6% average annual dividend growth guidance through 2021
- Highly diversified regulated utilities, focused on wires and gas businesses
- Highly executable, risk-adjusted base capital plan
- Regulatory stability
- Strong organic growth potential in existing businesses
- Track record of superior shareholder returns





# Appendix





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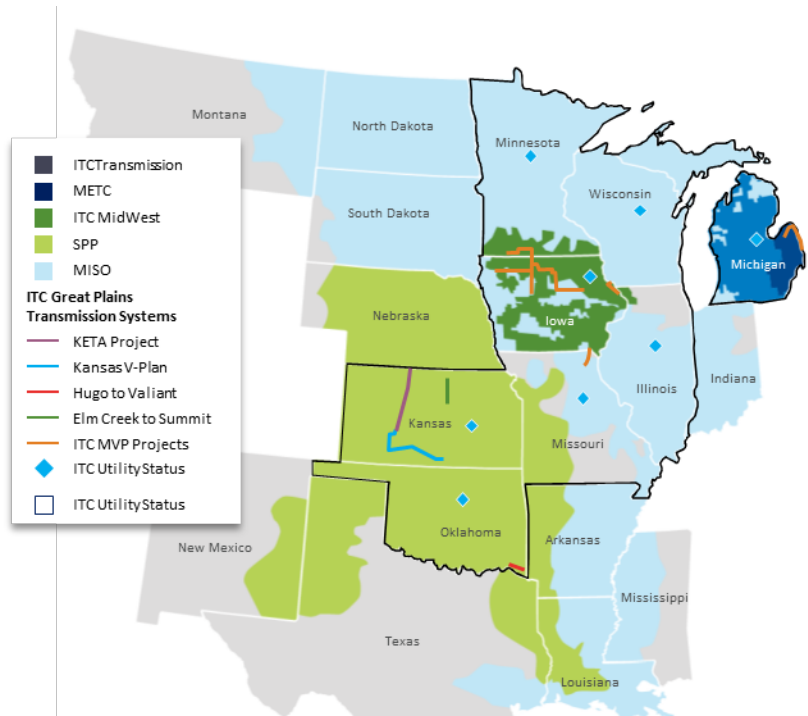
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# ITC Holdings Corp.

## Largest US independent transmission company



ITC Holdings Corp.	
Type of utility	Transmission
Regulator	FERC
Regulatory model	Independent Transmission Company
2017 Formula	10.32-11.35% ROE on 60% equity
2017F Midyear Rate Base	\$7.3B
5-Year CAGR on Midyear Rate Base <sup>(1)</sup>	4.9%
2016 Assets % of total regulated assets <sup>(2)</sup>	39%
2016 Pro Forma Earnings <sup>(3)</sup>	\$352M
2016 Pro Forma Earnings % of total regulated pro forma net earnings	33%
Major Capital Projects	Multi-Value Regional Transmission Projects (“MVPs”) and 34.5 to 69 kilovolt Conversion Project
Development Opportunities <sup>(4)</sup>	Lake Erie Connector and Mexico Transmission Projects
Pending Regulatory Decisions	Second MISO Base ROE Complaint

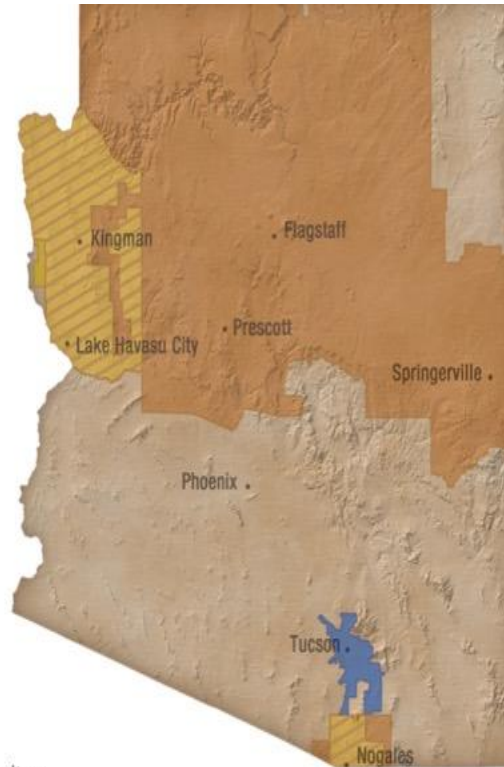
(1) 5-Year CAGR on midyear rate base includes 2016 actuals to 2021 forecast.

(2) Includes goodwill.

(3) Assumes full year of earnings converted at a USD/CAD exchange rate of 1.33, represents the Corporation’s 80.1% controlling interest in ITC, excludes one-time merger-related expenses and includes consolidated purchase price accounting adjustments. Earnings from October 14, 2016, the date of acquisition were \$59 million.

(4) Development opportunities are not included in the base capital forecast and would represent incremental capital spending.

