

Q3 2013 EARNINGS CALL

CORPORATE PARTICIPANTS

Jess Nieukerk *AltaGas Ltd. - Director of Finance and Communications*

David Cornhill *AltaGas Ltd. - Chairman and Chief Executive Officer*

David Harris *AltaGas Ltd. – Chief Operating Officer*

Debbie Stein *AltaGas Ltd. – Senior Vice President Finance and Chief Financial Officer*

CONFERENCE CALL PARTICIPANTS

David Noseworthy *CIBC - Analyst*

Carl Kirst *BMO Capital Markets - Analyst*

Robert Catellier *Macquarie Research - Analyst*

Robert Kwan *RBC Capital Markets - Analyst*

Matthew Akman *Scotiabank - Analyst*

Steven Paget *FirstEnergy - Analyst*

PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to the AltaGas Limited Third Quarter Conference Call. I would like to turn the meeting over to Mr. Jess Nieukerk, Director of Finance and Communications. Please go ahead, Mr. Nieukerk.

Jess Nieukerk - AltaGas Ltd. - Director of Finance and Communications

Thank you. Good morning, everyone. Welcome to AltaGas's Third Quarter 2013 Conference Call.

Speaking today are David Cornhill, Chairman and Chief Executive Officer ; David Harris, Chief Operating Officer ; and Debbie Stein, Senior Vice President-Finance and Chief Financial Officer.

After some formal comments this morning, we will have a question-and-answer session.

Before we begin, I'd like to remind you that certain information presented today may include forward-looking statements. Such statements reflect the Corporation's current expectations, estimates, projections, and assumptions. These forward-looking statements are not guarantees of future performance, and they are subject to certain risks which could cause actual performance and financial results to vary materially from those contemplated in the forward-looking statements.

For additional information on these risks, please take a look at our Annual Information Form under the heading Risk Factors.

I'll now turn the call over to David Cornhill.

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

Thank you, Jess.

Good morning, everyone.

We had an exciting quarter with strong financial results and significant accomplishments on the growth front.

This morning, we reported normalized earnings of CAD0.21 per share, an increase of 62% over the third quarter of last year.

Our normalized EBITDA was up 61% at CAD103.5 million compared to last year.

Normalized funds from operations were CAD80.2 million, or CAD0.68 per share, compared to CAD53.3 million, or CAD0.56 per share, in the third quarter of 2012.

Our results on a trailing 12-month basis reflect significant shareholder value we have created with the acquisition of SEMCO, as well as other assets we added recently.

Our normalized trailing 12-months' earnings per share is CAD1.47, an increase of almost 40%. Our normalized trailing 12-months' funds from operations per share increased by almost 40% compared to the same period ending in 2012. And we are close to CAD0.5 billion in EBITDA. This shareholder value creation is a tremendous accomplishment and one in which the AltaGas team is very proud.

We are looking forward to next year, when Forrest Kerr and Volcano are in service. With the significant progress on the Volcano project, we have moved up the in-service date to 2014 from 2015. We continue to expect Forrest Kerr to be in service in mid-2014 with the positive progress made on the NTL construction.

McLymont remains on track for a 2015 start-up. David Harris will provide more detail on these projects.

In the third quarter, all three business segments are performing extremely well.

In the utility segment, with SEMCO now having contributed for its full first year, we are pleased to report that it's delivered above our expectations.

In the gas segment, field gathering and processing volumes were up by 18%, and extraction liquids production increased by 25%. Producers are active in the liquids-rich areas, and we are able to take advantage of this activity as our facilities are performing well.

In power, we had our first full quarterly contribution from Blythe. As a result, power generation increased by 400 gigawatts in the quarter. We are putting the pieces together in the quarter, and that will support our growth strategy.

The acquisition of a third interest in Petrogas enhances our growth strategy in two ways.

Firstly, Petrogas is a leading North America integrated midstream company bringing a unique opportunity to optimize and expand our current midstream assets. It increases our ability to move natural gas liquids and provides energy solutions for our customers. With annual revenues of more than CAD2.7 billion and growing, we expect Petrogas to add CAD0.10 per share in 2015.

