First Quarter 2019 Results

AltaGas

May 2, 2019

Forward-Looking Information

This presentation contains forward-looking statements. When used in this presentation, the words "will", "intend", "plan", "potential", "generate", "grow", "deliver", "can", "continue", "drive", "anticipate", "target", "come", "create", "position", "achieve", "seek", "propose", "forecast", "estimate", "expect", "solution", "outlook", "assumes" and similar expressions, as they relate to AltaGas or any affiliate of AltaGas, are intended to identify forward-looking statements. In particular, this presentation contains forward-looking statements with respect to, among others things, strategy, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. Specifically, such forward-looking statements included in this document include, but are not limited to, statements with respect to the following: effects of the WGL acquisition and asset sales in 2019 financial results; expected consolidated and segmented EBITDA in the remainder of 2019; expected decrease in capacity charges; availability of organic growth opportunities; 2019 capital program; expected expenditures for Townsend expansion, Marquette Connector Pipeline, and Mountain Valley Pipeline; Midstream and Power maintenance capital; segment allocation of project capital in 2019; expected debt repayments in 2019; anticipated financing sources; anticipated asset sales of $1.5 - $2.0 billion in the remainder of 2019; expected elimination of near-term common equity requirements; maintenance of investment grade credit rating; expected debt/EBITDA of 5.5x at the end of 2019; anticipated normalized EBITDA guidance range of $1.2 - $1.3 billion; expected closing date of Stonewall transaction; estimated FFO, AFFO and UAFFO for 2019; expected 2019YE net debt balance; expected exchange rate variance impact on 2019 EBITDA; in-service date of RIPET; near-term financial and operational priorities of AltaGas; balanced funding plan; expected achievement of the allowed return by the Utilities segment; expected timing of additional asset sales; expected benefits of RIPET, including expected capital/EBITDA ratio; expected level of volume at RIPET subject to tolling agreements; expected date of first cargo from RIPET; demand for RIPET propane offtake; RIPET expansion; expected ROI at RIPET of approximately 6x Capital/EBITDA; potential for butane at Ferndale; anticipated Montney Operating Capacity through 2020; expected Canadian Midstream normalized EBITDA for 2019 and 2020; expectation that new assets in-service will drive EBITDA growth by 30 – 40% in 2019; expected increase in revenues due to accelerated pipe replacement; targeted asset optimization in the utilities; and anticipated effective date of new rate cases.

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Randy Crawford

Focus on Execution

Randy Crawford
President and Chief Executive Officer

AltaGas | Our Strategy

We leverage the strength of our assets and expertise along the energy value chain to connect customers with premier energy solutions – from the wellsites of upstream producers to the doorsteps of homes and businesses, to new markets around the world.

Near-Term Financial Priorities

Priorities	Progress	Actions
Execute remaining $1.5 – $2.0 billion of non-core asset sales		▪ Additional $1.5 - $2.0 billion asset sale program progressing as planned ✓ US $275.3 million Stonewall sale
De-lever the balance sheet and regain financial strength and flexibility		▪ Improving Debt/EBITDA and maintain investment grade credit rating – ~$3 billion in debt repayment by year-end ✓ ~$1.3 billion NWH sale completed ✓ $88 million Canadian non-core Midstream and Power asset sale complete ✓ ~$1.7 billion reduction in net debt in Q1 2019
Fund strategic capital plan to strengthen competitive positioning within Midstream and Utilities		▪ Fund ~$1.3 billion 2019 capital program focused on highest quality projects with superior and timely returns ✓ Complete construction and commence operations at RIPET ($283 million (net of partner recoveries) ▪ Townsend expansion ($180 million) ▪ Marquette Connector Pipeline (US $154 million) ▪ Mountain Valley Pipeline (US $350 million)

Near-Term Operational Priorities

Priorities	Progress	Actions
First cargo out of RIPET early Q2 2019		✓ Construction complete and operational phase initiated ✓ Introducing feedstock to fill the LPG tank ▪ First Cargo in Q2 2019
Capitalize on structural advantage within Canadian Midstream to maximize returns and drive growth		✓ Providing upstream producers with access to export markets ▪ Leveraging integrated service offering to attract addition volumes ✓ Tourmaline liquids handing arrangement
Enhance returns across our Utilities		▪ Drive operational excellence ▪ Improve the customer experience ▪ Achieve more timely recovery of invested capital ▪ Maryland rate case
Implement performance-based culture focused on operational excellence and prudent capital allocation		✓ New incentive performance program with new value drivers

