

## Canadian Utilities Limited

### Annual General Meeting of Share Owners

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## **CORPORATE PARTICIPANTS**

### **Nancy Southern**

*Canadian Utilities Limited — Chair & Chief Executive Officer*

### **Melanie Bayley**

*Canadian Utilities Limited — President, ATCO Electric*

### **Kurt Kadatz**

*Canadian Utilities Limited — Director of Corporate Communications*

### **Jason Sharpe**

*Canadian Utilities Limited — President, ATCO Gas & Pipelines*

### **Becky Penrice**

*Canadian Utilities Limited — Executive Vice President, Corporate Services*

### **Bob Normand**

*Canadian Utilities Limited — Director*

### **Roger Urwin**

*Canadian Utilities Limited — Lead Director*

### **Colin Jackson**

*Canadian Utilities Limited — Senior Vice President, Finance, Treasury, Risk & Sustainability*

### **Kyle Brunner**

*Canadian Utilities Limited — Vice President and Corporate Secretary*

### **Kevin Burgemeister**

*Canadian Utilities Limited — Vice President of Operations, ATCO Electric*

### **Jacalyn Hodgson**

*Canadian Utilities Limited — Vice President, Engineering*

### **Brian Shkrobot**

*Canadian Utilities Limited — Executive Vice-President & Chief Financial Officer*

### **Bob Myles**

*Canadian Utilities Limited — Executive Vice President, Corporate Development*

## CONFERENCE CALL PARTICIPANTS

**Doug Hornbeck**  
*Shareowner*

**Billy Morin**  
*Stakeholder*

## PRESENTATION

**Nancy Southern** — Chair & Chief Executive Officer, Canadian Utilities Limited

Welcome to the 95th Annual General Meeting of Share Owners of Canadian Utilities. Ninety-five years. We were talking about that. Some have been 80-year share owners in many families here in Alberta.

Now for those of you here in person, in the event of an emergency, please evacuate this Empire Ballroom through the south doors—oh, sorry, south doors on to the foyer and then out to the muster points, which are the Frank Oliver Park just in front of the hotel, or across the street at the Westin.

As you may know, masks are optional. It's really up to you, whatever you feel comfortable with. And if anybody wants a mask, we have some available for you.

Thank you, all, for taking the time to join us. It's so nice to be back in person.

In the spirit of reconciliation, I'd like to acknowledge, and that we all acknowledge, the traditional territories and homelands, of which many of our Canadian Utilities operations and facilities are located. We honour and respect the diverse history, languages, ceremonies, and culture of the Indigenous people who call these areas home.

Today, we are gathered on Treaty 6 territory, a traditional meeting ground, a gathering place and travelling route to the Cree, Saulteaux, Blackfoot, Métis, Dene, and Nakota Sioux. And I would especially like to thank and welcome Chief Eric Shirt, Saddle Lake Cree; Chief Leonard Standingontheroad, Montana First Nation; Peter Hansen, President, Fort McMurray Métis Local 1935; Councillor Felix Schroder of the Bigstone Cree; and Chief Billy Morin, who is in the Enoch community, very close to where we are standing today.

Thank you very, very much for joining us. And I know there are a number of other Indigenous guests that are joining us as well: Russell Noseworthy from Fort Mac Métis; Ken Alook from Bigstone Cree—where’s Ken? I saw you, Ken; there you are; and of course, Chief Morin.

And joining us virtually, our Director, Darlene Paradis, from Beaver Lake Cree. And my dear friend, Darrell Beaulieu, the CEO of Denendeh Investments Incorporated. And I’ll speak more about the DII a little later this morning.

Joining me on the dais today are Brian Shkrobot, your company’s Executive Vice-President and Chief Financial Officer; and Kyle Brunner, Vice President and Corporate Secretary.

Many other officers of the corporation and a number of the people of our company are also joining us today, both in person and online. And all of our directors standing for election have joined us in person today. Thank you very much.

There’s a few special guests I’d also like to acknowledge: Leela Sharon Aheer, MLA, for Chestermere-Strathmore; The Honourable Scott Brison, Vice-Chair of BMO Capital Markets; Jackie Armstrong-Homeniuk, MLA for Fort Saskatchewan-Vegreville; Richard Gotfried, MLA, Calgary-Fish Creek; Siegfried Kiefer, our Honourary Director; Kevin Uebelein is here.

And also some very, very special, dear old friends and long-time share owners. Belle (phon), I’m not sure what time you got here this morning. Where are you? You and your—right in front of me. You and your grandson, Jonathan (phon), came bright and early and it’s so nice to see you here. Thank you so much. And, Jonathan, I hope you enjoy your first AGM.

Carlos (phon), thank you. Nice to see you again, Carlos Barth (phon). And Ernest (phon), great to see you again. Doug Hornbeck (phon) is here and there he is. Great to see you, my Dutch friend.

And Ernest Varry (phon), I think it's your first time, is it not? And Ernest was—oh, there you are. We're going to get that sorted out on your ballots for next time, Ernest. We'll make sure that Canada Post delivers your mail properly.

Great to see Helen (phon). Helen Church (phon) is here with her daughter, Lianne (phon). Nice to see you. Thanks for coming all the way from Vancouver and your first AGM.

And of course, Sharon and Norm King, great to see you both. You're always welcome and you've been such great supporters. Thank you.

And Richard Therrien (phon). Thank you, also, Richard, for being with us today.

I would like to just take a few moments right now to also thank our board members and, in particular, Charles Wilson. Charles "Chuck" Wilson is retiring from the board today. And Chuck was first elected as a director of Canadian Utilities in 2000 and, subsequently, a director of ATCO in 2002. He has served your company with distinction for more than two decades. And his deep expertise, his peerless integrity, and leadership have left a lasting mark on the people of our company. His strategic and tactical thinking has been especially valued in the consideration of many projects and for guiding expansion into new geographies and emerging new markets.

Ladies and gentlemen, please join me in offering our sincerest appreciation to Chuck Wilson for his tremendous contribution to our board. Thank you so very much, Chuck.

On a more somber note, I would also like to recognize the passing of Dennis DeChamplain, who stood before you as CFO for the past four years. We had the great privilege of Dennis' contributions and valued friendship in Canadian Utilities for close to 30 years, prior to his passing last August.

As CFO, Dennis was instrumental in positioning us for long-term success. His principled and ethical behaviour and his desire to seek the best for our people, our customers, and our company left an

imprint on so many of us. He followed in the great footsteps of Brian Bale. And we will miss Dennis very much in the coming years.

Now before we commence the formal part of the business in today's meeting, I'm sure that many of you have heard about, and I would like to address, the recent joint settlement agreement between ATCO and the Alberta Utilities Commission.

This pertains to a sole-source contract awarded to an Indigenous community on the Jasper Interconnection Transmission Project. First, I want to apologize very deeply to all of you for the disbelief and the disappointment you must have felt, just as I and our entire team felt, in hearing about this news. I know it has affected me and our whole team deeply.

