DISCLAIMER

Due to uncertainty surrounding the application of recent amendments to the Competition Act (Canada), these documents are provided for historical information purposes only and do not constitute active or current representations of Canadian Utilities Limited or any of its related parties. The purpose of these documents is to comply with disclosure requirements that were in effect on the date these documents were filed; Canadian Utilities undertakes no obligation to update such information except as required by applicable law. Canadian Utilities remains committed to taking steps to address climate change and continuing to engage in sustainability initiatives.

CANADIAN UTILITIES LIMITED
An ATCO Company

CANADIAN UTILITIES LIMITED
An ATCO Company

CANADIAN UTILITIES LIMITED
FINANCIAL INFORMATION

FOR THE THREE MONTHS ENDED MARCH 31, 2020

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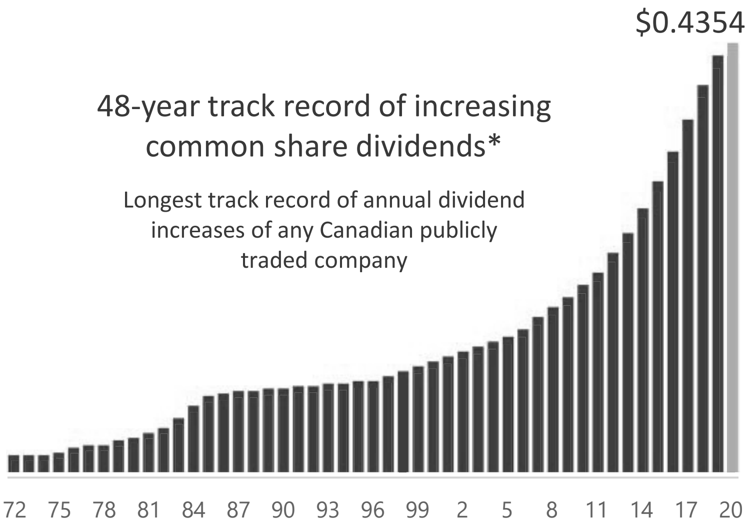
Q1 2020 INVESTOR FACT SHEET

canadianutilities.com
ELECTRICITY | PIPELINES & LIQUIDS

CANADIAN UTILITIES LIMITED
An ATCO Company

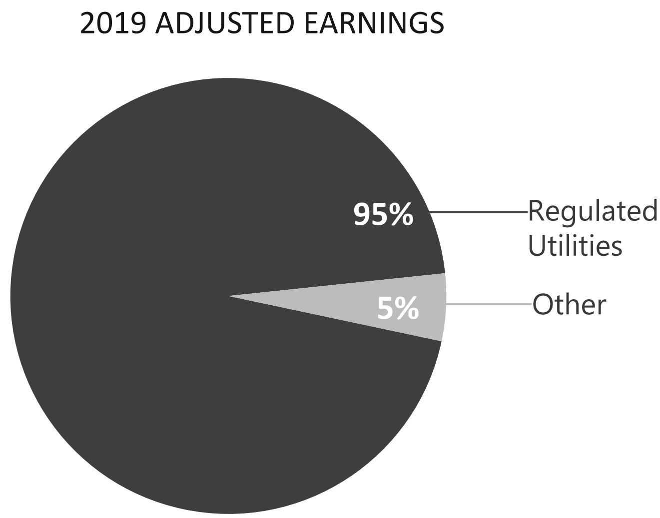
With approximately 4,600 employees and assets of $20 billion, Canadian Utilities Limited is an ATCO company. Canadian Utilities is a diversified global energy infrastructure corporation delivering essential services, service excellence and innovative business solutions in Utilities (electricity and natural gas transmission and distribution), Energy Infrastructure (electricity generation, energy storage, and industrial water solutions); and Retail Energy (electricity and natural gas retail sales).

TRACK RECORD OF DIVIDEND GROWTH



* On March 31, 2020, Canadian Utilities declared a second quarter dividend of $0.4354 per share, or $1.74 per share annualized.

HIGH QUALITY EARNINGS BASE



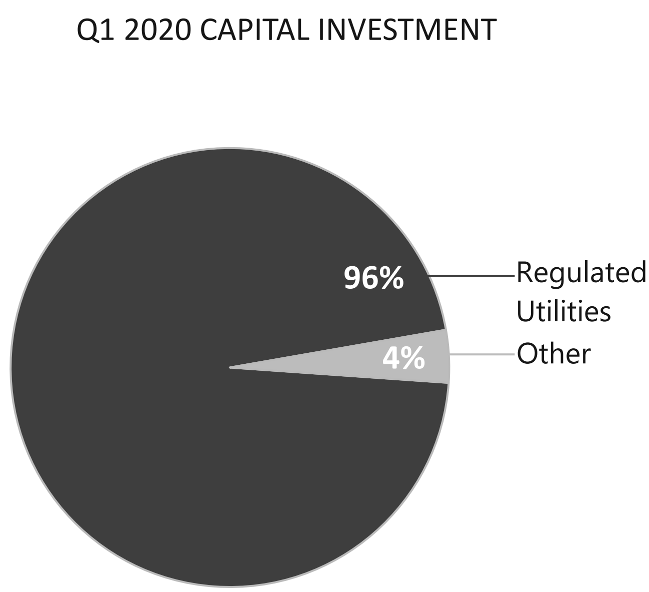
CANADIAN UTILITIES AT A GLANCE

"A-" rating by Standard & Poor's; "A" rating by DBRS Limited

Total Assets	$20 Billion
Electric Powerlines	75,000 kms
Pipelines	64,000 kms
Generating Plants	5 Globally
Power Generating Capacity Share	244 MW *
Water Infrastructure Capacity	85,200 m3/d **
Natural Gas Storage Capacity	52 PJ ***
Hydrocarbon Storage Capacity	400,000 m^3 ****

*megawatts **cubic metres per day ***petajoules ****cubic metres

CAPITAL INVESTMENT



Ongoing capital investment driving utility asset growth and high quality earnings

CANADIAN UTILITIES SHARE INFORMATION

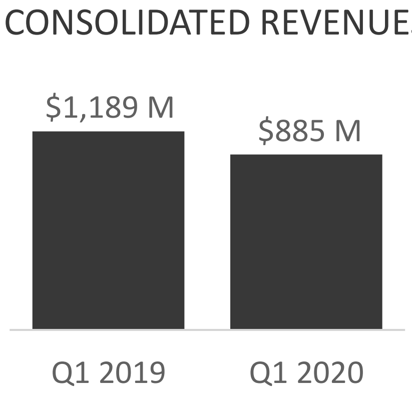
Common Shares (TSX): CU, CU.X

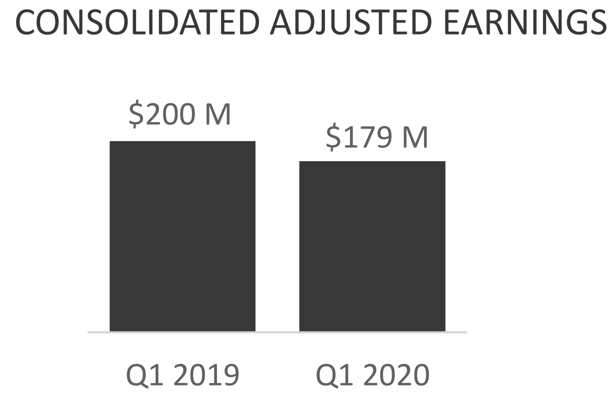
Market Capitalization	$9 billion
Weighted Average Common Shares Outstanding	272.7 million

It is important for prospective owners of Canadian Utilities shares to understand that Canadian Utilities Limited is a diversified group of companies principally controlled by ATCO Ltd., which in turn is principally controlled by Sentgraf, a Southern family holding company. It is also important for present and prospective share owners to understand that the Canadian Utilities share registry has both Class A non-voting (CU) and Class B common (CU.X) shares.

Adjusted earnings are earnings attributable to equity owners of the Company after adjusting for the timing of revenues and expenses associated with rate-regulated activities, dividends on equity preferred shares of the Company, and unrealized gains or losses on mark-to-market forward and swap commodity contracts. 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. Certain statements in this document contain forward-looking information. Please refer to our forward-looking information disclaimer in Canadian Utilities' management's discussion and analysis for more information.

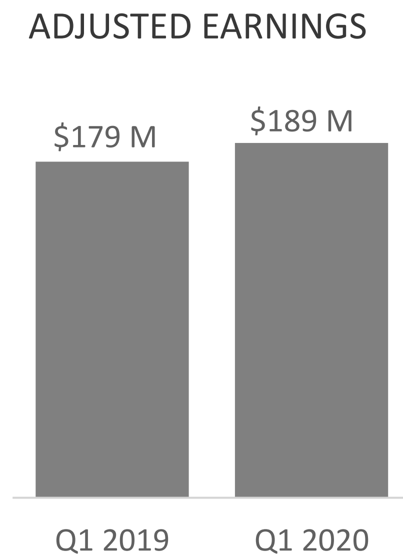
Q1 2020 RESULTS





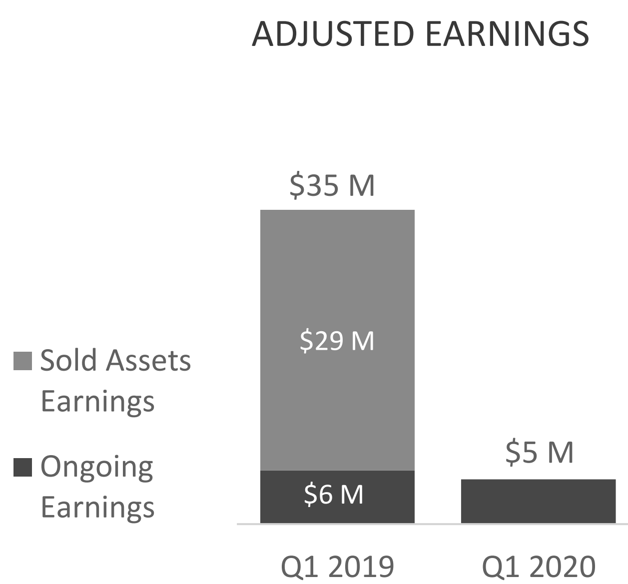
UTILITIES

- Higher adjusted earnings in the first quarter of 2020 were mainly due to cost efficiencies, rate base growth, and lower income taxes. Higher earnings were partially offset by the completion of ECM funding in 2019 for Electricity Distribution and Natural Gas Distribution.
- Completed and placed in-service the Pembina-Keephills Natural Gas Transmission pipeline ahead of schedule and below the $230 million approved budget.



ENERGY INFRASTRUCTURE

- Lower adjusted earnings in the first quarter of 2020 were mainly due to the sale of the Canadian fossil fuel-based electricity generation portfolio in the third quarter of 2019 and the sale of APL in the fourth quarter of 2019.
- Excluding the earnings impact from the sale of these businesses in 2019, adjusted earnings were $1 million lower due to timing and lower demand for natural gas storage services.



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2020 FIRST QUARTER FINANCIAL INFORMATION

INVESTOR FACT SHEET

MANAGEMENT'S DISCUSSION AND ANALYSIS

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE OF CONTENTS

Management’s Discussion and Analysis	4
Consolidated Financial Statements	36

CANADIAN UTILITIES LIMITED
An ATCO Company

CANADIAN UTILITIES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2020

This Management's Discussion and Analysis (MD&A) is meant to help readers understand key operational and financial events that influenced the results of Canadian Utilities Ltd. (Canadian Utilities, our, we, us, or the Company) during the three months ended March 31, 2020.

This MD&A was prepared as of April 30, 2020, and should be read with the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2020. Additional information, including the Company's previous MD&A (2019 MD&A), Annual Information Form (2019 AIF), and audited consolidated financial statements for the year ended December 31, 2019, is available on SEDAR at www.sedar.com. Information contained in the 2019 MD&A is not discussed in this MD&A if it remains substantially unchanged.

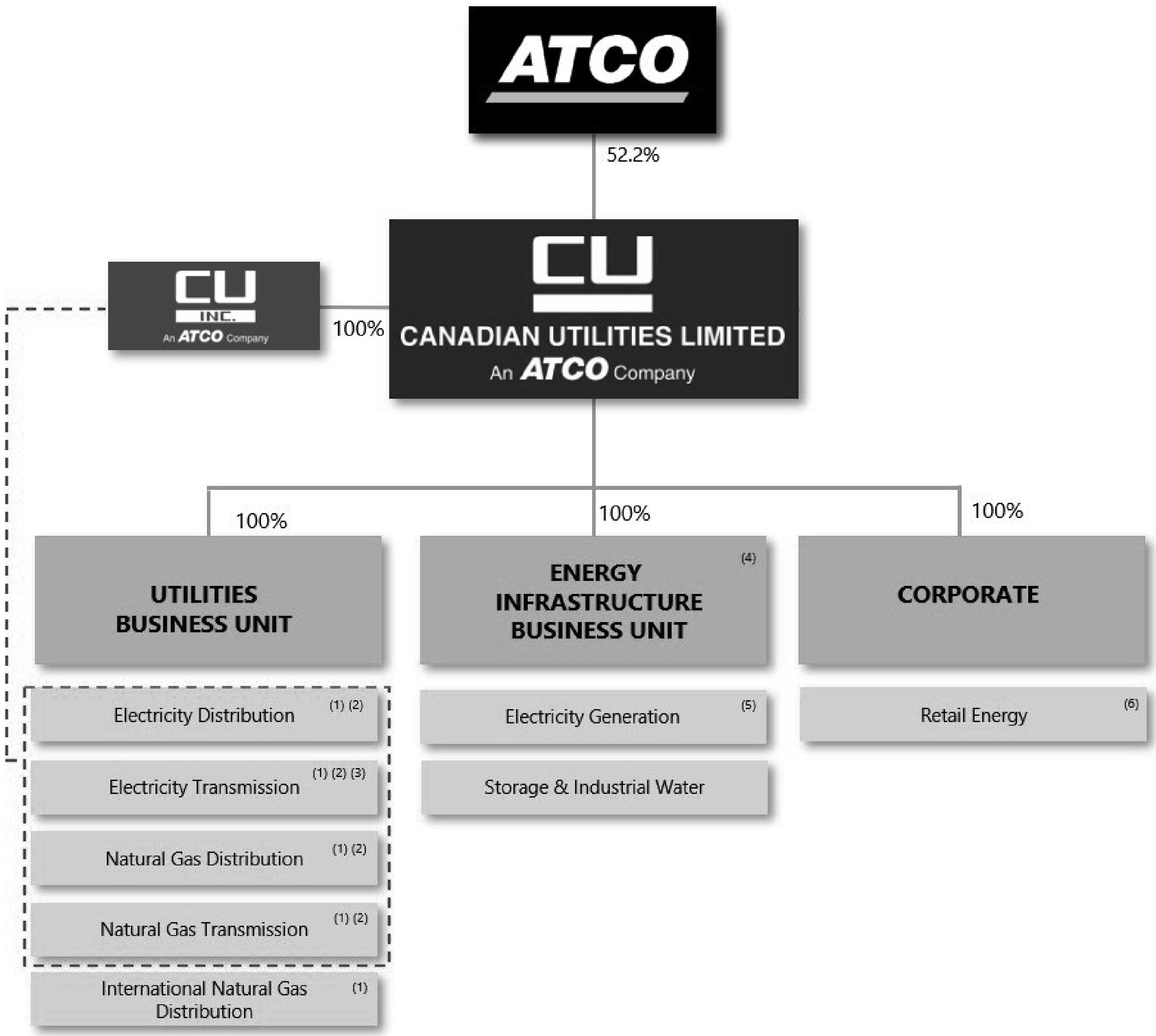
The Company is controlled by ATCO Ltd. and its controlling share owner, Sentgraf Enterprises Ltd. and its controlling share owner, the Southern family.

