



BMO Fixed Income Investor Conference

Investor Presentation

February 9, 2017

Toronto

WELCOME

INVESTOR PRESENTATION

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Vice President, Finance & Risk

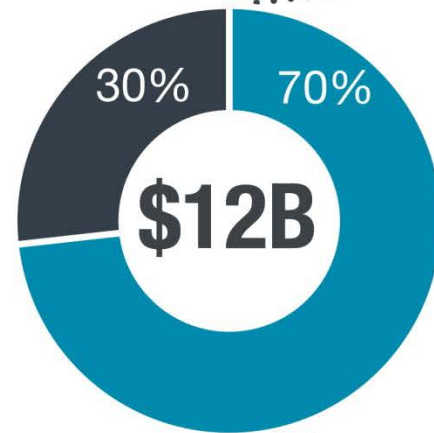
February 9, 2017

LEGAL DISCLAIMER

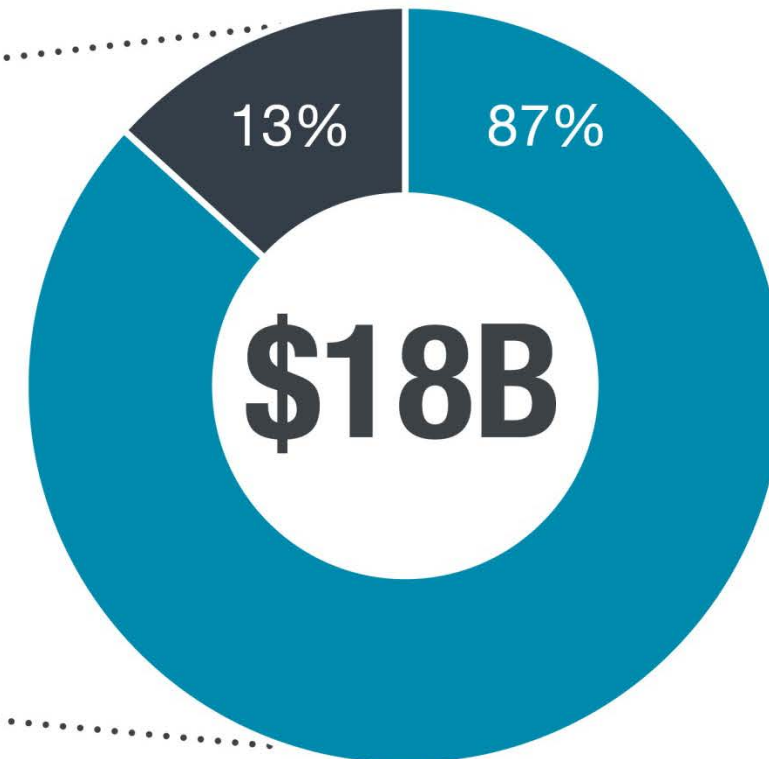
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GROWING A HIGH QUALITY EARNINGS BASE

