

**Canadian Utilities Limited**

**Annual General Meeting**

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## **CORPORATE PARTICIPANTS**

**Kurt Kadatz**

*Canadian Utilities Limited — Senior Manager, Corporate Communications*

**Nancy Southern**

*Canadian Utilities Limited — Executive Chair*

**Carol Gear**

*Canadian Utilities Limited — Corporate Secretary*

**Dennis DeChamplain**

*Canadian Utilities Limited — Senior Vice President and Chief Financial Officer*

**Siegfried Kiefer**

*Canadian Utilities Limited — President and Chief Executive Officer*

## **CONFERENCE CALL PARTICIPANTS**

**Spencer Forgo**

*Shareowner*

**Carole Eisen**

*Shareowner*

## PRESENTATION

### Operator

Good afternoon and thank you for standing by. Welcome to Canadian Utilities, Limited Annual General Meeting.

I would now like to hand the conference over to your speaker today, Kurt Kadatz. Thank you. Please go ahead.

**Kurt Kadatz** — Senior Manager, Corporate Communications, Canadian Utilities Limited

Thank you, Cherie.

With that, we're going to open the mics up and let everyone on the webcast join into this call. I will turn things over to Executive Chair of Canadian Utilities, Nancy Southern.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Thank you, Kurt and good morning, everyone and thank you so much for joining us.

Welcome to the 94th Annual General Meeting for Canadian Utilities Limited.

Speaking on behalf of the entire Canadian Utilities team and our Board of Directors, I want to express how sincerely we regret once again not being with you for the second year in a row.

Our Annual General Meeting is always one of our favourite and most anticipated events and we truly cherish the opportunity to come together with all of you. While I can't see you on the screen today, I do know that we have some very special guests attending, so thank you very much. I would like to make a special mention and special thanks to Chief Randy Ermineskin of the Ermineskin Cree Nation, Chief Conroy Sewepagaham from the Little Red River Cree Nation, and Chief Albert Thunder from Whitefish Lake First Nation. Thank you so much for attending and for your extraordinary contributions on a path to reconciliation for Canada and welcome.

At this time last year, I think we all hoped that the worst of the pandemic would be far behind us and subsided by now and that we would have regained some sense of normalcy. Unfortunately, the virus has proven to be stubbornly persistent and the toll on lives, livelihoods and our social fabric has been enormous. It is my sincere hope that by the time we reconvene next year, we will all be vaccinated and able to once again convene in person, to celebrate not only the achievements of our Company, but also our shared victory over the pandemic.

As those of you who have attended our Annual General Meetings before are quite familiar with the fact that I like to take this occasion to discuss with you a few things that are at the top of my mind. By now it has become a tired refrain, but COVID-19 is without modern precedent. It has shone a spotlight on deeply rooted flaws in our economic, political, and health systems. From the fragility of supply chains to the grave imbalances between wealthy and developing nations, and the inadequacy of the world's pandemic preparedness, it has also highlighted one unassailable truth, we are all constituents of a single, global community, and in tackling the great challenges of our time, we are stronger together.

For that reason, many have drawn parallels between the pandemic and yet another pressing societal challenge: decarbonization and the path to net zero. It is a monumental undertaking, one that the people of Canadian Utilities have been part of for decades. Today, the people of your Company are global leaders in advancing cleaner fuels and low carbon electricity, including hydrogen, off-grid renewable energy, energy efficiency, and the most important, indigenous partnerships. As a result, Canadian Utilities is ideally positioned to thrive in a net zero future with creative solutions to help our customers and communities achieve their decarbonization goals, and in fact, we are positioned to define a bright and prosperous future for our enterprise, our customers, and the community at large.

While there are similarities in the magnitude of the challenge between the pandemic and decarbonization, they are not synonymous. Responding to COVID-19 through behavioural change has meant putting our lives temporarily on hold for months that have now extended into over a year, the outer boundaries of which are already being tested as populations grow increasingly resistant to public health measures. Decarbonization, on the other hand, will necessitate a multigenerational commitment to population-wide lifestyle changes, alongside technological investment and industrial government policy not seen before in our history. The benefits will be tremendous, but so too will the cost. Because while technological advances are making ambitious climate goals increasingly plausible, they are still not enough to get us to the finish line. The issue of cost, how much and who pays for our net zero future needs to be urgently addressed.

The financial burden will have to be shared by everyone, including the poorest of society, those for whom affordable energy is the best opportunity to escape poverty, and we should make no mistake, that oil and gas production remains hugely important to the Canadian economy and a vital factor in

achieving our net zero world. Remember the preface, net, in the context of net zero. It does not mean no emissions. Amidst the worst economic, social, and political conditions of 2020, oil sands alone invested \$8.3 billion, four times more than auto manufacturing and represents 4.5 percent of all fixed business investment in Canada. While at the same time, reducing their emissions from their production and therefore well on their way to achieving net zero targets, while continuing to stimulate our economy.

If there is a lesson to be drawn from the pandemic it is this. People will make sacrifices for the common good but not without limits, and certainly not without accountability and transparency from our elected leaders. While we have seen policy makers make increasingly ambitious emission pledges in recent months, there has been very little consideration to how we will achieve those ambitious targets or who and how we will pay for them. Take for example, the government of Canada's decision to increase the carbon tax from its current level of \$30 per tonne to \$170 per tonne by 2030. While the government claims to have completed a comprehensive economic analysis of the effects, no information has been released on the impacts, except for the fact that we are ascertaining that there will be no effect on GDP. But, how will this tax impact the cost of carbon and how will that effect the price of cement, the cost to heat our homes, the cost to keep the lights on, or the cost to make the vital and essential hospital supplies derived from fossil fuel plastics that save lives?

A recent analysis by the Fraser Institute suggests that the federal carbon tax will in fact cause a nearly 2 percent drop in Canadian GDP, and the loss of about 184,000 jobs, primarily in Alberta and Ontario. It's also likely to erode the tax base overall, compounding already enormous deficits. The carbon tax is just one instrument among dozens being contemplated, each of which entails additional

cost to Canadian families. Now, my comments are not meant to suggest that decarbonization isn't a worthwhile endeavour, quite the contrary. In fact, it is core to Canadian Utilities' strategy and an imperative at the highest order for Canada, but we must have deeper discussions about how we will pay for the path to get to net zero. Given the significant costs of government intervention, policy must make—policy makers must be forthright in their deliberations and reasoning. If they hope to maintain support for the path to net zero, they should and must be absolutely transparent in how their policies will impact constituents in every aspect of their lives, and be held accountable, else they risk eroding voter confidence when our global community needs it most. The stakes are simply too great, and as you will hear from Siegfried today, the opportunities too immense to risk the public trust in this vital pursuit.

Thank you for listening. With that, I would like to move now to the formal business of our meeting. Joining me today on the podium are Siegfried Kiefer, President and Chief Executive Officer of your Corporation, and Dennis DeChamplain, Executive Vice President and Chief Financial Officer. Also joining us today is Carol Gear, our Corporate Secretary. Your directors, other members of senior management, and a number of our employees are joining us on the webcast as well.

