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.
INVESTOR PRESENTATION

Katie Patrick
Vice President, Finance & Risk

February 8, 2018
Canadian Utilities Limited has doubled in size since 2009

- 2009: $9B
- 2016: $19B

- Electricity: $6.2B
- Pipelines & Liquids: $3.5B

ASSET GROWTH
GROWING A HIGH QUALITY EARNINGS BASE

Regulated Adjusted Earnings

2009: 46%
2016: 93%
GROWING FUNDS GENERATED FROM OPERATIONS

2012: $1.4B
2016: $1.8B
GROWTH TREND CONTINUES IN 2017

Adjusted Earnings

- 9 Months 2016: $424M
- 9 Months 2017: $440M

Funds Generated From Operations

- 9 Months 2016: $1217M
- 9 Months 2017: $1311M
RATE BASE GROWTH

Regulated Capital Investment

Mid-Year Rate Base

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<tr>
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<tbody>
<tr>
<td>Rate Base</td>
<td>$7.6B</td>
<td>$8.9B</td>
<td>$10.3B</td>
<td>$11.7B</td>
<td>$12.3B</td>
<td>$13.0B</td>
<td>$13.7B</td>
<td>$14.4B</td>
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<tr>
<td>Capital Investment</td>
<td>$2.2B</td>
<td>$2.3B</td>
<td>$2.2B</td>
<td>$1.5B</td>
<td>$1.1B</td>
<td>$1.2B</td>
<td>$1.3B</td>
<td>$1.2B</td>
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</table>
LONG-TERM CONTRACTED CAPITAL INVESTMENT

HYDROCARBON STORAGE

DISTRIBUTED GENERATION

FORT MCMURRAY WEST
500 KV TRANSMISSION

$1.3 BILLION (2017–2019)
GLOBAL EXPANSION

Mexico Hydro Facility

- In December 2017, Canadian Utilities Limited announced the acquisition of a long-term contracted, 35 MW hydroelectric power station based in Veracruz, Mexico.
- As a result of this $114 million acquisition, the Company has increased its presence in the Mexican energy market, and expanded its renewable power generation expertise.
ALBERTA POWERLINE

Fort McMurray West 500 kV Transmission Project

- The design and planning phases have been completed and construction commenced in August, 2017, keeping the target energization of June 2019 on track.
- On October 2, 2017, Alberta PowerLine closed the issuance of an aggregate of $1.4 billion of bonds with maturities from June, 2032 to March, 2054.

Canadian Utilities Funding Sources 2011 – 2016

- Funds Generated by Operations: 61%
- Dividend Reinvestment (DRIP): 3%
- Capital Redeployment: 2%
- Debt Issues (net of repayment): 29%
- Preferred Shares: 5%
MANAGABLE DEBT MATURITY PROFILE

- CU Inc.
- Canadian Utilities Limited
REGULATORY UPDATE

Getting back to prospective rate making

- **2018 to 2020 Generic Cost of Capital (GCOC)**
  - 2017: Decision Received
  - 2018: Decision Expected
  - 2019: 2019 to 2020 GRA expected filing
  - 2020: Decision Expected

- **Gas and Electric Distribution 2018 to 2020 Performance Based Regulation (PBR) 2.0**
  - 2017: Decision Received
  - 2018: Decision Expected
  - 2019: Decision Expected
  - 2020: Decision Expected

- **Electric Transmission 2018 to 2019 General Tariff Application (GTA)**
  - 2017: Decision Received
  - 2018: Decision Expected
  - 2019: Decision Expected
  - 2020: Decision Expected

- **Gas Transmission 2017 to 2018 General Rate Application (GRA)**
  - 2017: Decision Received
  - 2018: Decision Expected
  - 2019: Decision Expected
  - 2020: Decision Expected
SUMMARY

- GROWING A HIGH QUALITY EARNINGS BASE
- FUTURE CAPITAL INVESTMENT
- FINANCIAL STRENGTH
## PBR 2.0 HIGHLIGHTS

<table>
<thead>
<tr>
<th>Productivity Adjuster (X Factor)</th>
<th>PBR</th>
<th>PBR 2.0</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.16%</td>
<td>0.30%</td>
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</table>