# UNS Energy



- TEP Service Territory
- UNS Gas Service Territory
- UNS Electric Service Territory
- Shared UNS Gas and UNS Electric Service Territory

	Tucson Electric	UNS Electric	UNS Gas
Type of utility	Electricity	Electricity	Gas distribution
Regulator	Arizona Corporation Commission		
Regulatory model	Cost of service/Historical Test Year		
2017 Formula	9.75% ROE on 50% equity	9.5% ROE on 52.83% equity	9.75% ROE on 50.8% equity
2017F Midyear Rate Base	\$4.7B		
5-Year CAGR on Midyear Rate Base <sup>(1)</sup>	2.1%		
2016 Assets % of total regulated assets <sup>(2)</sup>	19%		
2016 Earnings	\$199M		
2016 Earnings % of total regulated pro forma net earnings	20%		
Development Opportunities <sup>(3)</sup>	Renewables and Gas-Fired Generation Opportunities		

(1) 5-Year CAGR on midyear rate base includes 2016 actuals to 2021 forecast.

(2) Includes goodwill.

(3) Development opportunities are not included in the base capital forecast and would represent incremental capital spending.

# Central Hudson



Central Hudson Gas and Electric	
Type of utility	Gas and electricity
Regulator	NY State Public Service Commission
Regulatory model	Cost of service on future test year
2017 Formula	9% ROE on 48% equity
2017F Midyear Rate Base	\$1.6B
5-Year CAGR on Midyear Rate Base <sup>(1)</sup>	7.2%
2016 Assets % of total regulated assets <sup>(2)</sup>	7%
2016 Earnings	\$70M
2016 Earnings % of total regulated pro forma net earnings	7%
Major Capital Projects	Gas Main Replacement Program

(1) 5-Year CAGR on midyear rate base includes 2016 actuals to 2021 forecast.

(2) Includes goodwill.



FortisBC		
Type of utility	Gas distribution	Electricity
<b>Regulator</b>	BC Utilities Commission	BC Utilities Commission
<b>Regulatory model</b>	Cost of service + PBR	Cost of service + PBR
<b>2017 Formula</b>	8.75% ROE on 38.5% equity	9.15% ROE on 40.0% equity
<b>2017F Midyear Rate Base</b>	\$4.1B	\$1.3B
<b>5-Year CAGR on Midyear Rate Base <sup>(1)</sup></b>	4.4%	2.7%
<b>2016 Assets % of total regulated assets <sup>(2)</sup></b>	13%	5%
<b>2016 Earnings</b>	\$151M	\$54M
<b>2016 Earnings % of total regulated pro forma net earnings</b>	14%	5%
<b>Major Capital Projects</b>	Tilbury LNG Facility Expansion and Lower Mainland System Upgrade	N/A
<b>Development Opportunities <sup>(3)</sup></b>	Woodfibre LNG, Tilbury further expansion and additional gas infrastructure opportunities	N/A

(1) 5-Year CAGR on midyear rate base includes 2016 actuals to 2021 forecast.

(2) Includes goodwill.

(3) Development opportunities are not included in the base capital forecast and would represent incremental capital spending.



FortisAlberta	
Type of utility	Electricity distribution
Regulator	Alberta Utilities Commission
Regulatory model	PBR
2017 Formula	8.5% on 37% equity
2017F Midyear Rate Base	\$3.2B
5-Year CAGR on Midyear Rate Base <sup>(1)</sup>	5.3%
2016 Assets % of total regulated assets <sup>(2)</sup>	9%
2016 Earnings	\$121M
2016 Earnings % of total regulated pro forma net earnings	11%
Major Capital Projects	Pole-Management Program
Pending Regulatory Decisions	PBR Next Generation Application

(1) 5-Year CAGR on midyear rate base includes 2016 actuals to 2021 forecast.

(2) Includes goodwill.

# Eastern Canadian Regulated Electric Utilities

	FortisOntario <sup>(1)</sup>	Maritime Electric	Newfoundland Power
Type of utility	Electricity	Electricity	Electricity
<b>Regulator</b>	Ontario Energy Board	Island Regulatory and Appeals Commission	Newfoundland and Labrador Board of Commissioners of Public Utilities
<b>Regulatory model</b>	Cost of service with incentives	Cost of service on future test year	Cost of service on future test year
<b>2017 Formula</b>	9.19% - 9.30% on 40% equity	9.35% ROE on 40% equity	8.50% ROE +/- 50 bp on 45% equity
<b>2017F Midyear Rate Base</b>	\$0.3B	\$0.4B	\$1.0B
<b>5-Year CAGR on Midyear Rate Base <sup>(2)</sup></b>	3.9%	2.6%	2.8%
<b>2016 Assets % of total regulated assets <sup>(3)</sup></b>	1%	1%	3%
<b>2016 Earnings</b>	\$12M	\$12M	\$40M
<b>2016 Earnings % of total regulated pro forma net earnings</b>	1%	1%	4%
<b>Development Opportunities <sup>(4)</sup></b>	Wataynikaneyap Power Project	N/A	N/A

(1) Includes three electric utilities: Canadian Niagara Power, Cornwall Electric and Algoma Power.

