

ATCO | ALWAYS THERE.
ANYWHERE.

Investor Presentation
September 2016

LEGAL DISCLAIMER

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THE ATCO GROUP OF COMPANIES

With nearly 8,000 employees and assets of approximately \$19 billion, ATCO is a diversified global corporation delivering service excellence and innovative business solutions in:



Structures & Logistics

- Operations on 4 continents
- 7 manufacturing plants and more than 1,000,000 sq ft of manufacturing space globally



Electricity

- 87,000 kms of electric power lines
- 15 power plants globally
- 3,587 MW power generating capacity



Pipelines & Liquids

- 63,300 kms of pipelines
- 60,000 m³/d water infrastructure capacity
- 52 PJ natural gas storage capacity

OUTLOOK

ATCO is taking a focused and disciplined approach to pursue cost savings and efficiencies in every part of the organization to ensure we deliver the most competitive solutions to our customers

CORPORATE PRIORITIES FOR 2016 AND BEYOND



CUSTOMER FOCUSED



INNOVATION



OPERATIONAL
EXCELLENCE



CONTINUED CAPITAL
INVESTMENT

STRATEGIC GROWTH PLATFORMS

REGULATED
UTILITY
CAPITAL
INVESTMENT



Electric
Distribution



Natural Gas
Transmission



Electric
Transmission



Natural Gas
Distribution



Hydrocarbon
Storage



Structures
& Logistics



Water
Infrastructure



Power
Generation

GROWING
SUSTAINABLE &
DIVERSIFIED
EARNINGS

LONG TERM
CONTRACTS

FUTURE REGULATED CAPITAL INVESTMENTS



Electric Transmission



Electric Distribution



Natural Gas Transmission



Natural Gas Distribution

**Today's Tour:
EATL**

\$4.1 billion (2016-2018)

