CANADIAN UTILITIES LIMITED
An ATCO Company

CANADIAN UTILITIES LIMITED

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2014

FEBRUARY 19, 2015

TABLE OF CONTENTS

CORPORATE STRUCTURE

Canadian Utilities Limited (the Company) was incorporated under the laws of Canada on May 18, 1927, and was continued under the Canada Business Corporations Act on August 15, 1979. The common share capital of the Company was reorganized on September 10, 1982. The address of the head office of the Company is 700, 909 - 11th Avenue S.W., Calgary, Alberta T2R 1N6 and its registered office is 20th Floor, 10035 - 105 Street, Edmonton, Alberta T5J 2V6.

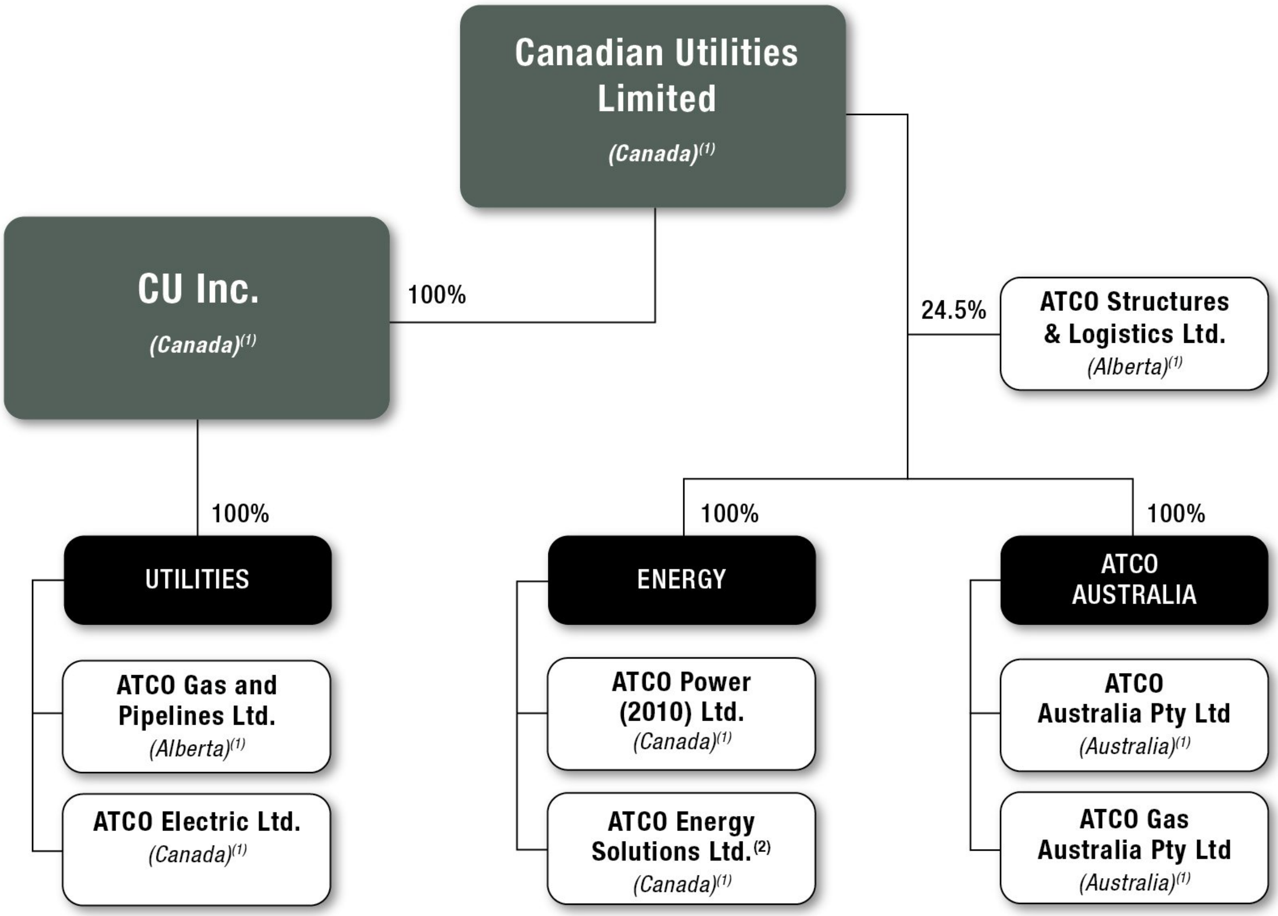
In 1999, the Company was reorganized to separate its Alberta-based regulated businesses from its non-regulated businesses. The reorganization was implemented by the transfer of the common shares and debt of the regulated subsidiaries from Canadian Utilities to CU Inc. in return for common shares of CU Inc. As a result of the reorganization, the Company's regulated operations in Alberta, which had previously been financed by Canadian Utilities, are now primarily financed by CU Inc.

INTERCORPORATE RELATIONSHIPS

Alberta-based Canadian Utilities Limited, an ATCO company, with more than 6,800 employees and assets of approximately $17 billion, delivers service excellence and innovative business solutions worldwide with leading companies engaged in Utilities (pipelines, natural gas and electricity transmission and distribution), and Energy (power generation and sales, industrial water infrastructure, natural gas gathering, processing, storage and liquids extraction).

SIMPLIFIED ORGANIZATIONAL STRUCTURE

The following chart includes the names of the Company's principal subsidiaries and the jurisdictions in which they were incorporated. The chart also shows the percentages of the principal operating subsidiaries' shares the Company beneficially owns, controls or directs, either directly or indirectly.



(1) Jurisdiction in which the company was incorporated.

(2) On January 1, 2013, ATCO Midstream Ltd. and ATCO Energy Solutions Ltd. amalgamated under the name ATCO Energy Solutions Ltd.

BUSINESS DESCRIPTION

The Company operates in the following business segments:

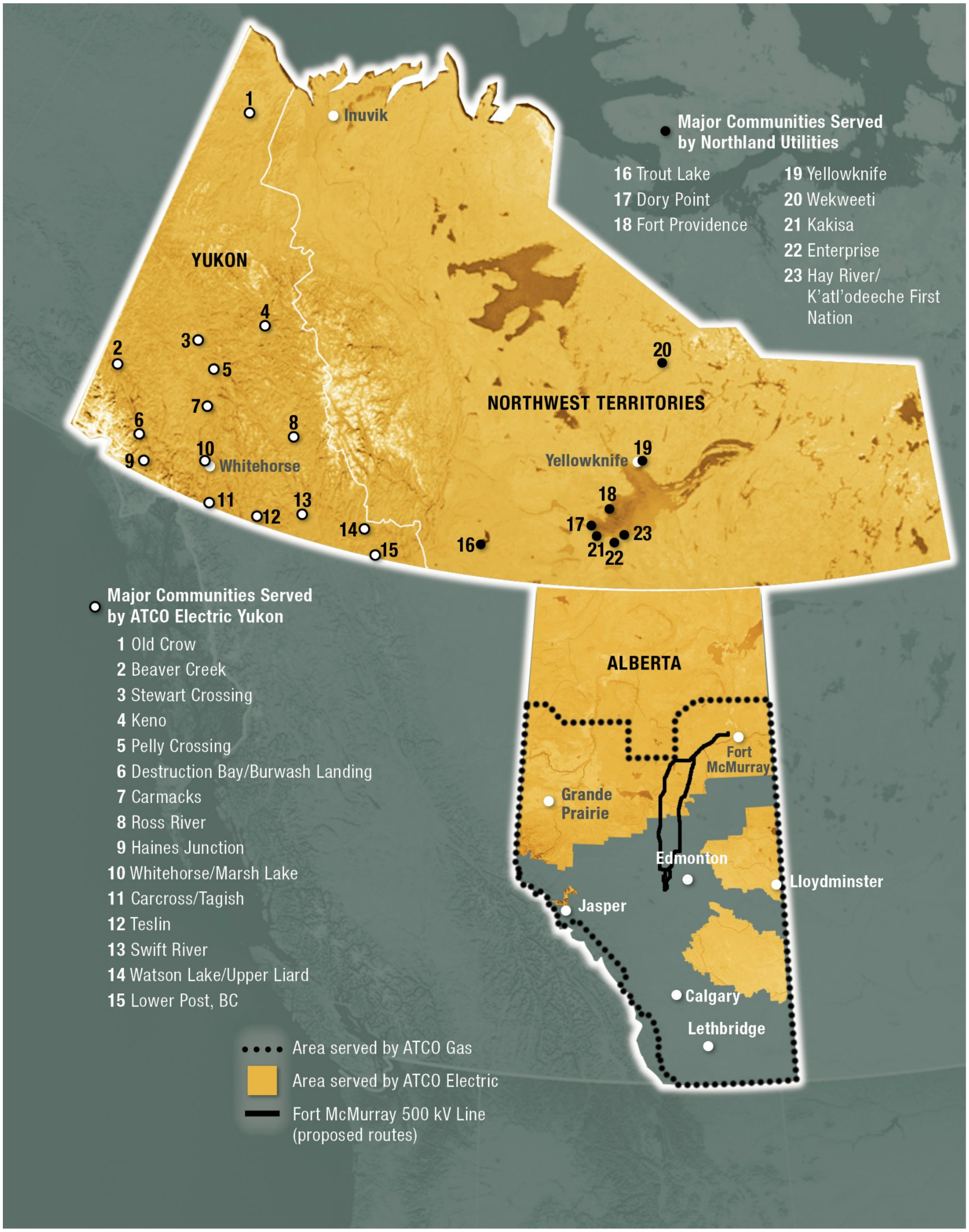
- Utilities
- Energy
- ATCO Australia
- Corporate & Other.

Utilities

OVERVIEW

The Utilities segment includes three regulated business operations: (i) electricity distribution and transmission by ATCO Electric Ltd. and its subsidiaries, Northland Utilities (NWT) Limited (NWT), Northland Utilities (Yellowknife) Limited (NUY), and ATCO Electric Yukon (AEY); (ii) natural gas distribution by the ATCO Gas division of ATCO Gas and Pipelines Ltd. (AGP); and (iii) natural gas transmission by the ATCO Pipelines division of AGP.

The Utilities' activity areas in western and northern Canada, excluding ATCO Pipelines, are shown in the map below.



GOVERNMENT REGULATION

The Utilities segment is regulated mainly by the Alberta Utilities Commission (AUC). The AUC administers acts and regulations covering such matters as rates, financing and service area.

In 2012, both the transmission and distribution operations of the Utilities were subject to a cost-of-service regulatory model. Under this model, the regulator established the revenues required to recover forecast operating costs of the regulated service, including depreciation and amortization and income taxes. The regulator also established the revenues needed for a fair return on utility investment. Determining a fair return to common share owners involved the regulator assessing many factors, including returns on alternative investment opportunities with comparable risk and the level of return for a utility to attract the necessary capital to fund operations and maintain financial integrity.

In 2013, ATCO Gas and the distribution operations of ATCO Electric moved to a form of rate regulation called Performance Based Regulation (PBR). The PBR model uses a formula to determine utility rates on an annual basis; however, the rates should provide these Utilities the opportunity to recover prudently incurred operating costs for providing regulatory services and earn a fair return on investment.

Before the introduction of PBR, the Utilities would have filed cost-of-service applications with the AUC to recover forecast costs from customers. Under PBR, however, revenue is determined by a formula that adjusts customer rates for inflation and expected productivity improvements over a five-year period.

Specifically, the PBR formula incorporates the following factors:

- Estimated annual inflation for input prices (I Factor)
- Less an offset to reflect expected productivity improvements during the PBR plan period (X Factor)

PBR also includes mechanisms to allow companies to:

- Recover capital expenditures not recoverable through the PBR formula that are significant and meet certain criteria (K Factor)
- Recover from or refund to customers amounts outside of management’s ability to control that are material, should not significantly influence the I Factor, are prudently incurred, are recurring, and could vary greatly from year to year (Y Factor), or are unforeseen, and not likely to recur (Z Factor).

The first PBR period runs from 2013 to 2017. The AUC can re-open and review the PBR plan if utility return on common equity (ROE) is +/- 300 bps of the approved ROE for two consecutive years or +/- 500 bps of the approved ROE for any single year. The current AUC-approved interim ROE is 8.75%.

ATCO Pipelines and the transmission operations of ATCO Electric continue to operate under the cost-of-service model in 2014.

The Company’s regulated operations in the Yukon Territory (AEY) and Northwest Territories (NWT and NUY) are subject to a cost-of-service regulatory model, similar to that in Alberta, administered by regulatory authorities in those jurisdictions.

ATCO ELECTRIC

ATCO Electric transmits and distributes electricity to 245 communities and rural areas in east-central and northern Alberta. Among those served are the communities of Drumheller, Lloydminster, Grande Prairie and Fort McMurray as well as the oil sands areas near Fort McMurray and the heavy oil areas near Cold Lake and Peace River.

ATCO Electric is headquartered in Edmonton and has 38 offices throughout its service area. Electric utility service is also provided to one community in British Columbia and two in Saskatchewan. AEY serves 19 communities in the Yukon Territory, including the capital city of Whitehorse. NUY and NWT serve 9 communities in the Northwest Territories, including the capital city of Yellowknife.

Approximately 564,000 people live in the principal markets for electric utility service by ATCO Electric and its subsidiaries NUY, NWT and AEY. Service is provided to approximately 252,000 customers. ATCO Electric has been assigned about 65% of the designated service area within Alberta. This service area contains approximately 14% of the provincial electrical load and 13% of the population.

The number of customers served by ATCO Electric, NUY, NWT and AEY at the end of each of the last two years was as follows.

	2014		2013	
	Number	%	Number	%
Industrial	**11,314**	**5**	11,547	5
Commercial	**33,338**	**13**	32,777	13
Residential	**175,934**	**70**	172,798	70
Rural, REAs and other	**31,169**	**12**	30,975	12
Total	**251,755**	**100**	248,097	100

Electricity distributed to the various classes of customers for each of the last two years was as follows.

	2014		2013	
	GWh	%	GWh	%
Industrial	**7,198**	**62**	7,038	62
Commercial	**2,496**	**21**	2,383	21
Residential	**1,375**	**12**	1,338	12
Rural, REAs and other	**531**	**5**	524	5
Total	**11,600**	**100**	11,283	100

ATCO Electric, NUY, NWT and AEY own and operate extensive electricity transmission and distribution systems. The systems consist of approximately 11,000 kilometres of transmission lines and 71,000 kilometres of distribution lines. In addition, ATCO Electric delivers power to and operates approximately 4,000 kilometres of distribution lines owned by Rural Electrification Associations (REA).

ATCO Electric, NUY, NWT and AEY own and operate 27 diesel, natural gas turbine and hydro-generating plants, with an aggregate nameplate capacity of 62 MW in Alberta, the Yukon and Northwest Territories. The maximum peak load demand for these plants during 2014 was 30 MW.

ATCO Electric, AEY, NUY and NWT distribute electricity to incorporated communities under the authority of franchises or by-laws; in rural areas, electricity is distributed by approvals, permits or orders under applicable statutes.

