



ATCO

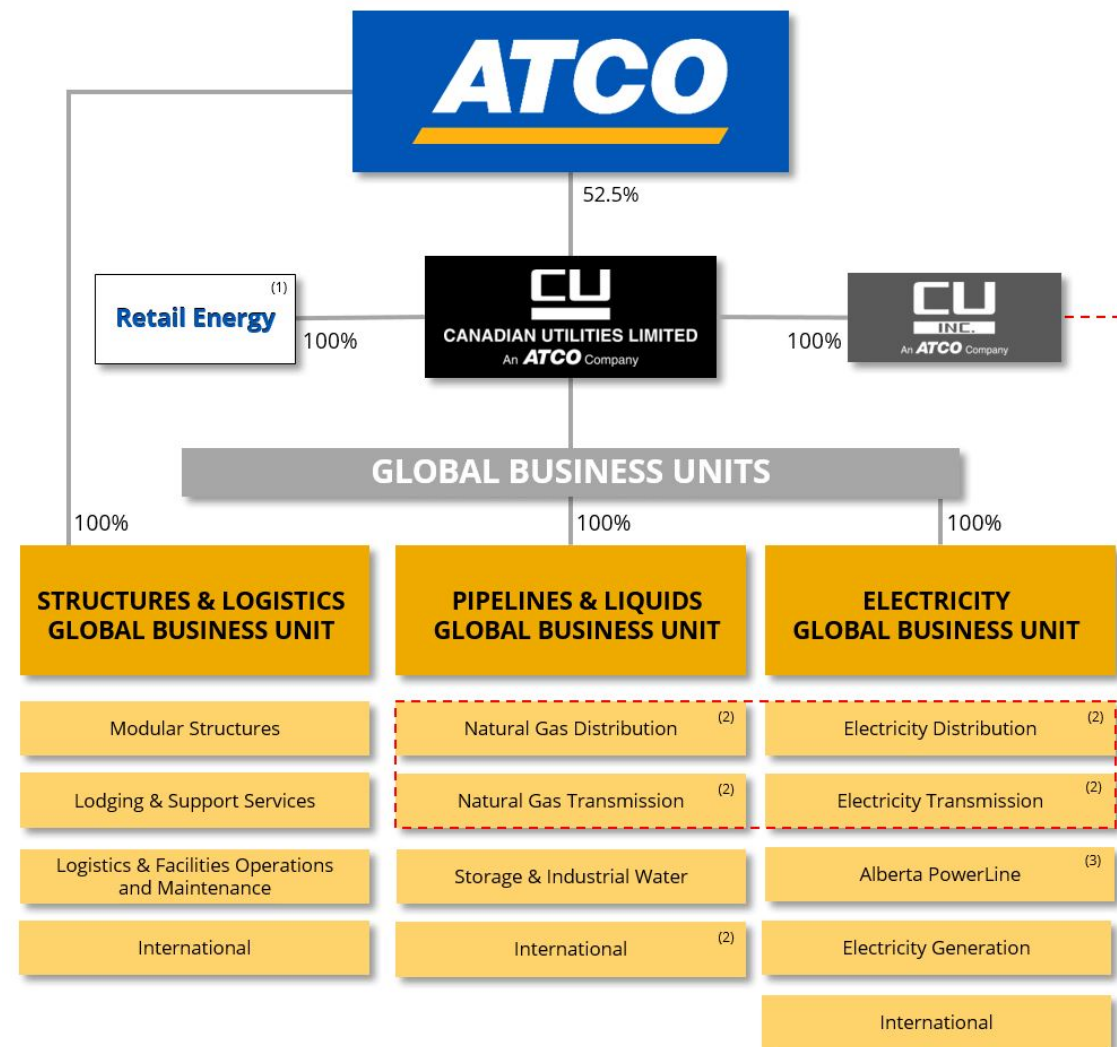
INVESTOR PRESENTATION

JUNE 2018

LEGAL DISCLAIMER

Statements made by representatives for ATCO Ltd. and Canadian Utilities Limited and information provided in this presentation JUNE be considered forward-looking statements. By their nature, such statements are subject to numerous known and unknown risks and uncertainties and therefore actual results JUNE 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



¹ Retail Energy was launched in early 2016 to provide retail, commercial and industrial electricity and natural gas service in Alberta.

² Regulated operations include ATCO Gas, ATCO Pipelines, ATCO Gas Australia, ATCO Electric Distribution, and ATCO Electric Transmission.

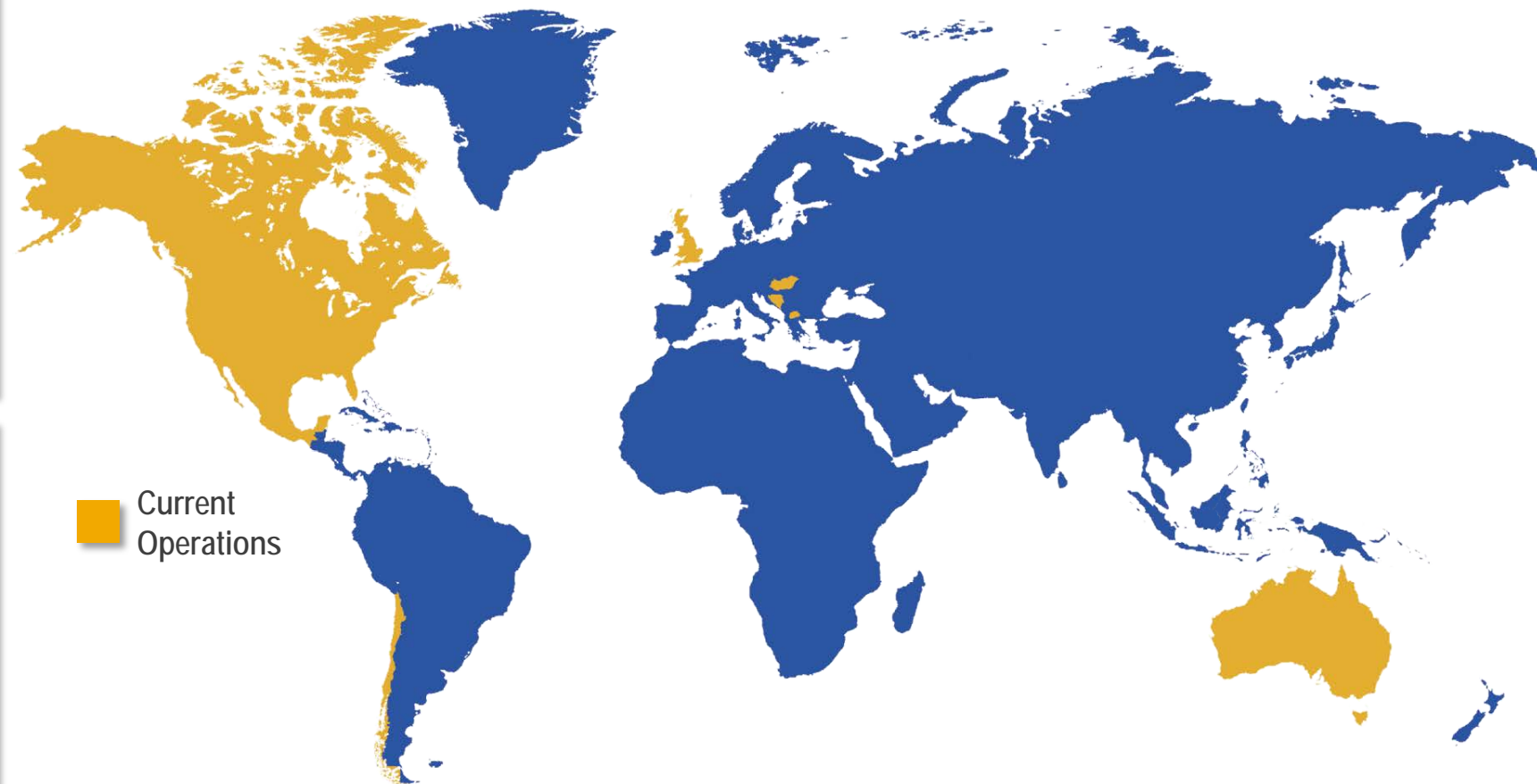
³ Alberta PowerLine General Partner Ltd. is the general partner of Alberta PowerLine Limited Partnership (Alberta PowerLine or APL), a partnership between Canadian Utilities Limited (80 per cent) and Quanta Services, Inc. (20 per cent).

THE ATCO GROUP OF COMPANIES

With approximately 7,000 employees and assets of \$22 billion, ATCO is a diversified corporation providing sustainable, innovative and comprehensive energy solutions globally.

Structures & Logistics

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



Electricity

- 87,000 kms of electric power lines
- 19 power plants globally
- 2,517 MW power generating capacity

Pipelines & Liquids

- 64,500 kms of pipelines
- 85,200 m³/d water infrastructure capacity
- 52 PJ natural gas storage capacity
- 400,000 m³ hydrocarbon storage capacity

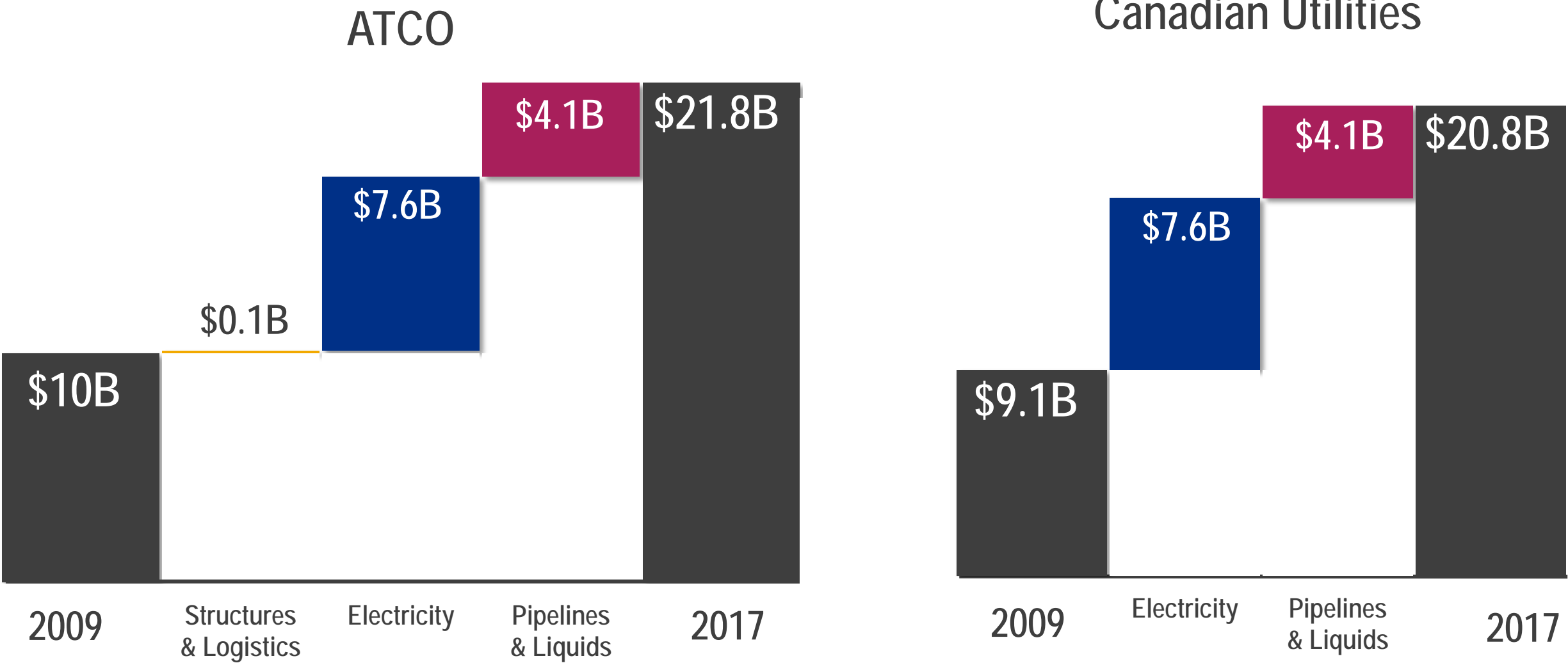
ATCO
(TSX: ACO.X / ACO.Y)
~\$5 billion common equity capitalization

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

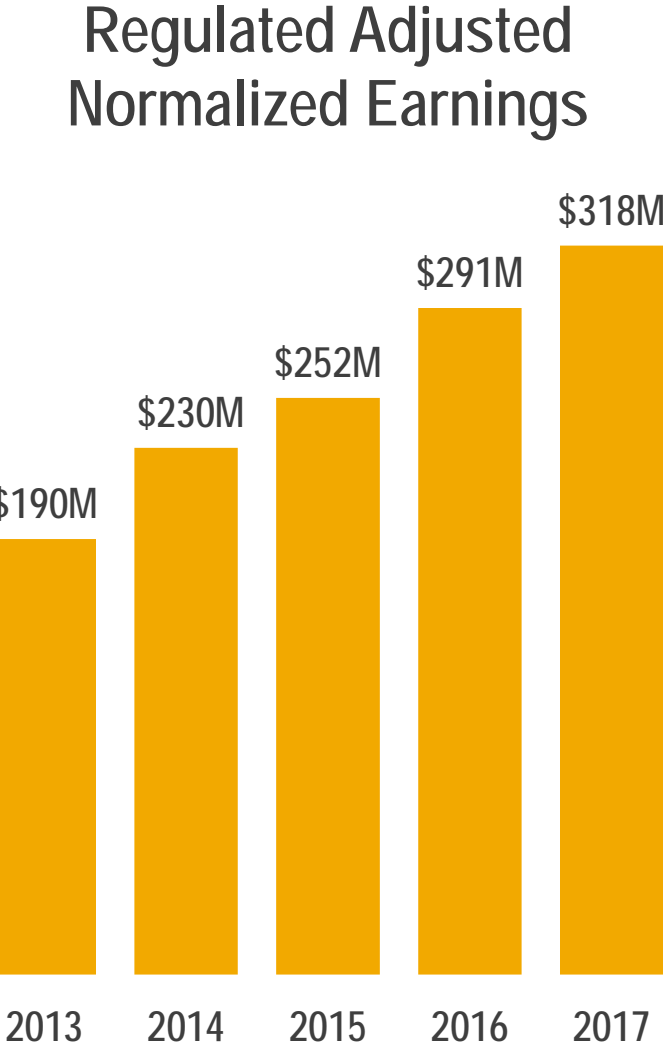
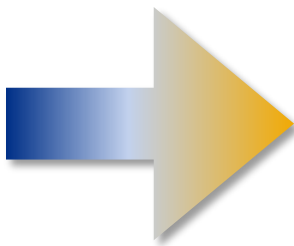
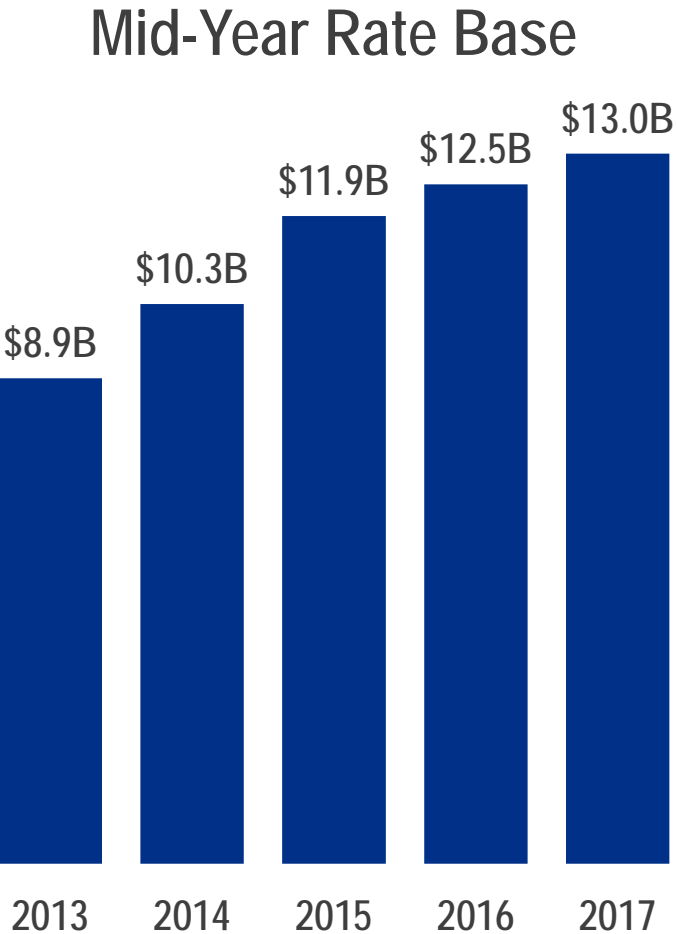
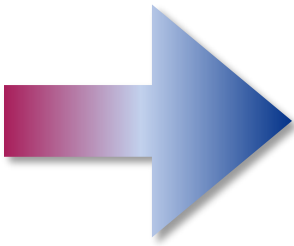
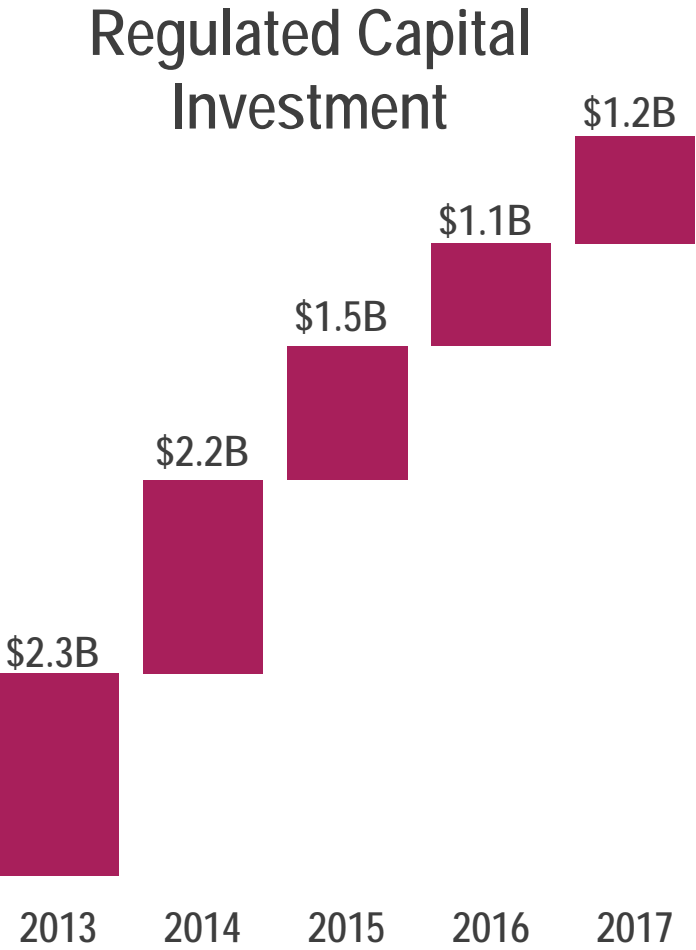
CU Inc.
~\$7.5 billion debt capitalization

