



CANADIAN
UTILITIES LIMITED

An **ATCO** Company

BMO Infrastructure & Utilities Conference

February 8, 2018

Toronto



LEGAL DISCLAIMER

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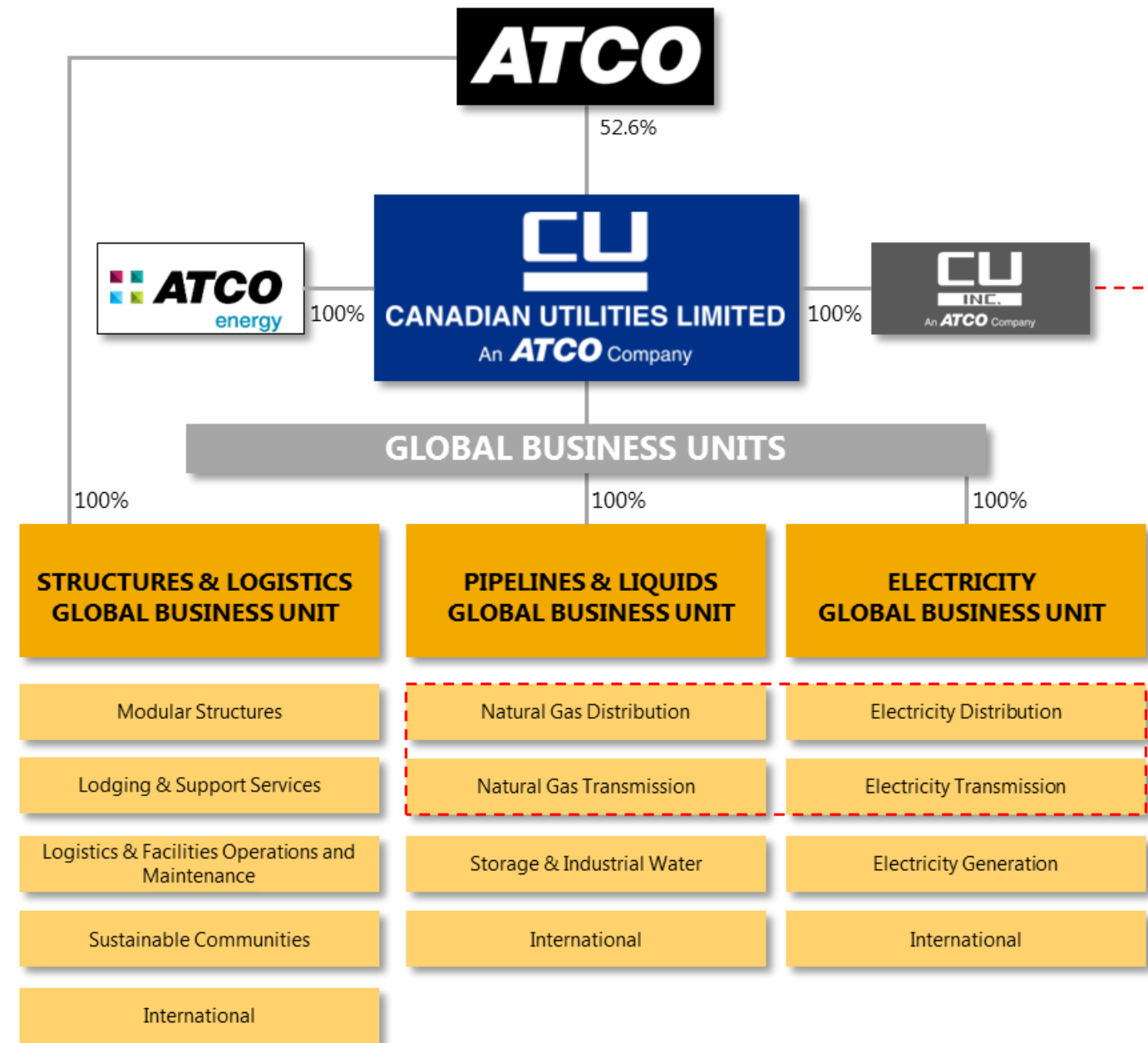
WELCOME