FUTURE LONG-TERM CONTRACTED CAPITAL INVESTMENT



Alberta Powerline
500 kV Transmission

Hydrocarbon
Storage

Industrial
Water

International Natural
Gas Transmission

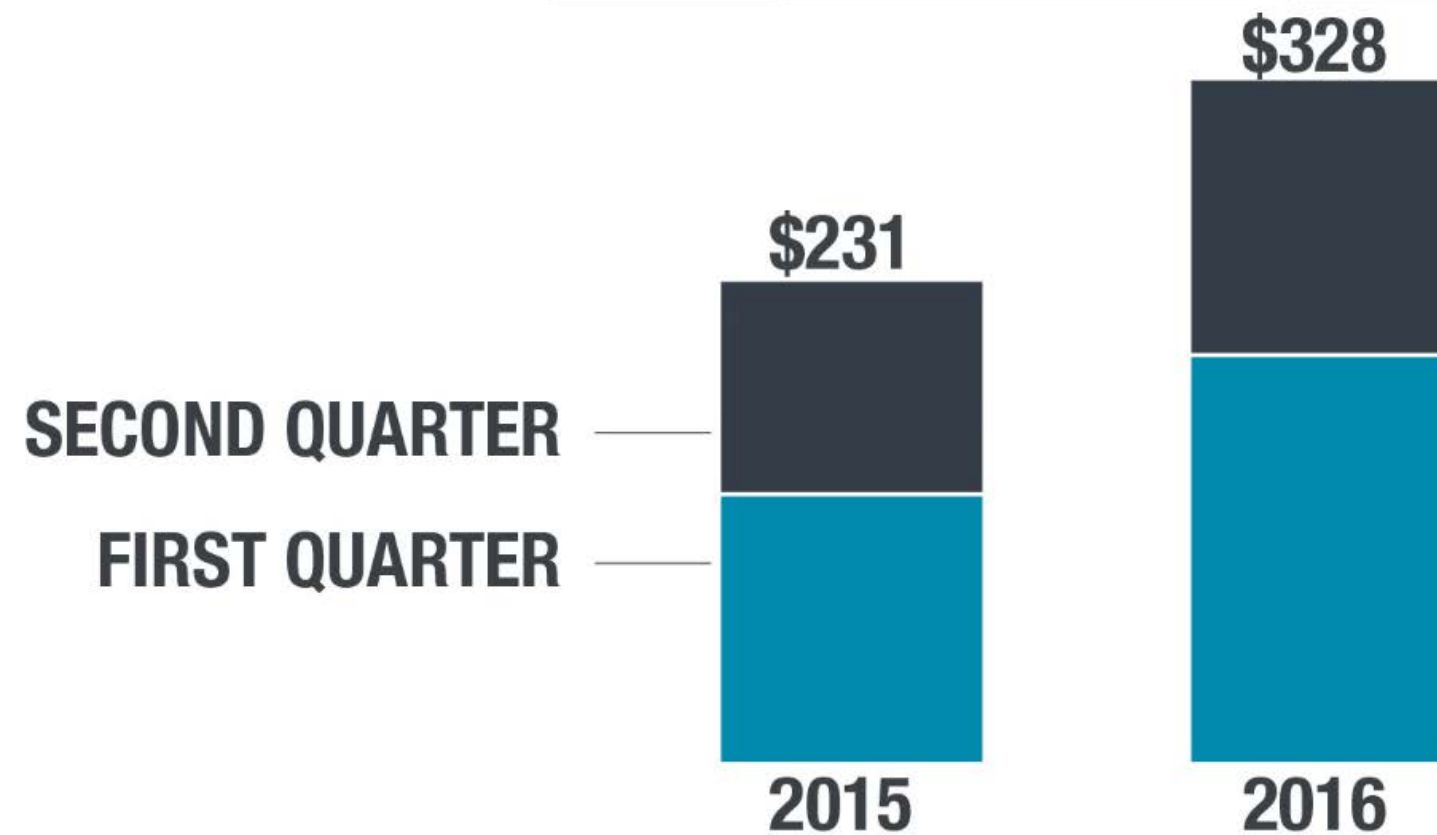
**Today's Tour:
Storage**

\$1.2 billion (2016-2018)

**Today's Tour:
Water
Infrastructure**

GROWING EARNINGS

CU First Half Adjusted Earnings (millions)

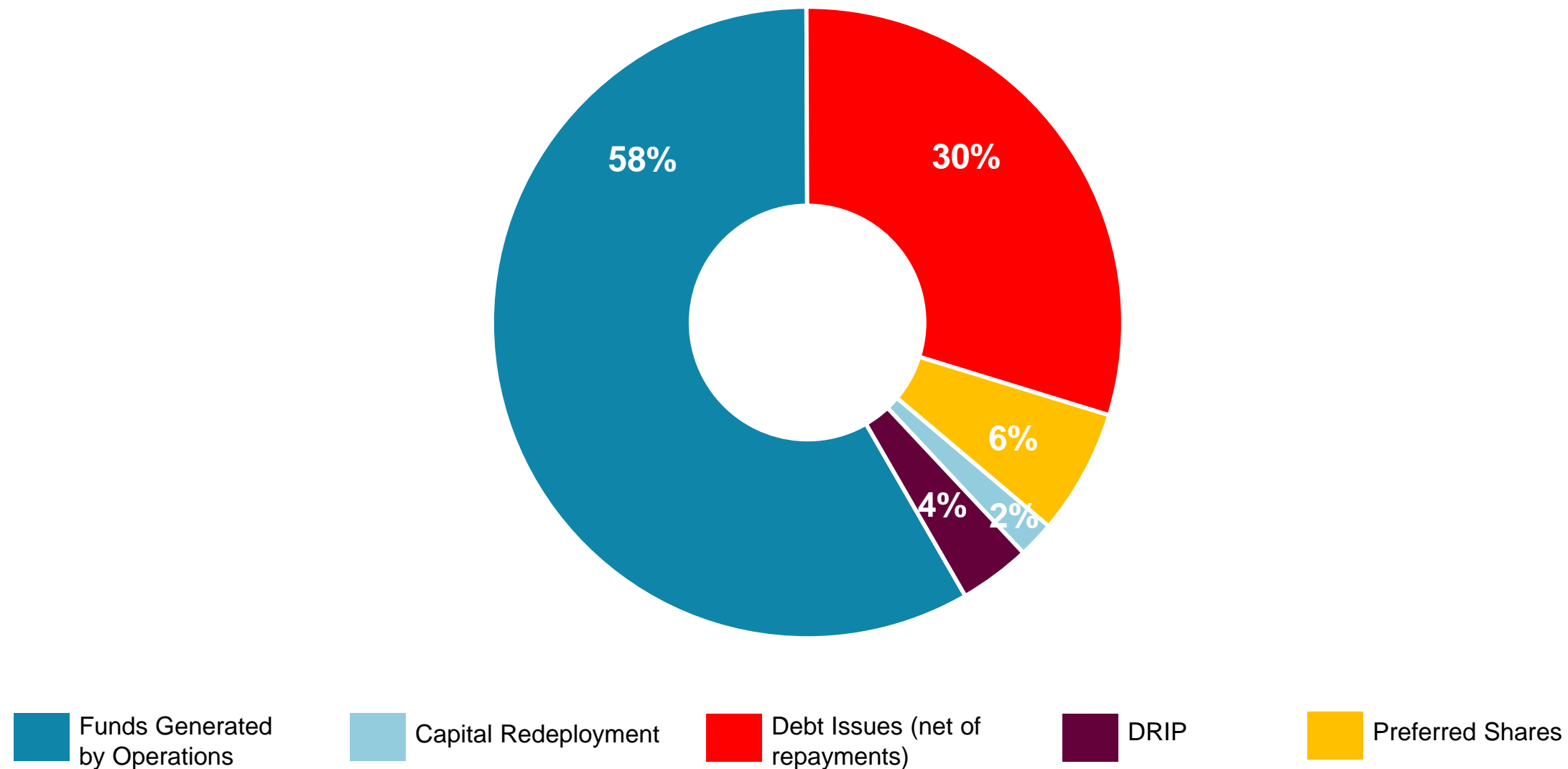


UTILITIES – REGULATORY UPDATE

Regulatory Development	Summary	Timing
GCOC	Full review of cost of capital matters including ROE and equity thickness	AUC decision expected in Q3/16
PBR 2 (beginning in 2018)	Main items for decision include: Length of term (currently 5 years), Productivity or X factor determination, Capital Tracker or K factor mechanism, and Rebasing.	AUC decision expected in Q4/16
ATCO Pipelines 2017-2018 General Rate Application	Used for determining the revenue requirement and tariffs	Filed in Q3/16
ATCO Electric Transmission 2015-2017 General Tariff Application	Used for determining the revenue requirement and tariffs	AUC decision received in Q3/16; ATCO Compliance Filing Expected in Q4/16