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

TABLE OF CONTENTS

Organizational Structure 6
Performance Overview 8
Business Unit Performance 13
  Utilities 13
  Energy Infrastructure 15
  Corporate & Other 16
Regulatory Developments 17
Sustainability, Climate Change and Energy Transition 18
Other Expenses and Income 19
Liquidity and Capital Resources 21
Share Capital 24
Quarterly Information 25
Non-GAAP and Additional GAAP Measures 28
Reconciliation of Adjusted Earnings to Earnings Attributable to Equity Owners of the Company 29
Reconciliation of Funds Generated by Operations to Cash Flows from Operating Activities 32
Reconciliation of Capital Investment to Capital Expenditures 33
Other Financial Information 34
Glossary 35

ORGANIZATIONAL STRUCTURE



(1) *Regulated businesses include Electricity Distribution, Electricity Transmission, Natural Gas Distribution, Natural Gas Transmission, and International Natural Gas Distribution.*

(2) *CU Inc. includes Electricity Distribution, Electricity Transmission, Natural Gas Distribution and Natural Gas Transmission.*

(3) *Electricity Transmission was the construction project manager for Alberta PowerLine and is the operator of Alberta PowerLine under a 35-year contract.*

(4) *Alberta PowerLine Limited Partnership (Alberta PowerLine or APL), was a partnership between Canadian Utilities Limited (80 per cent) and Quanta Services, Inc. (Quanta) (20 per cent). In 2019, Canadian Utilities, and Quanta completed the sale of APL. Canadian Utilities received aggregate proceeds of $222 million for its interest in APL. Electricity Transmission will remain as the operator over its 35-year contract with the Alberta Electric System Operator.*

(5) *In the fourth quarter of 2019, Canadian Utilities completed the sale of its Canadian fossil fuel-based electricity generation portfolio for aggregate proceeds of $821 million. Canadian Utilities continues to own 244-MW of electricity generation assets in Canada, Mexico and Australia.*

(6) *Retail Energy, through ATCO Energy Ltd. (ATCOenergy), provides retail, commercial and industrial electricity and natural gas service in Alberta.*

In the first quarter of 2020, the Company reorganized its reporting segments. These segments are reported in a manner consistent with the internal reporting provided to the Executive Chair, President & Chief Executive Officer and other members of the Executive Committee of the Company. Comparative amounts for prior periods have been restated to reflect the realigned segments.

The unaudited interim consolidated financial statements include the accounts of Canadian Utilities, and its subsidiaries, including the equity investment in joint ventures and a proportionate share of joint operations.

The unaudited interim 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.

Canadian Utilities' website, www.canadianutilities.com, is a valuable source for the latest news of the Company's activities. Prior years' reports are also available on this website.

PERFORMANCE OVERVIEW

FINANCIAL METRICS

The following chart summarizes key financial metrics associated with our financial performance.

	Three Months Ended March 31		
($ millions, except per share data and outstanding shares)	**2020**	**2019**	**Change**
Key Financial Metrics			
Revenues	**885**	1,189	(304)
Adjusted earnings [(1)]	**179**	200	(21)
Utilities	**189**	179	10
Energy Infrastructure	**5**	35	(30)
Corporate & Other	**(15)**	(14)	(1)
Adjusted earnings ($ per share) [(1)]	**0.66**	0.73	(0.07)
Earnings attributable to equity owners of the Company	**160**	217	(57)
Earnings attributable to Class A and Class B shares	**143**	200	(57)
Earnings attributable to Class A and Class B shares ($ per share)	**0.52**	0.73	(0.21)
Cash dividends declared per Class A and Class B share (cents per share)	**43.54**	42.27	1.27
Funds generated by operations [(1)]	**466**	551	(85)
Capital investment [(1)]	**259**	315	(56)
Other Financial Metrics			
Weighted average Class A and Class B shares outstanding *(thousands):*			
Basic	**272,682**	272,594	88
Diluted	**273,289**	273,180	109

(1) Additional information regarding these measures is provided in the Non-GAAP and Additional GAAP Measures section of this MD&A.

REVENUES

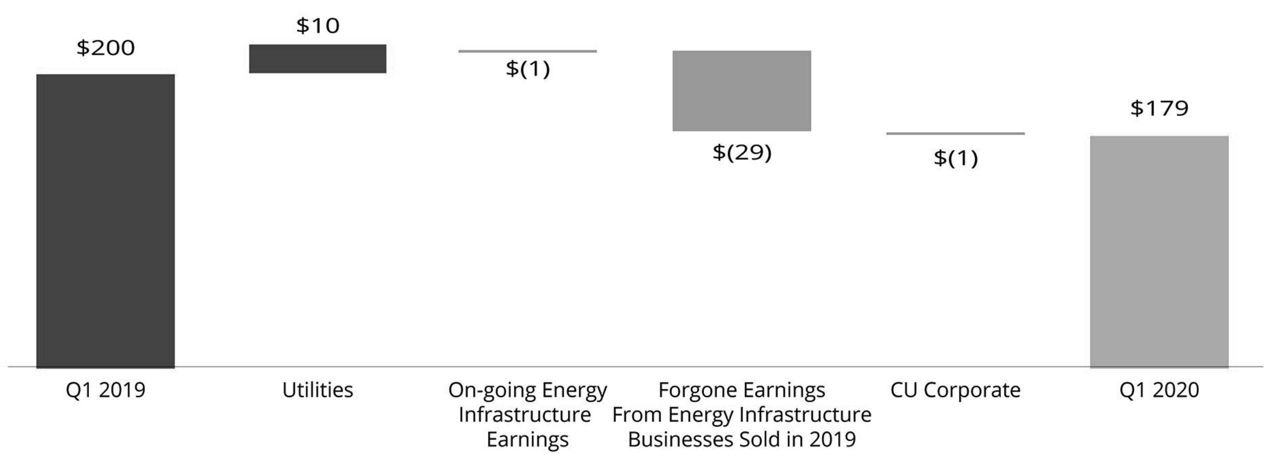
Revenues for the first quarter of 2020 were $885 million, $304 million lower than the same period in 2019. Lower revenues were mainly due to forgone revenue following the sale of the Canadian fossil fuel-based electricity generation portfolio in the third quarter of 2019. Revenues from Alberta PowerLine construction activity in the first quarter of 2019 and the subsequent sale of APL in the fourth quarter of 2019 also contributed to lower revenues in the first quarter of 2020. Lower revenues were partially offset by higher revenues from growth in the Alberta regulated rate base.

ADJUSTED EARNINGS

Our adjusted earnings in the first quarter of 2020 were $179 million, or $0.66 per share compared to $200 million or $0.73 per share for the same period in 2019. Lower earnings were mainly due to the sale of the Canadian fossil fuel-based electricity generation portfolio in the third quarter of 2019 and sale of Alberta PowerLine in the fourth quarter of 2019. Excluding the forgone earnings impact from the sales of these businesses in 2019, Canadian Utilities earnings in the first quarter of 2020 were $8 million higher than the same period in 2019, mainly due to continuing cost efficiencies, utility rate base growth and lower income taxes.

Adjusted Earnings

($ Millions)



Additional detail on the financial performance of our Business Units is discussed in the Business Unit Performance section of this MD&A.

EARNINGS ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY

Earnings attributable to equity owners of the Company were $160 million in the first quarter of 2020, $57 million lower compared to the first quarter of 2019. Earnings attributable to equity owners of the Company include significant impairments, dividends on equity preferred shares of the Company, timing adjustments related to rate-regulated activities, unrealized losses on mark-to-market forward commodity contracts, one-time gains and losses, and items that are not in the normal course of business or a result of day-to-day operations. These items are not included in adjusted earnings.

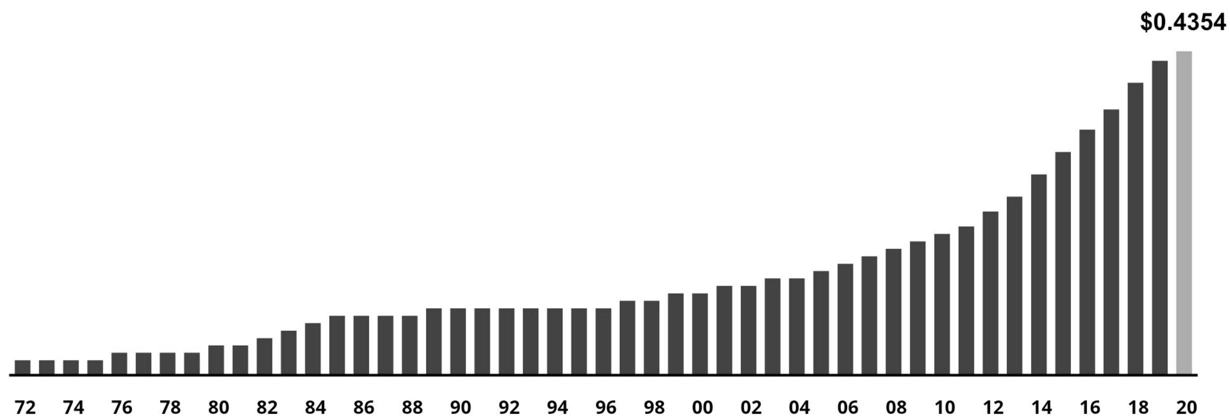
Earnings attributable to equity owners of the Company are earnings attributable to Class A and B shares plus dividends on equity preferred shares of the Company. More information on these and other items is included in the Reconciliation of Adjusted Earnings to Earnings Attributable to Equity Owners of the Company section of this MD&A.

COMMON SHARE DIVIDENDS

On March 31, 2020, the Board of Directors declared a second quarter dividend of 43.54 cents per share. Dividends paid to Class A and Class B share owners totaled $119 million in the first quarter of 2020.

We have increased our common share dividend each year since 1972, the longest track-record of annual increases of any publicly traded Canadian company.

Quarterly Dividend Rate 1972 - 2020
(dollars per share)



FUNDS GENERATED BY OPERATIONS

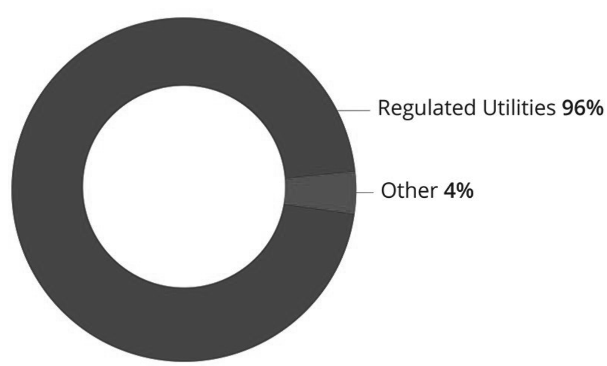
Funds generated by operations were $466 million in the first quarter of 2020, $85 million lower than in the same period in 2019. The decrease was mainly due to timing of transmission costs in Electricity Distribution which will be recovered in future periods and in Electricity Generation as a result of the sale of the Canadian fossil-fuel based electricity generation portfolio in the third quarter of 2019.

CAPITAL INVESTMENT

Total capital investment of $259 million in the first quarter of 2020 was $56 million lower than the first quarter of 2019. Lower capital spending was mainly due to the completion of construction on Alberta PowerLine at the end of the first quarter of 2019. This lower spending was partially offset by higher capital investment in Natural Gas Transmission on the Pembina-Keephills Transmission Pipeline.

Capital spending in Canadian Utilities' regulated utility businesses accounted for $249 million or 96 per cent of total capital invested in the first quarter of 2020. The remaining $10 million or 4 per cent invested in the first quarter of 2020 was mainly in Electricity Generation for construction on the Chile Solar Generation facility, and in Storage & Industrial Water, for ongoing construction on the fifth hydrocarbon storage facility and commercial agreement with Inter Pipeline Ltd. to provide water services.

Capital Investment for the Three Months Ended March 31, 2020



COVID-19 AND GLOBAL MACROECONOMIC CONDITIONS

The COVID-19 pandemic, oil price decline and slowing global economic activity have caused far-reaching concern and economic hardship for consumers, businesses and communities across the globe. In this time of uncertainty, our people are working hard to ensure that we continue to support our customers and the communities that depend on our essential services.

An outbreak of infectious disease, a pandemic or a similar public health threat, such as the COVID-19 pandemic, or a fear of any of the foregoing, could adversely impact the Company by causing operating, supply chain and project development delays and disruptions, labour shortages and shutdowns, including as a result of government regulation and prevention measures, which could have a negative impact on the Company's operations.

Any adverse changes in general economic and market conditions arising as a result of a public health threat could negatively impact demand for electricity and natural gas, revenue, operating costs, timing and extent of capital expenditures, results of financing efforts, or credit risk and counterparty risk; which could result in a material adverse effect on the Company's business.

Canadian Utilities continues to review its 2020 capital investment plan to optimize free cash flow and liquidity. This may result in a lowering of the planned 2020 capital investment and postponement of capital projects into future years.

Under normal market conditions, we consider 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.

On March 27, 2020, the Bank of Canada announced the Commercial Paper Purchase Program (CPPP) to support the continuous functioning of financial markets. Under the CPPP, for the next 12 months the Bank of Canada will conduct primary and secondary market purchases of commercial paper (CP) issued by Canadian companies with an outstanding CP program. Due to their strong CP credit ratings and existing CP programs, both Canadian Utilities Limited and CU Inc. are eligible to participate in the CPPP. Through the CPPP, Canadian Utilities and CU Inc. can issue up to an aggregate of $875 million. If Canadian Utilities and CU Inc. were to take advantage of CPPP, it would increase liquidity beyond the normal course lines of credit as outlined in the Liquidity and Capital Resources section of this MD&A.

