



CANADIAN UTILITIES LIMITED
An **ATCO** Company

CANADIAN UTILITIES LIMITED

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2022

March 1, 2023

This Annual Information Form (AIF) is meant to help readers understand the business and operations of Canadian Utilities Limited (Canadian Utilities, our, we, us, or the Company).

Unless otherwise noted, the information contained within this AIF is presented as at December 31, 2022.

The Company is controlled by ATCO Ltd. and its controlling share owners, Sentgraf Enterprises Ltd. and its controlling share owner, the Southern family.

Terms used throughout this AIF are defined in the Glossary at the end of this document.

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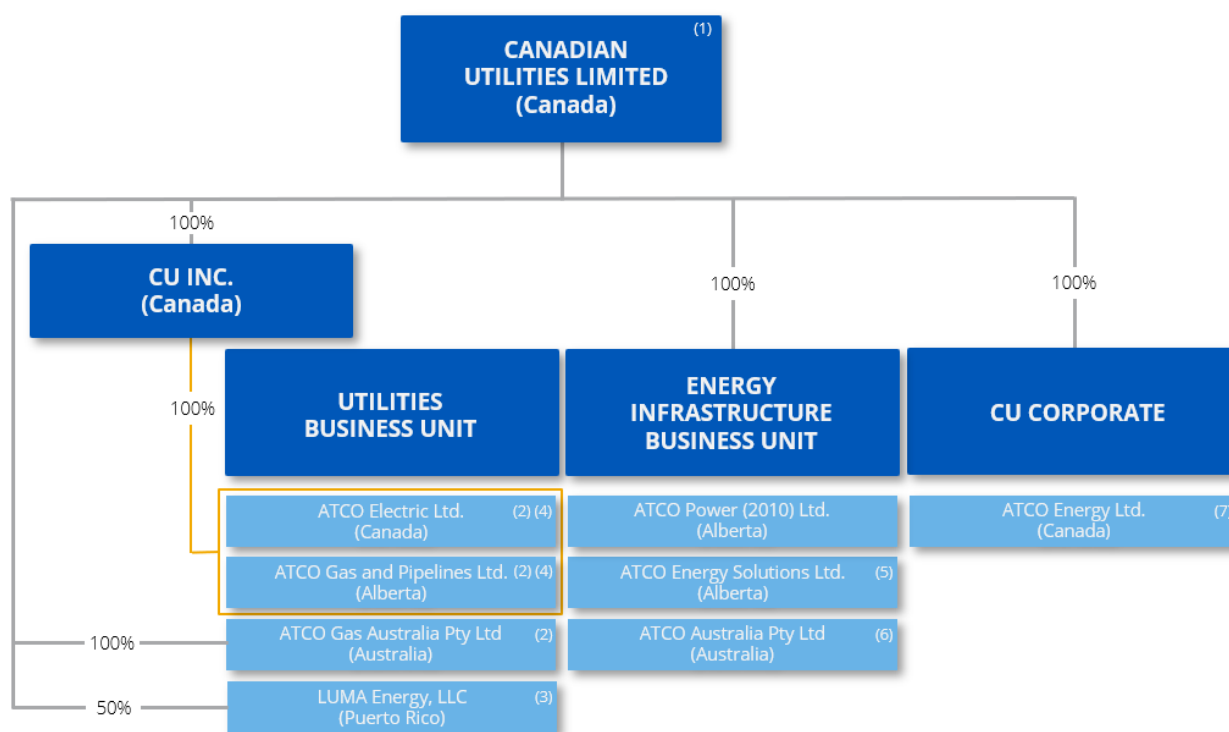
CORPORATE STRUCTURE

Canadian Utilities was incorporated under the laws of Canada on May 18, 1927, and was continued under the *Canada Business Corporations Act* on August 15, 1979. The common share capital of the Company was reorganized on September 10, 1982. The address of the head office of the Company is 4th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta, T3E 8B4 and its registered office is 20th Floor, 10035 - 105 Street, Edmonton, Alberta T5J 2V6.

In March 1999, Canadian Utilities was reorganized to separate its Alberta-based regulated businesses from the non-regulated businesses. This reorganization was implemented by the transfer of the common shares and debt of the regulated subsidiaries from Canadian Utilities to CU Inc., in return for common shares of CU Inc. As a result of the reorganization, the Company's Alberta Utilities, which had been financed by Canadian Utilities, are now mainly financed by CU Inc.

SIMPLIFIED ORGANIZATIONAL STRUCTURE

The following chart includes the names of the Company's principal business units, as well as the principal subsidiaries comprising the business units, and the jurisdictions in which they are governed. The chart also shows the percentages of such subsidiaries' shares the Company beneficially owns, controls or directs, either directly or indirectly.



- (1) The organizational chart does not include all of the subsidiaries of the Company. The assets and revenues of excluded subsidiaries in the aggregate did not exceed 20 per cent of the total consolidated assets or total consolidated revenues of the Company as at December 31, 2022.
- (2) ATCO Electric Ltd. includes Electricity Distribution and Electricity Transmission. ATCO Gas and Pipelines Ltd. includes Natural Gas Distribution and Natural Gas Transmission. ATCO Gas Australia Pty Ltd includes International Natural Gas Distribution.
- (3) Canadian Utilities' 50 per cent ownership in LUMA Energy, LLC (LUMA Energy), a company which is transforming, modernizing and operating Puerto Rico's 30,000-km electricity transmission and distribution system, is included in International Electricity Operations.
- (4) ATCO Gas and Pipelines Ltd. and ATCO Electric Ltd. (Alberta Utilities) are wholly owned subsidiaries of CU Inc., which is 100 per cent owned by Canadian Utilities.
- (5) ATCO Energy Solutions Ltd. includes Storage, Industrial Water and Clean Fuels.
- (6) ATCO Australia Pty Ltd includes non-regulated electricity generation assets in Australia, and the Central West Pumped Storage Hydro development project.
- (7) ATCO Energy Ltd. (ATCO Energy) includes Rūmi, Blue Flame Kitchen, and Retail Energy, and offers home products, home maintenance services, professional homeowners advice, and retail electricity and natural gas services in Alberta.

CANADIAN UTILITIES VISION AND VALUES

EXCELLENCE: THE ATCO HEART & MIND

"Going far beyond the call of duty. Doing more than others expect. This is what excellence is all about. It comes from striving, maintaining the highest standards, looking after the smallest detail and going the extra mile. Excellence means caring. It means making a special effort to do more."

R.D. Southern, Founder, ATCO

OUR VISION

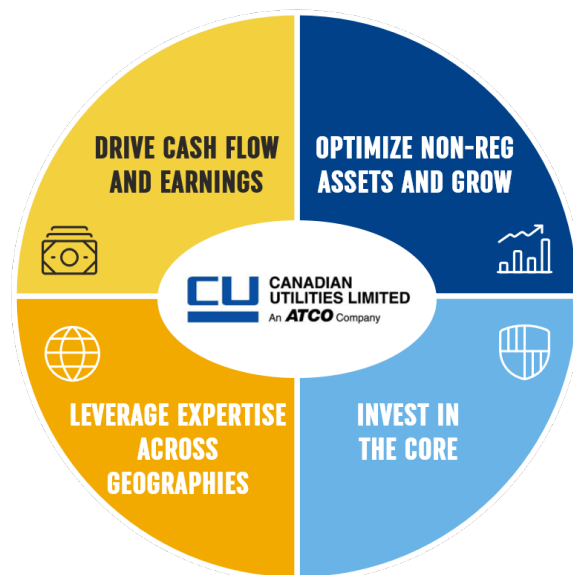
To create prosperity and opportunity for generations to come.

CANADIAN UTILITIES STRATEGIES

Innovation, growth and financial strength provide the foundation from which we have built our Company. Our long-term success depends on our ability to expand into new markets by continuing to offer our customers premier, comprehensive and integrated solutions to meet their needs.

These strategic imperatives are supported by our unwavering commitment to operational excellence, our customers, our people and the communities we are privileged to serve around the world.

We protect our core utility assets and invest in activities aimed at advancing the energy transition and ensuring long-term resiliency. By optimizing Energy Infrastructure assets and adding new growth platforms, while consistently delivering reliable, safe, cleaner, and affordable energy for our customers, Canadian Utilities will continue to drive cash flow and earnings to improve financial strength and growth capacity.



CORE VALUES

Our pursuit of excellence governs the way we act and make decisions. We strive to live by the following values:

Safety

Safety is the first consideration in everything we do. We hold a shared belief that safety must direct all our day-to-day priorities and decisions, and we are accountable for understanding and following the health and safety requirements for any work we undertake.

Integrity

We are honest, ethical and treat others with fairness, dignity and respect. We make good decisions, take personal ownership of tasks, are responsible for our actions and deliver on our commitments.

Agility

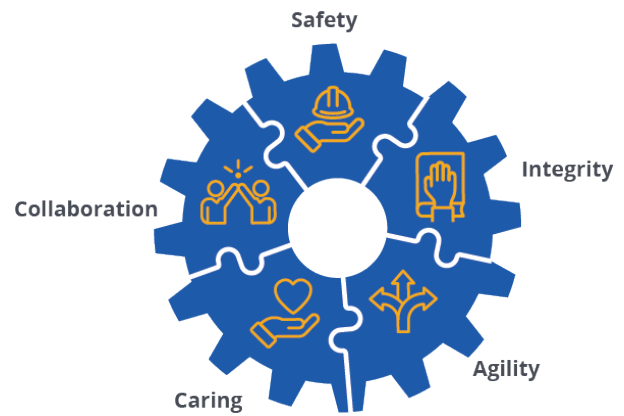
We are creative, innovative and take a measured approach to opportunities and risk, balanced with a long term perspective. We stay relevant, reward action and learn from failure.

Caring

We care about our customers, our employees and their families, our communities and the environment. We seek to understand and care enough to challenge each other.

Collaboration

We work together, share ideas, recognize the contribution of others and learn from our failures and successes. We are clear about our intentions and communicate openly especially when problems or issues arise. We value and encourage diversity and different perspectives. We work together to build strong networks.



SUSTAINABILITY

Canadian Utilities' sustainability strategy has always been driven by a holistic, long-term perspective, one that prioritizes our sustainability objectives and environmental, social and governance (ESG) performance while reliably delivering essential products and services to our customers, each and every day.

Energy Transition

We are actively transitioning our portfolio of investments to meet the needs of a new energy future while maintaining energy safety, reliability and affordability. We are investing in innovative technology and developing a suite of solutions from which our customers can choose. Our strategic focus is on cleaner fuels, renewable energy, energy infrastructure and storage, and energy efficiency.

Climate Change & Environmental Stewardship

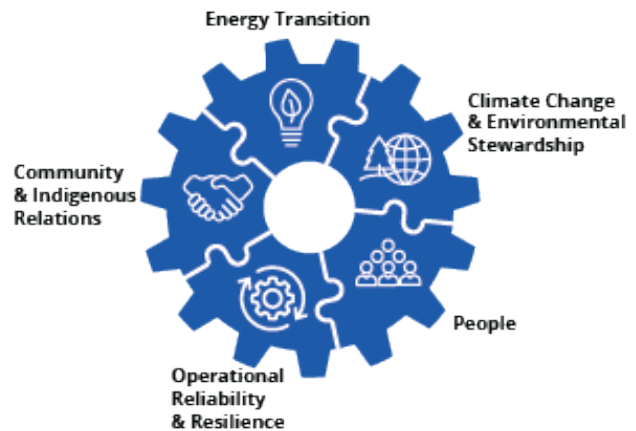
Our Climate Change Strategy not only minimizes our environmental footprint, it accelerates the clean energy transition. Critical to this approach is our focus on decarbonization and exploring new and more efficient ways to generate, transport and conserve energy.

People

Health and safety are the first considerations in everything we do. And, while we protect the people in our workforce and communities, we know we must also reflect the people in our communities by promoting diversity, equity and inclusion.

Operational Reliability & Resilience

We prepare for the future so that even in times of crisis our system continues to provide the essential services our customers need. We are committed to providing reliable energy, working around the clock to minimize service outages, and ensuring our assets are resilient for decades to come.



Community & Indigenous Relations

Building respectful and mutually beneficial relationships with communities, with Indigenous Peoples and with businesses has long defined how we do business. Together with our Indigenous and community partners, we are continually exploring new ways to collaborate.

STRATEGIC ENVIRONMENTAL, SOCIAL AND GOVERNANCE TARGETS FOR 2030

In January 2022, ATCO, Canadian Utilities' parent company, announced an initial set of 2030 environmental, social and governance targets, and a commitment to achieve net-zero greenhouse gas (GHG) emissions by 2050. ATCO (with the support of Canadian Utilities) is driving towards achieving the 2030 targets that include reducing operational GHG intensity and customer emissions, growing its renewable energy footprint and transitional products, increasing economic benefits for Indigenous partners, continuing its focus on safety, and further promoting diversity, equity and inclusion in the workplace. The 2050 net-zero commitment builds upon ATCO's significant progress in recent years in decarbonizing its portfolio.

ATCO continues to evaluate further ESG targets and conduct additional analyses with respect to the Company's 2050 net-zero commitment. Additional information and progress towards ATCO's ESG targets will be included in ATCO's annual Sustainability Report, which will be available in May 2023.

FURTHER COMMENTARY REGARDING STRATEGIES AND COMMITMENTS

Our financial and operational achievements in 2022 relative to the strategies outlined above are included in the Company's 2022 Management Discussion & Analysis (MD&A) and the 2022 Consolidated Financial Statements. Further commentary regarding strategies will be provided in the forthcoming 2022 Management Proxy Circular, Business Profile, and Sustainability Report. The 2022 Management Proxy Circular will also contain a discussion of the Company's corporate governance practices.

Canadian Utilities' website, www.canadianutilities.com, is a valuable source for the latest news of the Company's activities. Prior years' reports are also available on this website.

BUSINESS DESCRIPTION



We are more than the sum of our many parts. On a global scale, we energize homes, businesses, industries, and deliver customer-focused energy infrastructure solutions. With approximately \$22 billion in assets, Canadian Utilities is a company with a diverse, global portfolio of investments in premier energy infrastructure that delivers operational excellence and superior returns. Fueled by the unwavering dedication of approximately 5,000 employees and 3,300 employees in non-controlled interests, we offer comprehensive solutions and operational excellence in Utilities (electricity and natural gas transmission and distribution, and international operations); Energy Infrastructure (energy storage, energy generation, industrial water solutions and clean fuels); and Retail Energy (electricity and natural gas retail sales, and whole-home solutions).

UTILITIES

OVERVIEW

The Utilities business unit operates in Canada, Australia and Puerto Rico. The four regulated utilities (Electricity Transmission and Distribution, and Natural Gas Transmission and Distribution) in Alberta, Saskatchewan and the northern regions of Canada have delivered reliable electricity and clean-burning natural gas to customers for many decades. International Operations consists of the regulated natural gas distribution business in Western Australia, and the electricity operations business in Puerto Rico; Canadian Utilities' 50 per cent ownership in LUMA Energy.

BUSINESS STRATEGY

Our strategy is to invest in regulated electricity and natural gas transmission and distribution assets, capitalize on opportunities to provide long-term contracted electricity and natural gas transmission and distribution services, and to enable renewable energy generation, delivery, and storage. Our strategic priorities are focused on investments that provide lower emissions and clean energy solutions for our customers, and continuing to invest in our core business while maintaining energy reliability, safety, and affordability.

MARKET OPPORTUNITIES

The utilities industry is changing with an increased focus on decarbonization, digitalization, decentralization, and evolving customer demand. The worldwide push towards reaching net-zero, evolving regulations to encourage the advancement of new technologies, emission reduction targets, and government incentives present opportunities for utility companies. Our natural gas and electric utilities are well positioned to capitalize on this movement.

MARKET CHALLENGES

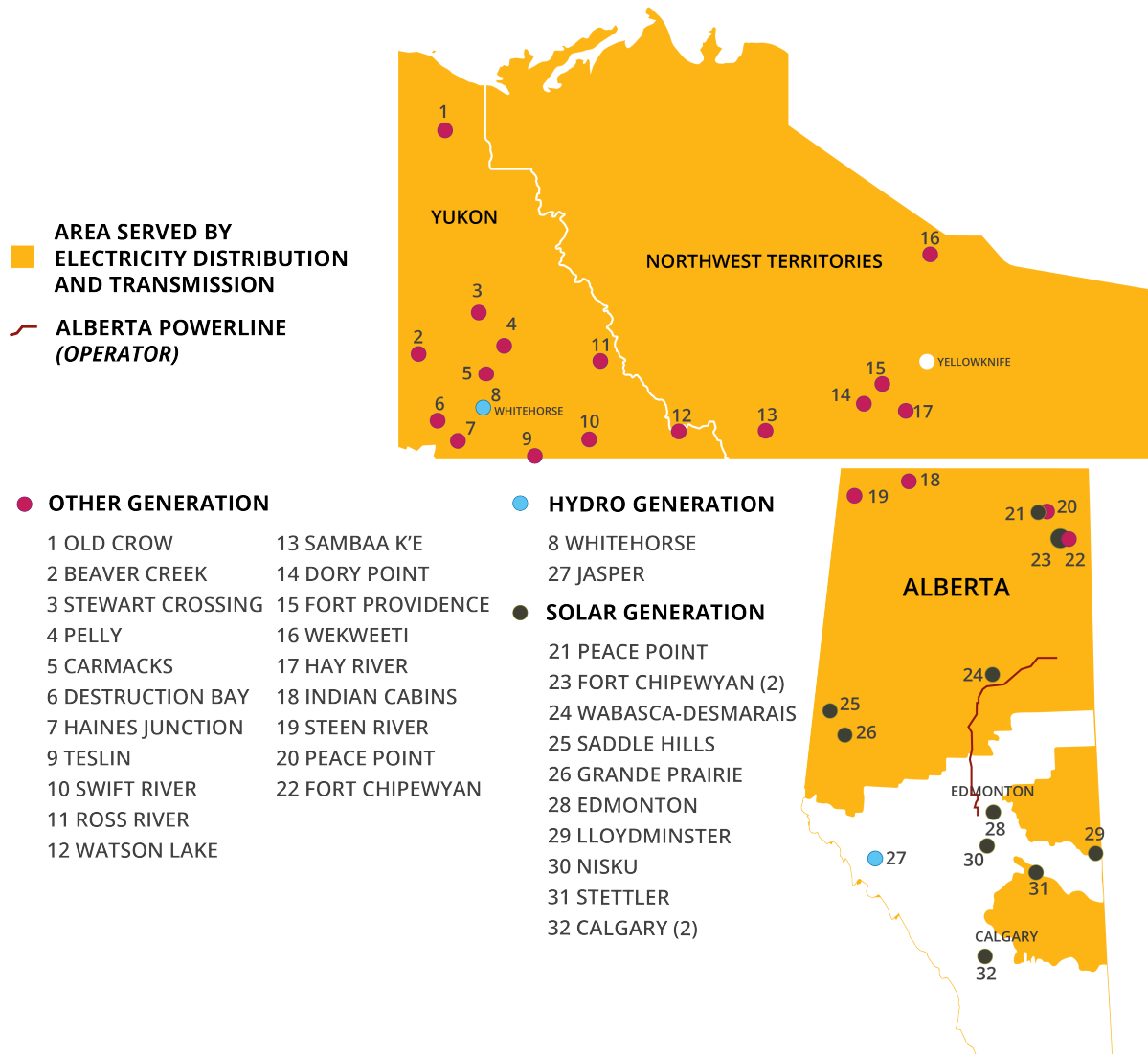
Traditional utility industry challenges include the regulator's approval of customer rates that permit a reasonable opportunity to recover service costs on a timely basis, including a fair return on invested capital. Provincial and federal governments have expressed concerns about existing levels of customer rates and affordability, which may impact the pace of growth. The ongoing energy transition is driving policy uncertainty and risks delaying investment decisions that would align with our decarbonization targets. Technology risks associated with decarbonization, digitalization, and decentralization could lead to disruption of the Company's existing business models and create competitive market dynamics.



