



ATCO
GROUP

ATCO Ltd. | **2013** | Annual Report

“With a renewed vigor for sustainable growth and innovation, your company’s purpose is to be the most reliable, most trusted, cost-effective, value-added provider in all of our industries.”

Nancy C. Southern
Chair, President & Chief Executive Officer



COVER: Bow Lake, Banff National Park, Alberta, in May featuring the Crowfoot mountain and glacier beneath the Milky Way.

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ATCO GROUP

ATCO Group is a diversified, Canadian-based, international group of companies focused on profitable sustainable growth and achievement with approximately \$16 billion in assets and more than 9,800 people actively engaged in Structures & Logistics (manufacturing, logistics and noise abatement), Utilities (pipelines, natural gas and electricity transmission and distribution), Energy (power generation, natural gas gathering, processing, storage and liquids extraction), and Technologies (business systems solutions).

STRUCTURES & LOGISTICS

- ▶ ATCO STRUCTURES & LOGISTICS
- ▶ ATCO SUSTAINABLE COMMUNITIES

UTILITIES

- ▶ ATCO GAS
- ▶ ATCO ELECTRIC
- ▶ ATCO PIPELINES

ENERGY

- ▶ ATCO POWER
- ▶ ATCO ENERGY SOLUTIONS

AUSTRALIA

- ▶ ATCO GAS AUSTRALIA
- ▶ ATCO POWER AUSTRALIA
- ▶ ATCO I-TEK AUSTRALIA

TECHNOLOGIES

- ▶ ATCO I-TEK



ATCO LTD. FINANCIAL HIGHLIGHTS

This data (other than funds generated by operations) has been extracted from financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and the reporting currency is the Canadian dollar.

For further information, please see ATCO Ltd. Consolidated Financial Statements and Management's Discussion and Analysis - www.sedar.com.

FORWARD-LOOKING INFORMATION:

Certain statements contained in this Annual Report 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.

⁽¹⁾ Financial results for the year ended December 31, 2012 have been restated to reflect changes due to the adoption of IFRS 11 Joint Arrangements and amended IAS 19 Employee Benefits.

Consolidated Annual Results

YEAR ENDED DECEMBER 31

(Millions of Canadian dollars except per share data)

	2013	2012 ⁽¹⁾
FINANCIAL		
Revenues	4,359	4,012
Earnings attributable to Class I & Class II shares	418	370
Adjusted earnings	390	370
Total assets	16,010	14,055
Class I & Class II share owners' equity	2,860	2,370
Funds generated by operations	1,869	1,636
Capital expenditures	2,518	2,487

CLASS I NON-VOTING & CLASS II VOTING SHARE DATA

Earnings per share	3.64	3.21
Diluted earnings per share	3.62	3.20
Dividends paid per share	0.75	0.66
Shares outstanding (thousands)	115,124	115,017
Weighted average shares outstanding (thousands)	114,801	115,023



Nancy C. Southern
Chair, President & Chief Executive Officer

LETTER TO SHARE OWNERS

Dear Share Owners of ATCO,

I am extremely proud of our company's record achievements this past year and the tremendous effort applied to the implementation of our strategies.

As I reflect on our growth in 2013 and all that ATCO represents today, thoughts of the events, circumstances and the people of the past rush before me as historical turning points on our way to becoming who we are. Our experiences and lessons learned from the past have shaped the diverse yet complementary nature of our businesses and our response to the various economic cycles.

Our strategies, as agreed and confirmed by our Board of Directors in 2010, are well under way:

- Geographic expansion to meet the global needs of our customers — "Anywhere, Anytime"
- Development of significant, value creating Greenfield projects
- Identification and monetization of NON-CORE assets
- Commitment to continuous improvement and innovation by dedicating people and capital to research and development

I believe you will find our Senior Officers' comments regarding our progress particularly insightful. Their leadership sets the tone and framework for our expansion in each of our Principal Operating Subsidiaries.

While no one can predict the future, I remain concerned about our ongoing prospects due to the uncertainty created by geopolitical stress and an ever-changing regulatory environment occurring in each geography and business that ATCO participates in.

If—and I suspect we are—headed into a period of slower global growth, then it will be crucial for ATCO Group to significantly widen the gap between ourselves and our competitors as the "go to" supplier of choice.

In order to do this, I will bring even greater attention to our people processes, for it is the people of this

company first and foremost who were and are the reason for our sustainable growth and achievements.

From all walks of life and so many global cultures, the people of ATCO are our differentiating advantage. This is true of the factory workers on the floor in our ATCO Structures & Logistics plants, our high and low voltage power linemen in ATCO Electric, the backhoe operators laying pipe in ATCO Gas and ATCO Pipelines, our engineers, project managers, HR and IT specialists, our finance and risk departments, our managers and executives.

Within our company, this is known as the 'ATCO Heart and Mind', which has formed the fundamental tenets of how we operate today and how we evaluate our future opportunities and decisions:

- We are a principally controlled organization with a responsibility to all our employees and Share Owners to ensure ATCO Group continues through the generations
- Striving for the highest standards in all that we do, knowing our customers and anticipating their needs with innovative, competitively priced products and world renowned service, on time and on budget
- Our people and the communities where we work and live, MUST be and remain safe
- A strong balance sheet must be maintained in order to weather severe and unexpected economic downturns
- Leadership is situational and everyone in the company has a leadership role to play

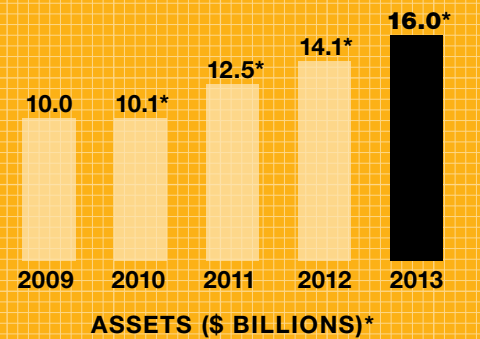
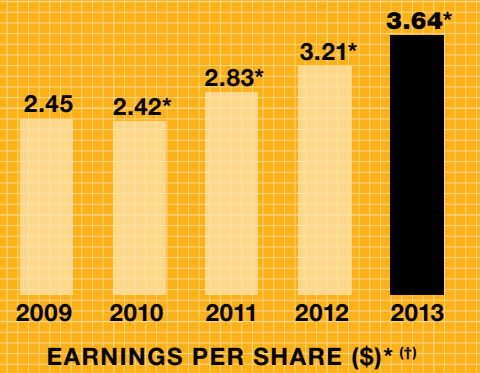
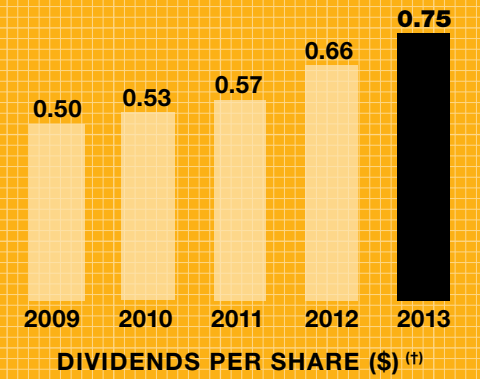
Collectively and individually the 'ATCO Heart and Mind' is reflected in our definition of excellence:

... Excellence ...

"Going Far Beyond The Call Of Duty.
Doing More Than Others Expect.
This Is What Excellence Is All About.

It Comes From Striving, Maintaining
The Highest Standards, Looking After The
Smallest Detail And Going The Extra Mile.

Excellence Means Caring. It Means
Making A Special Effort To Do More."



* Earnings per share and assets have been prepared in accordance with International Financial Reporting Standards (IFRS), except for the year ended December 31, 2009 which has been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) in effect prior to the adoption of IFRS.

2012 financial information has been restated to reflect changes to IFRS standards adopted in 2013.

(†) Restated to reflect the two-for-one share split completed on June 14, 2013.

While it is not for me to say, I believe the record of ATCO's performance speaks for itself;

"We are what we repeatedly do. Excellence, then, is not an act but a habit." – Aristotle

I know that I will be perceived to have a significant bias, but I am convinced that my father, and my grandfather before him, were years ahead of their time on so many fronts and in initiating so many ground-breaking improvements and innovation to our businesses. Two such enterprise-changing approaches (strategies), were the initiation in 1987 of the first equity partnership with the Dene Nation in Northland Utilities and second, was the introduction of 'independent' board members to the ATCO Board when there was no regulation or guideline to do so. These revolutionary and bold initiatives were implemented because they were the RIGHT thing to do in order to expand the horizons of the future for your company.

Today, ATCO Group has more than 50 partnerships, joint ventures, services agreements and other forms of relationships with First Nations, Inuit, Metis and Aboriginal people across Canada and Alaska

representing over \$1 billion of asset investment and revenue per annum in and from these relationships.

Since 1968, ATCO has been a leader in good governance practices long before the emergence of 'good governance' institutions.

ATCO was the first in Canada to introduce Designated Audit Directors (DAD) who have individual responsibility to review financial statements, risk assessments, meet with independent auditors and internal audit for each Principal Operating Subsidiary and report on their findings to the Audit Committee of the Board.

Over the decades, the composition of our Boards has reflected the skills and experience required to address the issues and business environment of the times.

Our Board of Directors provides independent thinking and counsel as it pertains to long-term strategy, succession and governance for our company.

On behalf of all our Share Owners, I wish to sincerely thank and compliment the proactive, wise and knowledgeable contributions of the ATCO Group Board of Directors

– past, present and future. Our Board's integrity and their abilities to exercise sound, seasoned and well considered judgment for the long-term benefit of your company is a matter of record and is reflected in the total Share Owner return graphs.

Smooth courses are promised to no one, but I am confident and I commit to you, that your company will remain diligent and disciplined in the face of adversity, maintain our fierce desire to succeed, and persevere through the tumultuous uncertainties of the future.

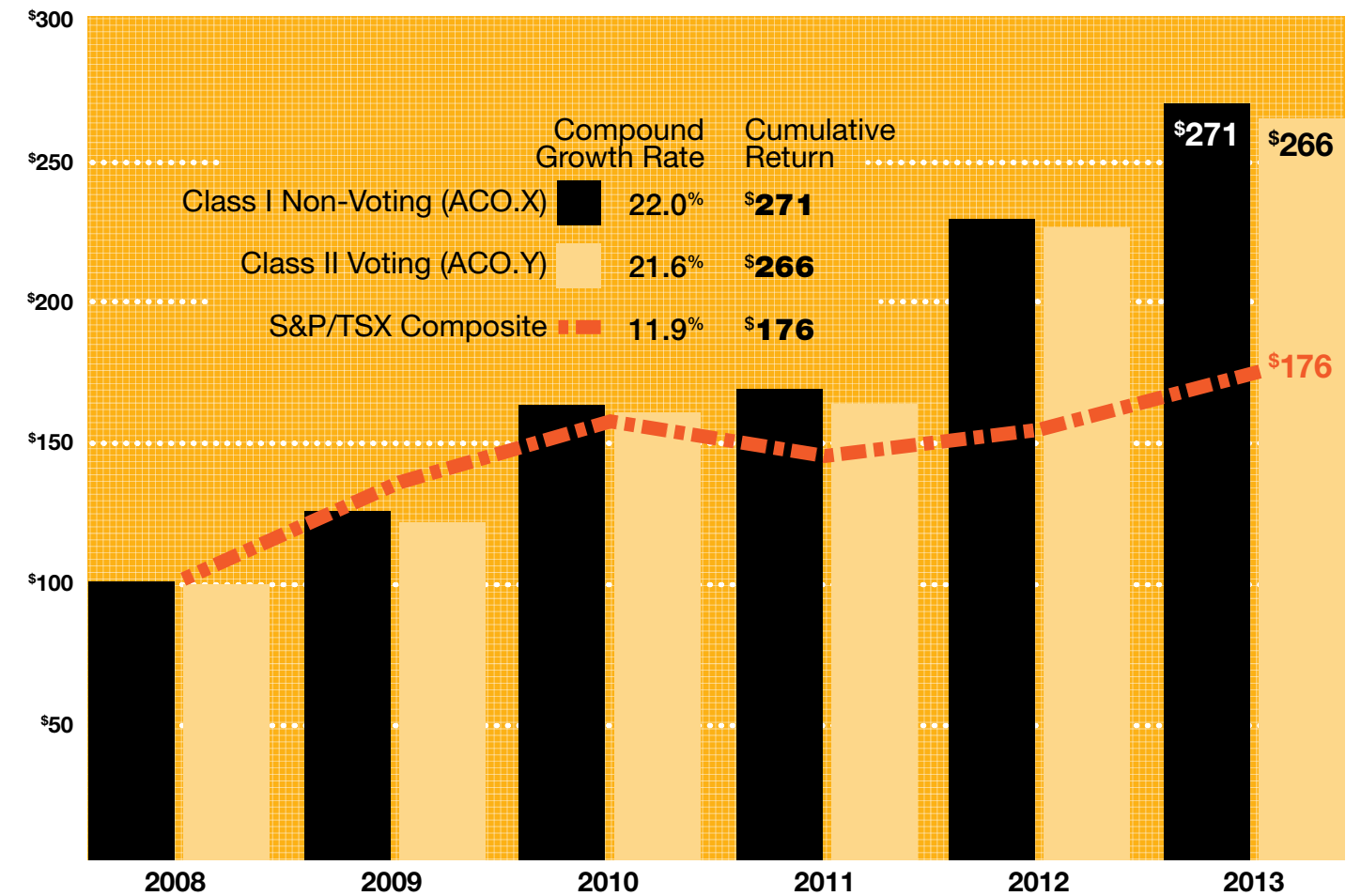
I wish to close by recognizing the clarity of vision and tremendous courage of our past Chairman and Co-Founder, my father Ron (R.D.) Southern, and by offering each of you, the owners of ATCO shares, my deepest appreciation for your trust and belief in our company.

With deep respect,



Nancy C. Southern
Chair, President & Chief Executive Officer

FIVE-YEAR TOTAL RETURN ON \$100 INVESTMENT

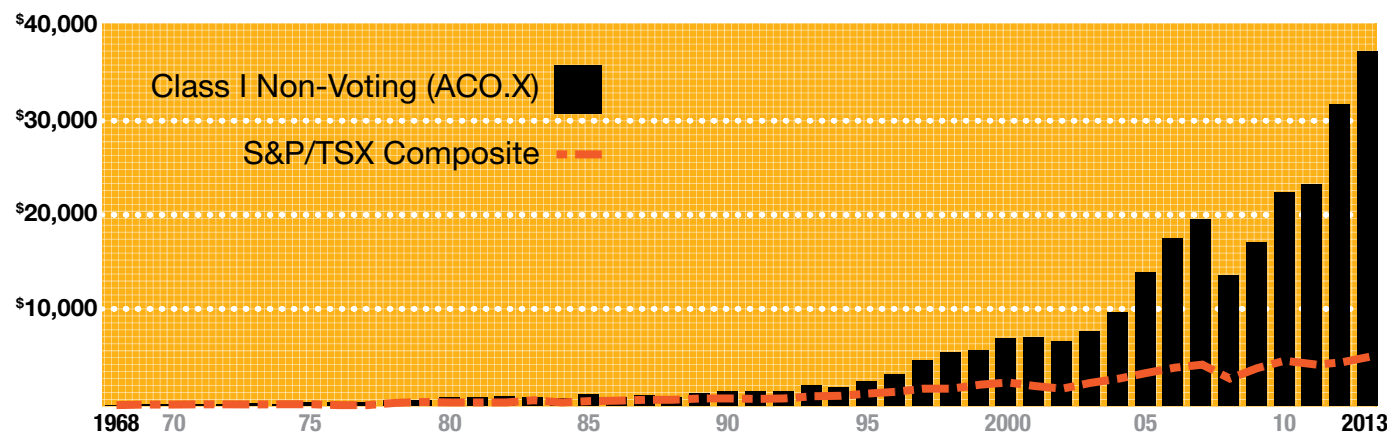


This graph compares the cumulative share owner return over the last five years of the Class I Non-Voting and Class II Voting shares of the Company (assuming reinvestment of dividends) with the cumulative total return of the S&P/TSX composite index.

ATCO SHARE OWNERSHIP FOR PRESENT & PROSPECTIVE OWNERS

It is important for prospective owners of ATCO shares to understand that ATCO is a diversified group of companies principally controlled by Sentgraf, a Southern family holding company. It is also important for present and prospective share owners to understand that the ATCO share registry has both non-voting and voting common shares.

TOTAL RETURN FROM 1968-2013 ON \$100 INVESTMENT





Harry G. Wilmot
Chief Operating Officer, Energy & Industrials,
ATCO Group & President,
ATCO Structures & Logistics

INNOVATION AND IMPROVEMENT AS DRIVERS FOR 2014

In 2013, global economic growth was in low gear, despite a cautiously optimistic outlook. Economic development agencies around the world noted that the advanced economies grew again, while continuing financial sector repair and recognizing the volatility in the emerging markets.

Ahead in 2014, a more stable economic climate is expected to bolster the economies in North America and the outlook for the global economy is also more positive. A three-year stretch of very slow progress could be broken in 2014. The world is keenly following the U.S. shale gas industry and the changing face of energy supply. The global liquefied natural gas (LNG) industry is also growing and expanding into new geographies.

Headlines in the media suggest that, in the long term, the U.S. is set to become one of the world's largest oil and natural gas producers and is on its way to energy self-reliance. In Canada, Australia and in parts of Africa, large LNG projects are approaching or receiving their final investment decisions. Global demand for LNG has doubled since 2000 and is predicted to double again by 2025, as consuming nations such as China increase their imports of the clean-burning fuel. However, these large projects are costly and often face technical and commercial challenges.

For ATCO Structures & Logistics, this modestly encouraging outlook means that the profitability of our four main business lines should remain stable in 2014. However, it is through improvement and innovation that we can remain at the forefront of our industry and help our customers achieve their business goals.

The cornerstone of our business in this economic climate is to improve our current suite of services and innovate to meet the growing expectations of our clients. This will allow us to remain ahead of our competitors and form stronger partnerships with our customers. The combination of new products, improved accommodations and integrated site services that solve unique geographical challenges are ATCO's advantage.

Canada's LNG network on the west coast is frequently in the spotlight, with energy companies trying to raise almost \$50 billion for the projects to proceed. ATCO's solution for this industry includes the construction and management of a workforce housing facility, coupled with facilities operations and maintenance.

This 'bundled' offering provides significant cost benefits and allows our customers to focus on their main business operations. New features and innovative entertainment options help with the challenge of attracting and retaining qualified workers for these projects to build and operate.

2013 has also seen significant budget reductions in the global defense

sector, which poses significant challenges for defense departments to maximize asset availability without increasing costs. As militaries around the world strive to do more without increasing their spending, outsourcing of facilities maintenance and operations work is on the rise.

ATCO's support of the defense sector from the operational side allows our customers to reduce costs, and arguably improve the quality of asset maintenance. The private sector offers significant advantages in this regard, by reducing the time required for military personnel to attend to civilian tasks, employing new technology and streamlining operations. Additionally, innovation

can take place quicker and further improve efficiency and effectiveness.

ATCO's operations and facilities maintenance business line relies on decades of global experience delivering projects for clients such as NATO, the UN and Canadian and U.S. defense departments.

ATCO Structures & Logistics will continue to provide the best possible solutions for our customers and develop new products and services for identified opportunities. As the world continues on its journey of steady progress, ATCO will create value for current and prospective customers worldwide and lead with integrity and excellence.



ATCO Fold-A-Way metal buildings store and protect equipment for the operations at Vale's Voisey's Bay Nickel Mine in Newfoundland and Labrador. Work for this contract is carried out by Torngait Services Inc., a joint-venture partnership between ATCO Structures & Logistics and the Labrador Inuit Development Corporation.



ATCO Structures
& Logistics

STRUCTURES & LOGISTICS

ATCO Structures & Logistics provides complete infrastructure solutions to customers worldwide, including workforce housing, innovative modular facilities, construction, site support services, logistics, operations management and noise & emission reduction solutions.

ATCO's new manufacturing facility opened in October in Kwinana, near Perth in Western Australia.



ATCO Structures & Logistics offers modular buildings, site and camp services and industrial noise and emissions control solutions worldwide. With manufacturing facilities in North America and Australia, a global supply chain, and operations on five continents, the company has the expertise to rapidly deliver a turnkey solution anywhere it is needed.

ATCO Structures & Logistics experienced a successful year in 2013 with continued success in sales and profitability in its four core business lines worldwide: Modular Structures, Lodging & Camp Services, Logistics and Facilities Operations & Maintenance, and ATCO Emissions Management.

MODULAR STRUCTURES AND LODGING & CAMP SERVICES

The Modular Structures business line comprises the design, manufacture and installation of workforce housing facilities. The Lodging & Camp Services business line includes

catering, housekeeping, retail, maintenance and utility services. In addition to large scale workforce housing complexes, ATCO provides modular fleet rental and sales.

Australia

The Australian economy has seen strong growth in the last decade, largely due to the strong performance of the resource sector industries. The demand for workforce housing to support those industries has continued in 2013, despite a more challenging year for the country's mining sector. In particular, ATCO has seen steady demand for its products

and services in Western Australia, which resulted in securing a major modular construction project as well as opening a new manufacturing facility in Western Australia.

In May 2013, ATCO Structures & Logistics was awarded a contract estimated at AUD\$100 million to design, manufacture, transport and install 357 modular units for the Chevron-operated Wheatstone Project, one of Australia's largest resource projects. The contract was awarded by Bechtel, Chevron's engineering, procurement, construction and commissioning



ABOVE: Nancy Southern, Chair, President & CEO, ATCO Group, and Hon. Michael Mischin MLC, Attorney General and Minister for Commerce, Western Australia, cut the ceremonial ribbon to open ATCO's new manufacturing facility in Kwinana, Western Australia.

LEFT: 2013 marks 15 years since the beginning of ATCO's operation and facilities maintenance of the NATO Flight Training Centre in Moose Jaw, SK. This military training site is home to Canada's iconic Snowbirds flight demonstration team.

contractor. The units supplied will be used to form a variety of office complexes and free-standing modular buildings on site at Ashburton North, 12 km west of Onslow in Western Australia, including training centres, IT buildings, guardhouses and medical centres.

This is ATCO's fourth major contract award supporting LNG projects in Australia. Between 2011 and 2013, ATCO delivered three large workforce housing projects for LNG facilities on Curtis Island, Queensland, providing more than 6,000 beds for workers constructing LNG terminals.

