

The background of the slide is a landscape photograph of a vast, open plain with rolling hills under a dramatic, cloudy sky at sunset or sunrise. The foreground is dominated by tall, dry, golden-brown grasses. In the middle ground, there is a large, prominent rock formation with a reddish-brown, rusted appearance. The ATCO logo is centered in the upper half of the image, with the word 'ATCO' in large, bold, white letters and 'GROUP' in smaller, spaced-out white letters below it, separated by a thin white horizontal line.

ATCO

G R O U P

**BMO 11th Annual Infrastructure & Utilities Conference
Investor Presentation**

**Chad Gareau
Vice President, Finance & Treasury**

February 2014

LEGAL DISCLAIMER



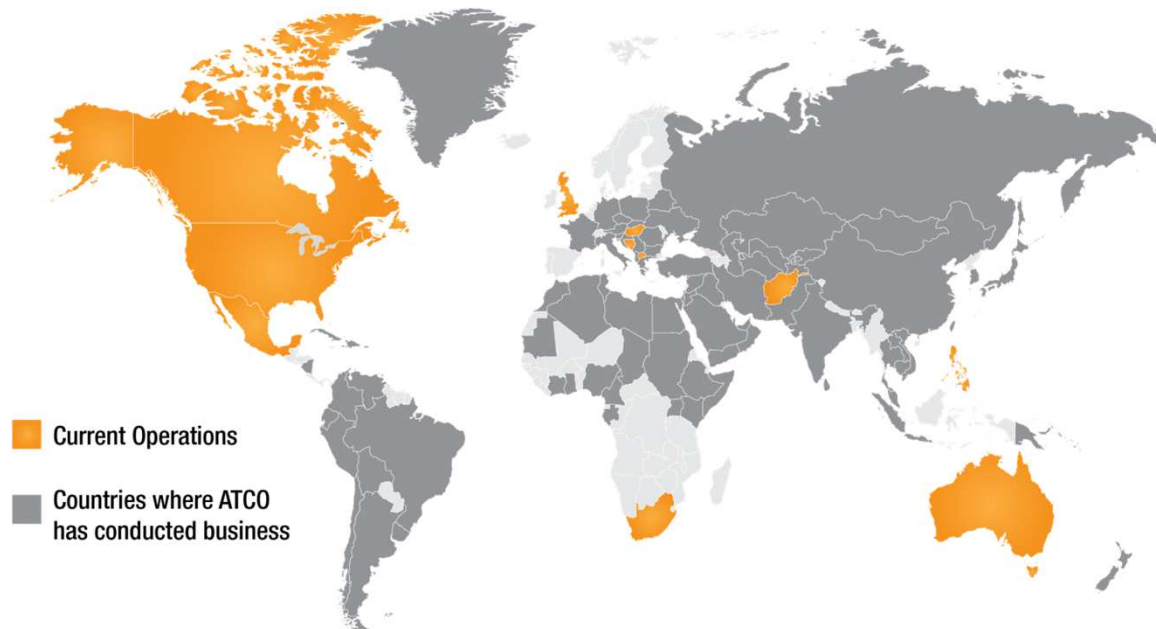
Statements made by representatives for ATCO Ltd. and information provided in this presentation may be considered forward-looking statements. By their nature, such statements are subject to numerous known and unknown risks and uncertainties and therefore actual results may differ materially from those currently anticipated. ATCO Ltd. disclaims 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.