ATCO Employee, Alberta, Canada

ELECTRICITY DISTRIBUTION AND TRANSMISSION

The following map shows the areas served by Electricity Distribution and Electricity Transmission, as well as the locations of electricity generation owned or operated by Electricity Distribution and Transmission, in western and northern Canada.



Electricity Distribution and Transmission transmit and deliver electricity to approximately 240 communities and rural areas in Northern and Central East Alberta. Among those served are the communities of Drumheller, Lloydminster, Grande Prairie, and Fort McMurray as well as the oil sands areas near Fort McMurray and the heavy oil areas near Cold Lake and Peace River. Electricity utility service is also provided to three communities in Saskatchewan. Electricity Distribution and Transmission is headquartered in Edmonton and has 38 offices throughout its service area.

The Yukon Electrical Company Limited (ATCO Electric Yukon (AEY)) serves 19 communities in the Yukon, including the capital city of Whitehorse, and one community in British Columbia. Northland Utilities Enterprises Ltd. (Northland Utilities) is a 50/50 partnership between a subsidiary of the Company and Denendeh Investments Incorporated, which represents the 27 Dene First Nations of the Northwest Territories. Northland Utilities has two operating divisions: Northland Utilities (NWT) Limited (NWT) and Northland Utilities (Yellowknife) Limited (NUY). NUY and NWT serve nine communities in the Northwest Territories, including the capital city of Yellowknife.

Approximately 668,000 people live in the principal markets for electric utility service by Electricity Distribution and Transmission and its subsidiaries NUY, NWT and AEY. Service is provided to approximately 263,000 customers. Electricity Distribution and Transmission has been assigned approximately 65 per cent of the designated service area within Alberta. This service area contains approximately 14 per cent of the provincial electrical load and 13 per cent of the population.

The average monthly number of customers served by Electricity Distribution and Transmission, NUY, NWT and AEY in 2022 and 2021 is shown below.

	2022		2021	
	Number	%	Number	%
Residential	185,919	71	184,869	71
Commercial	34,960	13	34,771	13
Industrial	9,299	4	9,439	4
Rural, REA and other	32,400	12	32,291	12
Total	262,578	100	261,370	100

Electricity distributed to the various classes of customers in 2022 and 2021 is shown below.

	2022		2021	
	GWh	%	GWh	%
Residential	1,364	11	1,393	11
Commercial	2,325	19	2,264	18
Industrial	8,266	66	8,291	67
Rural, REA and other	534	4	543	4
Total	12,489	100	12,491	100

Electricity Distribution and Transmission, NUY, NWT and AEY own and operate extensive electricity transmission and distribution systems. The systems consist of approximately 11,000-km of transmission lines and approximately 60,000-km of distribution lines. In addition, Electricity Distribution and Transmission deliver power to, and operate approximately 3,500-km of distribution lines owned by Rural Electrification Associations (REA).

Electricity Distribution and Transmission, AEY, NUY and NWT distribute electricity to incorporated communities under the authority of franchises or by-laws. In rural areas, electricity is distributed by approvals, permits or orders under applicable statutes.

The franchises under which service is provided in incorporated communities in Alberta and the Northwest Territories have been granted for up to 20 years. These franchises are exclusive to Electricity Distribution and Transmission, NUY or NWT, and are renewable by agreement. If any franchise is not renewed, it remains in effect until either party, with the approval of the regulatory authority, terminates it on six months written notice.

On termination of a franchise, the municipality may purchase the facilities used under that franchise at a price to be agreed on or, failing agreement, to be determined by the regulatory authority. The franchise under which service is provided in the Yukon was granted under the *Public Utilities Act* (Yukon) and has no set expiry date.

Under the *Electric Utilities Act* (Alberta) (EUA), wholesale tariffs for electricity transmission must be approved by the Alberta Utilities Commission (AUC). Transmission tariffs allow any owner of a generating unit to access the Alberta transmission system and thus facilitate the sale of its power. The same transmission tariff is charged to each distribution utility or customer directly connected to the transmission system, regardless of location.

Transmission costs are equalized by having each owner of transmission facilities charge its costs to the Alberta Electric System Operator (AESO). The AESO then aggregates these costs and charges a common transmission rate to all transmission system users.

The Transmission Regulation under the EUA stipulates that new transmission projects will be assigned to transmission facility owners based on the service areas of the distribution companies they have been historically affiliated with. Facilities ownership will change at service area boundaries, except where, in the AESO's opinion, only a small portion of the project is in another service area. This rule applies to all transmission projects except inter-provincial inter-tie projects and those deemed "critical" by the Government of Alberta.

Alberta PowerLine

Canadian Utilities is the operator of Alberta PowerLine (APL) under a 35-year contract. APL owns a 500-km, 500-kV electricity transmission line running from Wabamun to Fort McMurray Alberta. APL is 60 per cent owned by TD Asset Management Inc. for and on behalf of TD Greystone Infrastructure Fund (Global Master) L.P., and IST3 Investment Foundation acting on behalf of its investment group IST3 Infrastruktur Global. The other 40 per cent is owned by seven Indigenous communities in Alberta: Athabasca Chipewyan First Nation, Bigstone Cree Nation, Gunn Metis Local 55, Mikisew Cree First Nation, by way of its business arm, the Mikisew Group of Companies, Paul First Nation, Sawridge First Nation and Sucker Creek First Nation.

Electricity Generation

Hydroelectric, Solar Generation and Diesel

Electricity Distribution and Transmission owns or operates 2 hydroelectric plants, 12 solar sites, and 20 diesel-generating plants with an aggregate nameplate capacity of 47-MW in Alberta, the Yukon and Northwest Territories.

The hydroelectric assets include one facility in Whitehorse and one in Jasper that each generate 1.4-MW of hydroelectric power. The solar sites in Alberta include rooftop and ground mounted solar sites including the Fort Chipewyan Solar Project, the largest off-grid solar project in Canada, and Old Crow Solar project, the most northerly off-grid solar project. The diesel sites are spread throughout the Yukon, Northwest Territories and Alberta and serve remote communities that are not connected to the grid.

Canadian Utilities' Electricity Distribution and Transmission continue to advance their strategy to enable renewable energy generation and delivery while supporting their customers' energy needs. In August 2022, the Government of Northwest Territories announced it is providing Northland Utilities up to \$300,000 to support the installation of two public EV fast-charger stations in Yellowknife. In December 2022, ATCO Electric Yukon, a subsidiary of CU Inc., and Copper Niisüü Limited Partnership finalized landmark Electricity Purchase Agreements to underpin the Saa Sè Energy Project in Beaver Creek and the wind facility project in Burwash Landing to enhance energy autonomy for both the White River and Kluane First Nations. More information is presented in the Company's MD&A.

INTERNATIONAL ELECTRICITY OPERATIONS

LUMA Energy

LUMA Energy provides transmission and distribution services throughout Puerto Rico and serves approximately 1.5 million customers through its joint venture, a company owned 50 per cent by Canadian Utilities and 50 per cent by Quanta Services, Inc. LUMA Energy operates approximately 30,000-km of transmission and distribution lines and has approximately 3,300 employees.



On June 22, 2020, LUMA Energy was selected by the Puerto Rico Public-Private Partnerships Authority (P3A) to transform, modernize and operate Puerto Rico's electricity transmission and distribution system over a term of 15 years after a one-year transition period as set out in the Operations and Maintenance Agreement.

Following the transition period, on June 1, 2021, LUMA Energy assumed operations under terms of a Supplemental Agreement as the Puerto Rico Electric Power Authority (PREPA) remained in bankruptcy. LUMA Energy continues operations under the terms of a Supplemental Agreement, which was extended on November 30, 2022 and will continue until such time that PREPA's bankruptcy is resolved. The agreement allows LUMA Energy to collect an annualized fixed fee equivalent of \$115 million USD. Following the resolution of PREPA's bankruptcy proceeding, LUMA Energy will transition to year one of the Operations and Maintenance agreement where the company will receive a fixed fee and the potential to receive additional incentive fees based on performance.

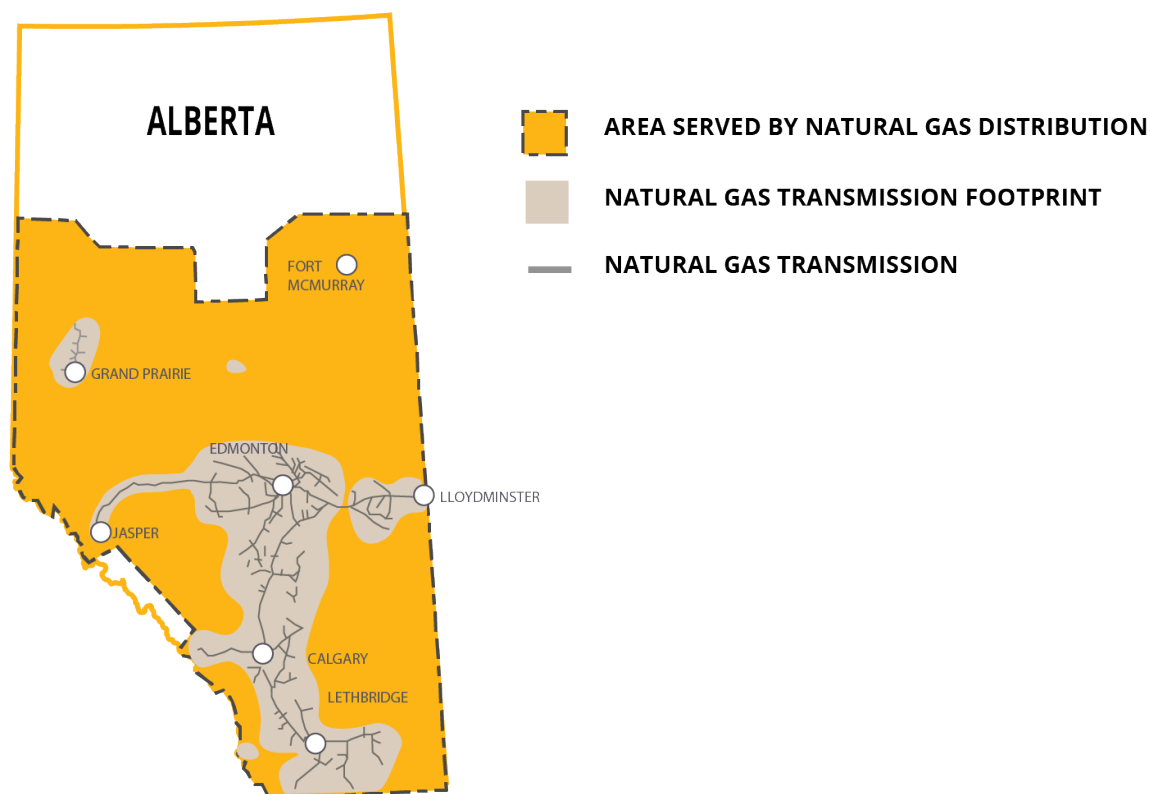


LUMA Energy, Puerto Rico

This innovative arrangement allows PREPA to retain ownership of all utility assets while benefiting from the expertise of a qualified operator. LUMA Energy combines Canadian Utilities' world-class utility operations and customer service expertise with Quanta's superior utility services and project execution capabilities.

NATURAL GAS DISTRIBUTION AND TRANSMISSION

The following map shows the areas served by Natural Gas Distribution and Natural Gas Transmission in Alberta.



Natural Gas Distribution

Natural Gas Distribution delivers natural gas throughout Alberta and in the Lloydminster area of Saskatchewan and serves approximately 1.3 million customers in nearly 300 Alberta communities.

Natural Gas Distribution's principal markets for distributing natural gas are in Edmonton, Calgary, Airdrie, Fort McMurray, Grande Prairie, Lethbridge, Lloydminster, Red Deer, Spruce Grove, St. Albert and Sherwood Park. These communities have a combined population of approximately 3.2 million people. Approximately 76 per cent of Natural Gas Distribution's customers were located in these 11 communities in 2022. Also served are 279 smaller communities as well as rural areas with a combined population of approximately 770,000.

The average monthly number of customers served by Natural Gas Distribution in 2022 and 2021 is shown below.

	2022		2021	
	Number	%	Number	%
Residential	1,167,506	92	1,151,862	92
Commercial	102,958	8	102,021	8
Industrial	340	—	343	—
Other	737	—	505	—
Total	1,271,541	100	1,254,731	100

The quantity of natural gas distributed by Natural Gas Distribution in 2022 and 2021 is shown below.

	2022		2021	
	PJ	%	PJ	%
Residential	127.7	46	127.6	47
Commercial	135.5	49	129.6	48
Industrial	13.1	5	12.9	5
Other	0.2	—	0.3	—
Total	276.5	100	270.4	100

Natural Gas Distribution owns and operates approximately 41,500-km of distribution mains. It also owns service and maintenance facilities in major centres in Alberta.

Natural Gas Distribution delivers natural gas in incorporated communities under the authority of franchises or by-laws and in rural areas under approvals, permits or orders issued through applicable statutes. It currently has 169 franchise agreements with communities throughout Alberta. These franchise agreements detail the rights granted to Natural Gas Distribution and its obligations to deliver natural gas services to consumers in the municipality.

All franchises are exclusive to Natural Gas Distribution and are renewable by agreement for additional periods of up to 20 years. If any franchise is not renewed, it remains in effect until either party, with the approval of the prevailing regulatory authority, terminates it on six months written notice. On termination, the municipality may purchase the facilities used in connection with that franchise at a price to be agreed on or, failing agreement, to be determined by the prevailing regulatory authority.

In Edmonton, distribution of natural gas is carried on under the authority of an exclusive franchise. Natural Gas Distribution has a 20-year franchise agreement with Edmonton that will expire on July 21, 2030. The franchises under which service is provided in other incorporated communities in Alberta have been granted for up to 20 years.

In Calgary, the distribution of natural gas operates under a municipal by-law. The rights of Natural Gas Distribution under this by-law, while not exclusive, are unrestricted as to term. The by-law does not confer any right for Calgary to acquire the facilities used in providing the service.

Hydrogen Blending Project

The advancement of hydrogen production in the province creates additional opportunities related to blending within existing natural gas infrastructure. Canadian Utilities has proposed projects that reinforce the safe use of hydrogen with the intent to eventually leverage Alberta's existing carbon capture and sequestration infrastructure to store emissions associated with the production process. These opportunities will contribute to system decarbonization and help support provincial and federal emissions targets.