To meet the increased demand in manufacturing, ATCO opened a new 150,000 sq. ft. (~14,000 sq. m.) facility in October, located in the city of Kwinana, near Perth. ATCO anticipates that the facility will create approximately 100 new jobs in the Kwinana area within the first three years of operation.

This new facility will supply approximately 60 per cent of the required units for the Wheatstone Project. With the addition of this facility, ATCO now operates six manufacturing plants in Australia — the other five are in Brisbane — and has an expanded manufacturing capability to help meet demand for ATCO's products and services.

In 2013, ATCO Structures & Logistics diversified its business in Australia with a contract to design and supply modular offshore processing facilities for the Australian Department of Immigration and Citizenship. ATCO was appointed as the supply contractor for a major component of the Nauru Processing Facility, providing client and staff accommodation and major central facilities. In late 2013,

ATCO was awarded a contract to provide 800-person modular accommodations for the initial stage of the Manus Island Processing facility. This project is expected to be completed by May 2014.

North America

ATCO Structures & Logistics' business in North America experienced strong performance in 2013 with continued demand for full service modular infrastructure solutions. ATCO's bundled service offering provides the design, manufacture and operation of a facility, including site services, such as fire response and wastewater treatment.

In October 2013, ATCO was awarded a contract to manufacture, install and operate a 1,200-person workforce housing facility for the Shell Carmon Creek Project near Peace River in northern Alberta. The modular units for this project will be manufactured at ATCO's facilities in Calgary, AB, and in Pocatello, Idaho. Manufacturing work began in the fourth quarter of 2013 and completion is scheduled for the second quarter of 2015.

The Shell Carmon Creek Lodge will feature single occupancy bedrooms with ensuite bathrooms, a stand-alone gymnasium with racquetball and squash courts, a running track and separate weight training areas. Operation of the lodge, including food service, will be managed by ATCO. The company will also construct a 200-person open plan office complex as part of the bundled solution, and to service the site, ATCO will build and maintain a 1,500-person wastewater treatment plant.

To help deliver components of this project, ATCO established a joint-venture partnership with the

Woodland Cree First Nation. This partnership will be supporting camp services, which include camp management, catering, housekeeping, janitorial and maintenance.

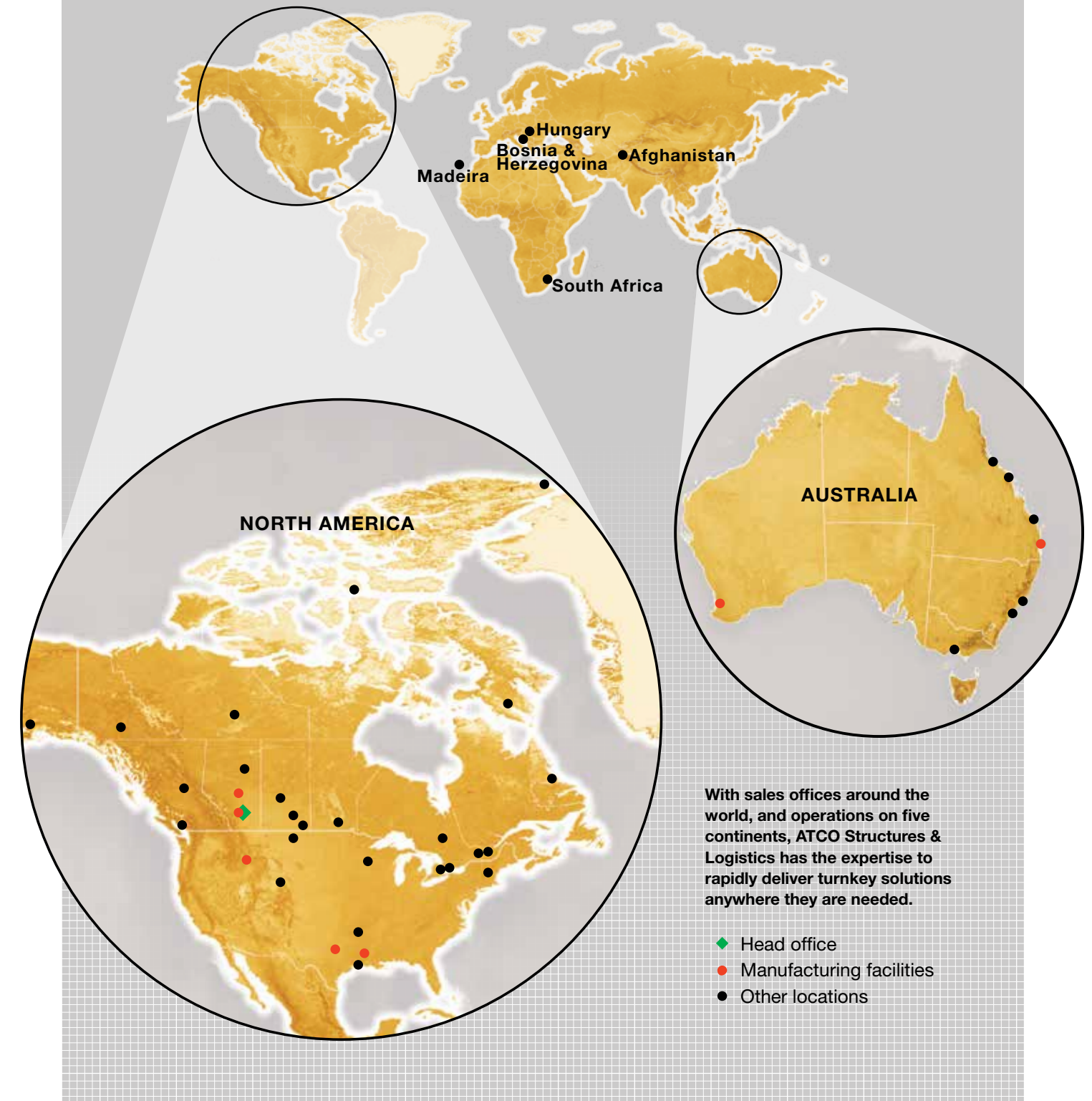
This year also saw the completion of a 330-person lodge for Pengrowth Energy, located near Bonnyville, AB. The Pengrowth Lindbergh Lodge houses workers supporting the Lindbergh Project, a thermal oil development.

As with all full service accommodations solutions, ATCO is operating the Pengrowth Lindbergh Lodge, which includes catering, janitorial and maintenance services. In order to help build capacity in the communities where ATCO operates, the company reached out to the Kehewin Cree Nation to create a local, Aboriginally-owned business that would provide services to Lindbergh Lodge. This resulted in the establishment of a commercial grade laundry facility on the Kehewin Cree reserve. In addition to providing laundry services to the lodge, the business owners will have the ability to expand and take on new clients.

Also in the oilsands region, ATCO completed its retrofit of Barge Landing Lodge near Fort McKay, AB. The upgraded complex now features more management-style rooms and Arctic corridors for more comfortable movement around the facility during inclement weather. The lodge, which was built as a joint venture between ATCO Structures & Logistics and the Fort McKay First Nation, received ISO 9001:2008 certification, an international standard for quality management. ATCO's Creeburn Lake and Barge Landing lodges are the only ones in North America to achieve this standard.

In addition to supporting companies working in the oilsands region, ATCO

ATCO STRUCTURES & LOGISTICS WORLDWIDE OPERATIONS



With sales offices around the world, and operations on five continents, ATCO Structures & Logistics has the expertise to rapidly deliver turnkey solutions anywhere they are needed.

- ◆ Head office
- Manufacturing facilities
- Other locations

has been actively pursuing business in Western Canada's rapidly growing LNG industry. In 2013, ATCO installed a 600-person early works facility for the Chevron/Apache-owned Kitimat LNG project. ATCO is partnered with the local Haisla First Nation for this project.

In August 2013, ATCO completed the first phase of the 2,586-person Jansen Lodge, a housing complex to support the construction of the world's largest potash mine. Located north of Regina, SK, the first phase of the facility included the turnover of 500 rooms and the beginning of lodge rooms operations.

To support Indigenous employment for this project, ATCO partnered with Saskatchewan Tourism's Ready to Work training program that helps under-represented groups transition from unemployment to the possession of a successful career. Members of local Aboriginal communities completed the ATCO/Saskatchewan Tourism employment training program and were all offered employment opportunities

at Jansen Lodge. Positions for hire included receptionists, cooks, camp attendants, and maintenance personnel.

South America

In 2013, ATCO Structures & Logistics sold its 50 per cent ownership interest in Tecno Fast ATCO to its joint-venture partner, Tecno Fast, headquartered in Santiago, Chile. The joint venture between ATCO and Tecno Fast was established in 1996 to supply the mining and resource sector with workforce accommodation.

ATCO sold its interest for approximately CAD \$124 million, which includes all operational assets consisting of space rental and workforce housing fleet assets, manufacturing facilities and offices in Chile, Peru, Colombia and Brazil.

Africa

Africa is a new business market for ATCO Structures & Logistics and presents many opportunities to support the resource sector. In 2013, ATCO established a presence in Johannesburg, South Africa, to

evaluate business opportunities. This early stage work is expected to continue in 2014.

LOGISTICS AND FACILITIES OPERATIONS & MAINTENANCE

Logistics and Facilities Operations & Maintenance is a core business line that provides a variety of services to private and public sectors worldwide, including defense operations.

North America

In February 2013, ATCO Structures & Logistics was awarded a facilities and operations management contract with Defence Construction Canada (DCC), which provides construction contract management and related infrastructure services to the Department of National Defence (DND). ATCO will provide site services to 45 DND sites located in southwestern and northern Ontario, as well as the Greater Toronto Area. The five-year contract began in April 2013 with an option to be extended for an additional five years.

ATCO will manage DND facilities such as armouries, vehicle maintenance facilities and rifle

ranges, providing roads and grounds maintenance, building safety, equipment maintenance, document management, environmental management, capital planning and range and training area control.

Also in 2013, ATCO was awarded a two-year extension for the current facilities maintenance contract with the National Research Council (NRC) Canada. ATCO's mandate is to provide building systems servicing and annual certifications, repairs and project capital work at five different campuses, comprising 109 buildings. The NRC is Canada's premier organization for research and development with 39 different institute laboratories.

In Canada's North, ATCO Structures & Logistics continues to manage recently acquired assets in Resolute Bay, Nunavut. In 2013, ATCO supported a Canadian Forces Arctic survival training exercise that was completed near Resolute Bay near a site locally known as 'Crystal City'.

Also in Nunavut, the Nasittuq Corporation, a joint venture between ATCO Structures & Logistics and the Pan Arctic Inuit Logistics Corporation, is providing site support services at CFS Alert for the DND. In Iqaluit, UQSUQ Corporation, a joint venture owned by the Nunavut Petroleum Corporation and ATCO, continues to lease and operate a 79 million litre bulk fuel storage facility and pipeline distribution system.

Middle East/Asia

ATCO Structures & Logistics, through its wholly owned subsidiary company, ATCO Frontec Europe, continues to support the North Atlantic Treaty Organization (NATO) and its International Security Assistance Force in Afghanistan. Specifically, ATCO is providing first responder services, including

fire and ambulance, at Kandahar Airfield for NATO troops assisting the Government of Afghanistan's nation rebuilding efforts.

ATCO is also supporting NATO and European Forces Headquarters in Sarajevo, Bosnia, providing communications and information services to approximately 2,500 troops.

ATCO EMISSIONS MANAGEMENT

ATCO Emissions Management, a division of ATCO Structures & Logistics, provides noise and air emissions control and waste heat recovery systems for power generation, oil and gas, petrochemical and other industrial sites worldwide.

On the industrial noise solution side, ATCO Emissions Management was awarded a contract for the supply of an acoustic powerhouse building and

seven additional auxiliary buildings to the Hess Newark Energy Center in Newark, New Jersey. ATCO also continued its work with the Calgary Airport Authority in Alberta, to provide acoustic buildings for the airport's expansion.

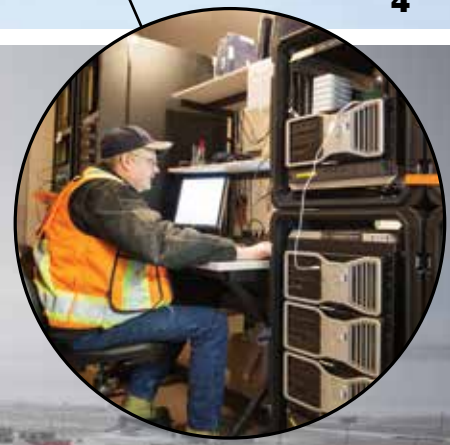
The gas turbine products business line supplied filter house systems for Xcel Energy's Quay County Generating Station in New Mexico, USA. ATCO was also awarded contracts to provide inlet systems to the SaskPower QE Station expansion in Saskatoon, SK, and selective catalytic reduction systems to General Electric's Basin Electric Pioneer and Lonesome Creek Plants in Williston and Watford City, North Dakota, USA. In Ghana, Africa, ATCO was contracted to provide the bypass stack/diverter damper systems for Zakhem International's Volta River Authority Kpone power plant.



Barge Landing Lodge, constructed and operated in a joint-venture partnership with the Fort McKay First Nation, was retrofitted in 2013 to respond to evolving customer needs. The 1,500-person lodge features upgraded rooms and Arctic corridors.



UQSUQ Corporation, a joint venture between Nunavut Petroleum Corporation (representing the Nunasi Corporation and Qikiqtaaluk Corporation) and ATCO Structures & Logistics, operates the 79 million litre bulk fuel storage facility in Iqaluit. The facility meets the refueling needs of Iqaluit airport and supplies the City of Iqaluit with fuel.



ATCO IN THE CANADIAN HIGH ARCTIC

A focus on Resolute Bay and Alert

- 1** ATCO employees in Resolute Bay refuel the CC-130J military aircraft, commonly known as the 'Hercules'. The photo is dated October 10, 2013, with visibility of less than 500 metres and ground temperature of -28C°.
- 2** Crystal City: ATCO supported the recent Canadian Forces Arctic Survival training exercise. Knowledge of igloo construction can help prolong life in extreme conditions.
- 3** The 345 cubic metre/day water treatment plant in Resolute Bay is operated and maintained by ATCO. Located on a hill, low visibility and drifting snow present accessibility challenges.
- 4** ATCO Structures & Logistics maintains the Resolute Incoherent Scatter Radar in Resolute Bay. It is used by SRI International for basic research in solar wind and observations of polar cap phenomena.
- 5** Resolute Bay, with a population of 200, is the second most Northern community in Canada. The Inuit name for the town is Qausuittuq, meaning "the place with no dawn".



ATCO has been present in the High Arctic since 1989 with the acquisition of the Narwhal Inn in Resolute Bay. This small hamlet, home to 200 people, is the second most northern community in the world. It is the starting point for any journey to the North Pole and a necessary stop for all travel to the Eureka research base and the Canadian Forces Station Alert.

In 2013, ATCO continued to operate three hotels in Resolute Bay and run a fleet of construction vehicles. The company maintains the 345 cubic metre/day water treatment plant, the Resolute Incoherent Scatter Radar, and operates the 30-million-litre fuel storage facility that supports the needs of the community, including the airport. ATCO also provides ground services to Canadian Forces

aircraft including fuel supply and cargo loading. Twenty-two full-time employees from across Canada rotate on a schedule of eight weeks on and four off. These men and women work in an environment that can be imagined by very few. Average winter temperatures of -35°C (-72°C with wind chill), and 24-hour darkness in the winter, replaced by 24-hour

sunlight in the summer, add extreme challenges to facilities operations and maintenance work. In 2013, ATCO supported the field portion of the Canadian Forces Arctic Survival training exercise that was completed near Resolute Bay at a training site known as "Crystal City". The training included building shelters such as snow caves and igloos, location signaling, and first aid in extreme weather conditions.

Further north still, the Nasittuq Corporation, a joint venture between ATCO Structures & Logistics and the Pan Arctic Inuit Logistics Corporation, continues to provide site support services at CFS Alert for the Government of Canada's Department of National Defence. Alert is a Canadian Forces Base and is the world's most northern permanently inhabited community, only 817 km from the North Pole. The services

provided by Nasittuq include facilities maintenance, airfield operations, food services, transport, logistical and administrative support. With activities in the Arctic on the rise, so is the demand for remote site services. ATCO's nearly 25 years of experience in this unique region highlights the company's ability to deliver its best work well north of the Arctic Circle.



Siegfried W. Kiefer
Chief Operating Officer,
Power & Utilities, ATCO Group

HELPING ALBERTANS BUILD ALBERTA

In 2013, Alberta's population grew by 3.5 per cent (the highest growth rate since 1981) and its total population is now more than four million. The Alberta economy created an additional 71,900 jobs last year, representing more than two-thirds of the jobs created in Canada.

Assured access to a robust electrical transmission grid is essential if Alberta is to continue its Canada-leading economic growth. In 2013, Alberta set a record for peak demand at 10,677 MW and significant annual increases are predicted every year for the next 20 years. Updated figures released in January 2014 by the Alberta Electric System Operator project peak load to grow by 2.4 per cent annually through 2032.

This growing demand, and the retirement of coal-fired generating plants, will require 11,000 MW of new generation to be built in the next 15 years. New and cleaner forms of generation needed in Alberta will only be built if investors are confident that transmission exists to deliver their electricity to market.

There is a large, complex and interconnected system that delivers the energy that Alberta businesses and families rely on every day. Safe and reliable delivery of these critical services requires long-term planning, careful budgeting, as well as detailed engineering, construction, and commissioning in advance of actual need.

Investment in Alberta's critical infrastructure has begun, but there is a significant amount of work ahead to ensure that we have a reliable system to support Alberta's economic growth for future generations.

Over the past three years, ATCO has invested a record \$5.6 billion in new utility infrastructure in the province. The ATCO Utilities businesses, that build, own and operate natural gas pipelines and electricity infrastructure, undertook capital expenditures of \$2.2 billion in 2013 and \$2.1 billion in 2012 to ensure Alberta is ready to meet the energy demands of this province's growing economy.

Given the scope and scale of our utility infrastructure investments, we have applied the strictest discipline to obtain competitively bid supply contracts and select the best "value for money" suppliers. This effort has paid off with savings on our largest transmission project in 2013, the Hanna Region Transmission Development project, completed in July, on time, and \$60 million (almost 10 per cent) under budget.

The project reinforced the reliability of east central Alberta's electrical system and increased the system's capacity for load growth, allowing for the addition of power generation projects, including wind power. As well, this project was the winner of two prestigious environmental and archeological stewardship awards, reflecting our focus on cost efficiency while maintaining the highest of standards.

Within our Utilities, we constantly strive for innovation and improvements, assemble the best expertise for every project, and reorganize our teams to provide better focus on serving our customers. You will find more about ATCO Electric's initiatives in the narratives by our Utilities in this annual report.

The challenges of growth do not diminish our obligation to safely serve all of our existing customers. We have aging systems and they need attention to ensure reliability and safety. A prime example is the Alberta Utilities Commission's recent approval of our Urban Pipeline Replacement Project, which will

replace and relocate our high-pressure natural gas pipelines, located in densely populated areas of Calgary and Edmonton, into Transportation Utility Corridors surrounding both cities.

Over time, development has leapfrogged over the existing high-pressure gas network. Now, Alberta's two largest cities will be served by a new pipeline system located away from people and equipped with inline inspection capabilities that were not available when the existing networks were built.

It is important to note that public input was a critical component of the project's approval. ATCO has a strong track record for engaging with communities and customers. Our approach to community consultation has allowed our projects to proceed with the best interests of all those involved taken into consideration.

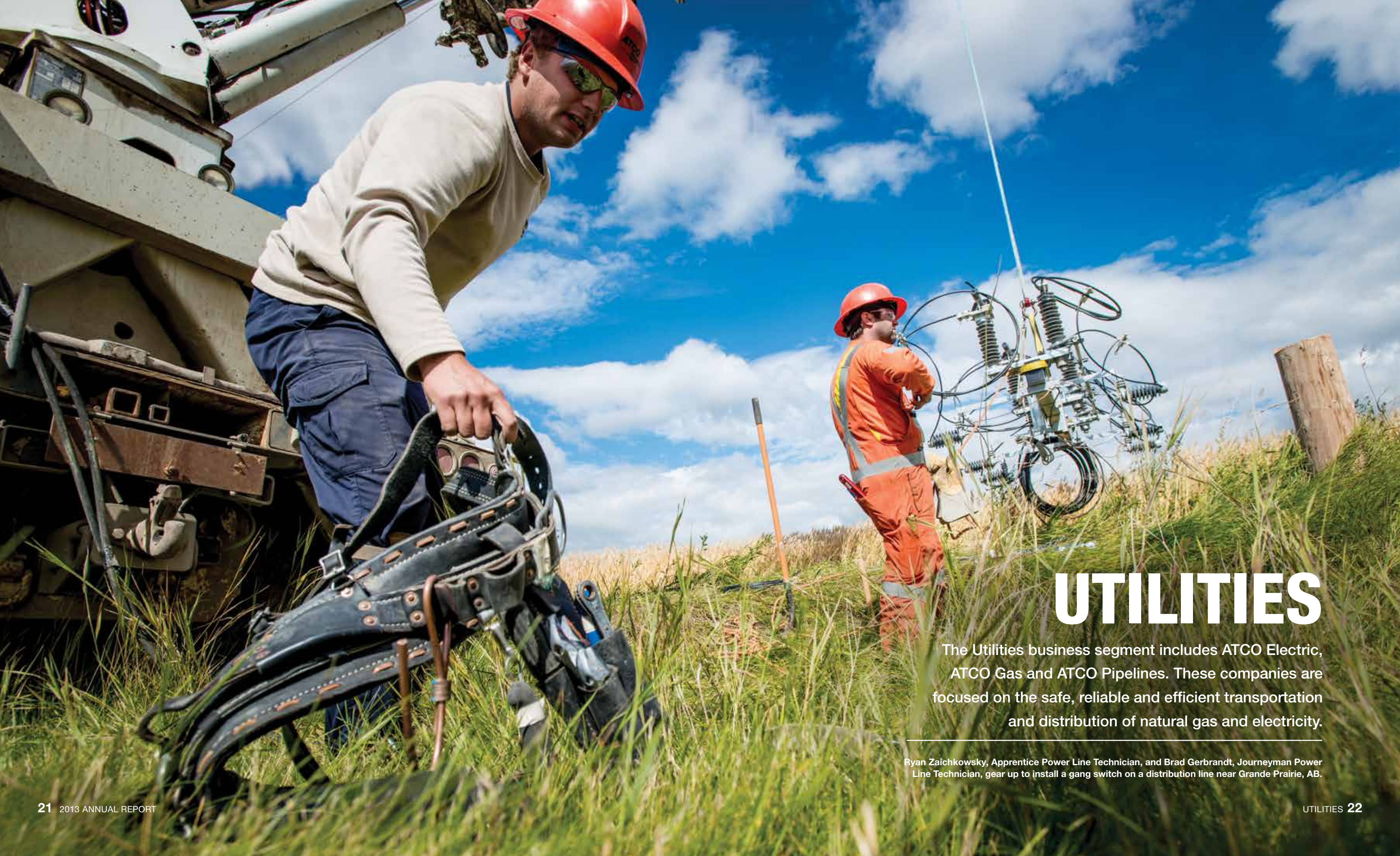
While much is being accomplished in terms of new infrastructure in the province, there is still more work to do. Moving forward, as a province, we must carefully examine our approach to utility oversight and regulation to make sure we are achieving outcomes that benefit Albertans, support our growing province in a well-managed way, and deliver the best value to customers. Alberta has enjoyed good regulatory oversight but we must continue to improve in order to reduce costs and process times.

