ALGONQUIN
Power & Utilities Corp.

Second Quarter 2016 Earnings Conference Call

August 12, 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 – APUC Second Quarter 2016 Results Call

Introductory Remarks	**Chris Jarratt** *Vice Chairman*
Q2 2016 Growth Highlights	**Ian Robertson** Chief Executive Officer
Q2 2016 Financial Highlights	**David Bronicheski** Chief Financial Officer
2016 Outlook	**Ian Robertson**

2016 First Quarter Highlights

Solid Q2 2016 Financial Results

- Adjusted EBITDA: 22% increase (compared to Q2 2015)
- Adjusted FFO: 41% increase (compared to Q2 2015)
- Adjusted EPS: 38% increase (compared to Q2 2015)

Benefit of Diversification

- Geographic diversification
- Modality diversification

Shareholder Value Creation Through Growth Solidly on Track

- Generation
  - Odell - 200 MW – achieved commercial operations
  - Deerfield – 20% turbines erected
  - Amherst Island – REA re-affirmed, construction starting
- Distribution
  - EDE approval process advancing
  - Rate case agreements totaling $14 M reached

Empire Acquisition Update

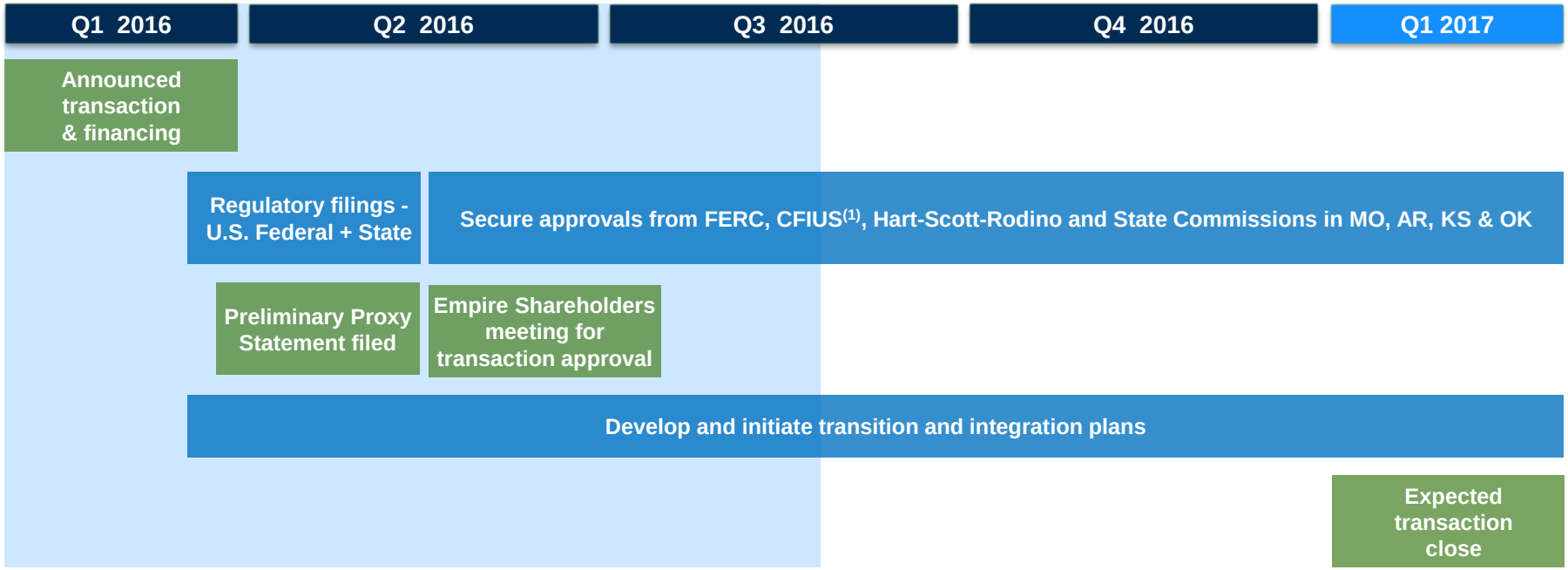
May 6, 2016: FERC approval received for the proposed acquisition of Empire District