Natural Gas Transmission

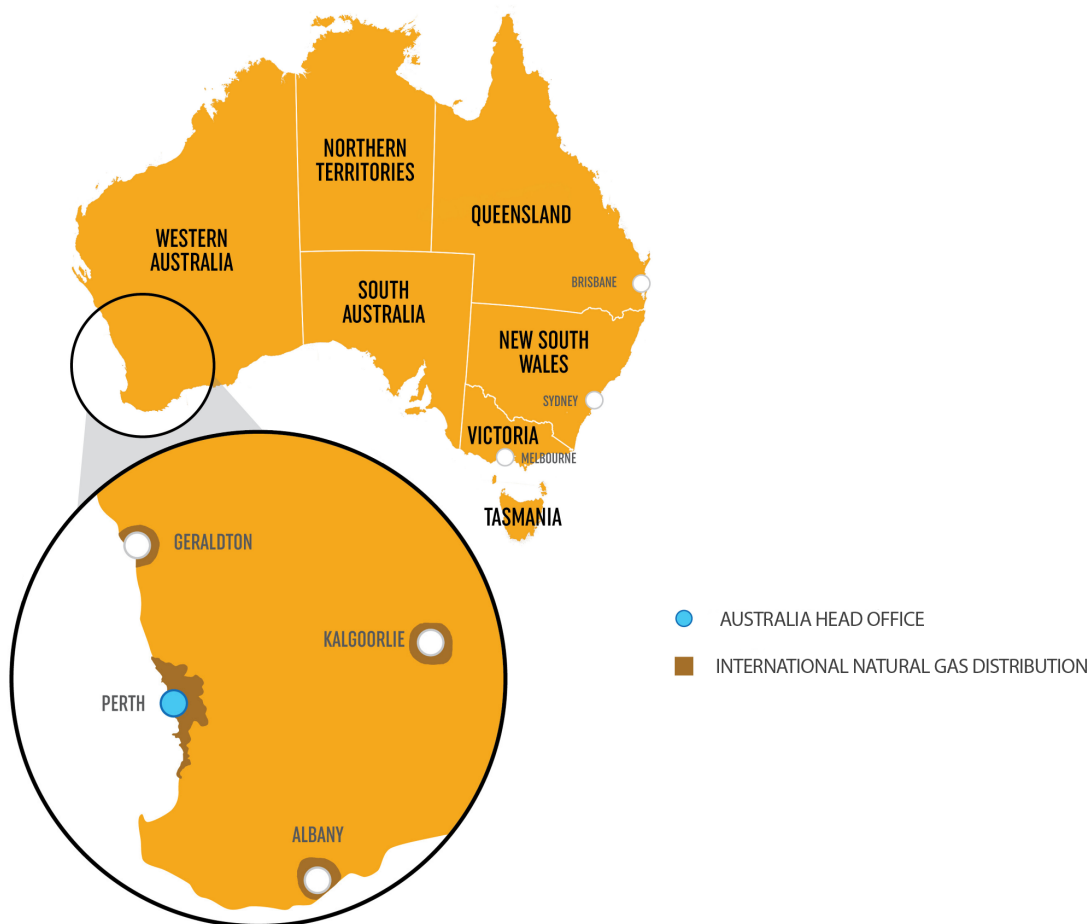
Natural Gas Transmission owns and operates natural gas transmission pipelines and facilities in Alberta. The business receives natural gas on its pipeline system from various gas processing plants as well as from connections with other natural gas transmission systems. The business transports the gas to end users within the province such as local distribution utilities and industrial customers, or to other transmission pipeline systems, primarily for export out of the province.

Natural Gas Transmission owns and operates an extensive natural gas transmission system. The system currently consists of approximately 9,100-km of pipelines, 16 compressor sites, approximately 3,700 receipt and delivery points, and a salt cavern natural gas storage peaking facility near Fort Saskatchewan, Alberta. The system has 183 producer receipt points, one interconnection with Alliance Pipeline, and one interconnection with Many Islands Pipelines. Peak delivery capability of the natural gas transmission system is 4.85 billion cubic feet per day.

Included in the natural gas transmission system is the 101-km pipeline from the Pioneer Pipeline acquisition in 2021. This pipeline is facilitating the conversion of coal power plants to cleaner burning natural gas. As part of the acquisition, consistent with the geographic areas defined in the Integration Agreement, Natural Gas Transmission transferred a 30-km segment of pipeline to Nova Gas Transmission Ltd. (NGTL) that is located in the NGTL footprint. The transfer received approval from the Canada Energy Regulator on December 22, 2021, and the transfer was completed on February 25, 2022. More information is presented in the Company's MD&A.

INTERNATIONAL NATURAL GAS DISTRIBUTION

International Natural Gas Distribution's operations are shown in the following map.



International Natural Gas Distribution provides natural gas distribution services in Western Australia and serves approximately 792,000 customers in 18 communities, including metropolitan Perth and surrounding regions such as Geraldton, Bunbury, Busselton, Kalgoorlie, Harvey, Pinjarra, Brunswick Junction and Capel. International Natural Gas Distribution owns and operates approximately 14,000-km of natural gas pipelines and associated infrastructure and also distributes liquefied petroleum gas (LPG) to the community of Albany.

The average monthly number of customers served by International Natural Gas distribution in 2022 and 2021 is shown below.

	2022		2021 ⁽¹⁾	
	Number	%	Number	%
Residential	777,011	98	766,608	98
Commercial	14,369	2	14,105	2
Industrial	177	—	178	—
Total	791,557	100	780,891	100

(1) In 2022, management is using the average monthly number of customers as opposed to the number of customers at year end. 2021 numbers have been restated for comparability.

The quantity of gas distributed by International Natural Gas Distribution in 2022 and 2021 is shown below.

	2022		2021	
	PJ	%	PJ	%
Residential	10.4	37	10.6	38
Commercial	3.5	13	3.5	12
Industrial	13.8	50	14.2	50
Total	27.7	100	28.3	100

Hydrogen Blending

In Australia, Canadian Utilities continues to build on its work at the Clean Energy Innovation Hub, a test bed for hybrid energy solutions integrating natural gas, solar photovoltaic, battery storage and hydrogen production. In 2020, a 10 per cent hydrogen blend injected into the natural gas supply was successfully tested at the major depot at Jandakot in Perth, Western Australia. In 2021, Canadian Utilities successfully secured milestone based funding of \$2 million from the Western Australian Government for hydrogen blending initiation of 2,700 homes around the Jandakot depot site.

In 2022, Canadian Utilities successfully blended a small percentage of hydrogen into a portion of the natural gas distribution network for around 2,700 homes within the City of Cockburn. In partnership with Fortescue Future Industries (FFI), Canadian Utilities also constructed Western Australia's first Hydrogen Refuelling Station (HRS) that will enable Fortescue, Canadian Utilities and third parties such as the Western Australia Police to support their fleets of hydrogen fuel cell vehicles for emissions-free travel.



Western Australia's first Hydrogen Refuelling Station

REGULATORY INFORMATION

The regulatory framework and regulatory developments are described in the "Utilities Regulatory Information" section in Canadian Utilities' MD&A and is incorporated herein by reference. The MD&A may be found on SEDAR at www.sedar.com.

ENERGY INFRASTRUCTURE

OVERVIEW

The Energy Infrastructure non-regulated businesses include: hydro, solar, wind, and natural gas electricity generation in Western Canada, Australia, Mexico, and Chile, as well as non-regulated electricity transmission, natural gas storage and transmission, Natural Gas Liquids (NGL) storage, and industrial water solutions in Alberta. Energy Infrastructure is also developing its clean fuels business including hydrogen, renewable natural gas, carbon capture and underground storage projects.

BUSINESS STRATEGY

Energy transition is a key component of our growth strategy, focused on the three pillars of clean fuels, renewable generation, and energy storage. Energy Infrastructure is striving to be a leader in clean energy development while focusing on delivering reliable, affordable and clean energy infrastructure that supports our customers' decarbonization objectives and leverages our core competencies and assets in the Americas and Australia. Energy Infrastructure continues to actively explore potential opportunities that will complement our growing renewable portfolio. Additionally, we continue to optimize and drive growth in our energy storage business. Storage is critical to energy stability and to support the reliability of the grid as the world transitions to clean, but more intermittent, sources of energy.

MARKET OPPORTUNITIES

In developed markets, the political and societal push to address climate change with decarbonization goals and the energy transition are driving the demand for clean energy, mainly supplied through renewables and clean fuels. Energy markets will be focused on providing firm, reliable and affordable energy supply as the share of renewables grows; this will drive further investment into storage and grid balancing solutions to improve system reliability.

MARKET CHALLENGES

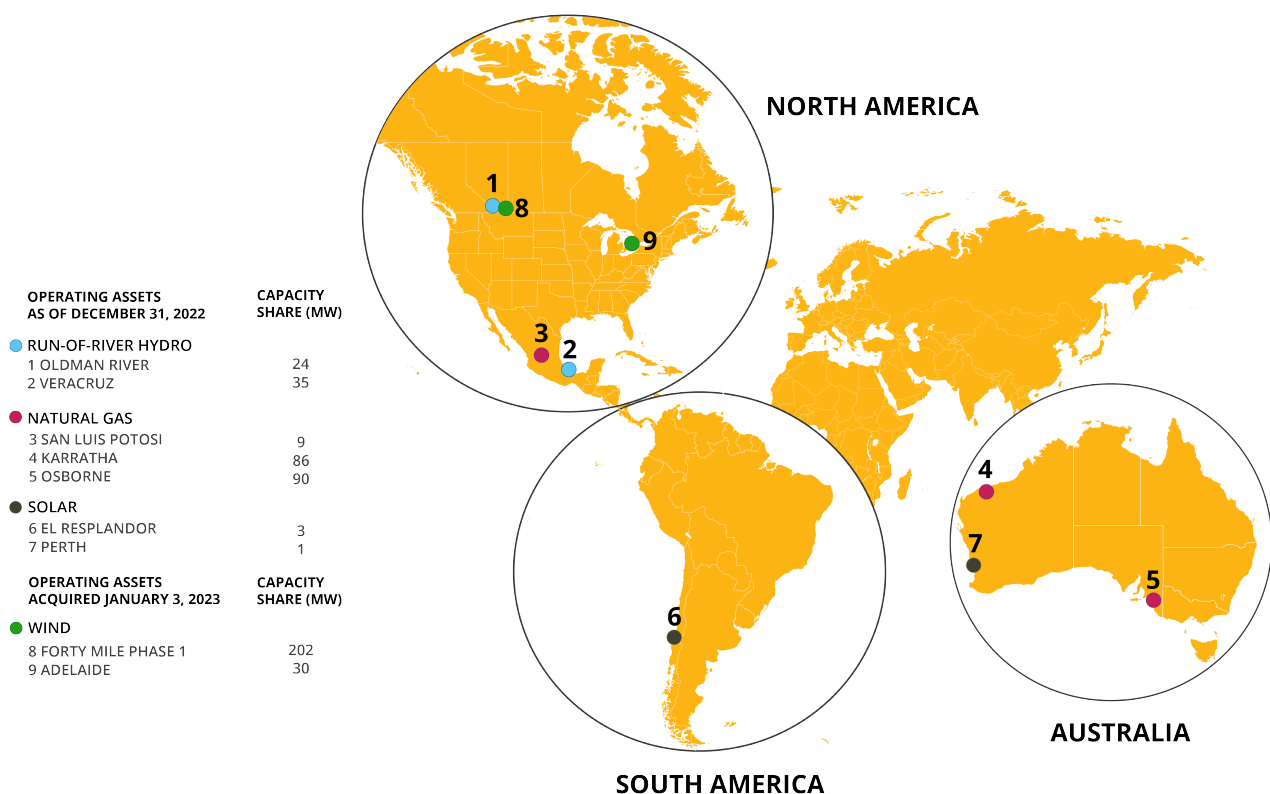
There is significant competition as financial, strategic and traditional fossil fuel-based energy producers become increasingly interested in renewables and clean fuels as part of the global energy transition. Government policy and regulatory constraints present challenges to renewables and clean fuel projects aligned with energy transition strategies. Macroeconomic conditions such as global economic activity, interest rates, inflation, and political uncertainty pose challenges for investment.



Forty Mile Wind, Alberta, Canada

ELECTRICITY GENERATION

Electricity Generation owns 248-MW of non-regulated electricity generation operating assets in Canada, Mexico, Australia and Chile as of December 31, 2022. On January 3, 2023, an additional 232-MW of operating assets were acquired along with a development pipeline with more than 1,500-MW of wind and solar projects at various stages of development.



More information about the 2023 Renewable Energy Portfolio Acquisition can be found in the "[Strategic Acquisition of Renewable Generation Assets](#)" investor presentation available on the Canadian Utilities website: www.canadianutilities.com.

Canada

Name & Location	Type	Date In Service	MW ⁽¹⁾	Ownership (%)	Capacity Share (MW)	Contracted Capacity (MW)	Partner(s) ⁽²⁾	Customer(s)	Contract Expiry Date
CANADA									
Oldman River Pincher Creek, AB	Hydroelectric	2003	32	75	24	—	Piikani Nation	Merchant	—
Forty Mile Phase 1 ⁽³⁾ Bow Island, AB	Wind	2022	202	100	202	150	—	Microsoft Corporate & Merchant	2038
Adelaide ⁽³⁾ Strathroy, ON	Wind	2015	40	75	30	30	Aamjiwnaang First Nation	Ontario Power Authority	2035
Total - Canada			274		256	180			

In Development

Name & Location	Type	Date In Service	MW ⁽¹⁾	Ownership (%)	Capacity Share (MW)	Contracted Capacity (MW)	Partner(s)	Customer(s)	Contract Expiry Date
Barlow Calgary, AB	Solar	Partial Dec 2022	27	100	27	—	—	—	—
Deerfoot Calgary, AB	Solar	Est. 2023	37	100	37	37	—	Microsoft Corporate	2038
Empress Empress, AB	Solar	Est. 2023	39	100	39	—	—	—	—
Total In Development			103		103	37			

(1) Name plate capacity.

(2) Piikani Nation means Piikani Resource Development Inc.

(3) Subsequent to the year ended December 31, 2022, these assets were acquired as part of the Renewable Energy Portfolio Acquisition from Suncor Energy Inc.

Oldman River Hydro Plant

The Oldman River Hydro Plant is a 32-MW run-of-river project in southern Alberta, commissioned in 2003. The facility is jointly owned by Canadian Utilities and the Piikani Nation. Power generated at the plant meets the needs of up to 25,000 households.

2023 Renewable Energy Portfolio Acquisition

In October 2022, Canadian Utilities announced it had entered into a definitive agreement with Suncor Energy Inc. to acquire a portfolio of wind and solar assets and development projects located in Alberta and Ontario. The 30-MW Adelaide wind facility in Ontario and 202-MW Forty Mile wind project in Alberta were added to the non-regulated electricity generation assets upon close of the acquisition on January 3, 2023.

Concurrent with the close of this acquisition, Canadian Utilities entered into a new 15-year renewable energy purchase agreement (REPA) with Microsoft Corporation. Under the terms of the agreement, Microsoft will purchase 150-MW of renewable energy generated by Canadian Utilities' newly acquired Forty Mile Wind Phase 1 Project in Alberta. The offtake from the Adelaide wind facility is also contracted under a long-term power purchase agreement.

Alberta Solar

In September 2021, Canadian Utilities announced that it had acquired the development rights to build three solar projects, the Deerfoot and Barlow projects in Calgary, Alberta, and the Empress Solar project near Empress, Alberta. The Barlow project achieved partial energization in December 2022, with full commercial operations expected in the second quarter of 2023. The Deerfoot and Empress projects are expected to commence commercial operations by the fourth quarter of 2023. Collectively they are expected to generate a combined capacity of 103-MW for the province.

In March 2022, Canadian Utilities entered into a 15-year power purchase agreement with Microsoft Corporation. Under the terms of the agreement, Microsoft will purchase all renewable energy generated by the Deerfoot project.

Mexico

Canadian Utilities and its Mexican partner, Grupo Ranman, own 11-MW of distributed generation located in the World Trade Centre industrial park in San Luis Potosí, Mexico.

Canadian Utilities owns Electricidad del Golfo, a long-term contracted, 35-MW hydroelectric power station based in the state of Veracruz, Mexico.

Name & Location	Type	Date In Service	MW ⁽¹⁾	Ownership (%)	Capacity Share (MW)	Contracted Capacity (MW)	Partner(s) ⁽²⁾	Customer(s)	Contract Expiry Date
MEXICO									
Distributed Generation San Luis Potosi	Gas-Fired	2016	11	79	9	9	Grupo Ranman	Various	2026
Electricidad del Golfo Veracruz	Hydroelectric	2014	35	100	35	35	—	Various	2028
Total - Mexico			46		44	44			

(1) Name plate capacity.

(2) Grupo Ranman means RANMAN Energy Inc.

Australia

Canadian Utilities maintains ownership in and currently operates two natural gas fired generation plants: Karratha in the Pilbara region of Western Australia, and Osborne in Adelaide, South Australia. These facilities collectively generate 266-MW of power and provide energy for thousands of public sector, domestic, industrial and commercial clients.

Karratha Power Station

Commissioned in 2010, the 86-MW Karratha Power Station is critical energy infrastructure and a reliable, scheduled electricity generation facility located in the North West Interconnected System in the resource rich region of the Pilbara in Western Australia. The facility supplies electricity to the state owned regional electric utility, Horizon Power, under a 20-year tolling power off-take contract. The facility consists of two online open cycle, dry low emission natural gas turbines and a spare third gas turbine on site. The plant is managed by highly competent and locally stationed Canadian Utilities' crew and meets all its contractual performance requirements including commercial availability target, heat rate, noise pollution and nitrous oxide emissions.

Osborne

Osborne is a 50/50 joint venture between ATCO Power Australia and Origin Energy that commenced commercial operation on December 7, 1998. The 180-MW Osborne facility, operated by ATCO Power Australia, is located near Adelaide, South Australia, and is designed to accommodate operation in both cogeneration and combined cycle modes. Prior to July 2015, Osborne sold its electrical output under a long-term (20-year) PPA to Origin Energy. In July 2015, the PPA was amended to a tolling agreement whereby Origin Energy Electricity Limited (as the electricity off-taker) supplies the natural gas at its own cost and in turn, utilizes the facility for its required electricity output.

In 2018, Canadian Utilities negotiated a five-year extension to the PPA with Origin Energy Electricity Limited for Osborne to December 31, 2023. On February 3, 2023, Canadian Utilities executed an extension to the current Power Purchase Agreement. The extension is for a period of three years with a further one year option. The terms of the extension are similar to the current tolling arrangement with increased flexibility and dispatch capability for the customer.

Name & Location	Type	Date In Service	MW ⁽¹⁾	Ownership (%)	Capacity Share (MW)	Contracted Capacity (MW)	Partner(s) ⁽²⁾	Customer(s) ⁽²⁾	Contract Expiry Date
AUSTRALIA									
Osborne South Australia	Gas-Fired Combined-cycle	1998	180	50	90	90	Origin Energy	Origin Electricity	2026
Karratha Western Australia	Gas-Fired Open-cycle	2010	86	100	86	86	—	Horizon Power	2030
Total - Australia			266		176	176			

(1) Name plate capacity.

(2) Full names of customers and partners:

- Origin Electricity means Origin Energy Electricity Limited
- Origin Energy means Origin Energy Limited

Australia Solar

Canadian Utilities acquired Source Energy Co. (Source) in July 2018, a behind the meter retail company in Western Australia with expertise in managing energy needs for high-density apartment buildings, using a mix of rooftop solar panels and energy from the grid, matched with smart metering technology. Source provides customers with advice on how to save energy and money with sustainable energy solutions. In 2022, Source generated approximately 1-MW of solar energy capacity.