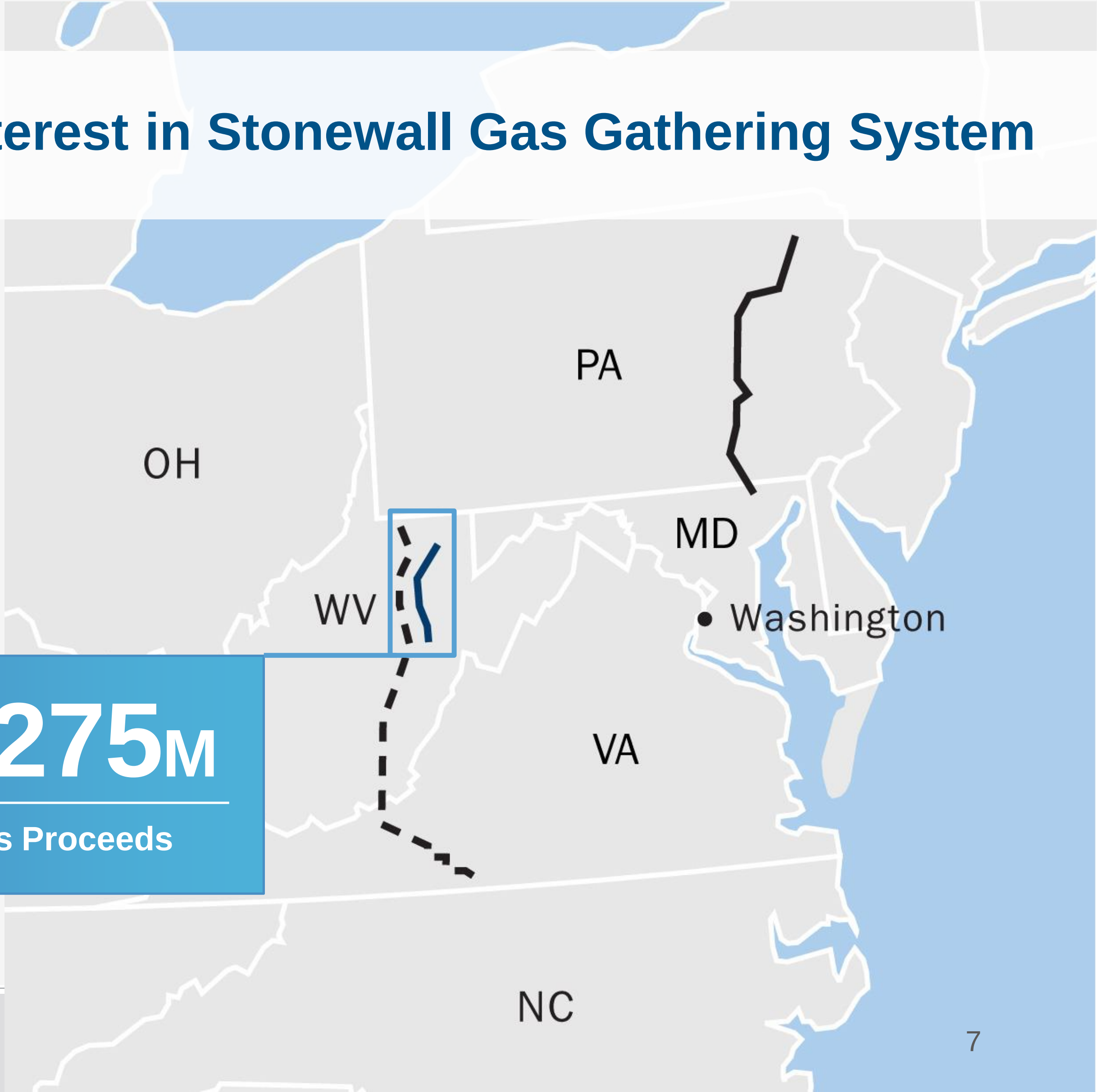
Asset Sales – Stonewall

Agreement to sell 30% minority interest in Stonewall Gas Gathering System

- Total gross proceeds of approximately US $275.3 million
- Counterparty DTE Energy owns 55% and operates Stonewall
- Valuation achieved compares favourably to precedent transactions
- Sale expected to close in Q2 2019[1]

~US $275M

Total Gross Proceeds



Midstream Segment

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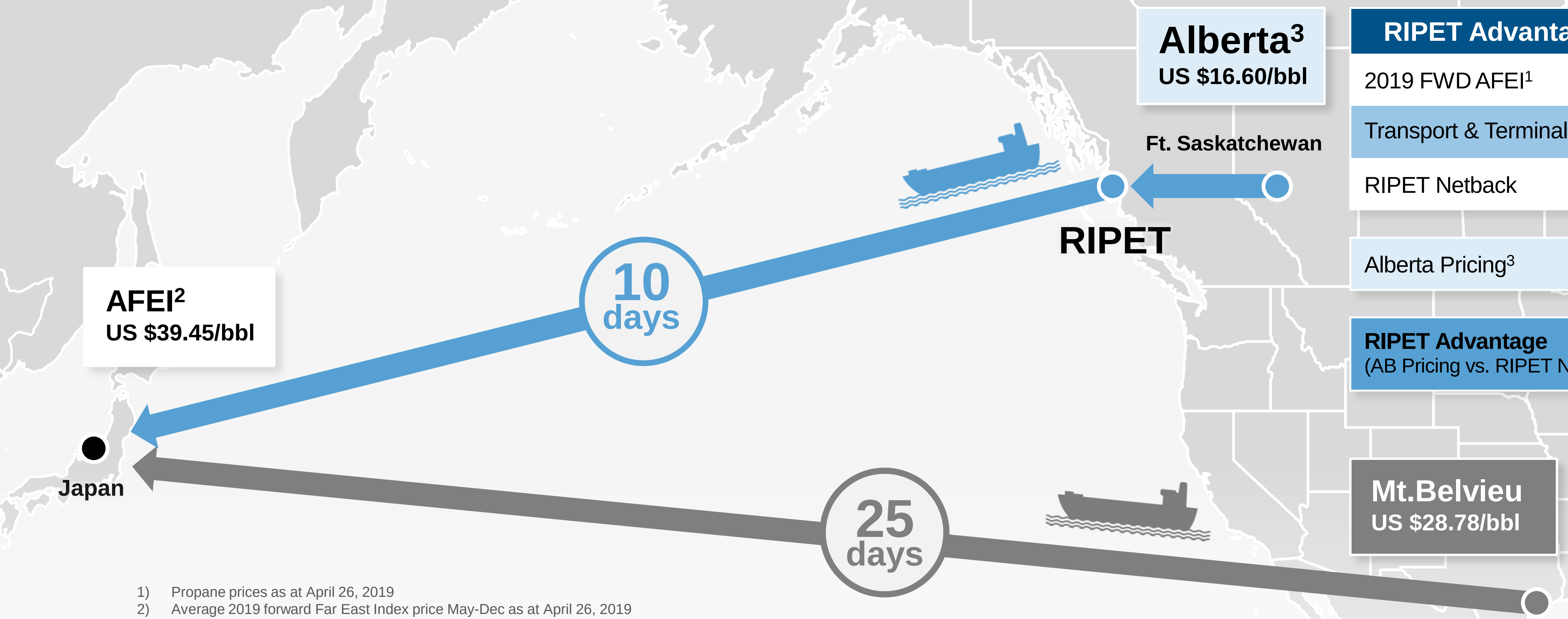
RIPET: Canada's First West Coast Propane Export Terminal

