

1 **Q. As regards the pay of Fortis Inc. and related utilities' executives, please provide the**
2 **latest update in the form provided in CA-NP-287 in the 2010 GRA.**

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4 A. In response to Order No. P.U. 27 (1998-99), Newfoundland Power provided publicly
5 disclosed information concerning compensation within other companies in which Fortis
6 Inc. has significant influence as a shareholder.

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8 Attachment A shows the 2011 executive compensation disclosure for Fortis Inc.

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10 Attachment B shows the 2011 executive compensation disclosure for Newfoundland
11 Power Inc.

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13 Attachment C shows the 2011 executive compensation disclosure for FortisAlberta Inc.

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15 Attachment D shows the 2011 executive compensation disclosure for Fortis BC Inc.

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

20
21 All of the Attachments are publicly available at *www.sedar.com*.

Fortis Inc
Executive Compensation (2011)

4 May 2012 Annual Meeting



**Notice to Shareholders
and
Management Information Circular**

19 March 2012

\$3.7 billion in May 2007. Earnings to common shareholders increased by 116% from \$147 million in 2006 to \$318 million in 2011. The increase in NEO Total Compensation for 2011 when compared to 2006 was 43.7%. NEO Total Compensation, as a percentage of Fortis earnings, decreased from 3.63% in 2006 to 2.41% in 2011.

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 CEO	2011	1,125,000	1,494,000	624,134	1,625,000	698,518	201,067	5,767,719
	2010	1,000,000	1,407,600	483,565	1,160,000	611,444	242,859	4,905,468
	2009	1,000,000	764,400	551,827	1,184,000	542,074	259,954	4,302,255
BARRY V. PERRY Vice President, Finance and CFO	2011	470,000	-	260,746	400,000	81,680	155,119	1,367,545
	2010	450,000	-	217,607	331,000	79,498	147,703	1,225,808
	2009	450,000	-	248,329	330,750	73,250	157,235	1,259,564
RONALD W. McCABE Vice President, General Counsel and Corporate Secretary	2011	255,000	-	53,049	170,000	24,480	40,893	543,422
	2010	240,000	-	58,036	106,000	22,772	37,565	464,373
	2009	240,000	-	66,223	104,400	18,962	35,724	465,309

⁽¹⁾ Represents the PSUs awarded in 2009, 2010 and 2011 – see 2011 Executive Compensation – Performance Share Units on page 54 of this Circular. The value of the PSUs awarded was determined using the underlying value of Common Shares as of the grant date. The value used was actuarially determined to be \$19.11, \$23.46 and \$33.20 per PSU for 2009, 2010 and 2011, respectively. Prior to 2011, the value used to determine the number of PSU's issued was based on 90% of the estimated Commercial Industrial Median Target of CEO compensation which included salary, STI payout and LTI. Beginning in 2011, the value of the PSU was based on providing 100% of the estimated Expanded Commercial Industrial Median Target for CEO compensation. For accounting purposes, the awards for 2009, 2010 and 2011 are measured at fair value which is determined as the weighted average price of Common Shares traded on the TSX for the five trading days immediately preceding the date of the grant. This value was determined to be \$22.29, \$27.39 and \$33.04 per PSU for 2009, 2010 and 2011, respectively.

⁽²⁾ Represents the fair value of stock options to acquire Common Shares. The fair values of \$4.10, \$4.41 and \$4.57 per option were determined at the date of grant using the Black-Scholes Option Pricing Model in 2009, 2010 and 2011, respectively. The key assumptions used to determine the stock option value include: a weighted average expected 4.5-year maturity period, which is based on the vesting policy under the current stock option plan; dividend yield, which is based on the average dividends paid/average share prices over the historical maturity period; interest rate, which is the Government of Canada bond yield to match the maturity period; and, volatility, which is the average share price over the historical maturity period.

⁽³⁾ Represents amounts earned under the Corporation's annual incentive program in the form of cash bonus related to the 2009, 2010 and 2011 financial years.

⁽⁴⁾ The amounts reported include the compensatory change in the DC SERP and, in the case of the CEO, the compensatory change in DB pension plan benefits. Amounts reported for 2009 and 2010 were restated to reflect current year's presentation.

