CU INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2015

This Management's Discussion and Analysis (MD&A) is meant to help readers understand key operational and financial events that influenced the results of CU Inc. (the Company) during the past year.

This MD&A was prepared as of February 24, 2016, and should be read with the Company's audited consolidated financial statements for the year ended December 31, 2015 (2015 Annual Financial Statements). Additional information, including the Company's Annual Information Form (AIF), is available on SEDAR at www.sedar.com.

The Company is controlled by Canadian Utilities Limited, which in turn is controlled by ATCO Ltd. and its controlling share owners, Sentgraf Enterprises Ltd. and the Southern family.

Terms used throughout this MD&A are defined in the Glossary at the end of this document.

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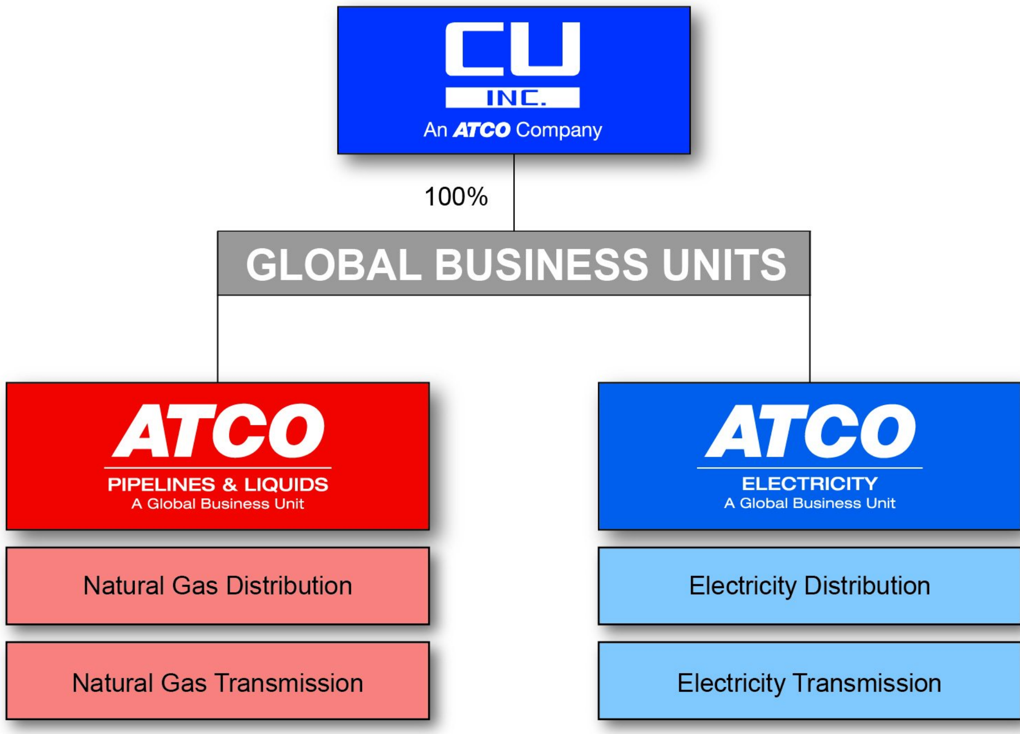
COMPANY OVERVIEW

The consolidated financial statements include the accounts of CU Inc. and all of its subsidiaries. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the reporting currency is the Canadian dollar. Certain comparative figures throughout this MD&A have been reclassified to conform to the current presentation.

SIMPLIFIED ORGANIZATIONAL STRUCTURE



OUTLOOK

CU Inc. has seen significant growth over the past decade, driven by a buoyant natural resource sector in North America. However, since late 2014 the world has been faced with declining mineral and oil prices in addition to a continuing low natural gas price environment in Western Canada. The challenges that are impacting many of our customers are also having an impact on CU Inc. During these unpredictable times, the Company is taking a very focused and disciplined approach to our business, including pursuing cost savings and efficiencies in every part of our organization to ensure that we deliver the most competitive solutions to our customers.

CORPORATE PRIORITIES FOR 2016 AND BEYOND

Customer-Focused Approach

This priority will allow CU Inc. to reach more markets, with more products, in a continued effort to grow the Company's customer base.

Research & Development

The Company's research and development focus will underpin its success in the years ahead through continuous improvement of existing products and services as well as exploring and testing new products and methods of delivery to meet our customers' future needs. CU Inc. plans to continue developing new product lines and new ways of delivering energy to customers.

Operational Excellence

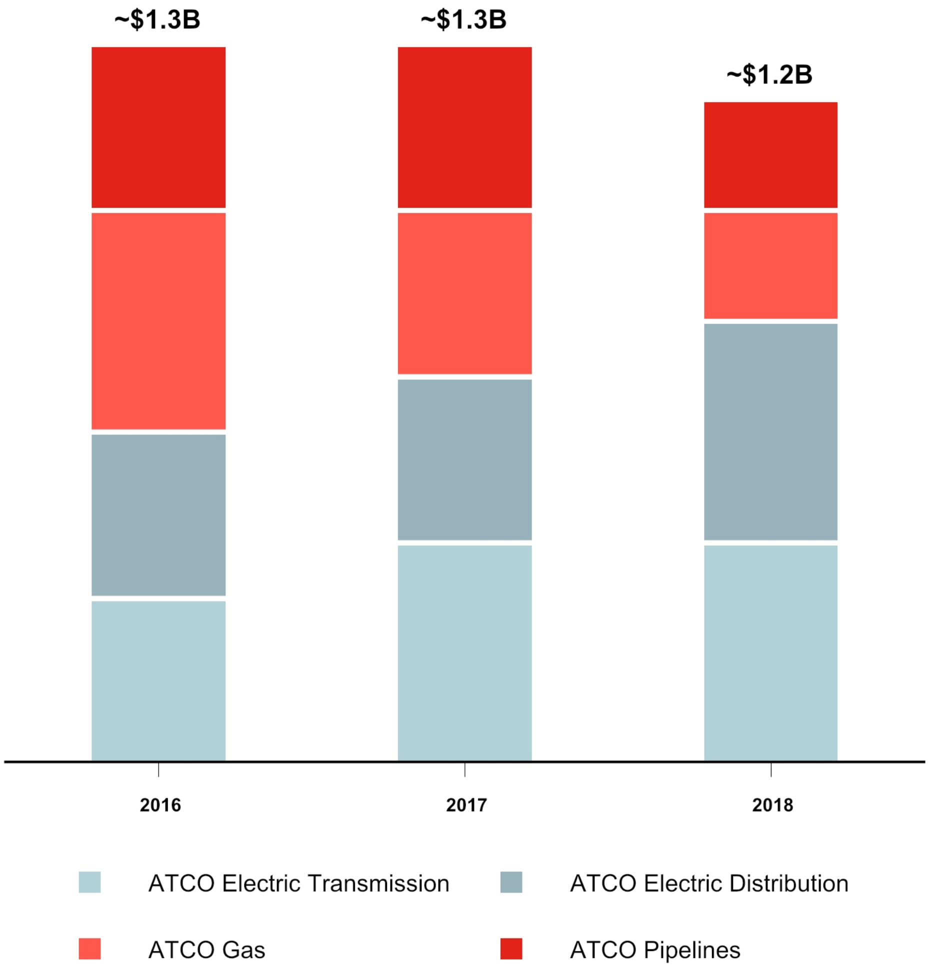
CU Inc. approaches operational excellence by achieving high service, reliability, and product quality for our customers and the communities we serve. The Company is uncompromising about maintaining a safe work environment for employees and contractors, promoting public safety and striving to minimize environmental impacts. We have long range plans for ensuring timely supply of goods and services that are critical to the Company's ability to meet its core business objectives.

