ALGONQUIN
Power & Utilities Corp.

Fourth Quarter 2015 Earnings Conference Call

March 11, 2016



FORWARD-LOOKING STATEMENTS DISCLAIMER

Certain written and oral statements contained in this presentation and discussion are forward-looking within the meaning of certain securities laws and reflect the views of Algonquin Power & Utilities Corp. (the “Company”) with respect to future events, based upon assumptions relating to, among others, the performance of the Company's assets and the business, financial and regulatory climates in which it operates. These forward looking statements include, among others, statements with respect to the expected performance of the Company, its future plans and its dividends to shareholders.

Since forward-looking statements relate to future events and conditions, by their very nature they require us to make assumptions and involve inherent risks and uncertainties. We caution that although we believe our assumptions are reasonable in the circumstances, these risks and uncertainties give rise to the possibility that our actual results may differ materially from the expectations set out in the forward-looking statements. Material risk factors include those presented in the Company’s annual financial results, the annual information form and most recent quarterly management’s discussion and analysis. Given these risks, undue reliance should not be placed on forward-looking statements, which apply only as of their dates. Except as required by law, the Company does not intend to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

NON-GAAP FINANCIAL MEASURES

The terms “adjusted net earnings”, “adjusted earnings before interest, taxes, depreciation and amortization” (“Adjusted EBITDA”), “adjusted funds from operations”, “per share cash provided by adjusted funds from operations”, “per share cash provided by operating activities”, "net energy sales", and "net utility sales", (together the “Financial Measures”) may be used in this presentation. The Financial Measures are not recognized measures under GAAP. There is no standardized measure of the Financial Measures, consequently APUC’s method of calculating these measures may differ from methods used by other companies and therefore may not be comparable to similar measures presented by other companies. A calculation and analysis of the Financial Measures can be found in APUC’s most recent Management Discussion & Analysis. Per share cash provided by operating activities is not a substitute measure of performance for earnings per share. Amounts represented by per share cash provided by operating activities do not represent amounts available for distribution to shareholders and should be considered in light of various charges and claims against APUC.

Agenda

Introductory Remarks	**Chris Jarratt** *Vice Chairman – Algonquin Power and Utilities Corp.*
2015 Strategic Achievements	**Ian Robertson** *CEO – Algonquin Power and Utilities Corp.*
2015 Financial Highlights	**David Bronicheski** CFO – Algonquin Power and Utilities Corp.
2016 Outlook	**Ian Robertson** *CEO – Algonquin Power and Utilities Corp.*

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2015 Strategic Achievements



2015 Key Takeaways

Delivered record financial results

- Adjusted EBITDA 29% Y-O-Y increase
- Adjusted EPS 24% Y-O-Y increase
- Asset growth of 21% Y-O-Y

Expanded our diversification

- Generation – added 3 renewables facilities
- Distribution – added four new utilities
- Transmission - new pipeline initiative secured

Re-affirmed our growth trajectory

- 2015 Investor Morning outlined $4 B growth pipeline
- Announced Deerfield Wind, Great Bay Solar, Northeast Supply Path Pipeline, Empire Utility Acquisition
- More to come …

Strategic Achievements and Near Term Opportunity Set

2015 Generation Additions

- ✓ Bakersfield I Solar Project
- ✓ Morse Wind Project
- ✓ St. Damase Wind Project

Committed Utility Growth

- ✓ New Hampshire Gas
- ✓ Park Water
- ✓ Empire District Electric Company

Generation Group Initiatives

- ❑ Odell Wind
- ❑ Bakersfield II Solar
- ❑ Deerfield Wind
- ❑ Great Bay Solar
- ❑ Val Eo Wind
- ❑ Amherst Island Wind
- ❑ Chaplin Wind

