

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus supplement (this “**Prospectus Supplement**”), together with the short form base shelf prospectus dated September 18, 2018 to which it relates, as amended or supplemented (the “**Base Shelf Prospectus**”), and each document incorporated or deemed to be incorporated by reference in the Base Shelf Prospectus or this Prospectus Supplement (collectively, this “**Prospectus**”) constitutes a public offering of these securities only in those jurisdictions where they may lawfully be offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this Prospectus Supplement from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the Corporation (as defined herein) at 354 Davis Road, Oakville, Ontario, L6J 2X1, telephone (905) 465-4500, and are also available electronically at www.sedar.com.

PROSPECTUS SUPPLEMENT

To a Short Form Base Shelf Prospectus dated September 18, 2018

New Issue

December 17, 2018



ALGONQUIN POWER & UTILITIES CORP. C\$172,500,176 12,536,350 Common Shares

Algonquin Power & Utilities Corp. (the “**Corporation**”) is hereby qualifying the distribution (the “**Offering**”) of 12,536,350 common shares of the Corporation (“**Offered Shares**”) at a price of C\$13.76 per Offered Share (the “**Offering Price**”) by way of a direct offering of the Offered Shares to certain institutional investors (the “**Subscribers**”). The terms and Offering Price of the Offered Shares were determined by negotiation between the Corporation and the Subscribers. See “*Plan of Distribution*”. The closing of the Offering is expected to occur on or about December 20, 2018, or such later date(s) as the Corporation and the Subscribers may agree (the “**Closing Date**”).

The Corporation’s outstanding common shares (“**Common Shares**”) are listed on the Toronto Stock Exchange (“**TSX**”) and the New York Stock Exchange (“**NYSE**”) under the symbol “**AQN**”. On December 13, 2018, the last closing prices of the Common Shares prior to the announcement of the Offering were C\$14.51 per Common Share on the TSX and U.S.\$10.85 per Common Share on the NYSE.

The Corporation has applied to the TSX and the NYSE to list the Offered Shares. The TSX has conditionally approved the listing of the Offered Shares. Listings of the Offered Shares will be subject to the Corporation fulfilling all the listing requirements of the TSX and the NYSE, as applicable. There can be no assurance that the Offered Shares to be issued under the Offering will be accepted for listing on the TSX or the NYSE.

	<u>Price to the Subscribers</u>	<u>Net Proceeds to the Corporation⁽¹⁾</u>
Per Offered Share	C\$13.76	C\$13.76
Total.....	C\$172,500,176	C\$172,500,176

(1) Before deducting expenses of the Offering, which are estimated to be approximately C\$0.4 million and will be paid by the Corporation out of its general funds.

Investing in the Offered Shares involves risks that should be considered by prospective purchasers, certain of which are described in the “*Risk Factors*” section and elsewhere in this Prospectus Supplement including in the documents incorporated by reference.

This Offering is made by a Canadian issuer that is permitted, under the multijurisdictional disclosure system adopted by the United States (the “**U.S.**”) and Canada, to prepare this Prospectus Supplement in accordance with Canadian

disclosure requirements. Purchasers of the Offered Shares should be aware that such requirements are different from those of the U.S.

The acquisition of the Offered Shares may have tax consequences both in the U.S. and in Canada. This Prospectus Supplement does not describe these tax consequences. See “*Certain Canadian and U.S. Federal Income Tax Considerations*”.

The enforcement by investors of civil liabilities under U.S. federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the laws of Canada, that most of its officers and directors are residents of Canada and that a substantial portion of the assets of the Corporation and said persons are located outside the U.S. See “*Enforcement of Certain Civil Liabilities*” in this Prospectus Supplement and in the Base Shelf Prospectus.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) NOR ANY STATE OR CANADIAN SECURITIES REGULATOR HAS APPROVED OR DISAPPROVED THE OFFERED SHARES OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

No underwriter or dealer has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.

Melissa Stapleton Barnes, Masheed Saidi, D. Randy Laney and Dilek Samil, directors of the Corporation, all reside outside of Canada. Each of Ms. Barnes, Ms. Saidi, Mr. Laney and Ms. Samil has appointed Algonquin Power & Utilities Corp., 354 Davis Road, Oakville, Ontario, L6J 2X1 as his or her agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. See “*Agent for Service of Process in Canada*”.

The registered and head office of the Corporation is located at 354 Davis Road, Oakville, Ontario, L6J 2X1.

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**IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND
THE ACCOMPANYING BASE SHELF PROSPECTUS**

This document consists of two parts. The first part is this Prospectus Supplement, which describes certain terms of the Offered Shares and also adds to and updates certain information contained in the Base Shelf Prospectus and the documents incorporated by reference therein. The second part, the Base Shelf Prospectus, gives more general information, some of which may not apply to the Offered Shares offered hereunder. Defined terms or abbreviations used in this Prospectus Supplement that are not defined herein have the meanings ascribed thereto in the Base Shelf Prospectus.

If the description of the Offered Shares varies between this Prospectus Supplement and the Base Shelf Prospectus, investors should rely on the information in this Prospectus Supplement.