ASSET GROWTH

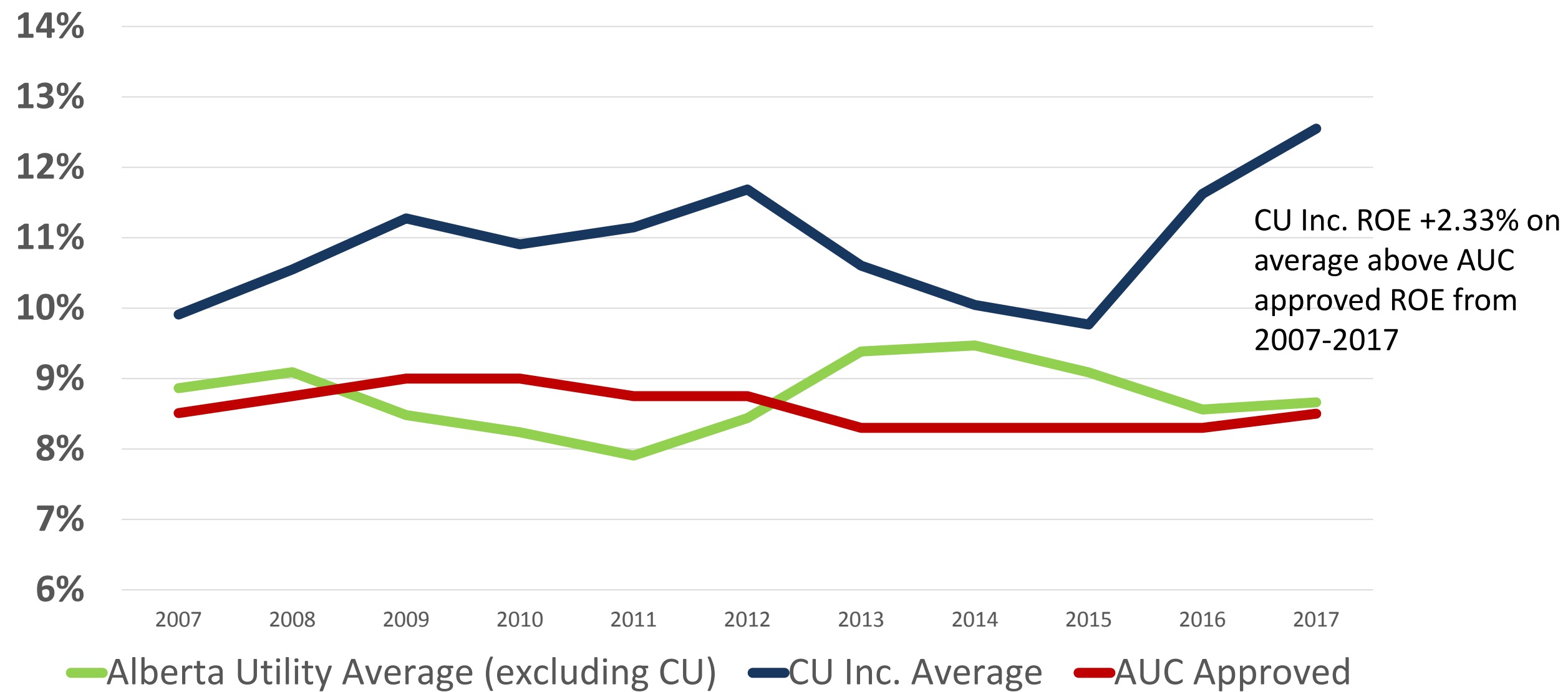
We have more than doubled in size since 2009



REGULATED UTILITY GROWTH



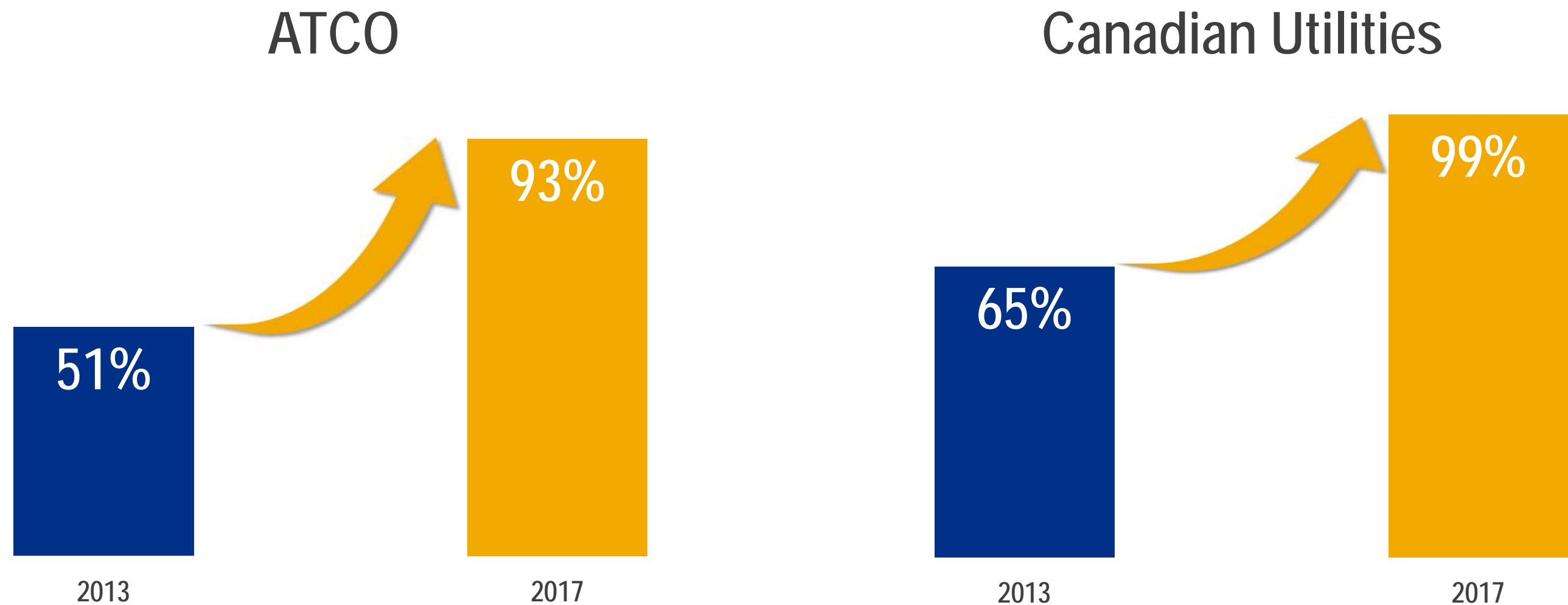
UTILITIES ACHIEVE TOP TIER RETURNS ON EQUITY



• 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.

GROWING A HIGH QUALITY EARNINGS BASE

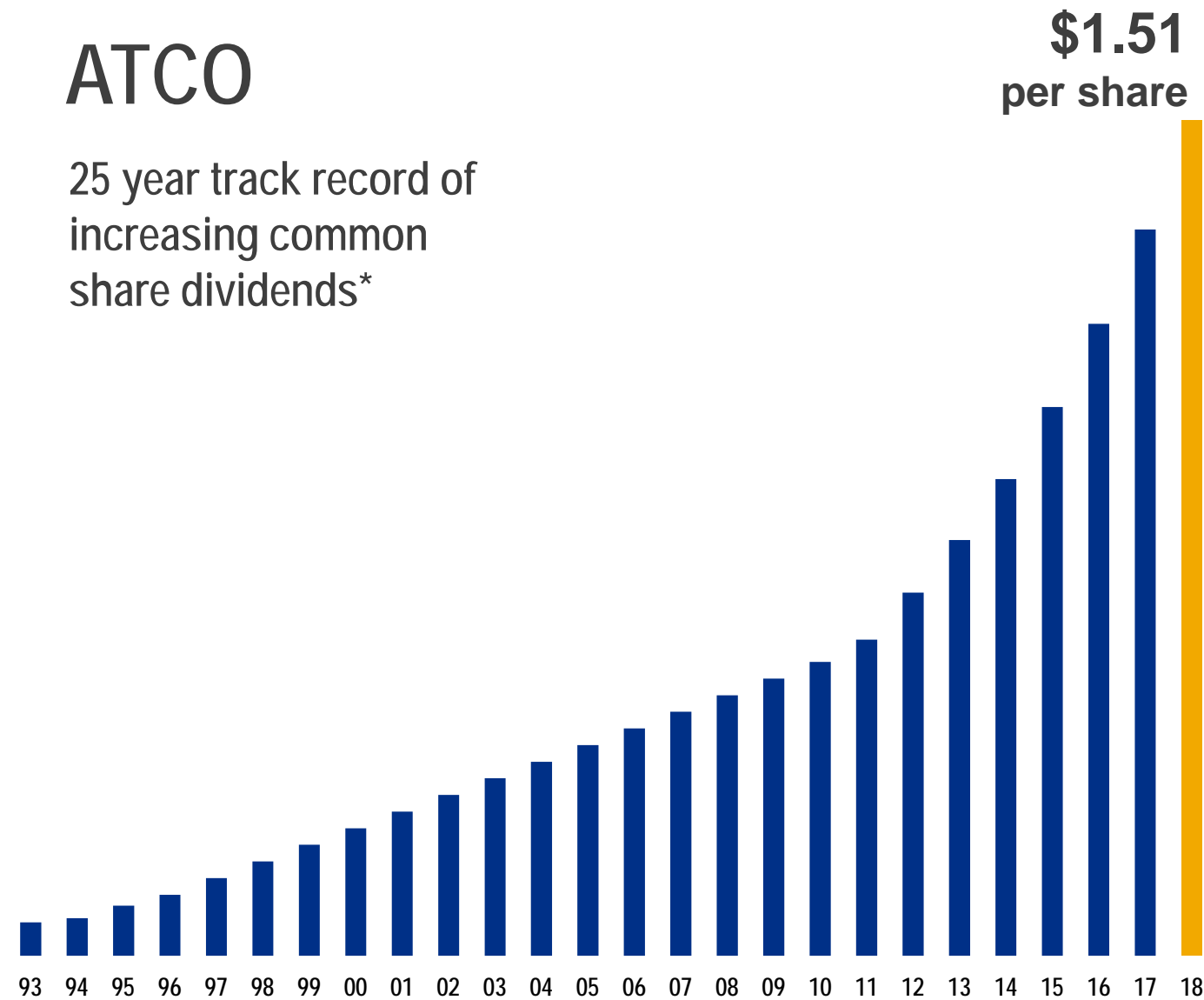
REGULATED ADJUSTED EARNINGS AS A PERCENTAGE OF TOTAL ADJUSTED EARNINGS



CONTINUED DIVIDEND GROWTH

ATCO

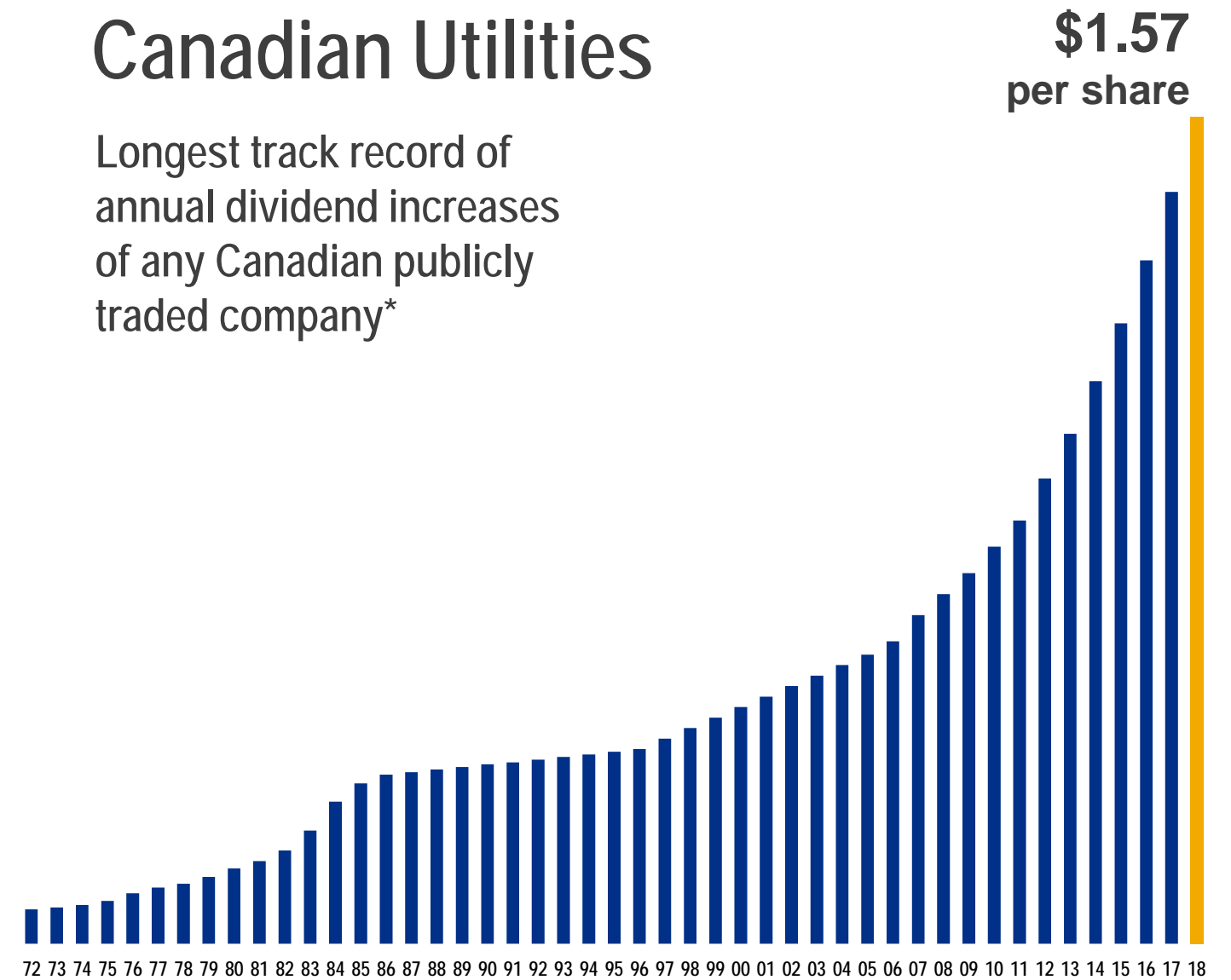
25 year track record of increasing common share dividends*



*On April 4, 2018, ATCO declared a second quarter dividend of \$0.3766 per share, or \$1.51 per share annualized.

