An ATCO Company

CU INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2019

This Management's Discussion and Analysis (MD&A) is meant to help readers understand key operational and financial events that influenced the results of CU Inc. (our, we, us, or the Company) during the three months ended March 31, 2019.

This MD&A was prepared as of April 24, 2019, and should be read with the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2019. Additional information, including the Company's previous MD&A (2018 MD&A), Annual Information Form (2018 AIF), and audited consolidated financial statements for the year ended December 31, 2018, is available on SEDAR at www.sedar.com. Information contained in the 2018 MD&A is not discussed in this MD&A if it remains substantially unchanged.

The Company is controlled by Canadian Utilities Limited, which in turn is controlled by ATCO Ltd. (ATCO) and its controlling share owners, Sentgraf Enterprises Ltd. and the Southern family.

Terms used throughout this MD&A are defined in the Glossary at the end of this document.

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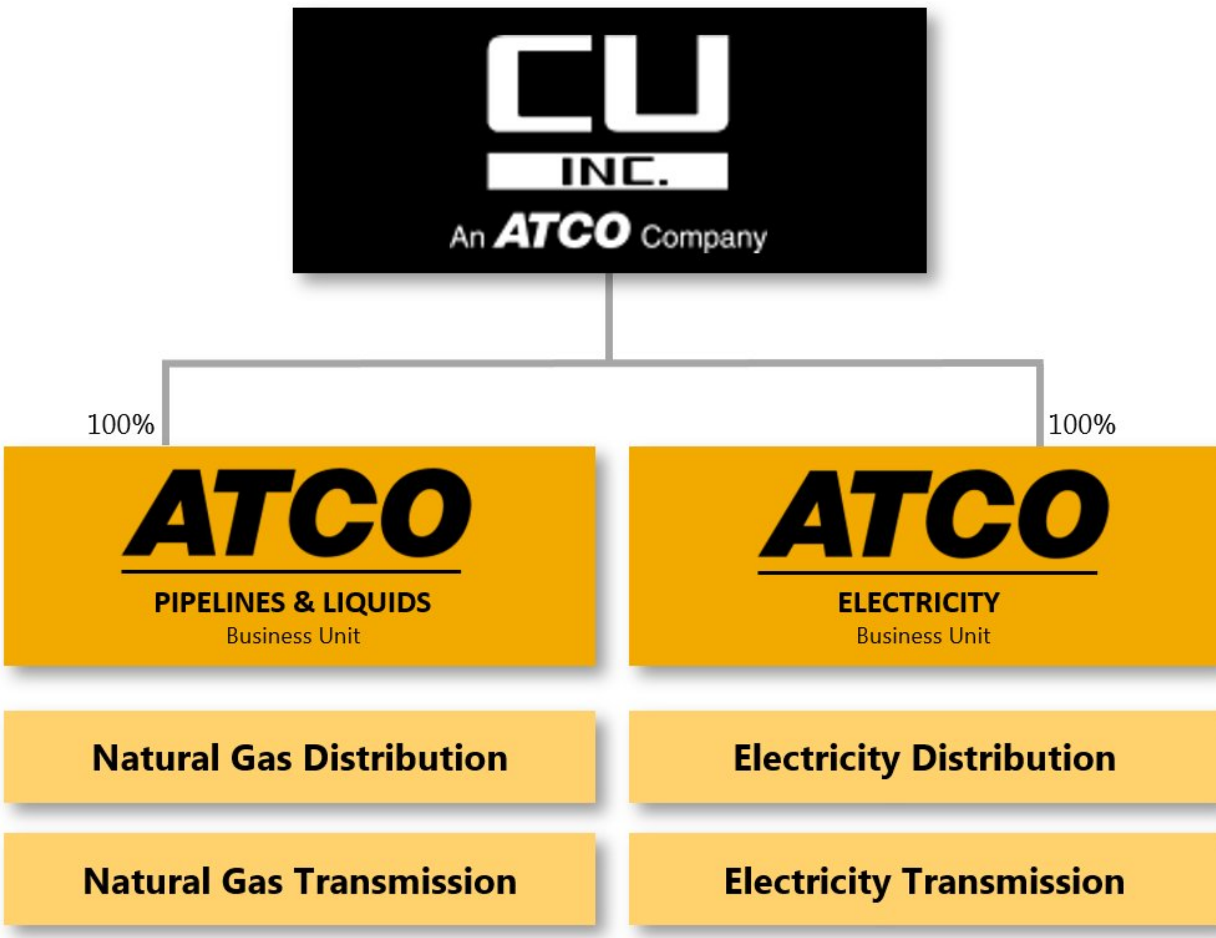
COMPANY OVERVIEW