Distribution Group Initiatives

- ✓ Customer growth
- ✓ 2015 Rate Cases
- ❑ Calpeco Solar

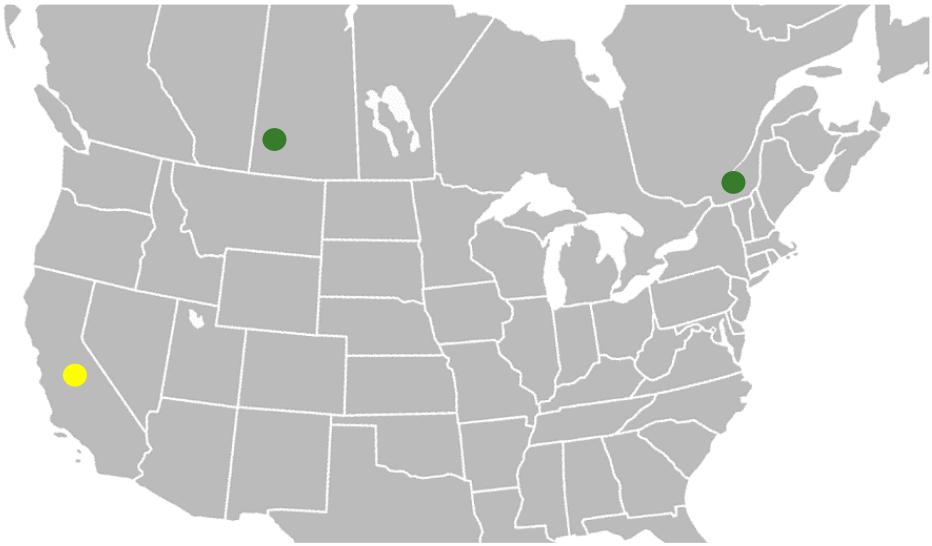
Transmission Group Initiatives

- ✓ California Intra-state transmission line
- ❑ Northeast Supply Pipeline (“NSP”)
- ❑ Northeast Energy Direct Market Path

Additions to 2015 Generation Fleet

In millions of Canadian dollars unless otherwise noted

	MW	Capital Cost (C$)	EBITDA (5 yr avg)
St. Damase Wind	**24**	**$64.1**	**6.5**
Morse Wind	**23**	**$81.7**	**9.9**
Bakersfield I Solar	**20**	**$50.0[1]**	**5.8**



