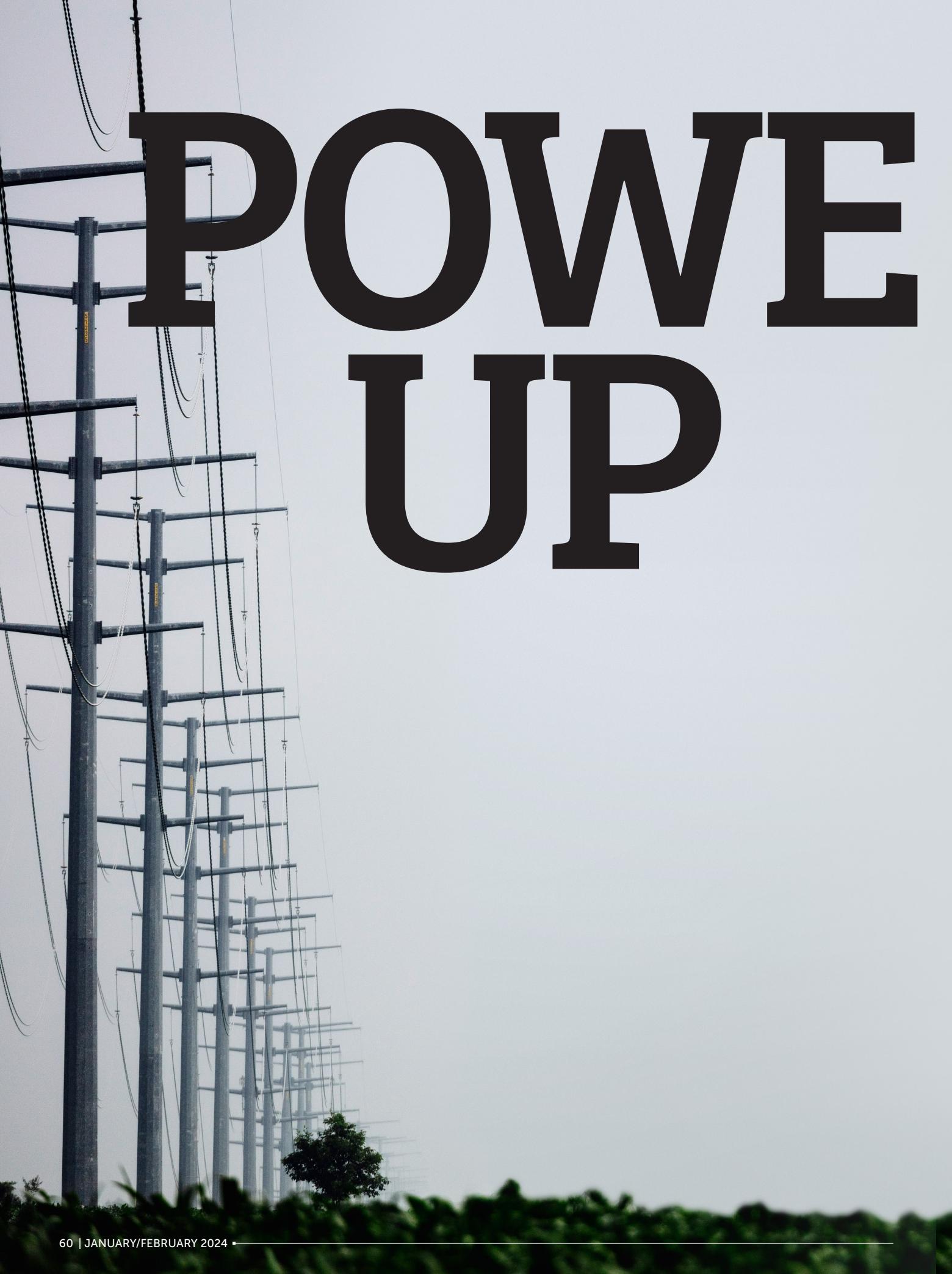


POWER UP



RING

Fortis has come a long way in 139 years—and has a long way to go yet. But there's one move they have no intention of making

BY ASHLEY FITZPATRICK

When will St. John's, Newfoundland and Labrador say goodbye to its greatest business success story? It's a question that's been asked for decades, but even more frequently since the company came under the leadership of U.S.-based president and CEO David Hutchens.

Fortis Inc. can trace its earliest roots to a humble utility service in 1885 St. John's. Today, it's a publicly traded powerhouse with \$11 billion in annual revenue (2022), subsidiaries across Canada, the U.S. and Caribbean, and a record-setting history of shareholder returns. So, when will it move its main office to some more logical, central location... like Toronto or New York?

"The answer today is still as it was when I answered it 50 times on the first day, when I went through all my employee meetings and (was) talking about becoming the new CEO: (there are) no plans to move it," Hutchens told *Atlantic Business Magazine*, smiling at getting the question yet again.

"We've got just a tremendous amount of talent on the team there," he said, on a video call from Arizona, before diving into deeper discussions on leadership and plans for the future.