THE ATCO GROUP OF COMPANIES

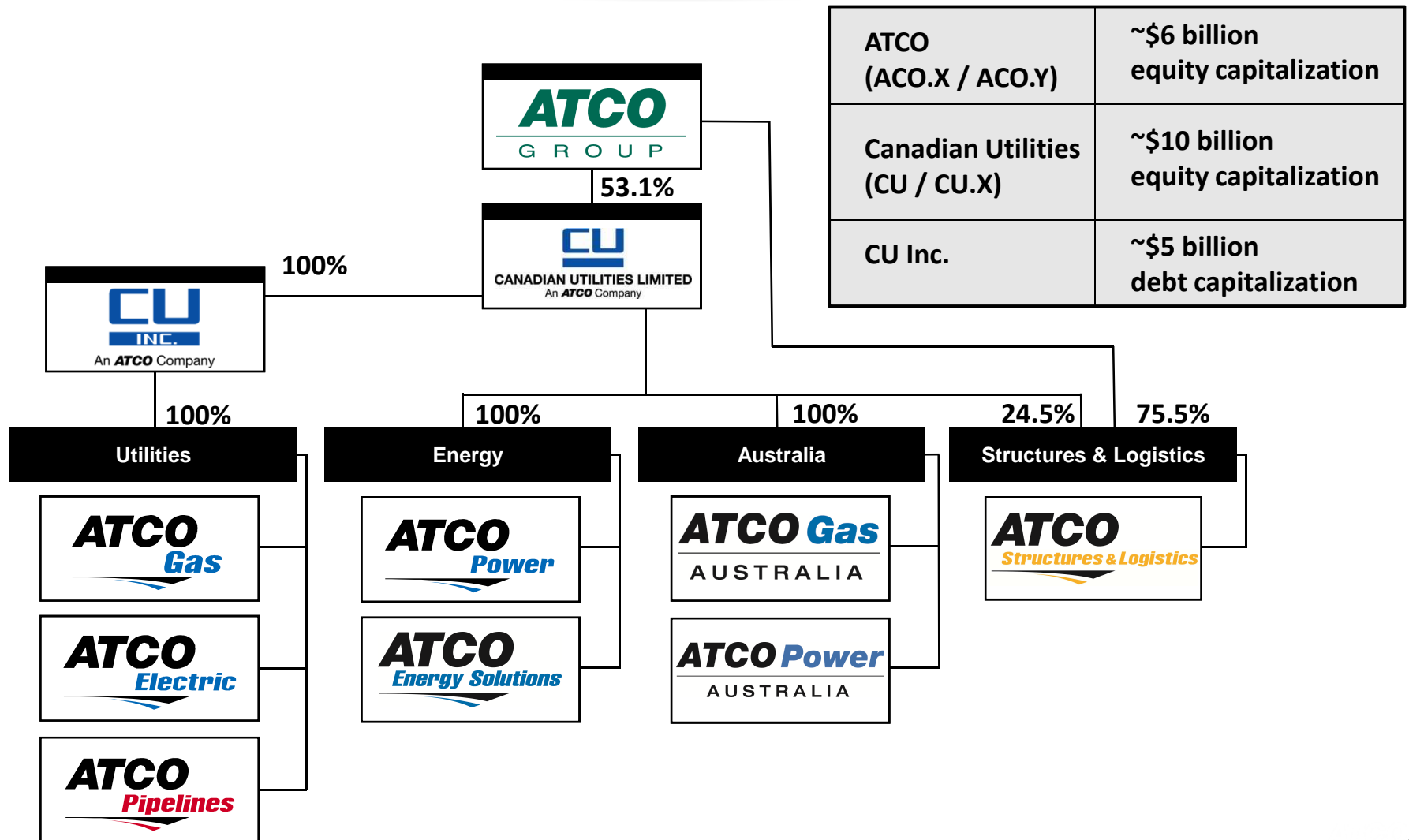


Alberta-based ATCO Group is a \$16 billion enterprise engaged in:

- **Utilities** (pipelines, natural gas and electricity transmission and distribution)
 - More than \$7 billion of rate base in 2012
- **Energy** (power generation, natural gas gathering, processing, storage and liquids extraction)
 - ~4,900 MW of generating capacity and 1.8 Bcf of processing capacity
- **Structures & Logistics** (manufacturing, logistics and noise abatement)
 - 8 manufacturing facilities and 45 sales offices worldwide