Hydro Development - Central West Pumped Storage Hydro Project

In February 2021, Canadian Utilities announced an agreement to acquire the rights to develop the 325-MW Central West Pumped Storage Hydro project, located approximately 175-km west of Sydney, Australia. The acquisition marks Canadian Utilities' first potential renewable energy investment on Australia's east coast. The project is in close proximity to significant renewable energy resources and will be integral in supporting the development of new renewable generation capacity in the state of New South Wales. In September 2022, a \$9 million AUD recoverable grant was awarded by the NSW Government to help fund pre-investment activities. A final investment decision on project construction is expected in 2023.

Chile

Solar Generation Facility

In 2019, Canadian Utilities entered into a partnership with Impulso Capital, a Chilean developer, to build and operate the El Resplandor solar project. This project located in Cabrero, Chile, provides solar energy to the Chilean electricity grid.

Name & Location	Type	Date In Service	MW ⁽¹⁾	Ownership (%)	Capacity Share (MW)	Contracted Capacity (MW)	Partner(s)	Customer(s)	Contract Expiry Date
CHILE									
El Resplandor Cabrero	Solar PV	2020	3	95	2.85	—	Impulso Capital	Merchant	—

(1) Name plate capacity.

ELECTRIC VEHICLE INPUT CHARGING STATIONS

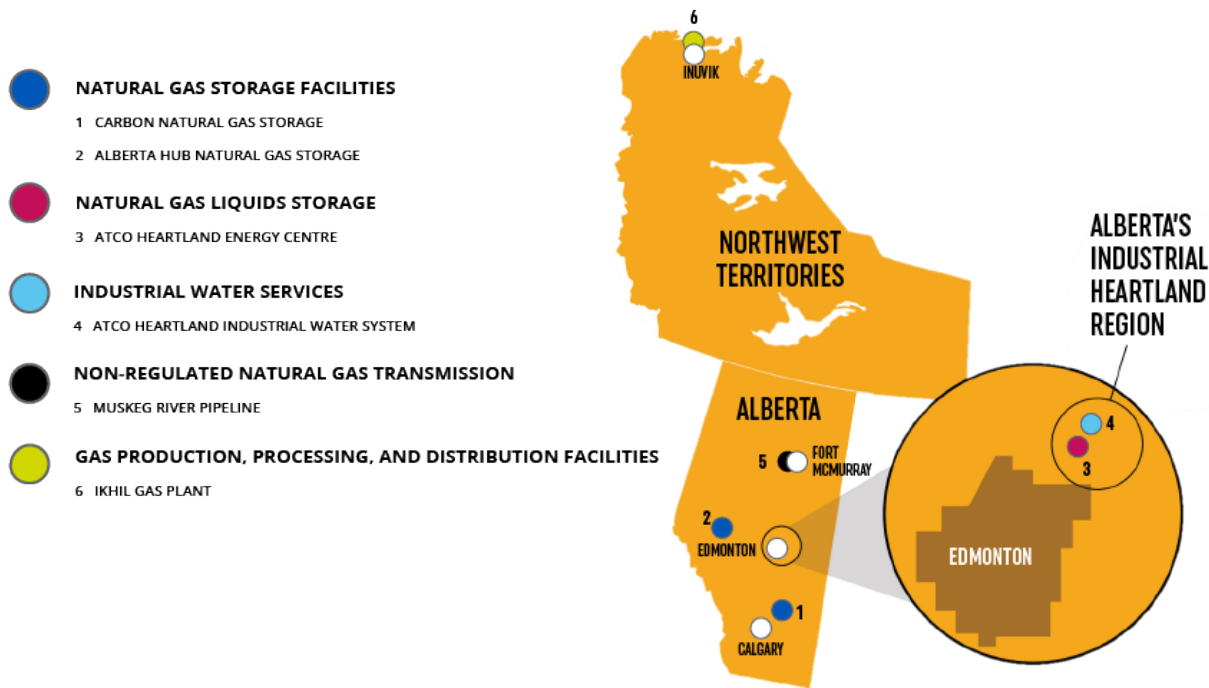
Electric vehicle (EV) fast charging stations provide end-users an opportunity to replace liquid fuel with a low-carbon emitting energy. To date, Canadian Utilities has installed a total of 25 public fast EV charging stations, including 20 installed through the Peak to Prairies initiative in Southern Alberta.

NON REGULATED ELECTRICITY TRANSMISSION

Canadian Utilities operates 33-km of transmission lines across four non-regulated electricity transmission assets in Alberta, including Scotford transmission line and substation, Muskeg River transmission line and substation, Grand Rapids substation, and Air Products transmission line.

STORAGE & INDUSTRIAL WATER

Storage & Industrial Water builds, owns and operates non-regulated industrial water, natural gas storage, NGL storage, and natural gas related infrastructure to serve the midstream and petrochemical sector of western Canada's energy industry. It operates and owns a one-third interest in a regulated natural gas distribution system in the Northwest Territories.



Natural Gas Storage

Storage & Industrial Water provides customized natural gas storage tailored to customers' specific needs. Services range from daily to multi-year terms and are offered to financial institutions, marketing companies, pipeline operators, retail energy providers and producers.

Storage & Industrial Water owns and operates a natural gas storage facility at Carbon, Alberta. The facility is a natural gas reservoir with a seasonal storage capacity that was expanded in 2022 from 52 petajoules to 68 petajoules. The facility is connected to multiple transmission pipeline systems and has been in service for more than 50 years.

In December 2021, Canadian Utilities acquired the Alberta Hub natural gas storage facility near Edson, Alberta. The Alberta Hub is an underground natural gas storage facility, has a capacity of approximately 49 petajoules and is connected to the NOVA Gas Transmission system. The facility is a natural complement to our existing Carbon natural gas storage facility because we are able to recognize operating efficiencies and additional value through the combination of the assets and implementation of Carbon's commercialization strategy to the Alberta Hub.

Natural Gas Liquids Storage

The ATCO Heartland Energy Centre near Fort Saskatchewan, Alberta includes assets held in a partnership between ATCO Energy Solutions Ltd. (60 per cent ownership share) and Petrogas Energy Corp. (40 per cent ownership share), focused on supporting customers through natural gas liquids and hydrocarbon storage, and the related infrastructure. The facility consists of five storage caverns, which have a combined storage capacity of 544,000 cubic metres and operate under long-term contracts. The first two caverns have been in service since the fourth quarter of 2016, two additional caverns came into service in the second quarter of 2018. The fifth cavern came into service in the second quarter of 2022.

Industrial Water

Storage & Industrial Water's multi-user water system is connected to the North Saskatchewan River through our industrial water system. We provide integrated water services including pipeline transportation, storage, water treatment, recycling and disposal to a number of our industrial customers, including a long-term commercial agreement with Inter Pipeline Ltd. to provide water services to their integrated propane dehydrogenation and polypropylene plant known as the Heartland Petrochemical Complex. This industrial water system also supplies water for the development of salt caverns for our NGL storage facilities in the region. The water infrastructure capacity is 85,200 m³/day.

Non-regulated Natural Gas Transmission

Storage & Industrial Water owns the 116-km Muskeg River non-regulated natural gas pipeline that provides natural gas transportation service under a long-term commercial agreement to meet the needs of the Muskeg River Mine facilities and other facilities in the Fort McMurray area. Service on the pipeline commenced in June 2002 under a long-term commercial agreement with Canadian Natural Upgrading Limited and other shipper participants.

Gas Production, Processing and Distribution Facilities

Storage & Industrial Water has a non-operating 33.3 per cent ownership interest in one natural gas production, gathering and processing facility, the Ikhil gas plant.

CLEAN FUELS

Canadian Utilities views the development of clean fuels as a critical aspect in the successful decarbonization of the energy system over the longer term and the Company is investing in projects that expand our market reach as global energy transition objectives continue to mature.

Renewable Natural Gas

Two Hills Renewable Natural Gas Facility

In July 2021, Canadian Utilities announced its partnership with Future Fuel Ltd. to build and operate the Two Hills RNG facility north of Vegreville, Alberta. The facility will combine organic waste from nearby municipalities with agricultural byproducts to produce approximately 230,000 gigajoules per year of renewable natural gas. The facility is targeting to commence commercial operations in 2023. The RNG produced will be delivered into the local gas distribution network and sold under a 15-year sales contract between Pacific Northern Gas Ltd. (PNG) and ATCO Future Fuel RNG Limited Partnership (ATCO Future Fuel).

Hydrogen Development

Suncor ATCO Heartland Hydrogen Hub (SAH3)

In May 2021, Canadian Utilities and Suncor Energy announced the decision to collaborate on early stage design and engineering of a potential clean hydrogen project. The project is currently progressing through early design and engineering phases, which will continue throughout 2023 ahead of the sanctioning decision currently expected as early as 2024.

Canadian Pacific Hydrogen Locomotive Project

In May 2022, Canadian Utilities announced an agreement with Canadian Pacific (CP) to provide engineering, procurement and construction services for two hydrogen production and refueling facilities in Calgary and Edmonton. The fuelling stations will be essential in bringing zero-emissions hydrogen locomotive propulsion into reality as part of CP's commitment to sustainable and responsible operations. The construction of these facilities will advance CP's innovative Hydrogen Locomotive Program, which has its sights set on building its first line-haul hydrogen-powered freight locomotive. Early stages of siting and construction has commenced, with production and supply of hydrogen expected to be provided to locomotives in 2023.

Atlas Carbon Sequestration Hub (Atlas Hub)

To support Canadian Utilities' hydrogen strategy and the development of SAH3, as well as the Province of Alberta's carbon sequestration ambitions, Canadian Utilities and its partners are developing the Atlas Carbon Sequestration Hub. The Atlas Hub development has been proposed east of Edmonton by a partnership led by Shell Canada Limited, ATCO Energy Solutions Ltd., and Suncor Energy Inc.

On March 31, 2022, Atlas Hub was shortlisted for further evaluation by the Government of Alberta. Proponents have been invited to work with the government to further evaluate the suitability of each location for safely storing carbon from industrial emissions. If the evaluation demonstrates that the proposed projects can provide permanent storage, companies can work with the government on an agreement that provides them with the right to inject captured carbon dioxide. This agreement will also ensure proponents will provide open access to all emitters and affordable use of the hub. Canadian Utilities and its partners continue to progress development of Atlas Hub, which is expected to advance throughout 2023.

CORPORATE & OTHER

Canadian Utilities' Corporate & Other segment includes Rūmi, Blue Flame Kitchen and Retail Energy through ATCO Energy which provides home products, home maintenance services, professional advice, and retail electricity and natural gas services in Alberta. Corporate & Other also includes the global corporate head office in Calgary, Canada, the Australia corporate head office in Perth, Australia and the Mexico corporate head office in Mexico City, Mexico. In addition, Canadian Utilities Corporate & Other includes CU Inc. and Canadian Utilities preferred share dividend and debt expenses.

RETAIL ENERGY

ATCO Energy sells electricity and natural gas to residential customers through a variety of flexible plans.

RÜMI

On June 3, 2021, ATCO Energy launched Rūmi, a solutions provider for home and business owners, offering lifestyle products, home maintenance services and professional advice for homeowners. Rūmi currently offers approximately 60 services in Edmonton and Calgary.

BLUE FLAME KITCHEN (BFK)

The BFK has been serving Albertans for more than eight decades. BFK had its start in 1929 with simple natural gas appliance demonstrations and small cooking classes for homemakers and has since evolved into a comprehensive global resource for adults and kids alike. Today the BFK provides recipes and 'how-to' guides, online and virtual school programs and cooking classes, and offers events hosted at our home-style kitchen in Edmonton and our state-of-the-art learning centres in Calgary, Alberta and Jandakot, Western Australia. In 2022, BFK launched its branded quick serve and grocer program providing wholesale pre-packaged fresh and frozen foods to convenience stores, gas stations, and grocers.

THREE YEAR HISTORY

Summarized below are the major events, acquisitions, dispositions, and conditions that have influenced the Company's development during the past three years.

REVENUE SUMMARY

Each business unit's contribution to the Company's consolidated revenues is shown in the chart below.

Revenues ⁽¹⁾	2022		2021		2020	
	(\$ millions)	%	(\$ millions)	%	(\$ millions)	%
Utilities	3,384	83	3,041	86	2,932	91
Energy Infrastructure	312	8	209	6	195	6
Corporate & Other	477	12	351	10	207	6
Intersegment Eliminations	(125)	(3)	(86)	(2)	(101)	(3)
Total	4,048	100	3,515	100	3,233	100

(1) Data has been extracted from Note 3 ("Segmented Information") of the 2022 Consolidated Financial Statements which are prepared in accordance with International Financial Reporting Standards (IFRS). The reporting currency is the Canadian dollar.

The COVID-19 pandemic disrupted financial and commodity markets, supply chains, and affected production and sales across different industries in private and public sectors. In 2022, higher revenues in the Electricity Distribution and Natural Gas Distribution businesses were a result of rate relief provided to customers in 2021 in light of COVID-19 and subsequently the AUC decision to maximize the collection of 2021 deferred revenues in 2022.

Canadian Utilities' operations, financial position and performance were not significantly impacted by the COVID-19 pandemic over the last three years. This is primarily due to the nature of the Company's operations which are considered to be essential services.

UTILITIES

Revenues and earnings in the Utilities business are driven by capital investment. Capital spending is the main contributor to rate base growth. Rate base growth is a primary driver of revenue and earnings growth. Utilities has invested over \$3 billion in capital over the last three years.

Capital Expenditures

Total capital expenditures for the Regulated Utilities in the last three years is provided in the table below.

(\$ millions)	Total	Year Ended December 31		
		2022	2021	2020
Electricity Distribution	733	282	230	221
Electricity Transmission	549	284	120	145
Natural Gas Distribution	860	329	294	237
Natural Gas Transmission	708	143	362	203
International Gas Distribution	260	99	91	70
Total	3,110	1,137	1,097	876

Electricity Distribution and Transmission

Capital expenditures in utility infrastructure in Alberta over the past three years has included the replacement of aging infrastructure, grid modernization, new customer connections and off-diesel initiatives.

International Electricity Operations

On June 22, 2020, LUMA Energy, a company owned 50 per cent by Canadian Utilities and 50 per cent by Quanta Services, Inc., was selected by the P3A to transform, modernize and operate Puerto Rico's 30,000-km electricity transmission and distribution system over a term of 15 years after a one-year transition period as set out in the Operations and Maintenance Agreement. The transition period commenced in the second quarter of 2020.

Following the transition period, on June 1, 2021, LUMA Energy assumed operations under terms of a Supplemental Agreement as the Puerto Rico Electric Power Authority (PREPA) remains in bankruptcy. LUMA Energy continues operations under the terms of a Supplemental Agreement, which was extended on November 30, 2022 and will continue until such time that PREPA's bankruptcy is resolved. The agreement allows LUMA Energy to collect an annualized fixed fee equivalent of \$115 million USD. Following the resolution of PREPA's bankruptcy proceeding, LUMA Energy will transition to year one of the Operations and Maintenance agreement where the company will receive a fixed fee and the potential to receive additional incentive fees based on performance.

Natural Gas Distribution and Transmission

Capital expenditures in Natural Gas Distribution and Transmission over the past three years has been focused on the replacement of aging infrastructure, installation of new customer connections as well as the Urban Pipelines Replacement Program and the Mains Replacement Program, and facilitating coal to gas generating conversion of power plants.

Urban Pipelines Replacement (UPR) Program

The UPR program installed 140-km of new high-pressure pipelines within the Transportation Utility Corridor within Edmonton and Calgary to address safety, reliability and future growth. In addition, 200-km of pipelines were transferred from Natural Gas Transmission to Natural Gas Distribution, and 110-km of pipelines were abandoned. Natural Gas Distribution and Natural Gas Transmission will have invested \$914 million in the 12-year UPR program which had all major components completed in 2022. Final clean up and project close outs remain to be completed in 2023.

Mains Replacement Program

Natural Gas Distribution has two mains replacement programs which were approved in 2011, the plastic mains replacement and the steel mains program. The plastic mains replacement includes 8,000-km of polyvinyl chloride (PVC) and early generation polyethylene (PE) pipe that are planned for replacement by 2031. Natural Gas Distribution has replaced 2,407-km of PVC and PE pipe since the approval of this program. The steel mains program includes 9,000-km of steel pipe that is monitored and continually evaluated for replacement based on the performance history. Natural Gas Distribution has replaced 365-km of steel pipe since the approval of this program.

Pembina-Keephills

In the second quarter of 2020, Natural Gas Transmission completed and placed in-service the \$230 million Pembina-Keephills transmission pipeline. The 59-km high-pressure natural gas pipeline supports coal-to-gas conversion of power producers in the Genesee and surrounding areas of Alberta with the capacity to deliver up to 550-TJ per day.



Pembina-Keephills transmission pipeline construction, near Wabamun Lake, Alberta

Pioneer Pipeline

On September 30, 2020, Natural Gas Transmission entered into an agreement to acquire the 131-km Pioneer Pipeline from Tidewater Midstream & Infrastructure Ltd. (Tidewater) and its partner TransAlta Corporation (TransAlta) for a purchase price of \$265 million. The natural gas pipeline runs from the Drayton Valley area to the Wabamun area west of Edmonton, Alberta. Consistent with the geographic areas defined in the Integration Agreement, Natural Gas Transmission transferred to Nova Gas Transmission Ltd. the 30-km segment of pipeline that is located in the NGTL footprint.

The transaction to acquire the Pioneer Pipeline closed in 2021. The transfer to NGTL received approval from the Canada Energy Regulator on December 22, 2021, and on February 25, 2022, Natural Gas Transmission completed the transfer to NGTL of the 30-km segment of pipeline located in the NGTL footprint for \$63 million.

International Gas Distribution

Over the last 3 years, International Gas Distribution has continued the end of life mains replacement program and growth capital expenditures for the distribution network within the scope of works set out in the approved Access Arrangement. In 2021, capital expenditures included gas pipeline relocations at the request of the government in Western Australia. These relocations are due to significant infrastructure development programs and are fully funded by the government.

