Q. Please provide copies of all rating agency, investment bank, and investor research reports issued in 2009 available to the Company regarding Newfoundland Power and Fortis.

A. Refer to *Exhibit 4 Credit Rating Reports: DBRS & Moodys* in Volume 1 of the Newfoundland Power 2010 General Rate Application for the credit rating reports for Newfoundland Power.

Attachment A contains the DBRS credit rating report for Fortis.

Standard & Poor's credit rating report for Fortis as well as a summary report for Fortis were made available to Newfoundland Power on a limited license basis. Newfoundland Power objects to placing them on the public record. Electronic copies of these publications are available on Newfoundland Power's stranded website at the link *ftp.nfpower.nf.ca*.

Attachment B contains an index of all investment bank reports and investor research reports issued in 2009 and available to Newfoundland Power regarding both Newfoundland Power and Fortis. Electronic versions of the requested documents have been copied to compact-disc and included with this submission. The electronic copy can also be obtained from Newfoundland Power's stranded website at the link *ftp.nfpower.nf.ca*.

DBRS Credit Rating Report for Fortis Inc.

Rating Report

Report Date:
November 20, 2008

Previous Report:
November 30, 2007

Fortis Inc.

Analysts

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The Company

Fortis Inc.'s regulated electric utilities include wholly owned Newfoundland Power Inc., FortisAlberta, FortisBC, Maritime Electric Company, Limited, FortisOntario and Fortis Turks and Caicos, as well as majority ownerships of Caribbean Utilities Company (57%) and Belize Electricity Limited (70.1%). Terasen Gas Inc. and Terasen Gas (Vancouver Island) Inc. comprise its gas distribution utilities. Non-regulated operations include Fortis Properties, as well as non-regulated generation in Belize, Ontario and upper New York State.

Recent Actions

May 6, 2008
New Issue Rated Pfd-3 (high)

November 30, 2007
Confirmed

February 26, 2007
Confirmed

Rating

Debt	Rating	Rating Action	Trend
Unsecured Debentures	BBB (high)	Confirmed	Stable
Preferred Shares	Pfd-3 (high)	Confirmed	Stable

Rating Update

DBRS has confirmed the ratings of Fortis Inc. (Fortis or the Company) at BBB (high) and Pfd-3 (high). The confirmation is based on the Company's strong credit metrics and low business risk profile, driven by its diverse ownership of regulated electric and gas operating subsidiaries that collectively represent approximately 90% of consolidated EBITDA and assets.

With the 2007 acquisition of Terasen Inc. (Terasen; rated BBB (high)/BBB) for $3.7 billion, including the assumption of approximately $2.4 billion in debt, Fortis became the largest investor-owned distribution utility holding company in Canada. Terasen is a positive factor for Fortis's credit profile as the purchase price was predominantly equity financed, it provides Fortis with a sizeable and stable stream of dividends, and it added significant diversity to Fortis's utility portfolio. Fortis benefits from greater size and scale, with total assets of approximately $10.5 billion and last 12 months (LTM) revenue of more than $3.6 billion, and the Company serves almost two million gas and electricity customers.

Fortis's utility subsidiaries have an ongoing requirement for capital to allow them to fund maintenance and expansion of infrastructure. Over the next five years, the Company's consolidated capital program is expected to exceed $4.5 billion, with approximately $3.5 billion to be driven by FortisAlberta Inc. (FortisAlberta), FortisBC Inc. (FortisBC) and the Company's regulated and non-regulated electric utility operations in the Caribbean. Gas utility capital expenditures are expected to exceed $1 billion. (Continued on page 2.)

Rating Considerations

Strengths

(1) Regulated operations exhibit low business risk profiles
(2) Operational, geographic and regulatory diversification of operating companies
(3) 100% ownership of most operating companies
(4) Financial flexibility

Challenges

(1) Holding company debt is structurally subordinated to operating company debt
(2) Dividends from operating companies limited by regulatory restrictions
(3) Equity injections to subsidiaries for capital projects
(4) Regulated utility earnings sensitive to interest rates

Financial Information

	12 mos ended	For the year ended December 31			
Consolidated Metrics	Sept. 30 '08	2007	2006	2005	2004
Fixed-charges coverage (times)	1.74	1.86	1.90	2.07	1.96
DBRS adjusted debt-to-capital *	63.8%	65.2%	62.5%	60.7%	63.6%
Cash flow-to-adjusted total debt *	9.9%	8.5%	10.4%	13.0%	10.1%
Cash flow / CAPEX (times)	0.73	0.67	0.69	0.79	0.92
Operating cash flows (after prefs, CAD millions)	576.0	482.0	298.1	299.5	224.9
Non-Consolidated Metrics					
Non-consolidated debt-to-capital *	19.2%	22.2%	25.6%	21.7%	26.9%
Cash avail. for fixed charges / Senior interest	5.58	3.85	4.28	4.63	3.91
Cash avail. for fixed charges / (Total interest + Prefs)	2.54	1.44	2.16	2.38	2.12
Cash avail. for fixed charges / Senior debt	34.4%	11.4%	24.3%	29.9%	18.4%
Cash avail. for fixed charges / Total debt *	23.7%	9.0%	15.8%	21.9%	14.1%

* DBRS adjusted debt includes 70% equity treatment for preferred shares.

Rating Update (Continued from page 1.)