ORGANIZATIONAL STRUCTURE



DISTINCT YET COMPLEMENTARY BUSINESSES

ATCO
GROUP



Energy
Distribution



Manufacturing
and Logistics



Customer



Energy
Transmission



Energy
Infrastructure

DELIVERING LONG TERM VALUE



Business Model and Organizational Structure



Track Record of Success and Business Activity Update



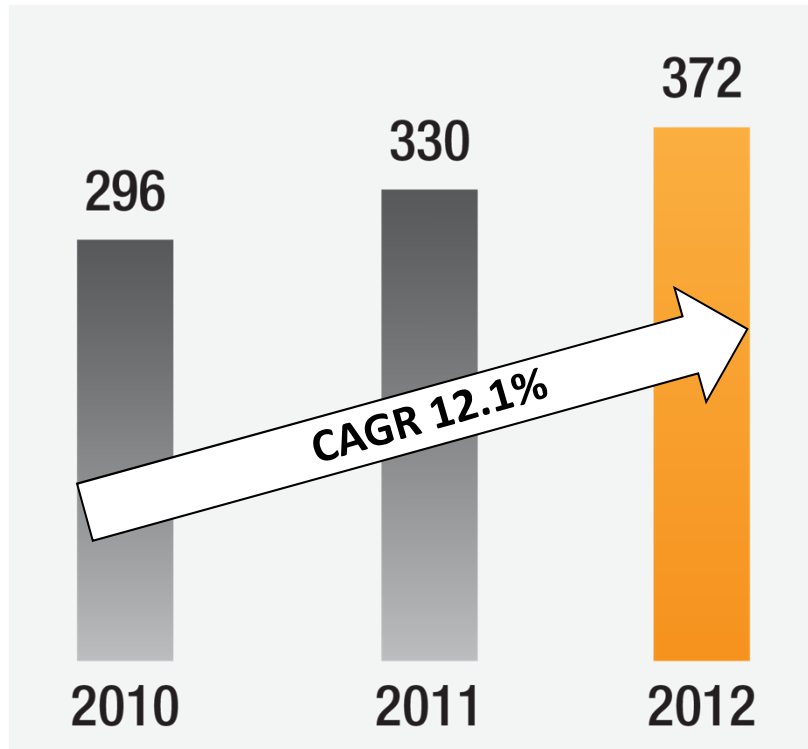
Finance Plan

TRACK RECORD OF SUCCESS: EARNINGS GROWTH



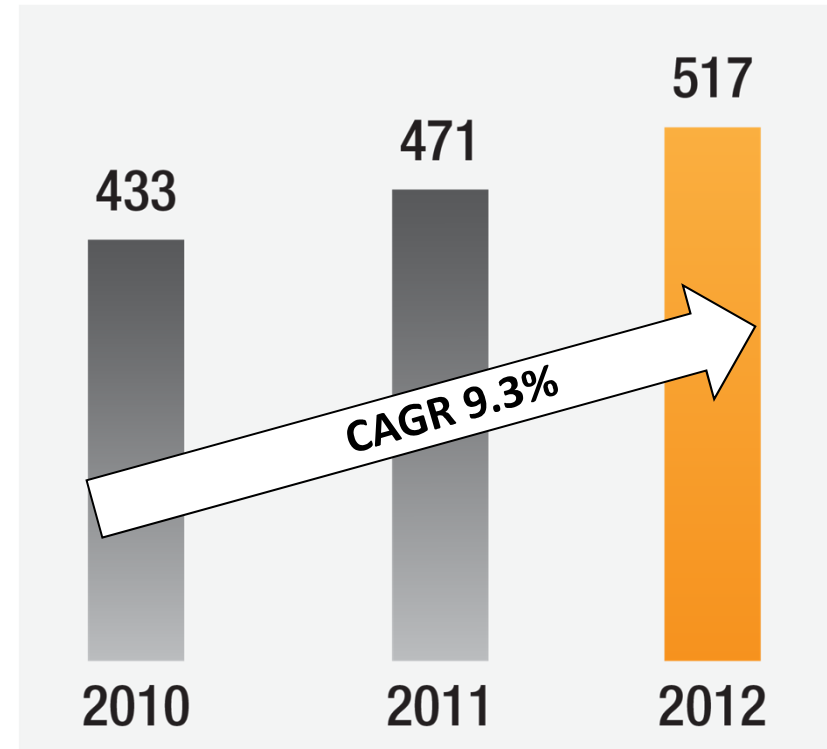
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Adjusted Earnings (\$millions)



Canadian Utilities

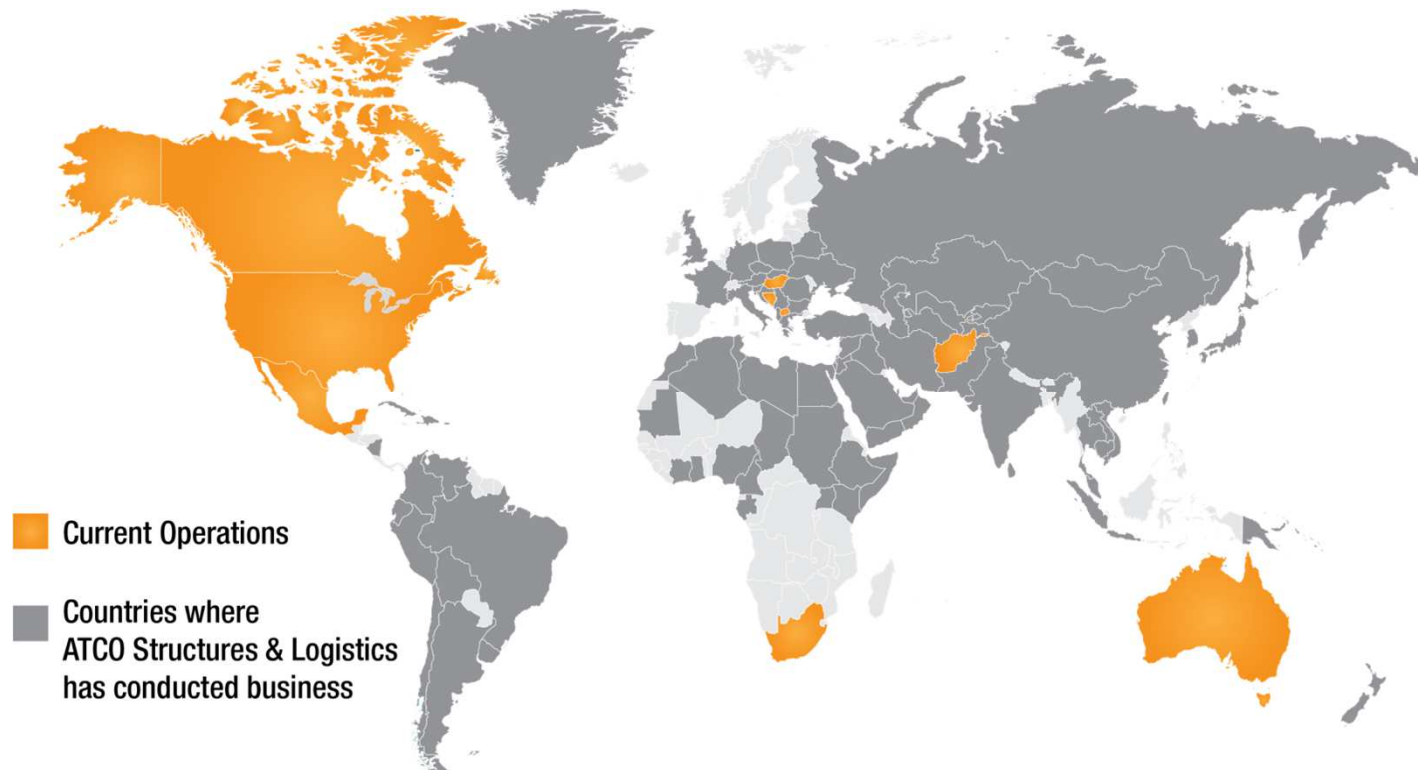
Adjusted Earnings (\$millions)