A robust restructuring exercise to streamline and gain operational efficiencies completed in late 2015 will allow the Company to realize benefits going forward. We will continue to review further opportunities for improved productivity in 2016 and beyond.

Capital Investment Plans

In the 2016 to 2018 period, CU Inc. is investing approximately $3.8 billion in regulated utility capital growth projects. This capital investment is expected to contribute significant earnings and cash flow and create long term value for investors. ATCO Electric is planning to invest approximately $2.1 billion, and ATCO Gas and ATCO Pipelines are planning to invest approximately $1.7 billion from 2016 to 2018.

Future CU Inc. Capital Investments



UTILITIES INFORMATION

The Utilities' activities are conducted through regulated businesses in two Global Business Units within western and northern Canada: Electricity, which includes ATCO Electric Distribution and ATCO Electric Transmission, and Pipelines & Liquids, which includes ATCO Gas and ATCO Pipelines.

REVENUES

Revenues in the Utilities were $58 million and $125 million higher in the fourth quarter and full year of 2015 when compared to the same periods in 2014 mainly as a result of growth in rate base, higher rates in the distribution utilities under PBR and higher 2015 interim rates in ATCO Electric Transmission.

ADJUSTED EARNINGS

Adjusted earnings for each of the Utilities are shown in the table below.

	Three Months Ended December 31			Twelve Months Ended December 31		
($ millions)	**2015**	**2014**	**Change**	**2015**	**2014**	**Change**
Electricity						
ATCO Electric Distribution	**22**	23	(1)	**93**	103	(10)
ATCO Electric Transmission	**22**	43	(21)	**155**	170	(15)
Total Electricity	**44**	66	(22)	**248**	273	(25)
Pipelines & Liquids						
ATCO Gas	**51**	54	(3)	**106**	97	9
ATCO Pipelines	**11**	9	2	**41**	39	2
Total Pipelines & Liquids	**62**	63	(1)	**147**	136	11
Total Utilities Adjusted Earnings(1)	**106**	129	(23)	**395**	409	(14)

(1) Additional information regarding this measure is provided in the Non-GAAP and Additional GAAP Measures section.

Adjusted earnings generated by the Utilities were $106 million in the fourth quarter and $395 million for the full year of 2015. Lower adjusted earnings were mainly due the prior period adjustments associated with several regulatory decisions, partially offset by growth in rate base.

To facilitate comparison, adjusted earnings for 2015 and 2014 for each of the Utilities have been normalized in the table below for prior period impacts of the following regulatory decisions:

- The Generic Cost of Capital (GCOC) decision received in the first quarter of 2015 reduced earnings by $36 million. 2015 full year normalized earnings have been increased by $31 million for the 2013 and 2014 impact. 2014 normalized earnings have been reduced by $5 million in the fourth quarter and $17 million for the year.
- The Capital Tracker decision received in the first quarter of 2015 reduced earnings by $10 million. 2015 full year normalized earnings have been increased by $8 million for the 2013 and 2014 impact. 2014 normalized earnings have been reduced by $5 million.
- The 2010 Evergreen decision received in the second quarter of 2014 reduced earnings by $26 million. 2014 full year normalized earnings have been increased by $22 million for the portion relating to 2010 to 2013.
- The 2014 Interim Rates decisions received in the third quarter of 2014 increased earnings by $22 million. 2014 full year normalized earnings have been reduced by $11 million for the portion relating to 2013.

Normalized Utility Adjusted Earnings

($ millions)	Three Months Ended December 31 2015	2014	Change	Twelve Months Ended December 31 2015	2014	Change
Electricity						
ATCO Electric Distribution	**22**	21	1	**103**	95	8
ATCO Electric Transmission	**22**	41	(19)	**173**	164	9
Total Electricity	**44**	62	(18)	**276**	259	17
Pipelines & Liquids						
ATCO Gas	**51**	54	(3)	**113**	102	11
ATCO Pipelines	**11**	8	3	**45**	37	8
Total Pipelines & Liquids	**62**	62	–	**158**	139	19
Total Utilities	**106**	124	(18)	**434**	398	36

Detailed information about the activities and financial results of the Utilities' businesses is provided in the following sections.

ELECTRICITY

Electricity's activities are conducted through two regulated businesses, ATCO Electric Distribution and ATCO Electric Transmission and their subsidiaries, ATCO Electric Yukon, Northland Utilities (NWT) and Northland Utilities (Yellowknife). These businesses provide regulated electricity distribution, transmission and distributed generation mainly in northern and central east Alberta, the Yukon and the Northwest Territories. The service territory includes the oil sands areas near Fort McMurray and the heavy oil areas near Cold Lake and Peace River.

Electricity Distribution

ATCO Electric Distribution's adjusted earnings, excluding the prior period impacts of the GCOC, Capital Tracker, 2010 Evergreen and 2014 Interim Rates decisions, were $1 million higher in the fourth quarter of 2015 and $8 million higher for the year when compared to the same periods in 2014. Higher earnings resulted from growth in rate base.

Electricity Transmission

ATCO Electric Transmission's adjusted earnings, excluding the prior period impacts of the GCOC and 2010 Evergreen decisions, were $19 million lower in the fourth quarter of 2015 than the same period in 2014 mainly due to regulatory lag which required an update to the forecast costs as compared to prospective costs originally filed in the 2015 to 2017 General Tariff Application. Higher adjusted earnings in 2015 were mainly due to growth in rate base.

Electricity Capital Expenditure Updates

Electricity has invested $4.2 billion in capital growth projects over the last three years. The largest investments were in transmission operations. The AESO identified the need for major reinforcement and expansion of the electricity transmission system in Alberta, and ATCO Electric is dedicated to improving Alberta’s electrical system through responsible transmission development.

Total capital expenditures for Electricity in the last three years are provided in the table below.