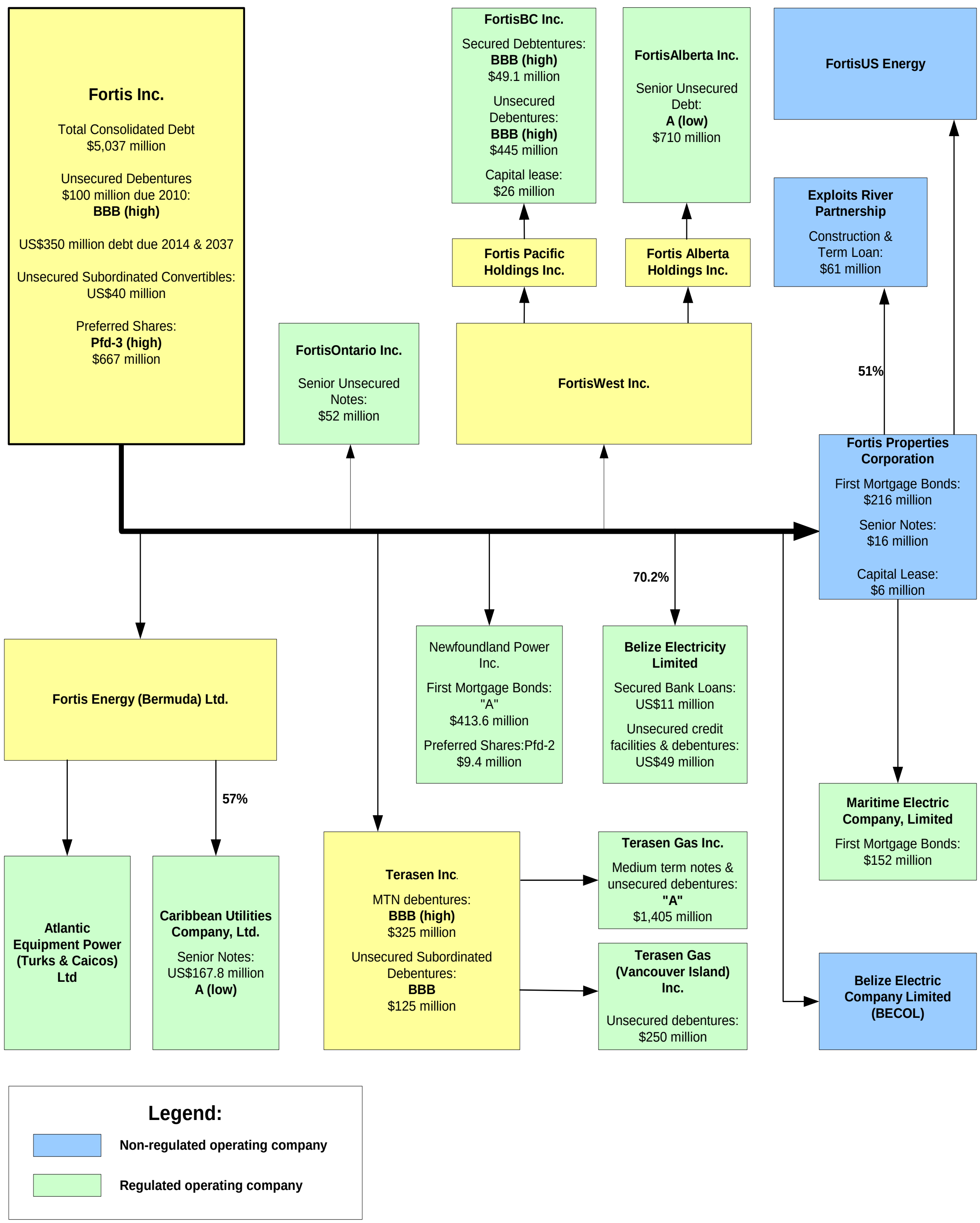
These expenditures will result in free cash flow deficits at the subsidiary level, which are expected to be financed with a mix of external debt and equity contributions from Fortis such that regulatory-approved capital structures are maintained. DBRS views the level of equity injections (estimated to average $100 million annually over five years) to be made by Fortis as reasonable, and does not anticipate that the Company will use debt to fund the injections, thereby avoiding double leverage. Consolidated coverage metrics may be modestly impacted by the accelerated capital expenditures, as earnings and cash flows do not begin until projects are completed and in rate base.

Fortis on a consolidated and non-consolidated basis has adequate liquidity**,** with consolidated authorized lines of credit totaling $2.2 billion, of which $1.5 billion is unused. At the holding company level, Fortis has a total of $615 million available in credit facilities, of which $568 million was available at September 30, 2008.

Fortis Inc.

Report Date:
November 20, 2008

Abbreviated Corporate and Debt Structure *



* Balances presented represent September 30, 2008, amounts adjusted to reflect significant capital market and private placement activity up to the date of this report.

Rating Considerations Details

Strengths

(1) Earnings and cash flow are supported by stable regulated operations that exhibit low business risk profiles. Regulated operations account for approximately 90% of consolidated EBITDA and assets.

(2) A high level of diversification is provided through ownership of regulated natural gas utilities in British Columbia and electric utilities in five Canadian provinces and three Caribbean countries. Fortis's diverse portfolio provides a low level of business risk.

(3) Fortis maintains control over its operating entities, most of which are wholly owned. Importantly, this provides Fortis, within the boundaries of regulatory oversight, with some discretionary powers over the manner in which cash flows are paid to it by its operating companies. Fortis increased its ownership of CUC to approximately 57% from 54% in July 2008 as a result of a rights offering.

(4) The financial profile of Fortis benefits from the flexibility afforded to it by its large balance sheet and access to the capital markets for itself and its utility subsidiaries. The acquisition of Terasen increased Fortis's total capital by approximately 82%.

Challenges

(1) Fortis is a holding company whose debt is structurally subordinated to the debt obligations of its operating companies, which accounts for the lower debt rating of Fortis relative to the debt ratings of its key operating companies.

(2) Capital structures of the utility subsidiaries are subject to the regulatory framework in which each subsidiary operates. Effectively, having to maintain a sufficient level of equity in a utility subsidiary acts as a restriction on dividends to the parent.

(3) Free cash flow deficits of some operating companies will require funding by Fortis in the form of either equity injections or reduced dividends – a requirement within the context of preserving the regulatory capital structures of the operating companies. On account of their large capital expenditure programs, FortisAlberta and FortisBC currently exhibit the largest free cash flow deficits among Fortis's operating companies.

(4) Earnings and cash flow at regulated utilities are sensitive to interest rates, as the allowed return on equity (ROE) for regulated companies is typically driven by prevailing interest rates. The current low interest rate environment has resulted in lower allowed ROEs at many of Fortis's regulated holdings and has had a negative impact on earnings and cash flows.

Fortis Inc.

Report Date:
November 20, 2008

Consolidated Earnings and Outlook

(CAD millions)	12 mos ended Sept. 30 '08	For the year ended December 31 2007	2006	2005	2004
Terasen Gas [1]	378	196	n/a	n/a	n/a
Newfoundland Power	126	110	110	110	109
FortisAlberta	162	148	136	147	70
FortisBC	100	93	85	70	43
Other Canadian [2]	58	60	54	48	48
Total Caribbean [3]	74	89	41	36	24
Corp. & interseg. elimin. [4]	(1)	(3)	(7)	(7)	(6)
EBITDA: Regulated	897	693	419	403	287
Non-regulated Fortis Generation	59	53	58	60	47
Fortis Properties (non-utility)	72	68	58	54	47
Corp. & interseg. elimin.	(0)	(0)	(2)	(2)	(2)
EBITDA: Non-regulated	131	121	114	112	92
EBITDA: Total	1,028	814	533	515	380
Depreciation	(334)	(273)	(178)	(158)	(114)
EBIT	694	541	355	358	266
Net interest expense	(346)	(282)	(152)	(137)	(110)
Income taxes	(69)	(36)	(33)	(70)	(47)
Minority interest	(12)	(15)	(8)	(6)	(6)
Net income before extras and prefs	267	208	163	144	103
Preferred dividends	(27)	(23)	(18)	(17)	(12)
Extraordinary & discontinued items	8	8	2	10	-
Net income available to common	248	193	147	137	91

(1) Terasen Gas was acquired on May 17, 2007.

