



## Fortis Inc. Is Listing on the NYSE

### Description

**Fortis Inc.** ([TSX:FTS](#)) is a regulated utility known for its stability and secure dividend. And it is about to be listed on the New York Stock Exchange! The company expects to start trading on the exchange as early as October 14.

Under the agreement to acquire **ITC Holdings**, Fortis is required to list on the NYSE. However, there are benefits in doing so anyway.

The company will have access to a larger and more diverse market, which will enhance its ability to raise capital in the future. Moreover, it will increase its profile in the North American investment community among U.S.-based utility analysts.

### The acquisition

The ITC transaction was valued at US\$11.3 billion, which was Fortis's biggest acquisition yet. This acquisition will further fortify Fortis's U.S. footprint.

Fortis has already expanded into the U.S., in the last few years by acquiring Central Hudson and UNS Energy, which have operations in the states of Arizona and New York, respectively.

Before the ITC acquisition, Fortis generated about 40% of its earnings from the U.S. After the acquisition, it's expected to generate about 60% of its earnings from the U.S. Its regulated assets in the U.S. will consist of 38% from ITC and 27% from its existing operations.

### Enhanced diversification

ITC is the largest independent fully regulated electric transmission utility in the U.S. Its rates are regulated by FERC.

ITC is Fortis's gateway to grow in the North American electric transmission sector. This will complement Fortis's existing business in electric and gas distribution.

Other than enhancing Fortis's regulatory diversity and reducing its overall rate-regulatory risk, ITC also increases its geographic diversification across eight states in the Midwest region: Michigan, Iowa, Minnesota, Illinois, Missouri, Kansas, Oklahoma, and Wisconsin.

## Dividend

Fortis has increased its dividend for 42 consecutive years, which shows management's commitment to returning shareholder value.

If anything, the enhanced diversification across multiple facets and the increased percentage of U.S. earnings due to the ITC transaction will make Fortis's dividend even more solid than before.

The company currently offers a yield of 3.9%, which conservative investors can count on. Due to the predictable growth from regulated assets, management confidently forecasts to grow its dividend per share by 6% per year through 2020.

## Conclusion

Fortis will be celebrating its listing by ringing the NYSE opening bell on October 18. The listing will raise Fortis's profile and enhance its ability to raise capital in the future.

ITC's allowed return on equity is higher than Fortis's other utilities, and there are benefits of diversification at multiple levels. So, investors can expect Fortis to continue its 42-year dividend-growth streak.

## CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. TSX:FTS (Fortis Inc.)

## Category

1. Dividend Stocks
2. Investing

## Tags

1. Editor's Choice

## Date

2025/08/15

## Date Created

2016/10/14

---

Author

kayng

default watermark

default watermark