MAINTAINING FINANCIAL STRENGTH: FUNDING SOURCES

Canadian Utilities Funding Sources 2011-2015



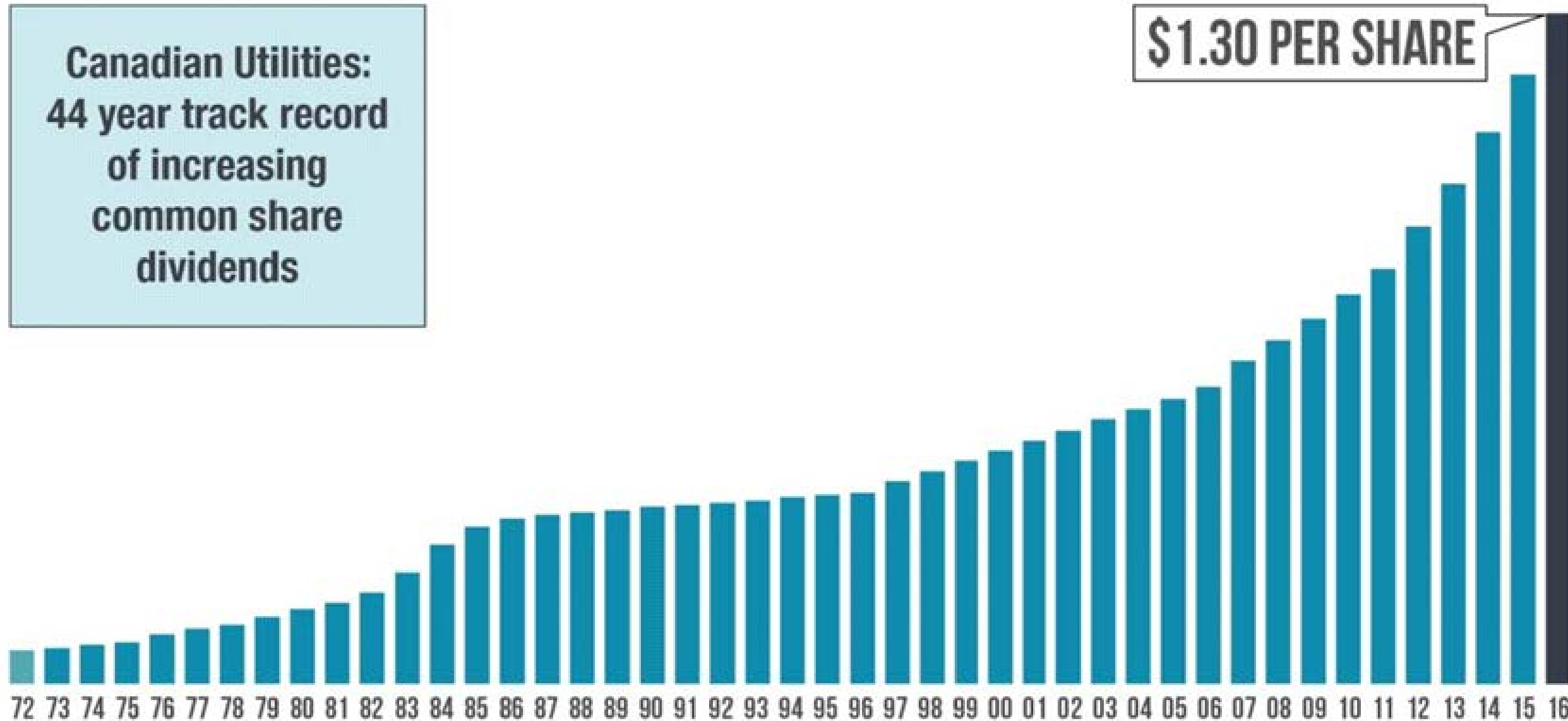
MAINTAINING FINANCIAL STRENGTH: BALANCE SHEET