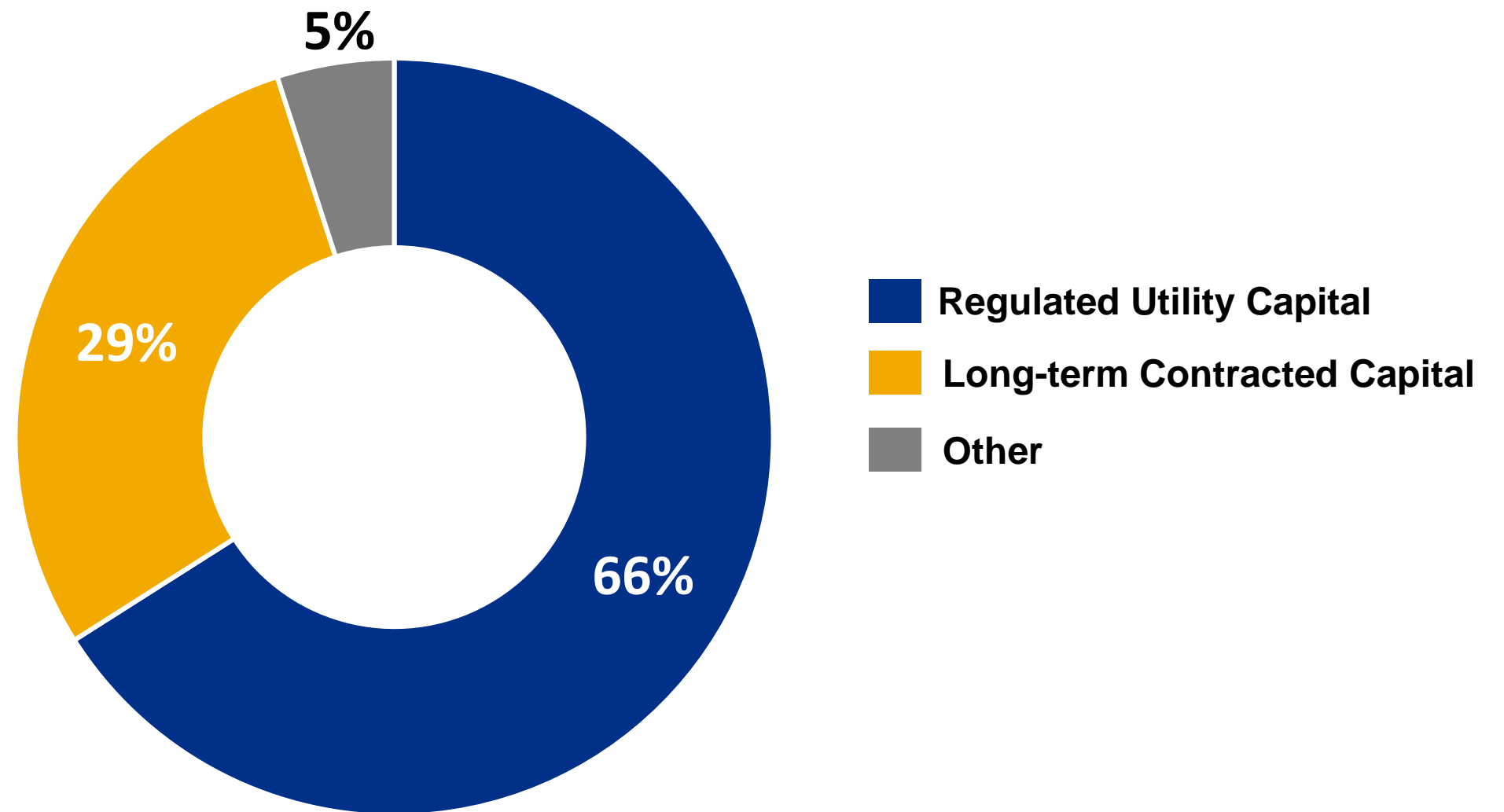
Canadian Utilities

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



*On April 4, 2018, Canadian Utilities declared a second quarter dividend of \$0.3933 per share, or \$1.57 per share annualized.

GROWTH: \$1.8B OF CAPITAL INVESTMENT IN 2017



CONTINUED REGULATED UTILITY CAPITAL INVESTMENT



ELECTRIC TRANSMISSION
\$211M



ELECTRIC DISTRIBUTION
\$227M



NATURAL GAS DISTRIBUTION
\$372M

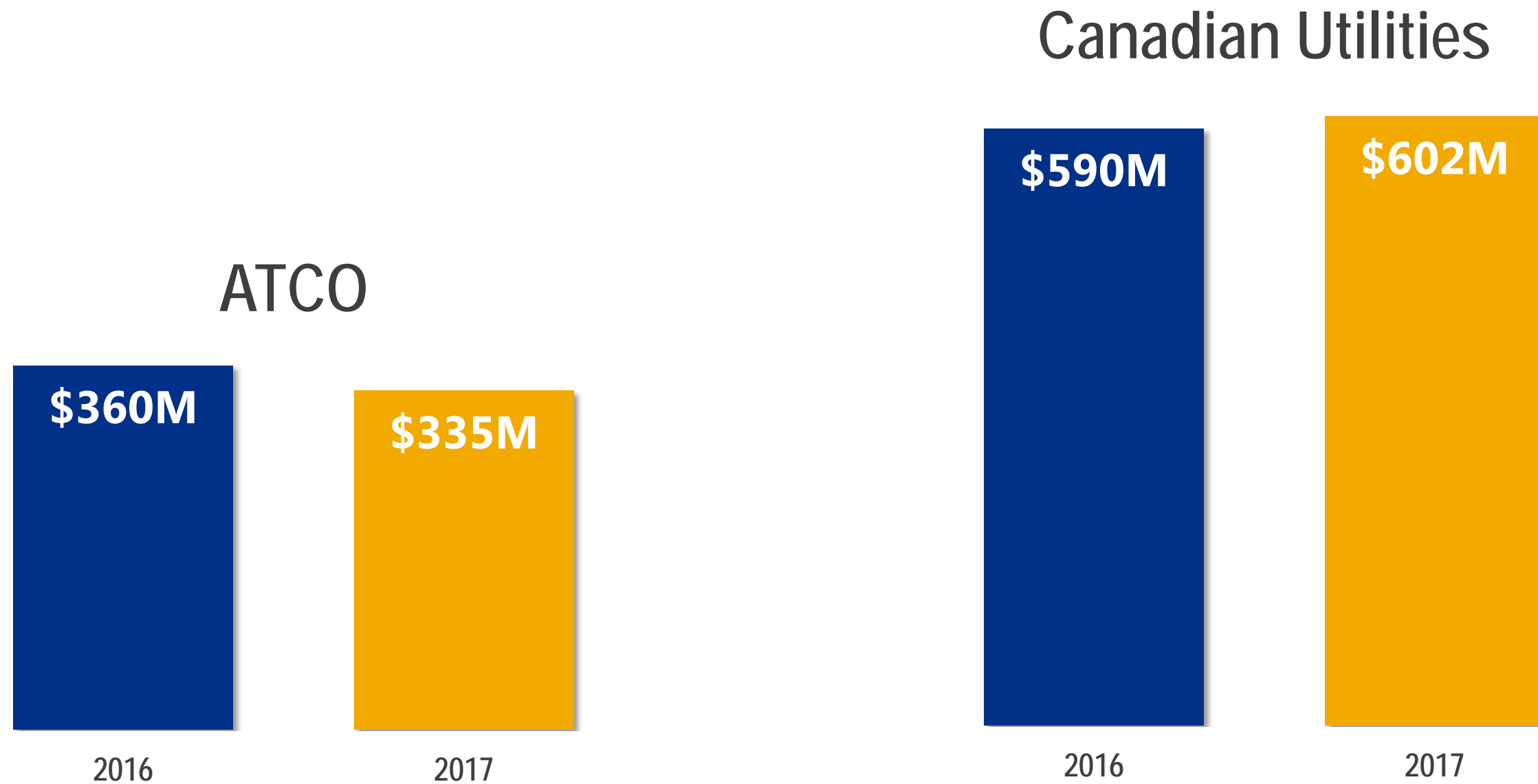


NATURAL GAS TRANSMISSION
\$297M



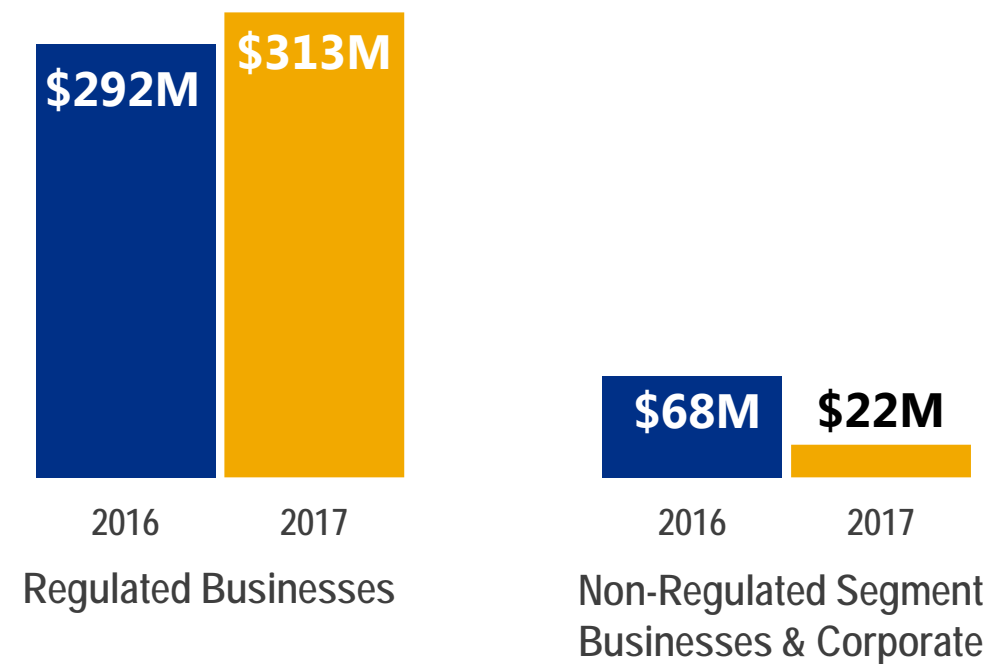
INTERNATIONAL NATURAL GAS DISTRIBUTION
\$92M

