AltaGas

Investor Presentation
September 2018

Forward-looking Information

This presentation contains forward-looking statements. When used in this presentation, the words "will", "intend", "plan", "potential", "generate", "grow", "deliver", "can", "continue", "drive", "anticipate", "target", "come", "create", "position", "achieve", "seek", "propose", "forecast", "estimate", "expect", "solution", "outlook", "assumes" and similar expressions, as they relate to AltaGas or any affiliate of AltaGas, are intended to identify forward-looking statements. In particular, this presentation contains forward-looking statements with respect to, among others things, business objectives; strategies; expected corporate focus, including increased focus on gas and U.S. utilities; expected reshaping of AltaGas' strategy, including expected focus on optimizing the value chain of energy exports, expected focus on refining business model for optimal capital deployment, expected focus on creating innovative solutions with light capital investment; expected EBITDA growth and breakdown; expected closing of the non-core midstream and power assets and expected use of proceeds; expected ownership in ACI; expected cash proceeds from the ACI IPO; expected completion of the repayment of the bridge facility; expected offering of debt and hybrid securities issuances; expected benefits of the ACI IPO; financial principles and associated financial targets, including FFO payout ratio, regulated utility underpinning of dividend payouts, maintenance of investment grade credit rating, contracted EBITDA, financial flexibility, and growth targets; targeted FFO/Debt and Net Debt/EBITDA; targeted FFO payout ratio; expected funding of growth; expected opportunities in the gas and U.S. utility segments and associated expected capex; anticipated rate applications; expected rate base growth; expected benefits, cost, capacity and timing of RIPET, the Townsend expansion, Mountain Valley, Central Penn and Stonewall; expected opportunities as a result of macro factors in the Montney and around LNG; expected production growth in the Montney and Appalachia regions; anticipated benefits of AltaGas' NE BC strategy; and the expected cost, scale and timing of the MCP. Information and statements contained in this presentation that are not historical facts may be forward-looking statements.

AltaGas' forward-looking statements are subject to certain risks and uncertainties which could cause results or events to differ from current expectations, including, without limitation: access to and use of capital markets; market value of AltaGas' securities; AltaGas' ability to pay dividends; AltaGas' ability to service or refinance its debt and manage its credit rating and risk; prevailing economic conditions; potential litigation; AltaGas' relationships with external stakeholders, including Aboriginal stakeholders; volume throughput and the impacts of commodity pricing, supply, composition and other market risks; available electricity prices; interest rate, exchange rate and counterparty risks; legislative and regulatory environment; underinsured losses; weather, hydrology and climate changes; the potential for service interruptions; AltaGas' ability to economically and safely develop, contract and operate assets; AltaGas' ability to update infrastructure on a timely basis; AltaGas' dependence on certain partners; impacts of climate change and carbon taxing; effects of decommissioning, abandonment and reclamation costs; impact of labour relations and reliance on key personnel; cybersecurity risks; and risks associated with the underlying business of WGL. In particular, in this presentation references to expected proceeds associated with the IPO are subject to a number of risks and uncertainties, including, without limitation, the demand for the equity offered in the IPO and the subsequent pricing of the IPO, and other capital markets conditions prevailing throughout the marketing and closing of the IPO. Applicable risk factors are discussed more fully under the heading "Risk Factors" in the Corporation's AIF for the year ended December 31, 2017.

Many factors could cause AltaGas' or any particular business segment's actual results, performance or achievements to vary from those described in this presnetation, including, without limitation, those listed above and the assumptions upon which they are based proving incorrect. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this presentation as intended, planned, anticipated, believed, sought, proposed, estimated, forecasted, expected, projected or targeted and such forward-looking statements included in this presentation, should not be unduly relied upon. The impact of any one assumption, risk, uncertainty or other factor on a particular forward-looking statement cannot be determined with certainty because they are interdependent and AltaGas' future decisions and actions will depend on management's assessment of all information at the relevant time. Such statements speak only as of the date of this presentation. AltaGas does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this presentation are expressly qualified by these cautionary statements.

