



**FOR IMMEDIATE RELEASE**

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**Fortis Inc. To Acquire Remaining 50 Per Cent Interest  
in Canadian Niagara Power**

Fortis Inc. (TSE:FTS) announced today it has entered into an agreement to acquire the remaining 50 per cent interest in Canadian Niagara Power Company, Limited from National Grid USA for an aggregate purchase price of \$49.0 million. The closing of the acquisition is subject to obtaining required regulatory approvals.

Canadian Niagara Power is an Ontario-based integrated electric utility which distributes electricity to approximately 15,000 customers in the Town of Fort Erie and generates approximately 75 megawatts of electricity which is sold to the customers of Fort Erie with excess capacity sold into the wholesale energy markets into the United States. Fortis purchased an initial 50 per cent interest in Canadian Niagara Power in October 1996.

Under the terms of the agreement, Fortis will pay National Grid USA \$35.0 million in cash and will assume existing debt at Canadian Niagara Power of \$14.0 million.

“Acquiring the remaining 50 per cent interest in Canadian Niagara Power represents a significant strategic opportunity for Fortis Inc. and is beneficial to the company’s long-term business objectives,” says Stan Marshall, President and Chief Executive Officer, Fortis Inc. “We expect this acquisition to be immediately accretive to the earnings of Fortis,” says Marshall.

“Canadian Niagara Power is well positioned to meet the challenges and opportunities presented by the restructuring of the Ontario electricity market which is scheduled to open in May 2002,” adds Marshall. “We are highly confident in the company’s ability to successfully expand in Ontario.”

Fortis Inc. is a diversified electric utility holding company with assets exceeding \$1.6 billion and annual sales of more than \$628 million. The Corporation has holdings in five electric distribution utilities located in Newfoundland, Prince Edward Island, Ontario, Belize and the Cayman Islands. It has two subsidiaries engaged in electricity generation in New York State and Belize. Through its wholly owned, non-utility subsidiary, Fortis Properties, Fortis Inc. has investments in real estate and hotel operations.

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*By their very nature, forward-looking statements are based on underlying assumptions and are subject to certain risks and uncertainties which may cause actual results to vary from plans, objectives and estimates. Such events include, but are not limited to, general economic, market and business conditions; regulatory developments, weather and competition. Fortis Inc. cautions readers that should certain risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary significantly from those expected.*

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