ATCO

**Strong financial position supports access to capital
at attractive rates**

CONTINUED DIVIDEND GROWTH



SUMMARY



**OPERATIONAL
EXCELLENCE**



**FUTURE
CAPITAL
INVESTMENT**



**MAINTAINING
FINANCIAL
STRENGTH**



**CONTINUED
DIVIDEND
GROWTH**

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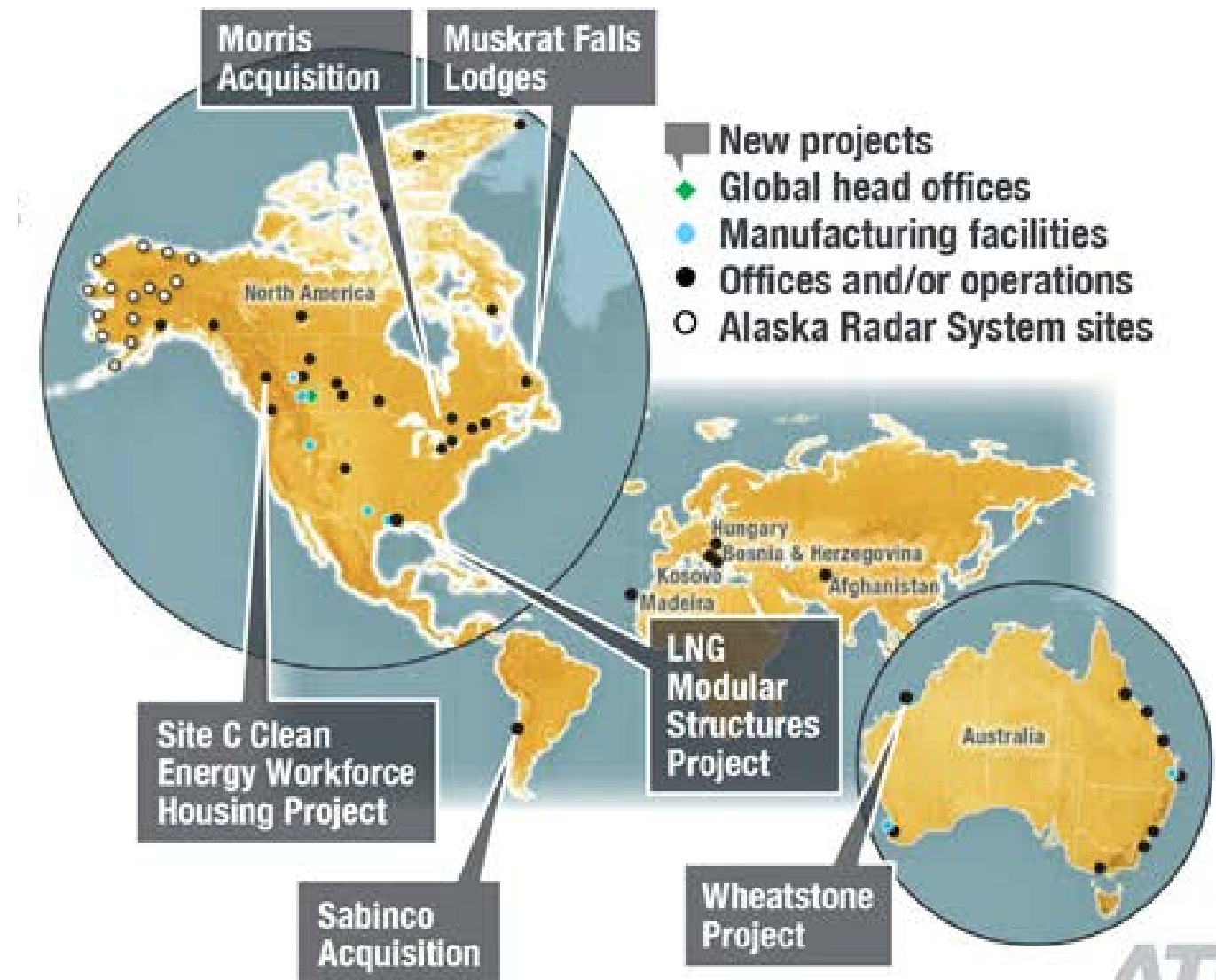
Appendix

A wide-angle photograph of the Aurora Borealis (Northern Lights) over a snowy landscape at night. The sky is filled with stars and the aurora displays vibrant green and purple colors. The word "Appendix" is overlaid in white text in the center of the image.

GLOBAL OPERATIONS: STRUCTURES & LOGISTICS

Offering complete infrastructure solutions worldwide

- Adding projects for workforce housing accommodations and modular buildings
- Improving the profitability of our Lodging business
- Acquiring assets and expanding geographically
- Implementing businesswide cost reduction initiatives