(2) Includes Maritime Electric and FortisOntario.

(3) Primarily reflects Caribbean Utilities Company. Other smaller Caribbean utilities include Belize Electricity and Fortis Turks and Caicos.

(4) Corporate & intersegment eliminations are proportionately allocated to regulated and un-regulated segments.

Summary

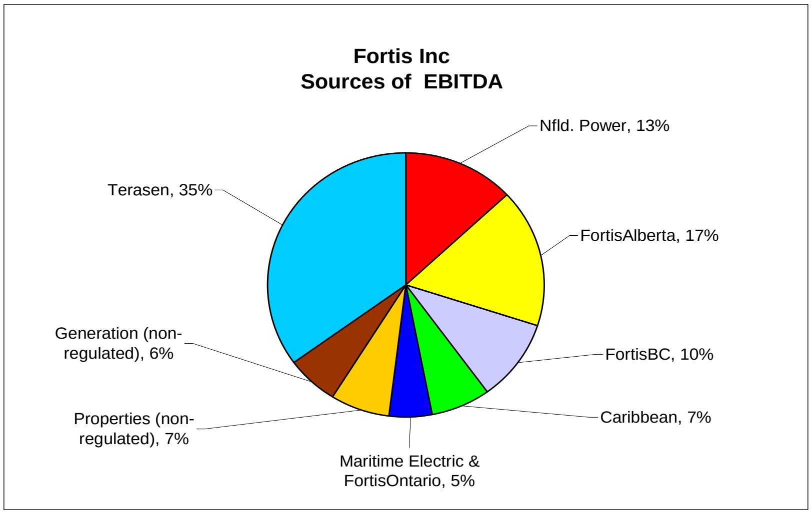
The Company's earnings remain supported by regulated utilities that account for an increasingly large proportion of consolidated operations. Fortis's earnings base was increased and further diversified via the addition of Terasen's regulated gas distribution operations. Due to the seasonal nature of the gas distribution business, virtually all of the annual earnings of the Terasen companies are generated in the first and fourth quarters of the calendar year.

Fortis's consolidated EBITDA exceeded $1 billion, primarily due to the addition of Terasen. Additionally, EBITDA contributions from FortisBC, FortisAlberta and the Caribbean subsidiaries have all trended upwards due to improved operating performance and additions to rate base.

For the 12 months ended September 30, 2008, EBITDA from Caribbean operations decreased as a result of (1) the decline in earnings from CUC related to the reduction in electricity rates, (2) lower allowed return on rate base at Belize Electricity and CUC, and (3) a loss of revenue at Fortis Turks and Caicos due to the impact of Hurricane Ike.

EBITDA at non-regulated Fortis Generation increased during the LTM period, mainly due to increased hydroelectric production in Belize and upper New York State as a result of higher rainfall. EBITDA at Fortis Properties has steadily improved due to higher operating performance in the Hospitality and Real Estate divisions, including contributions from the Delta Regina Hotel, acquired on August 1, 2007.

Interest expense has increased year over year, consistent with the pattern in EBITDA and assumption of debt obligations from recent acquisitions, primarily Terasen.



As at September 30, 2008

Consolidated Outlook

Stable consolidated earnings are expected over the medium term, with approximately 52% of EBITDA coming from regulated electric utilities, 35% of EBITDA from regulated gas utilities and the remaining 13% of EBITDA from non-regulated generation and other non-regulated businesses. The majority of organic growth is expected to come from infrastructure investment at the regulated utilities in western Canada and at the regulated and non-regulated utilities in the Caribbean.

Outlook (by Major Operating Company)

Terasen Gas Inc.: DBRS expects stable earnings with little or modest growth over the medium term from the mature regulated gas utility. No significant future projects are currently under consideration and modest rate base growth is expected from moderate growth in capital expenditures. TGI's capital expenditures are primarily used for maintenance, which is expected to account for approximately 70% to 80% of total capital expenditures over the medium term.

FortisAlberta Inc.: Earnings from regulated electricity distribution will benefit over the medium to longer term from the increase in approved ROE to 8.75%; growth in rate base resulting from general population and customer growth; economic expansion in FortisAlberta's service area spurred by the oil and gas sector; and capital project undertakings. FortisAlberta is expected to spend approximately $300 million per year (before customer contributions) over the next five years to meet this growth and to install automated meters.

FortisBC Inc.: Earnings are expected to continue to grow over the medium term, driven primarily by the economic expansion in FortisBC's service area, which should see a rise in electricity demand due to the 2010 Olympics, airport expansion and provincial infrastructure investments, as well as general population and customer growth, especially in the Okanagan region. This will result in a growing rate base related to its $500 million capital expenditure program, which includes electricity transmission upgrades, substation and terminal development, and turbine upgrades.

Newfoundland Power Inc.: Regulated transmission and distribution operations are expected to witness earnings growth over the medium term, primarily driven by the increase in Newfoundland Power's rate-setting ROE from 8.60% to 8.95%. Other drivers include growth in rate base related to the ongoing capital projects, as well as economic expansion in Newfoundland Power's service area and modest housing starts, somewhat tempered by the declining population within the rural portion of the service territory. Newfoundland Power benefits from one of the thickest deemed equity components (45%) for a regulated utility in Canada.

Caribbean Utilities Company, Ltd.: Earnings from regulated integrated electricity operations are expected to remain fairly stable going forward. CUC anticipates 5% sales growth for its current fiscal year, based on CUC's lower expectations due to a slowdown in the construction and tourism industries (sparked by the current downturn in the U.S. economy, as 90% of visitors originate from North America). The Cayman Islands' economy continues to sustain growth, although at a rate forecasted to be modestly lower due to the uncertain global economic environment.

Fortis Properties Corporation (Fortis Properties): Earnings could potentially be affected by the slowing economy, likely resulting in lower occupancy rates. Fortis Properties witnessed improved performance on account of its real estate operations and hospitality operations.