For example, our Utilities should be permitted to simultaneously carry out projects with city utilities in order to minimize disruptions. We have

a solid relationship and attempt to co-ordinate where possible with city utilities. However, insufficient authorized capital investment by regulators has, at times, resulted in city utilities tearing up streets for waterworks at one time and ATCO doing work at the same location shortly thereafter. This is inefficient, adds costs and causes unnecessary disruption. Adequate funding must be authorized for co-ordinated replacement in order to minimize disruption, maximize efficiency, and reduce costs for our customers.

In a fast-paced economy, timeliness of decisions is also critical. We have exhaustive regulatory processes which require an extensive amount of time to connect large industrial customers to the electrical grid. These delays will slow, if not stall, Alberta's economy and investment if companies believe they will be unable to power up operations at the planned time.

Alberta is in an enviable position. How we tackle infrastructure issues, both with new growth and replacing aging systems, is critically important to the province's future prosperity. We must not only do things right, we must ensure that we do the right things—everything from planning and approvals, to design and construction—to ensure the safe, reliable and cost-effective delivery of energy to our customers.



UTILITIES

The Utilities business segment includes ATCO Electric, ATCO Gas and ATCO Pipelines. These companies are focused on the safe, reliable and efficient transportation and distribution of natural gas and electricity.

Ryan Zaichkowsky, Apprentice Power Line Technician, and Brad Gerbrandt, Journeyman Power Line Technician, gear up to install a gang switch on a distribution line near Grande Prairie, AB.



ATCO Electric

ATCO Electric builds, owns and operates electrical transmission and distribution facilities in east-central and northern Alberta. It delivers safe, reliable electricity to nearly 220,000 farm, business and residential customers in 245 communities. By supplying power to large industrial and oilfield customers, ATCO Electric supports development of Alberta's energy-rich industrial sector.

ATCO's electrical system includes approximately 11,000 km of transmission lines and 68,000 km of distribution lines. ATCO Electric also maintains nearly 5,000 km of distribution lines on behalf of farmer-owned Rural Electrification Associations.

In 2013, ATCO Electric formed distinct Transmission and Distribution divisions to better align with industry and the regulatory environment. The Transmission Division constructs, operates and maintains transmission facilities, such as large towers, power lines, transformers and substations, that transport high voltage power from generation plants to substations. The Distribution Division constructs, operates and maintains the lower-voltage distribution lines and facilities that deliver power from substations to customers' homes, farms and businesses.

ATCO ELECTRIC TRANSMISSION DIVISION

In 2013, the Transmission Division invested \$1.4 billion in new facilities and upgrades to meet Alberta's growing demand for electricity and replace aging infrastructure. The investment required not only adherence to stringent procurement and cost monitoring practices but unprecedented consultation with landowners, First Nations and other

affected Albertans. The division is focused on the timely and cost effective construction, maintenance and operation of transmission facilities while adhering to socially and environmentally responsible practices.

The Transmission Division created an in-house construction crew specialized in building transmission facilities. The crew includes 73 employees working at three key locations: Bonnyville, Hanna and Conklin/Fort McMurray.

Work continues on the \$1.8-billion Eastern Alberta Transmission Line (EATL) project, a 485 km, 500-kilovolt (kV) direct current line, with two converter stations, between the Gibbons-Redwater area and Brooks. EATL, the largest project in ATCO history, will reinforce the backbone of Alberta's electricity grid and is on schedule for completion in late 2014. By the end of 2013, more than 55 per cent of the project's nearly 1,400 towers were assembled and more than 277 were erected.

2013's largest completed project was the Hanna Region Transmission Development (HRTD) project, a \$650 million reinforcement of the electrical grid in southeast Alberta. Coming in on time in July 2013, and \$60 million under budget, HRTD comprises more than 335 km of 240 kV and

144 kV lines, six new substations and upgrades to 14 existing substations. (For more on HRTD, see page 27.)

The \$600 million North East Transmission Development project was also completed in 2013, providing necessary reinforcement to the electrical grid in Alberta's northeast region. Work included the installation of one of Alberta's first Phase Shifting Transformers (PST) at Livock, near Fort McMurray. The PST relieves constraints on the existing transmission system and ensures a secure and reliable supply of electricity.

In 2010, the Alberta government mandated the Alberta Electric System Operator to develop a Competitive Process for Critical Transmission Infrastructure projects that was approved by the Alberta Utilities Commission in February 2013. This new initiative means that in addition to direct-assigned transmission projects, the Transmission Division now also competes with other companies for new critical transmission projects across Alberta. The Fort McMurray West 500 kV Transmission Line is the first project under the competitive process.

Separating the Transmission Division from the Distribution Division better positioned the company for the

Powerline Technician Team Lead, Keith Garbitt, works on constructing a line for an oilfield customer near Spirit River, AB.

competitive bidding process to build, own and operate large-scale transmission infrastructure projects. To further prepare the company to effectively compete for transmission projects, the Transmission Division also initiated an Asset Management program to build efficiencies, improve processes and streamline operations for the life cycle of all of the Transmission Division's assets.

The Transmission Division continued its focus on health and safety in 2013 with the introduction of a new Health, Safety and Environment (HSE) management system to better manage HSE incidents. The system gives every Transmission Division employee the ability to record HSE incidents and view reports, giving everyone in the company more accountability and visibility to the division's safety record.

The Transmission Division enhanced its Crop Protection Plan practices and added six new mobile cleaning stations to its fleet to be used in the field to wash and sterilize vehicles and equipment to help curb the

spread of club root and other soil-borne diseases.

ATCO ELECTRIC DISTRIBUTION DIVISION

The Distribution Division continued its focus on reinforcing system reliability and meeting customer demand. In 2013, the division invested \$386 million in new infrastructure and upgrades to meet the growing demand for safe, reliable electricity. A large portion of the increase in demand occurred in Alberta's northeast, where oil and gas continue to drive the economy.

The Distribution Division also established a number of sustainable operational efficiencies aimed at further meeting customer needs and streamlining work processes for employees. One efficiency project involved improving response to underground locate requests.

The operation was centralized in 2012 and, in 2013, new screening measures reduced the number of trucks dispatched, saving time for customers and employees.

Meeting the needs of municipalities was also a key focus. In 2013, the Distribution Division renewed franchise agreements with 28 communities, securing ATCO Electric as the electricity distributor for the next 10 years.

In Stettler and Grande Prairie, the Distribution Division opened new energy-efficient service centres. The buildings reduce energy and water consumption by 55 and 30 per cent, respectively. They include design features such as a green roof and rain-water collection systems. The Grande Prairie facility replaces three other buildings that housed employees, creating efficiencies for staff and streamlining service for customers.

The Distribution Division welcomed 4,100 new farm customers after the purchase of the Manning, Elk Point and Peace Country Rural Electrification Associations (REA) were finalized. Members of the Manning and Elk Point REAs voted in favour of selling their assets to ATCO Electric in 2012. The Peace Country REA vote was held in January 2013.

The Alberta Utilities Commission and the Rural Utility Division approved all three sales in the fall of 2013. The sale of the Delburne West REA was approved in early 2014, following a vote in favour by its members in June 2013.

2013 marked the first year the Distribution Division began offering light-emitting diode (LED) streetlights as an option for new residential and stand-alone streetlight installations.

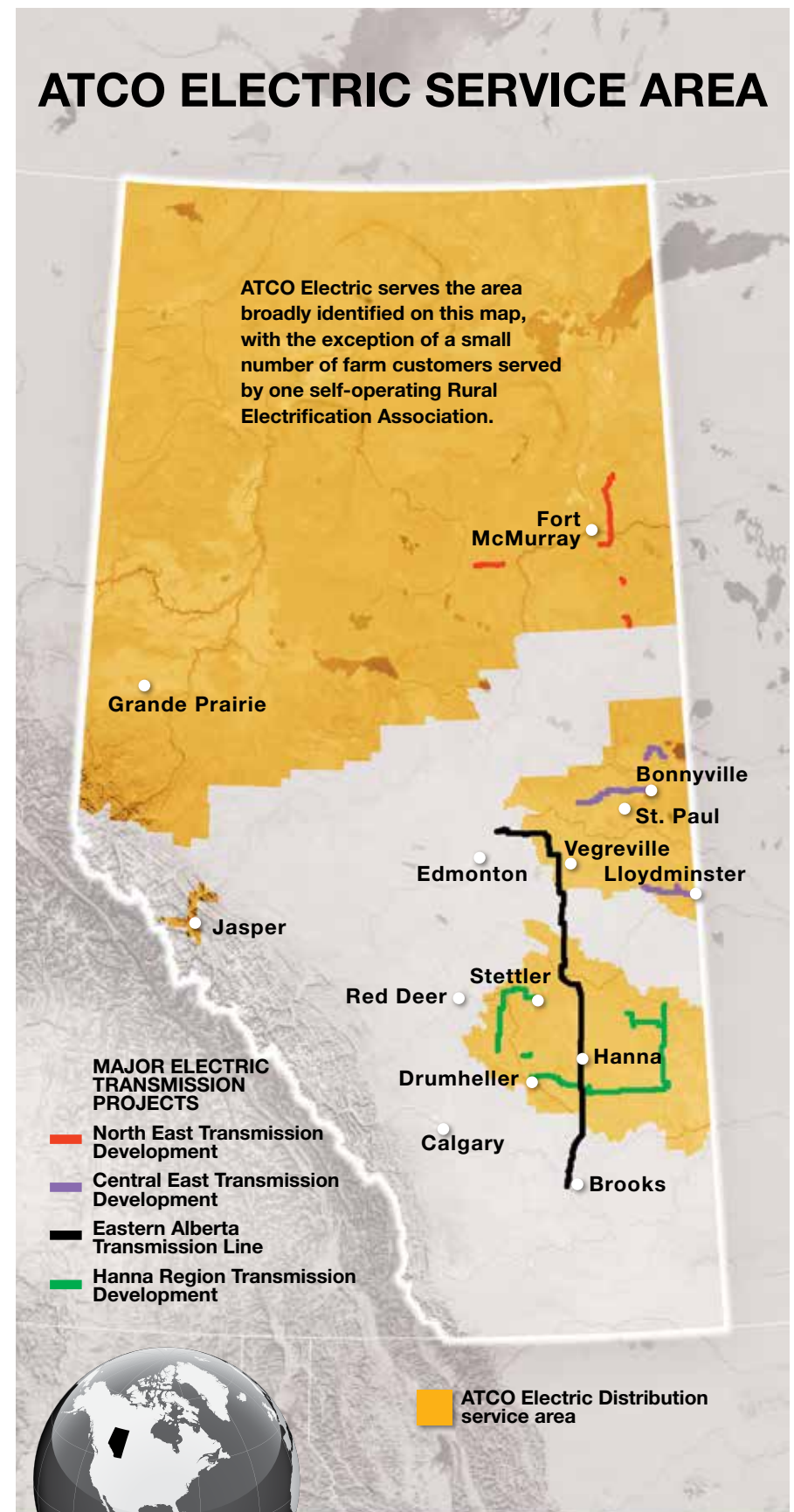
As part of its commitment to environmental stewardship, the Regional Municipality of Wood Buffalo made LEDs the new standard for streetlights in Fort McMurray in 2013. The municipality opted for a full-scale conversion of existing high-pressure sodium streetlights. In June, the Distribution Division began work on the conversion project—the first of its kind for the company. Five months later, more than 4,200 streetlights were converted to LED. An additional 280 decorative and specialty streetlights are scheduled for replacement in late 2014.

Each new dark sky-certified LED streetlight provides safe street lighting with less wasted light. They use 55 per cent less energy compared to traditional high-pressure sodium lights, reducing carbon dioxide emissions by more than 350 pounds per fixture per year.

As always, public safety is critically important to ATCO Electric. The Distribution Division continued its support of the Joint Utility Safety Team, a consortium of electricity distributors that share the goal of raising awareness of power line safety. The Distribution Division also targeted farm customers with the annual farm safety campaign and reached out to school children in 31 communities with ATCO Energy Theatre's educational live theatre performances.



Transmission Division President, Sett Policicchio, and Quyen Nguyen, Vice President, HVDC Projects, survey a portion of the Hanna Region Transmission Development project.





HANNA REGION TRANSMISSION DEVELOPMENT PROJECT

Completed On Schedule and Under Budget

1

- 1 ATCO Electric constructed six new substations for the Hanna Region Transmission Development (HRTD) project including the Oakland substation near Hanna, AB.
- 2 With the aid of a helicopter, crews string transmission wires along 240kV steel lattice towers near Hanna.
- 3 A 240kV steel lattice tower is erected on the Anderson-Oakland section of the HRTD project.
- 4 Crews install an artificial nesting platform for ferruginous hawks in the Bullpound Pasture near Hanna.
- 5 Reels of wire on the site for stringing at the Anderson-Oakland section of the HRTD project.
- 6 The camp in Hanna that housed the project's workers is now being used for the Eastern Alberta Transmission Line project.

2



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5



6

The \$650 million Hanna Region Transmission Development (HRTD) project, required to reinforce the electrical grid in the region and allow for future growth, was completed on time in July 2013 and \$60 million under budget. To complete the project, the Transmission Division constructed and strung 335 km of 240 kV and 144 kV transmission lines (consisting of 676 steel lattice towers, 266 H-Frames and 330

monopole structures), built six new substations and upgraded 14 existing substations. Public consultation for HRTD included 11 open houses and about 2,300 individual consultations. Sixty per cent of the HRTD project was constructed in environmentally sensitive areas such as protected pasture, native grasses and wetlands. The HRTD Environmental Protection Plan ensured every phase of construction avoided or reduced environmental impacts. For

instance, a significant percentage of construction was scheduled to occur while the ground was frozen to reduce soil degradation and soil structure damage and to avoid disturbing select wildlife species. Field teams used a mobile app that provided customized information about environmental regulations for specific land parcels. The Transmission Division constructed dozens of artificial nesting platforms to assist in the recovery of southern

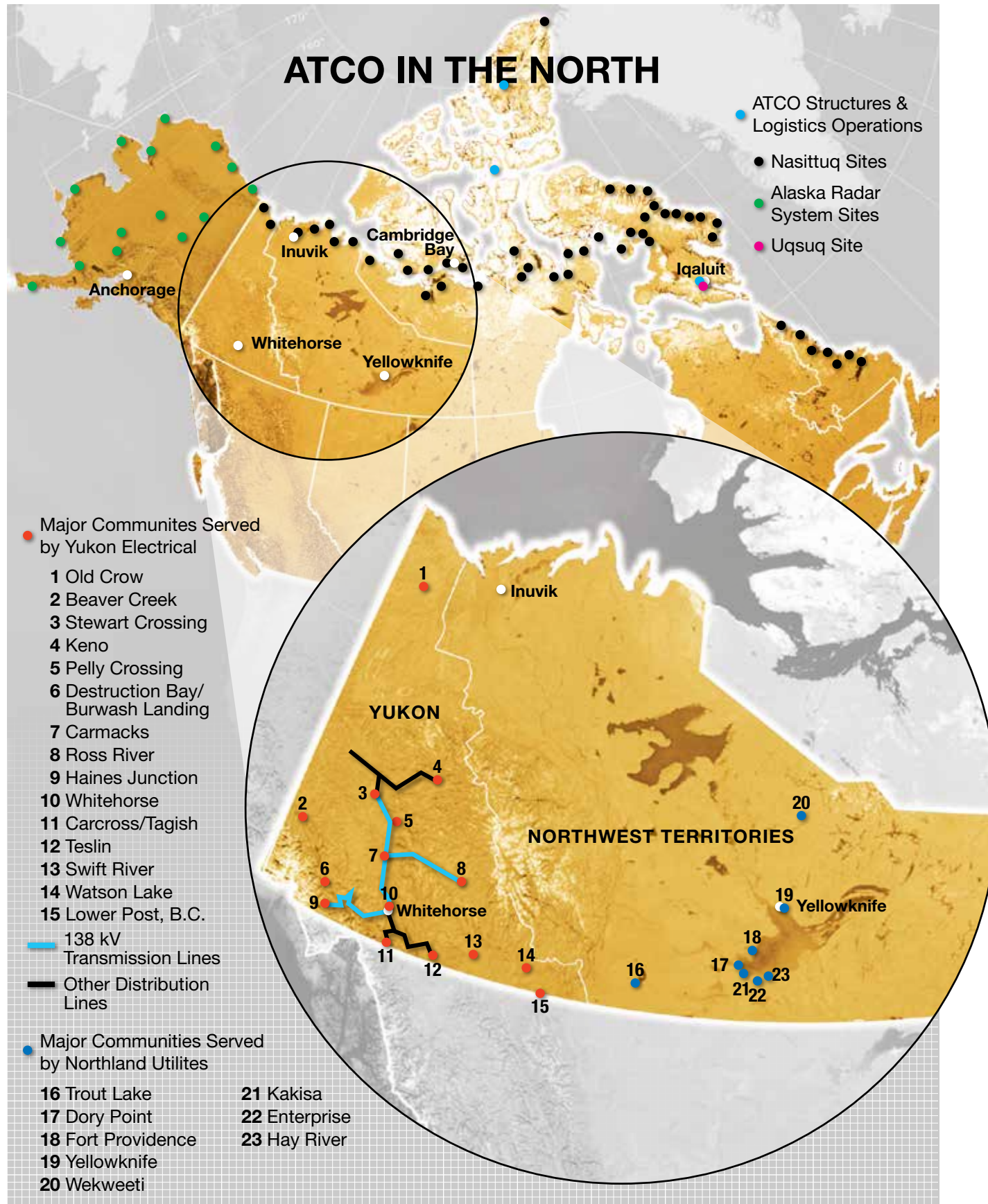
Alberta's ferruginous hawk population.

And through the implementation of the Historical and Archeological Resources Protection Plan, 145 historical resources were discovered and reported to Alberta Culture, including building foundations, ceremonial relics, stone tools, farm sites and fossils. Prior to the construction of the HRTD project, Alberta Culture had only five historical resources on record

for the region. The Historical and Archeological Resources Protection Plan was recognized with two awards in 2013 for increasing public awareness and implementing best practices in preserving Alberta's historical resources: the Archeological Society's Richard G. Forbis award and the Association of Professional Planners Institute Award of Merit.

Reclamation and cleanup of the right-of-ways were completed in

November 2013. Of the three work camps built to house construction crews in Oyen, Consort and Hanna, the Oyen and Consort camps have been removed and the power and utility hookups donated to those communities. The Hanna camp remains open to house crews working on the Eastern Alberta Transmission Line project, but the power and utility hookups will also be donated to the community once the project is complete.



ATCO UTILITIES IN THE NORTH

ATCO, through its northern companies Northland Utilities and Yukon Electrical, builds, owns and operates generation, transmission and distribution facilities in the Northwest Territories and Yukon. Combined, these companies provide safe, reliable electricity to 28,000 customers in 28 communities, from south of the Yukon border to north of the Arctic Circle.

NORHLAND UTILITIES

Northland Utilities is a full-service electrical company providing retail, distribution, transmission and generation services to customers since 1951. Its ownership is shared between Denendeh Investments (14 per cent) and ATCO Electric. There are two operating divisions: Northland Utilities (NWT) Limited and Northland Utilities (Yellowknife) Limited serving more than 11,000 customers in nine communities.

In 2012, Northland Utilities (Yellowknife) completed the first stage of a light-emitting diode (LED) streetlight conversion project. The first project of its kind for a major city in northern Canada, the LED technology provides increased energy efficiency and will reduce the costs associated with equipment replacement and maintenance for the city.

Based on the success of the first stage of the project, the City of Yellowknife has requested that the project be accelerated with more than 1,500 street lights to be converted by 2016.

Both Northland Utilities companies have filed a proposal to the Northwest Territories Public Utility Board (PUB) to continue offering net metering to its customers. Net metering allows customers who generate their own electricity from renewable sources to export

their surplus electricity back to the distribution grid in exchange for energy credits.

The proposal is based on the results of a three-year pilot program that concluded in 2013 and is currently before the PUB awaiting approval.

YUKON ELECTRICAL

Yukon Electrical has been providing electrical service for more than a century. The company began operations in 1901 when it started generating electricity for the residents of Whitehorse using a wood-fired, horizontal piston steam engine. The company serves more than 17,000 customers in 19 communities from south of the Yukon border to north of the Arctic Circle. The main office and service centre are located in Whitehorse.

The Whistle Bend subdivision in

the city of Whitehorse is the largest residential land development project in the area. After investing \$5 million to build a new substation to serve the area, Yukon Electrical also partnered with the City of Whitehorse to explore a solar thermal energy storage system. The system would use solar collectors to heat water which is then pumped deep underground where it is stored for use in the winter.

Yukon Electrical completed a feasibility study for the project late in the year and has presented the findings to the City of Whitehorse.

In May 2013, Yukon Electrical filed a general rate application to the Yukon Utilities Board. Hearings regarding the application were held in November and the application awaits a decision.



A Northland Utilities Powerline Technician inspects a recently installed LED streetlight in Yellowknife, NWT.



ATCO Gas

ATCO Gas has been heating homes and warming communities across Alberta for more than a century. Today, ATCO Gas delivers safe, reliable and cost-effective natural gas to more than 1.1 million customers in nearly 300 Alberta communities.