INVESTOR PRESENTATION

Katie Patrick
Vice President, Finance & Risk

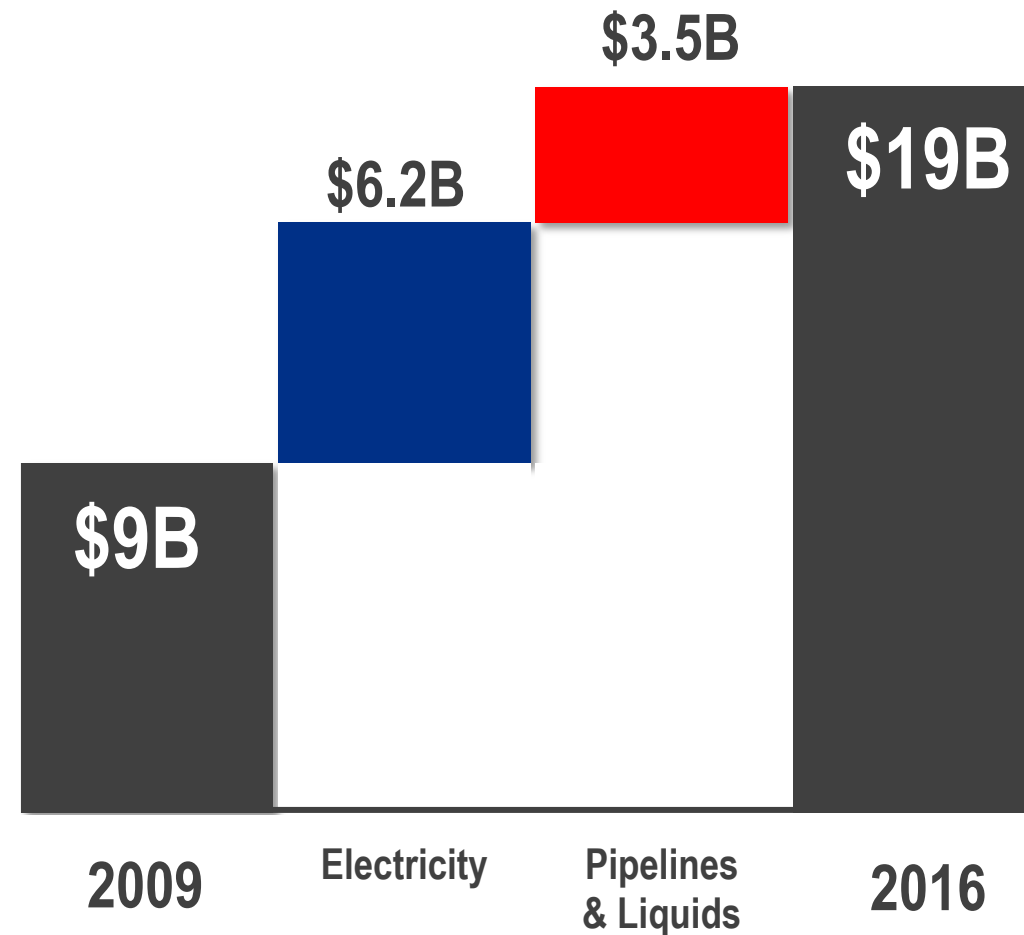
February 8, 2018

ORGANIZATIONAL STRUCTURE



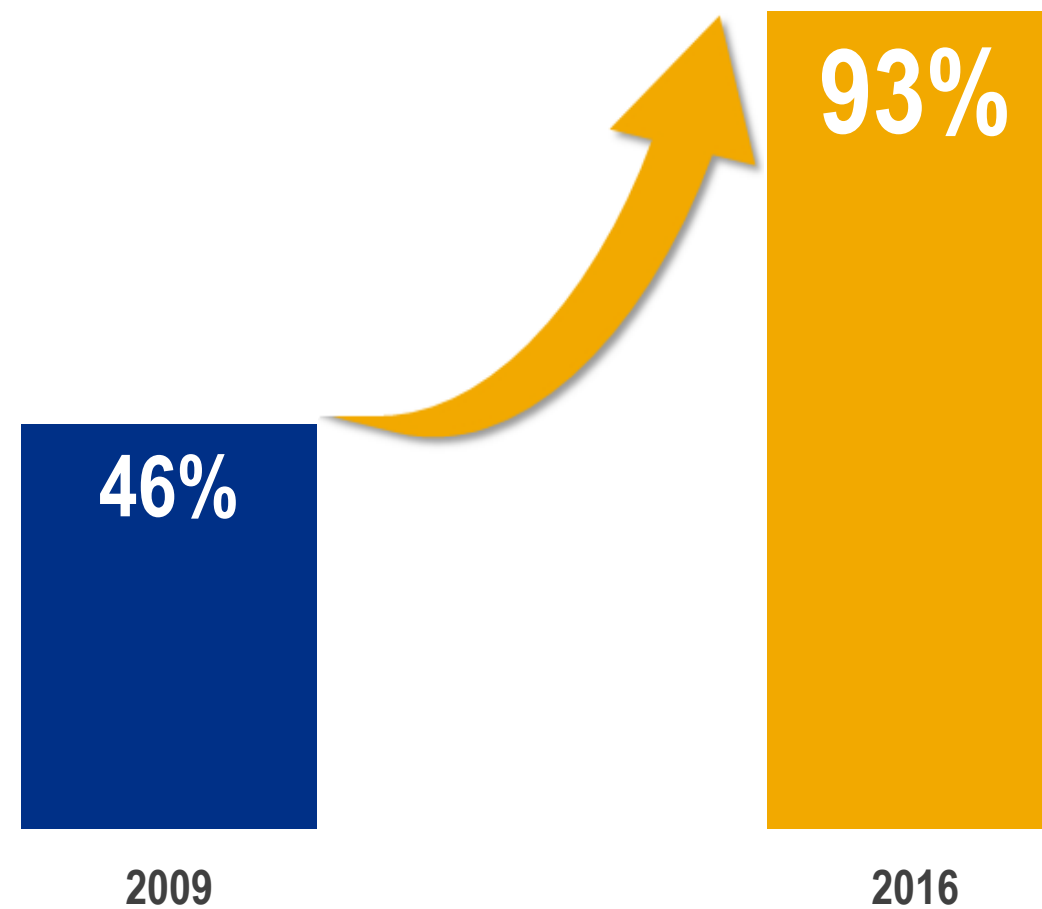
ASSET GROWTH

Canadian Utilities Limited has doubled in size since 2009



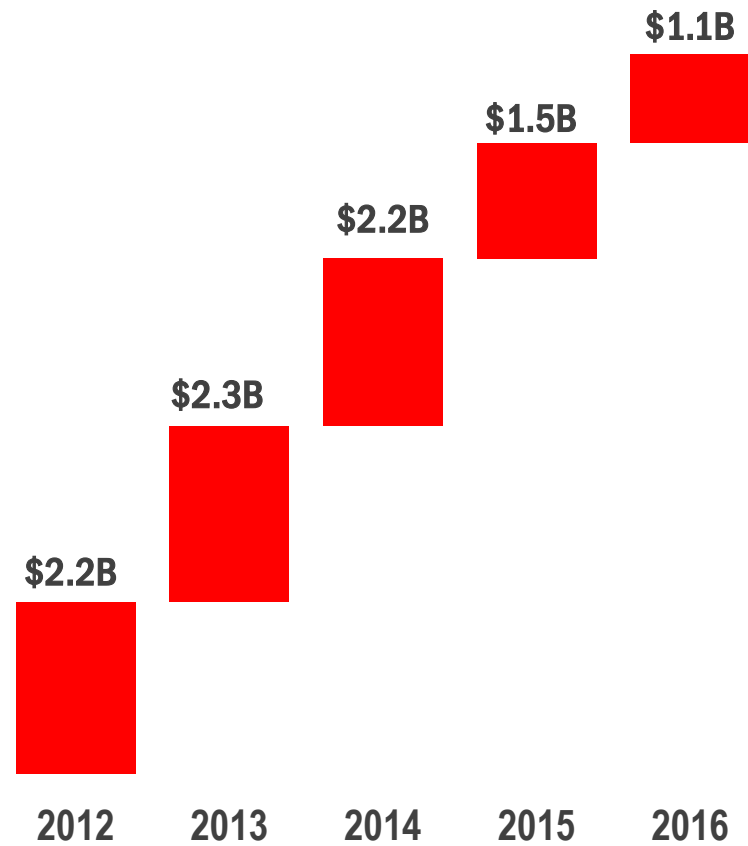
GROWING A HIGH QUALITY EARNINGS BASE

Regulated Adjusted Earnings

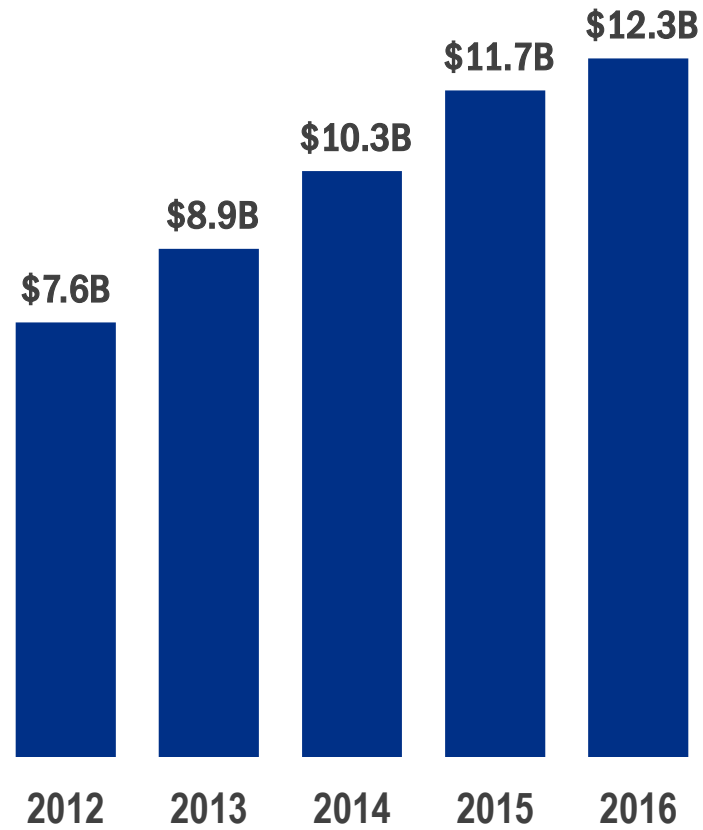


REGULATED UTILITY GROWTH

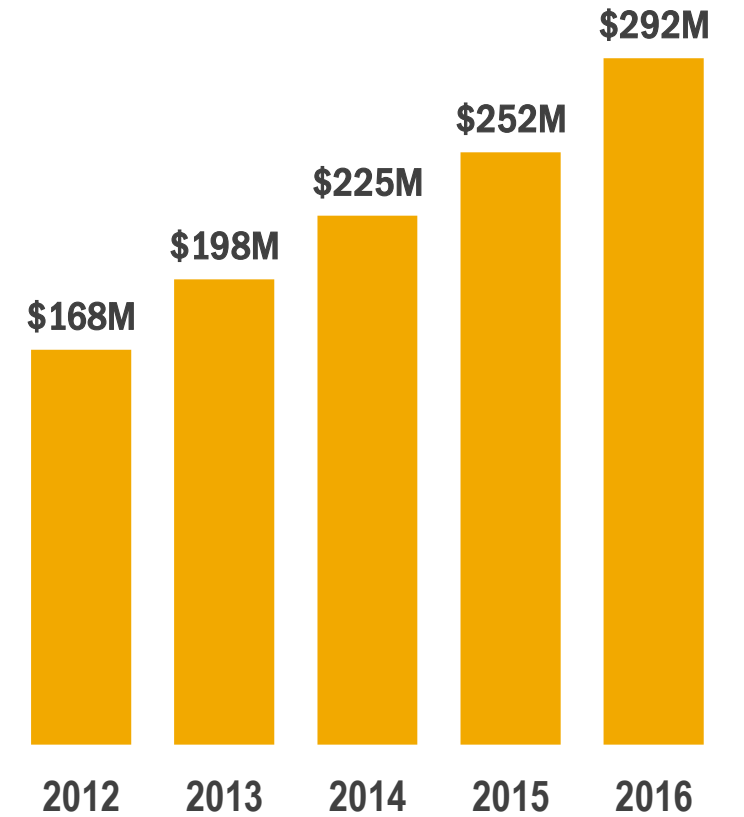
Regulated Capital Investment