Investors should rely only on the information contained in or incorporated by reference in this Prospectus Supplement and the Base Shelf Prospectus. The Corporation is not making an offer to sell the Offered Shares in any jurisdiction where the offer or sale is not permitted. Investors should not assume that the information appearing in this Prospectus Supplement, the Base Shelf Prospectus or any documents incorporated by reference in this Prospectus is accurate as of any date other than the date on the front of those documents, as the Corporation’s business, operating results, financial condition and prospects may have changed since that date.

Unless the context otherwise requires, all references in the Base Shelf Prospectus and this Prospectus Supplement to “the Corporation” refer to Algonquin Power & Utilities Corp., the direct or indirect subsidiary entities of Algonquin Power & Utilities Corp. and partnership and trust interests held by Algonquin Power & Utilities Corp. and its subsidiary entities.

CURRENCY

In this Prospectus Supplement, references to “dollars” or “U.S.\$” are to lawful currency of the United States of America. References to “Canadian dollars” or “C\$” are to lawful currency of Canada.

The following table sets forth, for each of the periods indicated, the period end exchange rate, the average exchange rate and the high and low exchange rates of one Canadian dollar in exchange for U.S. dollars, based on the historical noon exchange rate for the years ended December 31, 2015 and 2016, and based on the daily exchange rate for the year ended December 31, 2017 and for the three months ended September 30, 2017 and 2018, in each case as reported by the Bank of Canada.

	<u>Three months ended</u>		<u>Year ended</u>		
	<u>September 30,</u>		<u>December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
High	0.7749	0.8245	0.8245	0.7972	0.8527
Low	0.7544	0.7703	0.7276	0.6854	0.7148
Average	0.7652	0.7984	0.7708	0.7548	0.7821
Period End.....	0.7725	0.8013	0.7971	0.7448	0.7225

The daily exchange rate on December 14, 2018, as reported by the Bank of Canada for the conversion of Canadian dollars into U.S. dollars, was C\$1.00=U.S.\$0.7474.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS AND FORWARD-LOOKING INFORMATION

This Prospectus, including the documents incorporated by reference, may contain statements that constitute “forward-looking information” within the meaning of applicable securities laws in each of the provinces of Canada and the respective policies, regulations and rules under such laws and “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 (collectively, “**forward-looking information**”). The words “anticipates”, “believes”, “budget”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “projects”, “schedule”, “should”, “will”, “would” and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. Specific forward-looking information contained or incorporated by reference in this Prospectus Supplement includes, but is not limited to: the future growth, results of operations, performance, business prospects and opportunities of the Corporation; the expected timeline for regulatory approvals; the expected approval timing and cost of various transactions; expectations and plans with respect to current and planned capital projects; the resolution of legal and regulatory proceedings; expected demand for renewable sources of power; government procurement opportunities; expected capacity of and energy sales from new energy projects; the timing for closing of the EGNB Acquisition (as defined herein) and the receipt of all necessary approvals; and this Offering, including the Closing Date, the expected use of proceeds and the anticipated listing of the Offered Shares on the TSX and the NYSE. All forward-looking information is given pursuant to the “safe harbour” provisions of applicable securities legislation.

The forecasts and projections that make up the forward-looking information contained in this Prospectus Supplement, including the documents incorporated by reference, are based on certain factors or assumptions which include, but are not limited to: the receipt of applicable regulatory approvals and requested rate decisions; the absence of material adverse regulatory decisions being received and the expectation of regulatory stability; the absence of any material equipment breakdown or failure; availability of financing on commercially reasonable terms and the stability of credit ratings of the Corporation and its subsidiaries; the absence of unexpected material liabilities or uninsured losses; the continued availability of commodity supplies and stability of commodity prices; the absence of sustained interest rate increases or significant currency exchange rate fluctuations; the absence of significant operational disruptions or liability due to natural disasters or catastrophic events; the continued ability to maintain systems and facilities to ensure their continued performance; the absence of a severe and prolonged downturn in general economic, credit, social and market conditions; the successful and timely development and construction of new projects; the absence of material capital project or financing cost overruns; sufficient liquidity and capital resources; the continuation of observed weather patterns and trends; the absence of significant counterparty defaults; the continued competitiveness of electricity pricing when compared with alternative sources of energy; the realization of the anticipated benefits of the Corporation’s acquisitions and joint ventures; the absence of a material change in political conditions or public policies and directions by governments materially negatively affecting the Corporation; the ability to obtain and maintain licenses and permits; the absence of a material decrease in market energy prices; the absence of material disputes with taxation authorities or changes to applicable tax laws; continued maintenance of information technology infrastructure and the absence of a material breach of cyber security; favourable relations with external stakeholders; and favourable labour relations.