ATCO ELECTRIC

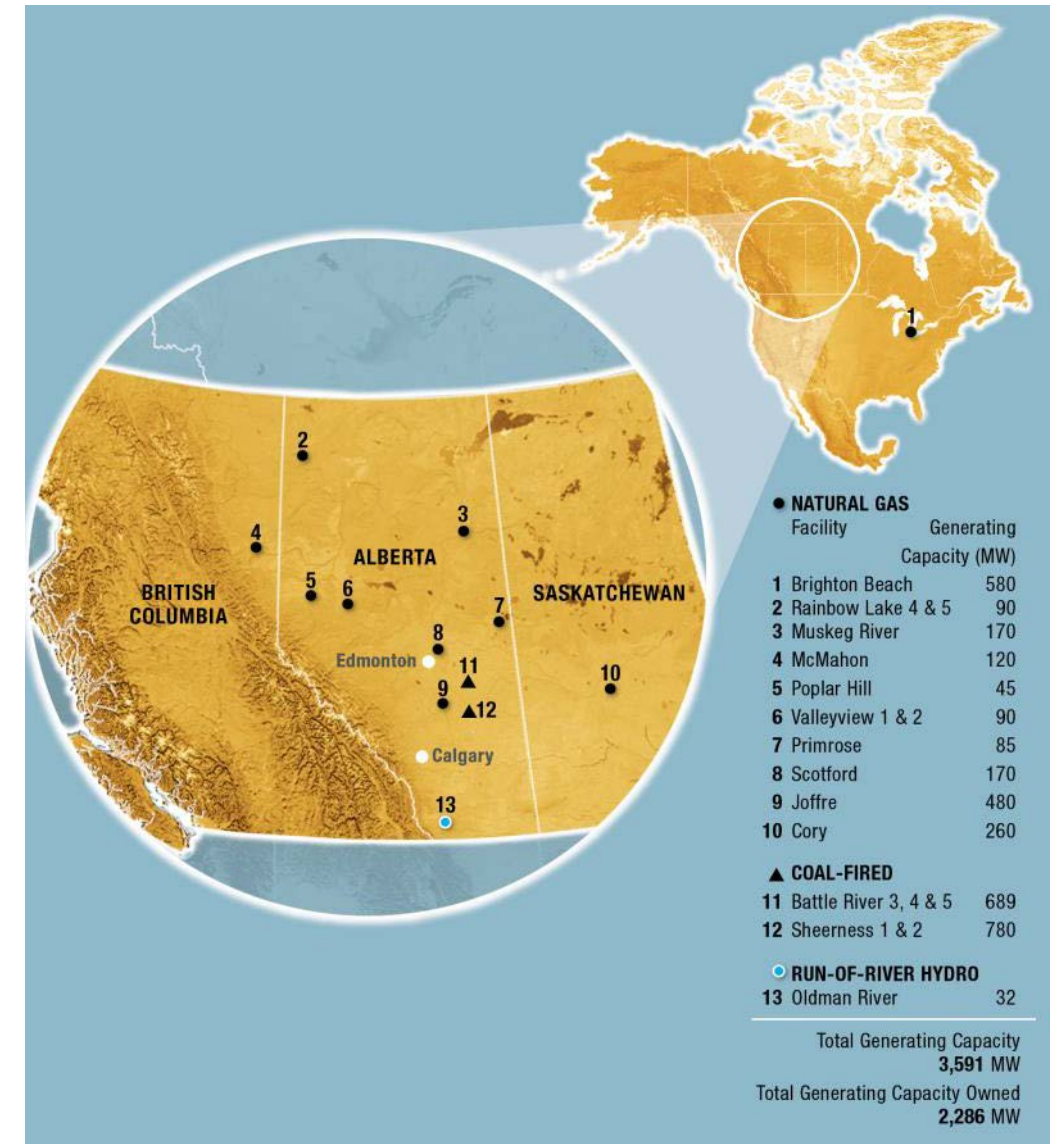
Builds, owns and operates electrical transmission and distribution facilities

- 224,000 farm, business and residential customers in 245 Alberta communities
- Approximately 11,000 km of transmission lines and 76,000 km of distribution lines
- Subsidiaries:
 - ATCO Electric Yukon
 - Northland Utilities



Ownership position in 13 power generation plants in Alberta, British Columbia, Saskatchewan and Ontario

- Electricity Market Exposure Portfolio:
 - 1,552 MW Contract (68%)
 - 734 MW Merchant (32%)



ATCO POWER AUSTRALIA

Operates two power generation facilities with a combined capacity of 266 MW

- Osborne Combined-Cycle Facility Adelaide, South Australia
- Karratha Gas-fired Generating Station Karratha, Western Australia



Builds, owns and operates 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
- Builds, maintains and operates more than 40,000 km of natural gas distribution pipelines
- Delivery rates are among the lowest in Canada



ATCO GAS AUSTRALIA

Provides safe, reliable natural gas service to the Perth metropolitan area and the wider Western Australian community