The formal business of the meeting will be followed by presentations from Dennis and Siegfried, after which there will be an opportunity for your questions. Kurt Kadatz is our moderator for our question—questions and comments period. You may submit questions through the messaging icon on your screen at any time during the meeting and Kurt will read out your question for the meeting to hear. If you were calling into the meeting with a question, please press star, one and you will be placed on hold before the Operator connects you to the meeting. Please indicate if your question relates to the formal business of the meeting and we will answer your question when we reach that item. All other

questions or comments will be answered during the question-and-answer period following management's presentation.

Let us now move to the formal part of our business. I will ask Carol Gear to act as Secretary for this year's meeting and I will ask Nazim Nathoo and Karyn Laurie of AST Trust Company, our Registrar and Transfer Agent, to act as scrutineers. Notice of this Annual Meeting was mailed on April 1st to all shareowners of record on March 23rd. The scrutineers have advised there is a quorum and therefore I declare this meeting regularly called and properly constituted for the transaction of business. Now in order to expedite matters, employee shareowners will move and second the motions. All shareowners and guests are welcome to ask questions and join our discussion, however, only owners of voting Class B shares and the holders of valid proxies of those shares are entitled to vote on the election of directors, and the appointment of the auditor.

We will vote on the matters before us through online ballot, which will appear on the screen for those shareholders who are entitled to vote. The polls for our resolutions are open now and you may vote at any time during the meeting until the polls are closed, after the last item of business has concluded. The scrutineers will tabulate the ballots for each motion and the results will be announced at the end of the meeting. If you are a shareowner who submitted voting instructions in advance of the meeting, your vote has been registered with our transfer agent and will be included in the final count. The minutes of our Annual Meeting of shareowners held on May 6th last year have been signed and filed in the Corporation's minute book. If any shareholder wishes to receive a copy of these minutes, please contact our corporate secretary after the meeting.



Now first, I wish to table the Company's Consolidated Financial Statements and the Auditor's Report for the year ended December 31, 2020. Copies of the financial statements, management's discussion and analysis, and the proxy circular were mailed to all registered shareowners and to beneficial owners who requested a copy.

The next item is to proceed with the election of your directors as proposed in the management proxy circular. All the nominees are currently directors of the Company and their detailed biographies are contained in the management proxy circular. The meeting is now open to receive nominations for directors.

**Carol Gear** — Corporate Secretary, Canadian Utilities Limited

My name is Carol Gear, and I am a shareowner. I nominate to election as directors of the Corporation: Matthias Bichsel, Loraine Charlton, Robert Normand, Alexander Pourbaix, Hector Rangel, Laura Reed, Nancy Southern, Linda Southern-Heathcott, Roger Urwin, Charles Wilson, and Wayne Wouters.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Thank you, Ms. Gear.

Kurt, are there any other nominations?

**Kurt Kadatz** — Senior Manager, Corporate Communications, Canadian Utilities Limited

No other nominations have been received.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Thank you, Kurt.

I therefore declare the nominations closed.

May I have a motion to elect those nominated as directors?

**Spencer Forgo** — Share Owner

I am Spencer Forgo and I am a proud shareowner. I move that the 11 persons nominated be individually elected as directors of the Corporation until the next Annual Meeting of shareowners, or until their successors are elected or appointed.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Thank you very much, Mr. Forgo.

May I have a seconder please?

**Carole Eisen** — Share Owner

My name is Carole Eisen and I'm a proud shareowner of 14 years. I second the motion.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Thank you, Ms. Eisen.

Mr. Kadatz, have you received any questions on this motion?

**Kurt Kadatz**—Senior Manager, Corporate Communications, Canadian Utilities Limited

No questions have been received, Nancy.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Thank you very much.

We will continue with the next item on our agenda, which is the appointment of the Corporation's auditor. May I have a motion to appoint the auditor, please?

**Carole Eisen** — Share Owner

My name is Carole Eisen and I move that Pricewaterhouse Coopers, Chartered Accountants be appointed auditor of the Corporation to hold office until next Annual Meeting of shareowners.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Thank you, Ms. Eisen.

May I have a seconder please?

**Spencer Forgo** — Share Owner

I am Spencer Forgo and I second the motion.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Thank you, Mr. Forgo.

Mr. Kadatz, are there any questions regarding the appointment of the auditors?

**Kurt Kadatz** — Senior Manager, Corporate Communications, Canadian Utilities Limited

There are no questions on the motion.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Thank you.

Now we will pause briefly to allow shareholders to complete the online voting.

Mr. Kadatz, have you received any questions on any matter of business before the polls are closed?

**Kurt Kadatz**—Senior Manager, Corporate Communications, Canadian Utilities Limited

Thank you, Nancy. We have received no questions related to the two motions, but we have one question which we will hold until the question-and-answer period.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Thank you very much.

As there are no further business questions for this Annual General Meeting. I declare that the polls are now closed.

We shall now wait for a few moments for the scrutineers to count the votes and declare the results.

I must say, I really do miss seeing all of you in person. It's very hard behind this screen to say hi and welcome to people like Dick Frye and Brian Bale, tremendous contributors and shareowners of our Company.

Our Corporate Secretary has now received the scrutineers' preliminary report and I would ask Carol Gear to read the results, please.

**Carol Gear** — Corporate Secretary, Canadian Utilities Limited

With respect to the election of directors, the scrutineers have reported that shareholders voted 99 percent or more in favour of the election of each nominee director.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

I therefore declare the motion passed and I will be the first to congratulate the directors on behalf of all shareowners. I want to thank each of you for your tremendous dedication and contribution to Canadian Utilities.

**Carol Gear** — Corporate Secretary, Canadian Utilities Limited

With respect to the motion to appoint Pricewaterhouse Coopers as the Company's auditor for the ensuing year, the scrutineers have reported that shareholders voted 99 percent or more in favour of the motion.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Terrific. I therefore declare the motion carried and we look forward to working with Pricewaterhouse Coopers once again in 2021/22.

As that concludes the formal business to be conducted at this year's Annual Meeting, I declare the meeting closed. It is now my pleasure to call on your Chief Financial Officer, Dennis DeChamplain. Thank you.

**Dennis DeChamplain** — Senior Vice President and Chief Financial Officer, Canadian Utilities, Ld.

Thanks Nancy and good morning ladies and gentlemen.

It's my great pleasure to address this meeting as your Chief Financial Officer. My presentation today will address three main topics. First, I'd like to talk about our main financial accomplishments and successes in 2020 during a volatile and uncertain year with the COVID-19 pandemic. Then, I'll share with you how we enhanced our financial strength in 2020, and finally, how we are setting the stage for long-term value creation in the upcoming decade.