The forward-looking information in this Prospectus Supplement, including the documents incorporated by reference, is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. Factors which could cause results or events to differ materially from current expectations include, but are not limited to: changes in general economic, credit, social and market conditions; changes in customer energy usage patterns and energy demand; global climate change; the incurrence of environmental liabilities; natural disasters and other catastrophic events; the failure of information technology infrastructure and cybersecurity; the loss of key personnel and/or labour disruptions; seasonal fluctuations and variability in weather conditions and natural resource availability; reductions in demand for electricity, gas and water due to developments in technology; reliance on transmission systems owned and operated by third parties; issues arising with respect to land use rights and access to the Corporation’s facilities; critical equipment breakdown or failure; terrorist attacks; fluctuations in commodity prices; capital expenditures; reliance on subsidiaries; the incurrence of an uninsured loss; a credit rating downgrade; an increase in financing costs or limits on access to credit and capital markets; sustained increases in interest rates; currency exchange rate fluctuations; restricted financial flexibility due to covenants in existing credit agreements; an inability to refinance maturing debt on commercially reasonable terms; disputes with taxation authorities or changes to applicable tax laws; failure to identify appropriate projects to maximize the value of production tax credit qualified equipment; requirement for greater than expected contributions to post-employment benefit plans; default by a counterparty; inaccurate assumptions, judgments and/or estimates with respect to asset retirement obligations; failure to maintain required regulatory authorizations; changes

to health and safety laws, regulations or permit requirements; failure to comply with and/or changes to environmental laws, regulations and other standards; compliance with new foreign laws or regulations; failure to identify attractive acquisition or development candidates necessary to pursue the Corporation's growth strategy; delays and cost overruns in the design and construction of projects; loss of key customers; failure to realize the anticipated benefits of acquisitions; Atlantica Yield plc ("**Atlantica**") or the Corporation's joint venture with Abengoa S.A. ("**Abengoa**") acting in a manner contrary to the Corporation's best interests; facilities being condemned or otherwise taken by governmental entities; increased external stakeholder activism adverse to the Corporation's interests; and fluctuations in the price and liquidity of the Common Shares. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Some of these and other factors are discussed in more detail in the section of this Prospectus Supplement entitled "*Risk Factors*", in the Corporation's Annual Information Form dated March 7, 2018 for the year ended December 31, 2017 (the "**AIF**") under the heading "*Enterprise Risk Factors*" and in the Corporation's most recent annual and interim Management's Discussion and Analysis ("**MD&A**") under the heading "*Enterprise Risk Management*".

Forward-looking information contained in this Prospectus Supplement, including the documents incorporated by reference, is made as of the date of this Prospectus Supplement, the Base Shelf Prospectus or the documents incorporated by reference, as applicable, and based on the plans, beliefs, estimates, projections, expectations, opinions and assumptions of management on such date. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information. While subsequent events and developments may cause the Corporation's views to change, the Corporation disclaims any obligation to update any forward-looking information or to explain any material difference between subsequent actual events and such forward-looking information, except to the extent required by applicable law. All forward-looking information contained or incorporated by reference in this Prospectus Supplement is qualified by these cautionary statements.

PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise indicated, all financial information included and incorporated by reference in this Prospectus Supplement has been prepared in accordance with Generally Accepted Accounting Principles in the United States.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference in the Base Shelf Prospectus solely for the purposes of the Offering. Other documents are also incorporated or deemed to be incorporated by reference in the Base Shelf Prospectus and reference should be made to the Base Shelf Prospectus for full particulars. Copies of the documents incorporated by reference herein and in the Base Shelf Prospectus may be obtained on request without charge from the Secretary of the Corporation at 354 Davis Road, Oakville, Ontario, L6J 2X1, telephone (905) 465-4500, and are also available electronically at www.sedar.com.

See "*Documents Incorporated by Reference*" in the Base Shelf Prospectus. As of the date hereof, the following documents filed with the securities commissions or similar authorities in each of the provinces of Canada are specifically incorporated by reference in and form an integral part of this Prospectus:

- (a) the AIF;
- (b) the audited comparative consolidated financial statements of the Corporation as at and for the years ended December 31, 2017 and December 31, 2016, as reissued to reflect the change in reporting currency to the U.S. dollar, together with the auditors' report thereon, as filed on SEDAR on August 9, 2018;
- (c) the MD&A of the Corporation for the year ended December 31, 2017, as reissued to reflect the change in reporting currency to the U.S. dollar, as filed on SEDAR on August 9, 2018;
- (d) the Management Information Circular of the Corporation filed on SEDAR on May 17, 2018 in respect of the Corporation's annual meeting of shareholders held on June 7, 2018;
- (e) the interim unaudited consolidated financial statements of the Corporation as at and for the three and nine months ended September 30, 2018;
- (f) the interim MD&A of the Corporation for the three and nine months ended September 30, 2018;

- (g) the business acquisition report of the Corporation dated April 16, 2018 related to the Corporation's acquisition of a 25% equity interest in Atlantica, including the *pro forma* consolidated financial statements of the Corporation and the consolidated financial statements of Atlantica attached thereto; and
- (h) the information statement of the Corporation dated September 7, 2018 related to the Corporation's acquisition of an additional approximately 16.5% interest in Atlantica, including the *pro forma* consolidated financial statements of the Corporation and the consolidated financial statements of Atlantica attached thereto (the "**Atlantica Information Statement**") filed on SEDAR on September 7, 2018 under the heading "Documents incorporated by reference not previously filed".

Any documents of the Corporation of the type referred to above, including all annual information forms, all information circulars, all annual and interim financial statements and MD&A relating thereto, all material change reports (excluding confidential material change reports), news releases containing financial information for financial periods more recent than the most recent annual or interim financial statements, and any business acquisition reports, as well as all prospectus supplements disclosing additional or updated information relating to the Offering subsequently filed by the Corporation with a securities commission or similar authority in Canada after the date of this Prospectus Supplement and prior to the termination of the Offering hereunder shall be deemed to be incorporated by reference in this Prospectus.