(2) 5-Year CAGR on midyear rate base includes 2016 actuals to 2021 forecast.

(3) Includes goodwill.

(4) Development opportunities are not included in the base capital forecast and would represent incremental capital spending.



# Caribbean Regulated Electric Utilities<sup>(1)</sup>

	Caribbean Utilities	Fortis Turks & Caicos
Type of utility	Electricity	Electricity
<b>Regulator</b>	Electricity Regulatory Authority	Government of the Turks and Caicos Islands
<b>Regulatory model</b>	Cost of service with historical test year	Cost of service with historical test year
<b>2017 Formula</b>	6.75-8.75% Return on Assets	15-17.50% Return on Assets
<b>2017F Midyear Rate Base</b>	\$0.6B	\$0.4B
<b>5-Year CAGR on Midyear Rate Base <sup>(2)</sup></b>	3.0%	4.8%
<b>2016 Assets % of total regulated assets <sup>(3)</sup></b>	2%	1%
<b>2016 Earnings</b>	\$20M	\$18M
<b>2016 Earnings % of total regulated pro forma net earnings</b>	2%	2%

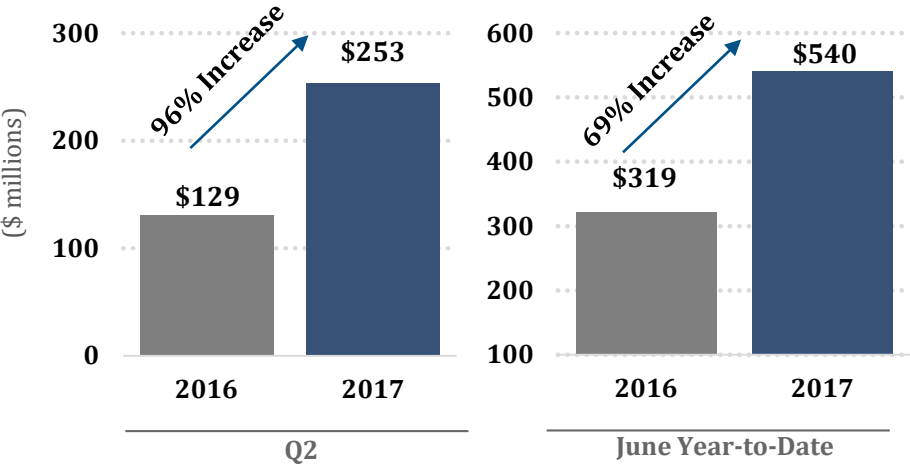
(1) Fortis has an approximate 60% controlling interest in Caribbean Utilities Company, Ltd. Excludes earnings from Fortis' 33% ownership interest totaling \$8 million, or 1% of total regulated operating earnings.

(2) 5-Year CAGR on midyear rate base includes 2016 actuals to 2021 forecast.

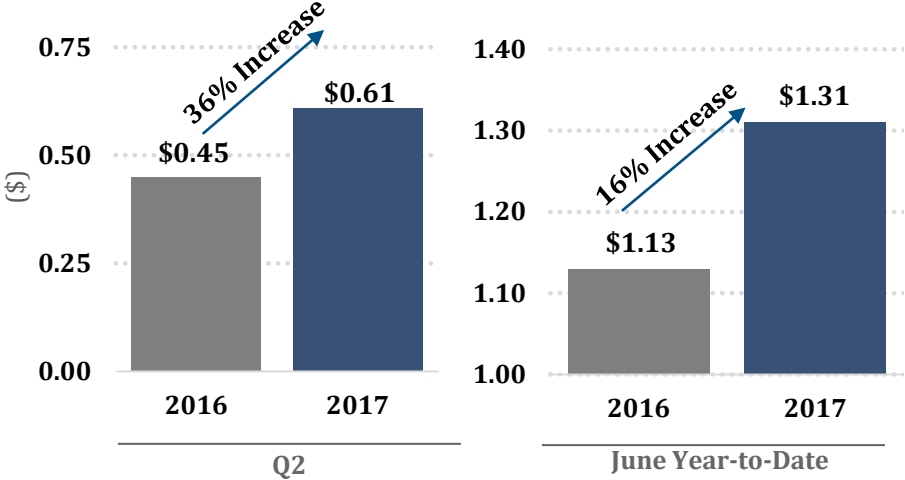
(3) Includes goodwill.