Secondly, Petrogas has an extensive logistics network consisting of over 1,500 railcars and 24 rail and truck terminals. This provides key infrastructure, as well as supply logistics and marketing expertise required to pursue LPG export opportunities.

We are pleased that Idemitsu, our partner in our energy export business, also acquired a one-third interest in Petrogas. The three of us combined bring significant size, scale, and expertise to move our LPG export initiatives forward.

On the LNG export initiatives, we continue to make good progress on many fronts. The BC Environmental Assessment Office will begin a public consultation with respect to our PNG pipeline expansion on November 25. With the Transportation and Reservation Agreement signed, we have started planning for 2014 environmental studies. The Transportation and Reservation Agreements will carry us through the development stage up to the point we can make a final investment decision for the PNG pipeline expansion.

We are making progress on preliminary engineering and design for the LNG facilities. On October 29, we filed our application with the NEB to export LNG. With Idemitsu, we are seeking approval to export 2.3 million tons of LNG per year.

Finally, we continue to look at and evaluate various sites on both the LPG and LNG. This includes the Point Edward site we purchased about a year ago.

To conclude, we delivered 40% growth in earnings per share and cash flow per share on the trailing 12-months' basis.

With the projects we have under construction and the visible growth we have in front of us, we are well positioned to deliver on our goal of double-digit growth into the future.

We are executing our strategy. It is working, and we have delivered significant value to our shareholders.

With one of the lowest dividend payouts as a percentage of funds from operations, our dividend is solid, and we have considerable room to continue to grow our dividend.

With the growth potential we have in our sites, we are focused on delivering capital appreciation to our shareholders. The pieces are in place to deliver shareholder value through a balance of yield and growth.

I'll now pass the call on to David.

David Harris - AltaGas Ltd. – Chief Operating Officer

Thank you, David, and good morning, everyone.

Operations across our three business segments were strong in the quarter. Normalized operating income from our power business increased 72%, benefiting from higher Alberta power prices and a full quarter of Blythe. The Alberta power market averaged CAD83 per megawatt hour compared to CAD78 per megawatt hour in Q3 of 2012. For the third quarter 2013, AltaGas's Alberta power generation was 62% hedged at an average price of CAD70 per megawatt hour compared to 59% hedged at approximately CAD67 per megawatt hour for the same period last year.

Blythe contributed significantly to our power segment, adding approximately CAD12 million in EBITDA for the quarter, on track with our expectations and in line with the full-year profile of approximately CAD50 million in EBITDA.

Our utility business had another solid quarter. Normalized operating income was approximately CAD7.5 million, an increase of 36% over Q3 2012. In the first full year of ownership, SEMCO delivered approximately CAD138 million in EBITDA, which was ahead of our expectations. Our Canadian utilities also reported higher earnings driven by colder weather and rate-based growth. Given seasonality, we expect strong results for our utilities in Q4 as we enter the winter heating season.

On the gas business, we had a solid quarter driven by increased throughput from our new facilities. Normalized operating income was up approximately 30% at CAD26.3 million despite lower realized frac spreads.

In the quarter, pressure restrictions experienced on the NGTL system at our Harmattan Co-stream facility were lifted. In addition, we implemented modifications to allow processing at lower pressures should NGTL system pressure constraints occur again in the future.

Volumes at Co-stream have been ramping up steadily since the end of the quarter as operations completes final tuning associated with the modifications. Our Q3 2013 total extractions volumes increased by over 9,000 barrels per day, primarily as a result of the addition of our Co-stream facility at Harmattan and our deep cut facility at Gordondale.

We had higher throughput at our FG&P facilities in third quarter 2013, averaging 427 Mmcf per day, well above the Q3 2012 throughput of 362 Mmcf per day and higher than the first six months of 2013, which averaged 408 Mmcf per day.