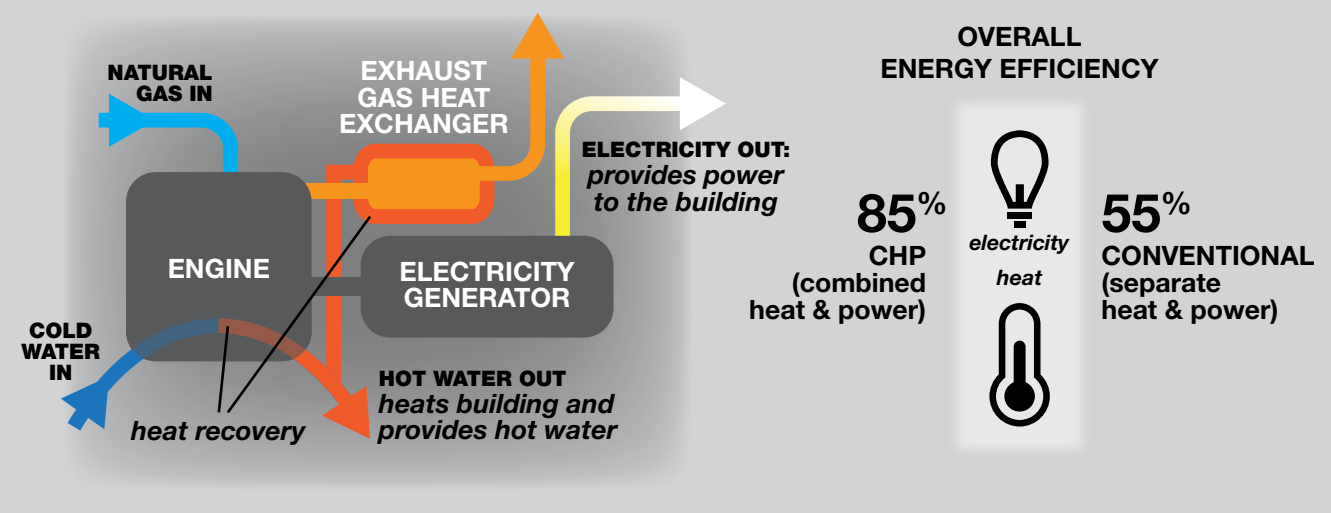
As Alberta's largest natural gas distribution company, ATCO Gas builds, operates and maintains nearly 40,000 km of natural gas distribution pipelines. ATCO Gas provides 24-hour response to natural gas emergencies in its service territory. Through the ATCO Blue Flame Kitchen and ATCO EnergySense, ATCO Gas also provides safety and energy efficiency programs and services.

COMBINED HEAT AND POWER
In 2013, ATCO Gas enhanced its commitment to the environment

by introducing a program to assist commercial and institutional customers interested in implementing the use of combined heat and power (CHP) technology. CHP uses natural gas as a primary fuel source to generate both heat and electricity simultaneously. This increases energy efficiency, lowers facility operating costs and reduces greenhouse gas emissions. The program is being partially funded by the Climate Change Emissions Management Corporation and is expected to reduce 60,000 tonnes of greenhouse

gas emissions over the 15-year life of the project. ATCO Gas is using this technology in its new energy-efficient operations centre in Okotoks. Opened in September 2013, the centre is one of the first commercial buildings of its size in Alberta to feature the small-scale use of CHP technology. The natural gas-fuelled heat and power generation system will generate 25 kilowatts of electricity as well as deliver exhaust heat to the building's boiler heating system.

COMBINED HEAT & POWER (CHP) UNIT



ABOVE: ATCO Gas is helping commercial and institutional customers implement CHP technology, which uses natural gas as a primary fuel source to generate heat and electricity simultaneously, increasing energy efficiency.

LEFT: Chris Blunt, ATCO Gas Engineer, tours ATCO Gas's new energy-efficient operations centre in Okotoks, AB, one of the first commercial buildings of its size in Alberta to feature the small-scale use of Combined Heat and Power (CHP) technology.

OPERATIONS AND GROWTH

In 2013, ATCO Gas completed its first year of operations under Performance Based Regulation. This new rate regulation for distribution utilities, implemented by the Alberta

Utilities Commission, came into effect on Jan. 1, 2013. The new regulatory environment creates incentives for ATCO Gas and all distribution utilities to continue working hard to identify long-term sustainable efficiencies.



In support of Safe Digging Month, ATCO Gas led the Alberta Common Ground Alliance's live excavation demonstration at the Southern Alberta Institute of Technology.

In June, severe flooding swept through southern Alberta, causing the worst natural disaster in the province's history. ATCO Gas employees mobilized quickly to assist people in affected communities and minimize damage to its distribution system. (See page 37 for more on ATCO Gas's emergency and operational response efforts.)

ATCO Gas experienced another year of strong growth, adding almost 23,000 new customer connections. Significant progress was made on its capital infrastructure program, which is focused on improving system integrity, maintaining service reliability and ensuring public safety.

INVESTING IN CAPITAL INFRASTRUCTURE

In 2013, ATCO Gas's automated meter reading project was virtually completed. Since 2011, ATCO Gas has replaced or retrofitted more than 1.1 million natural gas meters with encoder receiver transmitter devices, which wirelessly transmit usage data to mobile collectors. This allows ATCO Gas to read gas meters without entering customers' homes, yards or businesses, improving billing accuracy, employee safety and customer convenience.

Work also continued on steel and plastic mains replacement programs. In 2013, ATCO Gas invested almost \$53 million in the replacement of aging natural gas mains and services to ensure the safety and reliability of its pipeline network.

FOCUSED ON NATURAL GAS SAFETY

ATCO Gas carried on its commitment to public safety through its annual carbon monoxide awareness campaign and promotion of safe digging practices around natural gas pipelines. In 2013, ATCO Gas provided more than 282,000 locates

to support safe digging practices, an 11 per cent increase from the previous year. ATCO Gas led the Alberta Common Ground Alliance's live excavation demonstration for local media at the Southern Alberta Institute of Technology in support of Safe Digging Month.

ATCO Gas also began promoting natural gas as a safe and cost effective alternative for construction heat.

ATCO Energy Theatre continued to teach young students important safety lessons about natural gas and electricity. It performed to more than 18,000 students in 2013 and has reached more than 97,000 students since it began in 2007. In 2013, ATCO Energy Theatre launched interactive games, an online resource that helps expand its safety education in both classrooms and homes.

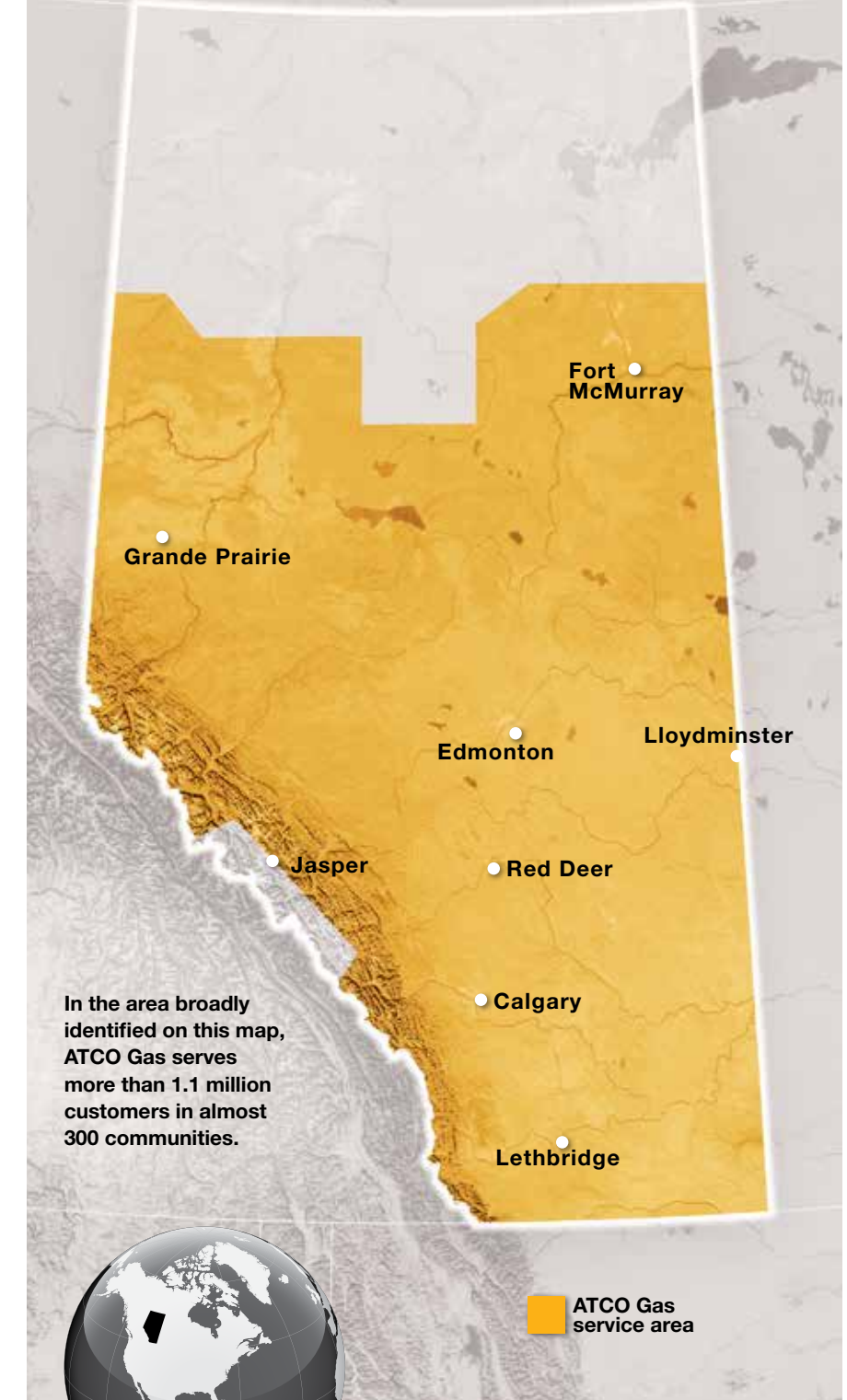
IN THE COMMUNITY

ATCO Gas works with first responders in emergency situations involving natural gas to ensure our communities stay safe. ATCO Gas and ATCO Electric are strong supporters of firefighters and fire departments across Alberta. In 2013, this included sponsorship of Fire Safety Week, Disaster Forum and the Alberta Fire Chiefs' Association Conference, investments in local volunteer fire departments and development of new community emergency preparedness guides for homes.

RECOGNIZED FOR EXCELLENCE

The Drake Landing Solar Community in Okotoks received the prestigious 2013 International Energy Agency's Solar Heating and Cooling Programme Solar Award, which recognizes significant achievements in solar thermal market development and reductions in market barriers. ATCO Gas was involved in the

ATCO GAS SERVICE AREA



development of Drake Landing in 2007 and has acted as managing partner and facility operator since that time.

ATCO Gas received six communications awards from the International Association of Business Communicators and the Canadian Public Relations Society for its centennial celebration, including the IABC Gold Quill Award of Excellence in Communications Skills, Publications—an international

award—for its commemorative centennial publication.

ATCO ENERGYSENSE

ATCO EnergySense offers energy assessments for ATCO Gas and ATCO Electric business customers as well as energy efficiency advice for residential customers.

The ATCO Energy Education Mobile, an interactive classroom on wheels, continued to teach students and the public about Alberta's energy resources and how to use them

wisely. Since its inception in 2010, the ATCO Energy Education Mobile has visited 170 Alberta communities and engaged more than 59,000 participants.

ATCO EnergySense continued to offer commercial and municipal energy assessments to help customers improve their bottom lines and reduce their impacts on the environment, as well as educate Alberta homeowners about the benefits of energy efficiency via its website and print publications.

ATCO BLUE FLAME KITCHEN EXPANDS REACH

ATCO Blue Flame Kitchen, a service of ATCO Gas, has provided Albertans with natural gas safety information, energy efficiency tips and household advice related to food, cooking, recipes, stain removal and other household problems for more than 80 years. The service has been expanded to include cooking classes and educational programs for participants of all ages.

In 2013, ATCO Blue Flame Kitchen focused on bringing technology into the kitchen, meeting today's families in the digital world, where they look up recipes online and search for kitchen tips and how-to videos on YouTube.

ATCO Blue Flame Kitchen launched a YouTube channel, producing how-to videos on a wide range of topics, from how to peel a kiwi with a spoon to how to carve the holiday turkey. Pinterest and Twitter accounts are being used to

build customer engagement, and a new text-based live chat service is connecting visitors to the website with the Answer Line's home economists. A new ATCO Blue Flame Kitchen app for iPhone and iPad allows users to look up and save recipes, generate shopping lists and chat live with the Answer Line team.

Two new cookbooks were released in 2013 – Everyday Delicious and Holiday Collection – both of which were bestsellers. To keep pace with consumer expectations, nutritional information and even more photos have been added to the cookbooks, which have a strong history with Alberta families.

Community engagement remains a core value at ATCO Blue Flame Kitchen, as seen in the continued success of the award-winning Kids Can Cook school program in Calgary, in which more than 1,700 Grade 5 and 6 students participated.

In 2013, the Calgary Learning Centre began a partnership with Soup Sisters and Made by Momma to provide chef-led expertise in their charitable work, helping to feed families and those in need in the Calgary region.

The professional home economists continued their community outreach in Edmonton and surrounding areas through numerous speaking engagements to a wide range of audiences – including university students and military families – and led cooking classes through Metro Continuing Education.

New ventures in 2013 included a partnership with Alberta Health Services to launch a new location for cooking classes at Calgary's South Health Campus, as well as opening a brand new ATCO Blue Flame Kitchen Café in Calgary's ATCO Centre building.

We are connecting:

23,000
Answer Line inquiries

14,000
Monthly newsletter subscribers

17,000
Cookbooks sold

31,385
ATCO Blue Flame Kitchen YouTube video views

792
Media appearances in Alberta

6,485
Visitors to Calgary Learning Centre

996,933
Website page views



ATCO Gas Distribution Operators – Field, Evan Kostiuk (left) and Dave Swan, undertake a plastic mains replacement project east of Sherwood Park, AB.



2013 ALBERTA FLOODS
ATCO RESPONDS



The flooding caused major damage to infrastructure in High River including this completely destroyed roadway.



Tom McNeill, Distribution Operator, Field - Okotoks, (left) and A.J. Molloy, Junior Distribution Operator - Field, Okotoks, evacuated a number of residents, including these young people, to higher and safer ground.



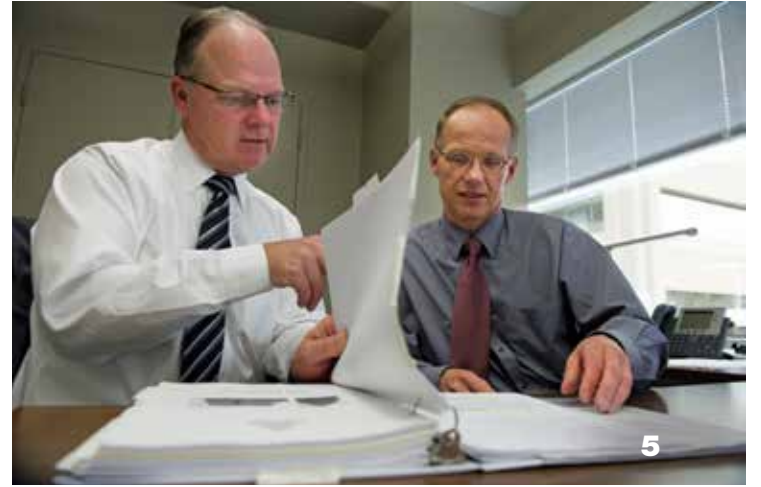
1 Debbie Allard, Distribution Operator - Field, (left) and Andy Korn, Distribution Operator - Field, checked for potential gas leaks caused by the floods in Canmore, AB.

2 ATCO Gas employees inspect a gas main exposed along a roadway in Dead Man's Flats, near Canmore.

3 Many homes in High River, AB, were swallowed by flood water. More than 150 people were rescued from rooftops.

4 ATCO Power's asset optimization team relocated to its emergency back up location during the floods to ensure continued management of the power output from ATCO's power generating stations.

5 John Ell, President, ATCO Power and Anders Renborg, Chairman of ATCO Powers' Crisis Management Committee, met daily to ensure ongoing regular daily operations of generating assets in Southern Alberta.



In late June of 2013, southern Alberta was hit by the worst flooding in the province's history.

After heavy rainfall earlier in the month had left the ground saturated, a giant low pressure weather system filled with moisture moved in over the Rocky Mountains from the Pacific coast and stalled over the foothills in the southern part of the province. It dumped more than a month's worth of precipitation in just 48 hours – 250 mm in some areas.

With the ground already saturated and this massive amount of rain adding to the snow melt that was coming down from the mountains, the water had no place to go. Water levels began to rise rapidly and overflowed the banks of the many streams and rivers, including the Bow and Oldman rivers, comprising the Bow Valley Basin. The basin stretches from Canmore at the foot

of the Rocky Mountains to Calgary and High River and eventually to the South Saskatchewan River that runs through Medicine Hat in southern Alberta. It touches 34 municipalities and three First Nations, making it the most populous river basin in Alberta.

By the time the flood waters subsided, they had engulfed more than 55,000 sq. km of land—almost twice the size of Vancouver Island. Thirty-three communities had declared states of emergency, 28 emergency operations centres were put into action, and more than 100,000 people were forced to leave their homes.

With many of ATCO's customers, communities and employees under water, the company mobilized to respond in a number of ways:

- as a utility provider charged with delivering essential services to

homes and businesses safely and reliably;

- as a company with experience rapidly deploying critical infrastructure and services to some of the worst natural disaster zones around the world;
- as an employer with a family of employees across the province either directly affected by the flooding or ready to step up to help their coworkers; and,
- as a member of these communities, some for more than 100 years, committed to helping them get back on their feet.

The ATCO teams were on the ground from the beginning, working with local and provincial authorities to ensure that the delivery of natural gas and electricity to affected communities was being managed safely and was aligned with all aspects of the emergency response.

ATCO Gas employees were on the scene in some of the most devastated communities to monitor ATCO's distribution pipelines and facilities and to shut down delivery to homes and businesses, if needed, to ensure that natural gas appliances damaged by the floods didn't pose a risk. In locations where lines had been damaged, employees set up temporary emergency facilities to continue delivering natural gas when it was safe to do so.

At the request of the RCMP, ATCO Gas employees assisted with evacuating residents and with search and rescue efforts. They also attended local Emergency Operations Centre meetings to ensure that all aspects of the company's response were as effective as possible.

As the waters started to recede, ATCO Gas employees were among the first back into these communities

with other emergency personnel, inspecting every single natural gas appliance in tens of thousands of homes and businesses, searching for leaks and ensuring it was safe for people to return. At the same time, the team was mobilizing to repair damage to the low-pressure natural gas pipelines and arrange for temporary service while the repairs were taking place to get people back into their homes as soon as possible.

Throughout the crisis, ATCO Gas employees were on the phones, online or in homes answering questions and assisting people with safely relighting their natural gas appliances.

Meanwhile, ATCO Pipelines Control Centre employees closely monitored the company's high-pressure natural gas lines and facilities in the region while operations staff worked around the clock to protect facilities from

damage relating to the rising flood waters.

Behind the scenes, the ATCO I-Tek team worked to ensure that while clients were dealing with the effects of the floods, they would have reliable and ongoing access to their business critical technology applications and infrastructure to maintain their operations.

ATCO Structures & Logistics has experience around the world delivering critical infrastructure and services in the wake of some of the worst natural disasters. Most recently, the company provided living accommodation, offices, kitchens, medical facilities and related services during disasters in Haiti and Chile. So, when there was a crisis in its own backyard, the company jumped into action.

One of the worst hit areas was the Siksika First Nation just south



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8

of Calgary. Many of the residents watched as their homes were literally washed away in the flood waters. Working for the Government of Alberta, ATCO Structures & Logistics constructed, installed and continues to operate temporary relief shelters for the entire Siksika community. The temporary community includes three lodges built in six weeks which, together, provide almost 300 beds and living accommodations for the Nation.

The company also constructed a new modular town centre for the community of High River and three temporary fire halls for the municipality of Foothills.

ATCO Power's Oldman hydro generation facility in southern Alberta was also impacted by the floods with the surge of water from the Oldman River. Although the facility only experienced some minor leakage,

the emergency preparedness and business continuity plan was initiated. This was vital in directing both staff and external parties to quickly manage the situation and be able to provide power again within a few days.

As people returned to their homes and businesses, the true extent of the damage and devastation became clear. Many would find several feet of water, silt and raw sewage covering everything they owned. The concern now was that as tens of thousands of residents began the daunting process of reclaiming their lives, they could be exposed to the toxic mould and bacteria that had started growing in the stagnating water.

With more than 80 years of experience providing household advice and support to Albertans, the ATCO Blue Flame Kitchen team became an integral part of the ATCO

response. When the flood forced the closure of the ATCO Blue Flame Kitchen Calgary office, the team worked out of the Edmonton office to produce important information for flood victims looking to safely clean their homes and deal with associated food safety issues.

From the start, ATCO and its employees rallied around their neighbours, family and colleagues providing shelter, supplies and support. ATCO established its ATCO Families Flood Relief Program that enabled employees to support their colleagues in a number of meaningful ways. Employees were able to donate funds to help affected families with every dollar donated matched by the company. The effort raised nearly \$175,000 to help flood-affected ATCO employees with the costs of clean up and re-building.

6 ATCO Structures & Logistics constructed, installed and continues to operate temporary relief shelters for the Siksika First Nation.

7 ATCO employees volunteered their time to sort donations and distribute supplies for the Siksika First Nation.

8 Dean Seiz, ATCO Sustainable Communities, delivered thousands of bottles of water to the Siksika Nation.



ATCO'S FIREFIGHTERS IN ACTION

As the flood waters swept through central and southern Alberta, emergency personnel were the first on the scene and stayed throughout the crisis helping to evacuate people, protect property and ensure that people could return as quickly and safely as possible.

In the Municipal District of Foothills, which encompasses High River, firefighters were doing double and triple shifts, some working for 48 hours straight, to ensure the safety of the public. Many were from areas such as High River and Okotoks and they had not had a chance to check on the flood's impact on their homes.

Deputy Chief Greg Schaalje described the situation facing the men and women at the Heritage Pointe Fire Station (within the municipal district) to a friend and that conversation soon found its way through the ranks at ATCO, and our help was requested.

There are many ATCO employees across Alberta who dedicate their time away from the job to volunteering as firefighters in their communities. Jerrold Lemko, who serves as the volunteer Fire Chief for the Vegreville Fire Department when he's not performing his duties as a Health, Safety & Environment Coordinator for ATCO Electric, Transmission Division, was asked

to see if he could round up ATCO employees who were also volunteer firefighters and who would be willing to spend a week supporting the firefighters at Heritage Pointe Fire Station.