The franchises under which service is provided in incorporated communities in Alberta and the Northwest Territories have been granted for up to 20 years. These franchises are exclusive to ATCO Electric, NUY or NWT and are renewable by agreement. If any franchise is not renewed, it remains in effect until either party, with the approval of the regulatory authority, terminates it on six months' written notice.

On termination of a franchise, the municipality may purchase the facilities used under that franchise at a price to be agreed on or, failing agreement, to be fixed by the regulatory authority. The franchise under which service is provided in the Yukon Territory was granted under the Public Utilities Act (Yukon Territory) and has no set expiry date.

Under the Electric Utilities Act (Alberta) (EUA), wholesale tariffs for electricity transmission must be approved by the AUC. Transmission tariffs allow any owner of a generating unit to access the Alberta transmission system and thus facilitate the sale of its power. The same transmission tariff is charged to each distribution utility or customer directly connected to the transmission system, regardless of location.

Transmission costs are equalized by having each owner of transmission facilities charge its costs to the Alberta Electric System Operator (AESO). The AESO then aggregates these costs and charges a common transmission rate to all transmission system users.

The Transmission Regulation under the EUA stipulates that new transmission projects will be assigned to transmission facility owners based on the service areas of the distribution companies they have been historically affiliated with. Facilities ownership will change at service area boundaries, except where, in the AESO's opinion, only a small portion of the project is in another service area. This rule applies to all transmission projects except interprovincial intertie projects and those deemed "critical" by the Alberta government.

Alberta’s Provincial Energy Strategy directed the AESO to develop a process and model for competitively procuring new electricity transmission facilities without regard for service area. In 2013, the AUC approved the AESO’s Competitive Process

Application. The competitive model only applies to facilities designated as “Critical Transmission Infrastructure” (CTI). The Fort McMurray West 500 kV Transmission Project was the first project awarded under this model in December 2014 to Alberta PowerLine, a partnership between the Company and Quanta Capital.

ATCO GAS

ATCO Gas distributes natural gas throughout Alberta and in the Lloydminster area of Saskatchewan. This subsidiary serves more than 1.1 million customers in nearly 300 Alberta communities. Headquartered in Edmonton, it has more than 60 district offices across the province. ATCO Gas services municipal, residential, business and industrial customers.

ATCO Gas’ principal markets for distributing natural gas are in Edmonton, Calgary, Airdrie, Fort McMurray, Grande Prairie, Lethbridge, Lloydminster, Red Deer, Spruce Grove, St. Albert and Sherwood Park. These communities have a combined population of approximately 2,640,000. At December 31, 2014, approximately 80% of ATCO Gas’ customers were located in these 11 communities. Also served are 279 smaller communities as well as rural areas with a combined population of approximately 701,000.

The number of customers served by ATCO Gas at the end of each of the last two years is shown below.

		2014		2013
	Number	%	Number	%
Residential	**1,049,261**	**92**	1,025,668	92
Commercial	**94,005**	**8**	92,541	8
Industrial	**355**	**–**	355	–
Other	**3**	**–**	2	–
Total	**1,143,624**	**100**	1,118,566	100

The quantities of natural gas distributed by ATCO Gas for each of the last two years is given below.

		2014		2013
	PJ	%	PJ	%
Residential	**125.7**	**48**	119.1	48
Commercial	**123.0**	**47**	115.7	46
Industrial	**14.2**	**5**	14.3	6
Other	**0.1**	**–**	0.1	–
Total	**263.0**	**100**	249.2	100

ATCO Gas owns and operates more than 40,000 kilometres of distribution mains. It also owns service and maintenance facilities in major centres in Alberta.

ATCO Gas distributes natural gas in incorporated communities under the authority of franchises or by-laws and in rural areas under approvals, permits or orders issued through applicable statutes. It currently has 167 franchise agreements with communities throughout Alberta. These franchise agreements detail the rights granted to ATCO Gas and its obligations to deliver natural gas services to consumers in the municipality.

All franchises are exclusive to ATCO Gas and are renewable by agreement for additional periods of up to 20 years. If any franchise is not renewed, it remains in effect until either party, with the approval of the prevailing regulatory authority, terminates it on six months written notice. On termination, the municipality may purchase the facilities used in connection with that franchise at a price to be agreed on or, failing agreement, to be fixed by the prevailing regulatory authority.

In Edmonton, distribution of natural gas is carried on under the authority of an exclusive franchise. ATCO Gas has a 20-year franchise agreement with Edmonton that will expire on July 21, 2030. The franchises under which service is provided in other incorporated communities in Alberta have been granted for up to 20 years.

In Calgary, distribution of natural gas operates under a municipal by-law. The rights of ATCO Gas under this by-law, while not exclusive, are unrestricted as to term. The by-law does not confer any right for Calgary to acquire the facilities used in providing the service.

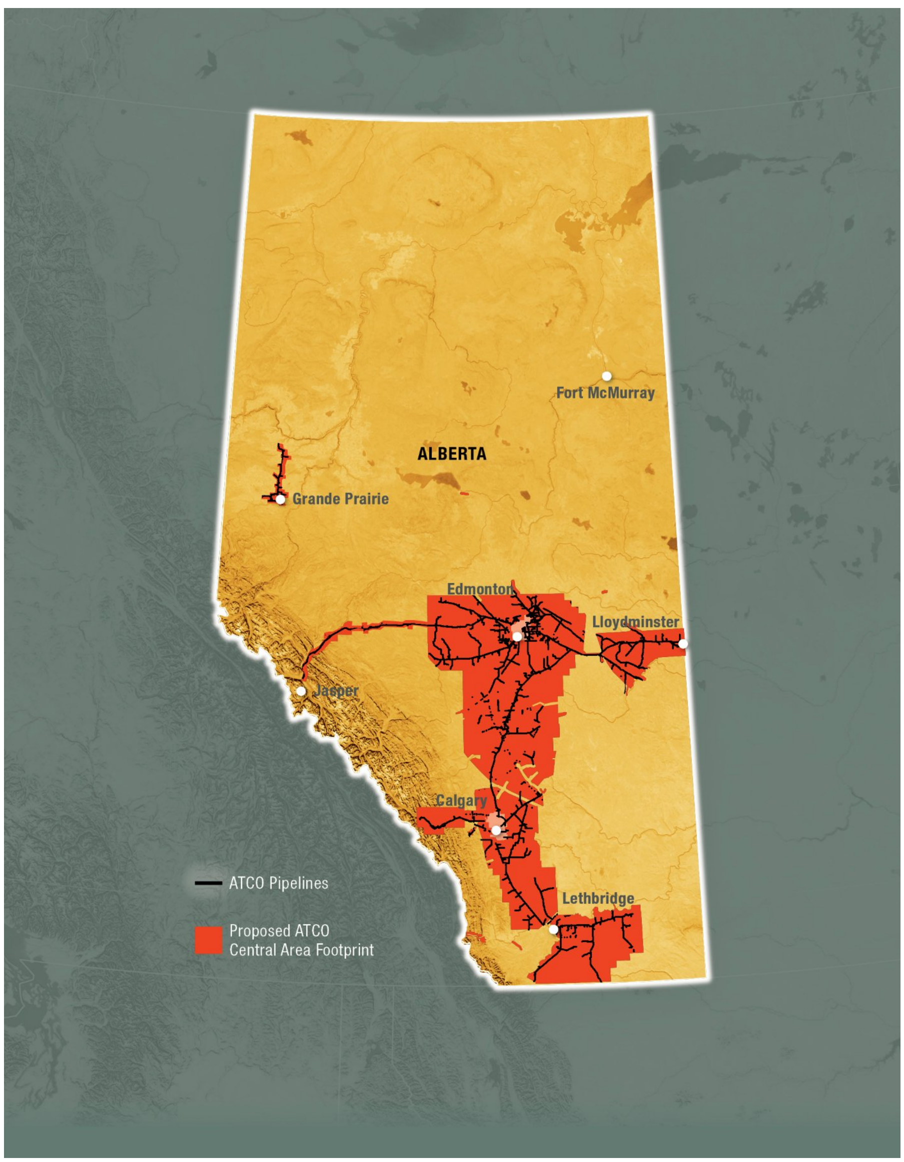
ATCO PIPELINES

ATCO Pipelines owns and operates natural gas transmission pipelines and facilities in Alberta. The business receives natural gas on its pipeline system at various gas processing plants as well as from connections with other natural gas transmission systems, and transports the gas to end users within the province such as local distribution utilities and industrial customers, or to other transmission pipeline systems, primarily for export out of the province.

ATCO Pipelines owns and operates an extensive natural gas transmission system. The system currently consists of approximately 8,500 kilometres of pipelines, 19 compressor sites, approximately 4,000 receipt and delivery points, and a salt cavern storage peaking facility near Fort Saskatchewan, Alberta. The system has 177 producer receipt points, four interconnections with Alliance Pipeline, and one interconnection with Many Islands Pipelines. Peak delivery capability of the ATCO Pipelines system is 3.8 billion cubic feet per day.

The Alberta System Integration Agreement entered into by ATCO Pipelines and NOVA Gas Transmission Ltd. (NGTL) resulted in a single rate and services structure for gas transmission in Alberta. Starting in October 2011, natural gas transportation rates in Alberta are based on the ATCO Pipelines cost-of-service approved by the AUC plus the NGTL cost-of-service approved by the National Energy Board (NEB).

The Alberta System Integration Agreement requires ATCO Pipelines and NGTL, subject to regulatory approvals, to swap ownership of certain physical assets within distinct operating territories or “footprints” in Alberta (Asset Swap). The following map shows ATCO Pipeline’s current activity in Alberta, and the shaded area on the map represents the proposed ATCO Pipelines footprint on completion and approval of the Asset Swap.

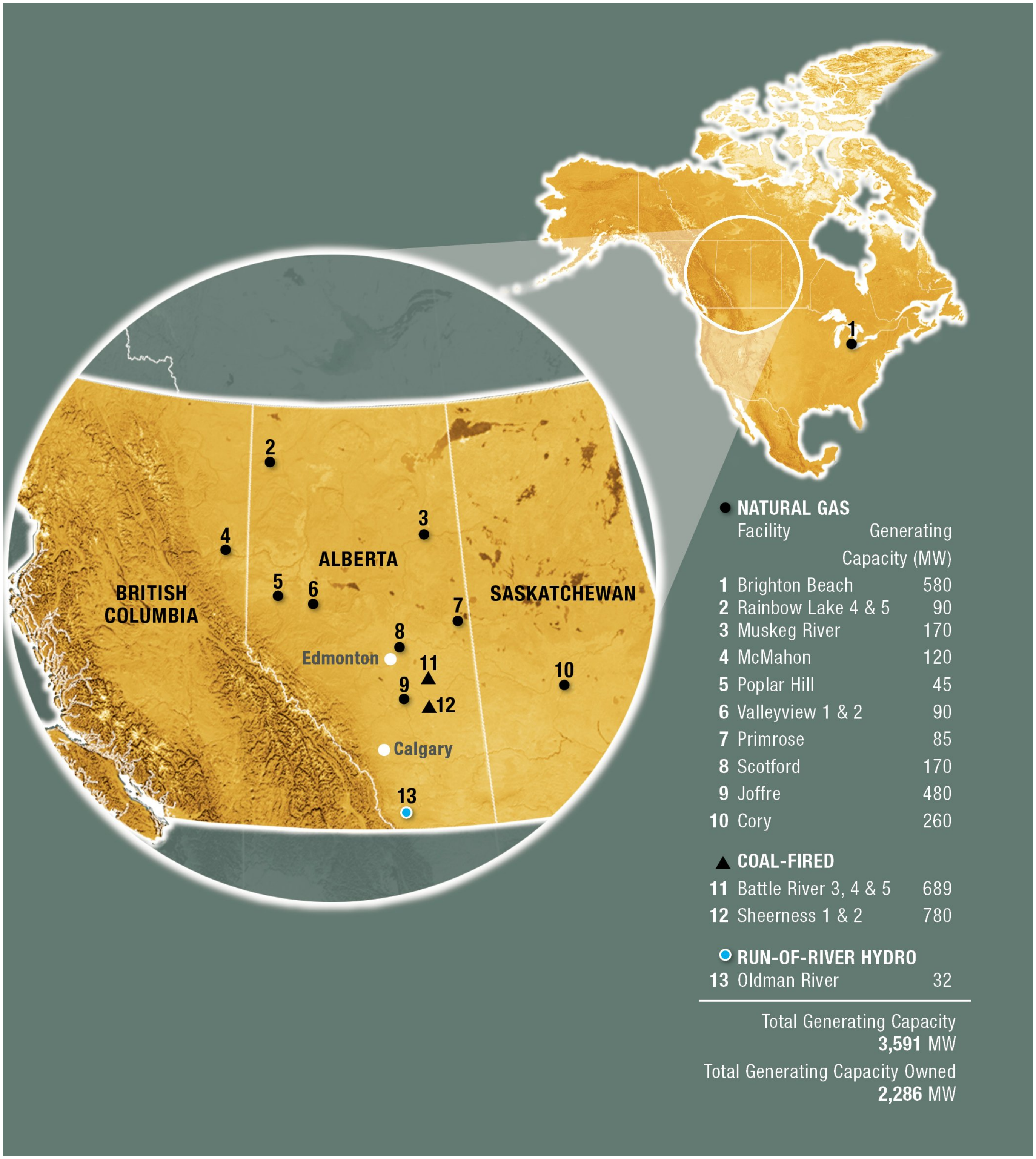


Energy

OVERVIEW

The Energy segment includes the operations of two operating subsidiaries. ATCO Power is engaged in the non-regulated supply of electricity and cogeneration steam as well as the regulated supply of electricity. ATCO Energy Solutions provides non-regulated natural gas gathering, processing, storage and transmission, natural gas liquids extraction, electricity transmission and industrial water services.

ATCO Power operates across various provinces in Canada, as shown in the following map.



ATCO POWER

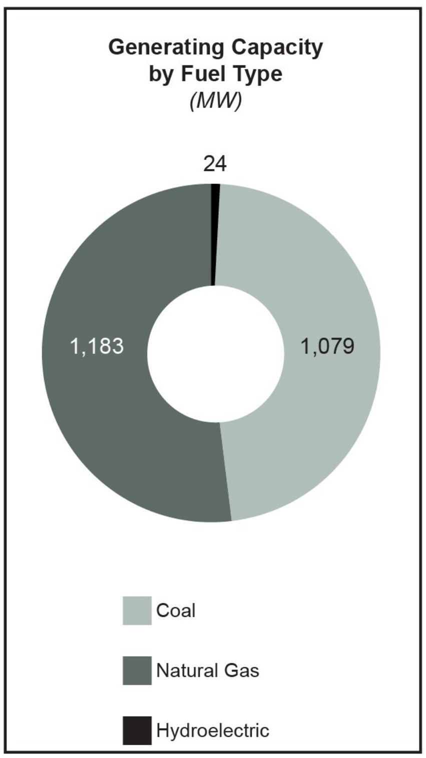
Power generation activities are focused on owning, operating and developing generating plants in Canada, primarily in Alberta.

