

Appendix A

Operating Utilities and Assets Comprising the Fortis Group

FORTIS INC. SUBSIDIARIES AND ASSETS

(updated April 25, 2016)

A. Fortis Inc.'s US Utility Subsidiaries and Assets

1. FortisUS Inc.

FortisUS is a direct subsidiary of FortisUS Holdings Nova Scotia Limited (“FortisUS Holdings”), which was expressly formed for the purpose of holding FortisUS and is a wholly-owned direct subsidiary of Fortis Inc. Currently, FortisUS’s subsidiaries include CH Energy Group, Inc. (“CHEG”), whose principal subsidiary is Central Hudson Gas & Electric Corporation (“Central Hudson”), and UNS Energy Corporation (“UNS Energy”), which owns Tucson Electric Power Company (“TEP”), UNS Electric, Inc. (“UNS Electric”), UNS Gas, Inc. (“UNS Gas”), and UniSource Energy Development Company (“UEDC”).

2. CHEG

CHEG is a wholly owned, direct subsidiary of FortisUS, with its principal office located in Poughkeepsie, New York. CHEG is principally engaged in the business of owning Central Hudson, a regulated New York gas and electric corporation.

a. Central Hudson

Central Hudson is a direct, wholly-owned subsidiary of CHEG. It is a regulated New York gas and electric corporation, headquartered in Poughkeepsie, New York, that operates as a transmission and distribution public utility serving approximately 300,000 electric customers and 79,000 natural gas customers in eight counties in New York’s mid-Hudson Valley region. Central Hudson owns transmission facilities in New York under operational control of the New York Independent System Operator, Inc. (“NYISO”). Central Hudson purchases more than 98% of its electricity, but does own two gas turbine units and three small hydroelectric stations in the NYISO Balancing Area Authority (“BAA”) (with an aggregate nameplate installed generating capacity of approximately 66 MW). Central Hudson is regulated by the New York Public Service Commission. Central Hudson also has some long-term contracts with several small power facilities, totaling approximately 13 MW that Central Hudson uses as load modifiers to hedge its retail load and are treated as under the control of Central Hudson. New York is a retail choice state, so none of Central Hudson’s retail electric customers are captive. Central Hudson is a “public utility” under the Federal Power Act (“FPA”), and is authorized by the Federal Energy Regulatory Commission (“FERC”) to sell electric power at market-based rates.

b. Central Hudson Enterprises Corporation (“CHEC”)

CHEC is a direct, wholly-owned subsidiary of CHEG. It owns the following small investments in generation projects located in the PJM BAA, as well as investments in other companies:¹

(i) Hunterdon Cogeneration Limited Partnership (“*Hunterdon*”). CHEC owns a 50% limited partnership interest in the Hunterdon Cogeneration Limited Partnership (“*Hunterdon*”), a 4 MW cogeneration facility that provides electricity and steam to the Hunterdon Development Center and Edna Mahan Correctional Facility for Women in Union, New Jersey. The original contract expired on October 31, 2013, and has been amended to expire on August 31, 2016. FERC has granted Qualifying Facility (“QF”) status to Hunterdon.

(ii) CH-Community Wind Energy LLC (“*CH-CWELP LP*”). CHEC owns 50% of CH-WELP LP, which in turn owns a 40.7% Class B membership interest in JB Wind Holdings, LLC (“*JB Wind Holdings*”), which represents 17.7% of the total initial invested capital in JB Wind Holdings. JB Wind Holdings owns two wind projects: Jersey-Atlantic Wind, LLC, a 7.5 MW wind farm in Atlantic County, New Jersey, and Wind Park Bear Creek, LLC, a 24 MW wind farm in Luzerne County, Pennsylvania. Both wind projects have been granted QF status by FERC.