($ millions)	Year Ended December 31 2015	2014	2013
ATCO Electric Distribution	**355**	369	408
ATCO Electric Transmission	**471**	1,233	1,355
Total	**826**	**1,602**	**1,763**

Electricity invested $826 million in 2015. The Eastern Alberta Transmission Line (EATL) was the largest single project under construction during the year. The EATL project spend was $189 million in 2015, bringing the total spend to date on the project to $1.8 billion. The project was placed in service in December 2015. This 500 kV high voltage direct-current transmission line, with associated converter stations and facilities, extends approximately 485 km along a corridor on the east side of the province of Alberta between Edmonton and Calgary.

During the period 2016 to 2018, ATCO Electric Distribution and ATCO Electric Transmission are planning to invest $2.1 billion to reinforce and expand Alberta's electricity system.

PIPELINES & LIQUIDS

Pipelines & Liquids activities are conducted through two regulated businesses, ATCO Gas and ATCO Pipelines.

Natural Gas Distribution

Our natural gas distribution activities throughout Alberta and in the Lloydminster area of Saskatchewan are conducted by ATCO Gas. It services municipal, residential, business and industrial customers.

Adjusted earnings in ATCO Gas, excluding the prior period impacts of the GCOC, Capital Tracker, 2010 Evergreen and 2014 Interim Rates decisions, were lower in the fourth quarter of 2015 primarily due to the timing of higher operations and maintenance costs partially offset by growth in rate base. Adjusted earnings for the year ended December 31, 2015 were $11 million higher than 2014 primarily due to growth in both rate base and customers.

Natural Gas Transmission

Our natural gas transmission activities in Alberta are conducted by ATCO Pipelines. This business receives natural gas on its pipeline system at various gas processing plants as well as from other natural gas transmission systems and transports it to end users within the province or to other pipeline systems, primarily for export out of the province.

Adjusted earnings in ATCO Pipelines, excluding the prior period impacts of the GCOC and 2010 Evergreen decisions, were $3 million higher in the fourth quarter of 2015 and $8 million higher in 2015, when compared to the same periods in 2014. Increased earnings resulted from growth in rate base.

Major Pipelines & Liquids Project Updates

During the period 2016 to 2018, ATCO Gas and ATCO Pipelines are planning to invest $1.7 billion to modernize Alberta's natural gas transmission and distribution networks and add the capacity needed to meet the growing demand for natural gas in Alberta.

Urban Pipeline Replacement (UPR)

The capital investment to complete construction of ATCO Pipelines' AUC approved UPR project recommenced in 2015. Construction will last approximately five years and the total cost of the UPR project is estimated to be $850 million, which includes the cost to integrate the new high-pressure network with ATCO Gas' low-pressure distribution system. The project will replace and relocate aging, high-pressure natural gas pipelines in densely populated areas of Calgary and Edmonton to address safety, reliability and future growth.

Mains Replacement Program

2015 capital investment in ATCO Gas was driven by the Mains Replacement Program. ATCO Gas continuously replaces natural gas distribution facilities across the province to ensure and maintain a high level of safety, service and reliability of our natural gas distribution system.

ATCO Gas has 9,000 kms of steel pipe which it continues to replace as it identifies pipe at the end of its useful life. The pipe that is being replaced is generally more than 60 years old and a portion of this pipe is replaced every year. ATCO Gas will see an increase in this required replacement activity as the steel mains age. In 2015, ATCO Gas replaced approximately 40 kms of line compared to 23 kms in 2014.

The Plastic Mains Replacement program at ATCO Gas is a 20-year program aimed at replacing polyvinyl chloride (PVC) and early generation polyethylene (PE) pipe. The pipe has been identified for replacement due to risks associated with brittle cracking. Overall, approximately 8,000 kms of main gas line, impacting roughly 27,500 services, will be replaced. The program began in 2011 with a target completion date of no later than 2030. Through the first five years of the program, approximately 1,280 kms of main line, impacting 6,400 services, have been replaced.

REGULATORY DEVELOPMENTS

Generic Cost of Capital (GCOC)

In March 2015, the Company received the AUC 2013 GCOC decision. The decision established the ROE and deemed common equity ratios for the Utilities for 2013 to 2015. The ROE was set at 8.30 per cent for each of 2013, 2014 and 2015, which is a reduction from the 8.75 per cent previously approved. The GCOC decision also reduced the deemed common equity ratios by one per cent from what was previously approved. These rates will remain in place on an interim basis for 2016 until such time as the AUC issues a decision on final rates as part of the 2016 GCOC proceeding. The following table compares the ROE and deemed common equity ratios resulting from the 2011 and 2013 GCOC decisions. For ATCO Electric Distribution and ATCO Gas, the 2013 GCOC decision only applies to the K Factor mechanism and does not apply to the base PBR formula.

		Rate of Return on Common Equity (%) (1)	Common Equity Ratio (%) (2)
ATCO Electric Distribution	**2013 Decision**	**8.30%** (3)	**38.0%** (3)
	2011 Decision	8.75% (4)	39.0% (4)
ATCO Electric Transmission	**2013 Decision**	**8.30%** (3)	**36.0%** (3)
	2011 Decision	8.75% (4)	37.0% (4)
ATCO Gas	**2013 Decision**	**8.30%** (3)	**38.0%** (3)
	2011 Decision	8.75% (4)	39.0% (4)
ATCO Pipelines	**2013 Decision**	**8.30%** (3)	**37.0%** (3)
	2011 Decision	8.75% (4)	38.0% (4)

(1) Rate of return on common equity is the rate of return on the portion of rate base considered to be financed by common equity.

(2) The common equity ratio is the portion of rate base considered to be financed by common equity.

(3) The AUC released its final Generic Cost of Capital decision for the periods 2013 to 2015 on March 23, 2015.

(4) The rate of return on common equity and common equity ratio was an interim rate based on the AUC Generic Cost of Capital decision of December 8, 2011.

Information Technology Common Matters

The AUC has initiated a proceeding to review the costs associated with the Master Services Agreements for information technology services with Wipro Ltd., which commenced effective January 1, 2015. On August 1, 2015, the AUC ruled that the utilities operating under Performance Based regulation (ATCO Gas and ATCO Electric Distribution) will not be part of this proceeding.

Pension Decision

In September 2015, the Supreme Court of Canada dismissed the Utilities' appeal related to the 2011 Pension Decision, finding that the AUC's decision to limit the recovery of the Cost of Living Adjustment (COLA) to 50 per cent of the Consumer Price Index with a cap at 3 per cent was reasonable. There was no impact on the Utilities' financial results from the Supreme Court of Canada appeal dismissal as the Company's adjusted earnings have reflected the AUC's original decision since it was rendered in September 2011.

2013 Utility Asset Disposition and 2011 Generic Cost of Capital Appeals

In September 2015, the Alberta Court of Appeal dismissed the appeals of the Utilities related to the 2013 Utility Asset Disposition Decision and the 2011 Generic Cost of Capital Decision. These decisions confirm that utilities are responsible for the cost of assets that are retired due to extraordinary events. There is no current impact on the Utilities' financial results from this decision.