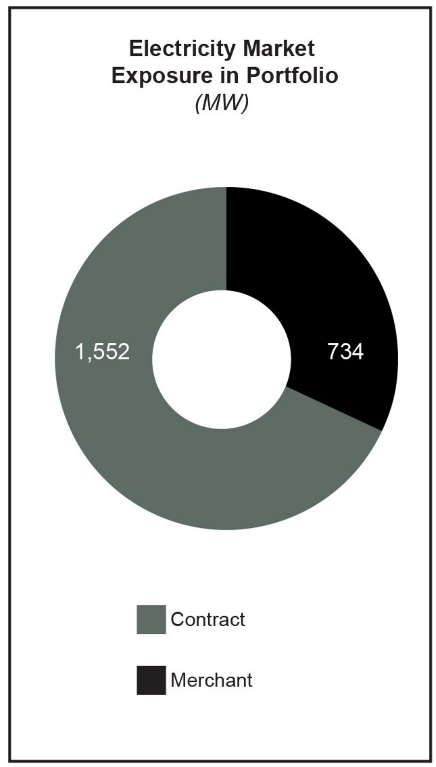
The Alberta power market serves approximately 4 million people. Installed electricity generating capacity at December 31, 2014, was approximately 16,150 MW, fueled by 39% coal, 44% natural gas, 6% hydroelectric, 9% wind and 2% other. 1,650 MW of capacity was installed in 2014; however, 1,150 MW of this capacity will become operational in 2015.

ATCO Power is involved in joint ventures with a wide range of partners, including other generators, oil and gas companies, and steam hosts. ATCO Power's role in each venture is tailored to the specific needs of a project. ATCO Power generally operates the power and steam generation facilities. It ensures secure supply and, with some projects, the opportunity to sell electricity not under contract into the electricity market or the market for ancillary services.

At December 31, 2014, ATCO Power had an ownership position in generating plants with a total capacity, including partners' interests, of 3,591 MW. It operates 3,471 MW, or 97%, and owns 2,286 MW, or 64%, of the total capacity. This capacity is fueled by 52% natural gas, 47% coal and 1% hydroelectric. Details of these plants are shown in Appendix 1.

The following charts illustrate the approximate portion of owned generating capacity by fuel types in the portfolio and contract versus merchant portions of owned capacity at December 31, 2014.





As at December 31, 2014, the Company had 734 MW (32%) of its generating capacity exposed to the merchant market for power generation in Alberta, Canada.

The Power Purchase Arrangements (PPA) for Battle River units 3 and 4 expired on December 31, 2013, which exposed an additional 295 MW generating capacity to the merchant market for power generation in Alberta effective January 1, 2014.

During the fourth quarter of 2014, the Company, together with its partners, commenced the process of immediate closure and shut-down of the 1,000 MW Barking generating plant in the U.K. ATCO Power has an 25.5% ownership share in the natural-gas fired plant. This decision followed after the plant was not selected by National Grid to supply capacity for the upcoming season through the Supplemental Balancing Reserve mechanism and after consideration of the ongoing weaknesses in the U.K. energy market.

The natural gas used to supply generating plants is procured in a variety of ways. Tolling arrangements for the Brighton Beach and Cory generating plants allow the customers to supply gas at their own cost. These combined-cycle facilities convert the gas to electricity for the customer.

At the cogeneration and remaining combined-cycle plants, gas is procured either through a long-term gas supply agreement or directly through the site host. The revenue contracts on these sites result in gas-cost recovery being included in the tariff charged to the customer. For the remaining facilities and the merchant portion of the combined-cycle and cogeneration plants, gas is procured from the Alberta market.

Fuel costs for the thermal units at the Battle River and Sheerness generating plants are mostly for coal, under a coal supply agreement with Prairie Mines & Royalties Limited. To protect against volatility in coal prices, ATCO Power has long-term contracts for the anticipated lives of its Battle River and Sheerness coal-fired generating plants. These contracts are either fixed prices or indexed to inflation. The Battle River coal supply agreement extends until 2022 and reflects the higher cost of mining deeper coal. The coal supply agreement for Sheerness extends to 2026 or the exhaustion of the coal supply, whichever comes earlier.

Regulated Generating Plants

Certain units of ATCO Power’s Battle River and Sheerness generating plants are governed by legislatively mandated PPA that were approved by the AUC. These plants are considered regulated operations as the PPA are designed to allow generating plant owners to recover their forecast fixed and variable costs and earn a return at the rate specified in the PPA. Each plant will become deregulated either one year after the expiry of its PPA or after a decision to continue to operate the plant, whichever is earlier.

For PPA expiring before 2019, ATCO Power has one year after expiry to make one of two decisions. It can determine to decommission the generating plant to fully recover plant decommissioning costs, or it can continue operating the plant and be responsible for the incremental decommissioning costs above those already collected from the PPA purchaser. For PPA expiring after 2018, decommissioning costs are the plant owner’s responsibility. Each PPA remains in effect until the last day of the original estimated life of the related generating plant or December 31, 2020, whichever is earlier.

On October 8, 2014, ATCO Power received confirmation from the Alberta Government that the Company will not be required to decommission and reclaim the reservoir and dam at its Battle River power generating station at the end of its useful life. This confirmation has removed the risk of paying substantial reclamation costs; as such, the Company has decided to continue to operate Battle River units 3 and 4 after the end of 2014. However, due to the uncertainty of air emissions regulations and market conditions, the decision to continue operations will be assessed on an ongoing basis.

ATCO ENERGY SOLUTIONS

ATCO Energy Solution's businesses include non-regulated natural gas gathering, processing, storage and transmission, natural gas liquids extraction, electricity transmission and industrial water services. It operates and owns a one-third interest in a regulated natural gas distribution system in the Northwest Territories. The subsidiary also provides natural gas procurement and load balancing services for other ATCO Group businesses.

Natural Gas Storage

ATCO Energy Solutions owns and operates a natural gas storage facility at Carbon, Alberta. The facility is a natural gas reservoir with a seasonal storage cycle capacity of 46 petajoules, a maximum injection rate of 400 terajoules per day, and a maximum withdrawal rate of 600 terajoules per day. The facility is connected to multiple transmission pipeline systems and has been in service more than 40 years.

This subsidiary also provides flexible storage, natural gas procurement and transportation services tailored to a customer’s specific needs. Services range from daily to multi-year terms and are offered to financial institutions, marketing companies, pipeline operators, retail energy providers and producers.

Natural Gas Liquids Extraction

ATCO Energy Solutions owns or has an interest in four natural gas liquids (NGL) extraction facilities, three of which it operates. These facilities extract ethane and other NGLs from natural gas flowing through contracted pipelines. ATCO Energy Solution's net ownership in the processing capacity of the facilities is over 411 million cubic feet per day of natural gas, which produces approximately 17,900 barrels per day of NGLs.

Facility	Date in Service	NGL Extracted	Licensed Capacity *(mmcf/day)*	Ownership *(%)*	Net Ownership *(mmcf/day)*
Edmonton Ethane Extraction Plant	1978	(1)	390	51.3%	200
Empress Gas Liquids Straddle Plant (3)	1983	(1)	1,100	12.2%	134
Fort Saskatchewan Ethane Extraction Plant (3)	1984	(2)	37	100.0%	37
Villeneuve Ethane Extraction Plant (3)	1997	(2)	40	100.0%	40
			1,567		411

(1) Ethane and a mixture of propane, butane and pentanes plus

(2) A mixture of ethane, propane, butane and pentanes plus

(3) Owner-operated

The Fort Saskatchewan Ethane Extraction Plant was shut-in in September 2014 due to ongoing review of the economic environment and declining natural gas supply in the region.

Natural Gas Gathering and Processing

ATCO Energy Solutions owns or has an interest in five natural gas gathering and processing facilities, three of which it operates, with a net gathering and processing capacity of 152 million cubic feet per day. In addition, this subsidiary owns approximately 1,016 kilometres of field gathering lines. Natural gas production connected to ATCO Energy Solutions' natural gas gathering systems is processed for a fee or purchased, processed and sold under third-party contractual arrangements. Approximately 70% of net processing capacity is capable of processing sour gas.

ATCO Energy Solutions has a network of gas gathering and processing facilities that are close to existing and potential customers.

ATCO Energy Solutions' natural gas processing plants, with their licensed capacities, are shown below.

Facility	Date in Service	Licensed Capacity *(mmcf/day)*	Ownership *(%)*	Net Ownership *(mmcf/day)*
Nottingham Gas Plant	1985	18	8%	1
Carbondale Gas Plant (1)	1991	56	100%	56
Golden Spike Gas Plant (1)	1999	65	100%	65
Ikhil Gas Plant	1999	8	33%	3
Kisbey Gas Plant (1)	2000	5	50%	3
		152		128

(1) Owner-operated

Carbondale and Golden Spike Gas Plants were shut-in in 2014 due to ongoing review of the economic environment and declining natural gas supply in the region.

Kinsella Gathering and Compression and Puskwaskau Gas Facilities were sold in 2014. The sale of these assets did not have a significant impact on the Company's earnings.

Non-regulated Electricity and Natural Gas Transmission

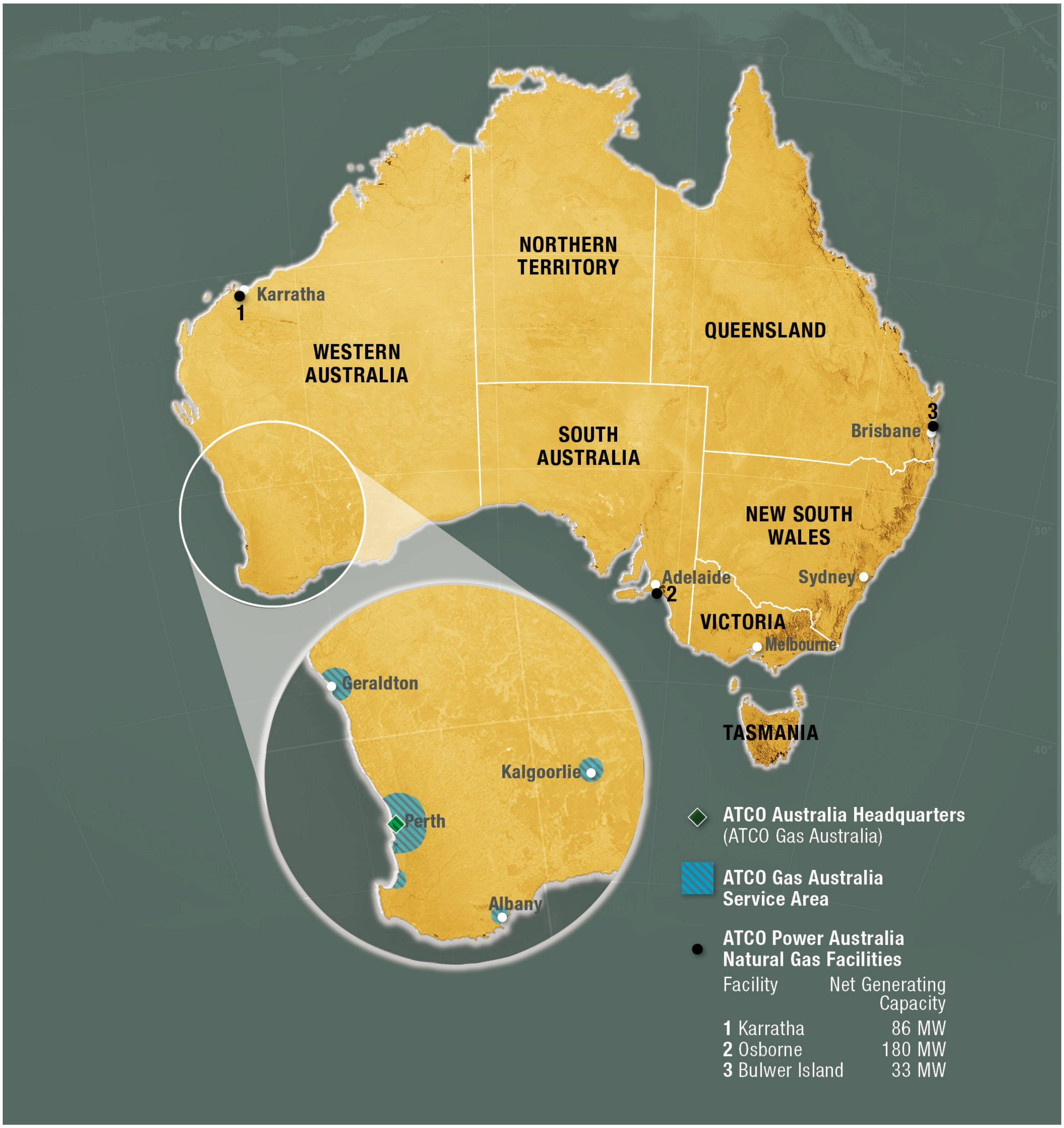
ATCO Energy Solutions owns and operates two non-regulated electricity transmission lines in Alberta, one in Fort Saskatchewan and another in Fort McMurray. It also owns a 116 kilometre non-regulated natural gas pipeline near Fort McMurray.

ATCO Australia

OVERVIEW

The ATCO Australia segment includes the regulated distribution of natural gas by ATCO Gas Australia and the non-regulated supply of electricity and steam by ATCO Power Australia. ATCO Australia also included the non-regulated provision of information technology services by ATCO I-Tek Australia until the close of the sale of the Company's IT services to Wipro Ltd. (Wipro) in August 2014. Refer to the Three-Year Segment History section for information regarding the Company's sale of its information technology services.

ATCO Australia's operations are shown in the following map.



ATCO GAS AUSTRALIA

ATCO Gas Australia provides natural gas distribution services in Western Australia. This subsidiary serves over 700,000 customers in 18 communities, including metropolitan Perth and surrounding regions such as Geraldton, Bunbury, Busselton, Kalgoorlie, Harvey, Pinjarra, Brunswick Junction and Capel. ATCO Gas Australia also distributes liquefied propane gas (LPG) to the community of Albany.

The subsidiary owns and operates approximately 13,700 kilometres of natural gas pipelines and associated infrastructure.

The number of customers served by ATCO Gas Australia at the end of 2014 is shown below.

	2014		2013	
	Number	%	Number	%
Residential	**689,763**	**98**	671,294	98
Commercial	**11,916**	**2**	11,348	2
Industrial	**181**	**–**	181	–
Total	**701,860**	**100**	682,823	100

The quantity of gas delivered by ATCO Gas Australia is shown below.

	2014		2013	
	PJ	%	PJ	%
Residential	**9.8**	**38**	10.2	38
Commercial	**2.9**	**11**	2.9	11
Industrial	**13.3**	**51**	13.4	51
Total	**26.0**	**100**	26.5	100

The quantity of gas delivered in 2014 was comparable to quantities delivered in 2013.