A special meeting

Modern-day Fortis was born at a special meeting of Newfoundland Light & Power shareholders at the Hotel Newfoundland in St. John's on Nov. 24, 1987. The previous year, Angus Bruneau—former Dean of Engineering at Memorial University—had been named president and CEO of the electric utility. This was a vitally important local company: people depended on it for reliable and affordable power for their homes and businesses.

At that meeting, Bruneau presented shareholders with an idea for a new holding company/investment opportunity and an offer. Each of the 8,542,942 common shares of Newfoundland Light & Power (it was rebranded to Newfoundland Power in 1990) would be worth a single share of a new holding company: Fortis. Bruneau's idea, and offer, were accepted.

As noted in *The Illustrated History of Newfoundland Light & Power* by Mel Baker, Robert Pitt and Janet Miller Pitt (1990), Fortis is Latin for 'strong'. The new holding company would have the ability to leverage the steady income of the utility and pair it with investor interest in business opportunities outside of Newfoundland Power and regulated utilities. There was an interim board, including Bruneau, and they decided the official start would be Dec. 29, 1987.

Early day-to-day operations relied on cross-over appointees from Newfoundland Light & Power. These included Bruneau as well as vice-president of finance John Rutherford and corporate secretary Raymond Gosine. Herbert Stanley "Stan" Marshall—remember that name—was Fortis' first vice-president of corporate affairs. The team was tasked with vetting potential new investment opportunities. Soon, Bruneau was pulling back from his work with the utility to dedicate more time to Fortis.

In 1989, Fortis purchased a majority interest in

Newfoundland Building Savings and Investment Limited, a mortgage firm in Newfoundland and Labrador with \$4.5 million in assets. Fortis also acquired Water Street Investments Inc., and—through that company—an office building on the corner of Water and Prescott Streets in the heart of downtown St. John's, where a head office could be established.

Marshall, an ambitious and aggressive dealmaker often referred to as "Stan the Man", started as inhouse lawyer in 1979 and soon moved on to corporate affairs. In that position, he was tasked by Bruneau with overseeing the acquisition of Maritime Electric in Prince Edward Island.

Marshall was not just a lawyer but also an engineer, with a degree in chemical engineering from the University of Waterloo and a law degree from Dalhousie University. He insisted on learning not just the numbers, but the ins and outs of utility assets and operations. His efforts and approach were successful: Maritime Electric agreed to become a Fortis company in 1990.

Risks and rewards

Through experience and with the shine from the Maritime Electric deal still on him, Marshall became Fortis' president and CEO in 1996. He held both positions for the better part of the next two decades, until 2014.

His earliest days were marked by expansion into Ontario. He established what became known as "the Fortis model," identifying utilities with real potential for future returns and purchasing them—but retaining known faces and effective decisionmakers, so that business decisions for Fortis subsidiaries would be made by local utility heads and not in Fortis Inc. headquarters. It was a federation-style approach which Marshall recognized could respond to the unique demands and regulators in various jurisdictions. Local

Fortis Board: Then and Now



Fortis began with a board comprised of four interim appointees: chair Henry Collingwood, Angus Bruneau as president and CEO, Alastair Cameron and Marshall Williams as directors. Collingwood resigned in 1988 and Bruneau took on the role of chair. New members joined. The board of directors gathered for a photo in 1989, including (sitting from left) Alastair Cameron, Marshall Williams, Angus Bruneau and Arne Nielson, (standing from left) Aidan Ryan, Ian Mair, R. Geoffrey P. Styles, with Thomas Kierans, who joined soon after, in 1990, missing from the photo (Photo: Don Lane)



2023 Board of Directors

TOP (L-R): Jo Mark Zurel, chair; David Hutchens; Tracey Ball; Pierre Blouin

MIDDLE: Lawrence Borgard; Maura Clark; Lisa Crutchfield; Margarita Dilley

BOTTOM: Julie Dobson; Lisa Durocher; Gianna Manes; Donald Marchand

(Photos courtesy Fortis Inc.)

managers were empowered to act when and as needed.

Not interested in growth for growth's sake, Marshall looked for companies that would add to Fortis' earnings per share in the long term.

In 1996, Fortis secured a 50 per cent interest in Canadian Niagara Power, thereby launching their start in the Ontario market. In the second half of 2002, they launched FortisOntario. The additions didn't cover all of Ontario but drew some attention, particularly as Fortis was making international additions as well, with investments in Belize and the Cayman Islands in 2000. It would bring two utilities covering the Turks and Caicos Islands under its umbrella in the next decade, marking the launch of FortisTCI.

Going West

Electricity operations in Atlantic Canada, including under Newfoundland Power, still contributed more than \$460 million to Fortis Inc.'s \$715.5 million total revenue in 2002. But further change was coming. Talks were launched on not just more acquisitions, but acquisitions on a significant scale.