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 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") 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, 2018 for a description of the manner in which AltaGas calculates such non-GAAP measures and for a reconciliation to the nearest GAAP financial measure.

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.

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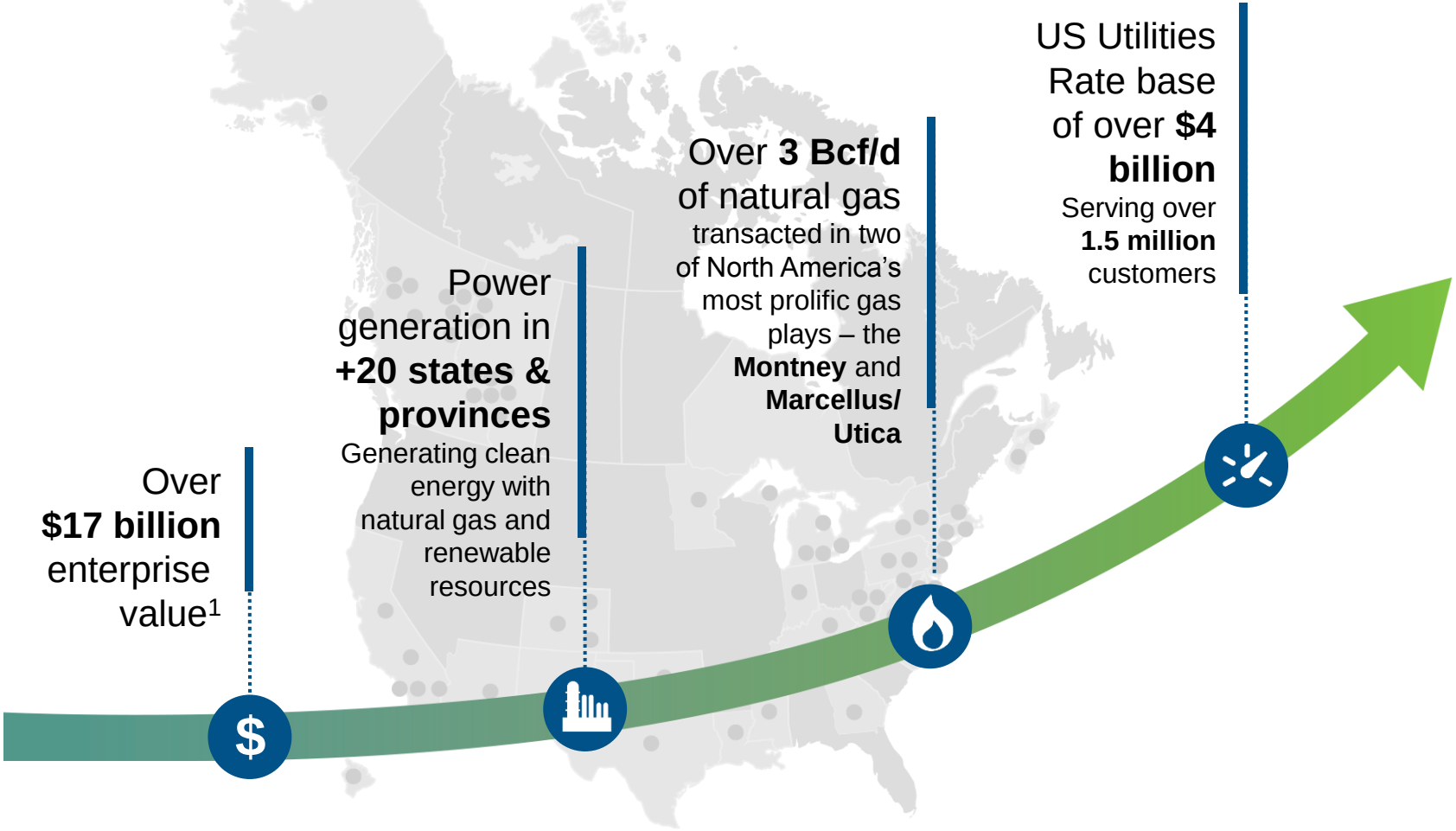
A Leading Energy Infrastructure Company