STRUCTURES & LOGISTICS BUSINESS ACTIVITY



- **Modular Structures continues to experience strong earnings from North America because of higher project activity, higher fleet sales and higher rental rates.**
- **High activity levels in North American Modular Structures operations are expected to continue on the strength of on-going and expected projects.**



ENERGY BUSINESS ACTIVITY



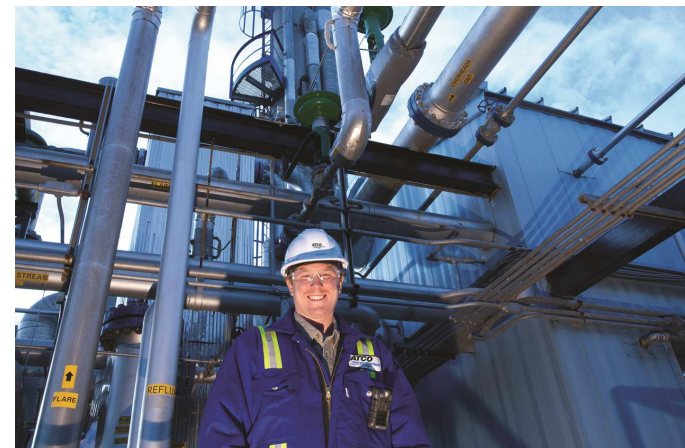
ATCO Power

- Focused on continued operational excellence with strong earnings contributions from base load generation in Alberta
- Exploring the development of natural gas-fired generating facilities for Alberta, Saskatchewan and British Columbia
- Pursuing large-scale hydro projects in the Slave River and Athabasca regions



ATCO Energy Solutions

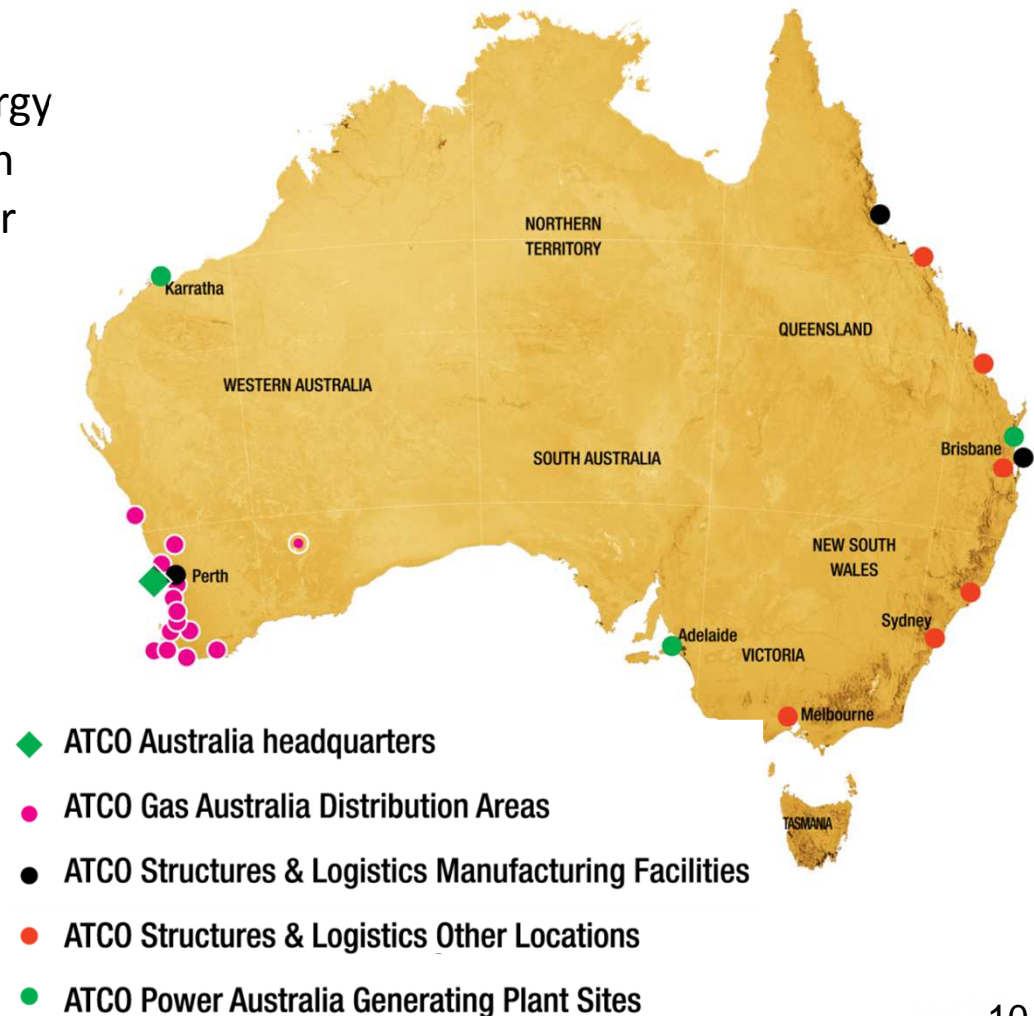
- Focused on growing natural gas and liquids storage, along with industrial water infrastructure solutions