May 12, 2016: The Oklahoma Corporation Commission issued order approving the acquisition as filed, without material conditions

June 16, 2016: Agreement and Plan of Merger approved by Empire's shareholders (95.5% vote in favour)

June 29, 2016: Joint Stipulation and Settlement Agreement filed with the Arkansas Public Service Commission recommending conditional approval. Final order expected within 2016.

August 4, 2016: Stipulation Agreement filed with Staff of Missouri PSC, confirming that the transaction is consistent with approval standard in Missouri.



Financial Highlights – Q2 2016

	Q2 2016	Q2 2015	Variance
Adjusted EBITDA	**$99.2**	$81.1	**22%**
Adjusted EPS	**$0.11**	$0.08	**38%**
Adjusted Funds From Operations	**$77.6**	$55.2	**41%**
Revenue	**$222.8**	$196.2	**14%**
Dividend per share (USD)	**$0.105875**	$0.09625	**10%**
Electricity Generation (GWh)	**788.8**	797.5	**(1%)**

2016 Outlook

- Continued execution of the major components of 2016 capital program across Generation, Distribution and Transmission business groups
- Secure Empire transaction approvals
- Refinement of transition / integration planning for Empire
- Drive returns through timely rate cases in Arizona, California, and New Hampshire
- Focus on expansion of the Generation Group growth opportunity set

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Q & A



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Appendix



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 seeking US$13.6 mln revenue increase effective January 2016. Settlement agreement reached April 2016 allowing $9.8 M revenue increase retroactive to Q1 2016. Final decision expected in 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
Entrada Del Oro	Arizona	General Rate Case	**$0.3**	Application filed March 2016 Final rate decision expected Q2 2017
Granite State Electric System	New Hampshire	General Rate Case	**$7.7**	Application filed April 2016 Temporary $2.4 M rate increase in July ‘16 Final rate decision expected Q2 2017
Total			**$24.1**	

Generation Group Growth Initiatives

Total Project in Construction	Location	Size (MW)	Estimated Capital Cost (millions)	Commercial Operation Date	PPA Term	Production GW-hrs
Bakersfield II Solar Project	California	10	$34.9	2016	20	24
Deerfield Wind Project	Michigan	150	$391.4	2016/17	20	555
Total Projects in Construction		**160**	**$426.3**			**579**
Projects in Development						
Amherst Island Wind Project	Ontario	75	$272.5	2017	20	235
Chaplin Wind Project	Saskatchewan	177	$340.0	2017/18	25	720
Great Bay Solar Project	Maryland	75	$232.5	2017	10	152
Val Eo Wind Project	Quebec	24	$70.0	2017	20	66
Total Projects in Development		**351**	**$916.3**			**1,173**
Total in Construction and Development		**711**	**$1,341.3**			**2,567**
Commissioned – Odell Wind Facility*	**Minnesota**	**200**	**$426.3**	**July 29, 2016**	**20**	**832**

160 MW
In Construction

351 MW
In Development

200 MW
Commissioned in 2016

20.2 years
Weighted Average PPA Length

* Final cost of the project is approximately $330 million in U.S. dollars.

CORPORATE INFORMATION

Head Office	Oakville, ON
Common Share Symbol	TSX: AQN
Preferred Share Symbols	AQN.PR.A, AQN.PR.D
Instalment Receipts	AQN.IR
Shares Outstanding*	273, 299 , 728
Dividend	U.S. $0.4235 per share annually
Price*	$11.93
Market Cap	$3.25 Billion

* Shares outstanding as of Aug 5, 2016, closing price on Aug, 9, 2016

CONTACT INFORMATION

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