2011 Total Assets



2015 Total Assets



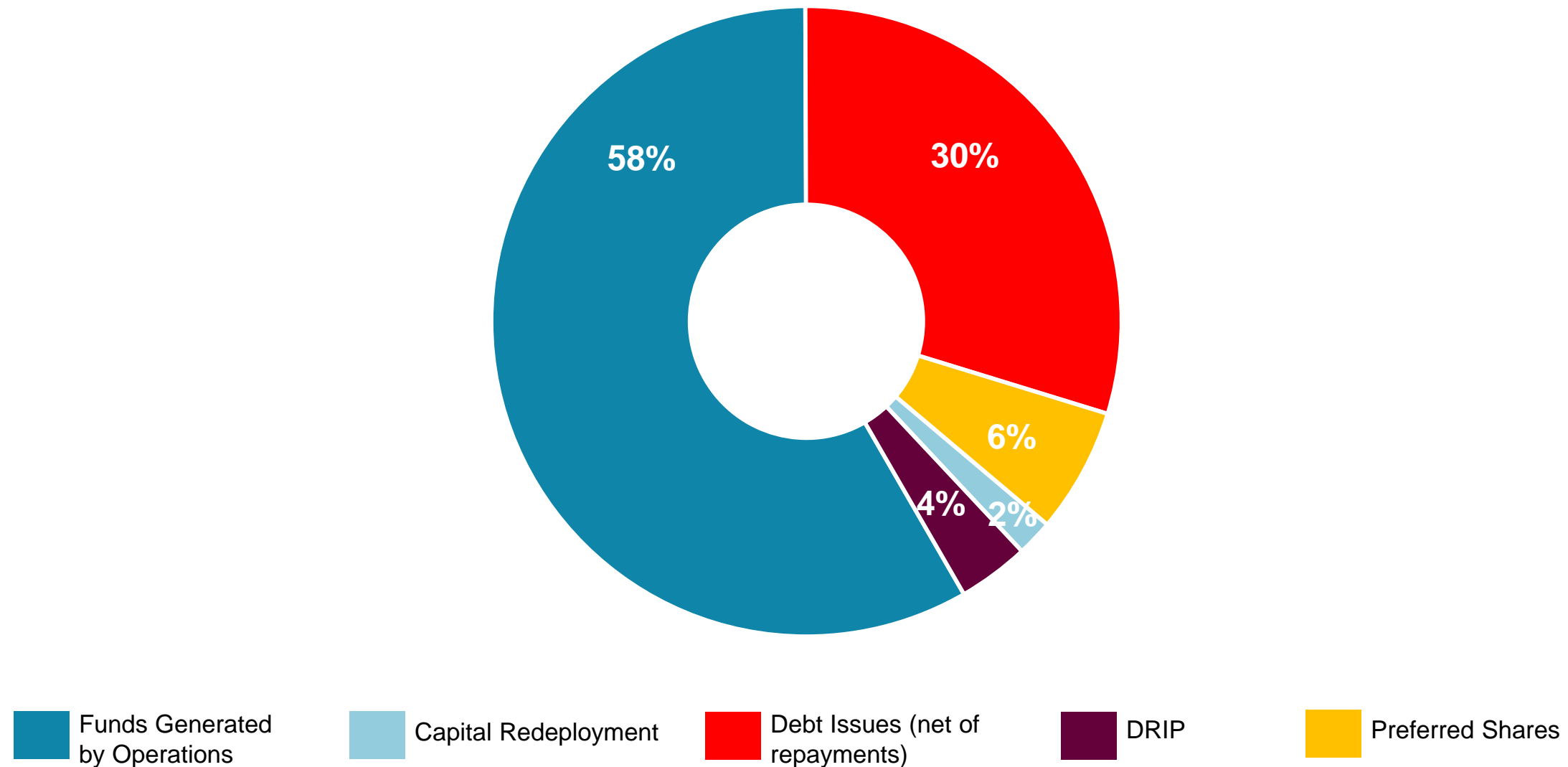
■ Regulated Assets

■ Non-Regulated Assets

- Assets have grown at a remarkable pace driven by investment in our Regulated Utilities