Regulatory Environment

ATCO Gas Australia is regulated mainly by the Economic Regulation Authority (ERA) of Western Australia. Rates are generally set for a five-year Access Arrangement (or General Rate Application). ATCO Gas Australia is subject to a cost-of-service regulatory mechanism under which the ERA establishes the revenues for each year of the Access Arrangement to recover (i) a return on projected rate base, including income taxes; (ii) depreciation on the projected rate base; and (iii) projected operating costs.

Under the existing Access Arrangement, ATCO Gas Australia is using the real method to determine revenue requirement and customer rates. Under this method, the impact of inflation is added to the rate base annually. The inflation impact is reflected in customer rates in future periods through the recovery of depreciation. Customer rates are adjusted annually through a mechanism which adjusts the approved rates in real dollars for actual inflation.

The real return for the current Access Arrangement is 7.75%, which is similar to returns awarded by the ERA to other utilities operating in Western Australia for the period. The real return is based on a deemed capital structure of 60% debt and 40% equity. This return was calculated using a cost of debt based on market rates for a benchmark sample of companies in Australia within the BBB credit band and a cost of equity, based on a capital asset pricing model. Income taxes are included in the return component of the revenue requirement.

On October 14, 2014, the ERA published its Draft Decision in relation to ATCO Gas Australia's applied for Access Arrangement for the period July 1, 2014 to December 31, 2019. The Company and interested parties responded to the Draft Decision in the fourth quarter of 2014. Following conclusion of the consultation process, the ERA is expected to publish its Final Decision early in the second quarter of 2015. Once the ERA publishes its Final Decision, the Company must consider whether it can accept the required amendments and revise its Access Arrangement. If it cannot accept the required amendments, the ERA must put in place its own Access Arrangement within two months after the Final Decision is received. If this occurs, the Company then has fifteen days to file an application for leave to review the ERA's Access Arrangement to the Australian Competition Tribunal (ACT). If leave is granted, the ACT has a target period of three months in which to make a final determination.

ATCO POWER AUSTRALIA

ATCO Power Australia has interests in three natural gas-fired generating plants. These include a 50% interest in each of two joint ventures which own and operate a combined cycle plant at Adelaide, South Australia, and a cogeneration plant at Brisbane, Queensland. The third plant is a 100% interest in an open cycle generating plant in Karratha, Western Australia.

Details of these plants are shown in Appendix 1.

Corporate & Other

The Corporate & Other segment includes the strategic growth investments in long-term contracted electricity transmission infrastructure in Alberta and geographical expansion into Mexico. In addition, the segment also includes the commercial real estate owned by the Company in Alberta and included ATCO I-Tek until the close of the sale of the Company's IT services to Wipro in August 2014. ATCO I-Tek developed, operated and supported the Company's information systems and technologies. The billing services, payment processing, credit, collection, and call centre services formerly provided by ATCO I-Tek were retained by the Company. Additional details about ATCO I-Tek's sale can be found in the Three Year Segment History of this Annual Information Form.

REAL ESTATE

ATCO Real Estate Holdings Ltd., a subsidiary of Canadian Utilities, owns commercial real estate in Calgary, Edmonton, Fort McMurray, Fort Saskatchewan, and Stettler, all in Alberta.

PERFORMANCE SUMMARY

COMPARISON OF SEGMENTED REVENUES AND ADJUSTED EARNINGS

Each segment's contribution to the Company's consolidated revenues and adjusted earnings is shown in the tables below.

Revenues (1)	2014		2013	
	($ millions)	%	($ millions)	%
Utilities	**2,246**	**62**	2,040	60
Energy	**1,026**	**29**	1,017	30
ATCO Australia	**264**	**7**	261	8
Corporate & Other and Eliminations	**64**	**2**	63	2
Total	**3,600**	**100**	3,381	100

Adjusted Earnings (1) (2)	2014		2013	
	($ millions)	%	($ millions)	%
Utilities	**409**	**71**	338	59
Energy	**99**	**17**	151	26
ATCO Australia	**51**	**9**	45	8
Corporate & Other and Eliminations	**16**	**3**	38	7
Total	**575**	**100**	572	100

(1) The above data has been extracted from financial statements prepared in accordance with International Financial Reporting Standards (IFRS). The reporting currency is the Canadian dollar.

(2) 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 and dividends on equity preferred shares of the Company. Adjusted Earnings also exclude one-time gains and losses, significant impairments, and items that are not in the normal course of business or day-to-day operations.

Revenues and adjusted earnings were significantly influenced by continued rate base growth in the Utilities and fluctuating commodity pricing.

Adjusted earnings in the Utilities segment grew mainly as a result of the significant capital investments in transmission infrastructure and regulated electricity and natural gas distribution networks in Alberta.

In 2013, the Energy segment benefited from higher realized pool prices and increased availability of its generating plants. In contrast, unfavourable market conditions, together with lower Alberta Power Pool prices, spark spreads and reduced price volatility in 2014, resulted in lower adjusted earnings. Also in 2014, the Company enhanced the delivery capability at its natural gas storage operations and sold excess natural gas resulting from these improvements, which contributed to increased earnings in ATCO Energy Solutions.

The Company continuously reviews opportunities to monetize mature assets. In August 2014, the Company completed the sale of its information technology (IT) services to Wipro, a global information technology, consulting and business process services company. Wipro acquired all the shares of ATCO I-Tek, including current contracts and employees, as well as the assets of ATCO I-Tek Australia as part of the transaction. Proceeds of the sale were $204 million, resulting in a one-time after-tax gain of $138 million. This one-time gain was not included in adjusted earnings. The proceeds from the sale were redeployed to finance the Company's growth initiatives.

COMPARISION OF SEGMENTED CAPITAL EXPENDITURES

Each segment's contribution to the Company's consolidated capital expenditures is shown below.

	2014 (1) (2)		2013 (1) (2)	
	($ millions)	*%*	*($ millions)*	*%*
Utilities	**2,079**	**91**	2,178	90
Energy	**75**	**3**	68	3
ATCO Australia	**81**	**4**	89	4
Corporate & Other and Eliminations	**39**	**2**	63	3
Total	**2,274**	**100**	2,398	100

(1) The above data has been extracted from financial statements prepared in accordance with IFRS. The reporting currency is the Canadian dollar.

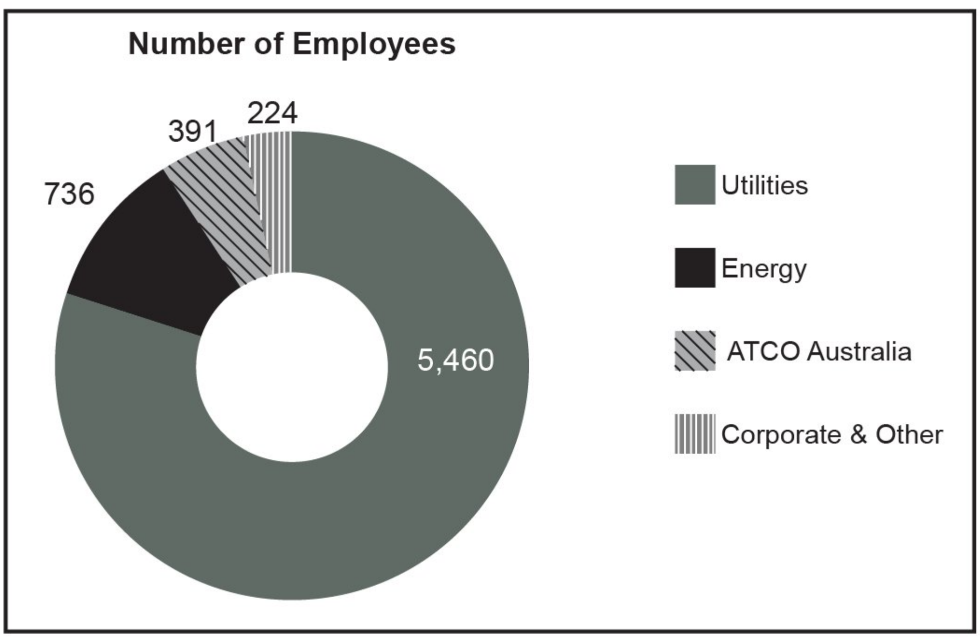
(2) Includes additions to property, plant and equipment and intangibles as well as $76 million (2013 - $65 million) of interest capitalized during construction for the year.

Total capital expenditures of $2.3 billion in 2014 were consistent with the levels reported in 2013. The Utilities accounted for $2.1 billion of this year's capital spending, with the remaining expenditures spread across the Company's other business segments. The majority of the Utilities' expenditure was in the transmission operations of ATCO Electric and was predominantly for AESO direct-assigned projects. Several large transmission infrastructure projects are underway.

EMPLOYEE INFORMATION

At December 31, 2014, Canadian Utilities had 6,811 employees compared to 7,431 at December 31, 2013. The decrease in headcount is mainly due to the sale of ATCO I-Tek to Wipro in August 2014.

The accompanying chart represents the employee numbers in each segment. The chart does not include 27 employees in ATCO Australia joint ventures and 31 employees in Energy joint ventures.



THREE-YEAR SEGMENT HISTORY

Summarized below are major events that occurred in the Company and the significant conditions that influenced the Company's development during the past three years.

Utilities

Total capital expended in the Utilities over the last three years was $6.4 billion (see table below). The largest expenditures were in the transmission operations of ATCO Electric. The AESO has identified the need for major reinforcement and expansion of the electricity transmission system in Alberta, and ATCO Electric is dedicated to improving Alberta's electrical system through responsible transmission development. Capital expenditures for ATCO Gas, ATCO Electric Distribution and ATCO Pipelines over the three-year period are representative of expenditure levels required to provide safe and reliable service and meet the demands of a growing province.

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

			Year Ended December 31
($ millions)	**2014**	**2013**	**2012**
Electric Transmission	**1,233**	1,355	1,345
Electric Distribution	**369**	408	387
Gas Distribution	**292**	268	323
Pipeline Transmission	**185**	147	87
Total	**2,079**	2,178	2,142

REGULATORY DEVELOPMENTS

In 2013, ATCO Gas and the distribution operations of ATCO Electric moved to a form of rate regulation called Performance Based Regulation (PBR). The PBR model uses a formula to determine utility rates on an annual basis; however, the rates should provide these Utilities the opportunity to recover prudently incurred operating costs for providing regulatory services and earn a fair return on investment.

ATCO Pipelines and the transmission operations of ATCO Electric continued under the cost-of-service model in 2014.

The table below details mid-year rate base, rate of return on common equity and the common equity ratio for each of ATCO's Utilities during the past three years.

	Year	Date of Decision[1]	Mid-Year Rate Base ($ millions)		Rate of Return on Common Equity[2] (%)		Common Equity Ratio[3] (%)	
ATCO Electric								
Transmission	**2014**	**Sep. 24/13**	**4,413**	**(5)**	**8.75%**	**(6)**	**37.0%**	**(6)**
	2013	Sep. 24/13	3,576	(5)	8.75%	(6)	37.0%	(6)
	2012	Nov. 22/11	2,839		8.75%	(4)	37.0%	(4)
Distribution	**2014**	**_ (7)**	**_**	**(7)**	**8.75%**	**(6)**	**39.0%**	**(6)**
	2013	_ (7)	_	(7)	8.75%	(6)	39.0%	(6)
	2012	Nov. 22/11	1,392		8.75%	(4)	39.0%	(4)
ATCO Gas	**2014**	**_ (7)**	**_**	**(7)**	**8.75%**	**(6)**	**39.0%**	**(6)**
	2013	_ (7)	_	(7)	8.75%	(6)	39.0%	(6)
	2012	Nov. 20/12	1,666		8.75%	(4)	39.0%	(4)
ATCO Pipelines	**2014**	**Jun. 10/14**	**979**	**(9)**	**8.75%**	**(6)**	**38.0%**	**(6)**
	2013	Jun. 10/14	879	(9)	8.75%	(6)	38.0%	(6)
	2012	Aug. 30/13	847	(8)	8.75%	(4)	45.0%	(4)

(1) The information shown reflects the most recent amending or varying orders issued after the original decision date.

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

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

(4) The rate of return on common equity and common equity ratio for 2012 was approved in the AUC's Generic Cost of Capital decision of December 8, 2011.

(5) The mid-year rate base for 2013 and 2014 was approved in the AUC's General Tariff Application Compliance decision of December 15, 2014.

(6) The rate of return on common equity and common equity ratio for 2013 and 2014 is an interim rate based on the last AUC Generic Cost of Capital decision of December 8, 2011.

(7) The distribution utilities in Alberta are operating under PBR and no longer have an approved mid-year Rate Base forecast.

(8) The 2012 rate base is revised based on the final revenue decision received on August 30, 2013.

(9) The mid-year rate base for 2013 and 2014 is based on the 2013-2014 General Rate Application Compliance Filing filed on January 22, 2014.

ATCO ELECTRIC

Major Project Updates

Eastern Alberta Transmission Line (EATL) Project

On November 15, 2012, ATCO Electric received approval from the AUC to start construction of the EATL project. The 500kV high voltage direct-current transmission line, with its associated converter stations and facilities, extends approximately 485 kilometres along a corridor on the east side of the province between Edmonton and Calgary. The line adds capacity to Alberta's existing electricity transmission system. In late 2012, ATCO Electric started construction of the transmission line. By the end of 2014, all foundations and towers were installed and erected with 92 per cent of stringing completed. The remaining stringing was completed in February 2015. While work also progressed on the two converter stations, the in-service date has shifted into 2015 due to contractor delays.

Total cost is estimated to be $1.8 billion, excluding interest during construction. As of December 31, 2014, $1.7 billion of this amount has been spent, with the remaining $129 million expected to be incurred during 2015.

Hanna Region Transmission Development (HRTD) Project

ATCO Electric completed this major transmission project in July 2013 on schedule and approximately $60 million under budget. This transmission reinforcement of the southeast region of the province was comprised of approximately 335 kilometres of transmission lines and six new substations, as well as modifications and expansions of 14 existing substations.

ATCO GAS

Plastic Mains Replacement Project

The Plastic Mains Replacement program is a 20-year program aimed at replacing polyvinyl chloride (PVC) and early generation polyethylene (PE) pipe. The pipe has been identified for replacement due to risks associated with brittle cracking. Overall, approximately 8,000 kilometres of main gas line impacting roughly 27,500 services will be replaced. The program began in 2011 with a target completion date of no later than 2030. Through the first four years of the program, approximately 1,030 kilometres of main line impacting 3,550 services has been replaced.

Automated Meter Reading Project

In 2013, ATCO Gas completed the automated meter reading project. Since 2011, ATCO Gas has replaced or retrofitted 1.1 million natural gas meters with encoder receiver transmitter devices, which wirelessly transmit usage data to mobile collectors. This allows ATCO Gas to read gas meters without entering customers' homes, yards or businesses, improving billing accuracy, employee safety and customer convenience.

ATCO PIPELINES

Urban Pipeline Replacement Proceeding

ATCO Pipelines' Urban Pipeline Replacement (UPR) project is intended to replace and relocate the aging, high-pressure natural gas pipelines in Edmonton and Calgary to address safety, reliability and future growth.

