ATCO Ltd.

2001
ANNUAL
INFORMATION
FORM

March 6, 2002

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DOCUMENT INCORPORATED BY REFERENCE

The Corporation's 2001 Management's Discussion and Analysis of Financial Condition and Results of Operations dated March 6, 2002, contained on pages 61 to 67 of the 2001 Annual Report of the Corporation, is incorporated by reference into and forms an integral part of this Annual Information Form.

DEFINITIONS OF CERTAIN TERMS

Certain terms used in this Annual Information Form are defined below:

"AEUB" means the Alberta Energy and Utilities Board;

"AGP" means ATCO Gas and Pipelines Ltd.;

"ASI" means ATCO Structures Inc. together with its subsidiaries;

"Alberta Power" means Alberta Power (2000) Ltd.;

"ATCO" means the Corporation together with its subsidiaries;

"ATCO Electric" means ATCO Electric Ltd.;

“ATCO Frontec” means ATCO Frontec Corp. together with its subsidiaries;

“ATCO Gas” means the natural gas distribution division of AGP;

“ATCO Midstream” means ATCO Midstream Ltd.;

“ATCO Noise Management” means ATCO Noise Management Ltd.;

“ATCO Pipelines” means the natural gas transmission division of AGP;

“ATCO Power” means ATCO Power Ltd. together with its subsidiaries;

“ATCO Resources” means ATCO Resources Ltd.;

“BPL” means Barking Power Limited;

“Canadian Utilities” means Canadian Utilities Limited together with all its subsidiaries;

“Class I Shares” means the Class I Non-Voting Shares of the Corporation;

“Class II Shares” means the Class II Voting Shares of the Corporation;

“Corporation” means ATCO Ltd.;

“CU” means Canadian Utilities Limited;

“CU Water” means CU Water Limited;

“EEEP” means the Edmonton Ethane Extraction Plant;

“EUA” means the Electric Utilities Act (Alberta);

“km” means kilometre;

“Mmcf” means one million cubic feet; and **“Bcf”** means one billion cubic feet;

“negotiated settlement” means an agreement related to a revenue requirement and/or customer rates for a specific period of time resulting from direct negotiations between a utility and its customers. A negotiated settlement avoids the need for a general rate application for the duration of the agreement. All negotiated settlements must be approved by the AEUB;

“NLD” means Northland Utilities (NWT) Limited;

“NUL” means Northwestern Utilities Limited;

“NUY” means Northland Utilities (Yellowknife) Limited;

"petajoule" means a unit of energy equal to approximately 948.2 billion British thermal units, "**terajoule**" means a unit of energy equal to approximately 948.2 million British thermal units and "**gigajoule**" means a unit of energy equal to approximately 948.2 thousand British thermal units;

"REA" means Rural Electrification Association. REAs are constituted under the Rural Utilities Act (Alberta) by groups of persons carrying on farming operations. Each REA purchases electric power for distribution to its members through a distribution system owned by that REA;

"Thames Power" means Thames Power Limited;

"YECL" means The Yukon Electrical Company Limited.

CONSOLIDATED THREE YEAR FINANCIAL SUMMARY

	Year Ended December 31		
	2001	**2000**	**1999**
	($ millions except per share data)		
Revenues	3,754.3	3,076.0	2,374.8
Earnings attributable to Class I and Class II Shares (1) (2)	124.4	112.7	100.7
Earnings per Class I and Class II Share (1) (2)	4.18	3.79	3.36
Diluted earnings per Class I and Class II Share (1) (2)	4.12	3.75	3.32
Cash dividends declared per share			
5.75% Cumulative Redeemable Preferred Shares, Series 3 (3)	0.57	-	-
Class I Shares	1.04	0.92	0.80
Class II Shares	1.04	0.92	0.80
Total assets	5,833.7	5,815.6	4,934.9
Long term debt	2,658.0	2,468.8	2,226.9
Preferred shares	150.0	300.0	350.0
Total long term debt and preferred shares	2,808.0	2,768.8	2,576.9
Class I and Class II shareholders' equity	911.6	822.3	744.2

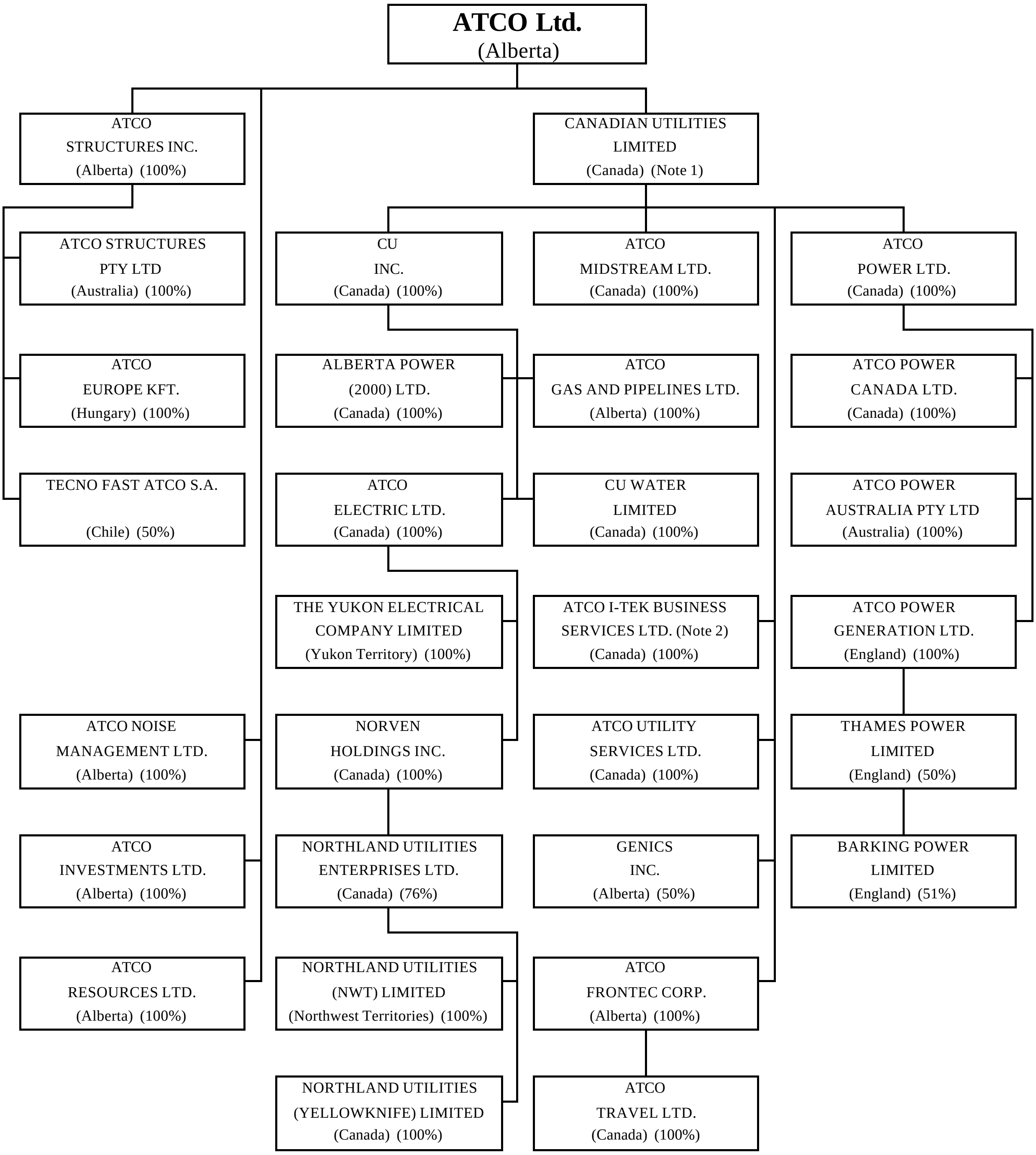
Notes:
(1) There were no discontinued operations or extraordinary items during these periods.
(2) After payment of preferred share dividends.
(3) Issued July 10, 2001.

