



Investor Presentation

December 2017

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 (including AltaGas or an affiliate of AltaGas following completion of the WGL Transaction), are intended to identify forward-looking statements. In particular, this presentation contains forward-looking statements with respect to, among other things, business objectives; strategies; expected returns; expected growth (including growth in normalized EBITDA, normalized funds from operations, dividends, payout ratios, customers, rate base and the components thereof) and sources of growth; capital spending; cash flow and sources of funds; results of operations; performance; expectations regarding growth and development projects and other opportunities (including expected EBITDA contributions, capital expenditures, facility design specifications, cost, location and location benefits, ownership, operatorship, ability to expand, retrofit, double capacity, contracting capability, construction expertise, progress of construction; development timelines; capacity; connection capability to infrastructure; transmission options; options for producers; access to markets; potential end markets; sale and purchase of LPG; export capability; sources of supply; tolling arrangements; shipping costs; and timeline and targets and expected dates of construction completion; final investment decision; in-service and on-stream), expectations of Ridley Island Propane Export Terminal being Canada's first west coast propane terminal and potential for first mover competitive advantages; expectations regarding Astomos' propane shipments; ability to capture market share and propane processing capacity; expectations on future market prices; access to capital markets; liquidity; target ratios (including normalized FFO to debt and net debt to EBITDA), increase in gas production and demand for infrastructure in the Montney region; expectations regarding supply and demand for propane; sources of supply and WCSB exports and surpluses; expectations for the longevity and reliability of infrastructure assets; the quantity and competitiveness of pricing; barriers of entry for new gas generation and value of existing infrastructure; development of solar projects; incremental battery storage opportunities and other renewable projects; system betterment; natural gas pipeline replacement and refurbishment programs; Marquette Connector Pipeline; the stability and predictability of dividends and the sources of funds therefor; expectations regarding volumes and throughput; competitiveness of WCSB gas; AltaGas' view with respect to the California power market; sources of future supply and opportunities that may become available for existing AltaGas facilities; commodity exposure; frac spread exposure; hedging exposure; foreign exchange; demand for propane; expectations regarding operating facilities; expected dates of regulatory approvals, licenses and permits; and financial results. In particular this presentation also contains forward looking statements with respect to the combination of AltaGas and WGL and related performance, including, without limitation: the transformative nature of the WGL Transaction; the portfolio of assets of the combined entity; total enterprise value; nature, number, value and timing of growth and investment opportunities available to AltaGas; the quality and growth potential of the assets; the strategic focus of the business; the combined customers, rate base and customer and rate base growth; EPS accretion and normalized FFOPS accretion, in the first full year following the WGL transaction and over the period to 2021; growth on an absolute dollar and per share basis; strength of earnings including, without limitation, EPS, FFOPS, EBITDA, EBIT and contributors and components thereof; annual dividend growth rate, payout ratios, and dividend yield; the ability of the combined entity to target higher growth markets, high growth franchise areas, and other growth markets; the liquidity of the combined entity and its ability to maintain an investment grade credit rating; balance sheet strength; improved credit metrics and target credit metrics (including in respect of FFO/debt and net debt/EBITDA); the leveraging of respective core competencies and strategies; the ability to deliver high quality service at reasonable rates; the fact that closing of the WGL transaction is conditioned on certain events occurring; the geographical and industry diversification of the business; the stability of cash flows and of AltaGas' business; the growth potential available to AltaGas in clean energy, natural gas generation and retail energy services; the significance and growth potential and expectations for growth in the Montney and Marcellus/Utica; export opportunities; expectations regarding WGL's midstream investments; intentions for further investment; expectations for normalized EBITDA allocation geographically, by business segments and the other components thereof; expected timing and capex for certain AltaGas and WGL projects and expected capital investment by business segment; future growth financing strategies; sources of financing and cash flow; long-term target business mix; access to capital; anticipated completion of the WGL Transaction, including certain terms and conditions thereof and the anticipated completion and timing thereof; execution of permanent financing plans (include asset sales and future offerings); and the receipt of all necessary regulatory and stock exchange approvals. 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Financial outlook information contained in this presentation about prospective financial performance, financial position or cash flows is based on assumptions about future events, including, without limitation, economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are advised to refer to AltaGas' news release regarding the acquisition of WGL for a further description of the assumptions underpinning the financial outlook information contained in this presentation relating to the combination of AltaGas and WGL. Readers are cautioned that such financial outlook information contained in this presentation should not be used for purposes other than for which it is disclosed herein.

In this presentation we use certain supplementary measures, including Normalized EBITDA, Normalized Funds from Operations ("FFO"), Normalized Funds from Operations per Share ("FFOPS"), AFFO and net debt that do not have any standardized meaning as prescribed under U.S. generally accepted accounting principles ("GAAP") and, therefore, are considered non-GAAP measures. AltaGas' method of calculating these non-GAAP measures may differ from the methods used by other issuers. Readers are advised to refer to AltaGas' Management's Discussion and Analysis ("MD&A") as at and for the six months ended June 30, 2017 for a description of the manner in which AltaGas calculates such non-GAAP measures and for a reconciliation to the nearest GAAP financial measure. Normalized FFOPS is derived by dividing normalized FFO by the weighted-average shares outstanding for the relevant period. In this presentation we also use the Non-GAAP measure "Earnings Before Interest and Taxes (EBIT)", which is disclosed in respect of WGL's business segments only. As described in WGL's annual report on Form 10-K filed with the SEC, WGL considers EBIT to be a performance measure that includes operating income, other income (expense), earnings from unconsolidated affiliates and is reduced by amounts attributable to non-controlling interests. EBIT is used in assessing the results of each segment's operations.

Readers are also cautioned that these non-GAAP measures should not be considered as alternatives to other measures of financial performance calculated in accordance with GAAP. Additional information relating to AltaGas can be found on its website at www.altagas.ca. The continuous disclosure materials of AltaGas, including its annual and interim MD&A and Consolidated Financial Statements, Annual Information Form, Information Circular, material change reports and press releases, are also available through AltaGas' website or directly through the SEDAR system at www.sedar.com and provide more information on risks and uncertainties associated with forward-looking statements.

Unless otherwise stated, dollar amounts in this presentation are in Canadian dollars.

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AltaGas & WGL Holdings Strategic Combination

High-quality, contracted assets with significant organic growth

**~\$18
Billion**

Total Enterprise Value¹

15-20%

Funds from
Operations per
Share² Accretion
through 2021

8-10%

Dividend Growth
(2019 – 2021)

Strong
investment
grade balance
sheet

8-10%

EPS Accretion
through 2021

~7.5%

Dividend Yield³

\$5 billion

Secured growth

+ \$2 billion

Advanced growth
opportunities

Compelling Benefits

Acquisition supports AltaGas' long-term vision and strategy



Business compatibility

(Gas utilities, midstream, contracted power)

Diversification

(3 businesses, 8 utility jurisdictions, in over 30 states and provinces)

Scale

(~\$22 billion¹ combined assets)

Common Culture

Significant high-quality growth opportunities;

8-10% dividend growth 2019-2021

Accretive to both EPS and cash flow metrics through 2021

Stable high quality assets, investment grade balance sheet and conservative payout ratio

AltaGas & WGL Significant Infrastructure Platform

High-quality, contracted assets with attractive organic growth

~2 Bcf/d¹ of Natural Gas transacted

- ~70,000 Bbls/d liquids produced
- 1,690 Mmc/d of extraction capacity
- ~900 Mmc/d of FG&P capacity
- 2 export terminals²
- Interest in four major pipelines in Marcellus / Utica

1,078 MW³ of Power Generation

- 422 MW Gas
- 277 MW Hydro
- 117 MW Wind
- 35 MW Biomass
- 20 MW Energy Storage
- 207 MW Distributed Generation

~\$4.5B⁴ Utility Rate base

- ~1.7 million customers
- 8 Jurisdictions
 - Alberta, B.C. and Nova Scotia in Canada
 - Alaska, District of Columbia, Maryland, Michigan and Virginia in the U.S.

~70% U.S.
normalized EBITDA
Contribution

~30% Canadian
normalized EBITDA
Contribution

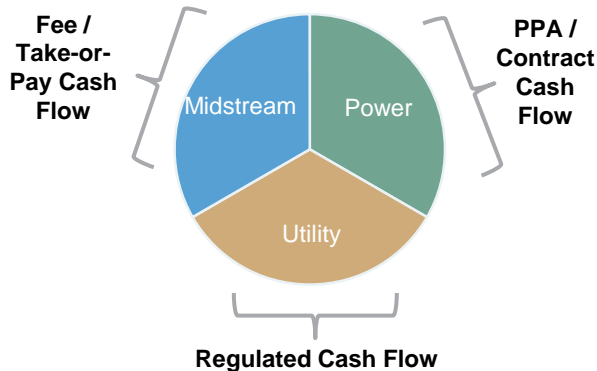
Over 80% normalized
EBITDA Contracted
with medium and
long-term
agreements



Leading North American Diversified Energy Company

Premier footprint in Canada and the U.S.

Balanced Long-Term Target Business Mix



Segment normalized EBITDA¹ (2017F)



Segment normalized EBITDA² (2019F)

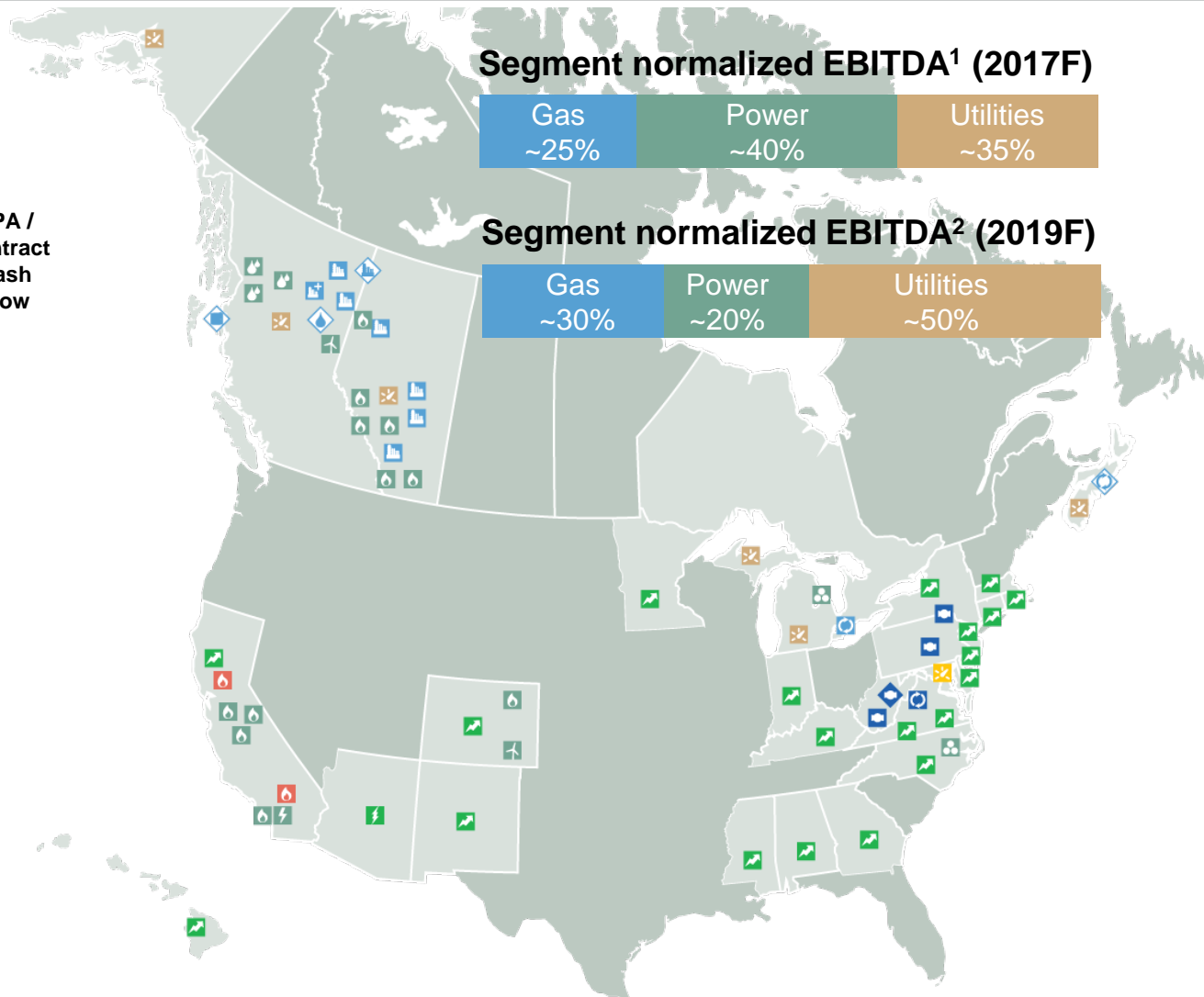


AltaGas

- Gas Processing
- Expansion to Existing Facility
- Gas Processing Under Construction
- Regional LNG Facility Under Construction
- LPG Under Construction
- Storage Facility
- Storage Facility Under Construction
- Wind Power Generation
- Hydro Power Generation
- Biomass Power Generation
- Gas-Fired Power Generation
- Gas-Fired Power Generation For Sale
- Energy Storage
- Utilities