Note: All projects operate under 20 year PPAs

[1]. C$ equivalent net of tax equity



St. Damase Wind COD: Dec. 2, 2014



Bakersfield I Solar COD: Apr. 14, 2015



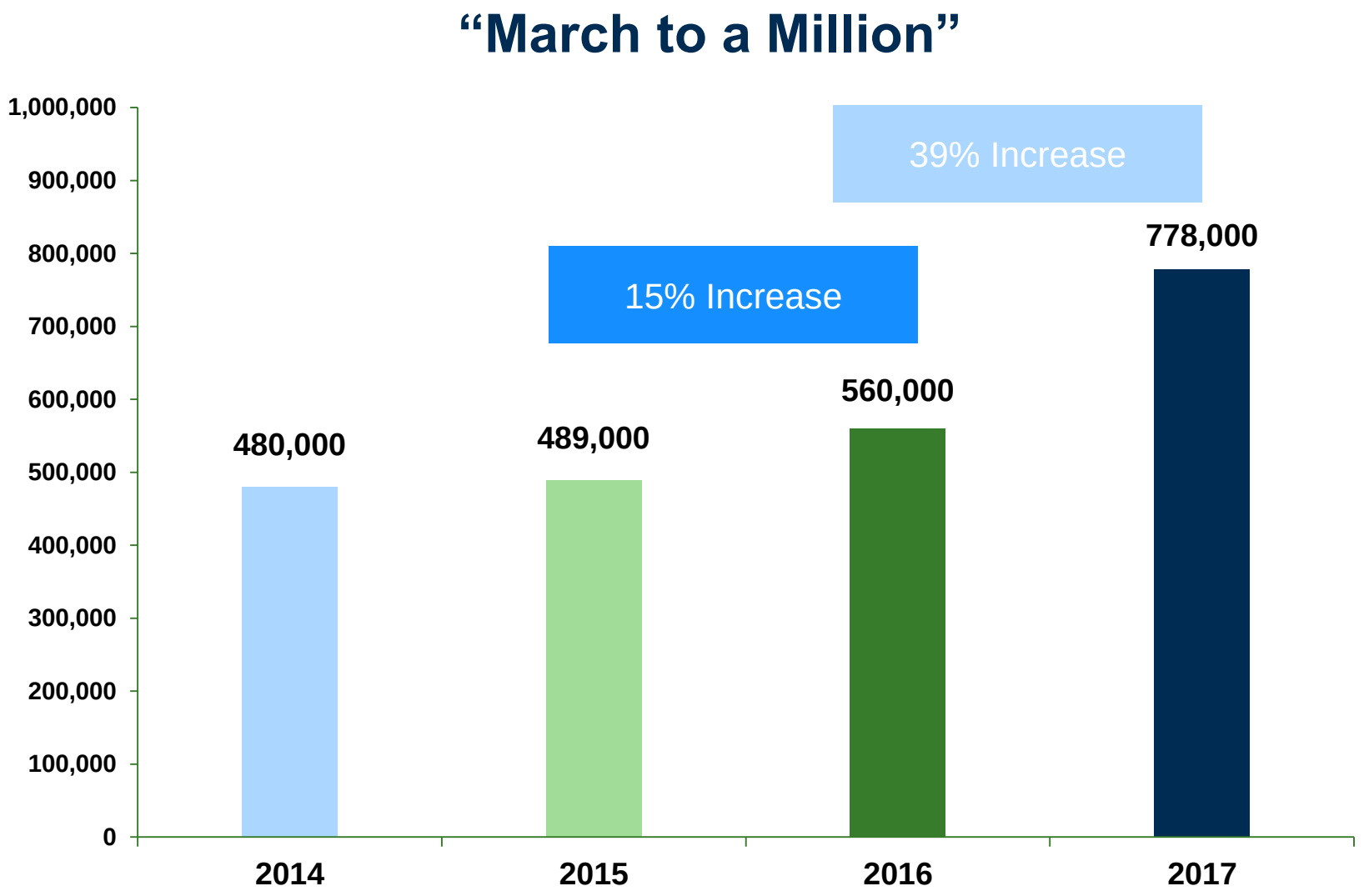
Morse Wind COD: Apr. 22, 2015

Completed Rate Cases

- Achieved 74% of the requested required revenue increases
- Only 60% of awarded increase in 2015 revenues
- More than 90% of awarded increase expected in 2016 revenues

Utility	State	Regulatory Proceeding Type	Revenue Increase Requested (US$M)	Revenue Increase Awarded (US$M)	Status
Illinois Gas System	Illinois	General Rate Case	**$5.7**	**$4.6**	Rate increase effective February 2015
New England Gas System	Massachusetts	General Rate Case	**$11.8**	**$8.3**	94% of rate increase effective March 2016
Pine Bluff Water System	Arkansas	General Rate Case	**$2.5**	**$1.1**	Rate increase effective March 2015
Peach State Gas System	Georgia	GRAM	**$3.4**	**$2.7**	Rate increase effective March 2016
EnergyNorth System	New Hampshire	General Rate Case	**$16.1**	**$12.4**	Rate increase effective July 2015
Total			**$39.5**	**$29.1**	

Strategic Achievements: Customer Growth



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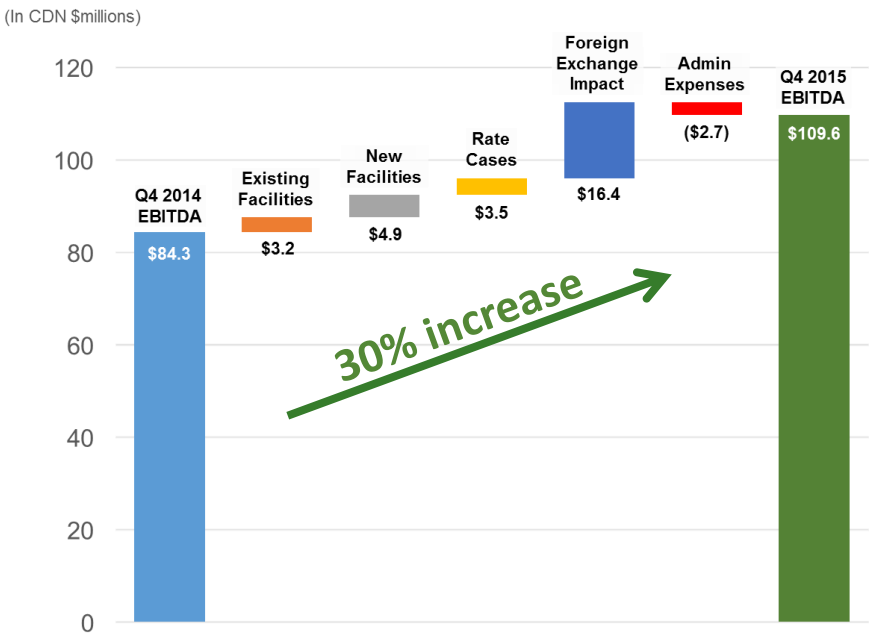
Financial Performance