Highly contracted assets providing long-term stable cash flow



1 As of June 30, 2018 proforma including WGL
See "Forward-looking Information"
Unless otherwise stated, dollar amounts in this presentation are in Canadian dollars

Driving Business Forward

Today

Asset monetization and funding plan

WGL acquisition closed July 2018

Gas Midstream gas development rapidly expanding

Additional opportunities identified at WGL

WGL acquisition announced

AltaGas standalone
Limited growth opportunities

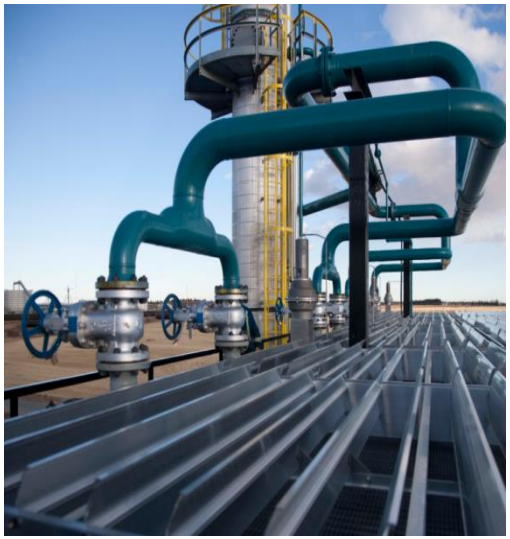
January 2017

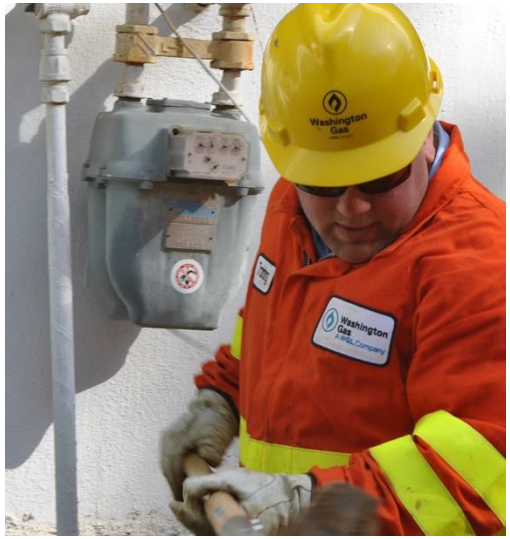
Going forward we are focused on:

- Drive performance
- Drive returns
- Capital optimization
- Business optimization

Stability, Sustainability and Growth

~80% of EBITDA backed by medium- and long-term agreements





Highly contracted
Gas

+

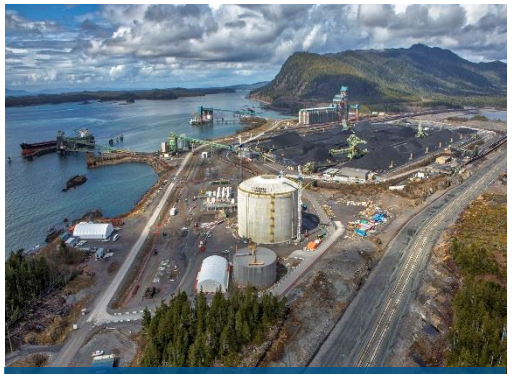
Regulated
Utilities

+

Highly contracted
Power

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

Reshaping AltaGas



Gas

Providing producers with solutions, including global market access off of both coasts of North America. Footprint in two of the most prolific gas plays – the Montney and Marcellus.