For the third quarter 2013, AltaGas hedged approximately 73% of frac-exposed production at an average price of approximately CAD28 per barrel. This compares to approximately 83% hedged at approximately CAD35 per barrel in the same quarter last year. The spot NGL frac spread for Q3 2013 was approximately CAD29 per barrel compared to approximately CAD23 per barrel a year ago.

Looking at the rest of 2013, we expect strong results in our gas business, we expect volumes to continue to increase at Gordondale, and we expect to recover an increased amount of our contracted Co-stream revenue in Harmattan. We also continue to see higher throughput at Younger and all other extraction facilities.

In Q4, we expect to produce approximately 6,900 barrels per day of C3 plus that is directly exposed to frac spread, of which 87% is hedged at an average price of approximately CAD28 per barrel before deducting extraction premiums.

In power, we are approximately 59% hedged at CAD65 per megawatt hour for the fourth quarter. In October, prices have averaged CAD66 per megawatt hour month to date and forward prices for November and December are currently trading around CAD57 and CAD62 per megawatt hour, respectfully.

Let me conclude today with a quick update on our Northwest projects.

Construction on Forrest Kerr continues ahead of schedule and on budget. The total project is now approximately 90% complete. The intake structure is complete. The generator assembly is ongoing, and nine turbine centerlines are assembled, aligned, and grouted into position. We are on track to be

mechanically complete by the end of the year, and we still expect to sync to the grid by May 2014. We continue to monitor progress of the NTL, and it remains on track for COD in May 2014.

At Volcano, we have made significant progress, and as David mentioned, we are moving the timeframe for completion from mid-2015 to 2014. Excavations of the intake and diversion channel have been completed, and the weir is scheduled to be installed within the next 90 days. The powerhouse building structural steel has been erected and the powerhouse crane has been lifted into place. The building is scheduled for completion in November. The penstock excavation is ongoing and is on track to be completed in first quarter 2014.

At McLymont, construction of the seven-kilometer intake access road is 85% complete and is expected to be completed within the next 90 days. Excavation of the McLymont power portal has been completed, and approximately 30% of the 2,800-meter power tunnel has been excavated. Excavation of the powerhouse foundation is expected to commence in fourth quarter 2013, and the project is on track to be in service in mid-2015.

That concludes my prepared remarks. I'll now pass the call over to Debbie.

Debbie Stein - AltaGas Ltd. – Senior Vice President Finance and Chief Financial Officer

Thank you, David, and good morning, everyone.

As David mentioned, we reported a strong third quarter with normalized net income applicable to common shares of CAD24.7 million, or \$0.21 per share, compared to CAD12.3 million, or \$0.13 per share, in third quarter last year.

On a GAAP basis, net income applicable to common shares for third quarter 2013 was CAD43.3 million, or \$0.36 per share, compared to \$8 million, or \$0.08 per share, for third quarter 2012.

For the nine months ended September 30, 2013, normalized net income was CAD115.9 million, or CAD1.02 per share, compared to CAD62.9 million, or CAD0.69 per share, for the same period in 2012, or a 48% increase on a per-share basis.

On a GAAP basis, net income applicable to common shares for the nine months ended September 30, 2013 was CAD128.2 million, or CAD1.12 per share, compared to CAD75.1 million, or CAD0.82 per share, for the same period in 2012.

Results were driven by strong performance from all three of our business segments. Together, they reported a 58% increase in normalized operating income, achieving a CAD71.4 million in Q3 2013 compared to CAD45.1 million in third quarter last year.

For the nine months ending September 30, 2013, the three segments reported normalized operating income of CAD261.6 million compared to CAD159.7 million for the first nine months of last year, or a 64% increase year-over-year.

Operating income has been normalized for the CAD37.5 million pre-tax gains on the sale of the PTP pipeline and the provisions taken of approximately CAD90 million on certain non-core gas and utility assets which we plan to sell. As we have mentioned in the past, we have been looking to dispose of some of our smaller non-core assets, and we are now in active discussions with potential buyers for these assets.

We also normalize operating income for the joint venture development costs incurred in moving the Energy Export initiative forward.