Let's begin with a review of our 2020 financial accomplishments. Two thousand twenty started with severe financial headwinds as a result of a slowing economy due to the pandemic. You may

remember that the stock market dropped by over 4,000 points in March when the first phase of the pandemic hit North America and most of the world went into lockdown. Here in Alberta, we were already facing economic hardship from continued low activity in the oil patch, and in March, oil prices were cut in half, exacerbating the economic hardship for Albertans. In short, the financial situation looked bleak, to say the very least.

Since ATCO acquired CU in 1980, we have been faced with many economic challenges before and we have always found a way to work through them. As you know, our investments are largely focused on regulated utilities and long-term contracted businesses with strong counter parties. Over the years we have created a resilient investment portfolio, able to withstand these turbulent regulatory and economic conditions. If there ever was a year to prove that our business model is resilient and stable, and that our people can execute under any circumstance, 2020 was that year.

In 2019, we continued to transition our Company and set the stage for future accelerated growth. We sold our Canadian fossil fuel-based electricity generation business and our 80 percent ownership interest in Alberta Powerline, which together contributed \$87 million in adjusted earnings in 2019. These were tough decisions but the right decisions, to set your Company up for long-term success. Excluding the foregone earnings from these businesses, adjusted earnings in 2020 from our retained businesses were \$14 million higher compared to 2019, or 2.5 percent increase in normalized earnings, despite a brutal economic environment. Overall, the slowing global economic activity did not have a major impact on our financial performance. Our resilient financial performance is a testament to our business model, as well as our people who remain focused on delivering reliable service to our

customers. They faced considerable operational challenges of working with new pandemic protocols with courage and dedication and performed in a safe and exemplary fashion.

In the past 10 years, we have invested \$15 billion in our regulated operations. As our total assets have become much more weighted to our utilities, so have our earnings. In 2020, the largest portion of CU's earnings came from our regulated utilities. That's a significant change from 10 years ago when about half of our earnings came from the regulated utilities. This means that our quality of earnings has improved substantially, leading to greater predictability of earnings and cash flows. But it's not just the size of our utility assets that creates this stability, it's also our ongoing focus on operational excellence. Our commitment to operational excellence has been a key driver in creating a more innovative culture, resulting in new and more meaningful ways to meet the needs of our customers. In doing so, we have improved our overall cost structure, thereby providing premium returns on equity for our shareowners and long-term benefits for our customers. In fact, if we look at our Alberta utilities, we are head and shoulders above our peers in Alberta. Based on the annual regulatory filings, we've achieved an average of 10.8 percent return on equity, or 2.3 percent above the approved regulated return over the last 10 years. We've done this by keeping a keen eye on costs and promoting innovation within our businesses. By doing so, both our shareowners and customers benefit. Our 2020 results will be filed with the AUC here shortly but with our continued laser sharp focus on costs, I'm confident our results will be above the 8.5 percent approved return.

Further on the topic of utility regulation, in 2020 and 2021 we are seeing a willingness by the Alberta Utilities Commission, or AUC, and the government of Alberta to reduce regulatory red tape and foster a return to prospectivity, which is very positive and there are a number of recent actions that



really back that up. You can see the regulatory certainty that we currently have with all of our utilities through to at least the end of next year, and that's something we haven't been able to say for quite a while. Having clarity into the future helps us plan more effectively. It creates a more stable business environment that encourages investment and creates certainty for our customers.

While we continue to invest in our core, rate regulated businesses to generate stable earnings and reliable cash flows, your Company's strategy also includes investing in long-term contracted, nonregulated energy infrastructure. In particular, we are looking to further grow the electricity generation, industrial water solutions, as well as our natural gas and liquid storage businesses. This segment is a smaller part of our earnings portfolio, but it's still an important part of our Company and it's a business we intend to rebuild in a more sustainable and renewable way. We do recognize that a collaborative and long-term approach to minimizing our environmental footprint is vital. As part of this, we continue to explore new and more efficient ways to generate, distribute, and conserve energy.

Most notably, in 2019 we invested our entire Canadian fossil fuel-based electricity generation business to eliminate coal from our portfolio and significantly reduced our greenhouse gas emissions. Our direct GHG emissions have been reduced by almost 90 percent from 2019 to 2020, primarily as a result of the sale that eliminated coal fire generation from the portfolio. Our direct GHG emissions from retained assets have also reduced by 17 percent since 2019. I commend our 2020 sustainability report to you, which was published just earlier this week and discusses how we intend to balance sustainability with affordability and security of essential services.

Our vision to build a more sustainable business is not just about greenhouse gas emissions, it's about working collaboratively with our customers and the communities we have the privilege to serve. Last year, we applied to the AUC to defer rate increases for electricity distribution and natural gas distribution businesses, which would have come into effect on January 1, 2021. In December, the AUC approved our request. We propose to continue the rate freeze for all of 2021. We know this will have an impact on our cash flows in 2021 to the tune of about \$110 million. In light of the current economic situation in Alberta, including the hardships faced by our customers, it was just the right thing to do.

Turning now to our international electricity operations, our world class utility operations and customer service expertise were key factors in our successful bid for a 15-year contract to operate Puerto Rico's electricity transmission and distribution utility. On June 22, 2020, LUMA Energy, a newly formed company, owned 50 percent by Canadian Utilities and 50 percent by Quanta Services, was selected by Puerto Rico's public-private partnership authority to transform, modernize and operate their 30,000-kilometer electricity transmission and distribution system. There is a one-year transmission period which commenced in the second quarter of last year that we are coming to the end of in the next few weeks. We will commence operations under the long-term contract as soon as the transition period is completed. This new and growing business contributed \$12 million to Canadian Utilities' earnings in 2020.

Now, I'd like to take a couple minutes to discuss our commitment to financial strength. We built up our utility businesses over the years, constantly improving our operational performance and maintaining communication and good relationships with our customers. This underpins the credit agencies'—credit agencies—excuse me—view that we are an A range company. I'm pleased to inform

you that in August, Dominion Bond Rating Service affirmed its A long-term credit rating on Canadian Utilities. In September, S&P affirmed its A minus credit rating on Canadian Utilities. S&P also separated its earnings on Canadian Utilities and CU, Inc., which is our 100 percent owned holding company that raises the debt for our Alberta utilities. Separating the CU, Inc. rating from the Canadian Utilities rating was an important development for us. CU, Inc. has been our main debt issuer, so this decision by S&P to change from a single group rating approach to a separate rating approach for CU, Inc. is entirely appropriate and has been welcomed by our CU, Inc. debt investors. This change also sets us up well for the next decade as we consider how best to grow each part of the company and create long-term value for our shareowners.

Our commitment to sound fiscal stewardship remains the same and this commitment is supported by our conservative financial policies and prudent capital management. We've been able to access debt at some of the lowest rates and without any difficulties in the past decade, regardless of the macroeconomic conditions at the time. This past September, we issued a CU, Inc. 30-year bond at the lowest interest rate in the Company's history, and the second lowest rate ever for a long dated corporate bond in Canada. Needless to say, this low cost of financing is good for us and very good for our customers. All of this great work by our people in a very turbulent year provided the foundation for continued dividend growth for you, our shareowners. I'm pleased to share with you that in January, Canadian Utilities announced a 1 percent increase to our quarterly dividend. Canadian Utilities has increased its dividend every year for 49 straight years.