The AUC previously approved three of the UPR projects in December 2011. However, the AUC suspended the project and in September 2012 directed ATCO Pipelines to apply for the entire UPR project, which included public consultation sessions.

In January 2014, the AUC issued its decision approving the need for the replacement and relocation of the Edmonton and Calgary aging, urban high-pressure natural gas pipelines. In this decision, the AUC determined that the UPR proposal put forward by ATCO Pipelines was in the public interest, to provide a safe, reliable and efficient system. The total cost of the UPR project is estimated at $700 million, which includes the cost to integrate the new high-pressure network with ATCO Gas' low-pressure distribution system. ATCO Pipelines plans to complete the construction of the UPR project over the next five years. To date, $68 million has been spent on UPR projects.

Alberta System Integration

ATCO Pipelines and Nova Gas Transmission Ltd. (NGTL) entered into an agreement with respect to natural gas transmission service that will allow ATCO Pipelines and NGTL to utilize their physical assets under a single rates and services structure with a single commercial interface for Alberta customers. This integration will end duplicate tolling and operational activities and result in more efficient regulatory processes.

The AUC issued a decision on May 27, 2010, approving the integration, subject to subsequent applications to address (i) the transition of ATCO Pipelines' customers to NGTL, and (ii) the swap of assets between ATCO Pipelines and NGTL in order to establish distinct operating areas. Commercial integration and the transition of customers took place on October 1, 2011, following AUC approval.

On November 22, 2012, the AUC issued a decision approving the asset swap between ATCO Pipelines and NGTL in order to establish distinct operating areas. On October 16, 2014, the National Energy Board issued an order approving the asset swap between ATCO Pipelines and NGTL. The asset transfers will commence in 2015 and are expected to be completed over a two-year period.

Energy

ATCO Power

The Company's financial results are affected by power pool prices, price volatility, natural gas prices and power generating plant availability.

In 2014, the Company realized lower average Alberta Power Pool prices compared to 2013. Plant availability during 2014 has remained high in the Company's independent and regulated power plants. The combination of lower average Alberta Power Pool prices, reduced price volatility and higher average natural gas prices contributed to decreased earnings for the Company in 2014.

During 2012 and 2013, higher average realized Power Pool prices, higher spark spreads, greater price volatility and high availability of the Company's generating plants resulted in higher earnings compared to 2014. The Company achieved record earnings in 2013 as a result of these events.

The PPA for Battle River units 3 and 4 expired at the end of December 2013, consequently the amount of the Company's generating plant capacity exposed to Alberta merchant power pool prices increased in 2014.

In May 2014, ATCO Power announced the launch of a new division dedicated to selling power directly to commercial and industrial customers in Alberta. ATCO Power now offers commercial customers such as hospitals, shopping malls, light industry, as well as large industrial operations, unique electricity solutions for their businesses.

In the U.K. the power market has been weak over the last three years. Given the prospects for continued weakness, the Company and its partners approved the decision of immediate closure and shut-down of the 1,000 MW Barking generating plant in the fourth quarter of 2014. ATCO Power has a 25.5 per cent ownership interest in this plant.

ATCO Energy Solutions

ATCO Energy Solution's financial results are affected mainly by natural gas storage differentials, frac spreads and natural gas extraction and processing volumes.

Over the last three years storage volumes have remained stable but differentials have declined. However, the Company's earnings increased in 2014 compared to 2013 mainly as a result of higher Storage Operation earnings realized from the sale of excess natural gas as a result of enhancements in the delivery capability of the Company's natural gas storage facility.

Average frac spreads have been volatile over the last three years, rising in 2013 from 2012 and falling again in 2014. This volatility is reflected in the earnings from NGL extraction, gas gathering and processing operations.

As a result of ongoing review of the economic environment and declining natural gas supply in western Canada, certain of the Company's natural gas gathering, processing and liquids extraction assets were either shut-in or sold during 2013 and 2014 without a significant impact on the Company's earnings.

Major Project Updates

During 2014, ATCO Energy Solutions repositioned itself as an energy infrastructure provider within Alberta's Industrial Heartland, Canada's largest hydrocarbon processing region. Industrial water contracts were executed and a major storage partnership was announced as part of this new direction.

In 2014, ATCO Energy Solutions signed an agreement with Petrogas Energy Corp. to develop four salt caverns. The total partnership investment is approximately $200 million. ATCO Energy Solutions has a 60 per cent partnership interest. These caverns will store propane, butane, and ethylene to provide the NGL market in western Canada with a new alternative for hydrocarbon storage. Commercial operation for two caverns is targeted for the second quarter of 2016, with two additional caverns to be completed by the second quarter of 2017. With all four of the salt caverns of the initial phase now secured under long-term agreements, and in response to growing customer demand, ATCO Energy Solutions has acquired an additional 160 acres of land for further surface facility and salt cavern development.

In anticipation of the growing demand for water transportation services in Alberta's Industrial Heartland, ATCO Energy Solutions upgraded its water infrastructure, including improvements to an existing river intake on the North Saskatchewan River, in 2011 and 2012. These upgrades will position ATCO Energy Solutions as a leading supplier of comprehensive industrial water infrastructure and energy-related services in Alberta’s Industrial Heartland, while ensuring the Company’s customers have a secure source of water for the construction and operation of their facilities.

Contracts were signed in 2013 with North West Redwater Partnership and Air Products Canada Ltd. to supply essential water services to new facilities being constructed by those parties. In 2014, construction continued on the North West Redwater Partnership and Air Products Canada Ltd. water projects. Both projects are expected to be operational in the latter part of 2015.

ATCO Australia

Over the last three years, ATCO Gas Australia’s operations benefited from growth in the customer base, increased investment in utility infrastructure and favourable decisions on its appeal of various events of the 2010-2014 Access Arrangement. The decisions resulted in, among other items, an increase of the real return from 7.40% to 7.75%. In 2014, earnings decreased as a result of a lower actual inflation factor applied to the utility's rate base, partially offset by continued investment in utility infrastructure and interest savings.

ATCO Power Australia's earnings over the last three years have been comparable.

In April 2014 British Petroleum (BP) announced that it will cease refining operations at its oil refinery in Brisbane by mid-2015. Consequently, the Company recorded an impairment charge of its lease receivable and a related intangible goodwill asset of $11 million in 2014 for its 33 MW Bulwer Island power station, which is jointly owned with Origin Energy. As BP is the power station's only customer, this announcement has a direct impact on the ability of the plant to generate future revenues. While the partners pursued alternate commercial arrangements, no suitable economic replacement has been identified. Management is working toward a planned closure in the second quarter of 2015.

The Company's other operations included ATCO I-Tek Australia until the close of the sale of the Company’s IT services to Wipro in August 2014. Refer to the Corporate & Other section below for information regarding the Company’s sale of its information technology services.

Corporate and Other

LONG-TERM CONTRACTED ELECTRICITY TRANSMISSION - FORT McMURRAY 500 kV Project

In December 2014, Alberta PowerLine, a newly formed partnership between the Company and Quanta Capital, a Quanta Services company, was awarded a 35-year, $1.4 billion contract by the Alberta Electric System Operator (AESO) for the Fort McMurray West 500-kilovolt (kV) Transmission Project (Fort McMurray 500 kV Project). This project will increase the capacity of the electricity system in northeastern Alberta and help to ensure that this economically vital area of the province has the power it needs.

Valard Construction, a Canadian subsidiary of Quanta Services, will provide turnkey engineering, procurement, and construction services for the project, while ATCO Electric will be responsible for the overall management, route planning, permitting and operations and maintenance of the transmission facilities for 35 years. The project consists of approximately 500 kilometres of 500 kV transmission line running from Wabamun (west of Edmonton) to Fort McMurray, Alberta.

The proposed route, substations and design of the transmission line are subject to approval by the AUC. Alberta PowerLine will be consulting with landowners and submitting its Facilities Application to the AUC by the end of 2015. If approved, construction of the Fort McMurray 500 kV Project is scheduled to start in 2017 and be in service in 2019. Alberta PowerLine is planning $531 million in capital expenditures from 2015 to 2017 for the project, which represents Canadian Utilities' proportionate share of the investment in the partnership interest.

MEXICO

In the third quarter of 2014, the Company established an office in Mexico City to pursue and evaluate business opportunities in Mexico's energy market. The Mexican government recently embarked on reform of its energy sector, inviting foreign investment in energy infrastructure such as power generation, electricity and natural gas transmission and distribution facilities. The Company's growth strategy in Mexico is modeled after its existing Canadian and Australian operations, consisting of diverse yet complimentary energy businesses based on a strong reputation of technical and operational capability.

On October 9, 2014, the Company was awarded a 25-year contract by the Comisión Federal De Electricidad (CFE) to design, build and operate a 16 kilometre 30" natural gas pipeline near the town of Tula (located approximately 100 kilometres northwest of Mexico City) in the state of Hidalgo, Mexico. This deal marks the Company's first energy infrastructure project under the newly reformed energy sector in the country. The project investment is estimated at USD $50 million and is expected to be in service in mid-2015.

Also, on October 27, 2014, the Company and its partner Grupo Hermes S.A. de C.V. were selected by an affiliate of Mexico's state-owned petroleum company Pemex, PMX Cogeneracion S.A.P.I. de C.V., to commence the project development and approval process for a natural gas cogeneration plant at the Miguel Hidalgo refinery near the town of Tula in the state of Hidalgo, Mexico. Initial estimates value the capital investment of the proposed project at USD $820 million of which the Company will be responsible for approximately half of the required investment. Capital investment approval is expected in 2015, with a commercial operation date in 2018.

CAPITAL REDEPLOYMENT

In the third quarter of 2014, the Company completed the sale of its IT services to Wipro, a global information technology, consulting and business process services company. Wipro acquired all the shares of ATCO I-Tek, including current contracts and employees, as well as the assets of ATCO I-Tek Australia as part of the transaction. Proceeds of the sale were $204 million, resulting in a one-time after-tax gain of $138 million.

The proceeds from the sale were redeployed to finance the Company's growth initiatives, including the significant investment in regulated Utilities in Alberta, energy infrastructure in Alberta's Heartland, and opportunities in Mexico's energy market.

OTHER EVENTS

Share Split

Canadian Utilities Limited completed a two-for-one share split of the outstanding Class A shares and Class B shares by way of a share dividend on June 14, 2013. The Company undertook the share splits to make the Class A Shares and Class B shares more readily accessible to individual share owners, increase and broaden its share owner base, and improve the liquidity of the market for the shares.

Participation in Canadian Utilities Dividend Reinvestment Plan

The Canadian Utilities Dividend Reinvestment Plan (DRIP), which was announced on July 12, 2012, and came into effect with the third quarter 2012 dividend payments, allows eligible Class A and Class B share owners to reinvest all or a portion of their dividends in additional Class A shares.

In the year ended December 31, 2014, Canadian Utilities issued 2,699,207 Class A shares under its DRIP in lieu of cash dividend payments of $104 million.

In the year ended December 31, 2013, Canadian Utilities issued a total of 3,726,965 Class A shares under its DRIP in lieu of making cash dividend payments of $134 million.

In the year ended December 31, 2012, Canadian Utilities issued a total of 1,757,106 Class A shares under the DRIP in lieu of making cash dividend payments of $58 million.

Changes to Executive Leadership and Corporate Structure

Nancy C. Southern was appointed Chair effective December 1, 2012, and continues as President & Chief Executive Officer of the Company. Ms. Southern replaced Ronald D. Southern, who founded the ATCO Group. Mr. Southern continues to serve as a director of the Company.

On August 1, 2012, the Company announced the combination of ATCO Midstream Ltd., which was engaged in natural gas gathering, processing, storage and natural gas liquids extraction, and ATCO Energy Solutions Ltd., which was engaged in non-regulated electricity transmission, industrial water and other energy infrastructure projects and operations. The combined entity operates under the name ATCO Energy Solutions Ltd.

BUSINESS RISKS

Business risks are described in the "Segmented Information" and "Risk Management and Financial Instruments" sections in Canadian Utilities Limited's MD&A and are hereby incorporated by reference. The MD&A may be found on SEDAR at www.sedar.com.

DIVIDENDS

Cash dividends declared during the past three years for all series and classes of shares were as follows.

(Canadian dollars per share)	**2014**	**2013**	**2012**
Series Second Preferred Shares			
Series V (1)	**1.000**	1.000	1.175
Series W (2)	**–**	–	0.916
Series X (3)	**–**	–	0.869
Series Y (4)	**1.000**	1.000	1.000
Series AA (5)	**1.225**	1.225	0.558
Series BB (6)	**1.225**	1.225	0.501
Series CC (7)	**1.125**	0.791	–
Series DD (8)	**1.125**	0.617	–
Class A and Class B Shares (9)	**1.070**	0.970	0.885

(1) The dividend was reset to $1.00 (from 4.70% to 4.00%) for dividend periods between October 3, 2012, and October 3, 2017.

(2) On July 19, 2012, the Company redeemed all outstanding Series W shares. Accrued and unpaid dividends of $0.1907 per share were paid to Series W shareholders on redemption.

(3) On June 30, 2012, the Company redeemed all outstanding Series X shares. Accrued and unpaid dividends of $0.1192 per share were paid to Series X shareholders on redemption.

(4) Second Preferred Shares Series Y were issued on September 21, 2011.

(5) Second Preferred Shares Series AA were issued on June 18, 2012.

(6) Second Preferred Shares Series BB were issued on July 5, 2012.

(7) Second Preferred Shares Series CC were issued on March 19, 2013.

(8) Second Preferred Shares Series DD were issued on May 15, 2013.

(9) On June 14, 2013, the Company effected a two-for-one split of the Class A shares and Class B shares. The share split took the form of a share dividend whereby owners received one Class A share for each Class A share held and one Class B share for each Class B share held. The information in the table above is presented to reflect the share split.

The Company's practice is to pay dividends quarterly on its Class A and Class B shares. In the first quarter of 2014, the Company increased the quarterly dividend on Class A and Class B shares by 2.50 cents to 26.75 cents per share. Canadian Utilities has increased its common share dividend each year since 1972. For the first quarter of 2015, the quarterly dividend payment has been increased by 2.75 cents to 29.50 cents per share, a 10% increase. The payment of any dividend is at the discretion of the Board of Directors and depends on the Company's financial condition, among other factors.

CAPITAL STRUCTURE

SHARE CAPITAL

The share capital of the Company at February 18, 2015, is as shown below.

Share Description	Authorized	Outstanding
Series Preferred Shares	150,000	–
Series Second Preferred Shares	Unlimited	45,400,000
Class A Shares	Unlimited	188,734,707
Class B Shares	Unlimited	75,176,735

Series Preferred Shares

The Series Preferred Shares are entitled, in priority to the Series Second Preferred Shares and the Class A shares and Class B shares, to fixed cumulative preferential cash dividends and, in the event of the liquidation, dissolution or winding-up of the Company, or other distribution of assets of the Company among its share owners for the purpose of winding up its affairs, to the amount paid up thereon and accrued and unpaid dividends and, if such action is voluntary, the premiums payable on redemption, if any.

