



CANADIAN
UTILITIES LIMITED
An **ATCO** Company

INVESTOR PRESENTATION

December 2021

TABLE OF CONTENTS

Legal Notice.....	3
Financial Executive Leadership Introduction.....	4
Financial Overview.....	5
Canadian Utilities Overview.....	10
Environment, Sustainability & Governance.....	14
Utilities.....	19
Energy Infrastructure.....	28
Retail Energy.....	39
Appendices.....	41

LEGAL NOTICE

Forward-Looking Information

Statements made by representatives for ATCO Ltd. and Canadian Utilities Limited and information provided in this presentation may be considered forward-looking statements. By their nature, such statements are subject to numerous known and unknown risks and uncertainties and therefore actual results may differ materially from those currently anticipated. ATCO Ltd. and Canadian Utilities Limited disclaim any intention or obligation to update or revise such statements. Due to the nature of the Corporation's operations, quarterly revenues and earnings are not necessarily indicative of annual results.

Other Financial Measure Disclosure

This presentation makes reference to Adjusted Earnings, a total of segments measure that is defined as earnings attributable to Class I and Class II Shares after adjusting for the timing of revenues and expenses associated with rate-regulated activities and unrealized gains or losses on mark-to-market forward and swap commodity contracts. Adjusted earnings also exclude one-time gains and losses, impairments, and items that are not in the normal course of business or a result of day-to-day operations.

Adjusted earnings present earnings from rate-regulated activities on the same basis as was used prior to adopting IFRS - that basis being the US accounting principles for rate-regulated activities. Management's view is that adjusted earnings allow for a more effective analysis of operating performance and trends. A reconciliation of adjusted earnings to earnings attributable to Class I and Class II Shares is presented in the quarterly MD&A and in Note 3 of the unaudited interim consolidated financial statements.

INTRODUCTION OF BRIAN SHKROBOT

Executive Vice President & Chief Financial Officer, Canadian Utilities



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

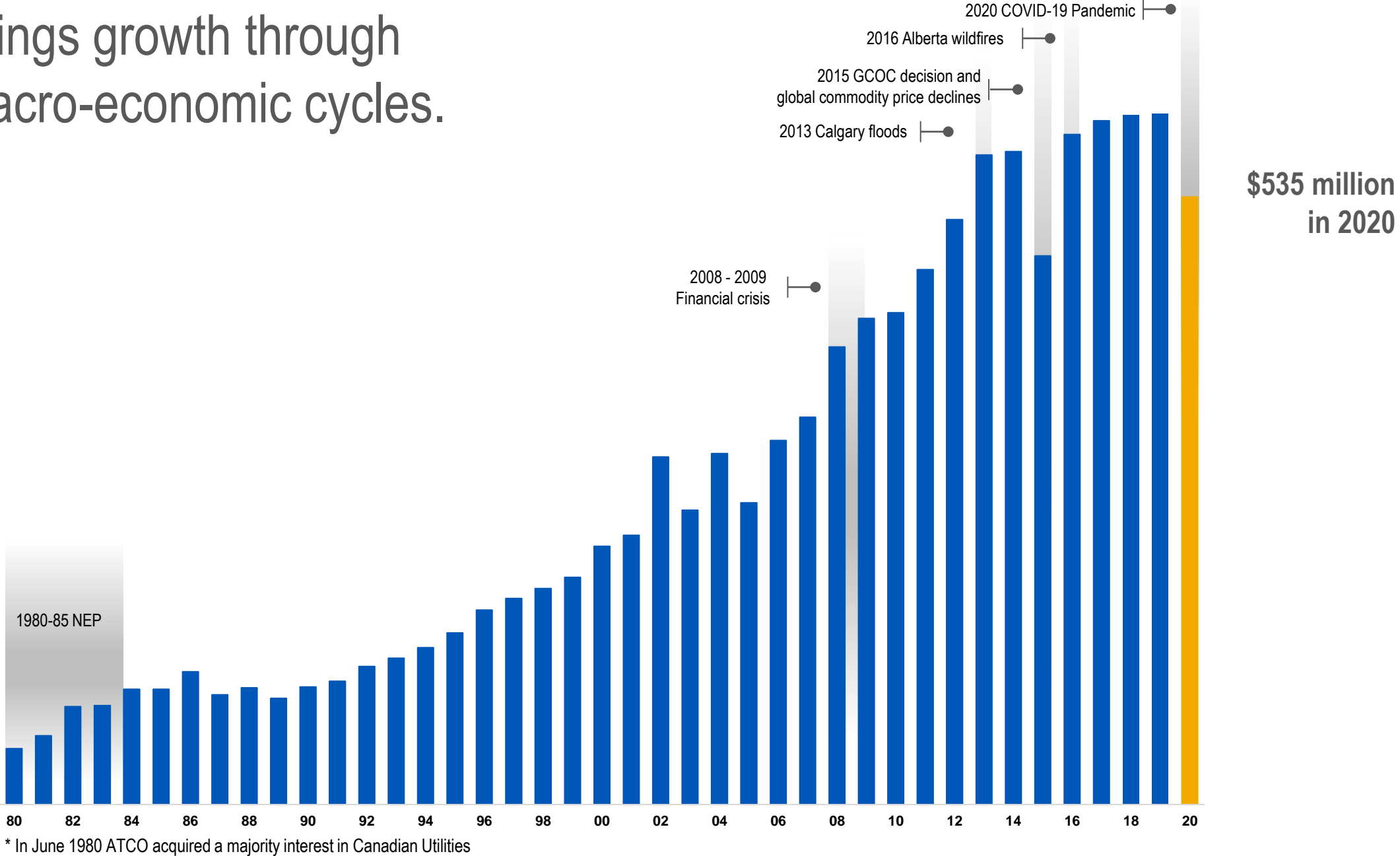
Mr. Shkrobot brings his deep expertise in financial and regulatory matters, along with a future-focused leadership style, to the role that will ensure Canadian Utilities' continued success in a rapidly transitioning energy sector. In this role Mr. Shkrobot is responsible for the overall financial management of Canadian Utilities including Finance, Accounting, Treasury, Taxation, Risk Management, Corporate Finance and Internal Audit.

Mr. Shkrobot joined ATCO in 2000 as a Corporate Accountant and over the past 21 years has held progressively more senior roles within the organization. Prior to his appointment to Executive Vice President & Chief Financial Officer, Brian held the role of Senior Vice President, Finance & Regulatory. This role oversaw all financial and regulatory matters for Canadian Utilities Natural Gas and Electricity utilities in Canada and was responsible for advancing numerous enterprise-wide finance, governance and audit initiatives. Brian has also held various other senior financial roles within the utilities business which included oversight for Canadian Utilities' natural gas, electricity, storage & liquids and power generation businesses.

Mr. Shkrobot holds a Bachelor of Commerce degree from the University of Alberta and is a Chartered Professional Accountant.

FINANCIAL STRENGTH

Long track record of earnings growth through various regulatory and macro-economic cycles.

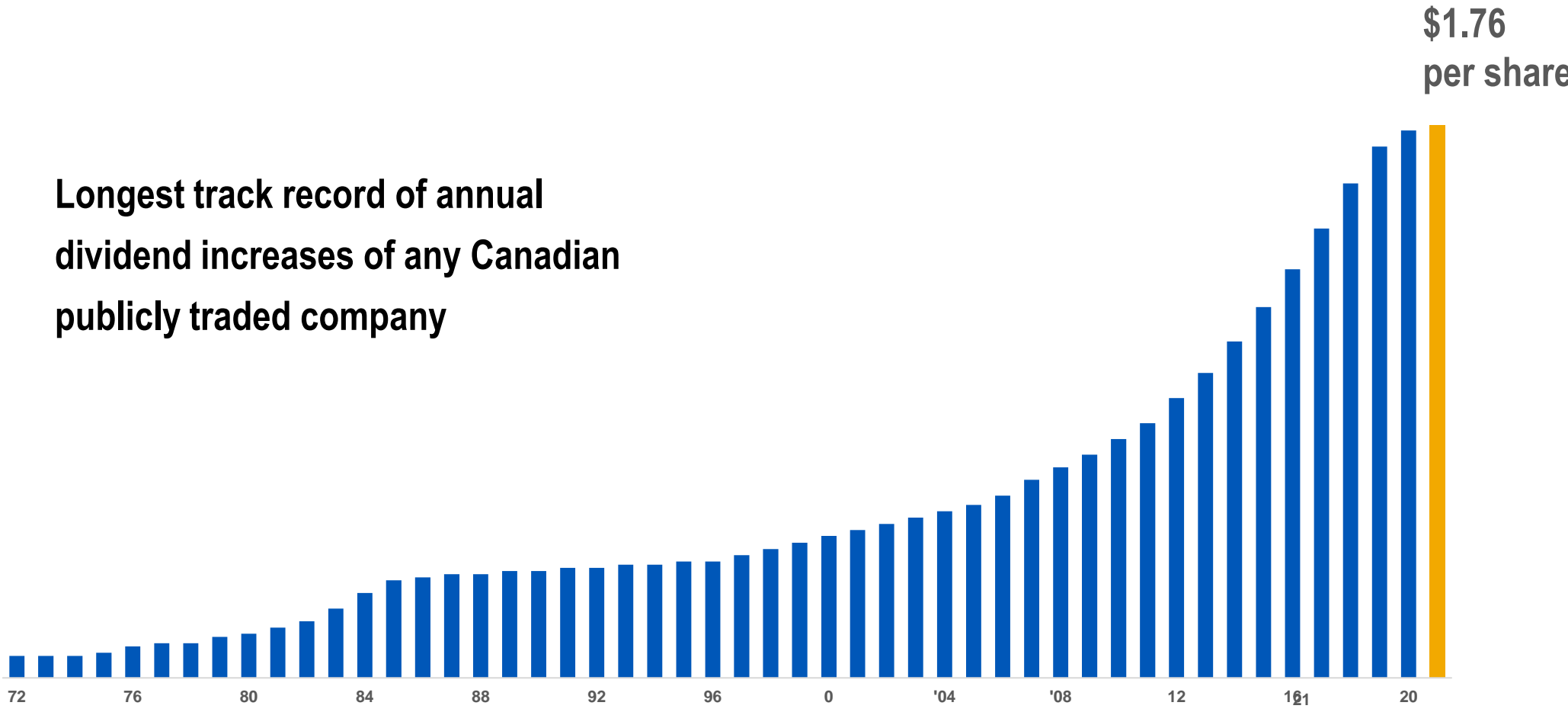


* In June 1980 ATCO acquired a majority interest in Canadian Utilities

FINANCIAL STRENGTH

Canadian Utilities has an unprecedented track record of dividend growth.