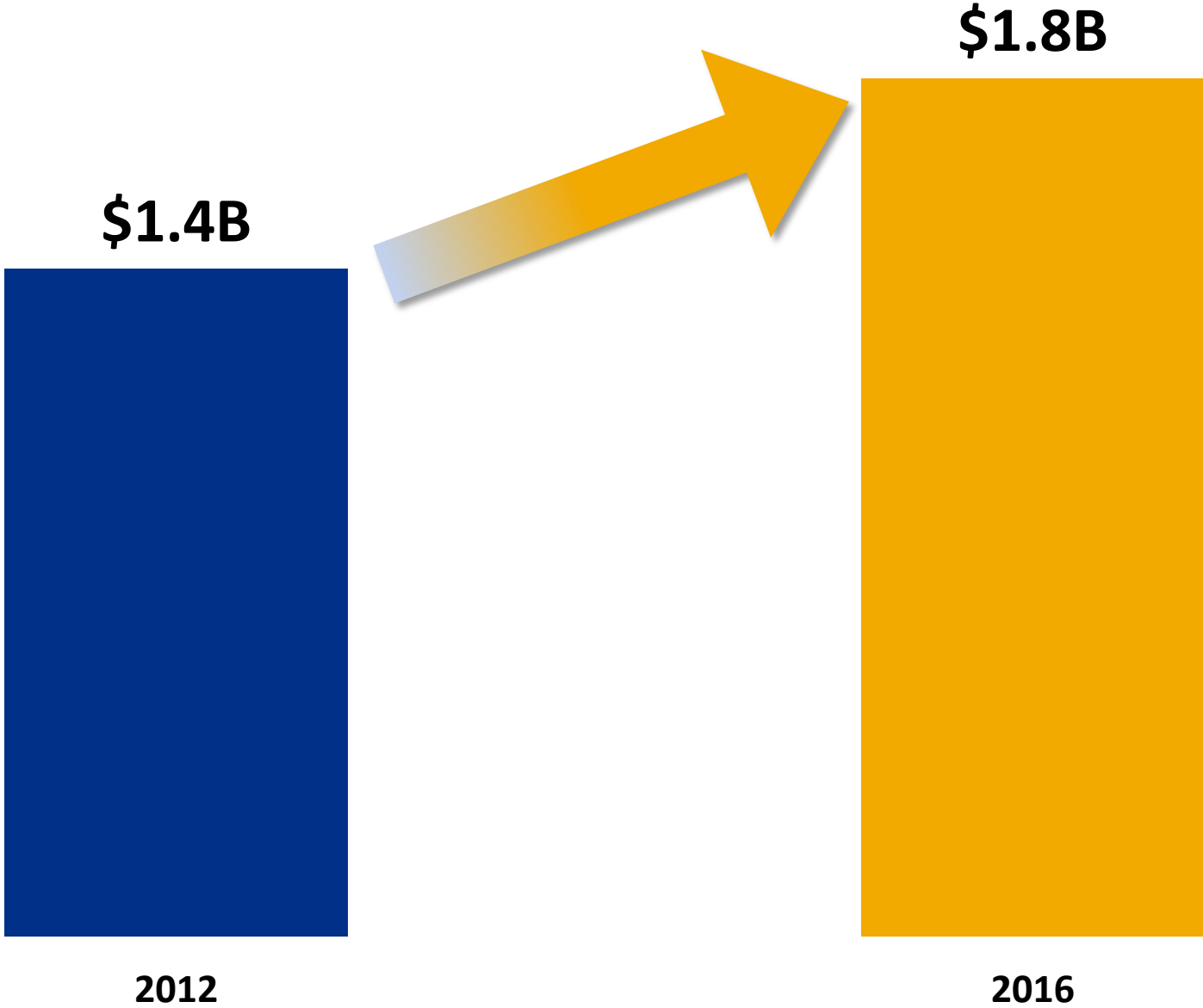
Mid-Year Rate Base



Regulated Normalized Adjusted Earnings

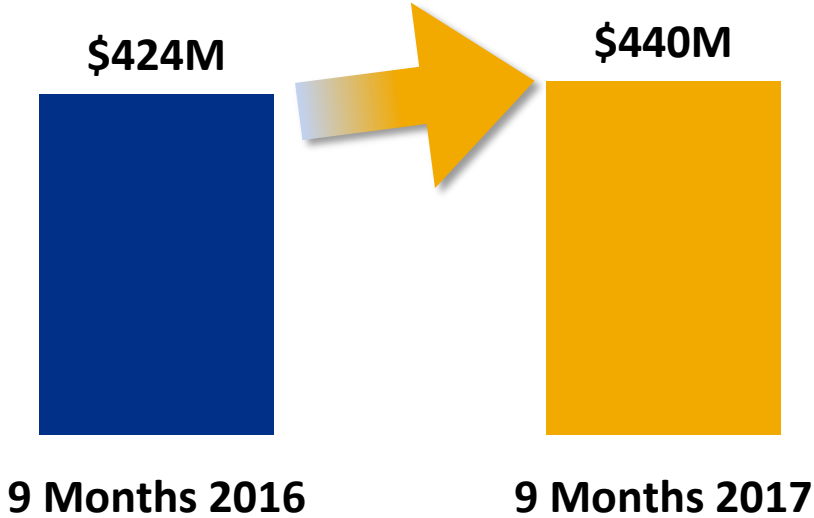


GROWING FUNDS GENERATED FROM OPERATIONS

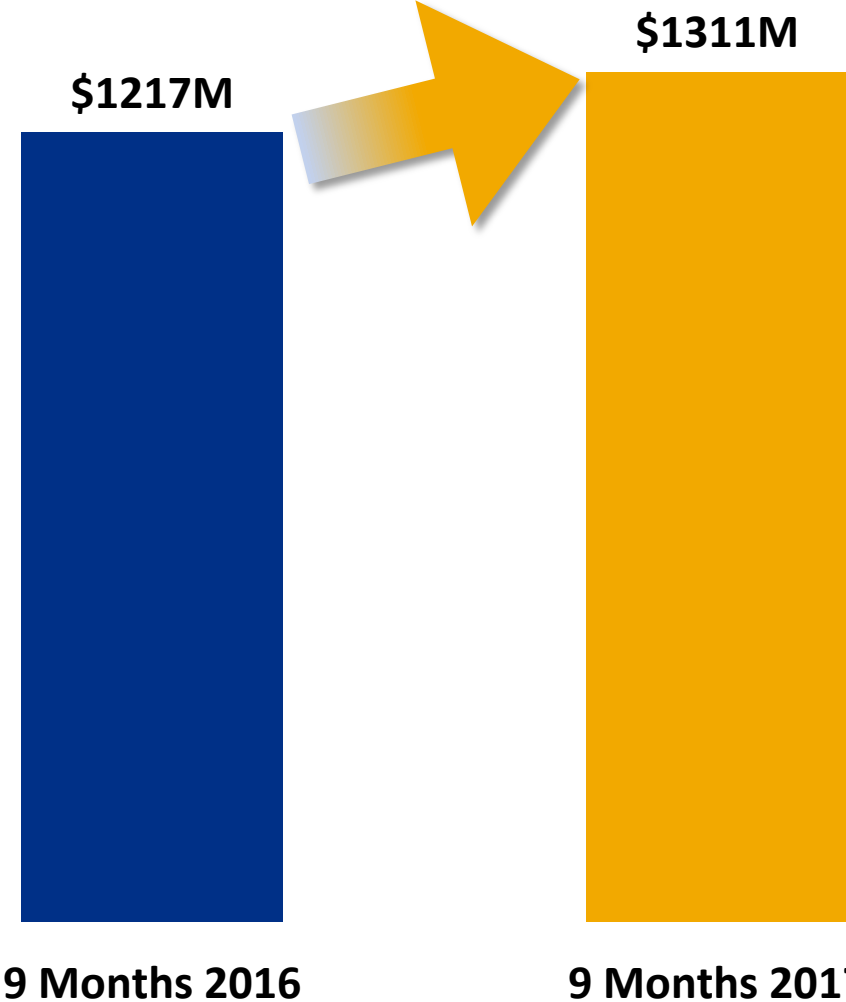


GROWTH TREND CONTINUES IN 2017

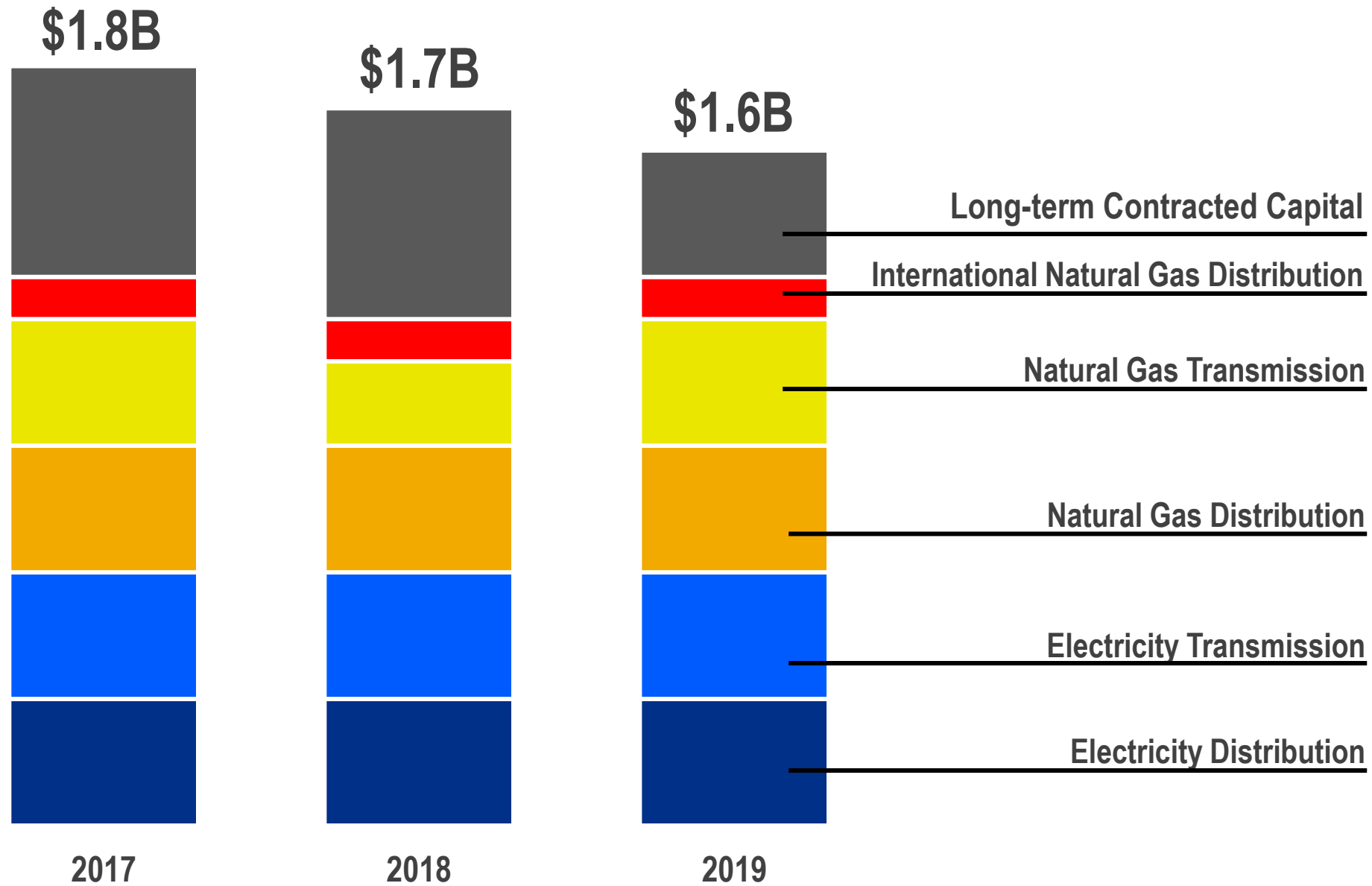
Adjusted Earnings



Funds Generated From Operations

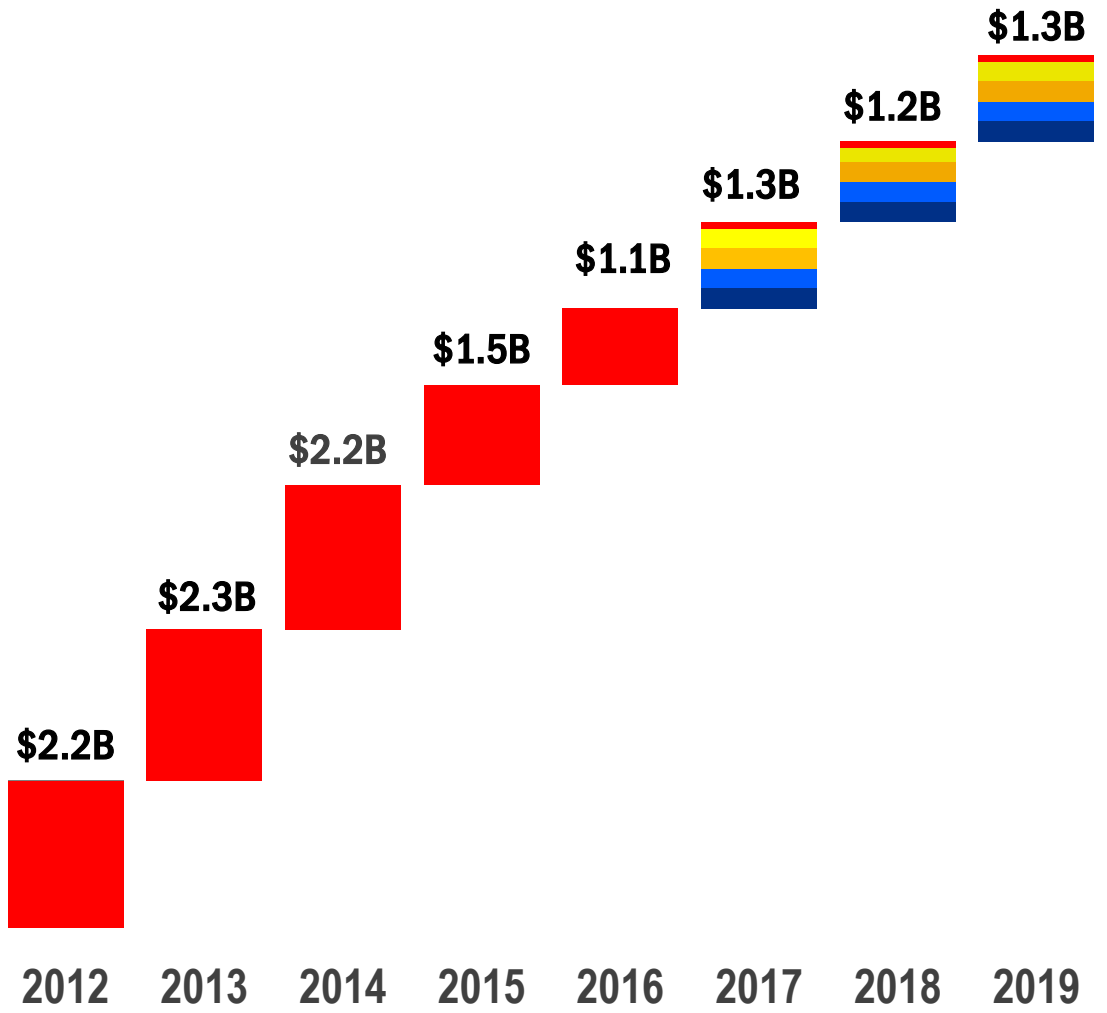


CONTINUED CAPITAL INVESTMENT

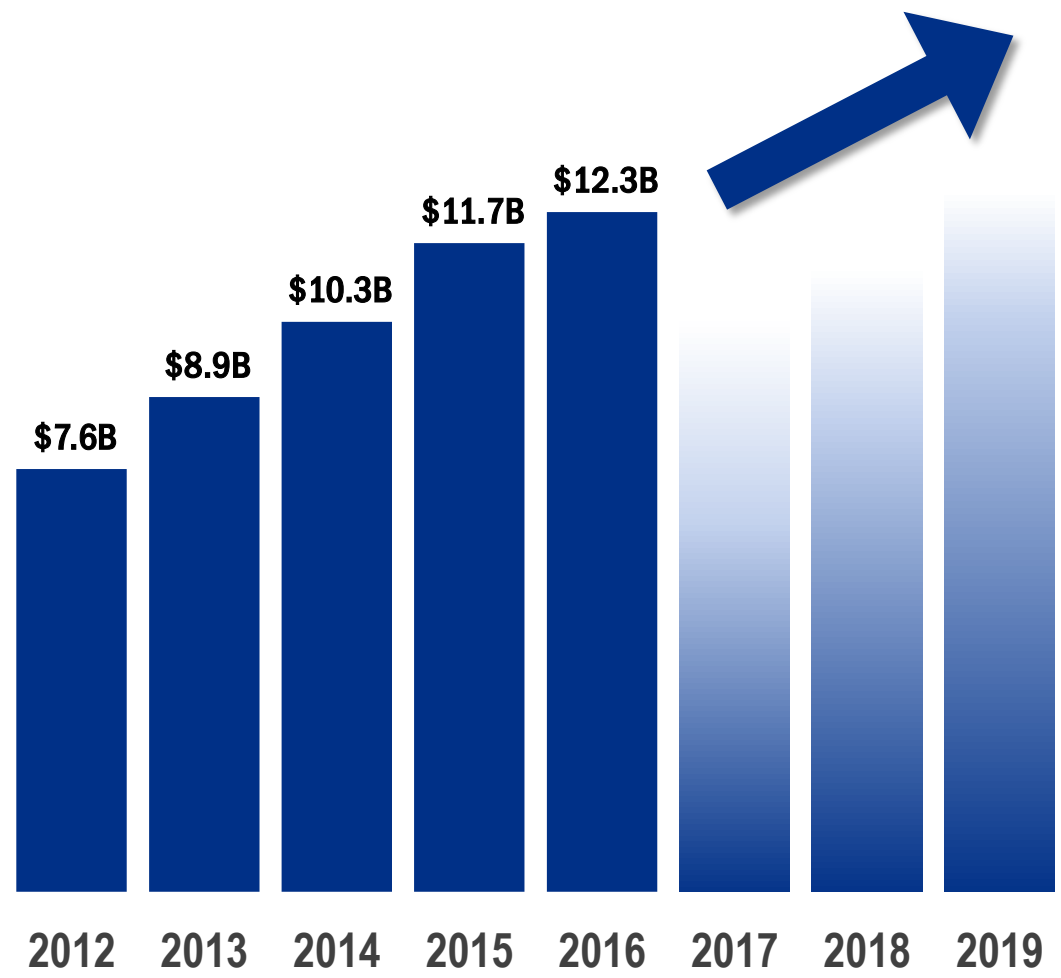


RATE BASE GROWTH