CU Inc. is a wholly-owned subsidiary of Canadian Utilities Limited, an ATCO Company. CU Inc. is an Alberta-based corporation with approximately 3,500 employees and assets of $16 billion comprised of rate-regulated utility operations in natural gas and electricity distribution and transmission. More information about CU Inc. can be found on the Canadian Utilities Limited website at www.canadianutilities.com.

THE UTILITIES

The Utilities' activities are conducted through regulated businesses in two Business Units within western and northern Canada: Electricity, which includes Electricity Distribution and Electricity Transmission, and Pipelines & Liquids, which includes Natural Gas Distribution and Natural Gas Transmission.

SIMPLIFIED ORGANIZATIONAL STRUCTURE



The unaudited interim consolidated financial statements include the accounts of CU Inc. and all of its subsidiaries. The unaudited interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the reporting currency is the Canadian dollar. Certain comparative figures throughout this MD&A have been reclassified to conform to the current presentation.

UTILITIES PERFORMANCE

REVENUES

Revenues for the first quarter of 2019 were $759 million, $8 million higher than the same period in 2018, mainly due to ongoing growth in the electricity regulated rate base, partially offset by lower flow-through revenues in natural gas distribution for third party franchise and transmission fees.

ADJUSTED EARNINGS

	Three Months Ended March 31		
($ millions)	**2019**	**2018**	**Change**
Electricity			
Electricity Distribution	**38**	33	5
Electricity Transmission	**45**	40	5
Total Electricity	**83**	73	10
Pipelines & Liquids			
Natural Gas Distribution	**72**	67	5
Natural Gas Transmission	**16**	18	(2)
Total Pipelines & Liquids	**88**	85	3
Corporate & Other and Intersegment Eliminations	**1**	_	1
Total Utilities Adjusted Earnings (1)	**172**	158	14

(1) Additional information regarding this measure is provided in the Non-GAAP and Additional GAAP Measures section of this MD&A.

In the first quarter of 2019, our Utilities earned $172 million, $14 million higher than the same period in 2018. Higher earnings were mainly due to ongoing growth in the regulated rate base and cost efficiencies in electricity distribution and natural gas distribution.

Detailed information about the activities and financial results of our Utilities businesses is provided in the following sections.

ELECTRICITY

Our electricity activities are conducted by Electricity Distribution and Electricity Transmission and their subsidiaries, ATCO Electric Yukon, Northland Utilities (NWT) and Northland Utilities (Yellowknife). These businesses provide regulated electricity distribution and transmission mainly in northern and central east Alberta, the Yukon and the Northwest Territories.

Electricity Distribution

Electricity distribution recorded adjusted earnings of $38 million in the first quarter of 2019, $5 million higher than the same period in 2018. Higher earnings were mainly due to ongoing growth in the rate base and cost efficiencies.

Electricity Transmission

Electricity transmission recorded adjusted earnings of $45 million in the first quarter of 2019, $5 million higher than the same period in 2018. Higher earnings were mainly due to the timing of various operating costs. Electric transmission first quarter 2019 adjusted earnings were recorded using interim rates approved by the Alberta Utilities Commission (AUC) for the 2018 to 2019 General Tariff Application (GTA). If the AUC approves all the aspects of the GTA, the potential increase to first quarter 2019 adjusted earnings would be approximately $4 million and would be recognized in adjusted earnings upon receipt of the decision which is expected in mid-2019.

PIPELINES & LIQUIDS

Our Pipelines & Liquids activities are conducted through two regulated businesses, Natural Gas Distribution and Natural Gas Transmission.

Natural Gas Distribution

Natural gas distribution services municipal, residential, business and industrial customers throughout Alberta and in the Lloydminster area of Saskatchewan.

Natural gas distribution recorded adjusted earnings of $72 million in the first quarter of 2019, $5 million higher than the same period in 2018 mainly due to ongoing growth in rate base and customers, and cost efficiencies.

Natural Gas Transmission

Natural gas transmission receives natural gas on its pipeline system from various gas processing plants as well as from other natural gas transmission systems and transports it to end users within the province of Alberta or to other pipeline systems, primarily for export out of the province.