Operating results were driven primarily by the higher throughput in the gas segment, higher power generated, and higher power prices realized in Alberta and the addition of the US utilities added in August 2012, as well as the rate-based growth in our Canadian utilities.

Interest expense for the quarter was CAD25.2 million and for the first nine months of 2013 was CAD75 million. This was higher than same periods last year as a result of higher debt balances from the addition of new assets, partially offset by lower interest rates in 2013 compared to 2012.

In third quarter 2013, we reported an income tax expense of CAD7.5 million compared to income tax expense of CAD5.1 million in the same quarter last year.

On a year-to-date basis, we reported income tax expense of CAD25.6 million compared to CAD27.6 million for the nine months ended September 30, 2012. We expect our effective tax rate for the full year 2013 to be approximately 25%.

For the three and nine months ended September 30, 2013, net invested capital was CAD161.3 million and CAD941.3 million, respectively, the majority of which was related to the acquisition of Blythe and the construction of the Northwest projects. We now expect our full-year capital expenditures to be approximately CAD1.4 billion given the addition of Petrogas.

For 2014, we expect our capital expenditures to be approximately CAD400 million.

Our balance sheet remains strong with a debt-to-total capitalization of 54.7%.

Our payout as a percentage of normalized FFO for the trailing 12 months ending September 30, 2013 remains conservative at 41%, which is at the lower end of our target range of 40% to 50%.

Our debt maturity remains very manageable, and we will continue to ensure we have ample liquidity, balance our long-term and short-term financing, as well as floating and fixed-rate debt, in order to execute a financing strategy that supports our business strategy.

And with that, I'll now turn the call back to Jess.

Jess Nieuwerk - AltaGas Ltd. - Director of Finance and Communications

Thank you, Debbie.

Operator, I'll now turn the call over to you for questions, please.

QUESTION AND ANSWER

Operator

Operator Instructions)

David Noseworthy, CIBC.

David Noseworthy - CIBC - Analyst

Maybe I'd just ask a quick question on your LNG. Your discussions with your market participants to develop sales agreements, what structure of contract are they looking for in terms of a Japan Crude Cocktail link contract versus a towing arrangement, and how does this comport with the JV's preferences?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

At this point, I think it's premature to comment, but clearly, all types of structures are under negotiating discussions with customers at this time. But what we want to ensure, it's a long-term relationship that works for both parties over the long term.

David Noseworthy - CIBC - Analyst

And then slightly different, on the Western transmission, and you talked about the TRAs will take you through to the end of the development phase, when do you expect the development phase to be completed?

David Harris - AltaGas Ltd. - Chief Operating Officer

With respect to kind of the pre-feeds stuff that we're doing, David -- this is David Harris -- probably as we get towards the end of this year and within the first month to two months of 2014.

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

PNG.

David Noseworthy - CIBC - Analyst

Yes, I am talking PNG.

David Harris - AltaGas Ltd. - Chief Operating Officer

On the expansion of the looping of the line?

David Noseworthy - CIBC - Analyst

That's right, yes.

David Harris - AltaGas Ltd. - Chief Operating Officer

Development phase -- probably by June of next year, the development phase should be done.

David Noseworthy - CIBC - Analyst

Okay, perfect. Thank you for that.

And maybe just a quick couple of questions on the LPG. I think originally we were expecting to have a feasibility all tied up by the end of this year. Can you give us a little bit more color in terms of when in 2014 you expect your LPG visibility to tie up?

David Harris - AltaGas Ltd. - Chief Operating Officer

Well, we do expect the pre-feed on LPG in by November, about the middle to the end of November timeframe. And then there's always some additional analysis going back and forth. So we'll probably be in a position to have some lockdown numbers as we get towards the end of the year, as I indicated, to the first month, maybe month-and-a-half of 2014.

David Noseworthy - CIBC - Analyst

Oh, and then is it FID that you expect to make in 2014?

David Harris - AltaGas Ltd. - Chief Operating Officer

That would be a potential, yes.