The Series Preferred Shares are subject to redemption on 30 days' notice and are non-voting except upon the failure of the Company to pay dividends on any such shares for a period of 18 months, in which case the owners of all such shares are entitled to one vote per share and to elect at meetings of share owners at which directors are elected just under one-half of the directors of the Company.

The provisions attaching to the Series Preferred Shares stipulate that no shares ranking junior to the Series Preferred Shares may be retired unless all dividends then payable on the Series Preferred Shares shall have been declared and paid.

There are currently no Series Preferred Shares outstanding.

Series Second Preferred Shares

An unlimited number of Series Second Preferred Shares are issuable in series, each series consisting of such number of shares and having such provisions attaching thereto as may be determined by the directors. The Series Second Preferred Shares as a class have, among others, provisions to the following effect:

(i) The Series Second Preferred Shares rank junior to the Series Preferred Shares but are, with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Company, entitled to preference over the Class A shares and the Class B shares and any other shares of the Company ranking junior to the Series Second Preferred Shares. The Series Second Preferred Shares may also be given such other preference over the Class A shares and the Class B shares and any other junior shares as may be determined for any series authorized to be issued.

(ii) The Series Second Preferred Shares of each series rank equally with the Series Second Preferred Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Company.

(iii) The owners of the Series Second Preferred Shares are not entitled as such (except as provided in any series) to any voting rights nor to receive notice of or to attend share owners' meetings unless dividends on the Series Second Preferred Shares of any series are in arrears to the extent of eight quarterly dividends or four half-yearly dividends, as the case may be, whether or not consecutive. Until all arrears of dividends have been paid, such owners will be entitled to receive notice of and to attend all share owners' meetings at which directors are to be elected (other than separate meetings of owners of another class of shares) and to one vote in respect of each Series Second Preferred Share held.

The following Series Second Preferred Shares are currently outstanding:

	Stated Value	Redemption Dates	Shares	Amount ($ millions)
Perpetual Cumulative Second Preferred Shares				
4.0% Series V	$25.00	(1)	4,400,000	110
Cumulative Redeemable Second Preferred Shares				
4.0% Series Y	$25.00	(2)	13,000,000	325
4.9% Series AA	$25.00	(3)	6,000,000	150
4.9% Series BB	$25.00	(3)	6,000,000	150
4.5% Series CC	$25.00	(4)	7,000,000	175
4.5% Series DD	$25.00	(5)	9,000,000	225
				1,135

(1) The dividends payable on the Series V preferred shares are fixed until October 3, 2017, at which time a new dividend rate may be established by negotiations between the Company and the owners of the shares. The Series V preferred shares are redeemable at the option of the Company.

(2) The Series Y preferred shares are redeemable at the option of the Company on June 1, 2017, and on June 1 of every fifth year thereafter at the stated value per share plus accrued and unpaid dividends. The dividend rate will reset every five years to the then current 5-year Government of Canada bond yield plus 2.40%. Owners may elect to convert any or all of their Series Y preferred shares into an equal number of Cumulative Redeemable Preferred Shares Series Z on June 1, 2017, and on June 1 of every fifth year thereafter.

The dividend rate on the Series Z preferred shares will be equal to the then current 3-month Government of Canada Treasury Bill yield plus 2.40%. On June 1, 2022, and on June 1 of every fifth year thereafter, the Company may redeem the Series Z preferred shares in whole or in part at par. The Company may redeem the Series Z preferred shares in whole or in part by the payment of $25.50 for each share to be redeemed in the case of redemption on any other date.

(3) The Series AA and BB preferred shares are redeemable commencing on September 1, 2017, at the stated value per share plus a 4% premium for the next 12 months plus accrued and unpaid dividends. The redemption premium declines by 1% in each succeeding 12 month period until September 1, 2021.

(4) The Series CC preferred shares are redeemable commencing on June 1, 2018, at the stated value per share plus a 4% premium for the next 12 months plus accrued and unpaid dividends. The redemption premium declines by 1% in each succeeding 12 month period until June 1, 2022.

(5) The Series DD preferred shares are redeemable commencing on September 1, 2018, at the stated value per share plus a 4% premium for the next 12 months plus accrued and unpaid dividends. The redemption premium declines by 1% in each succeeding 12 month period until September 1, 2022.

Class A Shares and Class B 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% 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 acquired 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.

CREDIT RATINGS

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

In 2014, Standard and Poor's Ratings Services (S&P) and DBRS Limited (DBRS) re-affirmed their ratings of the Company as "A" with a stable outlook.

In February 2015, S&P re-affirmed its rating of ATCO Gas Australia Limited Partnership's debt as "A-" with a stable outlook.

The following table shows the current credit ratings assigned to the securities of Canadian Utilities Limited and CU Inc. and to ATCO Gas Australia Limited Partnership's long-term debt. Ratings are provided by DBRS and S&P.

	DBRS	S&P
Canadian Utilities Limited		
Long-term debt and issuer	A	A
Commercial paper	R-1 (low)	A-1 (mid)
Preferred shares	Pfd-2 (high)	P-2 (high)
CU Inc.		
Long-term debt and issuer	A (high)	A
Commercial paper	R-1 (low)	A-1 (mid)
Preferred shares	Pfd-2 (high)	P-2 (high)
ATCO Gas Australia Limited Partnership (1)		
Long-term debt and issuer	N/A	A-

(1) ATCO Gas Australia Limited Partnership holds the long-term debt for ATCO Gas Australia Pty Ltd.

LONG-TERM DEBT AND ISSUER CREDIT RATINGS

An "A" rating by DBRS is the third highest of 10 categories. Long term debt rated "A" is of good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than "AA". A-rated debt may be vulnerable to future events, but qualifying negative factors are considered manageable. Each rating category other than "AAA" and "D" contains the subcategories "high" and "low". The absence of either a "high" or "low" designation indicates the rating is in the "middle" of the category.

An "A" rating by S&P is also the third highest of 10 categories. An entity rated "A" by S&P has a strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than an entity in higher-rated categories. Ratings from "AA" to "CCC" may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

COMMERCIAL PAPER AND SHORT-TERM DEBT CREDIT RATINGS

An "R-1 (low)" rating by DBRS is the lowest subcategory in the highest of six categories and is granted to short-term debt of good credit quality. The capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favourable as higher rating subcategories and may be vulnerable to future events, but qualifying negative factors are considered manageable. Rating categories "R-1" and "R-2" are further denoted by the subcategories "high", "middle", and "low".

An "A-1 (Mid)" rating by S&P is the second highest of eight categories in its Canadian commercial paper ratings scale. A short-term obligation rated "A-1 (Mid)" reflects a strong capacity for the entity to meet its financial commitment on the obligation.

PREFERRED SHARE CREDIT RATINGS

A “Pfd-2” rating by DBRS is the second highest of six categories granted by DBRS. Preferred shares rated in this category are considered of satisfactory credit quality. Protection of dividends and principal is still substantial, but earnings, the balance sheet, and coverage ratios are not as strong as “Pfd-1” rated companies. Each rating category is denoted by the subcategories “high” and “low”. The absence of either a “high” or “low” designation indicates the rating is in the “middle” of the category.

A “P-2” rating by S&P is the second highest of eight categories S&P uses in its Canadian preferred share rating scale. An obligation rated “P-2” exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the entity to meet its financial commitment on the obligation. A “high” or “low” designation shows relative standing within a rating category. The absence of either a “high” or “low” designation indicates the rating is in the “middle” of the category.

CREDIT RATINGS GENERALLY

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. The ratings indicate the likelihood of payment and an issuer’s capacity and willingness to meet its financial commitment on an obligation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the credit rating organization.

As is customary, the Company makes payments to the credit ratings organizations for the assignment of ratings as well as other services. The Company expects to make similar payments in the future.

MARKET FOR SECURITIES OF THE COMPANY

The Company's Class A shares, Class B shares and Cumulative Redeemable Second Preferred Shares, Series Y, AA, BB, CC and DD are listed on the Toronto Stock Exchange. The Perpetual Cumulative Second Preferred Shares Series V are not listed.

The following table sets forth the high and low prices and volume of the Company's shares traded on the Toronto Stock Exchange during 2014.

			Class A Shares			Class B Shares
2014	High *($)*	Low *($)*	Volume	High *($)*	Low *($)*	Volume
January	38.04	35.28	7,498,753	37.95	35.50	27,155
February	39.95	37.31	5,732,587	39.50	37.50	13,839
March	41.27	38.80	5,309,347	41.03	38.89	30,541
April	41.68	39.90	4,370,534	41.50	40.00	40,816
May	41.10	39.03	5,872,732	40.99	38.50	2,031,358
June	40.00	38.77	4,283,454	39.87	38.41	40,750
July	40.91	38.85	3,914,435	40.50	39.00	10,339
August	39.74	38.14	3,514,722	39.63	38.22	18,532
September	40.36	38.46	4,361,272	40.25	38.50	16,798
October	40.49	38.17	4,739,825	40.25	38.42	16,301
November	40.78	36.69	5,253,248	40.56	36.79	19,820
December	41.23	37.87	5,039,868	41.00	37.91	16,196

Cumulative Redeemable Second Preferred Shares

			Series Y			Series AA			Series BB
2014	High ($)	Low *($)*	Volume	High *($)*	Low *($)*	Volume	High *($)*	Low *($)*	Volume
January	25.80	25.50	265,986	23.61	22.56	99,216	23.37	22.46	91,860
February	25.70	25.00	165,877	23.33	22.82	114,284	23.26	22.72	106,707
March	25.80	25.30	126,459	23.79	23.04	244,822	23.74	23.14	87,843
April	26.20	25.58	101,060	24.27	23.71	130,107	24.28	23.60	67,358
May	27.49	24.95	461,327	24.75	24.11	84,900	24.82	24.10	60,051
June	26.30	24.71	116,661	24.66	24.30	139,753	24.60	24.32	169,766
July	26.47	25.59	90,324	24.75	24.10	55,410	24.65	24.22	59,477
August	26.06	25.55	71,902	24.91	24.31	45,657	24.79	24.15	199,371
September	25.89	25.36	203,275	24.78	24.13	41,490	24.76	24.20	67,826
October	26.05	25.50	155,086	24.66	24.00	258,292	24.62	23.77	48,070
November	26.05	25.70	177,704	24.90	24.52	276,850	24.98	24.47	72,919
December	26.33	25.00	129,650	24.86	23.90	32,879	24.92	23.87	156,482

			Series CC			Series DD
2014	High ($)	Low ($)	Volume	High ($)	Low ($)	Volume
January	21.66	21.08	159,736	21.64	21.09	153,401
February	21.58	21.03	243,357	21.48	21.00	227,927
March	21.78	21.12	188,310	21.84	21.12	271,211
April	22.25	21.60	165,336	22.23	21.60	307,645
May	22.76	22.05	80,278	22.76	22.04	204,508
June	22.45	22.11	112,739	22.50	22.18	137,212
July	22.64	22.35	80,393	22.65	22.32	146,915
August	22.62	22.11	103,229	22.59	22.12	76,918
September	22.52	22.06	98,477	22.49	22.12	111,013
October	22.63	22.10	99,993	22.64	22.11	102,664
November	22.87	22.19	144,527	22.80	22.22	257,833
December	22.80	22.21	100,365	22.70	22.17	140,622

DIRECTORS AND OFFICERS

DIRECTORS

Matthias F. Bichsel, PhD

Luzern, Switzerland
Director since 2014
Age 60

Dr. Bichsel recently retired as a member of the Executive Committee of Royal Dutch Shell plc as Projects and Technology Director, with country responsibilities for Australia, New Zealand, Oceania, India and Pakistan. Dr. Bichsel was accountable for the delivery of capital projects; exploration and development drilling; contracting and procurement activities; and upstream and downstream technology development and deployment. In addition, he was responsible for Shell's safety, environmental and social performance. Prior to that Dr. Bichsel held various senior management roles with Royal Dutch Shell plc.

Dr. Bichsel is a member of the American Association of Petroleum Geologists and the Society of Petroleum Engineers, where he is a member of the Industry Advisory Council. In 2011 Dr. Bichsel was appointed Honorary Professor at the Chinese University of Petroleum, Beijing.

Dr. Bichsel has a PhD in Geology from the University of Basel, Switzerland.

Loraine M. Charlton (3) (4)

Calgary, Alberta, Canada
Director since 2006
Age 58

Ms. Charlton is the Vice President & Chief Financial Officer of Lintus Resources Limited, an oil and gas exploration and production company. From 1996 to 2005 she was Vice President, Chief Operating Officer of Investors Petroleum Consultants Ltd.

Ms. Charlton holds a B.Comm. in Finance, has completed the Certified Financial Planner Program through The Canadian Institute of Financial Planners, and in 2007 obtained her ICD.D certification from the Director Education Program at the Institute of Corporate Directors.

David A. Dodge, O.C., LL.D., PhD, F.R.S.C. (5)

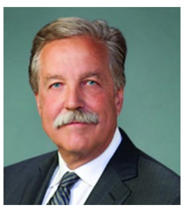
Ottawa, Ontario, Canada
Director since 2008
Age 71

Dr. Dodge is a Senior Advisor to Bennett Jones LLP. He has had a distinguished career in the federal public service. He was Governor of the Bank of Canada from 2001 to 2008, and as Governor, was also Chairman of the Board of Directors of the Bank. He has held senior positions in the Central Mortgage and Housing Corporation, the Anti-Inflation Board, the Department of Employment and Immigration and the Department of Finance.

Dr. Dodge was Chancellor of Queen's University until June 2014. Dr. Dodge also serves on the Board of Directors of the Canadian Institute for Advanced Research.

In 2011 Dr. Dodge was the recipient of the Institute of Public Administration of Canada's Vanier medal for his distinctive leadership and significant contributions to public administration and public service in Canada.

Dr. Dodge received a B.A. (Econ., Hons.) from Queen's University and a PhD in Economics from Princeton.



Robert B. Francis (4)

Priddis, Alberta, Canada
Director since 2012
Age 60

Mr. Francis is President and Founder of Agriteam Canada Consulting Ltd. and Salasan Inc. These companies specialize in designing and managing large-scale international development projects. The sectors in which they work include government reform, rule of law, judicial reform, health, environment, natural resource management, rural development, agriculture and corporate social responsibility. The companies together currently employ over 450 people in 26 countries. Mr. Francis is a director of the Alberta Livestock Meat Agency.

Mr. Francis has a B.Sc., Animal Biology, University of Calgary, a B.Sc., Agriculture, and M.Sc. studies, Agricultural Economics-Marketing, University of Alberta and has completed post graduate studies at the School of Agriculture, University of Nottingham in the U.K.

Linda A. Heathcott (5)

Calgary, Alberta, Canada
Director since 2000
Age 52

Ms. Heathcott is President & Chief Executive Officer of Spruce Meadows Ltd., an internationally recognized equestrian facility. A former professional equestrian rider, Ms. Heathcott was a member of the Canadian Equestrian Team for nine years and competed in the 1996 Olympic Summer Games in Atlanta, Georgia. She is a founding Director and currently serves as Board Chair of AKITA Drilling Ltd. Ms. Heathcott also serves on the Board of Sentgraf Enterprises Ltd.

