.

FortisBC Inc.
An indirect subsidiary of Fortis Inc.

Annual Information Form
For the Year Ended December 31, 2014
dated March 13, 2015

TABLE OF CONTENTS

All figures are expressed in Canadian dollars unless otherwise noted.

Except as otherwise stated, the information in this Annual Information Form is given as of December 31, 2014.

FORWARD-LOOKING INFORMATION

Certain statements contained in this Annual Information Form contain forward-looking information within the meaning of applicable securities laws in Canada ("forward-looking information"). The words "anticipates", "believes", "budgets", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words.

The forward-looking information reflects management's current beliefs and is based on information currently available to the Corporation's management. The forward-looking information in the 2014 Annual Information Form and the information incorporated herein by reference includes, but is not limited to, statements regarding: the Corporation's expected level of capital expenditures; expectations regarding power output in the event that the CPA is terminated; expectations under take-or-pay contracts; and the Corporation's expectation that compliance with environmental laws and regulations will not have a material effect on the Corporation's capital expenditures, earnings or competitive position.

The forecasts and projections that make up the forward-looking information are based on assumptions, which include but are not limited to: receipt of applicable regulatory approvals and requested rate orders; absence of administrative monetary penalties; the ability to report under United States generally accepted accounting principles ("US GAAP") beyond the Canadian securities regulators exemption to the end of 2018 or earlier; absence of asset breakdown; absence of environmental damage and health and safety issues; absence of adverse weather conditions and natural disasters; ability to maintain and obtain applicable permits; the adequacy of the Corporation's existing insurance arrangements; the First Nations' settlement process does not adversely affect the Corporation; the ability to maintain and renew collective bargaining agreements on acceptable terms; no material change in employee future benefit costs; the ability of the Corporation to attract and retain skilled workforces; absence of information technology infrastructure failure; absence of cyber-security failure; no significant decline in interest rates; continued electricity demand; the ability to arrange sufficient and cost effective financing; no material adverse ratings actions by credit rating agencies; that counterparties do not default on power supply contracts; and no weather related demand loss or significant and sustained loss of precipitation over the headwaters of the Kootenay River system.

The forward-looking information is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. The factors which could cause results or events to differ from current expectations include, but are not limited to: regulatory approval and rate orders risk (including the risk of imposition of administrative monetary penalties); continued reporting in accordance with US GAAP risk; asset breakdown, operation, maintenance, and expansion risk; environment, health and safety matters risk; weather and natural disasters risk; permits risk; underinsured and uninsured losses; risks involving First Nations; labour relations risk; employee future benefits risk; human resources risk; information technology infrastructure risk; cyber-security risk; interest rates risk; impact of changes in economic conditions risk; capital resources and liquidity risk; competiveness and commodity price risk; power purchase and capacity sale contracts risk; weather related risk; and, other risks described in this Annual Information Form. For additional information with respect to these risk factors, reference should be made to the section entitled "Risk Factors" in this Annual Information Form, the section entitled "Business Risk Management" in the Corporation's Management Discussion & Analysis for the year ended December 31, 2014 and the other continuous disclosure materials filed from time to time on SEDAR at www.sedar.com, and which are incorporated herein by reference.

All forward-looking information in this Annual Information Form and the information incorporated herein by reference is qualified in its entirety by this cautionary statement and, except as required by law, the Corporation undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise after the date hereof.

GLOSSARY

Except as otherwise defined, or unless the context otherwise requires, the following terms have the meanings set forth below.

“ARO” means asset retirement obligation;

“BC Hydro” means British Columbia Hydro and Power Authority, a British Columbia Crown corporation and electric utility serving the majority of British Columbia residents;

“BC Hydro PPA” means the 200 MW power purchase agreement between the Corporation and BC Hydro dated May 21, 2013;

“BCUC” or “Commission” means the British Columbia Utilities Commission;

“Board” means the Board of Directors of FBC;

“Brilliant Plant” means the 149 MW hydroelectric generating plant jointly owned by CPC and CBT through the Brilliant Power Corporation;

“Brilliant PPA” means the 149 MW power purchase agreement between the Corporation and Brilliant Power Corporation terminating in 2056;

“Canal Plant” means the Kootenay Canal Plant, a hydroelectric generating plant on the Kootenay River system owned by BC Hydro;

“CBT” means Columbia Basin Trust;

“COPE” means Canadian Office and Professional Employees Union Local 378;

“Corporation” or **“FBC”** means FortisBC Inc.;

“CPA” means the second amended and restated Canal Plant Agreement dated for reference November 15, 2011 among BC Hydro, the Corporation, Teck Comino Metals Ltd. (now known as Teck Metals Ltd.), Brilliant Power Corporation, Brilliant Expansion Corporation and Waneta Expansion Limited Partnership;

“CPC” means Columbia Power Corporation, a British Columbia Crown corporation;

“DBRS” means DBRS Limited;

“EMS” means environmental management system;

“Entitlement” means a generating facility’s fixed annual entitlement of capacity and energy under the CPA;

“Entitlement Parties” means, collectively, Brilliant Power Corporation, Brilliant Expansion Power Corporation, Teck Cominco Metals Ltd. (now known as Teck Metals Ltd.) and FBC;

“FEI” means FortisBC Energy Inc.;

“FHI” means FortisBC Holdings Inc.;

“Fortis” means Fortis Inc.;

“FortisBC Pacific” means FortisBC Pacific Holdings Inc.;

“GWh” means a gigawatt hour, which is a measure of energy that is equal to 1,000,000,000 watts used over a one-hour period;

“IBEW” means International Brotherhood of Electrical Workers Union, Local 213;

“Moody’s” means Moody’s Investors Service;

“MW” means a megawatt, which is a measure for power that is equal to 1,000,000 watts;

“MWh” means a megawatt hour, which is a measure of energy that is equal to 1,000,000 watts used over a one-hour period;

“PBR” means the performance based rate setting methodology for regulation of public utilities;

“PCBs” means polychlorinated biphenyls;

“Rate Base Assets” means all generation, transmission, distribution and other utility assets that are used or required to be used to provide service to utility customers, which are included in the calculation of the Corporation’s revenue requirement for the applicable year and are subject to a regulated rate of return;

“TSX” means Toronto Stock Exchange;

“UCA” or the “Act” means the *Utilities Commission Act* (British Columbia), as amended**;**

“Walden Power Plant” means the 16 MW hydroelectric generating plant owned by the Walden Power Partnership;

“WECA” means the capacity purchase agreement between Waneta Expansion Limited Partnership and FBC made as of October 1, 2010.

1.0 CORPORATE STRUCTURE

1.1 NAME AND INCORPORATION

FBC was incorporated as West Kootenay Power and Light Corporation, Limited pursuant to the *West Kootenay Power and Light Corporation, Limited, Act 1897* (British Columbia), as amended. The Corporation's name was changed to "West Kootenay Power Ltd." on September 1, 1988, to "UtiliCorp Networks Canada (British Columbia) Ltd." on October 22, 2001, to "Aquila Networks Canada (British Columbia) Ltd." on May 31, 2002 and to "FortisBC Inc." on June 1, 2004.

FBC's head office is located at Suite 100, 1975 Springfield Road, Kelowna, British Columbia ("BC"), V1Y 7V7 and registered office is located at 2500 – 700 West Georgia Street, Vancouver, BC, V7Y 1B3.

1.2 INTER-CORPORATE RELATIONSHIPS

The Corporation is an indirect, wholly-owned subsidiary of Fortis, a diversified, international distribution utility holding corporation having investments in distribution, transmission and generation utilities, as well as commercial real estate and hotel operations.

2.0 GENERAL DEVELOPMENT OF THE BUSINESS

2.1 THREE-YEAR HISTORY

Over the past three years the Corporation's Rate Base Assets have grown by approximately 10 per cent. This growth reflects the Corporation's capital expenditures necessary to ensure the ability to provide service, public and employee safety and reliability of supply of electricity to the Corporation's customer base.

2.2 OUTLOOK

Anticipated capital expenditures by the Corporation for 2015, before contributions in aid of construction and including cost of removal are expected to be approximately $100 million. Planned capital expenditures are based on detailed forecasts of energy demand, weather and cost of labour and materials, as well as other factors including economic conditions, which could change and cause actual expenditures to differ from forecasts.

3.0 THE BUSINESS OF FORTISBC INC.

3.1 GENERAL

FBC is an integrated, regulated electric utility that owns hydroelectric generating plants, high voltage transmission lines, and a large network of distribution assets, all of which are located in the southern interior of BC. The Corporation has been in continuous operation since 1897.

As at December 31, 2014 FBC served, directly and indirectly, a diverse base of approximately 166,400 customers. Customers are comprised of residential, commercial, wholesale and industrial consumers of electricity located in the cities and rural regions of the southern interior of BC. The majority of FBC's customers are located in urban centres. In 2014, the Corporation sold 3,180 GWh of electricity to its customers, 574 GWh of which was purchased by FBC's six wholesale customers. The Corporation had a peak demand of 684 MW in 2014, 62 MW lower than the historical peak demand of 746 MW.

The Corporation's regulated generation assets consist of four hydroelectric generating plants on the Kootenay River with an aggregate capacity of 225 MW and an annual gross energy entitlement of approximately 1,609 GWh. FBC meets the remainder of its customers' energy and capacity requirements through a portfolio of long-term and short-term power purchase contracts the majority of which have been accepted by the BCUC and the costs of which are flowed through to customers. The Corporation's regulated transmission and distribution assets consist of approximately 7,200 kilometres of transmission and distribution power lines and

65 substations. With the exception of BC Hydro, FBC is the only integrated, regulated electric utility operating in BC. FBC also conducts a small amount of other activities relating primarily to the operation and management of third-party owned hydroelectric generation, transmission and distribution systems located within the FBC service area, as well as the operation of the unregulated Walden Power Plant.

The following map outlines the Corporation's service area:

FBC operates in the southern interior of BC serving approximately 130,600 direct customers in communities including Kelowna, Oliver, Osoyoos, Trail, Castlegar, Creston and Rossland. In addition, FBC indirectly serves approximately 35,800 customers through the wholesale supply of power to municipal distributors in the communities of Summerland, Penticton, Grand Forks and Nelson, as well as to BC Hydro at two points. In March 2013, FBC purchased the City of Kelowna's electrical utility business. The completion of this transaction allows FBC to directly serve the approximate 15,000 customers formerly served by the City of Kelowna. Prior to the acquisition, FBC had provided the City of Kelowna with electricity under a wholesale tariff and operated and maintained their assets since 2000. The service territory is primarily residential but also contains key industries served by FBC including lumber, pulp and paper, mining, agriculture and manufacturing.

The following table compares 2014 and 2013 regulated electricity revenue, electricity sales, and number of customers by customer class:

	Electricity Revenue(1)				Electricity Sales(1)				Customers at Year End(3)			
	2014		2013		2014		2013		2014		2013	
	$ millions	%	$ millions	%	GWh	%	GWh	%	#	%	#	%
Residential	161.5	51	158.9	51	1,309	41	1,453	45	113,431	87	111,862	87
Commercial(2)	82.4	26	73.4	24	920	29	761	24	17,086	13	16,403	13
Wholesale	43.3	14	49.2	16	574	18	695	22	6	-	6	-
Industrial	30.1	9	27.0	9	377	12	302	9	49	-	47	-
Total	**317.3**	**100**	**308.5**	**100**	**3,180**	**100**	**3,211**	**100**	**130,572**	**100**	**128,318**	**100**

Notes:

1. Electricity revenue and electricity sales reflect regulated amounts only. Including electricity sales from the Corporation's unregulated business, total electricity sales were 3,213 GWh and 3,241 GWh for the years ended December 31, 2014 and 2013 respectively. Including electricity revenue from the Corporation's unregulated business, total electricity revenue was $319.5 million and $310.4 million for the years ended December 31, 2014 and 2013 respectively.
2. Commercial includes Street Light & Irrigation customers.
3. Direct customers.

3.2 GENERATION AND POWER SUPPLY

FBC meets the electricity supply requirements of its customers through a mix of owned-generation and short-term and long-term power purchase contracts. The Corporation owns four regulated hydroelectric generating plants with an aggregate capacity of 225 MW, which provide approximately 45 per cent of the energy and 30 per cent of the peak capacity needs of FBC. The four hydroelectric generation plants are located on the Kootenay River and contain fifteen separate generating units. Generation assets represent approximately 15 per cent of the Corporation's Rate Base Assets. Under the CPA, as described below, these generating facilities are dispatched by BC Hydro in exchange for Entitlement. However, the generating units are required to be maintained and available for dispatch. Since 1998, eleven of fifteen FBC hydroelectric generation units have been subject to a life extension and upgrade program which substantially concluded in 2011.