In September 2003, Fortis announced it would pay \$1.4 billion for the Canadian assets of Missouri-based Aquila Inc. The companies were Aquila Alberta and Aquila British Columbia, serving more than 525,000 customers in Southern and Central Alberta and Southern B.C. The Alberta operation was once owned by TransAlta and offered about 100,000 kilometres of transmission line as a feature asset. Aquila B.C. was formerly West Kootenay Power and its assets included four hydroelectric plants on

The founder: Angus Bruneau

There wouldn't be a Fortis story without Dr. Angus Bruneau (1935-2017).

Born in Toronto, he studied engineering physics at the University of Toronto and went on to earn a doctorate from the University of London, where he taught for two years. In 1962, Bruneau began as a junior lecturer at the University of Waterloo, moving up the ranks. He joined Memorial University of Newfoundland in 1968 and the next year became founding dean of Engineering and Applied Science. There he launched one of the first engineering co-op programs in Canada. He remained dean until 1974, before taking on a more senior administrative position.

How did he get to Fortis? First, he went into business.

He founded Bruneau Resources Management Ltd. in 1979. The private consulting firm advised industrial customers on resource development, including energy. In 1986, he became president and CEO of Newfoundland Power, leaving that role to chair the board in 1990, driving the creation of Fortis.

Bruneau was named an Officer of the Order of Canada in 1983 and awarded the Canadian Council of Professional Engineers Gold Medal in 1988. In 2006, after he'd retired as Fortis chairman, the company donated \$100,000 to renovations in the S.J. Carew Building at MUN's St. John's campus, and the main engineering lecture theatre was renamed in his honour.

(Sources: *The Illustrated History of Newfoundland Light & Power* by Melvin Baker, Robert Pitt and Janice Miller Pitt, 1990, p. 290; *Obituary, Carnell's Funeral Home.*)

Local inspiration.

From a small electricity company in Newfoundland and Labrador to one of the leading energy delivery companies in North America, our story continues to unfold and be inspired by local values.

To everyone who has contributed to our success story – thank you.

FORTIS

fortisinc.com | [@Fortis_NA](https://twitter.com/Fortis_NA) | [Fortis Inc.](https://www.linkedin.com/company/fortis-inc-/) | TSX/NYSE: FTS



the Kootenay River with 205 MW of production capacity, plus 10,000 kilometres of transmission and distribution line.

At the time, Fortis had around \$2 billion in assets and annual revenues in the \$800 million range. It planned to sell common shares (to the tune of \$350 million) and looked to the Bank of Nova Scotia as it raised the money needed for the purchase.

The decision to pick up what was a “money losing” business, as it was referred to in a report from the Canadian Press, took investors and analysts by surprise. The size of the deal was “startling” to onlookers. There was also the fact Aquila, from the U.S., had tried a push into Canada with the utilities and not fared well. How would (or could) Fortis be different?

In the utility game, size matters. Fortis had expanded but not on a continental scale. If this deal went through, the company’s assets would increase by about 75 per cent and its customer base would double to about 900,000. Company assets would suddenly surpass \$3.6 billion.

CIBC World Markets’ Matthew Akman didn’t cheer or condemn the plan in his analysis for prospective investors at the time. He noted it was a great fit for Fortis but also a great risk, saying the company was “paying a steep price.” It was, by far, the biggest deal in the company’s history.

The deal was announced after market close on a Monday and, on Tuesday, Fortis’ stock traded at \$57.25, down \$1.51 on the Toronto Stock Exchange (TSX). But even before close, Marshall went to work with the executives he retained, strategizing ways to improve the bottom line. He also went further than Aquila had in localizing management, particularly for decisions related to regulatory needs.

The landmark deal also stirred up new problems back home. Questions were being raised as to what the aggressive acquisitions could mean for folks in Newfoundland and Labrador.

“Fortis getting too big,” was the bold headline in *The Telegram* in St. John’s, just a few days after the Aquila deal was announced. It featured comments from provincial consumer advocate Dennis Browne, cautioning that new debt and the scale of the purchase could affect Newfoundland Power ratepayers. Standard and Poors warned it could lower Fortis’ A credit rating as well as that of subsidiaries like Newfoundland Power. Browne said it would affect the cost of borrowing, ultimately raising consumer bills.

“It’s our position that Newfoundland Power should be acquired by Newfoundland Hydro,” Browne said, thereby separating it from Fortis’ risky business. The idea sparked more public debate and attention on Fortis.

Browne was in the consumer advocate role from 1996-2004. He recently returned to the position, being appointed again in 2016. Contacted for this story, he declined to comment on any of the historic dealings with the company, citing both the passage of time and ongoing engagements before the provincial utilities regulator.

