

FortisBC proposes spending \$120 million on electrical facilities

Kelowna, BC – November 26, 2004 (TSX:FTS) – FortisBC today filed an application with the British Columbia Utilities Commission (BCUC) to increase rates by 4.4 per cent on January 1, 2005. As part of its application, FortisBC requested approval to spend over \$120 million on its electrical facilities in 2005.

“The expenditures we plan to make next year are necessary for improving customer service and operating efficiencies, replacing deteriorated equipment, responding to customer growth, and addressing safety and environmental issues,” said Philip G. Hughes, President and Chief Executive Officer, FortisBC.

The major capital expenditures for 2005 include two critical transmission projects: the South Okanagan Supply Reinforcement Project and the Kelowna Area Upgrade. The plan also includes upgrades and life extension work on hydro generation.

“We take very seriously our commitment to providing the highest level of service and reliability possible to all of our customers, and therefore we feel it is important that we increase the investment in the areas we serve,” added Hughes. “For this reason, we have secured \$140 million in reasonably priced long-term debt that will help to provide customers with stable rates over the long term.”

The Company expects a ruling from the BCUC by early 2005.

FortisBC is an integrated utility operating in the southern interior of British Columbia, serving approximately 93,000 customers directly and about 48,000 indirectly through municipal utilities that are wholesale customers. The utility has four hydroelectric generating plants with a combined capacity of 205 megawatts and over 7,000 kilometers of transmission and distribution power lines. FortisBC employs approximately 400 people in BC and is a wholly owned subsidiary of Fortis Inc. – a diversified, international electric utility holding company based in Newfoundland & Labrador. Fortis Inc. has approximately one million customers and 4,000 employees. The company has investments in seven companies which operate regulated electric utilities in Newfoundland, Prince Edward Island, Ontario, Alberta, British Columbia, Belize and Grand Cayman.

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