Below we have summarized the impact on each of our businesses in the first quarter of 2020. Canadian Utilities continues to monitor the situation.

Utilities

The COVID-19 pandemic, oil price decline and slowing global economic activity did not have a material impact on adjusted earnings in the first quarter of 2020.

Government of Alberta 90 Day Utility Bill Deferral Program

On March 18, 2020, the Government of Alberta announced that residential, commercial and farm utility consumers would be given the option to defer payment of their utility accounts considering the financial pressures arising from the COVID-19 pandemic. The initial deferred payment period will last for 90 days. The terms of the utility deferral bill program have not been finalized and Canadian Utilities continues to communicate with industry participants, the Government of Alberta, and the Alberta Utilities Commission (AUC) on this initiative.

Electricity Distribution

Electricity Distribution operates on a price indexing mechanism for the setting of its rates under Performance Based Regulation (PBR). While the price indexing mechanism does not offer the same adjustment or updates as the Natural Gas Distribution revenue indexing mechanism for future years, its current rate structure utilizes a variety of mechanisms to limit the exposure to demand reductions from industrial and commercial customers. Under PBR, there is also the opportunity to file regulatory applications seeking recovery of lost revenue related to events outside the control of the utility. While there was no material impact to revenues in the first quarter of 2020 as a result of the COVID-19 pandemic, oil price decline and slowing economic activity, we continue to monitor changes in demand from industrial and commercial customers for future possible impacts.

Electricity and Natural Gas Transmission

Electricity and Natural Gas Transmission rates are spread across all customers in the province. Changes in customers’ demand and use are reflected in customer rates over time. At this time, we do not expect material changes in 2020 revenue as a result of the COVID-19 pandemic, oil price decline and slowing economic activity.

Natural Gas Distribution

Natural Gas Distribution operates on a revenue mechanism under PBR. This mechanism provides protection and adjustments on future revenue variances associated with changes in volumes or customer counts. While future changes in customer counts may impact the revenue stream, the majority of customers are residential and these customer counts are not expected to change materially. At this time, we do not expect material changes in 2020 revenue as a result of the COVID-19 pandemic, oil price decline and slowing global economic activity. Under PBR, there is also the opportunity to file regulatory applications seeking recovery of lost revenue related to events outside the control of the utility.

International Natural Gas Distribution

The new 5-year Access Arrangement (AA5) effective January 1, 2020 has lowered the return on equity from 7.21 per cent to 5.02 per cent and increased the common equity ratio from 40 per cent to 45 per cent when compared to the previous access arrangement. AA5 also includes rebasing of revenues for the recovery of operating costs, the approved capital expenditure program and forecast for demand and throughput. Variables that may impact financial results include Australia's inflation rate and the exchange rate compared to the Canadian dollar.

Energy Infrastructure

The COVID-19 pandemic, oil price decline and slowing global economic activity did not have a material impact on adjusted earnings in the first quarter of 2020.

The global macroeconomic situation, low commodity prices, and potential business disruptions due to the COVID-19 pandemic may have an adverse impact on energy storage.

Further Information

Please refer to the *Health and Safety Pandemic Update* in the Sustainability, Climate Change and Energy Transition section of this MD&A for further discussion on the COVID-19 pandemic and how Canadian Utilities is adjusting its operations to maintain safe and reliable service during the pandemic.

BUSINESS UNIT PERFORMANCE

REVENUES

Utilities revenues of $789 million in the first quarter of 2020 were $5 million lower than the same period in 2019. Lower revenues were mainly due to the timing of settlements from various regulatory decisions, the completion of project management construction activities on APL at the end of the first quarter of 2019 and transition to APL operating activities by Electricity Transmission. Lower revenues were also a result of the completion of the PBR efficiency carry-over mechanism (ECM) funding in 2019. The ECM was the incentive granted to Alberta distribution utilities in the first two years of the second generation of PBR for demonstrating superior cost savings in the prior PBR period. Lower revenues were partially offset by higher revenues from growth in the Alberta regulated rate base.

ADJUSTED EARNINGS

	Three Months Ended March 31		
($ millions)	**2020**	**2019**	**Change**
Electricity			
Electricity Distribution	**35**	38	(3)
Electricity Transmission	**43**	45	(2)
Total Electricity	**78**	83	(5)
Natural Gas			
Natural Gas Distribution	**82**	72	10
Natural Gas Transmission	**22**	16	6
International Natural Gas Distribution	**7**	8	(1)
Total Natural Gas	**111**	96	15
Total Utilities Adjusted Earnings	**189**	179	10

Utilities adjusted earnings of $189 million in the first quarter of 2020 were $10 million higher than the same period in 2019. Higher earnings were mainly due to cost efficiencies, rate base growth, and lower income taxes. Higher earnings were partially offset by the completion of ECM funding in 2019 for Electricity Distribution and Natural Gas Distribution.

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

Electricity Distribution

Electricity Distribution provides regulated electricity distribution and distributed generation mainly in northern and central east Alberta, the Yukon, the Northwest Territories and in the Lloydminster area of Saskatchewan.

In the first quarter of 2020, Electricity Distribution adjusted earnings of $35 million were $3 million lower compared to the same period in 2019. Lower earnings were mainly due to the completion of ECM funding in 2019 and timing of operating costs, partially offset by continued growth in the utility rate base.

Electricity Transmission

Electricity Transmission provides regulated electricity transmission mainly in northern and central east Alberta, the Yukon, the Northwest Territories, and in the Lloydminster area of Saskatchewan. Electricity Transmission was the construction project manager for Alberta PowerLine (APL) and is the operator of Alberta PowerLine under a 35-year contract.

Electricity Transmission adjusted earnings of $43 million were $2 million lower than the same period in 2019. Lower adjusted earnings were mainly due to the completion of project management construction activities on APL at the end of the first quarter of 2019 and transition to operating activities as well as the timing of certain operating costs.

Natural Gas Distribution

Natural Gas Distribution serves municipal, residential, commercial and industrial customers throughout Alberta and in the Lloydminster area of Saskatchewan.

Natural Gas Distribution recorded adjusted earnings of $82 million in the first quarter of 2020, $10 million higher than the same period in 2019. Higher earnings were mainly due to continuing cost efficiencies, lower income taxes, and growth in the utility rate base. Higher earnings were partially offset by the completion of ECM funding in 2019.

Natural Gas Transmission

Natural Gas Transmission receives natural gas on its pipeline system from various gas processing plants as well as from other natural gas transmission systems and transports it to end users within the province of Alberta or to other pipeline systems, primarily for export out of the province.

Natural Gas Transmission recorded adjusted earnings of $22 million in the first quarter of 2020, $6 million higher than the same period in 2019. Higher adjusted earnings were mainly due to lower income taxes, and continued growth in the utility rate base.

International Natural Gas Distribution

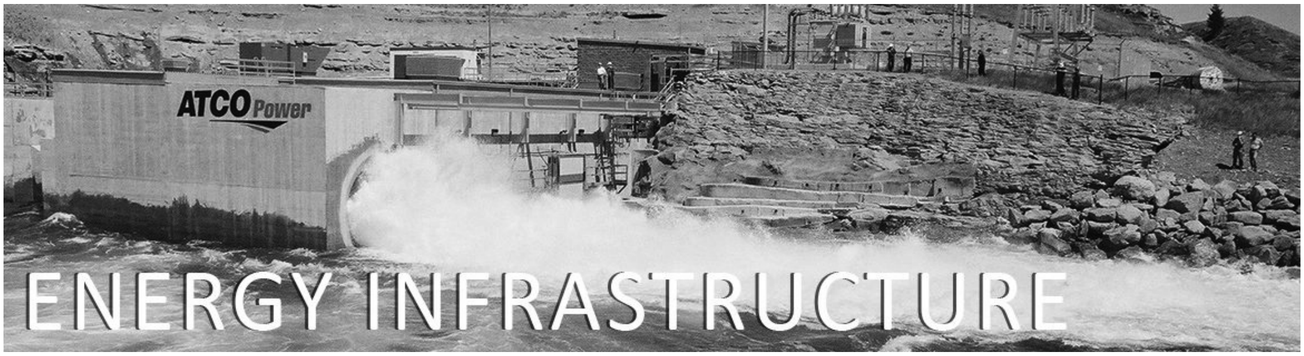
International Natural Gas Distribution is a regulated provider of natural gas distribution services in Western Australia, serving metropolitan Perth and surrounding regions.

International Natural Gas Distribution adjusted earnings of $7 million in the first quarter of 2020 were $1 million lower than the same period in 2019. Lower earnings were mainly due to the new five year Access Arrangement commencing January 1, 2020, with a lower rate of return and rebasing of the demand forecast, financing and operating allowances. Lower earnings were partially offset by the net impact of inflation rate adjustments applied to rate of return calculations in the first quarter of 2019 and 2020.

UTILITIES RECENT DEVELOPMENTS

Pembina Keephills

On April 1, 2020, Natural Gas Transmission completed and placed in-service the Pembina-Keephills transmission pipeline ahead of schedule and below the $230 million approved budget. The 59-km high-pressure natural gas pipeline supports coal-to-gas conversion of power producers in the Genesee and surrounding areas of Alberta with the capacity to deliver up to 550-TJ per day.



REVENUE

Energy Infrastructure revenues of $50 million in the first quarter of 2020 were $323 million lower than the same period in 2019 mainly due to forgone revenue associated with the sale of the Canadian fossil fuel-based electricity generation portfolio in the third quarter of 2019. Revenues from APL construction activity in the first quarter of 2019 and the subsequent sale of APL in the fourth quarter of 2019 also contributed to lower revenues in the first quarter of 2020.

ADJUSTED EARNINGS

	Three Months Ended March 31		
($ millions)	**2020**	**2019**	**Change**
Electricity Generation	**4**	4	–
Storage & Industrial Water	**1**	2	(1)
	5	6	(1)
Adjusted Earnings from Businesses Sold in 2019			
Canadian Fossil Fuel-Based Electricity Generation	–	22	(22)
Alberta PowerLine (APL)	–	7	(7)
	–	29	(29)
Total Energy Infrastructure Adjusted Earnings	**5**	35	(30)

Energy Infrastructure recorded adjusted earnings of $5 million in the first quarter of 2020, $30 million lower than the same period in 2019 mainly due to the sale of the Canadian fossil fuel-based electricity generation portfolio in the third quarter of 2019 and the sale of APL in the fourth quarter of 2019. Excluding the earnings impact from the sale of these businesses in 2019, adjusted earnings were $1 million lower due to timing and lower demand for natural gas storage services.

Detailed information about the activities and financial results of Energy Infrastructure's businesses are provided in the following sections.

Electricity Generation

Non-regulated electricity activities supply electricity from hydroelectric and natural gas generating plants in western Canada, Australia and Mexico and non-regulated electricity transmission in Alberta.

Electricity Generation adjusted earnings of $4 million recorded in the first quarter of 2020 were comparable to the same period in 2019.

Storage & Industrial Water

Storage & Industrial Water provides non-regulated natural gas storage and transmission activities, hydrocarbon storage, and industrial water services in Alberta.

Storage & Industrial Water recorded adjusted earnings of $1 million in the first quarter of 2020, $1 million lower than the same period in 2019 mainly due to timing and lower demand for natural gas storage services.

CORPORATE & OTHER

Canadian Utilities' Corporate & Other segment includes Retail Energy through ATCOenergy to provide retail electricity and natural gas services in Alberta. Corporate & Other also includes the global corporate head office in Calgary, Canada, the Australia corporate head office in Perth, Australia and the Mexico corporate head office in Mexico City, Mexico. Canadian Utilities Corporate & Other includes CU Inc. and Canadian Utilities preferred share dividend and debt expenses.

ADJUSTED EARNINGS

		Three Months Ended March 31	
($ millions)	**2020**	**2019**	**Change**
Canadian Utilities Corporate & Other	**(15)**	(14)	(1)

Including intersegment eliminations, Canadian Utilities Corporate & Other adjusted earnings in the first quarter of 2020 were $1 million lower than the same period in 2019 mainly due to the timing of certain expenditures.

REGULATORY DEVELOPMENTS

ALBERTA REGULATORY UPDATES

GOVERNMENT OF ALBERTA 90 DAY UTILITY BILL DEFERRAL PROGRAM

On March 18, 2020, the Government of Alberta announced that residential, commercial and farm utility consumers would be given the option to defer payment of their utility accounts considering the financial pressures arising from the COVID-19 pandemic. The initial deferred payment period will last for 90 days. The terms of the utility deferral bill program have not been finalized and Canadian Utilities continues to communicate with industry participants, the Government of Alberta, and the Alberta Utilities Commission (AUC) on this initiative.

2021 GENERIC COST OF CAPITAL PROCEEDING

In December 2018, the AUC initiated the 2021 Generic Cost of Capital (GCOC) proceeding. The main focus of the proceeding will be to determine the rate of return for the years 2021 and 2022, as well as consideration of returning to a formula-based approach. Initial evidence was filed in January 2020. In March 2020, the AUC suspended the proceeding and will re-evaluate the suspension every 30-60 days.

SUSTAINABILITY, CLIMATE CHANGE AND ENERGY TRANSITION

SUSTAINABILITY REPORTING

ATCO's 2019 Sustainability Report, which is expected to be published in June 2020, will focus on the material topics listed below.

- Energy Stewardship: access and affordability, security and reliability, and customer satisfaction,
- Environmental Stewardship: climate change and energy use, and environmental compliance,
- Safety: employee health and safety, public safety, and emergency preparedness, and
- Community and Indigenous relations.

The Sustainability Report is based upon the internationally recognized Global Reporting Initiative (GRI) Standards. Our reporting is also guided by the Sustainability Accounting Standards Board (SASB) and the Financial Stability Board's Task Force on Climate-related Financial Disclosures' (TCFD) recommendations.

The 2018 Sustainability Report, Sustainability Framework Reference Document, and other disclosures are available on our website, at www.canadianutilities.com.

HEALTH AND SAFETY PANDEMIC UPDATE

As we navigate the challenges of the COVID-19 pandemic, the health and safety of our people, customers, and communities is of critical importance to us. Canadian Utilities' Pandemic Response Plan was activated in February 2020 by our Crisis Management Committee (CMC). Since then our teams across the globe have been responding to this rapidly changing situation to ensure a coordinated approach across Canadian Utilities.