⁽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 the acquisition of Common Shares in accordance with the ESPP and, for 2008 and 2009, in respect of income taxes arising from the exercise of stock options; vehicle benefits; share discount benefits; employer contributions to the self-directed RRSP of the NEO; and amounts paid by subsidiaries of Fortis as directors' fees to Messrs. Marshall and Perry in 2009 (\$186,135 and \$94,500, respectively), in 2010 (\$175,038 and \$110,060 respectively) and 2011 (\$128,575 and \$113,100, respectively). No amounts are reported in respect of perquisites since such benefits do not exceed either \$50,000 or more than 10% of an NEO's total salary.

Newfoundland Power
Executive Compensation (2011)

NEWFOUNDLAND POWER INC.

NOTICE TO SHAREHOLDERS

and

MANAGEMENT INFORMATION CIRCULAR

March 12, 2012

ANNUAL MEETING

April 27, 2012

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, 2011, the President & Chief Executive Officer, the Vice President, Finance & Chief Financial Officer and the Company's two 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	2011	385,000	160,206	245,000	64,825	7,403	862,434
	2010	370,000	178,923	200,000	62,450	6,877	818,250
	2009	370,000	204,180	195,000	58,400	5,987	833,567
JOCELYN PERRY ⁽⁶⁾ Vice President, Finance & Chief Financial Officer	2011	230,000	47,857	106,000	30,375	4,412	418,644
	2010	220,000	49,780	90,000	29,300	4,082	393,162
	2009	220,000	42,870	90,000	27,980	3,569	384,419
PETER ALTEEN ⁽⁷⁾ Vice President, Regulation & Planning	2011	230,000	47,857	106,000	42,751	4,166	430,774
	2010	225,000	54,402	90,000	38,880	3,956	412,238
	2009	225,000	62,090	101,000	38,360	3,898	430,348
GARY SMITH ⁽⁸⁾ Vice President, Customer Operations & Engineering	2011	256,000	53,268	133,000	35,055	4,593	481,916
	2010	250,000	58,494	100,000	34,630	4,202	447,326
	2009	250,000	68,978	101,000	33,700	3,568	457,246

- (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 \$4.57 per option was determined at the date of grant using the Black-Sholes Option Pricing Model and the following assumptions:

Dividend yield (%)	3.68
Expected volatility (%)	23.1
Risk-free interest rate (%)	2.00
Weighted average expected life (years)	4.5

Option grants to respective Named Executive Officers are detailed in the table on the top of Page 12.

- (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"). All Named Executive Officers participate in a non-contributory defined contribution supplemental employee retirement plan ("DC SERP"). See **RETIREMENT COMPENSATION ARRANGEMENTS**.
- (4) Includes the dollar value of 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.
- (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.
- (7) Mr. Alteen also serves as General Counsel and Corporate Secretary of the Corporation. Prior to January 29th, 2010, Mr. Alteen was Vice President, Regulatory Affairs & General Counsel of the Corporation.
- (8) Prior to January 29th, 2010, Mr. Smith was Vice President, Engineering & Operations of the Corporation. Prior to July 1st, 2008, Mr. Smith was Vice President, Operations & Engineering of FortisAlberta Inc.

FortisAlberta
Executive Compensation (2011)



**Annual Information Form
Year Ended December 31, 2011**

April 2, 2012

The GHR Committee believes that the Corporation's compensation regime appropriately takes into account the performance of the Corporation and the contribution of the President and Chief Executive Officer and other executive officers of the Corporation toward that performance.

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, 2011, 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 (\$)	Option-based Awards (\$) ⁽¹⁾	Non-equity Incentive Plan Compensation Annual Incentive Plan (\$) ⁽²⁾	Pension Value (\$) ⁽³⁾	All Other Compensation (\$) ⁽⁴⁾	Total Compensation (\$)
Karl W. Smith ⁽⁵⁾ President and Chief Executive Officer	2011	\$445,000	\$246,890	\$335,000	\$94,660	\$47,972	\$1,169,522
	2010	\$430,000	\$162,288	\$225,000	\$99,188	\$36,083	\$952,559
	2009	\$430,000	\$132,348	\$250,000	\$85,328	\$36,232	\$933,908
Ian Lorimer Vice President, Finance and Chief Financial Officer	2011	\$223,000	\$46,395	\$120,000	\$19,302	\$38,869	\$447,566
	2010	\$210,000	\$50,786	\$85,000	\$20,398	\$29,180	\$395,364
	2009	\$200,000	\$55,186	\$105,000	\$13,272	\$28,867	\$402,325
Phonse Delaney ⁽⁶⁾ Executive Vice President, Operations, Engineering and Information Technology	2011	\$286,828	\$56,174	\$175,000	\$39,506	\$22,040	\$579,548
	2010	\$260,000	\$62,869	\$100,000	\$38,118	\$22,821	\$483,808
	2009	\$260,000	\$49,397	\$105,000	\$42,408	\$19,486	\$476,291
Nipa Chakravarti ⁽⁷⁾ Vice President, Customer Service	2011	\$212,057	\$28,572	\$63,625	\$16,904	\$24,551	\$345,709
	2010	\$195,700	\$31,557	\$72,500	\$15,955	\$20,940	\$336,652
	2009	\$190,000	\$39,949	\$77,500	\$13,380	\$19,031	\$339,860
Annette Butt Vice President, Human Resources and Communications	2011	\$200,000	\$27,749	\$90,000	\$15,430	\$30,862	\$364,041
	2010	\$190,000	\$30,623	\$72,500	\$15,386	\$20,624	\$329,133
	2009	\$190,000	\$39,949	\$77,500	\$13,579	\$22,749	\$343,777

