CU INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED JUNE 30, 2017

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, or the Company) during the six months ended June 30, 2017.

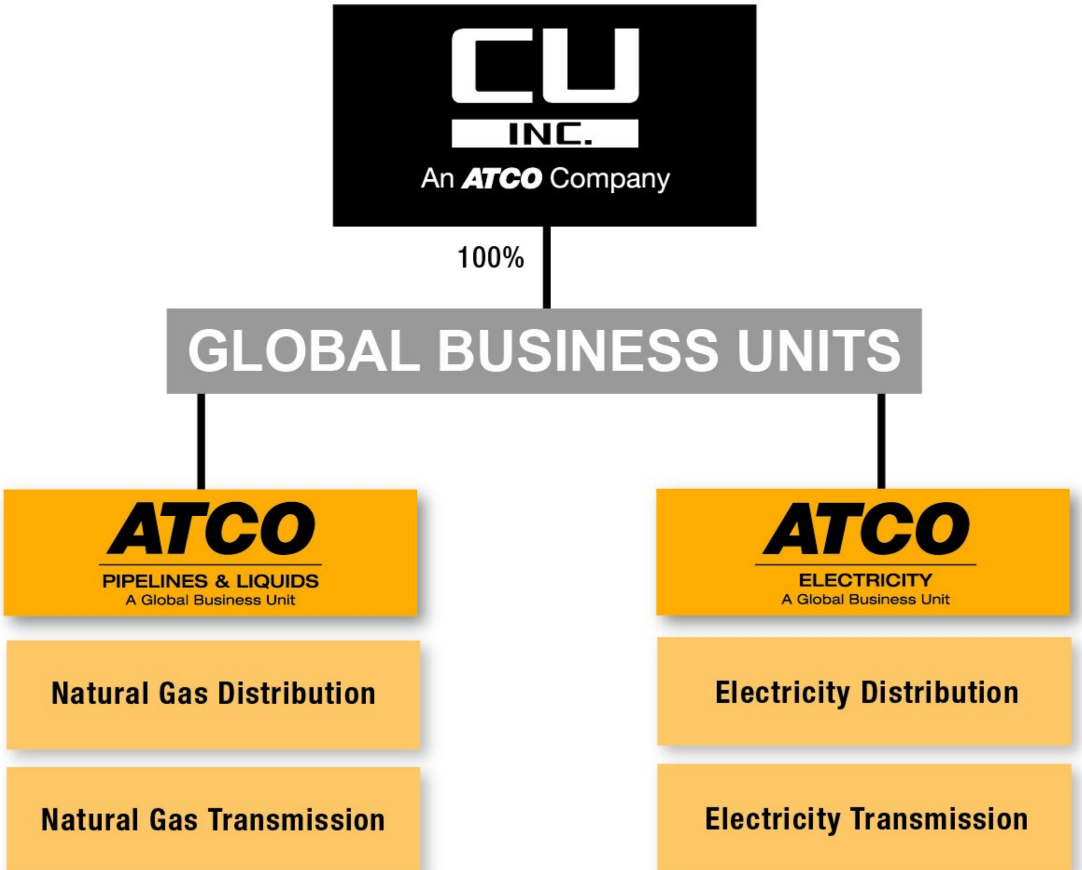
This MD&A was prepared as of July 26, 2017, and should be read with the Company's unaudited interim consolidated financial statements for the six months ended June 30, 2017. Additional information, including the Company's prior MD&As, Annual Information Form (2016 AIF), and audited consolidated financial statements for the year ended December 31, 2016, is available on SEDAR at www.sedar.com. Information contained in the 2016 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. 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.

TABLE OF CONTENTS

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 in our Utilities of $588 million in the second quarter and $1,363 million in the first half of 2017 were $17 million and $106 million higher than the same periods in 2016, mainly due to continued capital investment and growth in rate base and customers, and colder weather causing higher demand in natural gas distribution.

ADJUSTED EARNINGS

	Three Months Ended June 30			Six Months Ended June 30		
($ millions)	**2017**	**2016**	**Change**	**2017**	**2016**	**Change**
Electricity						
Electricity Distribution	**31**	36	(5)	**72**	73	(1)
Electricity Transmission	**50**	50	–	**104**	101	3
Total Electricity	**81**	86	(5)	**176**	174	2
Pipelines & Liquids						
Natural Gas Distribution	**10**	10	–	**91**	87	4
Natural Gas Transmission	**17**	14	3	**34**	29	5
Total Pipelines & Liquids	**27**	24	3	**125**	116	9
Total Utilities Adjusted Earnings[1]	**108**	110	(2)	**301**	290	11

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

In the second quarter of 2017, our Utilities earned $108 million, $2 million less than the same period in 2016. Earnings growth in the second quarter of 2017 due to continued capital investment and growth in rate base was more than offset by the timing of operating costs in electric distribution and the prior period earnings impact of the 2015 to 2017 General Tariff Application Compliance Filing (2015 to 2017 GTA Compliance) decision received in June, 2017 in electric transmission.