(iii) Nth Power Technologies Fund II LP (“*Nth Power Technologies*”). Nth Power Technologies is a venture capital investment fund located in San Francisco, California, specializing in venture capital investments in energy projects. CHEC maintains a 4% limited partnership interest in Nth Power Technologies.

c. Central Hudson Electric Transmission, LLC (“CHET”)

CHET is a wholly owned subsidiary of CHEG. It holds a 6.1% ownership interest in New York Transco, LLC (“*NY Transco*”), which was established in 2014 to develop, construct, and own electric transmission facilities. NY Transco has applied to FERC for formula rates and transmission rate incentives for several transmission projects in New York.²

d. Central Hudson Gas Transmission LLC (“CHGT”)

CHGT is a wholly owned subsidiary of CHEG. It was formed to hold the ownership interest in a FERC-regulated natural gas pipeline project. Currently, CHGT does not own any assets or engage in any FERC-jurisdictional activity.

3. UNS Energy

¹ CHEC previously owned Griffith Energy Services Inc., a non-regulated energy services company engaged in distribution of heating oil, gasoline, diesel fuel, kerosene and propane to customers in the mid-Atlantic region, as well as heating, ventilation and air conditioning services. Griffith Energy Services Inc. was sold to Star Gas Partners, L.P. on March 4, 2014. CHEC also previously had a 32.5 percent limited partnership interest in Plymouth Cogeneration Limited Partnership (“*Plymouth*”), which owned a 1.25 MW cogeneration facility in New Hampshire. CHEC’s interest in Plymouth was transferred to Plymouth State College in Plymouth, New Hampshire as of January 1, 2014.

² See *New York Indep. Sys. Operator, Inc.* 151 FERC ¶61,004 (2015).

UNS Energy, a direct, wholly-owned subsidiary of FortisUS, is a holding company existing under the laws of Arizona with its principal offices in Tucson, Arizona. UNS Energy is principally engaged in the business of owning TEP, UNS Electric, UEDC, and their affiliate UNS Gas, Inc. (“UNS Gas”).

a. TEP

TEP, a direct, wholly-owned subsidiary of UNS Energy, is an Arizona public service corporation. TEP is a vertically integrated utility providing regulated electric service to approximately 417,000 retail customers across 1,155 square miles of retail service territory in the greater Tucson metropolitan area in Pima County, Arizona and parts of Cochise County, Arizona. It is subject to regulation by the Arizona Corporation Commission (“ACC”) with respect to retail electric rates, the issuance of securities, affiliate transactions, and the maintenance of books and records and other matters.

TEP owns or leases approximately 2,763 MW³ of generating capacity. As part of compliance with Arizona’s Renewable Energy Standard and Tariff, TEP has also entered into power purchase agreements (“PPAs”) with approximately 234 MW of renewable resources that have come online. TEP does not provide any wholesale or retail natural gas service, and does not own or operate any natural gas pipelines or distribution facilities. TEP is a “public utility” under the FPA. FERC has granted TEP market-based rate authority and TEP sells electricity at wholesale to other utilities and power marketers in the southwestern United States.

TEP presently owns, or participates in, an overhead electric transmission system consisting of approximately 2,173 circuit-miles of high voltage lines (138 kV to 500 kV). Open access to these facilities is provided pursuant to TEP’s OATT. TEP operates a NERC-certified BAA within Arizona and portions of western New Mexico.

b. UNS Electric

UNS Electric, a direct, wholly-owned subsidiary of UniSource Energy Services, Inc. (“UES”), which is a direct, wholly-owned subsidiary of UNS Energy, is an Arizona electric utility operating company that provides retail electric service to approximately 93,000 customers in Mohave Country in northwest Arizona and in Santa Cruz County in southern Arizona. Substantially all of UNS Electric’s customers are residential or commercial classifications. UNS Electric is subject to regulation by the ACC with respect to retail electric rates, the issuance of securities, affiliate transactions, the maintenance of books and records, and other matters. UNS Electric is a “public utility” under the FPA and has been granted market-based rate authority by FERC.

³ This figure: (a) represents A/C equivalent maximum output values for solar facilities and nameplate values for all others; (b) includes TEP’s proportionate share of jointly-owned generating facilities, as well as Unit No. 2 of the Springerville generating station which is owned directly by TEP’s wholly owned subsidiary San Carlos Resources, Inc; and (c) TEP’s 49.5% of the fee interests in Springerville Unit No. 1, a 424.8 MW (nameplate) electric generating unit located near Springerville, Arizona. Currently pending before FERC is TEP’s application for authorization to acquire the remaining 50.5% fee interest in Springerville Unit No. 1. *See Tucson Electric Power Co.*, FERC Docket No. EC16-96-000 (filed March 29, 2016).