He received the request for support the evening of Monday, June 24 and by Wednesday afternoon eight ATCO employees had travelled from across the province to the Heritage Pointe Fire Station just outside of Calgary to be briefed on their duties by Deputy Chief Schaalje.

The ATCO employees gave up vacation plans and time with their families over the Canada Day long weekend to help out their fellow firefighters.

While at the fire station, the ATCO employees were busy answering emergency calls including everything from reports of fire to vehicle collisions to medical assists. Their presence allowed the regular firefighters to not only get some much-needed rest but to also start taking care of their own homes and families.

Jerrold Lemko was named Canada's Volunteer Fire Chief of the Year by the Canadian Association of Fire Chiefs thanks, in part, to the role he played coordinating the team of ATCO volunteer firefighters to assist with the flood relief.

The program also initiated a hard goods drive that delivered more than 28 large gift baskets to families and more than two large pallets of surplus goods to a local charity. ATCO used the program to coordinate its volunteer outreach across the Group of Companies – with employees dedicating more than 1,200 hours in Calgary, High River, Turner Valley and the Morley, Siksika and Eden Valley First Nation communities.

ATCO Gas donated some of its large equipment, such as dump trucks and front end loaders, to assist with clean up, as well as its large community BBQs to cook food for residents and volunteers in some of the affected neighbourhoods.

The ATCO Sustainable Communities team delivered more than 17,000 bottles of water and other supplies to First Nation communities affected by the flooding.



ATCO Pipelines

ATCO Pipelines owns and operates key natural gas transmission facilities throughout Alberta to transport clean, efficient energy from producers and other pipelines to utilities, power generators and major industries.

With peak delivery of 3.8 billion cubic feet of natural gas per day and approximately 8,500 km of pipelines, ATCO Pipelines serves Alberta customers through nearly 4,000 receipt and delivery points. The company is located in Calgary and Edmonton with facilities across Alberta.

The priorities in 2013 were the Urban Pipeline Replacement (UPR) Project, pipeline expansion and upgrades, pipeline integrity initiatives, a General Rate Application and a continued focus on safety.

ATCO Pipelines also participated in the crisis response and remediation efforts after southern Alberta's floods in June (see page 37) as several pipeline water crossings were exposed as a result.

THE URBAN PIPELINE REPLACEMENT PROJECT

The Urban Pipeline Replacement (UPR) Project is an ATCO Pipelines initiative to proactively replace and relocate its high-pressure natural gas pipelines that currently run through densely populated areas of Edmonton and Calgary. As urban development has overgrown the existing network of high-pressure pipelines that were originally built on the outskirts of the two cities, this has created three areas of

concern with regards to public safety, construction standards and future demand.

As a result, in late 2012, the company initiated an extensive consultation process that included community associations, local and provincial government, as well as tens of thousands of Calgary and Edmonton residents living near either the existing high-pressure pipelines or the proposed new locations.

After the completion of the consultation process, ATCO Pipelines submitted the application for the project to the Alberta Utilities Commission (AUC) in March 2013.

In early 2014, ATCO Pipelines received AUC approval of its proposal to relocate the high-pressure pipelines into the transportation utility corridors (TUCs) that surround the two cities, which were designated by the Government of Alberta to accommodate utility infrastructure and ring roads. Building new, modern pipelines in the TUCs will dramatically improve public safety by reducing the risk of an incident and providing a buffer from other construction activities. It will also help to ensure that ATCO Pipelines can meet the demand for natural gas as the cities continue to grow.

With the approval in place, ATCO Pipelines will continue to consult and inform communities, residents and government representatives as it begins the process of constructing the individual segments that comprise the project. The southeast Calgary, east Calgary, northeast Calgary, and southwest Edmonton connectors are planned to be the first segments constructed with the entire project to be completed over the next five years.

PIPELINE EXPANSION AND UPGRADE PROJECTS

In 2013, ATCO Pipelines continued with its preventive inspection and maintenance program to ensure pipeline reliability and integrity. Relocations and pipeline replacements took place throughout the province.

Within the Town of Canmore, a segment of the Banff Transmission Pipeline was relocated away from the highly developed central area of the town along the Bow Valley Trail. The pipeline is the primary supply of sweet natural gas into Canmore, Banff and the surrounding region. The existing pipeline was constructed in 1951 and was replaced as it neared the end of its useful life. This replacement ensures continued safe and reliable gas service to the communities.

ATCO Pipelines construction crews replace pipe assembly near Canmore, AB, to ensure continued safe and reliable gas service to the community.

The 41 km Norma transmission pipeline was constructed to increase capacity and maintain security of supply to the Fort Saskatchewan and Edmonton areas as the demand for natural gas in those regions continues to increase.

PIPELINE INTEGRITY INITIATIVES

ATCO Pipelines continued its annual integrity program in 2013, which involves leak detection, cathodic protection and aerial surveys of the company's entire pipeline system. Pipeline improvements and upgrades were also undertaken to accommodate in-line inspection tools in existing facilities and integrity digs or replacements were completed where required. The company also completes assessments of critical watercourse crossings to ensure

adequate depth of cover where its pipelines intersect rivers and streams. Throughout the province in 2013, integrity-related projects accounted for nearly one third of the company's \$147 million capital program.

GENERAL RATE APPLICATION

After nearly 10 years of negotiated settlements with customers, ATCO Pipelines completed its first full General Rate Application and proceeding with the AUC in 2013. It required contributions from across the organization and the decision for the 2013-2014 revenue requirement was received in December.

SAFETY

Safety is a core value at ATCO Pipelines. Throughout the organization there is a strong safety culture and as such, in September

2013, ATCO Pipelines achieved its eleventh consecutive year without a lost-time incident.

ATCO Pipelines works together with employees, contractors, business partners and regulatory agencies to continually improve Health, Safety and Environment performance. Safety is ingrained in all company policies, practices and procedures to minimize impacts and risks.

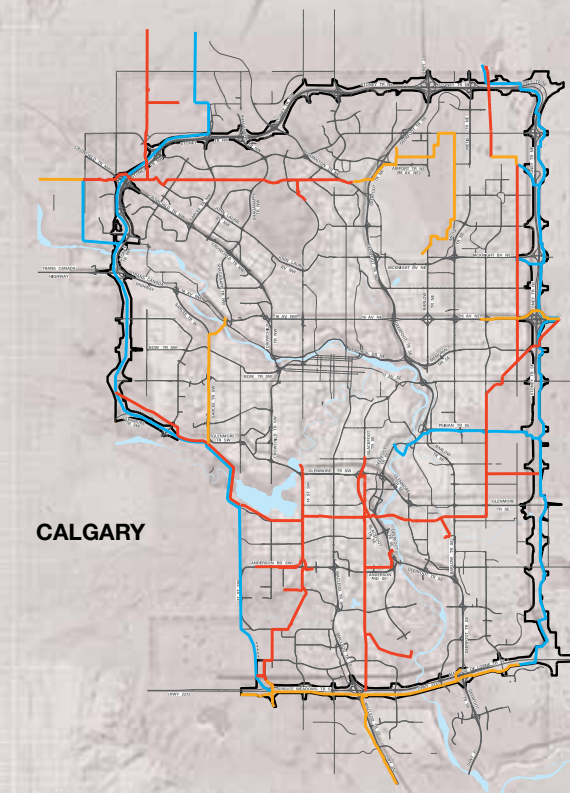
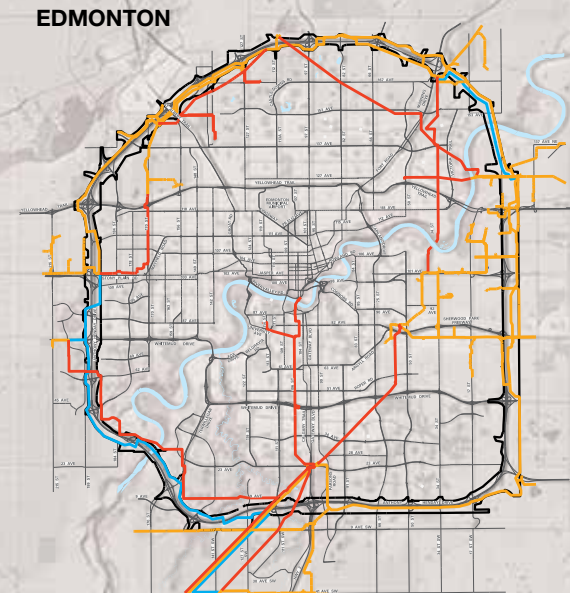
The company has a goal of zero personal injuries and vehicle collisions. To encourage safe practices and reward safety excellence, internal safety programs are in place for both field and office-based staff. Target Zero is a challenge to employees to work injury, incident and collision free, every day.



Construction crews installed 41 km of 508 mm (20 inch) pipeline in Norma, AB, to ensure sufficient supply of natural gas to meet growing demand in the Fort Saskatchewan and Edmonton regions.

URBAN PIPELINE REPLACEMENT PROJECT

- Proposed High Pressure Natural Gas Pipelines █
- Natural Gas Pipelines to be Removed from High Pressure Service █
- Existing High Pressure Natural Gas Pipelines █
- Transportation Utility Corridor Boundary █



ATCO Pipelines continues to own, operate and maintain its pipeline network which now forms part of the Alberta natural gas transmission system.



ENERGY

The Energy business segment includes ATCO Power and ATCO Energy Solutions. These companies are engaged in power generation and natural gas gathering, processing, storage and liquids extraction.

ATCO Power's natural gas-fired 580 MW Brighton Beach generating station, located in Windsor, ON, operates with low emissions and high overall efficiency.



ATCO Power is an experienced builder, owner and operator of independent power generation plants. ATCO Power has a solid reputation of providing industry leading, reliable, responsible and cost-effective solutions for our customers and partners around the world.

A TCO Power has an ownership position in 14 power generation plants in Canada and the United Kingdom with a combined capacity of 4,591 megawatts (MW) and total ownership interest in 2,541 MW. The company has expertise in developing, constructing and operating gas-fired cogeneration, combined-cycle, hydro and reliable, economic coal-fired generation.

FINANCIAL PERFORMANCE

ATCO Power has benefited from strong pricing in the Alberta electricity market for the past three years with relatively low gas prices, robust plant performance including strong availability, all of which has resulted in a positive financial performance.

ATCO Power's performance metrics include an excellent availability rate of 94 per cent through 2013 including several major planned maintenance outages across the company's generation fleet during the year. ATCO Power continues to focus on operational excellence through the safe, reliable operation of existing assets and is continually improving its safety and environmental programs to ensure the ability to demonstrate responsible and safe operations.

A Young and New Workers program was implemented at several of the

generating stations during the year to ensure the long-term embedded knowledge of safe operations is transferred from experienced people to those new to the workforce.

Strong health and safety performance was supported by several continuous improvement activities put into effect during the year including: new Contractor Prequalification Process, Job Hazard and Risk Assessment Standardization, Alcohol & Drug program, and Training Content Standardization with several ongoing programs to be implemented in 2014.

Even though power prices remained low in the United Kingdom, the Barking Power Station continued to provide support to the UK electricity market through the provision of ancillary services. In anticipation of possible shortages in reliable power generation capacity in the coming years, the UK government is proposing a new mechanism to contract with power generators to provide the required reserve capacity. The Barking Power Station is well positioned to participate in this opportunity when the process is introduced in the winter of 2014-15.

GROWTH

ATCO Power continued to expand its business development, and engineering and construction teams

to pursue new power generation opportunities in Western Canada.

The company also established a commercial and industrial wholesale electricity sales group to market capacity available to sell in the Alberta open market. Significant project development work was done on the proposed 400 MW Heartland generating station in the Strathcona region near Edmonton, AB. ATCO Power has engaged in public consultation, including a community open house, as well as filed several regulatory applications in conjunction with the development of this gas-fired, combined-cycle generating station. This particular area of Alberta provides a prime opportunity to fill a market need in light of the expected retirement of coal-fired plants in the future, and support the company's strategic direction to maintain and grow ATCO Power's market share in the province.

New-build power generation opportunities are being investigated in conjunction with LNG (liquefied natural gas) development in north eastern British Columbia and on the West Coast where new LNG refining facilities are being planned to export gas to Asia. Through its strategic alliances with major oil and gas companies, ATCO is positioned to capture opportunities for several

The 260 MW Cory cogeneration station provides steam and electricity from the same natural gas energy source. The steam goes to Potash Corporation and the electricity goes to SaskPower.

ATCO companies that can provide the needed infrastructure and services to facilitate natural resource development.

ATCO Power is revisiting the development of hydro generation facilities in Alberta on the Slave and Athabasca Rivers in the North in order to provide long-term reliable base load green power to replace the eventual retirement of coal-fired generating facilities in the province. Because of the long development time line for large hydro facilities, ATCO is currently investigating the scenarios which could lead to partnerships with Aboriginal groups, government and industry.

OPERATIONS

The contract for the purchase of the power generated from Battle River units 3 & 4 expired at the end of 2013, and ATCO Power intends to market a portion of this capacity directly to end-use large commercial and industrial customers. Because the units have been well run and maintained, they will continue to

provide safe reliable power for the growth and development of Alberta anticipated over the next several years.

During 2013, ATCO Power's generating assets had a very good availability rate of 94 per cent. Safety and environmental performance continues to be a key focus at all the generation assets and through the efforts of all its employees and contractors, the company achieved significant health and safety milestones in 2013. The 780 MW Sheerness power station, located near Hanna, AB, achieved more than one million worker hours of safe operation with no lost-time incidents by staff and contractors. ATCO Power's gas turbine fleet in Alberta celebrated more than 10 years with no employee lost-time injuries.

PEOPLE

With the new business development initiatives and power marketing programs being implemented in ATCO Power, the company continues to focus on the importance of its

workforce to support these initiatives. The company is well positioned to implement its growth strategy, having increased the number of new positions by 12 per cent over the year, and has maintained its attention on employee development and workforce planning to further enhance the solid knowledge and skill base in the company.

INDUSTRY CHALLENGES AND OPPORTUNITIES

The federal Greenhouse Gas Regulation, which was introduced in September 2012, means that a 'clean as natural gas' performance standard will be applied to coal-fired generators. Units that have reached the end of their useful life (50 years in most cases) will be required to operate at emission levels below the gas-fired standard or shut down. The last units at ATCO Power's Battle River and Sheerness generating plants will reach the end of their useful life in 2029 and 2040, respectively. Other air emissions regulations relating to coal and gas-fired generation are also under review in 2014. ATCO continues to work with the provincial and federal governments to ensure alignment between regulations in order to plan continuing operations at these facilities.

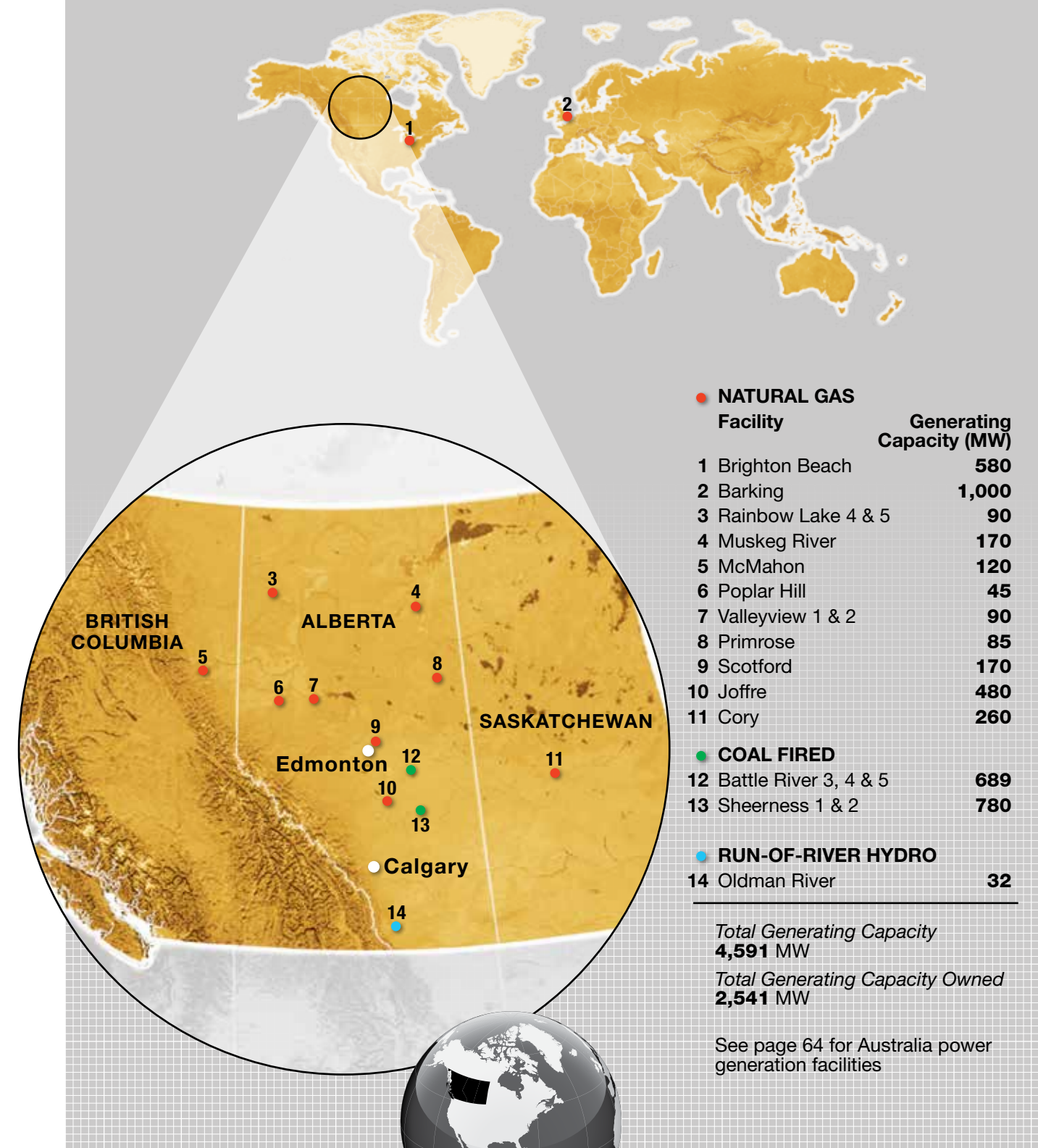
ASHCOR TECHNOLOGIES

Combustion by-products produced at coal-fired power stations operated by ATCO Power are marketed by ASHCOR Technologies primarily to the oil well servicing sector, readymixed concrete producers and producers of other cement-related products. By collecting the fly ash and using it in cementing materials, ASHCOR is able to create value and reduce carbon dioxide in a product that would be treated as waste and disposed of in a reclamation site.



ATCO Power's proposed 400 MW Heartland generating station will be located in Fort Saskatchewan, AB, near large industrial customers and major construction activities.

ATCO POWER'S GENERATION FACILITIES





ATCO Energy Solutions builds, owns and operates non-regulated energy and water-related infrastructure. The company focuses on offering industrial water infrastructure solutions; natural gas gathering, processing and storage and natural gas liquids extraction, transportation and services to the energy industry.

ATCO Energy Solutions owns or has interests in six natural gas gathering and processing facilities and four natural gas extraction facilities which, combined, have a total processing capacity of more than 1.6 billion cubic feet per day.

2013 was a year of intense focus on building infrastructure capacity and signing new agreements in Alberta's Industrial Heartland, Canada's largest hydrocarbon processing region with more than 40 companies involved in the chemical, petrochemical, and oil and gas sectors.

Two projects were announced and progress was made on a third in the 582 sq. km region located in close proximity to Edmonton.

In April, the company signed an agreement with the North West Redwater Partnership to provide essential water transportation services to the Sturgeon Refinery. The project, currently under construction to be the world's first bitumen refinery, will combine the already proven processes of gasification technology with an integrated carbon capture and storage solution.

The refinery, located 45 km northeast of Edmonton, will be serviced through ATCO Energy Solutions' expanded ATCO Heartland Industrial Water

System which, in anticipation of potential opportunities, underwent environmentally sensitive water infrastructure upgrades, including improvements to an existing river intake on the North Saskatchewan River, in 2011 and 2012. Additionally, a new pump house and water pipeline under the river is scheduled for completion in 2014.

The expansion resulted in a second contract announced in December.

ATCO Energy Solutions signed an agreement with Air Products Canada Ltd. to provide industrial water services to the company's new hydrogen facility to be built adjacent to the Shell Scotford Refinery site in Strathcona County, also in the Industrial Heartland.

To supply the Air Products facility, the company will further expand its water system with additional pipeline, pumping, and storage facilities.

Construction on the expanded system will begin in 2014 and is anticipated to be complete by mid-2015.

ATCO Energy Solutions is also proposing to develop the Heartland Energy Storage and Logistics Centre to be located approximately 12 km west of Bruderheim, AB. An open house for the community was held in October as part of the regulatory approval process.

The initial phase of development includes four salt caverns for hydrocarbon storage and associated above-ground hydrocarbon handling facilities. The caverns will contain propane, butane, ethylene, and natural gas condensate.

Construction of the cavern project is expected to commence in early 2014 with full cavern operations targeted for mid-year 2016.



ABOVE: The Empress Gas Liquids Straddle Plant processes up to 1.1 billion cubic feet/day.

