



**ATCO**

CIBC WHISTLER INSTITUTIONAL  
INVESTOR CONFERENCE

JANUARY 2019

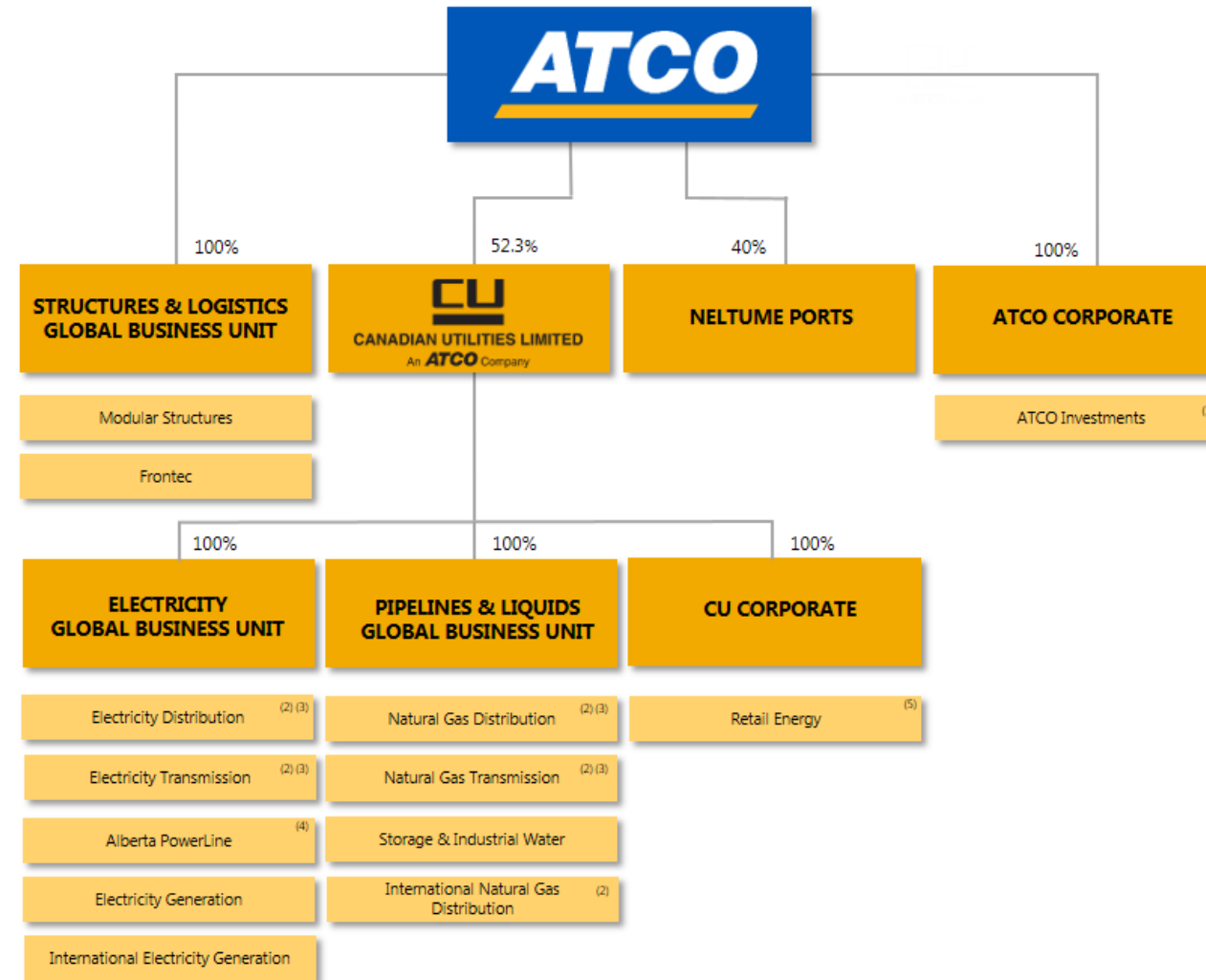
# LEGAL DISCLAIMER

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Statements made by representatives for ATCO Ltd. and Canadian Utilities Limited 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. and Canadian Utilities Limited disclaim 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.

# ORGANIZATIONAL STRUCTURE

With approximately 7,000 employees and assets of \$23 billion, ATCO is a diversified corporation providing sustainable, innovative and comprehensive energy solutions globally.