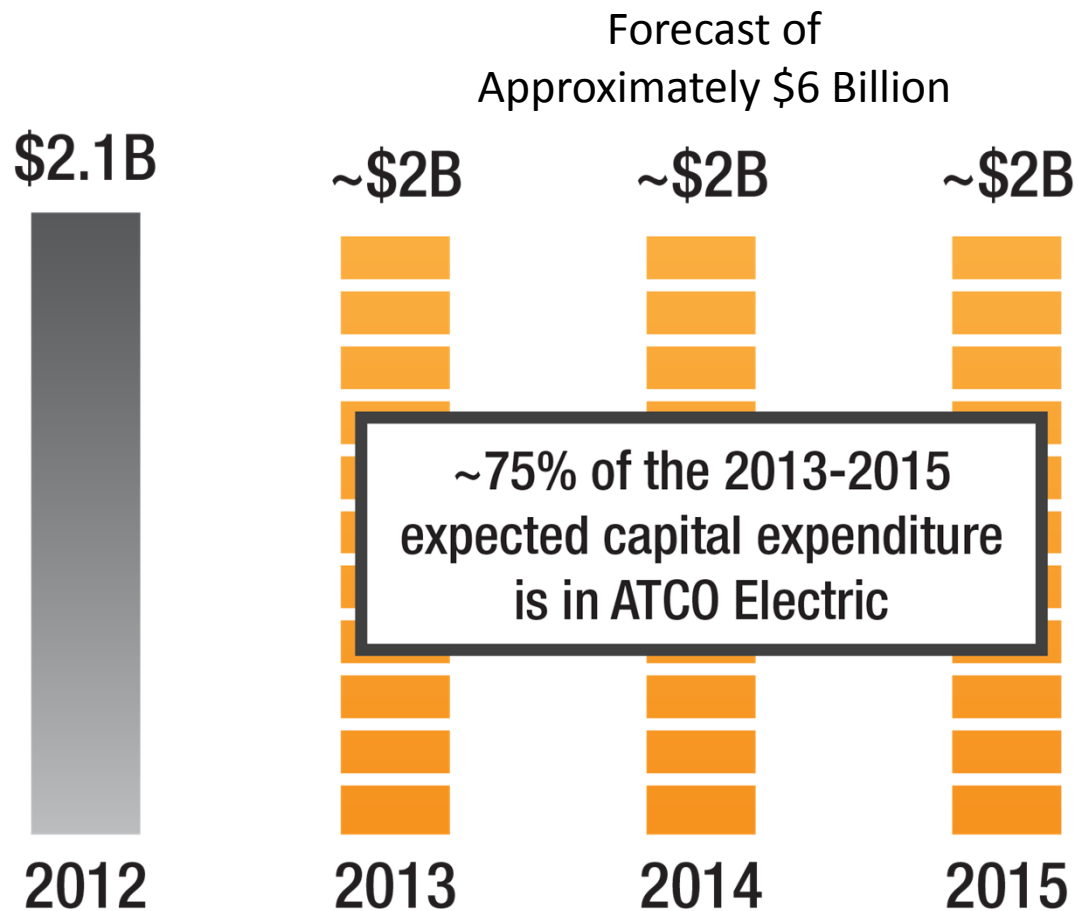
AUSTRALIA BUSINESS ACTIVITY

ATCO
GROUP

- Focused on building a diversified energy infrastructure and services business in Australia in the same way we built our diversified business in Alberta
- 3 power plants with 300 MW net generating capacity
- 3 modular structures manufacturing facilities
- Western Australia natural gas distribution utility with 13,300 km of natural gas pipelines



Utility Capital Expenditure Leads to Earnings Growth



ELECTRIC TRANSMISSION SIGNIFICANT PROJECTS



NW Fort McMurray Transmission Development

- 2 new substations and 140km of 240kV line
- Construction to commence Q1 2014, estimated completion in 2015
- Estimated project cost \$370 million (excluding IDC)