David Noseworthy - CIBC - Analyst

Okay. And then just on your Petrogas acquisition, how should we think about your sensitivity and exposure to NGL prices and oil prices subsequent to the acquisition?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

Not significantly changed. When we look at the business, it's a lot of straight margin business, and we don't see a lot. What it does enhance, we expect to see better net backs on our actual volume production of LNG than we have traditionally received, so we do see an uplift in our existing business.

David Noseworthy - CIBC - Analyst

Excellent. And the last question on Petrogas. Does the acquisition contemplate any kind of ROFR for the three owners now?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

Yes.

David Noseworthy - CIBC - Analyst

Thank you very much. Those are my questions.

Operator

Carl Kirst, BMO Capital Markets.

Carl Kirst - BMO Capital Markets - Analyst

And apologize -- if I could go back to the timeframes that David was talking about just to make sure I've got this.

So with respect to the LPG pre-feed, that is still sort of on track for, call it, November. And so I missed exactly what the January/February timeframe was in 2014. Was that when the LNG pre-feed concludes, or is that when everything with the LPG would potentially come together and we could make an FID at that point? I just want to make sure I've got the right stats here.

David Harris - AltaGas Ltd. - Chief Operating Officer

Yes, it's more the latter. When you get a pre-feed in, it's obviously a fairly large volume of work that is taking place, so the pre-feed is on track as we previously projected to be in November, and then you obviously run through the details and go through the design, commercial terms, and the like. By the time you work through that, we anticipate that being -- or concluding by the end of the year into the very beginning of Q1 of 2014.

Carl Kirst - BMO Capital Markets - Analyst

Excellent. And then with respect then to LNG, my last notes were we kind of had the feed concluding in early 2014. Is that still the case?

David Harris - AltaGas Ltd. - Chief Operating Officer

That's correct.

Carl Kirst - BMO Capital Markets - Analyst

Okay.

David Harris - AltaGas Ltd. - Chief Operating Officer

And just to clarify, that's pre-feed, right?

Carl Kirst - BMO Capital Markets - Analyst

Pre-feed.

David Harris - AltaGas Ltd. - Chief Operating Officer

You do a pre-feed, and then once you get your arms around the details and the numbers, then you move into a feed phase.

Carl Kirst - BMO Capital Markets - Analyst

So is it--?

David Harris - AltaGas Ltd. - Chief Operating Officer

The pre-feed for LNG is on track.

Carl Kirst - BMO Capital Markets - Analyst

Okay, okay. Is it safe then to say that since we haven't sort of officially concluded pre-feeds with either, that cost estimates at this point -- care to hazard a guess?

David Harris - AltaGas Ltd. - Chief Operating Officer

No, that's premature. I mean these are very large, complex projects, and it wouldn't be wise for us to indicate any number at this point.

Carl Kirst - BMO Capital Markets - Analyst

I understand completely. And then maybe just a last question, also, going to Petrogas, as well, and understanding that this is a lot of straight margin business. Can you tell me with respect to the CAD2.7 billion, for instance, of their revenue, has that been a relatively stable amount over the last either one year or two years? Or maybe a better way to ask it is of the CAD0.10 accretions, are there any major market assumptions that we can kind of follow externally to gauge if that \$0.10 can move up or move down as we move forward?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

I wouldn't say from margin. I would say the revenues have been growing with the business consistently and on track. A number of development projects that they're working on that will continue that growth. I guess the best margin is the health of the production of liquids in North America, and demand is probably the best overall indicator. No direct pricing in terms of commodity would be a very good indicator, I'd say.

Carl Kirst - BMO Capital Markets - Analyst

Okay, so basically just volume, industry volume flow?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

Yes.

Carl Kirst - BMO Capital Markets - Analyst

Okay, thank you.

Operator

Robert Catellier, Macquarie.

Robert Catellier - Macquarie Research - Analyst

Just a couple questions here on the asset sale. Can you identify the dry gas assets that are -- and utility assets that might be expected to be sold? And I'm thinking about how much operating capacity and the operating areas that might be contemplated here.