WGL

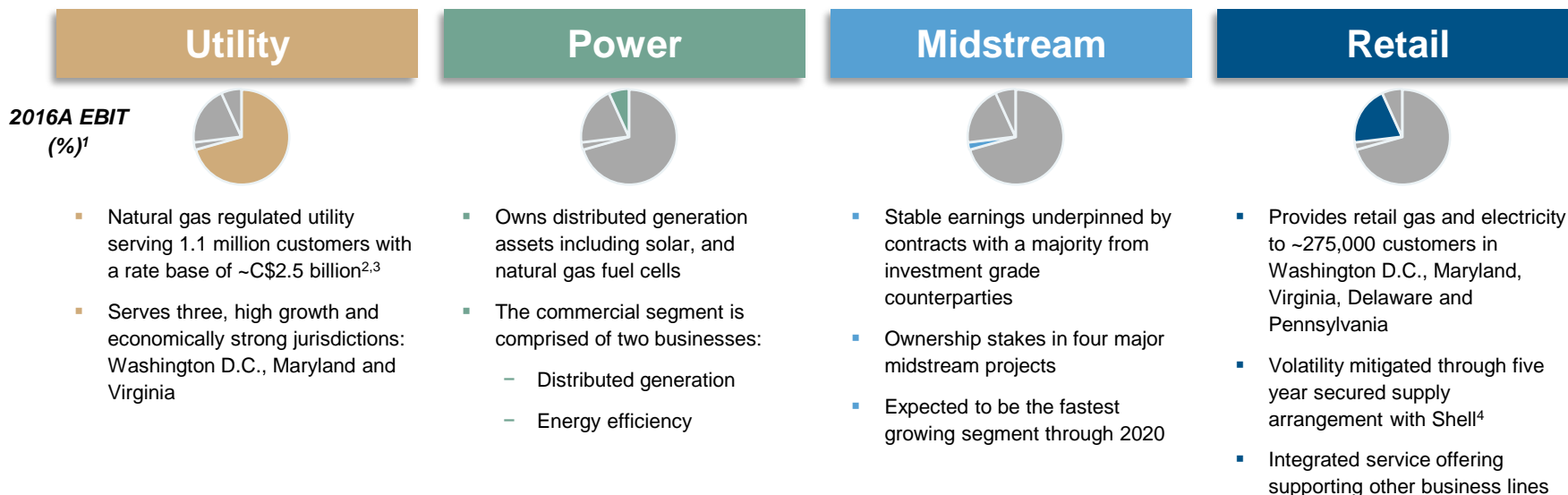
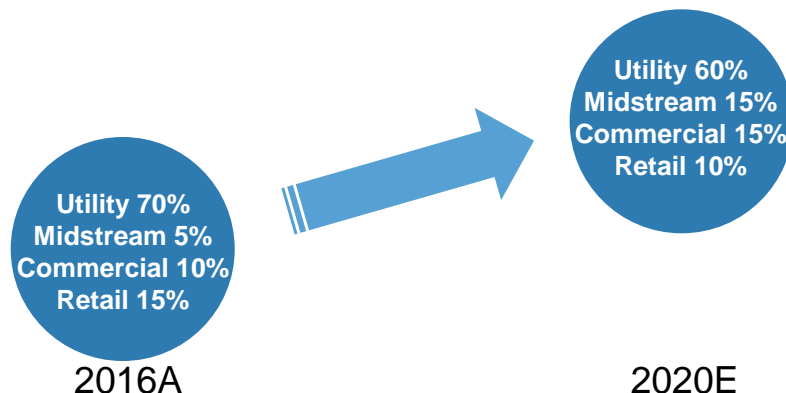
- Midstream Pipelines
- Midstream Pipelines Under Development
- Distribution Generation
- Utilities
- Hampshire Gas Storage Facility



WGL Overview

- WGL is a leading diversified U.S. energy company
- Seen as a preferred source of clean and efficient energy solutions that produce value for customers, investors and communities
- Disciplined capital allocation strategy focused on infrastructure investments with numerous near-term opportunities
- Strong balance sheet and credit ratings (Moody's/S&P/ Fitch)
 - WGL Holdings: (A3/A/A-)
 - Washington Gas: (A1/A/A)

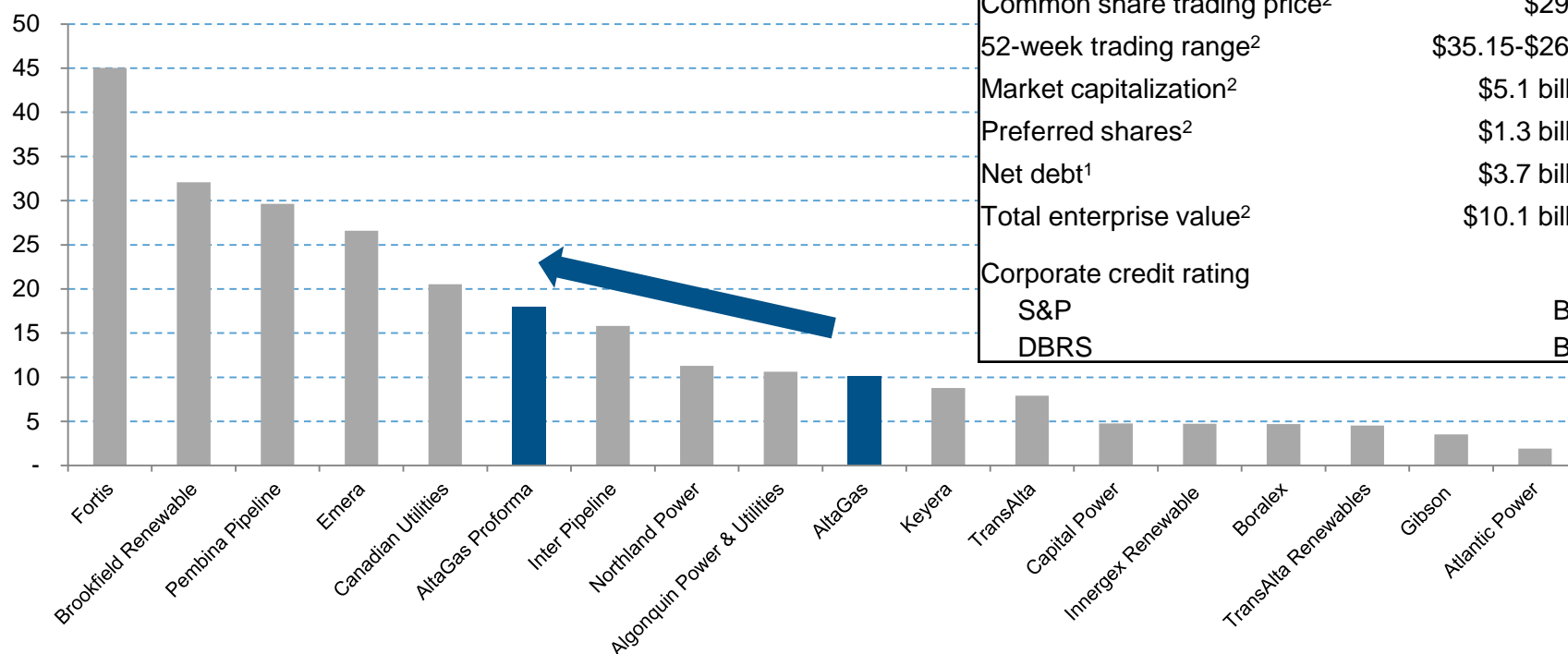
EBIT Contribution By Segment⁵



Larger Scale Enhances AltaGas' Competitive Position

Peer Group

Enterprise Value (\$ billions)



TSX: ALA Today \$CAD

Common shares outstanding ¹	173 million
Common share trading price ²	\$29.16
52-week trading range ²	\$35.15-\$26.87
Market capitalization ²	\$5.1 billion
Preferred shares ²	\$1.3 billion
Net debt ¹	\$3.7 billion
Total enterprise value ²	\$10.1 billion
Corporate credit rating	
S&P	BBB
DBRS	BBB

~\$18 billion³ energy
infrastructure company post-close

Increased diversification

**Expanded access to
capital and greater
financial flexibility**

Attractive Platform for Growth Through 2021

~C\$7 billion of identified capital investment opportunities

Energy
Storage

Canadian
Midstream
Montney

Large Scale
Power
Development

Distributed
Generation



U.S. Midstream
Marcellus /
Utica Footprint

Canadian
Utilities
System
Betterment and
Customer
Growth

U.S. Utilities
System
Betterment and
Customer
Growth

\$5 billion

Secured growth



\$2 billion

Advanced growth
opportunities

Combined Midstream in North America's Most Prolific Gas Plays

Strategic infrastructure provides producers with global market access

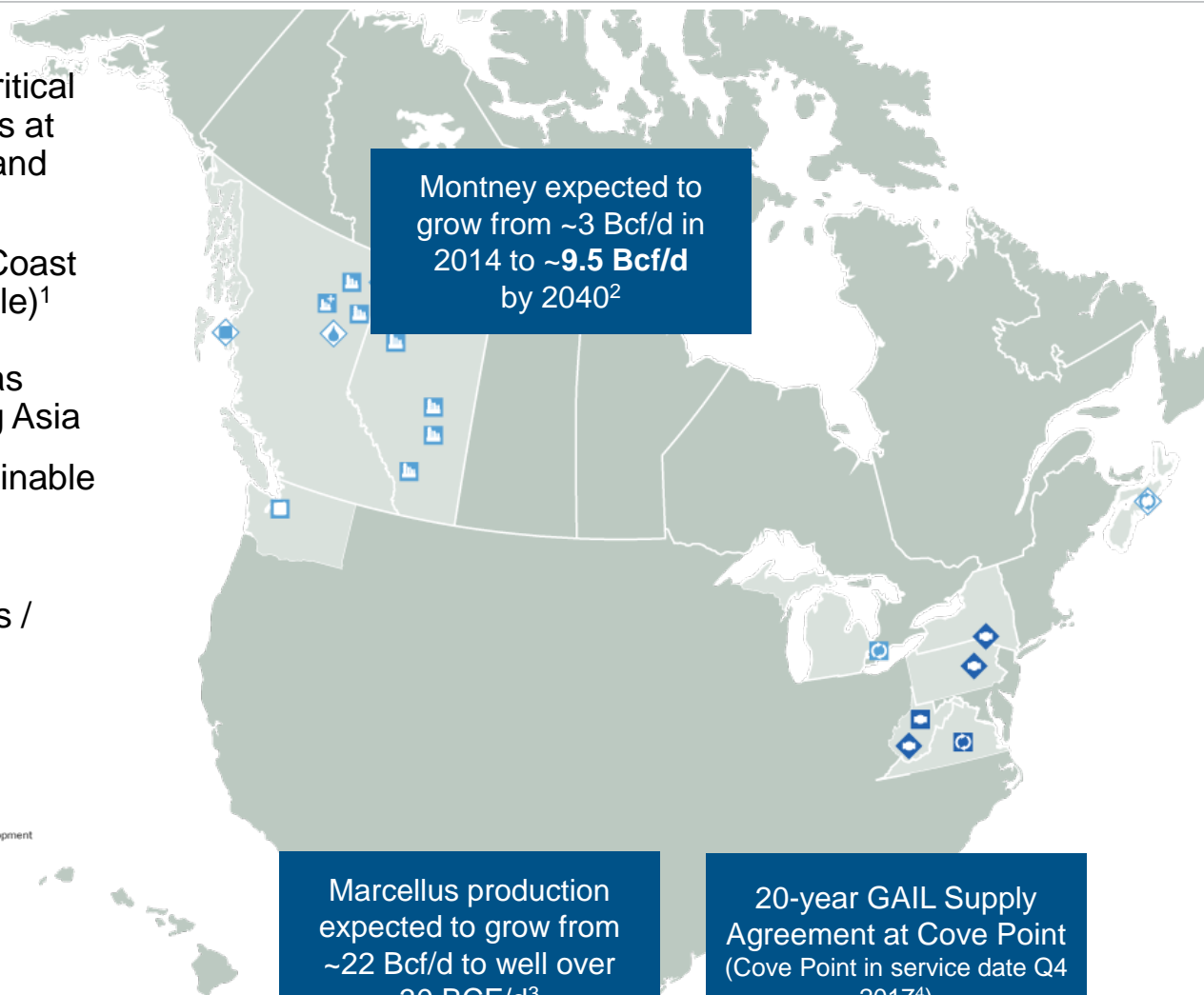
- Unique opportunity providing critical infrastructure for energy exports at three sites on both the Pacific and Atlantic
- Only significant existing West Coast energy export terminal (Ferndale)¹ with a second (RIPET) under construction, moving natural gas liquids to key markets including Asia
- High grade asset base in sustainable plays drive growth
- Strategic footprint in vertically integrated Montney & Marcellus / Utica plays

AltaGas

- Gas Processing
- Expansion to Existing Facility
- Gas Processing Under Construction
- Regional LNG Facility Under Construction
- LPG Terminal Under Construction
- LPG Terminal Under Construction
- Storage Facility
- Storage Facility Under Construction

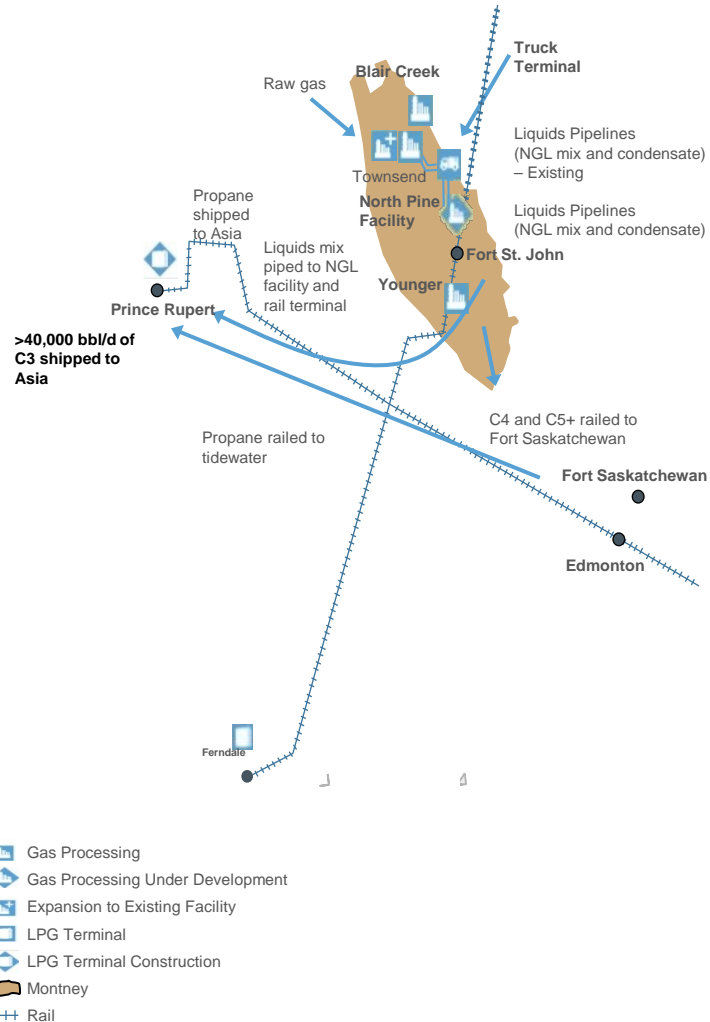
WGL

- Midstream Pipelines
- Midstream Pipelines Under Development
- Hampshire Gas Storage Facility