# Fortis Delivers Strong Q2 2017 Results

## Adjusted Earnings



## Adjusted EPS



# Q2 2017 Results by Segment

Second Quarter Variance Analysis by Segment							
<i>(\$'s in millions, excluding EPS)</i>	Q2 2017	Adjustment	Q2 2017 (Adjusted)	Q2 2016	Adjustment	Q2 2016 (Adjusted)	Q2 (Adjusted) Variance
<b>Regulated - Independent Electric Transmission</b>							
ITC Holdings Corp.	93	-	93	-	-	-	93
<b>Regulated - US Electric &amp; Gas</b>							
UNS Energy	89	(4)	85	56	-	56	29
Central Hudson	<u>10</u>	-	<u>10</u>	<u>12</u>	-	<u>12</u>	<u>(2)</u>
	99	(4)	95	68	-	68	27
<b>Regulated Canadian &amp; Caribbean Electric &amp; Gas</b>							
FortisBC Gas	6	-	6	8	-	8	(2)
FortisAlberta	31	-	31	30	-	30	1
FortisBC Electric	16	-	16	15	-	15	1
Eastern Canadian & Caribbean	<u>27</u>	-	<u>27</u>	<u>27</u>	-	<u>27</u>	-
	80	-	80	80	-	80	-
<b>Other Energy Infrastructure</b>	25	-	25	19	-	19	6
<b>Corporate and Other</b>	(40)	-	(40)	(60)	22	(38)	(2)
<b>Net Earnings</b>	<b>\$257</b>	<b>(\$4)</b>	<b>\$253</b>	<b>\$107</b>	<b>\$22</b>	<b>\$129</b>	<b>\$124</b>
<b>Weighted Average Shares</b>	416.8	416.8	416.8	283.7	283.7	283.7	133.1
<b>EPS</b>	<b>\$0.62</b>	<b>\$(0.01)</b>	<b>\$0.61</b>	<b>\$0.38</b>	<b>\$0.07</b>	<b>\$0.45</b>	<b>\$0.16</b>

# June YTD 2017 Results by Segment

June Year-to-Date Variance Analysis by Segment							
<i>(\$'s in millions, excluding EPS)</i>	June YTD 2017	Adjustment	June YTD 2017 (Adjusted)	June YTD 2016	Adjustment	June YTD 2016 (Adjusted)	June YTD (Adjusted) Variance
<b>Regulated - Independent Electric Transmission</b>							
ITC Holdings Corp.	184	-	184	-	-	-	184
<b>Regulated - US Electric &amp; Gas</b>							
UNS Energy	130	(11)	119	68	11	79	40
Central Hudson	<u>33</u>	-	<u>33</u>	<u>36</u>	-	<u>36</u>	<u>(3)</u>
	163	(11)	152	104	11	115	37
<b>Regulated Canadian &amp; Caribbean Electric &amp; Gas</b>							
FortisBC Gas	103	-	103	100	-	100	3
FortisAlberta	56	-	56	61	-	61	(5)
FortisBC Electric	31	-	31	30	-	30	1
Eastern Canadian & Caribbean	<u>53</u>	-	<u>53</u>	<u>55</u>	-	<u>55</u>	<u>(2)</u>
	243	-	243	246	-	246	(3)
<b>Other Energy Infrastructure</b>	48	-	48	30	-	30	18
<b>Corporate and Other</b>	(87)	-	(87)	(111)	39	(72)	(15)
<b>Net Earnings</b>	<b>\$551</b>	<b>(\$11)</b>	<b>\$540</b>	<b>\$269</b>	<b>\$50</b>	<b>\$319</b>	<b>\$221</b>
<b>Weighted Average Shares</b>	411.5	411.5	411.5	283.0	283.0	283.0	128.5
<b>EPS</b>	<b>\$1.34</b>	<b>(\$0.03)</b>	<b>\$1.31</b>	<b>\$0.95</b>	<b>\$0.18</b>	<b>\$1.13</b>	<b>\$0.18</b>

# Investment-Grade Credit Ratings and Ample Liquidity

## Credit Ratings<sup>(1)</sup>

Fortis Inc.