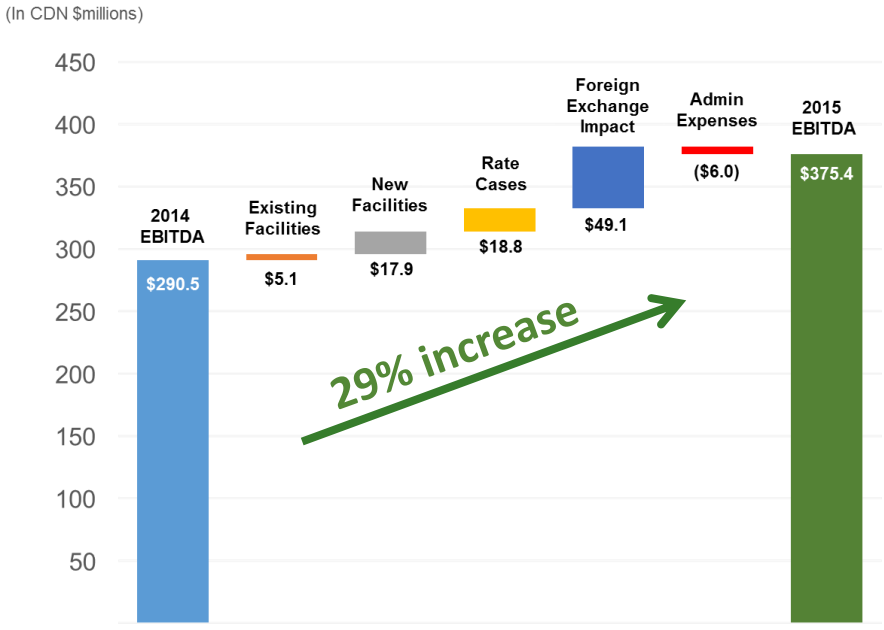


Adjusted EBITDA Bridge

Q4 2015



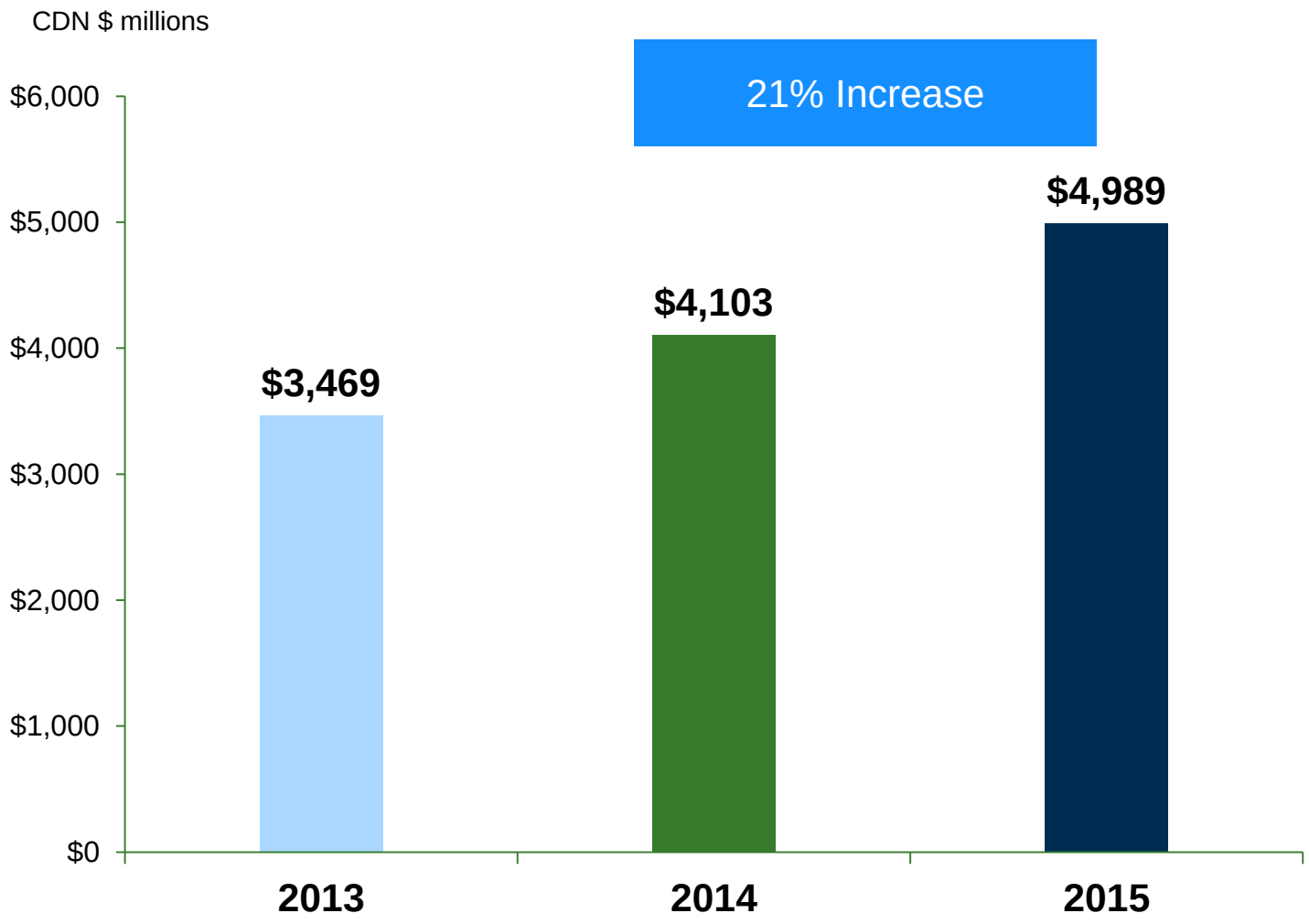
Full Year 2015



Strong performance and growth from existing facilities coupled with growth from new facilities fueled 2015 growth