AltaGas' Northeast B.C. Strategy

Provides new market access for Western Canadian propane producers to Asia



Ridley Island Propane Export Terminal (RIPET)
\$450 - \$500 Million¹
In service: Q1 2019

- Expected to be Canada's first propane export terminal, located on B.C.'s west coast
- Will provide producers with access to key markets to the west, including Asia, with significant shipping cost advantages vs. the Gulf coast
- 40,000 Bbls/d of export capacity

North Pine NGL Facility
\$100 - \$110 Million
In service: Dec. 2017

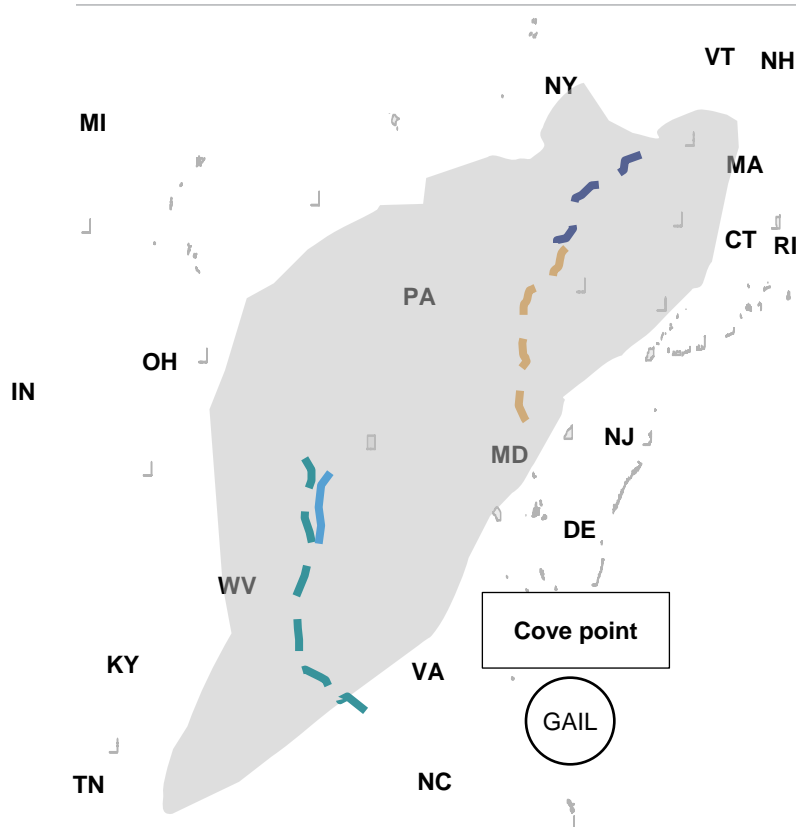
- NGL facility to serve Montney producers in NE B.C.
- First train will consist of 10,000 Bbls/d of C3+ processing capacity, with capacity of 6,000 Bbls/d of C5+
- Will be connected by rail to Canada's west coast, including to RIPET

Townsend Phase 2A Gas Processing Facility
In service: Oct. 1, 2017

- Doubling the Townsend gas processing complex, phase two will consist of two separate gas processing trains
- First train (2A) is a 99 MMcf/d shallow-cut natural gas processing facility

Marcellus Pipelines

Connecting low cost producers with U.S. consumption markets and exports



■ Marcellus / Utica Basins

■ Central Penn

■ Constitution

■ Mountain Valley

■ Stonewall

Stonewall
US\$135 Million
30% Ownership

- Currently in service
- Designed to gather 1.4 Bcf/d from West Virginia

Central Penn
US\$411 million
21% Ownership

- Designed to transport 1.7 Bcf/d as part of the "Atlantic Sunrise" project
- In service expected mid-2018

Mountain Valley
US\$328 Million
10% Ownership

- Target in service Q4 2018
- Designed to transport 2.0 Bcf/d from West Virginia to Virginia

Constitution
US\$95 Million
10% Ownership

- Target in service 1H 2019¹
- Designed to transport 0.65 Bcf/d to major northeastern markets

GAIL Supply at Cove Point

- Natural gas sale and purchase agreement for a period of 20 years. ~2.5 mtpa of LNG (~0.35 Bcf/d)
- Cove Point in service date Q4 2017²

¹ Source: Williams Companies Inc., Q2 2017 conference call

² Source: Dominion Energy
See "forward-looking information"

Combined Utility Business

High quality assets underpinned by regulated, low-risk cash flow

- Delivering clean and affordable natural gas to homes and businesses in 8 jurisdictions
- Estimated combined rate base more than **doubles** and estimated combined customer base **triples** in size
- **Increased diversification**, across several **high growth areas**, minimizing exposure to any one jurisdiction

~\$8 Billion

Projected rate base in 2021¹

~1.7 Million

customers

across 8 states and provinces

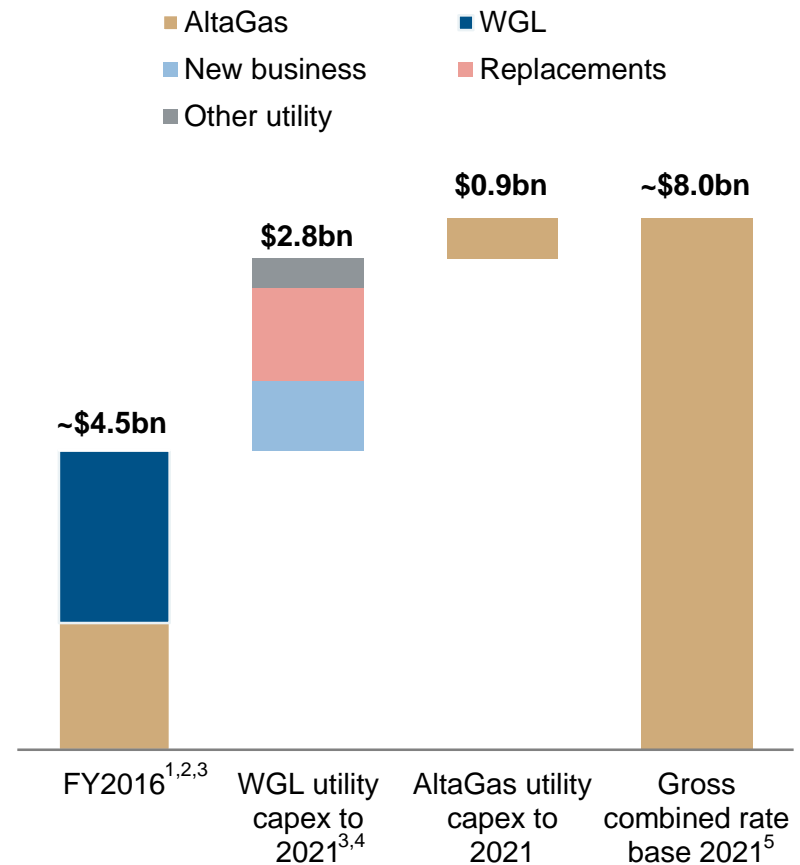


Customer Growth and Accelerated Replacements Drive Growth

High near-term growth

- Expected near-term growth driven by customer additions, accelerated replacement programs and general system betterment capital expenditures
- Increased diversification into high growth areas such as Washington (6th largest regional economy in the U.S., among the highest median household incomes in the U.S.)

Projected Rate Base Growth (C\$ billions)



Combined Power Business¹

Generating clean energy with natural gas and renewable sources




Diversified Power Portfolio

- 1,078 MW of power generation
- Power generation in over 20 states and provinces
- Contracts with creditworthy counterparties provide long-term stable cash flow
- Weighted average contract life is ~23 years²

Enhanced growth from clean energy

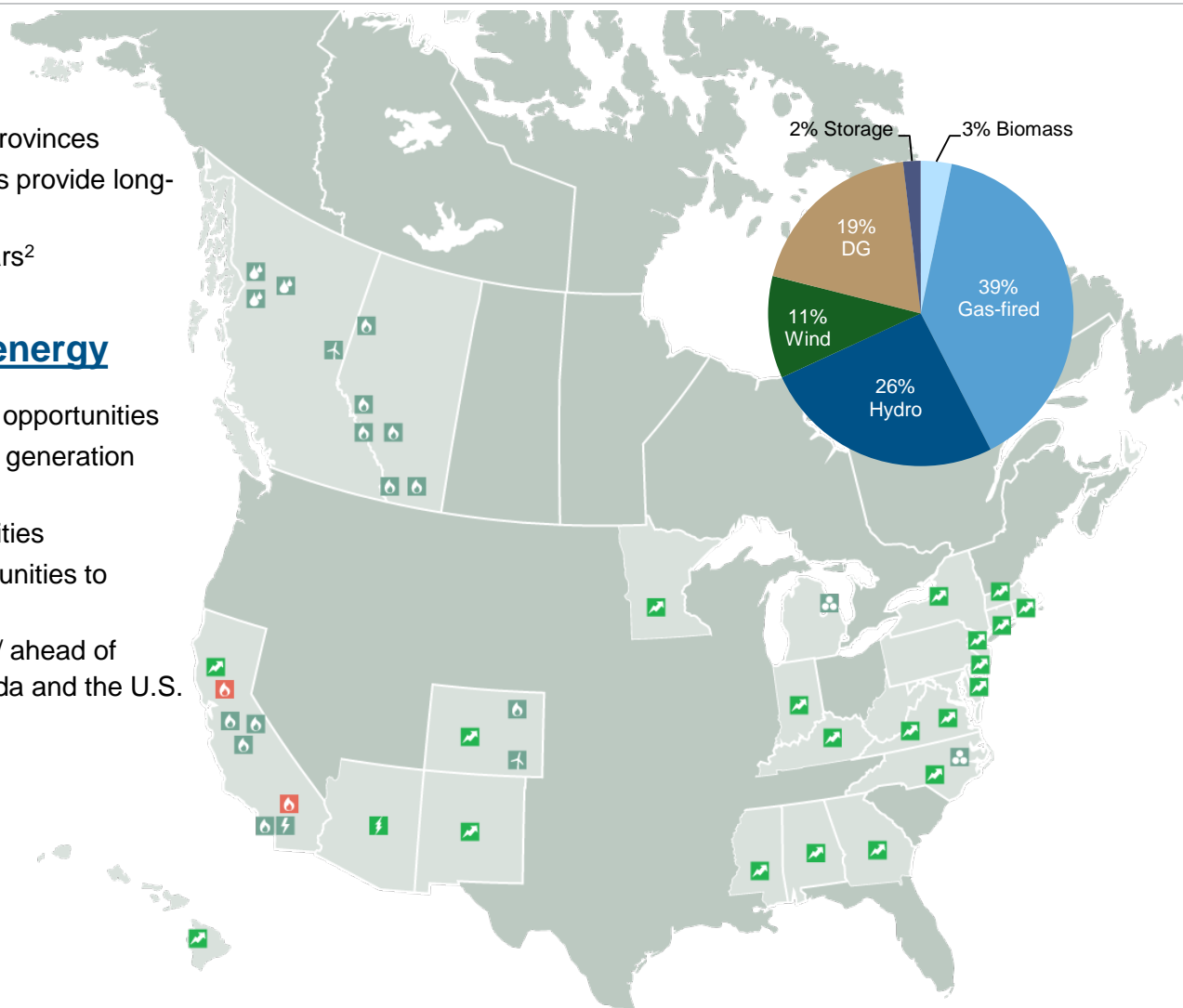
- Up to \$350 million in new battery storage opportunities
- ~\$100 million USD per year in distributed generation opportunities
- Up to \$380 million in new solar opportunities
- Strong footprint provides excellent opportunities to develop solar generation projects
- Track record of building projects on-time / ahead of schedule and under budget in both Canada and the U.S.

AltaGas

-  Wind Power Generation
-  Hydro Power Generation
-  Biomass Power Generation
-  Gas-Fired Power Generation
-  Gas-Fired Power Generation For Sale
-  Energy Storage

WGL

-  Distribution Generation



Governing Financial Principles

Delivering growth and security

Principles

1

Dividend Sustainability

2

Target Expected Returns

3

Strong Stable Investment Grade
Balance Sheet

4

Manageable Targeted
Financing Requirements

5

Managed Commodity Exposure

6

Strong Counterparty
Creditworthiness Overall

Targets

- ✓ 50 - 60% FFO¹ payout ratio
- ✓ Expect over 90% of 2019 dividends to be underpinned by Regulated Utilities and Northwest Hydro Facilities

- ✓ Enhancing returns on existing assets
- ✓ Specified targets for growth projects

- ✓ BBB credit rating

- ✓ Flexible financing plan to support growth using both growing internally generated cash flow and external financing (as required)

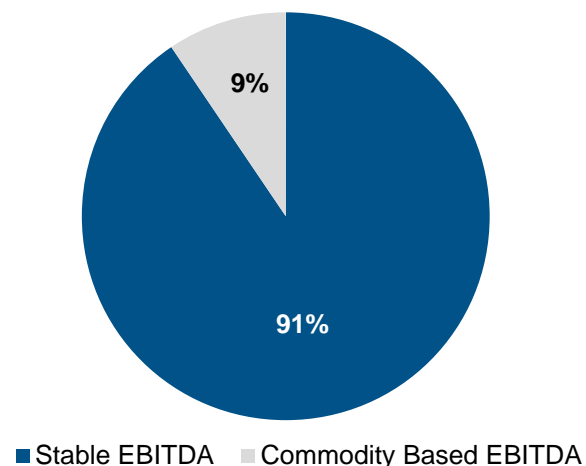
- ✓ ~85% or greater of contracted EBITDA

