REGULATED UTILITIES

ELECTRIC TRANSMISSION
$5,227M Rate Base

ELECTRIC DISTRIBUTION
$2,476M Rate Base

NATURAL GAS DISTRIBUTION
$2,537M Rate Base

NATURAL GAS TRANSMISSION
$1,633M Rate Base

INTERNATIONAL NATURAL GAS
DISTRIBUTION
$1,177M Rate Base
Alberta Utility average is a simple average and includes: AltaGas, AltaLink, Enmax Distribution, Enmax Transmission, EPCOR Distribution, EPCOR Transmission, and Fortis Alberta.

** CU Inc. average is a simple average and includes: Electric Distribution, Electric Transmission, Natural Gas Distribution, and Natural Gas Transmission. Further details on the individual ROEs can be found in this Appendix.
<table>
<thead>
<tr>
<th></th>
<th>PBR</th>
<th>PBR 2.0</th>
</tr>
</thead>
<tbody>
<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>
<tr>
<td>Productivity Adjuster (X Factor)</td>
<td>1.16%</td>
<td>0.30%</td>
</tr>
<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. The K Bar is calculated annually and adjusted for the actual WACC</td>
</tr>
<tr>
<td>O&amp;M</td>
<td>Based on approved 2012 forecast O&amp;M levels; inflated by I-X thereafter over the PBR term</td>
<td>Based on the lowest annual actual O&amp;M level during 2013-2016, adjusted for inflation, growth and productivity to 2017 dollars; inflated by I-X thereafter over the PBR term</td>
</tr>
</tbody>
</table>
REGULATORY UPDATE

- **Gas and Electric Distribution 2018 to 2022**
  - Decision Received 2018
  - 2017 to 2020

- **2018 to 2020 Generic Cost of Capital (GCOC)**
  - Decision Received 2018
  - 2017 to 2020

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

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

**2018 INVESTOR DAY PRESENTATION**
CUMULATIVE EFFECTS ON RISK / UNCERTAINTY / COSTS

PANCAKING OF REGULATIONS

- Biodiversity
- Strategic Assessment of Climate Change
- CAAQS
- BLERS
- Transitioning costs
- Increasing compliance costs
- Credit availability
- Equipment compatibility
- Transitioning costs
- Increasing compliance costs
- Habitat banking details
- Governance
- Entrainment and impingement at existing facilities
- Beyond passage, could regulate flow, temperature...
- No clear balance that the economy and the environment go hand in hand
- Risk of double regulating (ie habitat restoration may impact legal rights and interest)
- Strategic Environmental Assessment
- Increased scope
- Limited transparency on costs recovery
- Lack of a privative clause
- Increased public participation with the removal of standing
- No clear balance that the economy and the environment go hand in hand
- Increase ministerial power - limited transparency on threshold for designation and time extension
LONG-TERM CONTRACTED CAPITAL INVESTMENT

HYDROCARBON STORAGE

COGENERATION

HYDROELECTRIC GENERATION

FORT MCMURRAY WEST 500 KV TRANSMISSION

$1.0 BILLION (2018–2020)
Fort McMurray West 500 kV Transmission Project

- The design and planning phases were completed and construction commenced in August 2017.
- Land preparation and tower foundation installation and tower assembly is proceeding ahead of schedule. The target energization date of June 2019 remains on track.

COAL TO GAS CONVERSION STRATEGY

Battle River

- Partial conversion (50%) completed on BR4 Mar 2018
- Proceeding with “Dual Fuel” conversion of BR5 with commercial operation date (COD) of Dec 2019
- Proceeding with increasing natural gas interconnection to the site to support the conversion work with COD Nov 2019 with firm gas transport commitment for Nov 2021
- Pursuing further conversion opportunity on BR3 & BR4

Sheerness

- Proceeding with increasing natural gas interconnection to the site with COD Nov 2019 and firm natural gas transport commitment for Apr 2022
- Pursuing the opportunity of “Dual Fuel” conversion of both units to align with natural gas transport commitment or earlier.
Mexico Attractiveness

- Energy Reform offers opportunities for energy infrastructure investment
- Attractive GDP growth forecast
- Acquired and built a total of 46 MW of electricity generation, including hydroelectric generation; contacted to build 26 MW of natural gas cogeneration

<table>
<thead>
<tr>
<th>Facility Type</th>
<th>Generating Capacity Owned (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributed Generation</td>
<td>11 MW</td>
</tr>
<tr>
<td>Hydroelectric Generation</td>
<td>35 MW</td>
</tr>
<tr>
<td>Cogeneration</td>
<td>26 MW</td>
</tr>
</tbody>
</table>

Map of Mexico with facilities located:
- Gomez Palacio
- San Luis Potosi
- Veracruz
ATCO Gas Australia ROE +3.34% on average above ERA approved ROE from 2015-2017
We build, own and operate non-regulated industrial water, natural gas storage, hydrocarbon storage, and NGL related infrastructure

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

**Industrial Water**
- Long-term commercial agreement to provide water services commencing in 2020 to Inter Pipeline’s newly announced PDH plant

**Natural Gas & Hydrocarbon Storage**
- Potential to develop up to 40 additional salt caverns for NGL and hydrocarbon storage