Natural gas transmission recorded adjusted earnings of $16 million in the first quarter of 2019, $2 million lower than the same period in 2018. Lower earnings were mainly due to the timing of an AUC decision on applied-for rates in the 2019-2020 General Rates Application (GRA). If the AUC approves all the aspects of the GRA, the potential increase to first quarter 2019 adjusted earnings would be approximately $4 million and would be recognized in adjusted earnings upon receipt of the decision which is expected in mid-2019.

CORPORATE & OTHER AND INTERSEGMENT ELIMINATIONS

In the first quarter of 2019, Corporate & Other and Intersegment Eliminations were $1 million, $1 million higher than the same period in 2018 mainly due to the timing of certain operating costs.

REGULATORY DEVELOPMENTS

GENERIC COST OF CAPITAL (POST-2020)

In December 2018, the AUC initiated the 2021 Generic Cost of Capital (GCOC) proceeding. The main focus of the proceeding will be to evaluate if a formula-based approach should be used for the ROE. In April 2019, the AUC issued a letter which stated the scope of the proceeding will include a non-formulaic GCOC inquiry for the years 2021 and 2022, as well as consideration of returning to a formula-based approach. Initial evidence is due to be filed in January 2020. The AUC expects to issue a decision in 2020.

INFORMATION TECHNOLOGY COMMON MATTERS

This proceeding impacts the recovery of information technology costs by the Alberta Utilities from January 1, 2015. The Information Technology Common Matters proceeding was initiated in 2015 and was closed in December 2018. A decision is expected in the second quarter of 2019.

1ST GENERATION PERFORMANCE BASED REGULATION (PBR) RE-OPENER

In June 2018, the AUC initiated a process for electricity distribution and natural gas distribution as the re-opener clause was triggered by both utilities in 2017, the final year of the 1st Generation PBR plan. The PBR re-opener thresholds are triggered if a utility's earnings are +/- 500 bps from the approved ROE in one year or +/- 300 bps from approved ROE in two consecutive years.

In February 2019, the Commission issued its decision that the re-opening of the plan is not warranted, agreeing with Canadian Utilities' submission that the achievements of the utilities were not due to a flaw in the PBR plan, but rather were the result of management decisions responding to the incentives the plan created. This process is now closed.

2ND GENERATION PBR REBASING REVIEW AND VARIANCE

In February 2019, the AUC initiated a proceeding to re-consider the parameters of an anomaly adjustment to the going-in rates of the 2nd Generation PBR Plan, and to consider the types of anomaly adjustments to be permitted for Alberta distribution utilities under PBR. Going-in rates for the natural gas and electric distribution utilities for the 2018-2022 PBR Plan remain in place on an interim basis pending the outcome of this review.

ATCO PIPELINES 2019-2020 GENERAL RATE APPLICATION (GRA)

In July 2018, natural gas transmission filed a GRA for 2019 and 2020. The application requests, among other things, additional revenues due to rate base growth driven by capital expenditures, such as the Pembina-Keephills Pipeline project, and operations and maintenance expenditures. A decision from the AUC is expected in mid-2019.

ATCO ELECTRIC HANNA REGION TRANSMISSION DEVELOPMENT DEFERRAL APPLICATION

In February 2017, electricity transmission filed an application seeking approval of approximately $688 million of capital additions related to the Hanna Regional Transmission Development program with in-service dates between 2012 and 2015. A decision is expected in mid-2019.

ATCO ELECTRIC 2015-2017 DIRECT ASSIGNED PROJECTS DEFERRAL APPLICATION

In March 2019, electricity transmission filed an application seeking the approval of approximately $2.2 billion of capital additions from transmission projects with in-service dates between 2015-2017. The application includes $1.8 billion in capital additions from the Eastern Alberta Transmission Line (EATL).

SUSTAINABILITY, CLIMATE CHANGE AND ENERGY TRANSITION

We believe that reducing our environmental impact is integral to the pursuit of operational excellence and long-term sustainable growth. Our success depends on our ability to operate in a responsible and sustainable manner, today and in the future.