2019 focus on optimizing full value chain of energy exports

U.S. Utilities

Strong growth markets with increasing construction to support customer additions, system improvement & accelerated replacement programs.

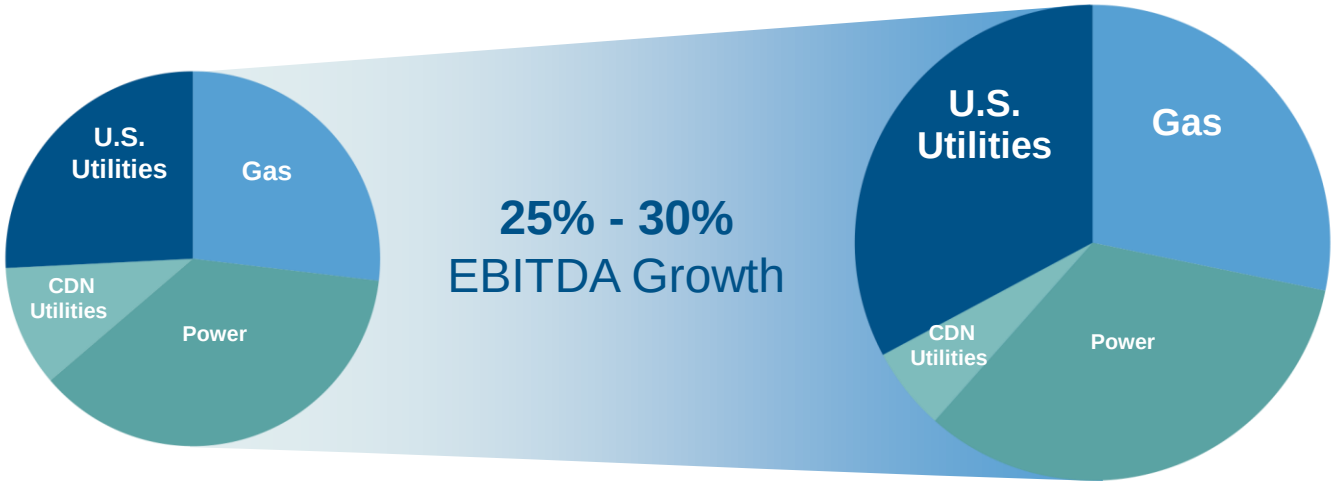
2019 focus on refining business model for optimal capital deployment

Power

Using our clean energy expertise and creativity to shape an innovative power strategy moving forward.

2019 focus on creating innovative solutions with light capital investment

Reshaping to Focus on Gas and U.S. Utilities



2017 EBITDA

2018 EBITDA

	U.S. Utilities	Gas	Power
2018 Capital Spending	**45-50%**	**40-45%**	5-15%
2019 EBITDA Breakdown	**44%**	**38%**	18%

AltaGas

Business Transforms with Close of WGL and Asset Monetization Plan

Sale of Interest in Northwest Hydro Facilities

Sale Aligned with Asset Monetization and Funding Strategy for the Acquisition of WGL

- Sold 35% of Northwest Hydro Facilities for $922 million, **implying a 2017 EBITDA multiple of ~27 times and a total value of $2.6 billion on a 100% basis**
- Sale closed in June 2018
- AltaGas to remain majority owner and operator of the Facilities

Sale of Non-Core Midstream and Power Assets

- Continuing to execute on strategy to reshape the company with a focus on Gas and U.S. Utilities opportunities
- **$560 million** total proceeds, used to repay significant portion of bridge facility

Non-core Canadian midstream assets

- **Six** field gathering and processing facilities in Alberta and Saskatchewan with total capacity of 300 mmcf/d
- **Two regional transmission pipelines** of approximately 500 km
- Regional LNG facility at Dawson, BC with total capacity of **27,000 gallons/day**
- Two gas-fired power peaking facilities in Alberta totaling **17 MW**
- **C&I assets**, involving retail gas and power customers in several Canadian provinces
- **43.7 million** shares of Tidewater Midstream and Infrastructure Inc.