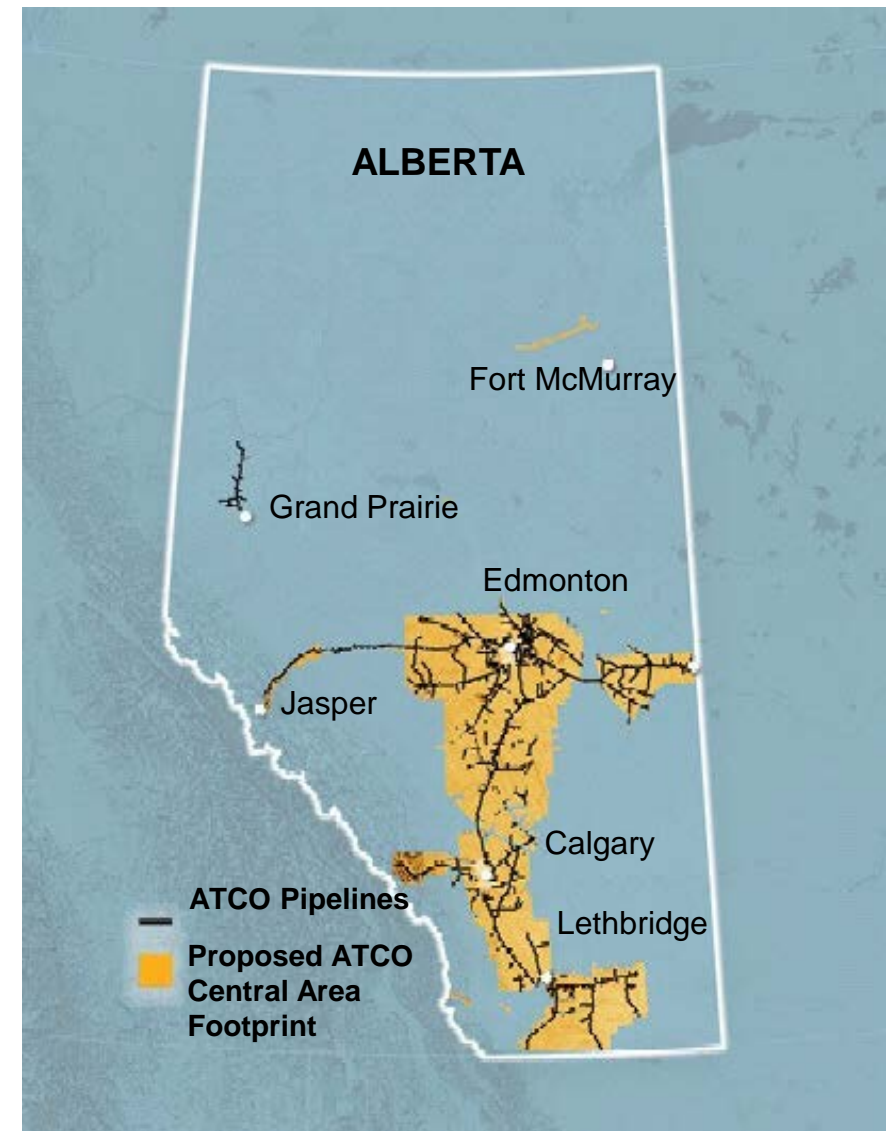
- Approximately 725,000 customers
- 14,000 km of gas distribution pipelines
- Offers a variety of natural gas powered alternatives for businesses:
 - Air conditioning
 - CNG refueling system
 - Stand-by generators



ATCO PIPELINES

Builds, owns and operates key high-pressure natural gas transmission facilities in Alberta

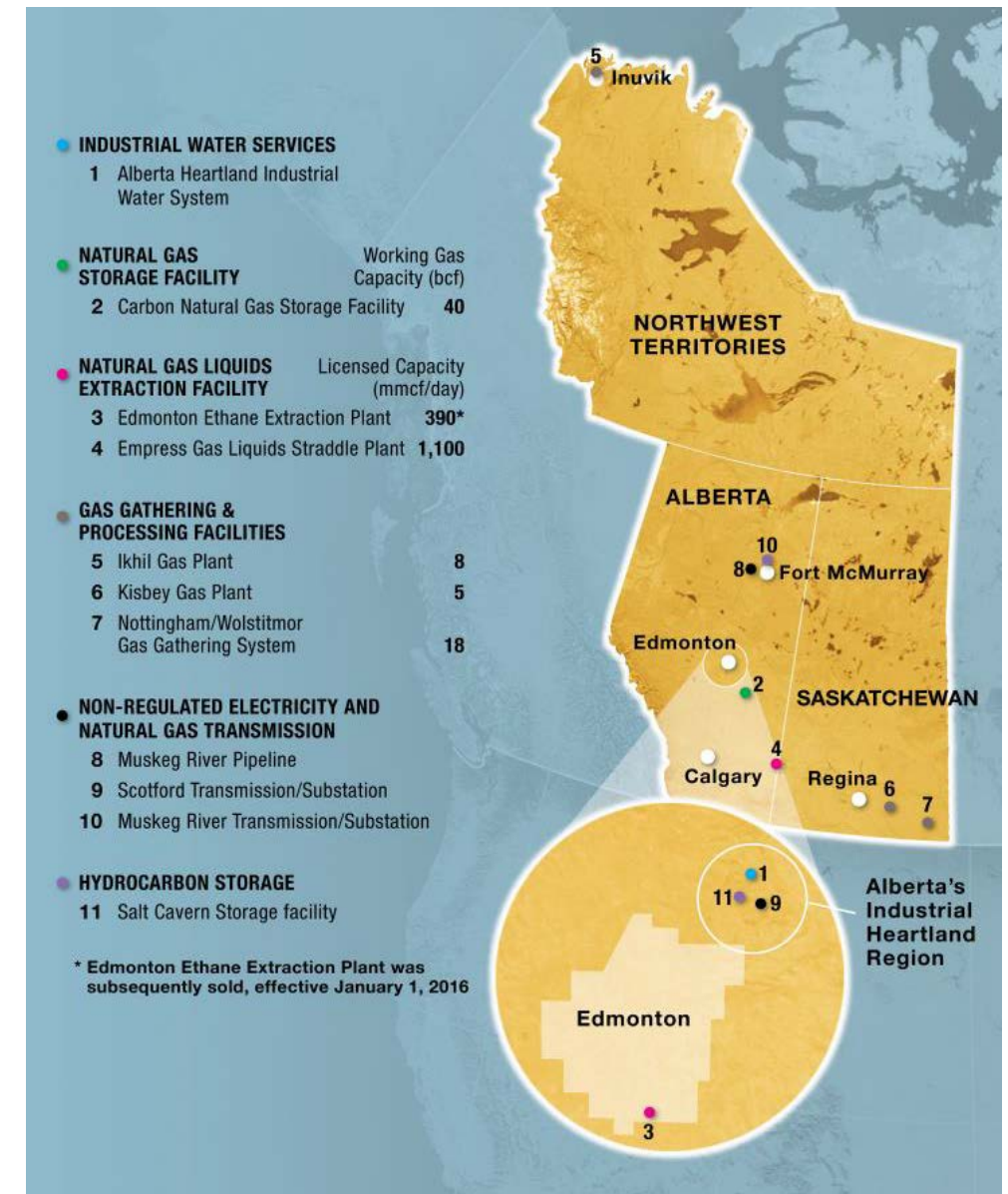
- Transports clean, efficient energy from producers and other pipelines to utilities, power generators and major industries
- Owns and operates ~ 8,500 km of pipeline
- Delivers a peak of 3.8 billion cubic feet of natural gas per day to customers
- ~ 4,000 receipt and delivery points
- Interconnections facilitate access to multiple intra-Alberta and export markets
- 24/7 monitoring of pipelines and facilities via a specialized control centre