THE CORPORATION

The Corporation is the successor to the business commenced in 1947 by the late S.D. Southern and R.D. Southern and was incorporated under The Companies Act (Alberta) by Certificate of Incorporation dated August 31, 1962. The Corporation was continued under the Business Corporations Act (Alberta) on March 13, 1984. The address of the Corporation's registered and principal office is 1600 ATCO Centre, 909 - 11th Avenue S.W., Calgary, Alberta T2R 1N6.

INTERCORPORATE RELATIONSHIPS

The following chart includes the names of the operating subsidiaries of the Corporation, the jurisdictions under the laws of which they are organized and the percentages of their voting shares beneficially owned or over which control or direction is exercised by the Corporation.



Notes:

(1) 69.7% of the Class B common shares, being the only voting securities outstanding, and 41.5% of the Class A non-voting shares of Canadian Utilities Limited are held by ATCO Ltd.

(2) Effective February 15, 2002, ATCO Singlepoint Ltd. changed its name to ATCO I-Tek Business Services Ltd.

BUSINESS OF THE CORPORATION

The Corporation is a management holding company with operating subsidiaries engaged in five Business Groups: Utilities, Power Generation, Logistics and Energy Services, Industrials and Technologies.

The Utilities Business Group includes the distribution of natural gas by ATCO Gas, the distribution and transmission of electric energy by ATCO Electric, YECL, NUY and NLD and the transmission and distribution of water by CU Water.

The Power Generation Business Group includes the non-regulated supply of electricity and cogeneration steam by Alberta Power, ATCO Power and ATCO Resources.

The Industrials Business Group includes the manufacture, sale and lease of transportable workforce shelter and space rental products by ATCO Structures Inc., the design and construction of buildings to reduce noise emissions from industrial facilities by ATCO Noise Management Ltd., the sale of fly ash and other combustion byproducts produced in coal-fired electrical generating plants by ASHCOR Technologies Ltd. and the manufacturing of wood preservation products by Genics Inc.

The Logistics and Energy Services Business Group includes the regulated transportation of natural gas by ATCO Pipelines, the non-regulated gathering, processing, storage, purchase and sale of natural gas by ATCO Midstream and project management and technical services for customers in the industrial, defence and transportation sectors by ATCO Frontec.

The Technologies Business Group includes the development, operation and support of information systems and technologies by ATCO I-Tek and the billing services, payment processing, credit, collection and call centre services by ATCO I-Tek Business Services Ltd. (formerly ATCO Singlepoint Ltd.).

For the purposes of financial disclosure, the Technologies Business Group and real estate operations by ATCO Investments Ltd. are accounted for as Other Businesses. Corporate results, which include administrative expenses, earnings from corporate investments and financing charges, are accounted for as Corporate.

Effective January 1, 2002, ASHCOR Technologies Ltd., Genics Inc. and ATCO Travel Ltd. were transferred to the Technologies Business Group. Prior thereto, ASHCOR Technologies Ltd. and Genics Inc. were part of the Industrials Business Group and ATCO Travel Ltd. was part of the Logistics and Energy Services Business Group.

ATCO operates in Canada, the United States, the United Kingdom, Australia, Hungary and Chile and has approximately 6,900 employees, of whom approximately 5,500 are employed in Canada. Of the total number of employees in Canada, approximately 5,000 are employed by Canadian Utilities.

Utilities

Natural Gas Operations

ATCO Gas is primarily engaged in the business of distributing natural gas throughout Alberta and in the Lloydminster area of Saskatchewan. In addition, ATCO Gas stores and purchases natural gas. Although ATCO Gas is the major natural gas distributor in Alberta, certain areas are served by other natural gas utilities.

ATCO Gas' principal markets for the sale of natural gas are in the communities of Edmonton, Calgary, Airdrie, Camrose, Fort McMurray, Grande Prairie, Lethbridge, Lloydminster, Red Deer, St. Albert and Sherwood Park, which have a combined population of approximately 1,891,000. Also served are 280 smaller communities as well as rural areas having a combined population of approximately 522,000, located on or in the vicinity of ATCO Pipelines' transmission systems or the natural gas transmission pipelines of other companies. ATCO Gas serves approximately 837,700 customers with natural gas, of whom approximately 75% are located in the 11 communities named above.

The number of customers served by ATCO Gas as at the end of each of the last two years was as follows:

	2001			2000		
	Sales Customers	Transportation Customers	Total	Sales Customers	Transportation Customers	Total
Residential	728,982	32,416	761,398	718,640	22,481	741,121
Commercial	74,933	277	75,210	73,904	29	73,933
Industrial	259	96	355	295	71	366
Other	672	-	672	689	-	689
Affiliates	32	-	32	32	-	32
Total	804,878	32,789	837,667	793,560	22,581	816,141

ATCO Gas owns and operates approximately 33,100 km of distribution mains. In addition, ATCO Gas owns modern service and maintenance facilities in major centres.

Sales and earnings of ATCO Gas are affected by temperature and consequently winter weather can have a significant impact. Usually, more than 50% of the earnings of ATCO Gas are generated during the months of January, February, November and December.

The amounts of natural gas sold and distributed by ATCO Gas for each of the last two years were as follows:

	2001			2000		
	Sales Customers	Transportation Customers	Total	Sales Customers	Transportation Customers	Total
			(petajoules)			
Residential	92.9	5.8	98.7	103.3	5.2	108.5
Commercial	86.5	6.1	92.6	97.1	3.9	101.0
Industrial	5.1	9.8	14.9	6.9	9.2	16.1
Other	2.6	-	2.6	1.3	-	1.3
Affiliates	0.1	-	0.1	0.1	-	0.1
Total	187.2	21.7	208.9	208.7	18.3	227.0

Natural Gas Supply

ATCO Gas purchases the major portion (approximately 63%) of its supplies of natural gas under contracts with terms of less than one year. The prices for these purchases are determined through a tender/bid process or a negotiation process and are generally referenced to indices related to other Alberta natural gas purchase contracts.

Additional natural gas requirements are provided under longer term contracts. The prices for these purchases are based on price indices related to prices paid under other third party natural gas purchase contracts in Alberta. As ATCO Gas' long term natural gas purchase contracts expire, ATCO Gas replaces them with contracts for one year or less. These shorter term contracts provide the flexibility needed to ensure that customers who choose to purchase their natural gas from other suppliers can be accommodated while still maintaining the supply security stipulated by legislation.

ATCO Gas also owns natural gas field storage facilities and utilizes ATCO Pipeline's salt cavern peaking facility for balancing system supply and demand. On October 31, 2001, the AEUB approved the Storage Optionality Model Agreement between ATCO Gas and its south division customers. The agreement provides a mechanism to be followed in the utilization of the flexibility related to natural gas storage. All associated costs and benefits of the agreement are passed to customers through the gas cost recovery rate.

In the opinion of the management of ATCO Gas, the foregoing arrangements provide sufficient supplies of natural gas to meet the requirements of sales customers.

On December 11, 2001, the AEUB announced that it had approved an application by ATCO Gas to sell its Viking-Kinsella natural gas producing property, having a net book value of $40 million, to Burlington Resources Inc. for $550 million. The ATCO Gas share of the net proceeds is expected to be approximately $150 million, after adjustments. The sale was finalized on January 3, 2002 and will be reflected in the 2002 results.