- Improving western Canadian producers netbacks by providing access to premium Asian markets
- Attracts additional volumes through AltaGas' midstream value chain, maximizing integrated economics
- First mover advantage establishes strong relationship with Far East markets
- Strong return on investment (~6x Capital/EBITDA)
- Robust demand driving acceleration of potential capacity expansion with minimal capital investment required

RIPET Netback Advantage

RIPET provides enhanced netbacks to producers – At current propane prices[1] RIPET advantage is estimated at ~US$5.25/bbl

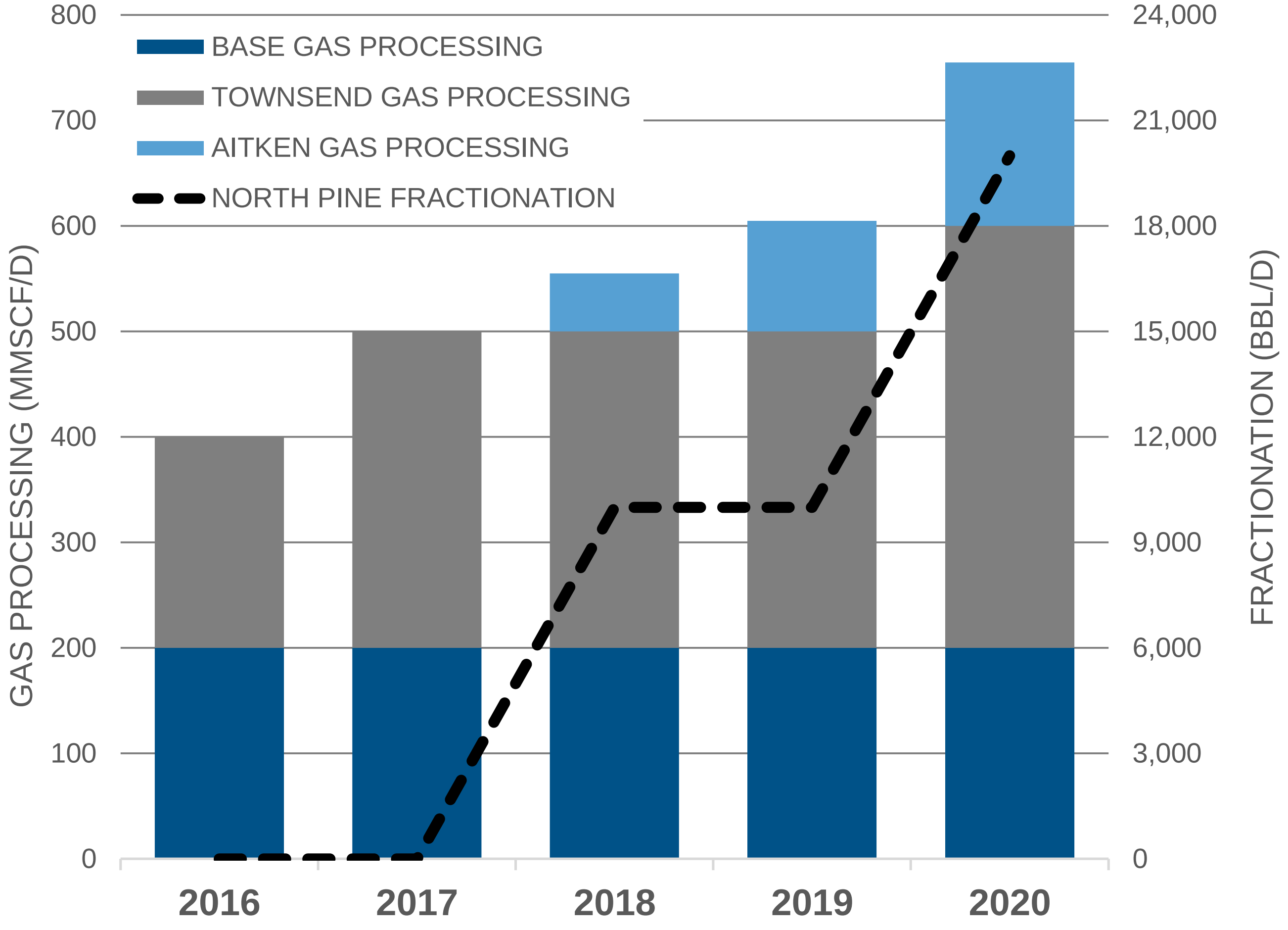


RIPET Advantage (US$/bbl)	
2019 FWD AFEI[1]	~$39.45
Transport & Terminalling[4]	~$17.60
RIPET Netback	~$21.85
Alberta Pricing[3]	~$16.60
RIPET Advantage (AB Pricing vs. RIPET Netback)	**~$5.25**