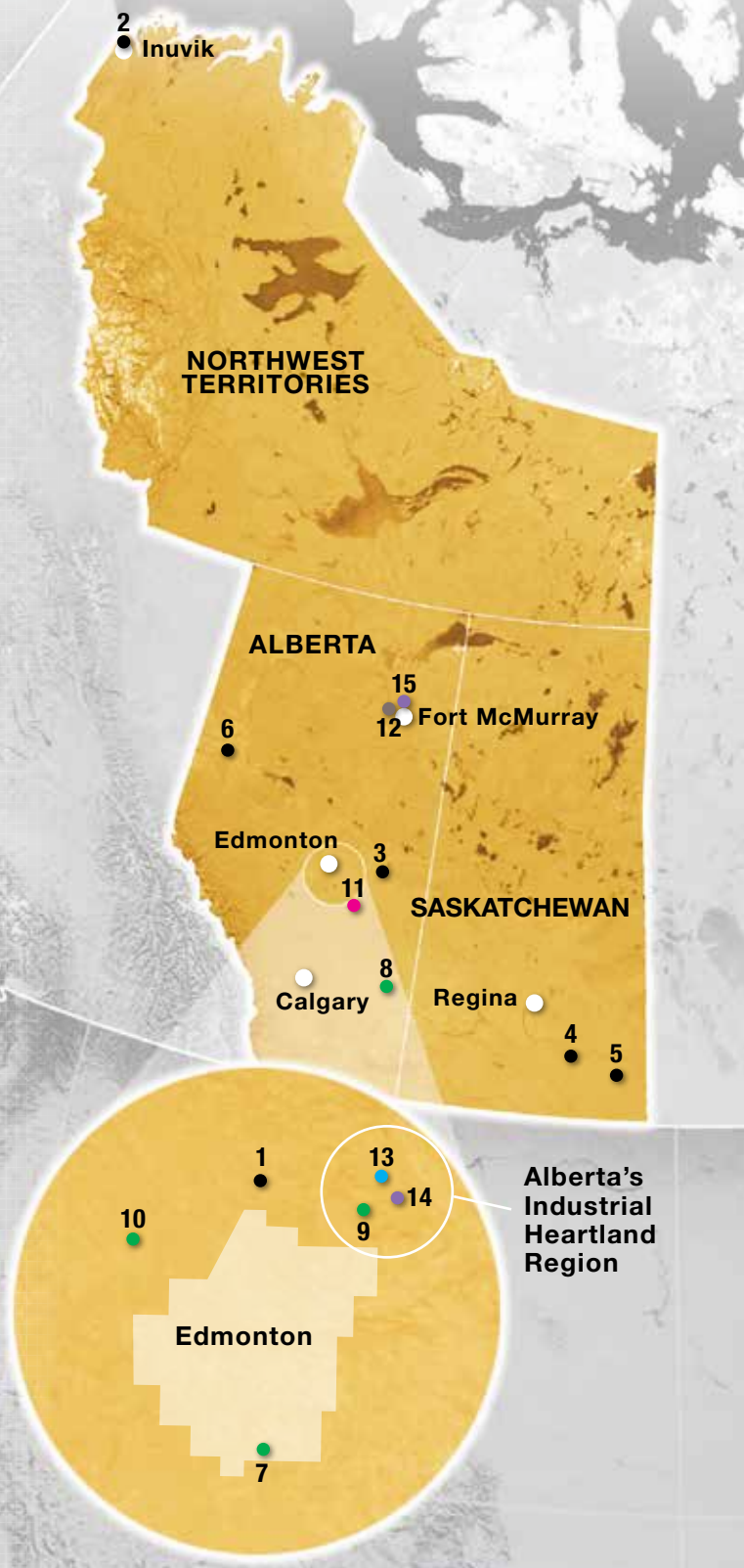
LEFT: ATCO Energy Solutions Instrumentation Technologist, Evan Taylor, reviews meter valves at the Fort Saskatchewan Ethane Extraction Plant.

ATCO ENERGY SOLUTIONS FACILITIES



ATCO I-Tek is an end-to-end service provider that specializes in application services, managed services, and customer care and billing. With a team of more than 720 professionals, three world-class data centres and expertise in more than 750 business applications, ATCO I-Tek supports clients across the world from one of the largest technology environments in Western Canada.

Facility	Licensed Capacity (mmcf/day)
GAS GATHERING & PROCESSING FACILITIES	
1 Carbondale Gas Plant	56
2 Ikhil Gas Plant	8
3 Kinsella Gathering & Compression Facility	20
4 Kisbey Gas Plant	5
5 Nottingham/Wolstittmor Gas Gathering System	18
6 Puskwaskau Gas Plant	21
NATURAL GAS LIQUIDS EXTRACTION FACILITIES	
7 Edmonton Ethane Extraction Plant	390
8 Empress Gas Liquids Straddle Plant	1,100
9 Fort Saskatchewan Ethane Extraction Plant	37
10 Villeneuve Ethane Extraction Plant	40
Working Gas Capacity (bcf)	
NATURAL GAS STORAGE FACILITIES	
11 Carbon Natural Gas Storage Facility	40
PIPELINE	
12 Muskeg River Pipeline	
WATER	
13 Alberta Industrial Heartland River Water System	
ELECTRICAL TRANSMISSION/SUBSTATION FACILITIES	
14 Scotford Transmission/Substation	
15 Muskeg River Transmission/Substation	



In 2013, ATCO I-Tek continued to demonstrate excellence in its large-scale Alberta-based billing capabilities, took steps to better safeguard data storage and system security for its clients, and significantly grew the number of clients with its Enterprise Asset Management and other technology solutions.

The company's billing capabilities, from start to finish, were once again a significant part of the business. ATCO I-Tek printed more than 11.7 million client statements, processed upwards of 10.3 million payments and collected approximately \$3.1 billion for its clients in 2013. Supporting the company's billing and collection services was ATCO I-Tek's call centre, which answered more than 1.6 million customer calls to ensure an overall high level of customer service.

ATCO I-Tek's billing services follows Canada Post standards and uses advanced sorting and other process optimizations to minimize both mailing costs and the costs to clients.

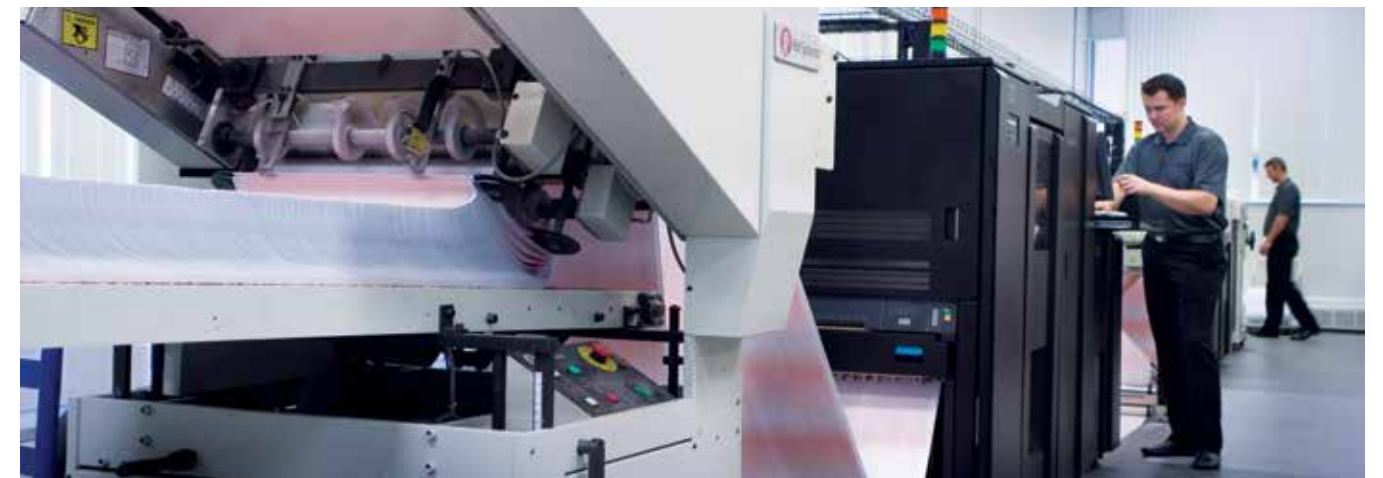
In 2012, ATCO I-Tek made the strategic decision to enter into a long-term agreement to lease leading-edge data centre space for its Edmonton-based information technology infrastructure. The decision enabled ATCO I-Tek to significantly increase the reliability of the application and infrastructure services provided to its clients.

Early in 2013, the company began moving the majority of its computing infrastructure and client applications to the newly leased facility. After nine months of detailed planning, testing and moving, the data centre migration was successfully completed on Sept. 22, 2013. It was the largest data migration project in company history.

ATCO I-Tek also experienced more than quadruple growth in its Enterprise Asset Management solutions sales to new clients. Client growth was most prominent in the utilities, manufacturing, and oil and gas markets spread across North America. Clients from Ontario to British Columbia and California to Trinidad in the Caribbean depended on ATCO I-Tek's expertise to learn how to better manage their assets and get more out of their applications and processes.

While ATCO I-Tek continued to deliver excellence in Managed IT Services to its existing client base, work commenced to roll out these services to the broader marketplace.

This opportunity will grow the business and enable new clients to benefit from ATCO I-Tek's knowledge, experience, industry best practices and advanced technologies.



ATCO I-Tek provides large-scale utility billing and customer care for retail, distribution and integrated utility clients.

ATCO AUSTRALIA WELL POSITIONED FOR CHANGING LANDSCAPE



Steven J. Landry
Managing Director & Chief Operating Officer, ATCO Australia

During its first three years of operation, ATCO Australia has experienced significant and strategic growth in the face of many challenges.

Since the acquisition of Western Australia's largest gas reticulation network, ATCO Gas Australia, there have been year-over-year increases in connections and in kilometres of pipework laid. Capital expenditures more than doubled over the three years while a strong safety record was maintained.

With the expansion of the ATCO Gas Australia network, the company is introducing new and innovative uses for natural gas, such as natural gas-fuelled air conditioning units for the industrial sector, which has the potential to transform the energy market by greatly reducing

peak electricity loads. Other market offerings being explored include natural gas-fired backup generation, compressed natural gas vehicles and distributed generation. Through this type of innovation, we can lead the industry and help business customers achieve benefits ranging from lower operational costs to improved environmental ratings.

ATCO Gas Australia is also working with residential land developers and housing development builders to ensure natural gas is an available and preferred option for home appliances.

In 2013, ATCO Gas Australia's Safety Case submission to the safety regulator, outlining processes and plans for operating the network, was accepted, which is testimony to the company's approach to operating a safe, reliable network.

Based on business growth over the past three years, ATCO Gas Australia reinforced its strong market position by negotiating new financing terms on existing debt. The company also received a two level investment upgrade from Standard and Poor's from "BBB" (Positive) to "A-" (Stable). This upgrade is the result of a concerted and successful effort to apply the principles of ATCO Group's balance sheet management.

ATCO Power Australia has maintained a solid track record with commercial availability across the three power stations averaging 97 per cent over the past three years. There has been an increased

focus on risk management, hazard identification, emergency planning and business continuity contingency planning. The cornerstone of our power business is to improve the efficiency of our operations and innovate to assist customers to meet the challenges facing their businesses.

Australia's economic fundamentals are strong and the outlook remains positive, with solid growth, moderate unemployment and contained inflation.

There are three areas that, going forward, ATCO will be watching closely: the carbon tax repeal; global demand for gas and the impact this will likely have on the domestic market; and, the energy market reform process, particularly in Western Australia.

Although the carbon tax does not directly impact ATCO's operations, it does impact our customers' businesses. The federal government intends to repeal the carbon tax and replace it with an initiative called Direct Action. Because there is little detail about this initiative, it is causing uncertainty for our customers.

Similarly, as demand for liquefied natural gas (LNG) increases, particularly from the Asian economies, the rush to export LNG to China is creating market distortion. It is becoming more worthwhile for big suppliers to export LNG than to sell it locally, creating potential gas availability issues.

Gas availability and price is shifting the focus to renewable technologies, particularly solar and wind. Development of both are heavily subsidized by government in the industrial and consumer markets creating competitive challenges to gas as an energy source.

Policies, renewable energy targets and government funding are now being reviewed by a newly-elected government, and ATCO Australia is contributing to industry bodies, participating in government forums

and providing submissions to government white papers as its input to future policy.

In Western Australia, there is increasing pressure for the government to move forward on energy market reform. Following the 2013 election, the state credit rating shifted downward. As a result, government will look to bring selected energy infrastructure asset sales or privatization to the forefront, as well as to reduce capital expenditures.

As Australia continues on its journey of regulatory reform, securing its energy future and driving energy productivity, ATCO Australia is in a very good position to build on its first three years of operation to offer bundled, innovative energy solutions, create value for customers and make a difference to the lives of Australians in the communities where we operate.



The home of ATCO's 86 MW Karratha Power Station in the resource-rich Pilbara in northwest, Western Australia continues to be a focus for ATCO Australia.



ATCO Gas
AUSTRALIA

Connecting
to natural

ATCO Gas
AUSTRALIA

AUSTRALIA

ATCO Australia includes ATCO Power Australia, ATCO Gas Australia and ATCO I-Tek Australia. These companies provide a full range of energy infrastructure services.

Scott Strickland, Gas Distribution Officer, ATCO Gas Australia, uses the company's new Field Mobility System with his tablet to access safety documents.



ATCO AUSTRALIA

ATCO Australia Pty Ltd, based in the Western Australian capital, Perth, operates a range of energy infrastructure assets, supporting the resource-focused industries in its home state as well as Queensland and South Australia.

ATCO Australia has ownership in, and operates three power generation facilities in Australia with a combined capacity of 299 MW. ATCO Australia also owns and maintains the vast majority of Western Australia's gas reticulation network, via ATCO Australia covering the Geraldton, Bunbury, Busselton, Harvey, Pinjarra, Brunswick Junction, Capel and Perth greater metropolitan area; and two separate non-regulated gas distribution networks, one serving Kalgoorlie and the other, a liquefied petroleum gas storage-fed gas distribution network, serving Albany.

The Pilbara region in northern Western Australia continues to provide opportunity for growth in the power generation segment. Similarly, gas transmission and distribution opportunities continue to be explored in the south and west of Western Australia and in the eastern states of Australia.

The warmest winter on record had an impact on gas throughput for the distribution network and, to counter this, ATCO has been exploring other uses for natural gas. Technologies such as fuel cells, distributed generation and gas-fired air conditioning provide opportunity for increasing gas throughput and will,

therefore, be a focus going forward for the company.

ATCO POWER AUSTRALIA

ATCO Power Australia's three power stations are located in Queensland, South Australia, and Western Australia. The Bulwer Island Cogeneration Facility in Queensland is a 33 MW electrical and 55 MW thermal equivalent cogeneration facility that provides 100 per cent of the electrical load, process steam and the demineralized water needs of BP's Bulwer Island refinery in Queensland. The 180 MW Osborne Cogeneration Facility, located near Adelaide in South Australia, is one of Australia's largest cogeneration facilities and the 86 MW Karratha Power Station is the most efficient and environmentally friendly power generation facility connected to the North West Interconnected System in the Pilbara region, in Western Australia.

ATCO Power Australia enjoyed a strong year, marked primarily by the ongoing, efficient and profitable operation of its three power stations. The business has continued to experience steady growth, while working through the operational challenges that exist in the Australian energy sector.

In South Australia, as in Queensland, gas pricing and availability are becoming significant issues facing the wider energy sector and have particular relevance to ATCO's gas-fired power stations. There is no domestic gas reservation policy in South Australia or the eastern states of Australia, hence, gas availability is becoming more of an issue due to volume being sent to offshore markets. Western Australia does have a domestic gas reservation policy in place and so the issue isn't as prevalent. ATCO is addressing these challenges through discussions with joint venture partners and is confident of continuing to successfully negotiate positive outcomes.

In July, ATCO Power Australia renegotiated its existing Energy Services Agreement with South Australian soda ash producer Penrice Holdings. This was in response to Penrice's decision to cease production of bi-carbonate soda, resulting in a reduction in the amount of steam provided by ATCO Power Australia's Osborne facility.

In 2013, the wider focus of ATCO Power Australia has been to improve the energy efficiency of all its facilities. As a result, at the Bulwer Island facility, solar panels have been

Sharma Sewell, Administration Assistant, at ATCO Power Australia's Karratha Power Station. It is the most efficient and environmentally friendly power generation facility, connected to the North West Interconnected System, in the Pilbara region in Western Australia.

installed, which will also allow the station to reduce its operating costs.

ATCO GAS AUSTRALIA

ATCO Gas Australia serves approximately 683,000 customers across regional and metropolitan Western Australia. Through its 13,500 km of natural gas pipelines, ATCO Gas Australia is able to meet the demands of one of the fastest growing population bases in the developed world.

In 2013, the business set about reinforcing its strong market position by negotiating new financing terms on existing debt. ATCO Gas Australia finalized this agreement in November, effectively extending the agreement's maturity until 2018. Towards the end of 2013, ATCO Gas Australia also received a two level investment

upgrade from Standard & Poor's from "BBB" (Positive) to "A-" (Stable).

In 2013, ATCO Gas Australia took the strategically significant step of focusing on promoting gas-powered air conditioning. Despite enjoying widespread uptake in countries like Japan, gas-powered cooling remains a comparatively new technology in Australia despite the extreme temperatures reached during the summer months. Early indications suggest that there is a strong appetite for this technology and that gas-powered technologies harbour the potential to transform the energy market in Australia by greatly reducing peak electricity loading.

During the year, ATCO Gas Australia contributed to the development of several major infrastructure projects

around Perth, amongst which was the gas connection to Perth's \$1.4 billion Fiona Stanley Hospital. As part of the development, ATCO Gas Australia completed significant network reinforcement to deliver a reliable long-term gas supply at an estimated 173 Terajoules per year. This consisted of 3 km of high-pressure steel gas mains reinforcement and 2.7 km of polyethylene gas mains, servicing the on-site power station and other gas-powered appliances.

ATCO Gas Australia was also responsible for the reticulation of gas to the Perth Airport as part of its ongoing redevelopment. To help meet the airport's estimated annual consumption of 324 Terajoules, ATCO Gas Australia constructed

a high-pressure regulator set and polyethylene gas main.

The redevelopment of ATCO Gas Australia's Jandakot facility progressed significantly in 2013 and remains on track for an official opening in early 2014. In keeping with the company's commitment to environmental sustainability, the Jandakot site includes state-of-the-art gas-powered air conditioning and other features designed to improve energy efficiency.

To enhance safety and efficiency of office and field-based personnel, ATCO Gas Australia, in conjunction with ATCO I-Tek Australia, developed an electronic paperless system known as Field Mobility. Using tablets, the Field Mobility innovation makes safety documentation easily

accessible, provides improved access to data when performing maintenance activities and improves the efficiency and accuracy of data collection relating to asset performance and health. Cost efficiency benefits from the Field Mobility initiative include operational savings through improved scheduling and response times, utilization capacity and the enhanced ability to absorb activity growth.

In keeping with an ongoing focus on customer satisfaction, ATCO Gas Australia's customer service division was acknowledged at the 2013 National Customer Service Excellence Awards. The call centre was selected as a finalist by the Customer Service Council and received a silver medal for

excellence. ATCO Gas Australia was recognized for outstanding response time, quality of service, staff satisfaction, innovation and reporting.

ATCO I-TEK AUSTRALIA

Along with developing and delivering the Field Mobility System for ATCO Gas Australia, ATCO I-Tek Australia, in 2013, completed the full integration of core business systems enabling all ATCO Australia businesses to easily adapt to new technologies and share information across the companies, thereby driving process excellence, efficiency and improved safety of operations. ATCO I-Tek Australia also continued to focus on putting the foundations in place that are necessary for future growth of the business.



Solar panels installed at the Bulwer Island facility are part of a focus of ATCO Power Australia to improve the energy efficiency at all of its facilities.



ATCO Gas Australia's President, Alan Dixon, and Business Development Manager, Nathan Lude, inspect the natural gas-fired air conditioning system recently installed at the company's Jandakot building.

IN THE COMMUNITY

In 2013, ATCO Australia continued and expanded its community engagement program. Through the successful partnership with the University of Western Australia's prestigious Business School, ATCO hosted a number of significant leadership events, further strengthening ties and relationships with the Western Australian business community.

ATCO also extended its relationship with Nomad Two Worlds by supporting the 2013 Art Series, which was marked with two successful exhibitions in Perth celebrating the diversity of Indigenous art and culture from Australia, North America and Haiti.

In 2013, ATCO sponsored the CinéfestOZ event, a film festival held in the South West region of Western Australia. Through ATCO's sponsorship, the festival has been able to expand and grow the festival's Cinesnaps Schools Programme, which benefits hundreds of regional school children by providing a platform for them to attend screenings and workshops, learn about filmmaking and partake in a short-film competition, alongside national and international artists. (For more about CinéfestOZ, see page 73.)

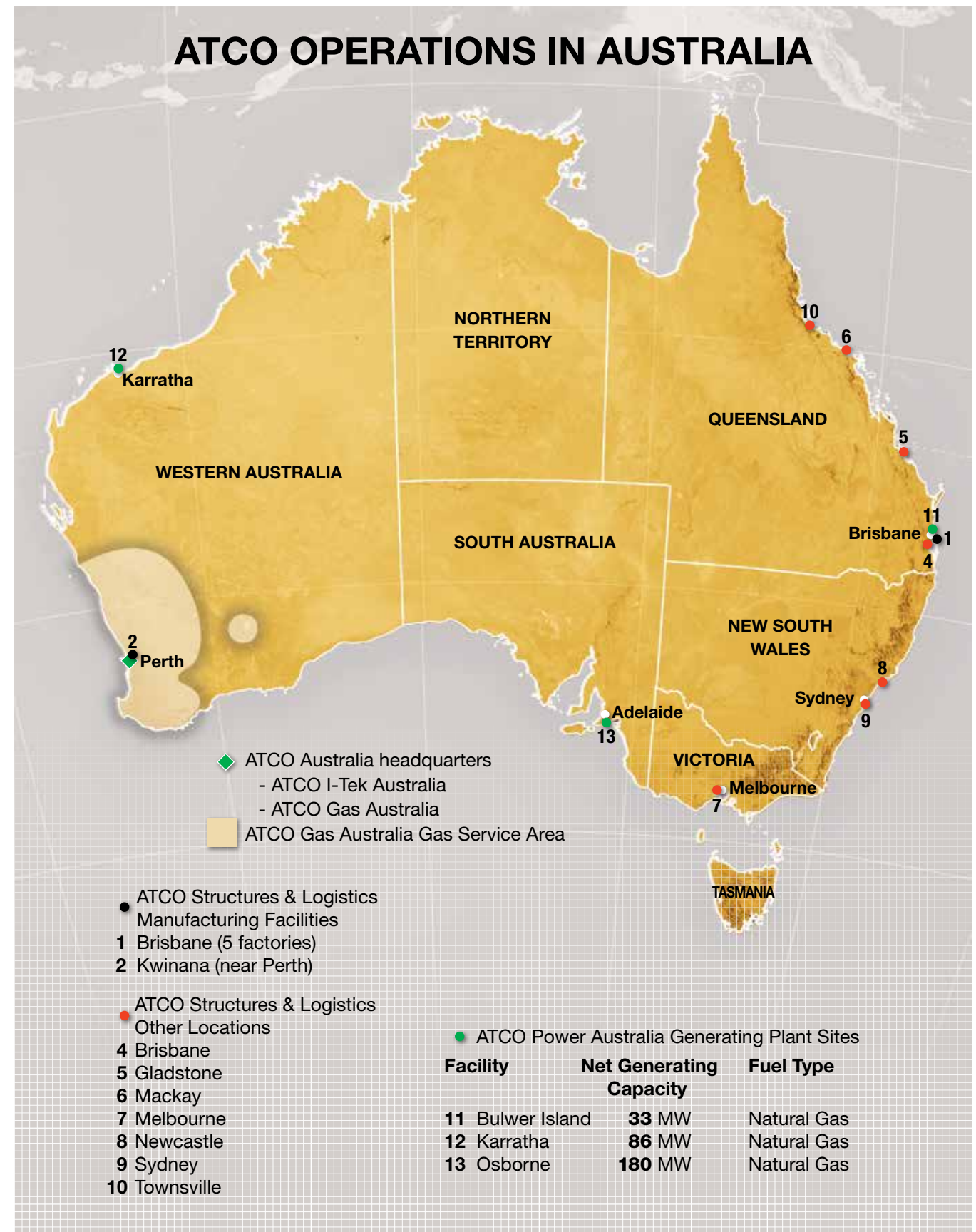
As part of ATCO Gas Australia's community commitment, the company has partnered with Nulsen, a disability services provider

operating in Perth, to supply gas appliances for use in Nulsen's Disability Support Homes. Not only do these appliances help enhance the lives of residents and their caregivers, they provide significant financial savings through the use of cost-competitive natural gas.