ATCO ENERGY SOLUTIONS

Builds, owns and operates non-regulated industrial water, natural gas storage, hydrocarbon storage, and NGL related infrastructure

- 60,000 m³/day water infrastructure capacity
- 52 PJ natural gas storage capacity
- 400,000 m³ hydrocarbon storage capacity
- 1,490 mmcf/day licensed natural gas liquids capacity
- ~ 761 km pipelines and 7 million cubic feet/day natural gas gathering and processing capacity



CLIMATE CHANGE AND THE ENVIRONMENT

Coal Phase-out in Alberta by 2030

- ATCO is actively engaged in determining fair compensation and timeline with the Department of Energy

Acceleration of Renewable Generation

- ATCO is exploring renewable technologies and is well positioned to provide many solutions to the province in the years ahead

Carbon Pricing Replacing Specified Gas Emitters Regulations

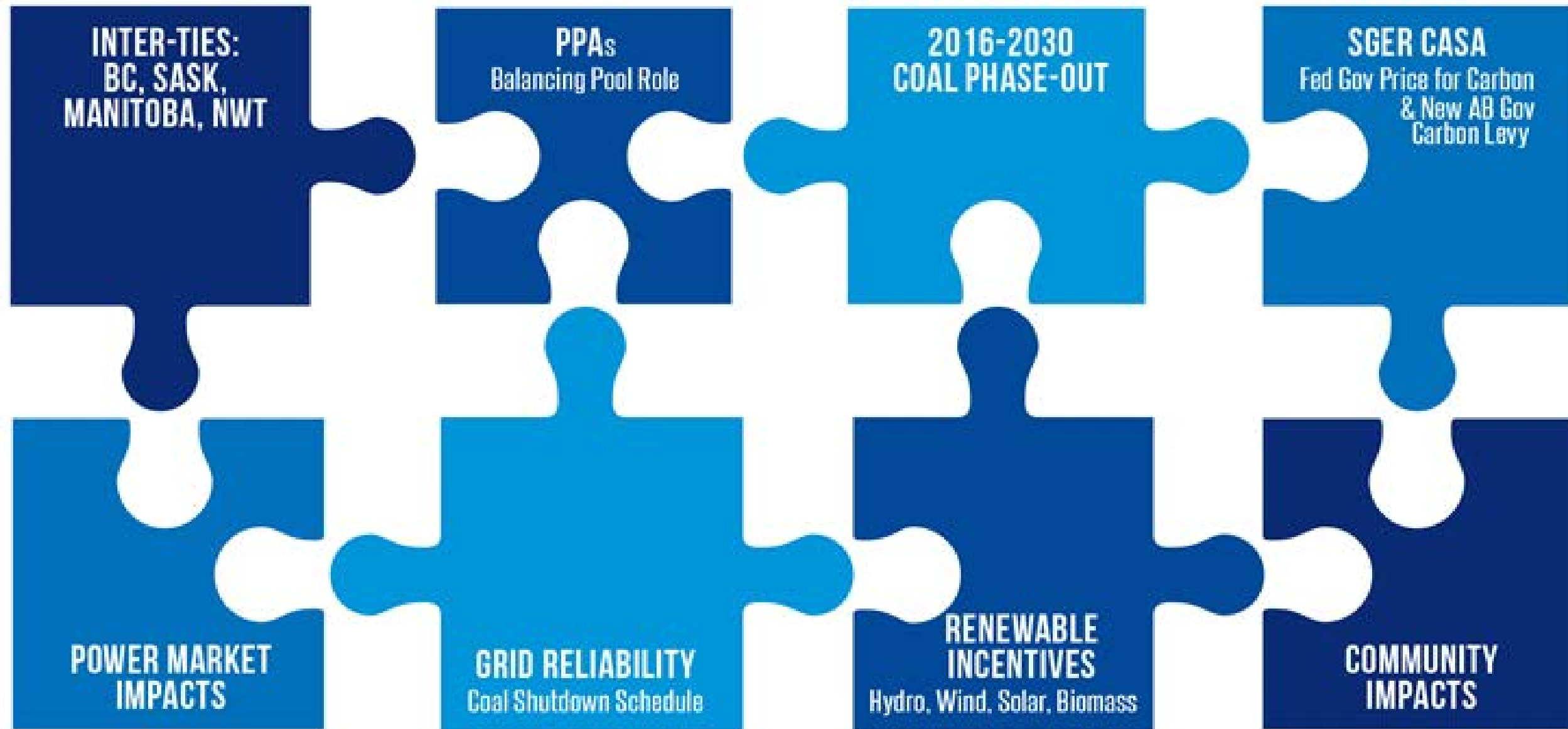
- Expected to recover compliance costs through the PPA
- If the PPA is cancelled, precedent has been set for a settlement to be paid by the Balancing Pool
- GHG emission charges are expected to be recovered in rates on a go-forward basis