ENERGY INFRASTRUCTURE

Revenue in the Energy Infrastructure business continues to increase steadily since 2020 due to the Alberta Hub natural gas storage facility acquired in December 2021.

Electricity Generation

Calgary Solar Development Project Acquisitions

In September 2021, Canadian Utilities announced that it had acquired the development rights to build two solar projects, the Deerfoot and Barlow projects in Calgary Alberta, with a combined capacity of 64-MW. In March 2022, Canadian Utilities entered into a 15-year power purchase agreement with Microsoft Corporation. Under the terms of the agreement, Microsoft will purchase all renewable energy generated by the Deerfoot project. The Barlow project achieved its in-service date with the Alberta Electric System Operator along with exporting power to the grid with the energization of the first array of solar panels in December 2022, with full commercial operations expected in the second quarter of 2023. The Deerfoot project is expected to commence commercial operations by the fourth quarter of 2023.

Empress Solar Development Project Acquisition

In September 2021, Canadian Utilities announced that it had acquired the rights to the Empress Solar project, a 39-MW solar facility under development near Empress, Alberta. Electricity from this solar project may be sold through a contracted Power Purchase Agreement with any uncontracted electricity sold into the Alberta power grid. Project execution is underway with all major permits received. Commercial operations are expected to commence in the fourth quarter of 2023.

2023 Renewable Energy Portfolio Acquisition

In October 2022, Canadian Utilities announced it had entered into a definitive agreement with Suncor Energy Inc. to acquire a portfolio of wind and solar assets and development projects located in Alberta and Ontario. Subsequent to year-end, on January 3, 2023, the transaction closed for a purchase price of \$713 million, net of cash acquired and subject to working capital adjustments.

The acquisition includes a majority interest in the Adelaide wind facility in Ontario, the new 202-MW Forty Mile wind project in Alberta, and a development pipeline with more than 1,500-MW of wind and solar projects at various stages of development, including several late-stage projects.

Concurrent with the close of this acquisition, Canadian Utilities entered into a new 15-year renewable energy purchase agreement (REPA) with Microsoft Corporation. Under the terms of the agreement, Microsoft will purchase 150-MW of renewable energy generated by Canadian Utilities' newly acquired Forty Mile Wind Phase 1 Project in

Alberta. The offtake from the Adelaide wind facility is also contracted under a long-term power purchase agreement.

International Electricity Generation

La Laguna - Mexico Cogeneration Facility

In March 2018, Canadian Utilities entered into a commercial agreement with Chemours to build a 26-MW cogeneration facility, known as La Laguna Cogeneration, on the site of the Chemours Company Mexicana S. de R.L. de C.V.'s chemical facility near Gómez Palacio, Mexico.

Developed in partnership with RANMAN Energy, the La Laguna Cogeneration facility was expected to provide low-carbon and cost-effective heat and electricity under a long-term agreement. In February 2021, due to ongoing construction permitting delays, Canadian Utilities and Chemours terminated the La Laguna Cogeneration facility contract. Canadian Utilities has since recovered its costs incurred on the project.

Storage & Industrial Water

Natural Gas Storage - Acquisition of Alberta Hub Natural Gas Storage Facility

In December 2021, Canadian Utilities acquired a 100 per cent ownership interest in Alberta Hub, an underground natural gas storage business near Edson, Alberta. The acquisition is reported in the Energy Infrastructure segment and the aggregate consideration paid was \$135 million, which is comprised of \$84 million cash paid, net of cash acquired of \$51 million. The Alberta Hub natural gas facility has a capacity of approximately 49 petajoules and is connected to the NOVA Gas Transmission system. Complementing our existing natural gas storage facility at Carbon, Alberta, the facility provides customized storage solutions tailored to Energy Infrastructures customers' needs.

Commercial Real Estate Transactions

In May 2021, ATCO Land and Development acquired 1,250 acres of land in Strathcona County, Alberta, adjacent to ATCO's Heartland Energy Centre, to support the land requirements of ATCO's Energy Transition initiatives in the region and subsequently transferred the land to an affiliate company for project development.

CORPORATE & OTHER

Executive Appointment

On October 6, 2021, the Canadian Utilities Board of Directors announced the appointment of Brian Shkrobot to the position of Executive Vice President & Chief Financial Officer of Canadian Utilities Limited.

New Board of Directors Appointee

Effective September 1, 2021, Robert J. Hanf, K.C. was appointed to the Board of Directors of Canadian Utilities Limited.

Board of Directors Retirement

In 2022, Charles W. Wilson retired as Director of the Canadian Utilities Limited Board of Directors, and did not stand for re-election at the Annual and Special Meeting held May 4, 2022.

Participation in Canadian Utilities Dividend Reinvestment Plan

On January 13, 2022, the Company reinstated its dividend reinvestment program (DRIP) for eligible Class A and Class B share owners who are enrolled in the program. The DRIP was previously suspended effective January 10, 2019.

The DRIP allows eligible Class A and Class B share owners of Canadian Utilities to reinvest all or a portion of their dividends in additional Class A shares.

In the full year of 2022, Canadian Utilities issued 527,471 Class A shares under the DRIP using re-invested dividends of \$20 million.

Rümi Launch

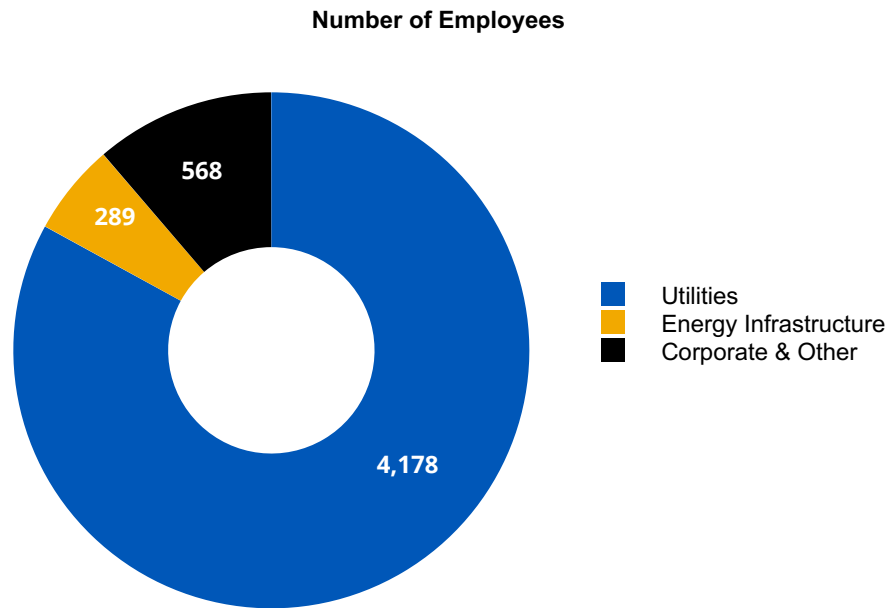
On June 3, 2021, ATCO Energy launched Rümi, a solutions provider for home and business owners, offering lifestyle products, home maintenance services and professional advice for homeowners. Rümi currently offers approximately 60 services in Edmonton and Calgary.

Wipro Master Service Agreement

In the fourth quarter of 2020 and first quarter of 2021, Canadian Utilities signed Master Services Agreements (MSAs) with IBM Canada Ltd. (subsequently novated to Kyndryl Canada Ltd.) and IBM Australia Limited, respectively, to provide managed information technology services. These services were previously provided by Wipro Ltd. (Wipro) under ten-year MSAs expiring in December 2024. The transition of the managed IT services from Wipro to Kyndryl and IBM commenced on February 1, 2021 and was complete by the end of 2021.

EMPLOYEE INFORMATION

At December 31, 2022, the Company had 5,035 employees. The accompanying chart represents the employee numbers in each segment. The chart does not include 3,335 employees in joint ventures (including LUMA Energy).



SUSTAINABILITY, CLIMATE CHANGE AND ENERGY TRANSITION

Sustainability, Climate Change and Energy Transition is described in the "Sustainability, Climate Change and Energy Transition" section in Canadian Utilities Limited's MD&A and is incorporated herein by reference. The MD&A may be found on SEDAR at www.sedar.com. ATCO's 2022 Sustainability Report will be published in May 2023.

BUSINESS RISKS

Business risks are described in the "Business Unit Performance" and "Business Risks and Risk Management" sections in Canadian Utilities Limited's MD&A and are incorporated herein by reference. The MD&A may be found on SEDAR at www.sedar.com.

DIVIDENDS

Cash dividends declared during the past three years for all series and classes of shares were as follows.

<i>(Canadian dollars per share)</i>	Date of Issue	2022	2021	2020
Series Second Preferred Shares				
Series V ⁽¹⁾	Oct 3, 1997	n.a.	0.7456	1.1500
Series Y ⁽²⁾	Sep 21, 2011	1.0754	0.8508	0.8508
Series AA	Jun 18, 2012	1.2250	1.2250	1.2250
Series BB	Jul 5, 2012	1.2250	1.2250	1.2250
Series CC	Mar 19, 2013	1.1250	1.1250	1.1250
Series DD	May 15, 2013	1.1250	1.1250	1.1250
Series EE	Aug 7, 2015	1.3125	1.3125	1.3125
Series FF	Sep 24, 2015	1.1250	1.1250	1.1250
Series HH ⁽³⁾	Dec 9, 2021	1.1574	n.a.	n.a.
Class A and Class B Shares		1.7768	1.7592	1.7416

(1) The 4.60 per cent Series V Preferred Shares were redeemed in August 2021.

(2) The annual dividend rate for the Series Y Preferred Shares was reset to 5.196 per cent in June 2022.

(3) The 4.75 per cent Series HH Preferred Shares were issued in December 2021.

The Company's practice is to pay dividends quarterly on its Class A and Class B shares. The Company has increased its common share dividends each year since 1972. On January 12, 2023, the Board of Directors declared a first quarter dividend of 44.86 cents per share. The payment of any dividend is at the discretion of the Board of Directors and depends on our financial condition and other factors.

DIVIDEND REINVESTMENT PLAN

On January 13, 2022, the Company reinstated its dividend reinvestment program for eligible Class A and Class B share owners who are enrolled in the program. The DRIP was previously suspended effective January 10, 2019.

The DRIP allows eligible Class A and Class B share owners of Canadian Utilities to reinvest all or a portion of their dividends in additional Class A shares.

In the full year of 2022, Canadian Utilities issued 527,471 Class A shares under the DRIP using re-invested dividends of \$20 million.

CAPITAL STRUCTURE

SHARE CAPITAL

The share capital of the Company at February 28, 2023 is as shown below.

Share Description	Authorized	Outstanding
Series Preferred Shares	150,000	–
Series Second Preferred Shares	Unlimited	64,050,000
Class A shares	Unlimited	201,430,327
Class B shares	Unlimited	68,479,365

SERIES PREFERRED SHARES

The Series Preferred Shares are entitled, in priority to the Series Second Preferred Shares and the Class A shares and Class B shares, to fixed cumulative preferential cash dividends and, in the event of the liquidation, dissolution or winding-up of the Company, or other distribution of assets of the Company among its share owners for the purpose of winding up its affairs, to the amount paid up thereon and accrued and unpaid dividends and, if such action is voluntary, the premiums payable on redemption, if any.

The Series Preferred Shares are subject to redemption on 30 days' notice and are non-voting except upon the failure of the Company to pay dividends on any such shares for a period of 18 months, in which case the owners of all such shares are entitled to one vote per share at meetings of share owners.

The provisions attaching to the Series Preferred Shares stipulate that no shares ranking junior to the Series Preferred Shares may be retired unless all dividends then payable on the Series Preferred Shares shall have been declared and paid.

There are currently no Series Preferred Shares outstanding.

SERIES SECOND PREFERRED SHARES

An unlimited number of Series Second Preferred Shares are issuable in series, each series consisting of such number of shares and having such provisions attaching thereto as may be determined by the directors. The Series Second Preferred Shares as a class have, among others, provisions to the following effect:

- i. The Series Second Preferred Shares rank junior to the Series Preferred Shares but are, with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Company, entitled to preference over the Class A shares and the Class B shares and any other shares of the Company ranking junior to the Series Second Preferred Shares. The Series Second Preferred Shares may also be given such other preference over the Class A shares and the Class B shares and any other junior shares as may be determined for any series authorized to be issued.
- ii. The Series Second Preferred Shares of each series rank equally with the Series Second Preferred Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Company.
- iii. The owners of the Series Second Preferred Shares are not entitled as such (except as provided in any series) to any voting rights nor to receive notice of or to attend share owners' meetings unless dividends on the Series Second Preferred Shares of any series are in arrears to the extent of eight quarterly dividends or four half-yearly dividends, as the case may be, whether or not consecutive. Until all arrears of dividends have been paid, such owners will be entitled to receive notice of and to attend all share owners' meetings at which directors are to be elected (other than separate meetings of owners of another class of shares) and to one vote in respect of each Series Second Preferred Share held.

The following Series Second Preferred Shares are currently outstanding:

	Stated Value	Shares	Amount (\$ millions)
Cumulative Redeemable Second Preferred Shares			
5.196% Series Y	\$25.00	13,000,000	325
4.90% Series AA	\$25.00	6,000,000	150
4.90% Series BB	\$25.00	6,000,000	150
4.50% Series CC	\$25.00	7,000,000	175
4.50% Series DD	\$25.00	9,000,000	225
5.25% Series EE	\$25.00	5,000,000	125
4.50% Series FF	\$25.00	10,000,000	250
4.75% Series HH	\$25.00	8,050,000	201
			1,601

Series Y Preferred Shares

The Series Y Preferred Shares became redeemable by the Company on June 1, 2017, and are redeemable on June 1 of every fifth year thereafter, in whole or in part at the stated value plus all accrued and unpaid dividends. If not redeemed, holders may elect to convert any or all of their Series Y Preferred Shares into an equal number of Cumulative Redeemable Second Preferred Shares Series Z on June 1, 2022, and on June 1 of every fifth year thereafter. Holders of the Series Z Preferred Shares will be entitled to receive floating rate cumulative preferential cash dividends, as and when declared by the Board, payable quarterly at a rate equal to the then current 3-month Government of Canada Treasury Bill yield plus 2.40 per cent. On June 1, 2027, and on June 1 of every fifth year thereafter (Series Z Conversion Date), holders of the Series Z Preferred Shares may elect to convert any or all of their Series Z Preferred Shares back into an equal number of Series Y Preferred Shares. The Company may redeem the Series Z Preferred Shares in whole or in part at \$25.00 on a Series Z Conversion Date or at \$25.50 on any other date. In June 2022, Canadian Utilities reset the quarterly dividend rate on its Series Y Preferred Shares for the five-year period from and including June 1, 2022 to but excluding June 1, 2027. The fixed dividend will be paid as and when declared by the Board of Directors of Canadian Utilities based on an annual dividend rate of \$1.299 per share or 5.196 per cent per annum.

Series AA and Series BB Preferred Shares

The Series AA and Series BB Preferred Shares were redeemable in whole or in part at the option of the Company starting September 1, 2017 at the stated value plus a 4 per cent premium per share for the next twelve months plus accrued and unpaid dividends. The redemption premium declined by 1 per cent in each succeeding twelve month period until September 1, 2021. After September 1, 2021, the Series AA and Series BB Preferred Shares are now redeemable without any premium per share plus accrued and unpaid dividends to the date of redemption.

Series CC Preferred Shares

The Series CC Preferred Shares were redeemable in whole or in part at the option of the Company starting June 1, 2018 at the stated value plus a 4 per cent premium per share for the next twelve months plus accrued and unpaid dividends. The redemption premium declined by 1 per cent in each succeeding twelve month period until June 1, 2022. After June 1, 2022, the Series CC Preferred Shares are now redeemable without any premium per share plus accrued and unpaid dividends to the date of redemption.

Series DD Preferred Shares

The Series DD Preferred Shares were redeemable in whole or in part at the option of the Company starting September 1, 2018 at the stated value plus a 4 per cent premium per share for the next twelve months plus accrued and unpaid dividends. The redemption premium declined by 1 per cent in each succeeding twelve month period until September 1, 2022. After September 1, 2022, the Series DD Preferred Shares are now redeemable without any premium per share plus accrued and unpaid dividends to the date of redemption.

Series EE Preferred Shares

The Series EE Preferred Shares are redeemable in whole or in part at the option of the Company starting September 1, 2020 at the stated value plus a 4 per cent premium per share for the next twelve months plus accrued and unpaid dividends. The redemption premium declines by 1 per cent in each succeeding twelve month period

until September 1, 2024. As of December 31, 2022, the Series EE Preferred Shares are redeemable with a premium of 2 per cent per share plus accrued and unpaid dividends.

Series FF Preferred Shares

The Series FF Preferred Shares may be redeemed by the Company on December 1, 2025, and on December 1 of every fifth year thereafter, in whole or in part at the stated value plus all accrued and unpaid dividends. If not redeemed, holders may elect to convert any or all of their Series FF Preferred Shares into an equal number of Cumulative Redeemable Second Preferred Shares Series GG on December 1, 2025, and on December 1 of every fifth year thereafter. Holders of the Series GG Preferred Shares will be entitled to receive quarterly floating rate cumulative preferential cash dividends, as and when declared by the Board of Directors, equal to the then current 3-month Government of Canada Treasury Bill yield plus 3.69 per cent provided that, in any event, such rate shall not be less than 4.5 per cent. On December 1, 2030, and on December 1, of every fifth year thereafter, the Company may redeem the Series GG Preferred Shares in whole or in part at the stated value. On any other date, the Company may redeem the Series GG Preferred Shares in whole or in part by the payment of \$25.50 for each share to be redeemed.

Series HH Preferred Shares

The Series HH Preferred Shares are redeemable in whole or in part at the option of the Company starting March 1, 2027 at the stated value plus a 4 per cent premium per share for the next twelve months plus accrued and unpaid dividends. The redemption premium declines by 1 per cent in each succeeding twelve month period until March 1, 2030.