(a) Canal Plant Agreement

FBC's four hydroelectric generating plants are governed by the CPA. The CPA is a multi-party agreement that enables the five separate owners of eight major hydroelectric generating plants (having a combined capacity of approximately 1,600 MW and all located in relatively close proximity to each other) to coordinate the operation and dispatch of their generating plants. The plants and their respective capacity and owners are:

Plant	Capacity (MW)	Owners
Canal Plant	580	BC Hydro
Waneta Dam	256	BC Hydro
Waneta Dam	237	Teck Cominco Metals Ltd. (now known as Teck Metals Ltd.)
Kootenay River System	225	FBC
Brilliant Dam	149	Brilliant Power Corporation
Brilliant Expansion	120	Brilliant Expansion Power Corporation

The CPA enables BC Hydro and the Entitlement Parties, through coordinated use of water flows, subject to the 1961 Columbia River Treaty between Canada and the United States, and coordinated operation of storage reservoirs and generating plants, to generate more power from their respective generating plants than they could if they operated independently. Under the CPA, BC Hydro takes into its system all power actually generated by the seven plants owned by the Entitlement Parties. In exchange for permitting BC Hydro to determine the output of these plants, the Entitlement Parties are each contractually entitled to their Entitlements, which are based on 50-year historical water flows. The Entitlement Parties receive their Entitlements irrespective of actual water flows to the Entitlement Parties' generating plants.

BC Hydro enjoys the benefits of the additional power generated through coordinated operation and optimal use of water flows. The Entitlement Parties benefit by knowing years in advance the amount of power that they will receive from their generating plants and therefore do not face hydrology variability in generation supply planning.

The Corporation, however, retains rights to its original water licenses and flows in perpetuity. Should the CPA be terminated, the output of the Corporation's Kootenay river system plants would, with the water and storage authorized under its existing licenses and on a long-term average, be approximately the same power output as the Corporation receives under the CPA. The CPA does not affect the Corporation's ownership of its physical generation assets. The Corporation continues to own and operate its four Kootenay river system generating plants, which are included in the Corporation's Rate Base Assets. The CPA continues in force until terminated by any of the parties by giving no less than five years' notice at any time on or after December 31, 2030.

(b) Power Purchase Agreements

The majority of the Corporation's electricity supply not supplied by its own generating plants is acquired through power purchase contracts consisting of the following:

(i) the Brilliant PPA;

(ii) the BC Hydro PPA;

(iii) Brilliant Expansion Capacity and Energy Purchase Agreement;

(iv) a number of small power purchase contracts with certain independent power producers;

(v) spot market and contracted capacity purchases; and

(vi) the WECA.

The majority of these power purchase contracts have been accepted by the BCUC and prudently forecast and incurred costs thereunder flow through to customers through electricity rates. Although FBC can currently meet the majority of its customer supply requirements from its own generation and the major power purchase contracts described above, a portion of the customer load during the summer and winter peak demand periods may need to be supplied from the market in the form of short-term power purchases. Costs related to such purchases, provided they are prudently incurred, are recovered through rates.

(i) Brilliant Power Purchase Agreement

The Brilliant Plant is a hydroelectric generating plant jointly owned by CPC and CBT through the Brilliant Power Corporation. The Brilliant Plant is allocated Entitlement energy of 985,000 MWh and capacity of 149 MW pursuant to the CPA. Under the Brilliant PPA, FBC has agreed to purchase from Brilliant Power Corporation, on a long-term basis (a) the Entitlement allocated to the Brilliant Plant and (b) after the expiration of the CPA, the actual electrical output generated by the Brilliant Plant. While the total Entitlement is 985,000 MWh, FBC does not purchase the approximately 60,000 MWh of regulated flow upgrade Entitlement under this agreement. However, FBC has entered into another agreement with CPC for this energy over a five year period as discussed below. The Brilliant PPA uses a take-or-pay contract structure which requires that FBC pay for the Brilliant Plant's Entitlement, irrespective of whether FBC actually takes it. FBC does not foresee any circumstances under which the Corporation would be required to pay for power that it does not require. During the first 30 years of the Brilliant PPA term, FBC pays to Brilliant Power Corporation an amount that covers the operation and maintenance costs of the Brilliant Plant and provides a return on capital, including original purchase costs, sustaining capital costs and any life extension investments. During the second 30 years of the Brilliant PPA term (commencing in 2026), an adjustment using a market price mechanism based on the depreciated value of the Brilliant Plant and then-prevailing operating costs will be made to the amounts payable by FBC. The Brilliant PPA provided FBC with approximately 26 per cent of its energy requirements in 2014.

(ii) Power Purchases from BC Hydro

FBC is a party to the BC Hydro PPA, which provides the Corporation with additional electricity for purposes of supplying its load requirements, up to a maximum demand of 200 MW. Energy bought pursuant to the BC Hydro PPA provided approximately 17 per cent of FBC's energy requirements in 2014. The current BC Hydro PPA, which replaced a previous power purchase agreement with BC Hydro was approved by the BCUC in May 2014. The current PPA expires on September 30, 2033.

(iii) Brilliant Expansion Capacity and Energy Purchase Agreement

In November 2012, FBC entered into an agreement to purchase CPC's unused Entitlements from 2013 to 2017. The Entitlements are from the Brilliant Plant and the Brilliant Expansion Plant, including the 60,000 MWh from the Brilliant Plant that is not included in the Brilliant Power Purchase Agreement. The agreement is for a total of 78,500 MWh and provided approximately 2 per cent of FBC's energy requirements in 2014.

(iv) Small Power Purchase Contracts

FBC has a number of small power purchase contracts with independent power producers, which collectively provided less than 1 per cent of the Corporation's energy supply requirements in 2014. The majority of these contracts have been accepted by the BCUC.

(v) Spot Market and Contracted Capacity Purchases

During 2014, the Corporation entered into various arrangements to purchase capacity and energy from the market to meet its peak energy requirements and optimize its overall power supply portfolio. Certain of these purchases were at prevailing market prices, which were sourced from the United States and BC and are typically linked to the Mid-Columbia trading hub in the U.S. Pacific Northwest. During 2010 the Corporation entered into an agreement to purchase fixed price, winter capacity purchases through to February 2016 to assist in mitigating the risks of market volatility and availability. Spot market and contracted purchases provided approximately 9 per cent of the Corporation's energy supply requirements in 2014.

(vi) WECA

The Corporation entered into the WECA to purchase capacity from the Waneta Expansion, a 335 MW hydroelectric generating facility currently under construction adjacent to the existing Waneta Plant on the Pend d'Oreille River in BC. The Waneta Expansion is owned, being developed and will be operated by a limited partnership, the limited partners of which are FBC's ultimate parent corporation, Fortis, which owns a 51 per cent interest, and a wholly-owned subsidiary of each of CPC and CBT. The WECA allows FBC to purchase capacity over 40 years upon completion of the Waneta Expansion, which is expected to be in the first half of 2015. The WECA was accepted for filing as an energy supply contract by the BCUC in May 2012.

3.3 OPERATIONS

(a) Transmission

FBC's transmission system is a high voltage system that operates at the 230 kV, 161 kV, 138 kV and 63 kV levels while transmitting electricity to customers directly connected to the transmission grid. The transmission system is highly integrated and operates synchronously with the BC Hydro system. It consists of approximately 1,340 kilometres of transmission lines and includes major substations throughout the service territory. FBC has 9 terminal transmission substations, the components of which include high voltage power transformers, power circuit breakers, high voltage switches, capacitor and reactor banks, protection and control systems, metering and monitoring systems, together with site infrastructures such as buildings and security systems. There are also 4 additional substations with generator step-up transformers associated with the four generating plants. Currently, transmission assets represent approximately 32 per cent of the Corporation's Rate Base Assets. The FBC transmission system is being replaced or upgraded in a number of locations.

(b) Distribution

Electricity produced at generating plants is moved across transmission lines to terminal stations and transformers and then distributed at lower voltages to customers. FBC's distribution system is comprised of 52 distribution substations and approximately 5,860 kilometres of overhead and underground distribution lines. Currently, distribution assets represent approximately 44 per cent of the Corporation's Rate Base Assets. The FBC distribution system is being upgraded in a number of locations over several years in order to renew obsolete components at or near the end of their useful life, and to accommodate load growth that has caused load on the existing system to approach design capacity.

(c) Major Capital Projects

The Corporation plans and implements programs for sustaining and enhancing its regulated generation, transmission and distribution assets. Capital projects are typically identified as being one of two types: (a) "sustaining", which are directed at adequately maintaining asset condition and modernizing equipment; and (b) "growth" or "expansionary", which are primarily required to accommodate customer and load growth within the FBC service area. Developing the priorities for the transmission and distribution system involves an assessment of both asset condition and maintenance needs and system contingency analysis. The latter involves a modeling and simulation of system impacts following several possible and different system event scenarios.

3.4 OTHER OPERATIONS, ASSETS AND ACTIVITIES

(a) Other Operations

FBC carries out monitoring, control and real-time management of its generation, transmission and distribution facilities through its control centre in Warfield, BC. The control centre coordinates with BC Hydro to ensure that appropriate monitoring and control of transmission equipment is maintained twenty-four hours a day.

(b) Other Assets

Other assets of the Corporation include those supporting the ongoing maintenance and operation of the system, such as office and service buildings, transport and work equipment and other office and information technology assets. Other assets represent approximately 9 per cent of the Corporation's Rate Base Assets.

(c) Other Activities

FBC's other activities are relatively small in comparison to its regulated electricity operations but provide an opportunity to leverage the utilization of FBC's utility operation, maintenance and management resources under service contracts to third parties. FBC provides certain operations, maintenance and management services relating to the 493 MW Waneta hydroelectric generation plant owned by Teck Cominco Metals Ltd. (now known as Teck Metals Ltd.) and BC Hydro, the Brilliant Plant, the 185 MW Arrow Lakes Generating Station owned by CPC and CBT through Arrow Lakes Power Corporation, the 120 MW Brilliant Expansion Plant owned by CPC and CBT through Brilliant Expansion Power Corporation and to Waneta Expansion.

FortisBC Pacific, the direct parent of the Corporation, provides services of a similar nature to third parties such as CPC and CBT. FBC provides staff and material resources to FortisBC Pacific in order for it to carry out the services required under the contracts and charges FortisBC Pacific its cost plus a mark-up as compensation.

In addition, FBC owns the Walden Power Partnership, an independent power producer which owns and operates an unregulated 16 MW run-of-the-river, hydroelectric power plant near Lillooet, BC. The Walden Power Plant commenced operating in 1992 and sells 100 per cent of its output to BC Hydro.

3.5 OTHER MATERIAL CORPORATE ISSUES

(a) Insurance

The Corporation, through Fortis, maintains insurance coverage including liability, all risk property, boiler and machinery, and directors' and officers' liability insurance for the benefit of the Corporation. The Corporation self-insures against the risk of damage to transmission and distribution poles, wires and related equipment. FBC also maintains insurance coverage that is required by provincial statute, which covers automobile liability, firefighting expense and non-owned aircraft liability. Management believes that the coverage, amounts and terms of the Corporation's insurance agreements are consistent with industry practices.

(b) Employees

The Corporation employed approximately 510 employees as at December 31, 2014.

The organized employees of FBC are represented by the IBEW and COPE unions. The four year collective agreement between the Corporation and the IBEW expired on January 31, 2013. IBEW represents employees in specified occupations in the areas of generation and transmission and distribution. The parties began negotiating in January 2013. Following a labour dispute, the parties concluded an agreement on December 16, 2013 to send outstanding issues to binding interest arbitration and return FBC's unionized employees to work. The arbitration hearing process concluded on June 27, 2014. The arbitration decision was received in early November 2014 with a renewed contract term of February 1, 2013 to January 31, 2018.

There are two collective agreements between the Corporation and COPE. The term of the first collective agreement with COPE, representing employees in specified occupations in the areas of administration and operations support is January 1, 2014 to December 31, 2018. The term of the second collective agreement with COPE, representing customer service employees is April 1, 2014 to March 31, 2017.

(c) Specialized Skills and Knowledge

The skills and knowledge needed to operate and maintain electrical generation, transmission and distribution systems are key to the Corporation's success. These skills are currently available, and the Corporation has placed considerable focus in succession planning on ensuring that these skills are preserved as the Corporation's workforce ages and retires.