In the first half of 2017, Electricity earnings of $301 million were $11 million higher than the same period in 2016. Higher earnings were primarily due to continued capital investment and growth in rate base, partially offset by the impact of the 2015 to 2017 GTA Compliance decision.

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 ATCO Electric Distribution and ATCO Electric 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

Our electricity distribution business earned $31 million in the second quarter of 2017, $5 million less than the same period in 2016. Lower earnings were primarily due to the timing of operating and other costs. Earnings in the first half of 2017 of $72 million were comparable to the same period in 2016.

Electricity Transmission

Our electricity transmission business earned $50 million in the second quarter of 2017, comparable to the same period in 2016. Higher earnings due to continued capital investment and growth in rate base were offset by the impact of the 2015 to 2017 GTA Compliance decision. Excluding the prior period impact of this decision, electricity transmission adjusted earnings in the second quarter of 2017 were $56 million on a normalized basis.

Earnings of $104 million in the first half of 2017 were $3 million higher than the same period in 2016. Higher earnings resulted mainly from growth in rate base.

PIPELINES & LIQUIDS

Our Pipelines & Liquids activities are conducted through two regulated businesses, ATCO Gas and ATCO Pipelines.

Natural Gas Distribution

Our natural gas distribution activities throughout Alberta and in the Lloydminster area of Saskatchewan are conducted by ATCO Gas. It services municipal, residential, business and industrial customers.

Our natural gas distribution business earned $10 million in the second quarter of 2017, comparable to the same period in 2016. Higher earnings due to growth in rate base and customers were offset by the timing of operating costs.

Earnings of $91 million in the first half of 2017 were $4 million higher than the same period in 2016, mainly due to growth in both rate base and customers.

Natural Gas Transmission

Our natural gas transmission activities in Alberta are conducted by ATCO Pipelines. This business receives natural gas on its pipeline system at various gas processing plants as well as from other natural gas transmission systems and transports it to end users within the province or to other pipeline systems, primarily for export out of the province.

Our natural gas transmission business earned $17 million in the second quarter and $34 million in the first half of 2017, $3 million and $5 million higher than the same periods in 2016. Higher earnings were primarily due to growth in rate base.

REGULATORY DEVELOPMENTS

GENERIC COST OF CAPITAL (GCOC)

On July 5, 2017, the AUC established a full proceeding schedule for a 2018, 2019 and 2020 GCOC proceeding. Submissions are scheduled to be filed October 31, 2017 with a hearing set for March 2018. The AUC has indicated its intention to issue a decision prior to the end of 2018.

ATCO ELECTRIC TRANSMISSION 2015 TO 2017 GENERAL TARIFF APPLICATION (GTA) COMPLIANCE FILING

On June 19, 2017, the AUC issued a decision on ATCO Electric Transmission's Compliance Filing relating to its 2015 to 2017 GTA. The decision adjusted ATCO Electric Transmission's 2016 and 2017 forecast allocation of labour costs between operating and maintenance expense and capital, which resulted in a decrease to second quarter 2017 adjusted earnings of $7 million, of which $6 million relates to prior periods.

ATCO ELECTRIC TRANSMISSION 2018 TO 2019 GENERAL TARIFF APPLICATION (GTA)

On June 16, 2017, ATCO Electric Transmission filed a GTA for its operations for 2018 and 2019. The application requests, among other things, additional revenues to recover higher depreciation, operating costs and financing associated with increased rate base in Alberta. The application also requests approval to refund amounts collected from 2013-2016 for Construction Work in Progress (CWIP), which will result in a reduction in applied-for revenues for 2018 and 2019 as compared to 2017. This request, if approved, will also result in an increase to 2018 and 2019 rate base of approximately $130 million per year.

ATCO ELECTRIC TRANSMISSION ASSET UTILIZATION PROCEEDING

On June 20, 2017, the AUC publicly announced its intention to commence a proceeding to consider the issue of asset utilization for electric transmission infrastructure, and how the corporate and property law principles referenced in the 2013 Utility Asset Disposition decision may relate. The AUC has not yet commenced this proceeding.