- ✓ > 85% of exposure with investment grade counterparties²

Highly Contracted, Low-Risk Business Model

Managed Commodity Exposure¹

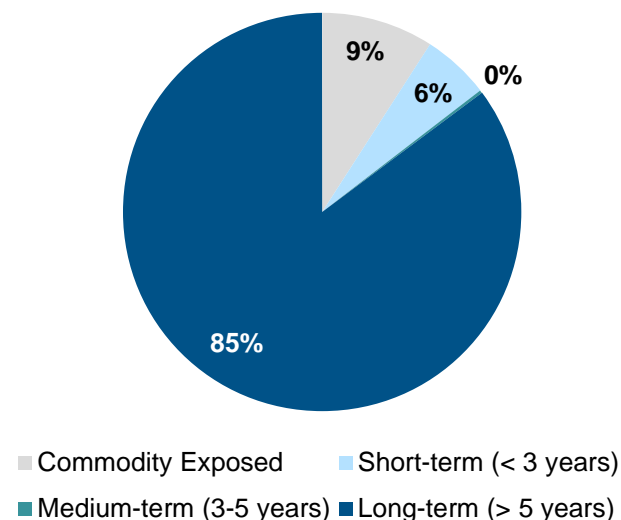
2019E (First full year including WGL)



**<10% of combined EBITDA
exposed to commodity prices**

Highly Contracted^{1,2}

2019E (First full year including WGL)



**>80% of normalized EBITDA
underpinned by medium &
long-term agreements**

**High-quality cash flows underpinned by long-term take-or-pay contracts
and rate regulated franchises**

Financing Strategy

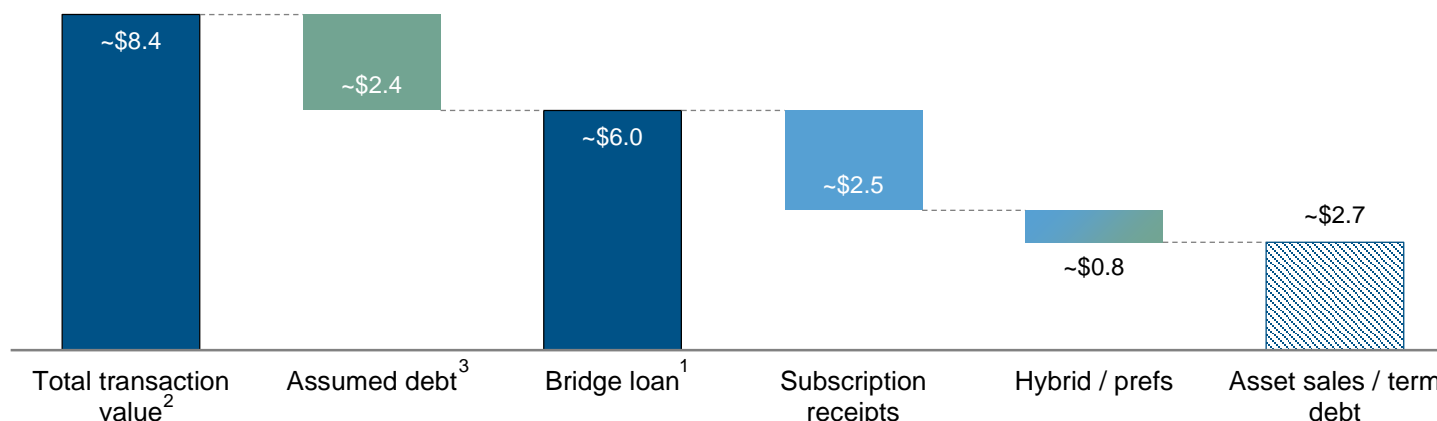
Acquisition financing

- Long-term financing plan structured to maintain strong investment grade credit profile
- Committed C\$6.6bn acquisition bridge facility, including a C\$2.7bn, 18-month asset sale bridge¹
- Concurrent C\$2.1bn bought deal and C\$400mm private placement of subscription receipts
- Hybrids, preferred shares, incremental debt and asset sales provide funding flexibility for remaining portion
 - Have initiated sale of Blythe and Tracy which represent approximately 70% of California power
- Asset sales aligned with long-term business mix and are expected to close on a similar timeline as the transaction

Future growth financing

- Future growth investments to be financed in a manner consistent with AltaGas' past practices
- Premium DRIP at AltaGas
- Undrawn capacity on AltaGas corporate credit facilities
- Access to capital
 - AltaGas is funding vehicle for transaction
 - WGL, Washington Gas and SEMCO all have existing debt capital market profiles and access to capital for normal daily operations
- Maintain strong investment grade credit profile

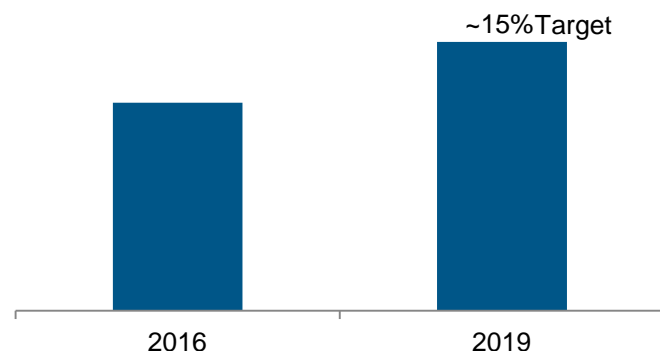
Acquisition funding sources (C\$bn)



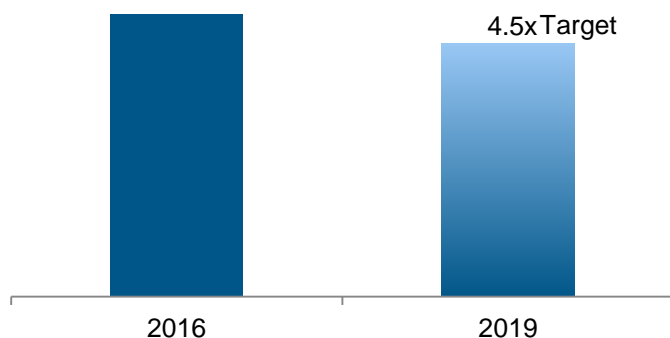
Strong Investment Grade Credit Rating

Prudent deal financing enhances balance sheet strength over the long-term

FFO¹/Debt



Net Debt/EBITDA



Combined larger platform and financing plan reinforce a **path to improved credit metrics** and a **strong investment grade balance sheet**

- Focus on stable cash flows

Credit Metric	Target
FFO / Debt	≥ 15%
Net Debt / EBITDA	≤ 4.5x

Transaction Timeline Update

Anticipate additional positive milestones into 2018

	Q1-17	Q2-17	Q3-17	Q4-17	H1-18
Transaction	■ Announcement				■ Expected close
WGL Shareholder Vote		■ Approval received May 10, 2017			
Regulatory			<ul style="list-style-type: none"> ■ FERC approval received July 6, 2017 ■ Waiting period for HSR Act expired July 17, 2017 ■ CFIUS approval received July 28, 2017 	<ul style="list-style-type: none"> ■ Virginia regulatory approval received on October 20, 2017 ■ Announced settlement agreement with key stakeholders¹ in Maryland on December 4, 2017 	<ul style="list-style-type: none"> ■ DC regulatory outcome expected first half of 2018
Asset Sales				<ul style="list-style-type: none"> ■ Maryland regulatory outcome (potential for extension into Q1 2018) 	
				<ul style="list-style-type: none"> ■ Phase 1 of asset disposition process started, including proposed sale of Blythe and Tracy gas-fired generation assets in California, together with non-core assets 	

Key Takeaways

Near-term catalysts

Q4 2017

- Completed 99 Mmc/d Townsend 2A processing facility in October and expect to complete North Pine 10,000 Bbls/d C3+ processing facility in December
- Received regulatory approval from Virginia in October and signed positive settlement agreement with key stakeholders¹ in Maryland on December 1, 2017
- Regulatory outcome for MD (potential for extension into Q1 2018)
- Potential new Gas and Power development initiatives
- Move forward with asset sales for up to \$2B to coincide with WGL regulatory approvals

Q1/Q2 2018

- Regulatory outcome for DC 1H 2018
- Debt/Hybrid Financing
- Phase 1 asset sales (Blythe & Tracy) expected to close in early 2018

Medium-term catalysts (12 – 24 Months)

2018 - 2020

- New battery storage and solar projects
- New Midstream projects including Townsend 2B, and North Pine (train 2)
- Completion of Ridley Island Propane Export Terminal (Q1 2019)

Commitment to maintaining balanced long-term mix across 3 business lines

AltaGas

350

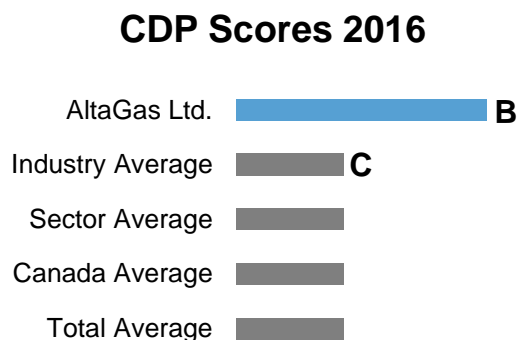
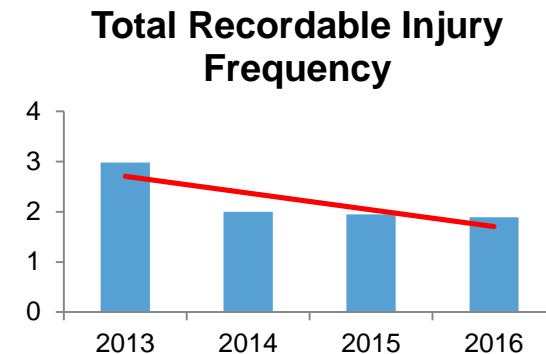
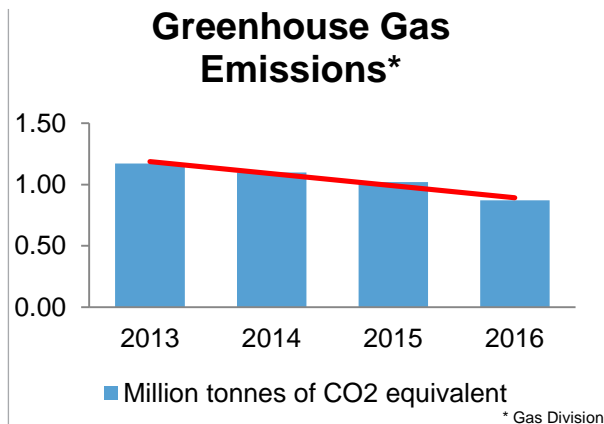
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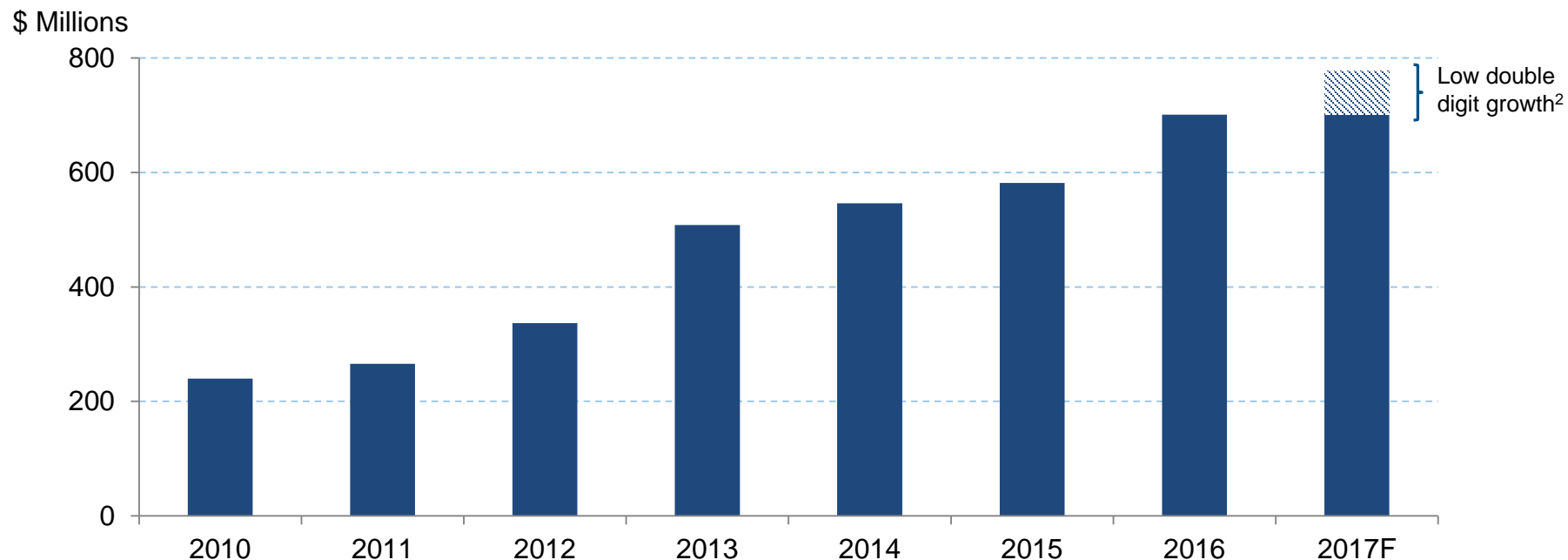
Appendix

AltaGas' Key Focus Areas



Consistent and Diversified EBITDA¹ Growth

Successful track record of delivering EBITDA¹ growth over time

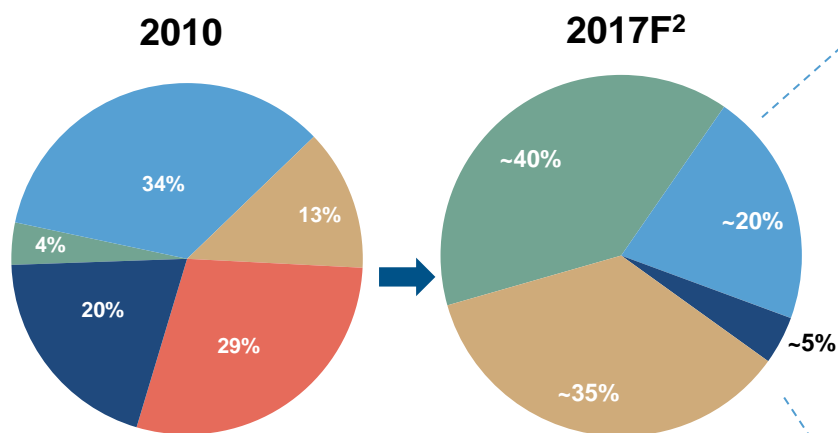


Non-commodity % of EBITDA¹

2010	2011	2012	2013	2014	2015	2016	2017F ²
50%	43%	70%	69%	79%	93%	98%	95%

Contracted EBITDA¹

Substantial increase in long-term contracted and Regulated Gas Distribution EBITDA