SUSTAINABILITY REPORTING

ATCO, the controlling share owner of CU Inc., has been publishing external sustainability reports since 2008. These reports include CU Inc.'s operations sustainability performance data. The ATCO 2018 Sustainability Report, expected to be released in June 2019, will focus on key material topics including:

- Energy Stewardship: access and affordability, security and reliability, and customer satisfaction,
- Environmental Stewardship: climate change and energy use, and environmental compliance,
- Safety: employee health and safety, public safety, and emergency preparedness, and
- Community and Indigenous Relations.

The Sustainability Report is based upon the internationally recognized Global Reporting Initiative (GRI) Standards. Our reporting is also guided by frameworks such as the Sustainability Accounting Standards Board and the Financial Stability Board's Task Force on Climate-related Financial Disclosures recommendations.

The 2018 Sustainability Report will be available on ATCO's website, at www.ATCO.com.

OTHER EXPENSES AND INCOME

A financial summary of other consolidated expenses and income items for the first quarter of 2019 and 2018 is given below. These amounts are presented in accordance with IFRS accounting standards. They have not been adjusted for the timing of revenues and expenses associated with rate-regulated activities and other items that are not in the normal course of business.

	Three Months Ended March 31		
($ millions)	**2019**	**2018**	**Change**
Operating costs	**305**	312	(7)
Depreciation and amortization	**127**	122	5
Net finance costs	**88**	85	3
Income taxes	**65**	63	2

OPERATING COSTS

Operating costs, which are total costs and expenses less depreciation and amortization, decreased by $7 million in the first quarter of 2019 compared to the same period in 2018. Lower operating costs were mainly due to lower third party flow-through franchise and transmission fees, as well as lower maintenance costs and salaries, wages, and benefits.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization increased by $5 million in the first quarter of 2019 compared to the same period in 2018 mainly due to continued growth in the regulated rate base.

NET FINANCE COSTS

Net finance costs increased by $3 million in the first quarter of 2019 compared to the same period in 2018 mainly due to incremental debt issued to fund the ongoing capital investment program in the Regulated Utilities.

INCOME TAXES

Income taxes increased by $2 million in the first quarter of 2019 when compared to the same period in 2018 mainly due to higher earnings before income taxes during the quarter.

LIQUIDITY AND CAPITAL RESOURCES

Our financial position is supported by Utility operations. Our business strategies, funding of operations, and planned future growth are supported by maintaining strong investment grade credit ratings and access to capital markets at competitive rates. Primary sources of capital are cash flow from operations, the debt and preferred share capital markets and injections of equity from Canadian Utilities Limited. Liquidity is generated by cash flow from operations and is supported by appropriate levels of cash and available committed credit facilities.

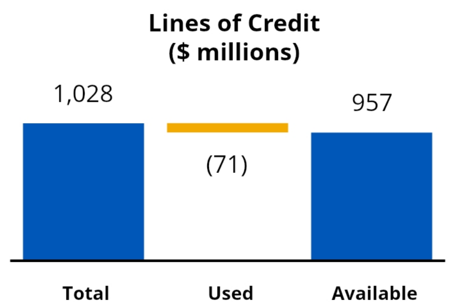
LINES OF CREDIT

At March 31, 2019, CU Inc. and its subsidiaries had the following lines of credit.

($ millions)	**Total**	**Used**	**Available**
Long-term committed	**900**	–	900
Uncommitted	**128**	71	57
Total	**1,028**	71	957

Of the $1,028 million in total credit lines, $128 million was in the form of uncommitted credit facilities with no set maturity date.

The other $900 million in credit lines were committed with maturities between 2020 and 2021, unless extended at the option of the lenders. The majority of the credit lines are provided by Canadian banks.



CONSOLIDATED CASH FLOW

At March 31, 2019, the Company's cash deficit was $41 million, a decrease of $62 million compared to December 31, 2018 mainly due to capital investment and the repayment of long-term debt, partially offset by cash earnings for the period.

Funds Generated by Operations

Funds generated by operations were $468 million in the first quarter of 2019, $21 million higher than the same period in 2018. The increase was mainly due to higher cash earnings and lower cash income taxes paid.

Cash Used for Capital Expenditures

Capital expenditures were $197 million in the first quarter of 2019, $37 million lower than the same period in 2018. The decrease was mainly due to lower planned capital spending in natural gas distribution and transmission.

Capital expenditures for the first quarter of 2019 and 2018 are shown in the table below.