CLASS A NON-VOTING SHARES AND CLASS B VOTING SHARES

Class A and Class B share owners are entitled to share equally, on a share for share basis, in all dividends the Company declares on either of such classes of shares as well as in the Company's remaining property on dissolution. Class B share owners are entitled to vote and to exchange at any time each share held for one Class A share.

If a take-over bid is made for the Class B shares and if it would result in the offeror owning more than 50 per cent of the outstanding Class B shares (excluding any Class B shares acquired upon conversion of Class A shares), the Class A share owners are entitled, for the duration of the take-over bid, to exchange their Class A shares for Class B shares and to tender the newly exchanged Class B shares to the take-over bid. Such right of exchange and tender is conditional on completion of the applicable take-over bid.

In addition, Class A share owners are entitled to exchange their shares for Class B shares if ATCO Ltd., the Company's controlling share owner, ceases to own or control, directly or indirectly, more than 10,000,000 of the issued and outstanding Class B shares. In either case, each Class A share is exchangeable for one Class B share, subject to changes in the exchange ratio for certain events such as a stock split or rights offering.

Of the 12,800,000 Class A shares authorized for grant of options under our stock option plan, 10,774,500 Class A shares were available for issuance at December 31, 2022. Options may be granted to officers and key employees of the Company and its subsidiaries at an exercise price equal to the weighted average of the trading price of the shares on the Toronto Stock Exchange for the five trading days immediately preceding the grant date. The vesting provisions and exercise period (which cannot exceed 10 years) are determined at the time of grant.

PREFERRED SHARE RESTRICTIONS ON DIVIDEND DISTRIBUTIONS

The Company's articles contain provisions for each series of preferred shares that would restrict the declaration or payment of dividends on Class A shares or Class B shares, or any other series of preferred shares ranking junior, unless all outstanding dividends up to and including the dividends payable on the last respective dividend payment date have been paid or set apart for payment.

NORMAL COURSE ISSUER BID

We believe that, from time to time, the market price of our Class A shares may not fully reflect the value of our business, and that purchasing Class A shares represents a desirable use of available funds. The purchase of Class A shares, at appropriate prices, will also minimize any dilution resulting from the exercise of stock options.

On July 29, 2021, we commenced a normal course issuer bid to purchase up to 3,930,623 outstanding Class A shares. The bid expired on July 28, 2022. No shares were purchased.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The following table sets forth, as of December 31, 2022, the number of Canadian Utilities securities of each class that are held, to the knowledge of Company, in escrow or that are subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class.

Designation of class	Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer	Percentage of Class
Class A Non-Voting Shares	435,008	0.216 %

(1) Held in trust pursuant to the Company's mid-term incentive plan (MTIP). The trustee is Canadian Western Trust Company. As of 2020, the Company no longer grants awards under the MTIP. Following the approval of the termination of the MTIP by the Board of Directors, the trustee may release the shares from escrow in accordance with the terms of the MTIP and the related Trust and Agent Services Agreement.

LONG-TERM DEBT

The Company and its subsidiaries have issued unsecured debentures. Details with respect to the issued and outstanding long-term debt can be found in Note 13 of the 2022 Consolidated Financial Statements. These debentures are not listed or quoted on any exchange. The Consolidated Financial Statements may be found on SEDAR at www.sedar.com.

CREDIT FACILITIES

At December 31, 2022, Canadian Utilities and its subsidiaries had the following lines of credit.

(\$ millions)	Total	Used	Available
Long-term committed	2,718	744	1,974
Uncommitted	638	257	381
Total	3,356	1,001	2,355

Of the \$3,356 million in total lines of credit, \$638 million was in the form of uncommitted credit facilities with no set maturity date. The other \$2,718 million in credit lines was committed, with maturities between 2024 and 2026, and may be extended at the option of the lenders.

Of the \$1,001 million in lines of credit used, \$656 million was related to ATCO Gas Australia Pty Ltd. Long-term committed credit lines are used to satisfy all of ATCO Gas Australia Pty Ltd's term debt financing needs. The majority of the remaining usage is for the issuance of letters of credit. Details with respect to the credit facilities can be found in Note 13 of the 2022 Consolidated Financial Statements. The Consolidated Financial Statements may be found on SEDAR at www.sedar.com.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. The ratings indicate the likelihood of payment and an issuer's capacity and willingness to meet its financial commitment on an obligation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the credit rating organization.

As is customary, the Company makes payments to the credit ratings organizations for the assignment of ratings as well as other services. The Company expects to make similar payments in the future.

Credit ratings are important to the Company's financing costs and ability to raise funds. The Company intends to maintain strong investment grade credit ratings in order to provide efficient and cost-effective access to funds required for operations and growth.

The following table shows the current credit ratings assigned to Canadian Utilities Limited, CU Inc., and ATCO Gas Australia Pty Ltd.

	DBRS	S&P	Fitch
Canadian Utilities Limited			
Issuer	A	BBB+	A-
Senior unsecured debt	A	BBB	A-
Commercial paper	R-1 (low)	A-1 (low)	F2
Preferred shares	PFD-2	P-2 (low)	BBB
CU Inc.			
Issuer	A (high)	A-	A-
Senior unsecured debt	A (high)	A-	A
Commercial paper	R-1 (low)	A-1 (low)	F2
Preferred shares	PFD-2 (high)	P-2	BBB+
ATCO Gas Australia Pty Ltd⁽¹⁾			
Issuer and senior unsecured debt	N/A	BBB+	N/A

(1) ATCO Gas Australia Pty Ltd is a regulated provider of natural gas distribution services in Western Australia, serving metropolitan Perth and surrounding regions.

On March 2, 2022, S&P Global Ratings revised its issuer rating on Canadian Utilities Limited from 'A-' with a negative outlook to 'BBB+' with a stable outlook. S&P Global Ratings affirmed Canadian Utilities subsidiary CU Inc.'s 'A-' issuer credit rating and stable outlook, reflecting S&P's view that CU Inc. is an insulated entity to Canadian Utilities Limited.

On March 17, 2022, Fitch Ratings assigned a first-time issuer rating of 'A-' with a stable outlook to both Canadian Utilities Limited and CU Inc.

On March 24, 2022, S&P Global Ratings affirmed Canadian Utilities subsidiary ATCO Gas Australia Pty Ltd's 'BBB+' issuer credit rating and stable outlook.

On August 2, 2022, DBRS Limited affirmed its 'A (high)' long-term corporate credit rating and stable outlook on Canadian Utilities subsidiary CU Inc.

On August 4, 2022, S&P Global Ratings affirmed Canadian Utilities subsidiary CU Inc.'s 'A-' long-term issuer credit rating and stable outlook. On August 11, 2022, S&P Global Ratings affirmed its 'BBB+' long-term issuer credit rating and stable outlook on Canadian Utilities Limited.

On September 12, 2022, DBRS Limited affirmed its 'A' long-term corporate credit rating and stable outlook on Canadian Utilities Limited.

ISSUER CREDIT RATINGS AND LONG-TERM DEBT

An 'A' issuer rating by DBRS is the third highest of ten categories. An issuer rated 'A' is of good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than 'AA'. A-rated issuers may be vulnerable to future events, but qualifying negative factors are considered manageable. Each rating category other than 'AAA' and 'D' contains the subcategories 'high' and 'low'. The absence of either a 'high' or 'low' designation indicates the rating is in the 'middle' of the category.

An 'A' issuer rating by S&P is the third highest of ten categories. An entity rated 'A' by S&P has a strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than an entity in higher-rated categories. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

An 'A' rating by Fitch is the third highest of eleven categories. An 'A' rating denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. For ratings 'AA' through 'CCC' levels Fitch may use modifiers, a plus or a minus sign may be appended to a rating to denote relative status within major rating categories, indicating relative differences of probability of default or recovery for issues.

A 'BBB' issuer rating by S&P is the fourth highest of ten categories. An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

COMMERCIAL PAPER AND SHORT-TERM DEBT CREDIT RATINGS

An 'R-1 (low)' rating by DBRS is the lowest subcategory in the highest of six categories and is granted to short-term debt of good credit quality. The capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favourable as higher rating subcategories and may be vulnerable to future events, but qualifying negative factors are considered manageable. Rating categories 'R-1' and 'R-2' are denoted by the subcategories 'high', 'middle', and 'low'.

An 'A-1 (Low)' rating by S&P is the third highest of eight categories in its Canadian commercial paper ratings scale. A short-term obligation rated 'A-1 (Low)' is slightly more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitments on the obligation is satisfactory.

An 'F2' rating by Fitch is the second highest of seven categories. 'F2' indicates a good capacity for timely payment of financial commitments relative to other issuers or obligations in the same country or monetary union. However, the margin of safety is not as great as in the case of the higher ratings.

PREFERRED SHARE CREDIT RATINGS

A 'PFD-2' rating by DBRS is the second highest of six categories granted by DBRS. Preferred shares rated in this category are generally of good credit quality. Protection of dividends and principal is still substantial, but earnings, the balance sheet, and coverage ratios are not as strong as 'PFD-1' rated companies. Each rating category is denoted by the subcategories 'high' and 'low'. The absence of either a 'high' or 'low' designation indicates the rating is in the 'middle' of the category.

A 'P-2' rating by S&P is the second highest of eight categories S&P uses in its Canadian preferred share rating scale. An obligation rated 'P-2' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. A 'high' or 'low' designation shows relative standing within a rating category. The absence of either a 'high' or 'low' designation indicates the rating is in the 'middle' of the category.

A 'BBB' rating by Fitch is the fourth highest of eleven categories. A 'BBB' rating indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. For ratings 'AA' through 'CCC' levels Fitch may use modifiers, a plus or a minus sign may be appended to a rating to denote relative status within major rating categories, indicating relative differences of probability of default or recovery for issues.

MARKET FOR SECURITIES OF THE COMPANY

The Company's Class A shares, Class B shares and Cumulative Redeemable Second Preferred Shares, Series Y, AA, BB, CC, DD, EE, FF, and HH are listed on the Toronto Stock Exchange (TSX).

TRADING PRICE AND VOLUME

The following tables set forth the high and low prices and volume of the Company's shares traded during 2022 on the TSX under the symbols CU for Class A shares, CU.X for Class B shares, CU.PR.C for Series Y shares, CU.PR.D for Series AA shares, CU.PR.E for Series BB shares, CU.PR.F for Series CC shares, CU.PR.G for Series DD shares, CU.PR.H for Series EE shares, CU.PR.I for Series FF shares and CU.PR.J for Series HH shares.

CLASS A NON-VOTING SHARES AND CLASS B COMMON SHARES

2022	Class A Shares			Class B Shares		
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
January	37.07	35.07	9,795,319	38.50	34.05	6,849
February	37.02	34.51	18,444,352	39.05	34.35	19,849
March	38.51	35.18	12,131,047	39.05	33.00	11,452
April	39.80	37.55	17,070,648	41.00	37.45	12,273
May	40.79	37.66	21,209,584	40.54	38.44	3,651
June	40.25	36.32	11,371,429	41.72	36.96	10,808
July	41.64	37.60	13,899,053	41.75	37.43	6,502
August	41.94	39.44	15,873,473	44.33	38.81	6,424
September	41.43	35.88	11,250,929	43.00	35.80	7,458
October	37.11	33.24	21,563,303	43.00	33.05	2,266
November	36.91	34.55	17,992,400	37.50	32.60	6,939
December	38.46	36.13	8,544,178	41.44	32.60	2,215

CUMULATIVE REDEEMABLE SECOND PREFERRED SHARES

2022	Series Y			Series AA			Series BB		
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
January	23.89	23.05	128,238	26.00	25.10	15,238	25.60	24.85	31,460
February	23.50	22.60	64,082	25.44	24.95	27,312	25.15	24.50	26,524
March	24.07	21.62	113,281	25.18	24.20	64,500	25.10	23.50	74,176
April	23.65	20.95	101,662	24.15	20.91	87,792	24.06	20.71	157,117
May	23.45	20.95	118,563	22.34	21.15	20,086	22.05	20.80	44,448
June	23.50	21.15	142,852	22.23	20.21	18,795	22.10	20.19	99,115
July	22.19	19.97	149,252	22.00	19.93	13,224	22.00	20.45	230,856
August	22.94	20.91	281,867	22.00	20.35	7,254	22.07	20.90	32,672
September	22.49	20.19	362,977	21.40	19.00	21,699	21.49	19.04	29,596
October	20.44	19.07	96,250	20.00	18.52	39,152	20.00	18.65	53,268
November	20.05	19.26	66,091	19.37	17.97	116,577	19.38	17.97	113,562
December	20.00	18.35	262,616	19.58	18.80	352,861	19.56	18.92	101,430

2022	Series CC			Series DD			Series EE		
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
January	25.10	24.20	23,186	25.00	24.49	57,887	26.30	25.40	95,439
February	24.50	23.30	38,712	24.88	23.52	89,023	25.83	25.46	56,787
March	23.98	22.26	65,195	24.07	22.43	43,496	25.98	25.46	101,112
April	22.39	19.11	85,102	22.50	19.20	103,471	25.55	22.21	67,637
May	21.14	19.50	45,117	21.10	19.50	127,686	23.99	22.47	87,711
June	20.98	18.81	119,915	21.25	18.52	65,898	24.18	21.70	39,271
July	19.75	18.76	82,222	23.00	18.75	53,314	22.75	21.60	66,126
August	20.24	19.12	44,479	23.00	19.20	33,809	23.03	21.67	34,767
September	19.40	17.63	97,065	19.25	17.70	121,280	22.10	20.47	22,511
October	18.38	17.38	53,706	18.37	17.27	49,246	22.10	20.21	50,318
November	18.02	16.65	144,424	18.00	16.62	195,325	21.10	19.26	143,249
December	18.24	17.42	124,204	18.04	17.40	306,796	21.10	20.01	264,812

2022	Series FF			Series HH		
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
January	27.04	26.00	54,381	26.24	24.90	447,423
February	26.73	25.46	129,140	25.25	24.63	69,071
March	26.67	25.39	127,217	25.25	22.73	257,408
April	25.80	25.01	157,448	23.50	19.95	758,595
May	25.64	23.55	148,081	21.55	20.25	161,002
June	25.60	24.75	320,965	21.75	19.53	50,770
July	25.53	24.25	126,010	20.90	19.70	63,619
August	25.70	24.82	98,236	23.52	20.08	36,027
September	25.75	24.56	152,289	20.49	18.50	63,180
October	24.85	23.57	52,535	19.20	17.70	179,176
November	24.87	23.30	130,661	18.75	17.48	169,561
December	24.74	23.81	45,529	18.75	18.12	685,296

DIRECTORS AND EXECUTIVE OFFICERS

DIRECTORS ⁽¹⁾



MATTHIAS F. BICHSEL, PhD

Primary residence Luzern, Switzerland

Director since 2014

Age 68

Independent

Dr. Bichsel is an energy and technology consultant and corporate director. From 2009 until his retirement in 2014, he was a member of the Executive Management Board of Royal Dutch Shell plc and ran one of its four global businesses, where his responsibilities included capital projects delivery, technology and R&D, engineering, supply chain management and procurement as well as drilling. Dr. Bichsel was also accountable for the safety and environmental performance of Shell. He was further responsible for sustainable development including climate change, emissions, pollution, societal shifts and stakeholder interests. He is also an investor and adviser in clean technology and robotics start-up companies.

Dr. Bichsel has a PhD in Geology from the University of Basel, Switzerland, and is an Honorary Professor at the Chinese University of Petroleum, Beijing, China.



LORRAINE M. CHARLTON ⁽²⁾⁽³⁾

Primary residence Calgary, Alberta, Canada

Director since 2006

Age 66

Independent

Prior to her retirement in November 2022, Ms. Charlton was Vice President and Chief Financial Officer of Lintus Resources Limited, a private oil and gas company with interests across Western Canada. With over three decades of experience in the oil and gas industry, Ms. Charlton has held various positions involving responsibility for directing overall management, including financial reporting, banking, debt and treasury management, investor relations, risk management, human resources, operations and strategy.

Ms. Charlton graduated from the University of Calgary with a Bachelor of Commerce degree in Finance, and holds the Corporate Director Designation (ICD.D) from the Institute of Corporate Directors.



ROBERT J. HANF, K.C. ⁽²⁾⁽³⁾

Primary residence Calgary, Alberta, Canada

Director since 2021

Age 60

Independent

Mr. Hanf served as an executive leader within Emera Inc. and its group of companies for almost 20 years. Prior to his retirement in 2020, he was Executive Vice President, Stakeholder Relations and Regulatory Affairs responsible for strategy and alignment of stakeholder and regulatory relations, communications, and government relations. During his career, he held positions as President and Chief Executive Officer of Nova Scotia Power Inc., Chief Legal Officer of Emera Inc., Executive Chairman of Barbados Light & Power Holdings Ltd., and President and COO of Bangor Hydro Electric Company. Previously he worked in Western Canada's construction and energy sectors for over a decade and was a partner in the Calgary office of McCarthy Tétrault LLP.

Mr. Hanf is currently a director of Mancal Corporation, and is the immediate past Chair of the Board of Governors of Dalhousie University and is a former director of the Canadian Electricity Association and the Energy Council of Canada.

Mr. Hanf has a LL.B. from Dalhousie University and has held an ICD.D certification from the Institute of Corporate Directors since 2008.



ROBERT J. NORMAND ⁽³⁾⁽⁴⁾

Primary residence Edmonton, Alberta, Canada

Director since 2008

Age 76

Independent

Mr. Normand retired in 2015 as Chair of the Workers Compensation Board of Alberta, the agency which administers workplace insurance for the workers and employers of the Province of Alberta. In 2008, he retired from the position of President and Chief Executive Officer of Alberta Treasury Branches (ATB). Prior to joining ATB as Executive Vice-President Sales in 1996, he was employed by the Bank of Montreal for 26 years and held line and credit executive positions in Quebec, Ontario and Alberta.

Through his experience in the financial services sector, he has developed extensive knowledge and expertise in the areas of finance, regulatory matters and risk management.