- Contracted PPA
- Midstream fee for service/TOP/cost of service
- Utilities/Regulated gas distribution
- Alberta power
- Frac Spread

Breakdown of Midstream EBITDA¹

45%

Fixed / Take-or-pay

- No volume or commodity price exposure

17%

Cost-of-service

- Provides for recovery of operating costs and a capital charge, generally are not subject to commodity risk

19%

Fee-for-service

- Provides for a fee per unit of production sold or service provided, generally are not subject to commodity risk

19%

Frac Spread

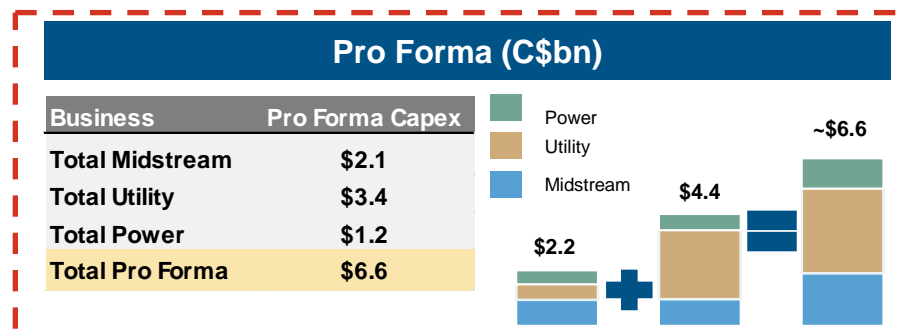
- Volume and price exposure
- Approximately 60% of exposure is hedged in 2017

Combined Scale to Deliver Growth

FFO per share growth of 15% - 20% on average through 2021

AltaGas (C\$mm)		
Project	Expected Capex ^{1,2}	Target In-Service ¹
Townsend 2A & Field Equipment	\$125	In-Service
North Pine NGL Separation ³	\$105	Dec. 2017
Townsend 2B	\$80	2019/2020
North Pine – Train 2	\$50	2019/2020
Ridley Island Propane Export ⁴	\$333	2019
Alton Gas Storage	\$155	2020
Deep Cut Processing / NGL separation ⁷	\$170	2019
Total Midstream	\$1,018	
Utilities capital ⁵	\$450	2017 – 2019
Marquette pipeline ⁵	\$173	2020
CINGSA expansion ⁵	\$33	2020
Total Utility	\$656	
Energy Storage ^{5,6}	\$150	2018+
Solar ^{5,7}	\$380	2019+
Total Power	\$530	
Total AltaGas	\$2,204	

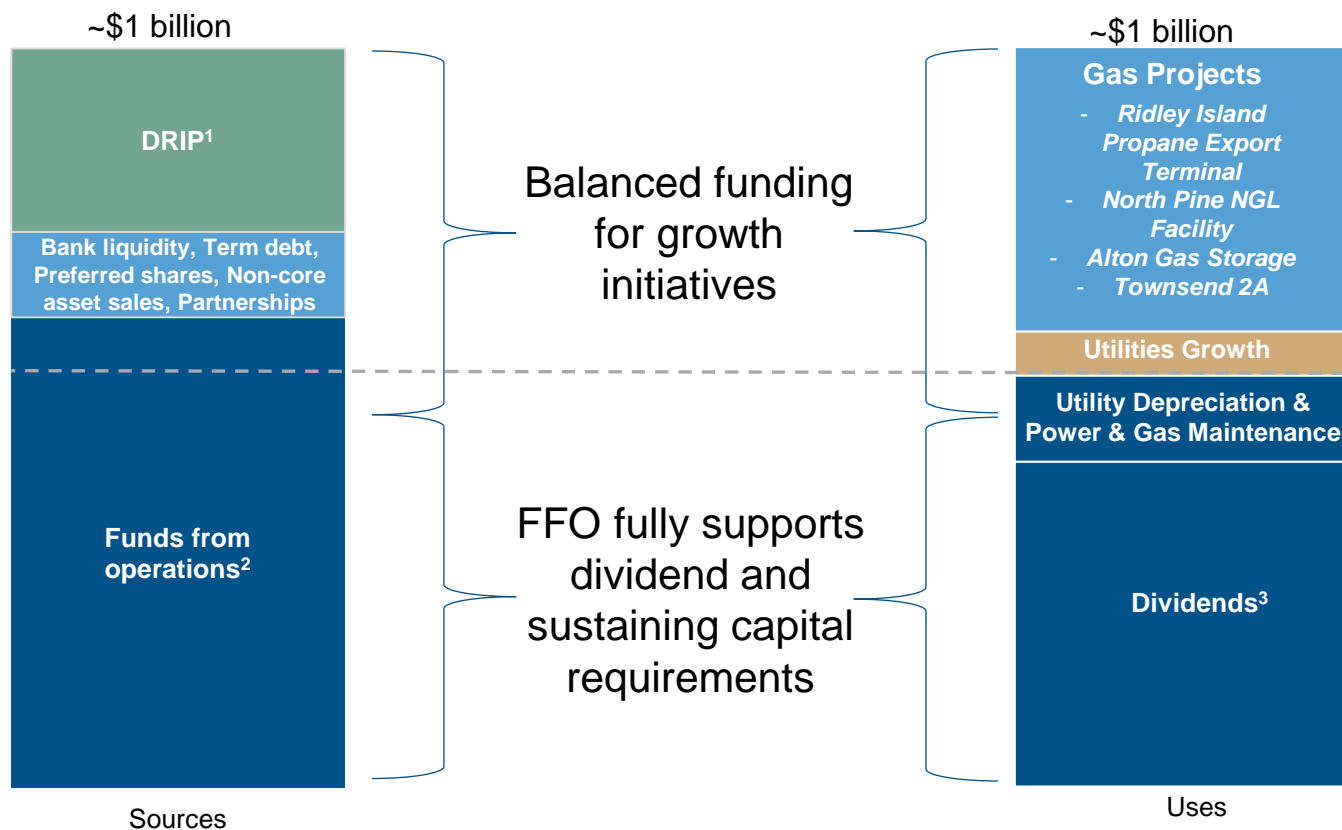
WGL (C\$mm)		
Project	Expected Capex ^{1,5}	Target In-Service ¹
Constitution Pipeline	\$120	2019
Central Penn Pipeline	\$517	2018
Mountain Valley	\$413	2018
Stonewall Expansion	TBD	TBD
Total Midstream²	\$1,049	
New Business	\$995	2017 – 2021
Replacements	\$1,309	2017 – 2021
Other Utility	\$414	2017 – 2021
Total Utility	\$2,718	
Distributed Generation	\$631	2017 – 2021
Total Power	\$631	2017 – 2021
Total WGL	\$4,398	



~C\$7 bn of identified opportunities support a diversified business mix

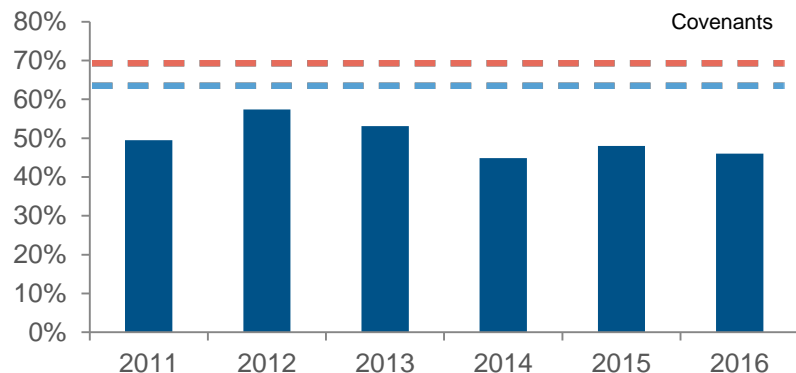
Funding Outlook for 2017

Well funded to support full capital program

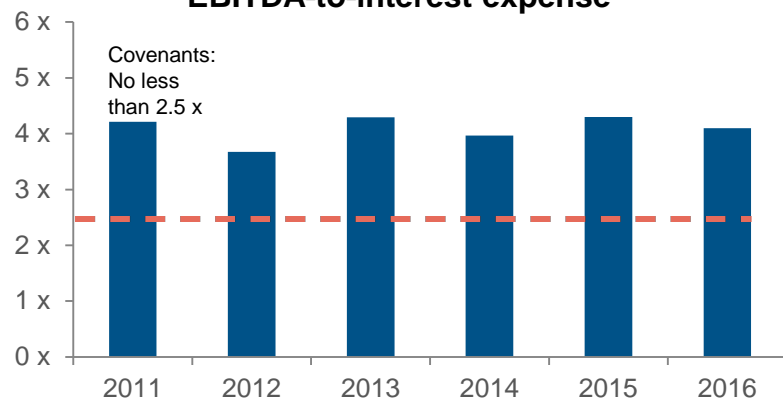


Sound Financial Position

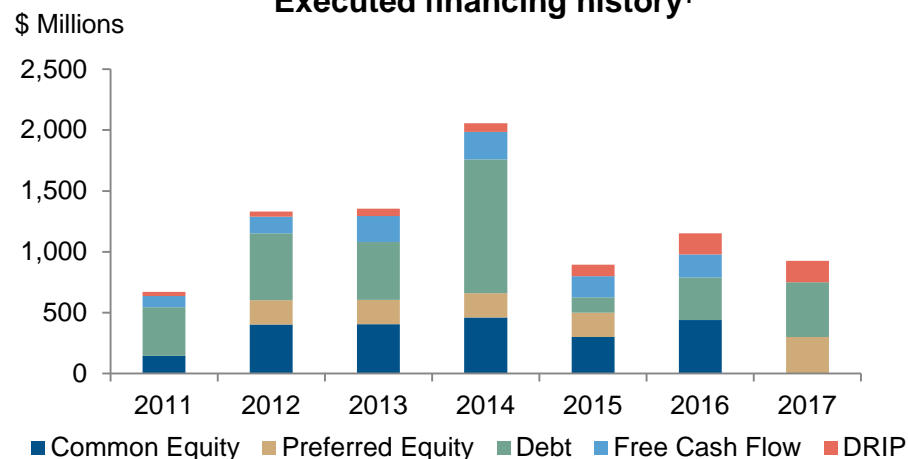
Debt-to-Capitalization



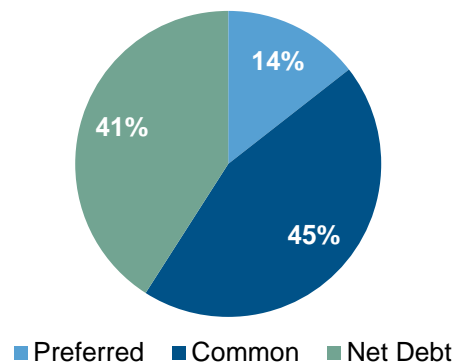
EBITDA-to-interest expense



Executed financing history¹



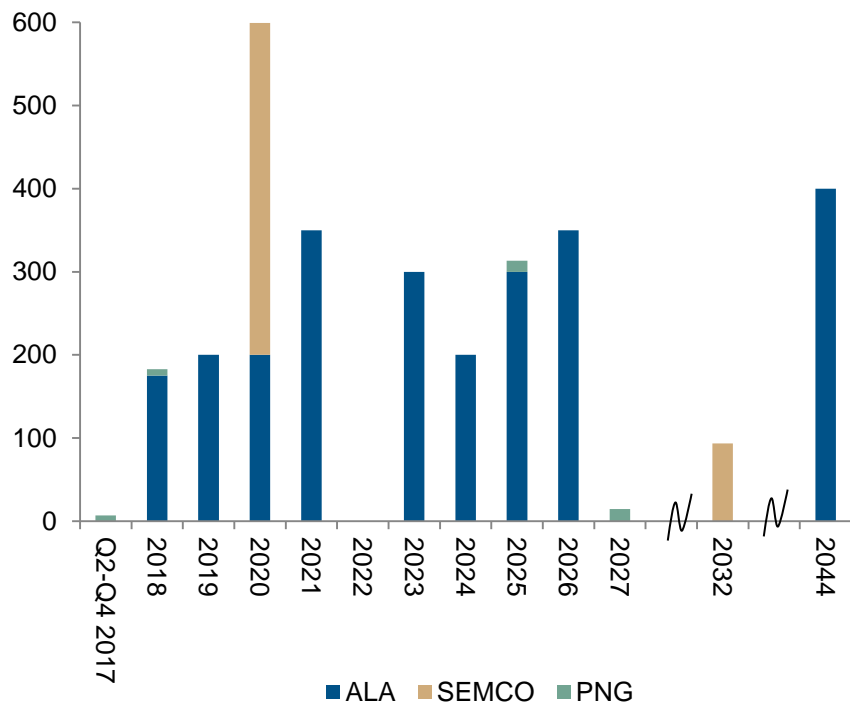
Balanced capital structure (September 30, 2017)