		Three Months Ended March 31	
($ millions)	**2019**	**2018**	**Change**
Electricity Distribution	**45**	46	(1)
Electricity Transmission	**63**	69	(6)
Natural Gas Distribution	**44**	55	(11)
Natural Gas Transmission	**45**	64	(19)
Total (1)	**197**	234	(37)

(1) Includes additions to property, plant and equipment, intangibles and $5 million (2018 - $4 million) of interest capitalized during construction for the first quarter of 2019.

Base Shelf Prospectuses

On June 11, 2018, CU Inc. filed a base shelf prospectus that permits it to issue up to an aggregate of $1.5 billion of debentures over the 25-month life of the prospectus. As of April 24, 2019, aggregate issuances of debentures were $385 million.

SHARE CAPITAL

CU Inc. equity securities consist of Class A shares and Class B shares.

At April 24, 2019, the Company had outstanding 3,570,322 Class A shares and 2,188,262 Class B shares.

QUARTERLY INFORMATION

The following table shows financial information for the eight quarters ended June 30, 2017 through March 31, 2019.

($ millions)	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Revenues	532	547	677	**759**
Earnings (loss) for the period	(10)	60	126	**174**
Adjusted earnings				
Electricity	77	70	68	**83**
Pipelines & Liquids	15	(2)	84	**88**
Corporate & Other and Intersegment Eliminations	–	4	1	**1**
Total adjusted earnings	92	72	153	**172**

($ millions)	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Revenues	588	567	696	751
Earnings for the period	86	76	114	169
Adjusted earnings				
Electricity	81	74	80	73
Pipelines & Liquids	27	10	77	85
Corporate & Other and Intersegment Eliminations	–	–	–	–
Total adjusted earnings	108	84	157	158

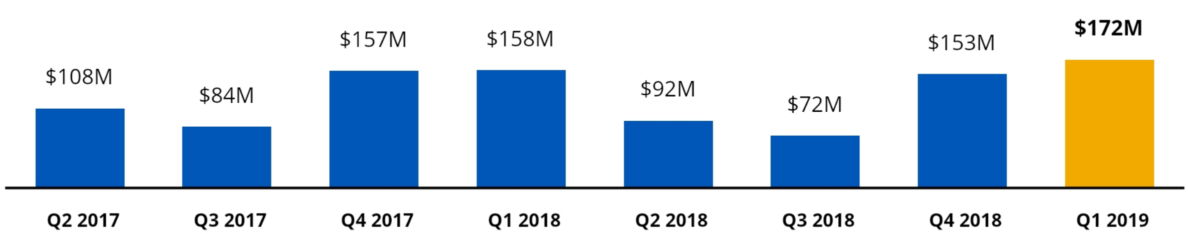
Adjusted Earnings

Our financial results over the previous eight quarters reflect the large capital expenditure made by the Utilities. These investments earn a return under a regulated business model and drive growth in adjusted earnings. Our earnings have also been impacted by the timing of certain major regulatory decisions. In addition, interim results will vary due to the seasonal nature of demand for electricity and natural gas.

In 2017, earnings were positively impacted by capital investment and rate base growth. Second quarter 2017 earnings were adversely impacted by the timing of operating and other costs in electricity distribution, and the impact of the 2015 to 2017 GTA Compliance decision in electricity transmission. Third quarter 2017 earnings were adversely impacted by the 2013 to 2014 Deferral Accounts decision in electricity transmission. Fourth quarter 2017 earnings were positively impacted by growth in rate base across our Utilities and growth in customers in our natural gas distribution business.

In the first quarter of 2018, higher seasonal demand in natural gas distribution and growth in rate base across the Utilities were partially offset by rate rebasing under Alberta's regulated model in electricity distribution and natural gas distribution. In the second, third, and fourth quarters of 2018, lower earnings compared to the same periods in 2017 were mainly due to rate rebasing under Alberta's regulated model in electricity distribution and natural gas distribution and lower interim rates approved by the Alberta Utilities Commission (AUC) for electricity transmission, partially offset by growth in rate base across the Utilities, and the timing of regulatory decisions and higher seasonal demand in natural gas distribution.

In the first quarter of 2019, higher earnings were mainly due to ongoing growth in the regulated rate base and cost efficiencies in electricity distribution and natural gas distribution.



