

1 **Q. Further to CA-NP-120, in Order No. P.U. 27 (1998-99) referenced therein, the**
2 **Board directed inter alia “. . . NP to provide any information in its possession**
3 **pertaining to total compensation paid to Executive Officers of Fortis Inc. and all**
4 **other companies in which Fortis Inc. has a significant influence as a shareholder.”**
5 **The Board stated, “The Board believes that the information requested is helpful in**
6 **its assessment of the Executive Officers of Fortis Inc. and all other companies in**
7 **which Fortis Inc. has significant influence as a shareholder. Please provide an**
8 **update of the data provided by NP in response to this above-referenced Order.**
9

10 A. In response to Order No. P.U. 27 (1998-99) Newfoundland Power provided publically
11 disclosed information concerning compensation within other companies in which Fortis
12 Inc. has significant influence as a shareholder.
13

14 Attachment A shows the 2008 executive compensation disclosure for Fortis Inc.
15

16 Attachment B shows the 2008 executive compensation disclosure for Newfoundland
17 Power Inc.
18

19 Attachment C shows the 2008 executive compensation disclosure for Terasen Gas Inc.
20

21 Attachment D shows the 2008 executive compensation disclosure for Fortis BC Inc.
22

23 Attachment E shows the 2008 executive compensation disclosure for FortisAlberta Inc.
24

25 The information contained in the Attachments to this response is more detailed than that
26 provided in response to Order No. P.U. 27 (1998-99). This is the result of changes in
27 securities regulation concerning executive compensation disclosure.
28

29 All of the Attachments are publically available at www.sedar.com.

Fortis Inc.
Executive Compensation (2008)



FORTIS_{INC.}

**Notice to Shareholders and
Management Information Circular
3 April 2009**

COMPENSATION TABLES

Compensation of Named Executive Officers

The following table sets forth information concerning the annual and long-term compensation earned for services rendered during the last financial year by the CEO of Fortis and each of the other NEOs as defined in National Instrument 51-102F6 – Statement of Executive Compensation.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Share-Based Awards ⁽¹⁾ (\$)	Option-Based Awards ⁽²⁾ (\$)	Annual Incentive Plans ⁽³⁾ (\$)	Pension Value ⁽⁴⁾ (\$)	All Other Compensation ⁽⁵⁾ (\$)	Total Compensation (\$)
H. STANLEY MARSHALL President and Chief Executive Officer	2008	870,000	798,466	439,462	950,000	618,146	248,077	3,924,151
BARRY V. PERRY Vice President, Finance and Chief Financial Officer	2008	400,000	-	202,052	275,000	81,000	140,236	1,098,288
RONALD W. McCABE Vice President, General Counsel and Corporate Secretary	2008	230,000	-	58,091	95,000	42,988	29,451	455,530

⁽¹⁾ Represents the PSUs awarded in 2008 – see Executive Compensation – PSUs on page 29 of this Circular. The value of the PSUs awarded was determined using the underlying value of Fortis Common Shares as of the grant date. The value used was actuarially determined to be \$24.24 per PSU. For accounting purposes, the award for 2008 is measured at fair value which is determined as the weighted average price of Common Shares traded on the TSX for the five (5) trading days immediately preceding the date of the grant. This value was determined to be \$28.27 per PSU.

⁽²⁾ Represents the fair value of stock options to acquire Fortis Common Shares. The fair value of \$4.76 per option was determined at the date of grant using the Black-Scholes Option Pricing Model.

⁽³⁾ Represent amounts earned under the Corporation's annual incentive program in the form of cash bonus related to the 2008 financial year.

⁽⁴⁾ The amounts reported include notional contributions to the DC SERP described on page 27 of this Circular; employer contributions to the self-directed RRSP of the NEO; and, in the case of the CEO, the compensatory change in defined pension plan benefits.

⁽⁵⁾ Includes the dollar value of insurance premiums paid by Fortis with respect to term life and disability insurance; imputed interest benefits of loans provided to NEOs in respect of income taxes arising from the exercise of stock options and the acquisition of Common Shares in accordance with the ESPP; and amounts paid by subsidiaries of Fortis as directors' fees to Messrs. Marshall and Perry in 2008 in the amounts of \$183,368 and \$105,875 respectively. No amounts are reported in respect of perquisites since such benefits do not exceed either \$50,000 or more than 10% of an NEOs total salary.