Consolidated Financial Profile

Consolidated Statement of Cash Flow	12 mos ended	For years ended December 31				
(CAD millions)	Sept 30 '08	2007	2006	2005	2004	2003
Net income (before extras, after prefs & minority)	240	185	145	127	91	74
Depreciation	334	273	178	158	114	62
Other non-cash adjustments	2	24	(24)	15	20	2
Cash Flow From Operations	576	482	298	299	225	138
Common dividends	(175)	(146)	(75)	(64)	(51)	(36)
Capital expenditures (net of contributions)	(786)	(717)	(430)	(380)	(245)	(156)
Gross Free Cash Flow	(385)	(381)	(206)	(144)	(71)	(54)
Changes in working capital	(5)	(117)	(37)	(6)	47	17
Free Cash Flow	(390)	(498)	(243)	(150)	(24)	(37)
Acquisitions & other investments	(25)	(1,316)	(197)	(88)	(781)	(148)
Extraordinary items	26	8	2	10	-	-
Net debt financing	153	559	309	89	242	96
Net pfd. financing	223	-	121	(0)	195	122
Net common equity financing	21	1,267	15	135	340	9
Effect of exchange and other financing	9	(3)	0	(0)	(0)	(3)
Net Change In Cash	17	17	8	(4)	(28)	39
DBRS adjusted debt (consolidated) (1)	5,794	5,664	2,869	2,301	2,219	1,199
Consolidated Ratios:						
DBRS adjusted debt-to-capital	63.8%	65.2%	62.5%	60.7%	63.6%	61.6%
Cash flow / DBRS adjusted debt	9.9%	8.5%	10.4%	13.0%	10.1%	11.5%
EBITDA interest coverage (times)	2.86	2.78	3.32	3.47	3.21	2.91
EBIT interest coverage (times)	1.93	1.85	2.21	2.41	2.25	2.22
Common dividend payout (before extras)	68.4%	72.6%	50.3%	43.6%	55.6%	49.5%

(1) DBRS adjusted debt includes 70% equity treatment of preferred shares.

Summary

While cash flow from operations has grown steadily since 2003, and jumped significantly in 2007 and 2008 as a result of the Terasen acquisition, the Company continues to generate free cash flow deficits. With rising capital expenditure requirements at FortisAlberta and FortisBC (to accommodate growth in their respective operating areas), Fortis and its subsidiaries have had to tap the capital markets for common equity, preferred equity and debt in order to fund the shortfalls. Cash flow deficits at the individual subsidiary levels are typically funded with a mix of external debt and equity from Fortis, in order to preserve the regulatory-approved capital structures.

The modestly higher level of consolidated leverage attributable to the assumption of Terasen's debt is commensurate with the higher leverage typically employed by regulated gas utilities and remains acceptable for the current ratings. However, DBRS notes that leverage has declined during the 12 months ended September 30, 2008.

During 2008, Fortis on a consolidated basis raised almost $900 million in preferred equity and debt, with $230 million at Fortis level and the balance at various subsidiaries proceeds were used for both refinancings and to raise incremental capital.

Dividends have increased significantly since 2006, attributable to the large number of common shares issued to fund the Terasen acquisition. DBRS notes that while the percentage of preferred shares in Fortis's capital structure has increased over the past year, it remains comfortable with the preferred rating given the Company's continued strong financial performance and credit metrics; the highly regulated nature of operations that results in greater financial stability; and the expectation that, over time, the percentage of preferred shares in the capital structure will decline from current levels.

Outlook

Gross consolidated capital expenditures for 2008 are expected to exceed $900 million. The consolidated capital program is being driven by the utilities in western Canada and regulated and non-regulated electric utility operations in the Caribbean.

Over the next five years, Fortis's consolidated capital program is expected to exceed $4.5 billion, with approximately $3.5 billion allocated to FortisAlberta, FortisBC and its regulated utility operations in the Caribbean. Gas utility capital expenditures are expected to exceed $1 billion. It is anticipated that the majority of capital expenditures will be funded at the subsidiary level, with a combination of internally generated cash, operating company-level debt and equity from Fortis (expected to average $100 million annually for the next five years) to fund capital build-out programs, while maintaining their respective regulated capital structures.

DBRS expects Fortis's financial profile to remain relatively stable over the medium term, with the maintenance of its consolidated debt-to-capital in the 60% to 65% range. Coverage metrics may be modestly affected in the short term due to the capital build-out at the subsidiary utilities, as earnings and cash flows on invested capital do not begin until projects are completed and enter rate base. As projects are completed and enter rate base, they should drive earnings growth. The subsidiaries' required parent equity injections are viewed as manageable, and DBRS does not expect Fortis to use holding company-level debt to fund the equity injections. However, maintaining access to capital markets for both Fortis and its subsidiaries is vital during today's uncertain economic conditions. Substantial credit line capacity is available.

Terasen has a $200 million bond maturity in December 2008. Fortis will likely repay the maturity with either preferred shares or equity. However, should market conditions not be conducive to an equity issue, DBRS would anticipate that the maturity would be repaid with borrowings under its credit facilities on a temporary basis.

Fortis Inc.

