

# 2017 ALTAGAS LTD. ANNUAL SHAREHOLDERS MEETING

## CORPORATE PARTICIPANTS

**Mike Halpen** - *AltaGas Ltd. – Corporate Secretary*

**David Cornhill** - *AltaGas Ltd. – Chairman*

**David Harris** - *AltaGas Ltd. – President & CEO*

## PRESENTATION

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### **Mike Halpen – AltaGas Ltd. – Corporate Secretary**

I'd like to welcome all of you to the Annual Meeting of the Shareholders of AltaGas, both those here today in person and those listening to our webcast. My name is Mike Halpen, AltaGas' Corporate Secretary. David Cornhill, our Chairman of the Board will act as Chairman of the meeting. Mr. Cornhill has requested that I administer the formal part of these proceedings as well as act as Secretary of the meeting. David Cornhill and David Harris will then both make their presentations.

This meeting will be conducted in accordance with the rules of conduct, copies of which were provided to attendees upon entrance. I welcome all guests, who are not registered shareholders or proxy holders, but would ask that they refrain from voting or addressing the meeting. For shareholders who have previously voted by submitting a proxy, your proxies are automatically included in the final count, so there's no need for you to vote on any matter.

I'll now call the formal part of the meeting of shareholders to order. Simon Law and Daisy Molina of Computershare Investor Services will act as scrutineers. For your information, and in order to expedite the meeting, I've asked certain shareholders to make certain motions at the appropriate times. This is not intended to, in any way, to preclude discussion but only to assist the progress of the meeting. I'd welcome any questions or comments from shareholders at any time.

Voting regarding the directors and advisory voting regarding executive compensation will each be by ballot and individual votes shall be recorded and totals in favor or against will be tallied by the scrutineers. All other motions shall be by show of hands where each person present and entitled to vote shall have one vote.

I have before me a true copy of the notice of annual meeting of shareholders for April 26, today, 2017, together with the affidavit of mailing of Angel Chung of Computershare Trust Company as to the due mailing on March 24, 2017, to the shareholders of record on March 7, 2017, of the notice of meeting, together with the Management Information Circular, form of proxy and the annual report. The affidavit of mailing indicates that all documents were mailed within the time periods required by applicable legislation. I will file the affidavit of mailing with the minutes of the meeting.

Now pursuant to the bylaws of AltaGas, business may be transacted at this meeting if 2 holders are present in person or represented by proxy at the opening of the meeting and holding or representing not less than 5% of the votes attached to all outstanding shares entitled to be voted. I've received the report of the scrutineers, with respect to attendance, which report says that there are 81,593,306 shares present, representing 118 shareholders, and that's 48.5% of outstanding shares.

So I declare a quorum is present for the annual meeting and that the meeting is duly called and properly constituted for the transaction of business. I direct the scrutineers report on attendance be annexed to the minutes of the meeting.

First item of business is the presentation by the directors of AltaGas of their annual report to the shareholders, which report consists of the consolidated financial statements of AltaGas for the fiscal year ended December 31, 2016 and the auditor's report thereon. The consolidated financial statements, the auditor's report and the management discussion and analysis with respect thereto are included in annual report that has been mailed to the shareholders of record as of March 7. There are extra copies of the annual report available to shareholders upon request.

In addition, a report with respect to the business of AltaGas will be provided after the conclusion of the formal part of the meeting. It is not proposed to ask shareholders to approve the financial statements that have been placed before the meeting during the discussion.

Next item of the business is to consider the nominees standing for election as directors of AltaGas. The Board of Directors of AltaGas has fixed the number of directors to be elected at the meeting at 10.

I declare the meeting open for nominations for the persons to be elected as directors of AltaGas and ask John Lowe to place the names of the persons nominated by management of AltaGas before the meeting.

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**John Lowe – AltaGas Ltd. – Executive Vice President**

Thank you. I nominate Catherine Best, Victoria Calvert, David Cornhill, Allan Edgeworth, Daryl Gilbert, Dave Harris, Robert Hodgins, Phillip Knoll, David Mackie, and Neil McCrank.

