



**North Dakota Public Service Commission**

**Arielle Giordano, Director Federal & State Government Affairs**

**May 29, 2019**

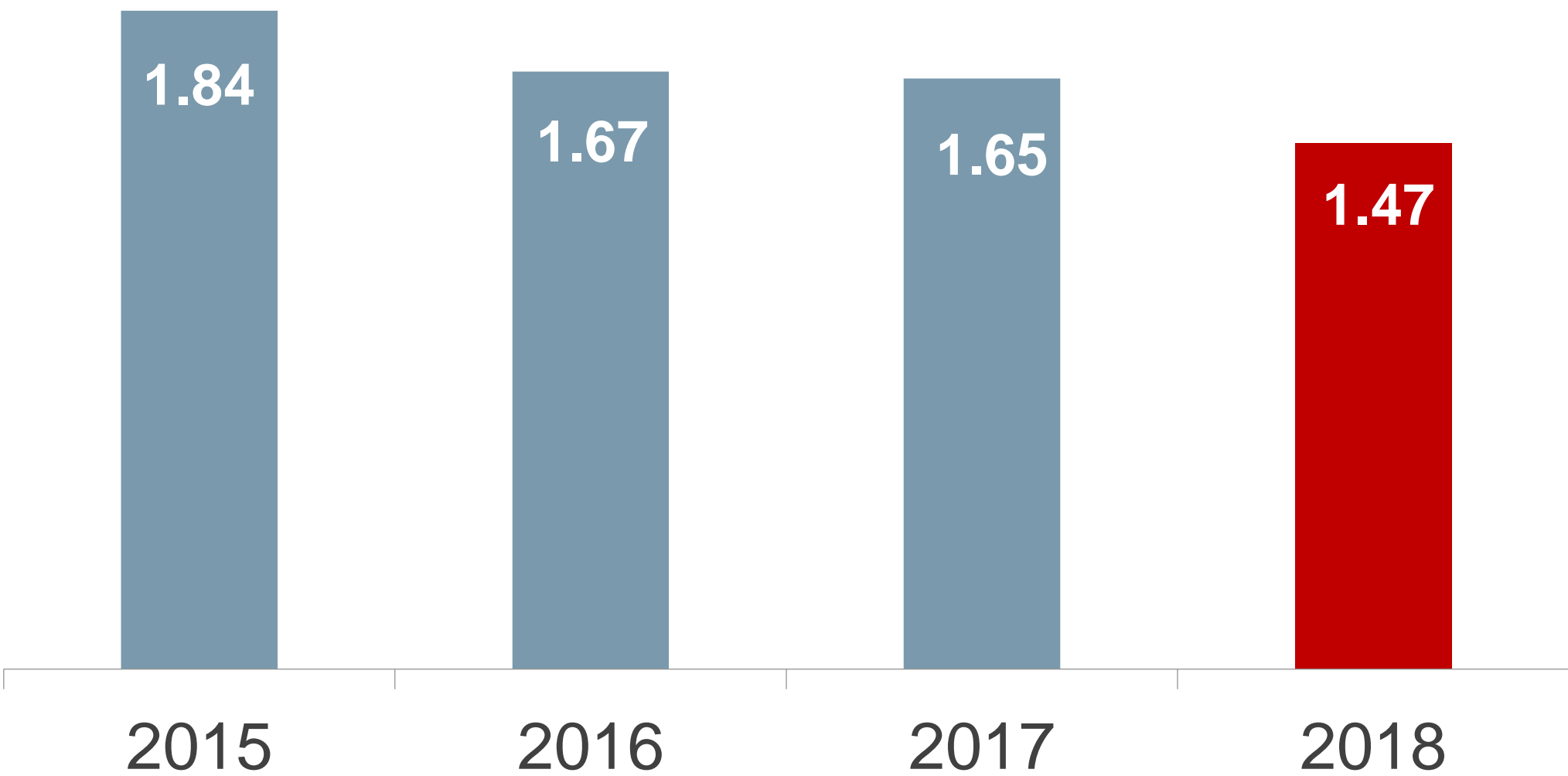


# CP Safety: Industry Leading Safety