Still, he wasn’t the only one at the time to publicly

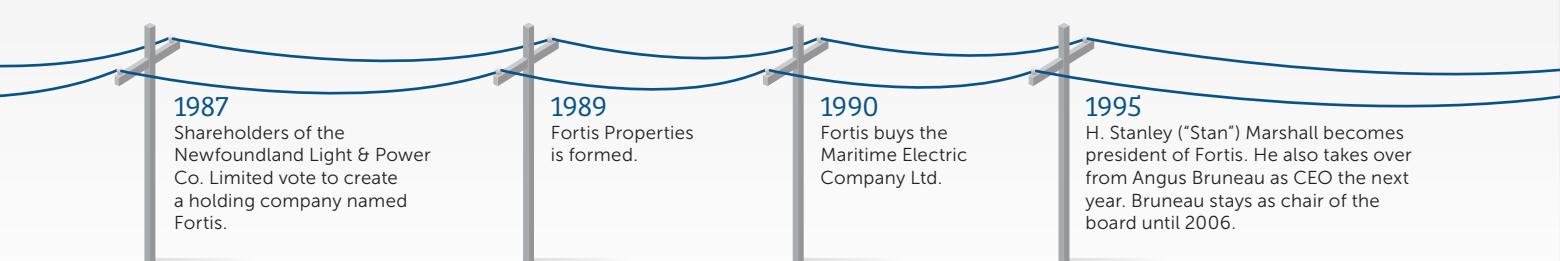


Stan Marshall

suggest the province should buy Newfoundland Power. And he certainly wasn’t the first to raise the idea. Years earlier, Liberal member and Mines and Energy Minister Walter Noel oversaw commissioning of a report on the possible public purchase of Newfoundland Power.

Meanwhile, Standard & Poors did what they said they would and lowered both the Newfoundland Power and Fortis credit ratings in January 2004, landing both at triple B+. The local regulator sought assurances steps would be taken so local ratepayers weren’t negatively affected. In the hot seat at the PUB, Newfoundland Power corporate communications manager Bob Pike said the credit rating was just one factor for the markets to consider, and just one factor in overall local customer rates. He also highlighted that other rating agencies hadn’t followed suit with the S&P approach in rating Newfoundland Power in line with Fortis.

That’s when provincial NDP leader Jack Harris raised the earlier government report. Harris said the province should look to the example of Hydro-Québec and create a public utility covering both power generation and distribution.



"I think we have to become masters of our own destiny," he told reporters, suggesting the purchase—takeover really—from Fortis could be at least partly financed through a tax on power generation. The already publicly-owned main power generator, Newfoundland and Labrador Hydro, he said, could offset the tax burden through an aggressive program of energy conservation.

Fortunately for Fortis, the Progressive Conservatives were in charge; they took office after a blue wave led by Danny Williams in the 2003 general election. The new government had its own ideas for the energy landscape in Newfoundland and Labrador. It didn't bite on privatization of Fortis' subsidiary and was soon immersed in work to develop a provincial Energy Plan, launch public power corporation Nalcor Energy and further work toward new dams on the lower Churchill River. Without a controlling stake and with reservations, the Muskrat Falls Project didn't appeal to Fortis.

Growing while growing

By the mid-2000s, Newfoundland Power had declined to 20 per cent of Fortis' business. Naturally, a lot of attention was paid to headline utility acquisitions. However, each of the Fortis subsidiaries also made acquisitions that largely flew under the radar.

At the end of 2004, what was now FortisBC announced the acquisition of the Princeton Light and Power Co. There had been some crossover with FortisBC operations and the company had about 3,200 customers. They added to FortisBC's rate base—a count essential to overall success for any regulated utility.

Another example is the purchase of Great Lakes Power Distribution in 2009 by FortisOntario. It offered a smattering of assets but long-term returns from the additional customers.

For the subsidiaries, ties to the parent company—and ties to Newfoundland and Labrador as the head office home of Fortis—were strengthened through, among other things, the movement of senior executives. Individuals with Fortis experience, particularly familiarity with Newfoundland and Labrador, were cycled into the subsidiaries.

Since each of the subsidiaries covered not just different geography but different assets, service demands and regulatory needs, the executives came away from each position with valuable new knowledge. Reciprocally, the broader management teams at each subsidiary in Western Canada and the Caribbean regularly heard about Eastern Canada. These movements also ensured whoever succeeded Marshall—and the team surrounding them—would have a strong familiarity with multiple operations.

Marshall set an impressive standard for CEO time on the road. He aimed to visit each Fortis subsidiary for in-person meetings at least once a quarter. It wasn't unusual for him to be on the road for six weeks at a time.

"We went in with a: 'holy shit, we get to talk to Stan fucking Marshall... And he made us breakfast."