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**Tim Watson – AltaGas Ltd. – Executive Vice President & CFO**

I second the motion.

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**Mike Halpen – AltaGas Ltd. – Corporate Secretary**

Thank you, John. Thank you, Tim. All the nominees have filed their consents to act as Director of AltaGas. As no additional nominations were received prior to the meeting, in accordance with our Advance Notice Bylaw, I now declare the nominations closed.

Could I please have a motion to elect those nominated as directors of AltaGas to take office immediately following the meeting and to hold office until the next Annual General Meeting of Shareholders or until they cease to be a director by operation of law or until their resignation becomes effective?

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**John Lowe – AltaGas Ltd. – Executive Vice President**

I would make that motion, Mr. Chairman.

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**Tim Watson – AltaGas Ltd. – Executive Vice President & CFO**

I second the motion.

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**Mike Halpen – AltaGas Ltd. – Corporate Secretary**

Thank you, John. Thank you, Tim. You've heard the motion. The motion is now open for discussion. Please note that only registered shareholders or their proxy holders are entitled to vote on the election of directors. There will be a ballot taken on this resolution. Each of the registered shareholders will receive a blue ballot. Each person present at this meeting that is entitled to vote should mark on the ballot whether you're in favor of the resolution, if you did not already do so, when you entered the meeting. If you're completing the ballot now, please raise your hand after you've marked your vote on your ballot so that a scrutineer can pick up your completed ballot for tabulation.

The scrutineers will tabulate the result of the ballot and we'll report the results before the end of the meeting.

Next item of business is a consideration of the reappointment of auditors of AltaGas and the authorization of the directors of AltaGas to fix the remuneration of the auditors.

Can I please have a motion to reappoint Ernst & Young, LLP as the auditors of AltaGas until the next Annual Meeting of the Shareholders or until a successor is appointed, and that the remuneration of such auditors be fixed by the directors of AltaGas?

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**Tim Watson – AltaGas Ltd. – Executive Vice President & CFO**

I will make that motion, Mr. Chairman.

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**Paul Clements – AltaGas Ltd. – Vice President & Controller**

I second the motion.

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**Mike Halpen – AltaGas Ltd. – Corporate Secretary**

Thank you, Tim. Thank you, Paul. You have heard the motion. The motion is now open for discussion.

All those in favor of the motion, please raise your hand.

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**Mike Halpen – AltaGas Ltd. – Corporate Secretary**

Oppose, if any?

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**Mike Halpen – AltaGas Ltd. – Corporate Secretary**

I declare the motion carried. The next item of business is the consideration of the advisory vote on executive compensation. Could I please have a motion that on an advisory basis and not to diminish the roles and responsibilities of the Board of Directors of AltaGas, that the shareholders of AltaGas accept the approach to executive compensation disclosed in the AltaGas Management Information Circular dated March 15, 2017, delivered in advance of the 2017 Annual Meeting of Shareholders of AltaGas?

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**Corine Bushfield – AltaGas Ltd. – EVP & Chief Administrative Officer**

I would make that motion, Mr. Chairman.

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**Randy Toone – AltaGas Ltd. – EVP of Commercial & Business Development**

I second that motion.

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**Mike Halpen – AltaGas Ltd. – Corporate Secretary**

Thanks, Corine. Thank you, Randy. You've heard the motion. The motion is now open for discussion.

Please note that only registered shareholders or their proxy holders are entitled to vote on the advisory vote on executive compensation.

There will be a ballot taken on this resolution. Each of the registered shareholders will have received a yellow ballot. Each person present at this meeting that is entitled to vote should mark on the ballot whether you're in favor of the resolution, if you didn't already do so when you entered the meeting.

If you're completing a ballot now, please raise your hand after you've marked your vote on your ballot so that a scrutineer can pick up your completed ballot for tabulation.