Performance

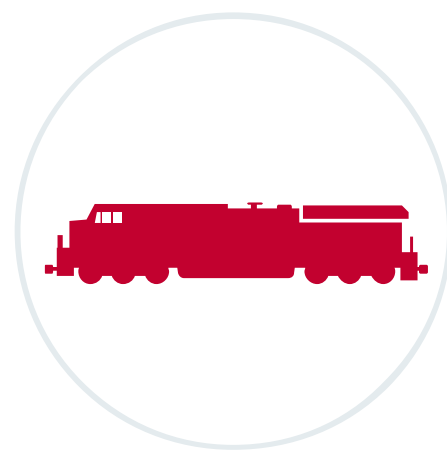
## Personal Injuries Frequency



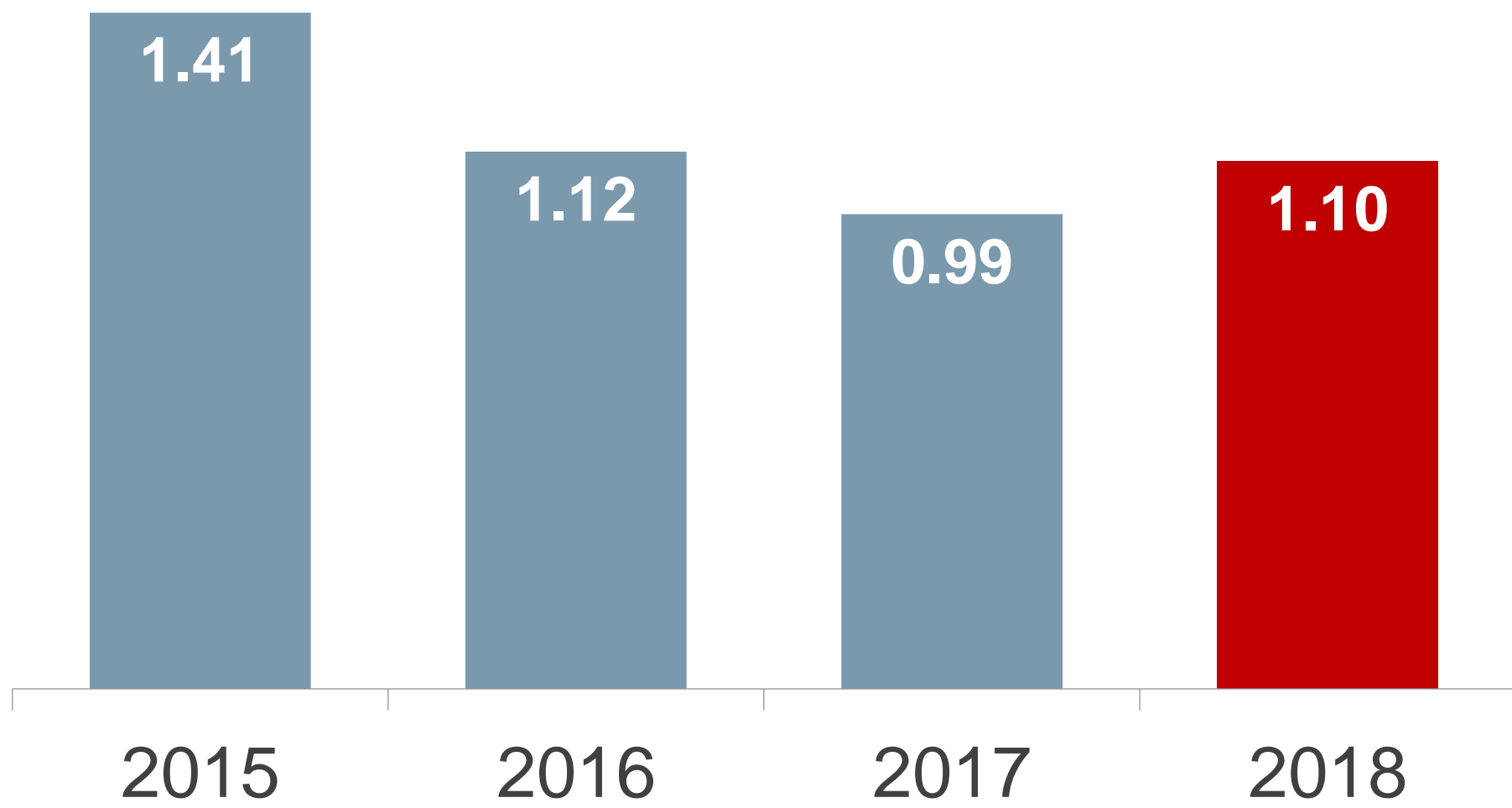
Injuries per 200,000 employee-hours, as measured by the US Federal Railroad Administration