As a provider of utility and energy infrastructure services around the world, we are determined to continue delivering the reliable service customers need. In accordance with our Pandemic Response Plan that is aimed at protecting the health of our employees and our customers while sustaining our essential services, we have implemented several enhanced protocols including travel restrictions, workplace hygiene practices, employee absence tracking, additional personal protective equipment (PPE) for essential workers, limiting access to our facilities, and alternative work options for employees where possible (i.e. working from home). An employee helpline has also been established to provide assistance and advice to employees, and an employee communication is sent to all employees each day highlighting trends and key information.

We are committed to doing our part to limit the spread of COVID-19 by following the guidance of local health authorities and governments. We continue to actively monitor the situation and act accordingly as new information becomes available.

CLIMATE CHANGE AND ENERGY TRANSITION

To contribute to a lower carbon future, we continue to pursue initiatives looking at integrating lower intensity fuels, such as natural gas, hydrogen, renewables, and other clean energy solutions.

At the end of 2019, Canadian Utilities had 18 electric vehicle (EV) charging stations in Alberta providing end-users an opportunity to replace liquid fuel with a low-carbon emitting energy. In the first quarter of 2020, five additional EV charging stations were installed in Alberta.

OTHER EXPENSES AND INCOME

A financial summary of other consolidated expenses and income items for the first quarter of 2020 and 2019 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 March 31		
($ millions)	**2020**	**2019**	**Change**
Operating costs	**429**	529	(100)
Service concession arrangement costs	–	95	(95)
Depreciation and amortization	**143**	157	(14)
Earnings from investment in joint ventures	**6**	8	(2)
Net finance costs	**94**	117	(23)
Income taxes	**63**	80	(17)

OPERATING COSTS

Operating costs, which are total costs and expenses less service concession arrangement costs and depreciation and amortization, decreased by $100 million in the first quarter of 2020 when compared to the same period in 2019. Lower operating costs were mainly due to the sale of the Canadian fossil fuel-based electricity generation portfolio in the third quarter of 2019.

SERVICE CONCESSION ARRANGEMENT COSTS

Service concession arrangement costs were recorded for third party construction and operation activities for the Fort McMurray West-500kV Project. Service concession arrangement costs in the first quarter of 2020 were $95 million lower compared to the same period in 2019 due to the sale of APL in the fourth quarter of 2019.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization decreased by $14 million in the first quarter of 2020 mainly due to the sale of the Canadian fossil fuel-based electricity generation portfolio in the third quarter of 2019.

EARNINGS FROM INVESTMENT IN JOINT VENTURES

Earnings from investment in joint ventures is mainly comprised of our ownership position in electricity generation plants, and the Strathcona Storage Limited Partnership which operates hydrocarbon storage facilities near Fort Saskatchewan, Alberta.

Earnings from investment in joint ventures decreased by $2 million in the first quarter of 2020 compared to the same period in 2019 mainly due to the sale of the joint venture ownership positions included within the sale of the Canadian fossil fuel-based electricity generation portfolio in the third quarter of 2019.

NET FINANCE COSTS

Net finance costs decreased by $23 million in the first quarter of 2020 when compared to the same period in 2019, mainly due to lower interest expense on non-recourse long-term debt related to the sale of the Canadian fossil fuel-based electricity generation business, and lower interest expense under service concession arrangement accounting for APL. Decreased net finance costs were also due to the positive impact of a new interest rate hedging arrangement for International Natural Gas Distribution which became effective at the beginning of January, 2020.

INCOME TAXES

Income taxes decreased by $17 million in the first quarter of 2020 compared to the same period in 2019 mainly due to lower taxable earnings and the impact of the continued phased reduction of the Alberta tax rate.

In June 2019, the Government of Alberta enacted a phased decrease in the provincial corporate income tax rate from 12 per cent to 8 per cent over four years, commencing with a one per cent decrease on July 1, 2019 followed by a one per cent reduction on January 1 of each of the following three years. This change lowered first quarter 2020 IFRS earnings and adjusted earnings.

In April 2019, capital cost allowance acceleration measures enacted by the Government of Canada had no impact to IFRS earnings because lower current taxes were equally offset by higher deferred taxes. However, there was a positive impact to first quarter 2020 adjusted earnings for the Natural Gas Distribution and Transmission businesses.

LIQUIDITY AND CAPITAL RESOURCES

Our financial position is supported by Regulated Utility and long-term contracted operations. Our 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 and the debt and preferred share capital markets.

Under normal market conditions, we consider 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.

COMMERCIAL PAPER PROGRAMS

On March 27, 2020, the Bank of Canada announced the Commercial Paper Purchase Program (CPPP) to support the continuous functioning of financial markets. Under the CPPP, for the next 12 months the Bank of Canada will conduct primary and secondary market purchases of commercial paper (CP) issued by Canadian companies with an outstanding CP program. Due to their strong CP credit ratings and existing CP programs, both Canadian Utilities Limited and CU Inc. are eligible to participate in the CPPP. Through the CPPP, Canadian Utilities and CU Inc. can issue up to an aggregate of $875 million. If Canadian Utilities or CU Inc. were to take advantage of CPPP, it would increase liquidity beyond the normal course lines of credit.

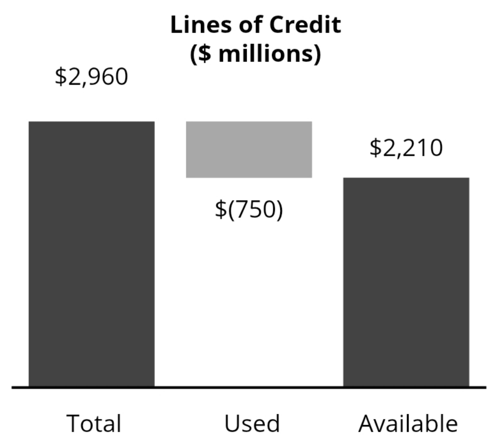
LINES OF CREDIT

At March 31, 2020, Canadian Utilities and its subsidiaries had the following lines of credit.

($ millions)	**Total**	**Used**	**Available**
Long-term committed	**2,407**	570	1,837
Uncommitted	**553**	180	373
Total	**2,960**	750	2,210

Of the $2,960 million in total lines of credit, $553 million was in the form of uncommitted credit facilities with no set maturity date. The other $2,407 million in credit lines was committed, with maturities between 2021 and 2023, and may be extended at the option of the lenders.

Of the $750 million in lines of credit used, $570 million was related to ATCO Gas Australia Pty Ltd. with the majority of the remaining usage pertaining to the issuance of letters of credit. Long-term committed credit lines are used to satisfy all of ATCO Gas Australia Pty Ltd.'s term debt financing needs.



CONSOLIDATED CASH FLOW

At March 31, 2020, the Company's cash position was $1 billion, an increase of $23 million compared to December 31, 2019 mainly due to funds generated by operations achieved during the quarter partially offset by cash used to fund the capital investment program and dividends paid.

Funds Generated by Operations

Funds generated by operations were $466 million in the first quarter of 2020, $85 million lower compared to the same period in 2019. The decrease was mainly due to timing of transmission costs in Electricity Distribution which will be recovered in future periods and in Electricity Generation as a result of the sale of the Canadian fossil-fuel based electricity generation portfolio in the third quarter of 2019.

Cash Used for Capital Investment

Cash used for capital investment was $259 million in the first quarter of 2020, $56 million lower than the same period in 2019. Lower capital spending was mainly due to the completion of construction on Alberta PowerLine at the end of the first quarter of 2019. This lower spending was partially offset by higher capital investment in Natural Gas Transmission on the Pembina-Keephills Transmission Pipeline.

Capital investment for the first quarter of 2020 and 2019 is shown in the table below.

	Three Months Ended March 31		
($ millions)	**2020**	**2019**	**Change**
Utilities			
Electricity Distribution	**66**	45	21
Electricity Transmission	**42**	63	(21)
Natural Gas Distribution	**57**	44	13
Natural Gas Transmission	**73**	45	28
International Natural Gas Distribution	**11**	16	(5)
	249	213	36
Energy Infrastructure			
Electricity Generation	**2**	1	1
Storage & Industrial Water	**6**	2	4
	8	3	5
Capital Investment from Businesses Sold in 2019 (1)			
Canadian Fossil Fuel-Based Electricity Generation	–	3	(3)
Alberta PowerLine	–	95	(95)
	–	98	(98)
CU Corporate & Other	**2**	1	1
Canadian Utilities Total Capital Investment (2) (3)	**259**	315	(56)

(1) Capital investment specific to the Canadian fossil fuel-based electricity generation portfolio sold in September 2019 and Alberta PowerLine sold in December 2019.

(2) Includes capital expenditures in joint ventures of $2 million (2019 - nil) for the first quarter of 2020.

(3) Includes additions to property, plant and equipment, intangibles and $5 million (2019 - $5 million) of interest capitalized during construction for the first quarter of 2020.

Base Shelf Prospectuses

CU Inc. Debentures

On June 11, 2018, CU Inc. filed a base shelf prospectus that permits it to issue up to an aggregate of $1.5 billion of debentures over the 25-month life of the prospectus. As of April 30, 2020, aggregate issuances of debentures were $965 million.

Canadian Utilities Debt Securities and Preferred Shares

On June 11, 2018, Canadian Utilities filed a base shelf prospectus that permits it to issue up to an aggregate of $2 billion of debt securities and preferred shares over the 25-month life of the prospectus. No debt securities or preferred shares have been issued to date under this base shelf prospectus.

Dividends and Common Shares

We have increased our common share dividend each year since 1972, a 48-year track record. Dividends paid to Class A and Class B share owners totaled $119 million in the first quarter of 2020.

On March 31, 2020, the Board of Directors declared a second quarter dividend of 43.54 cents per share. The payment of any dividend is at the discretion of the Board of Directors and depends on our financial condition and other factors.

48 year
track record of increasing common share dividends

SHARE CAPITAL

Canadian Utilities' equity securities consist of Class A shares and Class B shares.

At April 29, 2020, we had outstanding 199,769,831 Class A shares, 73,485,894 Class B shares, and options to purchase 799,650 Class A shares.

CLASS A NON-VOTING SHARES AND CLASS B COMMON SHARES

Class A and Class B share owners are entitled to share equally, on a share for share basis, in all dividends the Company declares on either of such classes of shares as well as in the Company's remaining property on dissolution. Class B share owners are entitled to vote and to exchange at any time each share held for one Class A share.

If a take-over bid is made for the Class B shares and if it would result in the offeror owning more than 50 per cent of the outstanding Class B shares (excluding any Class B shares acquired upon conversion of Class A shares), the Class A share owners are entitled, for the duration of the take-over bid, to exchange their Class A shares for Class B shares and to tender the newly exchanged Class B shares to the take-over bid. Such right of exchange and tender is conditional on completion of the applicable take-over bid.

In addition, Class A share owners are entitled to exchange their shares for Class B shares if ATCO Ltd., the Company's controlling share owner, ceases to own or control, directly or indirectly, more than 10,000,000 of the issued and outstanding Class B shares. In either case, each Class A share is exchangeable for one Class B share, subject to changes in the exchange ratio for certain events such as a stock split or rights offering.

Of the 12,800,000 Class A shares authorized for grant of options under our stock option plan, 5,030,200 Class A shares were available for issuance at March 31, 2020. Options may be granted to officers and key employees of the Company and its subsidiaries at an exercise price equal to the weighted average of the trading price of the shares on the Toronto Stock Exchange for the five trading days immediately preceding the grant date. The vesting provisions and exercise period (which cannot exceed 10 years) are determined at the time of grant.

QUARTERLY INFORMATION

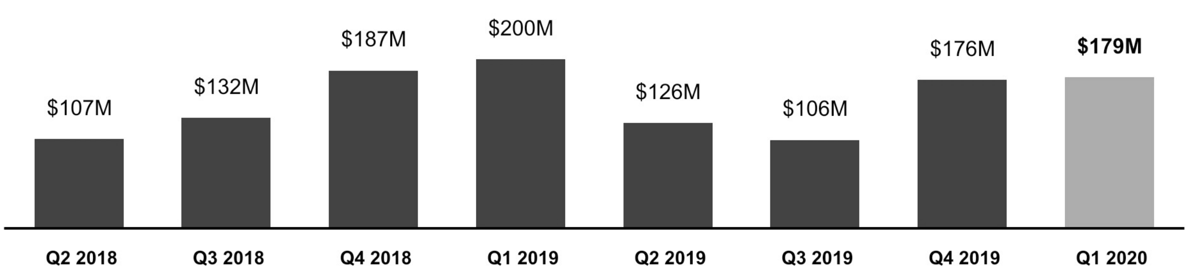
The following table shows financial information for the eight quarters ended June 30, 2018 through March 31, 2020.

($ millions, except for per share data)	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Revenues	902	885	929	**885**
Earnings attributable to equity owners of the Company	299	284	151	**160**
Earnings attributable to Class A and B shares	283	267	134	**143**
Earnings per Class A and Class B share *($)*	1.03	0.99	0.49	**0.52**
Diluted earnings per Class A and Class B share *($)*	1.03	0.99	0.49	**0.52**
Adjusted earnings per Class A and Class B share *($)*	0.46	0.39	0.65	**0.66**
Adjusted earnings				
Utilities	129	91	176	**189**
Energy Infrastructure	19	40	16	**5**
Corporate & Other and Intersegment Eliminations	(22)	(25)	(16)	**(15)**
Total adjusted earnings	126	106	176	**179**

($ millions, except for per share data)	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Revenues	967	990	1,035	1,189
Earnings (loss) attributable to equity owners of the Company	(3)	202	256	217
Earnings (loss) attributable to Class A and Class B shares	(19)	185	239	200
Earnings (loss) per Class A and Class B share *($)*	(0.07)	0.68	0.87	0.73
Diluted earnings (loss) per Class A and Class B share *($)*	(0.07)	0.68	0.87	0.73
Adjusted earnings per Class A and Class B share *($)*	0.39	0.49	0.69	0.73
Adjusted earnings				
Utilities	105	85	163	179
Energy Infrastructure	22	66	42	35
Corporate & Other and Intersegment Eliminations	(20)	(19)	(18)	(14)
Total adjusted earnings	107	132	187	200

ADJUSTED EARNINGS

Our financial results for the previous eight quarters reflect the timing of utility regulatory decisions and the seasonal nature of demand for natural gas and electricity.



UTILITIES

Utilities adjusted earnings are impacted by the timing of certain major regulatory decisions and seasonality.