Debt Maturities

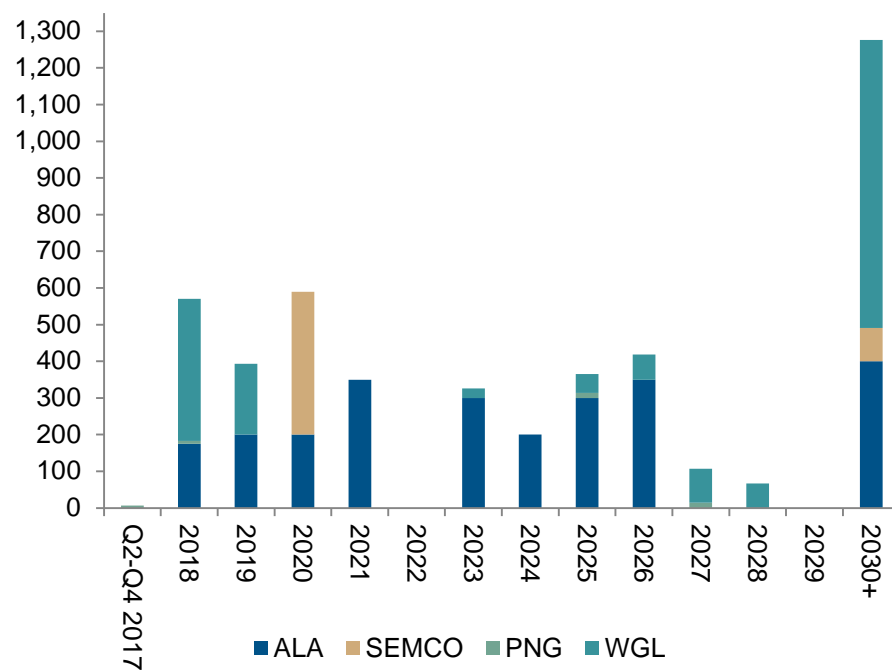
Balanced long-term debt maturities

CAD \$ Millions



Proforma long-term debt maturities including WGL¹

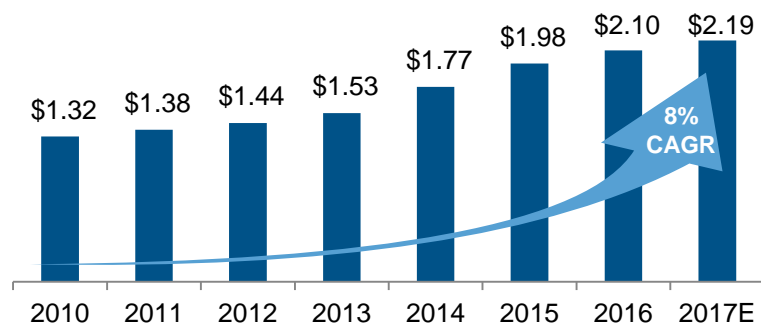
CAD \$ Millions



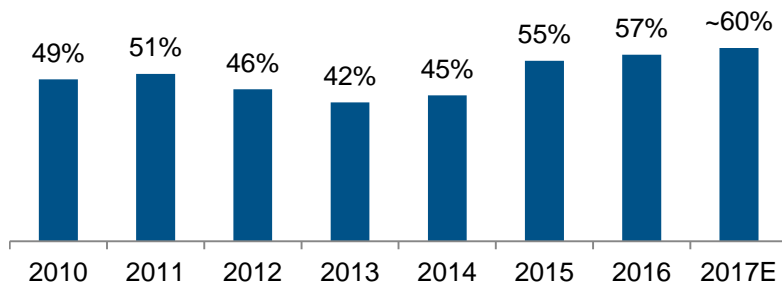
Delivering Growth and Security

Payout ratio balances company growth and investor return and positions ALA for further dividend growth

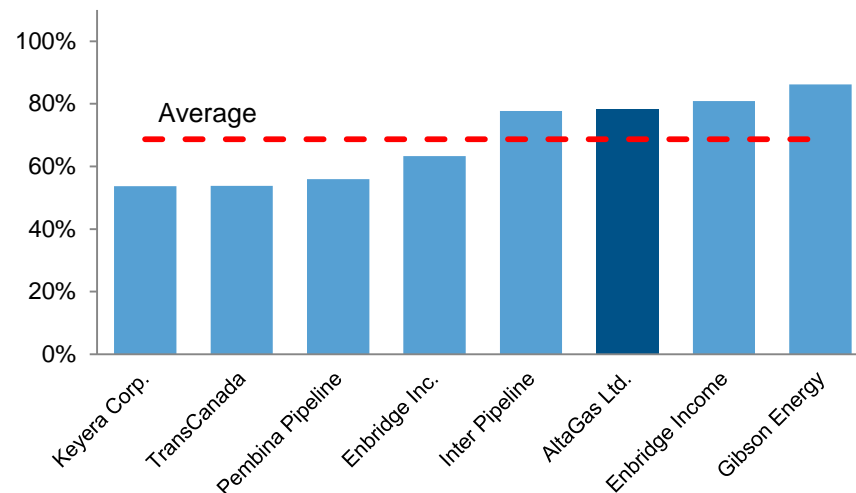
Dividend growth



Dividend payout^{1,2}



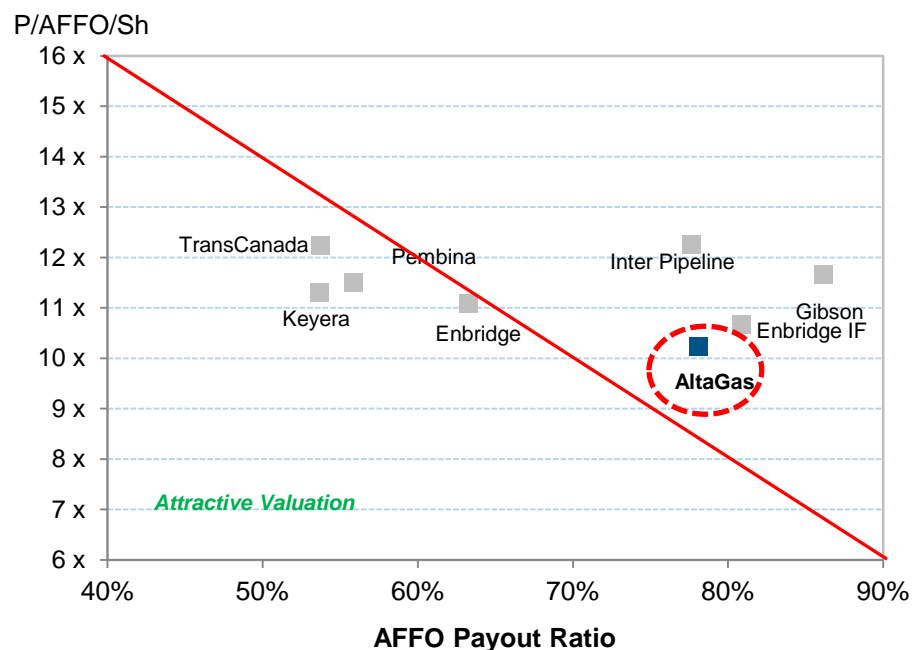
Dividend payout as a % of 2018F AFFO³



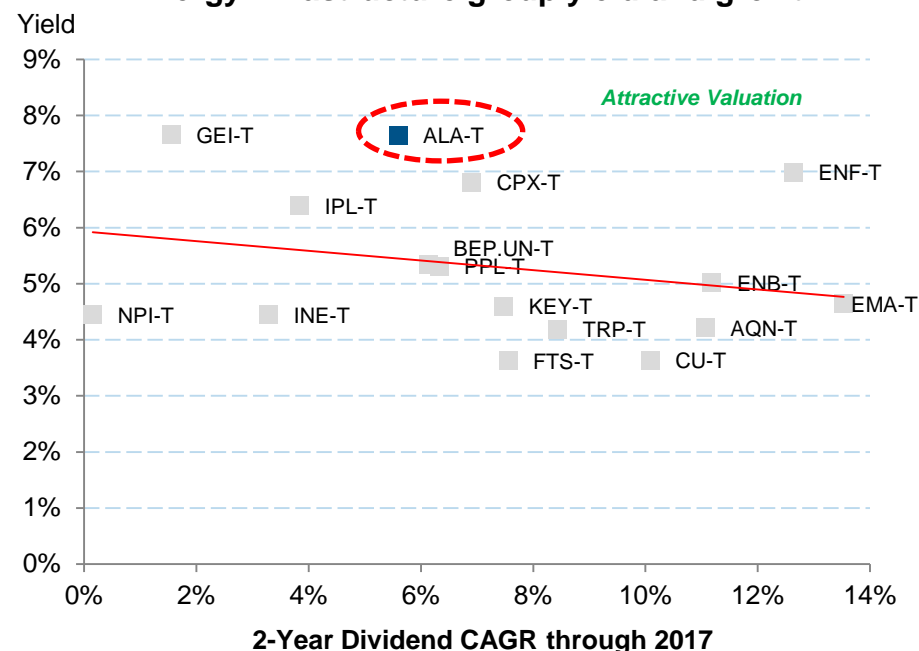
Valuation Multiple

Attractive value for AltaGas, combined with sustainable dividend payment. AltaGas has one of the lowest multiples in the entire sector.

2018F Payout Ratios vs. P/AFFO¹



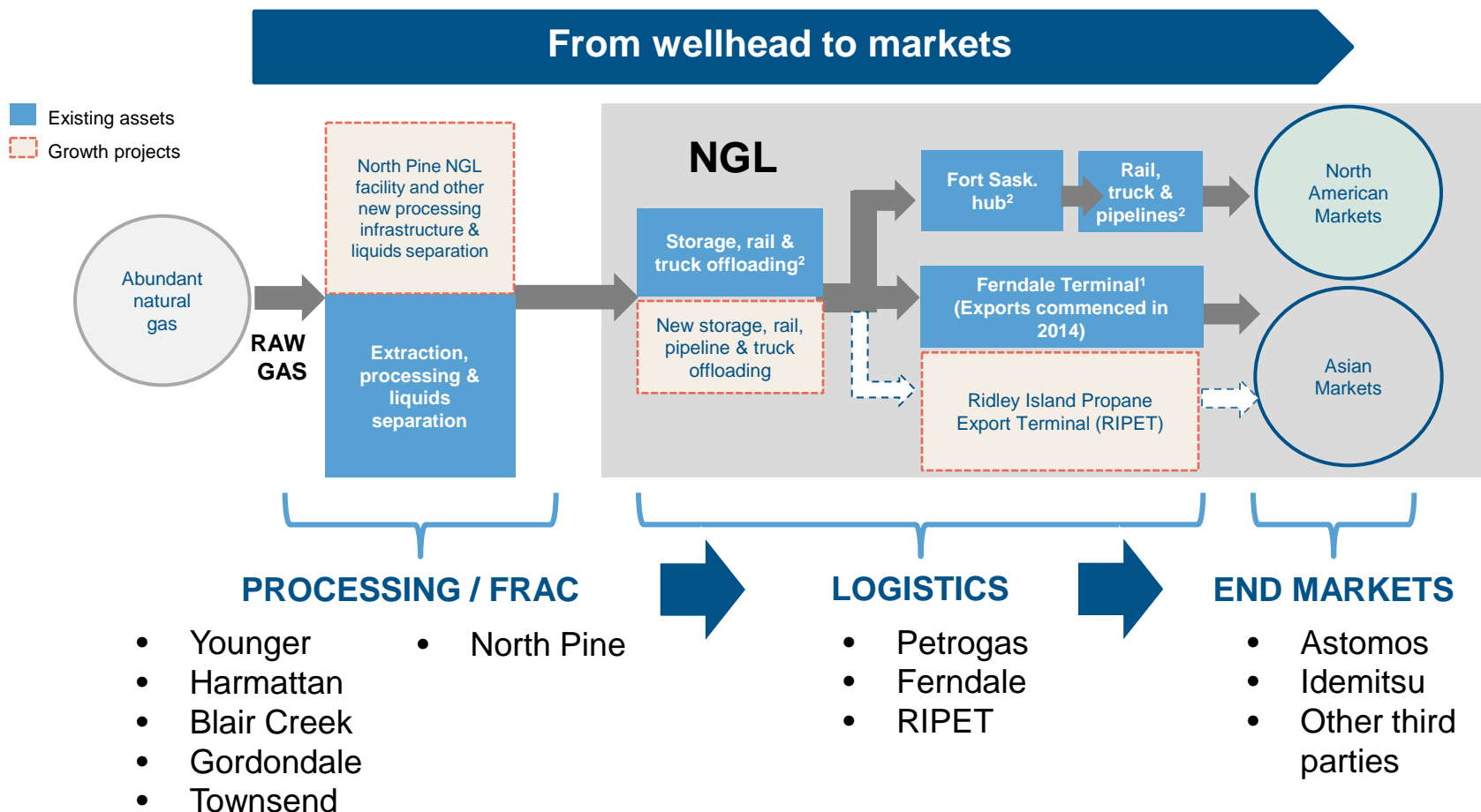
Energy infrastructure group yield and growth²





Gas

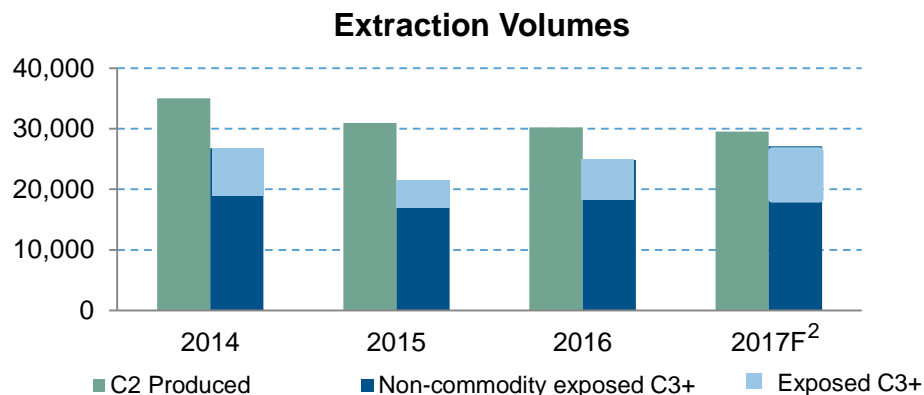
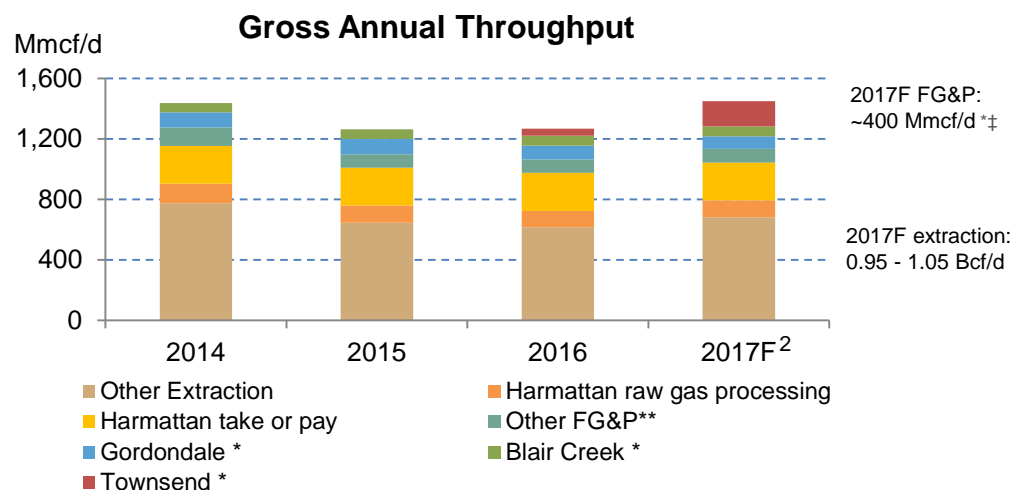
Building Infrastructure to Serve New Markets