In 2010, Ms. Heathcott received her ICD.D certification from the Director Education Program of the Institute of Corporate Directors.

Robert J. Normand (3) (4) (5)

Edmonton, Alberta, Canada
Director since 2008
Age 68

Mr. Normand is Chair of the Workers Compensation Board of Alberta, the agency which administers workplace insurance for the workers and employers of the Province of Alberta. He retired from the position of President and Chief Executive Officer of Alberta Treasury Branches (ATB) in 2008. Prior to joining ATB as Executive Vice-President Sales in 1996, he was employed by the Bank of Montreal for 26 years and held line and credit executive positions in Quebec, Ontario and Alberta. Mr. Normand is a director of ATCO Structures & Logistics Ltd.

Mr. Normand is a Fellow of the Institute of Canadian Bankers and holds a B.A. (Econ.) from Sir George Williams University and an M.B.A. from Concordia University.

Hector A. Rangel

Mexico City, Mexico
Director since 2014
Age 67

Mr. Rangel is the President of BCP Securities Mexico, a joint venture with BCP Securities LLC, a U.S. investment bank specializing in emerging markets. Prior to Mr. Rangel's appointment to BCP Securities, he was the Chief Executive Officer of Nacional Financiera S.N.C. and Banco Nacional de Comercio Exterior and a member of Mexico's cabinet under President Felipe Calderon. Mr. Rangel has extensive corporate and investment banking expertise having held various executive positions with the Grupo Financiero Bancomer from 1991 until 2008, including Chairman of the Board from 2004 to 2008. Mr. Rangel was also President of the Mexico Bankers Association from 2000 to 2002 and President of the Mexican Business Council from 2002 to 2004.

Mr. Rangel was recently a member of the Boards of Directors of Fresnillo Plc, Aeromexico SA, Grupo Industrial Maseca S.A. and Gruma, S.A.

Mr. Rangel has an Industrial Engineering degree from Purdue University and a Master's Degree in Business Administration from Stanford University.

Laura A. Reed

Wynn Vale, Australia
Director since 2014
Age 53

Ms. Reed was the Chief Executive Officer/Managing Director of Spark Infrastructure (ASX: SKI) from 2008 until May 2012. Spark Infrastructure owned 49% of three electricity distribution businesses in Australia. Before joining Spark Infrastructure, she spent nine years at Envestra Limited (ASX:ENV), a gas distribution company, in a number of senior financial roles including Chief Financial Officer.

Ms. Reed is a director and member of the Audit and Nominations Committee of three electricity distribution businesses in Australia, Ausgrid, Endeavor Energy and Essential Energy. Ms. Reed is also a director and Audit Committee Chair of Epic Energy, which owns the Moomba to Adelaide gas transmission pipeline in South Australia, as well as a director of ATCO Australia Pty Ltd.

Ms. Reed holds an MBA from Deakin University and a Bachelor of Business (Accounting) and is a fellow of Certified Practising Accountants Australia.

William G. Sembo (3)

Calgary, Alberta, Canada
Director since 2014
Age 61

Mr. Sembo recently retired from his role as Vice Chairman at RBC Capital Markets LLC. With over 40 years of industry experience, Mr. Sembo has spent the majority of his career in energy investment banking. He has expertise in investment banking, corporate credit and mergers and acquisitions. Prior to joining RBC in 1986, Mr. Sembo held corporate finance and financial planning positions with Toronto Dominion Bank and Asamera Inc., respectively. He has extensive governance expertise having served as a director for both private and public boards as well as numerous not-for-profit organizations.

Mr. Sembo currently serves as a director for ARC Resources Ltd. as well as three privately owned enterprises, OMERS Energy Services LP, CEDA International Corporation, and Calgary Scientific Inc.

Mr. Sembo has a Bachelor of Arts in Economics from the University of Calgary.

James W. Simpson (2) (3)

Calgary, Alberta, Canada
Director since 2004
Age 70

Mr. Simpson is Lead Director for the Board of Canadian Utilities and a director of ATCO Structures & Logistics Ltd. Mr. Simpson, former President of Chevron Canada Resources, retired after a career with Chevron Corporation that spanned 30 years. He is former Chairman of the Canadian Association of Petroleum Producers and has been active in the World Petroleum Congress.

Mr. Simpson holds a B.Sc. (Honours) in Geology and a M.Sc. in Geophysics, both from the University of Toronto. He is a graduate of the Program for Senior Executives from the Sloan School of Business at M.I.T.

Nancy C. Southern

Calgary, Alberta, Canada
Director since 1990
Age 58

Ms. Southern was appointed Chair of Canadian Utilities and ATCO effective December 1, 2012, and continues as President & Chief Executive Officer. She was Deputy Chair of Canadian Utilities and ATCO from 2008 until 2012, and has been President & Chief Executive Officer of Canadian Utilities and ATCO since January 1, 2003. Previously, she was Co-Chairman and Co-Chief Executive Officer from 2000 until 2003; Deputy Chief Executive Officer from 1998 until 2000; and Deputy Chairman from 1996 until 2000. Ms. Southern has full responsibility for strategic direction and the operations of Canadian Utilities, reporting to the Board of Directors. She is also a director of Sentgraf Enterprises Ltd. and an Honorary Director of the Bank of Montreal.

Ms. Southern is a member of The U.S. Business Council; a member of the American Society of Corporate Executives; and a Canadian member of The Trilateral Commission. She is a member of the Canadian Council of Chief Executives and the Canadian Economic Advisory Council.

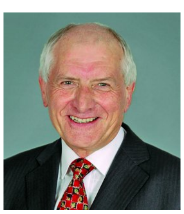
Ronald D. Southern, C.C., C.B.E., LL.D.

Calgary, Alberta, Canada
Director since 1977
Age 84

Mr. Southern is Chairman Emeritus & Founder, ATCO Group. He was Chairman of the Board until December 1, 2012, and continues to be a director of both Canadian Utilities and ATCO. Together with his late father, S.D. Southern, Mr. Southern founded ATCO Group in 1947 and served as ATCO's President for 48 years. He is credited with transforming Canadian Utilities to what it is today — a corporation with assets of approximately $17 billion and employing more than 6,800 people.

Mr. Southern is a director of ATCO Structures & Logistics Ltd; Deputy Chairman of AKITA Drilling Ltd.; and Chairman of Sentgraf Enterprises Ltd. Mr. Southern is also a Canadian member of The Trilateral Commission.

Some of Mr. Southern's many distinctions include: Commander of the Order of the British Empire, 1995; Officer of the Order of Orange-Nassau, 2006; Companion of the Order of Canada, 2007; Queen Elizabeth II Diamond Jubilee Medal, 2012; and Alberta Order of Excellence, 2012.



Roger J. Urwin, PhD, C.B.E. (2) (4)

London, England
Director since 2007
Age 69

Dr. Urwin is the Chair of ATCO Australia Pty Ltd. He has worked in gas, electric and telecom utilities throughout his career. He retired at the end of 2006 as Group Chief Executive of National Grid plc. He played a key role in establishing National Grid's international strategy and its successful expansion into the U.S., creating one of the largest investor-owned utility companies in the world. Dr. Urwin was the Managing Director and Chief Executive of London Electricity from 1990 to 1995. He is also non-executive Chairman of Utilico Investments Limited and a special advisor to Global Infrastructure Partners, an international infrastructure investment fund. He was Chair of Alfred McAlpine plc from 2006 to 2008. Dr. Urwin is a Commander of the Order of the British Empire.

Dr. Urwin has a Physics degree and a PhD from the University of Southampton, U.K.

Karen M. Watson (5)

Calgary, Alberta, Canada
Director since 2012
Age 63

After 33 years of service with ATCO Group, in December 2009, Ms. Watson retired as Senior Vice President & Chief Financial Officer of Canadian Utilities, ATCO, and CU Inc., and as a director of CU Inc. Following her retirement, Ms. Watson was appointed General Manager of Sentgraf Enterprises Ltd., from which she retired in December 2011.

Ms. Watson received her B.Sc. degree in Mathematics from the University of Alberta. In 2013, Ms. Watson received her ICD.D certification from the Director Education Program at the Institute of Corporate Directors.

Charles W. Wilson (2)

Evergreen, Colorado, USA
Director since 2000
Age 75

Mr. Wilson is Lead Director for the Boards of ATCO and ATCO Structures & Logistics Ltd. and is also on the Board of ATCO Australia Pty Ltd. He was President and Chief Executive Officer of Shell Canada from 1993 to 1999, and Executive Vice President, U.S. Downstream Oil and Chemical of Shell Oil Company from 1988 to 1993. Before 1988, he was Vice President U.S. Refining and Marketing of Shell Oil Company and held various positions in the domestic and international natural resource operations of Shell.

Mr. Wilson holds a B.Sc. in Civil Engineering and an M.Sc. in Engineering.

---

(1) All directors hold office until the close of the annual meeting of share owners of the Company or until their successors are elected or appointed.
(2) Member of the Corporate Governance - Nomination, Compensation and Succession Committee
(3) Member of the Audit Committee
(4) Member of the Risk Review Committee
(5) Member of the Pension Fund Committee

Officers (in Alphabetical Order)

Name, Province and Country of Residence	Position Held and Principal Occupation
C.J. Ackroyd Alberta, Canada	Vice President, Marketing & Communications Canadian Utilities Limited and ATCO Ltd.
B.R. Bale Alberta, Canada	Senior Vice President & Chief Financial Officer Canadian Utilities Limited and ATCO Ltd.
P.D. Cook Alberta, Canada	Vice President, Controller Canadian Utilities Limited and ATCO Ltd.
C.M.D. Field Alberta, Canada	Vice President, Pension and Benefits & Human Resources Information Systems Canadian Utilities Limited and ATCO Ltd.
C. Gear Alberta, Canada	Corporate Secretary Canadian Utilities Limited and ATCO Ltd.
A.S. Han Alberta, Canada	Vice President, Finance & Treasury Canadian Utilities Limited and ATCO Ltd.
K.P. Hunt Alberta, Canada	Vice President, Internal Audit & Risk Management Canadian Utilities Limited and ATCO Ltd.
L. Hvatum-Brewster Alberta, Canada	Vice President, Indigenous Community Relations & Development Canadian Utilities Limited and ATCO Ltd.
E.M. Kiefer Alberta, Canada	Senior Vice President & Chief Administration Officer Canadian Utilities Limited and ATCO Ltd.
S.W. Kiefer Alberta, Canada	Chief Operating Officer, Power & Utilities Canadian Utilities Limited and ATCO Ltd.
S.J. Landry Alberta, Canada	Senior Vice President & Chief Development Officer Canadian Utilities Limited and ATCO Ltd.
B.G. Milne Alberta, Canada	Vice President, Risk Management Canadian Utilities Limited and ATCO Ltd.
R.C. Neumann Alberta, Canada	Vice President, Internal Audit Canadian Utilities Limited and ATCO Ltd.
A.M. Skiffington Alberta, Canada	Vice President & Chief Information Officer Canadian Utilities Limited and ATCO Ltd.
N.C. Southern Alberta, Canada	Chair, President & Chief Executive Officer Canadian Utilities Limited and ATCO Ltd.
R.D. Stone Alberta, Canada	Vice President, Legal & Corporate Secretarial Canadian Utilities Limited and ATCO Ltd.
T.L. Wallace Alberta, Canada	Vice President, Human Resources Canadian Utilities Limited and ATCO Ltd.
C.G. Warkentin Alberta, Canada	Vice President & Treasurer Canadian Utilities Limited and ATCO Ltd.

Positions Held by Officers within Preceding Five Years

All the officers have been engaged for the last five years in the indicated principal occupations, or in other capacities with the companies or firms referred to, or with their affiliates or predecessors, except for Mr. Landry, Mr. Skiffington, Mr. Stone, and Mr. Warkentin. Mr. Landry held several senior executive roles with Chrysler LLC (an automobile manufacturer) including Executive Vice President North America. Mr. Skiffington held several executive level roles with Fortis Alberta Inc. (an investor-owned electricity utility), including Vice President Business Services & CIO. Mr. Stone was an Associate at Bennett Jones LLP (a law firm based in Calgary, Alberta). Mr. Warkentin was Consultant to the CFO, MAXIM Power Corporation (an independent power producer) and Vice President and Treasurer, Earthfirst Canada Inc. (a developer of renewable wind energy).

Directors' and Officers' Interests in the Company

At December 31, 2014, the directors and officers of the Company, as a group, beneficially owned, or controlled or directed, directly or indirectly (via corporate holdings or otherwise), 66,605,440 (88.6%) of the issued and outstanding Class B common shares of the Company.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Class A shares, Class B shares and the Cumulative Redeemable Second Preferred Shares Series Y, AA, BB, CC and DD is CST Trust Company at its principal offices in Calgary, Vancouver, Toronto and Montreal.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP has prepared the auditor's report for the Company's annual consolidated financial statements. PricewaterhouseCoopers LLP is independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

FORWARD LOOKING INFORMATION

Certain statements contained in this Annual Information Form (AIF) 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.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, is contained in the Company's most recent management proxy circular dated March 11, 2014. Additional financial information is provided in the Company's audited consolidated financial statements and the Company's MD&A for the financial year ended December 31, 2014.

Information relating to ATCO or CU Inc. may be obtained on request from Investor Relations at 1500, 909 - 11th Avenue S.W., Calgary, Alberta T2R 1N6, or by telephone (403) 292-7500 or fax (403) 292-7532. Corporate information is also available on the Company's website: www.canadianutilities.com.

GLOSSARY

Adjusted earnings means earnings attributable to equity owners of the Company after adjusting for the timing of revenues and expenses associated with rate-regulated activities and dividends on equity preferred shares of the Company. Adjusted earnings also exclude one-time gains and losses, significant impairments and items that are not in the normal course of business or day-to-day operations. Refer to the "Reconciliation of Adjusted Earnings to Earnings Attributable to Equity Owners of the Company" section of the MD&A for a description of these items.

AESO means the Alberta Electric System Operator.

AEY means ATCO Electric Yukon

AGP means ATCO Gas and Pipelines Ltd.

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

Ancillary Services means those services purchased by the AESO from Alberta generating stations to ensure that electricity can be transmitted reliably, efficiently, and securely across Alberta's interconnected transmission system.

ATCO means ATCO Ltd.

ATCO Electric means ATCO Electric Ltd.

ATCO Energy Solutions means ATCO Energy Solutions Ltd.

ATCO Gas means the natural gas distribution division of AGP.

ATCO Group means ATCO Ltd. and its subsidiaries.

ATCO I-Tek means ATCO I-Tek Inc.

ATCO Pipelines means the natural gas transmission division of AGP.

ATCO Power means ATCO Power (2010) Ltd. with its subsidiaries.

ATCO Structures & Logistics means ATCO Structures & Logistics Ltd. with its subsidiaries.

AUC means the Alberta Utilities Commission.

Canadian Utilities means Canadian Utilities Limited.

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

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

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

EUA means the Electric Utilities Act (Alberta).