2017 ADJUSTED EARNINGS

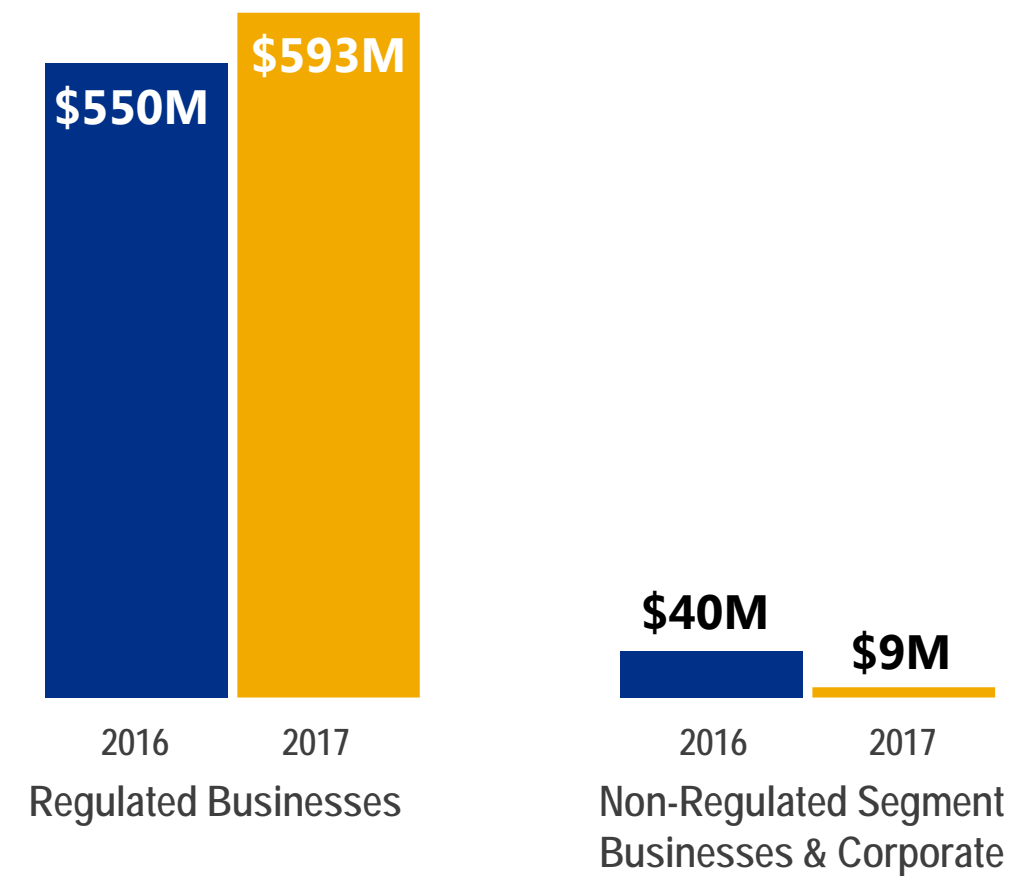


REGULATED EARNINGS GROWTH IN 2017

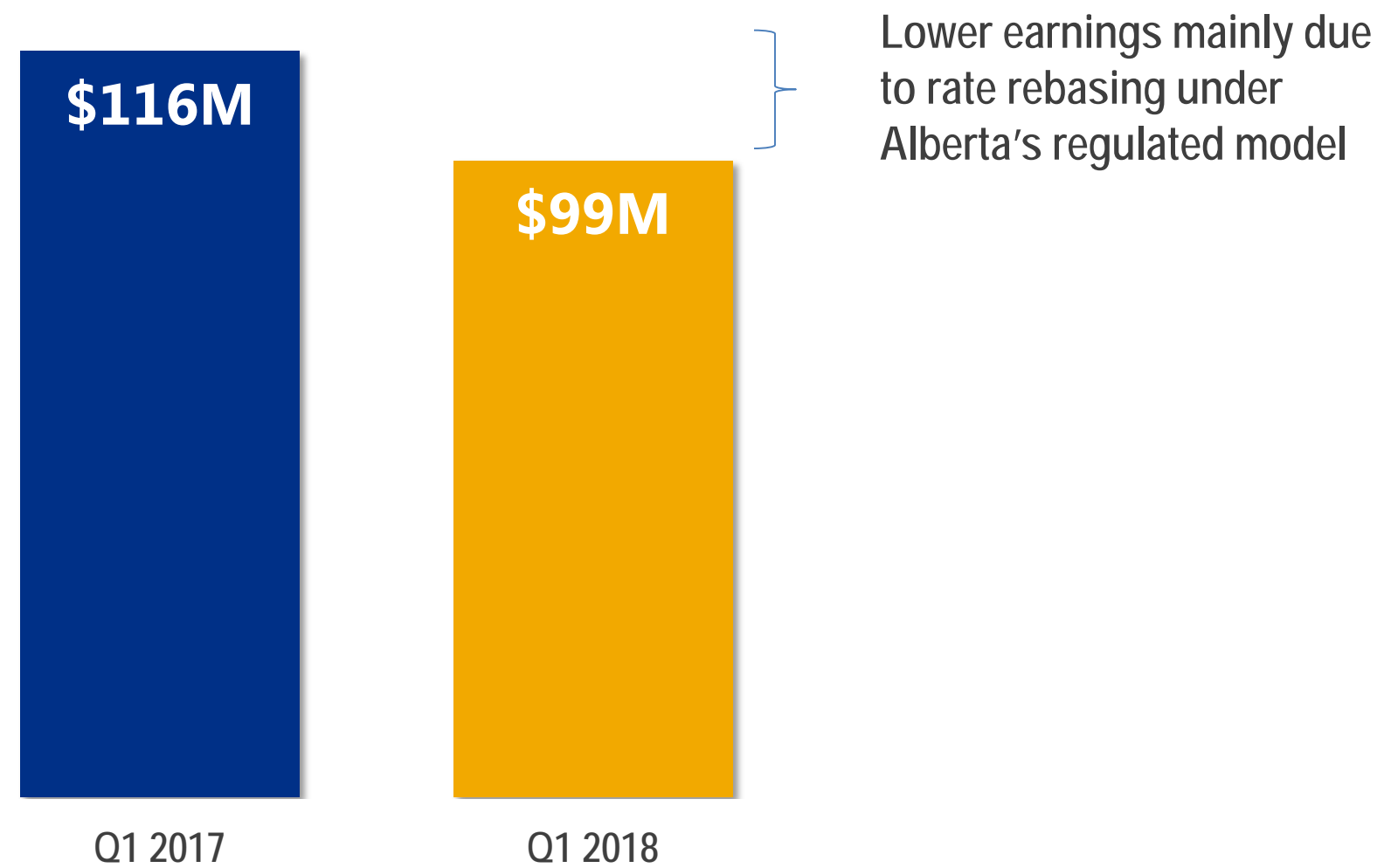
ATCO Adjusted Earnings



Canadian Utilities Adjusted Earnings

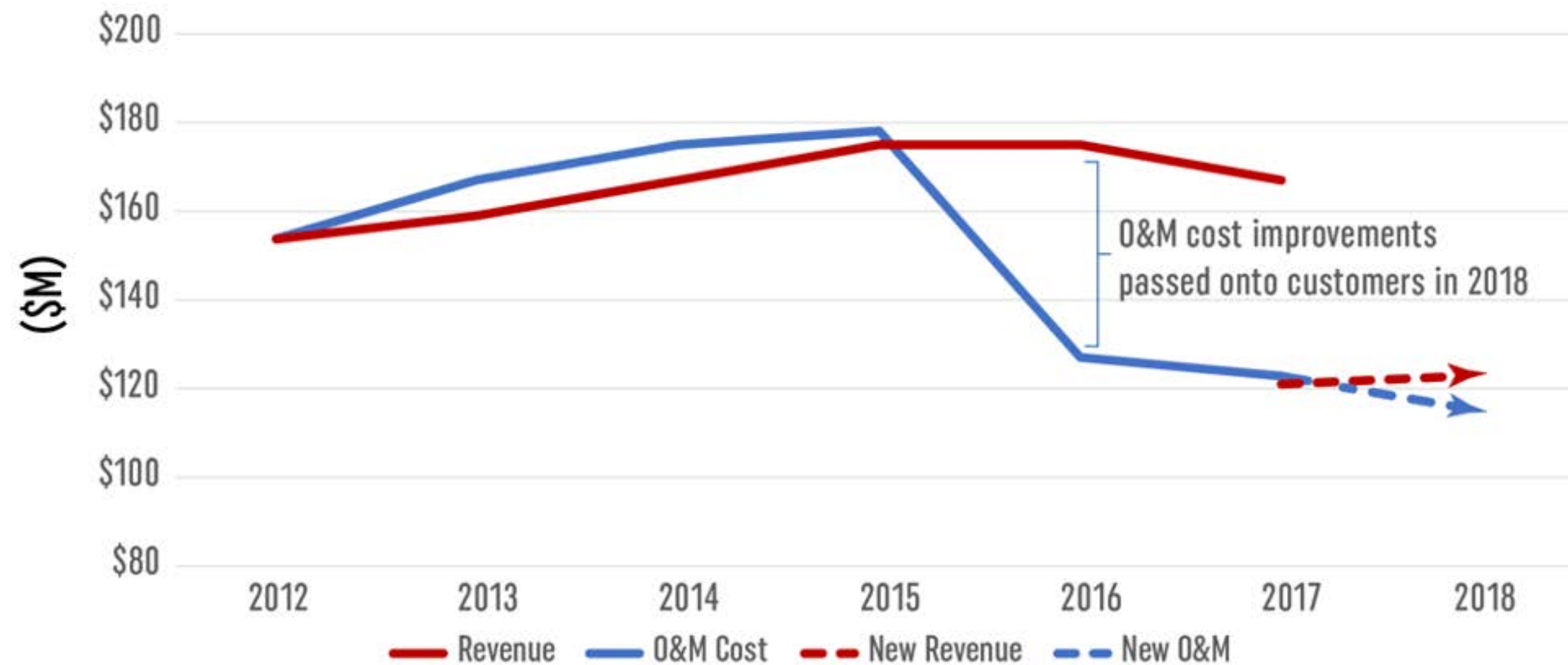


FIRST QUARTER 2018 ADJUSTED EARNINGS



FIRST QUARTER 2018 ADJUSTED EARNINGS: OPERATING IMPROVEMENTS FLOW INTO CUSTOMER RATES

ELECTRIC DISTRIBUTION DEEMED REVENUE FOR OPERATING COSTS

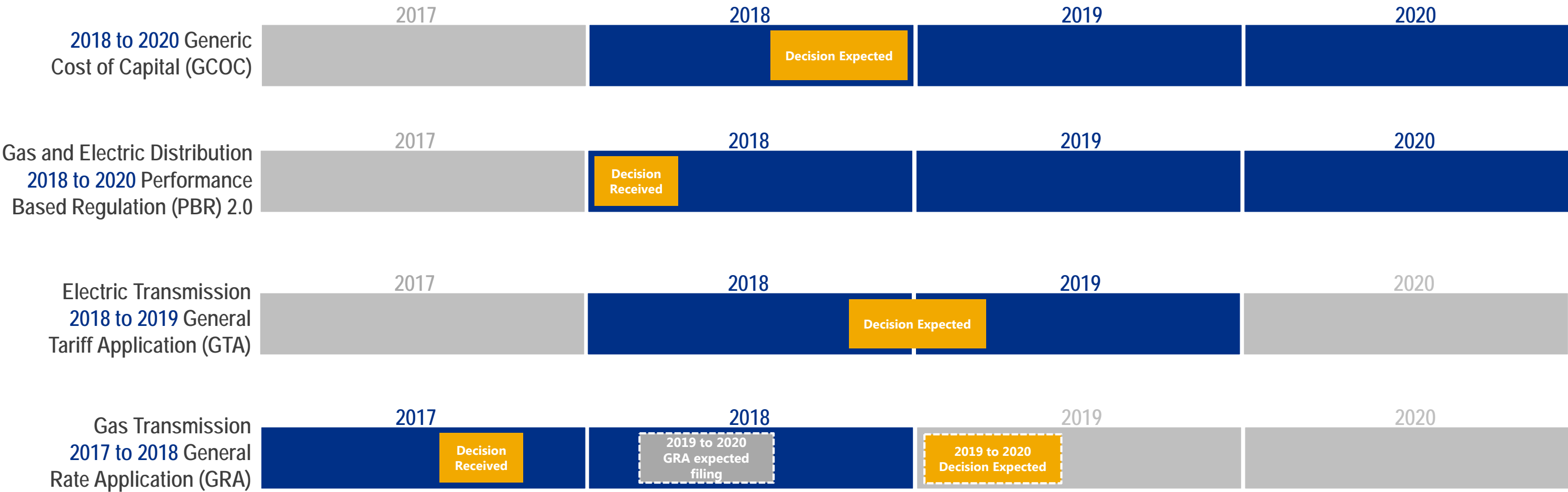


PBR 2.0 HIGHLIGHTS

	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 inflation, growth and productivity 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. The K Bar is calculated annually and adjusted for the actual WACC</p> <p>Significant capital costs 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

REGULATORY UPDATE

Getting back to prospective rate making



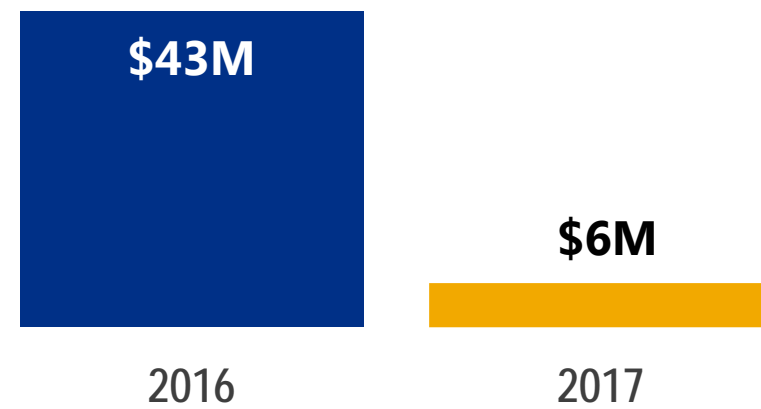
STRATEGIC PRIORITIES FOR 2018 AND BEYOND



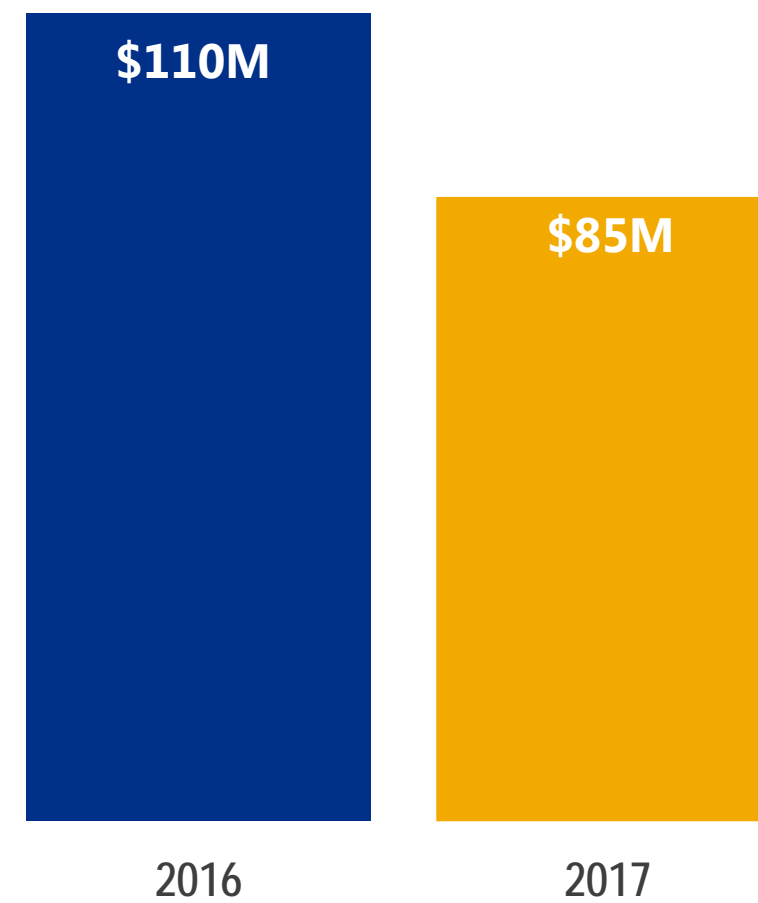
STRUCTURES & LOGISTICS

LOWER EARNINGS BUT CONTINUED STRONG CASH FLOW GENERATION

Adjusted Earnings

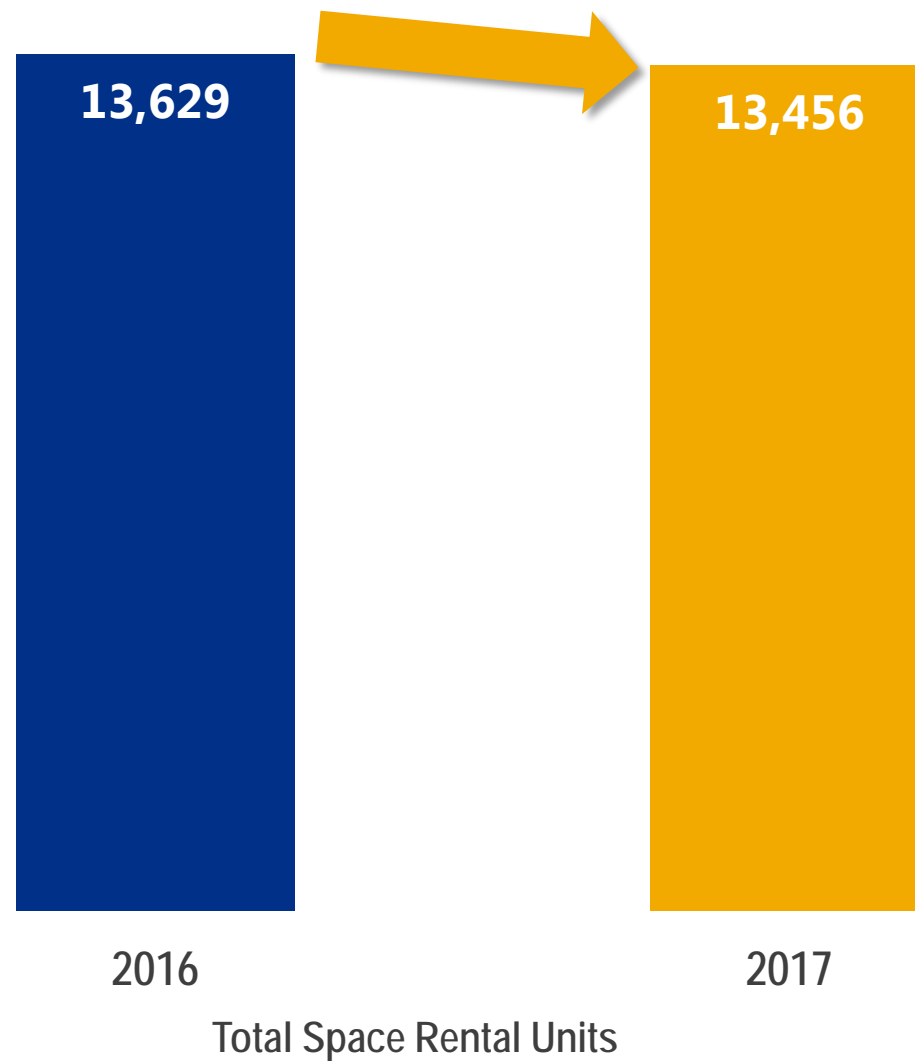


Funds Generated By Operations

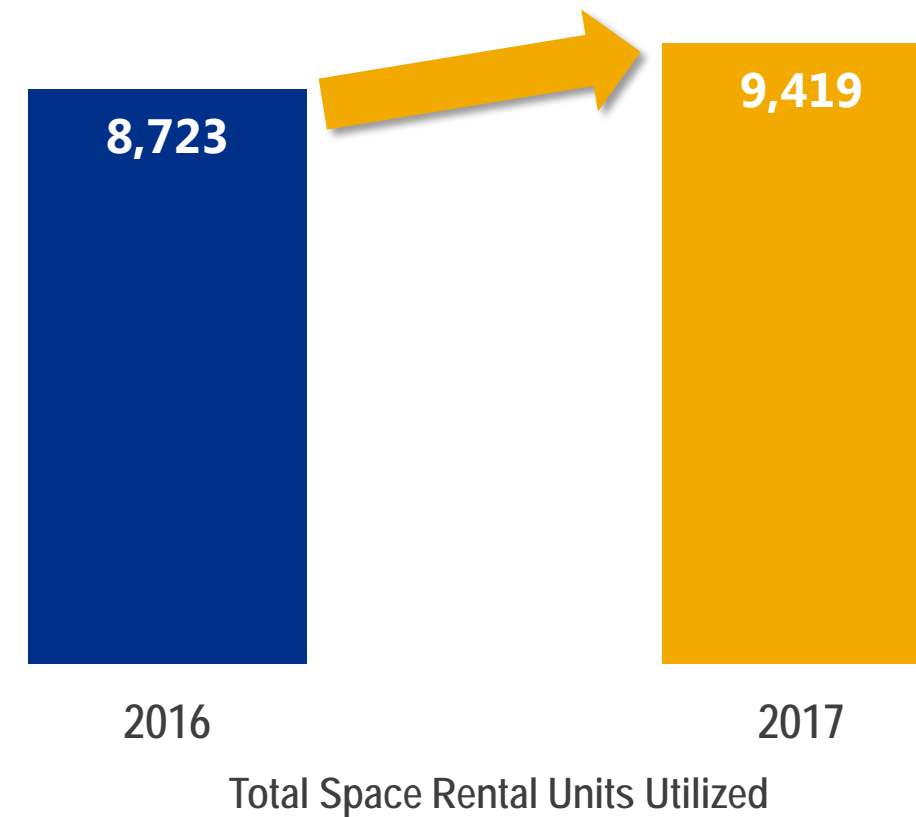


GROWTH STRATEGY: STRUCTURES & LOGISTICS

Right-sizing space rental fleet
to lower fixed operating costs



Improving space rental utilization



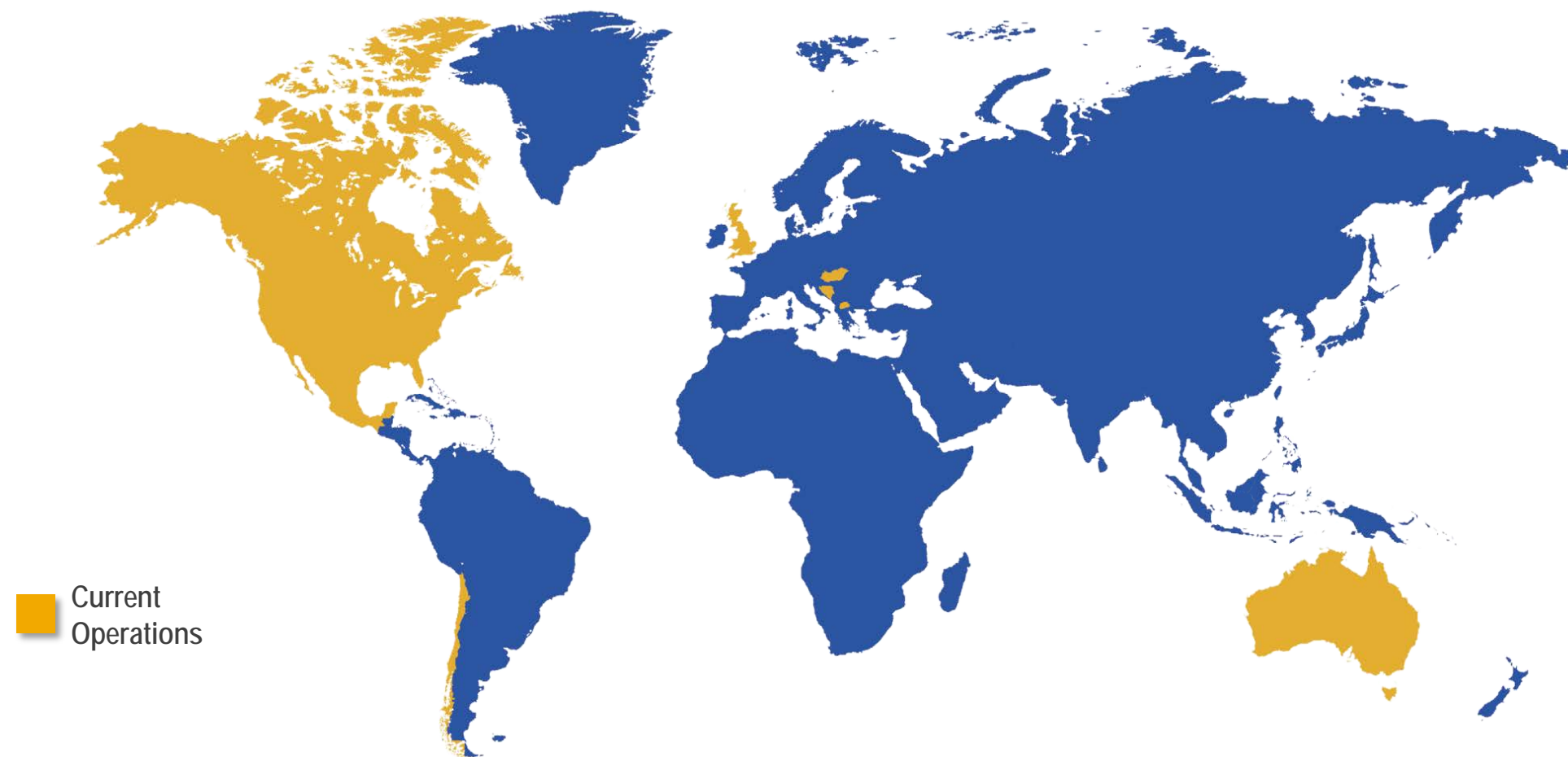
GROWTH STRATEGY: STRUCTURES & LOGISTICS

Diversifying the global customer base into non-traditional modular markets such as public education facilities, high density urban residential housing and correctional facilities