Documents or information in an annual report on Form 40-F filed by the Corporation with the SEC under the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), from the date of this Prospectus Supplement and prior to the termination or completion of the Offering shall be deemed to be incorporated by reference into this Prospectus Supplement and be deemed exhibits to the registration statement of which this Prospectus Supplement forms a part. In addition, any other report on Form 6-K and the exhibits thereto filed or furnished by the Corporation with the SEC under the U.S. Exchange Act from the date of this Prospectus Supplement and prior to the termination or completion of the Offering shall be deemed to be incorporated by reference into this Prospectus Supplement or as exhibits to the registration statement, as applicable, but only if and to the extent expressly so provided in such reports. Further, prior to the termination or completion of the Offering the Corporation may incorporate by reference into this Prospectus Supplement information from documents that it files with or furnishes to the SEC pursuant to Section 13(a) or 15(d) of the U.S. Exchange Act, if and to the extent expressly provided therein. The Corporation's current reports on Form 6-K and annual reports on Form 40-F are available from the SEC's Electronic Data Gathering, Analysis and Retrieval ("**EDGAR**") system at www.sec.gov.

Any statement contained in this Prospectus Supplement or in any other document (or part thereof) incorporated or deemed to be incorporated by reference in this Prospectus Supplement shall be deemed to be modified or superseded for the purposes of this Prospectus Supplement to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference in this Prospectus Supplement modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement.

MARKETING MATERIALS

Any template version of any marketing materials (as defined in National Instrument 41-101 – *General Prospectus Requirements*) with respect to the Offering that is filed after the date of this Prospectus Supplement and prior to the termination of the Offering shall be deemed to be incorporated by reference in this Prospectus Supplement and in the Base Shelf Prospectus.

WHERE YOU CAN FIND MORE INFORMATION

The Corporation has filed with the SEC, under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), a registration statement on Form F-10 with respect to the Offered Shares to be issued under the Offering. This Prospectus Supplement, which forms part of the registration statement, does not contain all of the information set forth in the registration statement, certain items of which are contained in the exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to the Corporation and the Offering, reference is made

to the registration statement and to the schedules and exhibits filed therewith. Statements included in this Prospectus Supplement or the documents incorporated by reference herein about the contents of any contract, agreement or other document referred to are not necessarily complete, and in each instance, prospective investors should refer to the copy of the document filed as an exhibit to the registration statement for a complete description of the matter involved. Each such statement is qualified in its entirety by such reference.

The Corporation will provide to each person to whom this Prospectus is delivered, without charge, upon request to the Secretary of the Corporation at 354 Davis Road, Oakville, Ontario, L6J 2X1, Telephone: (905) 465-4500, copies of the documents incorporated by reference in this Prospectus Supplement and the Base Shelf Prospectus. The Corporation does not incorporate by reference in this Prospectus Supplement or the Base Shelf Prospectus any of the information on, or accessible through, its website.

The Corporation files certain reports with, and furnishes other information to, each of the SEC and certain securities commissions or similar regulatory authorities of Canada. Under the multijurisdictional disclosure system adopted by the United States and Canada, such reports and other information may be prepared in accordance with the disclosure requirements of the securities regulatory authorities in the applicable provinces of Canada, which requirements are different from those of the United States. As a foreign private issuer, the Corporation is exempt from the rules under the U.S. Exchange Act prescribing the furnishing and content of proxy statements, and the Corporation's officers and directors are exempt from the reporting and short swing profit recovery provisions contained in Section 16 of the U.S. Exchange Act. The Corporation's reports and other information filed or furnished with or to the SEC are available from the SEC's EDGAR system at www.sec.gov as well as from commercial document retrieval services. You may also read (and by paying a fee, copy) any document the Corporation files with or furnishes to the SEC at the SEC's public reference room in Washington, D.C. (100 F Street N.E., Washington, D.C. 20549). Please call the SEC at 1-800-SEC-0330 for more information on the public reference room. The Corporation's Canadian filings are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. Unless specifically incorporated by reference herein, documents filed or furnished by the Corporation on SEDAR or EDGAR are neither incorporated in nor part of this Prospectus Supplement or the Base Shelf Prospectus.

BUSINESS OF THE CORPORATION

General

Algonquin Power & Utilities Corp. was originally incorporated under the *Canada Business Corporations Act* on August 1, 1988 as Traduction Militech Translation Inc. Pursuant to articles of amendment dated August 20, 1990 and January 24, 2007, the Corporation amended its articles to change its name to Société Hydrogenique Incorporée – Hydrogenics Corporation and Hydrogenics Corporation – Corporation Hydrogenique, respectively. Pursuant to a certificate and articles of arrangement dated October 27, 2009, the Corporation, among other things, created a new class of Common Shares, transferred its existing operations to a newly formed independent corporation, exchanged new Common Shares for all of the trust units of Algonquin Power Co. and changed its name to Algonquin Power & Utilities Corp. The head and registered office of the Corporation is located at 354 Davis Road, Oakville, Ontario, L6J 2X1.