Second, I want to separate the facts from the innuendos and the erroneous misstatements. These misstatements and innuendos have been reported on this subject, and the first fact that I want to impress upon each of you is that the costs in question for the Jasper project were never put into customer rates. And the fine we mutually agreed will not be passed on to customers, not one penny.

Further, now that the contract has been dealt with, our investigations have concluded, the Jasper project is now subject to further scrutiny, discussion for appropriateness during the normal course rate application at the AUC.

The second fact I want to make clear is that we should take great confidence that the checks and balances of our corporate and regulatory systems work and they work extraordinarily well.

Just as with all capital projects, the Jasper Interconnection was filed with the AUC for their review, their scrutiny, and for appropriateness. During the compilation of these highly complex filings, we were alerted internally that we had improperly filed some material regarding this one particular contract. And we immediately began our own investigation.

Now during our investigation, the AUC was also made aware of suspected irregularities filed on the Jasper project. We worked in concert and in full cooperation with the AUC to thoroughly identify what had gone wrong.

So number three in terms of facts. Our investigations did indeed find that proper procedures were not followed. We found that shortcuts and a lack of transparency had indeed occurred with regards to the First Nations contract. And we did not live up to our own deeply held standard of excellence.

Now I want to assure you, our Board of Directors, the guests here today that in light of these findings, we continued internally to do a thorough forensic investigation and review of all of our projects' contracts. And I can and do happily confirm that this was an isolated incident.

We remain committed to truth and reconciliation. And we will continue to foster respectful, deep, and inclusive relationships with Indigenous communities, here in Canada and around the world. And I am truly sorry this project may have caused our Indigenous communities harm in any way and we will work hard to regain your trust.

Canadian Utilities takes great pride in being a leader in Canada for developing Indigenous partnerships. And some of these partnerships have endured for more than three decades, long before the current discussions on truth and reconciliation occurred, not because we had to, but because it's the right thing to do. And it is in the best interest of the Indigenous people of this country, our utility customers, and non-utility customers alike.

The AUC is very much aware of the need for Indigenous communities to play a role in infrastructure development and has set precedent for Indigenous sole-source contracts, as well as affiliate party conduct, which were the two areas of concern in the Jasper filing.



There are many examples of these types of transactions over the years, which is why I, your executive team, our Board of Directors were so offended that a few individuals in our company who knew how and had properly documented these types of transactions in the past failed to do so this time. Their lack of transparency and oversight is not who we are. It is not how we lead. It's not how we operate. And they are no longer with the Company.

And while I feel the amount of their penalty is far greater than the circumstances warranted, I and your Board of Directors accept that this fine will serve as an important message to all of us in Canadian Utilities, as well as signal the importance of doing things properly, transparently, paying attention to the details, to all utilities across this province.

Within Canadian Utilities, shortcuts and lack of transparency will not be tolerated. Only those that hold our core value of integrity and continue to strive for excellence in all that we do, only these people that fully commit to who we are with courage, discipline, and caring will have a place in our company.

I will now move on to the formal part of our meeting, which will be followed by presentations from Brian Shkrobot on our financials and then back to me on operational highlights. I will then open the floor to all of you for any questions you may have, online or here in person.

Kurt Kadatz, Director of Corporate Communications, is our moderator for the questions and comments being submitted by those attending virtually today. And for you attending virtually, you may submit your questions through the messaging icon on your screen at any time.

Can you believe that we talk about these icons and the virtual approach? It's so nice to be in person. But I understand many of you wanted to be virtual and I appreciate it.

During the meeting, Mr. Kadatz will read out your questions for everyone to hear during the question-and-answer period. I will ask Kyle Brunner to act as secretary for this year's meeting. And I will ask Patricia Selby of TSX Trust, our registrar and transfer agent, to act as scrutineer.

And the scrutineer has advised us that a quorum is present and, therefore, I declare the meeting properly called and regularly constituted for the transaction of business. I think I said that in reverse.

Only owners of voting Class B shares and the holders of valid proxies of those shares, are entitled to vote on the business of the meeting today. And for those shareholders who are entitled to vote and who have not yet voted, you'll be able to vote on the matter before us by way of ballot.

If you are a shareholder or duly appointed proxy holder who submitted voting instructions in advance of the meeting, your vote has already been recorded and registered with our transfer agent. It will be included in the final count.

And for those shareholders who are entitled to vote and are participating virtually, the online ballot will appear on your screen, and the polls for all resolutions are now open online. You can vote at any time during the formal part of the business until the polls are closed at the end of the meeting.

And for those shareholders attending in person who are entitled to vote and have not yet voted, you should have a ballot available to you when you registered this morning. Is there anyone here eligible to vote that did not receive a ballot? Okay. Great.

Completed ballot forms won't be collected because there are none during the meeting. The scrutineer will tabulate all the ballots for each motion, and the results will be announced at the end of this formal part.

Now in order to expedite matters, employee shareowners or duly appointed proxy holders will move and second the motions.

First, I wish to table the consolidated financial statements and the auditor's report, MD&A, and proxy. And you'll notice this year we did a little different presentation with the commentary around our highlights in a different book. These are all available for you at the registrars' desks.

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 corporation and their detailed biographies are available in the management proxy circular. And the meeting is now open to receive nominations for directors.

**Melanie Bayley** — President, ATCO Electric, Canadian Utilities Limited

Good morning. I am Melanie Bayley, President, ATCO Electric. I've been with the corporation for 21 years and I am a proud shareholder.

I nominate for election as directors of the corporation: Matthias Bichsel, Loraine Charlton, Robert Hanf, Robert Normand, Alexander Pourbaix, Hector Rangel, Laura Reed, Nancy Southern, Linda Southern-Heathcott, Roger Urwin, and Wayne Wouters.

**Nancy Southern**

Thank you, Melanie. Are there any other nominations from the floor?

Mr. Kadatz, are there any nominations coming virtually?

**Kurt Kadatz** — Director of Corporate Communications, Canadian Utilities Limited

No other nominations have been received.

**Nancy Southern**

Thank you. I therefore declare the nominations closed.

And may I have a motion to elect those nominated as directors?

**Jason Sharpe** — President, ATCO Gas & Pipelines, Canadian Utilities Limited

Thank you. I'm Jason Sharpe, President of ATCO Gas and Pipelines. I've been with the corporation for 19 years and I'm a proud shareowner.

I move that the 11 persons nominated be individually elected as directors of the corporation until the next annual meeting of shareholders, or until their successors are elected or appointed.

**Nancy Southern**

Thank you very much, Jason. And may I have a seconder for the motion, please?

**Becky Penrice** — Executive Vice President, Corporate Services, Canadian Utilities Limited

I'm Becky Penrice, Executive Vice President, Corporate Services. I've been with the corporation for two years and I'm a proud shareowner. And I second that motion.

**Nancy Southern**

A rookie still. Thank you very much.

And we'll continue with the next item on our agenda, which is the appointment of the corporation's auditors. May I have a motion to appoint the auditors, please?