SUSTAINABILITY, CLIMATE CHANGE AND THE ENVIRONMENT

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

Our 2016 Sustainability Report, released June 23, 2017, focuses on key material topics including: Environmental Stewardship (climate change and energy use, and environmental compliance), Energy Stewardship (access and affordability, security and reliability, and customer satisfaction), Safety (employee health and safety, public safety, and emergency preparedness), and Community and Indigenous Relations. The 2016 Sustainability Report is available on our website, at www.canadianutilities.com.

CLIMATE CHANGE AND THE ENVIRONMENT

Government of Alberta's Provincial Climate Leadership Plan

In November 2015, the Government of Alberta announced Alberta's Climate Leadership Plan, a framework which includes the proposed phasing out of emissions from coal-fired generation by 2030, the accelerated phasing in of renewable energy, an economy wide tax on carbon emissions starting in 2017, and the reduction of methane emissions.

Phasing in of Renewable Electricity

As part of its Climate Leadership Plan, the Government of Alberta has published a firm target that 30 per cent of electricity used in Alberta will come from renewable sources such as wind, hydro and solar by 2030. The Government will support 5,000 MW of additional renewable energy capacity. Support will be provided to projects that are based in Alberta, are new or expanded, are greater than five MW in size, and meet the definition of renewable sources as defined by Natural Resources Canada.

On May 10, 2017, the Government of Alberta issued a Negotiated Request for Proposal (NRFP). This proposal aims to spur the development of approximately 75 MW of solar generation through the purchase of Renewable Energy Credits from new solar facilities. We will participate in the NRFP process.

OTHER EXPENSES AND INCOME

A financial summary of other consolidated expenses and income items for the second quarter and first half of 2017 and 2016 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 June 30			Six Months Ended June 30		
($ millions)	**2017**	**2016**	**Change**	**2017**	**2016**	**Change**
Operating costs	**270**	271	(1)	**601**	558	43
Depreciation and amortization	**118**	112	6	**237**	226	11
Net finance costs	**83**	81	2	**167**	162	5
Income taxes	**31**	29	2	**97**	84	13

OPERATING COSTS

Operating costs, which are total costs and expenses less depreciation and amortization, were $270 million in the second quarter of 2017, comparable to the second quarter of 2016. In the first half of 2017, operating costs increased by $43 million mainly due higher natural gas prices and colder weather causing higher demand in our natural gas distribution business.

DEPRECIATION AND AMORTIZATION

In the second quarter and first half of 2017, depreciation and amortization expense increased by $6 million and $11 million when compared to the same periods in 2016. The increased expense was mainly due to the ongoing capital expenditure program in our Utilities.

NET FINANCE COSTS

Net finance costs increased in the second quarter and first half of 2017 when compared to the same periods in 2016, mainly as a result of incremental debt issued to fund the ongoing capital investment program in our Utilities.

INCOME TAXES

Income taxes increased in the second quarter and first half of 2017 when compared to the same periods in 2016, mainly due to higher earnings in the second quarter and first half of 2017.

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.

CREDIT RATINGS

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

On July 13, 2017, Dominion Bond Rating Service affirmed its 'A (high)' long-term corporate credit rating and stable outlook on CU Inc.

On July 25, 2017, Standard & Poor's Ratings Service revised its long-term corporate credit rating from 'A' with a negative outlook to 'A-' with a stable outlook on CU Inc.

In its July 25, 2017 research update regarding CU Inc. parent company ATCO Ltd., Standard & Poor's stated *"Overall, we believe that management will continue to operate the company in line with its conservative corporate strategy and consistent track record. However, we continue to forecast credit metrics at the mid-to-lower end of the significant financial risk category, with FFO-to-debt of 13%-14% for both 2017 and 2018."*

LINES OF CREDIT

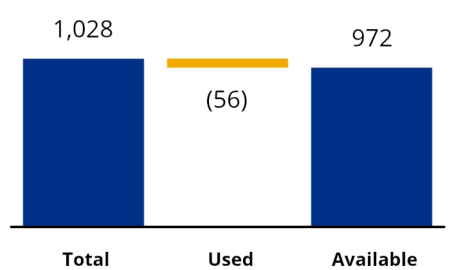
At June 30, 2017, CU Inc. and its subsidiaries had the following lines of credit.

($ millions)	**Total**	**Used**	**Available**
Long-term committed	**900**	–	900
Uncommitted	**128**	56	72
Total	**1,028**	56	972

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 2018 and 2019, unless extended at the option of the lenders. The majority of the credit lines are provided by Canadian banks.