Non-core power assets

- Tracy, Hanford and Henrietta plants totaling **523 MW of capacity**.

Expected to close in Q4 2018

AltaGas Creates AltaGas Canada Inc.

Boldly reshaping the company with a focus on Gas and U.S. Utilities

AltaGas Canada Inc. Assets:

- Rate-regulated utility assets that deliver natural gas to customers in British Columbia, Alberta, Nova Scotia and the Northwest Territories with a combined rate base of $837 million as of June 30, 2018, and serve about 130,000 customers in three jurisdictions
- Contracted wind power assets consisting of the 102 MW Bear Mountain Wind Park near Dawson Creek, British Columbia
- An approximate 10% indirect equity interest in the Northwest Hydro Facilities in British Columbia

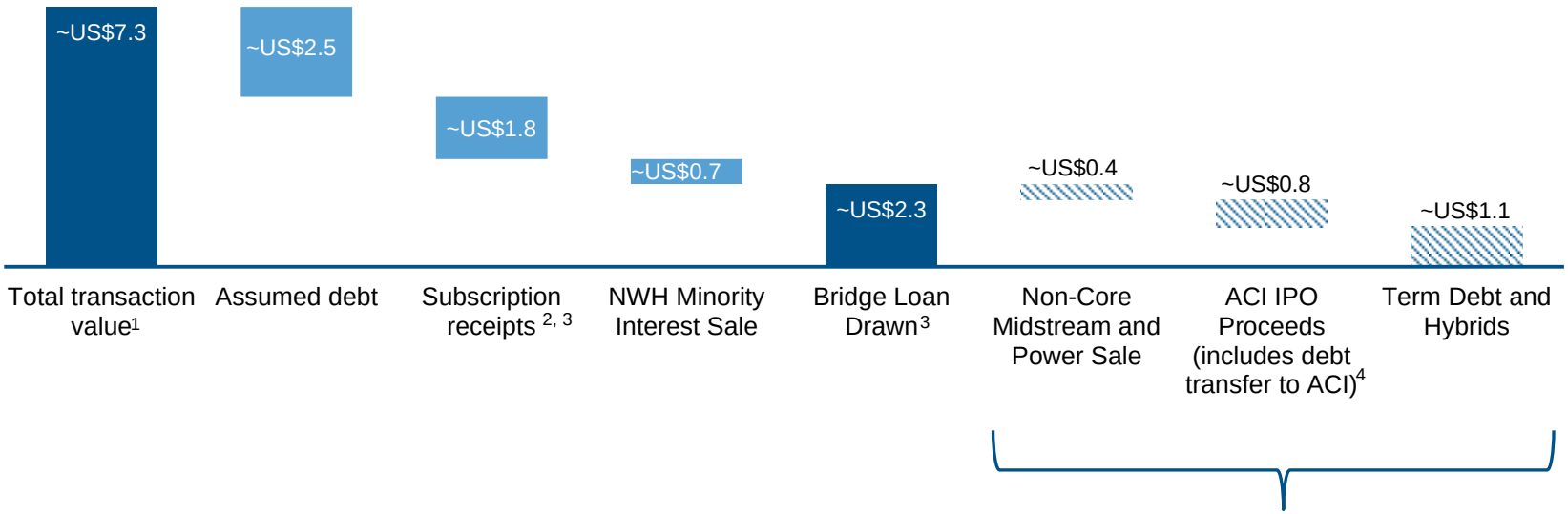
Committed to having assets in all three segments, with a focus on a capital light, low-carbon presence in Power

- AltaGas expects to hold between ~**37% to 45%** of ACI at close of the Initial Public Offering
- Expected total cash proceeds from the IPO approaching **$1 billion**
- Repayment of bridge loan with respect to the funding of the acquisition of WGL will be complete in the fourth quarter of 2018
- Final step expected to be term debt and hybrid securities issuances