**Bob Normand** — Director, Canadian Utilities Limited

Good morning. I'm Bob Normand. I'm a director and chair of the audit and risk committee of the corporation's Board of Directors. I have been on the board since 2008 and I also am a proud shareholder.

I move that PricewaterhouseCoopers Chartered Accountants be appointed auditor of the corporation, to hold office until the next annual meeting of shareholders.

**Nancy Southern**

Thank you very much, Mr. Normand. May I have a seconder, please?

**Roger Urwin** — Lead Director, Canadian Utilities Limited

Good morning. I'm Roger Urwin. I have the privilege of being the lead director of your corporation's Board of Directors. I'm a member of the audit and risk Committee. I've been on the board since 2020 and I too am a proud shareowner. I second the motion.

**Nancy Southern**

Thank you very much, Dr. Urwin.

And we will continue with the next item on our agenda, which is the approval of the replenishment of the number of Class A shares reserved for issuance under the stock option plan.

The full text of the ordinary resolution regarding the share reserve replenishment that is to be approved by shareowners is set out on Page 11 of the management proxy circular.

May I have a motion to approve the resolution?

**Becky Penrice**

I'm Becky Penrice. I move that the resolution set out on Page 11 of the management proxy circular be approved.

**Nancy Southern**

Thank you very much, Ms. Penrice. May I have a seconder, please?

**Colin Jackson** — Senior Vice President, Finance, Treasury, Risk & Sustainability, Canadian Utilities Limited

Good morning. I'm Colin Jackson, Senior Vice President, Finance, Treasury, Risk, and Sustainability. I've been with the corporation for nine years and I too am a proud shareowner. I second the motion.

**Nancy Southern**

Thank you, Colin.

As there is no further business for the official part of the meeting, I declare that the polls are now closed.

And if you are voting in person today, please raise your hand if you think that you may have forgotten your ballot.

If you're voting online, the scrutineers will include your vote in the tabulation.

And we'll now wait for the scrutineers to count the votes and declare the results. And this is the part of the meeting that I wish I had a joke or something for you while we wait for our registrar. Oh, very quick.

Our Vice President and Corporate Secretary, Kyle Brunner, has now received the scrutineers' preliminary report. And I would ask you to read the results.

**Kyle Brunner** — Vice President and 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 as director.

**Nancy Southern**

I therefore declare the motion passed.

Congratulations to all of the directors on behalf of all of the shareowners. And I want to thank you each for your tremendous contributions, your attention to detail, and your caring for this great company. Thank you.

Kyle?

**Kyle Brunner**

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

**Nancy Southern**

I therefore declare the motion passed.

And I would like to introduce to you, Shannon Ryhorchuk and Steve Hollinger, partners of PricewaterhouseCoopers, who are here with us today. Thank you very much.

Kyle?

**Kyle Brunner**

With respect to the approval of the ordinary resolution approving the replenishment of the number of Class A shares reserved for issuance under the corporation's stock option plan, the scrutineers have reported that shareholders voted 99 percent or more in favour of the resolution.

**Nancy Southern**

Scott (phon), I bet you wish you had those kinds of voting results in the past.

I therefore declare the Company resolution of shareholders has been approved—or the ordinary resolution of shareholders.

This now concludes the formal business. And I propose that we bring this part of the meeting to an end so that you can hear about the interesting aspects of our financials and our highlights.

May I have a motion to close the meeting, please?

**Kevin Burgemeister** — Vice President of Operations, ATCO Electric, Canadian Utilities Limited

I'm Kevin Burgemeister. I'm the Vice President of Operations for ATCO Electric. I've been with the corporation for 22 years and I'm a proud shareowner. I move that this meeting be terminated.

**Nancy Southern**

Thank you, Kevin. Great to see you.

May I have a seconder, please?

**Jacalyn Hodgson** — Vice President, Engineering, Canadian Utilities Limited

I'm Jacalyn Hodgson, Vice President, Engineering. I've been with the corporation for 20 years and I am also a proud shareowner, and I second the motion.

**Nancy Southern**

Thank you very much, Jacalyn.

All those in favour, please raise your hand. Contrary-minded? Motion is carried.

Ladies and gentlemen, that completes the formal business.

And it is now my great pleasure to introduce you to our Chief Financial Officer, Brian Shkrobot.

Brian?

**Brian Shkrobot** — Executive Vice-President & Chief Financial Officer, Canadian Utilities Limited

Thank you, Nancy, and good morning, everyone. It's indeed my pleasure to address you as your Chief Financial Officer today.

Before I jump into today's presentation, I thought I'd put up this slide. It reminds us of the magnitude and reach of operations here at Canadian Utilities. I can honestly say that I am proud and honoured to work for a company that has so much to offer.

We have world-class skills and capabilities and with over 4 million customers and \$21 billion of assets, we are focused on delivering safe, reliable, and affordable energy to our customers. We're also well positioned to play a leading role in the energy transition for a cleaner future. And of course, we're focused on creating long-term value for you, our shareholders.



My presentation today will address three main topic areas. First, I would like to talk about the main financial accomplishments in 2021, an uncertain and a volatile year. Then I will share with you how we've financially positioned ourselves for future growth and then, finally, discuss how we're setting the stage for long-term value creation into the upcoming decade.

Let's begin with a review of our 2021 financial accomplishments.

Now 2021 continued to present a challenging economic backdrop. Throughout the pandemic, we have seen inflation increase to historic levels. Supply chains around the world have been and continue to be disrupted.

Now thanks to the nature of your business and regulation, we've been largely spared both here in Canada and Australia. Regardless, supply chain interruptions are high on our radar and we continue to manage through this.

To help combat the unprecedented inflation, the Bank of Canada has signalled that it'll act forcefully to tackle the problem. They raised interest rates by 50 basis points in early April. This is the first time that they've made an increase of this magnitude in over 20 years. Now the Bank of Canada has raised interest rates at each of their meetings so far this year and have indicated that rates are likely to rise aggressively in the near term.

Thankfully, your company is still well positioned for growth against this backdrop. We have significant cash and liquidity and have locked in low-cost and long-term debt. We've also had a long history of maintaining access to the capital markets. And in fact, we've had to weather various economic or regulatory storms throughout the decades.

As you know, our investments are largely focused on regulated utilities and long-contracted businesses with strong counterparties. This has been a key foundation for us. It provides resiliency through the most challenging of times.

And as you can see here, we can deliver results across difficult periods, whether it was the global financial crisis of 2008 and 2009, or the commodity price drop in 2015, and now it's the COVID-19 pandemic. We have proven time and time again we can successfully deliver on any economic and regulatory cycles.

Turning now to our earnings for 2021. Despite lingering pressure of the pandemic, I'm happy to report that 2021 adjusted earnings increased by \$51 million, or 9.5 percent from the previous year. What incredible results. So why was that? Let's look at some of the key drivers, shall we?

One main driver was LUMA Energy. LUMA's earnings of \$44 million increased by \$32 million from the prior year. This exceptional performance was largely due to getting operations up and running in June of last year. Since taking over operations, our team has made tremendous progress, and Nancy's going to touch on that on her presentation. We expect LUMA to continue to be a meaningful contributor of earnings and cash flows for us.