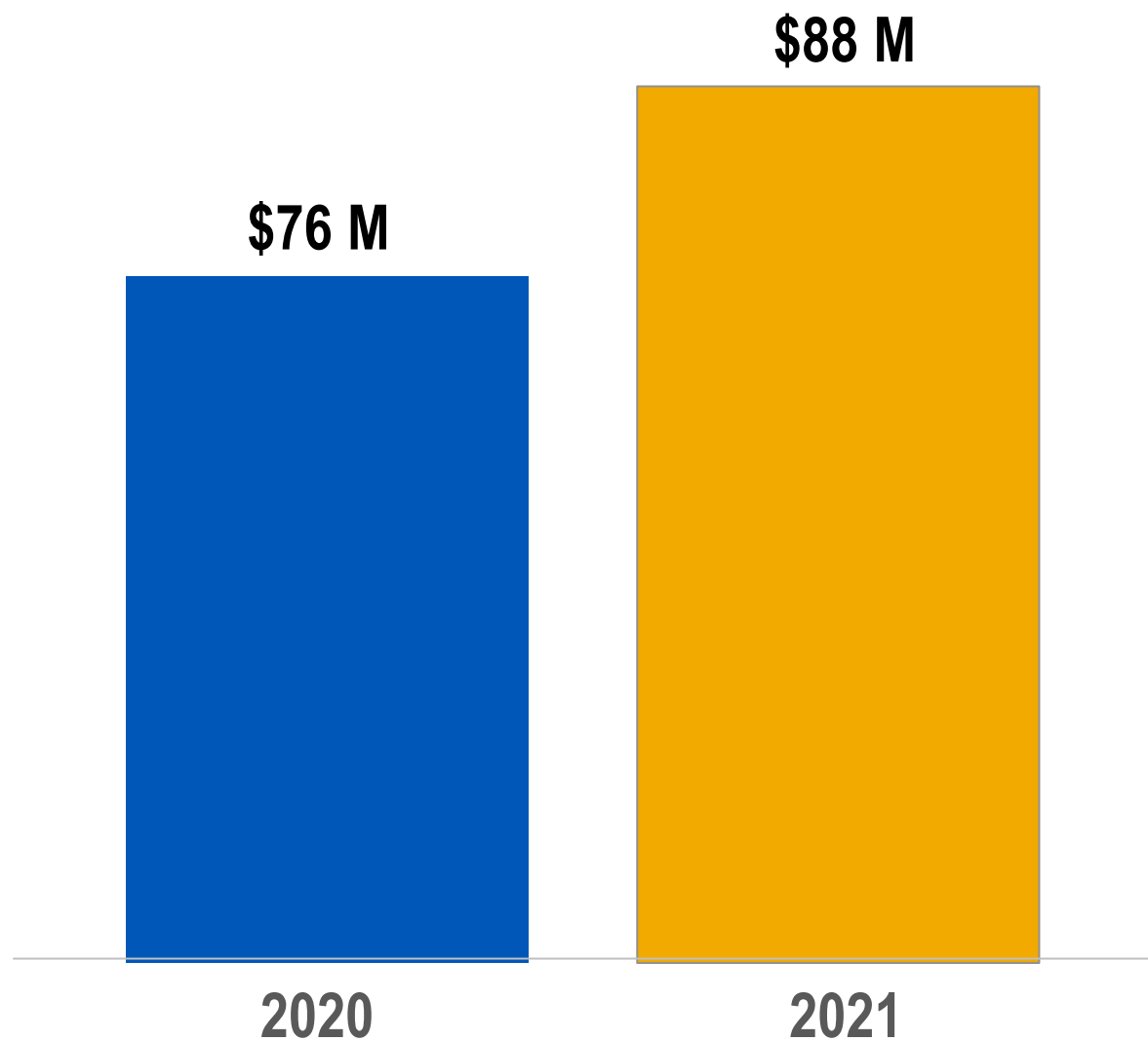
49 years of annual dividend increases*



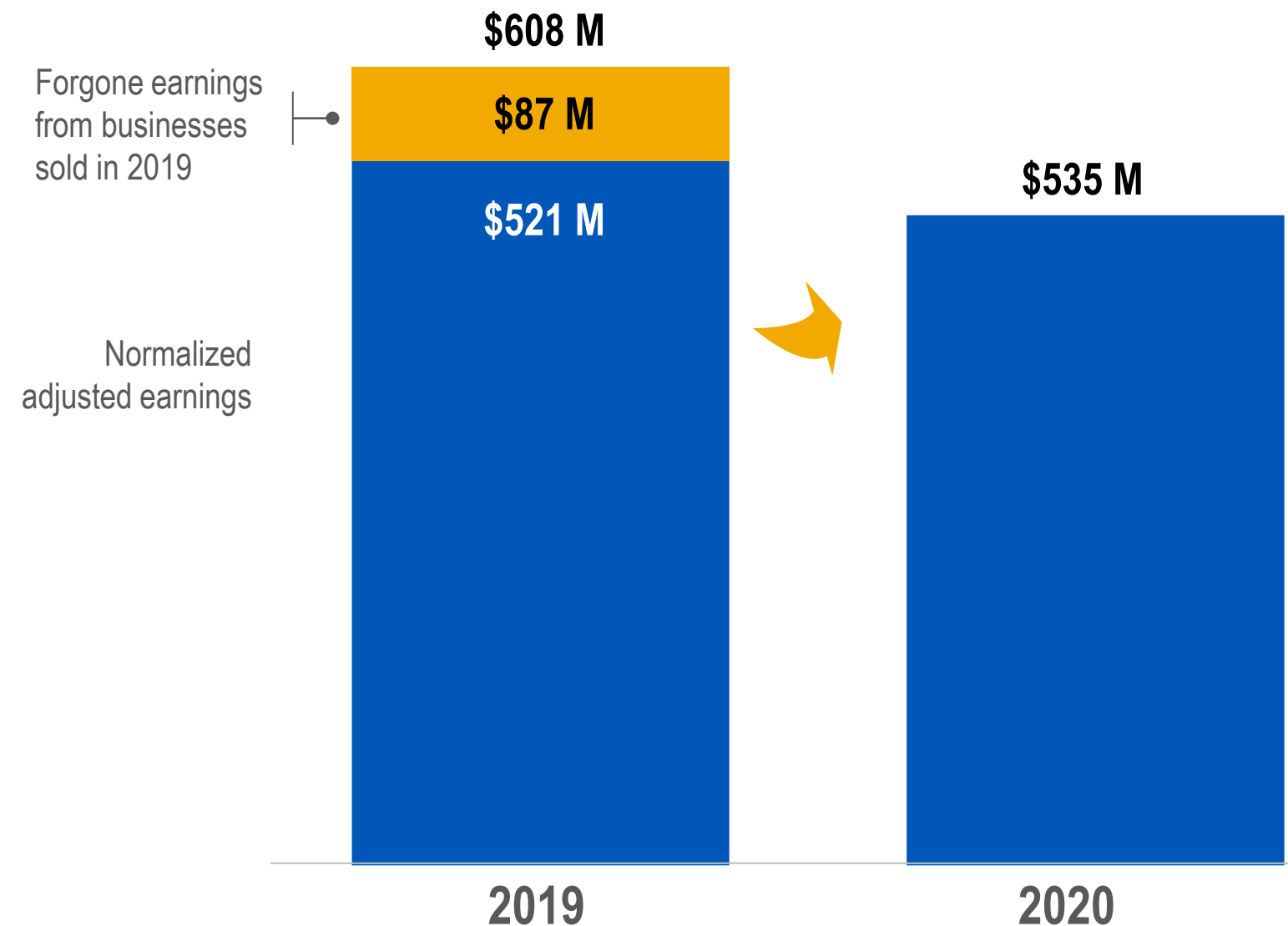
* On January 14, 2021, Canadian Utilities declared a first quarter dividend of \$0.4398 per share, or \$1.76 per share annualized.

ADJUSTED EARNINGS

Q3 2021 Adjusted Earnings

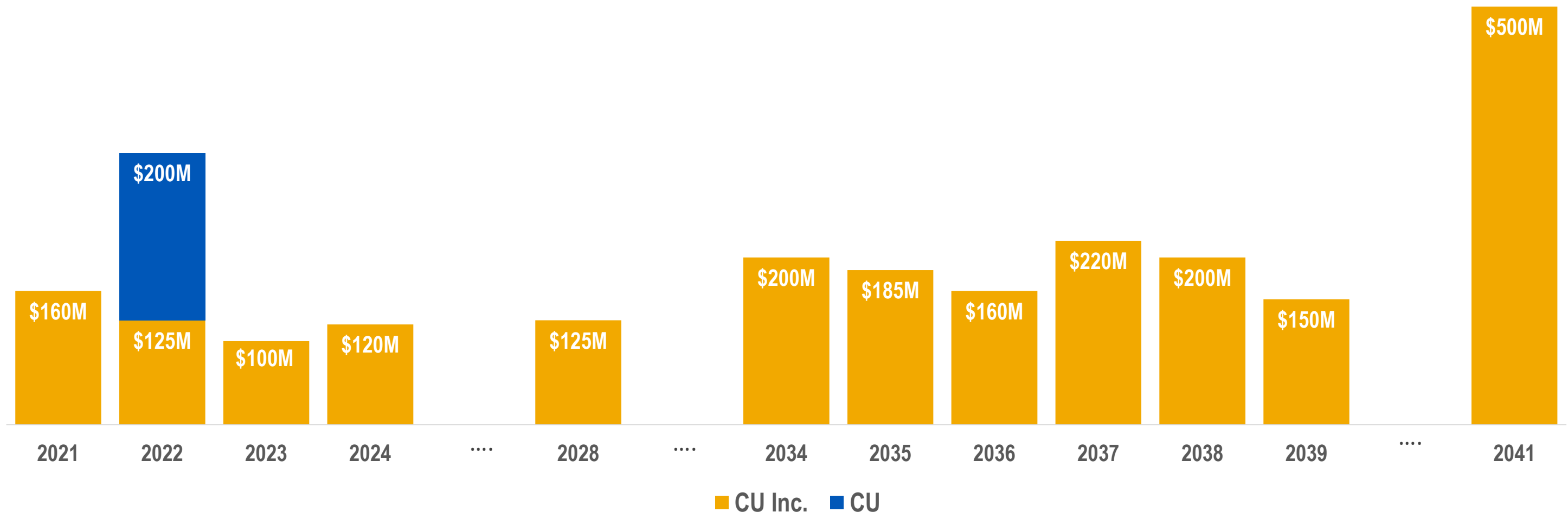


2020 Adjusted Earnings





DEBT MATURITY PROFILE – 20 YEAR OUTLOOK

Well distributed and easily manageable debt maturity profiles.



STRONG CREDIT RATINGS

	Canadian Utilities Limited (CU)	A Stable
	CU Inc.	A (high) Stable

	Canadian Utilities Limited	A- Negative
	CU Inc.	A- Stable

CANADIAN UTILITIES LIMITED

Canadian Utilities is an ATCO company with approximately 4,500 employees and assets of \$20 billion. We are publicly traded on the Toronto Stock Exchange under the tickers CU (non-voting) and CU.X (voting).

As a diversified global energy infrastructure corporation, Canadian Utilities offers comprehensive solutions and operational excellence in Utilities, Energy Infrastructure, and Retail Energy.