IPO provides flexibility in the longer term

Term Debt and Hybrid Securities to Complete Repayment of Bridge Facility

Bridge Facility Repayment (US$bn)



All funding steps for total repayment of bridge facility to be completed by end of Q4 2018

1 Includes transactions related costs
2 Net proceeds from subscription receipts (gross proceeds minus dividend equivalent payments and Underwriter fees)
3 US$ Converted at July 6, 2018 FX rate of $1.3105 CAD / $1.00 USD
4 Includes C$635 million of debt transferred to ACI
See "Forward-looking Information"
Unless otherwise stated, dollar amounts in this presentation are in Canadian dollars

AltaGas

Long-term Value Creation with Strong Balance Sheet are Governing Principles

Governing Financial Principles

Delivering security and value

	Principles	Targets
1	Dividend Sustainability	✓ 50 - 60% FFO[1] payout ratio ✓ Over ~65% of 2019 common dividends to be underpinned by Regulated Utilities
2	Target Expected Returns	✓ Enhancing returns on existing assets ✓ Specified targets for growth projects
3	Investment Grade Balance Sheet	✓ BBB credit rating[2]
4	Financing Requirements	✓ Flexible financing plan to support growth using both growing internally generated cash flow and external financing (as required)
5	Managed Commodity Exposure	✓ ~85% or greater of contracted EBITDA
6	Strong Counterparty Creditworthiness Overall	✓ > 85% of exposure with investment grade counterparties

1 FFO is a non-GAAP financial measure
2 Current S&P rating BBB with a negative outlook
See "forward-looking information"

Balance Deleveraging, Dividend Sustainability and Funding

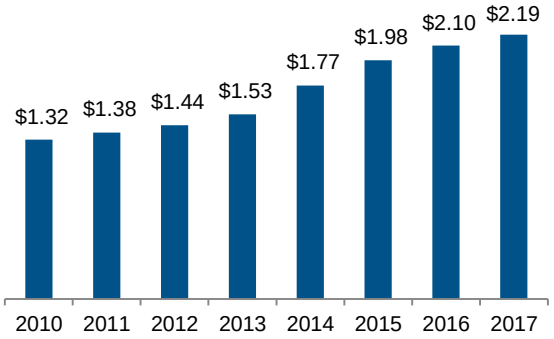
Improve credit metrics as funding strategy is completed

- Focus on stable cash flows

Credit Metric	Long-Term Target
FFO[1]/ Debt	~ 15%
Net Debt / EBITDA	~ 5.0x

Committed to sustainable dividend

- Target FFO payout ratio of 50% – 60%, decreasing within the range over time



Prudent funding of growth

- Internally generated cash flow
- DRIP
- Credit facilities
- Capital markets

Creating the right balance for AltaGas

1 FFO is a non-GAAP financial measure
See "forward-looking information"

Wealth of Opportunities Across Gas and U.S. Utilities

Gas segment drives significant near term growth

RIPET
$450 – $500 million

Central Penn
US$450 million

Mountain Valley Pipeline
US$350 million

$1.5 billion in near term gas opportunities

High Quality U.S. Utility Growth

~US$1.5 billion
over 5 years supports new customer additions, general system improvement, and accelerated replacement programs

+ Additional projects
to support growth markets

Over $1.5 billion in near term utility growth




High-Quality Utility Assets with Significant Embedded Organic Growth

Rate Applications

Washington, DC

- Next rate case to be filed in 2020
- New 5 year plan for accelerated replacement to be filed in 2019 for the 2020 – 2025 period

Maryland

- Base Rate increase requested mid-2018
- Accelerated pipeline replacement initiative (Phase 2) requested mid-2018
- Decisions expected mid-December 2018

Virginia

- Base Rate increase requested July 2018; decision expected 2019

Michigan

- Next rate case to be filed in 2019

Enstar

- Next rate case to be filed in 2021

Robust Growth Opportunities

Operates in higher growth markets with significant capital expenditures to support new customer additions, general system improvement, and accelerated replacement programs.