## Train Accident Frequency



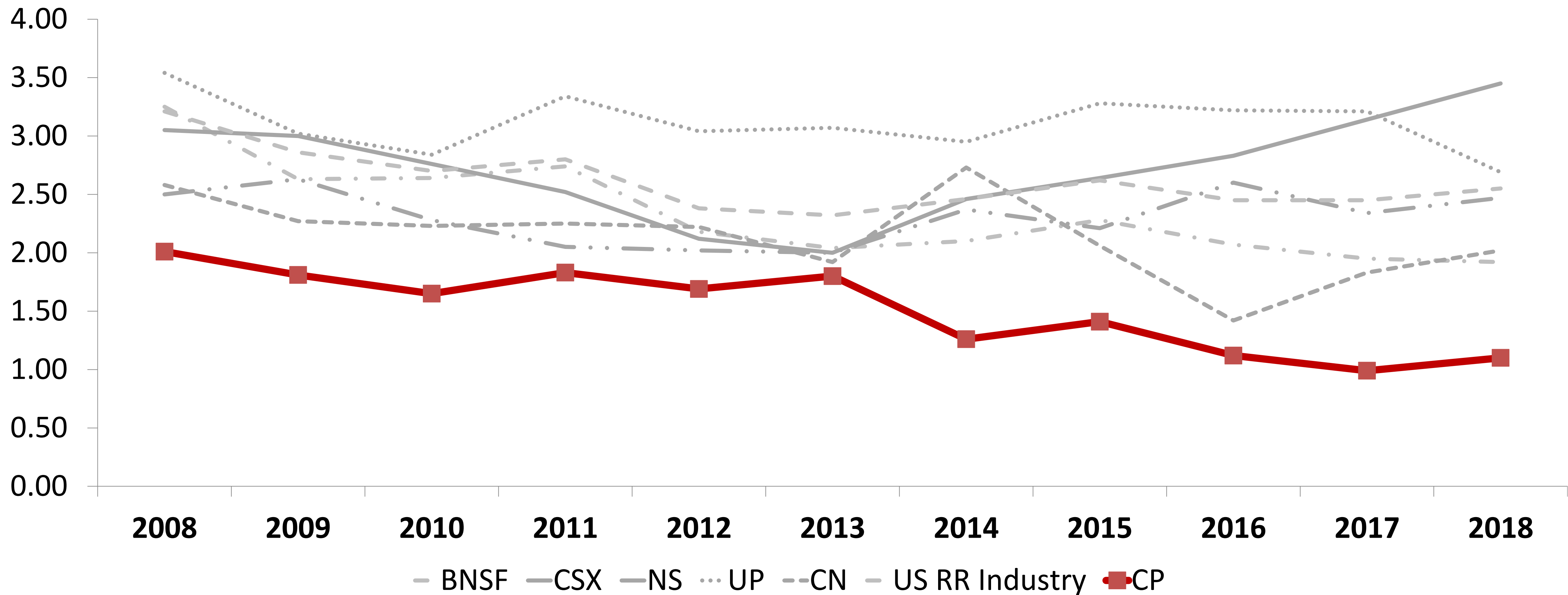
Accidents per million train-miles, as measured by the US Federal Railroad Administration