The Corporation's operations are organized across two primary North American business units consisting of the Liberty Power Group, which owns and operates a diversified portfolio of non-regulated renewable and thermal electric generation assets; and the Liberty Utilities Group, which owns and operates a portfolio of regulated electric, natural gas, water distribution and wastewater collection utility systems, and transmission operations. The Corporation also owns a 41.5% beneficial stake in Atlantica, a company that acquires, owns and manages a diversified international portfolio of contracted renewable energy, power generation, electric transmission and water assets.

Liberty Power Group
Wind Power Generation Hydro Electric Generation Solar Generation Thermal Co-Generation

Liberty Utilities Group
Electric Utilities Natural Gas Utilities Water & Wastewater Utilities Natural Gas and Electric Transmission

Liberty Power Group

The Liberty Power Group generates and sells electrical energy produced by its diverse portfolio of non-regulated renewable power generation and clean power generation facilities located across North America. The Liberty Power Group seeks to deliver continuing growth through development of new greenfield power generation projects and accretive acquisitions of additional electrical energy generation facilities.

The Liberty Power Group owns or has interests in hydroelectric, wind, solar, and thermal facilities with a combined generating capacity of approximately 1.7 GW. Approximately 86% of the electrical output from the hydroelectric, wind, and solar generating facilities is sold pursuant to long term contractual arrangements which as of September 30, 2018 had a production-weighted average remaining contract life of approximately 14 years.

Liberty Utilities Group

The Liberty Utilities Group operates a diversified portfolio of regulated utility systems throughout the United States serving approximately 766,000 connections. The Liberty Utilities Group provides safe, high quality, and reliable services to its customers and seeks to deliver stable and predictable earnings to the Corporation. In addition to encouraging and supporting organic growth within its service territories, the Liberty Utilities Group seeks to deliver continued growth in earnings through accretive acquisitions of additional utility systems.

The Liberty Utilities Group's regulated electrical distribution utility systems and related generation assets are located in the States of California, New Hampshire, Missouri, Kansas, Oklahoma, and Arkansas. The electric utility systems in total serve approximately 265,000 electric connections and also operate generation assets with a net capacity of approximately 1.4 GW.

The Liberty Utilities Group's regulated natural gas distribution utility systems are located in the States of Georgia, Illinois, Iowa, Massachusetts, New Hampshire and Missouri serving approximately 338,000 natural gas connections.

The Liberty Utilities Group's regulated water distribution and wastewater collection utility systems are located in the States of Arizona, Arkansas, California, Illinois, Missouri and Texas, which together serve approximately 163,000 connections.

Corporate Development

The Corporation's international development activities are undertaken primarily by Abengoa-Algonquin Global Energy Solutions ("AAGES"), a joint venture with Abengoa, an international infrastructure construction company. AAGES works with a global reach to identify, develop, and construct new renewable power generating facilities and water infrastructure assets. Once a project developed by AAGES has reached commercial operation, the Corporation will work with AAGES to jointly determine whether it would be optimal for such project to be held by the Corporation, remain in AAGES, or be offered for sale to Atlantica or another third party.

Complementing the formation of AAGES, the Corporation has acquired a 41.5% interest in Atlantica. This investment provides the Corporation with immediate accretion from an investment in a portfolio of high quality international clean energy and water infrastructure assets under long term contracts with high quality counterparties. More strategically, Atlantica represents a potential location into which AAGES' international development projects may be held after commercial operations are achieved.

See "*Recent Developments*" below and "*Description of the Business*" in the AIF.

RECENT DEVELOPMENTS

Purchase of Additional Stake in Atlantica

On November 27, 2018, the Corporation, through its indirect subsidiary AAGES (AY Holdings) B.V. ("**AY Holdings**"), completed the purchase of an additional stake in Atlantica from Abengoa, for a purchase price of approximately U.S.\$345 million (the "**Additional Atlantica Investment**"). The purchase price was comprised of approximately U.S.\$305 million paid on closing, with up to U.S.\$40 million payable at a later date contingent on satisfaction of certain conditions.

The purchase of the additional stake of 16.503 million shares brings the Corporation's total interest in Atlantica to approximately 41.5% of the shares outstanding and entitled AY Holdings to receive Atlantica's quarterly dividend of U.S.\$0.36 per share, which was paid on December 14, 2018.

The funds for the U.S.\$305 million paid on closing of the Additional Atlantica Investment were drawn on the Corporation's existing credit agreement dated November 19, 2012, as amended from time to time (the "**Corporation Credit Facility**"). Subsequently, AAGES obtained a secured credit facility in the amount of U.S.\$306.5 million (the "**AAGES Secured Credit Facility**") and subscribed for a share ownership interest in AY Holdings (the "**AY Holdings Share Subscription**"), which subscription proceeds were used to repay the U.S.\$305 million drawn under the Corporation Credit Facility. The AAGES Secured Credit Facility is secured through a pledge of the Atlantica shares held by AY Holdings.

For additional information regarding the Corporation's investment in Atlantica, refer to the Atlantica Information Statement.