Scrutineers will tabulate the result of the ballot, and we will report the results before the end of the meeting. And now we're going to have a little pause here, while the results are being tabulated.

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**Mike Halpen – AltaGas Ltd. – Corporate Secretary**

With respect to the election of directors, the majority of votes cast by persons who were entitled to vote on the motion were in favor. I declare it to be passed, and that those nominated are elected as directors of AltaGas to take office immediately following the meeting, and hold office until the next AGM of Shareholders or until they cease to be director by operation of law or until a resignation become effective.

With respect to the advisory vote on executive compensation, majority of the votes were cast in favor, and I declare that to be passed. Is there any further business to come before the meeting? If there is no further business, I'd like to call for a motion terminating the meeting.

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**Corine Bushfield – AltaGas Ltd. – EVP & Chief Administrative Officer**

I would make that motion.

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**Paul Clements – AltaGas Ltd. – Vice President & Controller**

I second the motion.

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**Mike Halpen – AltaGas Ltd. – Corporate Secretary**

Thank you, Corine. Thank you, Paul. All those in favor of the motion, please raise your hand.

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**Mike Halpen – AltaGas Ltd. – Corporate Secretary**

Oppose, if any?

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**Mike Halpen – AltaGas Ltd. – Corporate Secretary**

I declare the motion carried and the formal part of the meeting at an end.

I'd like now to take this opportunity to introduce the AltaGas directors in attendance: Victoria Calvert, Phil Knoll, Al Edgeworth, Daryl Gilbert, Neil McCrank, Bob Hodgins, Neil McCrank, and our Chairman, David Cornhill, and our CEO, Dave Harris.

And so Mr. Cornhill and Mr. Harris will now make their presentations.

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**David Cornhill – AltaGas Ltd. – Chairman**

Thank you, Mike. And I'd like to thank all the shareholders that are here today and thank them for their support over the last year and a very exciting year for AltaGas.

The Board wants me also to express their appreciation to the employees of AltaGas and their commitment to the company and their time away from their families. And want to thank them very much for a great year in 2016 and look forward to exciting times over the next few years.

And finally, I want to express my personal appreciation to each and every one -- each and every board member -- for their commitment and hard work to AltaGas. I can tell you they're committed to ensure that the company remains strong.

Over the last 4 months, I think we've had 8 board meetings and if we keep this pace up, we'll have 32 board meetings this year. So thank you to each one of them and -- being flexible, to support management in their endeavors.

I think each lawyer, once they read this -- they add one or two lines. My eyes are going, so I can still barely read this but I wouldn't want to. And I think this is a nice presentation; just to make sure, Brad Grant, make sure I don't say something that he'd be afraid I might say.

I just want to talk a little bit about the role of the board. I'm going to try to make -- really, just keep things simple for me. And I think the first thing the board has to do is ensure the company remains strong and that's important for every stakeholder of the company. It also needs to ensure their employees are safe, the communities are safe and that we protect the environment. And the board has to balance the competing interests of a number of constituencies and stakeholders. But ultimately, our job is to maximize value for stakeholders. So that's our simple goal. There's a lot more to it but if we do that, we're doing our job.

Finally, diversity is important to us. We have diversity of thought in the debate that happens at board meetings. It's quite extensive. But we haven't reached the level of diversity we want. We have diversity of geographic location, from sea to sea to Gulf of Mexico. We have some gender diversity, not enough. We don't have enough other diversities. We have a close majority of left-handed board members. I'll just rule that out. Only left-handed people care about that. But I think it's important and you'll see increasing diversity in the board in an orderly manner over the next few years.

And from a board perspective, the strategy that we've had in place for over a decade, it's our north star, we see AltaGas meeting the needs of a growing low-carbon economy. And we, as AltaGas, develop, construct, operate and own clean energy infrastructure. And you'll see of our 3

businesses that David will talk about -- and I just want to talk about a little bit of it. Gas, we're really focused on export. We're focused on LPG export, natural gas export and have made progress that David will talk about.