# CP Safety: Industry Leading Safety Performance

## Class 1 Compare: FRA Train Accident Rate 2008-2018

(Accidents per million train-miles, as measured by the US Federal Railroad Administration)



CP has been the North American leader in lowest train accident frequency for the past 13 years

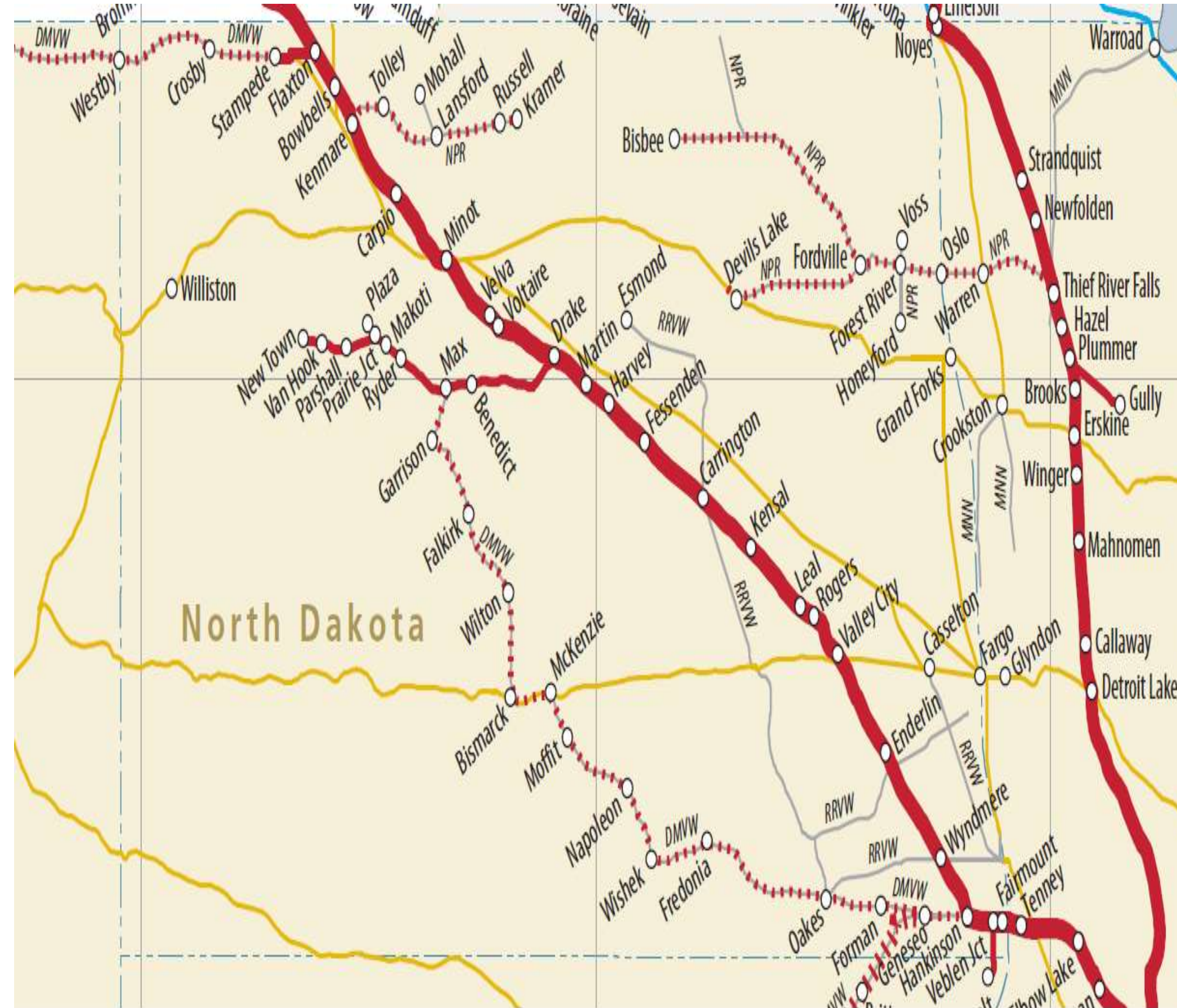
# CP Network





# CP Presence-North Dakota

- 283 employees
- 501 miles of track
- \$24.5 million CAPEX (2018)
- 60,000 carloads originated (2018)
- \$4.3 million state taxes (2017)