PBR Capital Tracker (K Factor) Applications

The K Factor is a mechanism included in the PBR regulatory model to allow the Company to recover capital expenditures that meet certain criteria and are not recoverable through the base PBR formula. Decisions for the 2013, 2014 and 2015 Capital Tracker applications were received in the first quarter of 2015. These decisions included approval of incremental funding for substantially all of the Company's applied for Capital Tracker programs. However, due to the AUC requiring the actual cost of debt in the rate determinations, which was lower than the forecast cost of debt that was previously being used, there was a one-time adjustment to first quarter 2015 earnings for amounts previously recognized for 2013 and 2014.

ATCO Electric Distribution and ATCO Gas 2014 True-Up and 2016/2017 Capital Tracker Applications

ATCO Electric Distribution and ATCO Gas filed their 2014 True-up and 2016 and 2017 Capital Tracker applications in the second and third quarters of 2015, respectively. Decisions from the AUC on these applications are expected in the first quarter of 2016.

ATCO Electric Transmission 2015 to 2017 General Tariff Application

In March 2015, ATCO Electric Transmission filed a General Tariff application for its operations for 2015, 2016 and 2017. The application requests, among other things, additional revenues to recover higher depreciation, operating costs and financing associated with increased rate base in Alberta. ATCO Electric Transmission updated its 2015 to 2017 General Tariff Application in December 2015 modifying its application requests with updated forecast costs as compared to prospective costs originally filed in the 2015 to 2017 General Tariff Application. A decision is expected from the AUC in the third quarter of 2016.

CLIMATE CHANGE AND THE ENVIRONMENT

CU Inc. believes that reducing its environmental impact is integral to the pursuit of operational excellence and long-term sustainable growth. CU Inc.'s success depends on its ability to operate in a responsible and sustainable manner, today and in the future.

Alberta's Climate Leadership Plan

In November 2015, the provincial government announced Alberta's Climate Leadership Plan, a framework which includes the phasing out of coal-fired electricity, the accelerated phasing in of renewable energy, an economy-wide tax on carbon emissions starting in 2017, and the reduction of methane emissions. The plan aims to take action on climate change by reducing greenhouse gas (GHG) emissions and positions Alberta as an environmental leader on the world stage. The Federal Government is also reviewing Canada's climate change plan and is expected to engage the provinces in a Canada-wide strategy starting in 2016.

CU Inc. shares the province's vision to reduce emissions and improve environmental performance. CU Inc. is committed to maintaining the reliability of the electrical grid, protecting jobs and mitigating costs for consumers.

Carbon Pricing Replacing Specified Gas Emitters Regulations

The Alberta government will phase in carbon pricing across all sectors in two steps. Economy-wide carbon pricing of $20/tonne will be implemented in 2017, followed by $30/tonne carbon pricing in 2018. The provincial government will continue to manage GHG emissions for large emitters through the existing Specified Gas Emitters Regulations (SGER) until it is replaced in 2018 by the new carbon pricing and emissions performance standard. A revised SGER regulation was announced in June 2015. Previously, the SGER was set at a $15/tonne charge on GHG emissions from large emitters applied to a 12 per cent emission reduction. In January 2016, the amount increased to a $20/tonne charge and a 15 per cent emission reduction for large emitters, followed by a $30/tonne charge and a 20 per cent reduction in January 2017 for large emitters.

The Company's earnings exposure is limited for the Utilities because GHG emission charges are expected to be recovered in rates on a go-forward basis.

Methane Emissions

Alberta will reduce methane emissions from oil and gas operations by 45 per cent by 2025 by applying new emissions design standards to new Alberta facilities, and developing a 5-year voluntary Joint Initiative on Methane Reductions and Verification.

Future regulations or reduction targets for methane emissions predominantly affect the Company's fugitive or venting emissions from natural gas pipeline related operations. Fugitive and venting emissions combined account for less than four per cent of Canadian Utilities' direct GHG emissions, and CU Inc. has already implemented a number of programs to improve efficiency and reduce fugitive and venting emissions.

The Company's exposure is limited, as future requirements to upgrade equipment in order to further reduce methane emissions are expected to be included in rate base on a go forward basis.

Air Pollutants

In addition to the GHG regulations, federal and provincial environmental regulations are being developed and/or revised for other air pollutants. These pollutants include sulfur dioxide, nitrogen oxides, volatile organic carbons, and particulate matter.

The Clean Air Strategic Alliance (CASA) is a multi-stakeholder group of representatives from industry, government and non-government organizations. This group creates strategies to assess and improve air quality for Albertans and influences air emission regulations. CASA developed a framework to manage air emissions from the electricity sector in Alberta, and completed a five-year review in 2015. A number of recommendations were forwarded to the provincial government for consideration, and are currently going through a review process.

Environmental Controls and Efficiency

CU Inc. continues to make operational improvements and investments in the Company's existing facilities to lessen their environmental impact. The Company's environmental commitments include:

- Programs to improve the efficiency of compressors and heaters, lowering fuel gas and electrical consumption and reducing environmental impact at ATCO Pipelines.
- Several new energy efficient operating centres at ATCO Gas and ATCO Electric. These buildings use a variety of environmentally friendly technologies such as geothermal as well as heating, ventilation and cooling technology.
- ATCO Gas Drake Landing Solar Community, which is Canada's largest subdivision of energy-efficient and environmentally-responsible homes, and the continent's first major implementation of seasonal solar thermal energy storage. The community's innovative design allows solar energy absorbed in the summer months to be stored underground and returned to the homes as heat in the winter.

OTHER EXPENSES AND INCOME

A financial summary of other consolidated expenses and income items for the three months and years ended December 31, 2015 and 2014 is given below. These amounts are presented in accordance with IFRS accounting standards. They have not been adjusted for the timing of revenues and expenses associated with rate-regulated activities and other items that are not in the normal course of business.

	Three Months Ended December 31			Twelve Months Ended December 31		
($ millions)	**2015**	**2014**	**Change**	**2015**	**2014**	**Change**
Operating costs	**378**	307	71	**1,240**	1,131	109
Depreciation and amortization	**100**	95	5	**389**	355	34
Net finance costs	**66**	59	7	**231**	215	16
Income taxes	**34**	36	(2)	**199**	138	61

OPERATING COSTS

Operating costs, which are total costs and expenses less depreciation and amortization, increased by $71 million in the fourth quarter and by $109 million in the year ended December 31, 2015. These higher operating costs are associated with the Company's growing asset base.

DEPRECIATION AND AMORTIZATION

In the quarter and year ended December 31 2015, depreciation and amortization expense increased by $5 million and $34 million when compared to the same periods in 2014. The increased expense was mainly due to the ongoing significant capital expenditure program.

NET FINANCE COSTS

Net finance costs increased in the quarter and in the year ended December 31, 2015, compared to the same periods in 2014, primarily due higher interest expense for incremental debt raised in 2014 and 2015 to fund the Utilities' significant capital expenditure program.