- Marquette Connector Pipeline currently under construction in Michigan
- 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.)

Rate base to grow to ~$5.5 billion in 2021

Over **$4 billion** in rate base[1]

1 As at June 30, 2018
See "forward-looking information"

Positioned to Actively Participate in North America's Two Most Prolific Gas Plays

Montney

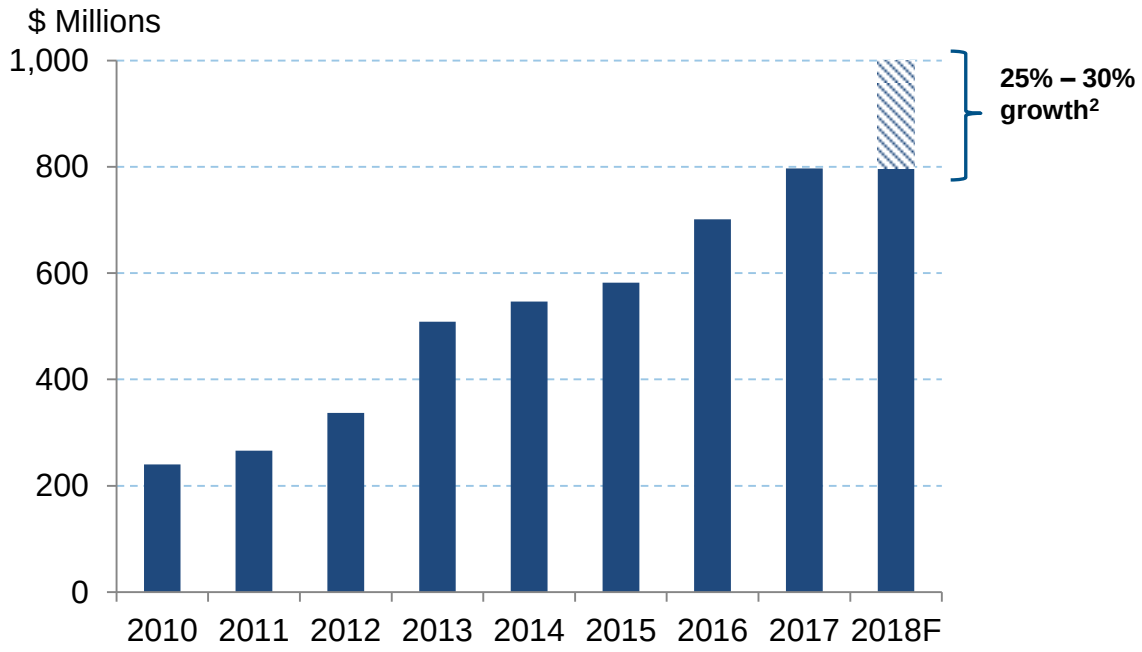
- Macro factors give us confidence in growth opportunities:
  - TransCanada in North Montney
  - Enhanced activity around LNG
- RIPET - first propane export terminal on Canada's west coast - connecting Western Canadian producers to premium Asian markets
- Expansion of Townsend complex adds Kelt as new producer tenant and highlights breadth of the integrated value chain – gathering, processing, fractionation and access to export markets

Marcellus/Utica

- Pipeline development connects low cost producers with high growth U.S. end-use markets and exports off the east coast
  - Central Penn
  - Mountain Valley

Successful track record of delivering EBITDA[1] growth over time

Significant growth in 2018 driven by WGL Acquisition



Gas Growth Opportunities Come Online

- RIPET
- Townsend Expansion
- Mountain Valley
- Central Penn

Addition of a full year of WGL

Successful completion of asset sales in 2018 and further reshaping of business to focus on Gas and U.S. Utilities