Now although energy infrastructure earnings remain consistent at \$28 million year over year, we secured key contracts and made significant strides on our energy transition strategy. Highlights include announcing three new solar projects, beginning work on a renewable natural gas opportunity, acquiring an energy storage facility, as well as progressing numerous hydrogen developments, such as our partnership with Suncor.

Yes, we are heavily investing in this area, as we see it as a strong growth platform for us in the future.

In addition to LUMA, our natural gas distribution business in Australia also had an exceptional year, contributing \$34 million to the year-over-year increase in earnings. Favourable inflation trends in Australia, increased customer throughput, together with cost efficiencies, were the main contributors.

Finally, rounding out the list is our utilities in Alberta. Our transmission company's results reflect both a pass-through of previously implemented cost efficiencies into lower customer rates, as well as a number of prior-period regulatory adjustments, while our distribution businesses continued to benefit from the cost efficiency programs.

Overall, we are truly proud of these results and proud of our people who delivered service excellence across the business.

Now I want to go back to the utilities and touch on an important regulatory area: performance-based regulation, or PBR for short. 2022 is a watershed year for both of our Alberta distribution utilities. It marks the final year of their second PBR turn.

The basic principle of PBR is that companies are incented to find cost efficiencies. The Alberta Utilities Commission has appropriately recognized the value of providing incentives to these companies, as these incentives translate into long-term value for customers. The value to customers occurs at the end of the PBR cycle when rates are reset with the lower ongoing cost base.

Now this slide shows how well we've done to drive down costs for customers. This is important, given rising utility bills driven mainly by commodity prices, extreme weather, and the carbon tax. In our electricity business, you can see the results.

Translated into 2021 equivalent dollars, maintenance cost per kilometre of line has been reduced by 17 percent over the past six years.

Likewise, in our natural gas business, we've also reduced our operating cost per customer by 19 percent over the same period. And we continue to be the lowest-cost provider in Canada.

We are proud of our ability and of our people to find and execute on efficiencies across the business. It is a core strength of ours and essential to our business. It drives long-term value for customers and near-term earnings for shareholders.

Now we'll move on to the next topic, financial strength.

As shown on this slide, we maintain a substantial amount of liquidity and plan on continuing to do so. Our access to capital markets remains strong. Secure, high-quality names, such as ourselves, continue to be in high demand. Our recent preferred share and debenture issues last year are proof of this. Both issues were oversubscribed and closed at very favourable rates.

Needless to say, the low cost of financing is good for us and very good for our customers. Our ongoing commitment to sound fiscal stewardship is supported by our conservative financial discipline and prudent capital management.

We're proud to be rated by three major agencies as investment grade. CU Inc., our largest debt issuer, continues to be A rated. We have ambitious plans for growth, and I'm happy to say that we have the financial capacity to do so.

Now this slide never gets old. We've increased our common share dividend every year for the past 50 years, the longest track record of any Canadian publicly traded company. We're very proud of this achievement and will continue to grow our dividend consistent with the growth of our underlying investments.

Next, I want to touch on value creation. It is clear that our leading dividend increases provide income for our investors. Our earnings growth helps provide capital gains. These two facets of the equation mean that we deliver impressive total shareholder return year after year.

If we look at the 20-year annualized total shareholder return, we can see that we created a lot of value for our shareholders. In fact, over the last 20 years, we've outperformed the S&P 500 Utilities Index by 70 basis points and the S&P TSX Composite by 130 basis points. We've done all of this by keeping a key eye on costs and remaining focused on innovation.

Okay. Let's look forward to what lays beyond 2021. And as you can see, we're off to a great start in 2022.

In the first quarter this year, we've achieved adjusted earnings of \$219 million, \$28 million higher than the prior year. This \$28 million increase was a result of strong performance in our utilities and, especially, our natural gas distribution business here in Alberta.

It is the final year of the current PBR cycle, and our gas business saw an increase of \$18 million. This was largely driven by continued cost efficiencies, rate-base growth, as well as timing of certain expenditures.

Our LUMA operations also contributed to higher first quarter earnings. LUMA's earnings increased by \$6 million, more than doubling from the same period last year.

And finally, we benefitted by the earnings contributions from our recent acquisition of the Alberta natural gas storage hub, which is performing very well for us.

Overall, we are delighted that our business has carried the momentum from 2021 into a great start for 2022.

As we look to 2022 and beyond, our company sits atop a core foundation of earnings and dividends from our utility companies. We seed future growth by investing in assets in industries where we can apply our world-renowned expertise.

An example of this is LUMA, a great capital-light business. We beat out some of the largest companies in the world to secure the largest-ever federally funded project in US history: to rebuild critical infrastructure for a better Puerto Rico.

This foundation is complemented by investments that provide diversification and higher growth opportunities, such as renewables and clean energy. This combination creates a more resilient energy portfolio and enables us to continue to play a leading role in the energy transition.

Finally, our financial capacity allows us access to capital markets to fund these key initiatives and to continue on our growth trajectory.

Now we cannot talk about the future without also talking about sustainability. The two simply go hand in hand. It is inseparable from our vision of delivering inspired solutions for a better world. From decarbonizing energy to advancing Indigenous reconciliation, we are uniquely positioned to deliver truly sustainable solutions.

We have made extraordinary progress in recent years. Since 2005, we reduced our direct GHG emissions within our portfolio by 96 percent. For the sake of comparison over the same period, Canada's overall national emissions decreased by just over 1 percent.

We have established 2030 targets that are shown here, which demonstrates our commitment, and we've also committed to net zero by 2050 and are working with all levels of government to advocate for enabling policy and regulation.

Now ESG is more than just reducing one's impact on the environment. Our operations around the world have a meaningful economic impact on hundreds of communities and this is through the jobs we create, the goods and services we purchase, our commitment to Indigenous reconciliation, and capacity building. And we are certainly proud of the impact we've had on communities that we're so privileged to serve.

In closing, over the past year, we have intensified our focus on strengthening our foundation. And we've leveraged our world-class capabilities to grow and diversify into new markets. These efforts, combined with our conservative financial discipline and pursuit of operational excellence, were the basis for the strong financial performance in 2021.

As we look beyond, we can see a bright future. What a great time it is to work for Canadian Utilities. With our research and expertise in areas such as hydrogen, renewable electricity generation, and energy storage, we believe we are well positioned to play a key role in the energy transition. Not only does this protect our core business; it also provides for a continued growth platform for our company.

So that concludes my remarks today. And I'll now turn over the mic back to your Chair and Chief Executive Officer, Nancy.

**Nancy Southern**

Thank you, Brian. That was a terrific presentation.

And now I'd like to focus a little bit on the operational highlights against a backdrop that we're all too well aware of. The world has been fixated on the pandemic, and rightly so. But as a result, we have had little time to address and consider the macro trends that are unfolding and gathering strength as a perfect storm forms around us.