Utilities



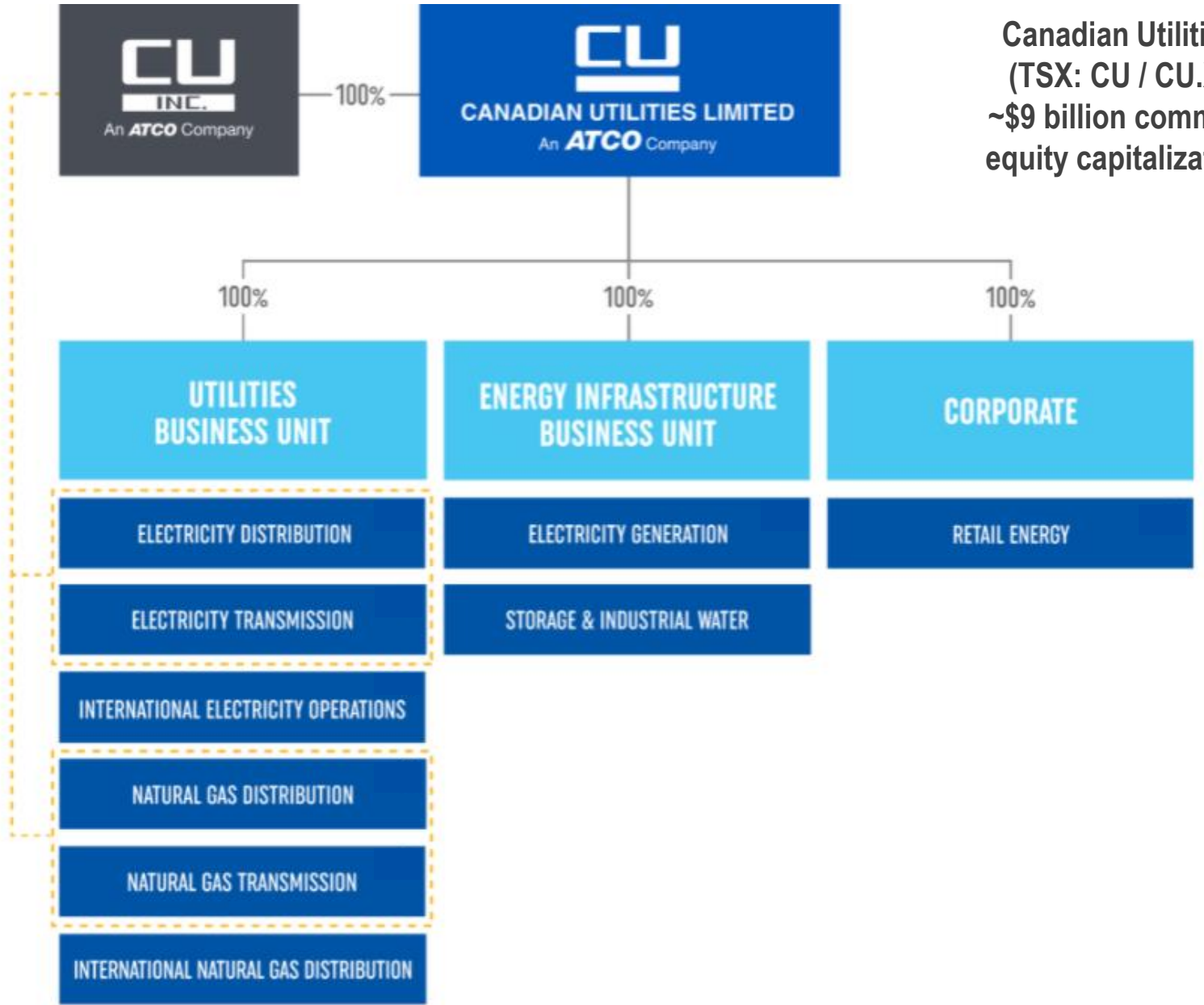
Energy Infrastructure



Retail Energy

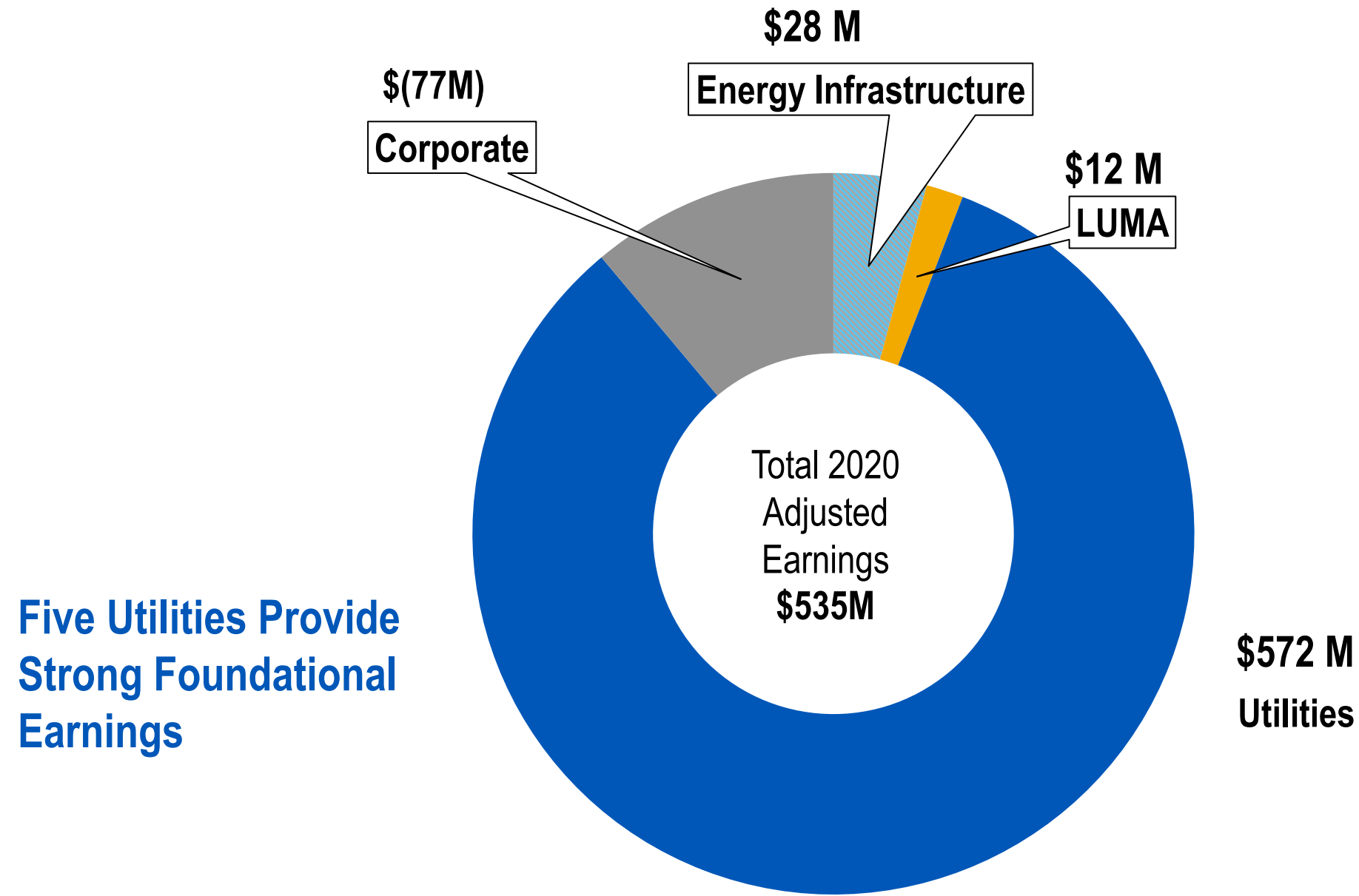
CANADIAN UTILITIES ORGANIZATIONAL STRUCTURE

CU Inc. ~\$8 billion
debt capitalization



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

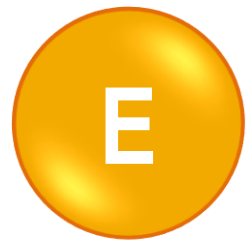
CANADIAN UTILITIES 2020 ADJUSTED EARNINGS



- Leverage our core utility assets and invest in activities aimed at advancing the energy transition and ensuring long-term resiliency
- Optimize energy infrastructure assets and add new growth platforms
- Diversify geographically: Outside Alberta, North America, Latin America, & Australia
- Drive cash flow and earnings to improve financial strength and growth capacity



ESG ACCOMPLISHMENTS



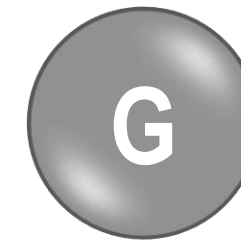
Environmental

- **90%** removal of direct GHG emissions from our portfolio since 2019, almost 7.5 million tonnes.
- **17%** reduction in direct GHG emissions from retained assets since 2019.
- **23%** of our global power generation portfolio is now renewables, including hydroelectric and solar.
- **10%** hydrogen blended with natural gas at our Clean Energy Innovation Hub in Australia.
- **74%** progress towards goal of completing in-line inspections on natural gas transmission lines.



Social

- **\$71.4M** in economic benefit for Indigenous groups in 2020.
- **\$5.5M** invested in communities through gifts in-kind, sponsorships, donations and matching contributions from ATCO EPIC program. Since inception this program has raised nearly **\$47M**.
- **28%** decrease in our employees TRIF year over year.
- **\$1.5M** committed as a gift-in-kind donation to support the Homes for Hero's foundation.
- **11,700 meals** were delivered to seniors financially impacted by COVID-19 and living alone.



Governance

- **33%** of ATCO board directors are women.
- **36%** of CU board directors are women.
- Designated Audit Directors (**DAD**): unique to CU and ATCO; these are directors assigned to a specific business unit to provide oversight based on their strength and expertise in various industry sectors.
- **67%** of ATCO Board and **82%** of CU Board is independent, including the Lead Director.
- Transparent **ESG** reporting.



[2020 Sustainability Report](#)

Information provided above is for ATCO Ltd. and Canadian Utilities Limited as presented in the 2020 Sustainability Report.

SUSTAINABILITY: OUR COMMITMENT

Commitment to Sustainability

Sustainability is more than an aspiration; it is interwoven into our strategy, our day-to-day operations, the products and services we provide, and the fabric of our people. It manifests across our family of companies in both how we conduct our day-to-day activities and in the contributions we make to society through both our operations and the community spirit of our people.

Our enduring and holistic commitment is clearly reflected in our efforts to cost-effectively and reliably accelerate the **energy transition**; **enhance our environmental performance and reduce our greenhouse gas emissions**; **champion the safety, inclusivity, and equity** of our people, communities, and customers; **foster Indigenous and community partnerships** based on trust, equity and mutual respect; and ensure **uninterrupted, resilient, and reliable access** to essential products and services—Always there. Anywhere.

Our Strategic Focus

 *Energy Transition*

 *Climate Change & Environment Stewardship*

 *People*

 *Operational Reliability & Resilience*

 *Indigenous and Community Partnerships*

SUSTAINABILITY: CANADIAN UTILITIES' COMMITMENT

SHIFTING DEMAND



Customers seeking more diverse energy solutions

DECENTRALIZATION



Provide options to generate own on-site electricity

DECARBONIZATION



Shift to lower carbon & lower emitting solutions

DIGITALIZATION



Provide innovative digital solutions

INVESTING IN OUR UTILITIES FUTURE

We are answering the call for climate accountability while ensuring the sustainability, affordability, safety, and reliability of our energy system.