ATCO Gas filed an application with the AEUB requesting the distribution to customers of proceeds of the Viking-Kinsella sale amounting to $385 million plus related adjustments of $21 million for a total of $406 million. On February 21, 2002, the AEUB issued a final decision directing ATCO Gas to distribute the sale proceeds by way of lump sum payments to customers of record on March 2, 2002.

CU Water

CU Water is engaged in the transmission and distribution of water. CU Water owns and operates a distribution system to supply water to rural customers and small towns east of Edmonton. At the end of 2001, approximately 525 customers were being served directly by CU Water and, in addition, bulk water sales were being made to the town of Tofield and to approximately 180 commercial water haulers. The operations of CU Water are subject to regulation by the AEUB.

Electric Operations

ATCO Electric is engaged in the business of distributing and transmitting electric energy to 245 communities as well as rural areas in east-central and northern Alberta. Included are the communities of Drumheller, Lloydminster, Grande Prairie and Fort McMurray as well as the oil sands areas near Fort McMurray and the heavy oil areas near Cold Lake and Peace River. Electric utility service is also provided to one community in British Columbia and to two communities in Saskatchewan. YECL serves 19 communities in the Yukon Territory, including the capital city of Whitehorse, and NUY and NLD serve nine communities in the Northwest Territories, including the capital city of Yellowknife.

Electricity distributed to the various classes of customers for each of the last two years was as follows:

	2001		2000	
	millions of kilowatt hours	%	millions of kilowatt hours	%
Industrial	7,004	69	7,347	71
Commercial	1,706	17	1,624	15
Residential	921	9	936	9
Rural, REAs and other	477	5	485	5
Total	10,108	100	10,392	100

The aggregate population of the areas provided with electric utility service by ATCO Electric, YECL, NUY and NLD is approximately 449,000 and service is provided to approximately 192,000 customers. ATCO Electric has been assigned approximately 65% of the designated service area within Alberta which contains approximately 18% of the existing provincial electrical load and 13% of the existing population.

The number of customers served by ATCO Electric, YECL, NUY and NLD as at the end of each of the last two years was as follows:

	2001		2000	
	Number	**%**	**Number**	**%**
Industrial	9,458	5	9,318	5
Commercial	26,619	14	26,189	14
Residential	126,752	66	125,758	66
Rural, REAs and other	29,179	15	29,623	15
Total	192,008	100	190,888	100

ATCO Electric, YECL, NUY and NLD own and operate extensive electric transmission and distribution systems. The systems consist of approximately 8,500 km of main transmission lines and 55,800 km of distribution lines. In addition, ATCO Electric provides power to and operates approximately 13,400 km of REA-owned distribution lines.

On January 1, 2001, ATCO Electric transferred substantially all of its generating assets to Alberta Power. ATCO Electric, YECL, NUY and NLD continue to own and operate 50 diesel, natural gas turbine and hydro generating plants having an aggregate nameplate capacity of 65 megawatts in Alberta and in the Yukon and Northwest Territories. The maximum peak load demand for these plants during the year ended December 31, 2001, was 40 megawatts.

Electricity Supply

Since January 1, 2001, ATCO Electric has been required to supply energy to certain customers in one of three ways: through the regulated rate option, as the supplier of last resort or as the default supplier.

ATCO Electric is obligated to supply energy under the regulated rate option to the residential, farm and small commercial customers in its designated service area who do not choose an unregulated retailer. ATCO Electric is also the supplier of last resort for the regulated rate option eligible customers. ATCO Electric purchases electricity from marketers, generators and the Alberta power pool at fixed and spot prices to supply the regulated rate option customers.

ATCO Electric is also obligated to assign a default supplier for its customers who are not eligible for the regulated rate option tariff and do not choose an unregulated retailer. ATCO Electric appointed itself as the default supplier and purchases electricity from the Alberta power pool at the spot price to supply the default supply customers, the costs for which are passed on to customers on a dollar for dollar basis.

Effective January 1, 2001, ATCO Electric appointed itself as the supplier of last resort for its customers who are not eligible for its regulated rate option and who do not have a retailer after December 31, 2000. The energy procurement price for these customers is the spot price of the Alberta power pool, the costs for which are passed on to customers on a dollar for dollar basis.

Power Generation

Power generation operations are conducted by Alberta Power, ATCO Power and ATCO Resources.

Alberta Power

Alberta Power is engaged in the generation and sale of electricity in Alberta. On January 1, 2001, Alberta Power acquired substantially all of the generating assets owned by ATCO Electric. These assets are operated by ATCO Power pursuant to management agreements.

Substantially all the electricity generated by Alberta Power is sold pursuant to a system of long term power purchase arrangements ("PPAs") with EPCOR Utilities Inc. (Battle River generating plant); Engage Energy, a wholly owned subsidiary of Westcoast Energy Inc. (Rainbow generating plant); and the Alberta Balancing Pool (Sheerness generating plant). Under the PPAs, Alberta Power is required to make the generating capacity for each generating unit available to the purchaser of the PPA for that unit. In return, Alberta Power is entitled to recover its forecast fixed and variable costs for that unit from the PPA purchaser, including a return on common equity equal to the long term Canada bond rate plus 4.5% based on a deemed common equity ratio of 45%. Many of the forecast costs will be determined by index, formula or other means for the entire period of the PPA. The PPAs are not subject to ongoing regulation by the AEUB. Alberta Power's actual results will vary and depend on performance compared to the forecasts on which the PPAs are based.

The name plate capacity ratings of Alberta Power's generating plants are listed below.

Plant	Type of Generating Plant	Name Plate Capacity Rating (megawatts)	
Battle River	coal-fired steam turbine	679	
Sheerness	coal-fired steam turbine	375	(1)
H.R. Milner	coal-fired steam turbine	150	
Rainbow	natural gas turbine	90	
Sturgeon	natural gas turbine	18	
		1,312	

Note:
(1) Alberta Power's ownership of the 750 megawatt name plate capacity.

Alberta Power manages the Sheerness generating plant under long term agreements with TransAlta Utilities Corporation for the equal sharing of ownership and cost of electric capacity.

Alberta Power owns or has committed under long term contracts sufficient coal supplies for the anticipated lives of its Battle River and Sheerness generating plants.

Alberta Power and the Alberta Balancing Pool entered into an agreement which gives the Alberta Balancing Pool control of the H.R. Milner generating station effective January 1, 2001 and the right to sell it until September 30, 2003, failing which the rights to control the generating station revert to Alberta Power. In return, Alberta Power was paid $63.5 million, the net book value of the station and the coal inventory. Alberta Power operates the station on a cost of service basis on behalf of the Alberta Balancing Pool under a contract expiring September 30, 2003.

ATCO Power and ATCO Resources

ATCO Power is engaged in the non-regulated supply of electricity and cogeneration steam in Canada, the United Kingdom and Australia. ATCO Power also manages Alberta Power's assets. ATCO Power continues to focus its development efforts on independent power production projects in Canada, the United States, Australia, the United Kingdom and the Republic of Ireland.

ATCO Power's and ATCO Resources' non-regulated independent cogeneration plants and generating stations, with their respective commissioning dates and name plate capacity ratings, are shown below.