**ATCO**  
(TSX: ACO.X / ACO.Y)  
~\$4 billion common equity capitalization

**Canadian Utilities**  
(TSX: CU / CU.X)  
~\$9 billion common equity capitalization

**CU Inc.**  
~\$7.5 billion debt capitalization

1. ATCO Investments includes commercial real estate investments held for sale, lease or development.
2. Regulated businesses include Natural Gas Distribution, Natural Gas Transmission, International Natural Gas Distribution, Electric Distribution, and Electric Transmission.
3. Canadian Utilities' 100 per cent owned subsidiary CU Inc. includes Natural Gas Distribution, Natural Gas Transmission, Electric Distribution, and Electric Transmission.
4. Alberta PowerLine General Partner Ltd. is the general partner of Alberta PowerLine Limited Partnership (Alberta PowerLine or APL), a partnership between Canadian Utilities Limited (80 per cent) and Quanta Services, Inc. (20 per cent).
5. Retail Energy, through ATCOenergy, was launched in early 2016 to provide retail, commercial and industrial electricity and natural gas service in Alberta.

# ATCO FOCUS: GLOBAL ESSENTIAL SERVICES





**ATCO**

# CANADIAN UTILITIES

ENERGY INFRASTRUCTURE

# REGULATED UTILITIES



ELECTRIC TRANSMISSION  
\$5,227M Rate Base



ELECTRIC DISTRIBUTION  
\$2,476M Rate Base



NATURAL GAS DISTRIBUTION  
\$2,537M Rate Base



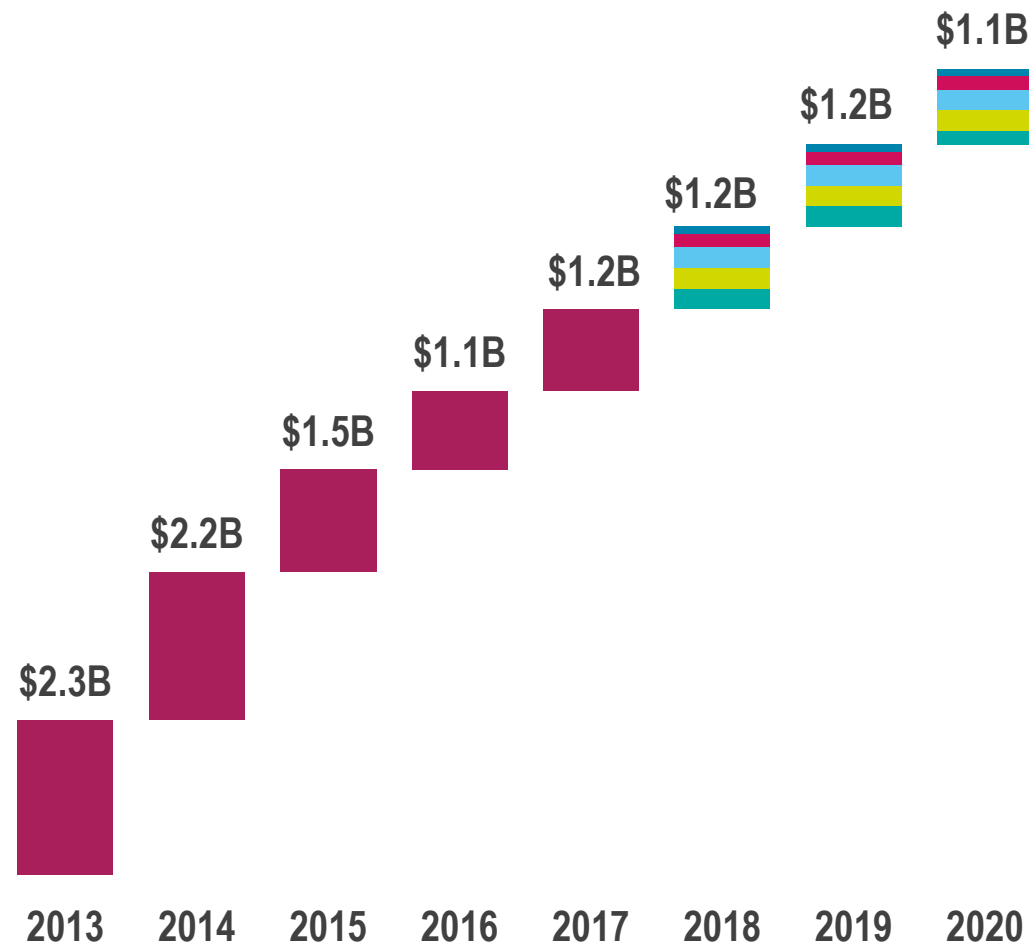
NATURAL GAS TRANSMISSION  
\$1,633M Rate Base