1) Propane prices as at April 26, 2019
2) Average 2019 forward Far East Index price May-Dec as at April 26, 2019
3) Mt. Belvieu minus $0.29 US/gal
4) Transportation and Terminalling charges include: pipeline transportation fees; rail transportation and loading fees; RIPET operating and capital charges; and ocean freight and port fees. See "Forward-looking Information"

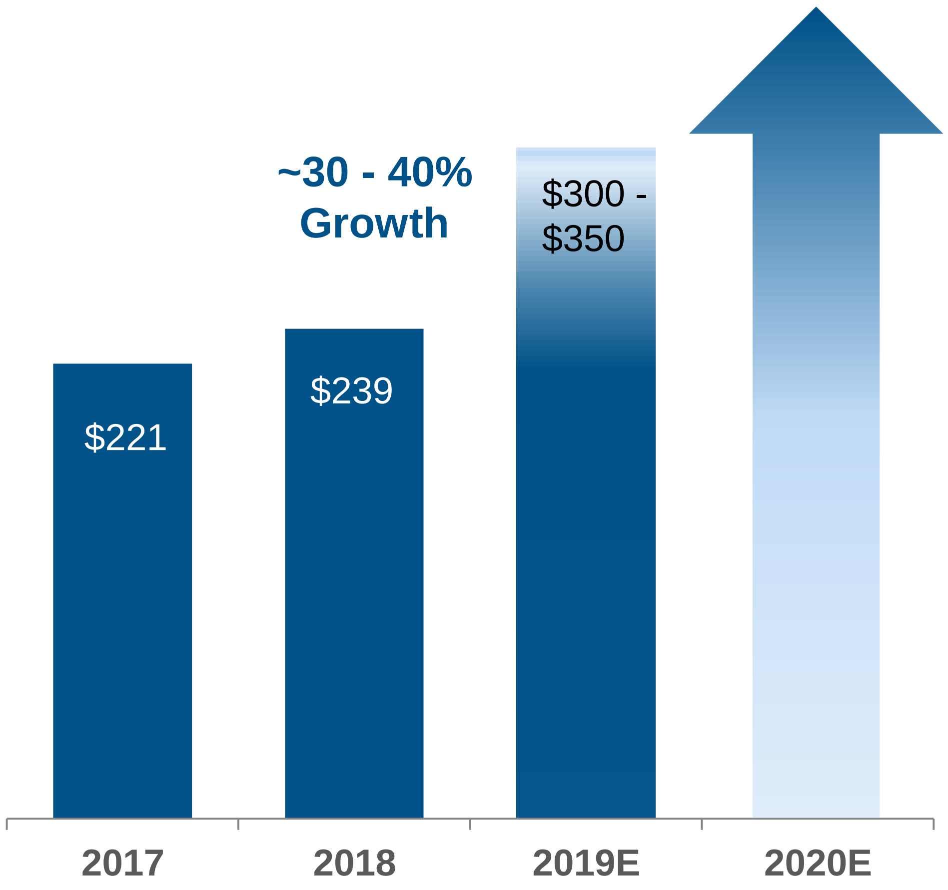
Initial Investment in Montney Midstream Assets Sets the Stage for Significant Organic EBITDA Growth Opportunities

Montney Operating Capacity



Canadian Midstream Normalized EBITDA[1]

($ millions)



1. Non-GAAP financial measure; see discussion in the advisories
See "Forward-looking Information"

Utilities Segment

2019: Drive Operational Excellence at the Utilities

Focus on accelerated replacement capital will support rate base growth and drive earnings growth

2019 Focus

- Prudently allocate capital based on infrastructure needs and returns
- Drive operational excellence and improve customer service
- Tightly manage O&M including leak remediation expenses
- Accelerate returns through the execution of strategic projects (Marquette Connector)

~40% increase in accelerated replacement capital spend in 2019

Maryland Rate Case – Focused on Timely Recovery of Capital

Details

- Addresses rate relief necessary to recover costs of providing safe, reliable natural gas service; continue delivering improved service to customers and earn the allowed rate of return
- Increase in base rates of US $35.9 million, partially offset by a reduction of US $5.1 million in surcharges currently paid by customers for system upgrades
- Proposed ROE of 10.4%, with a 54.08% equity ratio
- Reflects a historical test period for the twelve-months ended March 2019

New rates expected to go into effect December 2019

Conclusion

Q1 2019: Solid quarter reflects strength of the transformed business mix

- Q1 results provide a good foundation and we remain on track to achieve 2019 guidance
- Strengthening the balance sheet with $1.7 reduction in net debt

2019: Unlocking the growth potential of our assets

- RIPET in service strengthens our fully integrated midstream value proposition and Canadian Midstream footprint
- Progress on more timely returns drive rate base growth at our Utilities

Tim Watson

Q1 2019 Results and Capital Funding Update

Tim Watson
Executive Vice President and Chief Financial Officer

Q1 Financial Results Summary

$466M
Normalized EBITDA[1]