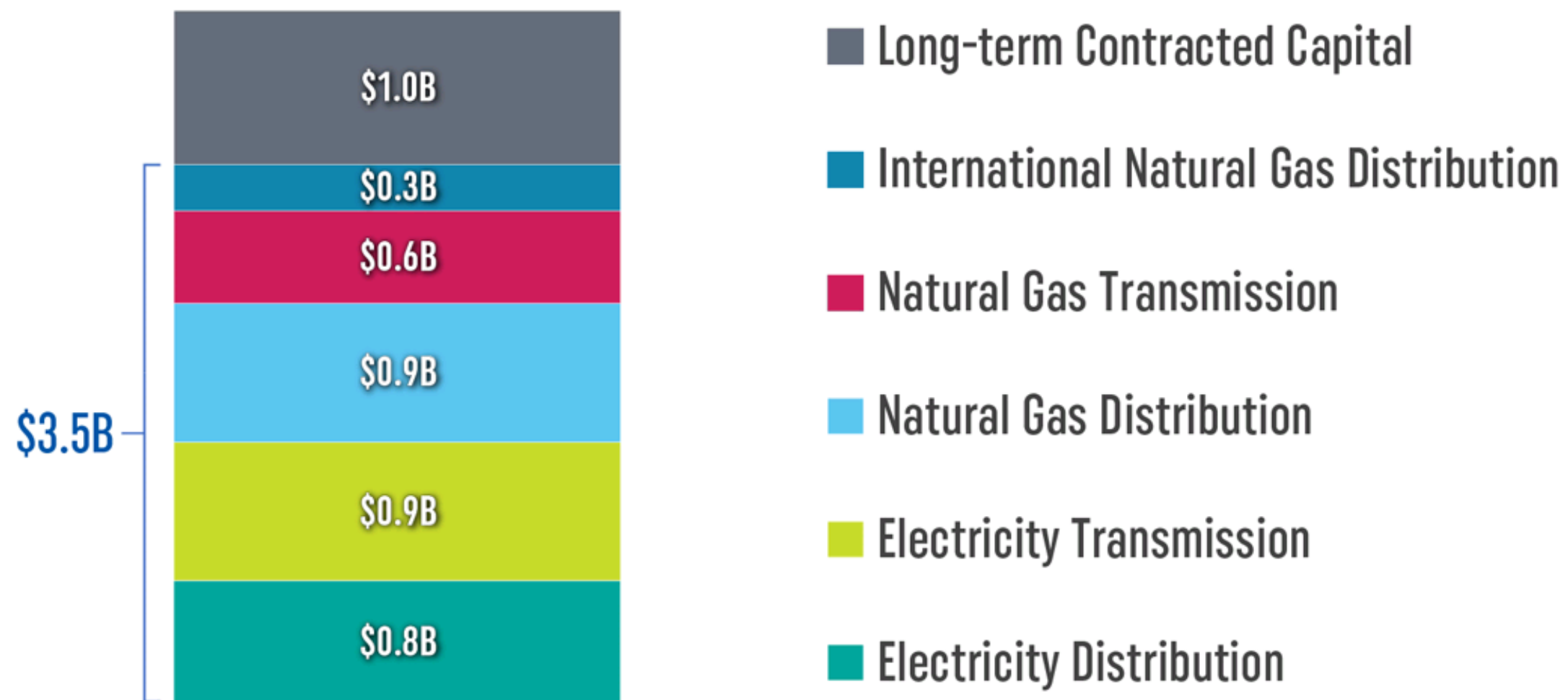
GROWTH STRATEGY: STRUCTURES & LOGISTICS

EXPANDING GEOGRAPHICALLY IN SELECT GLOBAL MARKETS



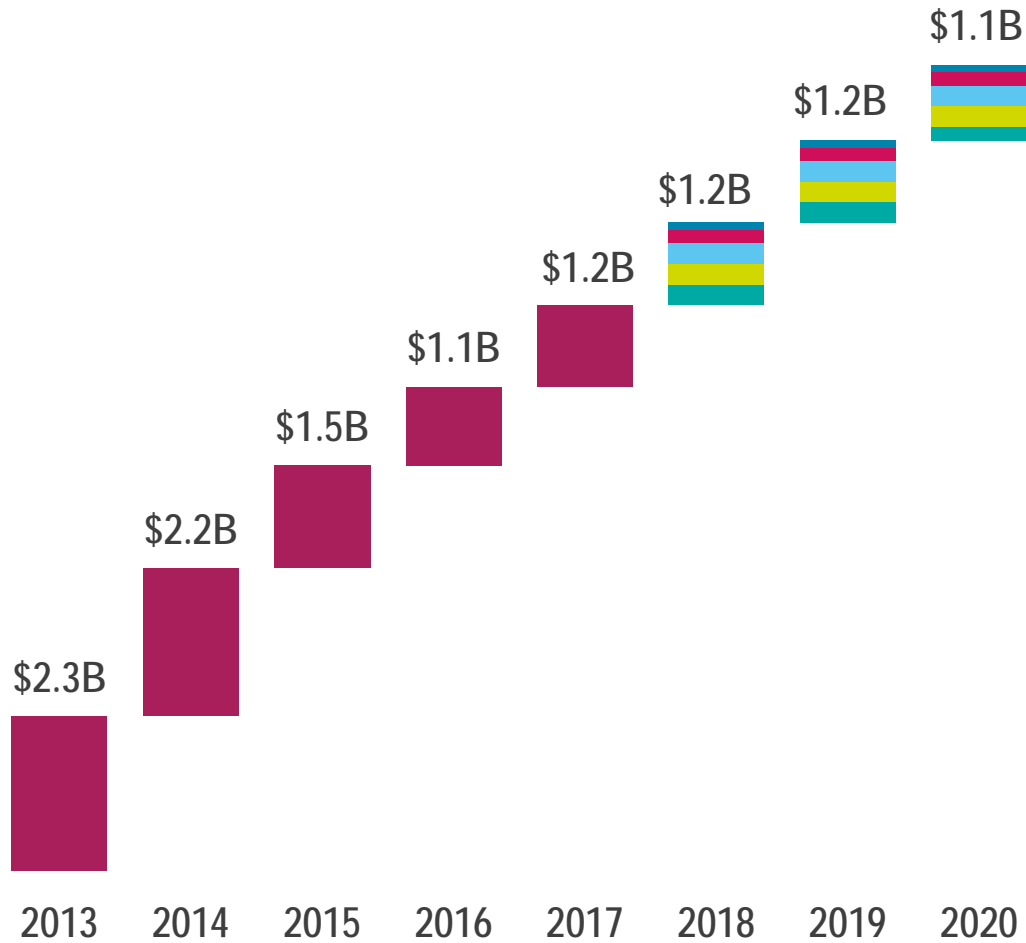
GROWTH: CONTINUED CAPITAL INVESTMENT

\$4.5B OF PLANNED CAPITAL INVESTMENT 2018 TO 2020

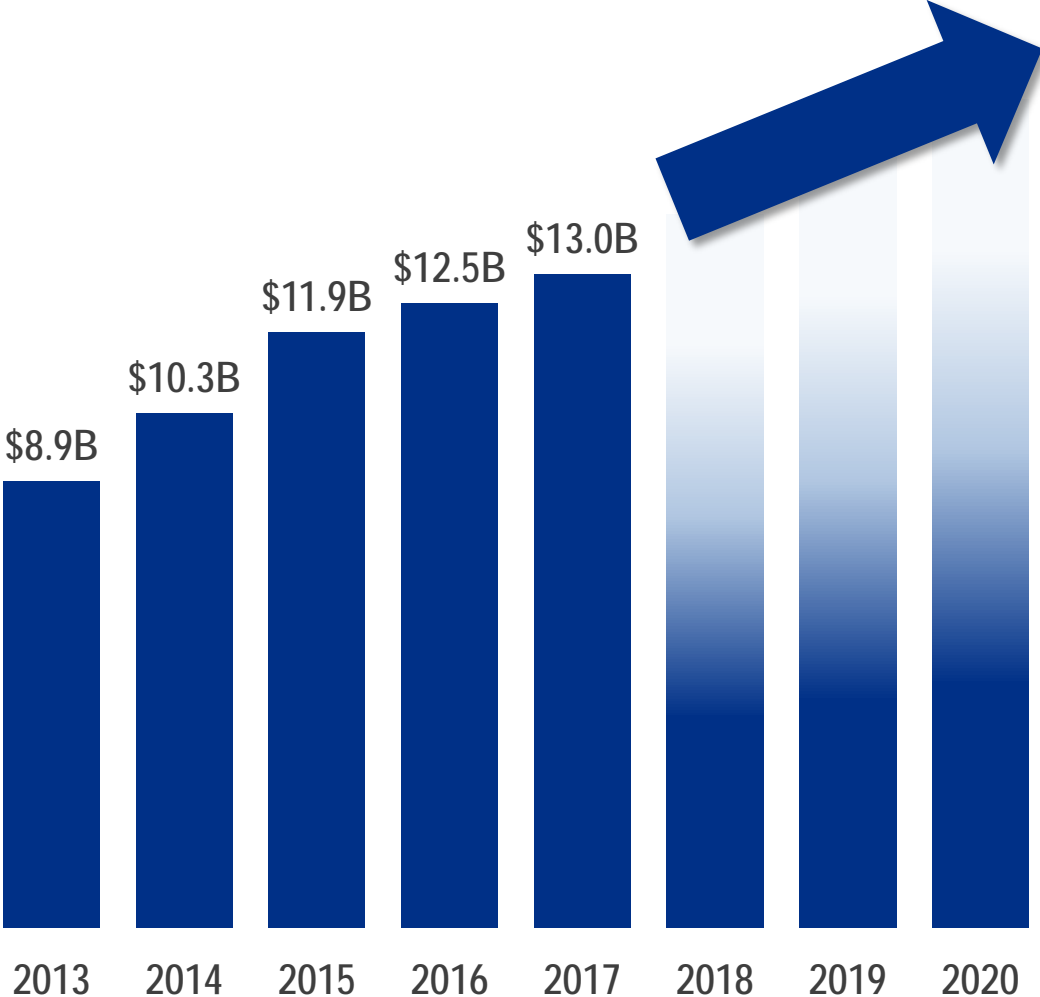


RATE BASE GROWTH

Regulated Capital Investment



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



GROWTH: LONG-TERM CONTRACTED CAPITAL INVESTMENT



HYDROCARBON STORAGE



COGENERATION



HYDROELECTRIC
GENERATION



FORT MCMURRAY WEST
500 KV TRANSMISSION

\$1.0 BILLION (2018–2020)

GROWTH: GLOBAL EXPANSION

Mexico Hydro Acquisition and Cogeneration

- In December 2017, Canadian Utilities announced the \$114 million acquisition of a long-term contracted, 35 MW hydroelectric power station based in Veracruz, Mexico.
- In March 2018, Canadian Utilities announced it will build a 26 MW electricity cogeneration facility under a long-term contract near Gomez Palacio, Mexico.



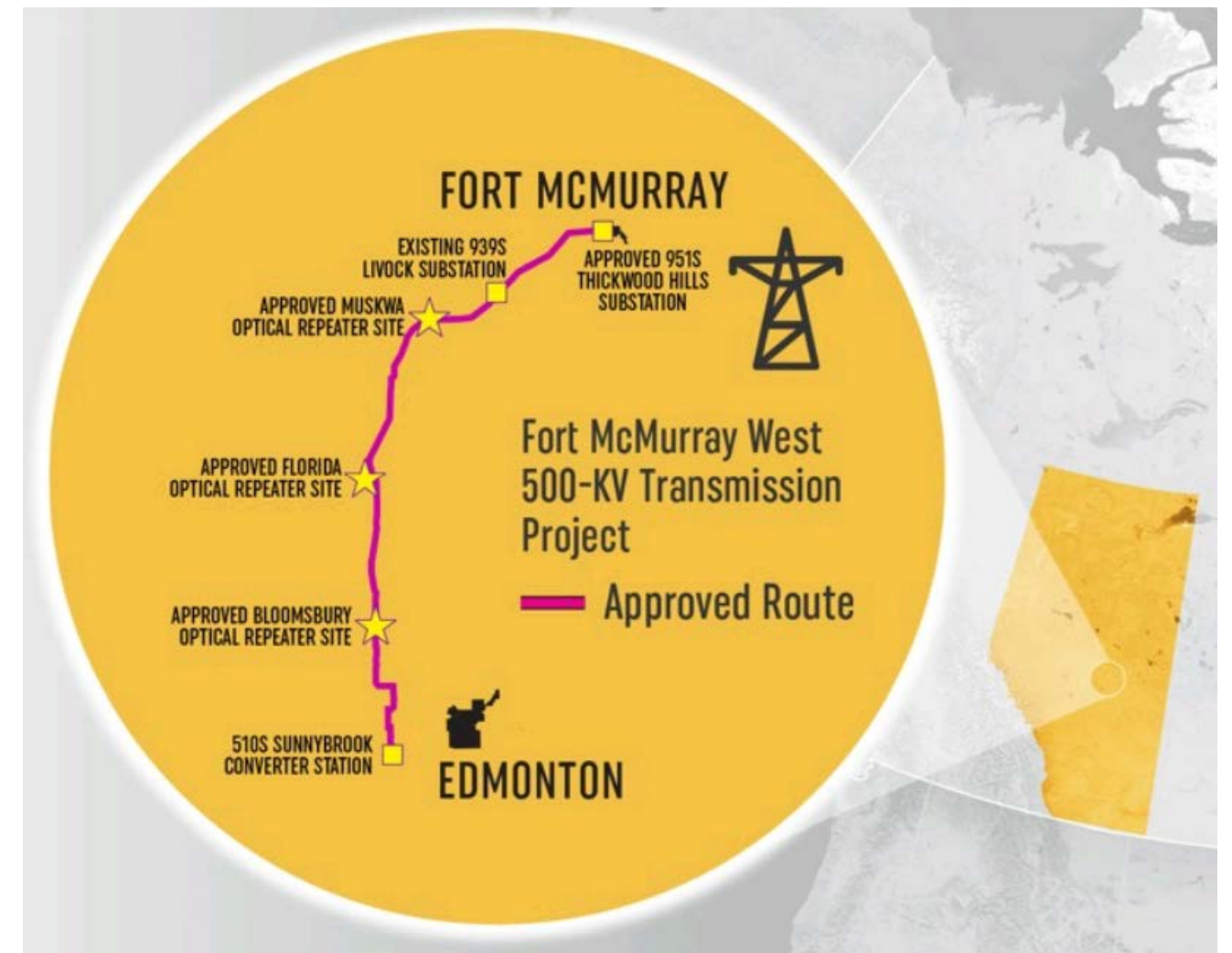
GROWTH: ALBERTA POWERLINE

Fort McMurray West 500 kV Transmission Project

- The design and planning phases were completed and construction commenced in August 2017.
- Land preparation and tower foundation installation and tower assembly is proceeding ahead of schedule. The target energization date of June 2019 remains on track.