Ivan Morgan, journalist

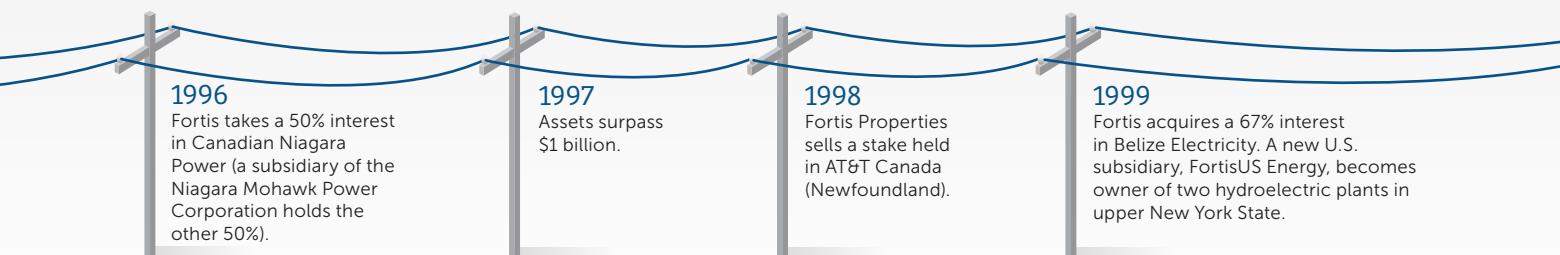
Owning the city

Outside of utilities, Fortis also had a property division.

Fortis Properties was not just another commercial property business to people in Newfoundland and Labrador. Consider this: when Fortis Properties announced in February 2002 that it was purchasing Cabot Place I, a commercial building on the corner of Gower Street and Bates Hill in downtown St. John's, with 134,000 sq. ft. of leasable space, the deal meant it then owned 40 per cent of total office space in the city's primary downtown market. That's over 570,000 sq. ft. in the area. Granted, their total inventory was a much grander 2.3 million sq. ft. of commercial space—plus hotels—across the country. But they didn't "own" any other area in the same way they dominated their hometown.

Indeed, just a few months earlier, Fortis had confirmed it was buying what was known as the former home of the St. John's Board of Trade at 155 Water Street, the downtown main street, plus the 10-floor, more than 96,000 sq. ft. building known as TD Place, just a few strides away, at the corner of Water Street and Prescott Street. TD Place was across from what was the company's headquarters, known as the Fortis Building.

Fortis wasn't just the largest office landlord in St. John's; it liked hotels too. In 2008, it was revealed the company was in the process of purchasing what was then known as the Fairmont Newfoundland. The company already owned the local Holiday Inn and the Delta Hotel in St. John's. The latest acquisition gave it over 950 hotel rooms in the city, plus hotels elsewhere in the province in Grand Falls-Windsor and Corner Brook. Fortis owned 20 hotels across Canada, but in St. John's it had reached the point where if you were holding a meeting to negotiate or settle a business deal, having a press conference to announce it and planning an after-party to celebrate, there was a good chance you were in a Fortis property from start to finish.



“It took us every sort of bit of power or communications skill that we had to convince those parties that this was the right thing to do.”

Barry Perry

Fortis Inc. invested in other non-utility businesses as well, including finance and even telecommunications, but as the years went by, their focus increasingly narrowed on power utilities. It wasn't quite with the flick of a pen, but in May 2015 Fortis announced the sale of its commercial real estate portfolio in three Canadian provinces to Slate Office REIT for \$430 million. It wasn't just office buildings. There were also malls and hotels. A separate announcement detailed the sale of the remaining real estate assets to a private investor group for \$365 million. The portfolio included 22 hotels in seven provinces.

Nora Duke was president and CEO of Fortis Properties from 2007 through the wind-down. She has since retired from Fortis and declined an interview for this story. However, at the time, the message was clear: Fortis considered the future of the business to be in energy.

Giving it the gas

Fortis was largely an electric utility company until 2007 when it moved into the business of gas distribution with the purchase of Vancouver-based Terasen Inc. from Kinder Morgan. The business would be renamed FortisBC Energy Inc.

The takeover of the natural gas distribution business, as pointedly mentioned by Marshall in each of the few interviews he gave, would make Fortis the largest investor-owned gas and electric distribution utility in Canada. It added a new area of business but also remarkably doubled the regulated rate base covered by the company, bringing it to about \$6 billion. It was largely a strategic addition.

“Ultimately, we have to end up in the United States if we want to continue to grow,” he said at the time. To no one’s surprise, Fortis was already looking to increase its reach into the U.S.

Any successful move there required a known base in the natural gas business as well as knowledge of its interplay with the electricity market. Terasen not only gave Fortis staff and leadership new knowledge and skills, it gave the company the credentials needed to open doors in the U.S.

Given public response to the Aquila deal, the Terasen announcement came with proactive media outreach in Newfoundland and Labrador. Marshall is notoriously reluctant to do press interviews. But in the days after the