Location	Commissioning Date	Name Plate Capacity Rating	ATCO Power's Net Ownership	ATCO Resources' Net Ownership	ATCO's Net Ownership
			(megawatts)		
Canada:					
Operating Units:					
McMahon, B.C.	1993	120	60	-	60
Primrose, Alberta	1998	85	34	9	43
Poplar Hill, Alberta	1998	43	34	9	43
Rainbow Lake, Alberta	1999	89	36	9	45
Joffre, Alberta	2000	480	154	38	192
Valleyview, Alberta	2001	46	37	9	46
Units Under Construction:					
Muskeg River, Alberta	2002	170	95	24	119
Scotford, Alberta	2002	170	136	34	170
Cory, Saskatchewan	2002	260	104	26	130
Oldman River, Alberta	2002	32	26	6	32
Brighton Beach, Ontario	2004	580	232	58	290
United Kingdom:					
Operating Units:					
Barking, London	1995	1,000	255	-	255
Heathrow Airport	1995	14	7	-	7
Australia:					
Operating Units:					
Osborne, South Australia	1998	180	90	-	90
Bulwer Island, Queensland	2001	33	17	-	17
Total		3,302	1,317	222	1,539

Canada

ATCO Power has a 50% interest in a joint venture with Westcoast Power Inc. The joint venture owns and operates the McMahon cogeneration plant, a 120 megawatt cogeneration plant at Taylor, British Columbia. All of the electricity generated is sold to British Columbia Hydro and Power Authority ("BC Hydro") pursuant to an electricity purchase agreement expiring in 2013. In addition to generating electricity, the plant sells steam to Westcoast Energy Inc.'s adjacent natural gas processing plant.

A joint venture, owned by ATCO Power, Canadian Natural Resources Limited ("CNRL") and ATCO, operates an 85 megawatt cogeneration power plant (the "Primrose Steam Enhancement Plant") near Bonnyville, Alberta. The joint venture sells electricity and steam to CNRL for use in its heavy oil recovery process. Any excess electricity generated is sold to the Alberta power pool or to specific customers. ATCO Power owns a 40% interest in the project, ATCO Resources owns 10% and CNRL owns 50%.

ATCO Power operates a 43 megawatt natural gas-fired generating station at Poplar Hill near Grande Prairie, Alberta. Revenues are derived from power sold to the Alberta power pool and from transmission deferral credits contracted with the Transmission Administrator. ATCO Power owns an 80% interest in the project and ATCO Resources owns 20%.

ATCO Power operates an 89 megawatt natural gas-fired generating station at Rainbow Lake, Alberta which sells steam and electricity to Husky Energy Inc. ("Husky"). The rest of the electricity generated is sold to the Alberta power pool. ATCO Power owns a 40% interest in the project, Husky owns 50% and ATCO Resources owns 10%.

ATCO Power, EPCOR Power Development Corporation ("EPCOR") and NOVA Chemicals Corporation ("NOVA") are participants in a joint venture which operates a 480 megawatt natural gas-fired cogeneration plant near Joffre, Alberta. ATCO Power is the operator of the facility. NOVA purchases all of the steam and approximately 31% of the electricity produced for use in NOVA's Joffre petrochemical site under an energy purchase agreement expiring in 2020. The balance of the output is sold to the Alberta power pool or to specific customers. ATCO Power owns a 32% interest in the project, ATCO Resources owns 8%, EPCOR owns 40% and NOVA owns 20%.

ATCO Power operates a 46 megawatt natural gas-fired generating station near Valleyview, Alberta. All of the electricity produced by the station is sold to the Alberta power pool. ATCO Power owns an 80% interest in the project and ATCO Resources owns 20%. The $40 million project was commissioned in December 2001. A second 46 megawatt generating unit originally scheduled to be installed at the station was utilized in the Rainbow Lake generating station during 2001.

ATCO Power and SaskPower International Inc. ("SPI") are participants in a joint venture which is constructing and will operate a $225 million, 170 megawatt natural gas-fired cogeneration plant and related facilities at the Athabasca Oil Sands Project ("AOSP") Muskeg River mine near Fort McMurray, Alberta. Approximately one-half of the electricity and all of the steam produced by the plant will be supplied to AOSP for use in its Muskeg River mine. The balance of the electricity generated will be sold to the Alberta power pool or to specific customers. The project is scheduled for commissioning in December 2002. ATCO Power owns a 56% interest in the project, SPI owns 30% and ATCO Resources owns 14%.

ATCO Power is constructing and will operate a $162 million, 170 megawatt natural gas-fired cogeneration plant at the AOSP upgrader at Scotford, Alberta. Approximately 75% of the electricity and all the thermal energy produced by the plant will be supplied to AOSP for use in the upgrader and the balance of the electricity will be sold to the Alberta power pool or to specific customers. The project is scheduled for commissioning in December 2002. ATCO Power owns an 80% interest in the project and ATCO Resources owns 20%.

ATCO Power and SPI are participants in a joint venture which is constructing and will operate a $227 million, 260 megawatt natural gas-fired cogeneration plant at Potash Corporation of Saskatchewan Inc.'s Cory Mine, located near Saskatoon, Saskatchewan. ATCO Power will be the operator of the facility. Saskatchewan Power Corporation ("SPC") has agreed to purchase all of the electricity generated by the plant for 25 years. The plant is scheduled for commissioning in October 2002. ATCO Power owns a 40% interest in the project, ATCO Resources owns 10% and SPI owns 50%.

ATCO Power is constructing and will operate a $33 million, 32 megawatt hydroelectric generating station at the Oldman River dam near Pincher Creek, Alberta. All of the electricity produced by the station will be sold to the Alberta power pool. The project is scheduled for commissioning in May 2002. ATCO Power owns an 80% interest in the project and ATCO Resources owns 20%. The Peigan Nation of Brocket, Alberta has an option to purchase a 25% ownership interest in the project.

A partnership formed by ATCO Power and Ontario Power Generation ("OPG") is constructing and will operate the Brighton Beach power station, a $450 million, 580 megawatt natural gas-fired combined cycle generating station at the site of the former J.C. Keith Generating Station, near Windsor, Ontario. Coral Energy Canada Inc. has agreed to supply natural gas to the station and will own, market and trade all the electricity produced. ATCO Power owns a 40% interest in the project, ATCO Resources owns 10% and OPG owns 50%.

United Kingdom

ATCO Power and Balfour Beatty plc (formerly BICC plc), a United Kingdom construction group, each own a 50% equity interest in Thames Power, a London, England based company. Thames Power has a 51% interest in BPL which owns a 1,000 megawatt natural gas-fired combined cycle generating plant at Barking in London, England (the "Barking power station"). London Power Company plc, Scottish and Southern Energy Limited and TXU Europe Power Limited (the "Regional Electricity Companies") own the remaining 49% interest in BPL. All of the electricity produced is sold to the United Kingdom power pool (the "Pool"). The Regional Electricity Companies and BPL have entered into agreements, expiring in 2010, designed to provide BPL with a predictable revenue stream and to reduce the exposure of the Regional Electricity Companies to wide variations in prices for purchase of electricity from the Pool. The agreements provide for payments between the parties based on the income of BPL and permit BPL to recover its fixed and variable costs, including fuel supply costs, subject to achieving satisfactory levels of availability and efficiency. The Barking power station is operated by ATCO Power.

ATCO Power has a 50% interest in a joint venture with a subsidiary of London Electricity plc. The joint venture owns and operates a facility consisting of a 14 megawatt natural gas turbine, 40 megawatts of boiler capacity and an associated heat distribution system at London's Heathrow Airport. The joint venture has a 15 year energy services contract, expiring in 2010, with BAA plc, owner of the Heathrow Airport, for all of the electric energy and hot water produced by the facility.