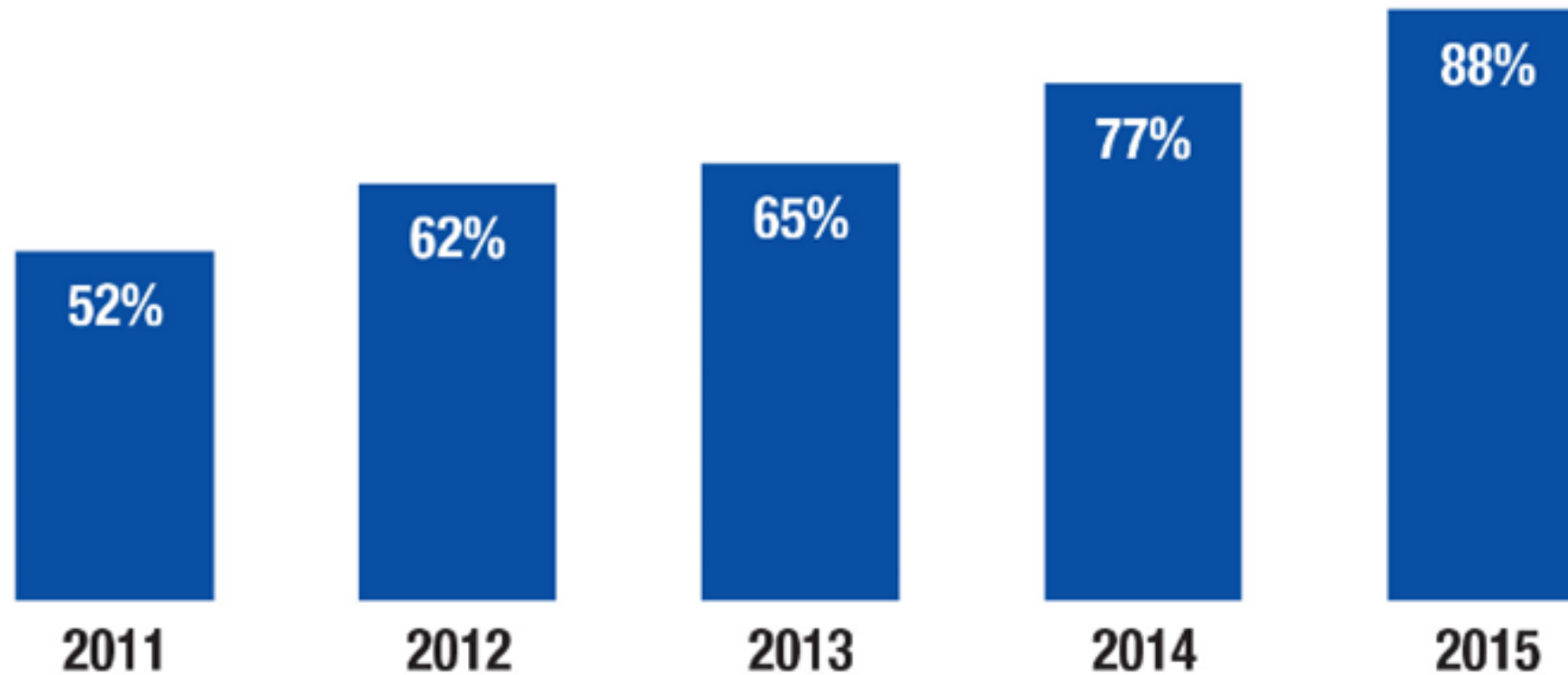
MAINTAINING FINANCIAL STRENGTH: FUNDING SOURCES

