

Q. Please provide details of the number of stock options granted, the exercise price, the market price at the time the grants were made, vesting arrangements, and the exercise period for executives and managers from 1998 to current and forecast.

A. Table 1 below summarizes the stock options granted to Newfoundland Power's executives and managers for the period 1998 to 2002 for the purchase of common shares of Fortis Inc. Stock options are normally granted once a year at the discretion of Fortis Inc. It is therefore not possible to provide a forecast of stock option grants for 2003 and 2004.

Options that were granted before May 16, 2001 are exercisable for five (5) years and are vested from the date of the option grant. Effective May 16, 2001, the term of the option grant was changed to 10 years and the options vest at a rate of 25 per cent per annum starting one year after the date of the option grant.

Table 1 Summary of Stock Options 1998 to 2002				
Year	# of Options Granted	Exercise Price/Share¹	Market Price/Share²	Expiration Date
1998	16,687	\$45.665	\$44.70	February 28, 2003
1999	25,825	\$36.825	\$37.00	February 29, 2004
2000	34,262	\$29.150	\$28.60	March 7, 2005
2001	38,716	\$38.265	\$38.45	May 15, 2011
2002	42,261	\$48.140	\$49.79	May 14, 2012

¹ The exercise price per share is the average of the daily high and low board lot trading prices of shares traded on the Toronto Stock Exchange for the previous five trading days prior to the date of option grant.

² The market price per share is the closing value of the trading price of shares traded on the Toronto Stock Exchange on the day the shares were granted.