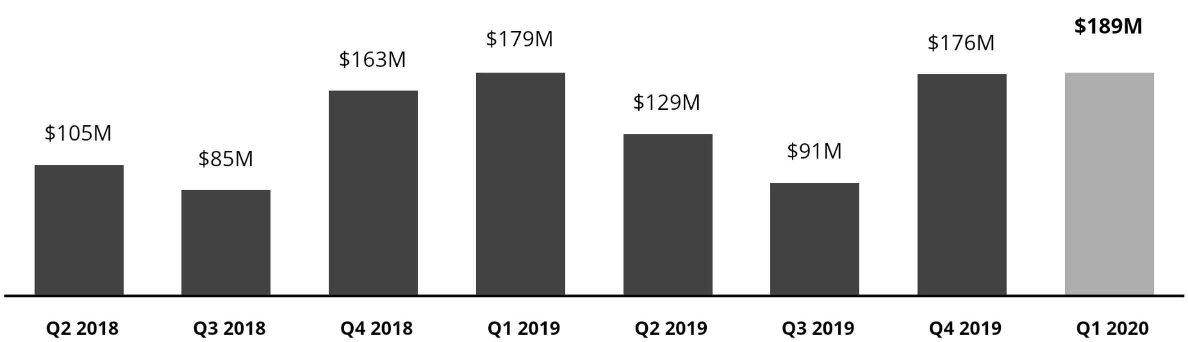
In 2018, earnings were adversely impacted by performance based regulation rate rebasing under Alberta's regulated model in Natural Gas and Electricity Distribution and lower Electricity Transmission interim rates approved by the AUC, partially offset by growth in rate base across the Utilities, and higher seasonal demand in Natural Gas Distribution.

In the first quarter of 2019, higher earnings compared to the first quarter of 2018 were mainly due to ongoing growth in the regulated rate base and cost efficiencies in Natural Gas and Electricity Distribution, partially offset by inflation adjustments applied to the rate of return calculations in International Natural Gas Distribution.

In the second quarter of 2019, higher earnings compared to the second quarter of 2018 were mainly due to the impact of the Electricity Transmission 2018-2019 General Tariff Application (GTA) decision, the impact of the Natural Gas Transmission 2019-2020 General Rate Application (GRA) decision, continued growth in the regulated rate base, cost efficiencies, and lower income taxes.

Utilities earnings in the third and fourth quarters of 2019 were higher compared to the third and fourth quarters of 2018, mainly due to the positive impact of the Electricity Transmission 2018-2019 GTA decision received in the second quarter of 2019, overall cost efficiencies and lower income taxes.

In the first quarter of 2020, adjusted earnings increased compared to the same period in 2019 mainly due to cost efficiencies, rate base growth, and lower income taxes. Higher earnings were partially offset by the completion of ECM funding in 2019 for Electricity Distribution and Natural Gas Distribution.



ENERGY INFRASTRUCTURE

Up until the third quarter of 2019 when the Canadian fossil fuel-based electricity generation portfolio was sold, Energy Infrastructure's adjusted earnings could be materially impacted by Alberta Power Pool pricing and spark spreads. Demand for hydrocarbon and natural gas storage and water services continues to have a potential impact on Energy Infrastructure adjusted earnings.

In the third quarter of 2018, higher earnings compared to the second quarter of 2018 were mainly due to the completion of performance obligations and additional availability incentive earnings which resulted from the Battle River unit 5 PPA terminations.

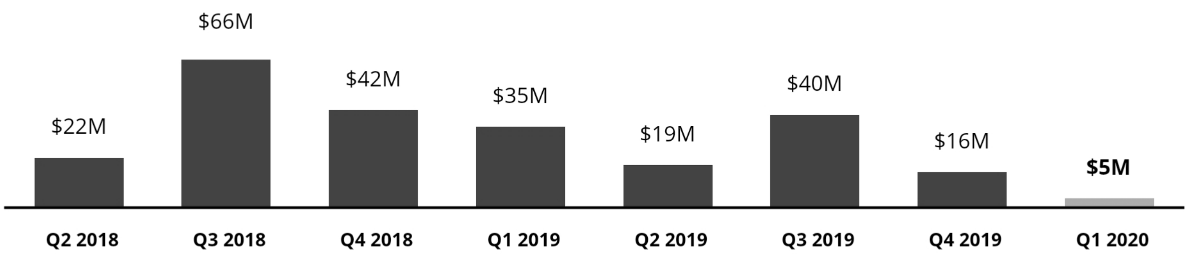
In the fourth quarter of 2018, earnings were positively impacted from the sale of the Barking Power assets and higher Alberta PowerLine earnings recorded as a result of an early energization incentive.

In the first quarter of 2019, earnings were positively impacted by increased Alberta power market prices.

In the second quarter of 2019, lower electricity generation earnings compared to the second quarter of 2018 mainly due to planned outages were offset by incremental earnings from two additional hydrocarbon storage caverns.

Energy Infrastructure earnings in the third and fourth quarters of 2019 were lower compared to the third and fourth quarters of 2018, mainly due to forgone earnings from the sale of the Canadian fossil fuel-based electricity generation business in the third quarter of 2019 and lower earnings contributions from Alberta PowerLine as a result of an early energization incentive recorded in the fourth quarter of 2018.

Energy Infrastructure recorded adjusted earnings of $5 million in the first quarter of 2020, $30 million lower than the same period in 2019 mainly due to the sale of the Canadian fossil fuel-based electricity generation portfolio in the third quarter of 2019 and the sale of APL in the fourth quarter of 2019. Excluding the earnings impact from the sale of these businesses in 2019, adjusted earnings in the first quarter of 2020 were $1 million lower due to timing and lower demand for natural gas storage services.



EARNINGS ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY

Earnings attributable to equity owners of the Company includes timing adjustments related to rate-regulated activities and unrealized gains or losses on mark-to-market forward and swap commodity contracts. They also include one-time gains and losses, significant impairments, restructuring charges and other items that are not in the normal course of business or a result of day-to-day operations recorded at various times over the past eight quarters. These items are excluded from adjusted earnings and are highlighted below:

- In the second quarter of 2018, restructuring and other costs not in the normal course of business of $60 million were recorded. These costs mainly relate to staff reductions and associated severance costs, as well as costs related to decisions to discontinue certain projects that no longer represent long-term strategic value to the Company.
- In the third quarter of 2018, the Battle River unit 5 PPA was terminated by the Balancing Pool and dispatch control was returned to Canadian Utilities. Canadian Utilities received a payment from the Balancing Pool and also recorded additional coal-related costs and Asset Retirement Obligations associated with the Battle River generating facility. This one-time receipt and costs in the net amount of $36 million were excluded from adjusted earnings.
- In the fourth quarter of 2018, Canadian Utilities sold its 100 per cent ownership interest in Barking Power assets. A gain in the amount of $87 million was excluded from adjusted earnings.
- In the third and fourth quarters of 2019, Canadian Utilities closed a series of transactions related to the sale of its Canadian fossil fuel-based electricity generation portfolio and Alberta PowerLine resulting in a gain on sale of operations of $125 million. As these transactions are one-time in nature, they are excluded from adjusted earnings.

NON-GAAP AND ADDITIONAL GAAP MEASURES

Adjusted earnings are defined as earnings attributable to equity owners of the Company after adjusting for the timing of revenues and expenses associated with rate-regulated activities, dividends on equity preferred shares of the Company, and unrealized gains or losses on mark-to-market forward and swap commodity contracts. 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 attributable to equity owners of the Company is presented in this MD&A. Adjusted earnings is an additional GAAP measure presented in Note 3 of the unaudited interim consolidated financial statements.

Adjusted earnings per Class A and Class B share is calculated by dividing adjusted earnings by the weighted average number of shares outstanding for the period.

Funds generated by operations is defined as cash flow from operations before changes in non-cash working capital and change in receivable under service concession arrangement. 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. Funds generated by operations does not have any standardized meaning under IFRS and might not be comparable to similar measures presented by other companies. A reconciliation of funds generated by operations to cash flows from operating activities is presented in this MD&A.

Capital investment is defined as cash used for capital expenditures, business combinations, service concession arrangements, and cash used in the Company's proportional share of capital expenditures in joint ventures. In management's opinion, capital investment reflects the Company's total cash investment in assets. Capital expenditures includes additions to property, plant and equipment and intangibles as well as interest capitalized during construction. A reconciliation of capital investments to capital expenditures is presented in this MD&A.

RECONCILIATION OF ADJUSTED EARNINGS TO EARNINGS ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY

Adjusted earnings are earnings attributable to equity owners of the Company after adjusting for the timing of revenues and expenses associated with rate-regulated activities, dividends on equity preferred shares of the Company, and unrealized gains or losses on mark-to-market forward and swap commodity contracts. 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.

($ millions) — **Three Months Ended March 31**

2020 2019	**Utilities**	**Energy Infrastructure**	**Corporate & Other**	**Intersegment Eliminations**	**Consolidated**
Revenues	**789**	**50**	**73**	**(27)**	**885**
	794	373	69	(47)	1,189
Adjusted earnings (loss)	**189**	**5**	**(15)**	**–**	**179**
	179	35	(14)	–	200
Unrealized gains on mark-to-market forward and swap commodity contracts	**–**	**–**	**6**	**–**	**6**
	–	6	–	–	6
Rate-regulated activities	**(31)**	**–**	**–**	**–**	**(31)**
	(8)	–	–	1	(7)
IT Common Matters decision	**(4)**	**–**	**–**	**–**	**(4)**
	–	–	–	–	–
Dividends on equity preferred shares of Canadian Utilities Limited	**1**	**–**	**16**	**–**	**17**
	2	–	15	–	17
Other	**–**	**(7)**	**–**	**–**	**(7)**
	–	1	–	–	1
Earnings (loss) attributable to equity owners of the Company	**155**	**(2)**	**7**	**–**	**160**
	173	42	1	1	217

UNREALIZED GAINS ON MARK-TO-MARKET FORWARD AND SWAP COMMODITY CONTRACTS

The Company's retail electricity and natural gas business in Alberta enters into fixed-price swap commodity contracts to manage exposure to electricity and natural gas prices and volumes. Prior to the sale of the Canadian fossil fuel-based electricity generation portfolio in the third quarter of 2019, these contracts were accounted for as normal purchase agreements as they were with an affiliate company and the own use exemption was applied. Starting September 30, 2019, these contracts are measured at fair value because the contracts are with a third party and the own use exemption no longer applies. Unrealized gains and losses due to changes in the fair value of the fixed-price swap commodity contracts are recognized in the earnings of the Corporate & Other segment.

Additionally, prior to the sale of the Canadian fossil fuel-based electricity generation portfolio in the third quarter of 2019, the Company entered into forward contracts in order to optimize available merchant capacity and manage exposure to electricity market price movements for its Independent Power and Thermal Plants not governed by a Power Purchase Arrangement. The forward contracts were measured at fair value. Unrealized gains and losses due to changes in the fair value of the forward contracts were recognized in the earnings of the Energy Infrastructure operating segment where hedge accounting was not applied.

The CODM believes that removal of the unrealized gains or losses on mark-to-market forward and swap commodity contracts provides a better representation of operating results for the Company's operations.

Realized gains or losses are recognized in adjusted earnings when the commodity contracts are settled.

RATE-REGULATED ACTIVITIES

Electricity Distribution and Transmission and their subsidiaries, ATCO Electric Yukon, Northland Utilities (NWT) and Northland Utilities (Yellowknife), as well as Natural Gas Distribution, Natural Gas Transmission and International Natural Gas Distribution are collectively referred to as the Utilities.

There is currently no specific guidance under IFRS for rate-regulated entities that the Company is eligible to adopt. In the absence of this guidance, the Utilities do not recognize assets and liabilities from rate-regulated activities as may be directed by regulatory decisions. Instead, the Utilities recognize revenues in earnings when amounts are billed to customers, consistent with the regulator-approved rate design. Operating costs and expenses are recorded when incurred. Costs incurred in constructing an asset that meet the asset recognition criteria are included in the related property, plant and equipment or intangible asset.

The Company uses standards issued by the Financial Accounting Standards Board (FASB) in the United States as another source of generally accepted accounting principles to account for rate-regulated activities in its internal reporting provided to the CODM. The CODM believes that earnings presented in accordance with the FASB standards are a better representation of the operating results of the Company’s rate-regulated activities. Therefore, the Company presents adjusted earnings as part of its segmented disclosures on this basis. Rate-regulated accounting (RRA) standards impact the timing of how certain revenues and expenses are recognized when compared to non-rate regulated activities, to appropriately reflect the economic impact of a regulator's decisions on revenues.

Rate-regulated accounting differs from IFRS in the following ways:

Timing Adjustment	Items	RRA Treatment	IFRS Treatment
Additional revenues billed in current period	Future removal and site restoration costs, and impact of colder temperatures.	The Company defers the recognition of cash received in advance of future expenditures.	The Company recognizes revenues when amounts are billed to customers and costs when they are incurred.
Revenues to be billed in future periods	Deferred income taxes, impact of warmer temperatures, and impact of inflation on rate base.	The Company recognizes revenues associated with recoverable costs in advance of future billings to customers.	The Company recognizes costs when they are incurred, but does not recognize their recovery until customer rates are changed and amounts are collected through future billings.
Regulatory decisions received	Regulatory decisions received which relate to current and prior periods.	The Company recognizes the earnings from a regulatory decision pertaining to current and prior periods when the decision is received.	The Company does not recognize earnings from a regulatory decision when it is received as regulatory assets and liabilities are not recorded under IFRS.
Settlement of regulatory decisions and other items	Settlement of amounts receivable or payable to customers and other items.	The Company recognizes the amount receivable or payable to customers as a reduction in its regulatory assets and liabilities when collected or refunded through future billings.	The Company recognizes earnings when customer rates are changed and amounts are recovered or refunded to customers through future billings.

The significant timing adjustments as a result of the differences between rate-regulated accounting and IFRS are as follows:

	Three Months Ended March 31		
($ millions)	**2020**	**2019**	**Change**
Additional revenues billed in current period			
Future removal and site restoration costs [1]	**22**	20	2
Impact of colder temperatures [2]	**5**	12	(7)
Revenues to be billed in future periods			
Deferred income taxes [3]	**(34)**	(28)	(6)
Impact of inflation on rate base [4]	**(5)**	–	(5)
Settlement of regulatory decisions and other items [5]	**(19)**	(11)	(8)
	(31)	(7)	(24)

(1) Removal and site restoration costs are billed to customers over the estimated useful life of the related assets based on forecast costs to be incurred in future periods.