$376M
Normalized FFO[1]

$202M
Normalized Net Income[1]

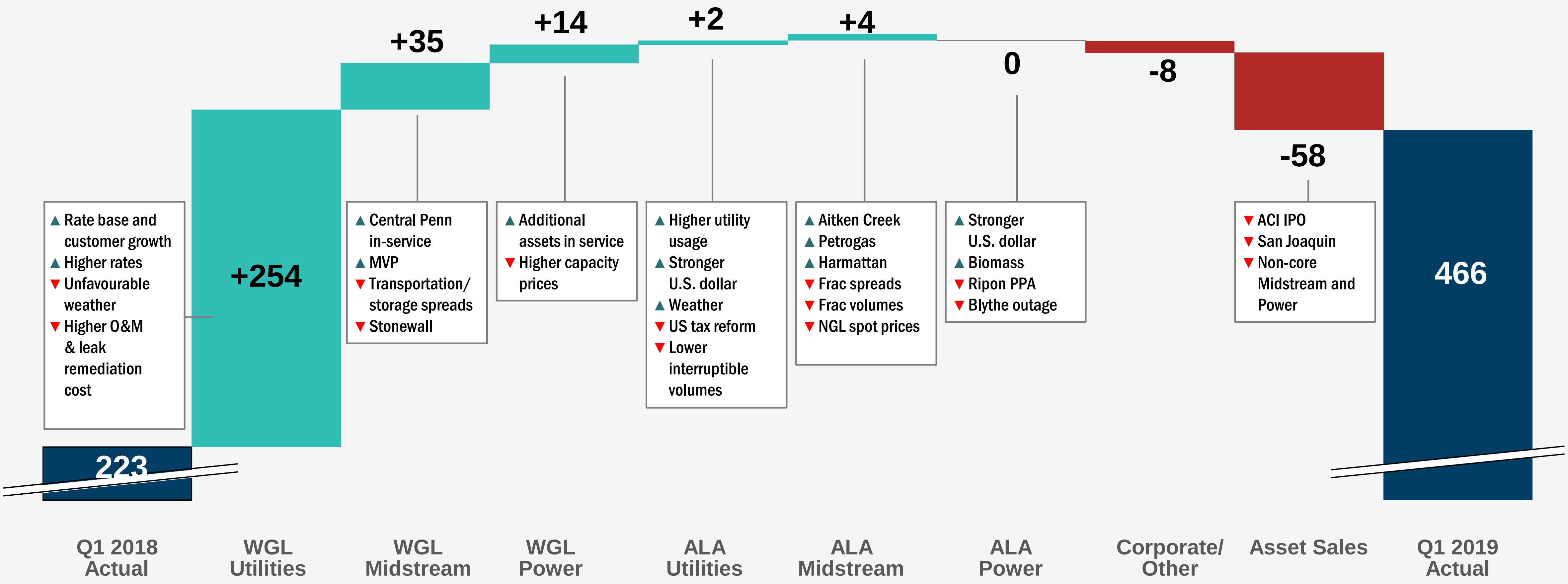
$0.73
Normalized Net Income Per Share[1]

$1.7B
Reduction in Net Debt[1]

1 Non-GAAP measure; see discussion in the advisories

Contributions from WGL Continue to Drive Results

2019 Q1 Actuals vs. 2018 Q1 Actuals – Normalized EBITDA[1]
($ millions)



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1 Non-GAAP financial measure; see discussion in the advisories

Q1 2019 – Normalized EBITDA Variance

($ millions)

Q1 2019 Normalized EBITDA[1]	Q1 2019	Q1 2018	Variance	Q1 2019 vs Q1 2018 Normalized EBITDA Drivers	
Utilities	341	112	+229	+ WGL acquisition (+$254MM) + Utility rates and rate base growth - ACI IPO (-$27MM) - US tax reform	+ FX – stronger US dollar + Colder weather in Michigan - Warmer weather in Alaska - Higher O&M and leak remediation at WGL
Midstream	107	71	+36	+ WGL acquisition (+$35MM) + Aitken Creek acquisition - Asset Sales (-$4MM) - Lower realized frac spreads and volumes	+ Petrogas – higher pricing and activity levels + Higher volumes at Townsend - Lower volumes and reduced ownership at Younger - Lower NGL marketing margins
Power	27	41	(14)	+ WGL acquisition (+$14MM) - Asset sales (-$27MM) - Ripon PPA expiration	- Retail marketing capacity charge timing factors - Extended planned outage at Blythe
Corporate	(9)	(1)	(8)	- Higher expenses related to employee incentive plans as a result of the increasing share price during the first quarter of 2019	- Higher IT services and consulting fees
Total Normalized EBITDA	**466**	**223**	**+243**		

1 Non-GAAP financial measure; see discussion in the advisories
See "Forward-looking Information“

2019 Balanced Funding Plan Priorities

Regain financial strength and flexibility to efficiently fund growth

Financial flexibility
- Accelerate de-levering
- Stabilize balance sheet
- Maintain investment grade credit rating

+

Optimize cost of capital

Eliminate near-term common equity requirements and work towards a self-funding model

