Q2 2026 EARNINGS CONFERENCE CALL

July 31, 2026

FORTIS INC.

FORWARD LOOKING INFORMATION

Fortis includes forward-looking information in this presentation within the meaning of applicable Canadian securities laws and forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (collectively referred to as "forward-looking information"). Forward-looking information reflects expectations of Fortis management regarding future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as anticipates, believes, budgets, could, estimates, expects, forecasts, intends, may, might, plans, projects, schedule, should, target, will, would, and the negative of these terms, and other similar terminology or expressions have been used to identify the forward-looking information, which includes, without limitation: expected nature, timing, benefits, costs, and rate impacts of the Phase 1B expansion of the Tilbury LNG facility; forecast Capital Expenditures for 2026 and 2026-2030; expected integration of renewables into the grid and capacity resulting from the Roadrunner Reserve Battery Storage project being placed in service; forecast midyear Rate Base for 2030 and five-year CAGR; expected nature, timing, benefits, and costs of additional investment opportunities that are not yet included in the Capital Plan, including investments by ITC associated with customer connections, MISO tranche 2.1, and future MISO LRTP/MTEP projects, investments by TEP associated with new large load customers in the manufacturing, data center, and mining sectors, investments by UNS Energy associated with integrated resource plans and transmission, and investments by FortisBC associated with Tilbury LNG Storage Expansion Upside, Tilbury LNG Expansion (including Tilbury 1B and Tilbury 2), regional transmission and other customer and load growth; expected and potential reductions in customer rates associated with various affordability initiatives and rate impacts of certain projects, including load growth driven by interconnections at ITC Midwest, Springerville Natural Gas Generation Conversion, data center load growth at TEP, Tilbury 1A Facility and 1B Expansion, and Eagle Mountain Pipeline Project; annual dividend growth guidance through 2030; expected impact of Fortis' 2025 dispositions on EPS for the annual period; expected sources of funding for the 2026-2030 Capital Plan, including sources of equity; expected timing and release of new five-year capital plan; expected timing, outcome, and impact of legal and regulatory proceedings; forecast Capital Expenditures for 2026-2030 by business unit; expected nature, timing, benefits, and costs of Major Capital Projects, including ITC's investments associated with MISO LRTP Tranches 1 and 2.1 and Big Cedar Load Expansion, TEP Transmission Project, Springerville Natural Gas Conversion, Vail-to-Tortolita Transmission Project, Tilbury LNG Storage Expansion, AMI Project, Tilbury 1B Project and Eagle Mountain Pipeline Project; forecast Rate Base for 2026 through 2030 and five-year CAGR to 2030 by business unit; expected, estimated impact of variations in the U.S. dollar-to-Canadian dollar exchange rate, inclusive of hedging activities, on the Capital Plan; the Corporation's commitment to a coal-free generation mix by 2032; forecast debt maturities for 2026-2035; expected nature, timing, and benefits of the Tilbury 2 projects; the expectation that adverse rate impacts associated with data centers for other customers will be avoided; expected contents of the new five-year plan and expected sources of funding associated therewith; potential acceleration of investments to facilitate large loads and meet demand by local distribution companies in certain of ITC's operating jurisdictions, and timing considerations and costs associated therewith; expected impacts of the political environment in Arizona on UNS Energy's regulatory strategy; and expected contents of integrated resource plans.

Forward-looking information involves significant risks, uncertainties, and assumptions. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking information including, without limitation: the successful execution of the Capital Plan; no material capital project or financing cost overrun; sufficient human resources to deliver service and execute the Capital Plan; the realization of additional opportunities beyond the Capital Plan; no significant variability in interest rates; no material changes in the assumed U.S. dollar-to-Canadian dollar exchange rate; the Board exercising its discretion to declare dividends, taking into account the financial performance and condition of the Corporation; reasonable legal and regulatory decisions and the expectation of regulatory stability; no significant operational disruptions or environmental liability or upset; the continued ability to maintain the performance of the electricity and gas systems; no severe and prolonged economic downturn; sufficient liquidity and capital resources; the ability to hedge exposures to fluctuations in foreign exchange rates, natural gas prices and electricity prices; the continued availability of natural gas, fuel, coal and electricity supply; continuation of power supply and capacity purchase contracts; no significant changes in government energy policies, environmental laws and regulations that could have a material negative impact; maintenance of adequate insurance coverage; the ability to obtain and maintain licenses and permits; retention of existing service areas; no significant changes in tax laws and the continued tax deferred treatment of earnings from the Corporation's foreign operations; continued maintenance of information technology infrastructure and no material breach of cybersecurity; continued favourable relations with Indigenous Peoples; and favourable labour relations.