Looking forward, we're off to a great start in 2021. Last week, we announced Canadian Utilities' first quarter 2021 adjusted earnings of \$191 million, or \$12 million higher compared to the \$179 million

we earned in the first quarter of 2020. Higher earnings were mainly due to continued cost efficiencies and growth in utilities asset base, as well as stronger demand for natural gas storage. Despite the challenges from the pandemic, your Company's financial performance is as resilient as ever.

For 2021, we have over \$1.3 billion in capital investment and debt maturities to finance, and we have ample liquidity to fund that plan. Our liquidity is supported by \$2.2 billion of readily available lines of credit, great access to the capital markets, robust cash flows, and \$800 million in cash on hand. Maintaining our strong financial position during these turbulent times enables the Company to sustain its operations and to weather this economic cycle.

Over these last few years, we have laid the foundation for future growth and we're off to a good start in 2021 with strong first quarter results, and the financial strength to execute our growth plan. Going forward, Canadian Utilities plans to invest in our existing core utility businesses. In the next three years, we plan to invest \$3.2 billion in capital growth projects in our Australia and Alberta utilities. Investing in the core will focus on our existing operating businesses to maintain our A range credit metrics and address our capital requirements to maintain safe, reliable service for our customers. We will also add new growth platforms that optimize and complement our existing assets. Growth in renewable energy is expected to continue to be driven by decarbonization, improving technology with lower costs, and supportive policies and regulations. We see a shift to cleaner energy, and we are well positioned to participate in the development of clean fuels, such as hydrogen, and renewable energy infrastructure. This in turn, will drive improved earnings and cash flows and create long-term intergenerational growth.

Thank you very much. I turn the mic back over to, Nancy.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Thank you very much, Dennis. That was very informative, and I am so proud of our Company, led by Sieg and Dennis in making that decision to freeze rates for Alberta customers enduring tremendous hardship in this pandemic year.

Now it's my great pleasure to turn the mic over to your Chief Executive Officer, Siegfried Kiefer.

**Siegfried Kiefer** — President and Chief Executive Officer, Canadian Utilities Limited

Well, thank you, Nancy for those insightful remarks at the beginning of our meeting and thank you, Dennis for a tremendous review of our financial performance in 2020.

Good morning, everyone and thank you for joining us on today's webcast and telephone call.

Despite the challenges that 2020 brought us, the global pandemic, the worst economic downturn since the Great Depression, massive unemployment across many sectors, and plummeting oil prices, your Company delivered results that were far better than expected on all fronts, as Dennis has just outlined in the financial results. Our operations teams kept electricity and gas flowing to our customers, and we continued to make a difference in our communities in Canada, Australia, Latin and South America, and now, Puerto Rico. All of this is really due to the agility, caring, integrity, and collaboration of our people. I want to thank them for rising to the many challenges we faced in 2020. Each of them went the extra mile to provide our customers integrated, reliable, and affordable energy solutions, while

keeping themselves, our customers, and our communities safe. I also want to thank our management teams and our Boards of Directors for their support and guidance during such an unprecedented year.

Pandemic aside, the utilities and energy industries are undergoing a significant transformation in shifting customer demand for lower emitting, low carbon energy solutions. Our customers want the tools to change the way they live their lives, the way they consume energy, the products and services that they choose, all in the name of shrinking their environmental footprint and protecting the planet. But they want to do so affordably, and as Nancy mentioned, government and industry will need to be transparent on costs.

Today, as a company, as an industry, we are collectively responding to the shifting demand with a forward focus on renewable energy, decentralized generation, decarbonization, and digitalization. This shift in demand is the first of what we call the four D's. Decentralization is also a growing trend. More and more, people want the ability to generate their own electricity, rather than receive it from one central source, such as the grid. Whether through solar, wind, combined heat and power, or small-scale hydro, we offer micro-generation solutions that allow our customers to generate power right at home or at their business to offset their energy usage from the grid.

When it comes to decarbonization, the world is on a path to a more sustainable, lower carbon future and we are helping drive that transition through cleaner fuels and electricity. As you heard from Dennis, one of the most significant numbers from last year was the 90 percent reduction in our direct GHG emissions. This was realized primarily through the sale of Canadian Utilities' fossil fuel-based electricity generation portfolio, as well as reductions in our retained assets. I cannot think of a clearer

signal that Canadian Utilities is focused on cleaner fuels and renewables. I'll talk about some of the other decarbonization initiatives we're leading a little later.

Digitalization is already a big part of our lives. At Canadian Utilities we're using things like artificial intelligence and adaptive technologies to provide our customers with innovative digital solutions to meet their evolving needs. In 2020, we installed 6,000 advanced metres in Grande Prairie to give customers real time information about how they are using electricity. These metres are just one step in modernizing Grande Prairie's grid through digitalization. These four pillars: demand, decentralization, decarbonization and digitalization, underpin our relentless focus on sustainability within our utilities' enterprise and indeed, across our entire organization. Whether installing solar grids to help northern communities' reliance on diesel or partnering with indigenous communities in joint ventures and equity arrangements to provide them with tens of millions of dollars in economic benefit, our actions demonstrate our strong and unwavering commitment to sustainability.

I would like to take some time to celebrate the successes of our team in one of the most important areas of our business, operational excellence, and when you're in the business of providing essential services, operational excellence is not a nice to have, it's a must have, and it is what indeed, distinguishes us as one of the best. Operational excellence starts and finishes with a focus on our people. In such a tumultuous year, we were focused on the health, safety, and well being of our people. The COVID-19 pandemic, with the impacts on our employees and contractors' lives, has brought our mental health initiatives into sharper focus. In 2020, more than 500 employees participated in mental health training and awareness sessions online. In 2020, we saw a decrease in the total recordable injury frequency for employees and contractors, as well as a lower frequency of lost time injury frequency for

our contractors. We did, unfortunately, see an increase in employee lost time injury frequency and our teams are working diligently to address this.

On the Electricity Operations side, led by the efforts of Melanie Bayley and her team, since 2014 we have improved our distribution service reliability by 32 percent, as measured by the frequency and duration of our outages. In doing so, we've outperformed the targets set by our regulator, as well as our peers in the Canadian Electricity Association. Still on the Electricity side, over the past five years we have reduced our transmission, operations, and maintenance costs per kilometre of line by 22 percent, and our distribution O&M costs by 9 percent.

On the Natural Gas side, led by Jason Sharpe and his team, I'm proud to say that we achieved a 97 percent rating in customer satisfaction, even exceeding a very ambitious internal target of 95 percent. I'm equally proud to report that 97 percent of our customers agreed that we have a strong reputation in their community. I think that speaks volumes for not only for our operational excellence but about our commitment to invest in and give back to the communities where we are privileged to serve.