But you wonder -- ask how does that fit our north star? Well, if you think about it, where we're exporting, produces 40% of the carbon dioxide in the world. If we can provide clean low-carbon fuels for them, they'll be able to grow their economy, holding their CO2 emissions flat or actually reducing them.

On the power side, we built the first wind farm in BC, built the largest run-of-river project in North America in the last 50 years and we've built the first battery storage facility in California that came on in December -- pretty impressive for a company from Calgary.

And finally, on utilities -- gas utilities that we've owned for up to -- we've owned -- been in the utility business for 20 years. And what we've seen over those 20 years is the efficiencies of furnaces, water heaters, going from the mid-60s to 95% to 99% efficiencies. So we are working on this and addressing our north star of low carbon economy.

WGL, as it says, the acquisition rate in the strategic fairway, 50% LDC gas, LDC, and 50% gas and being power generation.

The board is quite pleased with the strategy that the management has been implementing and over the past several years -- and probably a decade -- we've been talking about 2 major risks that the company had. The concern about the Alberta power market and concern about crude oil prices, and we've been working hard with management to address those strategic risks.

I think everyone can see the Alberta power market. We've produced a lot of power in Alberta so that was quite obvious. The crude oil pricing -- prices were somewhat less obvious. Producers, if you look at typically last -- since 2012 -- gas prices have only gone down 11%, relatively stable, but for producers, they needed higher -- high liquids prices to drill those gas wells, to be financially strong. And we have seen dramatic reduction in that. That's had an impact on a number of our customers and also had some impact on ourselves.

So just to try to put that in context -- put a little chart together and just want to highlight that -- since 2012, we've seen Alberta power prices go down 72%. Since 2012, we've seen WTI go down 55%. Since 2012, we've seen our EBITDA go up from \$337 million, to last year, \$701 million. Our strategy has mitigated the impact of those risks but we're not totally done yet. Clearly, the board and management would like to see, over the last couple of years, better performance. I think you'll see, with David's presentation, that management is committed to improving performance of AltaGas.

And now, I'm very happy to introduce David Harris.

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#### **David Harris – AltaGas Ltd. – President & CEO**

Thank you, David. And I'd like to welcome investors, shareholders and employees, and also, we have folks from the general public. We appreciate you joining us here today. We got a lot of exciting things to talk about. And especially, on the vision, directionally, where we're going with AltaGas and what it means for growth and sustainability of the company.

Just a little bit on the management team. A couple of new comers from last year that have joined us, Randy Toone has joined us back. He used to be a former employee of the company. He's now back in the fold. And then, Corine Bushfield has joined us at the tail end of 2016 as our new Chief Administration Officer and all the other names and faces should be familiar to each other from last year.

I want to talk a little bit about where AltaGas is today. We touch about 2 Bcf of natural gas through transactions as well as non-gas liquids and we're pushing close to 1,700 megawatts of installed megawatts that span across North America, within Canada and as David pointed out, all the way down pretty much to the border of Mexico.

In addition, we enjoy servicing over 570,000 customers in our 5 jurisdictions within our utility-regulated jurisdictions. Our success has been driven by our commitment to developing a diversified clean energy infrastructure portfolio in all 3 of our business lines. We are also well diversified between markets across North America and approximately half of our EBITDA comes from Canada and the other half comes from the U.S.

Looking where AltaGas is going, we have certainly fielded a healthy amount of questions over the last several months, with the pending transaction of WGL and I thought it would be good to give the folks an idea of what this transaction means. Where's AltaGas going and what do we look like tomorrow?

So looking at where we are going, WGL truly positions AltaGas as a leading North American energy infrastructure company, providing us with significant scale and financial strength. WGL is much more than a utility. As anyone who listened to our earnings call this morning, the

company has, besides being a top tier utility, they are extremely well diversified. And as an NG infrastructure company, with significant investments in the midstream business, as well as distributed clean power generation, and their traditional utility business as I talked about. And we are looking forward to leveraging the combined strength of both organizations to expand the breadth and depth of our investment opportunities across 3 business lines and across North America.