Digitization of the Grid:

- Advanced Metering Infrastructure (AMI) for real-time data
- Automated Distribution Management System (ADMS) to orchestrate the movement of electricity to where it is needed

Decarbonization: Off Diesel Initiatives

- Community solutions to offset the use of diesel and heating oil
- Solar solutions for:
 - Fort Chipewyan – largest off-grid solar & storage project;
 - Vuntut Gwitchin First Nation – most northerly off-grid solar project;
 - The Dene Tha' First Nation – a 92-kW solar project;
 - Sunchild First Nation – a 100-kW school roof-top solar array

Decentralizing through Integrated Solutions:

- Combined Heat and Power (CHP) offerings
- Micro-generation solutions & support (<5mW)
- EV Charging Infrastructure



Solar Installation, Fort Chipewyan, AB



EV Charging Station, Lethbridge, AB

ENERGY TRANSITION: LEADING THE WAY

*We recognize clean energy as being the future and we're proud to lead the energy transition.
Our Energy Transition strategy is broken down into three key components:*

RENEWABLE GENERATION

- Investing in Solar Installations throughout Alberta
- Reducing reliance on diesel in remote communities through Solar Generation
- Delivery of hydro electricity in Alberta and Mexico
- Connecting wind energy to the grid

CLEAN FUELS

- Our hydrogen focused Clean Energy Innovation Hub and Clean Energy Innovation Park projects in Australia
- Hydrogen Blending Projects in Alberta and Australia
- Renewable Natural Gas (RNG) generation utilizing agriculture and municipal waste

ENERGY STORAGE

- Expanding and optimizing existing storage assets to ensure reliability of our energy system
- Investing in storage infrastructure as a key enabling factor for decarbonization
- Supporting large industrial and energy customers in achieving their decarbonization goals

REGULATED UTILITIES



ELECTRICITY TRANSMISSION
\$5.1B Rate Base



ELECTRICITY DISTRIBUTION
\$2.6B Rate Base



NATURAL GAS DISTRIBUTION
\$2.9B Rate Base



NATURAL GAS TRANSMISSION
\$2.2B Rate Base



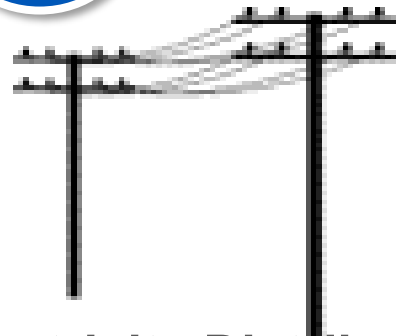
INTERNATIONAL NATURAL GAS
DISTRIBUTION
\$1.2B Rate Base

(1) 2020 estimated Mid Year Rate Base included in 2020 Management's Discussion and Analysis

REGULATED UTILITIES - OPERATIONAL EXCELLENCE

Over the past five years, we have **reduced** our operations and maintenance costs per kilometer of line by:

↓ **9%** per KM of Line



Electricity Distribution

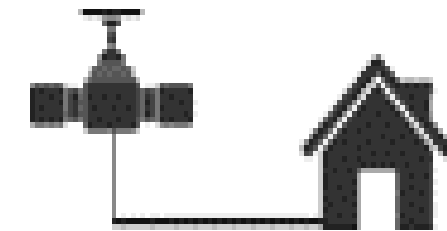
↓ **22%** per KM of line



Electricity Transmission

In 2020 we **reduced** our Natural Gas Distribution cost per customer compared to 2019 by:

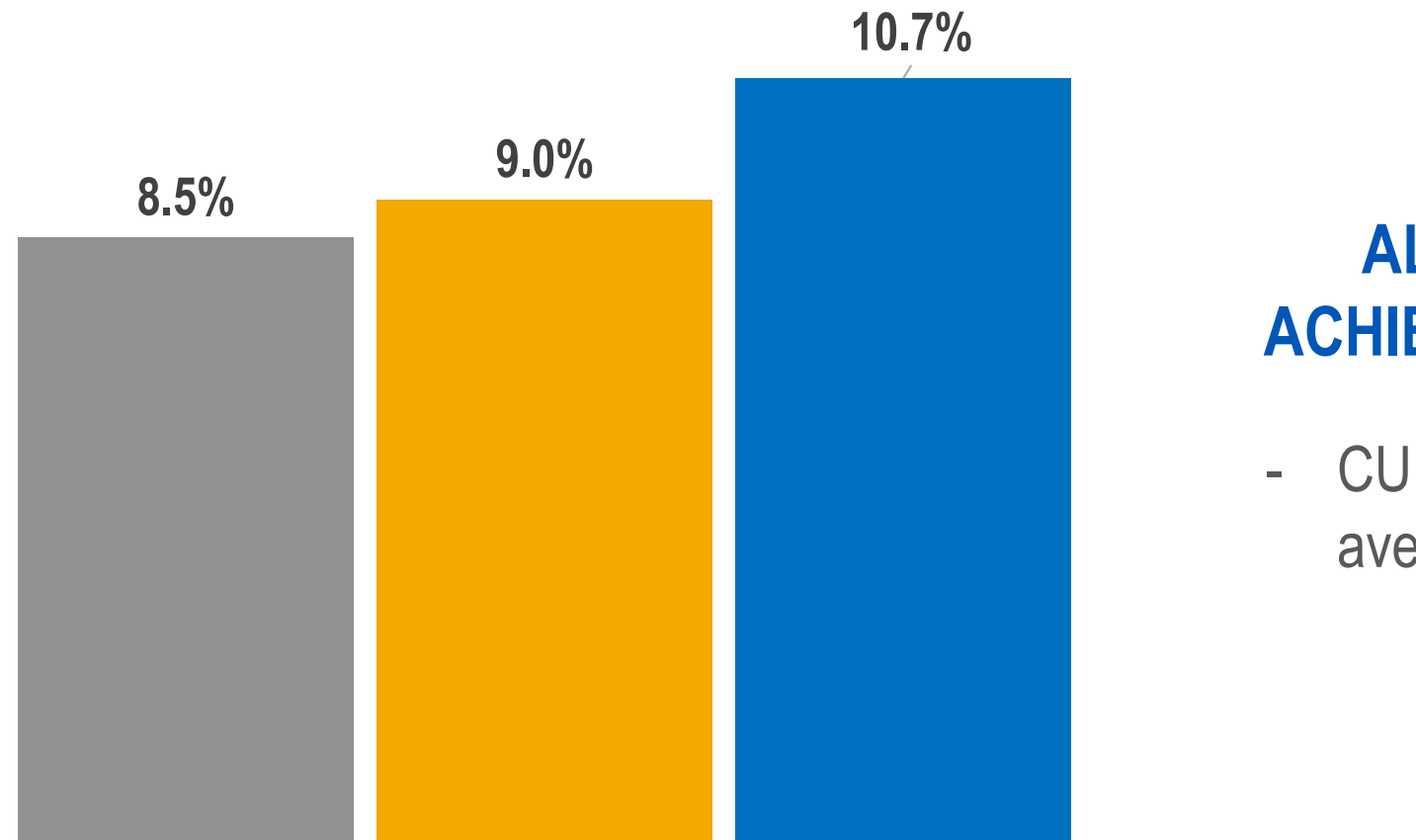
↓ **4%** per Customer



Natural Gas Distribution

Operational excellence and lower costs benefit our customers and share owners

REGULATED UTILITIES - RETURNS ON EQUITY



10 Year Average
(2011-2020)

■ AUC Approved ■ Alberta Utility Peer Average ■ CU Inc. Average

CU INC. IS COMPRISED OF OUR ALBERTA UTILITY COMPANIES AND ACHIEVES TOP TIER RETURNS ON EQUITY

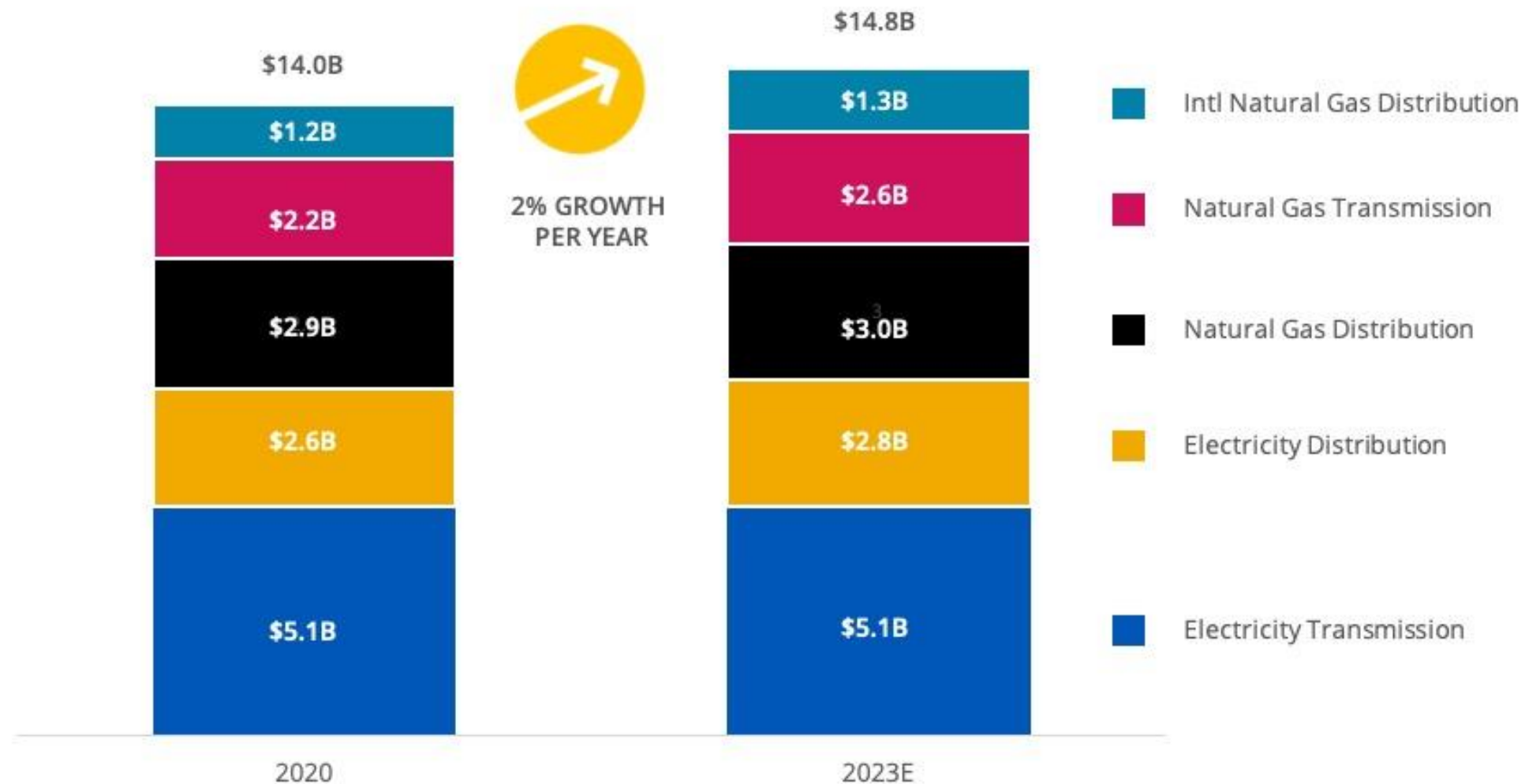
- CU Inc.'s average ROE is 2.2 per cent above average AUC approved over last 10 years.