Regulated Capital Investment



Mid-Year Rate Base



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

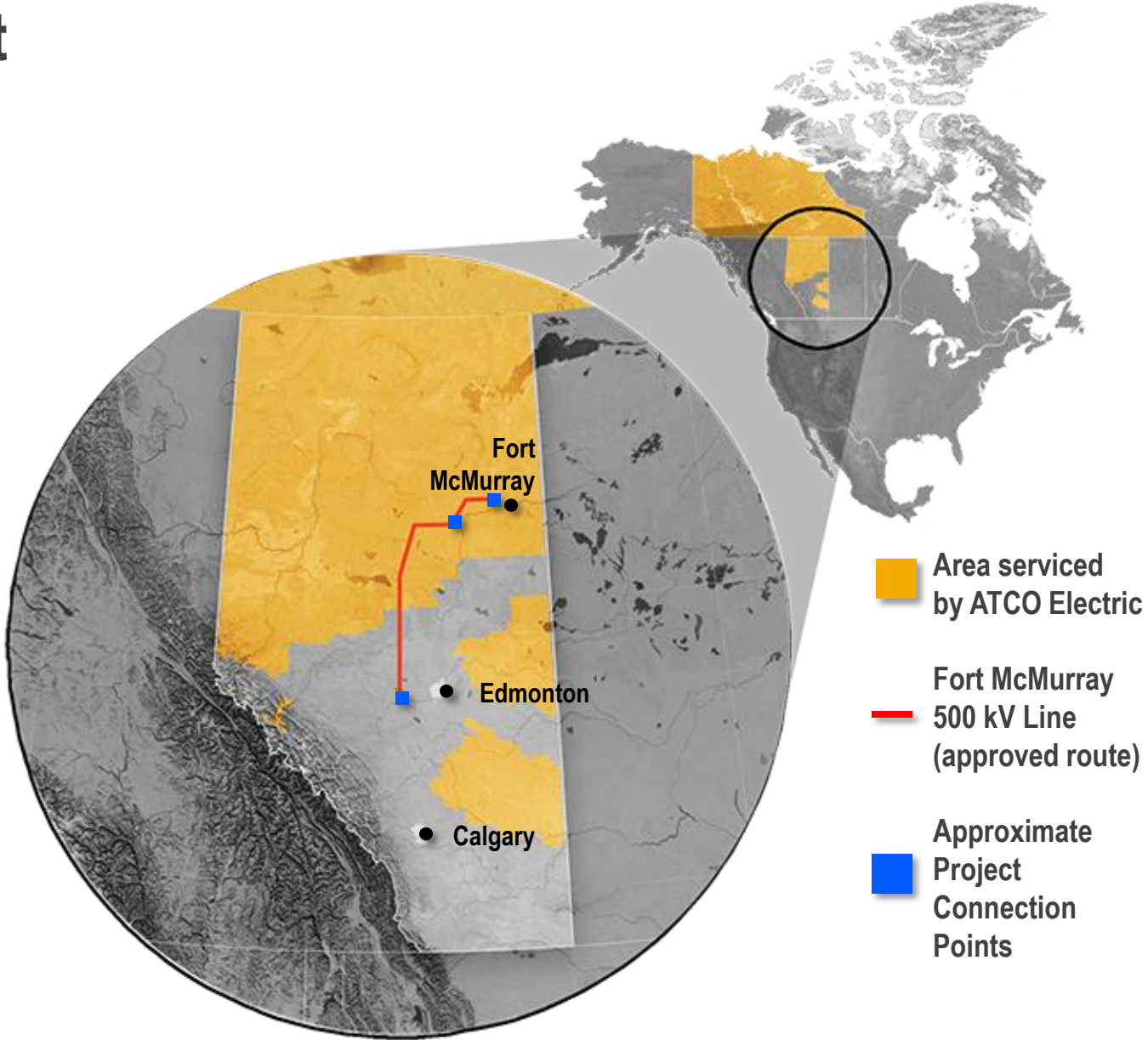
- In December 2017, Canadian Utilities Limited announced the acquisition of a long-term contracted, 35 MW hydroelectric power station based in Veracruz, Mexico.
- As a result of this \$114 million acquisition, the Company has increased its presence in the Mexican energy market, and expands its renewable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