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Unless otherwise specified, all financial information is in Canadian dollars and rate base refers to midyear rate base.

Note: U.S. dollar-denominated five-year Capital Plan and forecast rate base converted at a forecast USD:CAD foreign exchange rate of 1.35 for 2026-2030.

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PRESENTATION

Operator

Thank you for standing by. This is Chuck, the conference operator. Welcome to the Fortis Inc. second-quarter 2026 results conference call. (Operator Instructions)

I would now like to turn the conference over to Ms. Stephanie Amaimo, Vice President, Investor Relations. Please go ahead, Ms. Amaimo.

Stephanie Amaimo - *Fortis Inc - Vice President - Investor Relations*

Thanks, Chuck, and good morning, everyone. Welcome to Fortis' second-quarter 2026 results conference call. I'm joined by David Hutchens, President and CEO; Jocelyn Perry, Executive VP and CFO, other members of the senior management team, as well as CEOs from certain subsidiaries.

Before we begin today's call, I want to remind you that the discussion will include forward-looking information, which is subject to the cautionary statement contained in the supporting slideshow. Actual results can differ materially from the forecast projections included in the forward-looking information presented today.

Non-GAAP financial measures referenced in our prepared remarks are reconciled to the related U.S. GAAP financial measures in our second-quarter 2026 MD&A. Also, unless otherwise specified, all financial information referenced is in Canadian dollars.

With that, I will turn the call over to David.

David Hutchens - *Fortis Inc - President, Chief Executive Officer, Director*

Thank you, and good morning, everyone. During the first half of the year, our utilities continued to provide safe and reliable service while advancing our regulated growth strategy. Through June, we invested $2.7 billion in our systems and delivered earnings per share in the second quarter of $0.78.

More recently, we secured a milestone for a significant opportunity above and beyond our five-year capital plan with the receipt of an order in council that supports the expansion of our Tilbury LNG facility in British Columbia. Today, we also released our 2026 Sustainability Report, highlighting our progress to decarbonize our energy mix, including a 38% reduction in our Scope 1 greenhouse gas emissions through 2025 compared to 2019 levels.

With nearly half of our annual capital plan invested through June and our major capital projects tracking well, we remain on pace to invest $5.6 billion in 2026. In June, the second Roadrunner Reserve battery storage project was placed in service at TEP.

This 200-megawatt energy storage system facilitates the integration of renewables into the grid with the capability to store 800-megawatt hours of energy, enough to serve 42,000 homes for four hours when deployed at full capacity.

With our capital plan on track, we continue to expect average annual rate base growth of 7% through 2030. Last week, FortisBC received an order in council from the Province of British Columbia, approving a larger Phase 1B expansion of its Tilbury LNG facility, allowing total investment of approximately $2 billion in regulated rate base. We currently have approximately $350 million in our current five-year plan.

The OIC also provides the approvals required to implement an equity partnership with the Musqueam Indian Band and includes regulatory mechanisms to smooth the cost of recovery in the early years of the project. The Tilbury 1B expansion supports LNG marine fueling services and promotes jobs and economic growth in the province. The project positions the Port of Vancouver as a leading LNG marine fueling hub and supports the transition to lower emission marine fuels.

This is an exciting opportunity, and FortisBC will now proceed to develop and refine project cost estimates, which will be reflected in our next five-year capital plan, expected to be released with our third-quarter results. While the project remains subject to certain regulatory approvals and permitting requirements, construction could start as early as mid-2027 and be in service as early as 2031.

As for other opportunities above and beyond the plan, our teams continue to make steady progress. At ITC, the MISO long-range transmission projects associated with Tranche 2.1 are advancing. As we have noted in the past, ITC expects USD3.3 billion to USD3.8 billion of investment beyond 2030 for projects that have been awarded and are not subject to competitive bidding. For the Iowa Tranche 2.1 project subject to a competitive process, ITC has submitted bids for two opportunities, with MISO expected to award the projects in the fourth quarter.