Acquisition of Enbridge Gas New Brunswick Limited Partnership

On December 4, 2018, the Corporation's subsidiary, Liberty Utilities (Canada) LP, entered into an agreement to purchase Enbridge Gas New Brunswick Limited Partnership ("**EGNB**"), a subsidiary of Enbridge Inc., along with its general partner, for C\$331 million, subject to certain customary adjustments (the "**EGNB Acquisition**"). EGNB is a regulated utility that provides natural gas to approximately 12,000 customers in 12 communities across New Brunswick, and operates approximately 800 kilometres of natural gas distribution pipeline. Closing of the EGNB Acquisition is expected to occur within the first half of 2019 and remains subject to customary closing conditions, including the receipt of regulatory and government approvals.

USE OF PROCEEDS

The net proceeds to the Corporation from the Offering will be approximately C\$172,500,176 before deducting expenses of the Offering. The expenses of the Offering are estimated at approximately C\$0.4 million and will be paid from the general funds of the Corporation.

The Corporation expects that the net proceeds of the Offering will be used to partially finance the EGNB Acquisition and related expenses, and for general corporate purposes.

CONSOLIDATED CAPITALIZATION

Other than (i) the issuance of U.S.\$287.5 million 6.875% fixed-to-floating rate subordinated notes, series 2018-A due 2078, (ii) the issuance of 12,536,350 Common Shares pursuant to this Prospectus Supplement as described herein, and (iii) the additional non-controlling interest resulting from the AY Holdings Share Subscription, there have been no material changes in the consolidated capitalization of the Corporation since September 30, 2018, the end of the most recent interim reporting period for the Corporation, which have not been disclosed in the Base Shelf Prospectus or in the documents incorporated by reference therein, or elsewhere in this Prospectus Supplement.

PLAN OF DISTRIBUTION

The Offered Shares will be issued directly to the Subscribers pursuant to subscription agreements between the Corporation and each of the Subscribers dated December 14, 2018 (the "**Subscription Agreements**").

The Closing Date is subject to customary conditions and is expected to occur on or about December 20, 2018, or such later date(s) as the Corporation and the Subscribers may agree. It is possible that not all of the Offered Shares offered pursuant to this Prospectus Supplement will be sold, in which case the Corporation's net proceeds from the Offering would be reduced.

The Offering Price of the Offered Shares was determined by negotiation between the Corporation and the Subscribers. The Corporation has not engaged the services of any underwriter in connection with the distribution of the Offered Shares hereunder. The expenses of the Offering are estimated to be C\$0.4 million and are payable by the

Corporation. 8,176,000 of the Offered Shares are being purchased by Subscribers with a head office located in the United States. The remaining 4,360,350 Offered Shares are being purchased by Subscribers with a head office located in the provinces of Ontario or British Columbia. The securities being offered under this Prospectus Supplement are registered in the U.S. under the U.S. Securities Act in accordance with the multijurisdictional disclosure system.

The Common Shares are listed on the TSX and the NYSE. The Corporation has applied to the TSX and the NYSE to list the Offered Shares. The TSX has conditionally approved the listing of the Offered Shares. Listings of the Offered Shares will be subject to the Corporation fulfilling all the listing requirements of the TSX and the NYSE, as applicable. There can be no assurance that the Offered Shares to be issued under the Offering will be accepted for listing on the TSX or the NYSE.

The Offered Shares sold to the Subscribers in the U.S. will be delivered in book-entry form through the Depository Trust Company on closing of the Offering. Offered Shares sold to Subscribers in Canada will be delivered in book-entry form through the CDS Clearing and Depository Services Inc.

TRADING PRICES AND VOLUMES

Common Shares

The outstanding Common Shares are traded on the TSX under the trading symbol “AQN”. The following table sets forth the high and low price for, and the volume of trading in, the Common Shares for the periods indicated, based on information obtained from the TSX.

Month	Price (C\$)		Monthly Trading Volume
	High	Low	
2017			
December	14.330	13.860	15,101,341
2018			
January	14.035	13.115	22,798,041
February	13.350	12.520	25,745,491
March	13.200	12.510	29,918,457
April	12.890	12.180	17,800,921
May	12.990	12.250	24,289,158
June	12.950	12.320	28,731,693
July	13.170	12.450	16,300,248
August	13.640	12.660	19,158,974
September	13.940	13.300	18,268,777
October	13.460	12.570	22,159,523
November	14.230	13.010	24,112,088
December 1-14	14.680	13.950	14,395,409

(Source: TMX Datalinx)

PRIOR SALES

During the 12 months preceding the date of this Prospectus Supplement, the Corporation issued the following Common Shares and securities convertible into Common Shares:

Convertible Securities

During the 12 months preceding the date of this Prospectus Supplement, the Corporation issued 61,304 Common Shares on the conversion of 5.00% convertible unsecured subordinated debentures issued in the first quarter of 2016:

Date of Issue	Number of Shares Issued	Date of Issue	Number of Shares Issued
December 19, 2017	1,886	June 20, 2018	188
December 21, 2017	455	June 25, 2018	377
December 22, 2017	1,509	July 5, 2018	943
January 16, 2018	4,921	July 11, 2018	943
January 25, 2018	1,226	July 26, 2018	471
February 2, 2018	1,886	September 19, 2018	12,264
February 13, 2018	1,886	September 27, 2018	1,886
February 22, 2018	4,716	October 19, 2018	18
March 16, 2018	3,396	November 9, 2018	1,320
March 21, 2018	1,886		
April 5, 2018	94		
April 12, 2018	471		
April 24, 2018	471		
April 26, 2018	2,830		
May 1, 2018	1,415		
May 2, 2018	1,886		
May 7, 2018	9,433		
May 10, 2018	943		
June 15, 2018	113		

Stock Options

On March 31, 2018, the Corporation granted 1,166,717 options under its stock option plan at an exercise price of C\$12.80 per stock option.