ALBERTA POWERLINE

Fort McMurray West 500 kV Transmission Project

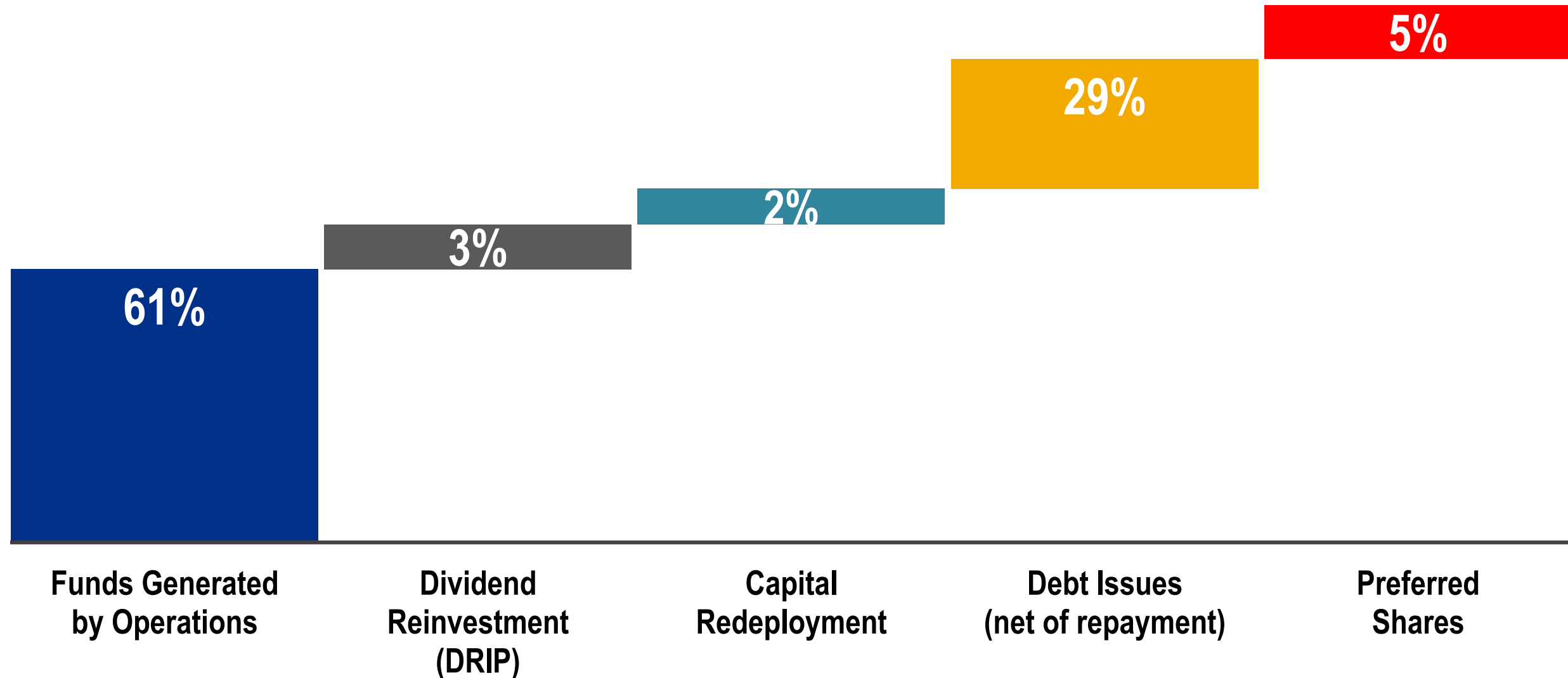
- The design and planning phases have been completed and construction commenced in August, 2017, keeping the target energization of June 2019 on track.
- On October 2, 2017, Alberta PowerLine closed the issuance of an aggregate of \$1.4 billion of bonds with maturities from June, 2032 to March, 2054.



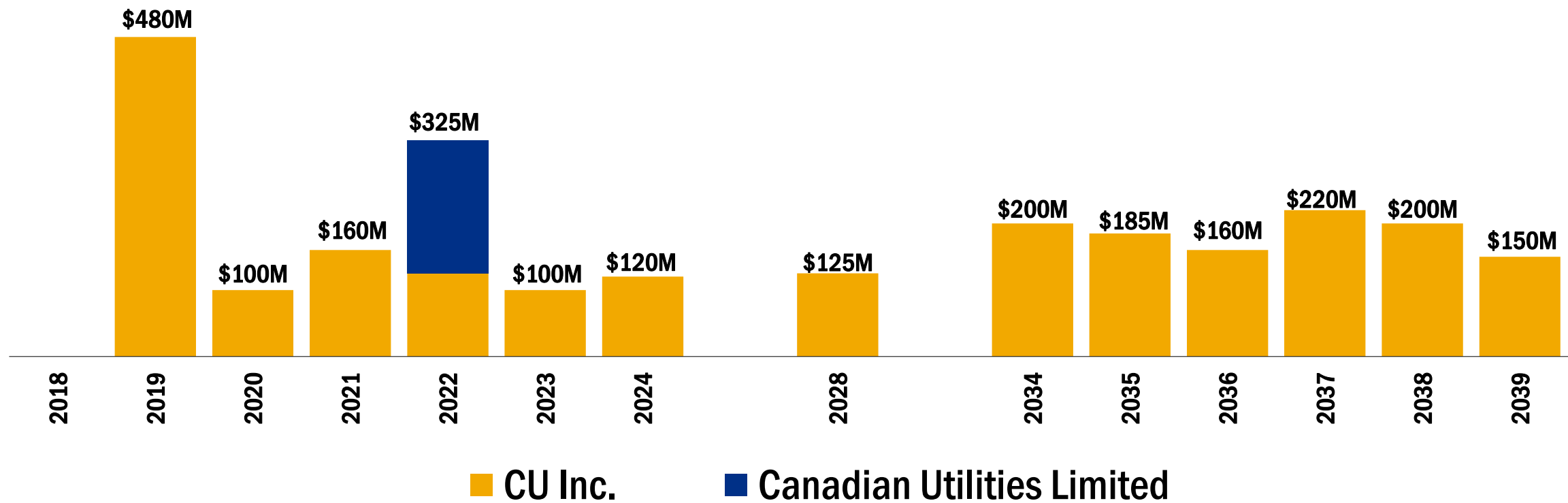
* More information is available at www.albertapowerline.com.

FINANCIAL STRENGTH: FUNDING SOURCES

Canadian Utilities Funding Sources 2011 – 2016

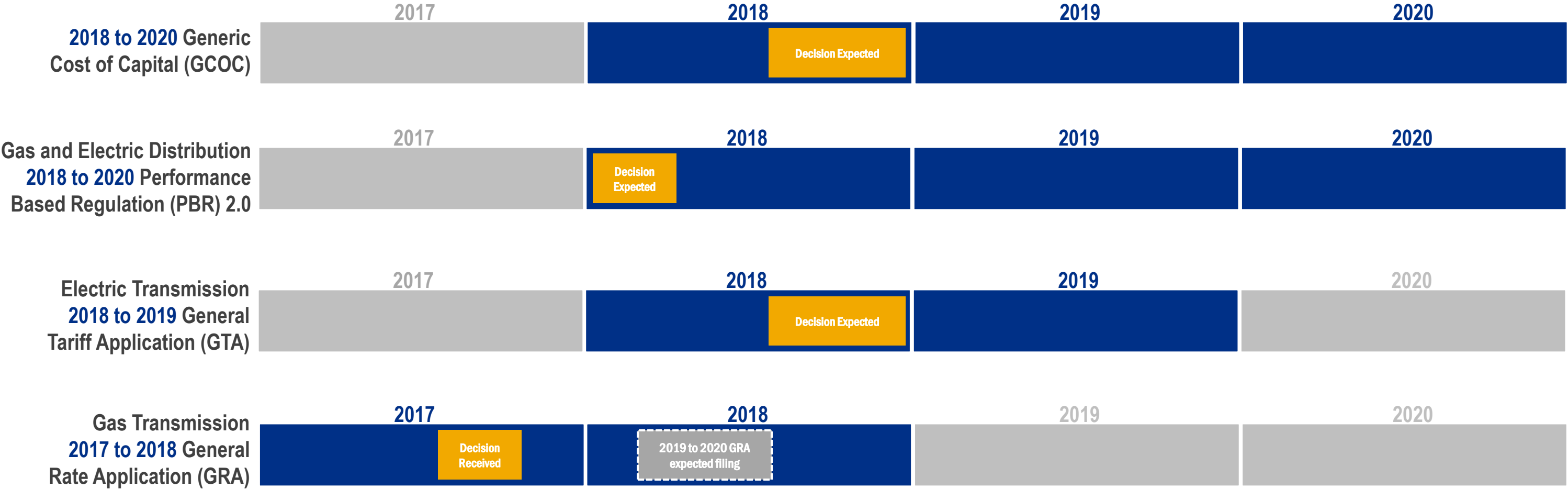


MANAGABLE DEBT MATURITY PROFILE

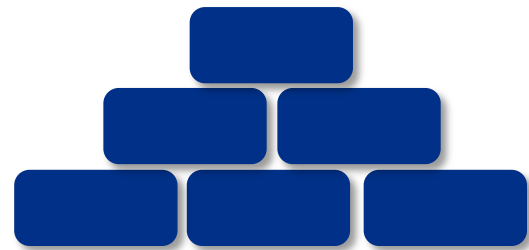


REGULATORY UPDATE

Getting back to prospective rate making



SUMMARY



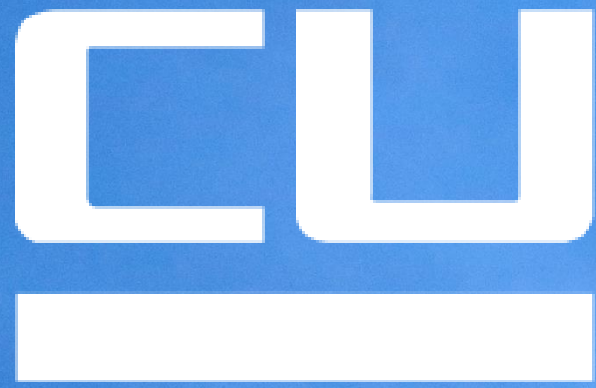
**GROWING A HIGH
QUALITY EARNINGS
BASE**