At TEP, negotiations continue with the data center customer for an incremental 300 megawatts of capacity to support a potential build out of 600 megawatts at the first site. TEP is also in active negotiations for additional capacity at a second site in the range of 500 to 700 megawatts and is continuing to engage with other large customers for additional growth opportunities. If agreements are finalized for these subsequent phases, we estimate that new generation investment in the range of USD1.5 billion to USD2 billion would be required.

In Arizona, TEP and UNS Electric expect to file new Integrated Resource Plans with the ACC in the fall. The IRPs will support increasing energy needs while taking into account, clean, reliable, and affordable energy solutions. The IRP will include a high-growth scenario that evaluates the impacts of potential incremental data center load beyond the 300 megawatts currently approved, as well as the clean energy build-out scenario.

Our utilities continue to prioritize capital investments focused on operational need and customer bill impacts. As we highlighted last quarter, both ITC and UNS are great examples of how load growth and cost-effective capital projects can benefit customers.

Adding to the discussion, continued growth of the LNG markets is also expected to provide rate benefits for customers in British Columbia. First, sales of LNG into the growing marine fueling market associated with our current Tilbury 1A facility have provided a rate benefit for customers of approximately 1.5% since 2024. The further expansion of FortisBC's Tilbury 1B facility is expected to build on this rate benefit.

Additionally, increased demand served through the Eagle Mountain Pipeline Project will increase the utilization of FortisBC's gas system and, once complete and in service, is expected to provide a rate benefit of approximately 1.5%. Overall, through operational efficiency, disciplined capital planning, and innovation, Fortis Utilities continue to be laser-focused on finding better ways to reduce costs and support customer affordability.

Our dividend remains a core component of our investment thesis. We have demonstrated that we can grow our dividend responsibly, having increased it for the past 52 consecutive years, while maintaining a disciplined approach to balance sheet strength. Looking ahead, we remain confident in our 4% to 6% annual dividend growth guidance through 2030, supported by our regulated growth strategy.

Now I will turn the call over to Jocelyn for an update on our second-quarter financial results.

Jocelyn Perry - *Fortis Inc - Chief Financial Officer, Executive Vice President*

Thank you, David, and good morning, everyone. For the quarter, we reported net earnings of $396 million or $0.78 per common share, an increase of $0.02 compared to the second quarter of last year. At ITC, EPS increased by $0.02 largely due to continued capital investment and related rate-base growth, partially offset by higher finance costs and stock-based compensation expense.

UNS contributed a $0.02 increase driven by higher retail electricity sales, including the impact of warmer weather. This increase was moderated by the timing of operating costs as well as regulatory lag associated with rate-base growth not yet reflected in customer rates. Our Western Canadian utilities increased EPS by $0.01, largely driven by capital investments.

The Corporate and Other segment reflects unrealized losses on foreign exchange contracts, higher finance costs and lower earnings due to the disposition of Fortis Belize in the fourth quarter of 2025, partially offset by the timing of income tax recoveries. And while not shown on the slide, results at Central Hudson were consistent with the second quarter of 2025 as rate-base growth was offset by the timing of quarterly revenue.

And earnings for our Other Electric segment were also comparable quarter over quarter as earnings growth in the segment was offset by the impact of the FortisTCI disposition completed in the third quarter of last year. Foreign exchange had a $0.01 unfavourable impact for the quarter and higher weighted average shares issued under our dividend reinvestment plan impacted EPS by $0.01.

On a year-to-date basis, earnings were $897 million or $1.76 per common share. Results year-to-date were mainly driven by the same factors discussed for the quarter, with a few additional items to note for Central Hudson and UNS Energy.

For the six-month period, Central Hudson was up $0.03, primarily due to rate-base growth and the timing of operating costs. At UNS, EPS was down $0.03 as higher retail sales were tempered by lower margin on wholesale sales, the timing of operating costs and the regulatory lag for rate-base growth not yet in rates.

For the first half of 2026, our utilities issued $2.1 billion of long-term debt, and our funding plan remains on track. As we have noted in the past, our capital plan is expected to be funded largely from cash from operations, utility debt, and our dividend reinvestment plan.

In May, S&P confirmed our A- issuer and BBB+ unsecured debt credit ratings and stable outlook and Fitch also confirmed the Corporation's BBB+ issuer and unsecured debt credit ratings and stable outlook. Overall, our liquidity position and our funding plan support our investment-grade credit ratings. As Dave mentioned, we expect to release our new five-year capital plan on our third-quarter earnings call, and we will address our new funding plan at that time.