Australia

ATCO Power has a 50% interest in a joint venture with Origin Energy Limited ("Origin"). The joint venture owns and operates a 180 megawatt cogeneration plant in Osborne, South Australia. This joint venture supplies electricity to Flinders Power Pty Ltd under a 20 year electricity purchase agreement expiring in 2018. In addition to generating electricity, the plant provides steam under a 20 year agreement, expiring in 2018, to Penrice Soda Products Pty Ltd.

ATCO Power has a 50% interest in a consortium with Origin. The consortium owns and operates a 33 megawatt natural gas-fired cogeneration plant and other utility infrastructure at BP Amoco plc's ("BP") Bulwer Island refinery, near Brisbane, Queensland. All of the power and steam produced by the plant is sold to BP under a 20 year agreement expiring in 2021. The plant was commissioned January 1, 2001.

Republic of Ireland

During 2001, negotiations to develop a 310 megawatt natural gas-fired cogeneration project at Aughinish's aluminum refinery in County Limerick, Ireland were terminated.

Logistics and Energy Services

Regulated Natural Gas Transportation

ATCO Pipelines is engaged in the business of transporting natural gas throughout Alberta.

ATCO Pipelines owns and operates extensive natural gas transportation systems. The systems consist of approximately 8,200 km of pipelines, 21 compressor sites and a salt cavern peaking facility. The systems have 204 producer receipt points, 78 interconnections with TransCanada Pipelines Limited and one interconnection with Alliance Pipeline.

ATCO Pipelines' revenues are based on contractual arrangements for access to its transportation systems. Contract demand for access for each of the last two years was as follows:

	2001	2000
	(terajoules/day)	
Producer	1,377	1,172
Industrial	1,174	1,153
Distribution	22	22
Affiliates	2,303	2,212
Total	4,876	4,559

In addition, ATCO Pipelines provides sales service to certain customers. ATCO Pipelines obtains natural gas for these customers from ATCO Gas.

Non-Regulated Natural Gas Gathering, Processing and Storage Operations

ATCO Midstream owns and operates non-regulated gathering and processing facilities in Alberta. ATCO Midstream also provides management services for ATCO Gas' storage field at Carbon, Alberta and natural gas procurement services for other subsidiaries of the Corporation.

ATCO Midstream owns a 51.3% interest in EEEP. Located in south Edmonton, EEEP is a natural gas processing plant which extracts ethane and other natural gas liquids from natural gas flowing into the Edmonton market area. Ethane is sold to an Alberta ethylene producer and other natural gas liquids are sold into the Sarnia, Ontario market, in each case under a long term contract that expires in 2004.

On May 1, 2001, ATCO Midstream completed the acquisition of Wolcott Gas Processing Ltd. The acquisition includes full operational control and a 12% working interest in the 1.1 billion cubic feet per day Empress Gas Liquids Joint Venture straddle plant facility near Empress, Alberta. Also included in the acquisition were working interests in three additional field processing plants in Alberta and Saskatchewan. The acquisition increases ATCO Midstream's gross natural gas processing capacity to 1.9 Bcf per day from 0.7 Bcf per day.

ATCO Midstream owns or has a joint venture interest in 14 natural gas processing plants, 10 of which it operates, three compression facilities, all of which it operates, and approximately 940 km of field gathering lines. Natural gas production from the producing properties connected to ATCO Midstream's natural gas gathering systems is processed by ATCO Midstream and either transported for a fee or purchased and sold under contracts with third parties.

ATCO Midstream has agreements for natural gas storage capacity with various facilities in Alberta. ATCO Midstream utilizes this capacity to provide storage services to third parties.

Technical Facilities Management

ATCO Frontec, through its own operations and through a number of joint ventures, provides project management and technical services for customers in the industrial, defence, telecommunications and transportation sectors. Activities include the operation and maintenance of the Alaska Radar System, the Solid State Phased Array Radar System, the Pacific Alaska Range Complex and various remote sites for Northwestel Inc. in northern Canada. ATCO Frontec provides secure satellite communications, utilities, transportation, vehicle maintenance, fuel, facilities and grounds maintenance, fire safety, billeting, catering, supply and environmental protection for six peacekeeping installations in Bosnia-Herzegovina. ATCO Frontec also provides airport operation and maintenance, security, facilities management and travel services, bulk fuel storage and distribution and a wide variety of services and business activities in various locations throughout Canada.

ATCO Frontec and Pan Arctic Inuit Logistics Corporation ("Pan Arctic") have been awarded a new contract by the Government of Canada to operate and maintain the North Warning System until September 30, 2006. Nasittuq Corporation, a corporation jointly owned by ATCO Frontec and Pan Arctic, has been appointed as agent for the purposes of the contract.

Industrials

ASI

ASI is engaged in the manufacture, sale and lease of transportable shelters and related products. ASI has marketed and installed its manufactured products in over 105 countries around the world since 1947 and has established a reputation as a leader in the international supply of relocatable shelter products. Products sold are manufactured in Canada, the U.S., Australia, Hungary, Chile and Egypt.

Workforce Housing

ASI's workforce housing products include prefabricated standardized or custom units that are designed to be assembled into self contained camps complete with sleeping accommodation, kitchen, dining and recreation facilities. The units are designed to be used in all weather conditions and are fully transportable. Workforce housing products are used primarily by companies in the oil and gas, forestry products and mining industries and by governments.

The workforce housing lease fleet of approximately 1,580 units (approximately 1,250 units in Canada) includes sleeping accommodation, kitchens, diners, recreation facilities and washcars which can accommodate up to 5,600 persons. The fleet is maintained to meet the latest standards set by the building industry and trade unions and is refurbished and upgraded as required. ASI also purchases used workforce housing units from customers which are then retrofitted as required and made available for resale or lease in the workforce housing market.

ASI also sells and leases Fold-A-Way metal buildings domestically and internationally. These prefabricated steel buildings have a modular design which enables them to be erected in hours and easily dismantled and relocated. Fold-A-Way metal buildings have been used by a broad range of industries and government agencies with many varied applications such as equipment storage, maintenance facilities, factories, gymnasiums, sewage treatment plants, aircraft hangers and emergency shelters. The buildings are manufactured by a subcontractor to designs and specifications developed by ASI.

Demand for workforce housing products is directly related to the capital spending cycle and the level of development activity in natural resource industries. Demand for workforce housing in the western Canadian resource development market increased in 2001 and the utilization rate of the lease fleet averaged 65%, compared to 61% in 2000.

Space Rentals

In Canada, Australia and Chile, ASI's space rentals business involves the lease and sale of relocatable modular offices, classrooms and other community structures. In the United States, ASI sells its space rentals products to leasing companies. ASI's space rentals fleet of approximately 3,450 units consists of on-site structures such as site offices, lunchrooms, storage facilities, lavatories, first-aid units and locker rooms, and modular commercial and community structures such as office complexes and classrooms. On-site structures are used primarily by construction companies on urban and rural construction sites. Commercial and community structures, although relocatable, are generally used as more permanent facilities by a wide range of private and public sector customers.

Space rentals products are generally offered to customers under lease packages which may include options to purchase. The terms of leases generally vary from one month to five years. Customers with longer term requirements typically purchase rather than lease. Sales from the fleet assist ASI in maintaining a modern inventory of space rentals units.