S&P

A- / BBB+

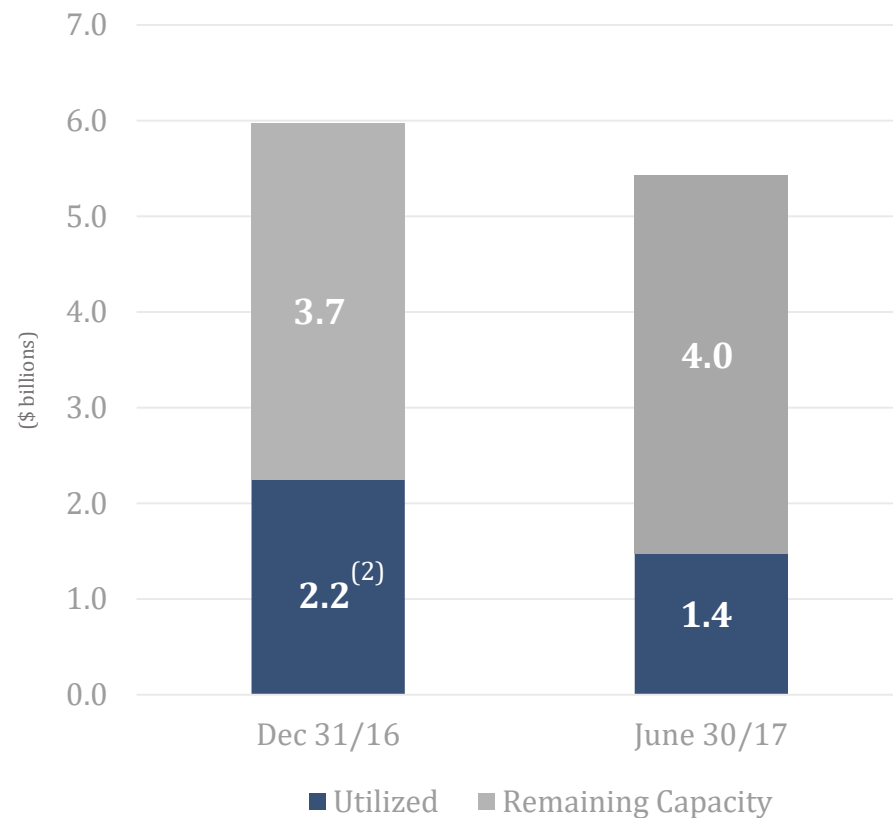
DBRS

BBB (high)

Moody's

Baa3

## Consolidated Credit Facilities

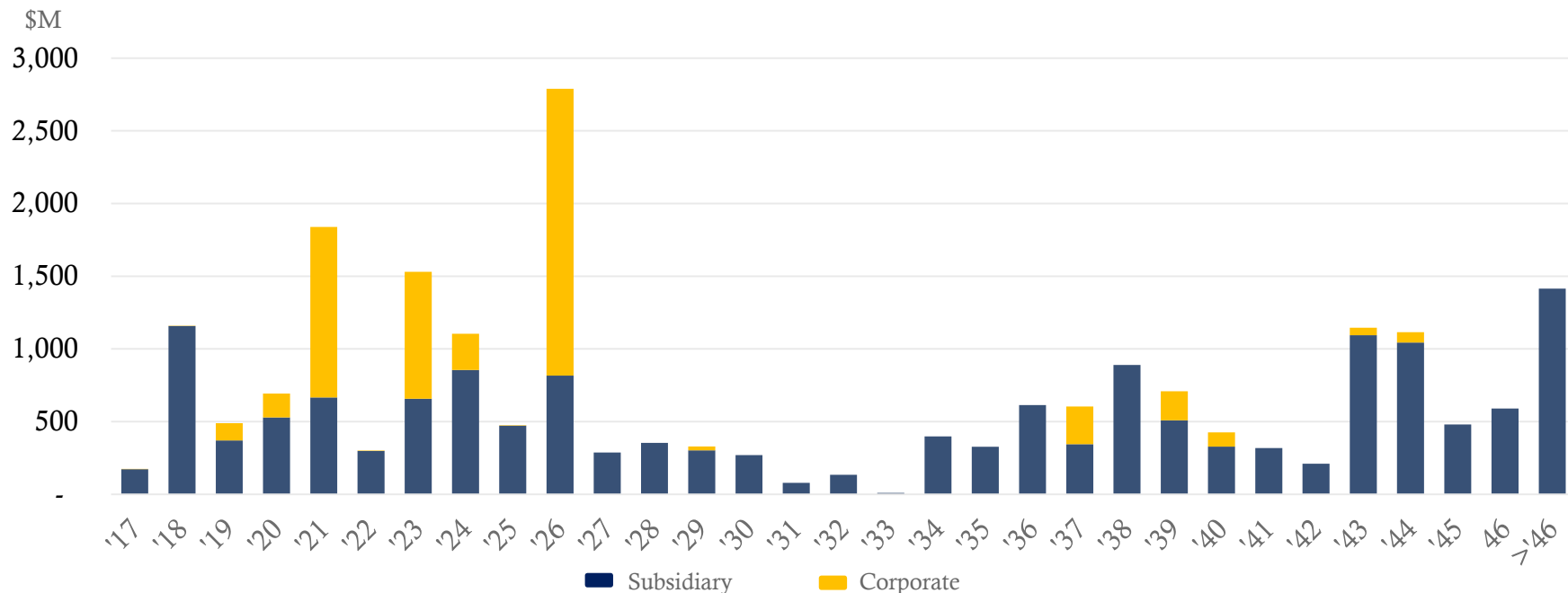


(1) In October 2016, following the completion of the acquisition of ITC, DBRS revised the Corporation's unsecured debt credit rating to BBB(high) from A(low) and revised its outlook to stable from under review with negative implications. In September 2016, Moody's assigned to Fortis, with a stable outlook, a Baa3 issuer and Baa3 senior unsecured debt credit ratings. In May 2017, S&P and DBRS affirmed the Corporation's long-term corporate and unsecured debt credit ratings.