On the regulatory front, the TEP general rate application continues to progress. During the quarter, hearings concluded and the administrative law judge issued an extension of the procedural schedule such that a final decision on the rate case be issued by November 17.

That concludes my remarks. I'll now turn the call back to David.

David Hutchens - *Fortis Inc - President, Chief Executive Officer, Director*

Thank you, Jocelyn. In closing, we have delivered a strong first half while maintaining our focus on what matters most: operating our utilities safely, reliably and affordably. Our two-pronged focus on execution is clear with our annual capital plan on track and our advancement of opportunities above and beyond the plan.

Backed by a disciplined strategy and a diversified regulated portfolio, we remain confident in our ability to deliver on our rate base and dividend growth outlook through 2030. That concludes my remarks. I will now turn the call back over to Stephanie.

Stephanie Amaimo - *Fortis Inc - Vice President - Investor Relations*

Thank you, David. This concludes the presentation. At this time, we'd like to open the call to address questions from the investment community.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Maurice Choy, RBC Capital Markets.

Maurice Choy - *RBC Capital Markets Inc - Analyst*

Thanks and good morning everyone. As you know, I probably like to see BC take the spotlight here. So maybe my first question, if you could help unpack the next steps for Tilbury 1B, and also an update on the bigger Tilbury Phase 2. I appreciate that and presumably, Phase 2 also has some rate benefits for our customers over and above all the other ones.

David Hutchens - *Fortis Inc - President, Chief Executive Officer, Director*

Yeah. Thanks, Maurice, and Roger has been waiting for this question, so I'm going to turn it right over to Roger, our CEO of FortisBC. Roger?

Roger Dall'Antonia - *FortisBC Inc - President, Chief Executive Officer*

Thanks, David. Thanks for the question, Maurice. Maybe I'll try to anticipate some of the other questions as well, starting with Tilbury 1B. So, the project itself with the Order in Council from the government really has three components. It's the marine jetty, the liquefaction expansion, as well as 230 kV power line to provide power for the electric drive liquefaction. Those three components are covered by the OIC.

The next steps, we're still assessing and designing plans to address the conditions that came out of the environmental assessment certificate that the provincial and Federal government provided to us in 2024 and then designing the liquefaction and power needs for the TLSC. So that's going to start in earnest with hope that will be in construction for TLSC -- or sorry, for Tilbury 1B sometime in 2027.

We are also finalizing agreements with the Musqueam on their equity investment. The percentage that they may take is confidential at this point, but we're working on finalizing the limited partnership agreement that will allow them to have a direct equity investment in this project.

For Tilbury 2, as a reminder, there's two components to Tilbury 2. The first is the Tilbury storage tank that's replacing the existing--one of the existing tanks at Tilbury that was built and commissioned in 1971. As that facility is basically end-of-life, Tilbury storage expansion, which we received BCUC approval in 2025 for, once the EA is approved, we'll start the process for construction on that. That doesn't come with a direct rate benefit. It really is primarily resiliency, but the size of the tank up to 3 BCF from what the current facility is, about a 0.6 BCF.

There will be some gas supply benefit where we can manage summer/winter gas cost differentials, so we will be able to expand our gas supply capabilities on system.

The rest, though, is really just resiliency for system disruption and peak weather events. Tilbury 2 also has up to 2.5 million tonnes per annum of liquefaction. That is further out. If that does get built, that would be designed with rate benefit, but it's too early to understand what those rate benefits might be.

Hopefully, that answers the questions.

Maurice Choy - *RBC Capital Markets Inc - Analyst*

Maybe just a quick follow-up. Just timing as to when these projects might be sanctioned.

Roger Dall'Antonia - *FortisBC Inc - President, Chief Executive Officer*

For Tilbury-- for the Tilbury 2 projects, the EA is expected later this year. We are in the mandated, I think, 151-day review period, and that is going to end sometime in Q4, and then it will be referred to cabinet. And at that point, there's a 30-day timeframe for cabinet to approve the environmental assessment certificate. So, if that timing holds and there's no additional process requested by the Environmental Assessment Office, we should see decision for Tilbury 2, both the storage tank and the added liquefaction later this fall.

Maurice Choy - *RBC Capital Markets Inc - Analyst*

And if I could finish off in Arizona. There continues to be, I guess, selective data center opposition in the U.S., and I know that you highlighted some rate benefits in one of your slides. But at TEP, have you more recently witnessed any change in how your customers approach your negotiations, whether that be the place, whether it be the terms, so and so forth?