Work Force Housing and Space Rentals Lease Fleets

The number of units in ASI's lease fleets as at the end of each of the last two years was as follows:

	2001		**2000**	
	Work Force Housing	**Space Rentals**	**Work Force Housing**	**Space Rentals**
Canada	1,247	524	1,904	203
Australia	302	2,749	370	2,620
Other	33	180	29	120
Total	1,582	3,453	2,303	2,943

Manufacturing

Canada

ASI's principal manufacturing facilities are located on a 72 acre leased site in Calgary known as the ATCO Industrial Park, with approximately 200,000 square feet of production and office space. ASI employs a staff of engineers and designers whose expertise in designing modular buildings, complemented by technicians experienced in selection of materials and modular construction methods, results in the manufacturing of products for use anywhere in the world ranging from sophisticated custom-designed projects to basic construction camp facilities and modular housing.

ASI's Spruce Grove manufacturing facility is located 15 km west of Edmonton, Alberta. This 90,000 square foot facility was originally used for service and maintenance work, but has been used as a manufacturing facility since 1995 to meet the continuing growth in demand for relocatable modular products in western Canada.

International

ASI operates a leased 90,000 square foot manufacturing facility in Diboll, Texas. This plant manufactures relocatable modular products and serves the local domestic market and international markets.

ASI operates a leased 50,000 square foot manufacturing facility in Budapest, Hungary. This plant manufactures workforce housing products, predominantly for use by western energy and resource companies operating in the former Soviet Union.

ASI has a 50% interest in a joint venture with Tecno Fast S.A., a modular manufacturing company based in Santiago, Chile. Tecno Fast owns and operates a 70,000 square foot manufacturing facility.

ASI owns and operates a 15,000 square foot manufacturing facility on a three acre site in Brisbane, Queensland, Australia and a 15,000 square foot manufacturing facility on a two acre site in Townsville, Queensland.

Relocatable shelters carrying the ATCO name are sold in Egypt pursuant to a licensing agreement with MISR Camp S.A.E. which operates from a 12,000 square foot plant in Cairo.

Although ASI's international competitors generally serve regional markets and often are not able to offer the same capabilities and experience as ASI, the international market is nevertheless very competitive and price is often the determining factor in securing contracts.

Noise Management

ATCO Noise Management provides guaranteed "one - stop" turnkey solutions for industrial noise that may include acoustic enclosures, buildings, barriers, ventilation systems, combustion air intake and exhaust silencers and other noise abatement components. Registered to the ISO 9001 quality assurance standard, it offers its clients a full range of services, including noise surveys, regulatory review, engineering design, procurement, construction and post-construction testing.

The growing awareness of noise as a pollutant has resulted in a more rigorous enforcement of noise abatement by the National Energy Board in Canada, the Federal Energy Regulatory

Commission in the United States, the European Union Commission as well as local government bodies.

ATCO Noise Management's clients are predominantly from the energy and manufacturing sectors. Typical projects are acoustic buildings for new compressor stations, retrofitting of existing industrial plants, acoustic buildings, barriers, and enclosures for power generation facilities, and acoustic buildings for gas separation plants.

Major accomplishments for 2001 included the opening of the U.S. office located in Orlando, Florida, supply of 54 acoustic generator enclosures for Siemens Westinghouse Power Corporation (SWPC) at various locations. In 2002, ANM will provide over 70 enclosures for SWPC. Also, ANM's consulting services has expanded significantly in 2001.

Several significant projects were undertaken during 2001. These projects included the retrofit of La Chorrea Power Station in Panama, construction of 2 gas compressor stations in England, supply of 6 turbine enclosures to Hitachi for the Queen Elizabeth power plant in Saskatchewan, supply and install of an acoustic envelope for a cogeneration plant in Pennsylvania. Late in 2001, ANM received a multiple unit order from Alstom for steam turbine enclosures.

In an effort to provide more effective customer service in Europe and the U.K., ANM will relocate its U.K. office from Burton on Trent to Newcastle in 2002. ANM will continue to concentrate on growing its worldwide business through an emphasis on the energy industry and an increased focus on the consulting arm of the business.

ASHCOR Technologies Ltd.

ASHCOR Technologies Ltd. is engaged in the sale of fly ash and other combustion byproducts produced in coal-fired electrical generating plants.

Genics Inc.

CU owns a 50% interest in the shares of Genics Inc., a manufacturer of wood preservation products.

Technologies

ATCO I-Tek

The ATCO I-Tek division of CU is engaged in the development, operation and support of information systems and technologies.

ATCO I-Tek Business Services Ltd.

ATCO I-Tek Business Services Ltd. provides billing services, payment processing, credit, collection and call centre services. ATCO I-Tek Business Services Ltd. provides contract utility billing and related services to the City of Red Deer pursuant to a five year contract expiring on

December 31, 2003. Utility billing and related services are supplied to ATCO Gas and ATCO Electric pursuant to five year contracts expiring on January 1, 2004.

Real Estate Operations

ATCO Investments Ltd. owns ATCO Centre Phase II at 919 - 11 Avenue S.W., Calgary, containing 125,000 square feet of net rentable area, of which 100% was occupied as at March 6, 2002.

ATCO Investments Ltd. also has a 67% interest in a 56,000 square foot prime land assembly in downtown Calgary.

FRANCHISES

AGP, ATCO Electric, YECL, NUY and NLD distribute natural gas and electricity in incorporated communities under the authority of franchises or by-laws and in rural areas under approvals, permits or orders issued pursuant to applicable statutes.

In Edmonton, distribution of natural gas is carried on under the authority of an exclusive franchise. AGP has entered into an agreement with the City of Edmonton for a 10 year renewal of the franchise to November 15, 2005. The franchise renewal is subject to the right of the City of Edmonton, at the end of the renewal period, to purchase all of AGP's assets within the city and its assets outside the city used in supplying natural gas to the city. The purchase price would be the amount of the actual value thereof as a going concern plus 10% of such value. Although the franchise agreement gives the city certain rights of purchase, since 1935 the city has granted renewals for 10 year periods.

In Calgary, distribution of natural gas is carried on under the authority of a municipal by-law. The rights of AGP under this by-law, while not exclusive, are unrestricted as to time. The by-law does not confer any right on the City of Calgary to acquire the facilities used in providing the service.

The franchises under which service is provided in other incorporated communities in Alberta and in the Northwest Territories have been granted for periods of up to 20 years. These franchises are exclusive to AGP, ATCO Electric, NUY or NLD and are renewable by agreement for further periods not exceeding 20 years each in the case of AGP and 10 years in the case of ATCO Electric, NUY and NLD. If any franchise is not renewed, it remains in effect until such time as either party, with the approval of the prevailing regulatory authority, terminates it on six months written notice. Upon termination of a franchise the municipality may purchase the facilities used in connection with that franchise at a price to be agreed upon or, failing agreement, to be fixed by the prevailing regulatory authority. The franchise under which service is provided in the Yukon was granted under the Public Utilities Act (Yukon Territory) and has no set expiry date.

GOVERNMENT REGULATION

Regulated Operations

Under Alberta legislation, owners of public, electric or gas utilities are required to obtain AEUB approval prior to issuing securities. The Corporation is not subject to, and CU and CU Inc. have obtained from the AEUB orders which exempt them from, this requirement.

The regulated operations of ATCO in Alberta are subject to the jurisdiction of the AEUB which, among other things, is vested with broad general powers of supervision with respect to the construction and operation of electric energy and natural gas facilities within the province and broad powers of regulation in respect of rates charged for electric energy, natural gas and water.

The AEUB approves customer rates based on anticipated energy sales as well as the revenue required to recover estimated costs of service, including a fair return on rate base, estimated operating expenses, depreciation and taxes, all in respect of a future test period. Energy sales are based on a forecast of economic and business conditions and, in the case of natural gas utility operations, normal temperature which is defined as the average temperature for the previous 20 years.