UNS Electric owns approximately 391 MW combined output of generating capacity.⁴ As part of compliance with Arizona’s Renewable Energy Standard and Tariff, UNS Electric has also entered into PPAs with approximately 19 MW⁵ of renewable resources that have come online. UNS Electric’s transmission system consists of approximately 334 circuit-miles of transmission lines rated 69 kV and above. All of UNS Electric’s transmission facilities are located in Arizona. Open access to these facilities is provided pursuant to UNS Electric’s OATT.

UNS Electric does not operate its own electric balancing authority area; rather, its transmission lines and load are part of the TEP BAA. Following energization of the approximately 55-mile, 138 kV Vail-Valencia transmission line in December 2013,⁶ the UNS Electric service territory in Santa Cruz County in southern Arizona is now directly interconnected with the core of the TEP BAA.⁷

c. UNS Gas

UNS Gas, a direct, wholly-owned subsidiary of UESUNS Energy, is an Arizona distribution company serving approximately 152,000 retail customers in portions of northern and southern Arizona. UNS Gas owns 31 miles of gas transmission lines. Its gas transmission and distribution lines serve three electric generation facilities located in Arizona – Black Mountain, Valencia Generating Facility and Griffith Power Plant.⁸ UNS Gas is subject to regulation by the ACC with respect to retail gas rates, issuance of securities, affiliate transactions, maintenance of books and records, among other matters. Most of the gas distributed by UNS Gas in Arizona is procured from the San Juan Basin and delivered on the El Paso and Transwestern interstate pipeline systems.

d. UEDC

UEDC, a direct, wholly-owned subsidiary of UNS Energy and an Arizona corporation, is a “public utility” under the FPA and has a market-based rate tariff on file with FERC but it does not presently engage in any relevant business activities.⁹ UEDC formerly owned and operated the 121 MW (nameplate) Black Mountain Generating Station (“Black Mountain”) in northern Arizona, but sold the facility to UNS Electric in July 2011.

⁴ This figure represents A/C equivalent maximum output values for solar facilities and nameplate values for all others.

⁵ After May 18, 2016, this figure will increase to 49 MW when an additional 30 MW of renewable resources are expected to come online.

⁶ Historically, UNS Electric’s lines and load were not contiguous to the “core” of the TEP BAA (*i.e.*, not directly interconnected to the TEP service territory), but were interconnected with third-party transmission lines that form part of the adjacent WALC BAA.

⁷ UNS Electric’s transmission system in Mohave County in northwest Arizona is not directly interconnected with TEP’s system and remains interconnected with the core of the TEP BAA only over third-party transmission lines.

⁸ Black Mountain Generating Station and Valencia Generating Facility are owned by UNS; the Griffith Power Plant is owned by Star West Generation LLC.

⁹ UEDC formerly owned and operated the 121 MW (nameplate) Black Mountain Generating Station in northern Arizona, but sold the facility to UNS Electric in July 2011.

B. Fortis Inc.'s Canadian Utility Subsidiaries and Assets

1. FortisBC Holdings Inc. ("FortisBC Holdings")

FortisBC Holdings (formerly Terasen Inc.), a wholly owned, direct subsidiary of Fortis Inc., is a holding company headquartered in Vancouver, British Columbia, that owns FortisBC Energy Inc. ("FortisBC Energy"). FortisBC Energy is primarily a natural gas distribution utility in British Columbia, Canada, serving approximately 985,000 customers. FortisBC Holdings also owns FortisBC Midstream, which is the owner of the Aitken Creek gas storage facility,¹⁰ the largest gas storage facility in British Columbia, with a total gas capacity of 77 billion cubic feet. In addition, FortisBC Holdings owns FortisBC Huntingdon Inc. ("FortisBC Huntingdon"), which owns approximately 115 meters of pipeline facilities that interconnect the FortisBC Energy pipeline system to Northwest Pipeline's facilities at the U.S.-Canada border.