At our 2020 AGM, you may recall us talking about Alberta Powerline, our Fort McMurray West 500-kV Transmission Project, running more than 500 kilometres from just outside Edmonton to Fort McMurray. In fact, it's the longest 500-kV transmission line in Canada, and I'm proud to share that last September we were awarded the prestigious International Edison Award for that project. Earlier this week we launched our tenth sustainability report, which highlights the performance of our employees and our companies. The five strategic areas outlined in that report are: energy transition, climate change



and environmental stewardship, operational reliability and resilience, people, community and indigenous relations. I will touch on several initiatives in my remarks today that are highlighted in that report. But if you would like more details, I would encourage you to download it from the Documents and Filing section on our website.

A moment ago, I mentioned the construction of solar rays to help northern communities reduce their reliance on diesel fired electricity. In 2020, we completed Canada's largest off-grid solar project providing the remote Northern Alberta community of Fort Chipewyan with clean energy and reducing their use of diesel by 800,000 litres a year. In that project we designed and built two solar farms in partnership with the Athabasca Chipewyan First Nation, the Mikisew Cree First Nation, and the Fort Chipewyan Metis Association. The larger 2,200-kilowatt farm is owned by the three indigenous communities and operated by us, and the smaller 600-kilowatt farm we own and operate. This project demonstrates our commitment to helping customers and communities transition to lower emission energy solutions. It's also an example of how we engage and partner with indigenous communities, something that's been a part of our method of operating throughout our history.

By the way, the Fort Chip solar project was just named as a finalist for this year's International Edison Award. It would be terrific if we were to win again and that would be the third time your Company has won that prestigious award. The bigger prize, however, is the very real opportunity to help more of the remote communities across our north to reduce their reliance on diesel. In fact, there are some 250 communities in Canada, 70 percent of which use diesel generators to produce their electricity. If we can continue to partner with communities to create microgrids and help reduce their

diesel consumption, and their high energy prices, we will change lives, just as we have in many communities where we have the privilege to operate.

At this point, I want to take a moment to talk about something that is colourless, odourless, tasteless, nontoxic, and emits no carbon when its burned. I want to talk to you about hydrogen, which many in our industry are calling the energy of the future. I'm pleased to report that your Company has already taken quite a few steps to take full advantage of this exciting opportunity. In 2020, we were awarded \$2.8 million in funding from the Emission Reduction Alberta to create a hydrogen blending project in Fort Saskatchewan. We will inject up to 5 percent hydrogen by volume into a section of Fort Saskatchewan's residential natural gas distribution network. This will lower the carbon intensity of the natural gas stream for customers, and once completed, this will be Canada's largest hydrogen blending project and a roadmap for substantial GHG emission reductions in the future. Blending hydrogen into existing natural gas networks is common in other countries, including Australia, where ATCO's Clean Energy Innovation Hub is already generating hydrogen energy with the help of solar power. This hub is a test bed for hybrid energy solutions, integrating natural gas, solar, battery storage, and hydrogen production. We're also working with Fortescue Metals Group to build hydrogen vehicle refueling infrastructure in Western Canada. Finally, to complete a hydrogen trifecta Down Under, I'd like to share some exciting and fresh news with you this morning.

Over the past year, we've been conducting a feasibility study into the development of a commercial scale hydrogen production plant in Western Australia. Just hours ago, we announced that we have received \$28.7 million in funding from the Australian Renewable Energy Agency. The funding enables ATCO and our joint venture partner, Australian Gas Infrastructure Group, to move forward with

plans to establish Australia's first commercial scale green hydrogen supply chain. It will include a 10-megawatt electrolyzer and a plant capable of producing up to four tonnes of hydrogen per day, along with storage and delivery into the gas network. The facility is planned to be co-located with 180-megawatt wind farm, which will provide the renewable energy to power the electrolyzer. A final investment decision on this project is expected later this year. These are significant steps forward on our global hydrogen journey and we're indeed excited about the future. Hydrogen offers tremendous potential as a key element of our energy transition strategy, and for our customers who want innovative, lower carbon, energy solutions to lower their emissions and reduce costs.

To provide you with a quick, energetic look at our focus on renewables, I invite you to watch this short video.

**\*VIDEO PRESENTATION\***

Well, it goes without saying that our people are very excited and are buzzing with the opportunities ahead of us in this space. In 2020, we added one more region to the list of places where we are privileged to operate, the island of Puerto Rico. Last June, the governor of Puerto Rico announced that LUMA, a partnership between Canadian Utilities and Quanta Services, had been selected over some of the largest utility providers in the world to transform and operate Puerto Rico's electric transmission and distribution system for the next 15 years. This was a huge win for Canadian Utilities, especially considering we're talking about 2020 and the pandemic. Not long after the announcement, our employees began moving down to Puerto Rico, and together with Quanta folks, began the enormous task of building a company from the ground up in less than a year. The contract provides us a year, transitioning with the current operator, Puerto Rico Electric Power Authority, and

prepare to take over the operations. Today, we have over 300 ATCO and CU employees working through LUMA, led by Wayne Stensby and his team, and we will be taking over the operations in less than a month from now.

On June 1 we will officially assume responsibility for repairing, transforming, and operating an electric system that was badly damaged by two massive hurricanes that hit the island within a two-week span in September of 2017. It's a big job but it's going to have an even bigger payoff. We're not just going to provide Puerto Ricans with something we all take for granted: safe, reliable, and affordable power, it's also about creating a stable, resilient, and modernized electric system that will be a key driver of economic growth. This will allow businesses in Puerto Rico to operate reliably, create jobs, and contribute to the island's economy, which in turn provides Puerto Ricans with meaningful employment opportunities and the chance to provide for their families. At Canadian Utilities we take seriously our obligation to broadly benefit the communities where we operate. LUMA just unveiled its community investment program for Puerto Rico, where we will focus on energizing the next generation of youth through education and wellness, economic development and recovery, and energy stewardship. I invite you to enjoy a brief video showcasing the program.

**\*VIDEO PRESENTATION\***

Very exciting for LUMA. One of the other commitments LUMA has made was the construction of a line workers' college to train Puerto Ricans to work in utilities. Last month, Nancy travelled to the island for the ground-breaking event for the LUMA College for Technical Training. Our partner, Quanta Services, which owns the industry-leading Northwest Lineman College in the United States, will operate the LUMA college.

Continuing with our community involvement theme, over the years you have heard me express our enormous pride and deep appreciation for our people. They are, indeed, our spirit, our passion, and the very essence of our Company. We succeed because of our people and because our people care. They care deeply about our communities, our customers, and our Company. One of the many ways they show this is through our EPIC program, which stands for Employees Participating in Communities. This isn't a company program, it's a program led by our employees and it combines volunteerism, fundraising events, and individual donations. In 2020, ATCO and CU employees pledged more than \$2.9 million to support hundreds of charities in communities where we operate and since it was launched in 2006, ATCO EPIC has raised nearly \$47 million in total. That's an incredible number and I congratulate our teams on their community spirit and generosity.

