



For Immediate Release

St. John's, Newfoundland and Labrador – February 26, 2003

FortisOntario to Acquire Granite Power

Fortis Inc. (TSX:FTS) announced today that its Ontario-based subsidiary, Canadian Niagara Power Company Limited, operating as FortisOntario, has entered into an agreement with Granite Power Corporation ("Granite Power") to acquire the operating subsidiaries of Granite Power for an undisclosed amount. The closing of this acquisition is subject to obtaining required regulatory approvals.

Granite Power distributes electricity to approximately 3,800 customers primarily situated in Gananoque, Ontario and generates electricity from 5 hydroelectric generating stations with a combined capacity of 6 megawatts. Granite Power has been privately owned by the same family for 3 generations.

"The acquisition of Granite Power is another significant step for Fortis in growing our utility business in Ontario and represents the first acquisition of small hydroelectric plants in that region since we acquired our initial interest in Canadian Niagara Power in 1996," says Stan Marshall, President and Chief Executive Officer, Fortis Inc. "We expect this acquisition to be immediately accretive to the earnings of Fortis," he adds.

Fortis Inc. is a diversified electric utility holding company with assets of \$2 billion and annual sales exceeding \$715 million. The Corporation has holdings in 6 electric distribution utilities located in Newfoundland, Prince Edward Island, Ontario, Belize and the Cayman Islands. It owns 2 subsidiaries engaged solely in electricity generation in New York State and Belize. Through its wholly owned non-utility subsidiary, Fortis Inc. has investments in real estate and hotel operations.

Fortis Inc. includes forward-looking statements in this material. By their very nature, forward-looking statements are based on underlying assumptions and are subject to certain risks and uncertainties that 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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