North East Region Transmission Development

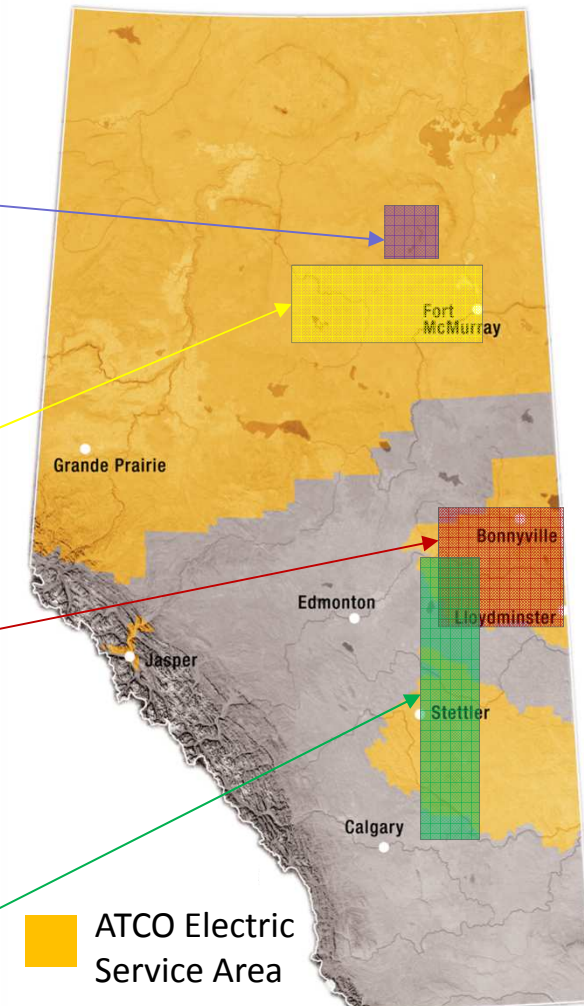
- Numerous customer driven enhancements, addition of 240kV line
- In-service dates not yet finalized with the AESO
- Estimated project cost \$800 million

Central East Transmission Development

- 2 new substations, 6 major substation alterations, 90km of 144kV line and 50km 240kV line
- Estimated completion Q3 2013 to Q4 2015
- Estimated project cost \$350 million (excluding IDC)

Eastern Alberta Transmission Line

- 2 new converter stations, 485km 500kV DC line
- Commenced construction Q4 2012, estimated completion Q4 2014 at an estimated project cost of \$1.8 billion (excluding IDC)



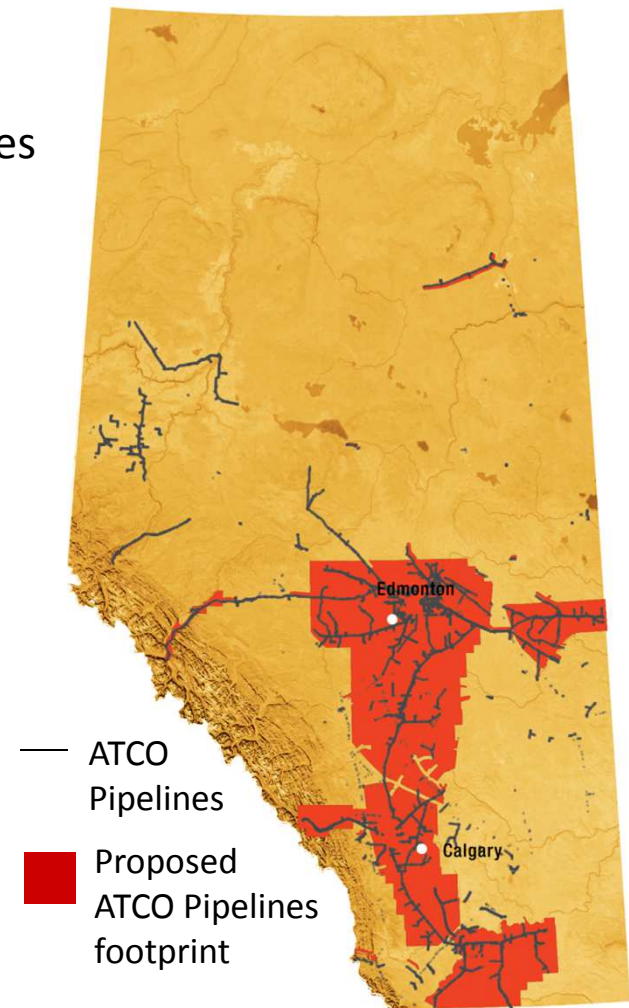
UTILITIES SEGMENT

ATCO
GROUP

ATCO *Pipelines*

ATCO Pipelines provides natural gas transportation services to producers, industrial customers and gas distribution companies with high-pressure pipelines in Alberta.