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



ALBERTA POWER MARKET DEVELOPMENTS



IMPROVING CLARITY

Capacity Market in Alberta

- **Market design discussions** → under way with the AESO; expect final market design in summer 2018
- **Capacity market framework** → expect first auctions in 2019 for 1 year terms beginning 2021; draft framework appears supportive for incumbent electricity generators



WELL POSITIONED

Phase-in of Renewable Generation

- **Clean Power Call** → First contracts awarded for 600MW to other parties in 2017; next two auctions for 700MW total in 2018
- **Hydro** → continue to explore potential developments in Northern Alberta
- **Coal** → Battle River unit 5 PPA turnback terms under discussion; coal to gas conversions under review



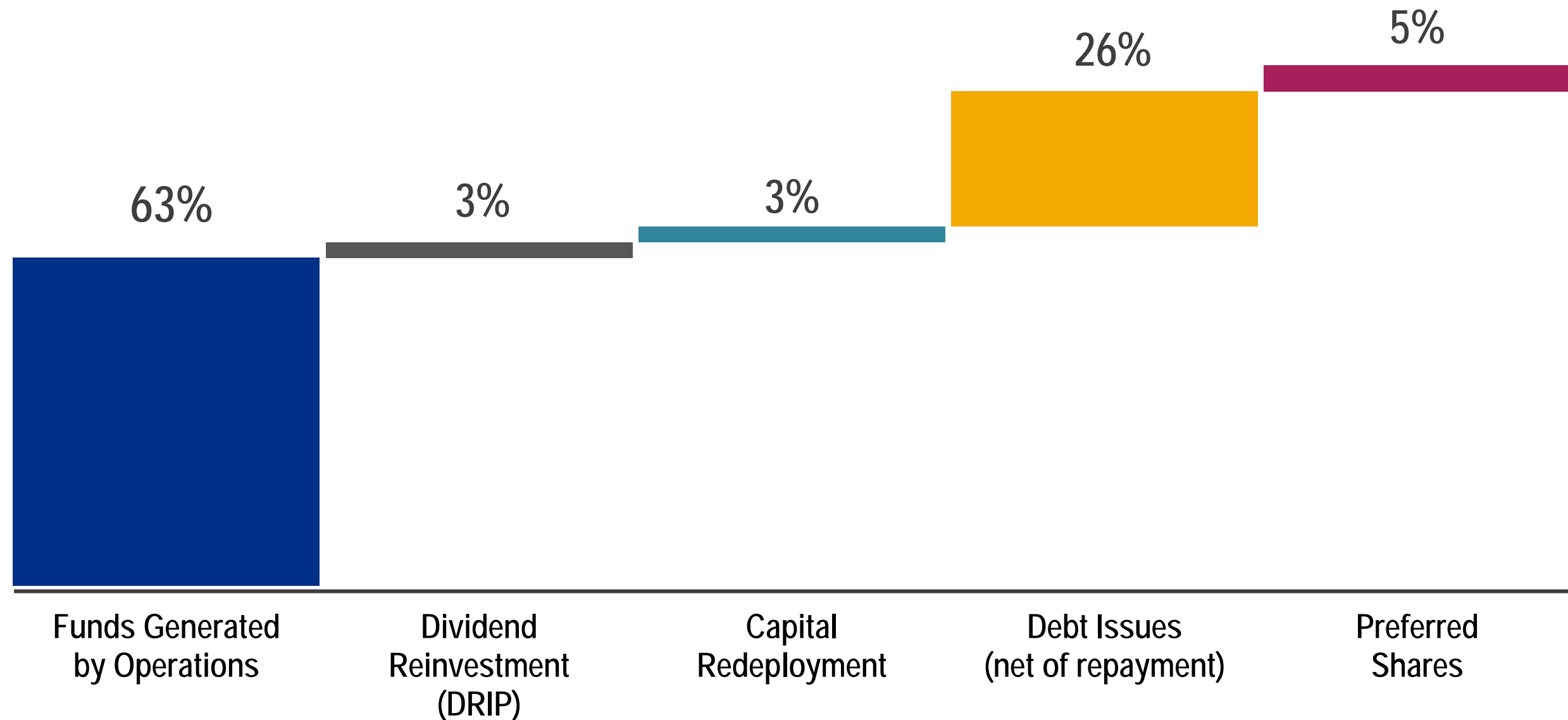
MINIMAL RISK EXPOSURE

Carbon Tax

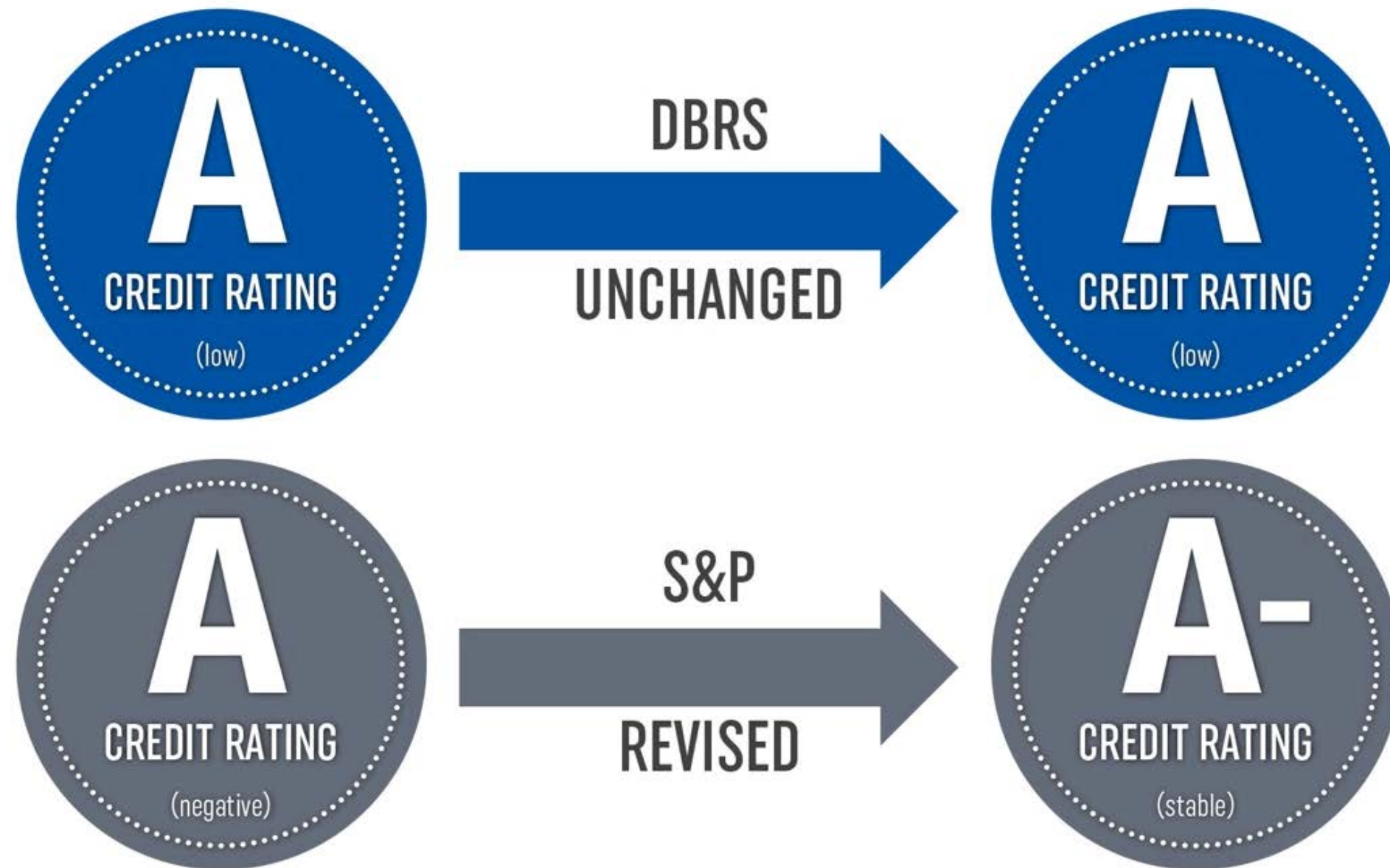
- **Compliance costs** → recovered through Thermal PPAs
- **Longer term** → anticipate carbon costs will largely be recovered through the Alberta power market
- **GHG emission** → expected to be recovered in utility rates on a go-forward basis

FINANCIAL STRENGTH: FUNDING SOURCES

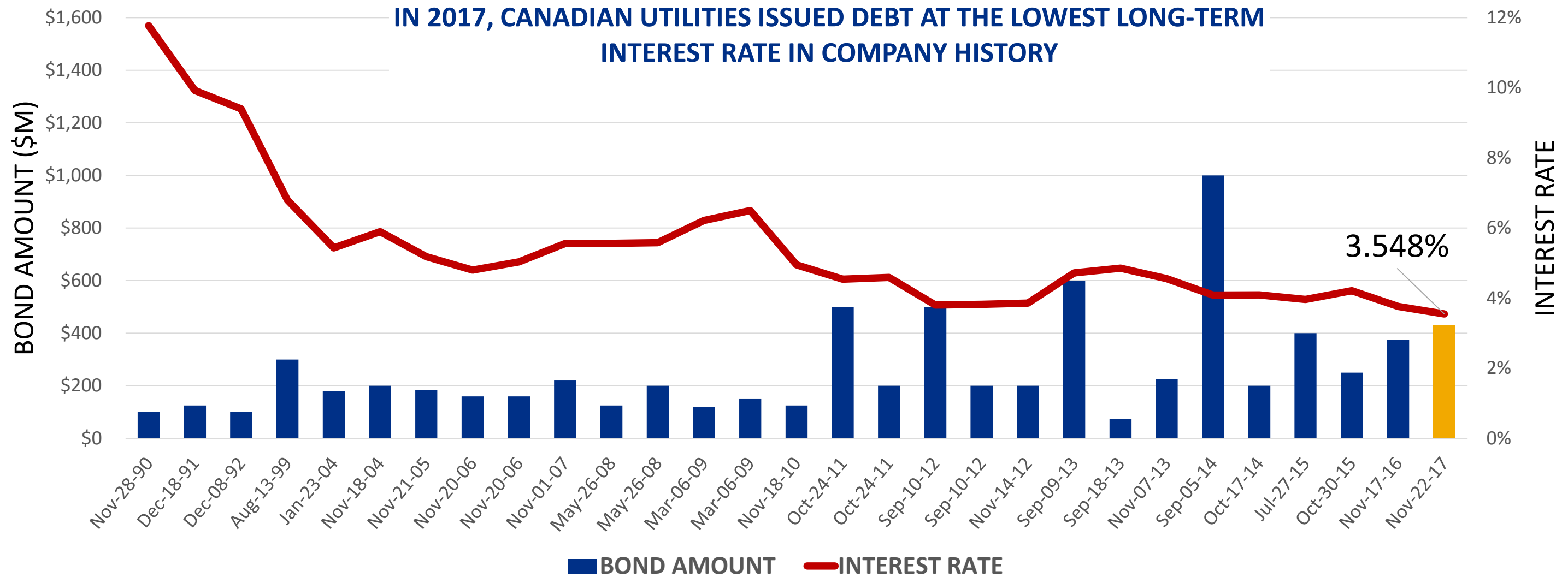
Canadian Utilities Funding Sources 2013 – 2017



FINANCIAL STRENGTH: BALANCE SHEET

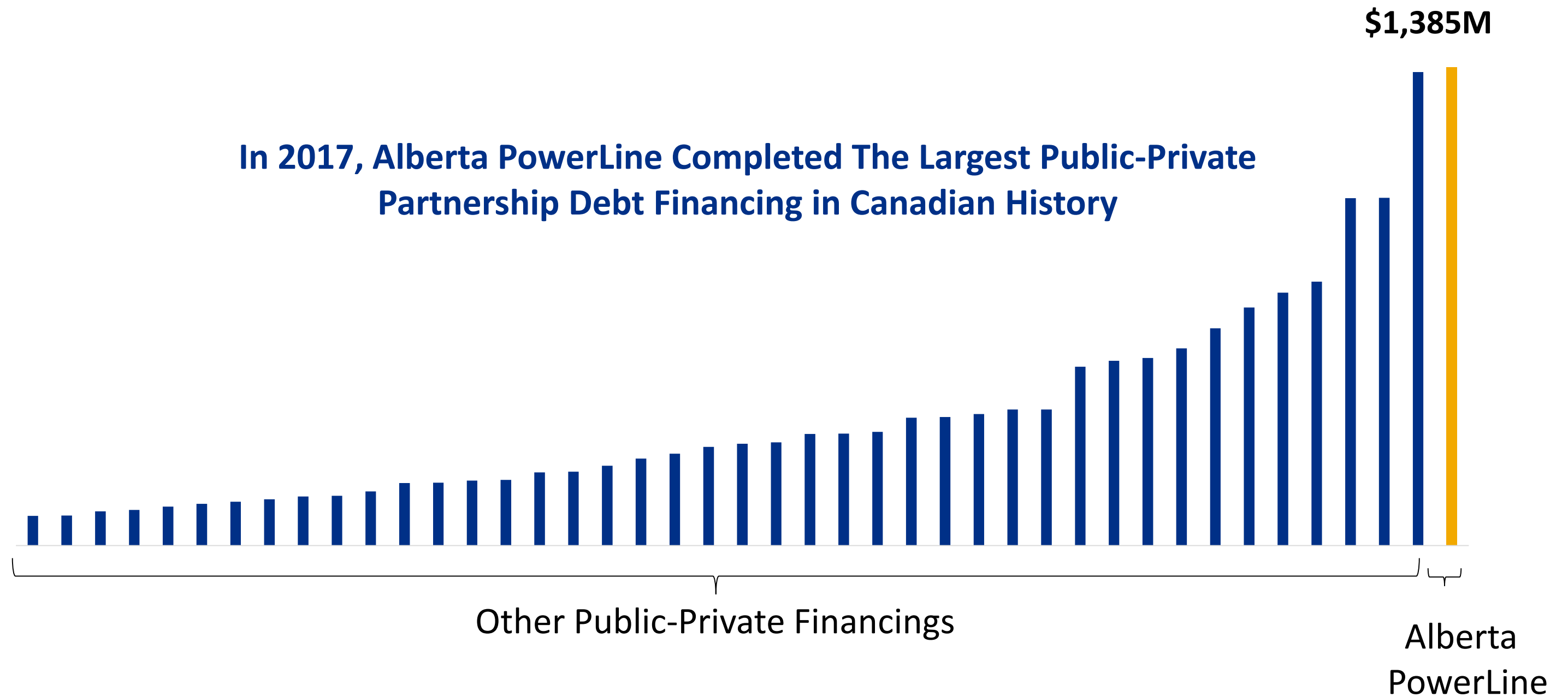


FINANCIAL STRENGTH: CAPITAL MARKETS ACCESS

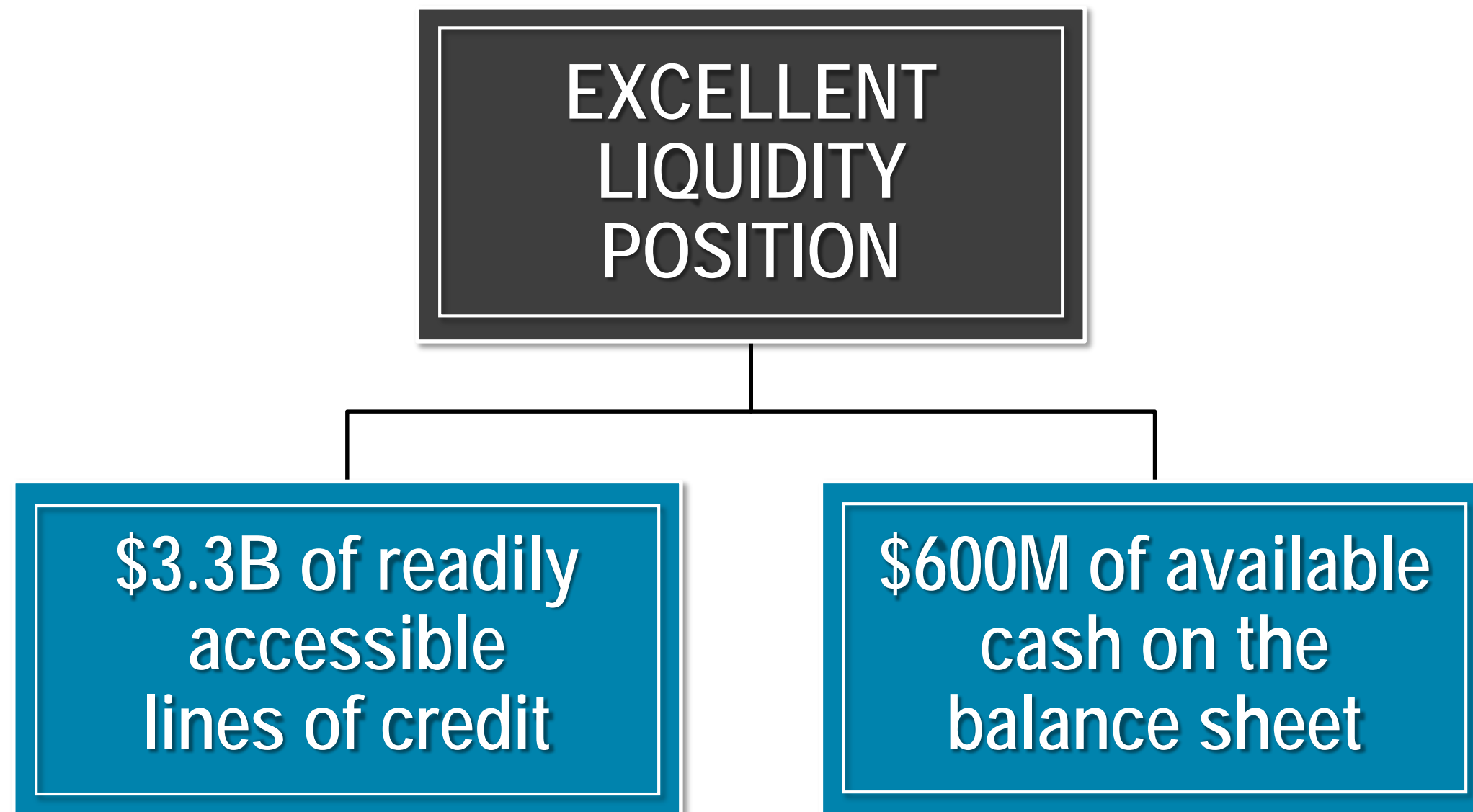


FINANCIAL STRENGTH: CAPITAL MARKETS ACCESS

In 2017, Alberta PowerLine Completed The Largest Public-Private Partnership Debt Financing in Canadian History