In 2013, ATCO Australia launched the ATCO EPIC (Employees Participating in Communities) program and was awarded the inaugural 'Workplace Supporter of the Year' for its work supporting Kids are Kids!, a non-profit, community-based provider of specialist therapy services to children with a developmental disabilities.



Pat During, Gas Distribution Officer, ATCO Gas Australia, is conducting a meter read using the Field Mobility System developed in conjunction with ATCO I-Tek Australia.





ABORIGINAL PARTNERSHIPS

Building and sustaining Aboriginal relationships helps to form the foundation of how ATCO does business and this is reflected through both ATCO's longstanding relationships with Aboriginal communities and how the company engages with these communities every day.

Partnerships that stand the test of time involve respect, trust, understanding and transparency. Each party commits to bringing value to the partnership and continues to negotiate in good faith as the relationship evolves over time. ATCO conducts all of its business in this spirit, striving to maintain positive relationships that contribute to sustainable economic and social development in the communities where ATCO does business.

Some of ATCO's first Aboriginal partnerships have endured for more than 25 years (see map, page 68).

BUILDING STRONGER RELATIONSHIPS

In 2013, ATCO continued to strengthen its relationships with Aboriginal communities across Canada through new developments with the Woodland Cree First Nation joint-venture partnership as well as new agreements with the Denesoline and Qikiqtaaluk Corporations, Samson Cree Nation and the Ermineskin Cree Nation.

In October, ATCO Structures & Logistics announced that it was awarded a contract to manufacture, install and operate a 1,200 person workforce housing facility for the Shell Carmon Creek Project near

the town of Peace River in northern Alberta. ATCO established a joint-venture partnership with the Woodland Cree in 2010 with the goal of helping to build an active business community that can serve the Peace River region and create local jobs.

The partnership is structured in a way that will involve the Woodland Cree First Nation in all facets of the construction and operation of the new facility, including supporting camp management, catering, housekeeping and janitorial services.

In May, ATCO Structures & Logistics signed a Memorandum of Understanding with the Denesoline Corporation, the economic development arm of the Lutsel K'e Dene First Nation, located on the south shore of Great Slave Lake, NWT. The agreement is to jointly pursue commercial and industrial projects, including infrastructure construction within the Lutsel K'e Dene traditional territory.

ATCO Pipelines signed an agreement with the Samson and Ermineskin Cree Nations, two of the four nations centred around Maskwacis (formerly Hobbema) in central Alberta. The agreement involves several long-term benefits to these communities, including exploring employment and training opportunities related

to a pipeline replacement project to upgrade critical infrastructure for the area.

PROMOTING EDUCATION AND EMPLOYMENT

Canada's Aboriginal youth population is growing at three times the national average. Engaging the potential of these youth is key to economic growth as Canada's workers are aging and retiring. Many of ATCO's operations touch Aboriginal communities and the success of these operations is due, in part, to engaged Aboriginal partners and employees.

Access to training and certification programs is a critical step to open doors for entry level employment, which is a big part of many of ATCO's infrastructure projects. A prime example was the workforce housing contract awarded to ATCO Structures & Logistics in 2012 to design, build and operate a 2,586-person lodge to support BHP Billiton's Jansen Potash Project, 100 km north of Regina.

In support of this agreement, ATCO continues to work with Aboriginal groups in the Touchwood Hills area of Saskatchewan, including George Gordon First Nation, Day Star First Nation and Kawacatoose First Nation. Working with the Saskatchewan Tourism Education

Chief Craig Mackinaw from the Ermineskin Cree Nation and Brendan Dolan, former President, ATCO Pipelines, currently Senior Vice President, Calgary and District Operations, ATCO Gas, celebrated the execution of a cooperative agreement to govern future dealings between the two parties on a pipeline replacement project in the Maskwacis community.

Council (STEC), ATCO conducted skills inventories in the communities to assess education, interest and potential barriers to employment. Twenty-two members of the communities participated in the training program with 17 graduates offered employment opportunities.

Future plans include establishing a training and cultural awareness centre on George Gordon First Nation traditional territory. The skills inventory approach has also proven to be an effective way to begin bridging the employment gap for major ATCO projects.

These project-driven efforts supplement and add to ATCO's ongoing education programs. For example, ATCO Electric has maintained an Aboriginal summer student program since 2008, whereby students have been provided summer positions within various ATCO Electric offices. ATCO Pipelines maintains an Aboriginal Educational Awards Program that started in 2011. Since beginning this program, 47 students have been provided bursaries and scholarships. ATCO also began a three-year commitment to the Future Leaders

program in the East Prairie Métis settlement in 2013. The program helps local youth develop their leadership skills and self-confidence through learning to provide sport, recreation and art programs to the community. These future leaders provide positive role models and help improve the quality of life for all local residents.

SUPPORTING EVENTS FOR POSITIVE CHANGE

ATCO supports a number of events throughout the year that bring Aboriginal communities in Canada together to celebrate and learn from each other. One example is the Truth and Reconciliation Commission events over the past few years, which promote a healing journey for Aboriginal families who were involved in the Residential Schools, while educating Canadians on the impact of this time in Canada's history. Proceedings such as these add to ATCO's ongoing support for events such as the National Assembly of First Nations and National Aboriginal Day ceremonies throughout Canada, which celebrate and promote Aboriginal culture and heritage.



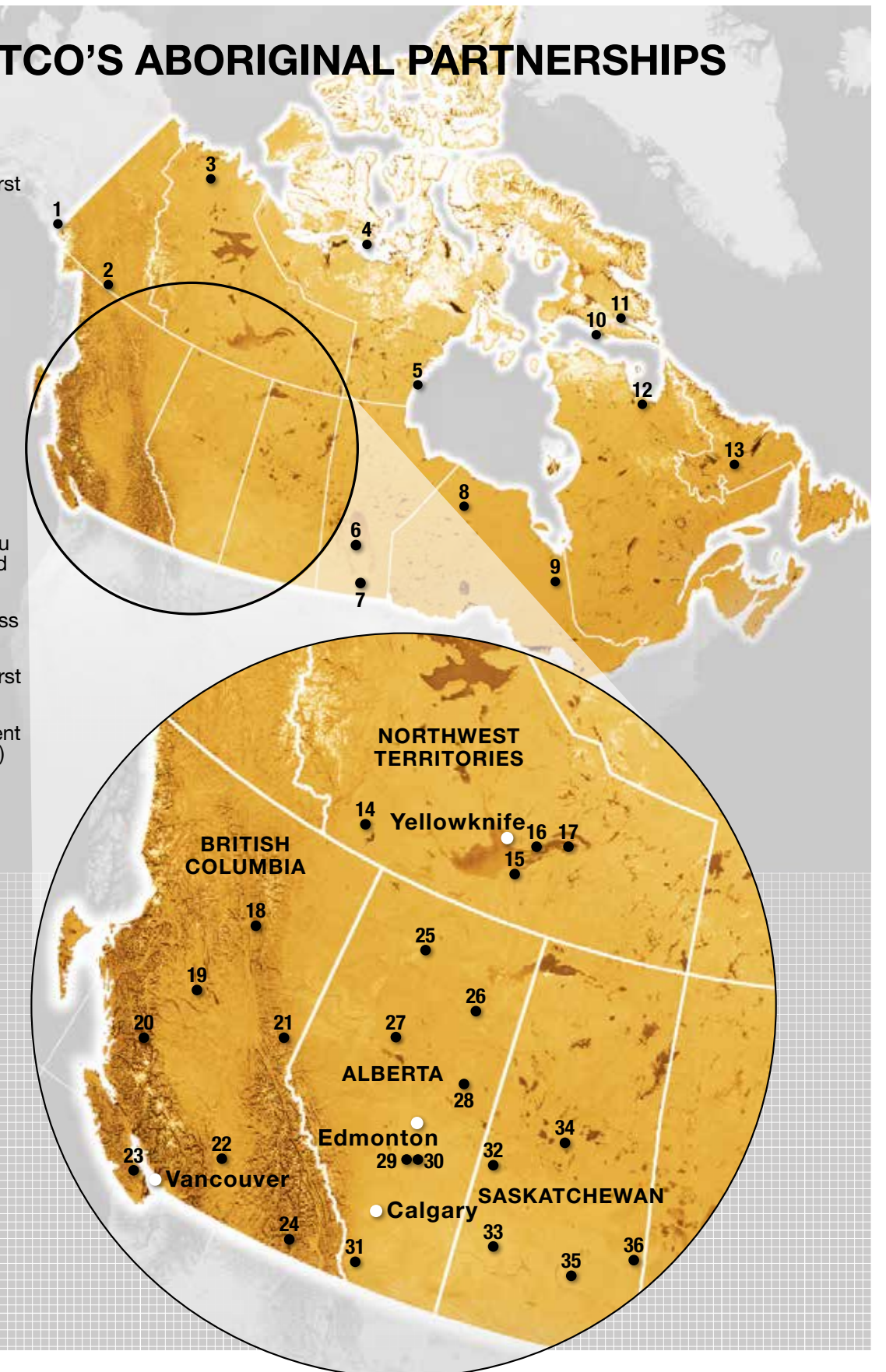
Graduates of the 2013 ATCO/Saskatchewan Tourism Education Council (STEC) "Ready to Work" training program.

Joint Ventures, MOUs and Strategic Alliances

- 1 World Technical Services Inc. Alaska Radar System (1994)
- 2 NASCo NorthwesTel (1998)
- 3 Inuvialuit Development Corporation (2004) & Inuvialuit Petroleum Corporation (2008)
- 4 Pan Arctic Inuit Logistics North Warning System (1994)
- 5 Sakku Investments Corporation (2012)
- 6 Peguis First Nation (2013)
- 7 Manitoba Keewatinowi Okimakanak (2013)
- 8 Webequie First Nation (2011)
- 9 Moose Cree Business Consortium (2010)
- 10 UQSUQ Corporate Iqaluit Fuel Supply (1996)
- 11 Qikiqtaaluk Corporation (2013)
- 12 Makivik Corporation (2013)
- 13 Torngait Services Inc. Voisey's Bay Nickel Co. (1995)
- 14 Naha Dehé Dene Band (Nahanni Butte) (2012)
- 15 Denendeh Investments (1987)
- 16 Tli Cho Lantran & Denedeh Development Corporation (1993)
- 17 Denesoline Corporation (2013)
- 18 Bear Dog Enterprises (2011)
- 19 Gitanyow (2011)
- 20 Haisla First Nation (2010)
- 21 Lhoosk'uz Dene Nation (2011)
- 22 Simpcw First Nation (2014)
- 23 Ahousaht First Nation (2010)
- 24 St. Mary's Band (2011)
- 25 Tallcree First Nation (2013)
- 26 Fort McKay First Nation, Creeburn Lake Lodge (2007), Barge Landing Lodge (2008)

ATCO'S ABORIGINAL PARTNERSHIPS

- 27 Woodland Cree First Nation (2013)
- 28 Saddle Lake First Nation (2013)
- 29 Samson Cree Nation (2013)
- 30 Ermineskin Cree Nation (2013)
- 31 Piikani Oldman Hydro Limited Partnership (2007)
- 32 Onion Lake First Nation (2013)
- 33 Clarence Campeau Development Fund (2011)
- 34 Pinehouse Business North (2011)
- 35 George Gordon First Nation (2010)
- 36 Infinity Development Corporation (2012)





ATCO Sustainable Communities provides a full range of pre-fabricated, culturally sensitive building solutions for indigenous and other remote communities.

From ATCO's deep history of developing Aboriginal partnerships, and its design and construction expertise working in remote locations, ATCO Sustainable Communities has inherited the capabilities to design and build lasting communities for Aboriginal and other remotely located people. Facilities can range from offices, schools, gymnasiums and day care centres to residential housing, Elders lodges, hockey arenas and gas stations.

ATCO Sustainable Communities uses its Holistic Engagement Process, which involves building relationships to understand a community so a facility's design reflects both its cultural and physical needs. The process also takes into account the challenges of living in remote locations, and training is offered to ensure that qualified resources exist within a community to manage and maintain the community's infrastructure over the long term.

In only its second year of operation, the company achieved geographic expansion across Canada and successfully undertook a variety of projects ranging from fire halls and gas stations to community centres and schools. Many projects were undertaken with local labour support as ATCO Sustainable Communities tackled remote environments and time constraints.

In Nain, the northernmost town in Labrador, which is represented by the Nunatsiavut Government, the company began construction of a new community centre. The 15,000 sq. ft.

facility will be a gathering place and features an Elder's room, library, youth centre, fitness room and gymnasium. It will also serve as a community emergency shelter upon completion in November 2014.

When a flood destroyed an office building and storage facility in Nova Scotia, ATCO Sustainable Communities was contracted by the Millbrook First Nation to design and build new facilities within 51 days as they were essential to the First Nation's commercial fishing operation. To complete the project on time for March 2013, it was constructed in two pre-fabricated modules in a climate controlled factory and then shipped to the site for quick assembly.

The Kainai Board of Education, an organization of the Blood Tribe of Treaty 7 in Alberta, turned to the company to build a new addition to the Saipoyi Community School located in Standoff. The addition, to be built using modular building technology, will connect directly to the existing building, matching its architectural appearance, and will add four new classrooms upon completion in early 2014.

In June 2013, the Halalt First Nation opened its new custom-designed multi-purpose recreation centre at Chemainus on Vancouver Island, BC. Local labour was used for the project and ATCO provided post-construction operations and management training so the community could run and maintain the facility.

Near Slave Lake, AB, ATCO Sustainable Communities was contracted by the Swan River First Nation to build a 6,600 sq. ft. multi-purpose gymnasium and community centre. The facility will connect to the existing school so it can be used for physical education purposes when it is completed in June 2014. Wapsewipi Enterprises Ltd., the First Nation's construction company, was contracted to prepare the area for construction.

The company won contracts for a number of other projects in 2013. A child and family services administration facility for the Tsuu T'ina Nation near Calgary was completed in September 2013. Scheduled for completion in 2014, are a fire station for the Peerless Trout First Nation near Slave Lake, AB; a gas station for the Dene Tha First Nation in Meander River, AB; and, following the completion of a Daycare and Headstart Centre in 2012, the company is constructing a retail store for the George Gordon First Nation in Saskatchewan.

In 2013, ATCO Sustainable Communities also established a new partnership with the largest First Nation in Manitoba to pursue new business. The Relationship Agreement with Chief Peguis Investment Corp., the economic development arm of the Peguis First Nation, has the two working together to provide infrastructure solutions throughout the province.

This Child and Family Services office was built for the Tsuu T'ina First Nation, located southwest of Calgary, AB.



ATCO IN THE COMMUNITY

ATCO and its people are committed to helping create healthy, vibrant communities by developing meaningful partnerships with various organizations and by providing time, expertise and financial support.

ATCO has many long-term community investments and legacy sponsorships that have allowed the company to truly make a lasting impact on the communities where ATCO and its people work, serve and live. The company's approach to community investment has also become more global as ATCO begins to build a significant business presence in countries such as Australia.

2013 HIGHLIGHTS Honouring Canada's military at Spruce Meadows

ATCO's annual Military Family Day at the Spruce Meadows North American equestrian tournament in July allows the company to honour the significant community service provided by the Canadian Forces. Every year, military personnel from ranks across Alberta are selected by their commanding officers to participate in this event.

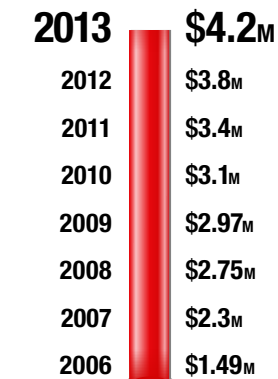
Selected participants come from Air, Navy and Armed Forces and many have had tours of duty in Afghanistan.

They are role models within their squadrons, demonstrating exemplary commitment, leadership skills and community service.

Matching generosity: ATCO EPIC reaches \$4.2 million

ATCO and its people pledged a record \$4.2 million to more than 500 charitable organizations in 2013 through the company's annual ATCO Employees Participating in Communities (EPIC) fundraising and

ATCO EPIC Time to Give programs.



EPIC DONATIONS
(\$ MILLIONS)

The ATCO EPIC program combines employee-led fundraising events, auctions, friendly team competitions and pledges to support charitable organizations across Canada. Employees and pensioners direct their pledges to the charity of their choice and ATCO absorbs the administrative costs of the program. ATCO

further enhances its contribution by matching charitable donations made to human health and wellness organizations.

This year, ATCO Australia launched the ATCO EPIC program and was awarded the inaugural 'Workplace Supporter of the Year' for the company's work supporting Kids Are Kids!, a not-for-profit, community-based provider of specialist therapy services to children with development disabilities.

Beyond supporting the annual ATCO EPIC fundraising campaigns, ATCO EPIC Time to Give was created to recognize the contributions of ATCO employees who volunteer their time and talents to organizations that make their communities a better place to work and live. In 2013, ATCO employees volunteered more than 26,000 hours with charitable organizations.

Longstanding support: Junior Achievement and Alberta Games

ATCO expanded its partnership with Junior Achievement (JA) to include programs in Edmonton in addition to Calgary this year. The company has been involved with Junior Achievement for more than 50 years.

Canadian Forces Corporal, Justin Jefferies, and his daughters, Lauren and Riley, visit with a member of the Strathcona Mounted Troop during the ATCO Military Family Day.

Between these two organizations, JA helped nearly 40,000 students develop an entrepreneurial attitude, a solid and practical understanding of business and finance and a commitment to community. By developing a link between education and the world of work, and by giving youth the confidence and knowledge they need to define personal success, JA enhances students' workforce readiness and encourages them to pursue their dreams.

This year, ATCO also celebrated its 25-year commitment to the Alberta Games and the Alberta 55 Plus Games, the province's premier multi-sport events. These events bring many benefits to both the host community and to thousands of Albertans who participate at local and provincial levels.

Since 1988, ATCO Gas has delivered its torch relay program and sponsored the opening ceremonies at 43 games in more than 50 Alberta communities.

Building new cultural partnerships: CinéfestOZ in Australia

ATCO Australia began sponsoring CinéfestOZ in 2013 — an annual, five-day Australian and French Film Festival held in the southwest region of Western Australia. The event recognizes the historical significance of French explorers in the region and showcases the best films of Australia and France to a diverse audience of local and international film lovers.

ATCO's three-year sponsorship of this event gives the company the opportunity to contribute to the cultural vibrancy of the region, while increasing familiarity of the ATCO brand with the community and local business leaders.

Building Capacity Aboriginal Employment Program: Northland Utilities

For the past two years, the Northland Utilities' Building Capacity Aboriginal Employment Program has been focused on developing and

employing local Aboriginal residents who are interested in the utility sector. The program provides entry-level and apprenticeship opportunities to candidates in the communities where they live and offers a comprehensive northern benefit package, as well as professional development and mentorship.

Jacey Firth-Hagen is a good example of the program's success. She was hired through the program as an Engineering Assistant for Northland Utilities in Yellowknife. Working with Northland Utilities has also allowed Jacey to pursue her other ambitions.

By night, Jacey is the host of Feel Real Radio on a local radio station in Yellowknife. Feel Real Radio is no ordinary radio talk show. Through interviews and local music, the show celebrates Northwest Territories youth who make healthy lifestyle choices. It's all part of "My Voice, My Choice," the Government of Northwest Territories' youth drug and alcohol prevention campaign.



In 2013, ATCO Gas celebrated its 25th year of supporting the summer and winter Alberta Games.

PROTECTING THE AVIAN HABITAT

ATCO maintains an Avian Protection Program that benefits the Ferruginous Hawk, osprey, swans and Bald Eagles. Initiatives within the program include diverting birds from electrical equipment, carefully moving nest sites and creating appropriate nest habitats.

In 2006, heavy rains and winds collapsed an eagle's nest on the Millennium Trail near Whitehorse. The two eaglets in the nest were not ready to fly and were stranded on the ground until local officials spotted them. Yukon Electrical crews helped rescue the eaglets and eventually donated a utility pole and assisted in the construction of a new permanent base for a nest.

Since then, Yukon Electrical crews have unofficially adopted the nest

and continue to monitor and maintain the nest when necessary.

In 2012, the Whitehorse office installed a web camera to give the community a bird's eye view of the eagles in the nest. Live viewing began in May 2013 after a pair of eagles moved into the nest earlier in the year.

Viewers of the web cam were able to witness the hatching of three eaglets and watch them grow into fledglings ready to take their first flights. The web cam received more than one million views from around the world.

Like the web cam viewers, employees at Yukon Electrical have grown attached to the birds and appreciate how the live feed has provided a glimpse into life in the

Yukon Territory, creating a community among strangers. The company has received numerous inquiries and expressions of gratitude from as far away as Singapore, Australia, Mexico, England, The Czech Republic, Switzerland, Germany, Denmark, and almost every province, territory and state across Canada and the United States.

Yukon Electrical has been distributing a DVD version of the recorded season and is preparing an educational activity book for schools and groups with an interest in eagles.

The Yukon Electrical team activated the web cam in February 2014 to capture a new nesting season.