Fully-integrated, customer-focused value chain provides **increased value** to producers

Stable Production Volumes & Throughput

Core plants in sustainable plays



Blair Creek

2015 – 62 Mmcf/d
2016 – 66 Mmcf/d
2017E – 50 – 55 Mmcf/d

Gordondale

2015 – 102 Mmcf/d
2016 – 90 Mmcf/d
2017E – 90 – 95 Mmcf/d

Harmattan

2015 – 114 Mmcf/d
2016 – 109 Mmcf/d
2017E – 100 – 105 Mmcf/d

Townsend¹

2017E – 150 – 160 Mmcf/d

Younger³

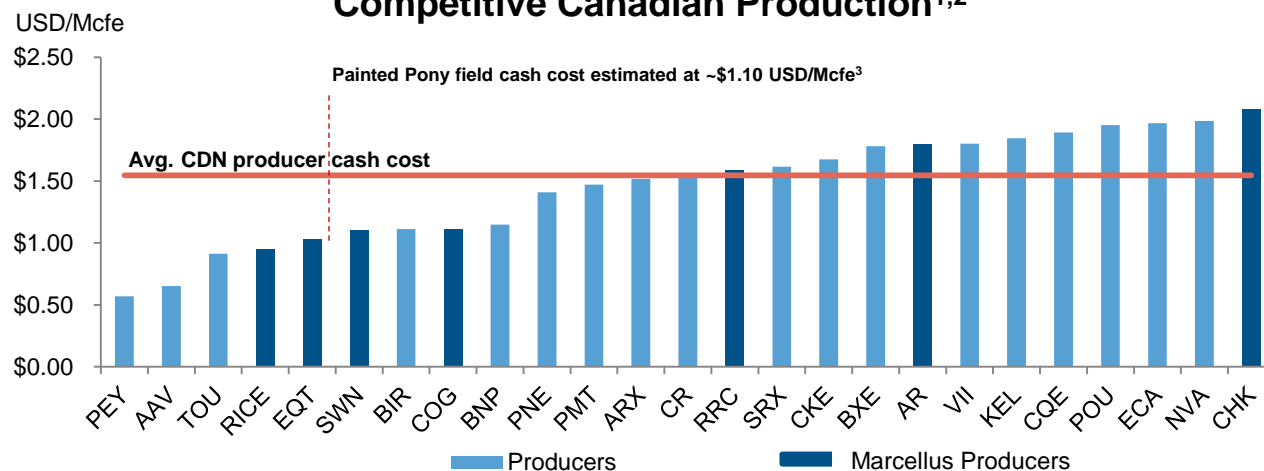
2015 – 253 Mmcf/d
2016 – 290 Mmcf/d
2017E – 265 – 270 Mmcf/d

Other FG&P

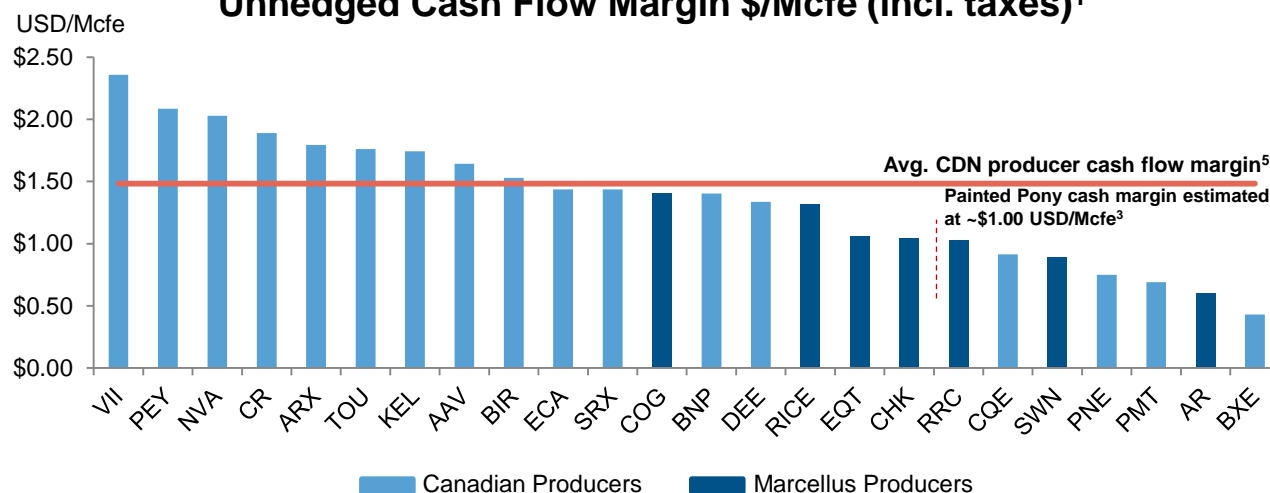
2015 – 100 Mmcf/d
2016 – 90 Mmcf/d
2017E – 85 – 90 Mmcf/d

Montney Competitive at Current Prices

Competitive Canadian Production^{1,2}



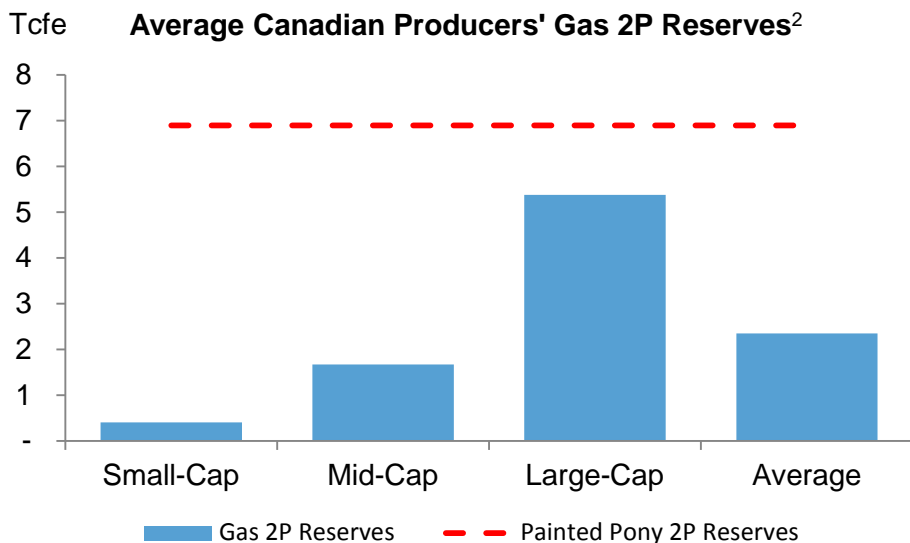
Unhedged Cash Flow Margin \$/Mcfe (incl. taxes)¹



"From a pure resource perspective, we believe the Montney compares favorably to other North American resource plays. Montney wellhead economics benefit greatly from liquids-rich condensate production alongside solid condensate pricing in Canada, as well as a favorable royalty regime... Overall, we believe the Montney's position at the low end of the cost curve bodes well for competition versus US Lower 48 natural gas..."⁶

Painted Pony Strategic Alliance

Significant underlying value with continued growth in proved plus probable reserves of **6.9 Tcfe**¹



AltaGas



- Townsend Facility anchor tenant with **20 year take-or-pay**
- **Low cost producer³**
 - Best in class F&D costs in 2016 (\$0.57/Mcfe 1P)
 - 24% decrease in per unit cash operating costs in 2016
 - 2016 corporate netback margins \$1.73/Mcfe
- Current production rate **~360 Mmcfe/d⁴**
- Reserves support multi-year drilling program and future growth
- **Highly efficient drilling performance¹**
 - Low well costs of \$4.55 million per well
 - Top well performance of ~9 Bcfe estimated ultimate recovery per well
- **Firm transportation** in place to meet production growth targets
 - Exposure to Station 2 spot pricing reduced to less than 8% of forecasted natural gas production¹
- **Solid financial position**
 - September 30, 2017 net debt of \$336.4million (~70% of capacity)⁴
 - Meaningfully hedged production in 2018 (48%)¹
 - 14 year supply contract signed with Methanex starting in 2018

Doubling the Townsend Gas Processing Complex

Received regulatory approval for the doubling of the Townsend Facility to 396 Mmcf/d and to retrofit the existing 198 Mmcf/d shallow-cut Townsend Facility to a deep-cut facility at a future date

Townsend phase 2

- Townsend Phase 2 will be constructed in two separate gas processing trains
- The first train (2A) is a 99 Mmcf/d shallow-cut natural gas processing facility located on the existing Townsend site
 - On-stream October 1, 2017
 - Fully contracted under a 20-year take or pay with Painted Pony
 - The \$125 million project was completed slightly ahead of schedule and approximately \$5 million under budget
- The second train (2B) is under development with a target on-stream date of 2019/2020



North Pine NGL Separation Facility to Serve Montney Producers

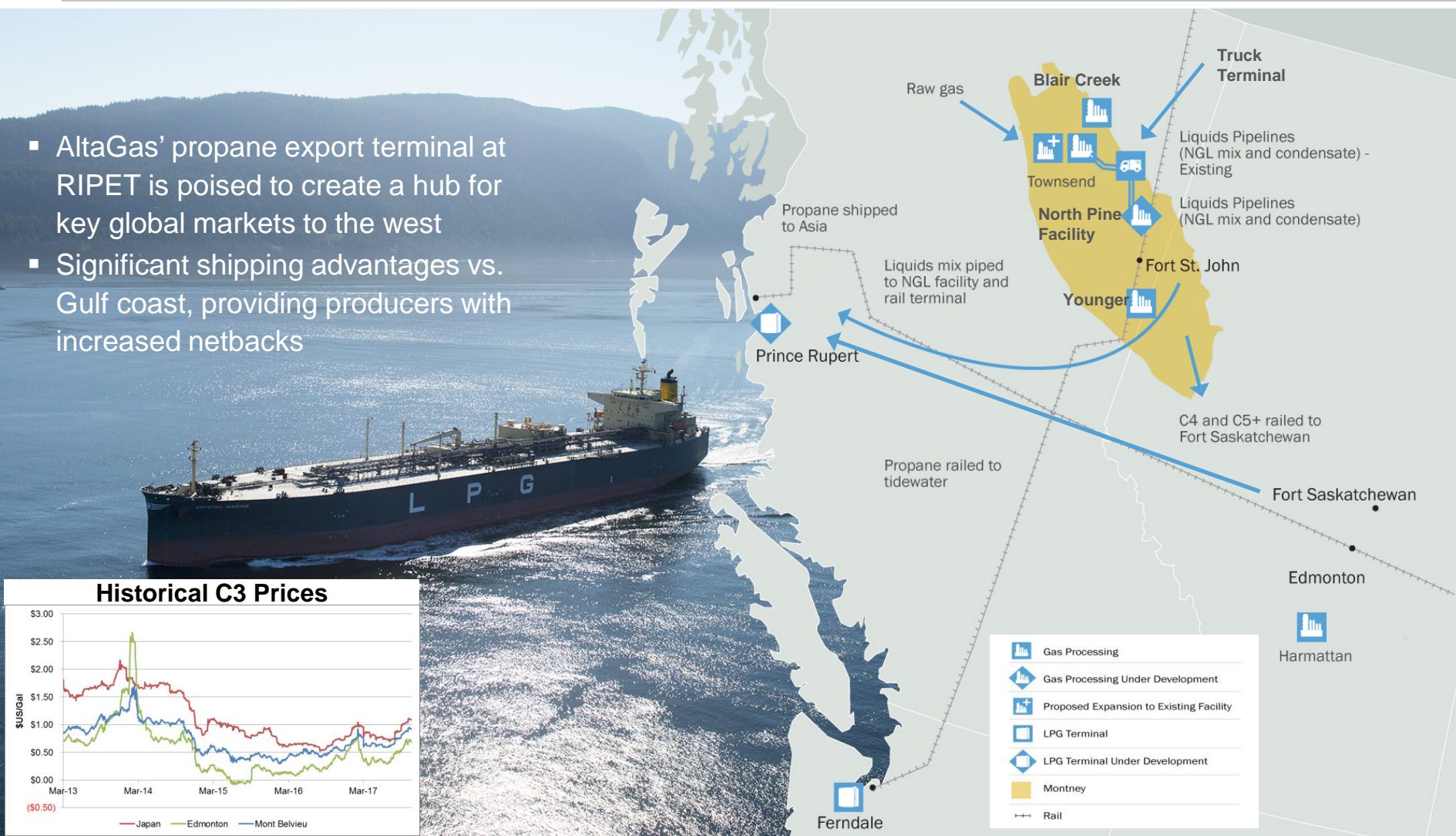
- NGL facility to serve Montney producers in northeast British Columbia, near Fort St. John
- Construction has commenced for the first NGL separation train, with expected on-stream early in December 2017
- First train capable of producing up to 10,000 Bbls/d of C3+ processing capacity, with capacity of 6,000 Bbls/d of C5+
- Two NGL supply pipelines will be constructed connecting the existing Alaska Highway truck terminal to the facility
- Well connected by rail to Canada's west coast including the Ridley Island Propane Export Terminal
- Backstopped by long-term supply agreements with Painted Pony for a portion of total capacity
- Expect further supply agreements with other producers
- Estimated cost of first stage: ~\$100 to \$110 million^{1,2}
- Permitting in place for a second NGL separation train capable of processing up to 10,000 Bbls/d of propane plus NGL mix. Construction expected to follow after the completion of the first train, subject to sufficient commercial support from area producers