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

Yes, we're probably reducing just under 20% of our facilities, and average capacity's less than 10 million a day, so they're the small facilities, and for shareholders been a long time, we're ending this Highway 41 strategy that we started the Company on along the Alberta-Saskatchewan border.

So those are the assets that we're looking at disposing of and consolidating that. So no impact on volume to speak of or we expect at the end of the day probably a positive cash flow impact.

Robert Catellier - Macquarie Research - Analyst

Okay, and you'll -- there's not going to be any additional CapEx associated with site reclamation or anything of that nature?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

We've fully provided for that.

Robert Catellier - Macquarie Research - Analyst

Okay.

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

These are all essentially sweet, small facilities getting outed, so--.

Robert Catellier - Macquarie Research - Analyst

Right, so there's not a big liability anyway.

Just with respect to the LNG, as you move forward there, I'm wondering if in the Company's thinking about the strategy if it would undertake just the positioning on the local fraction plant or if it would undertake a position in the actual marketing of the output from that facility and take any sort of market exposure on the LNG?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

We wouldn't do anything on LNG that would materially change our risk profile, so we've -- that's the given in terms of a strategy and how we're structuring it. So I guess that's the best answer to your question.

Robert Catellier - Macquarie Research - Analyst

Okay, thank you.

Operator

Robert Kwan, RBC Capital Markets.

Robert Kwan - RBC Capital Markets - Analyst

Just on NTL, are you committing material resources to help BC Hydro out? And as you near completion of Forrest Kerr, can you direct any of your resources or incremental resources to help the NTL construction?

David Harris - AltaGas Ltd. - Chief Operating Officer

No, not at this time. We're always willing to support BC Hydro. They've been doing a very nice job along with their contract of valid. We've seen a significant amount of progress over the last two to three months. They've come a long way. They're actually almost complete with their foundations, as

well as their structures, and should be in very good shape by the end of this year, getting ready to move into more advanced stringing of the line. They've got just over 100 kilometers of the line strung already in the northern section.

But we work closely with them. We talk with them on a weekly basis, and any time we can support each other, which we have on occasion, we've done so.

Robert Kwan - RBC Capital Markets - Analyst

Thanks, David. And then this is probably again for you. Just on Volcano, you've moved the timeline up to 2014. Just any more granularity as to when in 2014 you've accelerated the in-service?

David Harris - AltaGas Ltd. - Chief Operating Officer

I would say maybe consistent in and around the same timeframe of Forrest Kerr, give or take a few months either side of that.

Robert Kwan - RBC Capital Markets - Analyst

Okay, so that mid-2014 date?

David Harris - AltaGas Ltd. - Chief Operating Officer

That's fair.

Robert Kwan - RBC Capital Markets - Analyst

Okay. And so what's allowed you to basically accelerate it by pretty close to 12 months?

David Harris - AltaGas Ltd. - Chief Operating Officer

A couple things. We've been pacing well ahead of schedule on Forrest Kerr, so we'll be able to free up and allocate some resources and take advantage of the synergies of three projects going together.

Mother Nature is always good to have on your side, so Mother Nature has Chief Operating Officer perated quite well with us over the last year-and-a-half. We've seen a very low winter upfront. I guess this time of the year, usually can get a lot of snow. We haven't seen that. The snow conditions have been great.

The other thing, too, to keep in mind for yourself and folks on the phone, Volcano is significantly different than the other two projects, right? We're not doing any tunneling for Volcano. This is a penstock design that we just dig a trench and we actually bury it. So the construction aspects of it, much less complex and simpler, and so is the same for the powerhouse.

Robert Kwan - RBC Capital Markets - Analyst

Okay. Last question here just on Petrogas and optionality. A lot of the focus of the conversation's been on how Petrogas can improve your NGL netbacks and then the LPG opportunity.