Moving over to vision and strategy, our vision and strategy, don't expect it to change. We will remain a nimble, but prudent, and decisive and disciplined, as we actively take advantage of market opportunities. We'll look for low risk, long-term sustainable assets that underpin shareholder value for the company.

Putting a final light on strategy, we are steadfast in our commitments to our 3 business segments and to delivering growth and yield to our investors. The WGL acquisition does not change this in anyway. WGL enhances the value we can bring to our shareholders with a combined growth pipeline of over \$7 billion on a Canadian dollar basis and opportunities in all 3 of the business segments. So we will definitely stay in keeping with our balance of the 3-legged stool. We maintain our commitment to growth and development across all 3 business segments. And then, in addition to that, especially as we look with respect to the gas business, fee-for-service, take-or-pay cash flows; cash flows in our power segment, lockdown by beating them to long-term PPAs; and then our utilities, generating regulated cash flows. Maintaining our financial stability allows us to have the flexibility and strength to execute on our growth plan.

Our commitment to social value is a foundation for us, without which, we would not have been as successful and certainly would not have been as successful in the construction and the execution and operation of our assets.

There certainly have been some interesting and challenging times in the market. David had pointed that out with respect to some downturns on significant commodity on market conditions. But as a result, over the last 5 years, we have delivered solid EBITDA and FFO growth, even though market conditions particularly like the last 2 years. This does not happen by chance but as direct result of a diversified portfolio and a broad brush we paint geographically.

In 2015 -- 2016, we saw commodity prices -- Alberta power and frac spreads hit some of their lowest points ever. As a matter of fact, I was thinking of calling some of my former friends in the submarine service and see if they can go find just how low they were going to go. But as David mentioned, we weren't completely insulated from the dramatic drop in commodity prices but we were able to continually grow the business, as you can see, quite sustainably.

Looking at cash flow and especially how it supports the dividend. Over this period of time, we're also able to continue growing our dividend. Our dividend growth has been fully supported by growth in funds from operations per share. As Tim mentioned on this morning's earnings call, 70% of our dividend is supported by utility segment in combination with our Northwest projects, which are 60-year contract assets, 100% indexed to the CPI. But equally important to our track record on dividend growth is our dividend sustainability.

Now I'd like to talk a little bit about some of the key accomplishments in 2016 and I'd like to first start with what's going in the gas business and particularly, our Northeast B.C. strategy. We successfully commissioned the Townsend Facility and in addition, we received regulatory approval to turn around and double the capacity at that facility, taking it from 200 Mmcf a day to 400 Mmcf a day. In addition to that, we received our permits and announced final FID on our North Pine Facility, that's a 10,000 -- Phase I is a 10,000 per day liquid separation facility with the ability to grow to 20,000. And in addition to that, we positioned ourselves for the FID announcement that we announced on January 3 of RTI moving into final investment decision.

David mentioned Pomona early in his discussion. This is truly a bit of a unique project. In the middle of 2016, Southern California Edison came out with an emergency RFP, part of that reason was they needed megawatt stability as a result of some of the challenges that were happening just north -- northeast of the L.A. area -- with Aliso Canyon, the gas storage facility.

We responded to that RFP within about a 45-day period of time. We received the majority of the megawatts underneath that RFP and what is even more impressive is the precedent-setting 4 months that we completed the project in. We completed that project in advance of any other folks that were awarded a contract underneath that RFP. And at the time, was -- if not, one of the largest battery projects commercially out there in the globe. So it certainly has positioned us very well with the Southern California Edison and it positions us very well for future RFPs that we are actively participating in right now. All of our sites are well situated for energy storage deployment within our assets in California.

Talking a little bit about utilities and I'll get into this a little bit later, but we also turn around and filed to turn around and build what we call our Marquette Pipeline, which I'll talk a little bit later and falls underneath the SEMCO regulatory jurisdiction.