Footnotes:

- (1) Represents the fair value of stock options to acquire Fortis Shares pursuant to the Stock Option Plan of Fortis. See REPORT ON EXECUTIVE COMPENSATION – Stock Options. The fair values of \$4.10 per option for 2009 options, \$4.41 for 2010 options and \$4.57 for 2011 options were 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 36.
- (2) 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.

FortisBC
Executive Compensation (2011)



FortisBC Inc.
An indirect subsidiary of Fortis Inc.

Annual Information Form
For the Year Ended December 31, 2011
dated March 22, 2012

B. SUMMARY COMPENSATION TABLE

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 31, 2011, the President & Chief Executive Officer, the Chief Financial Officer and the Corporation's three most highly paid executive officers (the "Named Executive Officers", each an "Executive").

Name and principal position	Year	Salary (\$)	Option-based awards (\$) ⁽¹⁾	Annual incentive plans ⁽²⁾	Pension value (\$) ⁽³⁾	All other compensation (\$) ⁽⁴⁾	Total compensation (\$) ^{(5) (6)}
John C. Walker President & CEO FortisBC Inc.	2011	500,000	277,399	425,000	102,157	56,195	1,360,751
	2010	453,192	186,173	310,000	80,698	94,442	1,124,505
	2009	385,000	212,462	231,000	60,669	64,983	954,114
Michele I. Leeners Vice President, Finance and CFO FortisBC Inc.	2011	235,000	48,899	150,000	34,925	11,336	480,160
	2010	230,000	55,619	120,000	32,550	9,531	447,700
	2009	230,000	63,468	105,000	31,750	1,743	431,961
Michael A. Mulcahy Executive Vice President, Customer and Corporate Services FortisBC Inc.	2011	281,000	58,459	190,000	42,335	9,441	581,235
	2010	252,846	55,196	131,000	35,475	43,366	517,883
	2009	230,000	49,216	105,000	31,100	51,961	467,277
Doyle Sam Vice President, Engineering and Operations FortisBC Inc.	2011	251,000	47,857	165,000	34,405	5,354	503,617
	2010	230,000	55,619	100,000	32,550	4,398	422,567
	2009	230,000	63,468	105,000	31,100	3,105	432,673
David C. Bennett Vice President, General Counsel and Corporate Secretary FortisBC Inc.	2011	230,800	35,061	125,000	32,819	20,991	444,671
	2010	225,000	54,402	108,000	31,900	18,581	437,883
	2009	225,000	62,090	105,000	31,750	24,175	448,015

Notes:

- Represents the fair value of options granted by Fortis to acquire common shares of Fortis. The fair values of \$4.57 per option were determined at the date of grant using the Black-Scholes Option Pricing Model and the following assumptions:

Dividend yield (%) 3.68
Expected volatility (%) 23.1
Risk-free interest rate (%) 2.00
Weighted average expected life (years) 4.5
- Represents amounts earned under the Corporation's short-term non-equity incentive program in recognition of performance for the reported year and paid in the following year.
- Represents compensation paid or accrued relating to the defined benefit, defined contribution, RRSP and the SERP.
- Includes, where applicable the aggregate of amounts paid by FBC for payment in lieu of vacation, insurance premiums, employee share purchase dividend and flexible benefit plan taxable cash. Only includes perquisites, including property or other personal benefits provided to a NEO that are not generally available to all employees, and that are in the aggregate worth of \$50,000 or more, or are worth 10 per cent or more of a NEO's salary.