(1) Alberta Utility Peer Average (excluding CU Inc.) is a simple average and includes AltaGas, AltaLink, Enmax Distribution, Enmax Transmission, EPCOR Distribution, EPCOR Transmission, and Fortis Alberta

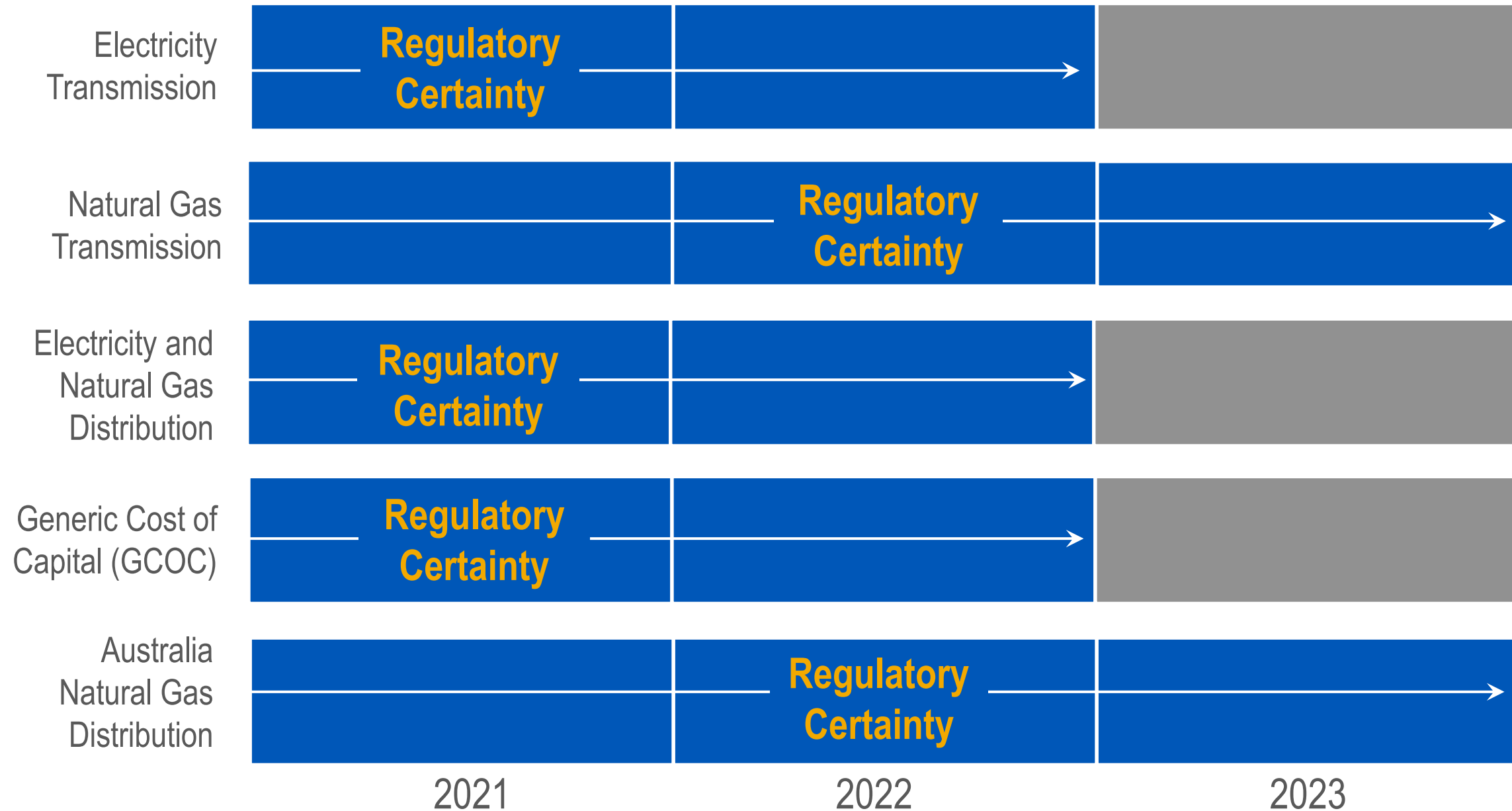
(2) CU Inc. Average is a simple average and includes Electric Distribution, Electric Transmission, Natural Gas Distribution, and Natural Gas Transmission.

\$3.2 BILLION OF PLANNED CAPITAL INVESTMENT

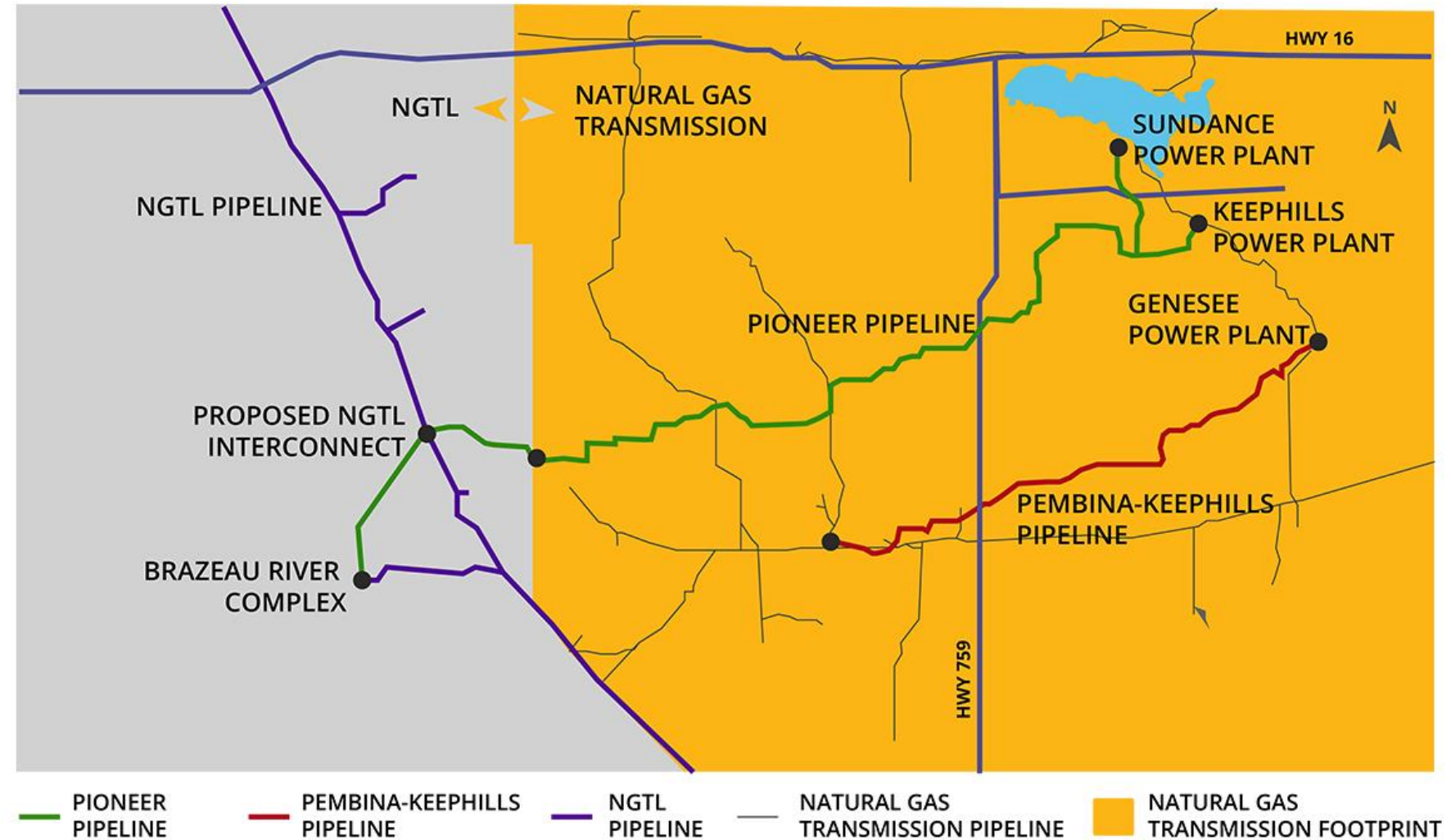
EXPECTED MID-YEAR RATE BASE GROWTH (C\$ Billions)



REGULATED UTILITIES - REGULATORY PROCESS



- In 2020 we announced the purchase of the Pioneer Natural Gas Pipeline from Tidewater Midstream & Infrastructure Ltd. for a purchase price of \$255 million. Of this total, ~\$55 million will be transferred to NGTL as it relates to assets within their service area.
- The 131-km pipeline transports natural gas to TransAlta’s generating units at Sundance and Keephills – facilitating the conversion of these coal plants to cleaner-burning natural gas.
- On June 15th, the acquisition received regulatory approvals from the AUC, including approval for the addition of ~\$200 million of capital to rate base.



Sree Vyah (the Old Crow Solar Project)

Old Crow, Yukon

- Completion of Canada's most northerly off-grid solar project on August 23, 2021.
- First-of-its-kind 25-year Electricity Purchase Agreement with ATCO Electric Yukon is a model for effective collaboration in the utilities sector.
- Vuntut Gwitchin will serve as the Independent Power Producer, owner and operator of the solar facility.
- The solar array and battery energy storage system are sized to satisfy the entire electrical load of the community.



Reduces diesel use by 189,000 litres annually

Demonstrates viability of solar generation in the Arctic

Creates a reliable source of revenue for the community

Energy projects like the Old Crow Solar Facility and the Fort Chipewyan Solar Farm in Northern Alberta—the largest off-grid solar project in Canada, completed in partnership with three Indigenous communities—foster community ownership and self-sustaining economic development through job creation, investment in infrastructure and revenue from the sale of renewable energy

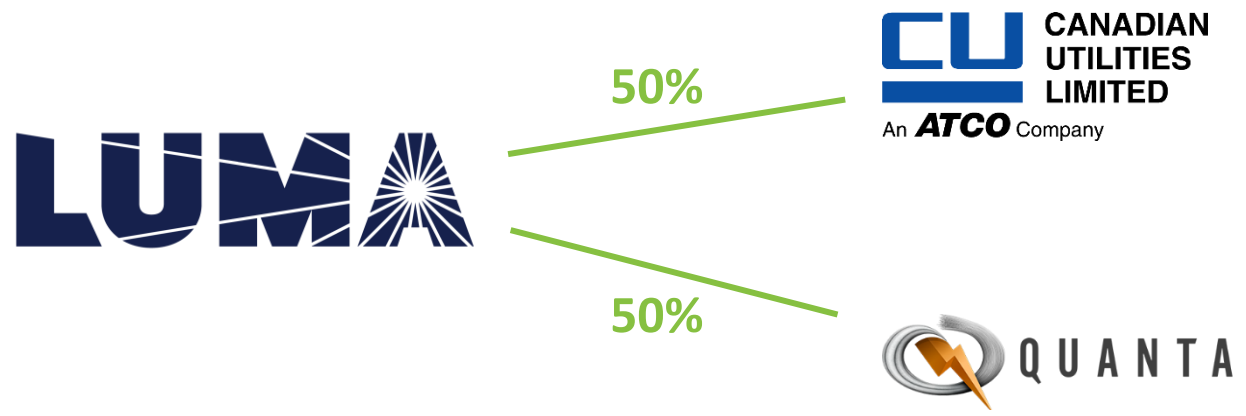
June 22, 2020

Puerto Rico Public-Private Partnerships Authority (P3A) select newly formed joint venture LUMA Energy to manage and modernize Puerto Rico’s Transmission and Distribution system
1-year Transition Period Begins



June 1, 2021

LUMA Energy completes the upfront transition and commences operations under the terms of the Supplemental Agreement.
15-year Contract*



*Operating & Maintenance (O&M) Agreement to replace Supplemental Agreement should PREPA emerge from bankruptcy within 18-month period.