Rate base consists of the depreciated cost of utility assets and an allowance for working capital. Return on rate base is designed to meet the cost of interest on long term debt and dividends on preferred shares and to provide the common shareholders with a reasonable opportunity to earn a fair return on their investment. The determination of a fair return to the common shareholders involves an assessment by the AEUB of many factors, including returns on alternative investment opportunities of comparable risk and the level of return which will enable a utility to attract the necessary capital to fund its operations.

The EUA and the Gas Utilities Act grant the AEUB specific authority to approve customer rates that provide incentives for efficiencies that result in cost savings or other benefits that can be shared in an equitable manner between a utility and its customers. Final determination of such customer rates requires the approval of the AEUB.

The regulated operations of ATCO in the Yukon Territory (YECL) and the Northwest Territories (NUY and NLD) are subject to regulation similar to that in effect in Alberta by regulatory authorities in those jurisdictions.

Particulars of the most recent final decisions made by the AEUB respecting general rate applications or negotiated settlements filed by the principal regulated subsidiaries of the Corporation are as follows:

	Year	Date of Decision (1)	Mid-Year Rate Base	Rate of Return	
				Rate Base	Common Equity (2)
			($ millions)	(%)	(%)
ATCO Electric					
Transmission	2001	Oct. 31/00	(3)	(3)	(3)
	2002	Oct. 31/00	(3)	(3)	(3)
Distribution	2001	Feb. 27/01	(3)	(3)	(3)
	2002	Feb. 27/01	(3)	(3)	(3)
NUL	1997	Dec. 22/00	(4)	(4)	(4)
ATCO Gas South	2001	Dec. 12/01	(5)	(5)	9.75 (6)
	2002	Dec. 12/01	(5)	(5)	9.75 (6)
ATCO Pipelines South	2001	Dec. 12/01	135.4	8.88	9.75 (7)
	2002	Dec. 12/01	141.1	8.85	9.75 (7)

Notes:

(1) Indicates original date of decision, however the information shown reflects all amending or varying orders.
(2) Common equity rate of return is the rate of return on the portion of rate base considered to be financed by common equity.
(3) A negotiated settlement approved by the AEUB. The negotiated settlement did not establish a rate base, a return on rate base or a return on common equity.
(4) An amendment to a negotiated settlement approved by the AEUB resulted in a 14% reduction in customer rates effective January 1, 2001. The negotiated settlement did not establish a rate base, a return on rate base or a return on common equity.
(5) The rate base and the return on rate base will not be known until the AEUB approves the forecast revenue requirement.
(6) Based on a common equity ratio of 37%.
(7) Based on a common equity ratio of 45.5%.

Gas Utilities Act

Under the Gas Utilities Act, customers in Alberta have the choice of purchasing their natural gas supplies from their local natural gas utility or directly from retailers, subject to certain conditions.

Customers purchasing natural gas from ATCO Gas do so at rates that are approved by the AEUB. ATCO Gas receives no profit or benefit from increases in natural gas prices. The cost of the natural gas it purchases for sale to its customers is passed on directly to its customers following scrutiny in a public process under the authority of the AEUB. The AEUB requires ATCO Gas to file an application with the AEUB to adjust customer rates whenever the difference between natural gas costs and cost recoveries from customers exceeds levels set by the AEUB. Customer rates proposed by ATCO Gas are scrutinized in public hearings which allow intervenors and the AEUB to test the prudence of ATCO Gas' natural gas purchase prices and resulting costs. The current methodology with respect to the determination of the rates associated with the natural gas sold to customers is under review, as directed by the AEUB in 2001 as a result of a Gas Cost Methodology proceeding.

Electric Utilities Act

The EUA provides the framework for a new structure in Alberta's electric utility industry and introduces competition into the electric utility business. As of January 1, 2001, generation was completely deregulated, retail competition introduced and retail choice was available. Most of the regulations under the EUA required for the deregulation and retail competition are in place. ATCO Electric, along with other industry participants, continues to be involved in discussions with the government of Alberta regarding further amendments to the EUA and the associated regulations.

It is anticipated that ATCO Electric's transmission and distribution activities will continue to be regulated.

New Generation

Under the EUA, generation assets constructed after December 31, 1995 are not considered part of utility operations and rates are not regulated by the AEUB. All owners of new and existing generating units must sell their surplus electric energy through the Alberta power pool.

Existing Generation

The EUA provided for the equalization of costs of "existing generation" that was in service at December 31, 1995. On January 1, 2001, existing generation was deregulated through a system of long term power purchase arrangements ("PPAs"). Under the PPAs, generators are required to make the generation available to the purchaser of the PPA. In return, the generator is entitled to recover its fixed and variable forecast costs for that unit from the PPA purchaser, including a fair return on common equity. Many of the forecast costs will be determined by index, formula or other means for the entire period of the PPA. There will be no continuing regulation of PPAs by the AEUB.

Transmission

Under the EUA, separate wholesale tariffs for transmission must be approved by the AEUB. The transmission tariffs allow any owner of a generating unit to have access to the transmission systems in Alberta and thus facilitate the sale of its power. The same transmission tariff is charged to each distribution utility or customer directly connected to the transmission system regardless of location.

The equalization of transmission costs is achieved by having each owner of transmission facilities charge its costs to the Transmission Administrator. The Transmission Administrator then aggregates these costs and charges a common transmission rate to all who use the transmission system.

Under a process developed and administered by the Transmission Administrator, certain transmission expansion projects are developed through a competition bid process. The project costs are charged to the Transmission Administrator on a contractual basis between the winning bidder and the Transmission Administrator.

Distribution

Under the EUA, separate retail rates for distribution must be approved by the AEUB. Costs of distribution are not equalized. The distribution utility provides the transportation and distribution services for all customers under AEUB approved tariffs which provide for the recovery of the cost of service, including a fair return on rate base.

Retail

On January 1, 2001, all customers had a choice as to the supplier of their electric energy. Industrial and large commercial customers were required to select a retailer effective January 1, 2001. Other customers may continue to purchase electricity from their current distribution utility under a regulated rate option. This option is to be available for five years (2001 – 2005) for residential and farm customers and for three years (2001 – 2003) for small commercial and small industrial customers.

Environmental Protection

The Corporation's operating subsidiaries and the industries in which they operate are subject to extensive federal, provincial and local environmental protection laws concerning emissions to the air, discharges to surface and subsurface waters, land use activities and the handling, manufacturing, processing, use, emission and disposal of materials and waste products. In Alberta, protection of the environment is generally governed by the Alberta Environmental Protection and Enhancement Act. The operating subsidiaries' facilities have all permits and licenses required by law to carry on their operations.

The Corporation's operating subsidiaries are committed to preserving and protecting the environment and minimizing the discharge of harmful materials into the environment in accordance with environmental protection laws and regulations. Nevertheless, some risk of unintentional violation of environmental protection laws and the resulting liability to the Corporation's operating subsidiaries is inherent in particular operations of these subsidiaries, as it is with other companies engaged in similar businesses. There can be no assurance that material costs and liabilities will not be incurred. To mitigate these costs, the Corporation carries insurance for the operating subsidiaries against third party claims for bodily injury and property damage arising from a sudden and accidental event or occurrence resulting from an unexpected release of pollutants or contaminants.

The Corporation's operating subsidiaries do not expect that environmental protection laws and regulations will affect them differently from other companies in the industries in which they operate. Specifically identifiable expenditures for pollution abatement and control were approximately $10.7 million in 2001 and are estimated to be $10.6 million in 2002. Costs of compliance with existing laws and regulations are not expected to have a material impact on the earnings of the Corporation or the competitive position of the operating subsidiaries.