# GROWING SUPPLY CHAIN CAPACITY



**5,900 New High Capacity  
Grain Hopper Cars**

**1,900 new hoppers in  
service by the end of 2019**

**Modernizing 170 High  
Horsepower Locomotives**

**Hiring 1000  
employees**

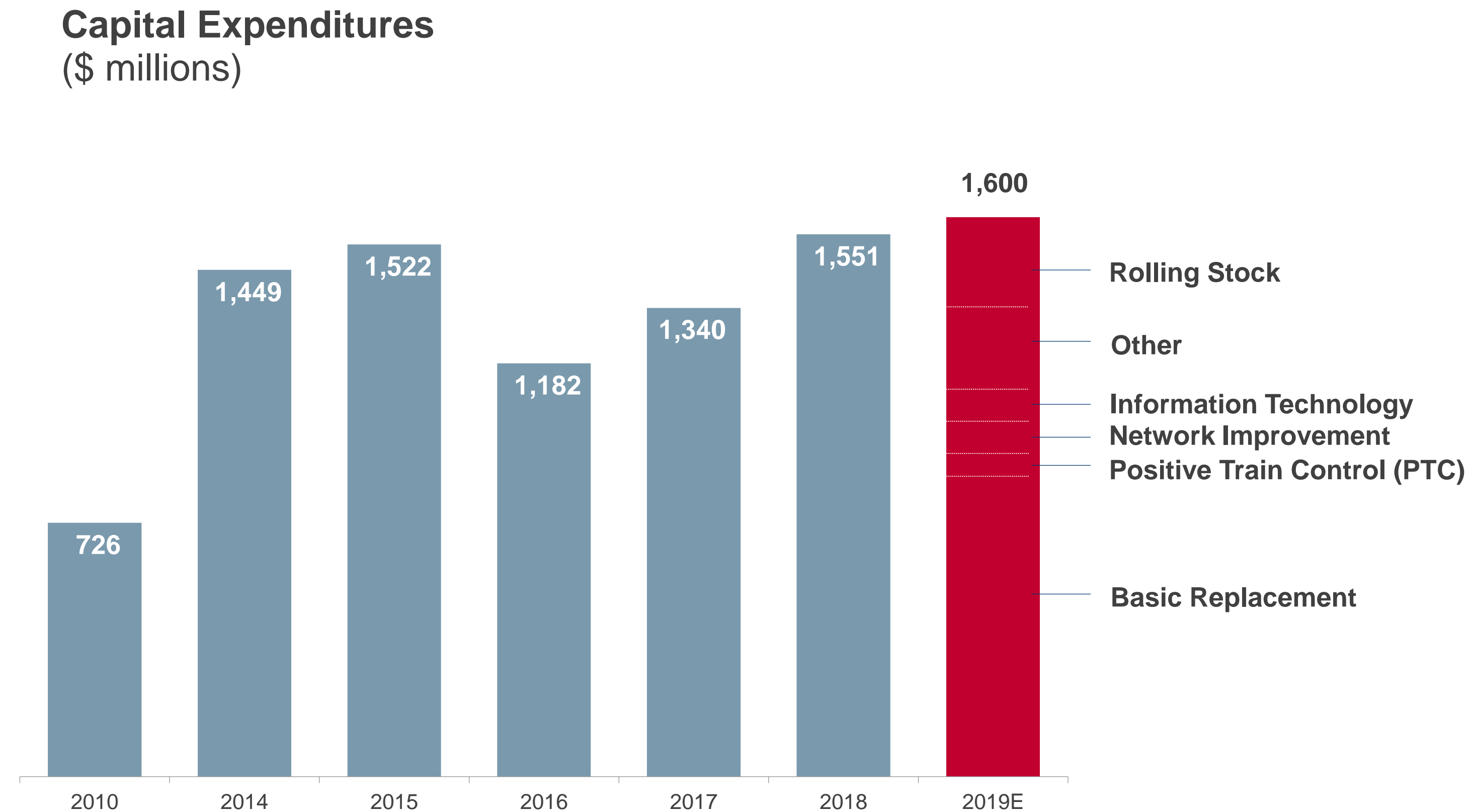
**\$1.6 billion CAPEX plan  
for 2019**

**Strategic Capacity  
Enhancing Investments**



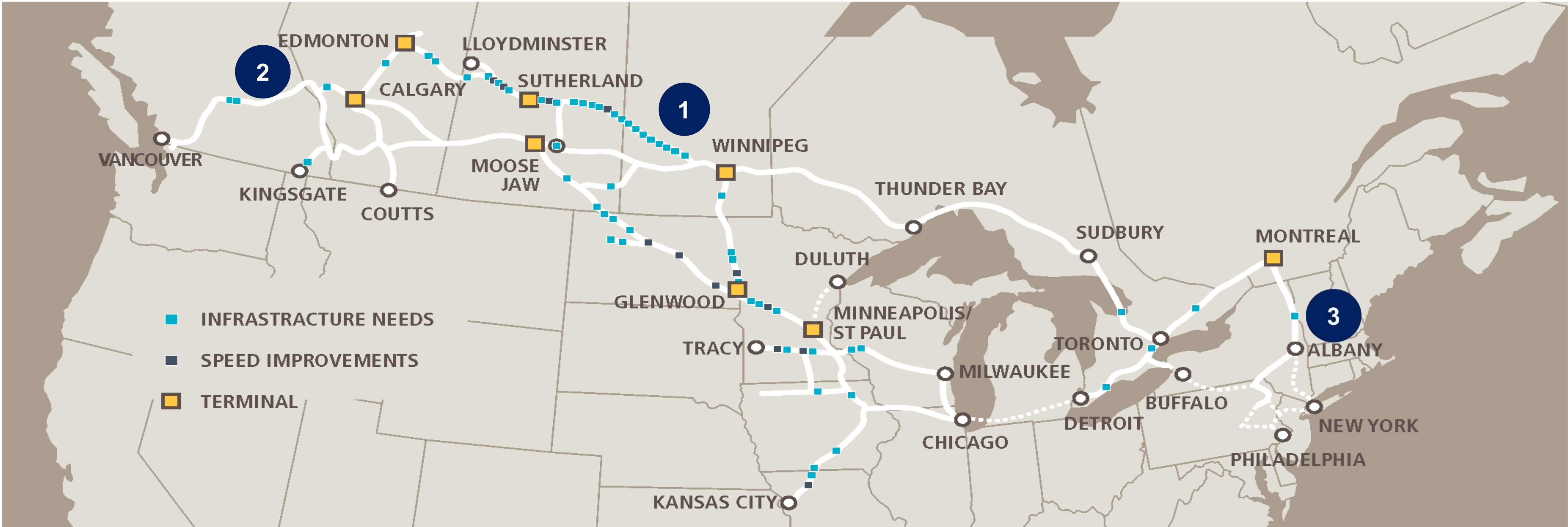
# Capital Investment

- CAPEX 2010-2018:
  - 114% increase in CAPEX
  - CAGR = 10% (outpaced GDP growth over the period)
  - Has outpaced growth in GTMs
- Record CAPEX in 2018.
- \$1.6 Billion 2019 CAPEX plan.
- Network upgrades (new track, longer sidings, CTC) drive further productivity and capacity improvements.
- Rolling stock investment includes locomotive modernization programs and new high capacity grain hopper cars.



# Network Capacity Projects Completed

FOCUS ON DRIVING LONGER TRAINS AND IMPROVED TRAIN SPEED (VELOCITY)



1 North Line: 22 sidings (new or extensions) to handle growth and improve efficiency

2 Western Canada: Additional sidings & siding extensions to improve efficiency with improved siding spacing and support for long train operations