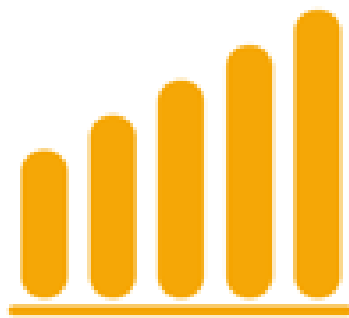


FINANCIAL STRENGTH: LIQUIDITY

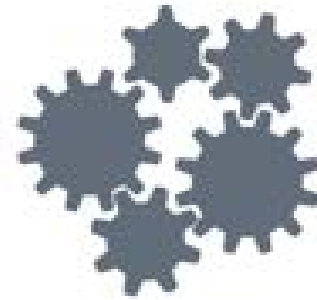


* Amounts as at the first quarter ended March 31, 2018

SUMMARY



GROWTH



COST EFFICIENCY



FINANCIAL
STRENGTH

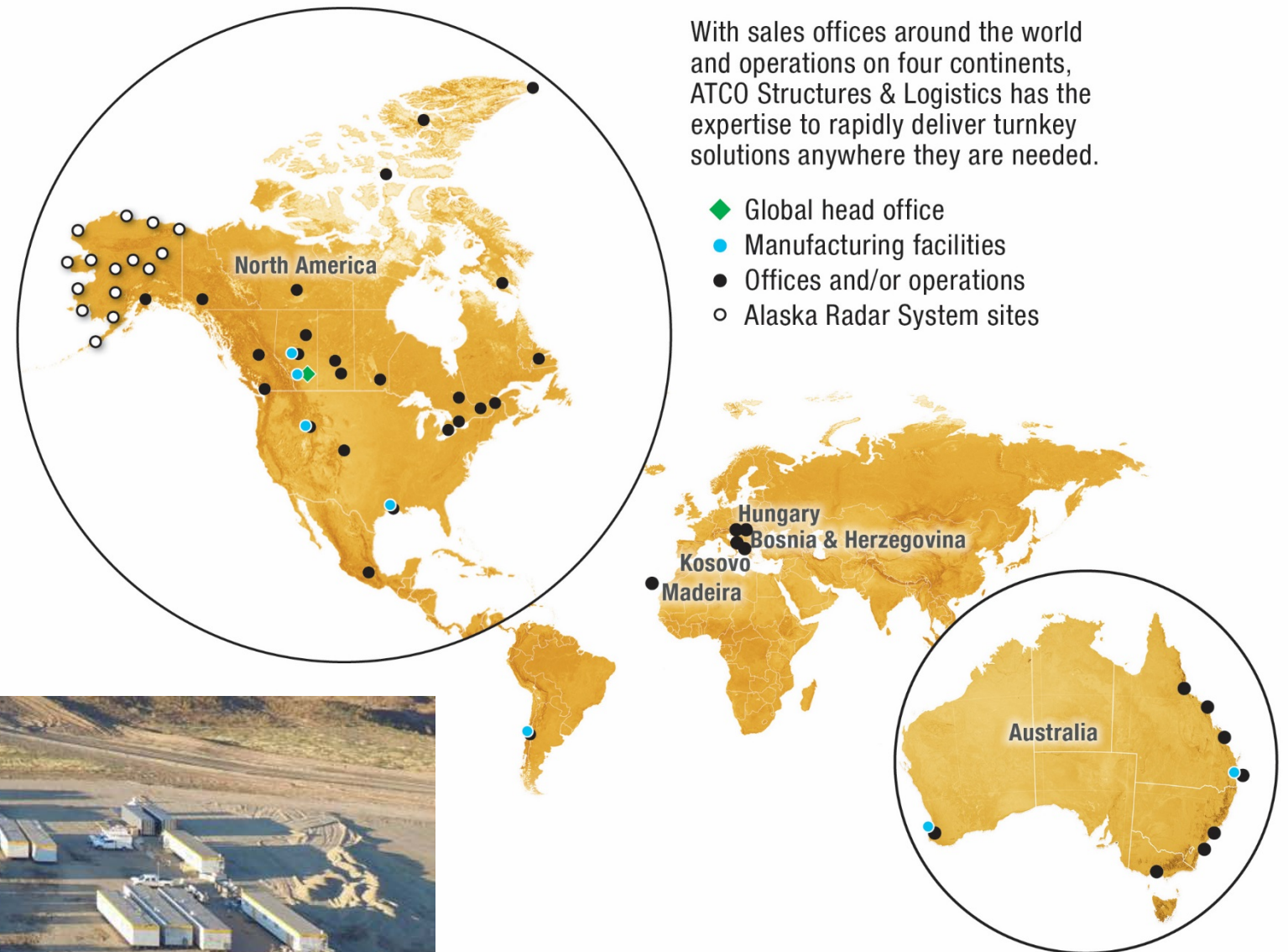


APPENDIX

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

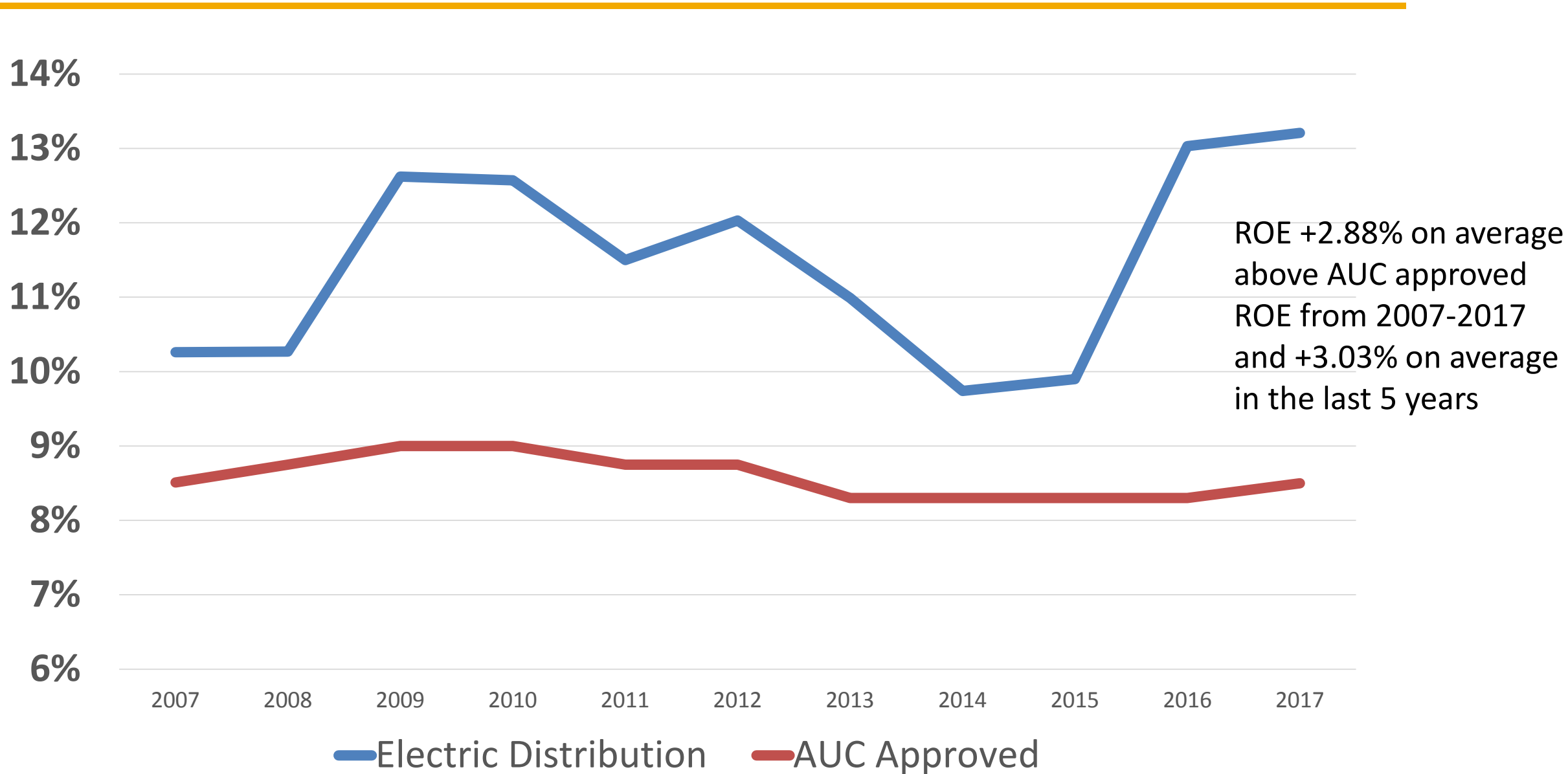
ELECTRICITY DISTRIBUTION & TRANSMISSION

We build, own and operate electrical distribution and transmission facilities

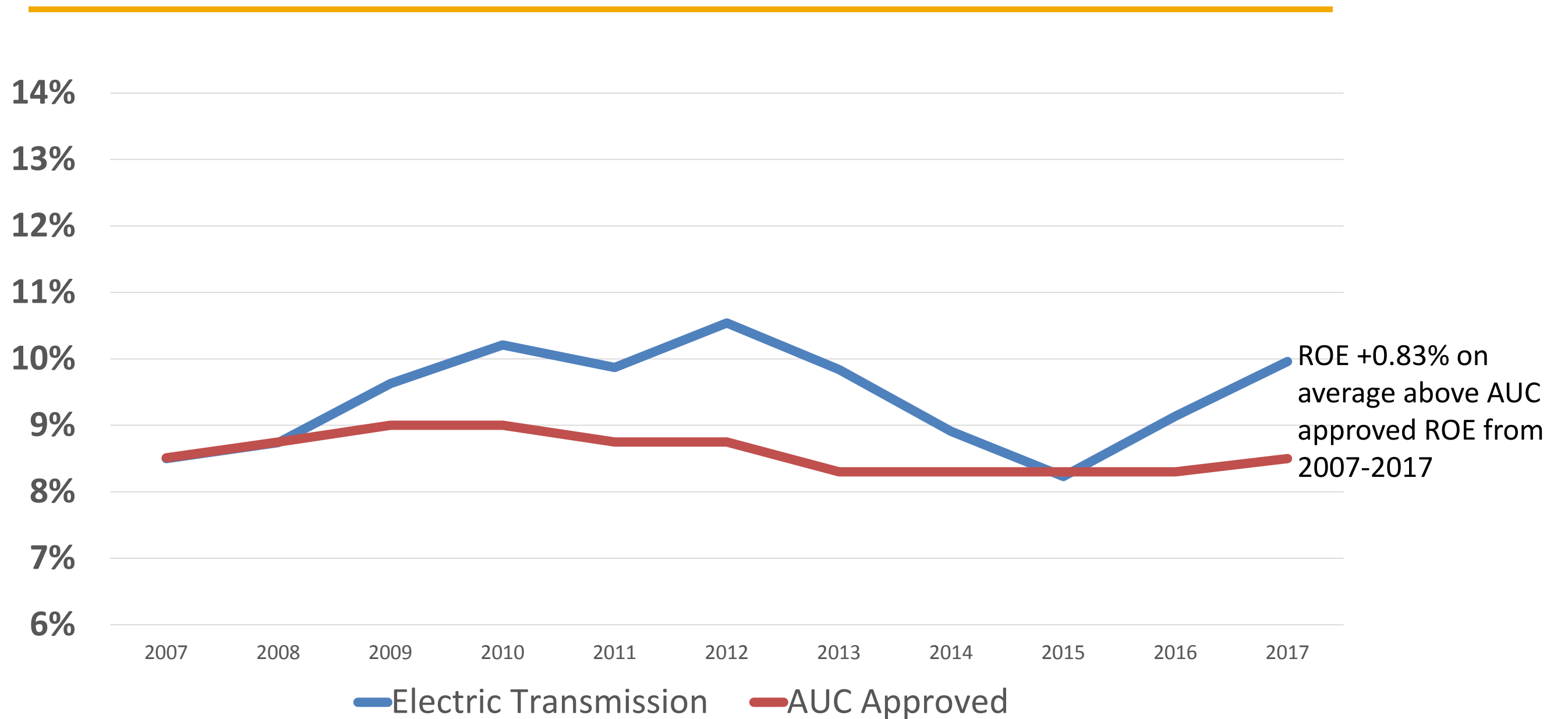
- 256,000 farm, business and residential customers in 241 Alberta communities
- Approximately 11,000 km of transmission lines, and delivers power to and operates 4,000 km of lines owned by Rural Electrification Associations, and 72,000 km of distribution lines
- Subsidiaries:
 - ATCO Electric Yukon
 - Northland Utilities



FINANCIAL STRENGTH: ELECTRIC DISTRIBUTION RETURN ON EQUITY



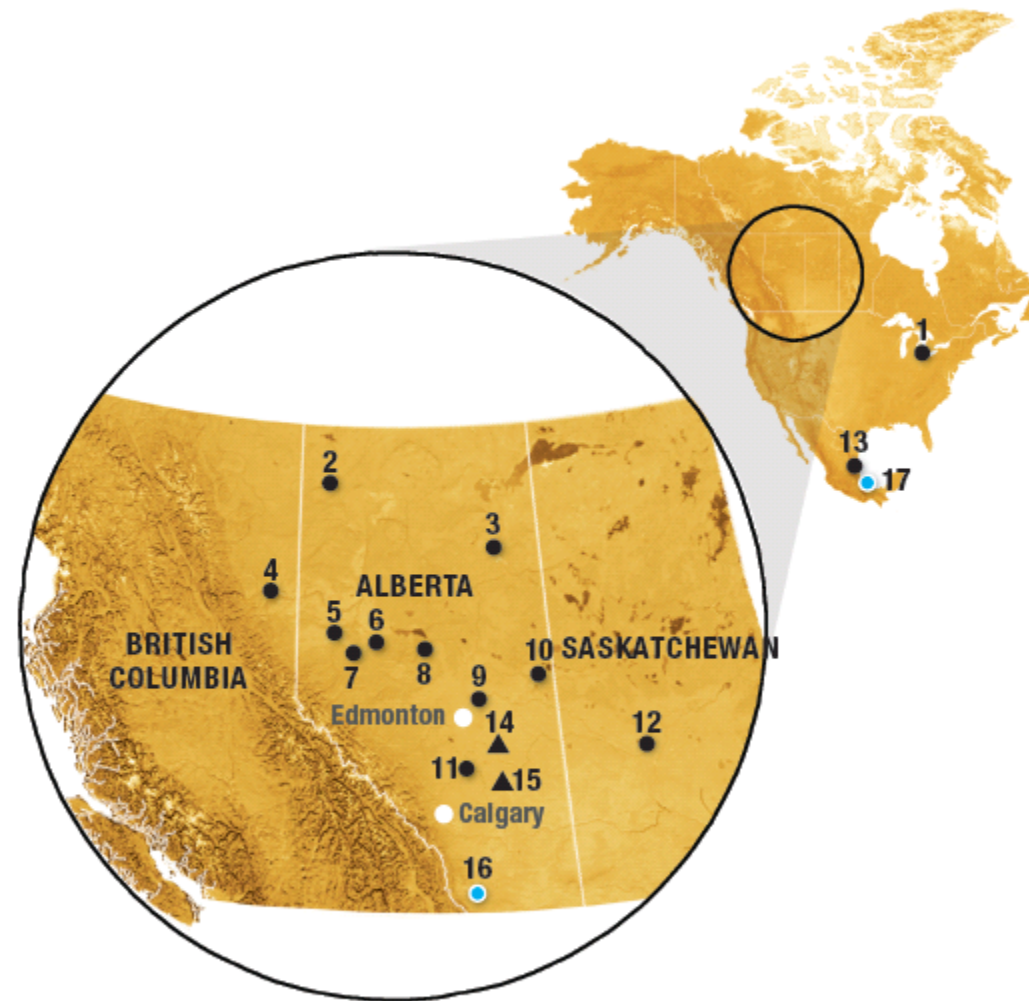
FINANCIAL STRENGTH: ELECTRIC TRANSMISSION RETURN ON EQUITY



ELECTRICITY GENERATION

We have an ownership position in 19 power generation plants in Alberta, British Columbia, Saskatchewan, Ontario and Mexico

- Electricity Market Exposure Portfolio:
 - 1,610 MW Contract (69%)
 - 731 MW Merchant (31%)



Facility	Generating Capacity Owned (MW)
● NATURAL GAS	
1 Brighton Beach	290
2 Rainbow Lake 4 & 5	45
3 Muskeg River	119
4 McMahon	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%)



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

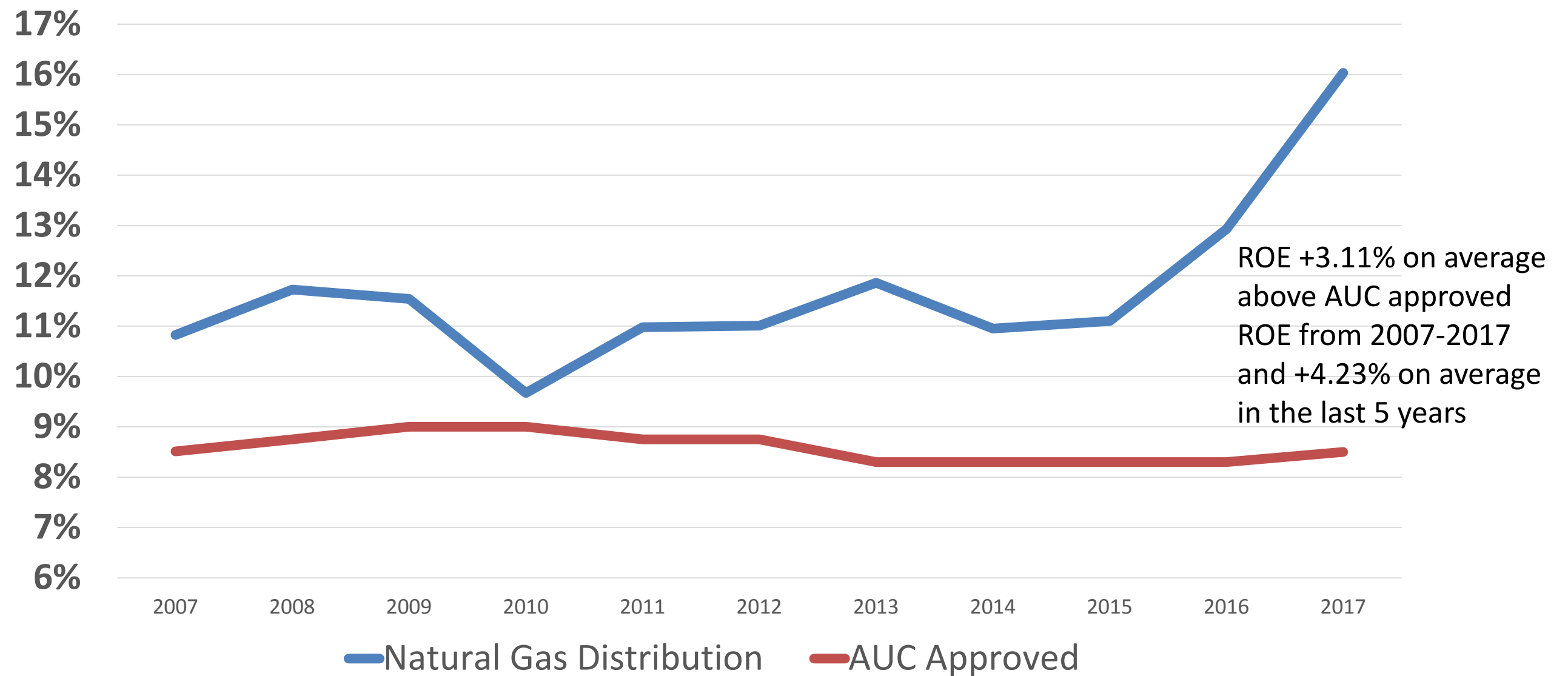
NATURAL GAS DISTRIBUTION

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

- Alberta's largest natural gas distribution company
- Serves approximately 1.2 million customers in nearly 300 Alberta communities
- We build, maintain, and operate 41,000 km of natural gas distribution pipelines