INCOME TAXES

Income taxes decreased in the fourth quarter primarily due to lower earnings before income taxes, partially offset by higher taxes as a result of an increase in Alberta's corporate income tax rate from 10 per cent to 12 per cent effective July 1, 2015. Income taxes increased in the year ended December 31, 2015, primarily due to tax adjustment relating to current and deferred taxes for the increase in Alberta's corporate income tax rate, partially offset by lower earnings before income taxes year-over-year.

LIQUIDITY AND CAPITAL RESOURCES

The Company's financial position is supported by regulated utility operations. Its business strategies, funding of operations, and planned future growth are supported by maintaining strong investment grade credit ratings and access to capital markets at competitive rates. Primary sources of capital are cash flow from operations, the debt and preferred share capital markets and injections of equity from Canadian Utilities Limited.

The Company considers it prudent to maintain enough liquidity to fund approximately one full year of cash requirements to preserve strong financial flexibility. Liquidity is generated by cash flow from operations and is supported by appropriate levels of cash and available committed credit facilities.

CREDIT RATINGS

Credit ratings are important to the Company’s financing costs and ability to raise funds. The Company intends to maintain strong investment grade credit ratings in order to provide efficient and cost effective access to funds required for operations and growth.

In August 2015, DBRS Limited (DBRS) re-affirmed its rating of the Company as "A (high)" with a stable trend. In July 2015, Standard and Poor's Rating Services (S&P) re-affirmed its rating of the Company as "A" and revised its outlook to negative.

LINES OF CREDIT

At December 31, 2015, the Company and its subsidiaries had the following lines of credit:

($ millions)	Total	Used	Available
Long-term committed	**900**	1	899
Uncommitted	**128**	46	82
Total	**1,028**	47	981

Of the $1,028 million in total credit lines, $128 million was in the form of uncommitted credit facilities with no set maturity date. The other $900 million in credit lines were committed with maturities between 2017 and 2018, unless extended at the option of the lenders. The majority of the credit lines are provided by Canadian banks.

CONSOLIDATED CASH FLOW

At December 31, 2015, the Company’s cash deficit was $9 million, an decrease of $31 million compared to 2014. Major movements are outlined in the following table:

	Three Months Ended December 31			Twelve Months Ended December 31		
($ millions)	2015	2014	Change	2015	2014	Change
Proceeds from funds generated by operations	**290**	325	(35)	**1,245**	1,219	26
Cash used for capital expenditures	**(468)**	(523)	55	**(1,414)**	(2,079)	665
Proceeds from issuance of long-term debt, net of repayments	**250**	100	150	**650**	1,100	(450)
Issue of Class A and Class B shares	**–**	126	(126)	**–**	126	(126)
Redemption of equity preferred shares to parent corporation	**–**	–	–	**–**	(160)	160
Dividends paid to Class A and Class B share owner's	**(255)**	–	(255)	**(255)**	–	(255)
Other	**25**	(192)	217	**(257)**	(190)	(67)
(Decrease) increase in cash	**(158)**	(164)	6	**(31)**	16	(47)

Funds generated by operations

Funds generated by operations for the fourth quarter of 2015 were $290 million, or $35 million lower than the same period in 2014. This decrease was mainly the result of lower earnings attributable to equity owners of the Company as well as lower contributions received from customers. Funds generated by operations for the year ended December 31, 2015 was $26 million higher than the same period in 2014, mainly as a result of increased contributions received from customers, partially offset by reduced earnings.

Cash used for capital expenditures

Cash used for capital expenditures was $468 million in the fourth quarter and $1,414 million for the full year of 2015, compared to $523 million and $2,079 million in the same periods of 2014. The decreases were primarily due to previously disclosed and planned lower capital spending in ATCO Electric Transmission.

Capital expenditures for the three months and years ended December 31, 2015 and 2014 are shown in the following table:

	Three Months Ended December 31			Twelve Months Ended December 31		
($ millions)	**2015**	**2014**	**Change**	**2015**	**2014**	**Change**
ATCO Electric Distribution	**100**	107	(7)	**355**	369	(14)
ATCO Electric Transmission	**141**	273	(132)	**471**	1,233	(762)
ATCO Gas	**100**	79	21	**331**	292	39
ATCO Pipelines	**127**	64	63	**257**	185	72
Total (1)	**468**	523	(55)	**1,414**	2,079	(665)

(1) Includes additions to property, plant and equipment, intangibles as well as $19 million and $95 million (2014 - $21 million and $75 million) of interest capitalized during construction for the quarter and year ended December 31, 2015.

Debt issuances and repayments

In order to fund significant capital expenditures, to repay existing indebtedness, and for other general corporate purposes of the Utilities, the Company, issued a total of $650 million of long-term debt in 2015. Of this amount, the Company issued $400 million of 3.964 per cent 30-year debentures and $250 million of 4.211 per cent 40-year debentures.

Base Shelf Prospectus

On July 24, 2014, the Company filed a base shelf prospectus that permits it to issue up to an aggregate of $2.6 billion of debentures over the 25-month life of the prospectus. As of February 23, 2016, aggregate issuances of debentures were $1.9 billion.

SHARE CAPITAL

CU Inc. equity securities consist of Class A shares and Class B shares.

At February 23, 2016, the Company had outstanding 3,570,322 Class A shares and 2,188,262 Class B shares.

QUARTERLY INFORMATION

The following table shows financial information for the eight quarters ended March 31, 2014, through December 31, 2015.

($ millions)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**
Revenues	662	546	504	**659**
Earnings for the period	152	24	55	**81**
Adjusted earnings				
Electricity	45	87	72	**44**
Pipelines & Liquids	71	16	(2)	**62**
Total adjusted earnings	**116**	**103**	**70**	**106**

($ millions)	**Q1 2014**	**Q2 2014**	**Q3 2014**	**Q4 2014**
Revenues	654	523	468	**601**
Earnings for the period	169	87	47	**104**
Adjusted earnings				
Electricity	70	58	79	**66**
Pipelines & Liquids	69	(6)	10	**63**
Total adjusted earnings	**139**	**52**	**89**	**129**

The large capital expenditures made by the Utilities in the previous eight quarters has contributed to a general increase in adjusted earnings. This growth is most evident in ATCO Electric Transmission's operations, where significant capital has been added as a result of the expansion and reinforcement of the transmission network in several regions of Alberta. These investments earn a return under a regulated business model and drive growth in adjusted earnings. Utilities' adjusted earnings have also been affected by the timing of certain major regulatory decisions. Lower adjusted earnings in the second quarter of 2014 reflected the financial impact of the 2010 Evergreen Decision. Higher adjusted earnings in the third quarter of 2014 reflected the impact of the 2014 Interim Rates Decisions. Lower adjusted earnings in the first quarter of 2015 reflect the financial impact of the GCOC and Capital Tracker decisions. Lower earnings in the fourth quarter of 2015 were mainly due to regulatory lag which required an update to the forecast costs as compared to prospective costs originally filed in ATCO Electric Transmission's 2015 to 2017 General Tariff Application. Due to the seasonal nature of demand for natural gas, ATCO Gas typically achieves lower earnings in the second and third quarters of any year which impacts overall Utilities earnings.

