CANADIAN UTILITIES

ENERGY INFRASTRUCTURE
ORGANIZATIONAL STRUCTURE

Canadian Utilities (TSX: CU / CU.X) ~$10 billion common equity capitalization

CU Inc. ~$8 billion debt capitalization

ELECTRICITY GLOBAL BUSINESS UNIT
- Electricity Distribution
- Electricity Transmission
- Alberta PowerLine
- Electricity Generation
- International Electricity Generation

PIPES & LIQUIDS GLOBAL BUSINESS UNIT
- Natural Gas Distribution
- Natural Gas Transmission
- Storage & Industrial Water
- International Natural Gas Distribution

CORPORATE
- Retail Energy
HIGH QUALITY EARNINGS

2018 ADJUSTED EARNINGS

86% Regulated Earnings
14% Long-term Contracted Earnings
GROWTH: RECORD ADJUSTED EARNINGS IN 2018

- 2017: $602M
- 2018: $607M
GROWTH: ADJUSTED EARNINGS

Utilities

- 2017: $593M
- 2018: $525M

Energy Infrastructure Businesses

- 2017: $77M
- 2018: $156M
UTILITY ADJUSTED EARNINGS

$593M
2017

$525M
2018

Operating cost reduction initiatives passed onto customers in second generation PBR in 2018
ALBERTA DISTRIBUTION UTILITY ADJUSTED EARNINGS

2017 ADJUSTED EARNINGS: $278M

RATE REBASING: ($115M)

RATE BASE GROWTH AND EFFICIENCIES GAINED IN 2018: $59M

2018 ADJUSTED EARNINGS: $222M
GROWTH: 2019 – 2021 CAPITAL INVESTMENT

- Long Term Contracted Capital
- International Natural Gas Distribution
- Natural Gas Transmission
- Natural Gas Distribution
- Electricity Transmission
- Electricity Distribution

$1.2B

2019 | 2020 | 2021
RATE BASE GROWTH

Regulated Capital Investment

Mid-Year Rate Base
Expected to Grow 4% per year


ENERGY INFRASTRUCTURE BUSINESSES

- ELECTRICITY GENERATION
  - CANADA
    - 24 MW
  - AUSTRALIA
    - 176 MW
  - MEXICO
    - 41 MW

- INDUSTRIAL WATER SERVICES
  - CANADA
    - 85,200 m³/day

- HYDROCARBON STORAGE
  - CANADA
    - 400,000 m³

- NATURAL GAS STORAGE
  - CANADA
    - 52 PJ
Disciplined capital recycling with sale of U.K. Barking Power Assets

Higher Alberta Power Market Prices ($/MWh)

Alberta PowerLine project completed ahead of schedule
Fort McMurray West 500 kV Transmission Project

- Target energization date was June 2019 on this $1.6 Billion project.
- Construction was completed and transmission line was energized three months ahead of schedule in March 2019. This resulted in $13 million of early energization incentive earnings.
- Strategic review of Canadian Utilities ownership interest in Alberta PowerLine is underway.

* More information is available at www.albertapowerline.com
On May 27, 2019 Canadian Utilities entered into definitive agreements to sell the Canadian fossil fuel-based power generation portfolio for approximately $835 million.

Selling 12 coal-fired and natural gas-fired electricity generation assets located in Alberta, British Columbia, Saskatchewan and Ontario, with generating capacity of approximately 2,300 MW.

The sale is expected to close in the second half of 2019, subject to regulatory approval.

Proceeds will help to improve balance sheet strength in the near term.
ELECTRICITY GENERATION POST SALE

Highly Contracted Portfolio
- Long-Term Contracted: 217 MW (90%)
- Merchant: 24 MW (10%)

Expanding Renewable Generation Capabilities
- Natural Gas: 182 MW (75%)
- Hydro: 59 MW (25%)
ELECTRICITY GENERATION POST SALE

- **RUN-OF-RIVER HYDRO**
  1. Oldman River  24
  2. Veracruz  35

- **NATURAL GAS**
  3. San Luis Potosi  6
  4. Karratha  86
  5. Osborne  90

Total  241

North America

Australia
STORAGE & INDUSTRIAL WATER GROWTH

We build, own and operate non-regulated industrial water, natural gas storage, hydrocarbon storage, and NGL related infrastructure

- 85,200 m³/day water infrastructure capacity
- 400,000 m³ hydrocarbon storage capacity
- 52 PJ natural gas storage capacity
- ~ 116 km pipelines

Industrial Water

- Long-term commercial agreement to provide water services commencing in 2020 to Inter Pipeline’s PDH plant

Natural Gas & Hydrocarbon Storage

- Potential to develop up to 40 salt caverns for NGL and hydrocarbon storage
CANADIAN UTILITIES SUMMARY

2018 Adjusted Earnings

- Regulated Earnings: 86%
- Contracted Earnings: 14%

2019 - 2021

Ongoing Capital Investment Driving Utility Asset Growth

High Quality Earnings

Track Record of Dividend Growth
REGULATED UTILITIES

- ELECTRIC TRANSMISSION: $5,095M Rate Base
- ELECTRIC DISTRIBUTION: $2,585M Rate Base
- NATURAL GAS DISTRIBUTION: $2,717M Rate Base
- NATURAL GAS TRANSMISSION: $1,802M Rate Base
- INTERNATIONAL NATURAL GAS DISTRIBUTION: $1,211M Rate Base
We provide safe and reliable natural gas service to the Perth metropolitan area and the wider Western Australian community

- Approximately 761,000 customers
- 14,000 km of natural gas distribution pipelines
We build, own and operate electrical distribution and transmission facilities

- 258,000 farm, business and residential customers in 242 Alberta communities
- Approximately 11,000 km of transmission lines, and delivers power to and operates 4,000 km of lines owned by Rural Electrification Associations, and 72,000 km of distribution lines
- Subsidiaries:
  - ATCO Electric Yukon
  - Northland Utilities
We build, own and operate natural gas distribution facilities in Alberta

- Alberta’s largest natural gas distribution company
- Serves approximately 1.2 million customers in nearly 300 Alberta communities
- We build, maintain, and operate 41,000 km of natural gas distribution pipelines
We build, own and operate key high-pressure natural gas transmission facilities in Alberta

- Transports clean, efficient energy from producers and other pipelines to utilities, power generators and major industries
- Owns and operates 9,200 km of pipeline
- Delivers a peak of 3.8B cubic ft/day of natural gas to customers
- Approximately 3,500 receipt and delivery points
- Interconnections facilitate access to multiple intra-Alberta and export markets
FIRST QUARTER 2019 ADJUSTED EARNINGS

Utilities

Q1 2018: $172M
Q1 2019: $179M

Energy Infrastructure
Businesses & Corporate

Q1 2018: $9M
Q1 2019: $21M
FINANCIAL STRENGTH: BALANCE SHEET AS AT Q1 2018

**ATCO**
- Debt (net of cash): 58%
- Preferred Shares: 9%
- Equity: 33%

**Canadian Utilities**
- Debt (net of cash): 60%
- Preferred Shares: 10%
- Equity: 30%

Legend:
- Orange: Debt (net of cash)
- Gray: Preferred Shares
- Blue: Equity