2021 saw nations commit to some of the most ambitious climate targets to date. And yet, over the past few months, with supply chain and trade disruptions, paired with pent-up demand, geopolitical turmoil in general, and the Russian invasion of Ukraine specifically, we find the world has spiralled into an energy crisis and laid bare a very big dilemma.

Our world remains very dependent on fossil fuels. And while we must fight climate change, cleaner sources of energy do not yet provide the affordability and reliability we need.

Adding further complication to the energy transition is, as Brian mentioned, a lack of clear policy and regulatory requirements. In some regions, this has begun to erode support for decarbonization, a perilous outcome as the world is committed to a net-zero greenhouse gas emission by 2050.

Much has been made of the extraordinary scale of the energy transition and for good reason. How electrons and molecules are created and how they move through our systems, how they're stored, and ultimately how they are used is all changing.

Concerns over the climate have prompted a panoply of far-reaching, seemingly disconnected, overlapping multilevel government policies. And while the ambitions of policy makers continue to grow, regulators have struggled to keep up. Bridging this gap will require open and honest dialogue with Indigenous communities and with industry. It cannot be done in isolation. And for some, the scope and scale of the energy transition seems far too daunting. Some believe it's impossible, but not us, not Canadian Utilities.

We often refer to our long track record of operational excellence and financial strength, and I'm going to take you on a little bit of a journey. What truly drives our people is the purposeful courage to effect positive change. With a track record dating back more than 100 years here in this province, we've



already shaped the evolution of the energy sector in hundreds of communities around the world more than once.

We began in 1911, when the Canadian Western Natural Gas, Heat, and Power Company began piping natural gas from Bow Island and the Turner Valley region into Southern Alberta communities. Now this may seem like a very modest start by today's technological standards, but to the people we served it was revolutionary and the prosperity it created was historic.

And in the interceding decades, we have brought heat and light to homes and businesses for the very first time, not just in Western Canada, but right across Canada's North. We've powered the growth of entire economies, delivering reliable, sustainable, and affordable energy that fuelled innovation and industry. Simply put, our business has always been about enabling energy transition. And in the net-zero world, Canadian Utilities will continue to be a leader.

Of course, achieving net zero by 2050, as I've already mentioned, is a societal challenge that no individual business or government can solve on its own. It will require unprecedented collaboration among all constituents and a pragmatic, affordable roadmap from policy makers to unlock the required scale of investment. It will also require forthright acknowledgement that there is no one size fits all.

There is no one-size-fits-all formula to achieve decarbonization. We must pursue many pathways simultaneously if we are to achieve our looming emissions goals without sacrificing affordability or reliability.

Now it does bear mentioning that reliability is far more than a utility buzzword. It comes up very often. It's bandied about by policy makers and academics often as an afterthought. But make no mistake: Reliability is a matter of public safety.

Take the last week of December this past year here in Alberta when Alberta's temperatures plunged to minus 37. Both heating and electricity demand were near record highs. For that whole week, Alberta's wind facilities and solar operated—well, the wind operated at just 12 percent capacity. And in fact, during periods of peak winter demand, the availability of wind and solar in this province is consistently below 10 percent.

All of us here in Alberta have experienced when it gets super cold, there is no wind. In the middle of winter with short sunlight hours, we don't have solar electricity. Now imagine the impacts to our society, to hospitals, schools, retirement centres, and hospices if our grid were to fail due to this intermittency in the midst of such a cold snap. Reliability is equal to public safety.

And now consider the implications of electrifying heat through renewable electricity. Alberta's electricity system has approximately 16 gigawatts of installed capacity and it serves a seasonal peak demand of about 12 gigawatts. That's on the electrical side. But consider that on the coldest winter days, our peak heating demand for natural gas is the equivalent of nearly 50 megawatts of electricity—or gigawatts, excuse me, gigawatts, more than 3 times greater than Alberta's entire installed generation capacity.

Make no mistake: Cleaner sources of electricity will drive the energy transition and the rapid adoption of solar and wind will transform how electricity is produced around the world. But we must explore all avenues. Electrification is not a simple answer; it's not the only answer. Using the production of cleaner fuels and cleaner electricity, critical energy infrastructure, and operating the utilities of the future are all part of a solution that we are all hoping to achieve.

Renewable energy is enjoying unprecedented momentum, for sure. And through to 2026, not too far away, renewables will account for 95 percent of global growth in generation, with solar providing more than half of that. And we will be, and are, positioned at the forefront of that growth.

In September of this past year, 2021, we announced two new solar installations in Calgary with a combined capacity of 64 megawatts of electricity. Now these projects are actually the largest solar installations inside a major Western Canadian city and, combined with our other solar initiatives, it will give us more than 100 megawatts in our portfolio, putting us well on our way to our target of 1,000 megawatts by 2030.

We're also pursuing several exciting projects in our home away from home, Australia. Australia has some of the best renewable resources in the world, but some of its sunniest and windiest places aren't well connected to existing infrastructure. All told, it's estimated that the opportunity for total infrastructure in Australia's clean electricity market is over \$27 billion. And we see this as fitting right into the sweet spot of Canadian Utilities' skill sets. And I look forward to providing you with more information on some of our projects Down Under in the very near future.

Now while accelerated investment in renewable power is critical, it, as I mentioned, is not a silver bullet. In certain applications and in certain jurisdictions, electrification, as I've said, is neither technically nor economically feasible. In these instances, cleaner energy-dense fuels are required and hydrogen is the fuel of choice. Hydrogen will play a key role in transitioning Canada's vibrant energy sector to a low-carbon future.

I think we're all familiar with the fact that Alberta's oil and gas industry contributes nearly \$100 billion annually to the provincial and Canadian economies. It is a very important industry for Canada. But in Alberta, they also account for 70 percent of Alberta's emissions. By using our natural gas to produce

hydrogen as a feedstock, we can ensure that this vital to Canada industry doesn't simply survive, but actually thrives in a decarbonized world.

If you take, for example, our proposed clean energy hydrogen project we announced last year with Suncor, that project will produce more than 300,000 tonnes per year of clean hydrogen, while capturing more than 95 percent of the carbon emissions, actually reducing Alberta's CO2 emissions by more than 2 million tonnes annually.

This project is no small task and it requires many aspects to come together sequentially and simultaneously as both Canadian Utilities and Suncor work in concert to achieve commissioning by 2028.

And one of the major aspects of the project is CO2 sequestration. And I'm pleased to say that just a few weeks ago, the Government of Alberta announced that our proposed sequestration project with Shell, Indigenous partners, and Suncor has been selected to progress to the next stage. The Atlas Hub, as it's called, would serve Alberta's Industrial Heartland, providing permanent subsurface carbon storage for industrial users in the Heartland. And it will be an open-access hub format.

Now another step underway for this project—we're not just talking about the project; we're actually making progress and doing things—another step is that drilling for core sampling has been undertaken to prove out hydrogen storage in the salt caverns of the Heartland. These core samples are currently being reviewed by government-approved labs in the United States for their robustness.