Lines of Credit ($ millions)



CONSOLIDATED CASH FLOW

At June 30, 2017, our cash position was $69 million, an increase of $45 million from December 31, 2016. The increase is mainly due to earnings achieved during the first half of 2017, partially offset by cash used to fund our capital investment program.

Funds Generated by Operations

Funds generated by operations (see the Non-GAAP and Additional GAAP Measures section of this MD&A) were $330 million in the second quarter and $770 million in the first half of 2017, $25 million and $58 million higher than the same periods in 2016. The increase was mainly as a result of continued capital expenditure and rate base growth in our Utilities.

Cash Used for Capital Expenditures

Cash used for capital expenditures was $235 million in the second quarter and $441 million in the first half of 2017, compared to $257 million and $463 million in the same periods in 2016. The decreases were primarily due to previously disclosed and planned lower capital spending in electric transmission.

Capital expenditures for the second quarter and first half of 2017 and 2016 are shown in the table below.

	Three Months Ended June 30			Six Months Ended June 30		
($ millions)	**2017**	**2016**	**Change**	**2017**	**2016**	**Change**
Electricity Distribution	**50**	62	(12)	**106**	118	(12)
Electricity Transmission	**42**	64	(22)	**82**	113	(31)
Natural Gas Distribution	**100**	95	5	**153**	155	(2)
Natural Gas Transmission	**43**	36	7	**100**	77	23
Total (1)	**235**	257	(22)	**441**	463	(22)

(1) Includes additions to property, plant and equipment, intangibles and $5 million and $9 million (2016 - $4 million and $8 million) of interest capitalized during construction for the second quarter and first half of 2017.

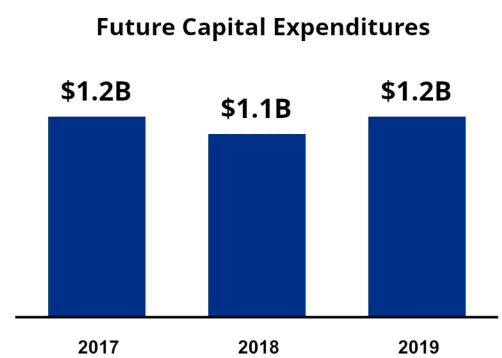
Base Shelf Prospectuses

On May 16, 2016, 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 July 25, 2017, aggregate issuances of debentures were $375 million, all of which were issued in 2016.

Future Capital Expenditures Plans

In the period 2017 to 2019, we expect to invest approximately $3.5 billion in regulated utility capital growth projects. This capital expenditure is expected to contribute significant earnings and cash flow.

Our electricity distribution and transmission businesses are planning to invest $1.8 billion, and our natural gas distribution and transmission businesses are planning to invest $1.7 billion.



SHARE CAPITAL

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

At July 25, 2017, 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 September 30, 2015 through June 30, 2017.

($ millions)	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Revenues	578	738	775	**588**
Earnings for the period	82	152	175	**86**
Adjusted earnings				
Electricity	66	77	95	**81**
Pipelines & Liquids	3	65	98	**27**
Total adjusted earnings	69	142	193	**108**
($ millions)	**Q3 2015**	**Q4 2015**	**Q1 2016**	**Q2 2016**
Revenues	504	659	686	571
Earnings for the period	55	81	149	78
Adjusted earnings				
Electricity	72	44	88	86
Pipelines & Liquids	(2)	62	92	24
Total adjusted earnings	70	106	180	110