Report Date:
November 20, 2008

Non-Consolidated Cash Flows

Non-consolidated Cash Flow	12 mos ended	Fortis Inc. For the year ended December 31			
(CAD millions)	Sept. 30 '08	2007	2006	2005	2004
Dividend income:					
Newfoundland Power common dividends	13.5	8.9	18.0	23.1	14.2
Newfoundland Power preferred dividends	0.2	0.2	0.2	0.2	0.2
Fortis Properties	6.5	5.0	3.5	-	-
Maritime Electric dividends	-	-	-	-	1
FortisOntario	22.0	12.0	12.0	30.2	-
FortisWest	5.1	5.3	2.2	3.0	17.0
Terasen	77.0	-	n/a	n/a	n/a
Total dividend income:	124.3	31.4	35.9	56.5	32.4
Free cash flow advances:					
BEL	2.6	5.4	5.1	1.5	1.5
BECOL	-	-	7.2	1.5	-
Caribbean Utilities	4.1	1.3	10.1	1.7	11.7
Turks & Caicos	-	-	-	-	-
Total free cash flow advances:	6.7	6.7	22.4	4.7	13.2
Interest income:					
Fortis Properties	26.5	25.6	22.5	18.2	12.8
FortisOntario	16.1	16.1	16.1	16.1	11.2
FortisBC	-	0.5	0.1	-	2.4
MECL/NP	0.4	0.1	-	-	-
Terasen	8.9	3.2	n/a	n/a	n/a
Fortis Energy Caymans	-	-	-	2.1	-
Turks & Caicos	-	-	-	-	-
Total interest income	51.9	45.5	38.7	36.4	26.4
Management fees & other	2.3	2.3	2.1	2.1	2.0
Total Cash Inflow	185.2	85.9	99.1	99.7	74.0
Operating expenses	(6.9)	(9.1)	(10.6)	(8.9)	(8.7)
Current income tax	-	-	-	0.1	(0.2)
Capital expenditures	(0.3)	(1.4)	(1.4)	(2.6)	(0.8)
Cash Available for Fixed Charges	178.0	75.4	87.1	88.2	64.3
Senior interest expense	(31.9)	(19.6)	(20.4)	(19.1)	(16.5)
Subordinate interest expense	(11.1)	(10.2)	(1.8)	(1.5)	(1.6)
Cash flow after interest	135.0	45.6	65.0	67.7	46.3
Preferred dividends	(27.1)	(22.7)	(18.2)	(16.6)	(12.3)
Cash available to common	107.9	22.9	46.8	51.1	34.0
Common dividends	(157.1)	(127.9)	(72.6)	(62.4)	(48.8)
Free Cash before working capital	(49.2)	(105.0)	(25.8)	(11.3)	(14.9)
Changes in working capital	15.7	20.5	11.0	3.6	11.1
Free Cash after working capital	(33.5)	(84.5)	(14.8)	(7.6)	(3.8)
Increase in investments & advances	(38.1)	(248.9)	(94.3)	(86.0)	-
(Acquisitions)/Divestures	(74.3)	(1,280.0)	(131.2)	-	(761.8)
Other investments	(0.2)	-	(0.1)	(0.3)	(5.0)
Translation adjustment	-	-	-	-	0.2
Other	(0.7)	0.5	2.6	1.6	(5.0)
Free Cash Before Financing	(146.8)	(1,612.9)	(237.9)	(92.4)	(775.4)
Net common equity financing	21.4	1,267.5	16.4	136.4	340.1
Net preferred equity financing	222.5	-	121.1	(0.0)	194.7
Net debt financing	(102.5)	333.8	109.2	(50.5)	208.4
Net Change in Cash	(5.4)	(11.6)	8.8	(6.5)	(32.2)
Senior Debt (non-consolidated)	518	663	359	295	349
DBRS adjusted debt (non-consolidated) (1)	753	834	550	403	457
Non-consolidated Metrics:					
Cash avail. for fixed charges/Senior interest	5.58	3.85	4.28	4.63	3.91
Cash avail. for fixed charges/(Total interest + Prefs)	2.54	1.44	2.16	2.38	2.12
Cash avail. for fixed charges/Senior debt	34.4%	11.4%	24.3%	29.9%	18.4%
Cash avail. for fixed charges/Total debt (1)	23.7%	9.0%	15.8%	21.9%	14.1%

(1) DBRS adjusted debt includes 70% equity treatment of preferred shares.

Fortis Inc.

Report Date:
November 20, 2008

Summary

Total cash inflows continued to steadily increase largely due to the Terasen acquisition, which contributed to a significant increase in dividend income. In addition, the majority of the other operating subsidiaries witnessed an increase in dividends paid as a result of improved performance. The dividends and interest paid to Fortis from its operating companies continue to be sufficient to meet its operating costs and fixed charges (interest and preferred dividends) on a non-consolidated basis, but insufficient to fully fund the common dividend. As a result of Terasen's dividend contributions and the increased contributions from other subsidiaries, credit metrics have improved for the last twelve months.

A significant amount of interest is paid to Fortis from Fortis Properties and FortisOntario, despite their relatively small earnings base. This is attributable to the flow of funds from FortisAlberta and FortisBC (through FortisWest) paid as dividends to Fortis Properties and FortisOntario, which are subsequently paid to Fortis as interest. The external debt obligations of Fortis Properties and FortisOntario are subordinate to Fortis in terms of the cash flowing from FortisAlberta and FortisBC.

Outlook

DBRS expects that Fortis will continue to receive sufficient dividends and interest from its operating companies to fund fixed charges and operating expenses on a non-consolidated basis.

The sizeable consolidated capital program is expected to exceed $4.5 billion. Although it is anticipated that the majority of the capital expenditures will be funded at the subsidiary level with a combination of internally generated cash and operating company-level debt, Fortis will be required to raise equity to assist its operating subsidiaries to maintain their respective regulated capital structures. DBRS does not expect Fortis to use holding company-level debt to fund the equity injections; however, should Fortis be temporarily delayed in accessing the equity/preferred markets, the Company would be required to draw on its $615 million in credit facilities to meet its financial obligations. As at September 30, 2008, the Company had approximately $568 million available.

DBRS believes that Fortis's financial profile will remain relatively stable over the medium term, with the maintenance of its non-consolidated metrics improving over the medium term despite the capital build-out at the subsidiary utilities. DBRS notes that once the capital build out is completed and as projects are completed and enter rate base, they should drive earnings growth.

Long-Term Debt Maturities and Credit Facilities

At September 30, 2008, the Company and its subsidiaries had consolidated authorized lines of credit totaling $2.2 billion, of which $1.5 billion was unused. The credit facilities are syndicated almost entirely with the seven largest Canadian banks, with no one bank holding more than 25% of these facilities.

At the holding company level, Fortis has a total of $615 million available in credit facilities, including a $600 million committed unsecured credit facility that matures in May 2012. Fortis's utility subsidiaries maintain credit facilities totaling $1.5 billion and Terasen Inc. has a $100 million credit facility.

Fortis is restricted under its indenture from exceeding 75% of consolidated debt-to-capitalization.

During 2008, Fortis on a consolidated basis raised almost $900 million in preferred equity and debt. The issues and the use of proceeds were as follows:

- Fortis issued 9.2 million 5.25% Five-Year Fixed-Rate Reset First Preference Shares, Series G, for gross proceeds of $230 million. The proceeds were used to repay amounts outstanding under the Company's committed credit facility, to fund equity requirements of FortisAlberta and the Company's regulated electric utilities in the Caribbean, and for general corporate purposes.
- $250 million 5.80% debentures at TGI, proceeds used to refinance prior debt maturities and for general corporate purposes.
- $100 million 5.85% debentures at FortisAlberta, proceeds from the sale of the MTNs were used for general corporate purposes, including repayment of existing indebtedness and financing FortisAlberta's capital expenditure program.
- $250 million 6.05% debentures at TGVI, net proceeds of the debenture offering were used to repay committed credit facility borrowings.
- $60 million 6.05% bonds at Maritime Electric, proceeds used to repay amounts outstanding under the Company's credit facility and for general corporate purposes.