(2) Included \$500 million non-revolving term senior unsecured equity bridge credit facility, used to finance a portion of the cash purchase price of the acquisition of ITC, which facility was repaid in March 2017.

# Manageable Debt Maturities

Average Annual fixed-term debt maturities & repayments over the next five years ~\$730M <sup>(1)</sup>



\$M	2017	2018	2019	2020	2021	5-YR Total
Canadian Regulated Electric	6	74	7	36	135	258
Canadian Regulated Gas	-	-	-	-	-	-
U.S. Regulated	160	1,057	347	461	499	2,524
Other Segments	6	26	16	31	33	112
Corporate	2	2	119	164	1,172	1,459
<b>5-YR Total</b>	<b>174</b>	<b>1,159</b>	<b>489</b>	<b>692</b>	<b>1,839</b>	<b>4,353</b>

(1) As at June 30, 2017

# Regulatory Stability

## Recent Regulatory Outcomes

Regulated Utility	Application/Proceeding	Outcome	Agreement/ Decision Timing
ITC	Initial MISO Base ROE Complaint	– 10.32% base ROE with a high-end zone of reasonableness of 11.35%	September 2016
FortisBC Energy	2016 Application: ROE and Common Equity Thickness	– Maintained ROE at 8.75% and common equity thickness of 38.5%	August 2016
FortisAlberta	2016/2017 Generic Cost of Capital Proceeding (GCOC)	– ROE maintained for 2016 at 8.30% and increasing to 8.50% for 2017. Common equity thickness reduced from 40% to 37% for 2016 and 2017	October 2016
TEP	2017 General Rate Application (GRA)	– Decision issued approving settlement agreement on revenue requirement – 9.75% ROE and common equity thickness of 50%	February 2017

## Remaining Significant Regulatory Decisions

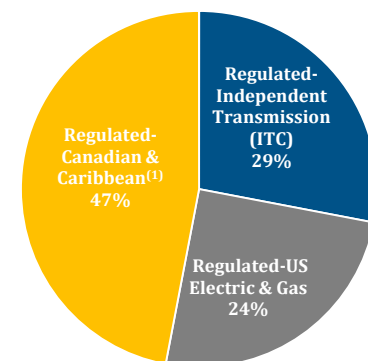
Regulated Utility	Application/Proceeding	Filing Date	Expected Decision
ITC	Second MISO Base ROE Complaint	– Not applicable	To be determined
Central Hudson	Rate case filing to request an increase in the allowed ROE to 9.5% from 9.0% and equity component of capital structure to 50% from 48%	– July 28 <sup>th</sup>	June 2018

# 2017-2021 Five Year Forecast by Segment

2017 Capital Forecast	(\$millions)
<b>Regulated-Independent Transmission (ITC)</b>	
ITC	958
<b>Regulated-US Electric &amp; Gas</b>	
UNS Energy	579
Central Hudson	230
<b>Regulated-Canadian &amp; Caribbean Electric &amp; Gas</b>	
FortisBC Gas	489
FortisAlberta	419
FortisBC Electric	118
Eastern Canadian	165
Caribbean	115
<b>Other Energy Infrastructure</b>	<b>23</b>
<b>Total Capital</b>	<b>3,096</b>

## Fortis 2017 Midyear Rate Base<sup>(1)</sup>

~\$26 Billion  
Transmission & Distribution represents ~86% of rate base



\$millions	2017	2018	2019	2020	2021
Regulated – Independent Transmission (ITC)	\$958	\$872	\$590	\$619	\$616
Regulated – US Electric & Gas	809	693	830	825	671
Regulated – Canadian & Caribbean Electric & Gas	1,306	1,244	970	955	958
Other Energy Infrastructure	23	50	27	8	8
<b>Total Capital Expenditures</b>	<b>\$3,096</b>	<b>\$2,859</b>	<b>\$2,417</b>	<b>\$2,407</b>	<b>\$2,253</b>

(1) Includes 100% of the Waneta Hydroelectric Expansion of which Fortis has a 51% controlling ownership interest.