(d) Intellectual Property

Fortis owns the trademark "FortisBC", which it has licensed the Corporation to use. FBC owns the trademark "PowerSense", which has been used in the promotion by the Corporation of energy efficiency and energy awareness programs.

(e) Real Property

Certain of the Corporation's transmission and distribution facilities cross over land that is owned by the governments of Canada or BC. The Corporation believes it has obtained appropriate access rights from the relevant governments through Crown leases, statutory rights of way, land use permits, licences of occupation and low voltage permits. Where transmission or distribution lines extend over waterways, various provincial and federal government bodies must approve the installation of those lines. Agreements and permits in this respect have been obtained from the appropriate government body.

The Corporation's transmission and distribution lines at times also cross over or run parallel to lands owned by various railway companies. In these circumstances, appropriate access rights, generally referred to as crossing agreements, have been obtained from the relevant railway company. Some of the Corporation's transmission and distribution lines are located on lands owned by other persons, including local governments, corporations, First Nations and individuals. The Corporation believes it has obtained or is in the process of obtaining the rights to use these lands through working with the property owner to come to an agreement (such as statutory rights of way) permitting land usage.

If the Corporation becomes aware of a situation in which it has not acquired the requisite usage rights, it will attempt to come to an agreement to secure usage rights with the landowner. The Corporation has the power to expropriate land if necessary.

(f) Seasonality

FBC's peak demand for electricity occurs in the winter months due to increased customer load as a result of cooler weather in the winter months, and therefore FBC normally generates higher earnings in the first quarter of the fiscal year. In 2015, the Corporation expects to begin purchasing capacity under the WECA and selling residual capacity which could result in future quarterly interim earnings that differ from historical quarterly earnings. However, future interim quarterly earnings affected by the WECA and residual capacity sales are not indicative of earnings on an annual basis as both power purchase and capacity sale contracts are recovered in customer rates.

(g) Competition

BC's traditional regulatory model does not support retail competition for customers, which would give customers the right to purchase electricity from suppliers other than the utility to which they are directly connected. FBC has a form of retail access for its wholesale and industrial customers supplied at transmission voltage. This retail access has not led to a loss of any of FBC's wholesale or industrial customers.

4.0 REGULATION

4.1 OVERVIEW

Public utilities in BC, such as FBC, are subject to the regulatory jurisdiction of the BCUC. The UCA is the legislation that defines the scope of the BCUC's jurisdiction regarding the regulation of public utilities and the responsibilities of those public utilities. The BCUC's primary responsibility is to establish just and reasonable utility rates, which include an opportunity for the public utilities to earn a fair return on the investments they have already made and will make in the future to provide customers with safe and reliable service.

4.2 REVENUE REQUIREMENT

The rate setting process generally has two main elements: revenue requirements and rate design.

The utility's revenue requirements represent the total revenues that are necessary for the utility to recover prudent costs for providing the utility services, to recover prudent investment, and to earn a fair return on its investment. The cost of providing service includes energy costs, operating and maintenance expenses, depreciation expenses, taxes, financing costs and a return on equity. Rate base is the book value of utility plant in service (plant less accumulated depreciation and customer contributions in aid of construction) and utility deferred charges, plus an allowance for working capital invested in the business, and is the investment base to which a rate of return is applied to arrive at the revenue requirements. The return on rate base is established by determining the cost of individual components of the capital structure, including equity, and weighting such costs to determine an aggregate return on rate base. Both the capital structure and rate of return on equity are determined by the BCUC.

The BCUC usually determines a public utility's revenue requirements based on the cost of service method. Pursuant to this method, the Corporation forecasts the amount of electricity that will be delivered during normal weather, together with all of the other costs of providing service (including the return on rate base) that FBC forecasts to incur in the test year(s). Variances between the forecast costs and the actual costs incurred, and variances in the actual amount of electricity delivered from what has been forecast, normally result in variances in FBC's return, except for variances that are captured by deferral accounts for future recovery or refund.

From 2012 through 2013, FBC's revenue requirements were determined based on cost of service regulation; from 2014 to 2019, a PBR Plan will be applied. The approved PBR Plan incorporates an incentive mechanism for improving operating and capital expenditure efficiencies. Operation and maintenance expenses and base capital expenditures during the PBR period are subject to an incentive formula reflecting incremental costs for inflation and half of customer growth, less a fixed productivity adjustment factor of 1.03 per cent each year. The PBR Plan also includes a 50/50 sharing of variances from the formula-driven operations and maintenance expenses and capital expenditures over the PBR period, and a number of service quality measures designed to ensure FBC maintains service levels. It also sets out the requirements for an annual review process which will provide a forum for discussion between FBC and interested parties regarding its current performance and future activities.

When approved by the BCUC, FBC employs deferral accounts to address certain uncontrollable or non-routine items and to match costs incurred to the periods that the costs benefit. Two primary deferral mechanisms currently in place capture variances from forecast electricity revenue and power supply costs. In addition, during the term of the PBR Plan, FBC has a deferral account to flow through variances in the majority of its other costs and revenues, excluding the formulaic operation and maintenance costs.

After revenue requirements have been established, costs are allocated among different classes of energy users/customers and rates are designed to reflect the cost of providing services to each rate class. Before any rate can be put into effect, it must be filed with and approved by the BCUC.

In BC, the regulatory process for revenue requirement determination and rate design involves participation of interested parties, such as customer representatives, other public groups or private individuals.

4.3 REGULATORY DECISIONS AND OUTLOOK

Important regulatory information pertaining to decisions made by the BCUC with respect to FBC is summarized in the following table.

	2015 [1]	**2014**	**2013**	**2012**	**2011**
Rate Base Assets ($ millions)	1,267	1,204	1,204	1,112	1,093
Deemed common equity component of total capital structure (%)	40.0	40.0	40.0	40.0	40.0
Allowed rate of return on common equity (%)	9.15	9.15	9.15	9.90	9.90

Note:

1. 2015 Rate Base Assets are subject to BCUC approval.

5.0 SAFETY AND ENVIRONMENTAL MATTERS

5.1 GENERAL

Canadian federal, provincial and municipal governments share jurisdiction over matters affecting safety and the environment. As a result, the Corporation is subject to provincial occupational health and safety legislation as well as federal, provincial and municipal requirements relating to the protection of the environment including, but not limited to, fish, wildlife, water, natural resource protection, and the proper storage, transportation, waste discharges, disposal and release of hazardous and non-hazardous substances. In addition, both the provincial and federal governments have environmental assessment legislation, which is designed to foster better land-use planning through the identification and mitigation of potential environmental impacts of projects or undertakings prior to and after commencement.

5.2 ENVIRONMENTAL MANAGEMENT SYSTEM

The environmental risks associated with the Corporation's activities and operations are managed under the framework of an EMS. FBC has an EMS in place to manage the impact of its activities on the environment and the design of the EMS is consistent with the guidelines of ISO 14001, an internationally recognized standard for EMS.

The Corporation's EMS includes an environmental policy, a summary of the environmental risks associated with the Corporation's business and operations, a summary of relevant environmental legislation, and an internal reporting process. The EMS also includes environmental training requirements for employees and contractors and reinforces environmental guidelines that serve to minimize the environmental impacts of FBC operations and ensure compliance with applicable environmental legislation. FBC has external audits of its EMS conducted on a regular cycle to ensure continued compliance with ISO 14001 standards and legal requirements.

5.3 PERMITS, LICENCES AND APPROVALS

Various federal and provincial statutes require the Corporation to obtain and comply with specific permits, licenses and approvals in the course of its operations. Pursuant to the *Water Act* (British Columbia), water rental rates apply to the use of water for power generation. Water rental rates in BC are levied on the basis of both total station capacity and on total station generation. The Corporation is able to recover water rental costs through rates.

5.4 ENVIRONMENTAL EXPENDITURES

The Corporation incurs environmental compliance and environmental management system related capital expenditures in connection with capital projects and in connection with ongoing operation and maintenance activities that are not reasonably quantifiable. The Corporation's cost of compliance with environmental laws and regulations did not have a material effect on the operating costs, capital expenditures, earnings or competitive position of the Corporation in 2014 and, based on current laws, facts and circumstances, is not expected to have a material effect on such matters in the future. Operating and capital costs associated with complying with environmental laws and regulations are generally recoverable by the Corporation through rates.

5.5 RELEASES

Federal, provincial and municipal environmental legislation regulate the release of substances into the environment through the regulation of discharges that have an adverse effect or a potentially adverse effect on the environment. FBC believes that the potential for spills, and resulting enforcement actions under existing environmental legislation, is reduced through the implementation of spill prevention, material handling, emergency response programs and spill response guidelines in conjunction with appropriate training. The potential for an adverse effect resulting from a spill is further reduced by the Corporation through the tracking of all incidents and potential incidents in an incident reporting database in order to facilitate continual learning and improvement.

5.6 HAZARDOUS SUBSTANCES

The Corporation manages hazardous substances used in its operations such as PCBs and herbicides. The Corporation has environmental management programs in place to deal with the hazardous substances including programs to deal with PCBs and herbicides:

(a) *PCBs* - Current management plans for PCBs focus on the identification, safe handling, transportation, storage and ultimate disposal of PCB containing equipment. As equipment becomes obsolete and is taken out of service, FBC disposes of it in an environmentally sound manner and in compliance with applicable laws. Federal PCB regulations specify deadlines for the elimination of PCB containing equipment. With the exception of pole-top transformers and their auxiliary equipment, PCB containing equipment having levels of PCBs greater than 500 ppm or those with PCB levels between 50 ppm and 500 ppm located in sensitive areas were removed from service by the end of 2009. FBC believes it is compliant with the PCB regulation. For certain substation auxiliary equipment FBC had been granted an extension to the Federal PCB regulation deadline to 2014 and had mitigated the PCB concern for the majority of this substation equipment at year end. However, the regulation was subsequently amended to extend the deadline for removal from service of such substation auxiliary equipment to December 31, 2025. All other electrical equipment with PCB levels greater than 50 ppm must be removed from service by December 31, 2025. FBC is taking the necessary steps to meet these compliance deadlines and will recover the associated costs through rates as approved by BCUC.

(b) *Herbicides* - The Corporation uses herbicides primarily for the control of incompatible vegetation on rights-of-way, along transmission and distribution lines and on station sites. The Corporation uses an integrated approach toward vegetation management using manual and mechanical cutting, natural competition from compatible vegetation, together with the selective use of herbicides. Patrols occur to monitor vegetation growth and assess appropriate maintenance activities. Site-specific conditions, including tree species, tree density, height, terrain, prevailing wind directions, and adjacent land uses, are considered by the Corporation in determining the appropriate overall vegetation management plan. Herbicides are applied in accordance with applicable federal and provincial legislation, which governs application, notification and reporting.

(c) *Other* - In addition, some facilities and products used in operational activities contain substances that are designated for special treatment under occupational health and safety legislation, such as asbestos, lead and mercury. The Corporation has exposure control plans in place to address situations when these kinds of substances are encountered or utilized.

5.7 SITE INVESTIGATION AND REMEDIATION

Spills and leaks of substances may occur in the normal course of the Corporation's operations and may result in future clean-up costs being incurred in connection with these releases. The Corporation has from time to time, investigated sites for potential contamination and remediated sites where appropriate. It is possible that remediation costs could be incurred in future due to contamination at sites and the Corporation expects that costs incurred for site remediation would be recovered through rates.

5.8 AIR EMISSIONS MANAGEMENT AND POLICY

BC government policy direction with respect to air emissions management regulation continues to unfold, but it remains to be determined to what extent a greenhouse gas emissions cap will impact the Corporation. To mitigate this uncertainty, BC is a participant in the Western Climate Initiative. This group, consisting of several states and provinces, plans to implement a cap and trade program to reduce greenhouse gas emissions. The cap and trade program was expected to begin on January 1, 2012 but the government has delayed the development of this regulatory initiative. The specific details regarding the cap and trade program will be defined in regulation once it is developed. If implemented the cap and trade program is expected to have a declining cap on emissions that all covered facilities must meet, either by reducing emissions internally or by purchasing allowances from other facilities for releases over the capped amount. In 2012, the Corporation began reporting its greenhouse gas emissions for electricity imports pursuant to the provincial greenhouse gas reporting regulation.