NON-GAAP AND ADDITIONAL GAAP MEASURES

Adjusted earnings are defined as earnings for the period after adjusting for the timing of revenues and expenses associated with rate-regulated activities and dividends on equity preferred shares of the Company. Adjusted earnings also exclude one-time gains and losses, significant impairments, and items that are not in the normal course of business or a result of day-to-day operations.

Adjusted earnings present earnings from rate-regulated activities on the same basis as was used prior to adopting IFRS - that basis being the U.S. accounting principles for rate-regulated activities. Management's view is that adjusted earnings allow for a more effective analysis of operating performance and trends. A reconciliation of adjusted earnings to earnings for the period is presented in this MD&A. Adjusted earnings is an additional GAAP measure presented in Note 4 of the unaudited interim consolidated financial statements.

Funds generated by operations is defined as cash flow from operations before changes in non-cash working capital. In management's opinion, funds generated by operations is a significant performance indicator of the Company's ability to generate cash during a period to fund capital expenditures. Funds generated by operations does not have any standardized meaning under IFRS and might not be comparable to similar measures presented by other companies. A reconciliation of funds generated by operations to cash flows from operating activities is presented in this MD&A.

RECONCILIATION OF ADJUSTED EARNINGS TO EARNINGS FOR THE PERIOD

Adjusted earnings are earnings for the period after adjusting for the timing of revenues and expenses associated with rate-regulated activities and dividends on equity preferred shares of the Company. Adjusted earnings also exclude one-time gains and losses, significant impairments, and items that are not in the normal course of business or a result of day-to-day operations.

Adjusted earnings are a key measure of segment earnings that management uses to assess segment performance and allocate resources. It is management's view that adjusted earnings allow a better assessment of the economics of rate regulation in Canada than IFRS earnings.

($ millions)					**Three Months Ended March 31**
2019 / **2018**	**Electricity**	**Pipelines & Liquids**	**Corporate & Other**	**Intersegment Eliminations**	**Consolidated**
Revenues	**359**	**400**	–	–	**759**
	335	416	–	–	751
Adjusted earnings	**83**	**88**	**1**	–	**172**
	73	85	–	–	158
Rate-regulated activities	**(3)**	**2**	–	–	**(1)**
	(13)	21	–	–	8
Dividends on equity preferred shares of the Company	**1**	**2**	–	–	**3**
	2	1	–	–	3
Earnings for the period	**81**	**92**	**1**	–	**174**
	62	107	–	–	169

RATE-REGULATED ACTIVITIES

ATCO Electric and its subsidiaries, ATCO Electric Yukon, Northland Utilities (NWT) and Northland Utilities (Yellowknife), as well as ATCO Gas and ATCO Pipelines are collectively referred to as utilities.

There is currently no specific guidance under IFRS for rate-regulated entities that the Company is eligible to adopt. In the absence of this guidance, the utilities do not recognize assets and liabilities from rate-regulated activities as may be directed by regulatory decisions. Instead, the utilities recognize revenues in earnings when amounts are billed to customers, consistent with the regulator-approved rate design. Operating costs and expenses are recorded when incurred. Costs incurred in constructing an asset that meet the asset recognition criteria are included in the related property, plant and equipment or intangible asset.

The Company uses standards issued by the Financial Accounting Standards Board (FASB) in the United States as another source of generally accepted accounting principles to account for rate-regulated activities in its internal reporting provided to the CODM. The CODM believes that earnings presented in accordance with the FASB standards are a better representation of the operating results of the Company's rate-regulated activities. Therefore, the Company presents adjusted earnings as part of its segmented disclosures on this basis. Rate-regulated accounting (RRA) standards impact the timing of how certain revenues and expenses are recognized when compared to non-rate regulated activities, to appropriately reflect the economic impact of a regulator's decisions on revenues.

At March 31, the significant timing adjustments as a result of the differences between rate-regulated accounting and IFRS are as follows:

	Three Months Ended March 31		
($ millions)	**2019**	**2018**	**Change**
Additional revenues billed in current period			
Future removal and site restoration costs (1)	**20**	19	1
Impact of colder temperatures (2)	**12**	12	–
Revenues to be billed in future periods			
Deferred income taxes (3)	**(28)**	(33)	5
Settlement of regulatory decisions and other items	**(5)**	10	(15)
	(1)	8	(9)

(1) Removal and site restoration costs are billed to customers over the estimated useful life of the related assets based on forecast costs to be incurred in future periods.