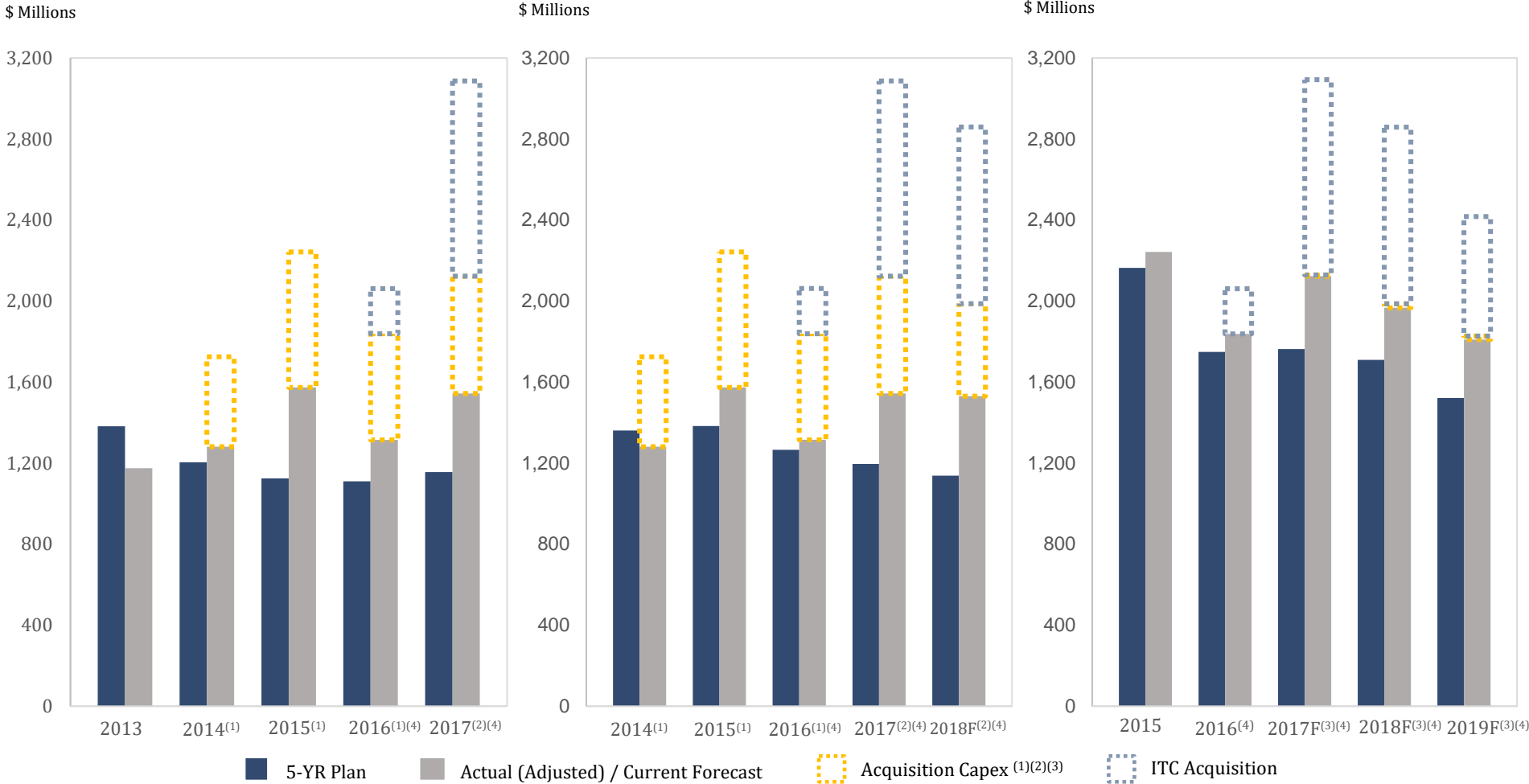


# Capital Expenditures Exceeding Expectations

## 2013-2017 Business Plan Capex

## 2014-2018 Business Plan Capex

## 2015-2019 Business Plan Capex



- (1) Acquisition capex relates to UNS Energy acquired in August 2014.
- (2) Acquisition capex relates to UNS Energy acquired in August 2014 and capex from Aitken Creek effective April 1, 2016.
- (3) Acquisition capex relates to Aitken Creek acquired April 1, 2016.
- (4) ITC capex relates to capex contribution from ITC following acquisition in October 2016.

# Predictable Returns From Highly Regulated Asset Base

**FORTIS BC™**

PBR through 2019  
 Allowed/Achieved 2016 ROE (%): 8.75/9.28(gas), 9.15/9.38(electric)  
 Allowed 2017 ROE (%): 8.75-9.15  
 Allowed Equity in Capital (%): 38.5-40

**UNS Energy Corporation**

Historic Test Year  
 Allowed/Achieved 2016 ROE (%): 10.0/8.20 (TEP)  
 Allowed 2017 ROE (%): 9.50-9.75  
 Allowed Equity in Capital (%): 50-52.8

**FORTIS ALBERTA**

PBR through 2022  
 Allowed/Achieved 2016 ROE (%): 8.30/9.70  
 Allowed 2017 ROE (%): 8.50  
 Allowed Equity in Capital (%): 37

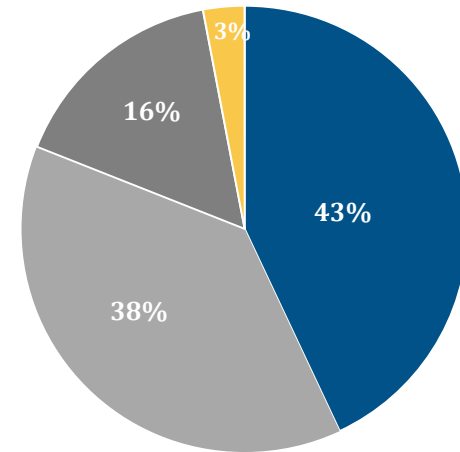
**Central Hudson**  
 A FORTIS COMPANY

Future Test Year  
 Allowed/Achieved 2016 ROE (%): 9.00/9.98  
 Allowed 2017 ROE (%): 9.00  
 Allowed Equity in Capital (%): 48