5.9 ASSET RETIREMENT OBLIGATIONS

During 2010 the Corporation obtained sufficient information to determine an estimate of the fair value and timing of the estimated future expenditures associated with the removal of PCB contaminated oil, as previously described in Section 5.6(a), from certain of its electrical equipment. As such, the Corporation has recorded an ARO of approximately $2.2 million as at December 31, 2014. The determination of the ARO depends upon management's best estimates relating to factors such as timing, amount and nature of future cash flows necessary to discharge the legal obligation and comply with existing legislation or regulations, as well as the use of a credit-adjusted risk-free rate for measurement purposes. There are uncertainties in estimating future asset retirement costs due to potential external events such as changing legislation or regulations and advances in remediation technologies. It is possible that volumes of contaminated assets, inflation assumptions, cost estimates to perform the work and the assumed pattern of annual cash flows may differ significantly from the Corporation's current assumptions. In addition, in order to remove certain PCB-contaminated oil, the ability to conduct maintenance outages in critical facilities may impact the timing of expenditures. The ARO may change from period to period because of the changes in the estimation of these uncertainties.

Excluding the ARO pertaining to PCBs, the nature, amount and timing of costs associated with land and other environmental remediation and/or removal of assets, cannot be reasonably estimated due to the nature of their operation; and applicable licences, permits and laws are reasonably expected to be renewed or extended indefinitely to maintain the integrity of the related assets and to ensure the continued provision of service to customers. In the event that environmental issues are identified, or the applicable licences, permits, laws or agreements are terminated, AROs will be recorded at that time provided the costs can be reasonably estimated.

5.10 EMERGENCY PREPAREDNESS AND SAFETY

FBC has detailed emergency preparedness plans in place to respond to natural disasters, accidents and emergencies, and regularly tests these plans in simulations involving employees and other emergency response organizations.

The Corporation is committed to monitoring and assessing its safety management system regularly. FBC incorporates safety performance measures into its employee compensation system, sets challenge levels and objectives for performance, and conducts safety and environmental audits regularly.

5.11 ELECTRO-MAGNETIC FIELDS

Electric and magnetic fields exist wherever electricity is used or transmitted, including electric power facilities such as transmission and distribution lines and within every building that has electrical service. Scientists and public health experts in North America and abroad are studying the possibility that exposure to electro-magnetic fields may cause health problems. FBC understands there is no conclusive evidence of any harm caused by exposure at levels normally found in Canadian living and working environments. Electro-magnetic fields are not currently regulated by the federal or provincial governments and the Corporation is unaware of any plans to regulate electro-magnetic fields. Health Canada confirmed its position in December 2014 that there are no known health risks from power lines.

6.0 RISK FACTORS

For more information with respect to risks and uncertainties to which the Corporation is subject, see the section entitled "Business Risk Management" in the Corporation's Management Discussion & Analysis for the year ended December 31, 2014, which is filed on SEDAR at www.sedar.com, and is incorporated herein by reference.

7.0 CAPITAL STRUCTURE

FBC's business requires the Corporation to have ongoing access to capital to allow it to build and maintain the electrical systems in its service territory. In order to ensure that this access to capital is maintained and in accordance with BCUC requirements, the Corporation currently targets a long-term capital structure that includes 40 per cent equity and 60 per cent debt. The cost of capital for regulated utilities in BC is reviewed periodically which can result in a change in the equity component for the Corporation.

7.1 SHARE CAPITAL

The Corporation is authorized to issue 500,000,000 common shares with a par value of $100 each and 500,000,000 preferred shares with a par value of $25 each, of which 20,000 shares have been designated as Preferred Shares - Series 1, and 480,000 shares have been designated as Cumulative Redeemable Retractable Preferred Shares - Series 2. The issued and outstanding share capital of FBC as at December 31, 2014 consists of 2,191,510 common shares and no preferred shares. Fortis owns all of the issued common shares through its indirect wholly-owned subsidiary, FortisBC Pacific.

Holders of common shares of the Corporation are entitled to receive dividends as and when declared by the Board, subject to the rights of holders of the preferred shares, and are entitled to one vote per share on all matters to be voted on at all meetings of shareholders except those meetings at which only the holders of shares of another class or of a particular series are entitled to vote. Upon the liquidation, dissolution or winding-up of the Corporation, the holders of common shares are entitled to share rateably in the remaining assets available for distribution, after payment of liabilities and subject to the rights of the holders of the preferred shares. The common shares do not have exchange, conversion, redemption or retraction rights.

Preferred shares may be issued from time to time in one or more series, each series comprising the number of shares, designation, rights and restrictions determined by the Board. Preferred shares are entitled to priority over the common shares with respect to the payment of dividends and distributions of assets in the event of the liquidation, dissolution or winding-up of the Corporation. Except in respect of a meeting of holders of the preferred shares or of a particular series of the preferred shares, or except as may otherwise be provided in the rights attached to any series of preferred shares, holders of the preferred shares will not be entitled to vote at any meetings of shareholders.

7.2 DIVIDEND POLICY

The declaration and payment of dividends is at the discretion of the Board and will be influenced by ongoing capital structure management. In 2014, FBC paid $28.0 million in dividends, compared with $46.0 million in 2013 and $24.0 million in 2012.

Certain of the Corporation's debt covenants contain restrictions on the payment of dividends if consolidated debt exceeds 75 per cent of consolidated capitalization, if the dividends are not in the ordinary course of business or if the cumulative dividends paid since the date that certain debt instruments were issued exceeds thresholds based on the cumulative net earnings of the Corporation.

8.0 CREDIT RATINGS

The following table discloses the Corporation's debenture credit ratings as at December 31, 2014.

Credit Ratings	DBRS	Moody's
Unsecured Debentures	A (low), Stable Trend	Baa1, Stable Outlook
Secured Debentures	A (low), Stable Trend	-

In June 2014, Moody's affirmed the long term credit rating for FBC of Baa1 for unsecured long-term debentures and changed its rating outlook to stable from negative.

Ratings are not recommendations to purchase, hold, or sell debentures because ratings do not comment as to market price or suitability for a particular investor. The Corporation understands that ratings are based on, among other things, information furnished to the rating agencies by the Corporation and information obtained by the rating agencies from public sources. Ratings may be changed, suspended or withdrawn as a result of changes in, or unavailability of, that information.

Securities issued by FBC are rated by DBRS and Moody's. FBC paid each of these agencies a maintenance fee to provide ratings during 2014 and 2013, but did not pay for or receive any other services from the agencies during those years. The ratings assigned to securities issued by FBC are reviewed by these agencies on an ongoing basis. Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. DBRS rates debt instruments by rating categories ranging from AAA which represents the highest quality of securities, to D which represents the lowest quality of securities rated. Moody's rates debt instruments by rating categories ranging from Aaa which represents the highest quality of securities to C which represents the lowest quality of securities.

According to the Moody's rating system, debt securities rated Baa are considered to be subject to moderate credit risk, are medium grade obligations and as such may possess certain speculative characteristics. Moody's applies numerical modifiers (1, 2 and 3) in each rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates a ranking in the lower end of its rating category.

According to the DBRS rating system, debt securities rated A are of satisfactory credit quality. Protection of interest and principal is still substantial, but the degree of strength is less than with AA related entities. While a respectable rating, entities in the A category are considered to be more susceptible to economic conditions and have greater cyclical tendencies than higher rated companies. Any qualifying negative factors which exist are considered manageable, and the entity is normally of sufficient size to have some influence in its industry. "High" or "Low" are used to indicate the relative standing of a credit within a particular rating category. The lack of one of these designations indicates a rating which is essentially in the middle of the category.

9.0 MARKET FOR SECURITIES

None of the issued and outstanding shares of the Corporation or any of its debentures are listed on any exchange.

10.0 DIRECTORS AND OFFICERS

10.1 DIRECTORS

The following table sets forth the name, province or state, and country of residence of each director of the Corporation, his or her respective position and office with the Corporation as at the date of filing of this Annual Information Form. In addition this table sets forth each director's principal occupation during the five preceding years, and the period during which he or she has served as a director of the Corporation, and when his or her term expires:

NAME AND RESIDENCE	TERM AS A DIRECTOR (4)	PRINCIPAL OCCUPATION FOR THE FIVE PRECEDING YEARS
Harold G. Calla(1) British Columbia, Canada	Commencing 2010. Term expires at the next annual general meeting.	Chair of the First Nations Financial Management Board.
Brenda Eaton(1) British Columbia, Canada	Commencing 2009. Term expires at the next annual general meeting.	Corporate Director; additionally Chair, Seaterra Commission; prior thereto Chair, BC Housing to April 2012.
Ida J. Goodreau(2) British Columbia, Canada	Commencing 2010. Term expires at the next annual general meeting.	Corporate Director; additionally Adjunct Professor, Sauder School of Business, University of British Columbia.
David G. Hutchens (1) Arizona, USA	Commencing January 2015. Term expires at the next annual general meeting.	President & Chief Executive Officer ("CEO"), UNS Energy Corporation and additionally President & CEO, Tucson Electric Power Company since May 2014; prior thereto Chief Operating Officer ("COO") of Tucson Electric Power Company since August 2013; prior thereto President of Tucson Electric Power Company since December 2011; prior thereto Vice President of Tucson Electric Power Company.
Michael A. Mulcahy British Columbia, Canada	Commencing 2014. Term expires at the next annual general meeting.	President & CEO of the Corporation and additionally of FortisBC Energy Inc. since August 2014; prior thereto Executive Vice President, Human Resources, Customer & Corporate Services of the Corporation and additionally of FortisBC Energy Inc. since November 2011; prior thereto Executive Vice President, Customer & Corporate Services of the Corporation and additionally of FortisBC Energy Inc. since July 2010; prior thereto Vice President, Customer & Corporate Services of the Corporation.
Barry V. Perry(2) Newfoundland and Labrador, Canada	Commencing 2010. Term expires at the next annual general meeting.	President & CEO of Fortis Inc. since January 2015; prior thereto President of Fortis Inc. since July 2014; prior thereto Vice President, Finance & Chief Financial Officer ("CFO") of Fortis Inc.

NAME AND RESIDENCE	TERM AS A DIRECTOR (4)	PRINCIPAL OCCUPATION FOR THE FIVE PRECEDING YEARS
David R. Podmore(2)(3) British Columbia, Canada	Commencing 2010. Term expires at the next annual general meeting.	Chairman & CEO, Concert Properties Ltd.
Christopher F. Scott (2) British Columbia, Canada	Commencing 2013. Term expires at the next annual general meeting.	Corporate Director; additionally Consultant to First Nations Bands since 2011; prior thereto First Nations Liaison & COO of Osoyoos Indian Band Dev. Corp.; and additionally Owner/Operator of Premium Varietal Vineyard.
Karl W. Smith (1) Newfoundland and Labrador, Canada	Commencing 2014. Term expires at the next annual general meeting.	Executive Vice President & CFO of Fortis Inc. since June 2014; prior thereto President & CEO of FortisAlberta Inc.
John C. Walker(2) British Columbia, Canada	Commencing 2005. Term expires at the next annual general meeting.	Executive Vice President, Western Canadian Operations of Fortis Inc. since August 2014; prior thereto President & CEO of FortisBC Energy Inc. since July 2010; and additionally and prior thereto President & CEO of the Corporation.
Janet P. Woodruff (1) British Columbia, Canada	Commencing 2013. Term expires at the next annual general meeting.	Corporate Director; additionally Consultant since 2011; prior thereto Vice President & Special Advisor of BC Hydro since 2010.

Notes:

1. Member of the Audit and Risk Committee.
2. Member of the Governance Committee.
3. Chair of the Board.
4. The Articles of the Corporation provide that if Corporation does not hold an annual general meeting in accordance with the *Business Corporations Act* (British Columbia), the Directors then in office shall be deemed to have been elected or appointed as Directors on the last day on which the annual general meeting could have been held pursuant to the *Business Corporations Act* (British Columbia), and they may hold office until other Directors are appointed or elected or until the day on which the next annual general meeting is held.