In addition, the following changes were made to Fortis and its subsidiaries' credit facilities during 2008:

- Terasen cancelled $50 million of letters of credit previously outstanding during the second quarter of 2008.
- In April 2008, FortisBC renegotiated and amended its $150 million unsecured committed revolving credit facility, extending the maturity date of the $50 million portion of the facility to May 2011 from May 2010 and extending the $100 million portion to May 2009 from May 2008. FortisBC has the option to increase the credit facility to an aggregate of $200 million.
- In April 2008, Maritime Electric repaid all outstanding borrowings under its $25 million unsecured credit facility with partial proceeds from a $60 million bond issue. The credit facility matured in May 2008 and was not renewed. Maritime Electric has a $50 million unsecured revolving credit facility.
- In July 2008, TGI renegotiated, on substantially similar terms, its $500 million unsecured committed revolving credit facility, extending the maturity date of the facility to August 2013 from August 2012.
- In August 2008, NPI renegotiated, on substantially similar terms, its $100 million committed revolving credit facility, extending the maturity date to August 2011 from January 2009.

Credit Facilities as at Sept. 30, 2008 (CAD millions)	HoldCo	Other	Regulated Subsidiaries	Non-regulated Subsidiaries	Total
Total credit facilities	615	100	1,491	13	2,219
Drawing on credit facilities (S-T)	-	-	(440)	-	(440)
Drawing on credit facilities (L-T)	(46)	-	(110)	-	(156)
Letters of credit	(1)	-	(89)	(1)	(91)
Credit facilities available	**568**	**100**	**852**	**12**	**1,532**

Repayment of Long-Term Debt and Capital Lease Obligations as at Sept. 30, 2008 (CAD millions)	2008	2009	2010	2011	2012
Fortis Inc. Senior debt	-	-	100	0	-
Subsidiary debt (excludes Terasen Inc.)		116	82	0	71
Terasen Inc.	200				
Total	**200**	**116**	**182**	**0**	**71**

Holdco - Fortis Inc.	
Outstanding (1)	Amount (CAD millions)
Senior Unsecured	
7.40% Debentures, due 2010	100
6.6% Notes due 2037 (US$200)	200
5.74% Notes due 2014 (US$150M)	150
Drawing on credit facility	46
Total	**496**
Unsecured Subordinated Convertible Debentures	
5.50%, due 2016 (US$40M)	40
Total	**40**

Consolidated Long-term Debt *	Amount (CAD millions)
Fortis Senior	496
Fortis Subordinated	40
Subsidiary Regulated	4,043
Subsidiary Non-regulated	311
Total	**4,890**

* Excludes capital lease obligations.

Description of Operations

Summary of Operating Companies

Fortis is a holding company whose principal operating companies are involved in regulated and non-regulated electricity operations in Canada, the United States and the Caribbean, and property ownership and management in Canada. The Company's primary businesses consist of the following:

Terasen Inc. (rated BBB (high) and BBB, see separate DBRS report, May 20, 2008) is a holding company that owns regulated natural gas distribution businesses that primarily include (1) TGI (rated "A" and R-1 (low), see separate DBRS report, May 20, 2008), the largest natural gas distributor in British Columbia, serving approximately 828,200 residential, commercial and industrial customers in an area extending from Vancouver to the Fraser Valley and the interior of British Columbia; (2) TGVI, which owns a combined distribution and transmission system and serves approximately 93,600 residential, commercial and industrial customers along the Sunshine Coast and in Victoria and various communities on Vancouver Island; and (3) Terasen Gas (Whistler) Inc., which owns and operates the propane distribution system in Whistler, British Columbia, providing service to approximately 2,400 residential and commercial customers.

Newfoundland Power Inc. (rated "A", see separate DBRS report, May 5, 2008) is the principal distributor of electricity on the island portion of Newfoundland, serving more than 234,000 customers. NPI purchases over 90% of its electricity needs from government-owned Newfoundland and Labrador Hydro and generates the balance from owned generation facilities (approximately 139 MW). Fortis owns 100% of the common shares and 25% of the preference shares.

FortisAlberta Inc. (rated A (low), see separate DBRS report, May 30, 2008) is a regulated electricity distribution company with approximately 456,800 customers that accounts for 56% of the Alberta distribution grid. The Company serves over 143 communities, of which 140 are on standardized, individual franchise agreements. Substantially all have initial terms that expire between 2011 and 2018, and can be renewed for an additional five years upon mutual consent of the parties. Its franchise area includes central and southern Alberta, the suburbs surrounding Edmonton and Calgary, Red Deer, Lethbridge and Medicine Hat. FortisAlberta is indirectly wholly owned by Fortis.

FortisBC Inc. (rated BBB (high), see separate DBRS report, April 30, 2008) is a vertically integrated regulated utility holding company operating in south-central British Columbia, serving over 155,000 customers. Its generation assets include four hydroelectric generating plants (totaling 223 MW) on the Kootenay River in south-central British Columbia. FortisBC is indirectly wholly owned by Fortis Inc.

FortisOntario is an integrated electric utility that owns and operates the regulated distribution businesses of Canadian Niagara Power and Cornwall Electric. Its utilities serve approximately 52,000 customers, mainly in Fort Erie, Port Colborne, Cornwall and Gananoque, Ontario. FortisOntario operations primarily include Canadian Niagara Power Inc. (Canadian Niagara Power) and Cornwall Street Railway, Light and Power Company, Limited. Included in Canadian Niagara Power's accounts is the operation of the electricity distribution business of Port Colborne Hydro Inc., which has been leased from the city of Port Colborne under a ten-year lease agreement expiring in April 2012.

Caribbean Utilities Company, Ltd. (rated A (low), see separate DBRS report, November 5, 2008) is a fully integrated electricity utility on Grand Cayman, Cayman Islands, serving over 24,000 customers. CUC has an installed generating capacity of approximately 137 MW. Fortis has an approximate 57% controlling ownership interest in CUC and the remaining ownership is publicly traded on the Toronto Stock Exchange.

Belize Electricity Limited is the principal distributor of electricity in Belize, Central America, serving approximately 73,900 customers. It has an installed generating capacity of 36 MW. Fortis holds an approximate 70% controlling interest.