- 217 natural gas transmission customers
- Delivers 3.8 billion cubic feet of natural gas per day to customers; owns and operates more than 8,400 km of pipeline
- 8.75% ROE, 38% Equity
- Mid-year 2012 rate base ~\$900 million
- 2010-2012 average annual capital expenditures ~\$100 million
- ~\$600 million urban pipeline replacement project for Calgary and Edmonton approved in January 2014



DELIVERING LONG TERM VALUE



Business Model and Organizational Structure



Track Record of Success and Business Activity Update



Finance Plan

FINANCIAL STRENGTH



**Strong
Credit Rating**



**Credit Rating
Upgrade**

- Standard & Poor's Upgraded Credit Rating to A- in 2013



FINANCE PLAN



- Capital growth will be financed with a combination of cash flow, dividend reinvestment program and prudent access to debt and preferred share markets
- Approximately ~\$3.7 billion in debt and preferred capital markets financings in last 2 ½ years
- Canadian Utilities Limited initiated dividend reinvestment program in July, 2012
- CU Inc. capital structure will mirror approved regulated capitalization ratios
- Committed to maintaining high investment grade ratings

DELIVERING LONG TERM VALUE



**Reliable Earnings and Cash Flows
with an Opportunity for Premium Returns**



Financial Strength



Growth and Diversification



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Investor Presentation

Appendix

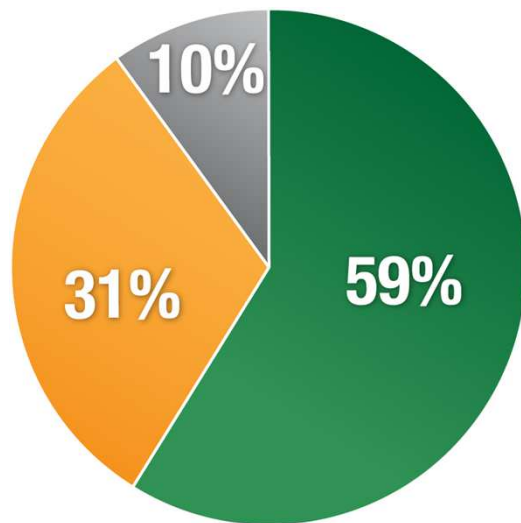
February 2014

STRATEGY

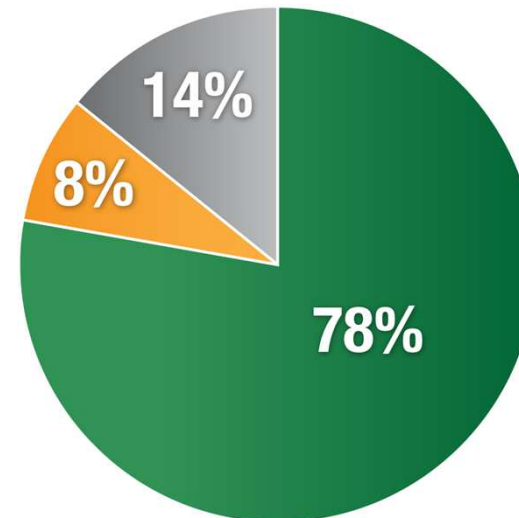


- Reliable earnings and cash flows with opportunities for premium returns
- Growing the business through diversification and global expansion
- Conservative financial policies
- Commitment to strong investment grade credit ratings

ATCO Earnings Mix 2012



Canadian Utilities Earnings Mix 2012



■ Regulated and other long term contracts ■ Non-regulated and no commodity exposure ■ Commodity Exposed

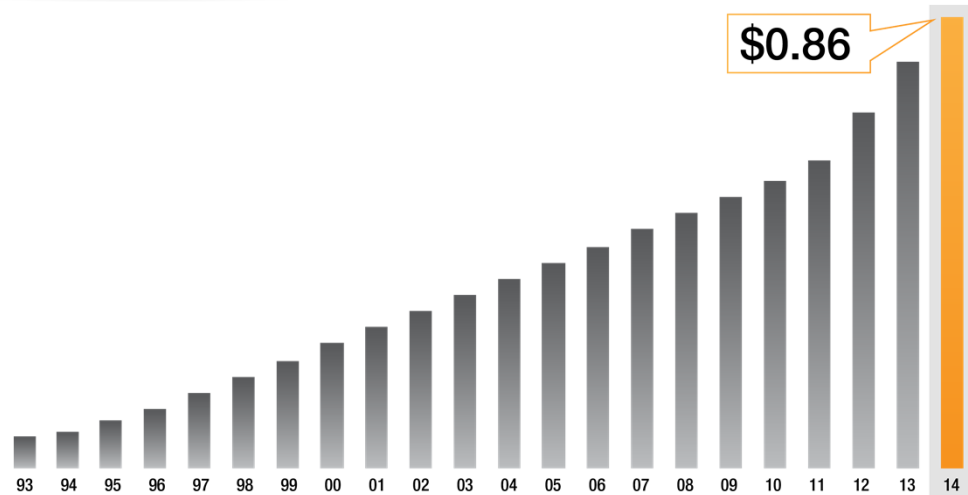
**Based on December 31, 2013 year-end ATCO and Canadian Utilities Limited financial results*