10.2 OFFICERS

The following table sets forth the name, province and country of residence of each executive officer of the Corporation, his or her respective position and office with the Corporation as at the date of filing of this Annual Information Form. In addition, this table sets forth each officer's principal occupation during the five preceding years:

NAME AND RESIDENCE	OFFICE HELD	PRINCIPAL OCCUPATION FOR THE FIVE PRECEDING YEARS
Michael A. Mulcahy British Columbia, Canada	President & CEO	President & CEO of the Corporation and additionally of FortisBC Energy Inc. since August 2014; prior thereto Executive Vice President, Human Resources, Customer & Corporate Services of the Corporation and additionally of FortisBC Energy Inc. since November, 2011; prior thereto Executive Vice President, Customer & Corporate Services of the Corporation and additionally of FortisBC Energy Inc. since July 2010; prior thereto Vice President, Customer & Corporate Services of the Corporation.
Roger A. Dall'Antonia British Columbia, Canada	Executive Vice President, Customer Service & Regulatory Affairs	Executive Vice President, Customer Service & Regulatory Affairs of the Corporation and additionally of FortisBC Energy Inc. since August 2014; prior thereto Vice President, Strategic Planning, Corporate Development & Regulatory Affairs of the Corporation and additionally of FortisBC Energy Inc. since January 2012; prior thereto Vice President, Finance & CFO & Treasurer of FortisBC Energy Inc. since July 2010; prior thereto Vice President, Corporate Development & Treasurer of FortisBC Energy Inc.
Doyle Sam British Columbia, Canada	Executive Vice President, Operations & Engineering	Executive Vice President, Operations & Engineering of the Corporation and additionally of FortisBC Energy Inc. since February 2014; prior thereto Executive Vice President, Network Services, Engineering & Generation of the Corporation and additionally of FortisBC Energy Inc. since February 2013; prior thereto Vice President, Engineering & Generation of the Corporation and additionally of FortisBC Energy Inc. since November 2011; prior thereto Vice President, Engineering & Operations of the Corporation.
Cynthia M. Des Brisay British Columbia, Canada	Vice President, Energy Supply & Resource Development	Vice President, Energy Supply & Resource Development of the Corporation and additionally of FortisBC Energy Inc. since February 2011; prior thereto Vice President, Energy Supply & Gas Transmission of the Corporation and additionally of FortisBC Energy Inc. since July 2010; prior thereto Vice President, Gas Supply & Transmission of FortisBC Energy Inc.

NAME AND RESIDENCE	OFFICE HELD	PRINCIPAL OCCUPATION FOR THE FIVE PRECEDING YEARS
Jody D. Drope British Columbia, Canada	Vice President, Human Resources & Environment, Health and Safety	Vice President, Human Resources & Environment, Health and Safety of the Corporation and additionally of FortisBC Energy Inc. since November 2014; prior thereto Chief Human Resources Officer of the Corporation and additionally of FortisBC Energy Inc. since November 2010; prior thereto Human Resources Manager of the Corporation.
Michele I. Leeners British Columbia, Canada	Vice President, Finance & CFO	Vice President, Finance & CFO of the Corporation and additionally Vice President, Finance & CFO of FortisBC Energy Inc. since January, 2012.
Douglas L. Stout British Columbia, Canada	Vice President, Market Development & External Relations	Vice President, Market Development & External Relations of the Corporation and additionally of FortisBC Energy Inc. since August 2014; prior thereto Vice President, Energy Solutions & External Relations of the Corporation and additionally of FortisBC Energy Inc. since July 2010; prior thereto Vice President, Marketing & Business Development of FortisBC Energy Inc.
Dennis A. Swanson British Columbia, Canada	Vice President, Corporate Services	Vice President, Corporate Services of the Corporation and FortisBC Energy Inc., since November 2014; prior thereto Director, Regulatory Affairs of the Corporation and additionally of FortisBC Energy Inc.
Monic D. Pratch British Columbia, Canada	Corporate Secretary	Chief Privacy Officer, Corporate Secretary & Counsel of the Corporation and additionally of FortisBC Energy Inc. since November 2014; prior thereto Chief Privacy Officer & Counsel of the Corporation and additionally of FortisBC Energy Inc. since February 2011; prior thereto Counsel of the Corporation and additionally of FortisBC Energy Inc. since May 2010; prior thereto Associate Lawyer of Duncan Craig LLP.
Debra G. Nelson British Columbia, Canada	Assistant Corporate Secretary	Assistant Corporate Secretary of the Corporation since July 2010; and additionally and prior thereto Assistant Corporate Secretary and Manager, Corporate Compliance and Secretariat of FortisBC Energy Inc.

10.3 CONFLICTS OF INTEREST

Other than as disclosed herein, to the knowledge of management of the Corporation, there are no existing or potential material conflicts of interest among the Corporation or a subsidiary of the Corporation and any director or officer of the Corporation or such subsidiary.

11.0 EXECUTIVE COMPENSATION

The Corporation's Statement of Executive Compensation is attached as Schedule "A".

12.0 SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation does not have a compensation plan under which securities of the Corporation are authorized for issuance. See “Executive Compensation – Stock Option Plan” in Schedule “A” of this Annual Information Form for a description of the Fortis 2012 Stock Option Plan.

13.0 INDEBTEDNESS OF EXECUTIVE OFFICERS, DIRECTORS, AND EMPLOYEES

The following table sets forth details of the aggregate indebtedness of all executive officers, directors, and employees and former executive officers, directors and employees outstanding at the date of this Annual Information Form to the Corporation or any of its subsidiaries in connection with (i) the purchase of securities and (ii) all other indebtedness, other than routine indebtedness.

Aggregate Indebtedness ($)		
Purpose	**To the Corporation or its Subsidiaries**	**To Another Entity**
Share purchases	Nil	Nil
Other	Nil	Nil

The following table sets forth details on each individual who is, or at any time during the Corporation’s most recently completed financial year was, a director or executive officer of the Corporation or an associate of any such director or executive officer that is, or at any time during the Corporation’s most recently completed financial year was, indebted to (i) the Corporation or any of its subsidiaries, or (ii) another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, or other than routine indebtedness.

Indebtedness of Directors and Executive Officers Under (1) Securities Purchase						
Name & Principal Position	**Involvement of Corporation or Subsidiary**	**Largest Amount Outstanding During 2014 ($)**	**Amount Outstanding as of date of Filing of this AIF ($)**	**Financially Assisted Securities Purchased During 2014 (#)**	**Security for Indebtedness**	**Amount Forgiven During 2014 ($)**
Securities Purchase Programs						
David C. Bennett Vice President, Operations Support, General Counsel & Corporate Secretary[1]	FortisBC Inc. as lender	133,006.12[2]	Nil[2]	Nil	see note [2]	Nil

Notes:

1. As of September 19, 2014 David C. Bennett was no longer an officer of FortisBC Inc.
2. Amount of $133,006.12 represents a stock option exercise loan that was secured by the share certificates held by the officer, beared interest equal to the amount of dividends received on the shares and was due within 10 years of the grant date or within one year following cessation of employment, whichever occurred first. This amount was repaid as at September 26, 2014.

14.0 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Corporation, or person or Corporation that beneficially owns, or controls or directs, directly or indirectly, more than 10 per cent of any class or series of the Corporation’s outstanding voting securities, nor any associate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years of the Corporation or during the current financial year of the Corporation that has materially affected or is reasonably expected by the Corporation to materially affect the Corporation.

For more information with respect to the Corporation's material transactions with related parties, see the section entitled "Related Party Transactions" in the Corporation's Management Discussion & Analysis for the year ended December 31, 2014, which is filed on SEDAR at www.sedar.com, and is incorporated herein by reference.

15.0 MATERIAL CONTRACTS

The following are the only material contracts, other than contracts entered into in the ordinary course of business and not required by applicable securities laws to be filed with a Canadian securities regulatory authority or those that were entered into before January 1, 2002, which have been entered into by the Corporation within the Corporation's most recently completed financial year, or before the most recently completed financial year but is still in effect:

- the trust indenture dated as of November 30, 2004 between the Corporation and Computershare Trust Corporation of Canada, as Trustee, as supplemented and amended from time to time;
- the CPA (see "The Business of FortisBC Inc. – Generation and Power Supply"); and
- the trust indenture dated as of May 27, 2009 between the Corporation and Computershare Trust Corporation of Canada, as Trustee, as supplemented and amended from time to time.

Copies of the above noted agreements are contained on SEDAR at www.sedar.com.

16.0 LEGAL PROCEEDINGS

The Province of BC has alleged breaches of the Forest Practices Code and negligence relating to a forest fire near Vaseux Lake and filed and served a Writ and Statement of Claim against FBC dated August 2, 2005. During September 2014, a settlement was reached on the matter and a full release and a consent dismissal of the action has been executed and filed. As FBC was insured against this claim, the settlement did not have an impact on the Corporation's 2014 net earnings.

The Province of BC filed a claim in the BC Supreme Court on June 8, 2012 claiming on its behalf, and on behalf of approximately 17 homeowners, damages suffered as a result of a landslide caused by a dam failure in Oliver, BC in 2010. The Province alleges in its claim that the dam failure was caused by the defendants, including FBC, through the use of a road on top of the dam. The Province estimates its damages and the damages of the homeowners on whose behalf it is claiming, to be approximately $15 million. FBC has not been served, however has retained counsel and has notified its insurers. The outcome cannot be reasonably determined or estimated at this time and, accordingly, no amount has been accrued in the financial statements.

17.0 TRANSFER AGENTS AND REGISTRARS

Computershare Trust Corporation of Canada is the registrar and transfer agent and trustee for the Corporation's debentures. Transfers of these securities may be effected at Computershare Trust Corporation of Canada's offices in the city of Vancouver, BC.

18.0 INTEREST OF EXPERTS

Ernst & Young LLP, Chartered Accountants is the auditor of the Corporation and was appointed effective as at March 31, 2005 and each year thereafter. The Corporation's auditor, Ernst & Young LLP, has prepared the audit report attached to the audited consolidated financial statements for the Corporation's financial year ended December 31, 2014. Ernst & Young LLP remains independent with respect of the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

19.0 ADDITIONAL INFORMATION

Additional financial information is also provided in the Corporation's financial statements for the financial year ended December 31, 2014, and management's discussion and analysis of such financial results. A copy of such documents and additional information relating the Corporation is contained on SEDAR at www.sedar.com.

SCHEDULE "A" - EXECUTIVE COMPENSATION

A. COMPENSATION DISCUSSION AND ANALYSIS

It is the responsibility of the Governance Committee to review, recommend and administer the compensation policies in respect of the Corporation's executive officers. The Governance Committee's recommendations as to base salary and short term incentives are submitted to the Board of the Corporation for approval. Proposed grants to the Corporation's executive officers under the Fortis Stock Option Plan are submitted by the Corporation's Board to the Human Resources Committee of the Fortis Board of Directors for approval.

The Corporation's executive compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance. The Governance Committee recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. The objectives of base salary are to recognize market pay, and acknowledge competencies and skills of individuals. The objectives of the annual incentive plan are to reward achievement of short-term financial and operating performance and focus on key activities and achievements critical to the ongoing success of FBC. Medium and long-term incentive plans focus executives on sustained shareholder value creation.

The Corporation has a policy of compensating executive officers at approximately the median (50th percentile) of comparable Canadian commercial industrial companies. For clarity, this reference group does not include organizations in the financial service and broader public sectors. It does include organizations from the energy, mining and manufacturing sectors. Annually, the Governance Committee uses the compensation data from this reference group to compare each executive officer to corresponding positions within the reference group. This framework serves as a guide for the Governance Committee's deliberations. The actual total compensation and/or amount of each compensation component for an individual executive officer may be more or less than the median amount.

Total annual compensation for the executive officers is composed primarily of five main components:

- annual base salary;
- short-term incentive in the form of an annual cash bonus;
- mid-term incentive in the form of Performance Share Units;
- long-term incentive in the form of options to purchase Fortis Shares; and
- pension arrangements.

Each of the components is discussed further in the following sections of this Schedule "A".

REPORT ON CORPORATE GOVERNANCE

Governance Committee

Specifically, the Governance Committee provides assistance to the Board by overseeing the Corporation's policy and performance in matters of corporate governance, including the nomination of Directors, matters of environment and safety, and matters of human resource management, including compensation of executive officers and the Corporation's pension plans.

With regards to executive compensation matters, the responsibilities of the Governance Committee include reviewing and making recommendations to the Board regarding:

- the adequacy and form of compensation of directors;
- the appointment and compensation of executive officers;
- the overall effectiveness of the senior management team including the CEO; and
- the development of policy for orderly succession to senior positions and targets used by the Corporation to measure performance for compensation purposes.

Additionally, the Governance Committee believes that the Corporation's compensation regime appropriately takes into account the performance of the Corporation and the contribution of the President & CEO and other executive officers of the Corporation toward that performance.