And just this morning—I'm not sure if you all had a chance to see—but we announced we are building two hydrogen production refuelling facilities here in Alberta for Canadian Pacific's Hydrogen Locomotive Program. This is for use as another commercial transportation fuel.

While cleaner fuels and electricity are essential to net zero, they are not the only part of the equation. This energy also requires a cost-effective conduit to reach customers. And in that respect, our natural gas utilities and electric utilities are playing a very key role.

In ATCO Gas, we are leveraging our clean fuel expertise in our first of its kind Fort Saskatchewan Hydrogen Blending project. The project will blend 5 percent hydrogen into our distribution system and will be Canada's largest hydrogen blend for customers serving 2,000 homes, who'll be the first in the province to use hydrogen-blended natural gas.

And over the long term, we envision providing hydrogen to all of our customers across Alberta, which is a far more cost-effective way to provide reliable alternative energy for decarbonizing heat than electricity is.

In Western Australia, we're also growing our hydrogen footprint, where we continue to build on our work at the Clean Energy Hub in Western Australia. We've successfully tested a 10 percent hydrogen blend at our major pilot project at the depot in Jandakot near Perth. And in 2021, we secured milestone-based funding from the Western Australia government to enable blending into 2,500 homes within our network. The WA Australia state government has set a target of 10 percent blend by 2030.

Now back here in Alberta, we're working towards a totally integrated smart electrical grid. And you've all heard about smart grids. What are they? Well, this smart grid is going to allow residential customers and commercial customers to accept and produce renewable energy in the future.

In Grande Prairie, our Electric Distribution division recently replaced more than 30,000 traditional electric metres with advanced metering infrastructure. They're called AMI. Using two-way communication, these metres digitally record and report customer consumption in real time. With this

step now complete, we've begun a pilot program that provides energy consumption data and pricing data to these customers, helping them decide when they use electricity at what price.

The next step, then, is for government and our regulator to allow residential and commercial customers to sell their self-generated electricity from assets like rooftop solar back into the grid. The next project that we'll be conducting on automated metres is going to be in Lloydminster very shortly.

Now our expertise in operating world-class utilities, Brian mentioned LUMA quite a bit and some of you may not be familiar with LUMA. But this expertise is making a real difference in Puerto Rico. LUMA, which is jointly owned by Canadian Utilities and Quanta Services, was created to transition Puerto Rico's aged and dilapidated grid into one that is resilient and reliable.

Since LUMA assumed operations last June and despite significant political and infrastructure challenges, the team has remained focused on improving the infrastructure, providing better customer service, and supporting renewable energy adoption in Puerto Rico.

Now admittedly, the political environment is even more difficult than we had anticipated and the infrastructure is in an alarming state of disrepair. So the fix is not going to happen overnight. However, the US federal government, FEMA, and the Federal Oversight and Management Board has made it clear that in order for Puerto Rico to receive the \$10 billion of FEMA funding over the 15-year contract, it must be applied through a bona fide third party.

ATCO, Canadian Utilities, Quanta were selected against three of the top international utilities in the world. Calling the company LUMA, drawing from our own expertise, our very own Wayne Stensby is acting as CEO of LUMA. Along with his great team, they are doing remarkable things. They're already delivering shorter wait times for customers visiting or calling its customer service centres. And in the last

quarter, LUMA representatives answered calls 94 percent faster, on average, and customer wait times were less than 1 minute.

Now that doesn't mean that there aren't interruptions. There are blackouts there still and some of them are pretty major. But at least now customers know where they are, when they could be expecting to get back online with their power, and how long it will take. And prior to LUMA coming into Puerto Rico, that was not the case.

In addition to improvements in customer service, we are also improving customer connections to renewable energy. And in less than one year, we've increased renewable energy capacity by 42 percent, connecting more than 17,000 customers with rooftop solar, representing an additional 95 megawatts of distributed generation on the island. And while there is much more work to do in just a short period of time, our commitment to doing what is best for our customers is already having an impact.

And across all of our utilities, we are focused on providing sustainable, reliable, and especially affordable energy services. And this is particularly important against the backdrop, as Brian mentioned, of rising inflation, higher interest rates, dramatic increases in energy commodity pricing and supply chain disruptions. While our rates are not immune to these global pressures, we're committed to mitigating rising costs wherever we can.

Now as Brian mentioned, ATCO Gas here in Alberta provides the lowest monthly distribution charge to residential customers for natural gas compared to similar companies right across North America.

And it's important to understand, because all of us here are actually users of either ATCO Gas or ATCO Electric in some form or fashion, it's important to understand that distribution and transmission charges from our companies are just two of many charges that appear on customers' bills. In fact, many

of these costs are set by others, including the federal carbon tax, as well as franchise fees imposed by municipalities and administrative costs for the AUC.

Now we're equally focused on affordability within our electric utility operations, and there's been a lot of discussion in Alberta about utility bills, though the nature of our service territory for ATCO Electric presents extremely unique challenges. And I'd like to describe that for you.

ATCO Electric's distribution network is unlike electric transmission. The costs for electric transmission are shared equally across the province. So in other words, ATCO Electric, AltaLink, and other companies' transmission costs are all blended together and shared across all customers in the province as one rate. That is not the case for distribution costs. They're shared only by customers in each respective company's service territory. And this creates an uneven playing field and a cost disadvantage for ATCO Electric's distribution customers. They're shared only by customers in the service territory.

So ATCO Electric maintains a vast system, all of the blue colour you see on the graph, across some of Alberta's most difficult and challenging terrain. Our powerlines stretch from Fort Chipewyan to Oyen, Lloydminster to Grande Cache, delivering electricity to nearly 240 communities and rural areas. In fact, we service about two-thirds of Alberta's land area, but we only have 13 percent of the population in our distribution area.

With fewer customers to share the costs of the system and longer distances between customers, rates are inevitably higher. And when compared to the province's major cities serviced by ENMAX and EPCOR and Fortis, they're extraordinarily high.

Within our service territory, there are less than four customers per kilometre of line that are able to share the costs. And while EPCOR here in Edmonton has nearly 78 customers per kilometre of line



to share the costs, you can see there's a complete disparity and unlevel playing field and a true disadvantage for ATCO Electric's distribution customers.

Now despite these unique challenges, over the past six years we have reduced our operations and maintenance costs per kilometre of line—and Brian has mentioned this already—but done so in distribution by 17 percent over the past six years and by 36 percent on our transmission costs.

We will continue to pursue ways to drive down costs for our customers and we're actively involved in discussions with all levels of government and the regulator in trying to sort out this disadvantage.

While advancing the energy transition is an imperative order of the highest magnitude, it is not the only societal challenge we're working to solve. We're resolute in our commitment to advance Indigenous reconciliation and to continue growing the more than 50 Indigenous partnerships that we maintain.

In August of last year, the Vuntut Gwitchin First Nation and Canadian Utilities announced the completion of Canada's most northerly off-grid solar project, reducing diesel use by nearly 190,000 litres annually. This project is in Old Crow, Yukon. It showcases a first of its kind electricity purchase agreement. Vuntut Gwitchin will serve as the independent power producer, owner, and operator of the facility, and ATCO Electric Yukon will purchase the electricity for the next 25 years and feed it into the grid.