**FUTURE CAPITAL
INVESTMENT**



**FINANCIAL
STRENGTH**



CANADIAN
UTILITIES LIMITED

An **ATCO** Company

APPENDIX



PBR 2.0 HIGHLIGHTS

	PBR	PBR 2.0
Productivity Adjuster (X Factor)	1.16%	0.30%
O&M	Based on approved 2012 forecast O&M levels; inflated by I-X thereafter over the PBR term	Based on the lowest annual actual O&M level during 2013-2016, adjusted for anomalies, inflation and growth to 2017 dollars; inflated by I-X thereafter over the PBR term
Treatment of Capital Expenditures	<p>Recovered through going-in rates inflated by I-X</p> <p>Significant capital expenditures not fully recovered by the I-X formula and meeting certain criteria recovered through a K Factor</p>	<p>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</p> <p>Significant capital expenditures that are extraordinary, not previously incurred and required by a third party recovered through a "Type I" K Factor</p>
Efficiency Carry-over Mechanism (ECM)	ECM up to 0.5% additional ROE for the years 2018 and 2019 based on certain criteria	ECM up to 0.5% additional ROE for the years 2023 and 2024 based on certain criteria

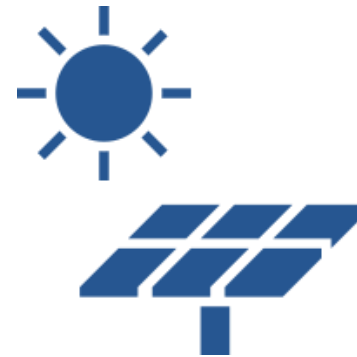
ALBERTA POWER MARKET DEVELOPMENTS



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

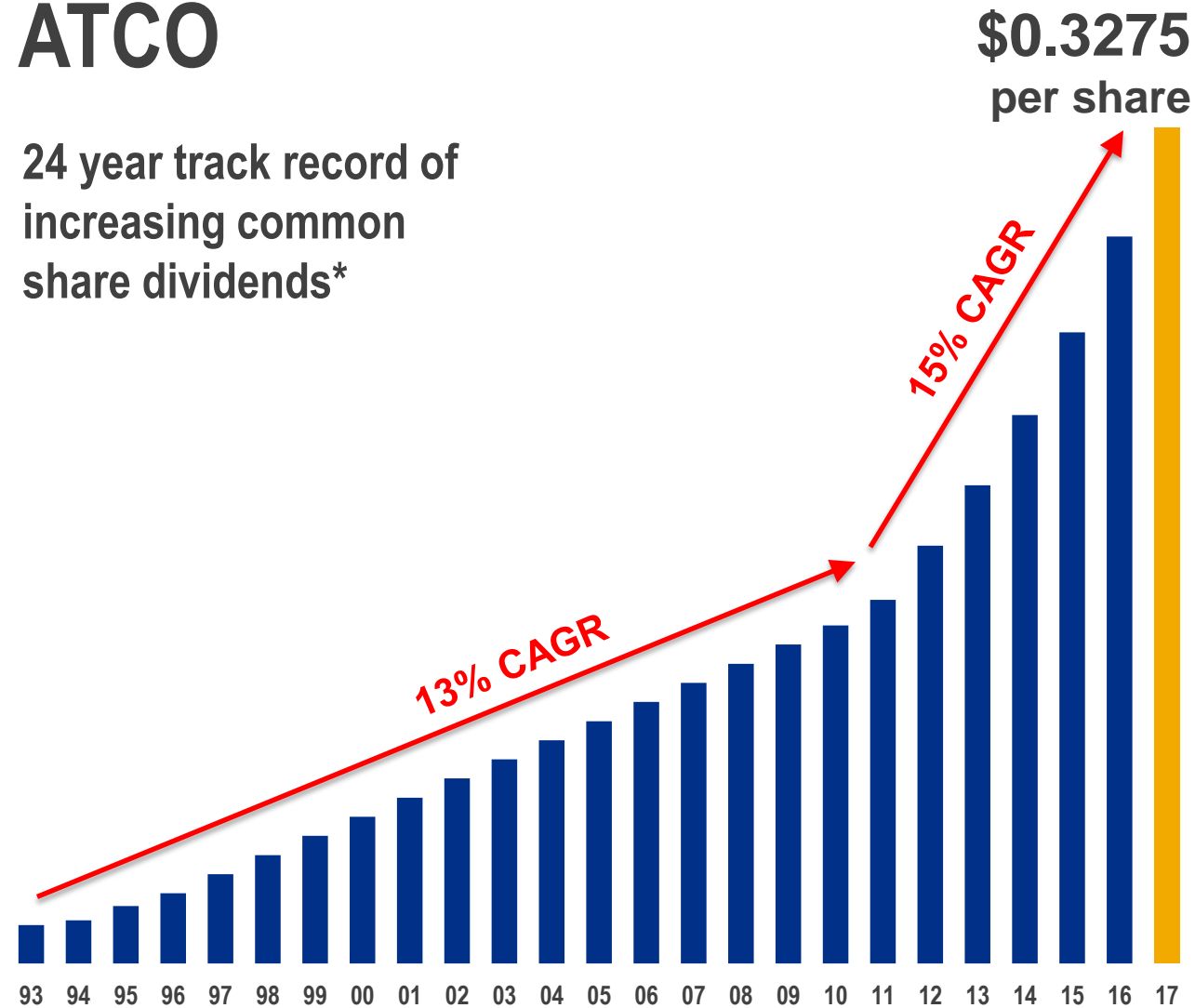
Carbon Tax

- **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

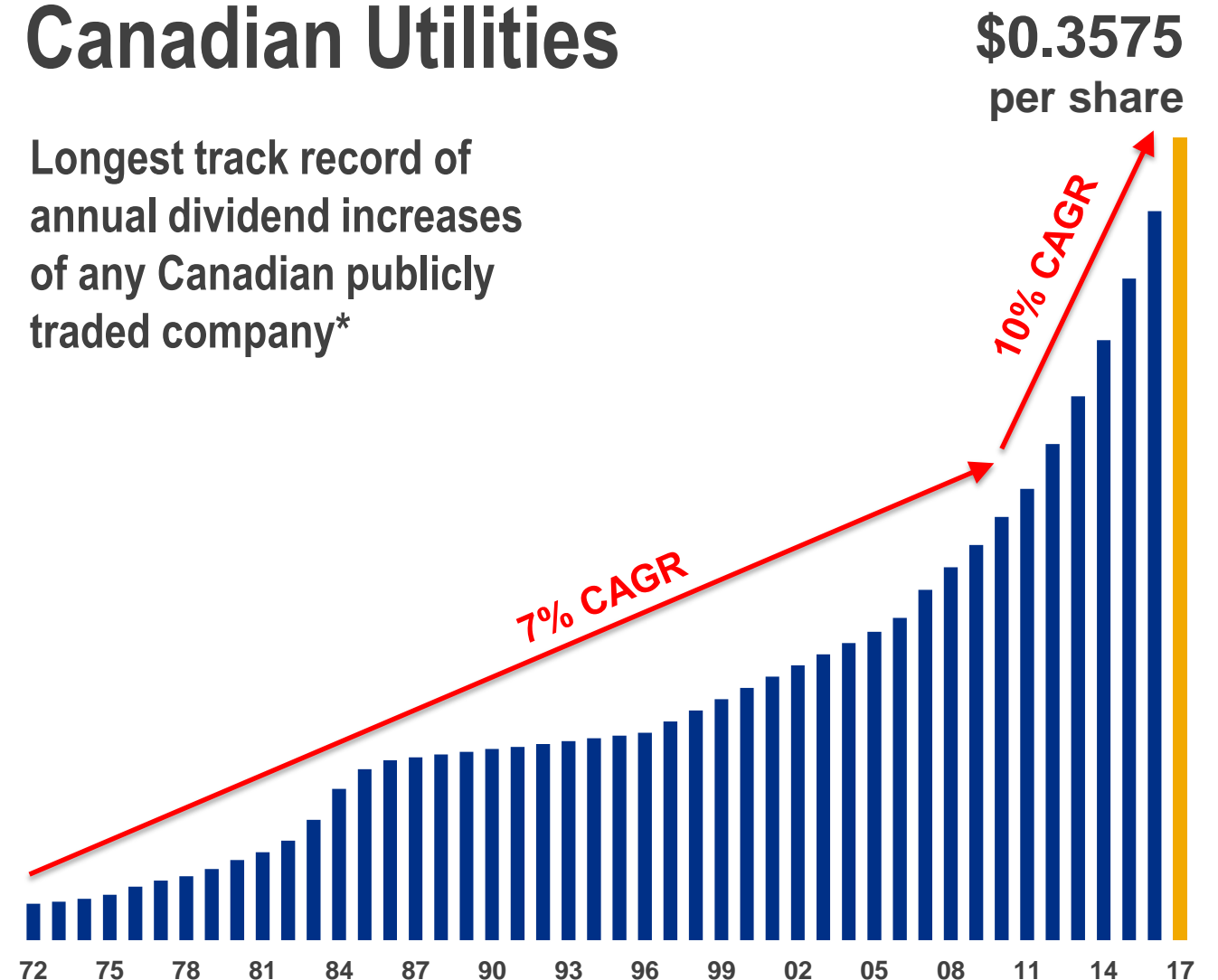
24 year track record of increasing common share dividends*