3 Eastern Canada: Additional sidings & siding extensions to improve efficiency.

Terminals: Infrastructure upgrades to drive improved efficiency

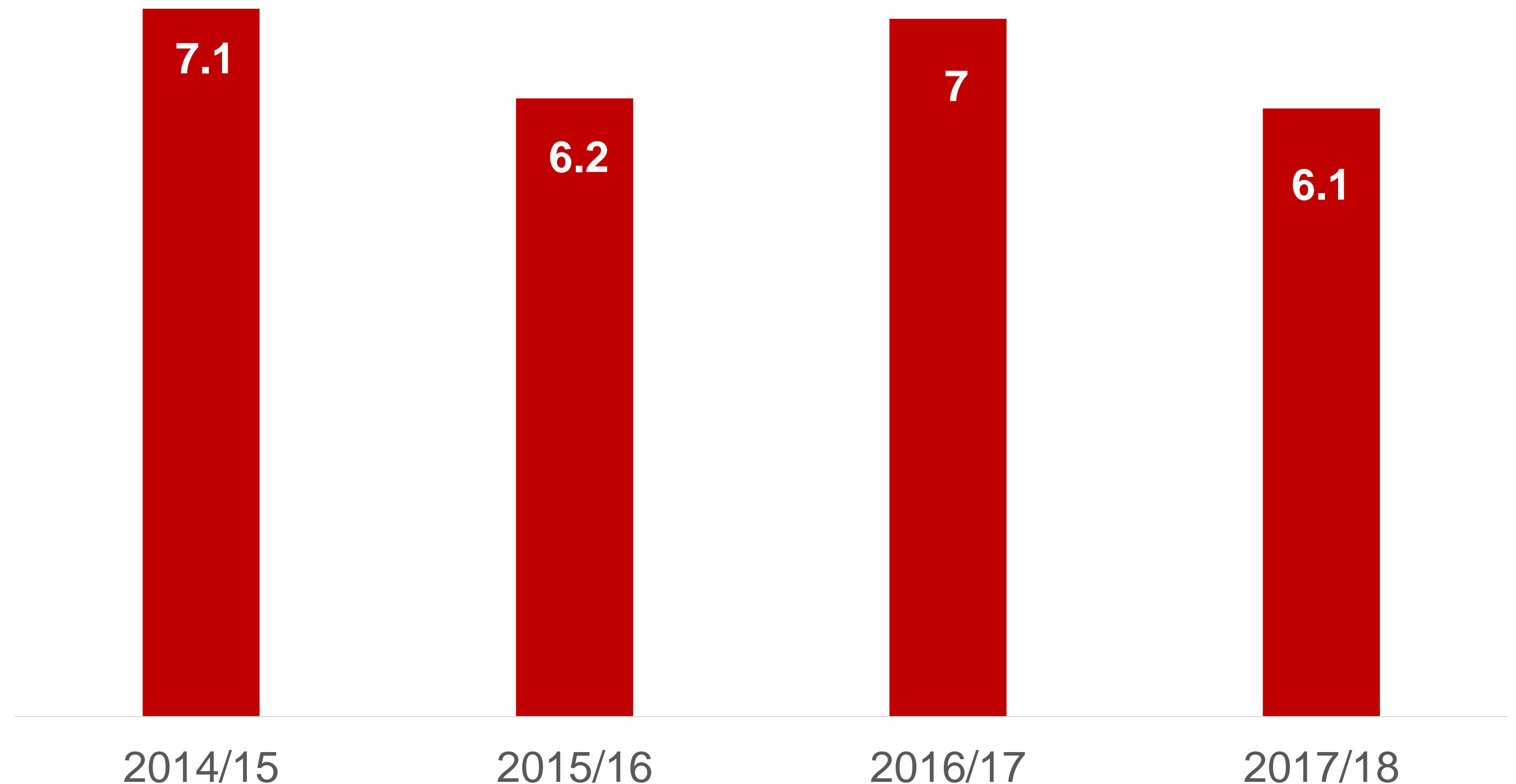


# CP North Dakota Grain Performance

2018/2019 Crop Year:

- Between August-April, CP has moved 4.3 million tons of grain
- Our previous three year average, over the same time period, is 4.5 million tons of grain
- Chinese tariffs on soybeans are negatively impacting volumes

CP North Dakota Annual Grain Volumes (millions of tons)



Note: Crop year-August 1-July 31



# Forward Looking Statements

The preceding presentation contains certain forward-looking information within the meaning of applicable securities laws relating, but not limited, to Canadian Pacific's operations, priorities and plans, anticipated financial performance, including our 2018 full-year guidance, business prospects, planned capital expenditures, financing strategies, programs and strategies. This forward-looking information also includes, but is not limited to, statements concerning expectations, beliefs, plans, goals, objectives, assumptions and statements about possible future events, conditions, and results of operations or performance.

Forward-looking information may contain statements with words such as "anticipate", "believe", "expect", "plan", "financial expectations", "key assumptions", "outlook", "guidance", or similar words suggesting future outcomes.

Undue reliance should not be placed on forward-looking information as actual results may differ materially from the forward-looking information. Forward-looking information is not a guarantee of future performance.