(2) ATCO Gas' customer rates are based on a forecast of normal temperatures. Fluctuations in temperatures may result in more or less revenue being recovered from customers than forecast. Revenues above or below the normal in the current period are refunded to or recovered from customers in future periods.

(3) Income taxes are billed to customers when paid by the Company.

(4) The inflation-indexed portion of ATCO Gas Australia's rate base is billed to customers through the recovery of depreciation in subsequent periods based on the actual rate of inflation. Under rate-regulated accounting, revenue is recognized in the current period for the inflation component of rate base when it is earned. Differences between the amounts earned and the amounts billed to customers are deferred and recognized in revenues over the service life of the related assets.

(5) In the first quarter of 2020, ATCO Electric Distribution recorded a decrease in earnings of $27 million related to payment of transmission costs. This will be recovered from customers in future periods.

INFORMATION TECHNOLOGY (IT) COMMON MATTERS DECISION

Consistent with the treatment of the gain on sale in 2014 from the IT services business by the Company, financial impacts associated with the IT Common Matters decision are excluded from adjusted earnings. The amount excluded from adjusted earnings in the first quarter of 2020 was $4 million (2019 - nil).

OTHER

Each quarter, the Company adjusts the deferred tax asset which was recognized as a result of the 2015 Tula Pipeline Project impairment. During the three months ended March 31, 2020, the Company recorded a foreign exchange loss of $7 million (2019 - a foreign exchange gain of $1 million) due to a difference between the tax base currency, which is the Mexican peso, and the U.S. dollar functional currency.

RECONCILIATION OF FUNDS GENERATED BY OPERATIONS TO CASH FLOWS FROM OPERATING ACTIVITIES

Funds generated by operations is defined as cash flow from operations before changes in non-cash working capital and change in receivable under service concession arrangement. 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. Funds generated by operations does not have any standardized meaning under IFRS and might not be comparable to similar measures presented by other companies.

($ millions)

Three Months Ended March 31	2020	2019
Funds generated by operations	**466**	551
Changes in non-cash working capital	**23**	(110)
Change in receivable under service concession arrangement	**–**	(126)
Cash flows from operating activities	**489**	315

RECONCILIATION OF CAPITAL INVESTMENT TO CAPITAL EXPENDITURES

Capital investment is defined as cash used for capital expenditures, business combinations, service concession arrangements, and cash used in the Company's proportional share of capital expenditures in joint ventures , and cash used for equity investment in associate companies. In management's opinion, capital investment reflects the Company's total cash investment in assets. Capital expenditures includes additions to property, plant and equipment and intangibles as well as interest capitalized during construction.

($ millions)				Three Months Ended March 31
2020				
2019	**Utilities**	**Energy Infrastructure**	**CUL Corporate & Other**	**Consolidated**
Capital Investment	**249**	**8**	**2**	**259**
	213	101	1	315
Capital Expenditure in joint ventures	**–**	**(2)**	**–**	**(2)**
	–	–	–	–
Service concession arrangement	**–**	**–**	**–**	**–**
	–	(95)	–	(95)
Capital Expenditures	**249**	**6**	**2**	**257**
	213	6	1	220

OTHER FINANCIAL INFORMATION

INTERNAL CONTROL OVER FINANCIAL REPORTING

There was no change in the Company's internal control over financial reporting that occurred during the period beginning on January 1, 2020, and ended on March 31, 2020, 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 any forward-looking information contained in this MD&A as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions (including as may be affected by the COVID-19 pandemic) 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.

ADDITIONAL INFORMATION

Canadian Utilities has published its unaudited interim consolidated financial statements and MD&A for the three months ended March 31, 2020. Copies of these documents may be obtained upon request from Investor Relations at 3rd Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta, T3E 8B4, telephone 403-292-7500, fax 403-292-7532 or email investorrelations@atco.com.

GLOSSARY

AESO means the Alberta Electric System Operator.

Alberta Power Pool means the market for electricity in Alberta operated by AESO.

Alberta Utilities means Electricity Distribution (ATCO Electric Distribution), Electricity Transmission (ATCO Electric Transmission), Natural Gas Distribution (ATCO Gas) and Natural Gas Transmission (ATCO Pipelines).

AUC means the Alberta Utilities Commission.

Availability is a measure of time, expressed as a percentage of continuous operation, that a generating unit is capable of producing electricity, regardless of whether the unit is actually generating electricity.

Availability Incentive Under the term of a PPA, counterparties are subject to an incentive related to the generating unit availability. Incentives are payable by the PPA counterparties for availability in excess of predetermined targets.

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

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

CODM means Chief Operating Decision Maker, and is comprised of the Executive Chair, President & Chief Executive Officer, and the other members of the Executive Committee.

Company means Canadian Utilities Limited and, unless the context otherwise requires, includes its subsidiaries and joint arrangements.

Consumer price index (CPI) measures the average change in prices over time that consumers pay for a basket of goods and services.

Earnings means Adjusted Earnings as defined in the Non-GAAP and Additional GAAP Measures section of this MD&A.

GAAP means Canadian generally accepted accounting principles.

Gigajoule (GJ) is a unit of energy equal to approximately 948.2 thousand British thermal units.

IFRS means International Financial Reporting Standards.

Kilowatt (kW) is a measure of electric power equal to 1,000 watts.

Megawatt (MW) is a measure of electric power equal to 1,000,000 watts.

Megawatt hour (MWh) is a measure of electricity consumption equal to the use of 1,000,000 watts of electricity over a one-hour period.

PBR means Performance Based Regulation.

PPA means Power Purchase Arrangements.

Regulated Utilities means Electricity Distribution (ATCO Electric Distribution), Electricity Transmission (ATCO Electric Transmission), Natural Gas Distribution (ATCO Gas), Natural Gas Transmission (ATCO Pipelines) and International Natural Gas Distribution (ATCO Gas Australia).

Terajoule (TJ) is a unit of energy equal to the use of 100 cubic feet of natural gas.

Thermal PPA Plant is a coal-fired power station in which heat energy is converted to electric power and the electricity generated is sold through PPAs. Under the PPAs, generating capacity must be made available for each generating unit to the PPA purchaser of that unit. These arrangements allow for the recovery of fixed and variable costs from the PPA purchaser. An operations and maintenance margin is included on these fixed and variable costs and is recognized over the term of the PPA.

CANADIAN UTILITIES LIMITED

An ATCO Company

CANADIAN UTILITIES LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE OF CONTENTS

	Page
Consolidated Statements of Earnings	38
Consolidated Statements of Comprehensive Income	39
Consolidated Balance Sheets	40
Consolidated Statements of Changes in Equity	41
Consolidated Statements of Cash Flows	42
Notes to Consolidated Financial Statements	
General Information	
1. The Company and its Operations	43
2. Basis of Presentation	43
Information on Financial Performance	
3. Segmented Information	44
4. Revenues	49
5. Earnings per Share	50
Information on Financial Position	
6. Property, Plant and Equipment	50
7. Long-Term Debt	51
8. Equity Preferred Shares	51
9. Class A and Class B Shares	51
10. Retirement Benefits	52
Information on Cash Flow	
11. Cash Flow Information	52
Risk	
12. Financial Instruments	53
13. COVID-19 Pandemic	55

CONSOLIDATED STATEMENTS OF EARNINGS

(millions of Canadian Dollars except per share data)	Note	Three Months Ended March 31 2020	2019
Revenues	4	**885**	1,189
Costs and expenses			
Salaries, wages and benefits		**(80)**	(88)
Energy transmission and transportation		**(53)**	(52)
Plant and equipment maintenance		**(45)**	(60)
Fuel costs		**(26)**	(78)
Purchased power		**(65)**	(64)
Service concession arrangement costs		**–**	(95)
Depreciation and amortization	6	**(143)**	(157)
Franchise fees		**(81)**	(74)
Property and other taxes		**(17)**	(48)
Other		**(62)**	(65)
		(572)	(781)
Earnings from investment in joint ventures		**6**	8
Operating profit		**319**	416
Interest income		**5**	6
Interest expense		**(99)**	(123)
Net finance costs		**(94)**	(117)
Earnings before income taxes		**225**	299
Income tax expense		**(63)**	(80)
Earnings for the period		**162**	219
Earnings attributable to:			
Equity owners of the Company		**160**	217
Non-controlling interests		**2**	2
		162	219
Earnings per Class A and Class B share	5	**$0.52**	$0.73
Diluted earnings per Class A and Class B share	5	**$0.52**	$0.73

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended March 31	
(millions of Canadian Dollars)	**2020**	**2019**
Earnings for the period	**162**	219
Other comprehensive gain (loss), net of income taxes		
Items that will not be reclassified to earnings:		
Re-measurement of retirement benefits (1)	**197**	(77)
Items that are or may be reclassified subsequently to earnings:		
Cash flow hedges (2)	**(12)**	(3)
Cash flow hedges reclassified to earnings (3)	**–**	2
Foreign currency translation adjustment (3)	**(57)**	(4)
	(69)	(5)
Other comprehensive gain (loss)	**128**	(82)
Comprehensive income for the period	**290**	137
Comprehensive income attributable to:		
Equity owners of the Company	**288**	135
Non-controlling interests	**2**	2
	290	137

(1) Net of income taxes of $(59) million for the three months ended March 31, 2020 (2019 - $28 million).

(2) Net of income taxes of $5 million for the three months ended March 31, 2020 (2019 - $1 million).

(3) Net of income taxes of nil.

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS

(millions of Canadian Dollars)	Note	March 31 2020	December 31 2019
ASSETS			
Current assets			
Cash and cash equivalents	11	**1,000**	977
Accounts receivable and contract assets		**604**	623
Finance lease receivables		**7**	8
Inventories		**30**	30
Prepaid expenses and other current assets		**70**	76
		1,711	1,714
Non-current assets			
Property, plant and equipment	6	**17,225**	17,212
Intangibles		**625**	629
Retirement benefit asset	10	**92**	–
Right-of-use assets		**55**	57
Investment in joint ventures		**149**	144
Finance lease receivables		**157**	167
Deferred income tax assets		**61**	66
Other assets		**46**	55
Total assets		**20,121**	20,044
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**573**	536
Lease liabilities		**9**	9
Other current liabilities		**58**	36
Long-term debt	7	**105**	158
		745	739
Non-current liabilities			
Deferred income tax liabilities		**1,372**	1,302
Retirement benefit obligations	10	**240**	399
Customer contributions		**1,732**	1,720
Lease liabilities		**46**	49
Other liabilities		**110**	106
Long-term debt	7	**8,801**	8,808
Total liabilities		**13,046**	13,123
EQUITY			
Equity preferred shares		**1,483**	1,483
Class A and Class B share owners' equity			
Class A and Class B shares	9	**1,232**	1,228
Contributed surplus		**14**	16
Retained earnings		**4,275**	4,054
Accumulated other comprehensive loss		**(116)**	(47)
Total equity attributable to equity owners of the Company		**6,888**	6,734
Non-controlling interests		**187**	187
Total equity		**7,075**	6,921
Total liabilities and equity		**20,121**	20,044

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(millions of Canadian Dollars)	Note	Attributable to Equity Owners of the Company: Class A and Class B Shares	Equity Preferred Shares	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Total	Non-Controlling Interests	Total Equity
December 31, 2018		1,226	1,483	15	3,675	(24)	6,375	187	6,562
Earnings for the period		–	–	–	217	–	217	2	219
Other comprehensive loss		–	–	–	–	(82)	(82)	–	(82)
Losses on retirement benefits transferred to retained earnings		–	–	–	(77)	77	–	–	–
Dividends	8,9	–	–	–	(132)	–	(132)	(2)	(134)
March 31, 2019		1,226	1,483	15	3,683	(29)	6,378	187	6,565
December 31, 2019		1,228	1,483	16	4,054	(47)	6,734	187	6,921
Earnings for the period		**–**	**–**	**–**	**160**	**–**	**160**	**2**	**162**
Other comprehensive income		**–**	**–**	**–**	**–**	**128**	**128**	**–**	**128**
Gains on retirement benefits transferred to retained earnings		**–**	**–**	**–**	**197**	**(197)**	**–**	**–**	**–**
Dividends	8,9	**–**	**–**	**–**	**(136)**	**–**	**(136)**	**(2)**	**(138)**
Share-based compensation		**4**	**–**	**(2)**	**–**	**–**	**2**	**–**	**2**
March 31, 2020		**1,232**	**1,483**	**14**	**4,275**	**(116)**	**6,888**	**187**	**7,075**

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(millions of Canadian Dollars)	Note	Three Months Ended March 31 2020	2019
Operating activities			
Earnings for the period		**162**	219
Adjustments to reconcile earnings to cash flows from operating activities	11	**304**	332
Changes in non-cash working capital		**23**	(110)
Change in receivable under service concession arrangement		**–**	(126)
Cash flows from operating activities		**489**	315
Investing activities			
Additions to property, plant and equipment		**(234)**	(201)
Additions to intangibles		**(18)**	(14)
Investment in joint ventures		**(5)**	–
Changes in non-cash working capital		**19**	(14)
Cash flows used in investing activities		**(238)**	(229)
Financing activities			
Net issue of short-term debt		**–**	225
Issue of long-term debt		**55**	–
Release of restricted project funds		**–**	105
Repayment of long-term debt		**(55)**	(180)
Repayment of non-recourse long-term debt		**–**	(3)
Repayment of lease liabilities		**(3)**	(3)
Dividends paid on equity preferred shares		**(17)**	(17)
Dividends paid to non-controlling interests		**(2)**	(2)
Dividends paid to Class A and Class B share owners		**(119)**	(115)
Interest paid		**(79)**	(104)
Other		**–**	14
Cash flows used in financing activities		**(220)**	(80)
Increase in cash position (1)		**31**	6
Foreign currency translation		**(8)**	(2)
Beginning of period		**977**	599
End of period	11	**1,000**	603

(1) Cash position includes $4 million which is not available for general use by the Company (2019 - $74 million).

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

MARCH 31, 2020

(Tabular amounts in millions of Canadian Dollars, except as otherwise noted)

1. THE COMPANY AND ITS OPERATIONS

Canadian Utilities Limited was incorporated under the laws of Canada and is listed on the Toronto Stock Exchange. Its head office is at 4th Floor, West Building, 5302 Forand Street SW, Calgary, Alberta T3E 8B4 and its registered office is 20th Floor, 10035 - 105 Street, Edmonton, Alberta T5J 2V6. The Company is controlled by ATCO Ltd. and its controlling share owner, the Southern family.

Canadian Utilities Limited is engaged in the following business activities:

- Utilities (electricity and natural gas transmission and distribution);
- Energy infrastructure (electricity generation, energy storage, and industrial water solutions); and
- Retail Energy (electricity and natural gas retail sales) (included in the Corporate & Other segment).

