

Natural Gas for Transportation: The British Columbia Example

A utility model to drive market transformation

Douglas Stout, VP Energy Solutions & External Relations



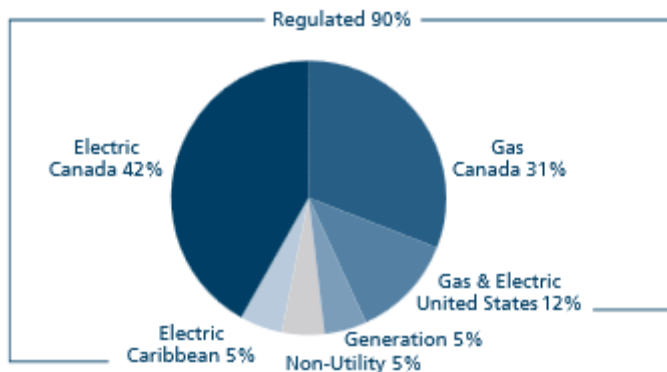
Fortis Inc. (TSX:FTS): Corporate Overview

Overview

- Largest investor-owned distribution utility in Canada
- (7 electric/1 gas)
- \$9.2 billion rate base
- 2 million utility customers

Total Assets \$18 Billion

(as at December 31, 2013)



Utility and Generation Operations



Regulated

Gas ♦

FortisBC *British Columbia*
Central Hudson *New York State*
UNS Energy* *Arizona*

Non-Regulated

Generation ●

Locations
Belize
Ontario
British Columbia
New York State

Electric ■

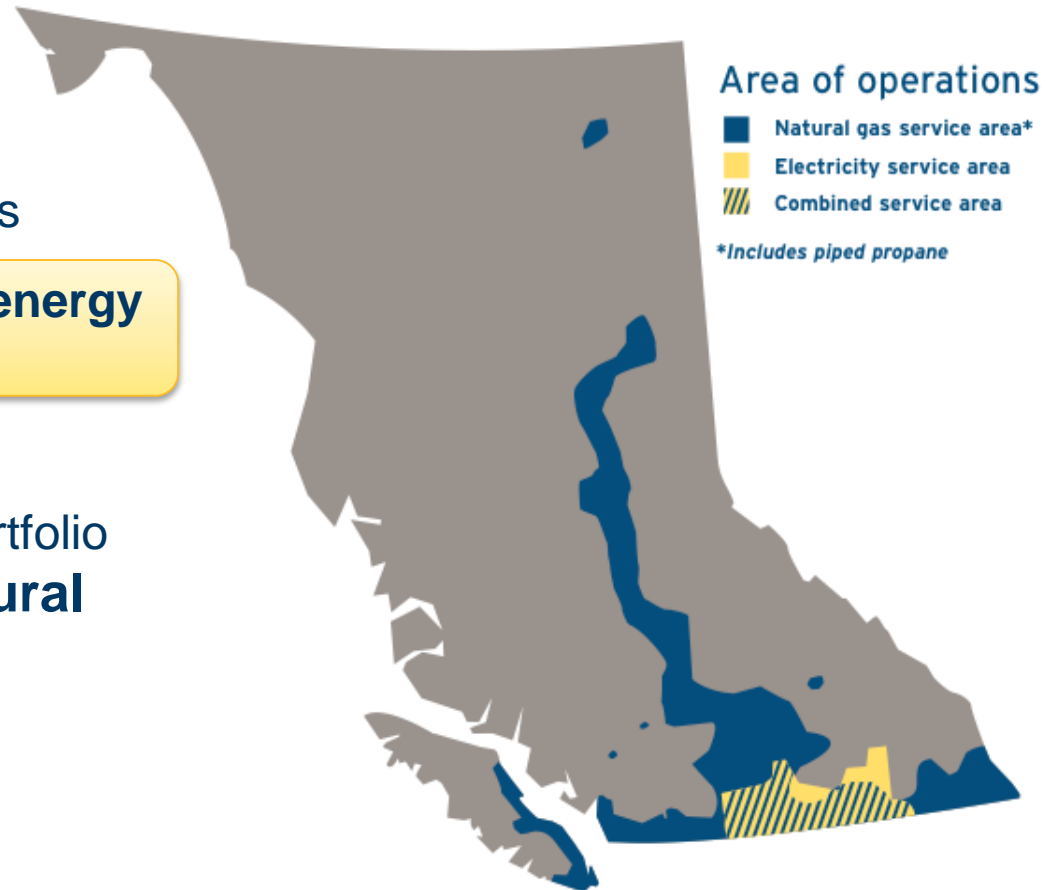
FortisBC *British Columbia*
Central Hudson *New York State*
FortisAlberta *Alberta*
Newfoundland Power *Newfoundland*
Maritime Electric *Prince Edward Island*
FortisOntario *Ontario*
Caribbean Utilities *Grand Cayman*
Fortis Turks and Caicos *Turks and Caicos Islands*
UNS Energy* *Arizona*

FortisBC: Company Overview

- Approx. **1.1 million** customers

• **Delivers 22 per cent of the energy consumed in B.C.**

- Over **2,200** employees
- Integrated energy solutions portfolio that includes **electricity, natural gas, propane** and **thermal energy solutions**
- **135** communities across BC



B.C.'s Clean Energy Act (CEA)

- **Introduced in 2010**

- The bill was introduced to promote energy self-sufficiency, independent power production and reductions in greenhouse gas emissions.

- **Amended in 2012**

- The B.C. Government announced the “Greenhouse Gas Reduction (Clean Energy) Regulation” as part of an amendment to Section 18 of the CEA, to encourage the adoption of natural gas as a transportation fuel in B.C.



Section 18: Policy Shift in British Columbia

The BC Government authorized public utilities to take a leadership role in developing the NGT market.

Key elements include:

- Up to **\$62 million** in vehicle incentives
- Up to **\$42 million** in station investments



Forecasts NGT Additions

2010-2017 NGT growth in BC through FortisBC Incentives =

Approx. 830 Vehicles

- ~460 Vocational Trucks
- ~120 Buses
- ~290 Class 8 Tractors
- ~3 Marine Applications

Market Development: New NGT Customers

Moving People



- * School Bus Fleets
- * Public Transport Fleets

Moving Goods



- * Freight Transport
- * Waste/ Recycling Haulers

Supply Expansion: Tilbury 2



Opportunities Across Industries for NGT





Doug Stout, VP Energy Solutions & External Relations, FortisBC