By its nature, CP's forward-looking information involves numerous assumptions, inherent risks and uncertainties that could cause actual results to differ materially from the forward-looking information, including but not limited to the following factors: changes in business strategies; general North American and global economic, credit and business conditions; risks in agricultural production such as weather conditions and insect populations; the availability and price of energy commodities; the effects of competition and pricing pressures; industry capacity; shifts in market demand; inflation; changes in laws and regulations, including regulation of rates; changes in taxes and tax rates; potential increases in maintenance and operating costs; uncertainties of investigations, proceedings or other types of claims and litigation; labour disputes; risks and liabilities arising from derailments; transportation of dangerous goods; timing of completion of capital and maintenance projects; currency and interest rate fluctuations; effects of changes in market conditions and discount rates on the financial position of pension plans and including long-term floating rate notes; and investments, various events that could disrupt operations, including severe weather, droughts, floods, avalanches and earthquakes as well as security threats and governmental response to them, and technological changes.

The foregoing list of factors is not exhaustive. These and other factors are detailed from time to time in reports filed by CP with securities regulators in Canada and the United States. Reference should be made to "Management's Discussion and Analysis of Financial Condition and Results of Operations" in CP's annual and quarterly reports filed on Form 10-K and 10-Q, respectively.

Forward-looking information is based on current expectations, estimates and projections and it is possible that predictions, forecasts, projections, and other forms of forward-looking information will not be achieved by CP. Except as required by law, CP undertakes no obligation to update publicly or otherwise revise any forward-looking information, whether as a result of new information, future events or otherwise.