I also want to touch on what can only be called a veritable institution, our beloved Blue Flame Kitchen. In 2020, as the pandemic stretched on, it became clear that one of the most isolated and vulnerable populations in our community was our seniors. Di Wensel and our Blue Flame Kitchen team teamed up with three Calgary senior focused organizations to provide nearly 12,000 nutritious meals to seniors who are financially impacted or needing support due to COVID-19. We are extremely proud of the achievements our team has made in—sorry—we're extremely proud of the achievements our team has made in environmental and social areas.

In a more holistic sense, a critical part of sustainability is corporate governance. As a publicly traded company, accountable to shareowners for its performance, it's something we at Canadian Utilities take very seriously. We strive to ensure that our corporate governance practices provide for effective stewardship of the Company. In 2020 we launched a new framework to connect independent

directors and senior management. Working together, they focus on expertise, guidance, and business insight, while driving accountability on long-term growth objectives. And they are in addition to our designated audit directors, a program that's been in place for more than 20 years. Designated audit directors are directors of either ATCO or Canadian Utilities, assigned to each of our business units to provide oversight based on their strengths in various industry sectors.

Another critical area of corporate governance is employee relations, and the fundamental principles of diversity, equity, and inclusion. Earlier, I talked about our people as our greatest asset and that's in no small part because of the diversity of our people. Our inclusive and respectful workplace policy supports a diverse workforce and encourages a variety of perspectives. Early in 2020, our Employment Equity Advisory Committee consulted with employees from across our enterprise and developed a three-year plan. This plan includes a commitment to interview at least one woman for every management role. Since 2016, women have made up over 30 percent of our Boards of Directors, and in 2020, 28 percent of our senior managers were women. In fact, over the past year, we have appointed 10 women to the executive and officer levels in Canadian Utilities.

I want to conclude my remarks today with a look ahead, through the windshield and well down the road. We know that our industry is changing at an accelerated pace. At the same time, we are well positioned to face challenges and take advantage of opportunities because we have already begun to strategically position our business for the future. Excuse me. You've heard me talk about decarbonization, the transition to lower carbon and lower emitting energy solutions, clean fuels like hydrogen and renewables like hydro, wind, and solar. These are all part of what we think of as the utility of the future. At Canadian Utilities we must align our products and services with our customers'

expectations, and increasingly, those expectations are around clean energy. Customers are becoming more interested in generating their own electricity, and then having some sort of battery storage solution to manage their usage. We are seeing a significant transformation from a central generation, one-way flow model, to one where electricity flows in more than one direction.

On the Natural Gas side, we're seeing increasing customer demand for decarbonized solutions and for us, that means zeroing in on hydrogen. We want to lead the charge to create a hydrogen economy. I talked about our Fort Saskatchewan blending project and the work we're doing on hydrogen production and blending in Australia. We've invested heavily in current electricity and natural gas infrastructure and it has served us well. Obviously, we will need to continue to invest in that infrastructure to ensure it remains safe and well maintained. But the focus of our investments in the future must be on creating the utility of the future, and to do that, we will need to excel at our core values, particularly innovation and agility. If we are to define the decade rather than let the decade define us, we must be innovative and agile.

With that, I would like to once again, thank our employees and management teams, as well as our Board of Directors for their commitment, dedication to excellence, and their support during an incredibly challenging year. Obviously, as I said at the beginning, we did not expect to be here one year later, still facing a global pandemic. If we have learned anything from the experience, is that once again the people of your Company rose to the challenge, going above and beyond the call of duty, no matter what the circumstances, delivering results for our customers, our Company, and our shareowners.

Now finally, I'm turning to some personal news, I'm sharing with you today that I have made the decision to retire from Canadian Utilities, effective July 1 of this year. This will be the last presentation you have to take from me as your President and CEO. Now, why now is the question I've asked myself over the last many years, frankly, as this decision has been in the works for quite a while. It's the right time for me and it's the right time for the Company. It's a great time for me to transition from the day-to-day operations and executive leader of CEO. The remarkable leaders that we have in place have done just a fantastic job through this troubling year. Someone once early in my career told me that you really test your management team when times are difficult, and they certainly have stood up to that test in managing the operation through COVID. I believe that the direct reports that I have in Canadian Utilities are the strongest that we've ever seen. That and our work to set the stage for the utility of the future, gives me great confidence that this team can carry on, delivering the premiere performance that our shareowners and our customers have come to expect.

When I reflect on the 38 years that I've had the great pleasure of being with the Company, I'm reminded along the way of some very important lessons learned that we imbed in our organization as the values and principles of the Company. Right from my very first job with the Company in Canadian Western Natural Gas Power and Light Company, Limited, where I started out working on a general rate application. It gave me a great orientation to the Company, how it worked, and what its cost structures were. But at the same time, we were implementing a new customer information system. We had purchased the largest mainframe computer made by IBM, installed it in Edmonton, and I can remember the tremendous amount of diligence we took to check customer bills. We had set up the tolerances for bills changing from what they used to be at very tight tolerance levels, and I think I went through several sets of batteries on my calculator because we didn't have a computer to check these bills with. We had



to recalculate them by hand. But it taught me the great principle that checking to make sure you get things right is an important element in business.

Then came the 80's and the acquisition of CU, or controlling interest in CU by ATCO, and any of the shareholders that were here at that time will remember what a challenging acquisition that was. It was a very large acquisition for ATCO but there was lots of competition, competing bids for the shares, and I just recall the fierce determination that it took to ensure that we closed on that transaction and completed it. What a difference it's made in this Company's history.

I also have to recall the National Energy Program and you saw it on Dennis's chart and the impact that it had on Alberta and Alberta's economy, and the impact on our Company in meeting our financial needs through that early part of the 80's. We had financed the purchase with a floating rate loan and interest rates went north of 20 percent, and it took fierce determination to make sure we monitored our every bit of cash flow we could. We didn't miss a single interest payment or debt repayment through that period. A lot of tough decisions were made. We had to sell some parts of the business. Australia is an example, our operation there. But it really cemented in my mind the importance of never breaking a promise.

The eighties was also when we struck one of our oldest indigenous partnerships with the Dene Development Corporation and Northland Utilities. Again, started the—I think the method of operating of always looking at how we can partner and share in the economic development of the communities we serve. I've been reflecting on decades, if you will, and as we came out of the 80's, we entered the 90's. For me, the 90's was really about deregulation. We saw our Integrated Utilities essentially broken up

into the four component parts of Production and Generation, Transmission, Distribution, and Retail. And a huge amount of work to try to advise government on an orderly way to accomplish their objective of deregulating the industry.

It gave me a great exposure to what it took to help policy makers understand an industry that quite often is seen as being complicated and overly complicated. But lobbying them and getting it right was very important for our customers and I feel very proud of the team at Canadian Utilities who did a fantastic job of that. It also gave us our opportunity to really focus in on our Independent Power business and it was a tremendous growth engine for the company through the 90's. Excuse me. As we got to the end of the 90's, of course, who can forget Y2K or year 2000 and the roll over of the clocks and the tremendous angst everyone had around computers stopping to work. You know, very proud of your Company who didn't take the off the top consultant's advice to simply replace all of our systems. Rather we did the check, check and recheck approach and made it through year 2000 without a glitch, and having saved our customers literally tens of millions of dollars.