Canadian Utilities Funding Sources 2011-2015

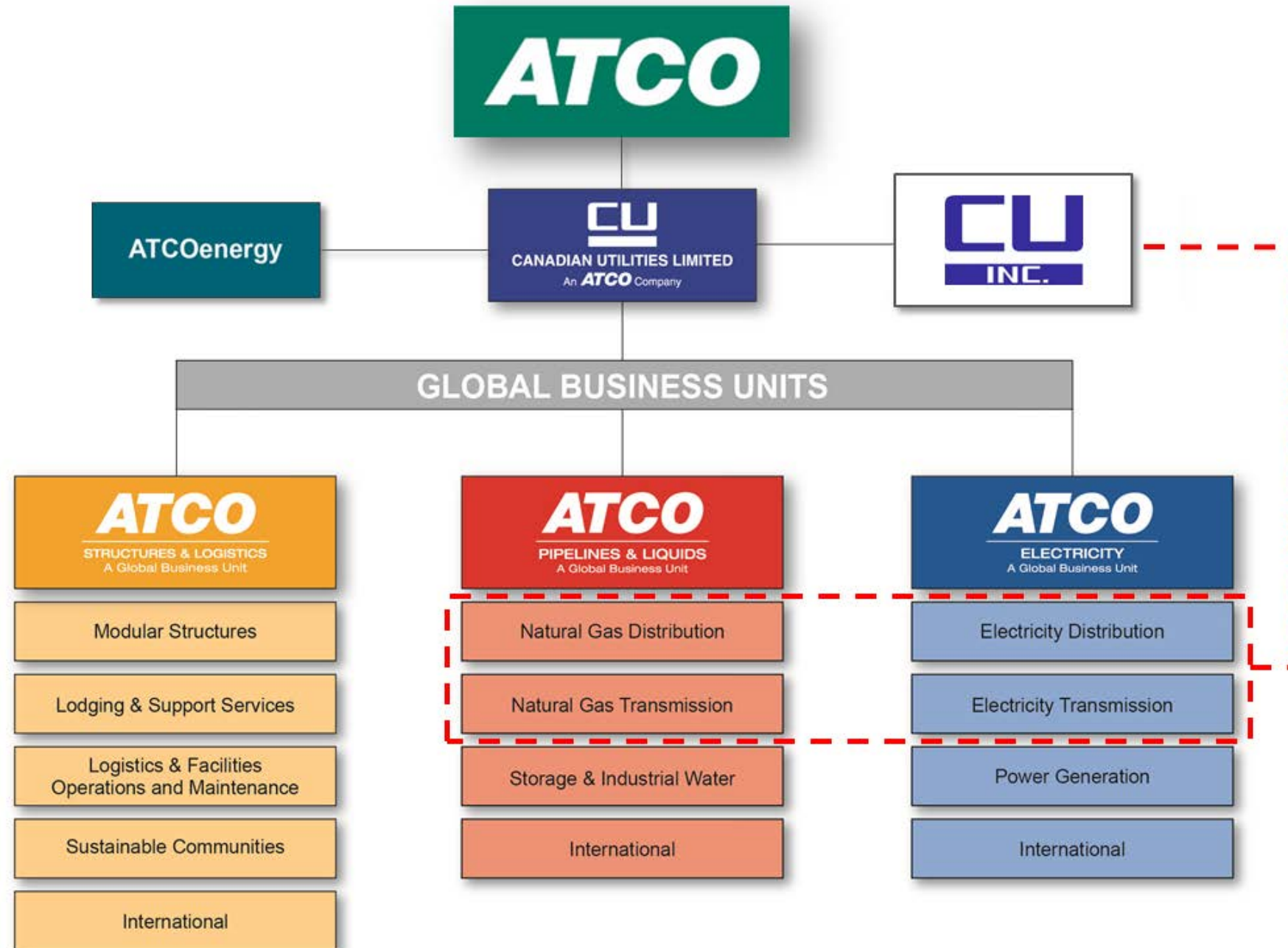


GROWING A HIGH QUALITY EARNINGS BASE

CU Regulated Adjusted Earnings

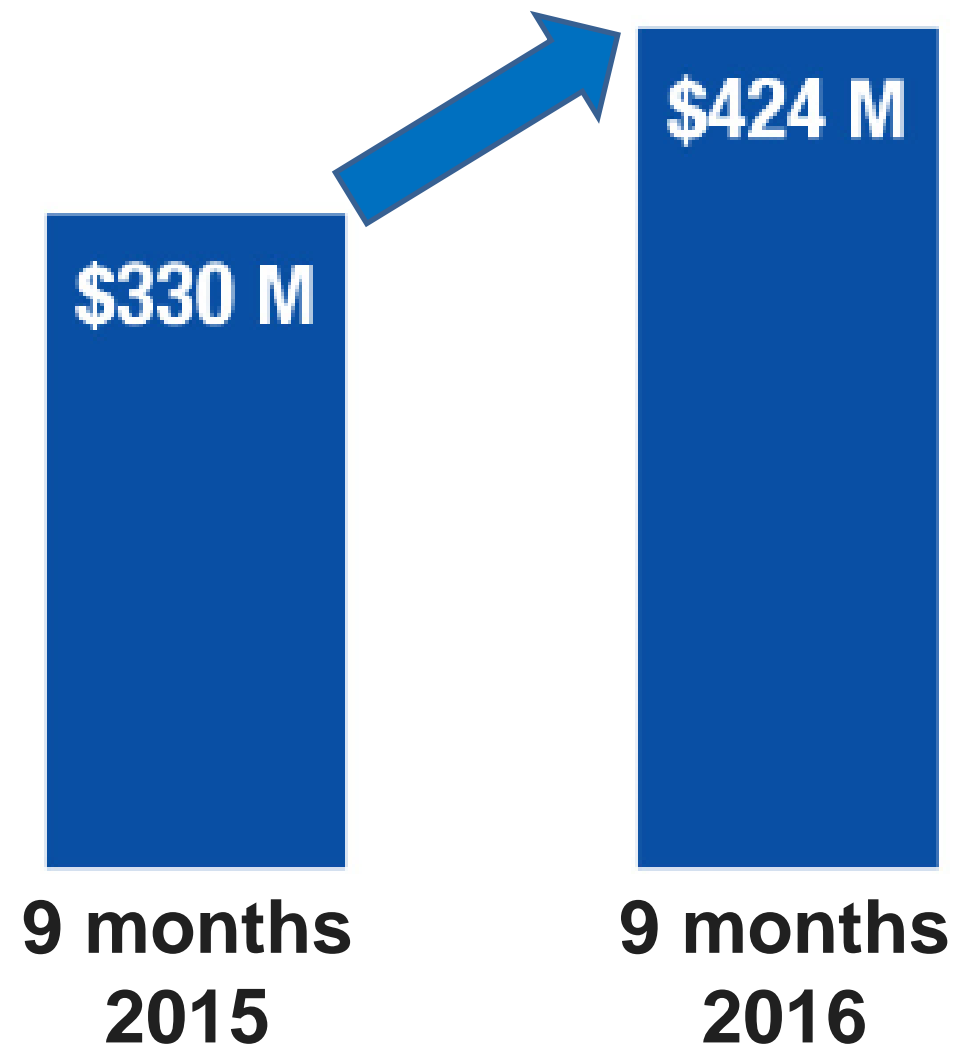


ORGANIZATIONAL STRUCTURE



GROWING EARNINGS

Canadian Utilities Adjusted 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

MAINTAINING FINANCIAL STRENGTH: BALANCE SHEET



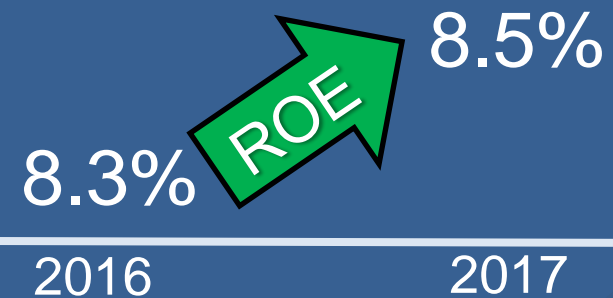
**STRONG FINANCIAL POSITION
SUPPORTS ACCESS TO CAPITAL**

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



DISTRIBUTION UTILITIES

- PBR2 (2018-2022)