We've had some discussions recently just about how you like to look for upside optionality and assets, and I'm wondering can you just talk about the potential to deploy capital into Petrogas's core business, what type of projects and what geography?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

Clearly, we're looking at deploying just one in the fall. Was looking at, of course, the Saskatchewan storage caverns there in a joint venture with ATCO. Those type of things are -- as well as additional storage capability in the Midwest US are just a couple examples.

Robert Kwan - RBC Capital Markets - Analyst

That's great. Thank you very much.

Operator

Matthew Akman, Scotiabank.

Matthew Akman - Scotiabank - Analyst

Staying with Petrogas opportunities, are there any big capital projects or meaningful capital projects underway at Petrogas on infrastructure currently?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

None of significance currently under construction, but there are some ones planned mainly around storage. Storage facilities are probably the most significant ones currently contemplated.

Matthew Akman - Scotiabank - Analyst

Had they announced a partnership with ATCO?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

There was a press release sometime in August, I believe, ATCO press release did, I believe. Might have been July, but it was in summertime.

Matthew Akman - Scotiabank - Analyst

Okay, thank you. Still on Petrogas, I'm just wondering about your accretion guidance on the CAD0.10. I mean I don't know if you can break that down at all roughly between how much is from the Petrogas business standalone versus how much is the up-tick on value of AltaGas's existing NGL production.

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

It's all Petrogas.

Matthew Akman - Scotiabank - Analyst

So is there potential then, David, for the accretion to be really higher than CAD0.10?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

Well, I'll clearly be pushing to David Harris for that accretion to be higher.

Matthew Akman - Scotiabank - Analyst

But isn't that logical given that if that's all just Petrogas standalone, you guys have said pretty clearly that it helps with NGL marketing?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

Yes, and we haven't -- the question is the Quantum, and we just didn't want to get too far ahead of ourselves on accretion.

Matthew Akman - Scotiabank - Analyst

Okay. And my last question is on accretion. Debbie, is the accretion assuming -- I think there was CAD100 million of equity out of 440 total acquisition cost?

Debbie Stein - AltaGas Ltd. - Senior Vice President Finance and Chief Financial Officer

That is the assumption.

Matthew Akman - Scotiabank - Analyst

Okay. Thank you very much. Those are my questions.

Operator

(Operator Instructions)

Steven Paget, FirstEnergy.

Steven Paget - FirstEnergy - Analyst

Just on Petrogas, how much of Petrogas's volumes will be coming from AltaGas's production versus the NGL production of others?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

They move about 100,000 barrels a day of liquids, so we would be less than 10% of their current. And they currently move a lot of our production already.

Steven Paget - FirstEnergy - Analyst

Is any single customer of Petrogas larger than 10% of the total?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

If it is, it's one of the majors, but they're not overly concentrated.

Steven Paget - FirstEnergy - Analyst

And has any customer changed their dealings with Petrogas given that AltaGas is involved? For example, does Petrogas ship any competitor volumes, or have companies that have relationships with AltaGas joined more closely with Petrogas?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

Not that I'm aware of at this point, but we're -- we joint venture with a number of our I'm not sure competitors or co-investors in energy infrastructure, so not that I'm aware of. We were talking about some additional opportunities on both sides, so I don't think it's a material impact.

Steven Paget - FirstEnergy - Analyst

And, finally, could you discuss the possibility of expanded volumes at Gordondale or the possibility of another Gordondale-type investment in the Peace River arch area?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

We're constantly looking at new investments and currently getting close to, hopefully, filling Gordondale. We have built the flexibility to parallel that facility and would do that if produce demand demanded it.

Steven Paget - FirstEnergy - Analyst

Well, thank you. Those are my questions.

Operator

We have no further questions at this time. I'd like to turn the meeting back over to Mr. Nieuwerk.

Jess Nieuwerk - AltaGas Ltd. - Director of Finance and Communications

Thank you, Operator.

That concludes AltaGas's Third Quarter Conference Call. I'd like to thank everybody for joining us today, and I am available for any follow-up questions after the call.

Operator

Thank you. The conference call has now ended. Please disconnect your lines at this time. We thank you for your participation.