Then came the 2000's and I would call that decade the decade of mega projects for us. It started with the upgrades in the Hanna Region, about \$800 million capital program which we all thought was huge. Then came EATL, the Eastern Alberta Transmission Line at \$1.5 billion. We also commenced work on the replacement of our high-pressure mains in the big cities, and then along came West Fort Mac at \$1.9 billion in a competitively bid project. Again, very proud of the teams on each of those projects for— at a time when Alberta was booming and the oil sands were, in effect, soaking up all of the skill and craft labour and were running over their cost estimates regularly. We brought in all of those big projects on time and on schedule, and on budget.

As we left the 2000's and into 2010, we because of the global financial crisis, began our strategy of expanding our geographic investment areas for energy infrastructure. Of course, we saw 2011, the acquisition of the West Australia Gas Network; 2014 we made a push into Mexico; and 2015 into Chile, and you've seen some of the fruits of those labours come to fruition of late now. Then we had the, what I call the big correction in 2015 where your Company—we pre-emptively saw the downturn that was coming in Alberta and had to right size our companies. We had been, if you will, steaming ahead with huge capital programs and our capital essentially dried up, and so a huge adjustment to be made but again, very proud of how management went about it in looking at positions carefully and looking to try to retain as much of our younger talent as we could going forward.

That will bring me to today or this decade where your Company is very well positioned to pursue the utility of the future. We've got a very exciting design and build and operate program for Puerto Rico. In the clean fuels and renewables opportunity abounds in front of us. Through all of those four decades, it's been remarkable to me how steadfastly our companies have stuck with their core values and our method of operating, our philosophy of operating excellence. The four values of integrity, innovation, caring, and collaboration are solidly entrenched in the Company. And so, you know, we talked a lot today about what is now probably a quite a burgeoning trend in corporates and that is about their ES&G promises. I am proud to say that for the most part, we've been doing those things for the entire time I've been here. It's not new for us. It's something we've always been focused on.

While it's a bit of a bittersweet moment for me, I believe the time is right for our new leadership team to take over. We have strongly entrenched values, operation excellence, and financial discipline is solidly in place and we have the future oriented strategies to adapt to what's coming. So, your Company

is well positioned to continue to deliver the premiere results that our customers, shareowners, and partners have come to expect from us. I am thrilled and delighted that Nancy and our Board have invited me to continue to advise and mentor our companies as an Honorary Director and a Member of the Office of the Chair going forward. Excuse me. I'm very much looking forward to remaining connected and providing my insight and counsel to this great enterprise.

With that, I would like to offer my sincerest of thanks to the people of our Company, the executive teams that I've had the pleasure of working with, working for, and supporting me, the members of our boards, past and current who have all provided me with fantastic counsel and advice and guidance over the years, and I'd particularly like to thank you, Nancy and your family for the inspirational leadership that you provide that motivates this great Company to be as good as it is. It's—excuse me—it's been a real honour for me, and an incredibly proud journey and I feel very privileged to have been able to do this. Thank you. Thank you. Thank you.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Well, thank you. Thank you, Siegfried. Thank you for those very touching and heartfelt remarks. As you were reflecting on your career and the achievements of our Company, I couldn't help but remember with extraordinary fondness the many roads that we've travelled together. It is my privilege on behalf of our Board of Directors, the owners of our Company, our customers, the people of our Company, my Mom, my sister Linda, and myself, to thank you and express our deep and sincere gratitude and to tell you of the highest regard we hold you in.

In our work together, through all these years, we have been and seen many external changes, which has given our deliberations a very different setting to try and judge global trends, economic conditions in order to keep our companies relevant and growing, while maintaining fiscal prudence to ensure our enterprise can weather any storm. And Siegfried, we have weathered a few storms, I must say. Only history will show if we have actually been successful, I suppose but without a doubt, Siegfried's guidance in the face of uncertainty has always been his conscience, his rectitude and sincerity. He's had a physical and moral toughness of fabric, which has enabled him to endure adversity and disappointment, and yet not get discouraged, and to never be boastful when he's successful.

Through the years, Siegfried has been able to keep a precision of mind and an aptitude for common sense in our business, which has raised him far above the ordinary as he's always strived for continuous improvement and achievements. His persistence of resolve, some may call it stubbornness at times, exhibited throughout the length and breadth of his career is in fact the legacy that he leaves the people of our Company today. I also want to recognize that deep affection Siegfried has for indigenous people across Canada, and particularly the north. Siegfried has developed deep and timeless relationships in Canada's north, just as he has with indigenous people across Canada and around the world.

As someone who has enjoyed the privilege and honour of working with Siegfried for 38 years, and more importantly knowing him as my friend for more than six decades, I have walked in step with him, and I have the greatest respect for his integrity, determination, and courage. He has the highest of business and ethical standards, which is why he has gained universal respect from all who meet him. I can say with all sincerity, Siegfried, you have travelled with us through calm seas, storms, and uncertainties and we are all in awe of your commitment and we also want to thank your family: Colleen,

Stefan, and Reegan, for their tireless support. I along with directors, colleagues, customers, owners of your Company, look forward to your continued insight and counsel in your new role as we strive to define our path for enduring success. Thank you so much.

While it may seem inappropriate at this point in time, I will open the meeting for questions from our audience. Kurt?

## Q & A

**Kurt Kadatz** — Senior Manager, Corporate Communications, Canadian Utilities Limited

Thank you, Nancy.

We don't appear to have any questions coming in from the phone. We do have a few questions that have come in via webcast, and I'll read the first one now, which I think will go probably to Dennis. That question is, "When and by how much will the dividend be increased?"

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Dennis?

**Dennis DeChamplain** — Senior Vice President and Chief Financial Officer, Canadian Utilities Limited

That's a secret. Just kidding. We don't give guidance in terms of earnings and dividends. What I can tell you is that we are extremely proud of our 49-year consecutive dividend increases. You know, we've—we increased our 2021 dividend in early January, just as we've done in, you know, for many

years, and generally, that dividend hadn't been adjusted during the year. That's the path that we have taken in the past. When we do recommend dividends to our Board of Directors, we look at three main factors. The first one is our long-term sustainable growth. We do—I did mention the \$3.2 billion in utility investment over the next three years and you can kind of triangulate on a kind of a bit of a sustained growth pattern for that.

The second thing we look at is our payout ratio, you know, how much of our earnings are we paying out to shareowners versus how much we are keeping and holding in the Company for future investments. Right now, that payout ratio is about 85 to 90 percent, a little bit higher than in past and as a percentage of earnings. Remember, there is \$87 million of earnings that have decreased as a result of the sale of Generation Alberta Powerline.