+

Maintain capital discipline

Execute only the highest quality, highest return projects

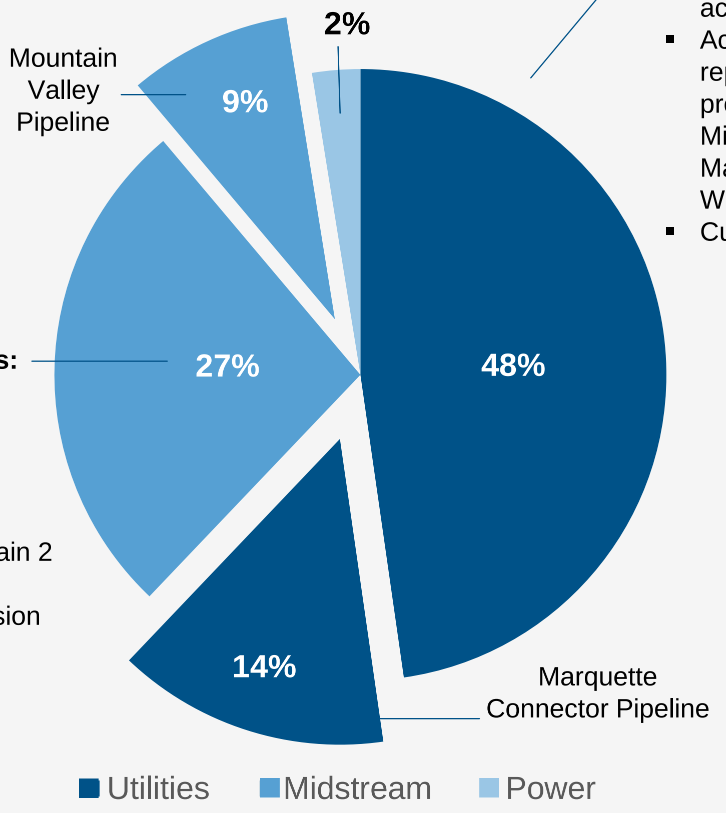
=

Recapture share value

Focus on long-term per share earnings and cash flow growth

Capital Allocation Focused on Near-Term Returns

~$1.3 Billion Top-Quality Projects



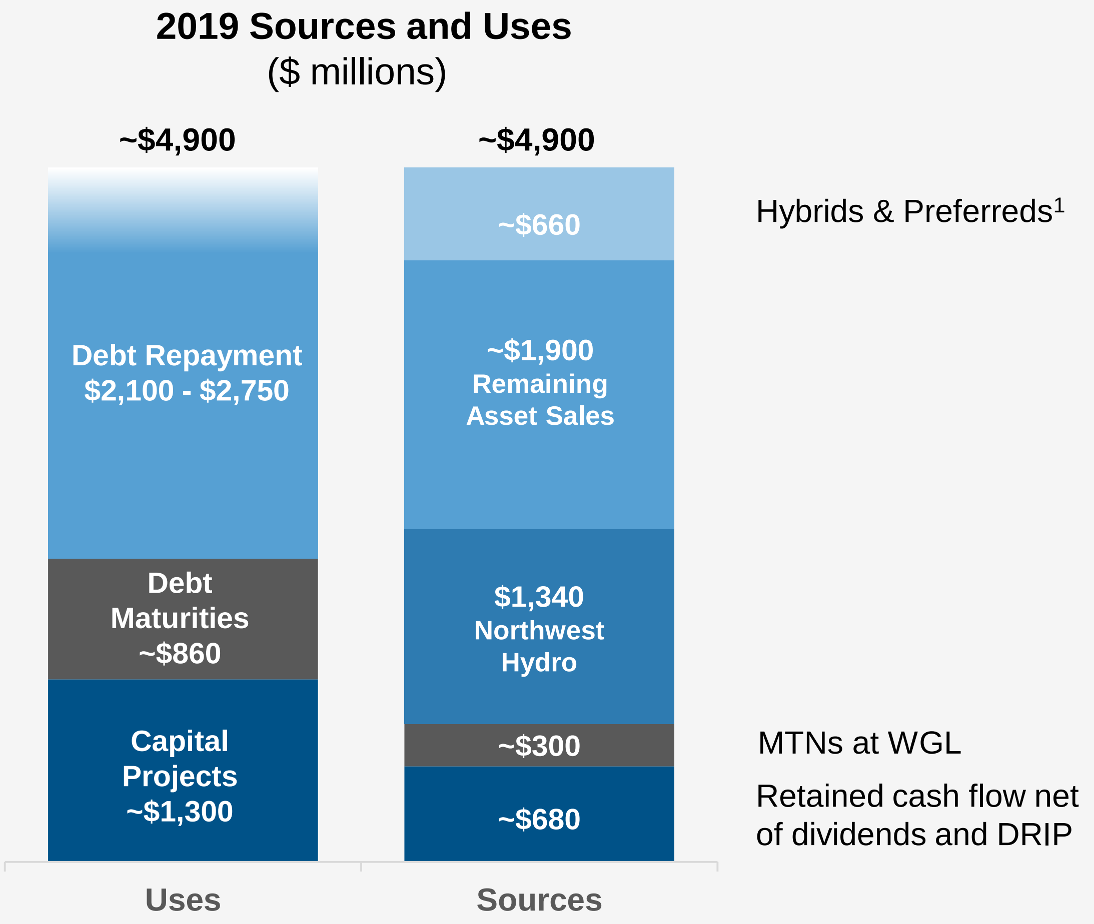
Identified Projects:
- System betterment across all Utilities
- Accelerated pipe replacement programs in Michigan, Virginia, Maryland and Washington D.C.
- Customer growth