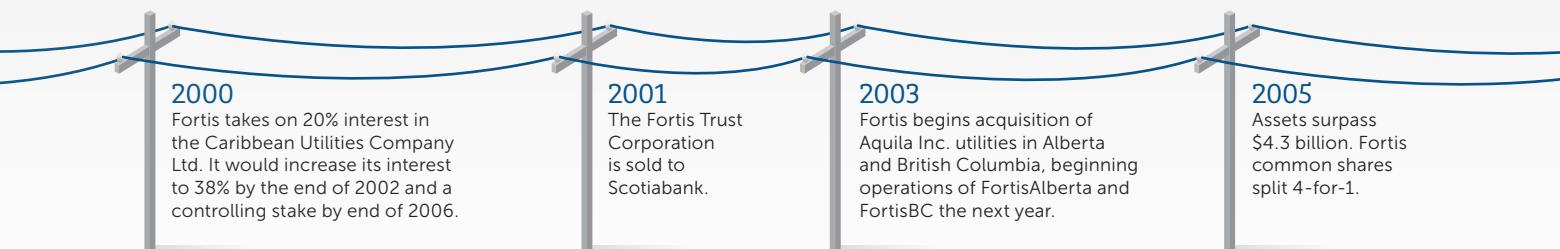
\$3.7-billion Terasen purchase was announced, journalist Ivan Morgan (reporting full-time for *The Independent* newspaper at the time) and photographer Paul Daly were invited to the corner office in the building on Water and Prescott in St. John’s, where Marshall could sometimes be found.

“We went in with a: ‘holy shit, we get to talk to Stan fucking Marshall,’” Morgan recently told *Atlantic Business Magazine*, highlighting both the rarity of the interview and Marshall’s growing public persona, now synonymous with Fortis itself.

Marshall wasn’t the head of Newfoundland Power. He was the head of a still-growing, multi-billion-dollar corporation that happened to be based in St. John’s. “And he made us breakfast,” Morgan recalls, struck by the man in the jeans and white, buttoned shirt offering them coffee, toast, or orange juice.

The discussion at one point veered into local protests against Fortis’ controversial hydroelectric development in Belize’s Macal River Valley. In 2001, Fortis (through Fortis Energy Cayman Inc.) acquired a 95 per cent stake in the Belize Electric Company; the remaining five per cent was purchased from the Social Security Board of Belize in 2004. The controversy, however, wasn’t over ownership: it was over dam construction. The planned Chalillo hydroelectric facility sparked sharp criticism from environmental activists and lawsuits against the Belizean government for its approval of the project. The U.S.-based Natural Resources Defence Council and lawyer Robert Kennedy Jr. took up the cause. Marshall and the leadership of Fortis Inc. faced protests at their annual meetings, peaking in 2002 with Chalillo dam opponents including Eligorio Sho, an Indigenous naturalist from Belize, and St. John’s activist Greg Malone. Inside, the Sierra Club of Canada posed a related question in the Q&A portion of the meeting, while Elizabeth May (leader of the Green Party of Canada) asked shareholders to abandon the project. In 2004, a legal appeal by the Belize Association of Non-Governmental Organizations to the Privy Council in London to block further work was dismissed. Belize would come up time and again, but Marshall never wavered. Along with Chalillo there was Mollejon, a 25 MW capacity hydro facility. In 2007, Fortis had landed approval for a final, third phase of development, the 19 MW Vaca power plant.

“We won in Belize,” Marshall told Morgan, a line that





Barry Perry in New York on the day Fortis was listed on the NY Stock Exchange (Submitted photo)

was quoted in *The Independent* article. It was classic Marshall—plain talk, bluntly spoken, without any attempt at appeasement.

“I really liked Mr. Marshall because he really reminded me of my Dad. If you don’t want to be told, don’t ask him,” Morgan said.

Advice and alternatives

The Terasen deal closed. In April 2008, Fortis’ team was honoured as “Deal Team of the Year” at the first Canadian Dealmakers Gala in Toronto. The award and event were sponsored by Deloitte, Lexpert, the *Globe & Mail* and Thomson Financial. There was a lot of dealmaking in the utility sector alone but, as Deloitte partner Charles Knight said at the time, “only a few achieve the level of success recognized here.”

It wasn’t the first nor the last of the accolades. Whatever pressures the company felt—the politics at play in Newfoundland and Labrador, the ups and downs in the markets, allegations of lack of thought for locals in Belize, the day-to-day challenges of utility operations—the results over time were deemed overwhelmingly positive. The shareholders were happy with their steady, increasing dividends.

A notable moment came with the Great Recession

between December 2007 and June 2009. Companies around the world struggled. But in May 2009, at an annual shareholders’ meeting in St. John’s, 300 people were in the room and not one felt compelled to pose a single question. There was nothing... not about the deals of recent years, nor plans for Fortis’ future. There were no shareholders expressing fear or outrage. The company had reported \$245 million in earnings, despite the recession, on \$3.9 billion in revenues, while analysts offered praise.

Beacon Securities’ Sarah Chaisson said Fortis was “benefiting from its strong management team,” and marked Fortis Inc. as low risk, with strong growth opportunities. She acknowledged there had been troubles in Belize, but Belize Electricity represented around two per cent of the company overall. Other analysts pointed to the professionalism and patience of Fortis management and executive teams, and its prudent “digesting” of newer utility acquisitions before continuing to grow.

Climate change was on the radar—or more to the point, carbon taxes. It was widely thought that Canada, the U.S. or both could see carbon taxes before 2020. Even so, in a report on utility company investment opportunities, ScotiaCapital’s Sam Kanes and David Forster highlighted the “green-asset based Fortis” as a favourite because of the company’s limited overall fossil fuel exposure.