Looking at 2017 priorities, we will continue to drive and enhance our base business, with the multiple projects we have on the go. This will set us up not only for strong year-end 2017 but also for growth in 2018 and beyond. In 2017, we expect to deliver high single-digit percentage growth in EBITDA and FFO over 2016. This growth is primarily driven by a number of factors: first, first full-year contribution of the Townsend

Phase I, which is 200 a day facility; the Pomona Energy Storage Facility; we expect to see normal weather across our utility jurisdictions; and continued efficiencies at our Northwest Hydro projects.

Higher earnings from frac spread with expected recovery in commodity prices and Townsend Phase 2A is, as we talked about this morning, moving along quite well and we expect it to come into commercial operation later on in the year.

Talking about 2017, some of the financial highlights. We realized substantial growth in normalized EBITDA and funds from operations in our first quarter, showcasing our diversified and highly-contracted asset base. EBITDA and FFO both grew by almost 30%, driven by strong performance in all 3 of our business segments. Our base business is performing exceptionally well -- seeing strong results from the newly commissioned Townsend Facility and Pomona Energy Storage Facility. Q1 this year was colder at most of our utilities and that leaves us well positioned to achieve our 2017 guidance of high single-digit percentage growth in EBITDA and FFO to debt.

Taking a look at Western Canada and to a certain extent beyond, especially with our ability to deliver our liquids product into Asia, we bring a fully integrated and midstream offering for producers. We have robust infrastructure and capabilities from wellhead to export markets. Through our export offerings of Canada's -- off Canada's West Coast -- as well as through Ferndale, we offer producers market diversification, enabling them to achieve the highest netbacks of their products.

As David mentioned earlier, that's an extremely important aspect of our business and what we bring to the producers just because of the nature of what has happened in the commodity cycle and the value the liquids brings to the overall value chain to the producer. We certainly are looking to continue to deliver that certainty to the producer as we assist them with low cost, on-time projects and open them up to diversification of product lines.

Key projects I'd like to highlight in our value chain: first Townsend 2 -- we talked about it a little bit earlier. Last year, we received permits to double the size of Townsend. Townsend 2A is well under construction and doing quite well and we are well on track to be in commercial operation by October of this year.

In addition, North Pine, construction has started at North Pine as well. Construction is moving along quite well and I'm happy to say, we're actually ahead of budget by almost a full quarter. We'll be pulling that up to the first quarter of 2018 and it's right where it should be on budget. Both these projects are instrumental in the link to Ridley Island Propane Export Terminal and the value chain we bring to producers.

Moving over to Ridley Island, by far and away, I would say the next game-changing project we have in the company. I think -- looking back over the years there's a number of those you can point to -- but Ridley will certainly change the landscape as it relates to Western Canadian egress and optionality for producers. Ridley will be the first LPG facility on Canada's West Coast and will have the ability to ship 40,000 barrels per day of propane to global markets off the West Coast of Canada without limitation.

Ridley has a premium brownfield site, with a world-class marine jetty and deep water access that allows very large gas carriers to operate very freely in that area. Ridley also has great potential for future expansion with minimal to no capital cost. Thus we have had, to date, getting Ridley to FID and our solid reputation as a company that can be -- that can things be done in BC has gone a long way to opening doors, both with producers, but also equally important with Asian counterparties. There's always a bit of skepticism of "Can Canada get things done on the West Coast?" And I can assure you, we spent an awful lot of time in Asia, in Japan, working with our partners, and this Ridley project really resonated exceptionally well with those Asian counterparties, as Canada being able to get something done and move forward and be an active participant in the global energy market, especially within Asia.

And an interesting data point is, based on today's trade data, Ridley Island Propane Export Terminal, would have the ability to increase the value of Canada's exports to Japan by approximately 5%. The interesting thing about that is that we're tightening -- that tightens the trade deficit with Japan. And certainly, can continue to do that with expansion capability that that facility brings.

I'd like to now talk a little bit about our U.S. power assets in California. With the renewable portfolio standards in California, there is a need to have a greater amount of generation coming from intermediate renewables. Steel in the ground, like Blythe, has real value, helping backstop renewables as there's clear need of fast, flexible starting combustion turbines to turn around and backstop the renewable demand.