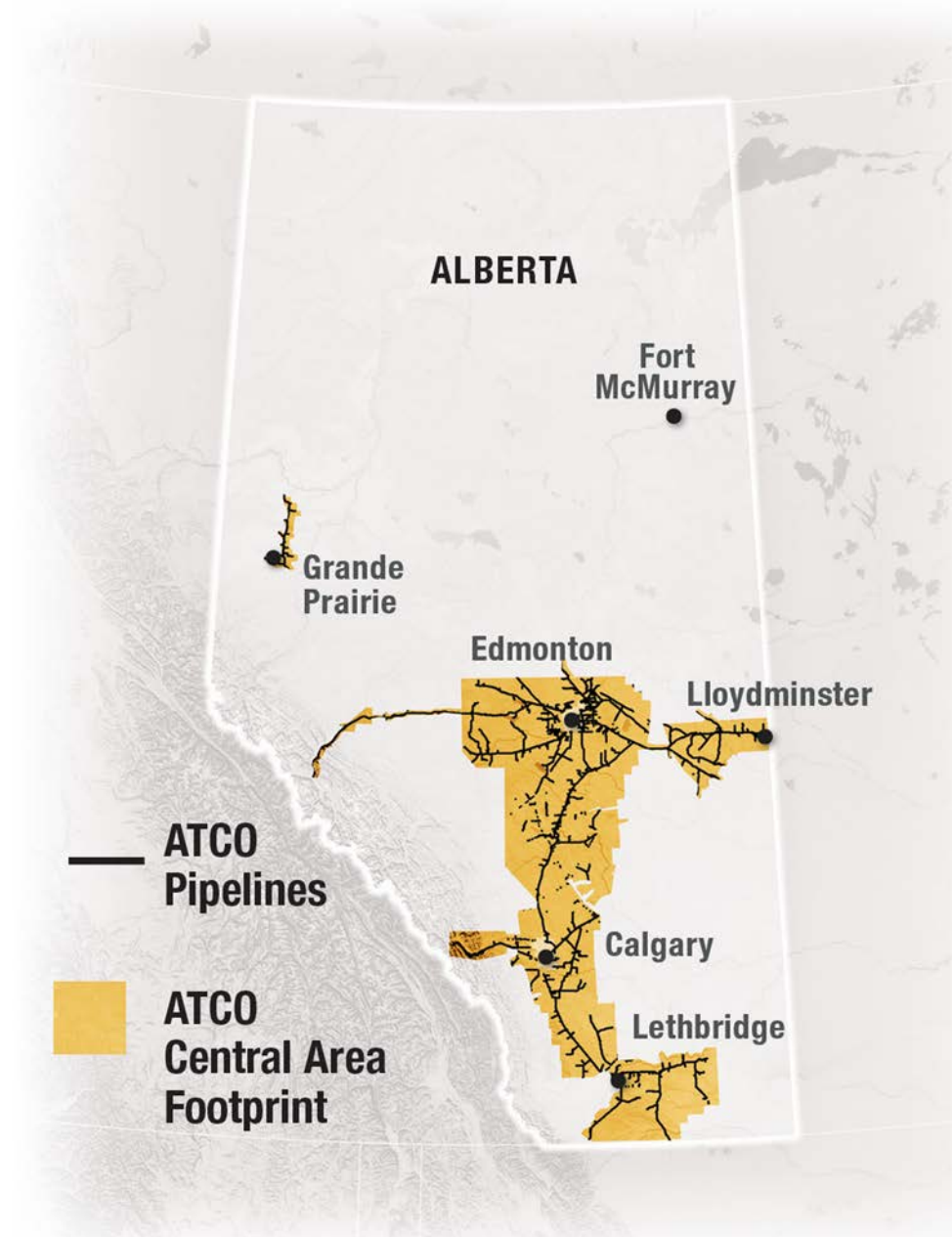
FINANCIAL STRENGTH: NATURAL GAS DISTRIBUTION RETURN ON EQUITY



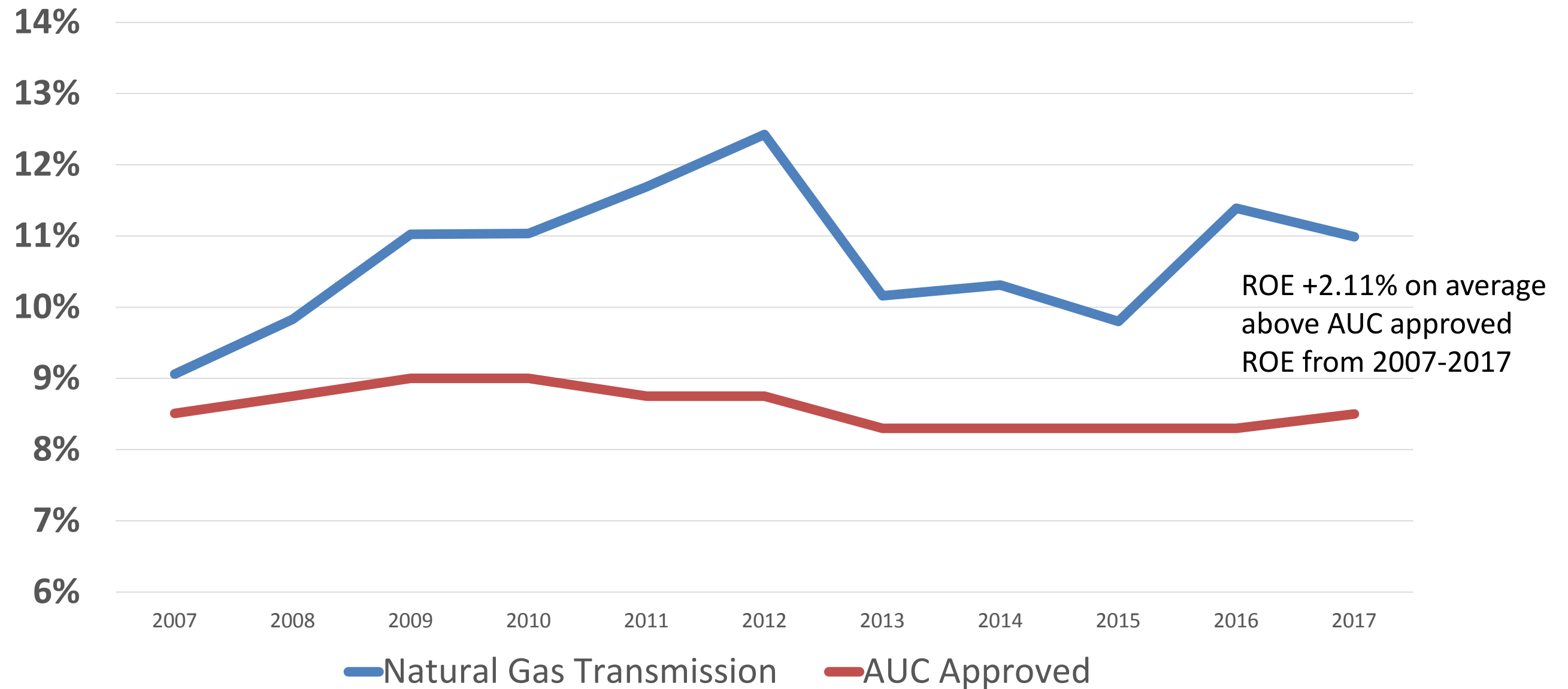
NATURAL GAS TRANSMISSION

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 3.7 billion cubic ft/day of natural gas to customers
- ~ 3,500 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



FINANCIAL STRENGTH: NATURAL GAS TRANSMISSION RETURN ON EQUITY



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
- 400,000 m³ hydrocarbon storage capacity
- 52 PJ natural gas storage capacity
- ~ 116 km pipelines

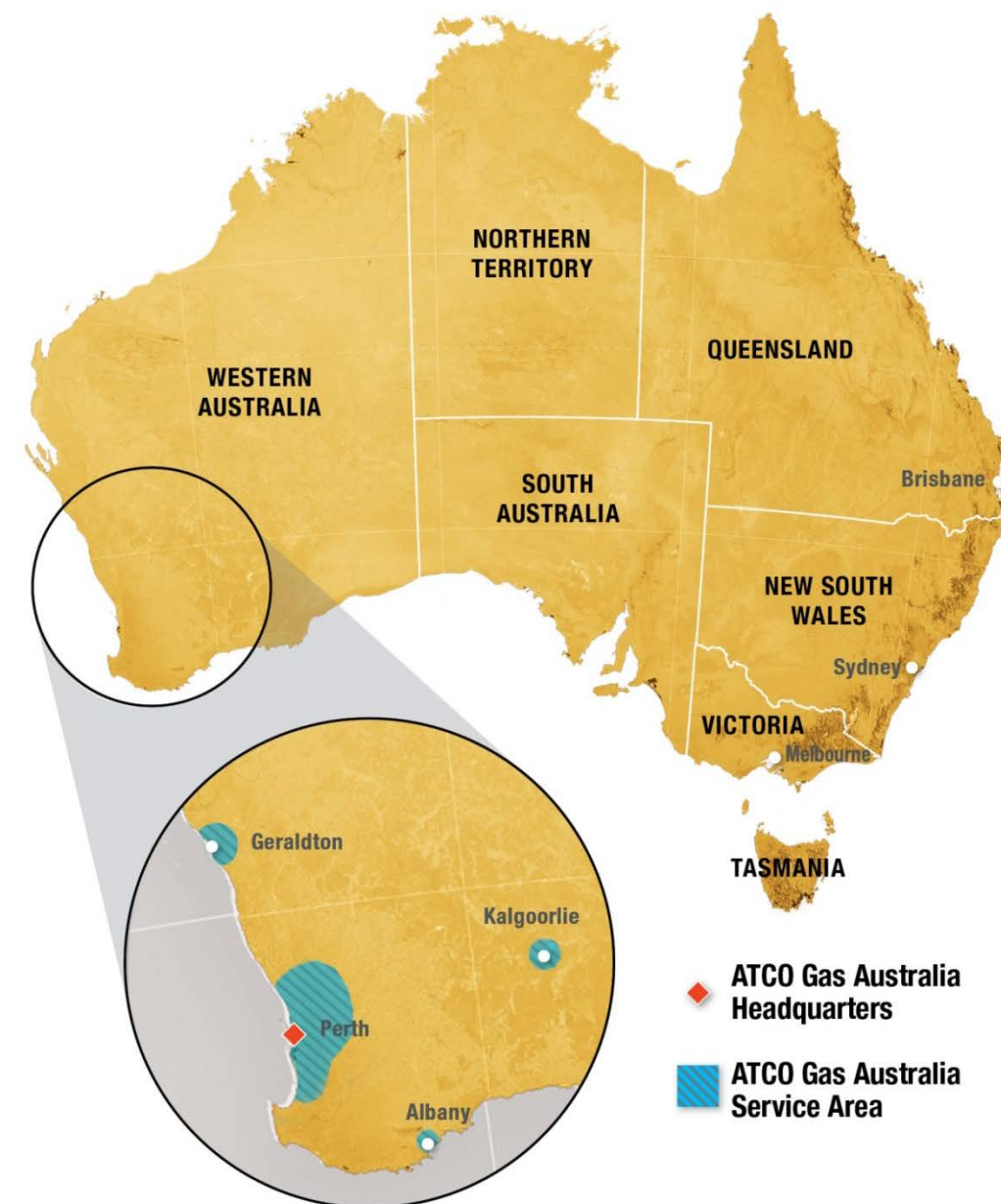
- **INDUSTRIAL WATER SERVICES**
 - 1 Alberta Heartland Industrial Water System
- **HYDROCARBON STORAGE**
 - 2 Salt Cavern Storage Facility
- **NATURAL GAS STORAGE FACILITY**
 - 3 Carbon Natural Gas Storage Facility
- **GAS GATHERING & PROCESSING FACILITIES**
 - 4 Ikhil Gas Plant
- **NON-REGULATED NATURAL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



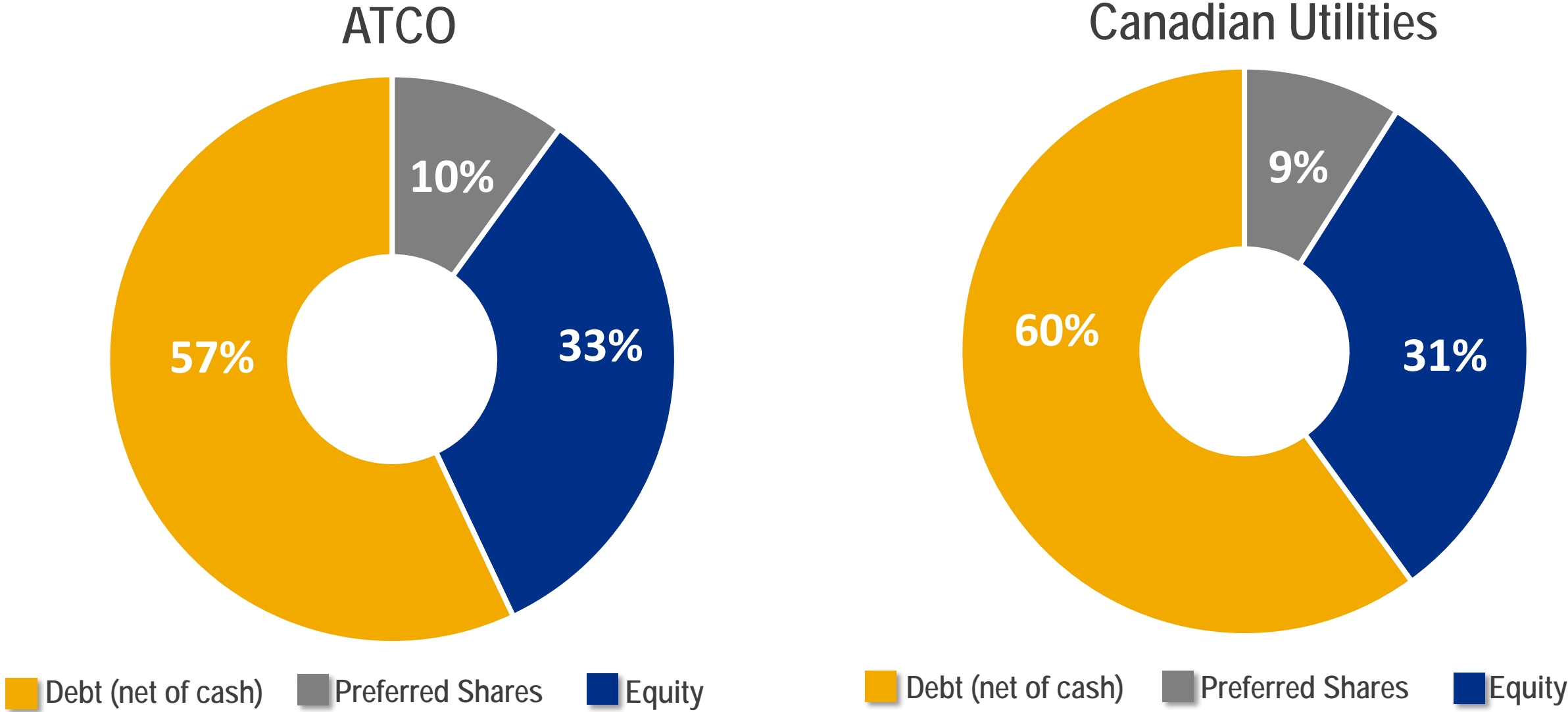
INTERNATIONAL NATURAL GAS DISTRIBUTION

We provide safe and reliable natural gas service to the Perth metropolitan area and the wider Western Australian community

- Approximately 753,000 customers
- 14,000 km of natural gas distribution pipelines



FINANCIAL STRENGTH: BALANCE SHEET AS AT Q1 2018





www.ATCO.com

www.canadianutilities.com

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