FINANCIAL EXCELLENCE 2013



Brian R. Bale
Senior Vice President &
Chief Financial Officer

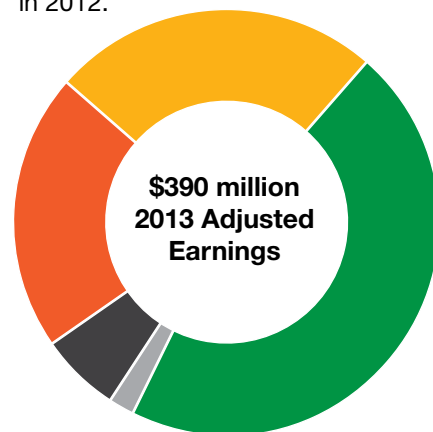
ATCO achieved record adjusted earnings of \$390 million in 2013, an increase of \$20 million, or 5%, over the previous high of \$370 million in 2012. The growth in adjusted earnings was the result of two main drivers: utility investments, and higher realized power prices and plant availability.

The Utilities segment continued to make significant investment in infrastructure in Alberta. Capital expenditures of \$2.2 billion in 2013 were marginally higher than the \$2.1 billion spent in 2012. Over the last three years, capital expenditures in the Utilities totaled \$5.6 billion.

The majority of the Utilities' expenditure was in the transmission operations of ATCO Electric and was predominantly for Alberta

Electric System Operator (AESO) direct-assigned projects. The Hanna Regional Transmission Development project was completed in July 2013 at a total cost of \$650 million, approximately \$196 million of which was incurred in 2013. The project was completed on time and \$60 million under budget. Construction continues on the Eastern Alberta Transmission Line. The total cost of the project is \$1.8 billion, of which \$938 million had been spent to the end of 2013. The project is scheduled for completion at the end of 2014. Several other large transmission infrastructure projects are either underway or in the planning stages.

This investment is translating into significant growth in Utilities' earnings. Adjusted earnings of \$179 million were \$31 million, or 21%, higher than the \$148 million achieved in 2012.



- Structures & Logistics \$96 million (25%)
- Utilities \$179 million (46%)
- Energy \$80 million (21%)
- ATCO Australia \$24 million (6%)
- Corporate \$11 million (2%)

Earnings growth in 2013 was also driven by the Company's power generation business in Canada, mainly as a result of higher realized power prices and plant availability in ATCO Power compared to the prior year. Adjusted earnings for the Energy segment were \$80 million in 2013, \$8 million, or 11%, more than 2012.

CAPITAL REDEPLOYMENT

ATCO has a portfolio of diverse businesses. We continuously review our holdings to evaluate opportunities to monetize non-core assets. The viability of such opportunities depends on the outlook of each business as well as general market conditions. This ongoing focus supports the optimal allocation of capital across the ATCO Group.

The sale of the ATCO Structures & Logistics' South American operations in 2013 is the most recent example of this capital redeployment strategy. We took the opportunity to monetize this asset at a time when activity in South America, particularly for the mining sector in Chile and Peru, began to slow. In September 2013, ATCO Structures & Logistics sold its 50% interest in Tecno Fast ATCO S.A. to its joint venture partner for cash proceeds of \$124 million. ATCO is redeploying that capital by re-investing in Canadian Utilities' dividend reinvestment plan. This dividend re-investment further supports funding of the significant capital growth program underway in the Utilities and our non-regulated business.

FINANCIAL STRENGTH

Total assets grew from \$14 billion at the beginning of 2013 to \$16 billion at year end. That growth occurred mainly in the Utilities segment because of the significant capital investment.

We financed this asset expansion with cash flow from operations, Canadian Utilities' dividend reinvestment plan and prudent access to the debt and preferred share capital markets. We capitalized on the current low interest rate environment and the capital markets' demand for our public debt offerings by issuing \$600 million of 30-year debt, \$225 million of 40-year debt and \$75 million of 50-year debt, at attractive interest rates ranging from 4.558% to 4.855%. In addition, during the first half of 2013, Canadian Utilities Limited issued \$400 million of equity preferred shares with a preferred dividend rate of 4.50% to finance capital expenditures.

ATCO maintained its strong investment grade credit ratings, which allow access to capital markets at competitive rates. In 2013, Standard and Poor's Ratings Services and DBRS Limited re-affirmed their ratings of the Company as "A" with a stable outlook and "A" (low) with a stable trend, respectively. In addition, Standard and Poor's upgraded its rating from "BBB" (Positive) to "A-" (Stable) for ATCO Gas Australia.

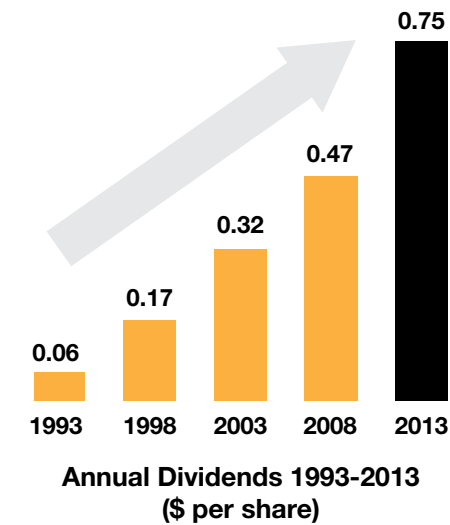
* Adjusted earnings are earnings attributable to Class I and Class II shares after adjusting for the timing of revenues and expenses associated with rate regulated activities. Adjusted earnings also exclude one-time gains and losses, significant impairments and items that are not in the normal course of business or day-to-day operations. Descriptions of the adjustments are provided in the Segmented Information note of the 2013 Financial Statements.

DIVIDENDS

The Board of Directors increased the quarterly dividends paid per Class I and Class II Share for the four quarters of 2013 from 16.375 cents per share to 18.75 cents per share, an increase of 15% over 2012.

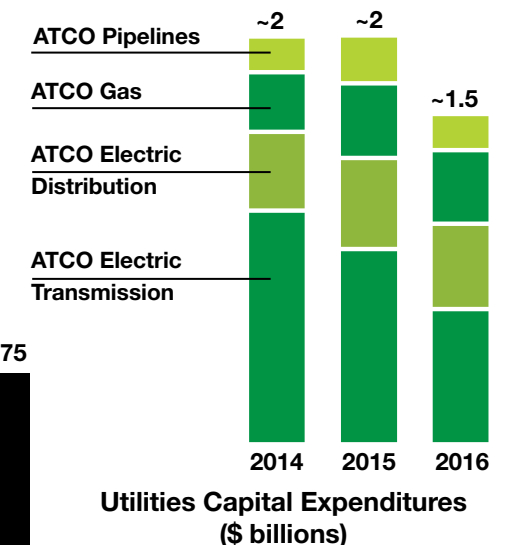
On January 9, 2014, the Board of Directors declared a first-quarter dividend of 21.5 cents per share. That amount represents a 15% increase over the quarterly dividends per share paid in 2013.

The Board of Directors has approved an increase in ATCO's common share dividends each year since 1993 — a track record we are very proud of.



MOVING FORWARD

A further \$5.5 billion of capital expenditures is planned in the Utilities in the three-year period from 2014 to 2016. ATCO Electric alone is planning to spend \$4 billion. Of this amount, \$2.3 billion is related to projects directly assigned from the AESO to meet the needs it has identified to reinforce and expand Alberta's electricity transmission system to meet future demand.



Our financial strategy is based on delivering long-term shareowner value and generating reliable earnings and cash flows with the opportunity for premium returns.

Going forward, we remain committed to maintaining our strong investment grade credit ratings, which are supported by our conservative financial policies and prudent capital management.

CONSOLIDATED ANNUAL RESULTS

(Millions of Canadian dollars, except as indicated)	IFRS ⁽¹⁾				GAAP ⁽²⁾
	2013	2012 ⁽³⁾	2011	2010	2009
EARNINGS STATEMENT					
Revenues	4,359	4,012	3,991	3,486	3,109
Earnings attributable to Class I and Class II shares	418	370	327	281	283
Adjusted earnings ⁽⁴⁾					
- Structures & Logistics	96	114	89	74	61
- Utilities	179	148	124	126	102
- Energy	80	72	86	76	105
- ATCO Australia	24	23	10	9	5
- Corporate & Other and eliminations	11	13	21	11	5
Adjusted earnings ⁽⁴⁾	390	370	330	296	278
BALANCE SHEET					
Cash⁽⁵⁾	741	470	755	645	1,020
Total assets	16,010	14,055	12,453	10,084	9,955
Capitalization					
- Bank indebtedness	2	-	-	-	-
- Long-term debt	6,230	5,352	4,389	3,090	3,158
- Non-recourse long-term debt	165	186	378	422	497
- Preferred shares	-	-	-	-	150
- Non-controlling interests	3,153	2,551	2,500	2,202	2,230
- Share owners' equity	2,860	2,370	2,163	1,978	2,010
Capitalization	12,410	10,459	9,430	7,692	8,045
CASH FLOW STATEMENT					
Funds generated by operations ⁽⁶⁾	1,869	1,636	1,514	1,234	935
Capital expenditures ⁽⁷⁾					
- Structures & Logistics	116	199	132	98	41
- Utilities	2,178	2,142	1,316	788	776
- Energy	68	42	33	26	81
- ATCO Australia	89	74	23	27	70
- Corporate & Other & eliminations	67	30	24	13	19
Capital expenditures	2,518	2,487	1,528	952	987
PER SHARE DATA					
Earnings per share (\$) ⁽⁸⁾	3.64	3.21	2.83	2.42	2.45
Dividends paid per share (\$) ⁽⁸⁾	0.75	0.66	0.57	0.53	0.50
Equity per share (\$) ⁽⁸⁾	24.84	20.61	18.74	17.08	17.26
Class I Non-Voting closing share price (\$) ⁽⁸⁾	46.66	40.36	30.12	29.58	23.09
Class II Voting closing share price (\$) ⁽⁸⁾	46.35	40.25	29.66	29.60	22.92

Full disclosure of all financial information is available on the SEDAR website - www.sedar.com.

(1) Financial results for the years ended December 31, 2010, 2011, 2012 and 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS).

(2) Financial results for the year ended December 31, 2009 have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) in effect prior to the adoption of IFRS.

(3) Financial results for the year ended December 31, 2012 have been restated to reflect changes due to the adoption of IFRS 11 Joint Arrangements and amended IAS 19 Employee Benefits.

(4) Adjusted earnings are earnings attributable to Class I and Class II Shares after adjusting for the timing of revenues and expenses associated with rate-regulated activities. 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. Descriptions of the adjustments for 2010,

2011, 2012 and 2013 are provided in the Segmented Information note of the 2011, 2012 and 2013 Financial Statements and for 2009 are provided in the Significant Non-Operating Financial Items section of the 2009 Management's Discussion & Analysis. These documents are available on SEDAR.

(5) Cash is defined as cash and cash equivalents less current bank indebtedness.

(6) Funds generated by operations is defined as cash generated from operations before changes in non-cash working capital. This measure is not defined by IFRS and GAAP and may not be comparable to similar measures used by other companies.

(7) Includes purchases of property, plant and equipment and intangibles, including capitalized interest.

(8) Per share data for the years ended December 31, 2009, 2010, 2011 and 2012 have been restated to reflect the two-for-one share split completed on June 14, 2013.

CONSOLIDATED OPERATING SUMMARY

(Millions of Canadian dollars, except as indicated)	2013	2012	2011	2010	2009
Structures & Logistics					
Capital expenditures ^{(1) (2)}	116	199	132	98	41
Workforce housing lease fleet (units in thousands) ⁽²⁾	3	3	3	3	2
Workforce housing lease fleet utilization (%) ⁽²⁾	83	86	87	78	74
Space rental lease fleet (units in thousands) ⁽²⁾	13	13	19	16	13
Space rental lease fleet utilization (%) ⁽²⁾	77	81	80	78	73
Utilities					
Natural gas distribution operations					
Capital expenditures ⁽¹⁾	268	323	288	197	190
Pipelines (thousands of kilometres)	40	39	38	38	38
Maximum daily demand (terajoules)	2,064	2,128	2,069	2,169	2,184
Natural gas distributed (petajoules)	249	248	247	237	250
Average annual use per residential customer (gigajoules)	117	121	121	120	121
Customers at year-end (thousands)	1,119	1,096	1,074	1,057	1,037
Electricity distribution and transmission operations					
Capital expenditures ⁽¹⁾	1,763	1,732	916	507	498
Power lines (thousands of kilometres)	81	76	74	73	72
Electricity distributed (millions of kilowatt hours)	11,283	10,974	10,596	10,532	10,431
Average annual use per residential customer (kWh)	7,743	7,604	7,747	7,555	7,671
Customers at year-end (thousands)	248	244	240	237	233
Natural gas transmission operations					
Capital expenditures ⁽¹⁾	147	87	112	84	88
Pipelines (thousands of kilometres)	9	9	9	8	8
Energy					
Capital expenditures ⁽¹⁾	68	42	33	26	81
Generating capacity (megawatts)	4,591	4,590	4,590	4,658	4,672
Generating capacity owned (megawatts)	2,541	2,550	2,550	2,618	2,625
Availability (%)	94	90	91	93	95
Natural gas processed (mmcf/day)	376	398	393	401	401
- Natural gas liquids extraction (mmcf/day)	340	350	342	337	329
- Natural gas gathering and processing (mmcf/day)	36	48	51	64	72
Natural gas gathering lines (kilometres)	1,122	1,097	1,171	1,075	1,000
ATCO Australia					
Natural gas distribution operations⁽³⁾					
Capital expenditures ⁽¹⁾	88	72	18	-	-
Pipelines (thousands of kilometres)	14	13	13	-	-
Maximum daily demand (terajoules)	118	125	106	-	-
Natural gas distributed (petajoules)	26	27	12	-	-
Average annual use per residential customer (gigajoules)	15	15	15	-	-
Customers at year-end (thousands)	683	667	653	-	-
Power generation and other operations					
Capital expenditures ⁽¹⁾	1	2	5	27	70
Generating capacity (megawatts)	299	299	299	299	213
Generating capacity owned (megawatts)	193	193	193	193	107
Availability (%)	95	98	98	90	97

(1) Includes purchases of property, plant and equipment and intangibles, including capitalized interest. Amounts for the years ended December 31, 2010, 2011, 2012 and 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS). Amounts for the year ended December 31, 2009 have been prepared in accordance with Canadian Generally Accepted Accounting Principles in effect prior to the adoption of IFRS.

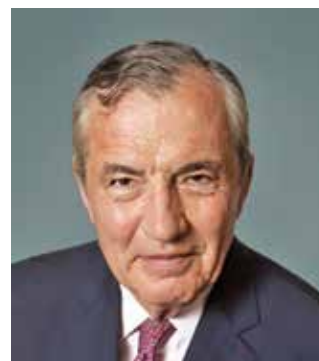
(2) Capital expenditures, lease fleet and utilization for the year ended December 31, 2012 have been restated to reflect changes due to the adoption of IFRS 11 Joint Arrangements.

(3) 2011 amounts are for the 5 months of operation since the acquisition of ATCO Gas Australia on July 29, 2011.

DIRECTORS



Robert T. Booth, Q.C.
Partner, Bennett Jones, LLP



Bertrand P. Collomb
Honorary Chairman,
Lafarge S.A.



David A. Dodge
O.C., LL.D., F.R.S.C.
Senior Advisor,
Bennett Jones LLP



Linda A. Heathcott
President & Chief Executive
Officer, Spruce Meadows Ltd.



Helmut M. Neldner
Corporate Director



Michael R.P. Rayfield
Corporate Director



Robert J. Routs
Chairman of the Supervisory
Boards of AEGON N.V. and
Royal DSM N.V.



Nancy C. Southern
Chair, President & Chief
Executive Officer, ATCO Ltd.



Ronald D. Southern
C.C., C.B.E., LL.D.
Founder, ATCO Group



Charles W. Wilson
Lead Director, ATCO Ltd.

OFFICERS

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Founder, ATCO Group

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Chair, President &
Chief Executive Officer

Siegfried W. Kiefer
Chief Operating Officer,
Power & Utilities

Brian R. Bale
Senior Vice President &
Chief Financial Officer

Henry G. (Harry) Wilmot
Chief Operating Officer,
Energy & Industrials

Susan R. Werth
Senior Vice President &
Chief Administration Officer

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Human Resources & Corporate Services

Pamela G. Moellmann
Group Vice President,
Special Projects

Carson J. Ackroyd
Vice President, Marketing
& Communications

Chad L. Gareau
Vice President, Finance & Treasury

Kevin P. Hunt
Vice President, Internal Audit
& Risk Management

Brian G. Milne
Vice President,
Risk Management

Robert C. (Rob) Neumann
Vice President, Controller

Alan M. Skiffington
Vice President &
Chief Information Officer

Richard D. Stone
Vice President, Legal & Corporate
Secretarial

Tracey L. Wallace
Vice President, Human Resources

Clinton G. (Clint) Warkentin
Vice President & Treasurer

Carol Gear
Corporate Secretary

PRESIDENTS AND SENIOR EXECUTIVES OF PRINCIPAL OPERATING SUBSIDIARIES

J.D. Patrick Creaghan
President, ATCO Energy Solutions

John W. Ell
President, ATCO Power

Scott J. Garvey
President, ATCO I-Tek

Brian R. Hahn
President, ATCO Pipelines

Roberta L. (Bobbi) Lambricht
President, Distribution Division,
ATCO Electric

Steven J. Landry
Managing Director & Chief
Operating Officer, ATCO Australia

Settimio F. (Sett) Policchio
President, Transmission Division,
ATCO Electric

Boris I. Rassin
President,
ATCO Sustainable Communities

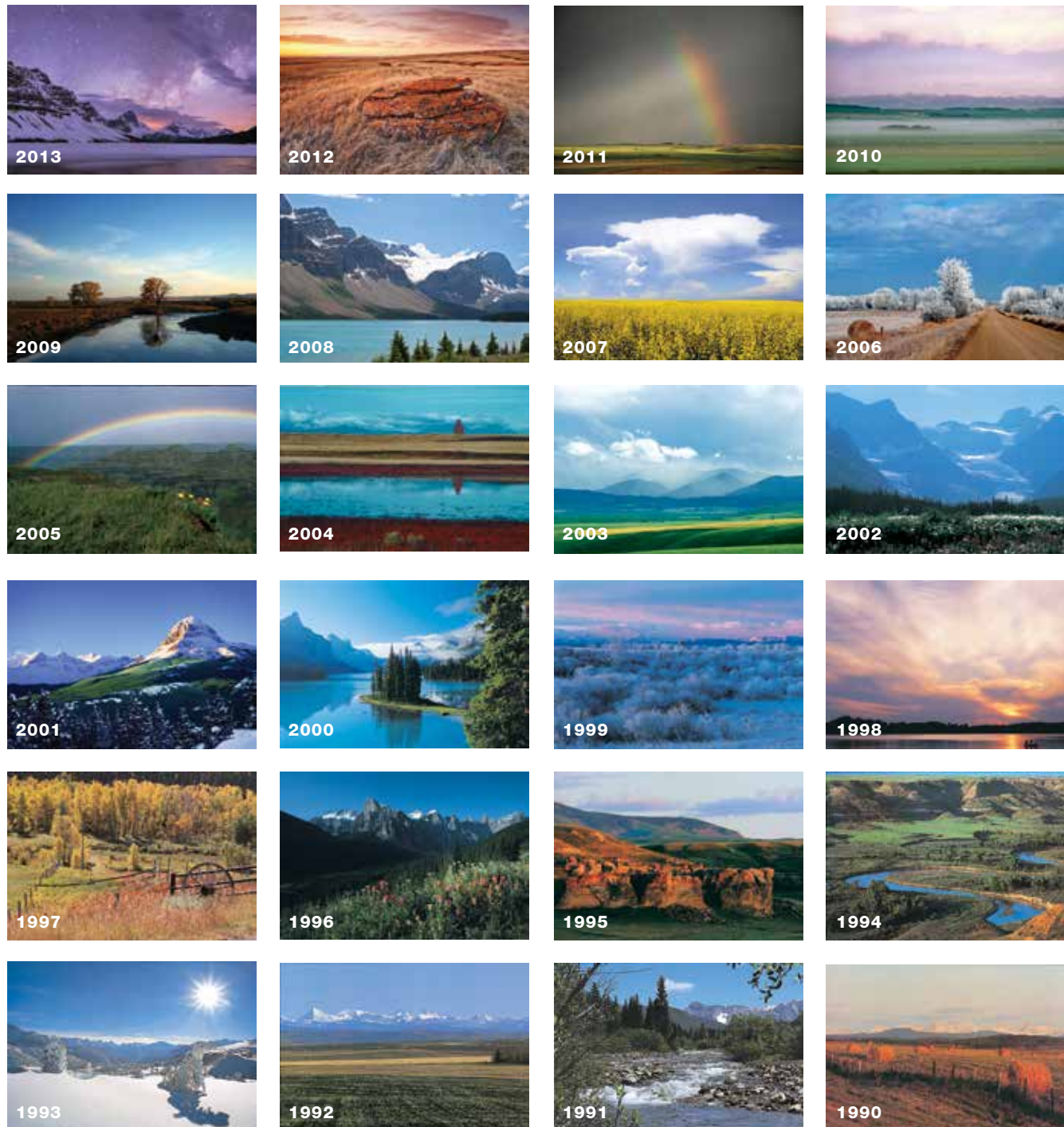
Joseph J. (Joe) Schnitzer
President, ASHCOR Technologies

William C. (Bill) Stephens
President, ATCO Gas

Henry G. (Harry) Wilmot
President, ATCO Structures & Logistics

ATCO'S BEAUTIFUL ALBERTA HERITAGE

ATCO Group has featured scenes of Alberta in annual reports since 1990, in recognition of its beautiful Alberta Heritage.



GENERAL INFORMATION

INCORPORATION

ATCO Ltd. was incorporated under the laws of the Province of Alberta on August 31, 1962.

ANNUAL MEETING

The Annual Meeting of Share Owners will be held at 10:00 am on Wednesday, May 14, 2014, at The Fairmont Palliser Hotel, 133 - 9th Avenue SW, Calgary, AB.

AUDITORS

PricewaterhouseCoopers LLP
Calgary, AB

LEGAL COUNSEL

Bennett Jones LLP
Calgary, AB

STOCK EXCHANGE LISTINGS

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Class II Voting Shares - Symbol ACO.Y
Listing: The Toronto Stock Exchange

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Calgary, AB
Canada T2R 1N6

REGISTRAR & TRANSFER AGENT

Class I Non-Voting and Class II Voting Shares
CST Trust Company
Calgary/Montreal/Toronto/Vancouver

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Monday - Friday
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Fax in North America: 1-888-249-6189
Fax outside of North America: 1-514-985-8846
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