Incentive Plan Tables

The following tables set forth details of all Long-Term Incentive (LTI) Plan awards as at 31 December 2008. The particulars of the Performance Share Unit Plan (PSUP) are described in the Stock Options and Performance Share Units (PSUs) section of *Report on Executive Compensation* on pages 24 and 25 of this Circular.

Newfoundland Power Inc.
Executive Compensation (2008)

NEWFOUNDLAND POWER INC.

NOTICE TO SHAREHOLDERS

and

MANAGEMENT INFORMATION CIRCULAR

March 11, 2009

ANNUAL MEETING

May 6th, 2009

COMPENSATION OF NAMED EXECUTIVE OFFICERS

The following table sets forth information concerning the annual and long-term compensation earned for services rendered in respect of each of the individuals who were, at December 31st, 2008, the President & Chief Executive Officer, the Vice President, Finance & Chief Financial Officer and the Company's three most highly paid executive officers (the "Named Executive Officers", each an "Executive").

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Option- Based Awards ⁽¹⁾ (\$)	Annual Incentive Plans ⁽²⁾ (\$)	Pension Value ⁽³⁾ (\$)	All Other ⁽⁴⁾ Compensation (\$)	Total Compensation (\$)
EARL LUDLOW ⁽⁵⁾ President & Chief Executive Officer	2008	335,000	169,228	160,000	55,650	4,038	723,916
JOCELYN PERRY ⁽⁶⁾ Vice President, Finance & Chief Financial Officer	2008	202,000	51,027	76,000	26,660	2,369	358,056
PETER ALTEEN Vice President, Regulatory Affairs & General Counsel	2008	215,000	54,302	82,000	36,757	2,456	390,515
GARY SMITH ⁽⁷⁾ Vice President, Engineering & Operations	2008	118,000	-	90,000	8,080	20,329	236,409
LISA HUTCHENS ⁽⁸⁾ Vice President, Customer Relations & Corporate Services	2008	200,600	50,665	70,000	25,178	2,364	348,807

- (1) Represents the fair value of stock options to acquire common shares of Fortis pursuant to the Fortis Stock Option Plan. See **REPORT ON EXECUTIVE COMPENSATION - Option-Based Awards**. The fair value of \$4.76 per option was determined at the date of grant using the Black-Sholes Option Pricing Model. Options grants to respective Named Executive Officers are detailed in the table on the top of Page 9.
- (2) Represents amounts earned under the Corporation's short-term non-equity incentive program in the form of annual cash bonus. See **REPORT ON EXECUTIVE COMPENSATION - Annual Incentive Plan**.
- (3) Represents all compensation paid or accrued to Named Executive Officers relating to defined benefit or defined contribution pension plans. Mr. Alteen participates in the defined benefit retirement pension plan ("DB RPP"). No other Named Executive Officer participates in the DB RPP. All other Named Executive Officers are eligible to receive contributions to a self-directed registered retirement savings plan ("RRSP"). Mr. Smith did not receive any RRSP contributions in 2008 as his annual RRSP contribution limit was fully utilized prior to his employment effective July 1st, 2008. All Named Executive Officers participate in a non-contributory defined contribution supplemental employee retirement plan ("DC SERP"). See **RETIREMENT COMPENSATION ARRANGEMENTS**.
- (4) Includes (i) the dollar value on imputed interest benefits from loans provided to Named Executive Officers and the dollar value of insurance premiums paid by the Corporation with respect to term life insurance; and (ii) an amount of \$19,017 received by Mr. Smith as a relocation allowance related to the commencement of his employment with the Company effective July 1st, 2008.
- (5) Mr. Ludlow became President & Chief Executive Officer of the Corporation effective April 30th, 2007. Prior to April 30th, 2007, Mr. Ludlow was President & Chief Executive Officer of Fortis Properties Corporation.
- (6) Ms. Perry became Vice President, Finance & Chief Financial Officer effective January 31st, 2007. Prior to January 31st, 2007, Ms. Perry was Vice President, Finance of the Corporation. Prior to July 1st, 2005, Ms. Perry was Manager, Finance of Fortis.
- (7) Mr. Smith became Vice President, Engineering & Operations on July 1st, 2008. Prior to July 1st, 2008, Mr. Smith was Vice President, Operations & Engineering of Fortis Alberta Inc. Prior to 2004, Mr. Smith was Manager, Operations with Maritime Electric Company, Limited. The salary earned by Mr. Smith in 2008 reflects 6 months at an annual salary of \$236,000. Option-based awards do not include the value of options granted to Mr. Smith in 2008 under the Fortis Stock Option Plan while he was an officer of Fortis Alberta Inc.
- (8) Ms. Hutchens became Vice President, Customer Relations & Corporate Services effective July 1st, 2005. Prior to July 1st, 2005, Ms. Hutchens was Vice President, Finance & Chief Financial Officer of the Corporation. Prior to February 5th, 2004, Ms. Hutchens was Manager, Finance of the Corporation.