Identified Projects:
- RIPET
- Townsend Expansion
- Aitken Creek Development
- North Pine – Train 2
- Central Penn Pipeline Expansion

Capital Allocation Criteria:

- Strong organic growth potential and strategic fit
- Strong risk adjusted returns and near-term contributions to per share FFO and Earnings
- Strong commercial underpinning

Funding Plan Progressing as Planned with Agreement to Sell Stonewall Interest

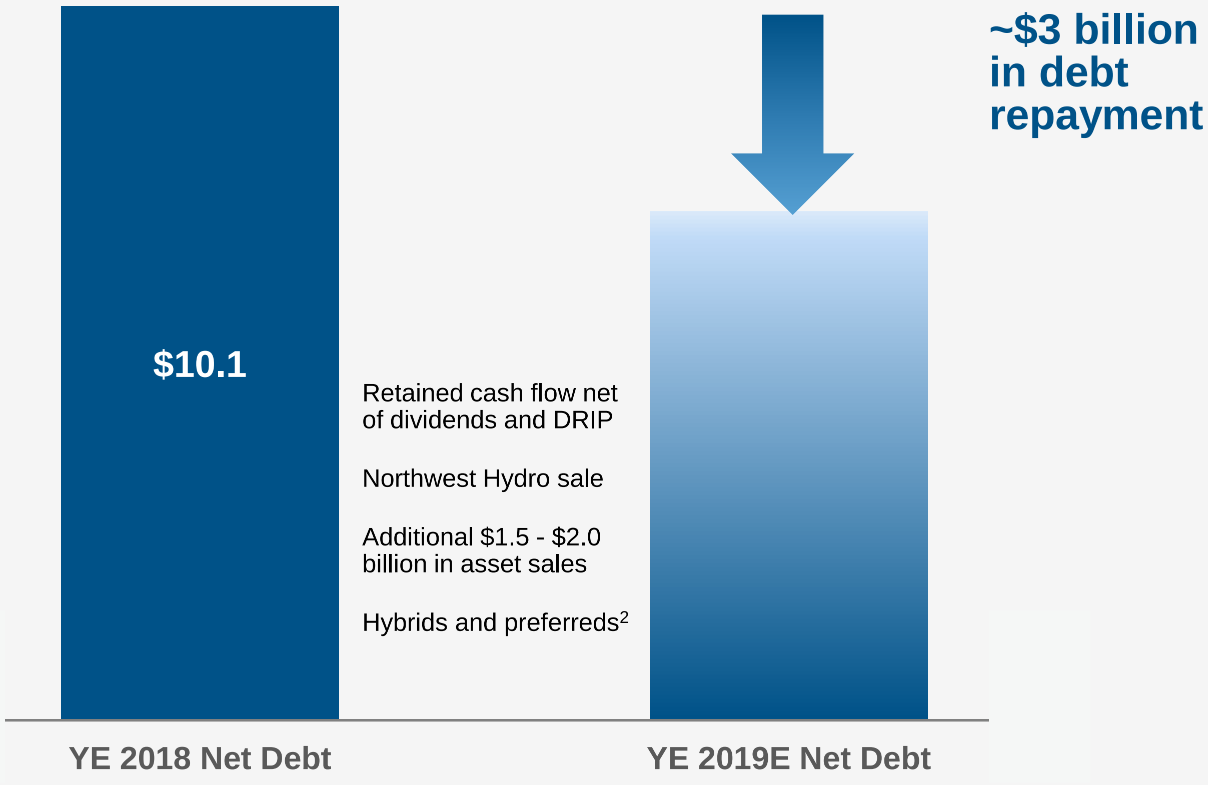


- Balanced funding plan eliminates the need for near-term common equity and provides funding flexibility
- ~$1.3 billion NWH sale completed
- $1.7 billion reduction in net debt[2] in Q1 2019
- Agreement to sell Stonewall interest for US $275.3MM, with additional 2019 asset sales progressing
- Term debt or hybrid market will be considered on an opportunistic basis

1 Will be considered on an opportunistic basis
2 Non-GAAP financial measure; see discussion in the advisories
See "Forward-looking Information"

De-lever the Balance Sheet

Net Debt[1]
($ billions)



2019 Plan Supports

- Lower debt and stronger balance sheet
- Improving Debt/EBITDA metrics to ~5.5x at year end[3]
- Commitment to investment grade credit rating

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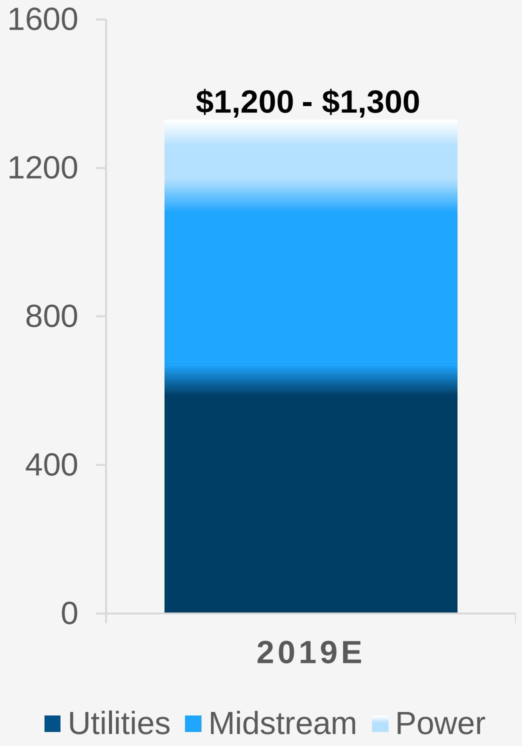
1. Non-GAAP financial measure; see discussion in the advisories
2. Will be considered on an opportunistic basis
3. Internal calculation uses GAAP treatment for preferred shares as equity.
See "Forward-looking Information"