BUSINESS RISKS AND RISK MANAGEMENT

The Board of Directors (Board) is responsible for understanding the principal risks of the businesses in which the Company is engaged. The Board also must achieve a prudent balance between risks incurred and the potential return to share owners. It must confirm controls are in place that effectively monitor and manage those risks for the Company's long-term viability.

The Board has an Audit & Risk Committee, which reviews significant risks associated with future performance and growth. The committee also reviews lost opportunities identified by management that could materially affect the Company’s ability to achieve its strategic or operational targets. This committee is responsible for confirming that management has procedures in place to mitigate identified risks.

Business Risk	Description and Context	Risk Management Approach
Regulated Operations	The Utilities are subject to the normal risks faced by regulated companies. These risks include the regulator's approval of customer rates that permit a reasonable opportunity to recover service costs on a timely basis, including a fair return on rate base. These risks also include the regulator's potential disallowance of costs incurred.	The Utilities file forecasts in the rate-setting process to recover the costs of providing services and earn a fair rate of return. The determination of a fair rate of return on the common equity component of rate base is determined in a generic cost of capital proceeding. The Regulated Utilities continuously monitor various regulatory decisions and cases to assess how they might impact the Company's regulatory applications for the recovery of prudent costs. The Regulated Utilities are proactive in demonstrating prudence.
Performance Based Regulation	ATCO Electric Distribution and ATCO Gas moved to the PBR model on January 1, 2013. Under PBR, utility revenues are formula driven, which raises the uncertainty of cost recovery. The first term of the PBR plan expires at the end of 2017. The Alberta Utilities Commission has initiated a generic proceeding to determine the parameters for the next generation of PBR including the establishment of going-in rates and an update to the productivity factor and the treatment of capital additions.	ATCO Electric Distribution and ATCO Gas are actively participating in the generic proceeding to establish the parameters used for the next generation of PBR while continuing to look for ways to lower operating costs while maintaining service levels.
Pipeline Integrity	ATCO Pipelines and ATCO Gas have significant pipeline infrastructure. Although the probability of a pipeline rupture is very low, the consequences of a failure can be severe.	Programs are in place to monitor the integrity of the pipeline infrastructure and replace pipelines as required to address safety, reliability, and future growth. These programs include ATCO Gas' and ATCO Pipelines’ UPR programs and ATCO Gas' mains replacement programs.
Measurement Inaccuracies in Metering Facilities	Measurement inaccuracies can occur from time to time in the Utilities' metering facilities. There is a risk of disallowance of recovering a measurement adjustment.	The Utilities’ measurement adjustments are settled between parties, based on the requirements of the Electricity and Gas Inspections Act (Canada) and applicable regulations.

Business Risk	Description and Context	Risk Management Approach
Capital Expenditure	The Company is subject to the normal risks associated with major capital projects, including delays and cost increases.	The Company attempts to reduce the risks of cost increases and project delays by careful planning, diligent procurement practices and entering into long-term contracts when possible. Planned capital investments for the Utilities are based on the following significant assumptions: projects identified by the AESO will proceed as currently scheduled; the remaining planned capital investments are required to maintain safe and reliable service and meet planned growth in the Utilities' service areas; regulatory approval for capital projects can be obtained in a timely manner; and access to capital market financings can be maintained. The Company believes these assumptions are reasonable.
Foreign Currency Exchange Rate Risk	Foreign currency exchange rate risk arises from financial instruments denominated in a currency other than the functional currency.	The Company enters into foreign currency forward contracts to manage its exposure to exchange rate risk arising on certain service agreements denominated in U.S. dollars.
Financing Risk	The Company's financing risk relates to the price volatility and availability of external financing to fund the capital expenditure program and refinance existing debt maturities. Financing risk is directly influenced by market factors. As financial market conditions change, these risk factors can affect the availability of capital and also the relevant financing costs.	To address this risk, the Company manages its capital structure to maintain strong credit ratings which allow continued ease of access to the capital markets. The Company also considers it prudent to maintain sufficient liquidity to fund approximately one full year of cash requirements to preserve strong financial flexibility. This liquidity is generated by cash flow from operations and supported by appropriate levels of cash and available committed credit facilities.
Credit Risk	For cash and cash equivalents and accounts receivable, credit risk represents the carrying amount on the consolidated balance sheet. Derivative and lease receivable credit risk arises from the possibility that a counterparty to a contract fails to perform according to the terms and conditions of that contract. The maximum exposure to credit risk is the carrying value of loans and receivables and derivative financial instruments.	Cash and cash equivalents credit risk is reduced by investing in instruments issued by credit-worthy financial institutions and in federal government issued short-term instruments. The Company minimizes derivative credit risk by dealing with large, credit-worthy counterparties with established credit-approval policies. Substantially all of the loans and receivables are from the Company's operations in Alberta. The Company does not have a concentration of credit risk with any counter parties. Accounts receivable credit risk is reduced by a large and diversified customer base and credit security such as letters of credit. The Utilities are also able to recover an estimate for doubtful accounts through approved customer rates and to request recovery through customer rates for any losses from retailers beyond the retailer security mandated by provincial regulations.

Business Risk	Description and Context	Risk Management Approach
Liquidity Risk	Liquidity risk is the risk that the Company will not be able to meet its financial obligations.	Cash flow from operations provides a substantial portion of the Company’s cash requirements. Additional cash requirements are met with the use of existing cash balances and externally through bank borrowings and the issuance of long-term debt, non-recourse long-term debt and preferred shares. Commercial paper borrowings and short-term bank loans under available credit lines are used to provide flexibility in the timing and amounts of long-term financing. The Company has a policy not to invest any of its cash balances in asset-backed securities. At December 31, 2015, the Company’s cash position was a deficit of $9 million; there were available committed and uncommitted lines of credit of approximately $981 million which can be utilized for general corporate purposes.

Liquidity Risk (discussed in the Business Risks and Risk Management table above) includes contractual financial obligations which the Company will meet with cash flow from operations, existing cash balances and external financing, if necessary. These contractual obligations for the next five years and thereafter are shown below.

($ millions)	2016	2017	2018	2019	2020	2021 and thereafter
Financial Liabilities						
Accounts payable and accrued liabilities	562	–	–	–	–	–
Accounts payable to parent and affiliate companies	12	–	–	–	–	–
Long-term debt:						
Principal	–	153	–	480	100	6,220
Interest expense	348	347	339	321	307	6,276
	922	500	339	801	407	12,496
Commitments						
Operating leases (1)	15	13	11	3	3	2
Purchase obligations:						
Operating and maintenance agreements (2)	272	268	256	194	26	26
Capital expenditures (3)	33	–	–	–	–	–
Other	7	–	–	–	–	–
	327	281	267	197	29	28
Total	1,249	781	606	998	436	12,524

(1) Operating leases are comprised primarily of long-term leases for office premises and equipment.

