

FOR IMMEDIATE RELEASE

St. John's, NL – February 2, 2011

**FORTISONTARIO AND LAKE HURON ANISHINABEK FIRST NATIONS
ANNOUNCE MEMORANDUM OF UNDERSTANDING
TO DEVELOP TRANSMISSION PROJECTS IN ONTARIO**

FortisOntario Inc. ("FortisOntario"), a wholly owned subsidiary of Fortis Inc. ("Fortis") (TSX:FTS) and First Nations' Lake Huron Anishinabek Transmission Company Inc. ("LHATC") announced today that FortisOntario and LHATC have entered into a memorandum of understanding for a joint venture to develop, construct and operate regulated electricity transmission projects in Ontario. LHATC represents First Nations who are signatories or are adherent to the Robinson-Huron Treaty of 1850. FortisOntario will hold a minimum 51% interest, with LHATC having the rights to acquire up to a 49% equity interest, in the joint venture.

The Ontario Energy Board recently issued a Framework for Transmission Project Development Plans (the "Framework"), which encourages competition for new transmission investment in Ontario through a formal competitive designation process for projects identified by the Ontario Power Authority, the transmission planner for the Province of Ontario. The Framework was issued in response to the significant investment required in Ontario's transmission system to build additional capacity to accommodate new renewable energy supply and upgrade the aging transmission infrastructure to ensure a safe, reliable and efficient system over the long term.

"This joint venture will leverage the combined strengths of LHATC and its unified group of First Nations communities with the expertise of the Fortis companies, thereby enabling us to compete successfully to construct, own and operate new transmission infrastructure in Ontario," says Bill Daley, President and Chief Executive Officer, FortisOntario.

"The Lake Huron Anishinabek First Nations are pleased to announce our new partnership with FortisOntario. By combining their existing capacity and expertise in electrical transmission with our key, strategic rights to the 1850 Robinson-Huron Treaty territory, we are confident that we are in a strong position to deliver high quality transmission services for the greatest public benefit to Ontario," says John Beaucage, Chief Executive Officer, LHATC.

"By sharing in the wealth of the resources within our treaty territory, we can now demonstrate a true measure of the Spirit and Intent of treaties in Canada. We have a strong partner in FortisOntario and this partnership marks a very significant change in Ontario where treaties are being recognized by investors as an opportunity to benefit from and to participate in First Nation economies," says Lake Huron Regional Grand Chief, Isadore Day, *Wiindawtegowinini*.

Fortis is the largest investor-owned distribution utility in Canada, with total assets of \$12.5 billion and fiscal 2009 revenues totalling \$3.6 billion. Fortis serves approximately 2,100,000 gas and electricity customers. Its regulated holdings include electric distribution utilities in five Canadian provinces and three Caribbean countries and a natural gas utility in British Columbia. Fortis owns and operates non-regulated generation assets across Canada and in Belize and Upper New York State. It also owns hotels and commercial real estate across Canada. Fortis shares are listed on the Toronto Stock Exchange and trade under the symbol FTS.

Fortis includes forward-looking information in this media release within the meaning of applicable securities laws in Canada (“forward-looking information”). The purpose of the forward-looking information is to provide management’s expectations regarding the Corporation’s future growth, results of operations, performance, business prospects and opportunities, and it may not be appropriate for other purposes. All forward-looking information is given pursuant to the “safe harbour” provisions of applicable Canadian securities legislation. The words “anticipates”, “believes”, “budgets”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “projects”, “schedule”, “should”, “will”, “would” and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information reflects management’s current beliefs and is based on assumptions developed using information currently available to the Corporation’s management. Although Fortis believes that these statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a variety of risks and uncertainties. For additional information on risk factors that have the potential to affect the Corporation, reference should be made to the Corporation’s continuous disclosure materials filed from time to time with Canadian securities regulatory authorities and to the heading “Business Risk Management” in the Management Discussion and Analysis for the three and nine months ended September 30, 2010 and for the year ended December 31, 2009. Except as required by law, the Corporation undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise after the date hereof.

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