During the 12-month period preceding the date of this Prospectus Supplement, 1,036,948 stock options were exercised at a weighted average exercise price of C\$10.86 in exchange for 584,660 Common Shares issued from treasury, and 452,288 options were settled at their cash value as payment for the exercise price and tax withholdings related to the exercise of the options.

Performance Share Units / Restricted Share Units

On March 31, 2018, the Corporation granted 320,806 performance share units (“**PSUs**”), on April 19, 2018 the Corporation granted 128,302 restricted share units (“**RSUs**”) and in May 2018, the Corporation granted 316,868 PSUs, in each case under its Performance and Restricted Share Unit Plan for employees of the Corporation and its and its participating affiliates (the “**Share Unit Plan**”). Additional PSUs and RSUs, as applicable, are also issued quarterly, pursuant to the terms of the Share Unit Plan, as dividend equivalents units on outstanding PSUs and/or RSUs, as applicable, in connection with the payment of dividends on the Common Shares.

Under the Share Unit Plan, the Corporation has the option to pay vested PSUs and RSUs in cash, Common Shares purchased on the market or in Common Shares issued from treasury. If vested PSUs or RSUs are paid in Common Shares, the participant would receive one Common Share for each whole vested PSU or RSU.

On March 29, 2018, the Corporation settled 256,977 PSUs in exchange for 133,569 Common Shares issued from treasury, and 123,408 PSUs were settled at their cash value as payment for tax withholdings related to the settlement of the PSUs. On August 16, 2018, the Corporation settled 4,544 RSUs in exchange for 2,111 Common Shares issued from treasury, and 2,433 RSUs were settled at their cash value as payment for tax withholdings related to the settlement of the RSUs.

Directors' Deferred Share Units

During the 12-month period preceding the date of this Prospectus Supplement, the Corporation granted the following deferred share units (“DSUs”) under its DSU Plan to non-employee directors of the Corporation.

Three Months Ended	Number of Units Issued
December 2017	16,827
March 2018	21,367
June 2018	21,882
September 2018	21,856

Under the DSU Plan, non-employee directors of the Corporation may elect annually to receive all or any portion of their compensation in DSUs in lieu of cash compensation. The DSU Plan provides for settlement of DSUs in cash or Common Shares at the election of the Corporation. Additional DSUs are also issued quarterly, pursuant to the terms of the DSU Plan, as dividend equivalent units on outstanding DSUs in connection with the payment of dividends on the Common Shares.

Employee Share Purchase Plan

During the 12-month period preceding the date of this Prospectus Supplement, the Corporation issued 252,702 Common Shares pursuant to its employee stock purchase plan at a weighted average issue price of C\$13.104 per Common Share.

Dividend Reinvestment Plan

During the 12-month period preceding the date of this Prospectus Supplement, the following number of Common Shares were issued from treasury pursuant to the Corporation’s dividend reinvestment plan at the average price per Common Share and month indicated below:

Month of Issue	Number of Shares	Price per Share
January 2018	1,063,572	C\$13.36
April 2018	1,469,195	C\$12.50
July 2018	1,628,988	C\$12.78
October 2018	1,719,089	C\$13.14

CERTAIN CANADIAN AND U.S. FEDERAL INCOME TAX CONSIDERATIONS

The acquisition of the securities described herein may subject you to tax consequences in both the U.S. and Canada. This Prospectus Supplement does not describe these tax consequences. Each Subscriber, in making this investment, has acknowledged that it has consulted, and is relying solely upon the advice of, such Subscriber’s tax advisors with respect to the Canadian and U.S. tax aspects of an investment in the Offered Shares, including with respect to Canadian withholding tax on dividends paid or credited (or assumed to be paid or credited) on Offered Shares, and the Corporation has not made any representation regarding the tax consequences of an investment in the Offered Shares.

RISK FACTORS

An investment in the Offered Shares is subject to certain risks. In addition to the risks described herein, reference is made to the section in the AIF entitled “*Enterprise Risk Factors*” and in the most recent annual and interim MD&A entitled “*Enterprise Risk Management*” and to the risks disclosed in other documents incorporated by reference herein. Such risk

factors could have a materially adverse effect on the future results of operations, business prospects or financial condition of the Corporation, and could cause actual events to differ materially from those described in forward-looking information. Additional risks and uncertainties not presently known to the Corporation, or which the Corporation currently deems to be immaterial, may also have an adverse effect upon the Corporation.

Risks Relating to the Offering

Discretion in the Use of Proceeds

Management of the Corporation will have discretion concerning the use of proceeds of the Offering as well as the timing of their expenditures. As a result, investors will be relying on the judgment of management as to the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Corporation's results of operations may suffer.