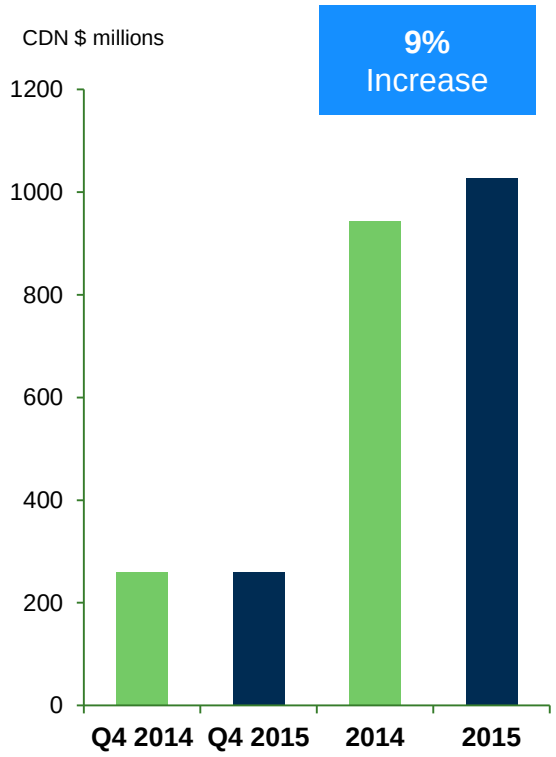
1. Adjusted EBITDA is a Non-GAAP measure that assess the operating performance without the effects of certain accounting adjustments which are derived from a number of non-operating factors, accounting methods and assumptions.

Financial Performance: Total Assets at Year-end

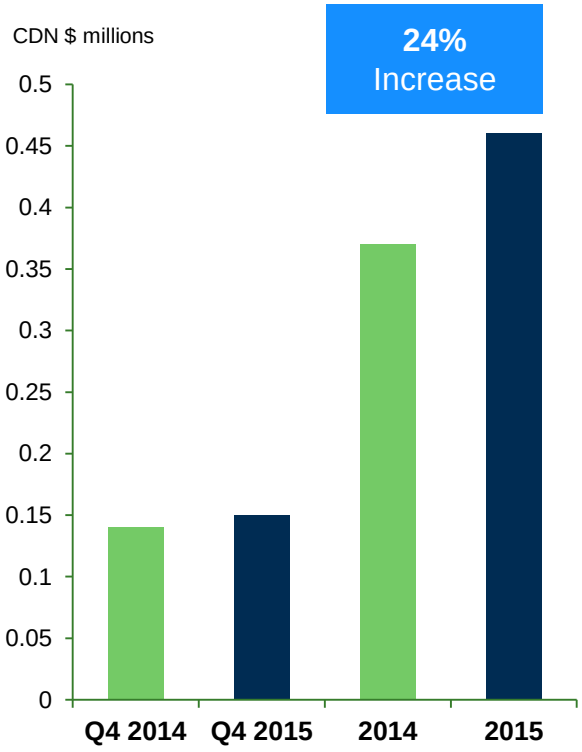


Financial Performance

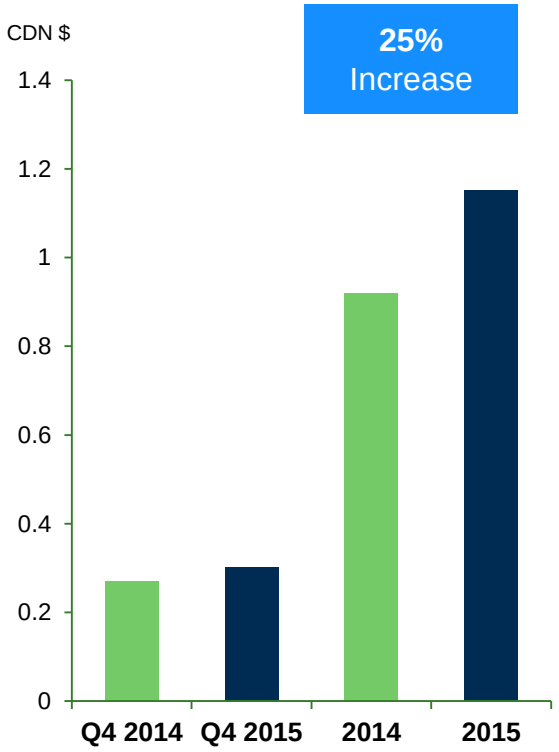
Revenue



Adjusted EPS[1]



Adjusted FFO[1] Per Share



1. Adjusted EBITDA, Adjusted Earnings Per Share, and Adjusted Funds From Operations Per Share are Non-GAAP measures that assess the operating performance without the effects of certain accounting adjustments which are derived from a number of non-operating factors, accounting methods and assumptions.