INTERNATIONAL NATURAL GAS  
DISTRIBUTION  
\$1,177M Rate Base

# RATE BASE GROWTH

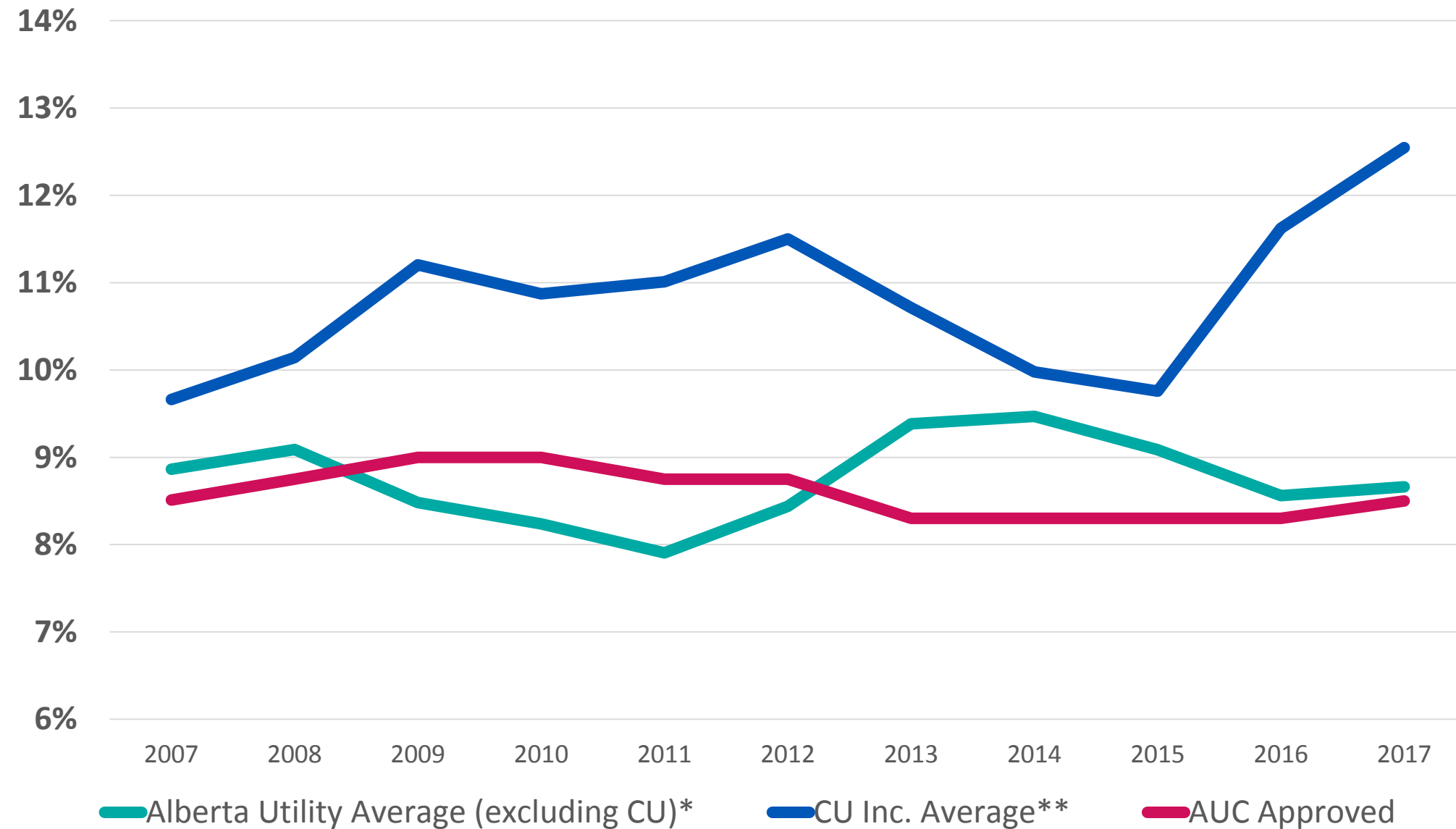
Regulated Capital Investment



Mid-Year Rate Base  
Expected to Grow 4% - 5% per year



# UTILITIES ACHIEVE TOP TIER RETURNS ON EQUITY



**CU Inc. ROE +2.33% on average above AUC approved ROE from 2007-2017**

- 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.