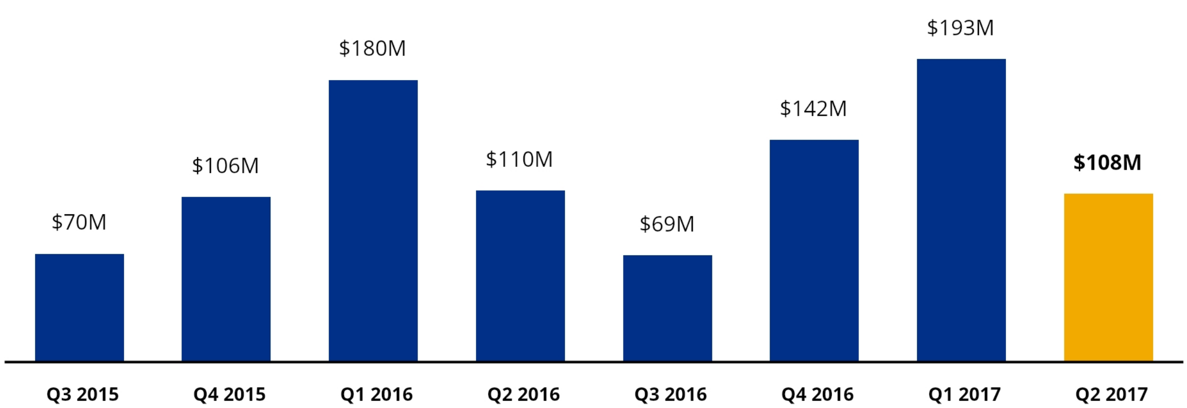
Adjusted Earnings

The general increase in our adjusted earnings over the previous eight quarters reflects 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 affected 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 2015, earnings were lower in the third quarter due to higher operations and maintenance costs, and lower seasonal demand in our natural gas distribution business. Lower earnings in the fourth quarter were mainly due to regulatory lag which required an update to the forecast costs as compared to prospective costs originally filed in electricity transmission's 2015 to 2017 General Tariff Application.

In 2016, higher earnings were primarily due to continued capital investment and rate base growth and business-wide cost reduction initiatives. Lower earnings in the third quarter were due to the financial impact of electricity transmission's GTA regulatory decision and lower seasonal demand in our natural gas distribution business.

In 2017, higher first quarter earnings were mainly due to rate base growth and lower operating costs. Lower second quarter earnings were mainly due to the timing of operating and other costs in electric distribution, and the impact of the 2015 to 2017 GTA Compliance decision in electric transmission.



NON-GAAP AND ADDITIONAL GAAP MEASURES

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.

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 3 of our 2017 unaudited interim consolidated financial statements.

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 June 30**
2017			
2016	**Electricity**	**Pipelines & Liquids**	**Consolidated**
Revenues	**301**	**287**	**588**
	323	248	571
Adjusted earnings	**81**	**27**	**108**
	86	24	110
Rate-regulated activities	**(22)**	**(2)**	**(24)**
	(15)	(20)	(35)
Dividends on equity preferred shares of the Company	**1**	**1**	**2**
	1	2	3
Earnings for the period	**60**	**26**	**86**
	72	6	78

($ millions)			**Six Months Ended June 30**
2017			
2016	**Electricity**	**Pipelines & Liquids**	**Consolidated**
Revenues	**639**	**724**	**1,363**
	669	588	1,257
Adjusted earnings	**176**	**125**	**301**
	174	116	290
Rate-regulated activities	**(61)**	**16**	**(45)**
	(22)	(47)	(69)
Dividends on equity preferred shares of the Company	**3**	**2**	**5**
	3	3	6
Earnings for the period	**118**	**143**	**261**
	155	72	227

RATE-REGULATED ACTIVITIES

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.

As a result, the Company uses standards issued by the Financial Accounting Standards Board (FASB) in the United States as another source of GAAP to account for rate-regulated activities in its internal reporting provided to the Chief Operating Decision Maker (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 regulators' decisions on revenues.

Earnings adjustments to reflect rate-regulated accounting are shown in the following table.

			Three Months Ended June 30			Six Months Ended June 30
($ millions)	**2017**	**2016**	**Change**	**2017**	**2016**	**Change**
Additional revenues billed in current period						
Future removal and site restoration costs [(1)]	**19**	18	1	**38**	35	3
Revenues to be billed in future periods						
Deferred income taxes [(2)]	**(25)**	(23)	(2)	**(54)**	(51)	(3)
Impact of warmer temperatures [(3)]	**(3)**	(10)	7	**(3)**	(27)	24
Regulatory decisions received	**7**	–	7	**7**	–	7
Settlement of regulatory decisions and other items	**(22)**	(20)	(2)	**(33)**	(26)	(7)
	(24)	(35)	11	**(45)**	(69)	24

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

(3) 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.

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.	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 as well as the Segmented Information presented in Note 3 of the 2017 unaudited interim consolidated financial statements.	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.

For further details on additional revenues billed in the current period, revenues to be billed in future periods, and settlement of regulatory decisions and other items, refer to the Segmented Information presented in Note 3 of the 2017 unaudited interim consolidated financial statements.

OTHER FINANCIAL INFORMATION

ACCOUNTING CHANGES

There were no new or amended standards issued by the International Accounting Standards Board (IASB) or IFRS Interpretations Committee (IFRIC) in the second quarter of 2017 that the Company anticipates will have a material effect on the unaudited interim consolidated financial statements or note disclosures.

CONTROLS AND PROCEDURES

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 April 1, 2017, and ended on June 30, 2017, 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.

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, President and Chief Executive Officer, and five other senior executives.

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.

PBR means Performance Based Regulation.

Utilities means ATCO Electric Distribution, ATCO Electric Transmission, ATCO Gas and ATCO Pipelines.