AltaGas' Northeast B.C. and Energy Export Strategy

Provides new market access for Western Canadian propane producers to Asia

- AltaGas' propane export terminal at RIPET is poised to create a hub for key global markets to the west
- Significant shipping advantages vs. Gulf coast, providing producers with increased netbacks



Ridley Island Propane Export Terminal

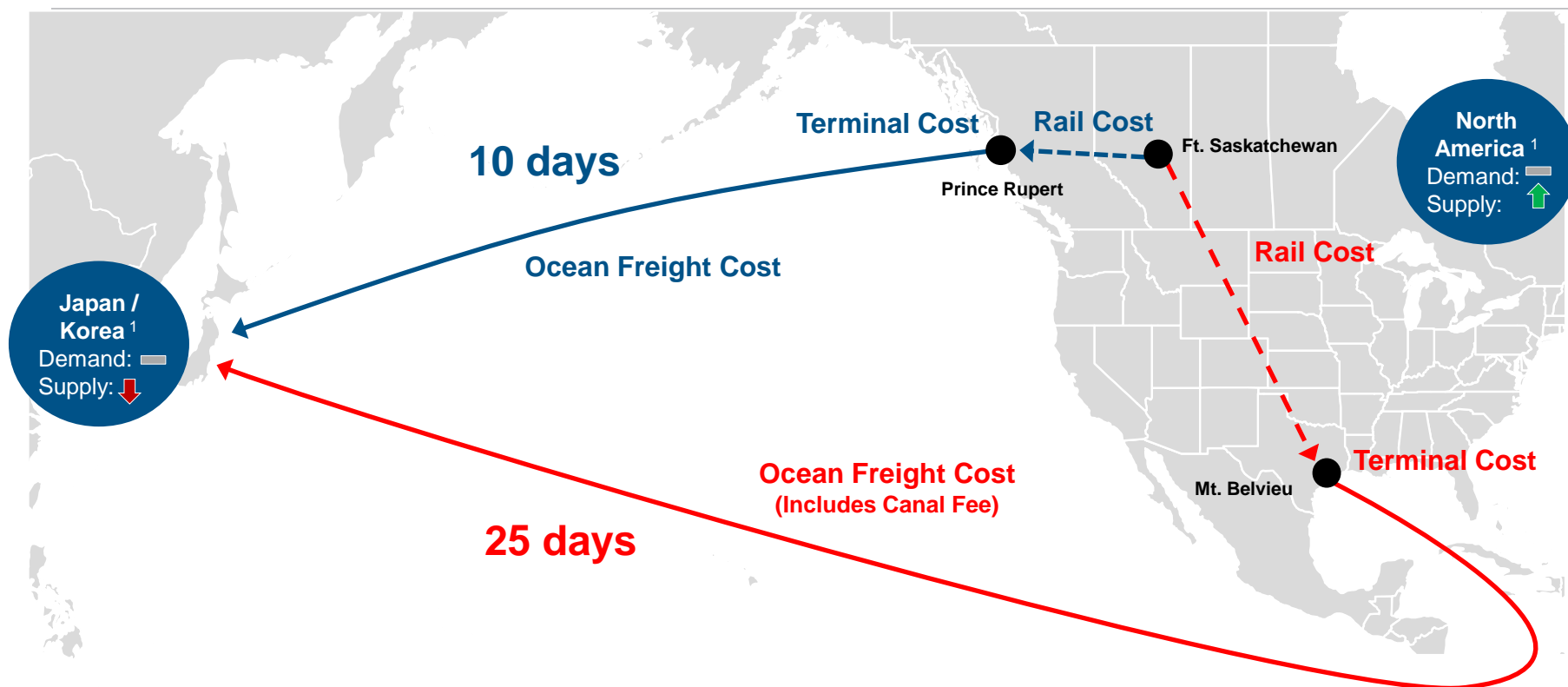
First mover competitive advantage

Expected to be Canada's first West Coast propane export terminal

- Construction is underway and is expected to be in service by Q1 2019
- Facility designed for 40,000 bbls/d of export capacity
- Brownfield site includes existing world class marine jetty with deep water access, excellent railway access which enables the efficient loading of Very Large Gas Carriers that can access key global markets
 - ~10 day to Asia vs. ~25 days from the U.S. Gulf Coast
- Astomos Energy Corporation to purchase 50% of the propane shipped from the facility
- ~50% of propane to be supplied from existing AltaGas facilities and forecasts from new plants under construction
- Expect at least 40% of the facility's throughput to be underpinned by tolling arrangements
- Entered into a strategic joint venture with Royal Vopak who will take a 30 percent interest in the Terminal
- Estimated project cost of \$450 - \$500 million¹



Clear LPG Shipping Cost Advantage to Asia



WCSB to Asia Costs (US\$/Gal)

	<i>Via RIPET</i>	<i>Via Gulf Coast</i>
Rail	Included	\$0.25 - \$0.30
Terminal	Included	\$0.05 - \$0.10
Shipping	Included	\$0.10 - \$0.20
Total Costs	\$0.30 - \$0.40	\$0.40 - \$0.60

WCSB Netbacks (US\$/Gal)

<i>Via RIPET</i>	Japan Price less \$0.30 to \$0.40
<i>Via Gulf Coast</i>	Japan Price less \$0.40 to \$0.60
RIPET Premium	\$0.10 - \$0.20



Utilities

Utilities Portfolio - AltaGas¹



5 Gas Distribution Utilities¹:

Serving over 575,000 customers;
22% Canada; 78% US

Rate base: ~\$1.9 billion²

System betterment program and upgrades underway at Utilities

SEMCO

- Main replacement program (MRP) continues to 2020 with associated average spend of ~US\$10 MM annually
 - MRP-1 was first of its kind granted by Michigan regulator in 2011
 - Since 2011, SEMCO has amended the MRP twice, with current MRP-3 approved June 2015
 - Full expectation of continued extensions into foreseeable future beyond 2020

ENSTAR

- Replacing existing pipelines and stations, meters and encoder receiver transmitters. Main expansions to enhance redundancy and back-feeds. Bringing all valves above ground.
- Expansion to communities such as Houston, Willow and Seward.

AUI

- The 2016-17 capital tracker program was substantially approved by the AUC with over \$60 million in capital additions related to pipe replacement, station refurbishment and gas supply investments.







Michigan Growth Opportunity

Marquette Connector Pipeline (MCP)




- Proposed pipeline that will connect the Great Lakes Gas Transmission pipeline to the Northern Gas pipeline in Marquette, Michigan
 - Approximately 42 miles mainly with 20" diameter pipe
- Provides needed redundancy and additional supply options to SEMCO's ~35,000 customers in its service territory in Michigan's Western Upper Peninsula. It will also provide additional natural gas capacity to Michigan's Upper Peninsula to allow for growth
- Cost is estimated at ~US\$130 - \$140 million. Recovery on MCP is expected to be through a general base rate case
- Received approval of Act 9 application from the Michigan Public Service Commission in August 2017 to construct, own and operate the project.
- Preliminary route surveys and investigations began in September 2017, engineering and property acquisitions in 2018, and construction in 2019
- MCP is expected to be in service in mid-2020



Supportive Regulatory Environment for Regulated Gas Utilities

Utility	Location	Allowed ROE and Equity Thickness	Regulatory
	British Columbia	9.40% ¹ 45%	<ul style="list-style-type: none"> Next rate case to be filed Q4 2017 for 2018 and 2019 Protected from weather related volatility through revenue stabilization adjustment account
	Alberta	8.50% 41%	<ul style="list-style-type: none"> Operate under Performance-Based Regulation, 2013-2017 current term. Next generation PBR (2018 – 2022) under review Cost recovery and return on rate base through revenue per customer formula Additional recovery and return on rate base through capital tracker program
	Nova Scotia	11% 45%	<ul style="list-style-type: none"> No regulatory lag; earn immediately on invested capital Customer Retention Program approved in September 2016 results in a decrease in distribution rates for primarily commercial customers
	Michigan	10.35% 49%	<ul style="list-style-type: none"> Use of projected test year for rate cases with 12 month limit to issue a rate order, eliminates/reduces regulatory lag Recovery of invested capital through the Main Replacement Program surcharge has reduced the need for frequent rate cases Last rate case filing completed in 2010; next case to be filed in 2018 or 2019 In August 2017, received approval from the Michigan Public Service Commission for the Act 9 application for the Marquette Connector Pipeline
	Alaska	11.88% 51.80%	<ul style="list-style-type: none"> Final order approving \$5.8 million rate increase (including \$5 million interim rates previously included in rates) issued on September 22. Final rates effective November 1, 2017.
	Alaska	12.55% 50.00%	<ul style="list-style-type: none"> Rate case filing in April 2018.

Washington Gas Regulatory Environment

Utility	Location	Regulatory
 Washington Gas <small>A WGL Company</small>	Virginia	<ul style="list-style-type: none"> Rate case was filed in June 2016 with a stipulation issued in April 2017; final Commission approval issued June 30 approving stipulation for \$34 million annual revenue increase Expedited rate cases anticipated in 2019 and 2020
 Washington Gas <small>A WGL Company</small>	Maryland	<ul style="list-style-type: none"> Rate case to be filed in 2018 New 5 year plan for accelerated replacement to be filed in 2018 for the 2019 – 2024 period
 Washington Gas <small>A WGL Company</small>	Washington D.C.	<ul style="list-style-type: none"> Last rate case was filed in February 2016 with final rates approved in March 2017 Rate case to be submitted in 2020 New 5 year plan for accelerated replacement to be filed in 2019 for the 2020 – 2025 period



Power

Northwest B.C. Hydro – Stable Long-Term Financial Returns

Forrest Kerr

195 MW fully contracted to 2074

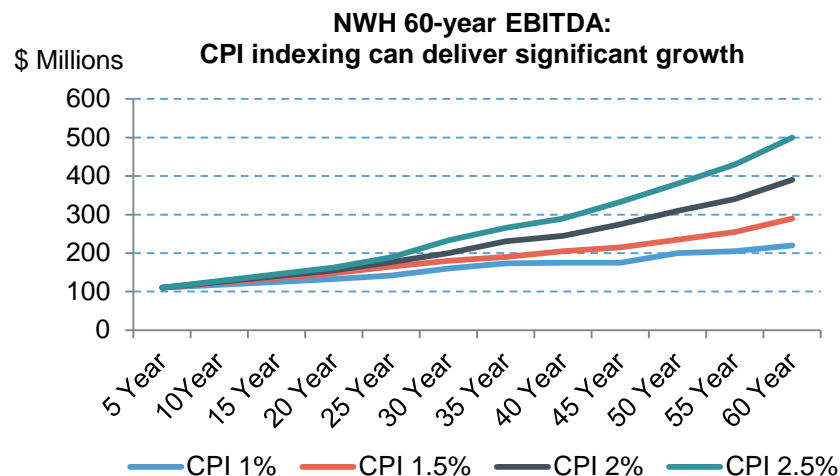
McLymont Creek

66 MW fully contracted to 2075

Volcano Creek

16 MW fully contracted to 2074

- 60 Year PPA with high quality credit (BC Hydro)
 - 100% indexed to B.C. CPI
- AltaGas as operator has excellent track record
- Minimal ongoing maintenance capital
- Very high capacity factors translates into low annual generation volatility

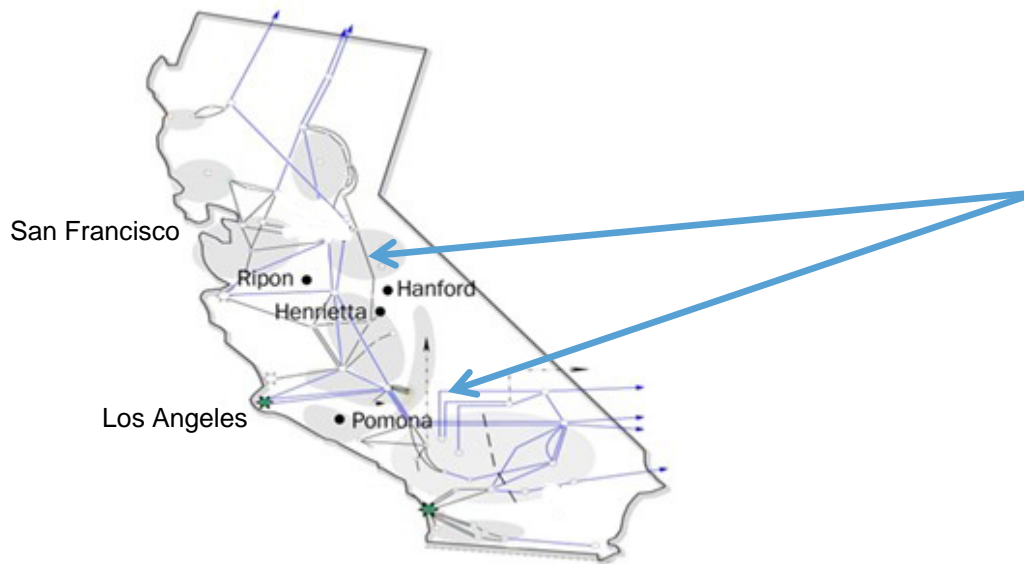


Existing Permitted Gas Plants in California Have Embedded Value Which Can Grow Over Time

High barriers to entry for new gas fired generation. Steel in the ground has significant value

- New builds are difficult to permit, expensive to build and require long (~10 year) development time horizons. There are no new gas plants under construction in the densely populated San Francisco region.
- High demand drives **premium pricing** in these constrained load pockets - a key value driver for existing facilities in these regions.

CAISO Local Constrained Areas¹



- **Hanford, Henrietta and Ripon** are all located in the San Joaquin Valley region east and south of San Francisco. Provide grid stability with flexible and fast ramping capacity that backstops renewables
- **Pomona** is in the LA Basin load pocket

Key Sensitivities

Foreign Exchange		
Key variables +/- \$0.05 US/CAD	2017 Impact EBITDA	~\$15 MM
Frac Spread		
Key variables +/- \$1/bbl	2017 Impact EBITDA	~\$1.5MM
Natural Gas Volumes		
Key variables +/- 10%	2017 Impact EBITDA	~\$15 MM