The mandate of the Governance Committee includes making recommendations to the Board with respect to the governance and management of the pension plans and designating executive officers for purposes of participation in supplemental pension plans. In regards to non-union pension matters, the Governance Committee appoints the auditor for the pension plan financial statements. The Board establishes or terminates pension plans, is the fiduciary and administrator for the plans and approves the governance structure, major plan design changes and the mandate of the Governance Committee.

The Corporation recognizes the importance of appointing knowledgeable and experienced individuals to the Governance Committee. The Governance Committee composition includes members that have the necessary background and skills to provide effective oversight of corporate governance and executive compensation, including adherence with sound risk management principles.

To enable the Governance Committee to fulfill its mandate, all Governance Committee members have significant senior leadership and/or governance experience. More specifically, a majority of the membership of the Governance Committee has direct operational or functional experience overseeing compensation policies and practices at large organizations similar in complexity to FBC.

The members of the Governance Committee are Ida J. Goodreau, Barry V. Perry, David R. Podmore, John C. Walker and Christopher F. Scott. These directors are independent directors with the exception of Barry V. Perry, President & CEO of Fortis Inc. and John C. Walker, Executive Vice President, Western Canadian Operations of Fortis Inc.

In fulfilling its duties and responsibilities with respect to executive compensation, the Governance Committee seeks periodic input, advice, and recommendations from various sources, including the Board, executive officers, and external independent consultants. The Governance Committee retains discretion in its executive compensation decisions and is not bound by the input, advice, and/or recommendations received from the external independent consultant.

Compensation Review Framework

Annual Review

FBC monitors, reviews, and evaluates its executive compensation program annually to ensure that it provides reasonable compensation ranges at appropriate levels and remains competitive and effective.

As part of the annual review process, Fortis engages Hay Group Limited (“Hay Group”), its primary compensation consultant, to provide comparative analyses of market compensation data reflecting the pay levels and practices of Canadian commercial industrial companies. Using this data, a detailed review is prepared to analyze the Corporation’s competitive compensation positioning against its peer group. Hay Group provides Fortis and its subsidiaries’ management preliminary recommendations on the basis of pay competitiveness, emerging market trends and best practices. In addition, the Corporation may from time to time engage Hay Group to provide specific analysis of its executive compensation components.

Management then takes into account the corporate performance against pre-determined objectives and together with the CEO recommends a set of new performance objectives for the following year. Individual performance reviews, incentive award payouts, and compensation adjustments, if any, are also determined at this stage. The CEO does not make recommendations to the Governance Committee with respect to his own compensation.

In the final step, the Governance Committee reviews the recommendations set forward by management and the compensation consultant prior to seeking approval from the Board regarding current year’s compensation payouts and next year's performance objectives. The Governance Committee and the Board may exercise discretion when making compensation decisions in appropriate circumstances and make deviations from the prescribed incentive award formulas, if necessary.

Competitive Positioning

FBC does not measure performance against a particular reference group. However, as a general policy, FBC establishes base and incentive compensation targets so as to compensate executives and in particular, each person who served as the CEO or CFO during the most recently completed financial year and the three most highly compensated executive officers of the Corporation during the most recently completed financial year (the "Named Executive Officers" or "NEOs"), at a level generally equivalent to the median of practice among a broad reference group of approximately 200 Canadian commercial industrial companies. This reference group, (The Commercial Industrial Comparator Group) is compiled by Hay Group. For clarity, this reference group does not include organizations in the financial service and broader public sectors. It does include organizations from the energy, mining and manufacturing sectors. This reference group is formally reviewed as part of the Fortis triennial review of executive compensation policy.

Compensation Risk Considerations

Risk is considered throughout the Corporation's annual compensation review processes to ensure that effective control systems are in place to mitigate the perceived risks inherent in the compensation structure. The Governance Committee has identified the following external and internal risk controls within the Corporation's executive compensation program:

External Compensation Risk Mitigating Controls

With respect to the regulatory environment, there are extensive regulatory frameworks, as well as reporting and approval mechanisms. FBC's ongoing compliance with existing regulatory requirements and emerging best practices ensure that risks within its compensation program are being continually monitored and controlled.

Internal Compensation Risk Mitigating Controls

The compensation program is designed such that risk is taken into consideration throughout the compensation review process:

Annual Salary	• Annual salaries are targeted approximately at market median levels and as such do not encourage excessive risk-taking.
Short-Term Incentives	• ***Board Discretion***: The Governance Committee retains the discretion to make upwards or downwards adjustments to the prescribed incentive payout formulas and actual payouts based on its assessment of the risk assumed to generate financial results, circumstances that may have influenced individual performance, as well as external factors that may have impacted the Corporation's financial performance. • ***Award Cap:*** Short-term incentives awarded to executives are capped at 150 per cent of targeted annual incentive; however, the Governance Committee retains the discretion to award up to a maximum of 200 per cent of targeted annual incentive in recognition of individual response to exceptional challenges or opportunities and may make deviations in appropriate circumstances.
Mid-Term Compensation	• ***Performance Share Units ("PSUs"):*** PSUs are granted to participants ("Participant"), as defined in the 2013 FBC Performance Share Unit Plan. Participants, including NEOs are awarded PSUs to promote a greater alignment of interests between the senior management of the Corporation and the shareholders of Fortis, foster the growth and success of the business of the

	Corporation and Fortis in accordance with the vision of both the Corporation and Fortis, and ensure that management is focused on both the Corporation's and Fortis' business objectives. Awarding PSUs to NEOs also strengthens the proportion of total deferred compensation to salary and incentive compensation in the overall pay mix. The grant is determined using a formula composed of base salary, salary level and market price of the Fortis common shares.
Long-Term Compensation	• ***Stock Option Grants Linked Directly to Stock Ownership Requirements***: Share ownership for any eligible person as defined by the 2012 Fortis Inc. Stock Option Plan ("Eligible Person"), including NEOs, is encouraged through Fortis' Executive Compensation Policy, whereby the options granted each year to any Eligible Person are limited to the lesser of the number of options prescribed to that particular position and the minimum number of shares actually owned by the individual since the beginning of the previous calendar year. While minimum share holdings are not formally prescribed by policy, tying the number of stock options grants to the Eligible Person's share holdings has achieved high levels of executive ownership. • ***Anti-Hedging Policy***: The Corporation's executive officers are not permitted to hedge against declines in the market value of equity securities received as compensation.

Compensation Consultants

As noted above, Fortis engages Hay Group as its primary compensation consultant.

Hay Group has served as the primary external independent advisor on matters relating to executive compensation since 2004. In addition to matters related to executive compensation, Hay Group also provides the Corporation with general market compensation data from its national database.

The following table sets forth information concerning fees paid by the Corporation to compensation consultants in 2013 and 2014.

Type of Fee by Consultant	2013 Consultant Fees ($)	2014 Consultant Fees ($)
Executive Compensation Consulting (1)	76,196	-
All Other Fees	-	-

Note:

1. Fees paid to the Hay Group related to executive compensation.

Elements of Total Compensation

Total annual compensation for the executive officers involves a significant proportion that is at risk due to the use of short-term, mid-term and long-term incentive components. The total annual compensation includes both the cash compensation paid to the executive officers in the year and an estimated compensation for the mid-term and long-term incentive components. The mid-term incentive components are valued as notional units, based on the average market price of Fortis stock during the last 5 trading days of the prior year. The estimated value of the long-term incentive components is determined using the Black-Scholes pricing model at the date of grant.

The executive compensation regime is structured in a manner that recognizes the greater ability of the President & CEO to affect corporate performance by making a greater portion of that individual's compensation dependent upon corporate performance.

The elements of compensation of the NEOs and their respective compensation objectives are set out below:

Compensation Element *(Eligibility)*	Description	Compensation Objectives
Annual Base Salary and Annual Incentive		
Annual Base Salary *(all NEOs)*	Salary is a market-competitive, fixed level of compensation.	Attract and retain highly qualified executives. Motivate strong business performance.
Annual Incentive *(all NEOs)*	Combined with salary, the target level of annual incentive is intended to provide executives with a market-competitive total cash opportunity. Annual incentive payout depends on individual and corporate performance.	Attract and retain highly qualified executives. Motivate strong business performance. Compensation dependent on individual and corporate performance. Simple to communicate and administer.
Mid-term Equity Based Incentive		
Performance Share Units *(all NEOs)*	Equity grant value based on performance and retention objectives. Grant value is converted to the number of units granted by dividing the planned value by the predetermined, formulaic planning price. At the end of the 3 year performance period, performance is assessed against the pre-defined objectives. Payment of the accumulated PSU balance (inclusive of notional dividends) at the price determined pursuant to the plan. Paid in cash upon completion of the 3 year performance period.	Align executive and shareholder interests. Attract and retain highly qualified executives. Encourage strong long-term business performance. Balance compensation for short and long-term strategic results. Compensation dependent on corporate performance. Encourages sustained, mid-term growth by linking a portion of compensation to mid-term performance. Simple to communicate and administer.
Long-term Equity Based Incentive		
Stock Options *(all NEOs)*	Annual equity grants are made in the form of stock options. The amount of annual grant will be dependent on the level of the executive and their current share ownership levels. Planned grant value is converted to the number of shares granted by dividing the planned value by the pre-determined, formulaic planning price derived using the Black-Scholes Option Pricing Model. Options vest over a 4 year period.	Align executive and shareholder interests. Attract and retain highly qualified executives. Encourage strong long-term business performance. Balance compensation for short and long-term strategic results. Simple to communicate and administer.

Compensation Element *(Eligibility)*	**Description**	**Compensation Objectives**
Pension Plans		
Defined Benefit Pension Plan (*certain NEOs)*	Payout upon retirement based on the number of years of credited service and actual pensionable earnings.	Attract and retain highly qualified executives. Simple to communicate and administer.
Registered Retirement Savings Plan ("RRSP") *(certain NEOs)*	Contribution to a RRSP equal to 6.5 per cent of a member's base salary which is matched by the member up to the maximum annual contribution limit allowed by the Canada Revenue Agency.	Attract and retain highly qualified executives. Simple to communicate and administer.
Defined Contribution: Supplemental Employee Retirement Plan ("SERP") *(all NEOs)*	Accrual of 13 per cent of base salary and annual incentive in excess of the Canada Revenue Agency annual limit. At time of retirement, paid in one lump sum or in equal payments up to 15 years.	Attract and retain highly qualified executives. Simple to communicate and administer.

Annual Base Salary

Annual base salaries paid to the Corporation's NEOs are determined by the Board upon recommendation by the Governance Committee and are established annually by reference to the range of salaries paid by comparable Canadian commercial industrial companies and are targeted to the median of the comparator group.

Annual Incentive

NEOs participate in an annual incentive plan that provides for annual cash bonuses which are determined by way of an annual assessment of corporate and individual performance in relation to targets approved by the Board upon recommendation by the Governance Committee. The Corporation's annual earnings must reach a minimum threshold level before any payments are made. The objectives of the annual incentive plan are to reward achievement of short-term financial and operating performance and focus on key activities and achievements critical to the ongoing success of the Corporation.

Corporate performance is determined with reference to the performance of the Corporation relative to weighted targets in respect to financial, safety, customer service, reliability and regulatory performance. There were six targets in 2014 which included (i) net earnings (30.0 per cent weighting); (ii) an all injury frequency rate which measures how safely the Corporation operates (10.0 per cent weighting); (iii) recordable vehicle incidents (10.0 per cent weighting); (iv) customer satisfaction of which measures a customer survey score (12.5 per cent weighting); (v) system average interruption duration index which measures reliability of the power distribution system in terms of duration of outages (12.5 per cent weighting); and (vi) regulatory performance (25.0 per cent weighting). Net earnings are primarily based on regulated earnings which are representative of the achieved return on equity based on the allowed return on equity as approved by the BCUC.

Individual performance is determined with reference to individual contribution to corporate objectives, elements of which are subjective. For the former President & CEO, 80 per cent of the annual cash bonus was based on corporate targets and 20 per cent was based upon personal targets. For the current President & CEO, 70 per cent of the annual cash bonus is based on corporate targets and 30 per cent is based upon personal targets. For each of the other NEOs, 50 per cent of the annual cash bonus is based upon corporate targets and

50 per cent is based upon personal targets. At the discretion of the Board, executives may be awarded up to an additional 50 per cent of target incentive pay in recognition of exceptional performance contributions.