Also in Canada's North, just last quarter we concluded an agreement with our long-standing partners, Denendeh Investments Incorporated, or DII. That transaction was able to increase DII's ownership interest in Northland Utilities from 14 percent to 50 percent.

I'd like to offer my congratulations to Darrell Beaulieu, the CEO of Denendeh Investments. Darrell works tirelessly to create long-term prosperity for the Dene people of the Northwest Territories. And for

over 35 years, Northland Utilities has been part owned by Denendeh Investments, representing 27 Dene First Nations across the Northwest Territories.

As with Indigenous communities, our respect and gratitude to have the privilege to work and live in all communities around the world requires our standard of excellence. It requires us to do more than anyone expects of us and truly care about the people of our communities.

And with the combined efforts of our employees around the world, we pledged last year nearly \$3 million to support hundreds of important causes through our annual ATCO EPIC Campaign. And that takes this program's cumulative fundraising to \$50 million since 2006. And none of our achievements would be possible without the integrity, the courage, resilience, and compassion of the people of your company in Canadian Utilities.

Our collective purpose, to make the world a better place through the delivery of improving essential service solutions, is our commitment. And I thank each and every one of our Canadian Utilities team for their determination and their courage.

I also want to thank members of our executive team, especially Brian Shkrobot, who was appointed Executive Vice-President and Chief Financial Officer this past year. You've done a fantastic job, Brian.

I also want to thank again our incredible Board of Directors. Their expertise and counsel this past year and through some extraordinarily trying times has been remarkable. And to you, our shareowners, our partners, our friends, thank you for your continued belief in us.

And now, I will open the floor for questions that any of you may have.

Did I do it wrong again?

Wayne? Wayne Stensby, did I do your name wrong again? I apologize. Wayne Stensby, our CEO of LUMA. I apologize. Oh, my gosh. I said the wrong name. Wayne is doing a super job. Thank you, Wayne.

Yes. Yes, Doug?

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## Q&A

**Doug Hornbeck** — Shareowner,

Okay. Thank you, Madame Chairman. My name is Doug Hornbeck and I'm a proud B Class, C Class, D Class shareholder.

I would wonder if the board would consider having a B Class shareholder attend a committee meeting. It would be a chance for most people that they would never ever have to join in an atmosphere of a major world company. The attendee may share an opinion, or even give a chance to ask a question or two.

My other question would be, could the advertising department consider getting the story of the Company to the masses? I remember years ago an ad where a house was removed of everything related to oil, gas and if you put electricity and water in there, and I can't remember if the gentleman was even left with any clothes on. When you think of how this company affects the world it's incredible, and we need to get these numbers, you see them and I see them, but I don't think the masses understand just how great CU is.

So thank you. That's my questions.

**Nancy Southern**

Doug, thank you very much for that, and I agree with you on the marketing front. We have not done the best job of telling our story. And you met Becky Penrice earlier in the formal part of the meeting,

our new Chief Administration Officer, who is working with myself and the executive team to develop much better communications about the story of our company. And so thank you very much for that. I believe it's important.

I think it also will have an impact on the share price, which we were talking about a little earlier this morning. I'm happy to show you that that long-term return is quite extraordinary and stands apart from all other companies within the TSX right now. And that, also, is part of the story that we need to tell.

Now in terms of the committee meetings for B Class shareowners, I don't see any problem with attending. I'm not sure which committees. I'm going to, actually, I'm going to ask Dr. Roger Urwin, our lead director, to perhaps comment on the types of meetings that might be possible or appropriate for the B Class shareholders.

### **Roger Urwin**

Thank you, Nancy. That was what I think's called a curve ball, isn't it? I do think—I mean, I would say from the outset that I think that suggestion of involving, the possibility of involving our shareholders, it's your company, and we are guardians of this company on your behalf. A number of the meetings we have are really quite technical and I'm not insulting anybody's technical capacity. We would have to be, I think, quite careful with how we did that. But certainly coming in as an observer and able to ask a question, I think, will be something that we can really look at very, very closely.

I'm not entirely sure. We all as directors have a variety of meetings, some with individual divisions which may be of interest and some more broadly. And I think we can immediately find some opportunities for some participation in those, provided, of course, that we don't end up with confidentiality matters and other such things. So I think those things we have to be aware of.

But generally speaking, I think it's a terrific idea of involvement of shareholders. We have some terrific facilities, as you know, that we are developing and have in my past had a number of shareholders and given them the opportunities of seeing some of our activities on the ground, which I think is also an excellent opportunity to get an understanding. I mean, you can see these wonderful pictures of our people and of our facilities. But I can assure you, for us and for you, there would be no comparison with the understanding and insights you'd get into the complexity and the commitment of everyone in this business if we perhaps thought about the odd visit for our shareholders.

So I think those are my immediate observations, Nancy.

**Nancy Southern**

I think that's great. Doug, thank you for bringing that up, and we will definitely undertake to make sure that we find a way—I think, for sure, the physical facilities. If you went to just north of here in the Heartland, Melanie's DC converter station, it is incredible the complexity of that project, or Bob Myles' salt cavern storage facilities. I think that also would help give you a much better understanding of the business. So we'll take that away and stay in touch. Thank you for that.

Anything else, Kurt? Mr. Kadatz?

**Kurt Kadatz**

Thank you, Nancy. Yeah. We do have a number of questions coming in through the Lumi webcast, a number of employee/shareowner questions.

This one here is about hydrogen and hydrogen blending. A question from Ashley Vilgrain who asks, we are wanting to bring hydrogen blending to all of Alberta. Can you tell us more about the timeline? And who will pay for this?

**Nancy Southern**

And who will?

**Kurt Kadatz**

Who will pay for this?

**Nancy Southern**

Yeah. That's a great question, Ashley.

As I mentioned, the Suncor project we are striving to commission by 2028, so that's not too far off. And we really are determined to hit that deadline.

We already have the majority of that hydrogen committed to. So 65 percent of the 300,000 tonnes I mentioned that are produced annually, 65 percent of that will go directly into Suncor's refinery and cogeneration in the Heartland.

We have other customers that will be taking that on, but it is going to take some time to develop the infrastructure to deliver all of the hydrogen required. We'll be able to put, as I mentioned, hydrogen into the natural gas pipeline to blend hydrogen for customers.

And both the federal government and the provincial government recognize that there is a need to have special different types of grants or underpinnings for a lot of these projects. And I think for Alberta, if we think back to, I guess, the early days of development, whether it was Bow Island and the Turner Valley, or whether it was the oil sands, both federal and provincial governments recognized that there had to be support and incentive to get these energy transitions done. And that's exactly the same case today.

I don't know what the economics are going to look like. I do know that carbon pricing is going to play a major role in making the economics go around. So if we have a \$170 carbon tax, it is probably going to be more economic to use blended hydrogen than straight natural gas.