TRACK RECORD OF SUCCESS: DIVIDEND GROWTH



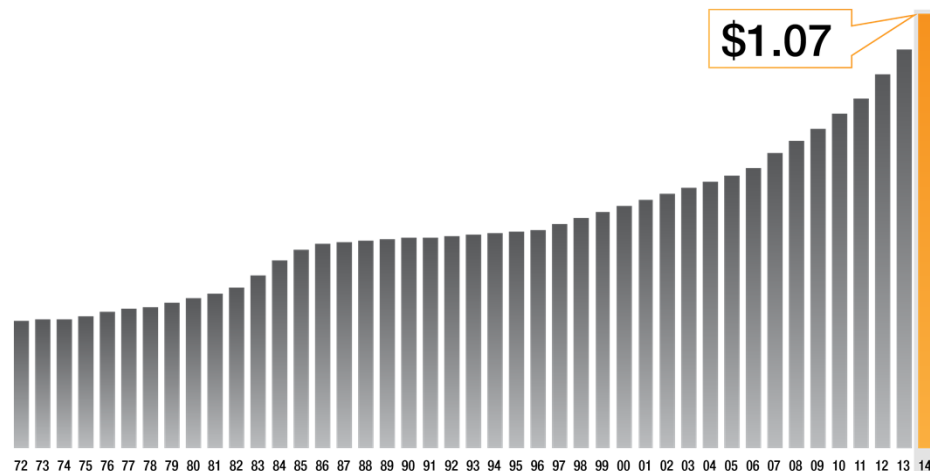
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More than 20 Consecutive
Years of Dividend Growth



Canadian Utilities

More than 40 Consecutive
Years of Dividend Growth



*2014 ATCO and Canadian Utilities dividend is represented at an annualized rate; first quarter dividend of \$0.215 and \$0.2675, respectively, was declared on January 9, 2014

UTILITIES SEGMENT



ATCO *Electric*

- 240,000 customers in 245 communities, primarily in Alberta
- 76,000 km of power lines
- 8.75% ROE, 37% Equity (Transmission), 39% Equity (Distribution)
- 2012 Transmission mid-year rate base of ~\$2.8 billion, Distribution mid-year rate base of ~\$1.1 billion
- ~\$1.3 billion in Transmission and ~\$500 million in Distribution capital expenditures in 2012
- ~\$1 billion in Transmission and ~\$230 million in Distribution capital expenditures in first 9 months 2013
- Significant growth underway 2013-2015



UTILITIES SEGMENT



ATCO Gas provides natural gas distribution to more than one million customers in nearly 300 communities primarily in Alberta

- Owns and operates nearly 38,000 km of distribution pipelines
- Weather deferral account mitigates volumetric risk
- 8.75% regulated ROE, 39% Equity
- Mid-year 2012 rate base of ~\$1.7 billion
- ~\$300 million capital expenditures in 2012
- Growth capital focused on automated meter reading (AMR) and gas mains replacement program

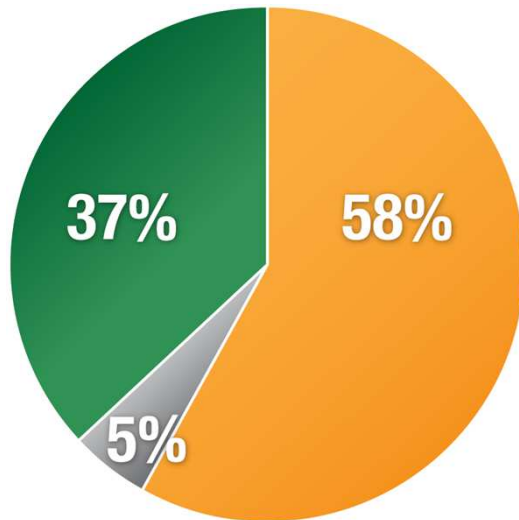


FINANCIAL STRENGTH

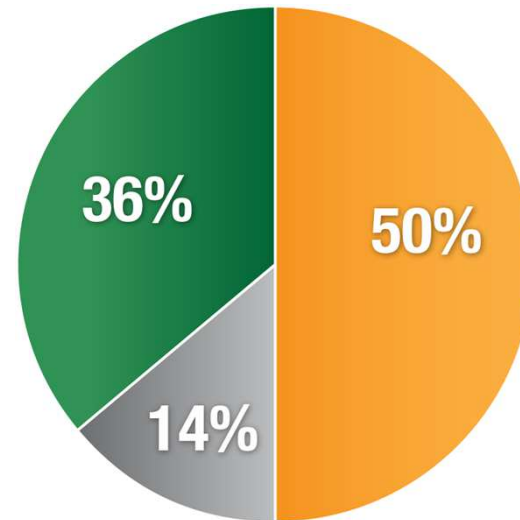


- ~\$1.9 billion in committed corporate credit facilities
- Focused on maintaining financial metrics that mirror approved regulated capitalization ratios at CU Inc.

**Canadian Utilities Inc.
Balance Sheet**



**Canadian Utilities
Balance Sheet**



Common Equity **Debt (net of cash)** **Preferred Shares**

**Based on Third Quarter, 2013 Financial Results*

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