The unaudited interim consolidated financial statements include the accounts of Canadian Utilities Limited and its subsidiaries (the Company). The statements also include the accounts of a proportionate share of the Company's investments in joint operations and its equity-accounted investments in joint ventures.

2. BASIS OF PRESENTATION

STATEMENT OF COMPLIANCE

The unaudited interim consolidated financial statements are prepared according to International Accounting Standard (IAS) 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and IFRS Interpretations Committee (IFRIC). They do not include all the disclosures required in annual consolidated financial statements and should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2019, prepared according to IFRS.

The unaudited interim consolidated financial statements are prepared following the same accounting policies used in the Company’s most recent annual consolidated financial statements, except for income taxes. In interim periods, income taxes are accrued using an estimate of the annualized effective tax rate applied to year-to-date earnings.

The unaudited interim consolidated financial statements were authorized for issue by the Audit & Risk Committee, on behalf of the Board of Directors, on April 30, 2020.

BASIS OF MEASUREMENT

The unaudited interim consolidated financial statements are prepared on a historic cost basis, except for derivative financial instruments, retirement benefit obligations and cash-settled share-based compensation liabilities which are carried at remeasured amounts or fair value.

Revenues, earnings and adjusted earnings for any quarter are not necessarily indicative of operations on an annual basis. Quarterly financial results may be affected by the seasonal nature of the Company’s operations, the timing of utility rate decisions, the timing and demand of natural gas storage capacity sold and changes in natural gas storage fees.

Certain comparative figures have been reclassified to conform to the current presentation.

3. SEGMENTED INFORMATION

The Company's operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is comprised of the President and Chief Executive Officer, and the other members of the Executive Committee.

In the first quarter of 2020, the Company reorganized its operating subsidiaries into the following segments:

- Utilities (Electricity and Natural Gas);
- Energy Infrastructure; and
- Corporate & Other.

Comparative amounts for prior periods have been restated to reflect the realigned segments.

Management has determined that the operating subsidiaries in the reportable segments below share similar economic characteristics, as such, they have been aggregated.

The descriptions and principal operating activities of the realigned reportable segments are as follows:

<table>
<tr><td rowspan="2">Utilities</td><td>Electricity</td><td>The Utilities (Electricity) segment includes ATCO Electric, which provides regulated electricity transmission and distribution services in northern and central east Alberta, the Yukon, the Northwest Territories.</td></tr>
<tr><td>Natural Gas</td><td>The Utilities (Natural Gas) segment includes ATCO Gas, ATCO Pipelines and ATCO Gas Australia. These businesses provide integrated natural gas transmission and distribution services throughout Alberta, in the Lloydminster area of Saskatchewan and in Western Australia.</td></tr>
<tr><td colspan="2">Energy Infrastructure</td><td>The Energy Infrastructure segment includes ATCO Power (2010) (in 2019, the Company sold its Canadian fossil fuel-based electricity generation portfolio), Alberta PowerLine (before sale in 2019), ATCO Energy Solutions and ATCO Power Australia. Together these businesses provide electricity generation, natural gas storage, industrial water solutions and related infrastructure development throughout Alberta, the Yukon, the Northwest Territories, Australia and Mexico.</td></tr>
<tr><td colspan="2">Corporate & Other</td><td>Canadian Utilities Limited Corporate & Other includes intersegment eliminations and ATCO Energy, a retail electricity and natural gas business in Alberta.</td></tr>
</table>

SEGMENTED RESULTS

Aggregate results by operating segment for the three months ended March 31 are shown below.

2020	**Utilities**							
2019	**Electricity**	**Natural Gas**	**Eliminations**	**Total**	**Energy Infrastructure**	**Corporate & Other**	**Intersegment eliminations**	**Consolidated**
Revenues - external	**317**	**469**	**–**	**786**	**34**	**65**	**–**	**885**
	359	435	–	794	335	60	–	1,189
Revenues - intersegment	**3**	**1**	**(1)**	**3**	**16**	**8**	**(27)**	**–**
	–	–	–	–	38	9	(47)	–
Revenues	**320**	**470**	**(1)**	**789**	**50**	**73**	**(27)**	**885**
	359	435	–	794	373	69	(47)	1,189
Operating expenses [1]	**(122)**	**(229)**	**1**	**(350)**	**(42)**	**(62)**	**25**	**(429)**
	(114)	(208)	–	(322)	(283)	(65)	46	(624)
Depreciation and amortization	**(77)**	**(62)**	**–**	**(139)**	**(4)**	**(3)**	**3**	**(143)**
	(77)	(62)	–	(139)	(16)	(4)	2	(157)
Earnings from investment in joint ventures	**–**	**–**	**–**	**–**	**6**	**–**	**–**	**6**
	–	–	–	–	8	–	–	8
Net finance costs	**(58)**	**(34)**	**–**	**(92)**	**(3)**	**2**	**(1)**	**(94)**
	(57)	(34)	–	(91)	(28)	2	–	(117)
Earnings before income taxes	**63**	**145**	**–**	**208**	**7**	**10**	**–**	**225**
	111	131	–	242	54	2	1	299
Income tax expense	**(15)**	**(36)**	**–**	**(51)**	**(9)**	**(3)**	**–**	**(63)**
	(30)	(34)	–	(64)	(15)	(1)	–	(80)
Earnings (loss) for the period	**48**	**109**	**–**	**157**	**(2)**	**7**	**–**	**162**
	81	97	–	178	39	1	1	219
Adjusted earnings (loss)	**78**	**111**	**–**	**189**	**5**	**(15)**	**–**	**179**
	83	96	–	179	35	(14)	–	200
Total assets [2]	**10,314**	**7,689**	**(2)**	**18,001**	**1,022**	**1,363**	**(265)**	**20,121**
	10,211	7,641	–	17,852	1,754	516	(78)	20,044
Capital expenditures [3]	**108**	**141**	**–**	**249**	**6**	**2**	**–**	**257**
	108	105	–	213	6	1	–	220

(1) Includes total costs and expenses, excluding depreciation and amortization expense.
(2) 2019 comparatives are at December 31, 2019.
(3) Includes additions to property, plant and equipment and intangibles and $5 million of interest capitalized during construction for the three months ended March 31, 2020 (2019 - $5 million).

ADJUSTED EARNINGS

Adjusted earnings are earnings attributable to equity owners of the Company after adjusting for:

- the timing of revenues and expenses for rate-regulated activities;
- dividends on equity preferred shares of the Company;
- one-time gains and losses;
- unrealized gains and losses on mark-to-market forward and swap commodity contracts;
- 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 used by the CODM to assess segment performance and allocate resources. Other accounts in the unaudited interim consolidated financial statements have not been adjusted as they are not used by the CODM for those purposes.

The reconciliation of adjusted earnings and earnings for the three months ended March 31 is shown below.

2020 2019	Utilities	Energy Infrastructure	Corporate & Other	Intersegment Eliminations	Consolidated
Adjusted earnings (loss)	**189**	**5**	**(15)**	**–**	**179**
	179	35	(14)	–	200
Unrealized gains on mark-to-market forward and swap commodity contracts	**–**	**–**	**6**	**–**	**6**
	–	6	–	–	6
Rate-regulated activities	**(31)**	**–**	**–**	**–**	**(31)**
	(8)	–	–	1	(7)
IT Common Matters decision	**(4)**	**–**	**–**	**–**	**(4)**
	–	–	–	–	–
Dividends on equity preferred shares of Canadian Utilities Limited	**1**	**–**	**16**	**–**	**17**
	2	–	15	–	17
Other	**–**	**(7)**	**–**	**–**	**(7)**
	–	1	–	–	1
Earnings (loss) attributable to equity owners of the Company	**155**	**(2)**	**7**	**–**	**160**
	173	42	1	1	217
Earnings attributable to non-controlling interests					**2**
					2
Earnings for the period					**162**
					219

Unrealized gains and losses on mark-to-market forward and swap commodity contracts

The Company's retail electricity and natural gas business in Alberta enters into fixed-price swap commodity contracts to manage exposure to electricity and natural gas prices and volumes. Prior to the sale of the Canadian fossil fuel-based electricity generation portfolio in the third quarter of 2019, these contracts were accounted for as normal purchase agreements as they were with an affiliate company and the own use exemption was applied. Starting September 30, 2019, these contracts are measured at fair value because the contracts are with a third party and the own use exemption no longer applies. Unrealized gains and losses due to changes in the fair value of the fixed-price swap commodity contracts are recognized in the earnings of the Corporate & Other segment.

Additionally, prior to the sale of the Canadian fossil fuel-based electricity generation portfolio in the third quarter of 2019, the Company entered into forward contracts in order to optimize available merchant capacity and manage exposure to electricity market price movements for its Independent Power and Thermal Plants not governed by a Power Purchase Arrangement. The forward contracts were measured at fair value. Unrealized gains and losses due to changes in the fair value of the forward contracts were recognized in the earnings of the Energy Infrastructure operating segment where hedge accounting was not applied.

The CODM believes that removal of the unrealized gains or losses on mark-to-market forward and swap commodity contracts provides a better representation of operating results for the Company's operations.

Realized gains or losses are recognized in adjusted earnings when the commodity contracts are settled.

Rate-regulated activities

ATCO Electric and its subsidiaries, ATCO Electric Yukon, Northland Utilities (NWT) and Northland Utilities (Yellowknife), as well as ATCO Gas, ATCO Pipelines and ATCO Gas Australia are collectively referred to as the Utilities.

There is currently no specific guidance under IFRS for rate-regulated entities that the Company is eligible to adopt. In the absence of this guidance, the Utilities do not recognize assets and liabilities from rate-regulated activities as may be directed by regulatory decisions. Instead, the Utilities recognize revenues in earnings when amounts are billed to customers, consistent with the regulator-approved rate design. Operating costs and expenses are recorded when incurred. Costs incurred in constructing an asset that meet the asset recognition criteria are included in the related property, plant and equipment or intangible asset.

The Company uses standards issued by the Financial Accounting Standards Board (FASB) in the United States as another source of generally accepted accounting principles to account for rate-regulated activities in its internal reporting provided to the CODM. The CODM believes that earnings presented in accordance with the FASB standards are a better representation of the operating results of the Company’s rate-regulated activities. Therefore, the Company presents adjusted earnings as part of its segmented disclosures on this basis. Rate-regulated accounting (RRA) standards impact the timing of how certain revenues and expenses are recognized when compared to non-rate regulated activities, to appropriately reflect the economic impact of a regulator's decisions on revenues.

Rate-regulated accounting differs from IFRS in the following ways:

	Timing Adjustment	Items	RRA Treatment	IFRS Treatment
1.	Additional revenues billed in current period	Future removal and site restoration costs, and impact of colder temperatures.	The Company defers the recognition of cash received in advance of future expenditures.	The Company recognizes revenues when amounts are billed to customers and costs when they are incurred.
2.	Revenues to be billed in future periods	Deferred income taxes, impact of warmer temperatures, and impact of inflation on rate base.	The Company recognizes revenues associated with recoverable costs in advance of future billings to customers.	The Company recognizes costs when they are incurred, but does not recognize their recovery until customer rates are changed and amounts are collected through future billings.
3.	Regulatory decisions received	Regulatory decisions received which relate to current and prior periods.	The Company recognizes the earnings from a regulatory decision pertaining to current and prior periods when the decision is received.	The Company does not recognize earnings from a regulatory decision when it is received as regulatory assets and liabilities are not recorded under IFRS.
4.	Settlement of regulatory decisions and other items	Settlement of amounts receivable or payable to customers and other items.	The Company recognizes the amount receivable or payable to customers as a reduction in its regulatory assets and liabilities when collected or refunded through future billings.	The Company recognizes earnings when customer rates are changed and amounts are recovered or refunded to customers through future billings.

For the three months ended March 31, the significant timing adjustments as a result of the differences between rate-regulated accounting and IFRS are as follows:

	2020	2019
Additional revenues billed in current period		
Future removal and site restoration costs [(1)]	**22**	20
Impact of colder temperatures [(2)]	**5**	12
Revenues to be billed in future periods		
Deferred income taxes [(3)]	**(34)**	(28)
Impact of inflation on rate base [(4)]	**(5)**	–
Settlement of regulatory decisions and other items [(5)]	**(19)**	(11)
	(31)	(7)

(1) Removal and site restoration costs are billed to customers over the estimated useful life of the related assets based on forecast costs to be incurred in future periods.

(2) ATCO Gas' customer rates are based on a forecast of normal temperatures. Fluctuations in temperatures may result in more or less revenue being recovered from customers than forecast. Revenues above or below the normal in the current period are refunded to or recovered from customers in future periods.

(3) Income taxes are billed to customers when paid by the Company.

(4) The inflation-indexed portion of ATCO Gas Australia's rate base is billed to customers through the recovery of depreciation in subsequent periods based on the actual rate of inflation. Under rate-regulated accounting, revenue is recognized in the current period for the inflation component of rate base when it is earned. Differences between the amounts earned and the amounts billed to customers are deferred and recognized in revenues over the service life of the related assets.

(5) In the first quarter of 2020, ATCO Electric Distribution recorded a decrease in earnings of $27 million related to payment of transmission costs. This will be recovered from customers in future periods.

Information Technology (IT) Common Matters decision

Consistent with the treatment of the gain on sale in 2014 from the IT services business by the Company, financial impacts associated with the IT Common Matters decision are excluded from adjusted earnings. The amount excluded from adjusted earnings in the first quarter of 2020 was $4 million (2019 - nil).

Other

Each quarter, the Company adjusts the deferred tax asset which was recognized as a result of the 2015 Tula Pipeline Project impairment. During the three months ended March 31, 2020, the Company recorded a foreign exchange loss of $7 million (2019 - a foreign exchange gain of $1 million) due to a difference between the tax base currency, which is the Mexican peso, and the U.S. dollar functional currency.