Mr. Normand is a Fellow of the Institute of Canadian Bankers and holds a B.A. (Econ.) from Sir George Williams University and an MBA from Concordia University.



ALEXANDER J. POURBAIX

Primary residence Calgary, Alberta, Canada

Director since 2019

Age 57

Independent

As President & Chief Executive Officer of Cenovus Energy, Mr. Pourbaix is responsible for establishing the strategic direction for the company and delivering strong financial, operational and sustainability performance. Mr. Pourbaix took on the leadership role in November 2017. He is also a Director of the company.

Prior to joining Cenovus, Mr. Pourbaix spent 27 years with TC Energy and its affiliates in a broad range of leadership roles including Chief Operating Officer, where he was responsible for the company's commercial activity and overseeing major energy infrastructure projects and operations. He also has experience in corporate strategy, business development, mergers, acquisitions and divestitures, as well as stakeholder relations.

Mr. Pourbaix currently serves on the board for Business Council of Canada and the Board of Governors at the Canadian Association of Petroleum Producers (CAPP) as Past Chair. He is Board Chair at Mount Royal University and a member of the Business Council of Alberta. Mr. Pourbaix also serves on the Alberta Regional Board of Nature Conservancy Canada. He was previously Board Chair for the Canadian Energy Pipeline Association and a board member at Trican Well Service Ltd.

Mr. Pourbaix is active in the community, having served on the boards of several local charities, including many years as a dedicated volunteer for the United Way.

Mr. Pourbaix has a B.A. and LL.B. degree from the University of Alberta.



HECTOR A. RANGEL ⁽⁴⁾

Primary residence Mexico City, Mexico

Director since 2014

Age 75

Independent

Mr. Rangel is the President of BCP Securities Mexico, a joint venture with BCP Securities LLC, a US investment bank specializing in emerging markets. Prior to this role, he was the Chief Executive Officer of Nacional Financiera S.N.C. and Banco Nacional de Comercio Exterior and a member of Mexico's cabinet under former President Felipe Calderon. Mr. Rangel has extensive corporate and investment banking expertise having held various executive positions with the Grupo Financiero Bancomer from 1991 until 2008, including a tenure as Chairman of the Board. Mr. Rangel has also been President of the Mexico Bankers Association and President of the Mexican Business Council.

Mr. Rangel is presently a director of GNP Profuturo Afore, GNP Seguros, and Fresnillo PLC. Until May 2022, Mr. Rangel served as a director of LUMA Energy, LLC, and has been director of a number of major public companies in Mexico.

Mr. Rangel has an Industrial Engineering degree from Purdue University and a Master's Degree in Business Administration from Stanford University.



LAURA A. REED

Primary residence Wynn Vale, Australia

Director since 2014

Age 61

Independent

Ms. Reed is the Chair of Epic Energy South Australia Pty Ltd, which owns the Moomba to Adelaide Gas Pipeline and a number of renewable generation assets, and is a director of ATCO Australia Pty Ltd. Ms. Reed was previously on the board of the Clean Energy Finance Corporation, the federal government corporation (Australia) which assists with the funding of clean energy projects.

In December 2021, Ms. Reed was appointed Chair of the Spark Infrastructure Group and also joined the boards of Victoria Power Networks PTY and SA Power Networks Partnership and their wholly owned subsidiaries. From 2016 until 2019, Ms. Reed was Chair of ERIC Alpha Holdings Pty Ltd and its subsidiaries, which owns 49 per cent of Ausgrid, an electricity distribution business in Australia. She was a director of Ausgrid from 2013 until 2019. She was the Chief Executive Officer/Managing Director of Spark Infrastructure from 2008 to 2012. During this time Spark Infrastructure owned 49 per cent of two electricity distribution businesses in Australia. Before joining Spark Infrastructure, she spent nine years at Envestra Limited, a gas distribution company, in a number of senior financial roles including Chief Financial Officer.

Ms. Reed holds an MBA from Deakin University and a Bachelor of Business (Accounting) and is a fellow of Certified Practising Accountants Australia.



NANCY C. SOUTHERN

Primary residence Calgary, Alberta, Canada

Director since 1990

Age 66

Not Independent Ms. Southern is not independent because she has a material relationship with CU. She is CU's Chair & Chief Executive Officer.

Nancy Southern is Chair & Chief Executive Officer of Canadian Utilities Limited, as well as Chair & Chief Executive Officer of ATCO Ltd. Reporting to the Boards of Directors, she is accountable for the strategic direction, vision and governance for both companies, and has full responsibility for their ongoing operations.

After joining the Canadian Utilities Board of Directors in 1990, Ms. Southern served as Co-Chair prior to being appointed Chair in December 2012. Ms. Southern was President from 2003 until 2015, and Chief Executive Officer from 2003 until 2019 and resumed the role in July 2021. Ms. Southern also serves as Executive Vice President of Spruce Meadows Ltd. and is a founding director of AKITA Drilling Ltd., a director of Sentgraf Enterprises Ltd., an Honorary Director of the BMO Financial Group and serves on the Rideau Hall Foundation Board of Directors. In addition to her business leadership, Ms. Southern has long played a leading role in advocating on social issues of global importance - most notably, the rights of Indigenous peoples and the role of women in business.

Ms. Southern is a member of The US Business Council, a member of the American Society of Corporate Executives, and a Canadian Member of the Trilateral Commission. She is a member of the Business Council of Canada and the University of Calgary School of Public Policy Advisory Council. In 2020, Ms. Southern joined the Premier's Economic Recovery Council with other policy and industry experts providing insight and strategies to accelerate diversification of Alberta's economy. That same year, Ms. Southern was awarded a British Empire Medal by Her Majesty Queen Elizabeth II for services to British equestrian, military and commercial interests in Alberta, Canada.



LINDA A. SOUTHERN-HEATHCOTT ⁽⁴⁾

Primary residence	Calgary, Alberta, Canada
Director since	2000
Age	59
Not Independent	Ms. Southern-Heathcott is not independent because she has a material relationship with CU. She is an immediate family member of the Chair and Chief Executive Officer.

Ms. Southern-Heathcott is President & Chief Executive Officer of Spruce Meadows Ltd., an internationally recognized equestrian facility in Calgary, Alberta. She is also a founding director and serves as Chair and Chief Executive Officer of AKITA Drilling Ltd., an oil and gas drilling contractor with drilling operations throughout North America. Ms. Southern-Heathcott brings significant management and business experience to the Board and was appointed Vice Chair of the Board of Directors of Canadian Utilities and CU Inc. in 2017 and of ATCO in 2016.

Ms. Southern-Heathcott is also Chair of Travel Alberta and serves on the Boards of ATCO Structures & Logistics Ltd., Sentgraf Enterprises Ltd. and TELUS Calgary Community Board.

In 2010, Ms. Southern-Heathcott received her ICD.D certification from the Director Education Program of the Institute of Corporate Directors. In 2018, Ms. Southern-Heathcott was named an Honorary Lieutenant Colonel of the King's Own Calgary Regiment. In 2020, Ms. Southern-Heathcott was awarded a British Empire Medal by Her Majesty Queen Elizabeth II for services to British equestrian, military and commercial interests in Alberta, Canada.



ROGER J. URWIN, PhD, C.B.E. ⁽²⁾⁽³⁾

Primary residence	London, England
Director since	2020
Age	76
Independent	

Dr. Urwin is the Lead Director of Canadian Utilities, a director of ATCO Ltd., Chair of the Board of Directors of ATCO Australia Pty Ltd and Chair of LUMA Energy, LLC. He has worked in gas, electric and telecom utilities throughout his career. He retired at the end of 2006 as Group Chief Executive of National Grid plc. He played a key role in establishing National Grid's international strategy and its successful expansion into the US, creating one of the largest investor-owned utility companies in the world. Dr. Urwin was the Managing Director and Chief Executive of London Electricity from 1990 to 1995. He was non-executive Chairman of Utilico Investments Limited until October 2015 and has been a special advisor to Global Infrastructure Partners, an international infrastructure investment fund. He was Chair of Alfred McAlpine plc from 2006 to 2008.

Dr. Urwin is a Commander of the Order of the British Empire.

Dr. Urwin has a Physics degree and a PhD from the University of Southampton, UK.



WAYNE G. WOUTERS, PC, OC

Primary residence	Vancouver, British Columbia, Canada
Director since	2019
Age	71
Independent	

Mr. Wouters is Strategic and Policy Advisor to the Canadian law firm McCarthy Tétrault LLP. Prior to joining the private sector, Mr. Wouters had a distinguished 37-year career in the federal public service, including five years serving as the Clerk of the Privy Council of Canada. As Clerk, he held the roles of Deputy Minister to the Prime Minister, Secretary to the Cabinet and Head of Public Service. During his career, he has held the positions of Secretary of the Treasury Board, Deputy Minister of Human Resources and Skills Development, and Deputy Minister of Fisheries and Oceans.

Mr. Wouters has industry expertise in the oil and gas and natural resources, transportation, technology, telecommunications, and security sectors. He was inducted by the Prime Minister as a Member of the Privy Council in 2014 and appointed an Officer of the Order of Canada in 2017.

Mr. Wouters graduated in Commerce (Honours) from the University of Saskatchewan and holds a M.A. in Economics from Queen's University. He holds several honorary degrees.

(1) All directors hold office until the close of the annual meeting of share owners of the Company or until their successors are elected or appointed.

(2) Member of the Corporate Governance - Nomination, Compensation and Succession Committee.

(3) Member of the Audit & Risk Committee.

(4) Member of the Pension Fund Committee.

EXECUTIVE OFFICERS (IN ALPHABETICAL ORDER)

Name, Province and Country of Residence	Position Held and Principal Occupation
M.L. Bayley Alberta, Canada	President, ATCO Electric Ltd.
K.M. Brunner Alberta, Canada	Senior Vice President, General Counsel & Corporate Secretary, ATCO Ltd. and Canadian Utilities Limited
M.G. Constantinescu Alberta, Canada	Senior Vice President & Chief Transformation Officer, ATCO Ltd. and Canadian Utilities Limited
P.D. Cook Alberta, Canada	Senior Vice President & Controller, ATCO Ltd. and Canadian Utilities Limited
L. Cooke Alberta, Canada	Senior Vice President & Chief Marketing Officer, ATCO Ltd. and Canadian Utilities Limited
C.R. Jackson Alberta, Canada	Senior Vice President, Finance, Treasury, Risk & Sustainability, ATCO Ltd. and Canadian Utilities Limited
R.J. Myles Alberta, Canada	Executive Vice President, Corporate Development, Canadian Utilities Limited
R.A. Penrice Alberta, Canada	Executive Vice President, Corporate Services, ATCO Ltd. and Canadian Utilities Limited
D.J. Sharpe Alberta, Canada	President, ATCO Gas and Pipelines Ltd.
B.P. Shkrobot Alberta, Canada	Executive Vice President & Chief Financial Officer, Canadian Utilities Limited
S.J. Shortreed Alberta, Canada	Executive Vice President & Chief Technology Officer, ATCO Ltd. and Canadian Utilities Limited
N.C. Southern Alberta, Canada	Chair & Chief Executive Officer, ATCO Ltd. and Canadian Utilities Limited
W.K. Stensby Alberta, Canada	Executive Vice President, Puerto Rico, Canadian Utilities Limited
M.F. Wilmot Alberta, Canada	President, Retail and Chief Digital Officer, ATCO Ltd. and Canadian Utilities Limited

POSITIONS HELD BY EXECUTIVE OFFICERS WITHIN THE PRECEDING FIVE YEARS

All of the executive officers have been engaged for the last five years in the indicated principal occupations, or in other capacities with the companies or firms referred to, or with their affiliates or predecessors, except for Mr. Brunner, Ms. Cooke, Mr. Constantinescu, Mr. Myles, Ms. Penrice, Ms. Shortreed, and Mr. Wilmot:

- Mr. Brunner was appointed as Vice President, Corporate Secretary in September 2021 and was later promoted to Senior Vice President, General Counsel & Corporate Secretary in November 2022. Prior to joining the Company, he was Vice President, General Counsel & Corporate Secretary at Seven Generations Energy Ltd. Mr. Brunner was with Seven Generations from February 2015 to April 2021.

- Ms. Cooke joined the Company as Senior Vice President, Chief Marketing Officer in September 2022. Prior to joining the Company, she was employed at Shaw Communications / Freedom Mobile from 2017 to 2022, where her most recent position was that of Vice President, Brand, Advertising & Marketing.
- Mr. Constantinescu was appointed Senior Vice President & Chief Transformation Officer in February 2018. Prior to joining the Company, he was Chairman and Chief Executive Officer of Orthoshop Geomatics Ltd. from January 2006 through January 2019.
- Mr. Myles was appointed Executive Vice President, Corporate Development in March 2020. Prior to joining the Company, Mr. Myles was Chief Operating Officer, Industrial, of Stuart Olson Ltd., from January 2016 through October 2019.
- Ms. Penrice was appointed Executive Vice President, Corporate Services in January 2020. Prior to joining the Company, Ms. Penrice was Interim Chief Executive Officer for Sears Canada Inc. from August 2017 until September 2018, and Executive Vice President & Chief Operations Officer from February 2016 until August 2017.
- Ms. Shortreed joined the Company in September 2019. Prior to joining the company, Ms. Shortreed was the Vice President and Chief Information Officer at Bruce Power Ltd. from July 2013 to December 2018.
- Mr. Wilmot joined the Company as President, ATCO Energy in early 2018 and was appointed Chief Digital Officer later that year. Prior to joining the Company, Mr. Wilmot was Senior VP Marketing, Digital and Chief Loyalty Officer at WestJet Airlines Ltd. from 2011 until early February 2018.

DIRECTORS' AND EXECUTIVE OFFICERS' INTEREST IN THE COMPANY

At December 31, 2022, the directors and executive officers of the Company, as a group, beneficially owned, or controlled or directed, directly or indirectly (via corporate holdings or otherwise), 66,606,168 (97.2 per cent) of the issued and outstanding Class B shares of the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

As at February 28, 2023, there were 68,479,365 Class B shares outstanding. To the knowledge of the directors and executive officers of the Company, the only person who beneficially owns, controls or directs, either directly or indirectly, 10 per cent or more of the Class B shares is ATCO Ltd.

ATCO Ltd. owns 66,309,246 Class B shares representing approximately 96.8 per cent of the outstanding Class B shares. ATCO Ltd. is controlled by Sentgraf Enterprises Ltd. (Sentgraf) which in turn is controlled by the Sentgraf Spousal Trust (the Spousal Trust). Ms. Nancy Southern, Ms. Linda Southern-Heathcott and Mrs. Margaret E. Southern are the trustees of the Spousal Trust. ATCO, Sentgraf and the Spousal Trust are collectively referred to as the Majority Share Owner.

No director or executive officer of the Company, person or company that beneficially owns, or controls or directs, directly or indirectly, greater than 10 per cent of the Company's Class B shares, nor any associate or affiliate of the foregoing, has, or has had, any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES OR SANCTIONS

Corporate Cease Trade Orders

Except as otherwise disclosed below, no director, executive officer or controlling security holder of the Company is, as at the date of this AIF, or has been, within the past 10 years before the date hereof, a director or executive officer of any other issuer that, while that person was acting in that capacity:

- was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- was subject to an event that resulted, after the person ceased to be a director or executive officer, in the Company being the subject of a cease trade or similar order or an order that denied the relevant company access to an exemption under securities legislation for a period of more than 30 consecutive days; or

- iii. within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Nancy C. Southern was until her resignation on August 24, 2020, a director and President of Swizzlesticks Enterprises Ltd., a private Alberta corporation operating a salon and spa in Calgary, Alberta, which on August 24, 2020, commenced proposal proceedings pursuant to the *Bankruptcy and Insolvency Act* (Canada) by filing a notice of intention to make a proposal. The corporation was declared bankrupt and a trustee was appointed on August 25, 2020. An application for the discharge of the trustee was approved on December 14, 2021.

Ms. Penrice served as Executive Vice President & Chief Operating Officer of Sears Canada Inc. (Sears) when, on June 22, 2017, Sears announced that it and certain of its subsidiaries (Sears Group) had been granted an order from the Ontario Superior Court of Justice (Commercial List) (the Court) that, among other things, granted the Sears Group protection from their creditors under the *Companies' Creditors Arrangement Act* (Canada). On June 29, 2017, Sears received notice that the Continued Listings Committee of the TSX had determined to delist Sears' common shares effective at the close of market on July 28, 2017. Sears did not appeal the decision. On October 16, 2017, Sears announced that it had received approval from the Court to proceed with a liquidation of all of its inventory and furniture, fixtures and equipment located at its remaining stores.

Personal Bankruptcies

No director, executive officer or controlling security holder of the Company has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Penalties or Sanctions

No current director, executive officer or controlling security holder of the Company has:

- i. been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, other than penalties for late filing of insider reports; or
- ii. been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

Circumstances may arise where members of the Board serve as directors or officers of corporations which are in competition to the interests of the Company. No assurances can be given that opportunities identified by any such member of the Board will be provided to the Company. However, the Company's procedures provide that each director and executive officer must comply with the disclosure requirements of the *Canada Business Corporations Act* regarding any material interest. If a declaration of material interest is made, the declaring director shall not vote on the matter if put to a vote of the Board. In addition, the declaring director and executive officer may be requested to recuse himself or herself from the meeting when such matter is being discussed.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Class A shares and Class B shares and the Cumulative Redeemable Second Preferred Shares Series Y, AA, BB, CC, DD, and EE is TSX Trust Company at its principal offices in Calgary, Toronto, Montreal and Vancouver. The transfer agent and registrar for the Cumulative Redeemable Second Preferred Shares Series FF and HH is TSX Trust Company at its principal offices in Calgary and Toronto.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is occasionally named as a party in claims and legal proceedings which arise during the normal course of its business. The Company reviews each of these claims, including the nature of the claim, the amount in dispute or claimed and the availability of insurance coverage. There can be no assurance that any particular claim will be resolved in the Company's favour or that such claim may not have a material adverse effect on the Company. For further information, please refer to Note 29 of the 2022 Consolidated Financial Statements. For information specific to the 2022 AUC Enforcement Proceeding, please refer to the "Utilities Regulatory Frameworks" section presented in Canadian Utilities' MD&A.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business (unless otherwise required by applicable securities requirements to be disclosed), there were no material contracts entered into by the Company or its subsidiaries during the most recently completed financial year, or before the most recently completed financial year that are still in effect.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP has prepared the auditor's report for the Company's 2022 Consolidated Financial Statements. PricewaterhouseCoopers LLP is independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

FORWARD-LOOKING INFORMATION

Certain statements contained in this AIF constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", "goals", "targets", "strategy", "future", and similar expressions. In particular, forward-looking information in this AIF includes, but is not limited to, references to strategic plans, goals and targets, including ESG targets and the commitment to achieve net zero GHG emissions by 2050; expected emissions reductions; expected electricity generation capacity and/or productive capacity of assets and projects, including assets and projects that have been acquired or that are expected to be developed in the future; the expected timing of commencement or completion of activities and/or contracts; the impact or benefits of contracts, including contract value, or fees to be paid or received; growth expectations; information pertaining to projects described under "Hydrogen Development" and "Hydro Development"; the expected purchase and sale of electricity; and the timing for commencement, construction or commercial operations of projects.

