

### 2.1C: Currently and formerly owned or controlled electric utility operating companies

ATCO has been a leader in developing and owning electric utility operating companies for decades. Through the electricity distribution and transmission division ATCO Electric — and its subsidiaries, ATCO Electric Yukon, Northland Utilities (NWT) and Northland Utilities (Yellowknife) — ATCO conducts regulated electricity activities. These businesses provide regulated electricity distribution, transmission and isolated generation mainly in northern and central-east Alberta, as well as the Yukon and Northwest Territories. ATCO developed and operates an electrical network that includes 88,000 km of transmission and distribution line; 220 substations; two HVDC systems; numerous FACTS installations; over 300 telecommunication sites; a fiber network covering over 1,500 km; 27 power plants in isolated communities; and a system operations center.

ATCO Power, ATCO Power Australia and Alberta PowerLine conduct ATCO's non-regulated electricity activities, supplying over 2500MW of electricity from natural gas, coal-fired, solar and hydroelectric generating plants in western Canada, Ontario, Australia and Mexico, as well as non-regulated electricity transmission in Alberta.

Distributed generation aligns with ATCO's strategy of taking a creative and innovative approach to meeting their customers' needs, as we have built a fleet of portable natural gas-fired units that can be deployed for temporary or permanent projects.

In 2017, ATCO Mexico continued to advance their distributed generation projects. ATCO and Mexican partner Grupo Ranman installed 7 MW of distributed generation to increase the total capacity installed to 11 MW at a distributed generation facility in the World Trade Centre industrial park in San Luis Potosí, Mexico.

### 2.1D: Anticipated legal relationships (e.g., joint ventures, partnerships) and percentage ownership interest

#### **Anticipated Legal Relationships**

At this stage of the process, the Consortium continues to consider various business forms and joint ventures. Ultimately, the final structure will be determined upon finalizing a range of customary considerations, including detailed requirements of counter party contract, tax efficiency, risk and source of funding and receiving final corporate approval from Quanta, ATCO and IEM on how to deliver the best possible value to the people of Puerto Rico that meet the requirements of the RFP and Final Form of P3 Contract. Ultimately Quanta, ATCO and IEM will be tied in a legal relationship and understand that our Consortium will be responsible for delivering all the requirements of the long term P3 contract.

With regard to Quanta and ATCO we have a long standing business relationship and have done similar structuring work before. We have successfully partnered on a P3 concession in Canada. When the RFP and long term P3 contract are released, our roadmap of previous experiences will allow the consortium to hit the ground running to implement the specific needs of this P3 contract.

With the information in hand from the RFQ document, we are considering a variety of structures and issues, including, but not limited to the following:

- ATCO and Quanta may initially capitalize and fund the Consortium under a Project Development Agreement (PDA). This will allow the project scope to be finalized prior to the typical financial close of a P3 project.
- A limited partnership structure will be considered, and ATCO and Quanta will enter into a limited partnership agreement to provide for the rights and responsibilities of the limited partners. ATCO and Quanta will also enter into a unanimous shareholders agreement to provide the ownership and control of the general partner of the limited partnership.
- Once the Consortium is established, ATCO and Quanta intend to assign/allocate all the Consortium obligations to key team members under a series of contracts — together with other customary terms and conditions as would be found in comparable contracts between arm's-length parties. In turn, IEM would be a subcontractor to the Consortium.

#### **Percentage Ownership Interest**

ATCO and Quanta will jointly own a special purpose entity (the Consortium) that will be formed for this opportunity. The ownership split between the team members will be decided after the RFP and P3 contract are released. To make a formal decision on the ownership percentage split, ATCO and Quanta will seek more details regarding this opportunity, including a deeper understanding of the counterparty risk, financial model and rights and obligations of the parties in the P3 Contract. We acknowledged that at all points we must be in