2006

Fortis acquires P.P.C. Limited and Atlantic Equipment and Power (Turks and Caicos) Ltd., launching Fortis Turks and Caicos, a.k.a. FortisTCI. Meanwhile, Bruce Chafe succeeds Angus Bruneau as chair of the board of Fortis Inc.

2007

Acquiring Terasen in British Columbia, Fortis gets in the gas distribution business, launching FortisBC Energy.

2008

Assets surpass \$11 billion. Geoffrey Hyland is named chair of the board.

2010

David Norris becomes Fortis Inc. board chair following the death of Geoffrey Hyland.

Another local reporter, Moira Baird, who tracked Fortis for readers of *The Telegram*, had her own one-on-one with Marshall. Her report highlighted another pillar of Fortis' early approach to business, which was to ignore conventional wisdom that had suggested it should become more of a commodities trader in the style of Enron. Marshall disagreed. Fortis stuck with power distribution and expansion via investor-owned utilities promising a solid rate base and shareholder returns.

Back in the U.S.A.

By 2009, Newfoundland Power was less than 10 per cent of Fortis operations. Marshall tasked right-hand man Barry Perry with laying the groundwork for future growth, particularly in the United States. It was not so different from how Marshall was once relied on by Angus Bruneau.



Perry was more than an assistant with a steady disposition; the American expansion was his baby. At that point, he'd been with Fortis for almost a decade. He became vice-president of finance and CFO with Newfoundland Power in 2000 and was named vice-president and CFO of Fortis in 2003 (replacing Karl Smith who had been moved to replace Philip Hughes who had been moved to lead integration of the Western utilities—examples of Fortis' executive roundabout).

There was an opportunity to potentially acquire CH Energy Group, parent to Central Hudson Gas & Electric. There were endless calls and meetings—then Barry Perry hit the road. At one point, he spent seven weeks straight in the Hudson Valley of New York, crisscrossing between communities, talking to mayors, town officials, other politicians and grassroots interests. This was their "Newfoundland Power" and they weren't interested in any corporate shenanigans that were chiefly for the betterment of shareholders.

"It took us every sort of bit of power or communications skill that we had to convince those parties that this was the right thing to do," Perry later recalled.

The deal was hammered out, reviews conducted. It took more than a year and a half from formal start to finish, but a final regulatory hearing received unanimous approval. After that, Fortis had an easier time in the U.S., with negotiations for further acquisitions able to refer to the recent, successful move in New York.

Perry had worked in lockstep with Marshall and was now a central figure in strategic planning. He was also sold on the Fortis approach. He wasn't interested in playing the "synergy game," as he'd once called centralized leadership. Like Marshall, he believed in providing significant autonomy to Fortis subsidiaries. It was a good thing he wasn't called on to get into the weeds, given he had already moved on to other potential acquisitions, including UNS Energy in Arizona.

"Barry and Stan Marshall came down ... and had this conversation about Fortis and how they wanted to expand into the U.S. They were doing this transaction down in New York. Really liked our utilities down in Arizona and would we be interested in joining," then-president and CEO of UNS, David Hutchens, recalls.

The "joining" was the intriguing part. Hutchens did the usual Googling of "Newfoundland" in addition to learning more about Fortis overall, including how new subsidiaries targeted in years of takeovers had fared. Still, he said, it was a huge leap of faith.

"We did a lot of due diligence on making sure Fortis was the right match, but you never know. You never know until you put the ring on, and it's done," Hutchens said. He revealed fear of takeover by a company less interested in local management and decision-making was a factor in their decision to accept Fortis' offer.

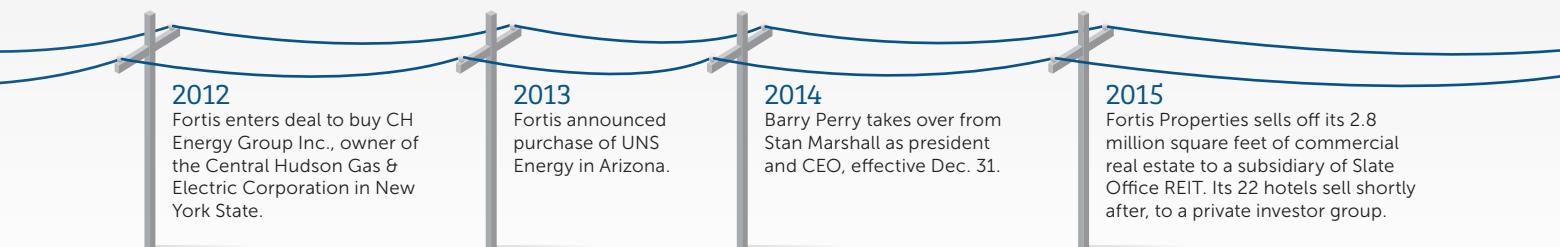
The deal with UNS closed in 2014. The same year, Marshall stepped back. Perry took over as president at the end of June and was CEO by end of the year. "This company is my company. I would not have left it in the hands of somebody I didn't trust," Marshall said at the time.