Although the Company believes that the expectations reflected in the forward-looking information are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and no assurance can be given that these expectations will prove to be correct. Forward-looking information should not be unduly relied upon. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors, which may cause actual results, levels of activity, and achievements to differ materially from those anticipated in such forward-looking information. The forward-looking information reflects the Company's beliefs and assumptions with respect to, among other things, the Company's ability to successfully achieve its net-zero GHG target by 2050; the development and performance of technology and technological innovations and the ability

to otherwise access and implement all technology necessary to achieve GHG and other environmental, social and governance targets; continuing collaboration with certain regulatory and environmental groups; the performance of assets and equipment; demand levels for oil, natural gas, gasoline, diesel and other energy sources; certain levels of future energy use; future production rates; future revenue and earnings; the ability to meet current project schedules, and other assumptions inherent in management's expectations in respect of the forward-looking information identified herein.

The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of, among other things, risks inherent in the performance of assets; capital efficiencies and cost savings; applicable laws and government policies; regulatory decisions; competitive factors in the industries in which the Company operates; prevailing economic conditions; credit risk; interest rate fluctuations; the availability and cost of labour, materials, services, and infrastructure; the development and execution of projects; prices of electricity, natural gas, natural gas liquids, and renewable energy; the development and performance of technology and new energy efficient products, services, and programs including but not limited to the use of zero-emission and renewable fuels, carbon capture, and storage, electrification of equipment powered by zero-emission energy sources and utilization and availability of carbon offsets; potential termination or breach of contract by contract counterparties; the occurrence of unexpected events such as fires, severe weather conditions, explosions, blow-outs, equipment failures, transportation incidents, and other accidents or similar events; and other risk factors, many of which are beyond the control of the Company. Due to the interdependencies and correlation of these factors, the impact of any one material assumption or risk on a forward-looking statement cannot be determined with certainty. Readers are cautioned that the foregoing lists are not exhaustive. For additional information about the principal risks that the Company faces, see "Business Risks and Risk Management" in the MD&A for the year ended December 31, 2022.

This AIF may contain information that constitutes future-oriented financial information or financial outlook information, all of which are subject to the same assumptions, risk factors, limitations and qualifications set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise or inaccurate and, as such, undue reliance should not be placed on such future-oriented financial information or financial outlook information. The Company's actual results, performance and achievements could differ materially from those expressed in, or implied by, such future-oriented financial information or financial outlook information. The Company has included such information in order to provide readers with a more complete perspective on its future operations and its current expectations relating to its future performance. Such information may not be appropriate for other purposes and readers are cautioned that such information should not be used for purposes other than those for which it has been disclosed herein. Future-oriented financial information or financial outlook information contained herein was made as of the date of this AIF.

Any forward-looking information contained in this AIF represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Additional information, including directors' and named executives officers' remuneration, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, is contained in the Company's most recent Management Proxy Circular dated March 9, 2022.

Additional financial information is provided in the Company's audited 2022 Consolidated Financial Statements and MD&A for the financial year ended December 31, 2022. Corporate information is also available on the Company's website: www.canadianutilities.com.

Information relating to ATCO or CU Inc. may be obtained on request from Investor Relations at 3rd Floor, West Building, 5302 Forand Street SW, Calgary, Alberta, T3E 8B4, or by telephone (403) 292-7500.

GLOSSARY

2022 Consolidated Financial Statements means Canadian Utilities Limited's Consolidated Financial Statements for the year ended December 31, 2022.

AESO means Alberta Electric System Operator.

Alberta Utilities means Electricity Distribution, Electricity Transmission, Natural Gas Distribution and Natural Gas Transmission.

APL means Alberta PowerLine.

AUC means the Alberta Utilities Commission.

AUD means Australian dollars.

Class A shares means Class A non-voting common shares of the Company.

Class B shares means Class B voting common shares of the Company.

Company means Canadian Utilities Limited and, unless the context otherwise requires, includes its subsidiaries and joint arrangements.

Consumer price index (CPI) measures the average change in prices over time that consumers pay for a basket of goods and services.

DRIP means Dividend Reinvestment Plan.

ESG means Environmental, Social and Governance.

GHG means greenhouse gas.

Gigawatt hour (GWh) is a measure of electricity consumption equal to the use of 1 billion watts of power over a one-hour period.

IFRS means International Financial Reporting Standards.

LNG means liquefied natural gas.

MD&A means the Company's Management's Discussion and Analysis for the year ended December 31, 2022.

Megawatt (MW) is a measure of electric power equal to 1,000,000 watts.

Merchant means uncontracted generating plant capacity that is offered into the spot electricity market in which the generating plant is located.

NGL means natural gas liquids, such as ethane, propane, butane and pentanes plus, that are extracted from natural gas and sold as distinct products or as a mix.

NGTL means Nova Gas Transmission Ltd.

Petajoule (PJ) is a unit of energy equal to approximately 948.2 billion British thermal units.

PPA means Power Purchase Agreement.

REA means Rural Electrification Association. REAs are constituted under the *Rural Utilities Act* (Alberta) by groups of persons carrying on farming operations. Each REA purchases electric power for distribution to its members through a distribution system owned by that REA.

Regulated Utilities means Electricity Distribution, Electricity Transmission, Natural Gas Distribution, Natural Gas Transmission and International Natural Gas Distribution.

REPA means Renewable Energy Purchase Agreement.

RNG means renewable natural gas. It is a renewable fuel produced by capturing methane emissions which would otherwise be released to the atmosphere.

SEDAR means The System for Electronic Document Analysis and Retrieval.

Terajoule (TJ) is a unit of energy equal to approximately 948.2 million British thermal units.

USD means United States dollars.

APPENDIX 1

AUDIT & RISK COMMITTEE INFORMATION

AUDIT & RISK COMMITTEE MANDATE

PURPOSE

The Audit & Risk Committee (the “Committee”) of Canadian Utilities Limited (the “Corporation”) is responsible for contributing to the effective stewardship of the Corporation by assisting the Board of Directors of the Corporation (“Board”) in fulfilling its oversight of:

- The integrity of the Corporation’s financial statements.
- The Corporation’s compliance with laws and regulations including applicable legal and regulatory commitments.
- The independence, qualifications and appointment of the Corporation’s external auditor.
- The performance of the Corporation’s internal audit function and external auditor.
- The accounting and financial reporting processes of the Corporation.
- Audits of the financial statements of the Corporation.
- The risk management processes of the Corporation.

AUTHORITY

The Committee is empowered to:

- Determine the public accounting firm to be recommended to the Board for appointment as external auditors, and be directly responsible for the compensation and oversight of the work of the external auditors. The external auditors will report directly to the Committee.
- Pre-approve all auditing and permitted non-audit services performed by the Corporation’s external auditors.
- Conduct or authorize investigations into any matters within the Committee’s scope of responsibilities. The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Committee, and to communicate directly with the internal and external auditors.
- Inspect all the books and records of the Corporation and its subsidiary entities and to discuss such books and records in any manner relating to the financial position and/or risk related issues of the Corporation and its subsidiary entities with the officers, employees and internal and external auditors of the Corporation and its subsidiary entities. All employees are directed to cooperate with the Committee’s requests.
- Meet with the Corporation’s officers, external auditors or outside counsel, as necessary.
- Delegate authority, to the extent permitted by applicable legislation and regulation, to one or more designated members of the Committee, including the authority to pre-approve all auditing and permitted non-audit services provided by the Corporation’s external auditor.

COMPOSITION

The Board shall elect annually from among its members an Audit & Risk Committee comprised of not less than three directors. Each member of the Committee must be:

- a director of the Corporation;
- independent (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110); and
- financially literate (within the meaning of section 1.6 of National Instrument 52-110).

In order to be considered to be independent for the purposes of membership on the Committee, a director must have been determined by the Board to have no direct or indirect material relationship with the Corporation and must satisfy all other applicable legal and regulatory requirements.

The Board will appoint one member of the Committee as Chair. Any member of the Committee may be removed or replaced at any time by the Board, and a member shall cease to be a member of the Committee upon ceasing to be a director of the Corporation or upon ceasing to be independent.

MEETINGS

The Committee shall meet at least four times per year and whenever deemed necessary by the Chair of the Committee or at the request of a Committee member or the Corporation's external or internal auditor. Matters related specifically to Risk Management as described under "Duties and Responsibilities" will be on the agenda for two of the Committee meetings each year.

- The Chair of the Committee shall prepare and/or approve an agenda in advance of each meeting.
- Reasonable notification of meetings, which may be held in person, by telephone or other communication device, shall be sent to the members of the Committee, the external auditor and any additional attendees as determined by the Chair of the Committee.
- The external auditor has the right to appear before and be heard at any meeting of the Committee.
- Meetings will be scheduled to permit timely review of Committee materials.
- A majority of the Committee will constitute a quorum.
- Minutes of each meeting will be prepared by the person designated by the Committee to act as secretary and will be kept by the Corporate Governance & Secretarial Department.

DUTIES AND RESPONSIBILITIES

Public Reporting

- Review significant accounting and reporting issues and understand their impact on the financial statements. These issues include:
 - complex or unusual transactions and highly judgmental areas;
 - major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles; and
 - the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation.
- Review analyses prepared by management and/or the external auditors, setting forth significant financial reporting issues and judgements made in connection with the preparation of the financial statements, including analyses of the effects of new or revised IFRS methods on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the Corporation's annual and interim financial statements, MD&A, earnings press releases, AIF, and Sustainability Reports before the Corporation publicly discloses this information.

- Review reports prepared by Designated Audit Directors and directors appointed to corporate entities including joint ventures or partnerships (which do not have an appointed Designated Audit Director) regarding any significant items pertaining to year-end financial disclosure documents.
- If delegated by the Board, approve the interim financial statements, interim MD&A and interim earnings press releases before the Corporation publicly discloses this information.
- Recommend to the Board the approval of the Corporation's annual financial statements, AIF and annual MD&A.
- Be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of these procedures.
- Be satisfied that the Corporation has implemented appropriate systems of internal control over financial reporting and that these systems are operating effectively.

External Auditor

- Recommend to the Board:
 - the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation; and
 - the compensation of the external auditor.
- Be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- Pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the external auditor of the Corporation (Non-audit Services). The Committee may delegate to one or more of its members the authority to pre-approve Non-audit Services. All Non-audit Services provided by the external auditor shall be summarized and reported to the Audit & Risk Committee on a cumulative basis for the year at each quarterly meeting.
- The Committee shall adopt and periodically review practices and procedures for the engagement of Non-audit Services that are detailed as to the particular service, that do not include delegation of the Committee's responsibilities to management, and that are designed to manage the pre-approval process and comply with all applicable legal and regulatory requirements.
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

Internal Auditor

- Be satisfied that the internal audit function has been effectively carried out and the internal auditor has adequate resources.
- Review and approve the annual Audit Plan.
- Review and approve Internal Audit's annual budget and resource plan.

Risk Management

- Understand the principal risks of the Corporation:
 - review and consider with management the Corporation's risk taking philosophy;
 - review and discuss with management the Corporation's risk inventory and related mitigation plans;
 - receive presentations, reports and other information about extraordinary risks, emerging risks and significant trends that could materially affect the Corporation's ability to achieve its strategic objectives, including those related to sustainability and environmental, social and governance (ESG) matters;

- review reports prepared by Designated Audit Directors and directors appointed to corporate entities including joint ventures or partnerships (which do not have an appointed Designated Audit Director) regarding any significant risks identified by management; and
- review and discuss with management the Corporation's performance relative to its sustainability, ESG and safety objectives and/or targets.
- Be satisfied that management has appropriate processes in place to identify, assess, manage and monitor risk.
- Review the Corporation's insurance programs for adequacy annually.

Other

- Ensure that the Corporation has appropriate procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.
- Provide a means for confidential and anonymous submission by employees of the Corporation of concerns regarding accounting or auditing matters.
- Review and reassess annually the adequacy of this mandate and recommend any proposed changes to the Board for approval.
- Review and approve annually the Disclosure Committee, Designated Audit Directors, and Internal Audit mandates.
- The Committee will inquire into any other matters referred to it by the Board.

REPORTING

The Committee shall report to the Board on such matters and questions relating to the financial position or risk management of the Corporation as the Board may from time to time refer to the Committee. A summary of all meetings will be provided to the Board by the Chair of the Committee. Supporting schedules and information reviewed by the Committee will be available for examination by any director upon request. The external auditor and the Vice President, Internal Audit of the Corporation shall report directly to the Committee. The Committee is expected to maintain free and open communication with the Corporation's external auditor, internal auditor and management. This communication shall include private sessions, at least annually, with each of these parties.

COMPOSITION AND RELEVANT EDUCATION AND EXPERIENCE OF THE AUDIT & RISK COMMITTEE

The following are the members of the Corporation's Audit & Risk Committee, all of whom are independent and financially literate:

- L.M. Charlton - Prior to her retirement in November 2022, Ms. Charlton was Vice President & Chief Financial Officer at Lintus Resources Limited. For over three decades, she was responsible for the entire financial reporting process of various corporations in Oil & Gas. She serves on the Audit Committees of three publicly traded corporations and is Audit Chair for two of them. Ms. Charlton has a Bachelor of Commerce degree in Finance, holds the Corporate Director Designation (ICD.D) from the Institute of Corporate Directors, and participates in ongoing financial and accounting continuing education.
- R.J. Hanf - For almost twenty years prior to his retirement in 2021, Mr. Hanf served as an executive leader with Emera Inc., an electric utility company in Nova Scotia, Canada serving millions of customers in Canada, the United States and the Caribbean, where he was responsible for Stakeholder Relations and Regulatory Affairs, both of which require financial literacy. As current Chair of Mancal Corporation, he is Chair of the Transactions Committee and is a member of the Valuations and Reserves Committee. He was past Chair of the Board of Governors at Dalhousie University where he was an ex-officio member of all Committees. Mr. Hanf was previously President and Chief Executive Officer of Nova Scotia Power Inc., Executive Chairman of Barbados Light & Power Holdings Ltd., and President and Chief Operating Officer of Bangor Hydro Electric Company, where he was responsible for the overall financial reporting and compliance of these companies. He is also a graduate from the Director Education Program at the Institute of Corporate Directors where he obtained extensive enterprise risk and financial literacy knowledge.

- R.J. Normand (Chair) - For more than 30 years, Mr. Normand held senior executive roles in the financial and banking sectors, culminating in the role of President and Chief Executive Officer of Alberta Treasury Branches until his retirement in 2008. In 2015, he retired as Chair of the Workers Compensation Board of Alberta. Through his experience in the financial services sector, he has developed extensive knowledge and expertise in the areas of finance, regulatory matters and risk management. Mr. Normand has an M.B.A. and a B.A. (Economics) and has completed studies leading to the Fellow of the Institute of Canadian Bankers designation.
- R.J. Urwin - Dr. Urwin has been the Chief Executive Officer of several major public companies. He was the Group Chief Executive of National Grid plc from 2001 until his retirement in 2006, and was responsible for compliance with the US Sarbanes-Oxley requirements. Dr. Urwin has been a member of the Audit Committee for a number of UK public companies.

PRE-APPROVAL PROCEDURES

The Corporation's Audit & Risk Committee has adopted a procedure for approval of external auditor services. The procedure prohibits the external auditor from providing specified services to the Corporation and its subsidiaries.

The engagement of the external auditor for a range of services defined in the procedure has been pre-approved by the Audit & Risk Committee. If an engagement of the external auditor is contemplated for a particular service that is neither prohibited nor covered under the range of pre-approved services, such engagement must be pre-approved. The Audit & Risk Committee has delegated the authority to grant such pre-approval to the Chairman of the Audit & Risk Committee.

Services provided by the external auditor are subject to an engagement letter. The procedure mandates that the Audit & Risk Committee receive regular reports of all new pre-approved engagements of the external auditor.

EXTERNAL AUDITOR SERVICE FEES

The aggregate fees incurred by the Corporation and its subsidiaries for professional services provided by PricewaterhouseCoopers LLP for each of the past two years were as follows:

<i>(\$ Millions)</i>	2022	2021
Audit fees ⁽¹⁾	3.9	3.2
Audit-related fees ⁽²⁾	0.3	0.1
Tax fees ⁽³⁾	0.3	1.2
All other fees ⁽⁴⁾	—	0.2
Total	4.5	4.7

(1) Audit fees are the aggregate professional fees paid to the external auditor for the audit of the annual consolidated financial statements and other regulatory audits and filings.

(2) Audit related fees are the aggregate fees paid to the external auditor for services related to special purpose audits and audit services including consultations regarding IFRS.

(3) Tax fees are the aggregate fees paid to the external auditor for tax compliance, tax advice, tax planning and advisory services relating to the preparation of corporate tax, capital tax and sales tax returns.

(4) Other fees include aggregate fees paid to the external auditor for consulting services related to the Company's finance and accounting function.