Energy storage will also play an important role in backstopping renewables and in California's future. The success of our Pomona Energy Storage Project positions us well for future proposals. All of our other facilities in California are well situated to offer additional energy storage and as I mentioned earlier, we are actively participating in RFPs that we are currently -- have provided proposals to and waiting for the results.

Looking at our utilities, we are proud part of our utilities. In their respective jurisdictions, they have built strong credibility with their respective regulators. As a result, we are able to prudently invest in our systems and have been doing so at an average rate of about \$125 million to \$150 million over the past several years. We have good rate base growth in our utilities, coming predominately from system-betterment

opportunities. We also see good customer growth opportunities and the potential for special projects like the Marquette Connector in Michigan. Overall, we have achieved historical rate base growth of 4% to 7% per year, and expect this to continue out through 2021.

Just to spotlight a little bit the Michigan opportunity. The Marquette Connector is a proposed new pipeline that will provide system redundancy, increased deliverability, reliability, and diversify the supply that SEMCO Gas can turn around and provide to approximately 35,000 customers that are located in the western Upper Peninsula of Michigan. The application was filed in December of 2016 and we're expecting to hear about the results of that by December of 2017. Development would be expected to kick off in early 2018 with the pipeline to be in-service during the 2020 time frame.

Taking a look at our EBITDA trajectory and what underpins it. We have been diligent in delivering consistent and diversified EBITDA growth. This strong EBITDA growth has come while significantly lowering our commodity exposure.

A couple of other interesting data points, in 2017, we'll have less than 5% of our EBITDA exposed to commodity price. This compares to just over 50% in 2010. We have certainly come a long way in a 7-year period of time.

Social values, I guess, we take a very hard look at social values in this company -- and AltaGas -- we just don't talk about social values but treat them as a key strategic advantage to our success. The social license and influence of stakeholders has grown tremendously over the last several years. We continue to be focused on stakeholder relations, First Nations, government and communities. They're part of the solution. They're not part of the problem and we welcome that.

Our commitment is to work with these groups in a respectful way. Understanding and listening to them is critical as we go forward. Giving back to the community is important, whether it's through Cross Country Canada, Spruce Meadows, STARS Alliance Ambulance. I'll put a little bogey out there -- I'm participating in a fundraiser with STARS Alliance Ambulance at the end of the year -- so there maybe people getting some phone calls to donate some money to get me off the mountain. I'll be taking names and making lists, for sure.

But it's critical to give back to the community. Hoping to make the communities in which we operate and live, a better place. And everyone and AltaGas realizes that safety and environmental stewardship is job one. Dearest to my heart is, I want to make sure every employee, and every contractor, and anybody that does business with AltaGas certainly goes home safely to their families at night and we certainly don't do anything to remotely harm the environment or the communities.

Corporate responsibility -- this is certainly a topic or an area which has come under increased focus within the investor community and will certainly be a differentiator between world-class companies and not in the future. Corporate sustainability creates long-term shareholder value by embracing opportunities and managing risks derived from economic, environmental and social developments.

RobecoSAM has developed the Corporate Sustainability Assessment in order to help identify those companies that are best equipped to recognize and respond to emerging opportunities and risk resulting from global sustainability trends. I'm happy to report that AltaGas received a Bronze Class Sustainability Award for its excellence in sustainability performance in 2016. The award recognizes AltaGas as one of the top scoring companies in its industry.

Carbon Disclosure Project requested information on climate risk and low carbon opportunities. In 2016, AltaGas achieved a B on management rating, the highest score AltaGas has attained to date. This ranking demonstrates AltaGas' level of environmental stewardship, as well as the actions and approaches AltaGas is taking to managing climate change. A B-rating was achieved by only 28% of the companies responding to CDP in 2016.