KEY CONTRACT TERMS & OBJECTIVES

Front-End Transition Period (2020 – 2021)

- Preparatory work to enable full transition of operations to LUMA
- LUMA is paid a fixed transition fee
- Costs incurred by LUMA for purposes of front-end transition are reimbursable

O&M Services Period (Once PREPA emerges from bankruptcy) (2021 – 2035)

- LUMA assumes responsibility for all in-scope operational matters to transform the T&D system into an efficient and modern utility
- Fixed fee for service paid monthly
- Additional incentive fees determined annually based on performance metrics
- Fixed and incentive fees indexed to inflation
- Flow-through of system operating costs and capital expenditures paid from pre-funded service accounts
- Back-end transition period begins one year before end of contract term

ENERGY INFRASTRUCTURE BUSINESSES



**ELECTRICITY GENERATION
CANADA
24 MW**



**ELECTRICITY GENERATION
AUSTRALIA
177 MW**



**ELECTRICITY GENERATION
LATIN AMERICA
47 MW**



**INDUSTRIAL WATER SERVICES
CANADA
85,200 m³/day**



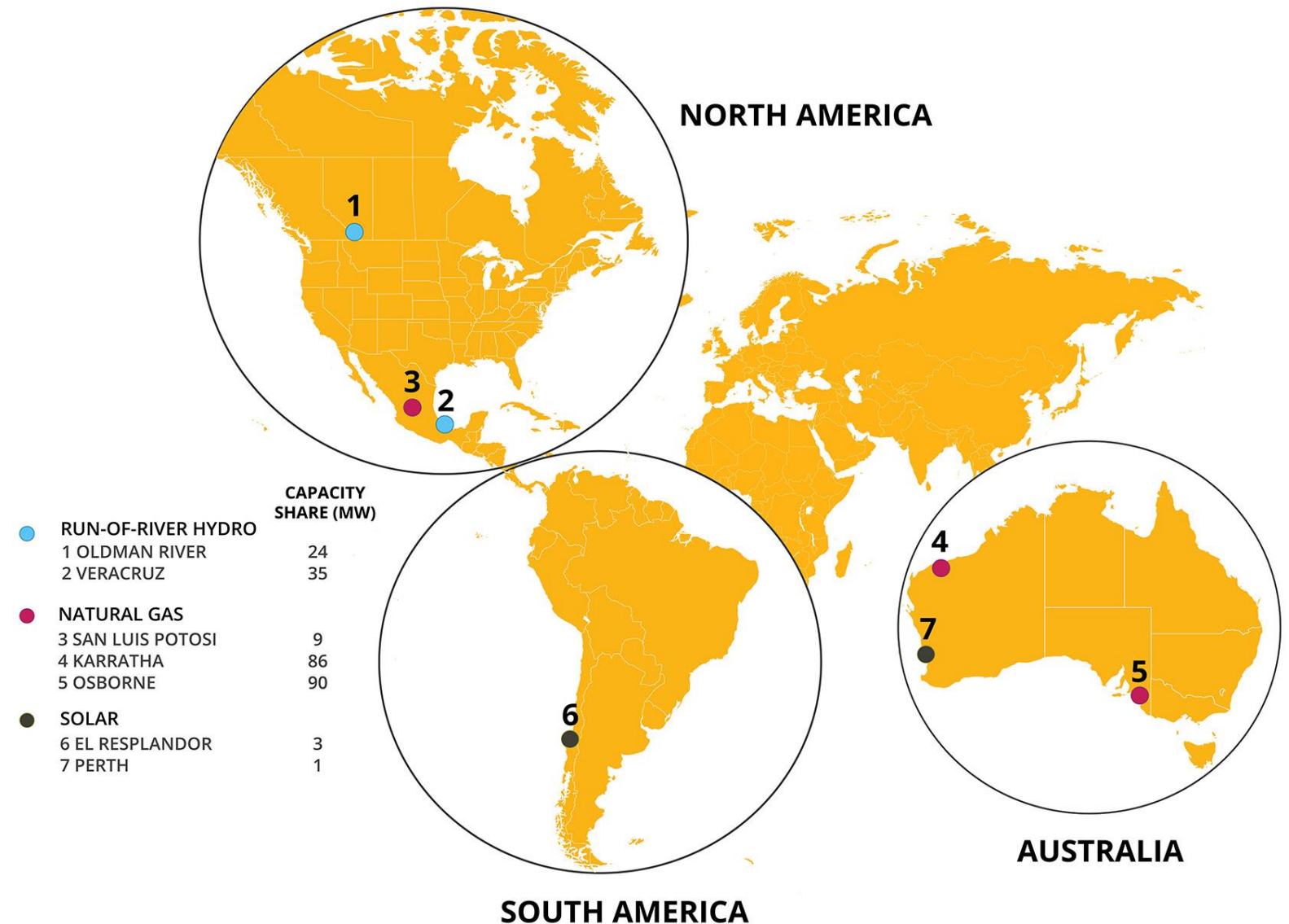
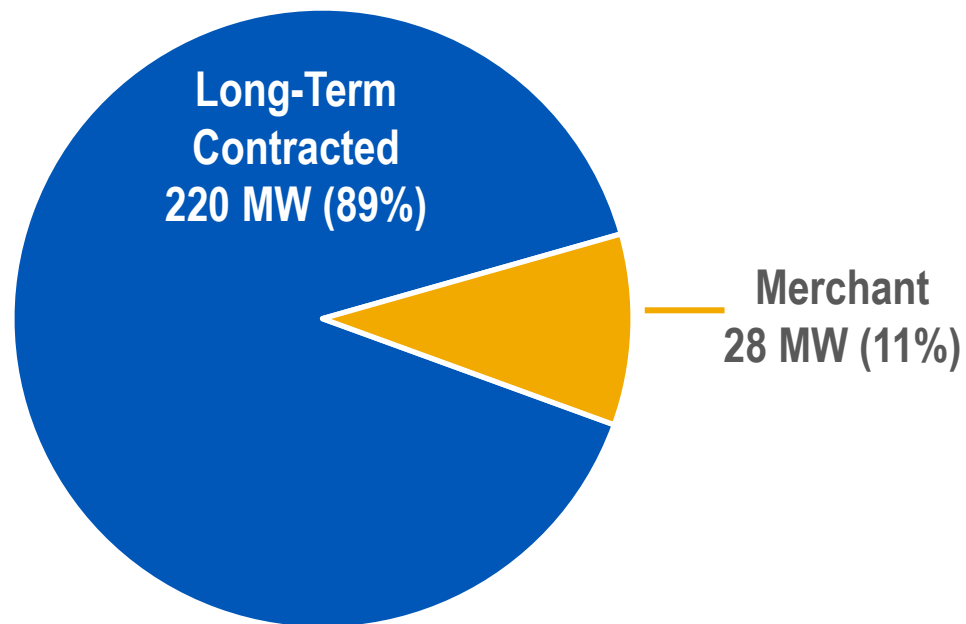
**HYDROCARBON STORAGE
CANADA
400,000 m³**



**NATURAL GAS STORAGE
CANADA
100 PJ**

UNREGULATED ELECTRICITY GENERATION

Highly Contracted Portfolio



RENEWABLE GENERATION – WHY SOLAR?

*We continue to pursue solar opportunities as we grow our renewables portfolio.
Solar encapsulates our sustainability commitments and aligns with business strategies.*

Climate Change & Environment Stewardship

Remote communities, particularly in the Canadian North, rely heavily on diesel to supply their energy needs. Off-grid solar provides an opportunity to reduce CO2 emissions, improve air quality, and reduce noise.

Indigenous and Community Partnerships

ATCO's business model with Fort Chipewyan and Old Crow enables community ownership and self-sustaining economic development through job creation, investment in infrastructure and revenue from the sale of clean energy.

Energy Transition & People

Rümi, an ATCO company, offers the community Green Home Improvement services, including 'solar readiness surveys', solar panel financing and professional installation. In their own words...

WHY SOLAR?



Freedom to produce your own clean energy from a renewable source



Eliminate tons of carbon production every year



Reduce your monthly power bill



Get credit for excess energy you produce

Empress Solar Project

Empress, Alberta

- Acquired the development rights for a 39 MW photovoltaic solar facility near Empress, Alberta (the “Empress Solar Project”).
- Electricity from the Empress Solar Project may be sold through a Power Purchase Agreement with uncontracted electricity sold into the grid.
- Already received its major permits, with project execution underway and commercial operations expected in the fourth quarter of 2022.



About **85,000**
bifacial solar panels



Offset **43,000** tonnes
of carbon/year



Renewable electricity to
power **11,000+** homes



SOLAR PROJECTS – BARLOW & DEERFOOT



"The acquisition of three major solar projects shows how important we believe it is to provide customers with the opportunity to decarbonize their energy consumption."

- Bob Myles, Executive Vice President, Corporate Development, ATCO.

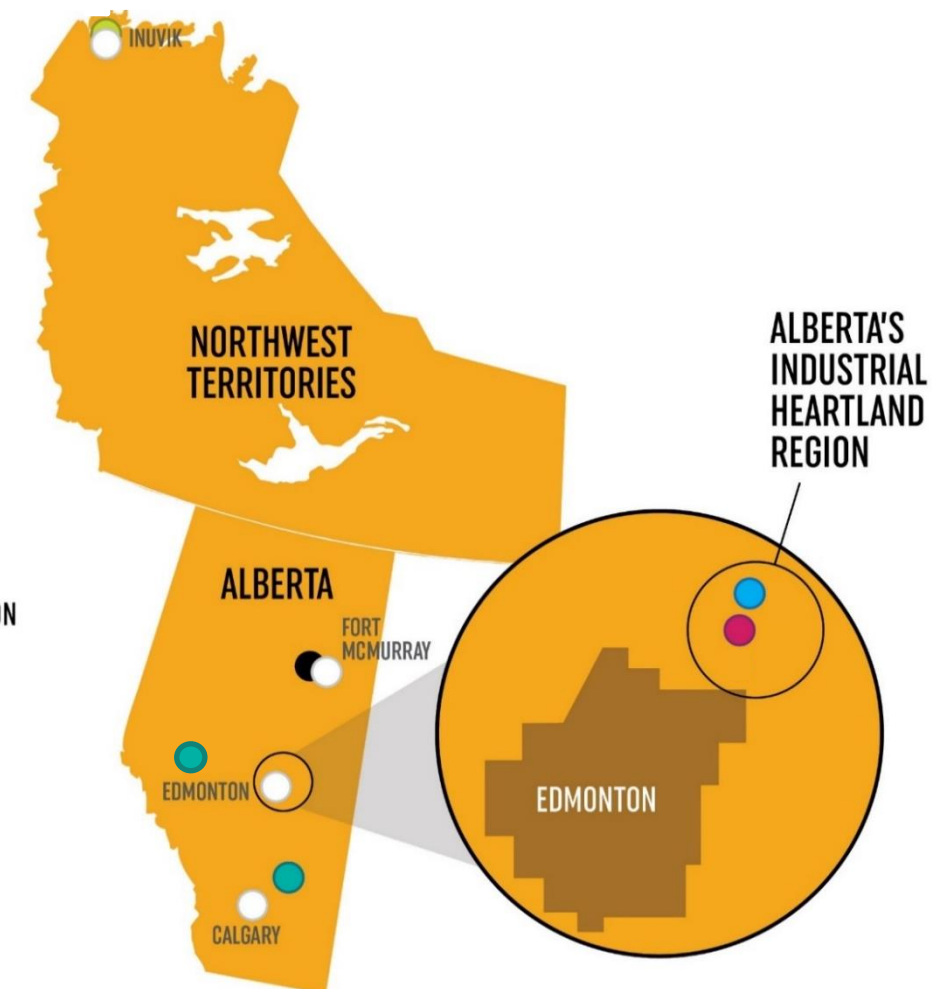
- ATCO Group, through its investment in Canadian Utilities Limited, acquired the rights to build two solar installations in Calgary, from DP Energy, a privately held energy developer.
- Once completed, the **Barlow** (near Barlow Trail and 114 Avenue SE) and **Deerfoot** (114 Avenue and 52 Street SE) solar projects will be the largest solar installation in a major urban centre in Western Canada.
- Together, they will cover the equivalent of roughly 170 (Canadian) football fields.
- They will generate renewable electricity to power more than **18,000 homes** and offset **68,000 tonnes of carbon** a year.
- Construction for both projects is expected to occur during 2022, with commercial operations targeted for Q4 2022.