These FortisBC Huntingdon facilities are subject to regulation by the Canadian National Energy Board, as they interconnect at an international boundary. The remaining gas facilities owned by FortisBC Holdings are provincially regulated by the British Columbia Utilities Commission and the British Columbia Oil and Gas Commission.

FortisBC Holdings does not own or control any gas storage or pipeline facilities in the United States. It does, however, contract to utilize natural gas storage facilities in Washington and Oregon and transportation capacity on the Northwest Pipeline to help meet winter load requirements for certain FortisBC Energy gas customers.¹¹ The storage gas is sourced in Canada and transmitted over FortisBC Huntingdon pipelines to the United States border where it is transported by Northwest Pipeline. Redelivery of gas from the storage facilities is transported via Northwest Pipeline to the interconnection with FortisBC Huntingdon at the U.S.-Canada border, which in turn delivers the storage gas into the FortisBC Energy pipeline system in British Columbia.

FortisBC Energy engages in commodity resale activities, selling surplus natural gas to marketers and other utilities or other parties in Canada. This surplus natural gas is gas that FortisBC Energy contracts for on an annual basis, but that may be surplus to its customers' requirements during any particular day or period due to weather variations. All of these sales are made in Canada, historically at either the Huntingdon or Kingsgate market hubs. Neither FortisBC Energy nor FortisBC Huntingdon make retail or wholesale sales of gas in the United States.

2. FortisAlberta Inc. ("FortisAlberta")

FortisAlberta, a wholly-owned, indirect subsidiary of Fortis West Inc. ("FortisWest"), which is a direct wholly-owned subsidiary of Fortis Inc., was purchased from

¹⁰ FortisBC Midstream owns 93.8% of the Aitken Creek gas storage site. The remaining share is owned by BP Canada Energy Company.

¹¹ Specifically, FortisBC Energy has contracts for use of the Jackson Prairie Natural Gas Storage Facility, located in Washington State and jointly owned by Puget Sound Energy, Avista Utilities and Northwest Pipeline, and the Mist Storage Facility located in Oregon and owned by Northwest Natural Gas Company.

Aquila Networks Canada Ltd., a subsidiary of Aquila Inc., in 2004. FortisAlberta owns and operates regulated electricity distribution facilities located exclusively in the Province of Alberta and serves approximately 539,000 customers. It neither owns any transmission facilities in the United States nor makes any sales of power in the United States.

3. FortisBC Inc. (“FortisBC”)

FortisBC, a wholly-owned, direct subsidiary of FortisBC Pacific Holdings Inc. (“FortisBC Pacific”), which is a direct subsidiary of FortisWest, a vertically integrated electric utility operating in the southern interior of British Columbia that serves approximately 168,000 customers. FortisBC owns four hydroelectric generating facilities with a combined capacity of approximately 225 MW on the Kootenay River in British Columbia and a 16 MW hydroelectric generating facility near Lillooet, British Columbia. FortisBC also provides operating, maintenance and management services related to four other hydroelectric generation facilities in British Columbia. FortisBC does not make any sales of power in the United States or engage in the transmission of electric energy in the United States. FortisBC does have agreements with power marketers and occasionally engages in sales to the power marketers. All of these sales occur either within British Columbia or at the U.S.-Canada border, and title passes to the power marketers in British Columbia or at the U.S.-Canada border before the electricity enters the United States. FortisBC also purchases power at the U.S.-Canada border or within British Columbia that is sourced from the United States.

4. Newfoundland Power Inc. (“Newfoundland Power”)

Newfoundland Power’s common shares are owned by Fortis Inc. Newfoundland Power owns and operates facilities for the generation, transmission and distribution of electricity exclusively in the island portion of the Province of Newfoundland and Labrador, and serves approximately 262,000 customers. It has a total installed generating capacity of approximately 139 MW (97 MW hydroelectric, 5 MW diesel and 37 MW gas turbines). There is no electrical interconnection between the island of Newfoundland and mainland Canada or the United States, and Newfoundland Power does not sell power in the United States.¹²