DIRECTORS AND OFFICERS

Set out below is information with respect to the directors and officers of the Corporation.

Name and Municipality of Residence	Position	Principal Occupation	Periods served as a Director of the Corporation
C.R. Armour Fullarton, South Australia	Managing Director, ATCO Group, Australia/Asia/Pacific	Managing Director, ATCO Group, Australia/Asia/Pacific, ATCO Ltd.	
W.L. Britton, Q.C. (1) (4) Calgary, Alberta	Director	Partner, Bennett Jones LLP (barristers and solicitors)	1975 to date
J.A. Campbell (4) Calgary, Alberta	Senior Vice President, Finance and Chief Financial Officer	Senior Vice President, Finance and Chief Financial Officer, ATCO Ltd. and Canadian Utilities Limited	
D.R. Cawsey Calgary, Alberta	Vice President, Human Resources and Corporate Secretary	Vice President, Human Resources and Corporate Secretary, ATCO Ltd. and Canadian Utilities Limited	
B.P. Collomb Paris, France	Director	Chairman and Chief Executive Officer, Lafarge S.A. (building materials company)	1999 to date
D.T. Davis Calgary, Alberta	Vice President, Internal Audit	Vice President, Internal Audit, ATCO Ltd. and Canadian Utilities Limited	
B.P. Drummond (1) (2) (3) Montreal, Quebec	Director	Corporate Director	1968 to date
D.M. Ellard Calgary, Alberta	Senior Vice President, Corporate Development	Senior Vice President, Corporate Development, ATCO Ltd. and Canadian Utilities Limited	
B.K. French (1) (2) (3) (4) Calgary, Alberta	Director	President, Karusel Management Ltd. (property management and management consultants)	1982 to date
H.E. Joudrie Toronto, Ontario	Director	Corporate Director	1999 to date

Name and Municipality of Residence	Position	Principal Occupation	Periods served as a Director of the Corporation
S.W. Kiefer Calgary, Alberta	Vice President, Information Technology and Chief Information Officer	Vice President, Information Technology and Chief Information Officer, ATCO Ltd. and Canadian Utilities Limited	
Rt. Hon. D.F. Mazankowski, P.C., O.C., D. Eng., LL.D. Vegreville, Alberta	Director	Business Consultant and Corporate Director	1999 to date
C.S. McConnell Calgary, Alberta	Treasurer	Treasurer, ATCO Ltd. and Canadian Utilities Limited	
H.M. Neldner (2) (3) Westerose, Alberta	Director	Corporate Director	1997 to date
N.C. Southern Calgary, Alberta	Director, Co-Chairman of the Board and Chief Executive Officer	Co-Chairman of the Board and Chief Executive Officer, ATCO Ltd. and Canadian Utilities Limited	1989 to date
R.D. Southern, C.B.E., C.M., LL.D. Calgary, Alberta	Director, Co-Chairman of the Board and Chief Executive Officer	Co-Chairman of the Board and Chief Executive Officer, ATCO Ltd. and Canadian Utilities Limited	1963 to date
P. Spruin, Calgary, Alberta	Assistant Corporate Secretary and Manager, Corporate Secretarial	Assistant Corporate Secretary and Manager, Corporate Secretarial, ATCO Ltd. and Canadian Utilities Limited	
C.O. Twa (3) (4) Calgary, Alberta	Director, President and Chief Operating Officer	President and Chief Operating Officer, ATCO Ltd. and Canadian Utilities Limited	1996 to date
L.C. van Wachem, K.B.E. The Hague, The Netherlands	Director	Chairman of the Supervisory Board, Royal Dutch Petroleum Company (petroleum company)	1993 to date
L.J. Vegh Calgary, Alberta	Vice President, Insurance	Vice President, Insurance, ATCO Ltd. and Canadian Utilities Limited	
K.M. Watson Calgary, Alberta	Vice President, Finance and Controller	Vice President, Finance and Controller, ATCO Ltd. and Canadian Utilities Limited	

Name and Municipality of Residence	Position	Principal Occupation	Periods served as a Director of the Corporation
S.R. Werth (4) Calgary, Alberta	Senior Vice President and Chief Administration Officer	Senior Vice President and Chief Administration Officer, ATCO Ltd. and Canadian Utilities Limited	

Notes:
(1) Member of the Corporate Governance - Nomination, Succession and Compensation Committee.
(2) Member of the Audit Committee.
(3) Member of the Risk Review Committee.
(4) Member of the Crisis Management Committee.
(5) Each director holds office until the close of the next annual meeting of shareholders of the Corporation.

All of the directors and officers have been engaged for the last five years in the indicated principal occupations, or in other capacities with the companies or firms referred to, or with affiliates or predecessors thereof, with the exception of Mr. C.R. Armour, who was Managing Director, ETSA Corporation and prior thereto was Acting Managing Director, South Australian Gas Company; Mr. H.E. Joudrie, who was Chairman of the Board, Gulf Canada Resources Limited; and Ms. P. Spruin, who was a corporate consultant and prior thereto was Corporate Secretary, IPEC Ltd.

SHAREHOLDINGS OF DIRECTORS AND SENIOR OFFICERS

At December 31, 2001, all the directors and senior officers of the Corporation, as a group, beneficially owned, directly or indirectly (via corporate holdings or otherwise), or exercised control or direction over approximately 78.7% of the issued and outstanding Class II Voting Shares of the Corporation. In addition, all the directors and senior officers of the Corporation, as a group, beneficially owned, directly or indirectly (via corporate holdings or otherwise), or exercised control or direction over approximately 69.3% of the issued and outstanding Class B common shares of Canadian Utilities Limited.

MARKETS FOR THE SECURITIES OF THE CORPORATION

The Corporation's Class I Non-Voting Shares, Class II Voting Shares and 5.75% Cumulative Redeemable Preferred Shares, Series 3 are listed on The Toronto Stock Exchange.

ADDITIONAL INFORMATION

Additional information, including executive compensation and principal holders of the Corporation's securities, is contained in the Corporation's Management Proxy Circular dated

March 13, 2002. Additional financial information is provided in the Corporation's audited consolidated financial statements for the year ended December 31, 2001 contained in the Corporation's 2001 Annual Report.

The Corporation will provide to any person, upon request to the Vice President, Human Resources and Corporate Secretary of the Corporation at 1400 ATCO Centre, 909 - 11th Avenue S.W., Calgary, Alberta T2R 1N6 (telephone (403) 292-7500 or fax (403) 292-7623):

(a) when the securities of the Corporation are in the course of a distribution under a preliminary short form prospectus or a short form prospectus,

    (i) one copy of this Annual Information Form together with one copy of any document, or the pertinent pages of any document, incorporated by reference in this Annual Information Form,

    (ii) one copy of the comparative financial statements of the Corporation for the year ended December 31, 2001 together with the accompanying report of the auditor and one copy of the most recent interim financial statements of the Corporation that have been filed, if any, for any period after the end of its financial year ended December 31, 2001,

    (iii) one copy of the Corporation's Management Proxy Circular dated March 13, 2002, and

    (iv) one copy of any other documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under (i) to (iii) above; or

(b) at any other time, one copy of any of the documents referred to in (i) to (iii) above, provided the Corporation may require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Corporation.

Information relating to Canadian Utilities Limited or CU Inc. may be obtained upon request from the Vice President, Human Resources and Corporate Secretary of the respective corporation at 1400 ATCO Centre, 909 - 11th Avenue S.W., Calgary, Alberta T2R 1N6 (telephone (403) 292-7500 or fax (403) 292-7623). Corporate information is also available on the Corporation's website: www.atco.com