- Decision received in 2016
 - On track for prospective rate making



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>

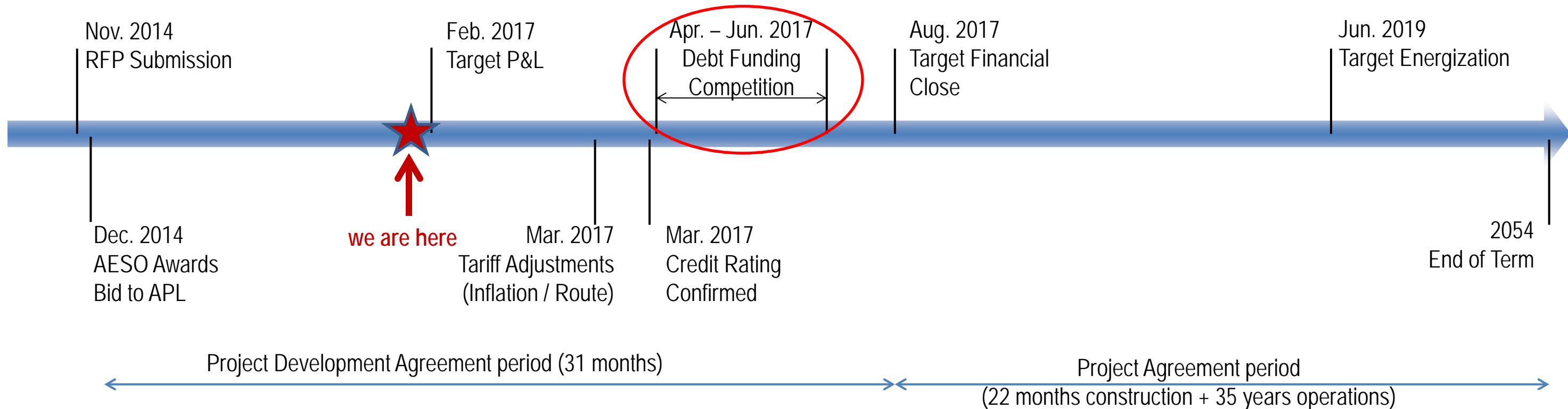
- Fort McMurray 500 kV Line (proposed route)
- Approximate Project Connection Points



ALBERTA POWERLINE

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



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



OUTLOOK

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

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.

ATCO | ALWAYS THERE.
ANYWHERE.

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