Completed Financings

April 2015

- U.S. $160.0 million of senior unsecured 30 year notes bearing a coupon of 4.13% via a private placement in the U.S

December 2015

- Bought Deal Offering 14,355,000 Common Shares at a price of $10.45 per share for gross proceeds of approximately $150 million

February 2016

- $1 billion Bought Deal Offering of 5.00% Convertible Unsecured Subordinated Debentures Represented by Instalment Receipts

March 2016

- The Underwriters exercised their option to purchase an additional $150 million of Debentures bringing the total amount of Debentures under the Offering to $1.15 billion

No further equity is required for the Empire acquisition

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2016 Outlook



Focus for 2016

- Deliver our 2016 capital programs on-time and on-budget across Generation, Distribution and Transmission groups
- Drive returns through timely rate cases in Arizona and California
- Secure Empire transaction approvals including shareholder and regulatory approvals
- Plan the transition and integration of Empire
- Expand the Generation Group growth opportunity set

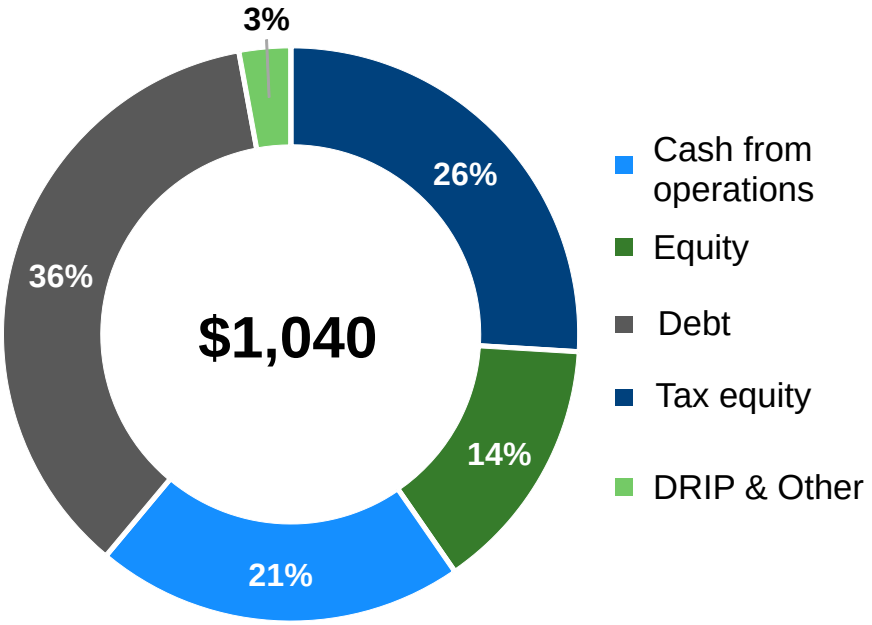
2016 Capital Program

Uses of Capital

Business Group	
Generation Group project investments	$665.0
Generation Group fleet maintenance	$30.0
Distribution Group rate base investments	$270.0
Transmission Group development projects	$80.0
Total	**$1,040.0**

Note: all dollar amounts in C$ millions

Sources of Capital



Pending Rate Cases

Utility	State	Regulatory Proceeding Type	Requested Revenue Requirement Increase (US$ M)	Status
CalPeco Electric System	California	General Rate Case	**$13.6**	Application filed May 2015 Final rate decision expected Q2 2016
Black mountain Sewer System	Arizona	General Rate Case	**$0.4**	Application filed June 2015 Final rate decision expected Q3 2016
Rio Rico Water/Sewer System	Arizona	General Rate Case	**$0.9**	Application filed October 2015 Final rate decision expected Q4 2016
Bella Vista Water System	Arizona	General Rate Case	**$1.6**	Application filed October 2015 Final rate decision expected Q4 2016
Total			**$16.5**	

Empire District - Major increase in scale and diversity

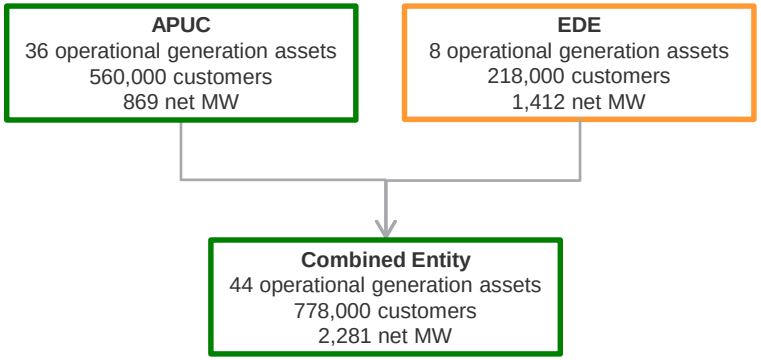
Company Overview

Following the acquisition, APUC will have a portfolio comprised of:

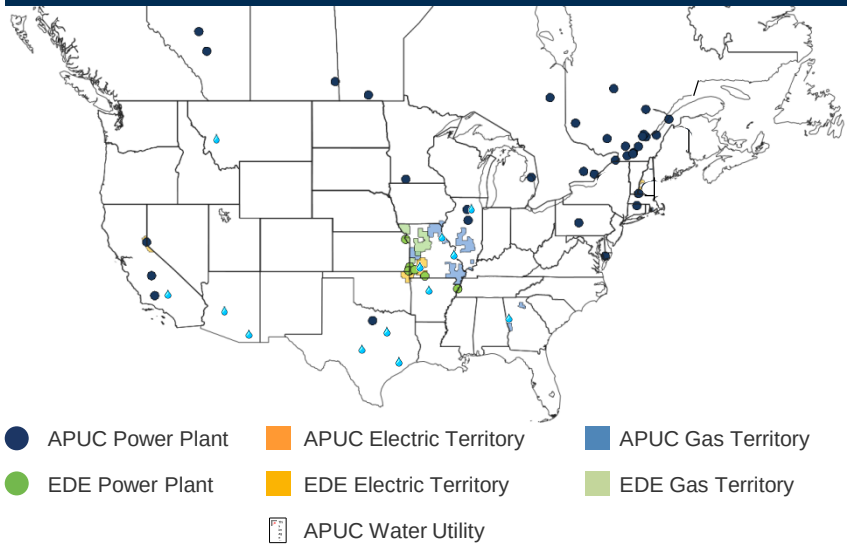
- Power generation infrastructure totaling approximately 2,281 MW of net generating capacity
- Additional secured generation capacity of 86 MW through contracted PPAs
- Utility assets serving 778,000 customers in the U.S.

The acquisition will increase the number of APUC's operating power generation assets to 44