**ITC**  
 A FORTIS COMPANY

FERC Regulated  
 Forward Looking Rate Construct with True-Up  
 Allowed/Achieved 2016 ROE (%): 11.32-13.88/12.65  
 Allowed 2017 ROE (%): 10.32-11.35  
 Allowed Equity in Capital (%): 60

**97% Regulated Assets**  
 as at June 30, 2017



- Electric
- Transmission- ITC
- Gas
- Non-Regulated Energy Infrastructure

	2017		
Weighted Average	Canada	U.S.	Combined
Allowed ROE	8.73	10.50	9.75
Actual Equity Thickness	39.0	55.1	48.2

# Utility Debt Credit Ratings

Company	S&P	DBRS	Moody's
ITCTransmission	A	n/a	A1
Michigan Electric Transmission Company (METC)	A	n/a	A1
ITC Midwest	A	n/a	A1
ITC Great Plains	A	n/a	A1
Tucson Electric Power	A-	n/a	A3
Central Hudson	A-	n/a	A2
FortisBC (Gas)	n/a	A	A3
FortisBC (Electric)	n/a	A (low)	Baa1
FortisAlberta	A-	A (low)	n/a
Newfoundland Power	n/a	A	A2

# Operational Highlights

## Regulated

UTILITY	(as at June 30, 2017)				Q2 2017				2017F		
	Customers			Total Assets (\$B)	Peak Demand		Volumes Gas (PJ)	Sales Electric (GWh)	Net Earnings (\$M)	Midyear Rate Base (\$B)	Capital Program (\$M)
	Electric (#)	Gas (#)	Employees (#)		Gas (TJ)	Electric (MW)					
ITC <sup>(1)</sup>	N/A	-	668	17.9	-	21,963	-	N/A	184	7.3	958
UNS Energy	518,000	155,000	2,040	8.7	105	3,378	8	7,002	130	4.7	579
Central Hudson	300,000	80,000	992	3.1	126	1,018	13	2,378	33	1.6	230
FortisBC	170,000	999,000	2,222	8.3	1,336	536	125	1,657	103	5.4	607
FortisAlberta	551,000	-	1,113	4.2	-	2,725	-	8,534	56	3.2	419
Eastern Canadian	410,000	-	994	2.4	-	1,906	-	4,671	36	1.7	165
Caribbean Electric <sup>(2)</sup>	44,000	-	374	1.3	-	145	-	411	17	1.0	115
<b>Total Regulated</b>	<b>1,993,000</b>	<b>1,234,000</b>	<b>8,403</b>	<b>45.9</b>	<b>1,567</b>	<b>31,671</b>	<b>146</b>	<b>24,653</b>	<b>590</b>	<b>24.9</b>	<b>3,073</b>

<sup>(1)</sup> Financial results are from date of acquisition. Highlights represent 100% of ITC except for earnings which represent the Corporation's 80.1% controlling ownership interest in ITC.

<sup>(2)</sup> Includes 100% of Caribbean Utilities' operations except for earnings, which represent Caribbean Utilities' contribution to consolidated earnings of Fortis based on the Corporation's approximate 60% ownership interest.

## Energy Infrastructure

	(as at June 30, 2017)			Q2 2017		2017F
	Generating Capacity (MW)	Storage Capacity (BCF)	Total Assets (\$B)	Energy Sales (GWh)	Net Earnings (\$M)	Capital Program (\$M)
Energy Infrastructure	391	77	1.6	601	48	23

# Expected Upcoming Events

## Expected Earnings Release Dates

Q3 – 2017	November 3, 2017
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## Save the Date - 2017 Investor Day

Toronto	October 16, 2017
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New York	October 18, 2017
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**Barry Perry**  
*President & CEO*



**Karl Smith**  
*EVP, CFO*



**Nora Duke**  
*EVP, Corporate  
Services & CHRO*



**Gary Smith**  
*EVP, Eastern Canadian  
& Caribbean Operations*



**James Laurito**  
*EVP,  
Business Development*



**David Bennett**  
*EVP,  
Chief Legal Officer &  
Corporate Secretary*



**Phonse Delaney**  
*EVP,  
Chief Information  
Officer*



**David Hutchens**  
*President & CEO  
UNS Energy*



**Michael Mosher**  
*President & CEO  
Central Hudson*



**Linda Apsey**  
*President & CEO  
ITC Holdings Corp.*



**Michael Mulcahy**  
*President & CEO  
FortisBC*



**Karl Bomhof**  
*President & CEO  
FortisAlberta*