Frac spread means the premium or discount between the purchase price of natural gas and the selling price of extracted natural gas liquids on a heat content equivalent basis.

MD&A means the Company's Management's Discussion and Analysis for the year ended December 31, 2014.

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 power over a one-hour period.

Merchant means uncontracted generating plant capacity that is offered into the spot electricity market in which the generating plant is located.

NEB means National Energy Board.

NGL means natural gas liquids, such as ethane, propane, butane and pentanes plus, that are extracted from natural gas and sold as distinct products or as a mix.

NGTL means NOVA Gas Transmission Ltd.

NUY means Northland Utilities (Yellowknife) Limited.

NWT means Northland Utilities (NWT) Limited.

Petajoule (PJ) is a unit of energy equal to approximately 948.2 billion British thermal units.

PPA means Power Purchase Arrangements that became effective on January 1, 2001, as part of the process of restructuring the electric utility business in Alberta. The PPA are legislatively mandated and approved by the AUC.

REA means Rural Electrification Association. REAs are constituted under the Rural Utilities Act (Alberta) by groups of persons carrying on farming operations. Each REA purchases electric power for distribution to its members through a distribution system owned by that REA.

Spark spread is the difference between the selling price of electricity and the marginal cost of producing electricity from natural gas. In this AIF, Spark Spreads are based on an approximate industry heat rate of 7.5 GJ per MWh.

Terajoule (TJ) is a unit of energy equal to approximately 948.2 million British thermal units.

U.K. means United Kingdom.

U.S. means United States of America.

APPENDIX 1 - DETAILS OF GENERATING PLANTS

ATCO Power Generating Plants in Canada

Name, Location & Type	Date In Service	MW (1)	Ownership (%)	Capacity Share	Partner(s) (2)	Customer(s) (2)	Contract Expiry Date
Battle River 3, 4 Forestburg, AB Coal-Fired Thermal	1969 & 1975	304	100	304	-	Merchant	-
Battle River 5 Forestburg, AB Coal-Fired Thermal	1981	385	100	385	-	ENMAX	2020
Brighton Beach Windsor, ON Gas-Fired Combined-Cycle	2004	580	50	290	OPG	Shell Energy	2024
Cory Saskatoon, SK Gas-Fired Cogeneration/ Combined-Cycle	2003	260	50	130	SPI	SPC	2028
Joffre Red Deer, AB Gas-Fired Cogeneration	2000	480	40	192	Capital Power / NOVA	NOVA/ Merchant	2020
McMahon Taylor, BC Gas-Fired Cogeneration	1993	120	50	60	Spectra Energy	BC Hydro	2029
Muskeg River Fort McMurray, AB Gas-Fired Cogeneration	2003	170	70	119	SPI	AOSP/ Merchant	2042
Oldman River Pincher Creek, AB Hydroelectric	2003	32	75	24	Piikani Nation	Merchant	-
Poplar Hill Grande Prairie, AB Gas-Fired Open-Cycle	1998	45	100	45	-	Merchant / TMR (4) contract	2018
Primrose Primrose, AB Gas-Fired Cogeneration	1998	85	50	42	CNRL	CNRL/ Merchant	2018
Rainbow Lake 4 & 5 Rainbow Lake, AB Gas-Fired Cogeneration/ Open-Cycle	1999	90	50	45	Husky Energy	Husky Energy/ Merchant	2020
Scotford Fort Saskatchewan, AB Gas-Fired Cogeneration	2003	170	100	170	-	AOSP/ Merchant	2043
Sheerness 1 & 2 Hanna, AB Coal-Fired Thermal	1986 & 1990	780	50	390	TransAlta	Trans Canada	2020
Valleyview 1 & 2 Valleyview, AB Gas-Fired Open-Cycle	2001 & 2008	90	100	90	-	Merchant	-
Total ATCO Power (A)		3,591		2,286			

(1) Name plate capacity

(2) Full names of customers and partners:

- *AOSP means Athabasca Oil Sands Project.*
- *BC Hydro means BC Hydro and Power Authority.*
- *Capital Power means Capital Power (Alberta) Limited Partnership.*
- *CNRL means Canadian Natural Resources Limited.*
- *ENMAX means Enmax Corporation.*
- *Husky Energy means Husky Energy Inc.*
- *NOVA means NOVA Chemicals Corporation.*
- *OPG means Ontario Power Generation Inc.*
- *Piikani Nation means Piikani Resource Development Inc.*
- *Shell Energy means Shell Energy North America (Canada) Inc.*
- *SPC means SaskPower Corporation.*
- *SPI means SaskPower International Inc.*
- *Spectra Energy means Spectra Energy Corporation.*
- *TransAlta means TransAlta Corporation.*
- *TransCanada means TransCanada Corporation.*

(3) TMR means Transmission Must Run and represents an arrangement between a group of generators and the AESO whereby transmission constraints around the location of the facility require the generators to generate a required level of electricity at all times. Compensation is provided to the generators through a TMR contract.

ATCO Australia Generating Plants

Name, Location & Type	Date In Service	MW (1)	Ownership (%)	Capacity Share	Partner(s) (2)	Customer(s) (2)	Contract Expiry Date
Bulwer Island (3) Queensland Gas-Fired Cogeneration	2001	33	50	17	Origin Energy	BP	2021
Osborne South Australia Gas-Fired Combined-Cycle	1998	180	50	90	Origin Energy	Origin Electricity	2018
Karratha Western Australia Gas-Fired Open-Cycle	2010	86	100	86	-	Horizon Power	2030
Total ATCO Australia (B)		299		193			
Total ATCO (A + B)		3,890		2,479			

(1) Name plate capacity

(2) Full names of customers and partners:

- *BP means BP plc.*
- *Horizon Power means Regional Power Corporation.*
- *Origin Electricity means Origin Energy Electricity Limited.*
- *Origin Energy means Origin Energy Limited.*

(3) The facility is scheduled to close in mid 2015.

APPENDIX 2 - AUDIT COMMITTEE INFORMATION

AUDIT COMMITTEE MANDATE

Purpose

The Audit Committee (the "Committee") of the Company is responsible for contributing to the effective stewardship of the Company by assisting the Board of Directors ("Board") in fulfilling its oversight of:

- the integrity of the Company's financial statements;
- the Company's compliance with applicable legal and regulatory requirements;
- the independence, qualifications and appointment of the Company's external auditor;
- the performance of the Company's internal audit function and external auditor;
- the accounting and financial reporting processes of the Company; and
- audits of the financial statements of the Company.

Authority

The Committee is empowered to:

- Determine the public accounting firm to be recommended to the Board for appointment as external auditors, and be directly responsible for the compensation and oversight of the work of the external auditors. The external auditors will report directly to the Committee.
- Pre-approve all auditing and permitted non-audit services performed by the Company's external auditors.
- The Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation of any advisors employed by the Committee, and to communicate directly with the internal and external auditors.
- The members of the Committee, for the purpose of performing their duties, have the right to inspect all the books and records of the Company and its subsidiary entities and to discuss such books and records in any manner relating to the financial position of the Company and its subsidiary entities with the officers, employees and internal and external auditors of the Company and its subsidiary entities. All employees are directed to cooperate with the Committee's request.
- Meet with the Company's officers, external auditors or outside counsel, as necessary.
- Delegate authority, to the extent permitted by applicable legislation and regulation, to one or more designated members of the Committee, including the authority to pre-approve all auditing and permitted non-audited services provided by the Company's external auditor.

Composition

The Board shall elect annually from among its members an Audit Committee comprised of not less than three directors. Each member of the Committee must be:

- a director of the Company;
- independent (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110); and
- financially literate (within the meaning of section 1.6 of National Instrument 52-110).

In order to be considered to be independent for the purposes of membership on the Committee, a director must have been determined by the Board to have no direct or indirect material relationship with the Company and must satisfy all other applicable legal and regulatory requirements.

The Board will appoint one member of the Committee as Chair. Any member of the Committee may be removed or replaced at any time by the Board, and a member shall cease to be a member of the Committee upon ceasing to be a director of the Company or upon ceasing to be independent.

Meetings

The Committee shall meet at least four times per year and whenever deemed necessary by the Chair of the Committee or at the request of a Committee member or the Company's external or internal auditor.

The Chair of the Committee shall prepare and/or approve an agenda in advance of each meeting. Reasonable notification of meetings, which may be held in person, by telephone or other communication device, shall be sent to the members of the Committee, the external auditor and any additional attendees as determined by the Chair of the Committee. The external auditor has the right to appear before and be heard at any meeting of the Committee. Meetings will be scheduled to permit timely review of Committee materials. A majority of the Committee will constitute a quorum. Minutes of each meeting will be prepared by the person designated by the Committee to act as secretary and will be kept by the Corporate Secretarial Department.

Responsibilities

The Committee relies on the expertise and knowledge of management and the internal and external auditors in carrying out its responsibilities. Management of the Company is responsible for determining that the Company's financial statements are complete, accurate and in accordance with International Financial Reporting Standards. The external auditor is responsible for auditing the Company's financial statements.

The Committee shall carry out the following responsibilities which are described in detail as well as those additional responsibilities identified in the Audit Committee Checklist.

Financial and Operating

- Review significant accounting and reporting issues and understand their impact on the financial statements. The issues include, complex and unusual transactions in highly judgmental areas; major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles; and the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
- Review analyses prepared by management and/or the external auditors, setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of new or revised IRFS methods on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the Company's annual and interim financial statements, MD&A, earnings press releases and the AIF before the Company publicly discloses this information.
- If delegated by the Board, approve the interim financial statements, interim MD&A and interim earnings press releases before the Company publicly discloses this information.
- Recommend to the Board the approval of the Company's annual financial statements, AIF and annual MD&A.
- Be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and periodically assess the adequacy of these procedures. This would include an annual review of the Company's Disclosure Policy.
- Be satisfied that the Company has implemented appropriate systems of internal control over financial reporting and that these systems are operating effectively.

External Auditor

- Recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Company and the compensation of the external auditor.
- Be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- Pre-approve all non-audit services to be provided to the Company or its subsidiaries by the external auditor of the Company ("Non-audit Services"). The Committee may delegate to one or more of its members the authority to pre-approve Non-audit Services. All Non-audit Services provided by the external auditor shall be summarized and reported to the Audit Committee on a cumulative basis for the year at each quarterly meeting.

- The Committee shall adopt and periodically review policies and procedures for the engagement of Non-audit Services that are detailed as to the particular service, that do not include delegation of the Committee's responsibilities to management, and that are designed to manage the pre-approval process and comply with all applicable legal and regulatory requirements.
- Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

Internal Auditor

- Be satisfied that the internal audit function has been effectively carried out and the internal auditor has adequate resources.
- Review and approve the annual Audit Plan.

Other

- Ensure that the Company has appropriate procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.
- Provide a means for confidential and anonymous submission by employees of the Company of concerns regarding accounting or auditing matters.
- Review and reassess annually the adequacy of this mandate and recommend any proposed changes to the Board for approval.
- Review and approve annually the Disclosure Committee, Designated Audit Directors and Internal Audit mandates.
- The Committee will inquire into any other matters referred to it by the Board.

Reporting

The Committee shall report to the Board on such matters and questions relating to the financial position of the Company as the Board may from time to time refer to the Committee. A summary of all meetings will be provided to the Board by the Chair of the Committee. Supporting schedules and information reviewed by the Committee will be available for examination by any director upon request. The external auditor and the Vice President, Internal Audit & Risk Management of the Company shall report directly to the Committee. The Committee is expected to maintain free and open communication with the Company's external auditor, internal auditor and management. This communication shall include private sessions, at least annually, with each of these parties.

COMPOSITION OF THE AUDIT COMMITTEE

The following are the members of the Company's Audit Committee, all of whom are independent and financially literate:

- L.M. Charlton
- R.J. Normand
- W.G. Sembo
- J.W. Simpson (Chair)

RELEVANT EDUCATION AND EXPERIENCE

L.M. Charlton - Ms. Charlton has a Bachelor of Commerce degree in Finance. Ms. Charlton is Vice President & Chief Financial Officer at Lintus Resources Limited and has held positions of increasing financial responsibility ranging from Financial Analyst to Chief Financial Officer during her 22 year career at Investors' Petroleum Consultants Ltd. Ms. Charlton has completed the Institute of Corporate Directors "Financial Literacy for Directors and Executives Course".

R.J. Normand - Mr. Normand has a M.B.A. and a B.A. (Economics) and has completed studies leading to the Fellow of the Institute of Canadian Bankers designation. Over the past 30 years, Mr. Normand has filled senior executive roles in the financial and banking sectors, most recently as President and Chief Executive Officer of Alberta Treasury Branches.

W.G. Sembo - Mr. Sembo recently retired from his role as Vice Chairman at RBC Capital Markets LLC. With over 40 years of industry experience, Mr. Sembo has spent the majority of his career in energy investment banking. He has expertise in investment banking, corporate credit and mergers and acquisitions. Prior to joining RBC in 1986, Mr. Sembo held corporate finance and financial planning positions with Toronto Dominion Bank and Asamera Inc., respectively. Mr. Sembo has a B.A. in Economics.

J.W. Simpson - During Mr. Simpson's career at Chevron Corporation various financial positions reported to him. In his capacity as General Manager, the accounting department reported to him and as President of Chevron Canada Resources, the Vice President Finance directly reported to Mr. Simpson. In addition, Mr. Simpson was Chairman of the Internal Audit Committee of Chevron Canada Resources. Mr. Simpson graduated from a Senior Executive Program at M.I.T's Sloan School of Business.

PRE-APPROVAL POLICIES AND PROCEDURES

The Company's Audit Committee has adopted a policy for approval of external auditor services. The policy prohibits the external auditor from providing specified services to the Company and its subsidiaries.

The engagement of the external auditor for a range of services defined in the policy has been pre-approved by the Audit Committee. If an engagement of the external auditor is contemplated for a particular service that is neither prohibited nor covered under the range of pre-approved services, such engagement must be pre-approved. The Audit Committee has delegated the authority to grant such pre-approval to the Chairman of the Audit Committee.

Services provided by the external auditor are subject to an engagement letter. The policy mandates that the Audit Committee receive regular reports of all new pre-approved engagements of the external auditor.

EXTERNAL AUDITOR SERVICE FEES

The aggregate fees incurred by the Company and its subsidiaries for professional services provided by PricewaterhouseCoopers LLP for each of the past two years were as follows.

($ Millions)	**2014**	**2013**
Audit Fees (1)	**2.5**	2.5
Audit-related fees (2)	**0.1**	0.1
Tax fees (3)	**0.3**	0.1
All other fees	**0.1**	0.1
Total	**3.0**	2.8

(1) Audit fees are the aggregate professional fees paid to the external auditor for the audit of the annual consolidated financial statements and other regulatory audits and filings.

(2) Audit-related fees are the aggregate fees paid to the external auditor for services related to special purpose audits and audit services, including consultations regarding International Financial Reporting Standards.

(3) Tax fees are the aggregate fees paid to the external auditor for tax compliance, tax advice, tax planning and advisory services relating to the preparation of corporate tax, capital tax and sales tax returns.