(2) ATCO Gas' customer rates are based on a forecast of normal temperatures. Fluctuations in temperatures may result in more or less revenue being recovered from customers than forecast. Revenues above or below the normal in the current period are refunded to or recovered from customers in future periods.

(3) Income taxes are billed to customers when paid by the Company.

Rate-regulated accounting differs from IFRS in the following ways:

Timing Adjustment	Items	RRA Treatment	IFRS Treatment
Additional revenues billed in current period	Future removal and site restoration costs, and impact of colder temperatures.	The Company defers the recognition of cash received in advance of future expenditures.	The Company recognizes revenues when amounts are billed to customers and costs when they are incurred.
Revenues to be billed in future periods	Deferred income taxes and impact of warmer temperatures.	The Company recognizes revenues associated with recoverable costs in advance of future billings to customers.	The Company recognizes costs when they are incurred, but does not recognize their recovery until customer rates are changed and amounts are collected through future billings.
Regulatory decisions received	For further details on regulatory decisions that caused a timing adjustment financial impact, refer to the Regulatory Developments section in this MD&A.	The Company recognizes the earnings from a regulatory decision pertaining to current and prior periods when the decision is received.	The Company does not recognize earnings from a regulatory decision when it is received as regulatory assets and liabilities are not recorded under IFRS.
Settlement of regulatory decisions and other items	Settlement of amounts receivable or payable to customers and other items.	The Company recognizes the amount receivable or payable to customers as a reduction in its regulatory assets and liabilities when collected or refunded through future billings.	The Company recognizes earnings when customer rates are changed and amounts are recovered or refunded to customers through future billings.

OTHER FINANCIAL INFORMATION

ACCOUNTING CHANGES

On January 1, 2019, the Company adopted the new accounting standard, IFRS 16 *Leases*, which replaces IAS 17 *Leases* and related interpretations. This standard introduces a new approach to lease accounting that requires a lessee to recognize right-of-use assets and lease liabilities for the rights and obligations created by leases. It brings most leases on-balance sheet for lessees, eliminating the distinction between operating and finance leases. Lessor accounting under the new standard retains similar classifications to the previous guidance.

The Company adopted the standard using the modified retrospective approach which does not require restatement of prior period financial information, as it recognizes the cumulative impact on the opening balance sheet and applies the standard prospectively. Accordingly, the comparative information in the unaudited interim consolidated financial statements is not restated.

On adoption of the new standard on January 1, 2019, the Company recognized $8 million of right-of-use assets and $8 million of lease liabilities. The right-of-use assets and lease liabilities relate to leases for land and buildings. From January 1, 2019, the Company recognizes depreciation expense on right-of-use assets and interest expense on lease liabilities with lease payments recorded as a reduction of the lease liability. Prior to the adoption of IFRS 16, lease payments were recorded as expenses in the statement of earnings. The adoption of IFRS 16 has not had a significant impact on earnings. Further information on the adoption of IFRS 16, right-of-use assets and lease liabilities are provided in Notes 3, 7 and 9 of the unaudited interim consolidated financial statements.

There are no other new or amended standards issued, but not yet effective, that the Company anticipates will have a material effect on the unaudited interim consolidated financial statements.

INTERNAL CONTROL OVER FINANCIAL REPORTING

There was no change in the Company's internal control over financial reporting that occurred during the period beginning on January 1, 2019, and ended on March 31, 2019, that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as “anticipate”, “plan”, “estimate”, “expect”, “may”, “will”, “intend”, “should”, and similar expressions. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon.

The Company's actual results could differ materially from those anticipated in any forward-looking information contained in this MD&A as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Company.

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

GLOSSARY

AUC means the Alberta Utilities Commission.

Alberta Utilities or **Utilities** means Electricity Distribution (ATCO Electric Distribution), Electricity Transmission (ATCO Electric Transmission), Natural Gas Distribution (ATCO Gas) and Natural Gas Transmission (ATCO Pipelines).

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

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

CODM means Chief Operating Decision Maker, and is comprised of the Chair and Chief Executive Officer, and the other members of the Executive Committee.

Company means CU Inc. and, unless the context otherwise requires, includes its subsidiaries.

Earnings means Adjusted Earnings as defined in the Non-GAAP and Additional GAAP Measures section of this MD&A.

GAAP means Canadian generally accepted accounting principles.

IFRS means International Financial Reporting Standards.

Km means kilometre.

PBR means Performance Based Regulation.