5. FortisOntario Inc. (“FortisOntario”)

FortisOntario is a wholly-owned, direct subsidiary of Fortis Inc. FortisOntario is a licensed electricity generator, transmitter and distributor in Canada, is a registered market participant with the Independent Electricity System Operator in Ontario, and holds two permits from the National Energy Board (Canada) for the import/export of electricity between Canada and the United States. FortisOntario’s wholly-owned regulated utility investments in Ontario provide integrated electric utility service to more than 65,000 customers through its local distribution companies (Algoma Power Inc., Canadian Niagara Power Inc. (“CNPI”), and Cornwall Street Railway Light and Power Company Limited). FortisOntario also owns a 10% interest in each of Westario Power Inc., Rideau St. Lawrence Holdings Inc. and Grimsby Power Inc., three regional electric distribution companies serving approximately 40,000 customers in Ontario. FortisOntario also owns certain transmission assets located at Fort Erie and Cornwall

¹² There is a planned development by a provincial Crown corporation to link the island of Newfoundland to mainland Canada via a subsea cable by 2017 at the earliest.

(both in Ontario, Canada), including the Canadian portion of an emergency international 115 kV intertie that is located in Fort Erie.¹³ FortisOntario does not own any transmission facilities in the United States.

6. Maritime Electric Company, Limited (“Maritime Electric”)

Maritime Electric, is a wholly-owned subsidiary of FortisWest. Maritime Electric is the principal distributor of electricity in the Province of Prince Edward Island. It owns and operates generation, transmission and distribution facilities on the island, and serves approximately 78,000 customers throughout the Province. It has a total installed on-island generating capacity of approximately 150 MW. Maritime Electric has no direct interconnection with any electric utility in the United States and is not interconnected with any Canadian utility except NB Power (formerly New Brunswick Power Corporation), with which it is only interconnected via two submarine cables, leased from the Government of Prince Edward Island. Maritime Electric does not export power from Prince Edward Island except for occasional sales to NB Power or Nova Scotia Power Inc. during curtailment events. Thus, Maritime Electric is primarily a distribution company and makes only very limited sales to electric markets outside Prince Edward Island and none into United States markets.

7. Canadian Generation and Gas Storage Assets

Fortis Inc. has a 51% controlling ownership interest in the Waneta Expansion Limited Partnership (with the Columbia Power Corporation and the Columbia Basin Trust holding the remaining 49% interest), which owns and operates a 335 MW expansion to the Waneta hydroelectric generating facility on the Pend d’Oreille River in British Columbia. In addition, FortisOntario also owns a 5 MW natural gas-powered cogeneration plant in Cornwall, Ontario, Canada.

C. Fortis Inc.’s Caribbean Subsidiaries and Assets

Fortis Inc. also has regulated utilities holdings in the Caribbean, consisting of Fortis Inc.’s approximate 60 percent controlling interest in Caribbean Utilities Company, Ltd. (“CUC”), its 33 percent equity investment in Belize Electricity Limited (“Belize Electricity”), and Fortis Turks and Caicos. CUC is an integrated electric utility and is the sole provider of electricity on Grand Cayman, Cayman Islands. Belize Electricity is an integrated electric utility and is the principal distributor of electricity in Belize. Fortis Turks and Caicos has two integrated electric utilities that provide electricity to certain islands in Turks and Caicos.

Fortis Inc., through its wholly-owned, indirect subsidiary, Belize Electric Company Limited, also owns three, non-regulated hydroelectric generating facilities in Belize, with a combined output of

¹³ Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid”) owns the portion of the emergency international intertie that is located within the United States. This intertie, which is normally operated in an open position, enables FortisOntario to receive electric energy from the NYISO grid during emergency outages. It has been used on only a single occasion since it was constructed for approximately 22 hours on November 12 and 13, 2006, to supply Fort Erie’s load while repairs were made on the CNPI transmission system. The energy was purchased from National Grid. The international emergency intertie connects asynchronous portions of the grid; that is, it cannot be used to move power between the U.S. and Canada unless the load in Fort Erie, which would be served by the emergency power, is first disconnected from Ontario.

51 MW. All of the output of these facilities is sold to Belize Electricity under 50-year power purchase agreements, which expire in 2055 and 2060.