Performance Share Unit Plan

The 2013 FBC Performance Share Unit Plan ("PSU Plan") was established and adopted by FBC as of January 1, 2013. The PSU Plan is administered by FBC which grants PSUs, determined as a specified percentage of the Participant's annual base salary divided by the volume-weighted average trading price of Fortis common shares. Payment will be made 3 years after the grant date in an amount of 0-120 per cent of the number of PSUs accumulated, including reinvestment of notional dividends, as determined appropriate by FBC upon measurement of Fortis performance over such 3 year period in comparison to similar publicly traded industry participants. The payment is based on the number of PSUs outstanding, multiplied by the volume-weighted average trading price of the Fortis common shares determined by dividing the total value of the Fortis common shares traded on the TSX during the last 5 trading days immediately preceding the date of grant by the total volume of the Fortis common shares traded on the TSX during such 5 trading days.

In 2014, the former President & CEO of the Corporation was granted units having a market value at the time of grant equal to 75 per cent of his base salary. The current President & CEO and Executive Vice President, Operations & Engineering were granted units having a market value at the time of grant equal to 20 per cent of their base salary. Each of the other NEOs was granted units having a market value at the time of grant equal to 10 per cent of such NEO's base salary. Each Participant's unit account shall be credited with additional units equal to the "dividend equivalent" when a cash dividend is paid on common shares of Fortis.

Stock Option Plan

The 2012 Stock Option Plan was approved by the shareholders of Fortis on May 4, 2012 for the purposes of granting options in the common shares of Fortis to certain eligible persons, which includes the Corporation's NEOs (the "Eligible Persons") in order to encourage increased share ownership by key employees as an incentive to maximize shareholder value. The directors of Fortis or any of its subsidiaries are not eligible to participate in the 2012 Stock Option Plan. No options may be granted under the 2012 Stock Option Plan if, together with any other security based compensation arrangement established or maintained by Fortis, such granting of options could result, at any time, in (i) the number of Fortis common shares issuable to insiders of Fortis, at any time, exceeding 10 per cent of the issued and outstanding Fortis common shares and, (ii) the number of common shares issued to insiders of Fortis, within any one year period, exceeding 10 per cent of the issued and outstanding Fortis common shares.

The 2012 Stock Option Plan is administered by Fortis. Pursuant to the 2012 Stock Option Plan, the determination of the exercise price of options is made by the Human Resources Committee of Fortis at a price not less than the volume weighted average trading price of the common shares of Fortis determined by dividing the total value of the Fortis common shares traded on the TSX during the last 5 trading days immediately preceding the date by the total volume of the Fortis common shares traded on the TSX during such 5 trading days. The Human Resources Committee of Fortis determines: (i) which Eligible Persons are granted options; (ii) the number of Fortis common shares covered by each option grant based on the salary level of an Eligible Person; (iii) the price per share at which Fortis common shares may be purchased; (iv) the time when the options will be granted; (v) the time when the options will vest; and (vi) the time at which the options will be exercisable (up to 10 years from the date of grant). Options granted under the 2012 Stock Option Plan are personal to the Eligible Person and not assignable, other than by testate succession or the laws of decent and distribution. In the event that a person ceases to be an Eligible Person, the 2012 Stock Option Plan will no longer be available to such person. The grant of options does not confer any right upon an Eligible Person to continue employment or to continue to provide services to FBC.

Options granted pursuant to the 2012 Stock Option Plan have a maximum term of 10 years from the date of grant and the options will vest over a period of not less than 4 years from the date of grant, provided that no option will vest immediately upon being granted. Options granted pursuant to the 2012 Stock Option Plan will expire no later than 3 years after the termination, death or retirement of an Eligible Person.

Eligible Persons are granted stock options based on salary levels. In 2014, the former President & CEO of the Corporation was granted an option entitling him to purchase that number of common shares of Fortis having a market value at the time of grant equal to 400 per cent of his base salary. The current President & CEO and each of the other NEOs were granted an option entitling each NEO to purchase that number of Fortis common shares having a market value at the time of grant equal to 150 per cent of such NEO's base salary, however, where a NEO has been granted options for 5 or more prior years, the maximum number of shares for which options will be granted in any calendar year will not exceed the minimum number of shares held by the NEO since the beginning of the previous year.

The 2012 Stock Option Plan provides that notwithstanding provisions in the plan to the contrary, no option may be amended to reduce the option price below the option price as of the date the option is granted.

Pension Plans – see "Executive Compensation – Pension Plan Benefits"

B. SUMMARY COMPENSATION TABLE

The following table sets forth information concerning the annual, mid-term and long-term compensation earned for services rendered in respect of each of the individuals who served as the CEO or CFO during the most recently completed financial year and the three most highly compensated executive officers of the Corporation during the most recently completed financial year.

Name and principal position	Year	Salary ($)	Share based awards ($)[3]	Option based awards ($)[4]	Annual incentive plans ($)[5]	Pension value ($)[6]	All other compensation ($)[7]	Total compensation ($)[8][9][10]
Michael A. Mulcahy President & CEO[1]	2014 2013 2012	349,167 298,500 290,000	61,996 59,702 -	53,416 52,144 53,450	247,000 190,000 175,000	57,987 49,645 50,915	31,847 28,008 21,374	801,413 677,999 590,739
Michele I. Leeners Vice President, Finance & CFO	2014 2013 2012	270,000 260,000 243,600	27,013 26,013 -	46,525 45,419 44,895	178,000 170,000 165,700	45,065 43,431 39,683	12,833 15,351 15,236	579,436 560,214 509,114
Doyle Sam Executive Vice President, Operations & Engineering	2014 2013 2012	310,000 287,900 264,000	61,996 57,596 -	53,416 50,283 48,651	197,000 190,000 159,700	52,865 46,278 44,285	14,426 24,846 24,472	689,703 656,903 541,108
Douglas L. Stout Vice President, Market Development & External Relations	2014 2013 2012	290,000 283,700 275,546	28,990 28,357 -	49,971 49,563 50,806	203,000 190,000 162,500	50,265 46,096 46,485	2,998 7,546 6,575	625,224 605,262 541,912
Roger A. Dall'Antonia Executive Vice President, Customer Service & Regulatory Affairs	2014 2013 2012	276,250 260,000 243,345	27,013 26,013 -	40,101 42,947 44,895	190,000 170,000 165,700	45,788 43,431 39,485	20,648 25,313 14,583	599,800 567,704 508,098
John C. Walker Former President & CEO[2]	2014 2013 2012	320,833 535,600 520,000	412,495 401,713 -	252,720 249,458 255,530	217,443 400,000 400,000	142,426 138,773 135,539	13,443 64,661 44,615	1,359,360 1,790,205 1,355,684

Notes:

1. President & CEO effective August 1, 2014.

2. President & CEO to July 31, 2014. All amounts are calculated as at July 31, 2014 with the exception of Pension. Pension value is at December 31, 2014 in recognition of Mr. Walker's continued service with Fortis Inc.
3. Represents the cash value of the 2014 PSUs granted in the year based on the volume-weighted average trading price of the Fortis common shares traded on the TSX during the last 5 trading days immediately preceding the date of grant. The volume-weighted average trading price used was determined to be $30.42.
4. Represents the fair value of options granted by Fortis to acquire common shares of Fortis. The fair value of $4.21 for 2012, $3.91 for 2013 and $3.53 for 2014 options were determined at the date of grant using the Black-Scholes Option Pricing Model.
5. Represents amounts awarded under the Corporation's short-term non-equity incentive program in recognition of FEI and FBC's respective corporate performances and the individual's performance for the reported year and paid in the following year.
6. Represents compensation paid or accrued related to defined benefit, defined contribution, RRSP and the SERP.
7. Includes, where applicable the aggregate of amounts paid by FEI, FBC or FHI for payment in lieu of vacation, employees' savings plan, insurance premiums, employee share purchase dividend, interest benefit from employee share purchase plan loans and flexible benefit plan taxable cash. Only includes perquisites, including property or other personal benefits provided to an 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 an NEO's salary.
8. Amounts reported represent amounts payable by FBC for Mr. Mulcahy, Ms. Leeners, Mr. Sam and Mr. Walker's services to FBC and other FortisBC companies. FEI proportionately reimburses FBC for their services.
9. Amounts reported represent amounts paid by FEI for Mr. Stout's service to FBC and other FortisBC companies. FBC proportionately reimburses FEI for his service.
10. Amounts reported represent amounts paid by FHI for Mr. Dall'Antonia's service to FBC and other FortisBC companies. FBC proportionately reimburses FHI for his service.

There is a written employment contract between FEI and Mr. Stout which contains the basic provisions of employment including, among other things, base salary, short-term incentive bonus, vacation and benefits, Mr. Dall'Antonia has a written employment agreement with FHI which includes similar basic provisions. Mr. Mulcahy, Ms. Leeners, Mr. Sam and Mr. Walker do not have a written employment contract with the Corporation, FEI or FHI.

C. INCENTIVE PLAN AWARDS

The following table sets details of unexercised in-the-money options and PSUs held by each NEO. The aggregate value of the options is based on the difference between the Fortis share price at December 31, 2014 of $38.96 and the exercise price of the options. The aggregate value of the PSUs is based on the Fortis share price at December 31, 2014 of $38.96.

		Option Based Awards				Share Based Awards		
Name	**Year option granted**	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units that have not vested (#)**	**Market or payout value of share based awards that have not vested ($)**	**Market or payout value of vested share based awards not paid out or distributed ($)**
Michael A. Mulcahy	2006	12,751	22.94	28-Feb-16	204,271	–	–	–
	2009	12,004	22.29	11-Mar-16	200,107	–	–	–
	2010	12,516	27.36	1-Mar-17	145,186	–	–	–
	2011	12,792	32.95	2-Mar-18	76,880	–	–	–
	2012	12,696	34.27	4-May-22	59,544	–	–	–
	2013	13,336	33.58	19-Mar-23	71,748	1,758.000	68,492	–
	2014	15,132	30.73	24-Feb-24	124,536	2,038.073	79,403	–
		91,227			**882,272**	**3,796.073**	**147,895**	

Name	Year option granted	Option Based Awards: Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)	Share Based Awards: Number of shares or units that have not vested (#)	Market or payout value of share based awards that have not vested ($)	Market or payout value of vested share based awards not paid out or distributed ($)
Michele I. Leeners	2010	12,612	27.36	1-Mar-17	146,299	–	–	–
	2011	10,700	32.95	2-Mar-18	64,307	–	–	–
	2012	10,664	34.27	4-May-22	50,014	–	–	–
	2013	11,616	33.58	19-Mar-23	62,494	766.000	29,843	–
	2014	13,180	30.73	24-Feb-24	108,471	887.000	34,558	
		58,772			**431,585**	**1,653.000**	**64,401**	
Doyle Sam	2008	54	28.27	26-Feb-15	577	–	–	–
	2010	12,612	27.36	1-Mar-17	146,299	–	–	–
	2011	11,428	32.95	2-Mar-18	68,682	–	–	–
	2012	11,556	34.27	4-May-22	54,198	–	–	–
	2013	12,860	33.58	19-Mar-23	69,187	1,696.000	66,076	–
	2014	15,132	30.73	24-Feb-24	124,536	2,038.073	79,403	
		63,642			**463,479**	**3,734.073**	**145,479**	
Douglas L. Stout	2009	3,232	22.29	11-Mar-16	53,877	–	–	–
	2010	14,364	27.36	1-Mar-17	166,622	–	–	–
	2011	12,188	32.95	2-Mar-18	73,250	–	–	–
	2012	12,068	34.27	4-May-22	56,599	–	–	–
	2013	12,676	33.58	19-Mar-23	68,197	835.000	32,532	–
	2014	14,156	30.73	24-Feb-24	116,504	953.292	37,140	
		68,684			**535,049**	**1,788.292**	**69,672**	
Roger A. Dall'Antonia	2010	11,788	27.36	1-Mar-17	136,741	–	–	–
	2011	10,700	32.95	2-Mar-18	64,307	–	–	–
	2012	10,664	34.27	4-May-22	50,014	–	–	–
	2013	10,984	33.58	19-Mar-23	59,094	766.000	29,843	–
	2014	11,360	30.73	24-Feb-24	93,493	887.548	34,579	
		55,496			**403,649**	**1,653.548**	**64,422**	
John C. Walker(1)	2011	60,700	32.95	2-Mar-18	364,807	–	–	–
	2012	60,696	34.27	4-May-22	284,664	–	–	–
	2013	63,800	33.58	19-Mar-23	343,244	11,829.000	460,858	–
	2014	71,592	30.73	24-Feb-24	589,202	13,559.757	528,288	
		256,788			**1,581,917**	**25,388.757**	**989,146**	**-**

Note:

1. Amounts reflect value of options vested prior to July 31, 2014.

The following table sets forth the value of option based awards, share based awards and non-equity incentive plan compensation vested or earned by the NEO during the most recently completed financial year. The aggregate value of the option based awards vested during the year is based on the difference between the

Fortis share price on the vesting date of any options that vested during 2014 and the exercise price of the options.