David Hutchens - *Fortis Inc - President, Chief Executive Officer, Director*

Yeah. So obviously there has been a bit of pushback in data centers across the U.S., and in general for various reasons. I think one of the stories our industry wasn't really pushing as well as it should have been is the rate benefit that these types of projects can have for our customers.

And that's the message that we're trying to get out in Arizona and anywhere else we can as is everyone else including data center developers because there is a really good positive story as you can see in our deck that customer rate benefit that we see just -- and that's just from the first phase of Project Blue.

But the customers, as in the data center customers themselves, are very aware of making sure that we get the right design and are obviously willing and able to make sure that they – and, you know, there's been all kinds of conversations and pledges, et cetera, at every level in government and whether it's federal, local, and with utilities and then the data centers and hyperscalers themselves.

We're all on the exact same page to make sure that there is, you know, no cost shift or allocation of the costs that are needed to build and serve those customers that get shifted to the other customers. And everybody is on the same page that these data centers have to, you know, cover their own costs and then some and that's the benefit -- that's where we get that -- and then some is the part that gives us the benefits that we see to lower the rest of the customers' rates by them sharing an actual large portion of the overall system fixed costs by the usage that those data center customers have. So, the message is -- we all have the same message. We're just making -- it's a bit hard to get people to listen to it.

Maurice Choy - *RBC Capital Markets Inc - Analyst*

Perfect, thank you for that and good luck with that.

David Hutchens - *Fortis Inc - President, Chief Executive Officer, Director*

Thanks Maurice.

Operator

Ben Pham, BMO.

Ben Pham - *Bank of Montreal - Analyst*

Hi, thanks, good morning. I know you mentioned your expected refresh of the CapEx plan in the fall. Could you talk about maybe if there's any potential to look beyond the five-year plan to maybe look at the longer horizon? Just thinking about this Tilbury expansion going through 2031. You got the ITC transmission opportunity, and it just also seems like your backlog is also more visible than it has been versus last year.

David Hutchens - *Fortis Inc - President, Chief Executive Officer, Director*

Yeah, Ben, obviously, from a planning perspective and there's a lot of things that we do that extend beyond the five-year period. The integrated resource plans are a prime example, the LRTP projects. There's a lot of things obviously that we -- that we look at longer-term.

But just given, you know, how, you know, those types of forecasts tend to diverge and have quite wide error bars when you get past the five-year period, it would really be tough to be able to put out a five-year, say, capital plan or more than a five-year capital plan without having a whole bunch of caveats.

So we kind of want to stick with, you know, that -- and I wouldn't say five years is a short time period by any means, but we know that -- that's why we try to provide the colour around what's going on within our portfolio and that above and beyond the plan conversation and try to break those into things that we see within the next five years, things that we could essentially add to the existing five-year capital plan, but more importantly, things that extend that growth and beyond the five-year plan.

So we try to give colour around that, but to lay out numbers that far, I don't know if that would be all that beneficial.

Ben Pham - *Bank of Montreal - Analyst*

Okay, got it, and going back to the Tilbury expansion. And if you can maybe quantify or maybe attempt to think about this, is that enough time to think about the impact on the balance sheet as well? You put the CapEx in there. I know the First Nations piece is still TBD, but in a range of scenarios, if you looked at – does it contemplate potential ATM?

Jocelyn Perry - *Fortis Inc - Chief Financial Officer, Executive Vice President*

Ben, this is Jocelyn. Thanks for the question. Yeah, Tilbury will be wrapped up with our whole look at the five-year plan. And so, no doubt this is putting good pressure on the amount that we're spending, and -- but we need to firm up the time for Tilbury in particular and when and how these investments will be coming into play. And so we'll look at all, you know, funding options available to us with, you know, -- the aim is to keep our credit metrics in check. So that's something that we're going to be taking a deeper dive on in the fall.

Ben Pham - *Bank of Montreal - Analyst*

Okay, got it, thank you

Operator

Mark Jarvi, CIBC Capital Markets.

Mark Jarvi - *CIBC World Markets Corp - Analyst*

Hey, good morning everyone. I know we're going to get the CapEx refresh, but just on the Tilbury project, anything you can kind of indicate in terms of the profile of the CapEx? Is there material amounts before 2030 or is most of this come in the early 2030s?