Terasen Gas Inc.
Executive Compensation (2008)



Terasen Gas Inc.
A subsidiary of Fortis Inc.

Annual Information Form

For the Year Ended December 31, 2008
dated
February 18, 2009

B. SUMMARY COMPENSATION TABLE

The following table sets forth the compensation information for the financial years indicated below for the NEOs:

Name and principal position	Year	Salary (\$)	Option-based awards (\$) ⁽¹⁾	Annual incentive plans ⁽²⁾	Pension value (\$) ⁽³⁾	All other compensation (\$) ⁽⁴⁾	Total compensation (\$)
R.L. (Randy) Jespersen President, and CEO Terasen Gas Inc.	2008	440,000	222,273	300,000	688,000	27,075	1,677,348
S.A. Thomson Vice President, Finance and Regulatory and CFO Terasen Gas Inc.	2008	275,000	69,458	175,000	44,000	15,764	579,222
D.L. Stout Vice President, Marketing and Business Development Terasen Gas Inc.	2008	254,000	64,165	145,000	39,000	16,570	518,735
J.A. Marston Vice President, Human Resources and Operations Governance Terasen Gas Inc.	2008	249,000	62,889	138,000	38,000	23,914	511,803
R.M. Samels Vice President, Business Services and CIO Terasen Gas Inc.	2008	218,000	55,064	115,000	169,000	21,536	578,600

Compensation and Benefits

The following outlines the terms of the compensation and benefits as outlined in the employment agreements for Messrs. Jespersen, Thomson, Stout, Samels and Ms. Marston.

The Annual Base Salary paid to the NEO shall, for the purpose of establishing appropriate increases, be reviewed annually by the Board or a committee thereof as part of the annual review of executive officers' remuneration. The decision on whether to grant an increase to the executive's base salary and the amount of any such increase shall be in the sole discretion of the Board or committee thereof.

NEOs are eligible to participate in such short-term incentive plans as may be implemented by the Company from time to time. The terms and conditions of all such incentive plans are subject to modification from time to time by the Board or committee thereof, in its sole discretion.

NEOs are eligible to participate in such long-term incentive plans as may be implemented by the Company from time to time. The terms and conditions of all such incentive plans are subject to modification from time to time by the Board or committee thereof, in its sole discretion.

⁽¹⁾ The value of the long-term incentive components is determined using the Black-Scholes pricing model at the date of grant.

⁽²⁾ Represents amounts earned in 2008 under the Company's annual non-equity incentive program in the form of annual cash bonus paid in 2009.

⁽³⁾ Represents all compensation accrued relating to defined benefit and/or defined contribution pension plans.

⁽⁴⁾ All other Compensation means the aggregate of amounts paid by Terasen Gas for the employee savings plan, payment in lieu of vacation and flexible benefit plan taxable cash.

FortisBC Inc.
Executive Compensation (2008)



FortisBC Inc.

**Annual Information Form
For the Year Ended December 31, 2008**

February 25, 2009

Summary Compensation Table

The following table sets forth the compensation information for the financial years indicated below for the Named Executive Officers.

Name and principal position	Year	Salary (\$)	Option-based awards (\$) ⁽¹⁾	Annual incentive plans ⁽²⁾	Pension value (\$) ⁽³⁾	All other compensation (\$) ⁽⁴⁾⁽⁵⁾	Total compensation (\$)
John C. Walker President & CEO	2008	360,000	181,851	205,000	73,735	31,271	851,857
Michele I. Leeners VP Finance & CFO	2008	215,000	54,302	95,000	20,040	12,227	396,569
Michael A. Mulcahy VP Customer & Corporate Services	2008	215,000	54,302	90,000	20,040	76,705	456,047
David Bennett VP Regulatory Affairs & General Counsel	2008	202,000	51,027	100,000	17,960	56,769	427,756
Doyle Sam VP Engineering and Operations	2008	215,000	54,302	90,000	20,560	17,054	396,916

Notes:

- (1) Represents the fair value of options granted in 2008 to be \$4.76 per option using the Black-Scholes Option Pricing Model.
- (2) Represents amounts earned under the Corporation's short-term non-equity incentive program in recognition of performance for that year and paid in the following year.
- (3) Represents compensation paid or accrued relating to the DB RPP, DB PUP and /or the DC SERP.
- (4) Includes, where applicable, contributions to a defined contribution retirement plan, vacation payouts, relocation allowances, employee benefit payouts, Corporation-paid medical and life insurance premiums, Corporation-paid contributions regarding employee share purchase plans and loans. Only includes perquisites, including property or other personal benefits provided to a Named Executive Officer that are not generally available to all employees, and that are in the aggregate worth of \$50,000 or more, or are worth 10% or more of a Named Executive Officer's salary.
- (5) Mr. Mulcahy received an automobile taxable benefit in the sum of \$19,594 that exceeded 25% of the value of the total perquisites he received from the Corporation in 2008.

There are written employment contracts between the Corporation and each of the Named Executive Officers which contain the basic provisions of employment including, among other things, base salary, short-term incentive bonus, vacation and benefits.

FortisAlberta Inc.
Executive Compensation (2008)



**Annual Information Form
Year Ended December 31, 2008**

April 1, 2009

COMPENSATION OF NAMED EXECUTIVE OFFICERS

The following table sets forth information concerning the annual and long-term compensation earned for services rendered in respect of each of the individuals who were, for the year ended December 31, 2008, the President and Chief Executive Officer, the Vice President, Finance and Chief Financial Officer and the Corporation's three other most highly paid executive officers (collectively the "Named Executive Officers", each an "Executive").

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Option-based Awards (\$) ⁽²⁾	Non-equity Incentive Plan Compensation Annual Incentive Plan (\$) ⁽³⁾	Pension Value (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾	Total Compensation (\$)
Karl W. Smith President and Chief Executive Officer	2008	\$385,000	\$194,475	\$215,600	\$61,812	\$34,931	\$891,818
Daniel Pigeon ⁽⁶⁾ Vice President, Finance and Chief Financial Officer	2008	\$102,750	\$57,844	-	\$1,000	\$280,410	\$ 442,004
Ian Lorimer ⁽⁷⁾ Vice President, Finance and Chief Financial Officer	2008	\$61,667	-	\$60,000	\$5,207	\$23,114	\$149,988
Cynthia Johnston Vice President, Regulatory and Legal	2008	\$233,500	\$58,986	\$100,000	\$33,885	\$10,764	\$ 437,135
Alan Skiffington Vice President, Business Services and Chief Information Officer	2008	\$208,000	\$52,531	\$90,000	\$25,737	\$11,554	\$ 387,822
Michael Olson Controller and Treasurer	2008	\$183,000	\$30,826	\$72,500	\$19,344	\$10,222	\$ 315,892

Footnotes:

- (1) Amounts reported reflect base salary earned in the year.
- (2) Represents the fair value of stock options to acquire Fortis Shares pursuant to the Fortis Stock Option Plan. See REPORT ON EXECUTIVE COMPENSATION – Stock Options. The fair value of \$4.76 per option was determined at the date of grant using the Black-Scholes option pricing model. Options granted to respective Named Executive Officers are detailed in the table on page 35. Options granted to Mr. Pigeon did not vest and were forfeited upon the date that his employment with the Corporation ended.
- (3) Represents amounts earned under the Corporation's short-term incentive program in the form of a cash bonus. See REPORT ON EXECUTIVE COMPENSATION – Annual Incentive Plan.
- (4) Represents all compensation paid or accrued to Named Executive Officers relating to the registered retirement savings plan. See REPORT ON EXECUTIVE COMPENSATION – Pension Arrangements.
- (5) Includes (i) the dollar value on imputed interest benefits from loans provided to the Named Executive Officers and the dollar value of insurance premiums paid by the Corporation with respect to term life insurance; (ii) 10% match by the Corporation on contributions made to purchase Fortis Shares through the Employee Share Purchase Plan; and (iii) compensation received by Mr. Pigeon in 2008 is inclusive of amounts paid upon the ending of his employment with the Corporation. Perquisites are not disclosed as they did not exceed the minimum disclosure threshold of the lesser of \$50,000 or 10% of the total annual salary and bonus of the Named Executive Officer.
- (6) Mr. Pigeon's employment with the Corporation ended May 27, 2008.
- (7) Mr. Lorimer joined the Corporation effective September 1, 2008.