Belize Electric is a non-regulated 32 MW hydro generation facility in Belize. All output is sold to Belize Electricity Limited under a 50-year power purchase agreement expiring in 2055. BECOL is currently constructing a US$52.5 million 18 MW hydroelectric generating facility at Vaca on the Macal River in Belize (completion expected in late 2009).

P.P.C. Limited and Atlantic Equipment & Power (Turks and Caicos) Ltd. (collectively referred to as **Fortis Turks and Caicos**) serves approximately 9,000 customers, or 80%, of electricity consumers in the Turks and Caicos Islands pursuant to 50-year licenses that expire in 2036 and 2037. The Company has a combined diesel-fired generating capacity of 48 MW.

Fortis Properties owns and operates 19 hotels, offering more than 3,500 rooms in eight Canadian provinces and approximately 2.8 million square feet of commercial real estate, primarily in Atlantic Canada.

Maritime Electric is the principal distributor of electricity on Prince Edward Island, serving approximately 73,000 customers. Maritime Electric also maintains on-island generating facilities with a combined capacity of 150 MW. Substantially all of the power is purchased from New Brunswick Power Holding Corporation and imported into P.E.I. via two submarine cables under the Northumberland Strait. Maritime Electric is indirectly owned by Fortis through Fortis Properties.

Regulated Operating Company	Jurisdiction & Regulator	Rate Methodology	Rate Base (CAD millions)	Deemed Equity in Capital Structure	Allowed ROE for 2008	Rating
TGI	BC, BCUC	Cost of Service	2,328	35%	8.62%	A
TGVI	BC, BCUC	Cost of Service	515	40%	9.32%	-
Newfoundland Power	Newfoundland, PUB	Cost of Service	820	45%	8.95%	A
FortisAlberta	Alberta, AEUB	Cost of Service	1,135	37%	8.75%	A (low)
FortisBC	BC, BCUC	Cost of Service (multi-year PBR)	823	40%	9.02%	BBB (high)
FortisOntario	Ontario, OEB	Cost of Service / Price Cap (Cornwall Electric)	107	50%	9.0%	-
Maritime Electric	PEI, IRAC	Cost of Service	293	41%	10%	-
CUC	Grand Cayman (under licence)	Cost of Service	US$336	n/a	Allowed RORB 9-11%	A (low)
Fortis Turks and Caicos	Turks and Caicos (under licence)	Cost of Service	US$95.23	n/a	-	-
Belize Electricity	Belize, PUC	Cost of Service (four-year tariff agreement)	BZ$247.6	n/a	Per tariff setting methodology 10-15% RORA	-

Fortis Inc.

Report Date:
November 20, 2008

Fortis Inc.

Consolidated Balance Sheet

(CAD millions)		As at December 31				As at December 31	
Assets	Sept. 30 '08	2007	2006	**Liabilities & Equity**	Sept. 30 '08	2007	2006
Cash & equivalents	68	58	41	S.T. debt	440	475	98
Accounts rec.	458	635	278	L.T. debt due one year	377	436	85
Materials & supplies	308	233	33	A/P & accrued liabilities	719	800	335
S.T. Regulatory assets	133	119	36	Dividends payable	42	43	22
Income taxes receivable	-	-	8	S.T. Regulatory liabilities	18	20	26
Prepaids	26	19	14	Income taxes payable	49	30	-
Current Assets	993	1,064	409	**Current Liabilities**	1,645	1,804	565
Regulatory assets	177	193	133	Def'd credits & fut. taxes	335	316	137
L.T. Utility assets	7,124	6,722	3,575	L.T. Regulatory liabilities	389	372	339
Income-producing properties	519	519	469	Non-controlling interests	130	115	131
Long-term investments	-	-	3	Long-term debt	4,785	4,629	2,566
Deferred charges & other assets	215	179	181	Preferred shares	667	442	442
Future income taxes	40	37	7	Shareholders' equity	2,686	2,595	1,268
Goodwill & intangibles	1,569	1,559	671				
Total	10,637	10,273	5,447	**Total**	10,637	10,273	5,447

Consolidated Metrics

	12 mos ended	For the year ended December 31				
	Sept 30 '08	2007	2006	2005	2004	2003
Liquidity & Cash Flow Ratios						
Current ratio	0.60	0.59	0.72	0.73	0.55	0.65
Cash flow / Adjusted total debt	9.9%	8.5%	10.4%	13.0%	10.1%	11.5%
Cash flow / CAPEX	0.73	0.67	0.69	0.79	0.92	0.89
(Cash flow - Dividends) / CAPEX	0.51	0.47	0.52	0.62	0.71	0.65
Leverage Ratios						
Adjusted total debt / EBITDA	5.61	6.92	5.35	4.44	5.78	4.47
% adjusted debt in capital structure	63.8%	65.2%	62.5%	60.7%	63.6%	61.6%
Coverage Ratios						
EBIT interest coverage	1.93	1.85	2.21	2.41	2.25	2.22
EBITDA interest coverage	2.86	2.78	3.32	3.47	3.21	2.91
Fixed-charges coverage	1.74	1.86	1.90	2.07	1.96	2.12
Earnings Quality						
Operating margin	18.6%	19.9%	24.3%	25.0%	23.2%	24.3%
Net margin (before extras, after prefs)	7.9%	8.5%	12.4%	11.2%	10.1%	9.8%
Return on average equity (before extras)	16.0%	12.8%	16.8%	16.0%	13.2%	12.3%
Common dividend payout (before extras)	68.4%	72.6%	50.3%	43.6%	55.6%	49.5%

Note: 70% equity treatment is given to the cumulative preferred shares.

Fortis Inc.

Report Date:
November 20, 2008

Fortis Inc.