Post-Acquisition Asset Portfolio



Portfolio Diversity

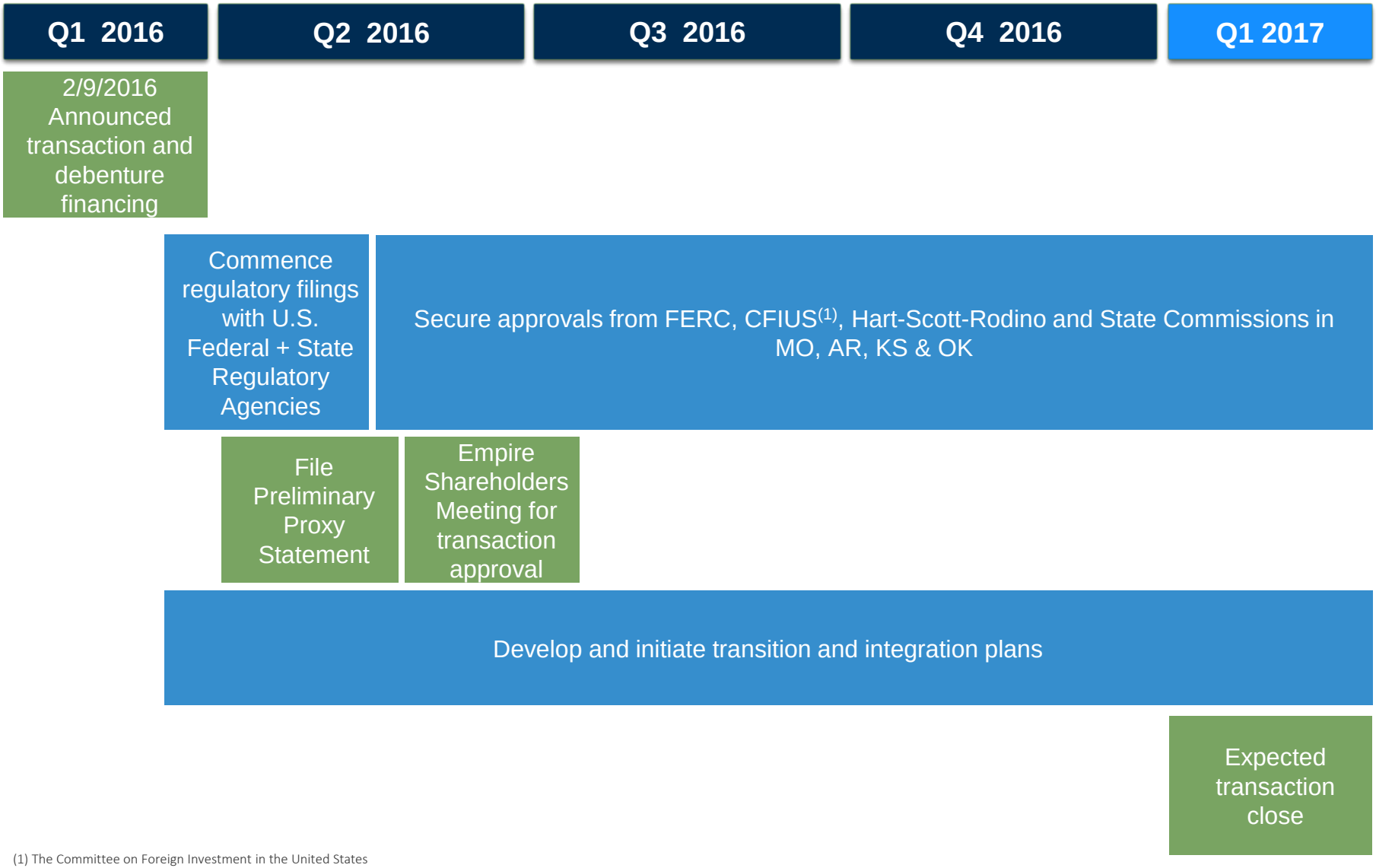


Key Metrics[1]

Metric	Pre-Acquisition	Delta		Post-Acquisition
Net Capacity (MW)	869	1,412	162%	2,281
Customers	560,000	218,000	39%	778,000
Enterprise Value (C$ in billions)	$4.6	$3.5	76%	$8.0
Market Cap (C$ in billions)	$3.1	$1.2	40%	$4.3

[1] Market data as of February 5, 2016

Empire Transaction Timeline



(1) The Committee on Foreign Investment in the United States

2016 Growth Highlights

	Location	Size (MW)	Estimated Capital Cost (millions)	Commercial Operation Date	PPA Term	Production GW-hrs
Total Project in Construction						
Odell Wind Project	Minnesota	200	$446.80	2016	20	814.7
Val Eo Wind Project	Quebec	24	$70.00	2016/17	20	66
Bakersfield II Solar Project	California	10	$37.40	2016	20	24.2
Deerfield Wind Project	Michigan	150	$419.40	2016	20	555.2
Great Bay Solar Project	Maryland	75	$249.10	2016/17	10	152
		459	**$1,222.70**			**1,612.10**
Projects in Development						
Amherst Island Wind Project	Ontario	75	$272.50	2017	20	235
Chaplin Wind Project	Saskatchewan	177	$340.00	2017/18	25	720
Total Projects in Development		**252**	**$612.50**			**955**
Total in Construction and Development		**711**	**$1,835.20**			**2,567.10**

459 MW
In Construction

252 MW
In Development

19.2 years
Average PPA
Length

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Q & A



Total Liquidity and Capital Reserves

(all dollar amounts in $ millions)	As at Dec 31 2015				As at Dec 31 2014
	Corporate	Generation Group	Distribution Group	Total	Total
Committed Facilities	65.00	441.50	276.80	783.30	647.00
Funds drawn on Facilities	—	(27.30)	—	(27.30)	(47.30)
Letters of Credit issued	(12.90)	(142.60)	(8.80)	(164.30)	(113.80)
Funds available for draws on the Facilities	**52.10**	**271.60**	**268.00**	**591.70**	**485.90**
Cash on Hand				124.40	9.30
Total liquidity and capital reserves	**52.10**	**271.60**	**268.00**	**716.10**	**495.20**

Financial Performance

In millions of Canadian dollars or on a per share basis unless otherwise noted	Quarterly			Annual		
	Quarter ended Dec. 31			Year ended Dec. 31		
	2015	2014	Variance (%)	2015	2014	Variance (%)
Revenue	**260.3**	259.3	0.4	**1,027.90**	941.6	9.2
Net earnings from continuing operations	**38.1**	33	15.5	**118.5**	77.8	52.3
Per share	**0.14**	0.13	7.7	**0.43**	0.32	34.4
Adjusted net earnings[1]	**39.7**	35.2	12.8	**121.5**	88.2	37.8
Per share	**0.15**	0.14	7.1	**0.46**	0.37	24.3
Adjusted EBITDA[1]	**109.6**	84.3	30	**375.4**	290.5	29.2
AFFO[1]	**77.2**	65.9	17.1	**287.4**	206.5	39.2
Dividend per share	**0.13**	0.10	30.0	**0.49**	0.37	32.4
Electricity Generation (GWh)	**906.7**	856.5	5.9	**3,134.3**	3,086.4	1.6
% of Long-Term Average[2]	**100%**			**93%**		

Investor Information

Key Facts	As at Dec 31 2015
Common shares outstanding (TSX:AQN)	255,869,419
Preferred shares outstanding (TSX: AQN.PRA) (TSX:AQN.PRD)	4,800,000 4,000,000
Market Capitalization	$2.7 billion

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