I'd like to turn and talk about WGL Holdings and start with an overview. I certainly cannot say enough, before I start, about Terry, his team, their professionalism, the relationships that they have forged and enjoy with the regulators -- the fact that there's no daylight between the 2 companies. We are shouldered up with resolve to work professionally and effectively, not only between the companies, but with the regulators, government and key stakeholders, which will be instrumental in the success of delivering the regulatory approvals needed to close this deal.

WGL was founded over 160 years ago, headquartered in Washington, D.C. and its area of operations are focused in Washington, D.C., Maryland and Virginia. WGL has several business lines, including a regulated utility business, a midstream business, a commercial energy services business and a retail energy marketing business. WGL's regulated natural gas utility, which was founded and chartered by Congress in 1848, to put a gas light on top of the United States capital, and now serves more than 1.1 million customers -- pretty impressive accomplishment.

WGL Midstream has unique footprint in the Marcellus and Utica gas production areas, which allows it to connect supply with demand in one of the fastest-growing regions in North America, that region being the service territory that WGL services.

Retail businesses provide residential business and government customers with options to purchase gas and electrical energy solutions to their third-party provider. The combination of the 2 companies is pretty powerful. Together, AltaGas and WGL offer a higher pro forma growth with a focus on stable businesses and significant organic growth.

WGL nearly doubles AltaGas' current EBITDA, providing a strong base upon which the combined companies can grow. Near term, the \$7.3 billion in Canadian identified growth platform projects consist of a balanced opportunities across all 3 of our business lines. Overall, we expect to have a balanced mix of energy infrastructure growth projects in utility, midstream and power. It is these growth opportunities that will in part help drive the accretive nature of this deal and our commitment to delivering 8% to 10% dividend growth through 2021.

A bit on the financing strategy, financing plan is designed to maintain a strong investment grade profile for the combined company over the long term. We started with a 2.6 billion subscription receipt completed following the deal announcement. We expect to fund the remainder of purchase price with a combination of asset sales from AltaGas' existing portfolio, incremental debt, preferred shares and hybrid securities. This deal's accretion will help us reduce overall payout ratios as well.

Our DRIP -- we reward shareholders for continuing to support the business and we look forward to accessing new capital market opportunities in the U.S. as well as relying on our tried and true Canadian capital markets access. Expect that the combined company will have a strong BBB mid-credit rating from credit rating agencies on close.

Little bit on the timeline from this morning's earnings call. We turned around and we filed with each one of the jurisdictions on Monday of this week and right now, we'll turn around. They'll certainly start to read those filings. We fielded a number of questions but we believe we have got a very good package and that package was well thought out. We had a number of our folks, John O'Brien and key folks here in Calgary, and other support cast of characters on the grounds in the Washington D.C. service area really listening and talking and paying a lot of attention to what was on the minds of the regulators, what was on the minds of government officials, key stakeholders and the like. And certainly, have put together a very tight filing that we think will certainly address their concerns and what was on their mind. We believe we're steadily on track to have this deal closed somewhere in the first half of 2018.

Over the last 10 years, we have delivered significant returns to our shareholders and we'll continue to focus on delivering strong returns. I would like to thank you for joining us today and will now take any questions you may have. And so some folks don't give me a hard time, I just want to remind everybody to please raise your hand if you have any questions and we'll come around with a microphone.

So I'll now open the floor to Q&A.

No questions? I kind of like that. It's kind of hot up here, for sure. Sir?

## **Q & A**

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### **Shareholder Question**

How long do you anticipate that it'll take to get the WGL portfolio sorted out? Or approved, rather?

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### **David Harris – AltaGas Ltd. – President & CEO**

We operate in 3 jurisdictions, or WGL does. Two of the jurisdictions have statute time frames, approximately 225 days, and D.C. does not have a statute requirement for approval. But based off of previous lessons learned, intel that we picked up and how we've been coordinating with the regulators and others, we'd expect to have this -- have the approval and close somewhere in the first half of 2018.

All right. Well, thank you everybody, for coming today and I look forward to seeing you again in 2018.