Non-Consolidated Balance Sheet

(CAD millions)	As at	As at December 31			As at	As at December 31	
Assets:	Sept. 30 '08	2007	2006	**Liabilities & Equity:**	Sept. 30 '08	2007	2006
Cash & equivalents	3	-	6	Short-term debt	-	5	-
Accounts receivable	9	13	9	A/P + accr'd liab	54	58	35
Prepaids & other	0	58	2	Interest payable	9	-	4
Current Assets	12	71	17	**Current Liabilities**	63	63	39
Fixed assets	13	13	12	Other liabilities	13	11	13
Advances to affiliates	856	701	516	Related-party loans	89	-	-
Long-term investments	3,178	3,021	1,630	Sub. conv. debt.	40	40	64
Deferred charges	7	2	17	Senior debt	518	658	359
Future income taxes	21	17	6	Preferred shares	667	442	442
				Shareholders' equity	2,701	2,611	1,283
Total	4,087	3,826	2,199	**Total**	4,090	3,826	2,199

Non-Consolidated Metrics

	12 mos ended	For years ended December 31				
	Sept. 30 '08	2007	2006	2005	2004	2003
Leverage Ratios						
Percent adjusted debt in capital structure	19.2%	22.2%	25.6%	21.7%	26.9%	21.4%
Cash avail. for fixed charges/Senior debt	34.4%	11.4%	24.3%	29.9%	18.4%	27.0%
Cash avail. for fixed charges/Total debt	23.7%	9.0%	15.8%	21.9%	14.1%	20.1%
Coverage Ratios						
Cash avail. for fixed charges/Senior interest	5.58	3.85	4.28	4.63	3.91	3.51
Cash avail. for fixed charges/(Total interest + Prefs)	2.54	1.44	2.16	2.38	2.12	2.37
Earnings Quality						
Return on avg equity (before extras)	15.6%	12.9%	21.8%	20.7%	15.3%	34.5%
Common dividend payout (before extras)	63.3%	66.4%	49.3%	45.5%	53.7%	49.5%
Total Hybrids-to-Common Equity	26.3%	18.7%	40.2%	28.1%	34.2%	24.1%

Note: 70% equity treatment is given to the cumulative preferred shares.

Fortis Inc.

Report Date:
November 20, 2008

Rating

Debt	Rating	Rating Action	Trend
Unsecured Debentures	BBB (high)	Confirmed	Stable
Preferred Shares	Pfd-3 (high)	Confirmed	Stable

Rating History

	Current	2007	2006	2005	2004	2003
Unsecured Debentures	BBB (high)	BBB (high)	BBB (high)	BBB (high)	BBB (high)	BBB (high)
Preferred Shares	Pfd-3 (high)	Pfd-3 (high)	Pfd-3 (high)	Pfd-3 (high)	Pfd-3 (high)	Pfd-3 (high)

Related Research

- Terasen Inc., May 20, 2008.
- Newfoundland Power Inc., May 5, 2008.
- FortisAlberta Inc., May 30, 2008.
- FortisBC Inc., April 30, 2008.
- Caribbean Utilities Company, Ltd., November 5, 2008.

Note:
All figures are in Canadian dollars unless otherwise noted.

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Index of Investment Bank & Investor Research Reports
(2009)

Index of Response
Investment Bank & Investor Research Reports
Fortis and Newfoundland Power

Date	Document
2009-01-08	Scotia Capital, Equity Research Daily Edge, Fortis Inc., Off Restriction; Equity Raise More Than Expected.
2009-01-20	CIBC World Markets, Equity Research Earnings Update, Fortis Inc., Updating Estimate on Share Issuance
2009-02-05	BMO Capital Markets, Flash, Fortis Inc., Q4/08 Results Exceed Expectations
2009-02-05	CIBC World Markets, Equity Research Earnings Update, Fortis Inc., Reports In-line Results
2009-02-05	Credit Suisse, Fortis Inc., Continuing Capital Expenditures
2009-02-06	BMO Capital Markets, Utilities – Gas & Electric Utilities, Fortis Inc., Q4/08 Results Exceed Expectations; Outperform Rating Maintained
2009-02-06	Canaccord Adams, Flash Update, Fortis Inc., Steady Q4 Earnings; Maintaining Buy Rating and C$29.00 Target
2009-02-06	Macquarie Research Equities, Fortis Inc., Not Much Wrong Except Slower Growth and High Valuation
2009-02-06	RBC Capital Markets, Equity Research, Fortis Inc., Price Target Revision
2009-02-06	Scotia Capital, Equity Research Daily Edge, Fortis Inc., Q4/08 EPS Mildly Above Consensus
2009-02-06	TD Newcrest, Action Notes, Fortis Inc., Strong Performance Even in Tough Economic Times
2009-02-23	Macquarie Research Equities, Fortis Inc, Canadian ROE Decisions Could Boost Regulated Utilities.
2009-03-05	BMO Capital Markets, Fortis Inc.
2009-03-20	RBC Capital Markets, Fortis Inc., Ratings Revision, Potential for Significant Upside from NEB Decision; Upgrading to Outperform
2009-04-23	Credit Suisse, Fortis Inc. Earnings Adjustment
2009-04-30	BMO Capital Markets, Flash, Fortis Inc., Q1/09 Results Slightly Below Expectations

2009-04-30	Canaccord Adams, Flash Update, Fortis Inc., No Surprises in Q1 Results; Maintaining Buy Rating and C$29.00 Target Price
2009-04-30	Credit Suisse, Fortis Inc., Costly Caribbean
2009-04-30	TD Newcrest, Action Notes, Fortis Inc., Q1 Results In-Line with Expectations
2009-04-30	Beacon Securities Limited, Fortis Inc., Reports Neutral Q1 Results – Continues to Demonstrate Stability
2009-04-30	CIBC World Markets, Institutional Equity Research Earnings Update, Fortis Inc., Q1 A Bit Light, But 2009E EPS Unchanged And 2010E EPS Moves Higher.
2009-05-01	BMO Capital Markets, Utilities – Gas & Electric Utilities, Fortis Inc., Q1/09 earnings Below Expectations; Maintaining Outperform Rating
2009-05-01	Macquarie Research Equities, Fortis Inc., Calm Before the Storm?
2009-05-01	RBC Capital Markets, Company Update, Fortis Inc., Q1 Results A Little Light; Outlook Unchanged
2009-05-01	Scotia Capital, Equity Research Daily Edge, Fortis Inc., Q1/09 EPS Mildly Misses Us/Consensus
2009-05-05	Citadel Securities, Fortis Inc., 2009 Q1 Earnings Update
2009-05-29	Scotia Capital, Equity Research Daily Edge, Fortis Inc., Possible Waneta B.C. Dam Acquisition from Teck Resources (TCK/b)
2009-06-11	BMO Capital Markets, Fortis Inc.
2009-06-15	Credit Suisse, Fortis Inc., Extending an Empire?
2009-06-23	BMO Capital Markets, Flash, Fortis Inc., Acquisition of Great Lakes Power Distribution
2009-06-23	Canaccord Adams, Flash Update, Fortis Inc., Small Ontario Acquisition and Debt Issues Coming
2009-06-23	Credit Suisse, Fortis Inc., Ongoing Ontario Growth
2009-06-24	Scotia Capital, Equity Research Daily Edge, Fortis Inc., $68M Distribution Asset Acquisition
2009-07-16	TD Newcrest, Action Notes, Fortis Inc., Removing From Action List on Valuation