Name	Option based awards value vested during 2014 ($)(2)	Share based awards value during 2014 ($)(3)	Non-equity incentive plan compensation value earned during 2014 ($)
Michael A. Mulcahy	7,510	–	247,000
Michele I. Leeners	7,567	–	178,000
Doyle Sam	7,567	–	197,000
Douglas L. Stout	8,618	–	203,000
Roger A. Dall'Antonia	7,073	–	190,000
John C. Walker(1)	25,330	–	217,443

Notes:

1. Amounts reflect value of options vested prior to July 31, 2014.
2. No value was attributed to options that were out-of-the-money on the vesting date.
3. No share based award payments were realized or paid in 2014.

D. PENSION PLAN BENEFITS

The following table sets forth the details of the defined benefit pension plans ("DB") for the following NEO.

Name	Number of years credited service (#)	Annual benefits payable ($)		Opening present value of DB obligation ($)	Compensatory change ($)	Non-compensatory change ($)	Closing present value of DB obligation ($)
		At year end	At age 65				
John C. Walker(1)	31.66	104,436	115,445	1,173,672	38,281	271,691	1,483,644
Douglas L. Stout(2)	0.42	2,000	2,000	25,000	-	4,000	29,000

Notes:

1. Amounts reflect value as at December 31, 2014 in recognition of Mr. Walker's continued service with Fortis Inc.
2. Mr. Stout ceased to accrue further service under the FHI Plan and the FHI SRP effective May 31, 2007.

The information shown in the defined benefit pension plan table above has been calculated using the valuation method and actuarial assumptions described in the pension note in the respective pension plan sponsor's annual financial statements for 2014.

Mr. Walker participates in the Fortis Inc. Retirement Income Plan (the "DB RPP"). The DB RPP provides for an annual accrual of 1.33 per cent up to final average years maximum pensionable earnings ("YMPE") as defined under the Canada Pension Plan and 2 per cent in excess of the final average YMPE (limited to $182,000 per year) up to the NEO's best average earnings. The best average earnings are based on the 36 consecutive months of service during which earnings were highest. The final average YMPE is based on the final 36 months of service. The DB RPP provides a payout upon retirement based on the number of years of credited service and actual pensionable earnings and has a maximum accrual period of 35 years.

Mr. Walker also participates in the Fortis Inc. Pension Uniformity Plan (the "DB PUP"). The DB PUP provides the portion of the calculated pension that cannot be provided under the DB RPP due to limits prescribed by the *Income Tax Act.* For the purposes of the DB PUP, the recognized earnings are limited to the base earnings rate that was in effect at December 31, 1999.

Mr. Stout participates in the FEI Retirement Plan for Management and Exempt Employees (the "M&E Plan"), a non-contributory pension plan. The M&E Plan has both a defined contribution (DC) provision and a defined benefit (DB) provision. The DB and the DC component of the M&E Plan was frozen effective December 31, 2006.

Effective January 1, 2007, Mr. Stout became a member of the Pension Plan for Employees of FHI (the "FHI Plan") – a contributory defined benefit plan. The FHI Plan provides a pension benefit equal to 2 per cent of final average earnings (limited to $250,000 per year), integrated with the Canada Pension Plan. Members can retire with an unreduced pension at age 60 or when age plus continuous service equal 90 years. Pension benefits are otherwise reduced by 3 per cent per year. Members are required to contribute 50 per cent of the total required contributions to the FHI Plan.

The following table sets forth the details of the defined contribution amounts and supplemental employee retirement plan for the respective NEOs.

Name	Accumulated value at start of year ($)	Compensatory ($)	Accumulated value at year end ($)[(2)]
Michael A. Mulcahy	420,528	45,852	485,752
Michele I. Leeners	213,639	32,930	254,407
Doyle Sam	232,147	40,730	281,485
Douglas L. Stout	487,000	38,000	571,000
Roger A. Dall'Antonia	151,353	33,653	190,830
John C. Walker[(1)]	1,294,514	104,145	1,470,564

Notes:

1. Amounts reflect value as at December 31, 2014 in recognition of Mr. Walker's continued service with Fortis Inc.
2. Includes non-compensatory amount, including regular investment earnings on contributions, which are not included as a separate column in the table above.

Each of Mr. Mulcahy, Ms. Leeners, Mr. Sam, Mr. Stout and Mr. Dall'Antonia participate in an RRSP which requires the NEO to contribute to a self-directed RRSP equal to 6.5% of the individual's annual base salary which is matched by the corporation that employs them, up to the maximum contribution limit allowed by the Canada Revenue Agency. In 2014, the respective corporations that employ each of the NEOs contributed $12,135 for each of the NEO's participating in the defined contribution retirement plan.

In addition, Mr. Mulcahy, Ms. Leeners, Mr. Sam, Mr. Stout, Mr. Dall'Antonia and Mr. Walker participate in a defined contribution supplemental employee retirement plan (the "DC SERP"). The DC SERP provides for the accrual by the respective corporations who employ each of the NEOs of an amount equal to 13 per cent of the annual base earnings of the NEO. This accrual is in excess of the allowed Canada Revenue Agency limit to a notional account which accrues interest equal to the rate of a 10-year Government of Canada Bond plus a premium of 0 per cent to 3 per cent dependent upon years of service. At the time of retirement, the notional amounts accumulated under the DC SERP may be paid to the NEO in one lump sum or in equal payments up to 15 years.

In addition, Mr. Stout also participates in the M&E Plan's corresponding non-registered supplemental plan, the FEI Supplemental Retirement Plan (the "M&E SRP"). The M&E SRP provides the portion of the pension promise that cannot be paid from the M&E Plan because of limits imposed by the Income Tax Act. The M&E SRP was frozen effective December 31, 2006.

Lastly, Mr. Stout also participates in the FHI Plan's corresponding non-registered supplemental plan, the Supplemental Pension Plan for Employees of FHI (the "FHI SRP"). The FHI SRP is designed to provide the executives with the portion of the pension promise which cannot be paid from the FHI Plan because of limits imposed by the Income Tax Act. As the executives are members of the FHI Plan, they are automatically members of the FHI SRP.

E. TERMINATION AND CHANGE OF CONTROL BENEFITS

The discussion below sets out the terms of the employment contracts that trigger benefits arising from termination and/or change of control as of January 1, 2014 for all NEOs with the exception of Mr. Mulcahy, Ms. Leeners, Mr. Sam and Mr. Walker.

There are no contracts, agreements, plans or arrangements that provide for payments to Mr. Mulcahy, Ms. Leeners, Mr. Sam and Mr. Walker at, following or in connection with any termination. There are written employment contracts between FEI and Mr. Stout and between FHI and Mr. Dall'Antonia that contain similar basic provisions dealing with termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of FHI or FEI or a change in a NEO's responsibilities (excluding perquisites and other personal benefits if the aggregate of this compensation is less than $50,000). Hereinafter, FEI will be referred to as the "employing corporation" for Mr. Stout and FHI will be referred to as "employing corporation" for Mr. Dall'Antonia.

Executive Employment Contracts – NEOs

1. Termination Without Cause

In the event the employing corporation terminates the executive without cause the employing corporation will pay all amounts owed by the employing corporation under the specific employment agreement as of the date of termination and the following payments in lieu of notice of termination:

(a) an amount in lieu of any entitlement to short term incentive plan payment for the calendar year in which the executive is terminated equivalent to the average amount of short term incentive plan payment paid to the executive respecting the previous two calendar years prorated from the beginning of the calendar year in which the executive is terminated to the date of written notice of termination;

Executive	Amount
Douglas L. Stout	$176,250
Roger A. Dall'Antonia	$167,850

(b) an amount in lieu of any entitlement to Annual Base Salary and short term incentive plan payments equivalent to two times the executive's Annual Base Salary at the date of termination plus two times the average amount of short term incentive plan payment paid or payable to the executive under the employment agreement respecting the previous two full calendar years prior to the calendar year in which the executive is terminated;

Executive	Salary	Incentive
Douglas L. Stout	$580,000	$352,500
Roger A. Dall'Antonia	$570,000	$335,700

(c) an amount in lieu of all registered pension plan, supplemental pension plan contributions and all other benefit contributions ordinarily paid by the employing corporation for insured benefits equivalent to a per cent of the total amount paid to the executive by the employing corporation; and

Executive	Pension & Benefits	Per cent
Douglas L. Stout	$279,750	30%
Roger A. Dall'Antonia	$271,710	30%

(d) an amount in respect of outplacement counseling up to 10 per cent of the executive's Annual Base Salary to be paid directly to an outplacement counseling agency as chosen by the employing corporation.

Executive	Amount
Douglas L. Stout	$29,000
Roger A. Dall'Antonia	$28,500

The executive's entitlement to any long-term incentive compensation at the date of termination shall be solely determined in accordance with the terms of any long-term incentive plan and any long-term incentive agreement in force as at the date of termination of the employment agreement.

2. Termination by Executive for Good Reason
In the event the executive terminates the employment agreement and resigns as an executive for "good reason", the executive shall be entitled to payments equal to the payments for termination without cause, set out above, provided that the executive must invoke his/her right to resign for good reason within 90 days of the occurrence of any events which cause there to be good reason.

Good reason is defined as one or more of the following events, occurring without the executive's written consent:

(a) a material diminution or adverse change to the executive's position, nature of responsibilities, or authority within the FHI companies that is not contemplated by the employment agreement;

(b) a decrease in the executive's Annual Base Salary as provided in the employment agreement (or as such amounts may be increased from time to time) excluding any amounts accrued by or paid to the executive relating to incentive compensation amounts and any decrease that may occur in the value of the executive's benefits under the employing corporation's benefit plans resulting from a restructuring of any or all benefit plans at the discretion of the employing corporation;

(c) any other failure by the employing corporation to perform any material obligation under, or breach by the employing corporation of any material provision of the employment agreement;

(d) a relocation of the executive's current primary work location to a location greater than 83 kilometers from its current location; or

(e) any failure to secure the agreement of any successor entity to the employing corporation to fully assume the employing corporation's obligations under the employment agreement,

but does not include any financial transaction that may occur between Fortis, FHI or FEI respectively, the employing corporation or, as applicable, any corporation related to Fortis, FHI or FEI respectively or the employing corporation.

F. DIRECTOR COMPENSATION

Directors of FBC also serve on the respective boards of FEI and FHI, and the companies share the total board compensation costs proportionately. Directors (other than directors who are officers or employees of FBC, FEI or FHI) are paid an annual director retainer of $35,000. Meeting fees of $1,250 are paid for each Board meeting and for each committee meeting attended. In lieu of a director's retainer, the Chair of the Board receives an annual retainer of $67,500. The Chair of the Audit & Risk Committee and the Chair of the Governance Committee receive an additional annual retainer of $8,000 and $4,000 respectively. The directors were reimbursed for miscellaneous out-of-pocket expenses incurred in carrying out their duties as directors and each director that attended a group of meetings outside of their regional area of residence was paid an additional $1,000 for travel time.

The following table sets forth the aggregate amounts of individual director compensation which were proportionately paid by FBC, FEI and FHI in 2014.

Name	Fees earned ($)	All other compensation[7] ($)	Total ($)
Barry V. Perry	50,000	4,000	54,000
Brenda Eaton	48,750	3,000	51,750
Christopher F. Scott	46,250	4,000	50,250
David R. Podmore	48,750	2,000	50,750
H. Stanley Marshall[1]	85,000	4,000	89,000
Harold G. Calla[2]	56,750	2,000	58,750
Ida J. Goodreau[3]	52,750	4,000	56,750
Janet P. Woodruff	48,750	2,000	50,750
John C. Walker	19,451	1,000	20,451
Karl W. Smith[4]	8,201	1,000	9,201
Linda S. Petch[5]	12,500	1,000	13,500
Steven V. Lant [6]	40,549	3,000	43,549

Notes:

1. Chair of the Board to December 31, 2014.
2. Chair of the Audit & Risk Committee
3. Chair of the Governance Committee
4. Appointed to the Board of Directors November 1, 2014.
5. Director to March 31, 2014
6. Director to October 31, 2014
7. All other compensation includes $1,000 for travel time for each group of meetings attended in person outside the director's regional area of residence.