STORAGE & INDUSTRIAL WATER

We build, own and operate energy infrastructure assets across Alberta and the Northwest Territories

- Integrated water services including pipeline transportation, storage, water treatment, recycling and disposal to a number of our industrial customers.
- The natural gas storage facilities are natural gas reservoirs with a seasonal storage cycle capacity of 100 petajoules. The facilities are connected to multiple transmission pipeline systems.
- The hydrocarbon storage facility consists of four storage caverns under long-term contract with a storage capacity of 400,000 cubic metres. A fifth storage cavern is under construction with full operation targeted for late 2021.
- The 116-km Muskeg River non-regulated natural gas pipeline 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.

- INDUSTRIAL WATER SERVICES
- HYDROCARBON STORAGE
- NATURAL GAS STORAGE FACILITY
- GAS GATHERING & PROCESSING FACILITIES
- NON-REGULATED NATURAL GAS TRANSMISSION



CLEAN FUELS – HYDROGEN



Clean Energy Innovation Hub- Western Australia



Hydrogen Blending Project - Alberta



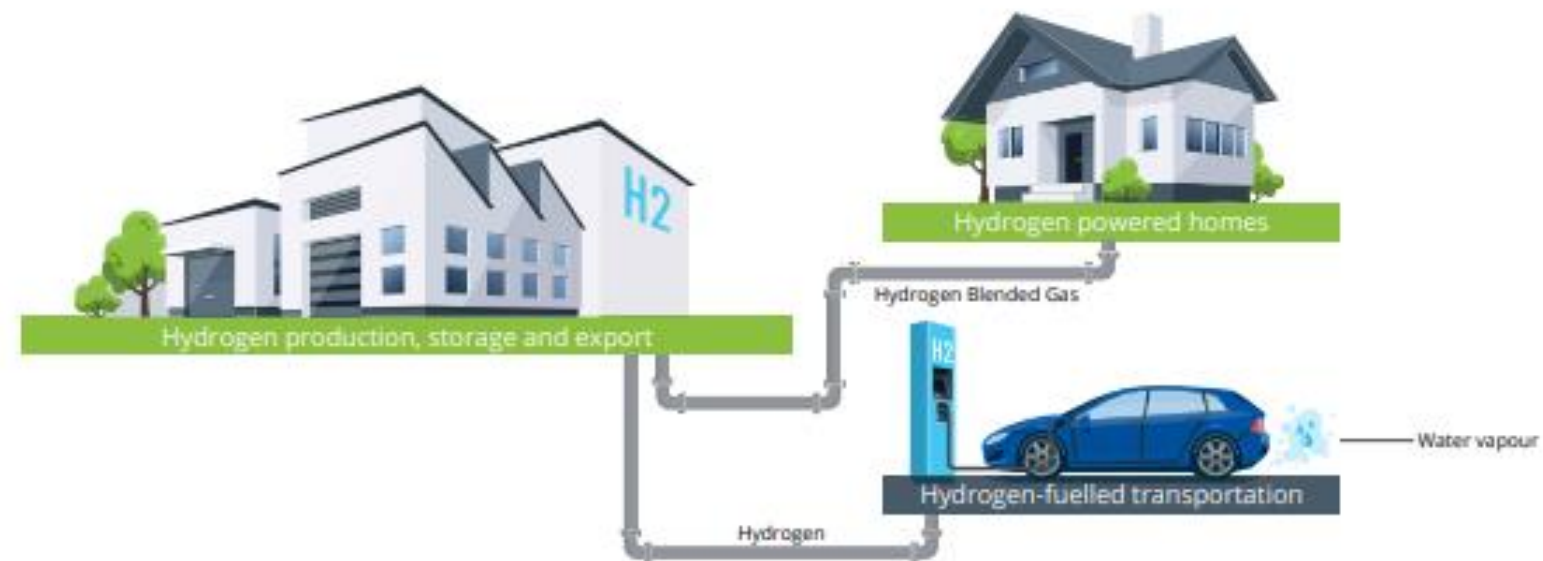
Hydrogen Blending Project - Australia



Clean Energy Innovation Park- Western Australia

WHY HYDROGEN?

- We are committed to promoting a more environmentally sustainable future by providing clean, reliable and affordable energy.
- Hydrogen can play a role in affordably decarbonizing the production of heat, particularly in our cold Canadian climate.
- Alberta is already a leader in hydrogen production, has strong carbon capture and storage infrastructure in place, and has large industrial demand.
- Our company has midstream capabilities, renewable energy expertise, land holdings in strategic areas, and supporting energy storage assets.
- Maintains and creates energy jobs in Alberta.



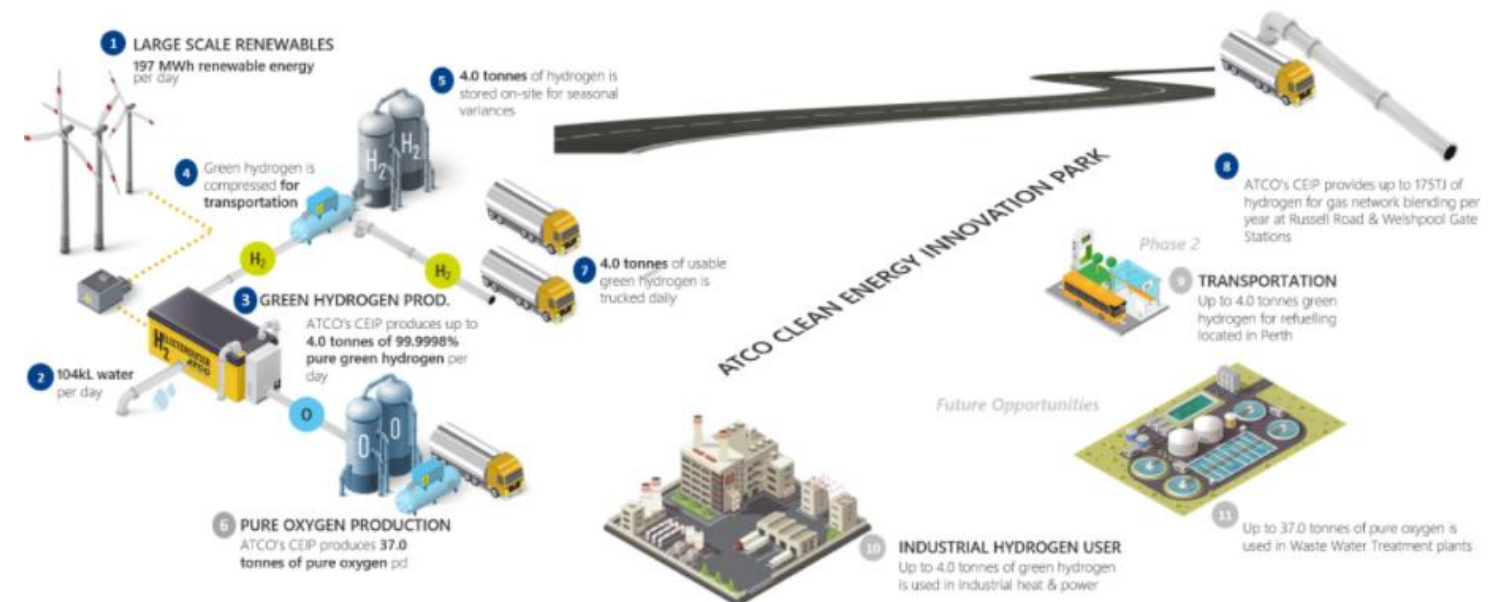
Hydrogen can be blended to fuel industrial, commercial, residential and transportation needs, reducing GHG emissions. When burned, hydrogen produces water vapour and no carbon emissions.

Proposed World-Scale Clean Hydrogen JV Project with Suncor – in Alberta

- ATCO/Suncor partnership has received welcome support from Government of Canada and Government of Alberta.
- Collaboration between governments and businesses across sectors is critical to progressing projects of this magnitude **and achieving Canada's net zero 2050 goals.**
- Project would produce more the **300,000** tonnes per year of clean hydrogen and capture **more than 90% of the emissions** generated in the hydrogen production process.
- Approximately **65% of the produced clean energy** would be used in refining processes and cogeneration of steam and electricity at the Suncor Edmonton Refinery, 20% would be used in Alberta's natural gas grid and the remaining 15% would be available for other uses.
- Reduce CO₂ emissions in Alberta by more than **two million tonnes per year**, the equivalent of taking **450,000 cars** per year off the road.
- FID is targeted for **2024** with a planned operation date of **2028.**

Clean Energy Innovation Park – *Western Australia*

- Australia's first **commercial scale hydrogen production supply chain**.
- Approved for **\$28.7M** in funding from the Australian Renewable Energy Agency.
- Includes a 10-MW electrolyser and plant capable of producing **4.3 tonnes** of hydrogen per day, along with storage and delivery to natural gas network injection points.
- The Park is planned to be co-located with a **180-MW** wind farm, which will provide the renewable energy to power the electrolyser.



RNG PROJECT – TWO HILLS

- ATCO Group, through its investment in Canadian Utilities Limited, has partnered with Future Fuel Ltd. to build and operate the “Two Hills” RNG facility in Alberta.
- ATCO’s first commercial RNG production facility and a strategic investment in the clean fuels leg of our Energy Transition strategy.
- Full commercial operation is expected to be achieved in late 2022.
- Pacific Northern Gas Ltd. announced a long-term offtake agreement on November 10, 2021 to purchase the RNG from this facility.
- RNG projects provide innovative resource recovery solutions and improved waste management opportunities.



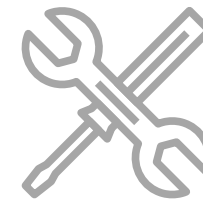
RNG is a renewable fuel produced by capturing methane emissions.



Emissions Reduction
 Alberta has committed **\$7.9 million** through its Natural Gas Challenge.



Located North of Vegreville, Alberta.



Project is currently undergoing detailed engineering work with further development activities expected to take place this year.



The facility will produce **230,000 gigajoules** of RNG per year. Supports the reduction of up to **20,000 tonnes** of carbon dioxide equivalent emissions per year.

RETAIL ENERGY

Retail is comprised of three segments:



Home Energy
Business Energy
Large Commercial Energy



Cooking Classes & Programs
Events & Catering
BFK Café



Home Products
Repair & Maintenance Services
Home Management Advice

ATCOenergy, the third largest competitive energy retailer in Alberta, offers flexible electricity and natural gas plans, flexible payment options and local support to residential and business customers.