(2) Consists of ATCO Gas’s transmission service from NOVA Gas Transmission Ltd. and the Company’s information technology services contractual obligations.

(3) Consists of various contracts to purchase goods and services with respect to capital expenditures.

NON-GAAP AND ADDITIONAL GAAP MEASURES

Funds generated by operations is defined as cash flow from operations before changes in non-cash working capital. In management's opinion, funds generated by operations is a significant performance indicator of the Company's ability to generate cash during a period to fund capital expenditures without changes in non-cash working capital. Funds generated by operations does not have any standardized meaning under IFRS and might not be comparable to similar measures presented by other companies.

Adjusted earnings are defined as earnings for the year after adjusting for the timing of revenues and expenses associated with rate-regulated activities and dividends on equity preferred shares of the Company. Adjusted earnings also exclude one-time gains and losses, significant impairments, and items that are not in the normal course of business or a result of day-to-day operations.

Adjusted earnings present earnings from rate-regulated activities on the same basis as was used prior to adopting IFRS - that basis being the U.S. accounting principles for rate-regulated activities. Management's view is that adjusted earnings allow for a more effective analysis of operating performance and trends. A reconciliation of adjusted earnings to earnings for the year is presented in this MD&A. Adjusted earnings is an additional GAAP measure presented in Note 5 to the 2015 Annual Financial Statements.

RECONCILIATION OF ADJUSTED EARNINGS TO EARNINGS FOR THE YEAR

Adjusted earnings are earnings for the year after adjusting for the timing of revenues and expenses associated with rate-regulated activities and dividends on equity preferred shares of the Company. Adjusted earnings also exclude one-time gains and losses, significant impairments, and items that are not in the normal course of business or a result of day-to-day operations.

Adjusted earnings are a key measure of segment earnings that management uses to assess segment performance and allocate resources. It is management's view that adjusted earnings allow a better assessment of the economics of rate regulation in Canada and Australia than IFRS earnings.

The following table reconciles adjusted earnings to earnings for the year.

($ millions)			**Three Months Ended December 31**
2015			
2014 (Restated)	**Electricity**	**Pipelines & Liquids**	**Consolidated**
Adjusted earnings	**44**	**62**	**106**
	66	63	129
Restructuring costs	**(21)**	**(31)**	**(52)**
	–	–	–
Rate-regulated activities	**34**	**(10)**	**24**
	(11)	**(17)**	**(28)**
Dividends on equity preferred shares of the Company	**2**	**1**	**3**
	2	1	3
Earnings for the period	**59**	**22**	**81**
	57	47	104

($ millions)			Twelve Months Ended December 31
2015			
2014 (Restated)	**Electricity**	**Pipelines & Liquids**	**Consolidated**
Adjusted earnings	**248**	**147**	**395**
	273	136	409
Restructuring costs	**(25)**	**(31)**	**(56)**
	–	–	–
Rate-regulated activities	**(6)**	**(32)**	**(38)**
	(1)	(17)	(18)
Dividends on equity preferred shares of the Company	**6**	**5**	**11**
	10	6	16
Earnings for the year	**223**	**89**	**312**
	282	125	407

RESTRUCTURING COSTS

In the quarter and year ended December 31, 2015, the Company recorded restructuring costs of $52 million and $56 million, respectively. These costs were primarily related to staff reductions and associated severance costs. These costs were incurred in order to maintain the Company's competitive position while continuing with safe and reliable service for our customers.

RATE-REGULATED ACTIVITIES

There is currently no specific guidance under IFRS for rate-regulated entities that the Company is eligible to adopt. Prior to adopting IFRS, the Company used standards for rate-regulated operations issued by the Financial Accounting Standards Board (FASB) in the United States as a source of generally accepted accounting principles. The Company continues to use these FASB standards to fairly present the operating results of its rate-regulated activities.

Rate-regulated accounting reduces earnings volatility as the Company defers the recognition of revenue when cash is received in advance of future expenditures and it recognizes revenue for recoverable costs incurred in advance of future billings to customers. Under IFRS, the Company records revenues when amounts are billed to customers and recognizes costs when they are incurred. The Company does not recognize their recovery until changes to customer rates are reflected in future customer billings.

Under rate-regulated accounting, the Company recognizes revenues from regulatory decisions that relate to current and prior periods when the decisions are received. Under IFRS, the Company recognizes those revenues when customer rates are changed and customers are billed.

Finally, under rate-regulated accounting, amounts relating to intercompany profits recognized in rate base by a regulator are not eliminated on consolidation. Under IFRS, however, intercompany profits are eliminated on consolidation. The Company then recognizes those profits in earnings when amounts are billed to customers over the life of the asset.

Timing adjustments made in rate-regulated accounting are shown in the following table.

	Three Months Ended December 31			Twelve Months Ended December 31		
($ millions)	**2015**	**2014**	**Change**	**2015**	**2014**	**Change**
Additional revenues billed in current period (1)	**20**	6	14	**103**	86	17
Revenues to be billed in future period (2)	**(6)**	(28)	22	**(186)**	(109)	(77)
Regulatory decisions related to (3) current and prior periods	**10**	(6)	16	**45**	5	40
Total adjustments	**24**	(28)	52	**(38)**	(18)	(20)

Notes:

(1) Additional revenues billed in current period

These adjustments are primarily comprised of future removal and site restoration costs, where customers are billed over the life of the associated assets in advance of future expenditures, and finance costs incurred by ATCO Electric during construction of major transmission capital projects are billed to customers when incurred. Under rate-regulated accounting, the finance costs billed to customers are deferred. The deferred revenues will be recognized in adjusted earnings over the service life of the related assets.

(2) Revenues to be billed in future period

Deferred income taxes are the most significant adjustment items in this category. Deferred income taxes are not recovered from customers until income taxes are paid. Deferred income taxes are a non-cash expense resulting from temporary differences between the book value and the tax value of assets and liabilities. Income taxes are billed to customers when paid by the Company. Under rate-regulated accounting, revenues are recognized in the current period for the deferred income taxes to be billed to customers in future periods. The revenues will reverse when the temporary differences that gave rise to the deferred income taxes reverse in future periods.

(3) Regulatory decisions related to current and prior periods

Refer to the Regulatory Developments section in this MD&A as well as the Segmented Information presented in Note 5 of the 2015 Annual Financial Statements.

OTHER FINANCIAL INFORMATION

OFF-BALANCE SHEET ARRANGEMENTS

CU Inc. does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition, including, without limitation, the Company's liquidity and capital resources.