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

Canadian Utilities

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

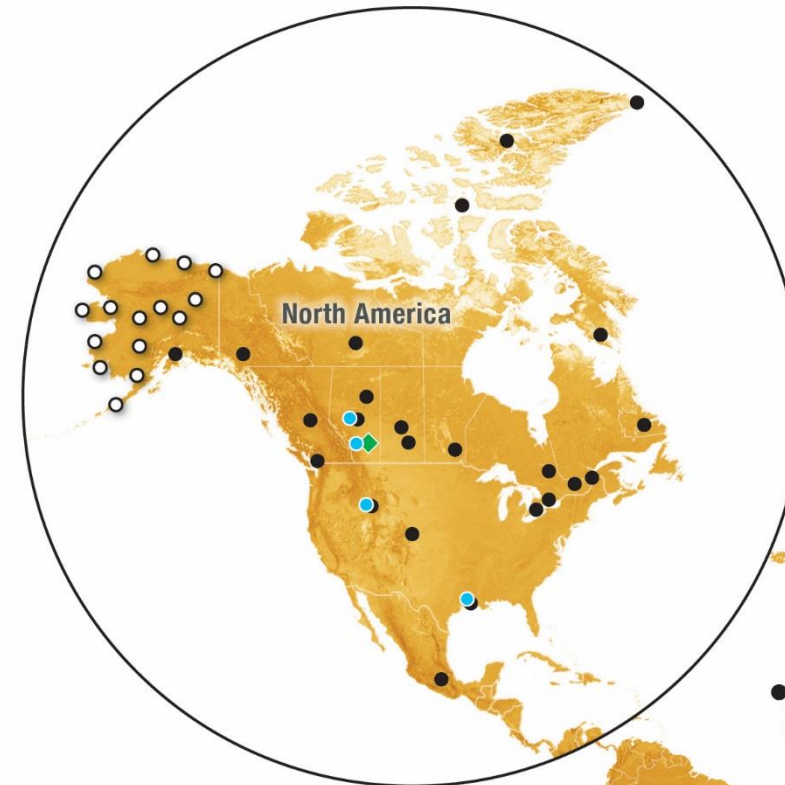


* On October 12, 2017, Canadian Utilities declared a fourth quarter dividend of \$0.3575 per share, or \$1.43 per share annualized.

STRUCTURES & LOGISTICS

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



With sales offices around the world and operations on four continents, ATCO Structures & Logistics has the expertise to rapidly deliver turnkey solutions anywhere they are needed.

- ◆ Global head office
- Manufacturing facilities
- Offices and/or operations
- Alaska Radar System sites



ELECTRICITY DISTRIBUTION & TRANSMISSION

We build, own and operate electrical distribution and transmission facilities

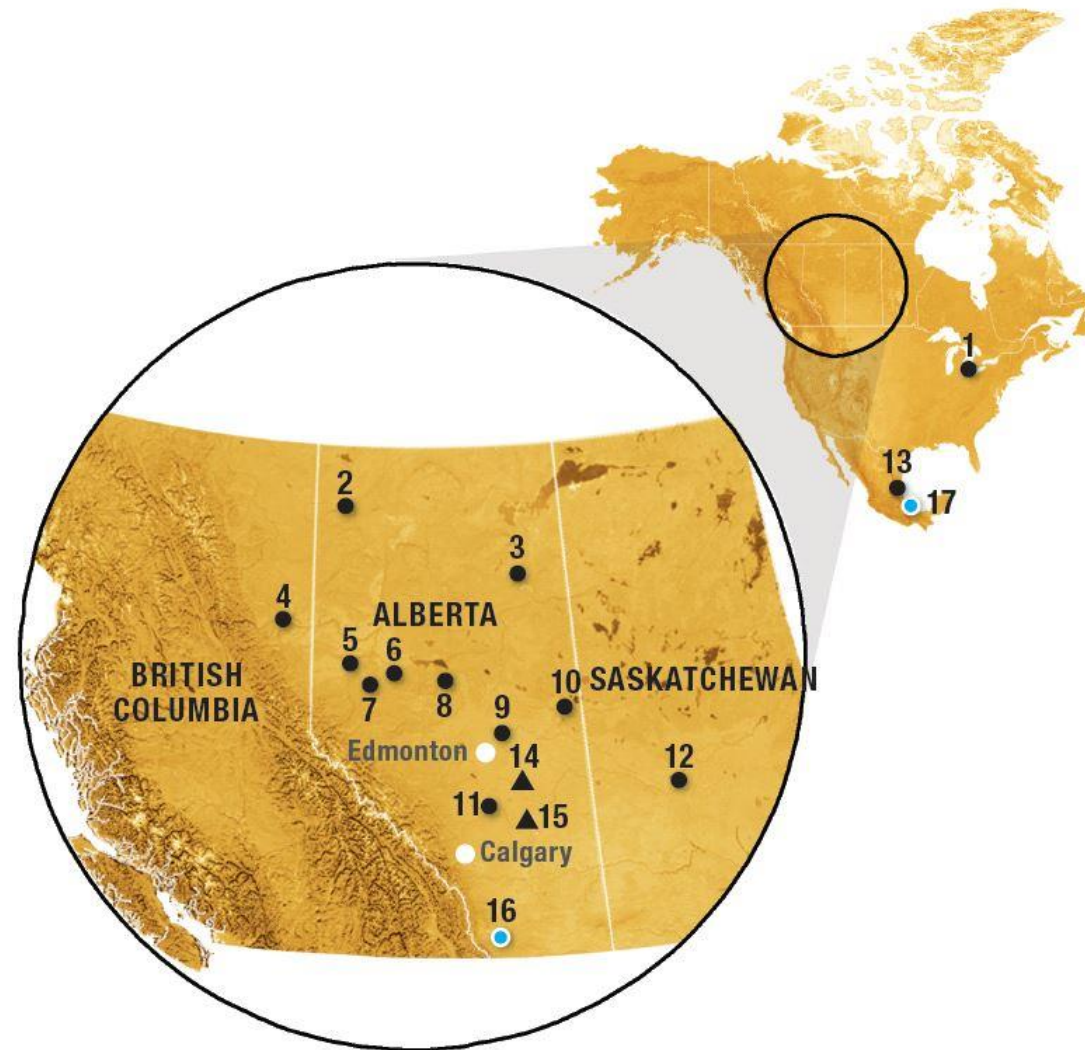
- 224,000 farm, business and residential customers in 245 Alberta communities
- Approximately 12,000 km of transmission lines and 72,000 km of distribution lines
- Subsidiaries:
 - ATCO Electric Yukon
 - Northland Utilities



ELECTRICITY GENERATION

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%)



Facility	Generating Capacity Owned (MW)
● NATURAL GAS	
1 Brighton Beach	290
2 Rainbow Lake 4 & 5	45
3 Muskeg River	119
4 McMahan	60
5 Poplar Hill	45
6 Valleyview 1 & 2	90
7 Karr	3
8 House Mountain	6
9 Scotford	170
10 Primrose	42
11 Joffre	192
12 Cory	130
13 San Luis Potosi	6
▲ COAL-FIRED	
14 Battle River 3, 4 & 5	689
15 Sheerness 1 & 2	395
● RUN-OF-RIVER HYDRO	
16 Oldman River	24
17 Veracruz	35
Total	2,341

ELECTRICITY GENERATION

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%)



◆ ATCO Power Australia Headquarters

● ATCO Power Australia Natural Gas Facilities

Facility	Generating Capacity Owned (MW)
1 Karratha	86
2 Osborne	90

NATURAL GAS DISTRIBUTION

We build, own and operate natural gas distribution facilities in Alberta

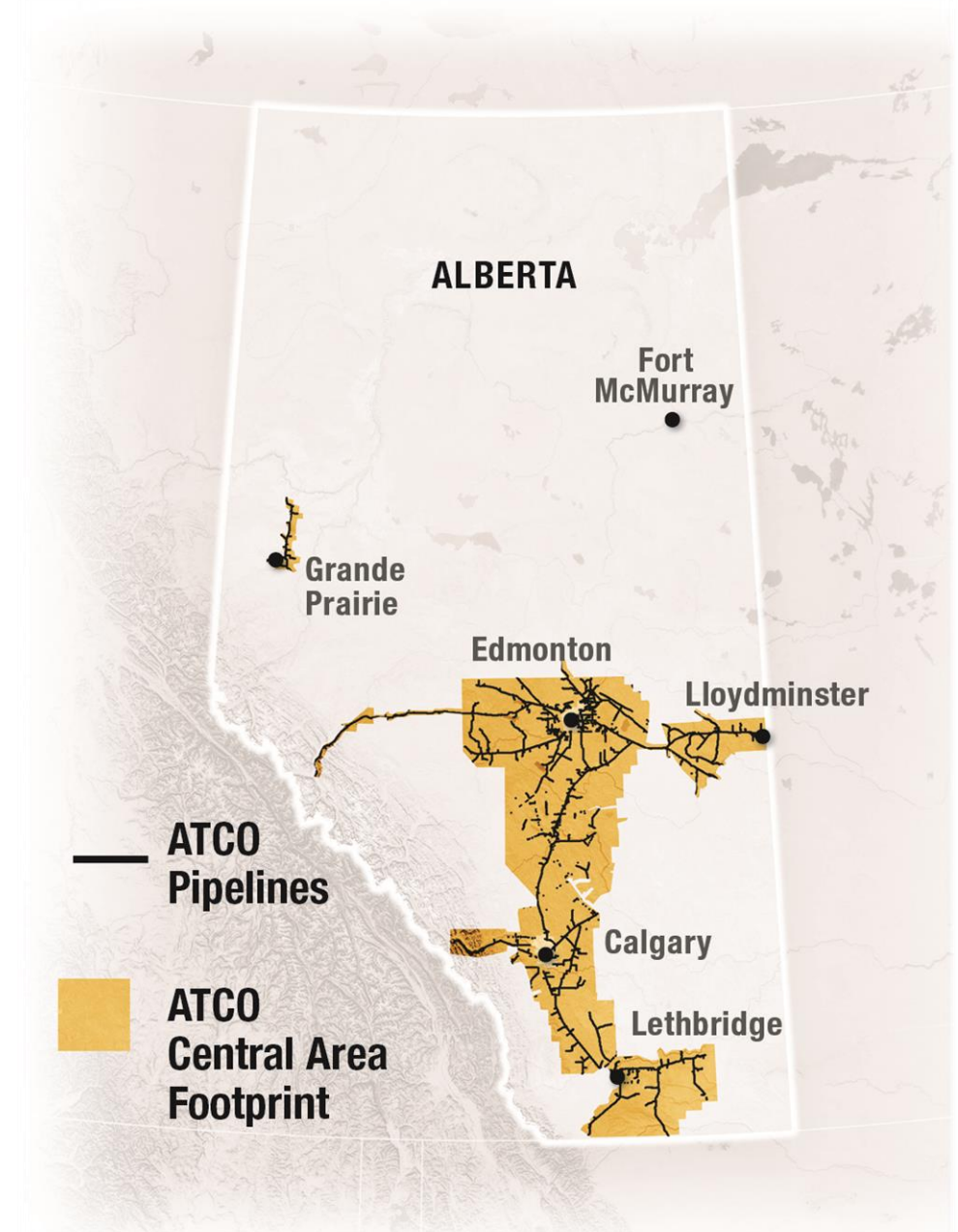
- Alberta's largest natural gas distribution company
- Serves more than 1.1 million customers in nearly 300 Alberta communities
- We build, maintain, and operate 41,000 km of natural gas distribution pipelines
- Utility rates among the lowest in Canada