2019 Outlook Remains Unchanged

2019 Normalized EBITDA[1] Guidance
($ millions)



($ millions)

	2019E
Normalized EBITDA[1]	**$1,200 - $1,300**
Normalized FFO[1]	**$850 - $950**
Normalized AFFO[1]	**$750 - $850**
Normalized UAFFO[1]	**$500 - $600**
Growth Capital Expenditures	**$1,300**
Midstream Maintenance Capital	**$14**
Power Maintenance Capital	**$21**

1 Non-GAAP financial measure; see discussion in the advisories
See "Forward-looking Information"

Appendix

Supportive Regulatory Environment for Utilities

Utility	2018 YE Rate Base ($US)	Average Customers	Allowed ROE and Equity Thickness	Regulatory Update
SEMCO Michigan	$480 MM	303,000	10.35% 49%	▪ Distribution rates approved under cost of service model. ▪ Projected test year used for rate cases with 10 month limit to issue a rate order. ▪ Last rate case settled in 2011. Next rate case expected to be filed in 2019. ▪ In August 2017, received approval from the Michigan Public Service Commission for the Act 9 application for the Marquette Connector Pipeline
ENSTAR Alaska	$295 MM	145,000	11.875% 51.81%	▪ Distribution rates approved under cost of service model using historical test year and allows for known and measurable changes. ▪ Rate Order approving rate increase issued on September 22, 2017. Final rates effective November 1, 2017. ▪ Required to file another rate case no later than June 1, 2021 based upon 2020 test year.
CINGSA Alaska	$74 MM[1]	ENSTAR, 3 electric utilities and 5 other customers	11.875%[2] 50.00%	▪ Distribution rates approved under cost of service model using historical test year and allows for known and measurable changes. ▪ Rate case filed in 2018 based on 2017 historical test year. ▪ Rate case hearing scheduled for May 2019 with a decision expected in the third quarter of 2019.

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1 Reflects 65% ownership
2 CINGSA implemented interim rates reflecting an assumed ROE of 11.875% based on a rate case filed in April 2018
See "Forward-looking Information"

Supportive Regulatory Environment for Utilities

Utility	2018 YE Rate Base ($US)	Average Customers	Allowed ROE and Equity Thickness	Regulatory Update
Virginia	$2.8 B	531,000	9.50% 52.3%	▪ Distribution rates approved under cost of service model. ▪ Rate case filed in July 31, 2018 seeking rate increase of US $37.6MM, including transfer of US$14.7MM rider under the Steps to Advance Virginia's Energy Plan ("SAVE") for net increase of US $22.9MM; US$1.3 billion projected rate base based on 10.6% ROE and ~53.3% of equity thickness. WG Rebuttal Testimony filed on April 12th lowered the rate increase to US $33.3 million, reflecting acceptance of SCC Staff adjustments and lowering ROE request to 10.3%. Hearing starts April 30, 2019, expect decision in late Q3 2019.
Maryland		489,000	9.70% 51.7%	▪ Distribution rates approved under cost of service model. ▪ Rates approved in December 2018; US $28.6 million in new revenues including transfer of US$15 million of Maryland Strategic Infrastructure Development and Enhancement ("STRIDE") costs and increased return on equity to 9.7% ▪ Rate case filed in April 2019, seeking an increase in base rates of US $35.9 million, partially offset by a reduction of US $5.1 million in surcharges currently paid by customers for system upgrades. Filing proposes a Safety Response Tracker (SRT) that would allow for more timely recovery of actual annual leak management and related costs. Rates expected to be effective in December 2019.
Washington D.C.		165,000	9.25% 55.7%	▪ Distribution rates approved under cost of service model. ▪ Last rate case was filed in February 2016 with final rates approved in March 2017 ▪ Rate case to be submitted in 2020

1 Reflects 65% ownership
2 CINGSA implemented interim rates reflecting an assumed ROE of 11.875% based on a rate case filed in April 2018
See "Forward-looking Information"

Accelerated Replacement Program

Utility	Location	Program
SEMCO ENERGY GAS COMPANY	Michigan	▪ Mains Replacement Program expires in 2020. Renewal expected to be filed in 2019. ▪ Expect to incur approximately US$10 million in 2019.
Washington Gas A WGL Company	Virginia	▪ Authorized to invest US$500 million, including cost of removal over a five-year calendar period ending in 2022. ▪ The SAVE application for 2019 was approved and the rider was implemented beginning January 2019. ▪ Expect to incur approximately US$90MM in 2019.
Washington Gas A WGL Company	Maryland	▪ STRIDE renewal approved in 2018 to be US$350 million over 5 years (2019 – 2023) ▪ Expect to incur approximately US$65 million in 2019.
Washington Gas A WGL Company	Washington D.C.	▪ Phase 2 of the PROJECT*pipes* program for accelerated replacement filed in December 2018 requesting approval of approximately US$305 million in accelerated infrastructure replacement in the District of Columbia during the 2019 to 2024 period. ▪ Seeking commission approval by September 30, 2019. ▪ Expect to incur approximately US$33 million in 2019.