And so we're still working through all of these things. And that's why I said at the outset, it's so important to have open and honest dialogue. Multilevel governments need to sit down with Indigenous communities and industry to sort this out so that we get it right. And if we get it right, Canada has the most wonderful opportunity to be the number-one exporter of hydrogen for use around the world, another great export commodity for us. So we must get it right. We must work hard and collaboratively to do this.

And I can't give you an answer, Ashley, on what the price will look like, but I know that the costs are going to have to be shared across multilevels of participation.

Thank you.

**Kurt Kadatz**

Great. Thank you, Nancy. We'll go to another question on the line, if there's none in the room. Just a quick comment.

Donna Humphreys (phon), who is a shareowner, I believe, and certainly was our corporate librarian for a number of years, had a question she asked about LUMA. But, Nancy, you ended up covering off her question during your update, so she was appreciative of your update. So thank you.

A question here from Damien Bolingbroke, who's an investor as well. He wonders if there are any further partnerships with oil and gas producers that you foresee in the future?

**Nancy Southern**

Yes. And in various different ways. Sorry, what was the name again?

**Kurt Kadatz**

Damien.

**Nancy Southern**

Damien. We've had many, many partnerships over the decades with the oil and gas producers. Shell, for a very long time we provided cogeneration to their oil sand site and their refinery.

Alex Pourbaix is here from Cenovus. I look forward to finding a way to work directly with Cenovus, which we have in the past. And through Cenovus' acquisition of a number of other assets and companies, we've actually serendipitously provided cogeneration for some of those installations.

Alex is a terrific board member and has great insight into how the oil and gas industry is looking at decarbonization and their sustainability portfolio. And I believe we can all work together. We have worked together for many years. And I look forward to many new opportunities with our incredible oil and gas industry in the future.

Thank you, Kurt.

Any other questions here in the room?

Siegfried, welcome. Nice to see you. And Brian Bale. Nice to see Brian here and Seth.

Sarah (phon), did you have a question? Oh, it's like an auction. You don't want to raise your hand.

And, Kurt, there's nothing more online? Oh, two more? Okay. Please go ahead—

**Kurt Kadatz**

We have a couple more and let's just cover those off. Thank you, Nancy.

**Nancy Southern**

Okay.

**Kurt Kadatz**

This one from Gina Zsombor, who is an employee shareowner.



She says that you have mentioned this goal of net zero by 2050, among other ESG targets. Can you please share your view of how getting to net zero is achievable? That was from Gina.

**Nancy Southern**

Yes. Gina, I hope that I described that well at the beginning of my presentation that it will require many different solutions. There cannot be one size fits all. We haven't figured it all out yet, whether it's the global community or our micro communities. There's a lot of work yet to do. I do believe we can get there. I think that—and I believe that there's a lot of very earnest people striving to find the solutions.

After we actually address the energy situation, we're going to have to find a way to incorporate other industries, like agriculture. Agriculture's kind of on the backburner, not at the forefront as energy, but we need to resolve a lot of problems in terms of climate with agriculture. We all need to continue eating. And even though we're talking about the energy crisis because of the Russian invasion, we actually may have a very dire food crisis in the coming years because of the disruption of grains coming out of the Ukraine and Russia.

If we're going to expand production and utilize our lands to optimize food production, including cattle, hogs, sheep, and chicken—we aren't all going to go to plant-based food—we need to really be working with energy and with governments to get those solutions put in place so that it doesn't become extraordinarily taxing in terms of costs for all of us.

Gina, all to say, I look forward to working with you. If you have solutions, please, please, let's hear about them. We'll find them. We'll find them, but it is going to take hard work. And as I said, there's no silver bullet to any of this.

Next question, Kurt?

**Kurt Kadatz**

Great. Last one here, Nancy, on the line from Christie Simpson who says, good morning. Can you tell us a little bit more about how the CP announcement furthers Canadian Utilities' hydrogen aspirations?

And I believe Bob Myles might even be in the room here.

**Nancy Southern**

Yes. I'll let Bob Myles, who's our Executive Vice President of Corporate Development, he's very, very close to this new award.

But I will say what's really exciting about it—Bob, you can have a mic; go ahead—what's really exciting is that we're starting to see demand naturally develop for hydrogen within the province. So we're getting a fully integrated economy: long-haul trucking, we were talking about that earlier; rail transportation; energy in our—we were talking about that—energy blending in our utilities.

Go ahead, Bob. You can do a much better job than I.

**Bob Myles** — Executive Vice President, Corporate Development, Canadian Utilities Limited

You were well on your way. So thanks, Christie, I think. So one of the things we really looked at with hydrogen—and Nancy's alluded to this—is really four key customer groups. One is the utilities, so blending into the utilities; two is reducing emissions with our industrial demands; three, really looking at the long-haul transportation sector; and four being export.

And the CP announcement is really our first step into the long-haul transportation. So it's building refuelling stations with CP, so the rail business, but we really see that as the first step into a national program of hydrogen for transportation for the long-haul transport. So that's really how we see it fit. It aligns quite nicely with what we're doing in Australia as well, so thanks, Christie.

**Nancy Southern**

Sharon (phon), any questions?

Oh, I'm sorry. Chief Morin?

**Billy Morin** — Stakeholder,

I have to be honest. I'm not a shareholder, but I am a stakeholder, I guess you can say.

So the first thing that comes to mind today is I just want to acknowledge CU, ATCO for the first thing you said today, which was acknowledging a difficult conversation in terms of some of the recent penalties in the Jasper area.

And less of a question and more of a comment in that I hope to see you and ATCO realize that for every Jasper unfortunate incident, there are way more Old Crows, way more understanding on the roads, way more partnerships in Fort McMurray, way more partnerships in Australia.

And even during COVID, the most like visible, one of the most visible things that happened in Indigenous communities was ATCO structures, trailers, going in and being safe places for people that needed to isolate. So just my hat's off to this company for its reconciliation plan.

And I hope it's not—I hope the Company doesn't take that as like a—more of a—I hope it takes it as more of a bump in the road. So I see tremendous futures in hydrogen. This week in Edmonton has been amazing. I'm encouraged to learn more about the Atlas project, not something specifically my First Nation is partnering with, but I hope the door's not closed in terms of other maybe it's not the production of hydrogen, but even some of the long-haul trucking, the CP rail that goes from here to a whole bunch of other places down into Mexico, CN, that type of stuff.

And the last thing I'll say is just thank you to ATCO. Twelve years ago and twenty pounds ago that's where I started my internship, so thank you.

**Nancy Southern**

Thank you, Chief Morin. I appreciate that, and I commit to you and all of the communities, Indigenous or not, that we work with that we will not make the same mistakes. And I really appreciate your trust. And I'm glad to hear that we have made a difference for you. And there is lots of room for Indigenous partnerships in all of these projects that we're undertaking during the energy transition.

Thank you very much. It's been a bit of a long morning and I always apologize at our in-person AGMs for the length of time the meeting takes. But I enjoy seeing you all so very much and appreciate your in-person commitment to being here.

Ladies and gentlemen, we are adjourned, and I look forward to seeing you again next year. Thank you.