David Hutchens - *Fortis Inc - President, Chief Executive Officer, Director*

Yeah, we --we haven't put that together yet. You know, obviously, there is a shape to the CapEx spend, you know, that kind of, typically on large projects, will start out slowly and, you know, ramp up over time. As I mentioned in the remarks, we could see this online as early as 2031. And as we spend capital, you know, remember, we also get AFUDC on these projects as well.

So there's a whole lot of modeling that still has to be done. But when we get that shape in there, we'll let you know and that kind of goes to that prior question, shape of capital matters too, not just the overall size of the capital plan.

Mark Jarvi - *CIBC World Markets Corp - Analyst*

Understood. And just in the last couple of days, some positive commentary from large load with the Michigan LDCs and Alliant as well in Iowa. Just your view in terms of any updated views on ITC conversations with the local distribution companies in terms of, you know, accelerating investments to facilitate large loads in those regions.

David Hutchens - *Fortis Inc - President, Chief Executive Officer, Director*

Yeah, Krista, you want to address that? She's obviously very close to those conversations with our largest customers, which happen to be CMS, DTE and Alliant, so Krista?

Krista Tanner - *ITC Holdings Corp - President and CEO*

Yeah, good morning. Yeah -- our we remain very optimistic, having really positive conversations with the large data centers. We are working hand in hand with the customers that -- that you just noted because, of course, transmission can take a long time, so we're at the table with -- with them.

At this point, we don't, you know, -- everything that we've announced publicly, we have, and we're just sticking to that, you know, approximately 8 gigawatts of additional load in our queue. And, you know, of course, that doesn't mean it'll all come to fruition, but, you know, that's really what's in our pipeline that's not -- we haven't yet finalized.

Mark Jarvi - *CIBC World Markets Corp - Analyst*

So most of this would be the loads we try to site where they can use existing transmission generation or is there a view that there's some upgrades required just given the speed to power demands for some of these customers?

Krista Tanner - *ITC Holdings Corp - President and CEO*

Yeah, you know, there's not really a rule of thumb for transmission, you know, we're seeing when we get a large load, it can be anywhere from, you know, $10 million to $100 million, right?

But we are, because of what you just said, speed to power, we are moving them, we are working hard to direct them to places where we need fewer upgrades, because they need to be on two years or less, and a new line would take much more than that, obviously.

So from our point of view, we are really directing them to where there are fewer upgrades needed, which still provides a benefit to us in terms of the rate relief for our customers.

Mark Jarvi - *CIBC World Markets Corp - Analyst*

Okay, that's great, thanks everyone

Operator

Mike Lonegan, Barclays.

Michael Lonegan - *Barclays Services Corp - Analyst*

Hi, thanks for taking my question. So, on the TEP rate case, there was obviously a change in the procedural schedule, you know, for a decision after the November election. You know, just wondering how you're feeling about this and the rate case more broadly coming out of the hearings that happened in May?

David Hutchens - *Fortis Inc - President, Chief Executive Officer, Director*

Yeah, we're feeling good. I'll turn it over to Susan to give a little colour from Arizona. But I think we -- we definitely were not surprised to see that the open meeting or the final decision on the TEP rate case to be slid a little bit given the November elections. Susan, do you want to provide a little colour on where we stand?

Susan Gray - *UNS Energy Corp - Chief Executive Officer*

Yeah, sure. Good morning, and thanks for the question, Mike. So as Dave mentioned, we are expecting a recommended opinion and order from the judge to come out fairly soon. And as we've just filed briefings, I think we're pretty close on a lot of the issues, particularly in alignment with staff, ACC staff.

The main -- we were apart on ROE and in our recent filing, TEP came down to 9.75%, which is now a 10.2% increase that we're asking for. That's the impact of changing the ROE. You know, I think we are optimistic that the judge will include the ARAM, the formula rate, and I think there was some varying opinions on what the deadband should be. But overall, I think the design of the ARAM is likely going to look a lot like what we got for UniSource Gas.

So I think we'll know more as the briefings have just come out and then the judge's recommended opinion in order and then we expect to get a decision probably in November with an implementation date in December. So, I think we're wrapping up pretty closely here to be done by the end of the year.