# NON-REGULATED BUSINESSES



**ELECTRICITY GENERATION  
CANADA  
2,300 MW**



**ELECTRICITY GENERATION  
AUSTRALIA  
176 MW**



**ELECTRICITY GENERATION  
MEXICO  
46 MW**



**INDUSTRIAL WATER SOLUTIONS  
CANADA  
85,200 m<sup>3</sup>/day**



**HYDROCARBON STORAGE  
CANADA  
400,000 m<sup>3</sup>**



**NATURAL GAS STORAGE  
CANADA  
52 PJ**

# MEXICO EXPANSION

## 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; contracted to build 26 MW of natural gas cogeneration



Facility Type	Generating Capacity Owned (MW)
● Distributed Generation	11 MW
● Hydroelectric Generation	35 MW
● Cogeneration	26 MW

# ELECTRICITY GENERATION: COAL TO GAS CONVERSION

## 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.



Battle River Generating Station



Sheerness Generating Station

# ATCO CREDIT RATINGS

**DBRS**



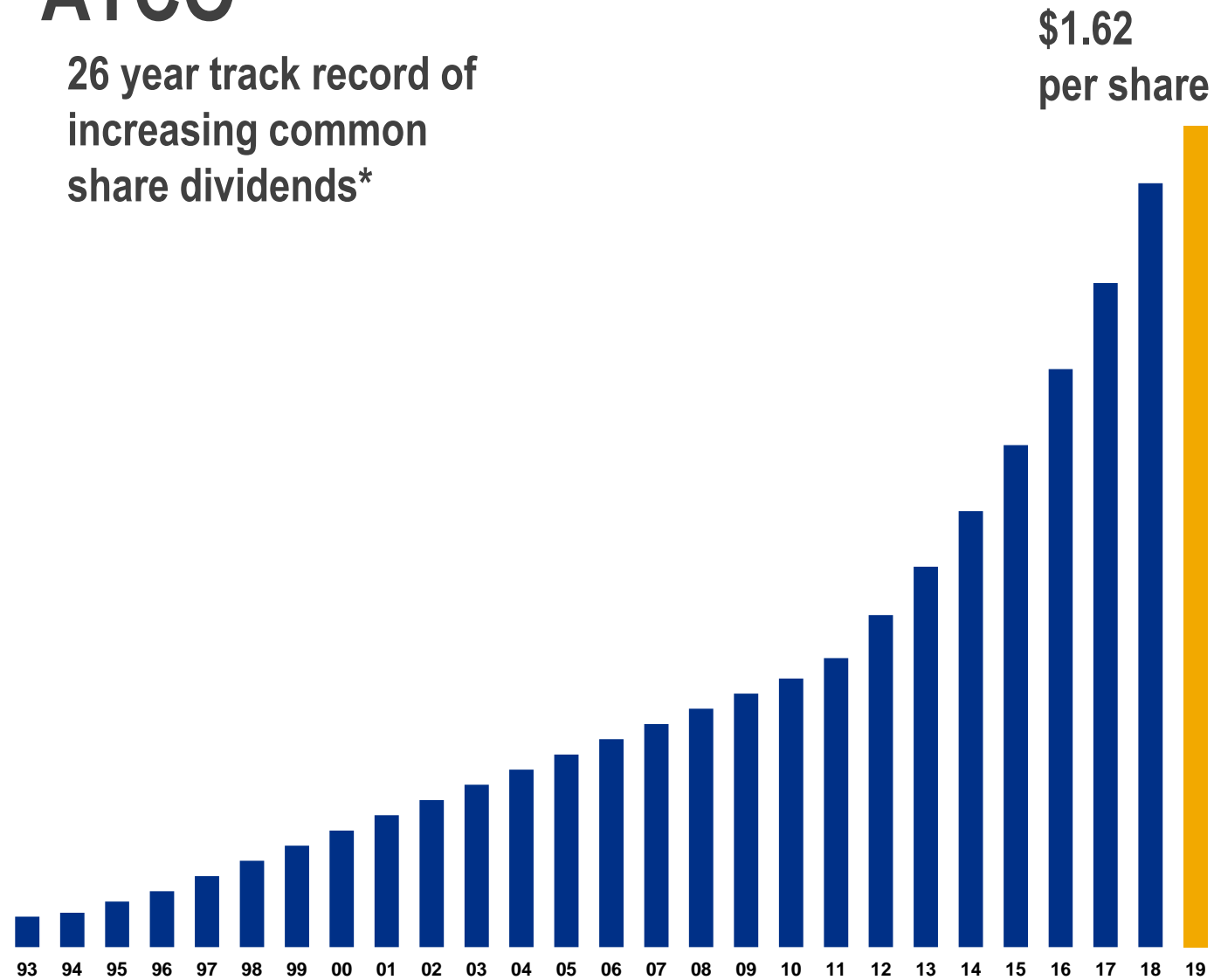
**S&P**



# CONTINUED DIVIDEND GROWTH

## ATCO

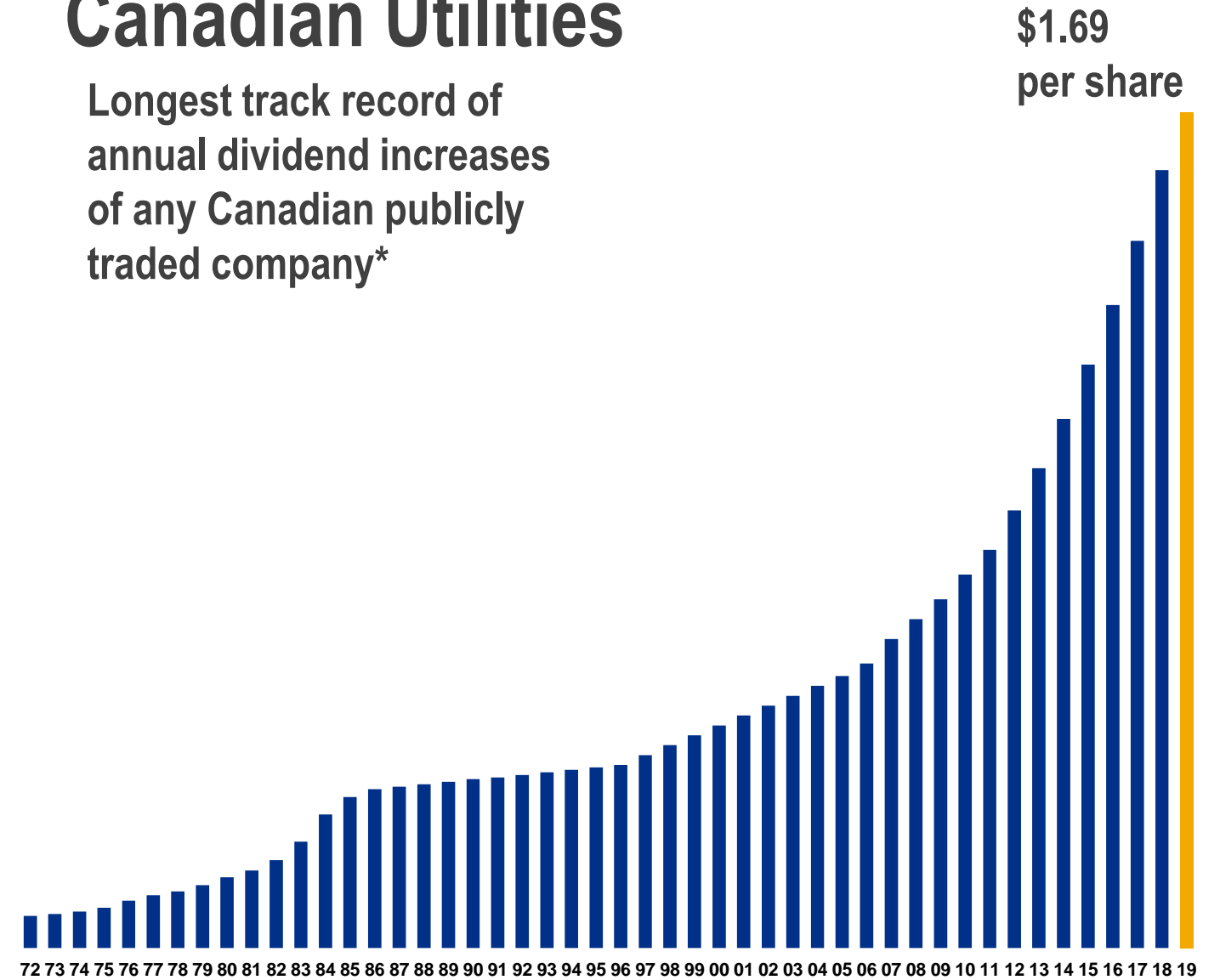
26 year track record of increasing common share dividends\*



\* On January 10, 2019, ATCO declared a first quarter dividend of \$0.4048 per share, or \$1.62 per share annualized.

## Canadian Utilities

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



\*On January 10, 2019, Canadian Utilities declared a first quarter dividend of \$0.4227 per share, or \$1.69 per share annualized.