NATURAL GAS TRANSMISSION

We build, own and operate key high-pressure natural gas transmission facilities in Alberta

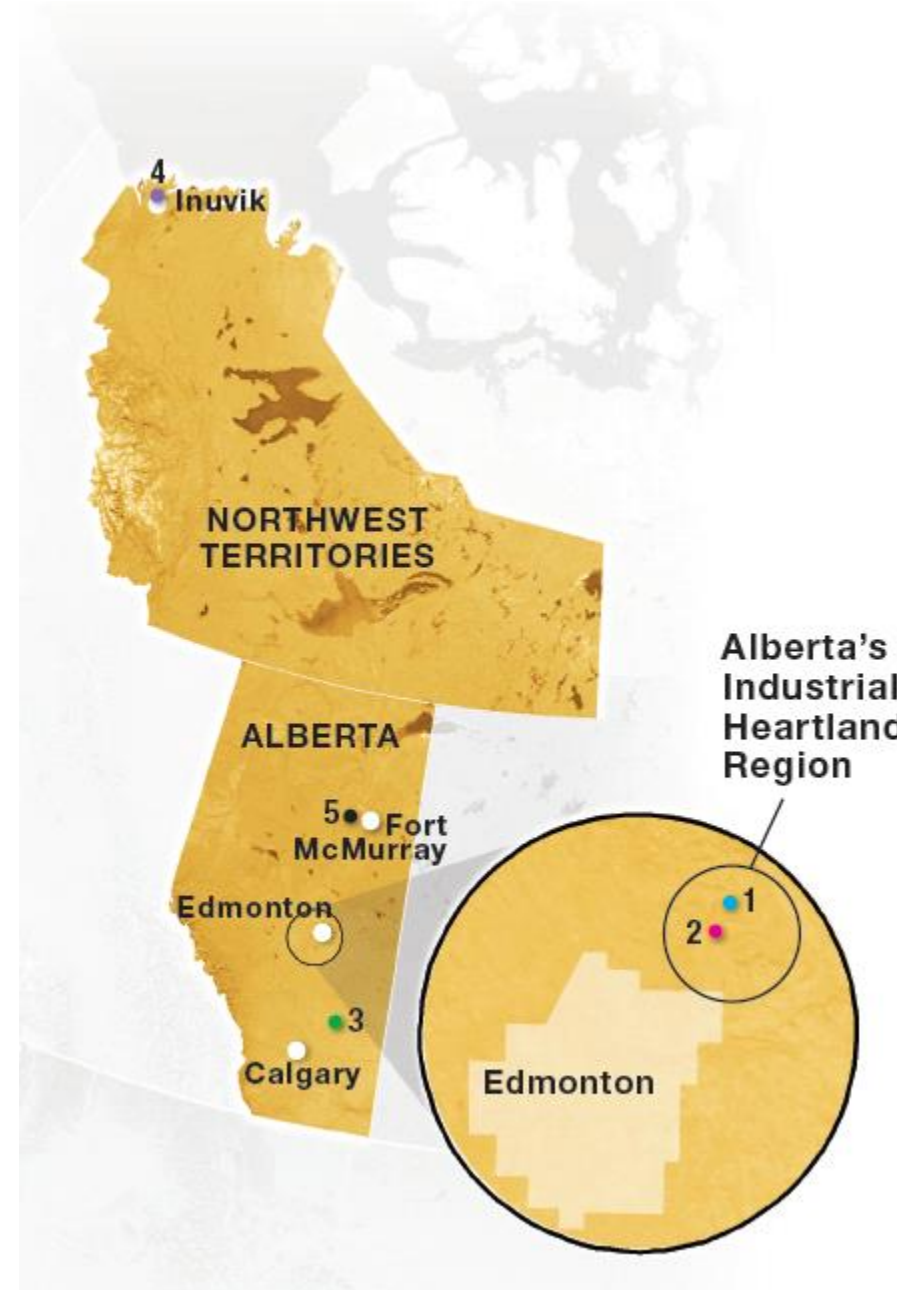
- Transports clean, efficient energy from producers and other pipelines to utilities, power generators and major industries
- Owns and operates 9,400 km of pipeline
- Delivers a peak of 3.8 billion cubic ft/day of natural gas to customers
- ~ 4,000 receipt and delivery points
- Interconnections facilitate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



STORAGE & INDUSTRIAL WATER

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
- 200,000 m³ hydrocarbon storage capacity
- 52 PJ natural gas storage capacity
- ~ 300 km pipelines
- 4 million cubic ft/day natural gas gathering and processing capacity

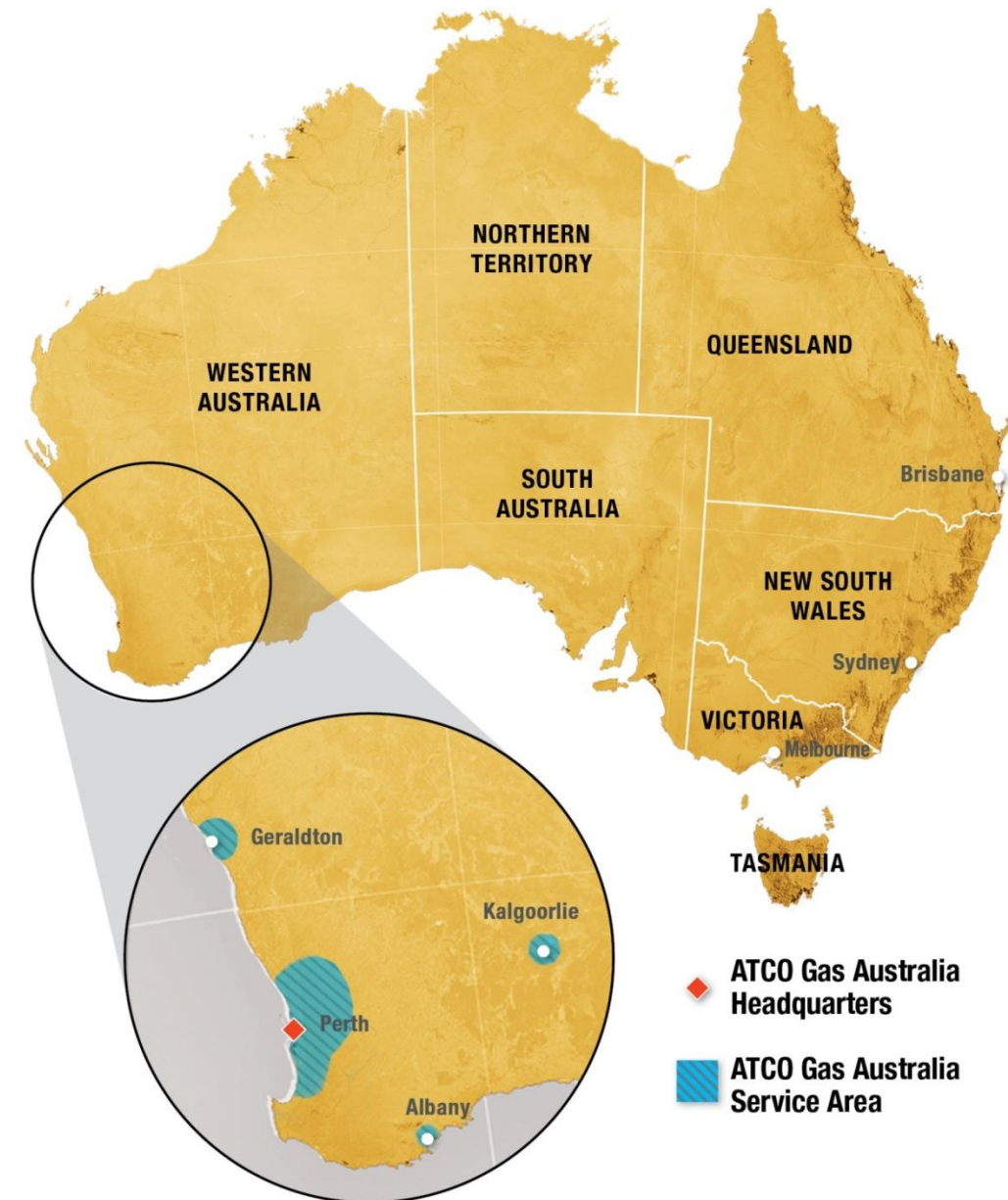


- INDUSTRIAL WATER SERVICES
 - 1 Alberta Heartland Industrial Water System
- HYDROCARBON STORAGE
 - 2 Salt Cavern Storage Facility
- NATURAL GAS STORAGE FACILITY
 - 3 Carbon Natural Gas Storage Facility
- GAS GATHERING & PROCESSING FACILITIES
 - 4 Ikhil Gas Plant
- NON-REGULATED NATURAL GAS TRANSMISSION
 - 5 Muskeg River Pipeline

INTERNATIONAL NATURAL GAS DISTRIBUTION

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





CANADIAN UTILITIES LIMITED

An **ATCO** Company

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