At the tail end, the third element is our financial strength, and I could go on and on about our terrific financial strength with the credit lines, access to markets, robust cash flows, and the cash on hand, but I think you got the point during my message that financial strength right now and it isn't—we feel pretty good about where we're at in there. I won't tell you when and by how much, but I think I've given you a bit of a background on the factors that we look at when setting our dividend increases. Thank you.

**Kurt Kadatz** — Senior Manager, Corporate Communications, Canadian Utilities Limited

Okay, we have another question here and I'll just mention to this attendee who had given initials of W.W., if there might be an undertaking from this question, perhaps you can forward us in the chat your contact information in case someone needs to follow up with you on details, but here is the

question verbatim: “At a time when the Company’s performance has deteriorated, why has the number of options granted increased from 134,000 to 488,000?”

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Thank you, Kurt.

Well, perhaps I’ll take that question and just make a follow-on reinforcing comment to Dennis’s answer, and that is, dividends really are the jurisdiction, the mandate, fiduciary responsibility of our Board of Directors, and while management can recommend, it is up to directors to dispose of the recommendation in a way that they see appropriate.

W.W., thank you very much for reading so intently and with obvious concern from your question about the details in our corporation and compensation related to our performance. I’m not—I personally would not classify our performance as deteriorating. In fact, what I believe Dennis showed was, if I may be so bold to say myself, exquisite execution of our strategies and our plan.

We see that thermal generation and the generation that we had in our portfolio was at a stage in time that was not going to be conducive to your Company, performing in the way of the future, the utilities of the future, that decarbonized future. So, while we sold that portfolio of assets and decreased our earnings, I think that Dennis demonstrated very clearly the improved performance of our core operations. So, I do take some exception to your comment on deteriorating performance.

On the compensation front, I will say that the people of this enterprise, your Company, have demonstrated extraordinary sacrifice, attention to detail, going far beyond what others expect, and



we've also seen that in the performance of this Company compared to our peers. Those people have for several years, as Siegfried mentioned, 2015, we recognized far before many of our peers that this was an economy that we were turning into of slow growth. As a result, everybody on the team buckled up, stayed very, very cost conscious, and in fact, forgo, or forwent, significant salary increases and changes. I can say with great confidence today, we are on a very positive trajectory.

As Dennis showed, our first quarter has seen great improvement. That's not to say that smooth courses are available to us for a long period of time. They aren't available to anyone. There will always be challenges and adversity, but this Company will overcome it, and it was time in our compensation to recognize the heroic efforts of our people. Thank you.

**Kurt Kadatz** — Senior Manager, Corporate Communications, Canadian Utilities Limited

Thank you, Nancy.

We have another few questions that have come in. A couple of comments related to Siegfried, congratulations to Siegfried on your upcoming retirement. A couple of questions around what the board's plans are for a new CEO.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Well, I can say the Board and I are delighted that Siegfried will continue on with his insight and counsel as Honorary Director, Office of the Chair. I'm also very pleased to say that the Board has unanimously decided that I will step back into the CEO role of Canadian Utilities, so you'll be stuck with me for a period of time yet to be determined.

**Kurt Kadatz** — Senior Manager, Corporate Communications, Canadian Utilities Limited

Thank you, Nancy.

A question here related to Puerto Rico, “Are there plans for putting power lines underground as much as possible, or otherwise, what is the plan for creating a power grid that can sustain hurricane force winds?” That’s from Donna Humphries (phon).

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Sieg?

**Siegfried Kiefer** — President and Chief Executive Officer, Canadian Utilities Limited

Certainly, Nancy.

Yes, there is a hardening plan. There has been obviously the previous operator, PREPA, had engaged with a number of different consulting firms on what the best way forward would be. One of the main things we can do to improve the reliability of the transmission system in Puerto Rico though, quite simply is brushing. Most of these lines run through very heavily treed territory and it’s actually the trees falling on the lines, not the hurricane winds pulling the lines out of the ground. But yes, there will be a combination of critical facilities that will be hardened, and we’ll have a diversity of routes around the island to deliver electricity and to improve their reliability.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Thank you.

**Kurt Kadatz** — Senior Manager, Corporate Communications, Canadian Utilities Limited

Thank you.

There's just one final question and comment which says, "As a shareholder, I don't want to hear about HR and diversity programs at an Annual Meeting. What I do want to hear about is financial performance. How will you increase revenues and profits, and thereby increase the value of the shares in the coming year?"

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Well, I think I would just say, I appreciate your comment and I think that that is very constructive criticism. What our management team believes in, is that safety, inclusion, diversity, attention to operational excellence, are what drive the results of this company, along with long-term strategic vision. You've heard Siegfried announce today, a tremendous win for us in Australia around a commercial hydrogen production facility. That was a hotly contested event in Australia and our project was one of— was worthy of real merit from government funding, and we hope that hydrogen will be a very long-term, important source of revenue generation and profitability in the future, as well as meeting the demands of decarbonization.

The other item that I would say is that we are looking at extraordinary times where we have seen tremendous investment in utilities by non-operating investors. I think that Puerto Rico is a wonderful example of how this Company's expertise and the values that it holds, because in my mind there is no

doubt Puerto Rico was won, not in terms of just price, but in terms of the values that we hold and we talked about, against the largest utilities in the world. I believe that's a continuing source of opportunity and growth for this organization. As Dennis said, we don't provide guidance. Rather, we prefer to demonstrate our action and the proof is in the pudding, and this Company, this enterprise, has a sterling record in Canadian history for its growth, sustainability, and enduring approach to longevity and enterprise. Thank you.

**Kurt Kadatz** — Senior Manager, Corporate Communications, Canadian Utilities Limited

Thank you, Nancy.

At this time, we'll just check in that there's no questions. I haven't seen any come through on the phones, but we'll just engage our Operator, Cherie, to ask if there are any questions on the phone line.  
Cherie?

**Operator**

As a reminder, everyone, if you have questions, please press star, one on your telephone keypad.  
As a reminder, everyone, if you have questions, you may press star, one on your telephone keypad.

**Dennis DeChamplain** — Senior Vice President and Chief Financial Officer, Canadian Utilities Limited

I'm going to take advantage of the break and silence and thank you, Siegfried for, on behalf of all 6,200, I guess, 6,198 of us for your leadership, your mentorship. If you don't know, Siegfried, absolute first-class guy. He treats everybody with dignity and respect, and a fantastic leader. Thank you very

much. I'm glad we don't have to say you'll be missed because you'll still be around. Thank you very much, Sieg, on behalf of all of us.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Well said, Dennis.

Kurt, I think that that brings our meeting to a close.

**Kurt Kadatz** — Senior Manager, Corporate Communications, Canadian Utilities Limited

Yes, we don't have any questions on the phone line that I can hear, so let's move to the meeting close, thank you.

**Nancy Southern** — Executive Chair, Canadian Utilities Limited

Thank you, each of you for taking the time to attend our 94th Annual General Meeting of Canadian Utilities and we all hope to see you again in person next year. Thank you.

Stay safe. Get vaccinated and stay healthy.

**Operator**

This concludes today's conference call. Thank you all for joining. You may now disconnect.