Methane Emissions

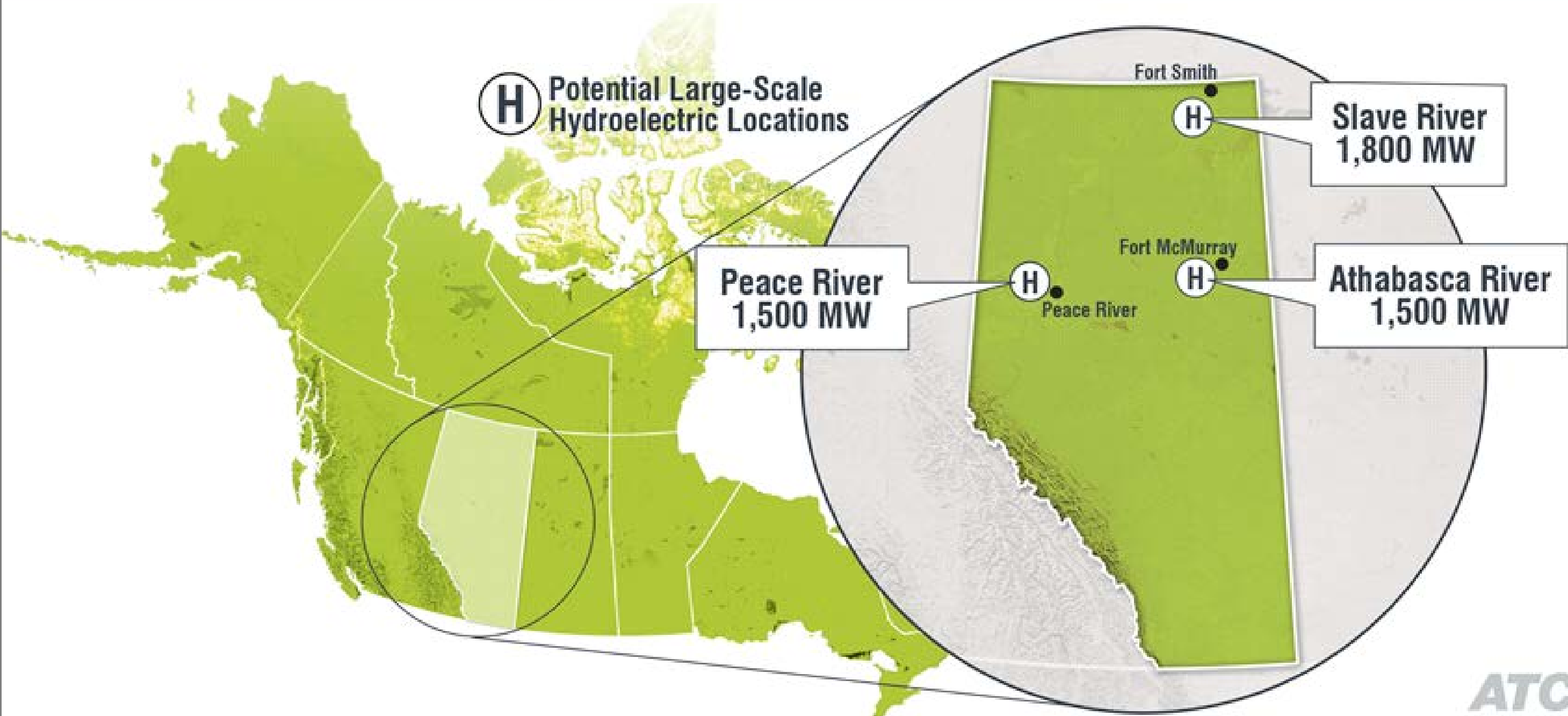
- GHG emission charges are expected to be recovered in rates on a go-forward basis



CLIMATE LEADERSHIP PLAN



POTENTIAL LARGE SCALE HYDROELECTRIC LOCATIONS

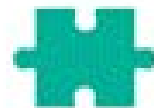


OUR SOLUTIONS TO ENSURE A CLEAN ENERGY FUTURE

**INTER-
PROVINCIAL
GRID STRATEGY**



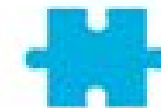
**BALANCED
APPROACH TO
RENEWABLES**



**EXPAND
DISTRIBUTED
GENERATION**



**HYDRO
GENERATION**



A vibrant aurora borealis (Northern Lights) display in shades of green and purple over a snowy, forested landscape at night. The sky is filled with stars and the aurora's light reflects on the snow below.

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