



What to Know About Fortis Inc. Moving Forward

Description

Fortis Inc. ([TSX:FTS](#))([NYSE:FTS](#)) and its multiple subsidiaries are positioning themselves for success in the long haul, while continuing to become a profitable investment in the short term.

The company has been making moves towards offering more affordable and more sustainable energy that could improve customer sentiment going forward. Subsidiary Maritime Electric—which serves consumers at Prince Edward Island—is encouraging Islanders to make the switch to LED light bulbs.

Fortis has initiated a campaign that includes a contest where consumers could win \$250 worth of LED lights. A spokesperson for the company noted that LED lighting is more cost effective as they can save people up to \$50 a bulb as these products last up to 20 years.

Not all Fortis customers will be happy with the company's plans as the cost of maintenance and purchasing power in British Columbia has prompted FortisBC to raise its electricity rate by 2.76%. The company was seeking a 3.7% rise in prices, but it will have to settle for 2.76%. The new price will be in effect as of Jan. 1, 2017, but Fortis assures customers that investing in electricity costs now will create a more reliable and cost-effective service in the future.

Arizona subsidiary Tucson Electric Power is using its creative chops to make life easier for its citizens with a project that will benefit limited-income residents. The company is giving out 1,800 advanced Nest Learning Thermostats as part of the U.S. Department of Housing and Urban Development's Housing Choice Voucher Program. Installing these products will not cost residents a dime, and it will provide them with light bulbs that are more energy efficient as well as strategies to reduce their bills.

Cooling bills are slated to be 15% lower per year, while heating bills will experience an 11% reduction. The smart thermostats learn its customers' habits and set the room temperature accordingly. Fortis is furthering its commitment in Tucson by sending 30 of the subsidiary's employees to support the annual EI Tour de Tucson bicycling event.

Fortis also has a hand in a \$1.4 billion project that will connect 10,000 Ontario residents into the First Nations' electricity grid, reducing carbon emissions as these residents will no longer have to rely on

diesel-powered energy. Nearly 2,000 kilometres of new transmission will be built between Lake Superior and Hudson Bay.

The company's revenue has been surging by an impressive rate as the company raked in about \$4 billion in 2013, and that figure rose to \$6.7 billion in 2015. If you buy shares of Fortis now, you can expect returns of about 10% a year from now.

Additionally, investors as of record on Friday, November 18 will be privy to a quarterly dividend worth 40 cents per share, marking a two-cent increase over the 38 cents offered in its previous dividend. The date of the offering is on Wednesday, Nov. 16, and the dividend yield is 3.71%.

Five of nine analysts covering FTS stock have rated it a "buy," while four others have a "hold" rating on it. The company's continuing success will show in its next quarterly earnings report as Fortis recently raised its fiscal full-year 2016 guidance. Earnings are slated to come in at \$2.24 per share—two cents higher than its previous estimate. For 2017, this figure will come in at \$2.46 per share.

The energy giant has plenty of projects in motion that will benefit investors looking to buy now, as this investment will be profitable for a long time. Its multiple subsidiaries are well-oiled machines that train its workers well and are constantly on the look for ways to make electricity more sustainable. FTS shares are selling at \$40.27 as of Monday, Dec. 12, rising 7.7% year-to-date.

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2. Investing

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