Future Sales or Issuances of Securities

The Corporation may sell additional Common Shares or other securities in subsequent offerings. The Corporation may also issue additional securities to finance future activities. The Corporation cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Common Shares. With any additional sale or issuance of Common Shares, investors will suffer dilution to their voting power and the Corporation may experience dilution in its earnings per Common Share.

Other Risks

The Corporation may fail to complete the EGNB Acquisition

The closing of the EGNB Acquisition is subject to the normal commercial risks that the EGNB Acquisition will not close on the terms negotiated or at all. The completion of the EGNB Acquisition is also subject to the receipt of certain regulatory and governmental approvals and the satisfaction of other closing conditions. There is no assurance that such approvals will be obtained or that such closing conditions will be satisfied or waived. Accordingly, there can be no assurance that the Corporation will complete the EGNB Acquisition in the timeframe or on the basis described herein, if at all.

The Corporation is exposed to development and construction risks

The Corporation's development and construction activities are subject to material risks, including expenditures for projects that may prove not to be viable, construction cost overruns and delays, inaccurate estimates of expected energy output or other factors, and failure to satisfy tax incentive requirements or to meet third-party financing requirements.

Energy generated by the Corporation is often sold under long term Power Purchase Agreements or similar agreements (collectively, "PPAs"). PPAs generally contain customary terms including: the amount paid for energy from the project over the term of the agreement (which rate can be materially higher than prevailing market rates) and a requirement for the project to comply with technical standards and achieve commercial operation within time frames prescribed by the contract. A failure to achieve satisfactory construction progress and/or the occurrence of any permitting or other unanticipated delays at a project could result in a failure to comply with the applicable PPA requirements within the specified time frames. Remedies for failure to comply with material provisions of a PPA generally include, among other things, the potential termination of the agreement by the non-defaulting party.

DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT

The following documents have been filed or will be filed with the SEC as part of the registration statement of which this Prospectus Supplement is a part insofar as required by the SEC's Form F-10:

- the documents listed under “*Documents Incorporated by Reference*” in this Prospectus Supplement, including the Corporation’s Annual Report on Form 40-F filed with the SEC on March 8, 2018; and
- the Form 6-Ks filed with the SEC on April 16, 2018, May 17, 2018, August 10, 2018 (both filings), August 15, 2018, September 7, 2018, October 17, 2018, October 22, 2018 and November 8, 2018.

INTERESTS OF EXPERTS

Certain legal matters in connection with the Offering hereunder will be passed upon on behalf of the Corporation by Blake, Cassels & Graydon LLP. As at the date hereof, the partners and associates of Blake, Cassels & Graydon LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Corporation.

INDEPENDENT AUDITORS

Ernst & Young LLP, the auditors of the Corporation, have confirmed that they are independent with respect to the Corporation within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

ENFORCEMENT OF CERTAIN CIVIL LIABILITIES

The Corporation is incorporated under the laws of Canada and its registered and head office is in Canada. Most of the Corporation’s directors and officers, and some or all of the experts named in this Prospectus Supplement, are residents of Canada or otherwise reside outside of the United States, and a substantial portion of their assets, and a substantial portion of the Corporation’s assets, are located outside the U.S. The Corporation has appointed an agent for service of process in the U.S., but it may be difficult for holders of securities who reside in the U.S. to effect service within the U.S. upon the Corporation or those directors, officers and experts who are not residents of the U.S. Investors should not assume that a Canadian court would enforce a judgment of a U.S. court obtained in an action against the Corporation or such other persons predicated on the civil liability provisions of the U.S. federal securities laws or the securities or “blue sky” laws of any state within the U.S. or would enforce, in original actions, liabilities against the Corporation or such persons predicated on the U.S. federal securities laws or any such state securities or “blue sky” laws. We have been advised by our Canadian counsel, Blake, Cassels & Graydon LLP, that a judgment of a U.S. court predicated solely upon civil liability under U.S. federal securities laws would probably be enforceable in Canada if the United States court in which the judgment was obtained has a basis for jurisdiction in the matter that would be recognized by a Canadian court for the same purposes. We have also been advised by Blake, Cassels & Graydon LLP, however, that there is a substantial doubt whether an action could be brought in Canada in the first instance on the basis of liability predicated solely upon U.S. federal securities laws.

The Corporation filed with the SEC, concurrently with its registration statement on Form F-10, an appointment of agent for service of process on Form F-X. Under the Form F-X, the Corporation appointed CT Corporation System as its agent for service of process in the U.S. in connection with any investigation or administrative proceeding conducted by the SEC and any civil suit or action brought against or involving the Corporation in a U.S. court arising out of or related to or concerning the offering of securities under the registration statement of which this Prospectus Supplement forms a part.

AGENT FOR SERVICE OF PROCESS IN CANADA

Melissa Stapleton Barnes, Masheed Saidi, D. Randy Laney and Dilek Samil, directors of the Corporation, all reside outside of Canada. Each of Ms. Barnes, Ms. Saidi, Mr. Laney and Ms. Samil has appointed Algonquin Power & Utilities Corp., 354 Davis Road, Oakville, Ontario, L6J 2X1 as his or her agent for service of process in Canada.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.