CONTINGENCIES

The Company can be party to a number of disputes and lawsuits in the normal course of business. The Company believes the ultimate liability arising from these matters will have no material impact on its consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting estimates are described in Note 4 of the 2015 Annual Financial Statements, which are prepared in accordance with IFRS. The timely preparation of consolidated financial statements requires management to make judgments, estimates, and assumptions. These judgments may affect the application of policies on the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses.

Key variables used in the calculations, or changes to estimates, could cause actual results to differ from those estimates. The judgments could have a material impact on the Company's financial position or performance. Management uses current economic conditions to develop these assumptions and these assumptions are reviewed on an ongoing basis.

Accounting Changes Not Yet Adopted

Certain new or amended standards or interpretations issued by the International Accounting Standards Board (IASB) or IFRS Interpretations Committee (IFRIC) do not have to be adopted in the current period.

The standards issued, but not yet effective, which the Company anticipates may have a material effect on the consolidated financial statements are described below:

- IFRS 9 (2014) Financial Instruments - this final standard replaces IAS 39 Financial Instruments: Recognition and Measurement and also replaces previous versions of IFRS 9. The standard incorporates IFRS 9 (2013), providing a further classification category for financial assets, and includes a new impairment model for financial instruments.

  The standard is effective on or after January 1, 2018. The Company has not yet determined the impact of the final standard and will not early adopt the standard.

- IFRS 15 Revenue from Contracts with Customers - this standard replaces previous guidance on revenue recognition, providing a framework to determine when to recognize revenue and at what amount. The standard applies to new contracts created on or after January 1, 2017, and to existing contracts not yet completed as of that date. The Company will not early adopt the standard. The Company has not yet determined the impact of the standard and will not early adopt the standard.

- IFRS 16 Leases - This standard replaces IAS 17 *Leases* and related interpretations. It introduces a new approach to lease accounting that requires a lessee to recognize assets and liabilities for the rights and obligations created by leases. It brings most leases on-balance sheet for lessees, eliminating the distinction between operating and finance leases. However, lessor accounting remains similar to previous guidance and the distinction between operating and finance leases is retained. The Company has not yet determined the impact of the final standard and will not early adopt the standard.

  The standard is effective on or after January 1, 2019. The Company has not yet determined the impact of the final standard.

There are no other standards or interpretations issued, but not yet effective, that the Company anticipates may have a material effect on the consolidated financial statements once adopted.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of December 31, 2015, the Company’s management evaluated the effectiveness of the Company’s disclosure controls and procedures as required by the Canadian Securities Administrators. This evaluation was performed under the supervision of, and with the participation of, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO).

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in documents filed with securities regulatory authorities is recorded, processed, summarized and reported on a timely basis. The controls also seek to assure this information is accumulated and communicated to management, including the CEO and the CFO, as appropriate, to allow timely decisions on required disclosure.

Management, including the CEO and the CFO, does not expect the Company's disclosure controls and procedures will prevent or detect all errors. The inherent limitations in all control systems are that they can provide only reasonable, not absolute, assurance that all control issues and instances of error, if any, within the Company have been detected.

Based on this evaluation, the CEO and the CFO have concluded that the Company’s disclosure controls and procedures were effective at December 31, 2015.

Internal Control Over Financial Reporting

As of December 31, 2015, management evaluated the effectiveness of the Company’s internal control over financial reporting as required by the Canadian Securities Administrators. This evaluation was performed under the supervision of, and with the participation of, the CEO and the CFO.

The Company’s internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, internal control over financial reporting can provide only reasonable assurance regarding the reliability of financial statement preparation and may not prevent or detect all misstatements.

Based on this evaluation, the CEO and the CFO have concluded that the Company's internal control over financial reporting was effective at December 31, 2015.

There was no change in the Company's internal control over financial reporting that occurred during the period beginning on January 1, 2015, and ended on December 31, 2015, that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

FORWARD LOOKING INFORMATION

Certain statements contained in this MD&A constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as “anticipate”, “plan”, “estimate”, “expect”, “may”, “will”, “intend”, “should”, and similar expressions. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon.

The Company's actual results could differ materially from those anticipated in this forward-looking MD&A as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Company.

Any forward-looking information contained in this MD&A represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.

GLOSSARY

AESO means the Alberta Electric System Operator.

AUC means the Alberta Utilities Commission.

Class A Shares means Class A non-voting shares of the Company.

Class B Shares means Class B common shares of the Company.

Company means CU Inc. and, unless the context otherwise requires, includes its subsidiaries.

GAAP means Canadian generally accepted accounting principles.

IFRS means International Financial Reporting Standards.

Km means kilometre.

PBR means Performance Based Regulation.

Utilities means ATCO Electric Distribution, ATCO Electric Transmission, ATCO Gas and ATCO Pipelines.

APPENDIX 1
FOURTH QUARTER FINANCIAL INFORMATION

Financial information for the three months ended December 31, 2015 and 2014, is shown below.

CONSOLIDATED STATEMENT OF EARNINGS

	Three Months Ended December 31	
($ millions of Canadian Dollars)	**2015**	**2014**
Revenues	**659**	601
Costs and expenses		
Salaries, wages and benefits	**(126)**	(64)
Energy transmission and transportation	**(44)**	(37)
Plant and equipment maintenance	**(69)**	(66)
Fuel costs	**(3)**	(5)
Purchased power	**(18)**	(18)
Depreciation and amortization	**(100)**	(95)
Franchise fees	**(51)**	(54)
Property and other taxes	**(11)**	(12)
Other	**(56)**	(51)
	(478)	(402)
Operating profit	**181**	199
Interest income	**4**	4
Interest expense	**(70)**	(63)
Net finance costs	**(66)**	(59)
Earnings before income taxes	**115**	140
Income taxes	**(34)**	(36)
Earnings for the period	**81**	104

CONSOLIDATED STATEMENT OF CASH FLOWS

	Three Months Ended December 31	
($ millions of Canadian Dollars)	**2015**	**2014**
Operating activities		
Earnings for the period	**81**	104
Adjustments to reconcile earnings to cash flows from operating activities	**209**	221
Changes in non-cash working capital	**12**	(109)
Cash flows from operating activities	**302**	216
Investing activities		
Additions to property, plant and equipment	**(371)**	(478)
Proceeds on disposal of property, plant and equipment	**9**	2
Additions to intangibles	**(78)**	(25)
Changes in non-cash working capital	**70**	40
Other	**2**	–
Cash flows used in investing activities	**(368)**	(461)
Financing activities		
Repayment of short-term debt	**–**	(60)
Issue of long-term debt	**250**	200
Repayment of long-term debt	**–**	(100)
Issue of Class A and Class B shares	**–**	126
Dividends paid on equity preferred shares	**(3)**	(3)
Dividends paid to Class A and Class B share owner	**(255)**	–
Interest paid	**(88)**	(85)
Interest received from affiliate company	**4**	4
Other	**–**	(1)
Cash flows from financing activities	**(92)**	81
Decrease in cash position	**(158)**	(164)
Beginning of period	**149**	186
End of period	**(9)**	22