As for Hutchens, he helped with the transition in Arizona before taking on a role as executive vice-president of Fortis' western operations, including its subsidiary utilities in Alberta and B.C.

New heights

And Fortis continued to grow. In 2016 it was targeting ITC Holdings Corp., the largest independent transmission utility in the U.S., with electricity transmission infrastructure in seven states. The sale, if approved, would cost \$11.3 billion.

At the time of the announcement, the Fortis executive



"I remember that morning... I think we all think of ourselves as from a small island and could we ever have that kind of presence in a place like this? And we did. And for that moment, it was pretty special for all of us who were from Newfoundland and Labrador"

Jocelyn Perry
CFO, Fortis Inc.



team fielded questions in Toronto, working for several hours to settle shareholder concerns and cover media calls. Perry then flew from Toronto to Novi, Michigan, where ITC employees had gathered at company headquarters, with more connected by webcast. Along with Joe Welch, who had founded ITC in 2003, Perry took questions on jobs, benefits and local presence.

"I will tell you that there was a lot of nervous employees," Perry once told me.

It took a while for even the slightest sign of people starting to relax. But Perry had no hesitations. "When you have a good story and you've had the good track record Fortis has had, you can just talk about it. You don't have to make things up. You're really just telling it like it is," he said.

He returned many times thereafter to talk with many of the same employees.

To close on ITC, Fortis needed capital and did a \$2 billion debt deal on the U.S. markets with overwhelming demand. When the deal closed on ITC, Newfoundland Power was down to about four per cent of Fortis assets (about \$1.5 billion versus \$50 billion for Fortis Inc. in dollars of the day) but the main view expressed in Newfoundland and Labrador—particularly as Fortis became listed on the New York Stock Exchange—was one of celebration, an ultimate 'local kid does well' story.

For the many Fortis people—staff, junior executives and senior executives who now have experience working around the world—it was a special feeling to walk down Wall Street, turn the corner towards the stock exchange, and see utility trucks and a Newfoundland and Labrador flag on the pedestrian-only thoroughfare.

"I remember the morning," current Fortis Inc. CFO and 13-year veteran of Newfoundland Power Jocelyn Perry told *Atlantic Business Magazine*. "It was one of those moments where you just sort of had to pinch yourself. Because I think we all think of ourselves as from a small island and could we

ever have that kind of presence in a place like this? And we did. And for that moment, it was pretty special for all of us who were from Newfoundland and Labrador. There's no doubt."

Hutchens and others from the newer Fortis subsidiaries were there too. "If you ask Barry Perry, he'll always say that was his proudest moment," Hutchens said.

A new era and new business

Hutchens became chief operating officer of Fortis just as the company headed into the COVID-19 pandemic. Perry's retirement from Fortis was announced in 2020 and Hutchens was ready to move into the big chair.

And that brings us back to: "No plans whatsoever to move the headquarters."

Hutchens is based in Arizona but is often on the road, following a routine similar to the one Stan Marshall established decades earlier. When it comes to ties to the Fortis headquarters, now on Springdale Street in St. John's, meetings can be conducted remotely more easily than ever. And, with his rigorous travel schedule, Hutchens is far from a stranger.

It's undeniable that Fortis today is not the Fortis that Angus Bruneau and Stan Marshall started with. Today, the company sits on \$66 billion in assets and is gearing up for an historic \$25-billion capital spend over five years. The nervousness of shareholders in the earliest years has been followed by reliable, consecutive dividend increases. If you include the payments to Newfoundland Power shareholders before Fortis was launched, they've had an unbroken 50-year streak of dividend increases. This record was celebrated at the Toronto Stock Exchange this past fall, with Fortis invited to ring the bell to open trading.

"If you keep doing what's right for the customer and you keep delivering by doing what you say you're going to do, then the results come to support that dividend," said Jocelyn Perry.

Today, she and Hutchens talk about new strategies, moving away from a focus on dwindling acquisition opportunities and getting into the challenge of "organic growth," insisting Fortis successes can continue. They're helped by Hutchens' more than 25 years' experience in running utilities, but also by the experience of executives across the Fortis group.

And, they say, there's no reason not to remain rooted in Newfoundland and Labrador and Atlantic Canada.

FEEDBACK

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2016

Fortis announces it's buying ITC Holdings Corp., the largest independent transmission utility in the U.S. A few months later, shares of Fortis Inc. start trading on the New York Stock Exchange. Douglas Haughey is named chair of the board.

2021

David Hutchens succeeds Barry Perry as Fortis Inc. president and CEO.

2022

Jo Mark Zurel succeeds Douglas Haughey as Fortis Inc. board chair.

2023

Fortis Inc. representatives ring the bell to open the Toronto Stock Exchange, marking 50 years of consecutive dividend increases as of Q4. The company announces a landmark plan for capital spending alone of \$25 billion over five years.