4. REVENUES

The Company disaggregates revenues based on the revenue streams and by regulated and non-regulated business operations. The disaggregation of revenues by revenue streams by each operating segment for the three months ended March 31 are shown below:

2020	**Utilities**			**Energy Infrastructure**	**Corporate & Other**	**Consolidated**
2019	**Electricity**	**Natural Gas**	**Total**			
Revenue Streams						
Sale of Goods						
Electricity generation and delivery	**–**	**–**	**–**	**7**	**–**	**7**
	–	–	–	164	–	164
Commodity sales	**–**	**–**	**–**	**7**	**–**	**7**
	–	–	–	8	–	8
Total sale of goods	**–**	**–**	**–**	**14**	**–**	**14**
	–	–	–	172	–	172
Rendering of Services						
Distribution services	**119**	**307**	**426**	**–**	**–**	**426**
	155	294	449	–	–	449
Transmission services	**173**	**72**	**245**	**–**	**–**	**245**
	169	66	235	–	–	235
Customer contributions	**8**	**6**	**14**	**–**	**–**	**14**
	10	5	15	–	–	15
Franchise fees	**8**	**73**	**81**	**–**	**–**	**81**
	8	66	74	–	–	74
Retail electricity and natural gas services	**–**	**–**	**–**	**–**	**60**	**60**
	–	–	–	–	56	56
Storage and industrial water	**–**	**–**	**–**	**2**	**–**	**2**
	–	–	–	7	–	7
Total rendering of services	**308**	**458**	**766**	**2**	**60**	**828**
	342	431	773	7	56	836
Lease income						
Finance lease	**–**	**–**	**–**	**3**	**–**	**3**
	–	–	–	9	–	9
Operating lease	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	21	–	21
Total lease income	**–**	**–**	**–**	**3**	**–**	**3**
	–	–	–	30	–	30
Service concession arrangement	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	126	–	126
Other	**9**	**11**	**20**	**15**	**5**	**40**
	17	4	21	–	4	25
Total	**317**	**469**	**786**	**34**	**65**	**885**
	359	435	794	335	60	1,189

5. EARNINGS PER SHARE

Earnings per Class A non-voting (Class A) and Class B common (Class B) share are calculated by dividing the earnings attributable to Class A and Class B shares by the weighted average shares outstanding. Diluted earnings per share are calculated using the treasury stock method, which reflects the potential exercise of stock options and vesting of shares under the Company's mid-term incentive plan (MTIP) on the weighted average Class A and Class B shares outstanding.

The earnings and average number of shares used to calculate earnings per share for the three months ended March 31 are as follows:

	2020	2019
Average shares		
Weighted average shares outstanding	**272,681,807**	272,593,727
Effect of dilutive stock options	**39,334**	37,979
Effect of dilutive MTIP	**567,801**	548,026
Weighted average dilutive shares outstanding	**273,288,942**	273,179,732
Earnings for earnings per share calculation		
Earnings for the period	**162**	219
Dividends on equity preferred shares of the Company	**(17)**	(17)
Dividends to non-controlling interests	**(2)**	(2)
Earnings attributable to Class A and B shares	**143**	200
Earnings and diluted earnings per Class A and Class B share		
Earnings per Class A and Class B share	**$0.52**	$0.73
Diluted earnings per Class A and Class B share	**$0.52**	$0.73

6. PROPERTY, PLANT AND EQUIPMENT

A reconciliation of the changes in the carrying amount of property, plant and equipment is as follows:

	Utility Transmission & Distribution	Electricity Generation	Land and Buildings	Construction Work-in-Progress	Other	Total
Cost						
December 31, 2019	20,083	142	708	699	1,031	22,663
Additions	**4**	**–**	**–**	**237**	**1**	**242**
Transfers	**124**	**–**	**1**	**(130)**	**5**	**–**
Retirements and disposals	**(10)**	**–**	**(1)**	**(2)**	**(5)**	**(18)**
Foreign exchange rate adjustment	**(109)**	**(12)**	**(3)**	**11**	**(5)**	**(118)**
March 31, 2020	**20,092**	**130**	**705**	**815**	**1,027**	**22,769**
Accumulated depreciation						
December 31, 2019	4,720	17	166	80	468	5,451
Depreciation	**110**	**1**	**4**	**–**	**11**	**126**
Retirements and disposals	**(10)**	**–**	**(1)**	**–**	**(4)**	**(15)**
Foreign exchange rate adjustment	**(21)**	**(2)**	**–**	**8**	**(3)**	**(18)**
March 31, 2020	**4,799**	**16**	**169**	**88**	**472**	**5,544**
Net book value						
December 31, 2019	15,363	125	542	619	563	17,212
March 31, 2020	**15,293**	**114**	**536**	**727**	**555**	**17,225**

The additions to property, plant and equipment included $5 million of interest capitalized during construction for the three months ended March 31, 2020 (2019 - $5 million).

7. LONG-TERM DEBT

In the first quarter of 2020, ATCO Power Australia, the Company's subsidiary, refinanced its $63 million Australian dollars (equivalent of $55 million Canadian dollars) credit facility with a new lender at Bank Bill Swap Benchmark Rate (BBSY) plus margin fee, extending the credit facility's maturity from February 2020 to June 2025. The floating BBSY interest rate is hedged to June 23, 2025 with an interest rate swap agreement which fixes the interest rate at 1.68 per cent.

On January 23, 2019, CU Inc., a wholly owned subsidiary of the Company, repaid $180 million of 5.432 per cent debentures.

8. EQUITY PREFERRED SHARES

Cash dividends declared and paid per share for the three months ended March 31 are as follows:

(dollars per share)	2020	2019
Perpetual Cumulative Second Preferred Shares		
4.60% Series V	**0.2875**	0.2875
Cumulative Redeemable Second Preferred Shares		
3.403% Series Y	**0.2127**	0.2127
4.90% Series AA	**0.3062**	0.3062
4.90% Series BB	**0.3062**	0.3062
4.50% Series CC	**0.2812**	0.2812
4.50% Series DD	**0.2812**	0.2812
5.25% Series EE	**0.3281**	0.3281
4.50% Series FF	**0.2812**	0.2812

The payment of any dividend is at the discretion of the Board and depends on the financial condition of the Company and other factors.

9. CLASS A AND CLASS B SHARES

At March 31, 2020, there were 199,757,063 (December 31, 2019 - 199,695,081) Class A shares and 73,498,662 (December 31, 2019 - 73,550,844) Class B shares outstanding. In addition, there were 799,650 options to purchase Class A shares outstanding at March 31, 2020, under the Company's stock option plan.

DIVIDENDS

The Company declared and paid cash dividends of $0.4354 per Class A and Class B share during the three months ended March 31, 2020 (2019 - $0.4227). The Company’s policy is to pay dividends quarterly on its Class A and Class B shares. The payment of any dividend is at the discretion of the Board and depends on the financial condition of the Company and other factors.

On March 31, 2020, the Company declared a second quarter dividend of $0.4354 per Class A and Class B share.

10. RETIREMENT BENEFITS

At March 31, 2020, the discount rate assumption which is used to measure the accrued benefit obligations had increased to 4.1 per cent from 3.1 per cent at December 31, 2019. The discount rate assumption is based on market interest rates of high quality bonds that match the timing and amount of expected benefit payments.

Due to the re-measurement of the accrued benefit obligations and related plan assets, the funded status (market value of assets less accrued benefit obligations) has increased from a deficit of $399 million at December 31, 2019 to a deficit of $131 million at March 31, 2020. The deficit of $131 million is net of a funded surplus of $109 million related to the Retirement Plan for Employees of Canadian Utilities Limited and Participating Companies (CU Plan).

The retirement benefit asset of the CU Plan has been measured at the lower of the funded surplus ($109 million) and the asset ceiling ($92 million). Key assumptions used to determine the asset ceiling amount include a discount rate of 4.1 per cent and that the Company expects to realize the asset through future contribution holidays.

At March 31, 2020, the Company has recognized a retirement benefit asset of $92 million and retirement benefit obligations of $240 million.

11. CASH FLOW INFORMATION

ADJUSTMENTS TO RECONCILE EARNINGS TO CASH FLOWS FROM OPERATING ACTIVITIES

Adjustments to reconcile earnings to cash flows from operating activities for the three months ended March 31 are summarized below.

	2020	2019
Depreciation and amortization	**143**	157
Earnings from investment in joint ventures, net of dividends received	**(2)**	–
Income tax expense	**63**	80
Unrealized gains on mark-to-market forward and swap commodity contracts	**(7)**	(8)
Contributions by customers for extensions to plant	**26**	25
Amortization of customer contributions	**(14)**	(15)
Net finance costs	**94**	117
Income taxes paid	**(8)**	(32)
Other	**9**	8
	304	332

CASH POSITION

Cash position in the unaudited interim consolidated statements of cash flows at March 31 is comprised of:

	2020	2019
Cash	**992**	529
Short-term investments	**4**	–
Restricted cash (1)	**4**	74
Cash and cash equivalents	**1,000**	603

(1) Cash balances which are restricted under the terms of joint arrangement agreements are considered not available for general use by the Company.

12. FINANCIAL INSTRUMENTS

FAIR VALUE MEASUREMENT

Financial instruments are measured at amortized cost or fair value. Fair value represents the estimated amounts at which financial instruments could be exchanged between knowledgeable and willing parties in an arm's length transaction. Determining fair value requires management judgment. The valuation methods used to determine the fair value of each financial instrument and its associated level in the fair value hierarchy is described below.

Financial Instruments	Fair Value Method
Measured at Amortized Cost	
Cash and cash equivalents, accounts receivable and contract assets, and accounts payable and accrued liabilities	Assumed to approximate carrying value due to their short-term nature.
Finance lease receivables	Determined using a risk-adjusted interest rate to discount future cash receipts (Level 2).
Long-term debt	Determined using quoted market prices for the same or similar issues. Where the market prices are not available, fair values are estimated using discounted cash flow analysis based on the Company's current borrowing rate for similar borrowing arrangements (Level 2).
Measured at Fair Value	
Interest rate swaps	Determined using interest rate yield curves at period-end (Level 2).
Foreign currency contracts	Determined using quoted forward exchange rates at period-end (Level 2).
Commodity contracts	Determined using observable period-end forward curves and quoted spot market prices with inputs validated by publicly available market providers (Level 2).
	Determined using statistical techniques to derive period-end forward curves using unobservable inputs or extrapolation from spot prices in certain commodity contracts (Level 3).

FINANCIAL INSTRUMENTS MEASURED AT AMORTIZED COST

The fair values of the Company's financial instruments measured at amortized cost are as follows:

	March 31, 2020		December 31, 2019	
Recurring Measurements	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Finance lease receivables	**164**	**245**	175	224
Financial Liabilities				
Long-term debt	**8,906**	**9,996**	8,966	10,607

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The Company's derivative instruments are measured at fair value. At March 31, 2020, the following derivative instruments were outstanding:

- interest rate swaps for the purpose of limiting interest rate risk on the variable future cash flows of long-term debt;
- foreign currency forward contracts for the purpose of limiting exposure to exchange rate fluctuations relating to expenditures denominated in Australian dollars and Mexican pesos; and
- natural gas and forward power sale and purchase contracts for the purpose of limiting exposure to electricity and natural gas market price movements.

The balance sheet classification and fair values of the Company's derivative financial instruments are as follows:

	Subject to Hedge Accounting		Not Subject to Hedge Accounting		
Recurring Measurements	**Interest Rate Swaps**	**Commodities**	**Commodities**	**Foreign Currency Forward Contracts**	**Total Fair Value of Derivatives**
March 31, 2020					
Financial Assets					
Prepaid expenses and other current assets [1]	–	**15**	**8**	–	**23**
Other assets [1]	–	**13**	**6**	–	**19**
Financial Liabilities					
Other current liabilities [1]	–	**6**	**4**	–	**10**
Other liabilities [1]	**12**	**4**	**2**	–	**18**
December 31, 2019					
Financial Assets					
Prepaid expenses and other current assets [1]	–	20	–	–	20
Other assets [1]	5	21	–	–	26
Financial Liabilities					
Other current liabilities [1]	–	11	–	–	11
Other liabilities [1]	1	10	–	–	11

(1) At March 31, 2020, financial assets include $8 million of Level 3 derivative financial instruments (December 31, 2019 - financial liabilities included $7 million).

Notional and maturity summary

The notional value and maturity dates of the Company's derivative instruments outstanding are as follows:

	Subject to Hedge Accounting			Not Subject to Hedge Accounting		
Notional value and maturity	**Interest Rate Swaps**	**Natural Gas (1)**	**Power (2)**	**Natural Gas (1)**	**Power (2)**	**Foreign Currency Forward Contracts**
March 31, 2020						
Purchases (3)	–	**12,588,920**	**2,346,002**	–	–	–
Sales (3)	–	**4,474,253**	**1,066,662**	**14,716,294**	**1,158,100**	–
Currency						
Australian dollars	**743**	–	–	–	–	–
Mexican pesos	**570**	–	–	–	–	**100**
Maturity	**2023-2025**	**2020-2024**	**2020-2024**	**2020-2025**	**2020-2025**	**2020**
December 31, 2019						
Purchases (3)	–	19,680,771	2,627,765	–	–	–
Sales (3)	–	20,456,673	2,215,145	7,000,000	–	–
Currency						
Australian dollars	743	–	–	–	–	–
Mexican pesos	570	–	–	–	–	100
Maturity	2020-2024	2020-2024	2020-2024	2020-2021	–	2020

(1) Notional amounts for the natural gas purchase contracts are the maximum volumes that can be purchased over the terms of the contracts.

(2) Notional amounts for the forward power sale and purchase contracts are the commodity volumes committed in the contracts.

(3) Volumes for natural gas and power derivatives are in GJ and MWh, respectively.

13. COVID-19 PANDEMIC

At the end of 2019, a novel strain of coronavirus (COVID-19) emerged and spread globally. The World Health Organization has since declared the state of a global pandemic. The COVID-19 outbreak and related measures taken by the authorities in the jurisdictions of the Company's operations are disrupting financial and commodity markets, supply chains, and affecting production and sales across different industries in private and public sectors.

The Company has introduced measures, procedures and protocols to foster the health and safety of its employees, vendors and customers. These measures are based on the Company's health and safety policies as well as the recommendations from public health authorities, other designated government institutions and medical experts. These enhanced protocols include travel restrictions, workplace hygiene practices, employee absence tracking, additional personal protective equipment for essential workers, limiting access to facilities, and alternative work options for employees where possible (i.e. working from home).

The Company's operations are exposed to a variety of business and financial risks as a result of a public health threat, such as COVID-19. These risks include, but are not limited to, decline in customer demand, increase in operating costs, interruption of project work, credit risk associated with customer non-payment, access to financing and change in the timing of cash flows.

In the first quarter of 2020, the Company’s operations, financial position and performance have not been significantly impacted. This is primarily due to the nature of the Company’s operations which are considered to be essential services. However, the extent to which COVID-19 may further impact the Company’s operations, its consolidated financial position and performance remains uncertain, and will depend on further developments, including the duration and spread of the outbreak, its impact on the Company’s customers, suppliers and employees and actions taken by governments. Management continues to closely monitor the situation in the jurisdictions in which the Company operates.