LEGAL DISCLAIMER

Statements made by representatives for ATCO Ltd. and Canadian Utilities Limited and information provided in this presentation may be considered forward-looking statements. By their nature, such statements are subject to numerous known and unknown risks and uncertainties and therefore actual results may differ materially from those currently anticipated. ATCO Ltd. and Canadian Utilities Limited disclaim any intention or obligation to update or revise such statements. Due to the nature of the Corporation’s operations, quarterly revenues and earnings are not necessarily indicative of annual results.
GROWING A HIGH QUALITY EARNINGS BASE

2011 Total Assets
- Regulated Assets: 30% of $12B
- Non-Regulated Assets: 70% of $12B

2015 Total Assets
- Regulated Assets: 87% of $18B
- Non-Regulated Assets: 13% of $18B

Assets have grown at a remarkable pace driven by investment in our Regulated Utilities.
MAINTAINING FINANCIAL STRENGTH: FUNDING SOURCES

Canadian Utilities Funding Sources 2011-2015

- Funds Generated by Operations: 58%
- Capital Redeployment: 6%
- Debt Issues (net of repayments): 30%
- DRIP: 2%
- Preferred Shares: 4%
GROWING A HIGH QUALITY EARNINGS BASE

CU Regulated Adjusted Earnings

- 2011: 52%
- 2012: 62%
- 2013: 65%
- 2014: 77%
- 2015: 88%
GROWING EARNINGS

Realizing positive earnings impacts in 2016 from the 2015 restructuring due to:

- continued investment in regulated utilities
- continued investment in long-term contracted assets
- lower operating costs

Canadian Utilities Adjusted Earnings

9 months 2015: $330 M
9 months 2016: $424 M
STRONG FINANCIAL POSITION SUPPORTS ACCESS TO CAPITAL
UTILITIES: REGULATORY UPDATE

GETTING BACK TO PROSPECTIVE RATEMAKING

TRANSMISSION UTILITIES
- 2015-2017 GTA Decision received in 2016
- 2017-2018 GRA Decision expected in mid 2017

GCOC DECISION IN 2016

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<tr>
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<th>2016</th>
<th>2017</th>
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<td>ROE</td>
<td>8.3%</td>
<td>8.5%</td>
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DISTRIBUTION UTILITIES
- PBR2 (2018-2022)
  - Decision received in 2016
  - On track for prospective rate making

REGULATORY LAG
ALBERTA POWER MARKET DEVELOPMENTS

IMPROVED CLARITY
Coal Phase-out in Alberta by 2030
- As compensation, we will receive cash payments from the Government of Alberta of $4.7 million annually for 14 years.

WELL POSITIONED
Phase-in of Renewable Generation
- We are exploring renewable technologies and are well positioned to provide many solutions to the province in the years ahead

MINIMAL RISK EXPOSURE
Carbon Tax
- ATCO will recover compliance costs through the Thermal PPAs
- GHG emission charges for Alberta utilities are expected to be recovered in rates on a go-forward basis
STRATEGIC GROWTH PLATFORMS

REGULATED UTILITY CAPITAL INVESTMENT

GROWING SUSTAINABLE & DIVERSIFIED EARNINGS

LONG TERM CONTRACTS
FUTURE REGULATED CAPITAL INVESTMENT

Electric Transmission | Electric Distribution | Natural Gas Transmission | Natural Gas Distribution

$4 billion (2016-2018)
FUTURE LONG-TERM CONTRACTED CAPITAL INVESTMENT

Fort McMurray West 500 kV Transmission
Hydrocarbon Storage
Industrial Water
Distributed Generation

$1.2 billion (2016-2018)
Fort McMurray West 500 kV Transmission Project

- The Alberta Electric System Operator ("AESO") undertook a competitive process to develop, design, build, finance, own, operate and maintain the Fort McMurray West 500 kV Transmission Project.
- The process was designed to emulate a Public Private Partnership ("PPP").
- Alberta PowerLine LP ("APL"), a partnership between Canadian Utilities Limited and Quanta Capital Solutions, Inc., selected as the Successful Proponent.
- APL assumes responsibility to develop, design, build and finance the Project, and to own, operate and maintain it for a 35 year term.

* For more information, go to [http://www.albertapowerline.com](http://www.albertapowerline.com)
Fort McMurray West 500 kV Transmission Project Timeline

- The Project and the key agreements with the AESO are divided into two distinct periods:
  - Project Development Agreement period: Governs the development and design for the Project. The main objective of this phase is to obtain Permit and License (P&L) from the AUC for the Project’s route.
  - Project Agreement period: Governs the construction and operations and maintenance for the Project.

Nov. 2014
- RFP Submission

Dec. 2014
- AESO Awards
- Bid to APL

Feb. 2017
- Target P&L

Mar. 2017
- Tariff Adjustments
- (Inflation / Route)
- Credit Rating Confirmed

Apr. – Jun. 2017
- Debt Funding Competition

Aug. 2017
- Target Financial Close

Jun. 2019
- Target Energization

ALBERTA POWERLINE

Project Development Agreement period (31 months)

(22 months construction + 35 years operations)
Debt Funding Competition

• APL must run a Debt Funding Competition to identify the most attractive debt financing structure for the Project.
• Debt Funding Competition Participants will submit pricing on the original financing solution APL submitted with its bid along with a couple of potential cost savings alternatives. Bidders will also have the option to put forward new innovative solutions.
• Debt funding is expected to be approximately $1.2 billion.
Canadian Utilities is taking a focused and disciplined approach to cost savings and efficiencies in every part of the organization to ensure we deliver the most competitive solutions to our customers.

**CORPORATE PRIORITIES FOR 2017 AND BEYOND**

- **FINANCIAL STRENGTH**
- **INNOVATION**
- **OPERATIONAL EXCELLENCE**
- **CONTINUED CAPITAL INVESTMENT**