JUST LAUNCHED: RÜMI

Innovative Consumer Brand that offers:



- Providing solutions for home and business owners and connecting them with trusted professionals
- Launched June 3rd, 2021 after completing pilot phase
- Cultivates support for the local economy by:
 - ✓ Fostering partnerships with local service providers
 - ✓ Generation of over 200 new jobs
- Operating in 20+ Albertan communities near Calgary and Edmonton with further expansion on the horizon



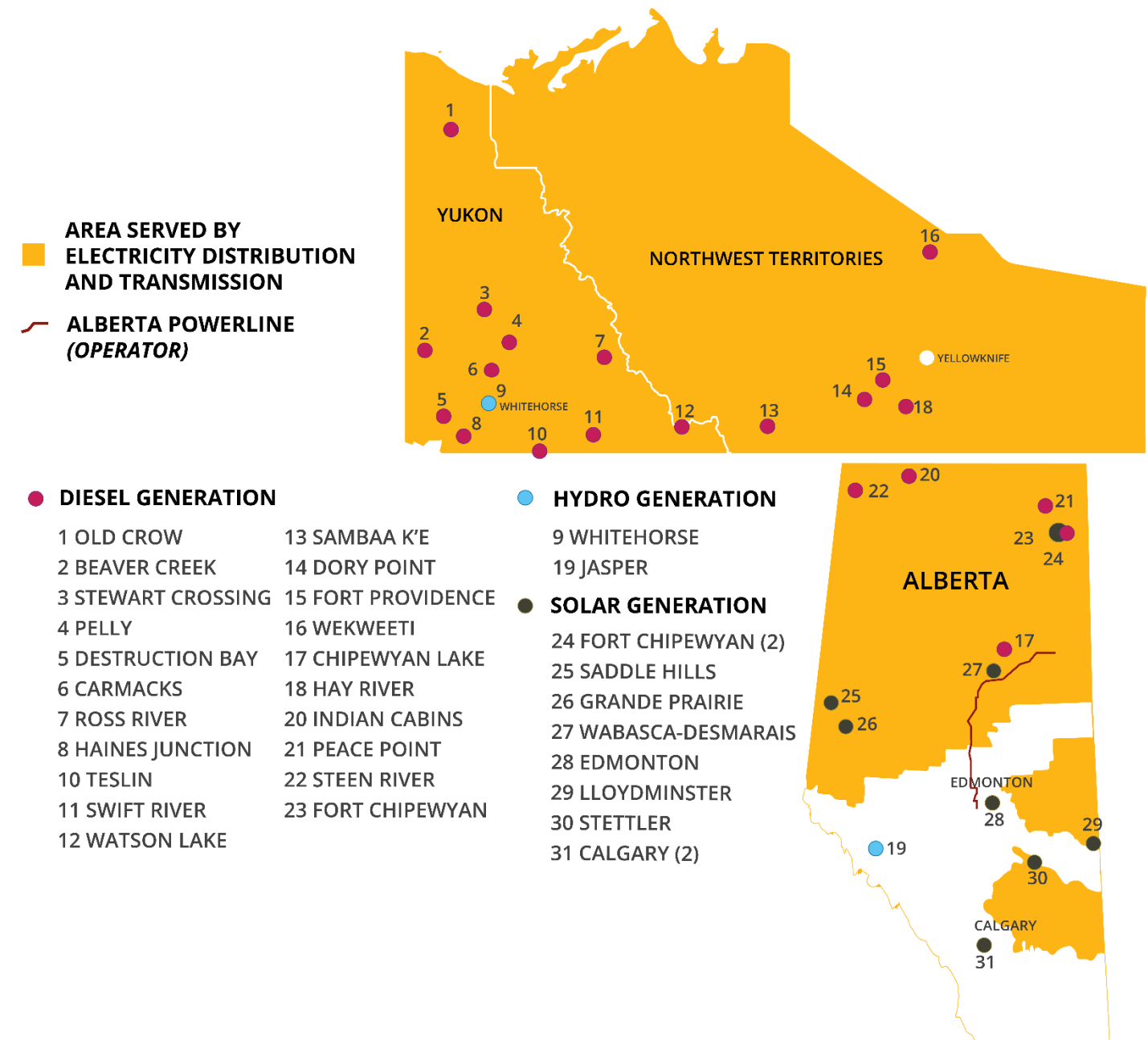


CANADIAN
UTILITIES LIMITED
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APPENDIX

We build, own and operate electrical distribution and transmission facilities

- 260,000 farm, business and residential customers in 240 Alberta communities
- Approximately 11,000 km of transmission lines, in addition to delivering power to, and operating, 3,500 km of lines owned by Rural Electrification Associations, and 60,000 km of distribution lines
- Owns or operates 23 hydro, diesel and solar electric generating sites with 48-MW of capacity
- Subsidiaries:
 - ATCO Electric Yukon
 - Northland Utilities

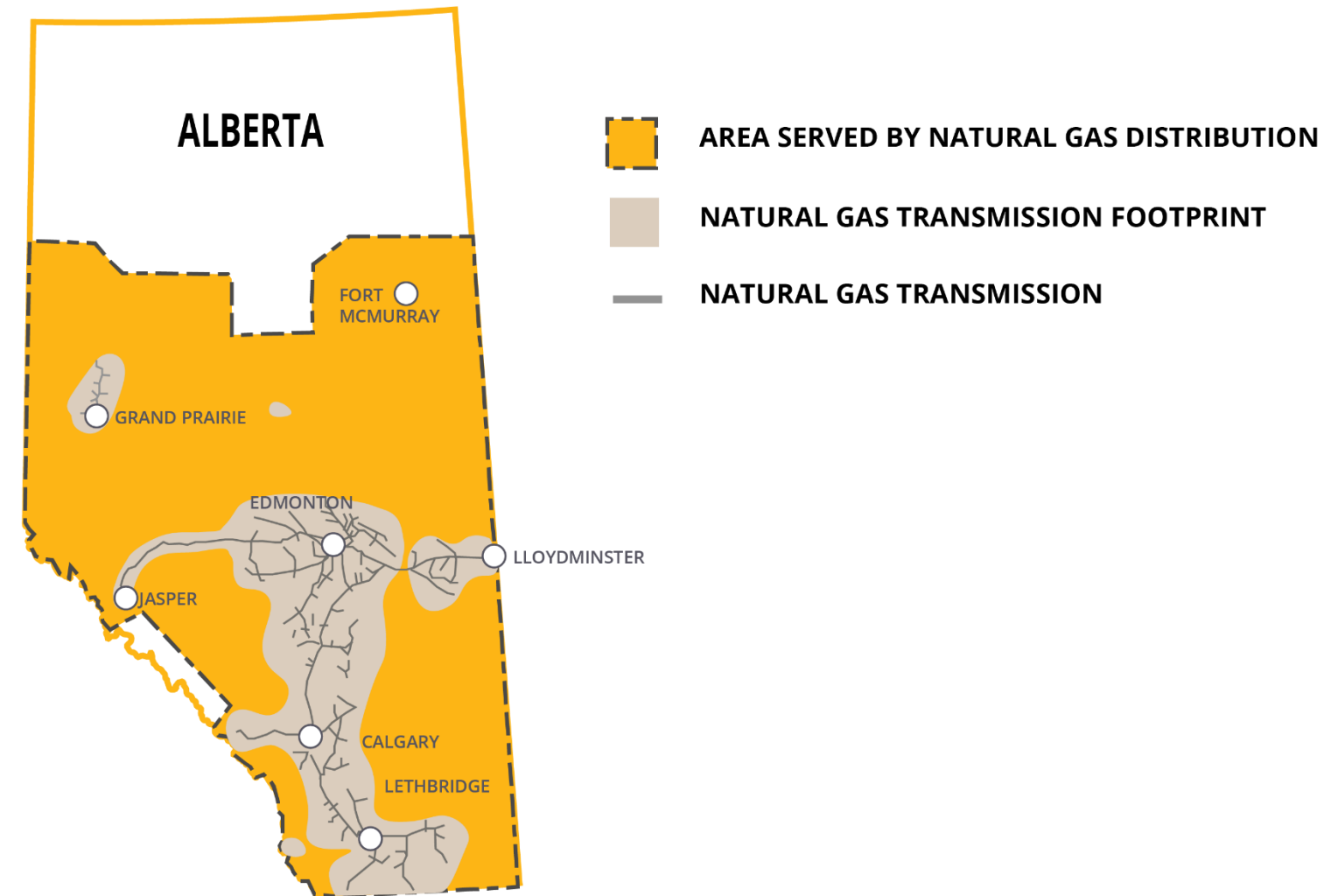


We build, own and operate natural gas distribution facilities in Alberta

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

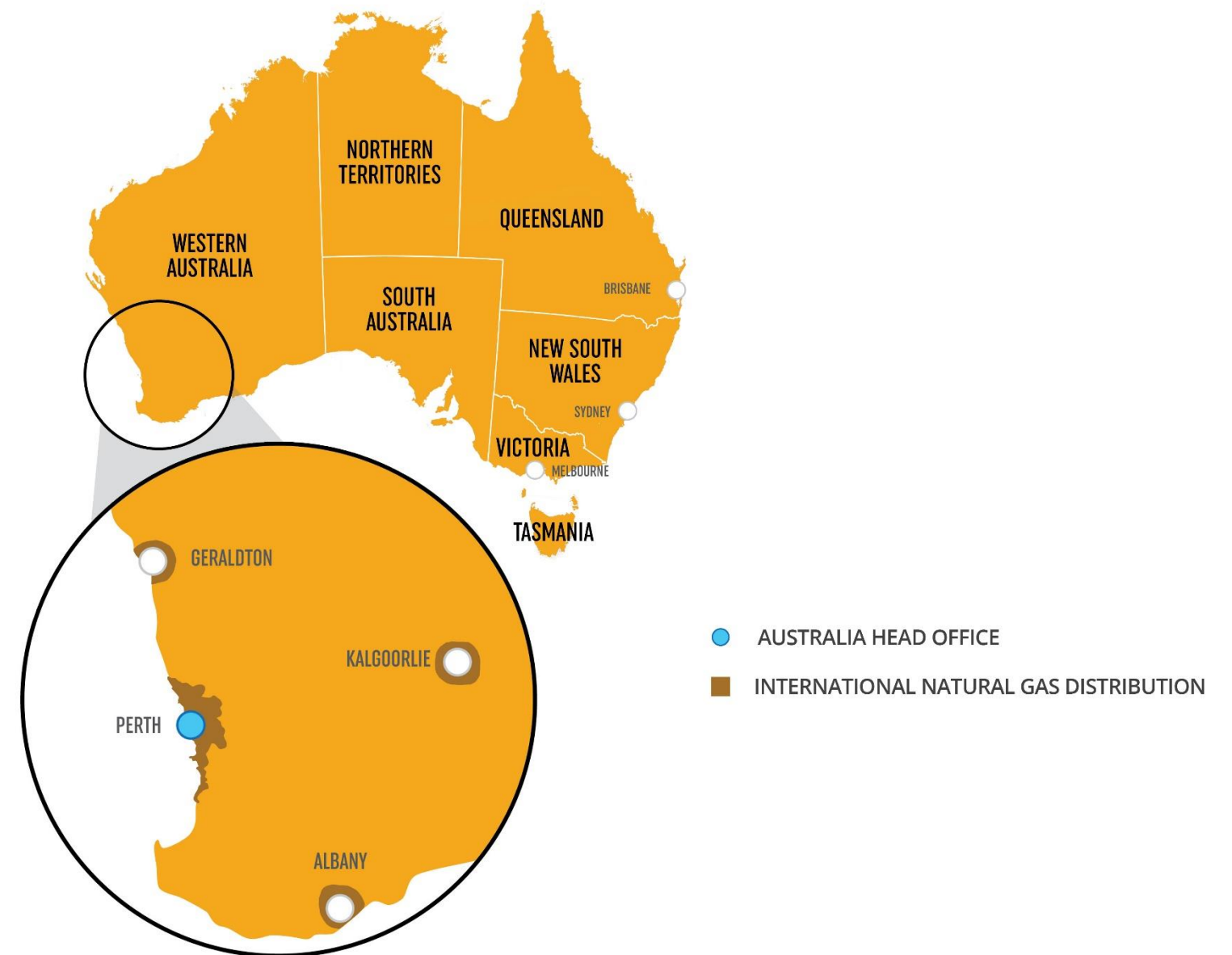
We build, own and operate key high-pressure natural gas transmission facilities in Alberta

- Transports clean, efficient energy from producers and other pipelines to utilities, power generators and major industries
- Owns and operates 9,000 km of pipeline
- Delivers a peak of 4B cubic ft/day of natural gas to customers
- Approximately 3,700 receipt and delivery points
- Interconnections facilitate access to multiple intra-Alberta and export markets



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

- Approximately 766,000 customers
- 14,000 km of natural gas distribution pipelines





www.canadianutilities.com

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Canada