Michael Lonegan - *Barclays Services Corp - Analyst*

Thank you. And then sticking with Arizona, you know, obviously you talked about the Project Blue data center and the expansion opportunity there, the USD1.5 billion to USD2 billion of opportunity. Just wondering if you could talk more about your pipeline beyond this in the state, you know, where you stand with that opportunity? And anything you could share there would be helpful.

David Hutchens - *Fortis Inc - President, Chief Executive Officer, Director*

Go ahead, Susan.

Susan Gray - *UNS Energy Corp - Chief Executive Officer*

Yeah, so when you talk about pipeline, I assume you're talking about the gas pipelines?

David Hutchens - *Fortis Inc - President, Chief Executive Officer, Director*

He's talking about the pipeline of projects like, you know we've got the Project Blue, but what's behind them?

Susan Gray - *UNS Energy Corp - Chief Executive Officer*

Sure, yeah. And so, we still have 8 to 10 gigawatts of data center pipeline in our queue, but we also have the Hermosa mine that's coming online. Copper World is probably in the later -- latter part of our five-year plan.

And then we've got some other manufacturing and other -- even some existing customers that are growing. So, it's not all data center growth in Tucson. There's kind of a wide variety of opportunities that we're seeing.

Michael Lonegan - *Barclays Services Corp - Analyst*

Great, thanks for taking my question.

Operator

(Operator Instructions) Eli Jossen, JPMorgan Securities.

Eli Jossen - *JPMorgan Chase & Co - Analyst*

Hey, good morning everyone. Maybe sticking with Arizona, just wanted to shift to the political landscape. Obviously, we saw a primary outcome just a few days ago. And I just wanted to kind of get your thoughts there, you know, if there was any surprise and whether or not that would impact your overall, kind of regulatory strategy within the state?

David Hutchens - *Fortis Inc - President, Chief Executive Officer, Director*

Yeah, I'll take that one, Susan. I mean, I still spend a lot of time in Arizona, so I'm pretty up to speed on the politics there. I mean, I don't know, I wouldn't call it surprise, I mean, when there's three folks running for two seats, and in a primary, it's hard to call which way that'll split.

It -- It doesn't matter to us from a regulatory strategy perspective. We'll see how the general election turns out as well. But in the end, you know, this is two of the five commissioners that are up. So even a complete change in commissioners, a complete turnover there we'd still have three that we've known and built relationships with over these past couple of years or several years in some of the commissioners' cases.

So we don't change, you know, our regulatory strategy based on election. So, you know, we work with the regulators that are in those roles and work to push for a good and solid policy that helps us support the things that matter most to our customers. So that doesn't change from election to election.

Eli Jossen - *JPMorgan Chase & Co - Analyst*

Got it. And I know there's been a lot of discussion on Arizona, but maybe just last question on the IRP. We know that we have that timeline in October for the filing. Can you just remind us sort of the range of outcomes that, you know, we can expect coming out of that IRP and how that affects sort of the opportunity set that you have in Arizona?

David Hutchens - *Fortis Inc - President, Chief Executive Officer, Director*

So -- so we don't really have a range of outcome yet other than one from the old IRP. So we really are waiting for the results of this. And then, of course, we run a whole bunch of different scenarios in this process, pick one as kind of the recommended portfolio for filing with the commission, obviously, with the rest of the scenarios as well.

But at the end of the day, that's when we start looking at what that -- that scenario looks like, whether or not it gets through the process with the Corporation Commission and then we start -- well, we'll be penciling in some of those investment opportunities as we go through this process and start communicating those at that time.

Right now, we haven't released all of the scenarios and what those look like, but those will be released and is something that folks can see. I mean, it will be more on a, you know, very high-level kind of revenue -- you know, net present value revenue requirement for those portfolios.

But it will show the investments that are needed and what years those are needed in , so it will provide some of the data for folks like you all on the call to do some back of the envelope and see what would be needed in those different timeframes.

Eli Jossen - *JPMorgan Chase & Co - Analyst*

Great, thanks for the colour

Operator

This concludes our question-and-answer session. I would like to turn the conference back over to Ms. Amaimo for any closing remarks. Please go ahead.

Stephanie Amaimo - *Fortis Inc - Vice President - Investor Relations*

Thank you, Chuck. We have nothing further at this time. Thank you everyone for participating in our second-quarter conference call. Please contact Investor Relations should you need anything further and have a great day.

Operator

This brings a close to today's conference call. You may disconnect your lines. Thank you for your participation and have a pleasant day.