<table>
<thead>
<tr>
<th>O&amp;M</th>
<th>Based on approved 2012 forecast O&amp;M levels; inflated by I-X thereafter over the PBR term</th>
<th>Based on the lowest annual actual O&amp;M level during 2013-2016, adjusted for anomalies, inflation and growth to 2017 dollars; inflated by I-X thereafter over the PBR term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treatment of Capital Expenditures</td>
<td>Recovered through going-in rates inflated by I-X</td>
<td>Recovered through going-in rates inflated by I-X and a K Bar that is based on inflation adjusted average historical capital expenditures for the period 2013-2016</td>
</tr>
<tr>
<td></td>
<td>Significant capital expenditures not fully recovered by the I-X formula and meeting certain criteria recovered through a K Factor</td>
<td>Significant capital expenditures that are extraordinary, not previously incurred and required by a third party recovered through a “Type I” K Factor</td>
</tr>
<tr>
<td>Efficiency Carry-over Mechanism (ECM)</td>
<td>ECM up to 0.5% additional ROE for the years 2018 and 2019 based on certain criteria</td>
<td>ECM up to 0.5% additional ROE for the years 2023 and 2024 based on certain criteria</td>
</tr>
</tbody>
</table>
ALBERTA POWER MARKET DEVELOPMENTS

IMPROVING CLARITY

Capacity Market in Alberta
- Market design discussions → under way with the AESO
- Capacity market framework → expected to be in place in 2021

WELL POSITIONED

Phase-in of Renewable Generation
- 75MW Solar NRFP → awaiting response from the Government of Alberta
- First Phase Clean Power Call → Contract awarded for 600MW to other parties; plan to participate in clean power calls in 2018
- Hydro → continue to explore potential developments in Northern Alberta

MINIMAL RISK EXPOSURE

Carbon Tax
- Compliance costs → recovered through Thermal PPAs
- Longer term → anticipate carbon costs will largely be recovered through the Alberta power market
- GHG emission → expected to be recovered in rates on a go-forward basis
**CONTINUED DIVIDEND GROWTH**

**ATCO**

24 year track record of increasing common share dividends*

$0.3275 per share

13% CAGR

**Canadian Utilities**

Longest track record of annual dividend increases of any Canadian publicly traded company*

$0.3575 per share

10% CAGR

---

* On October 12, 2017, ATCO declared a fourth quarter dividend of $0.3275 per share, or $1.31 per share annualized.

* On October 12, 2017, Canadian Utilities declared a fourth quarter dividend of $0.3575 per share, or $1.43 per share annualized.
We offer workforce housing, innovative modular facilities, construction, site support services, and logistics and operations management

- 7 manufacturing plants globally
- Nearly 1,000,000 sq ft of manufacturing space
- Subsidiary: Sustainable Communities
We build, own and operate electrical distribution and transmission facilities

- 224,000 farm, business and residential customers in 245 Alberta communities
- Approximately 12,000 km of transmission lines and 72,000 km of distribution lines
- Subsidiaries:
  - ATCO Electric Yukon
  - Northland Utilities
We have an ownership position in 16 power generation plants in Alberta, British Columbia, Saskatchewan, Ontario and Mexico

- Electricity Market Exposure Portfolio:
  - 1,570 MW Contract (68%)
  - 734 MW Merchant (32%)
We operate two power generation facilities with a combined capacity share of 176 MW

- Provides energy infrastructure for thousands of public sector, domestic and industrial clients across Australia
- Electricity Market Exposure Portfolio:
  - 176 MW Contract (100%)
We build, own and operate natural gas distribution facilities in Alberta

- Alberta’s largest natural gas distribution company
- Serves more than 1.1 million customers in nearly 300 Alberta communities
- We build, maintain, and operate 41,000 km of natural gas distribution pipelines
- Utility rates among the lowest in Canada
We build, own and operate key high-pressure natural gas transmission facilities in Alberta

- Transports clean, efficient energy from producers and other pipelines to utilities, power generators and major industries
- Owns and operates 9,400 km of pipeline
- Delivers a peak of 3.8 billion cubic ft/day of natural gas to customers
- ~ 4,000 receipt and delivery points
- Interconnections facilitate access to multiple intra-Alberta and export markets
- 24/7 monitoring of pipelines and facilities via a specialized control centre
We build, own and operate non-regulated industrial water, natural gas storage, hydrocarbon storage, and NGL related infrastructure

- 85,200 m$^3$/day water infrastructure capacity
- 200,000 m$^3$ hydrocarbon storage capacity
- 52 PJ natural gas storage capacity
- ~ 300 km pipelines
- 4 million cubic ft/day natural gas gathering and processing capacity
We provide safe and reliable natural gas service to the Perth metropolitan area and the wider Western Australian community

- Approximately 741,000 customers
- 14,000 km of gas distribution pipelines