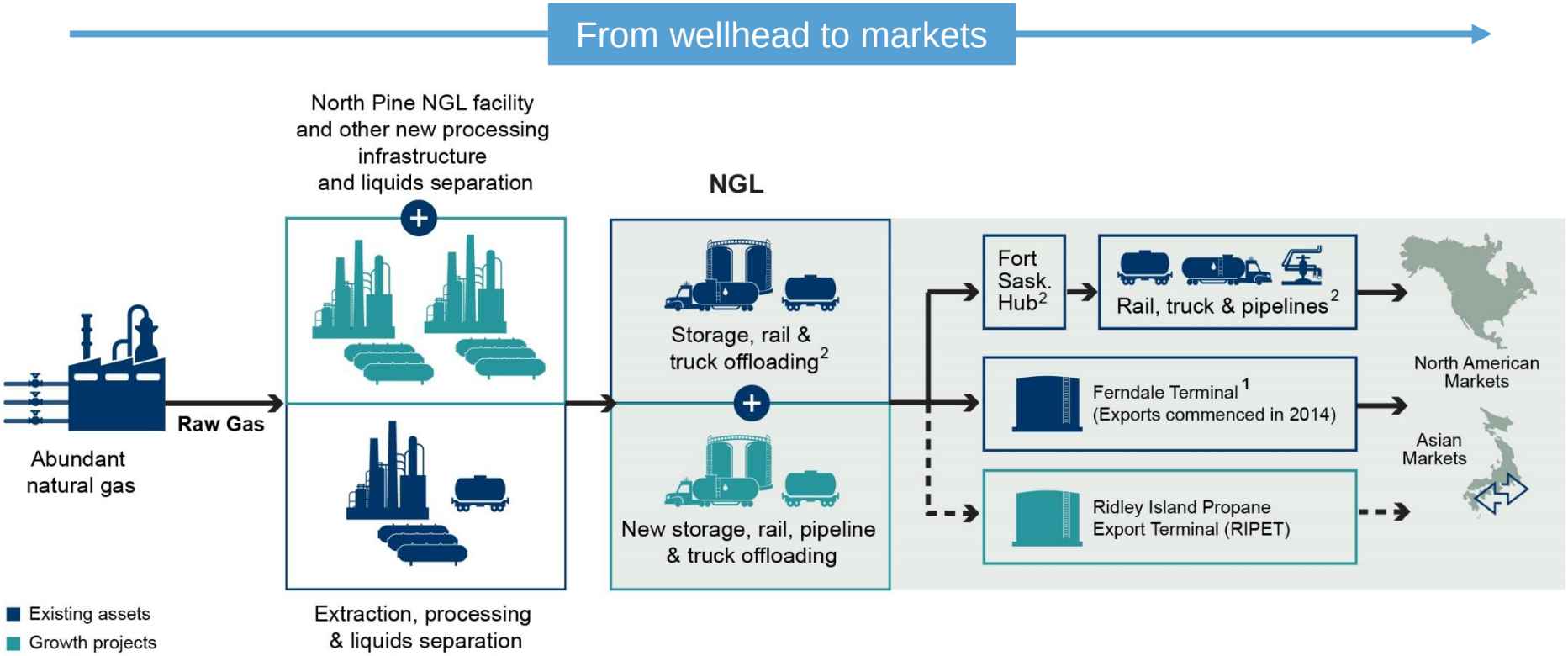
Financing requirements for WGL completed

1 Represents normalized EBITDA
2 Expectations as at September 2018
2010 in accordance with CGAAP. 2011 and forward in accordance with U.S. GAAP
See "forward-looking information"

AltaGas

Gas

Building Infrastructure to Serve New Markets



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

1 Current supply for Ferndale is sourced through Petrogas.
2 Includes Petrogas operations
See "forward-looking information"

Midstream Operations in North America's Most Prolific Gas Plays

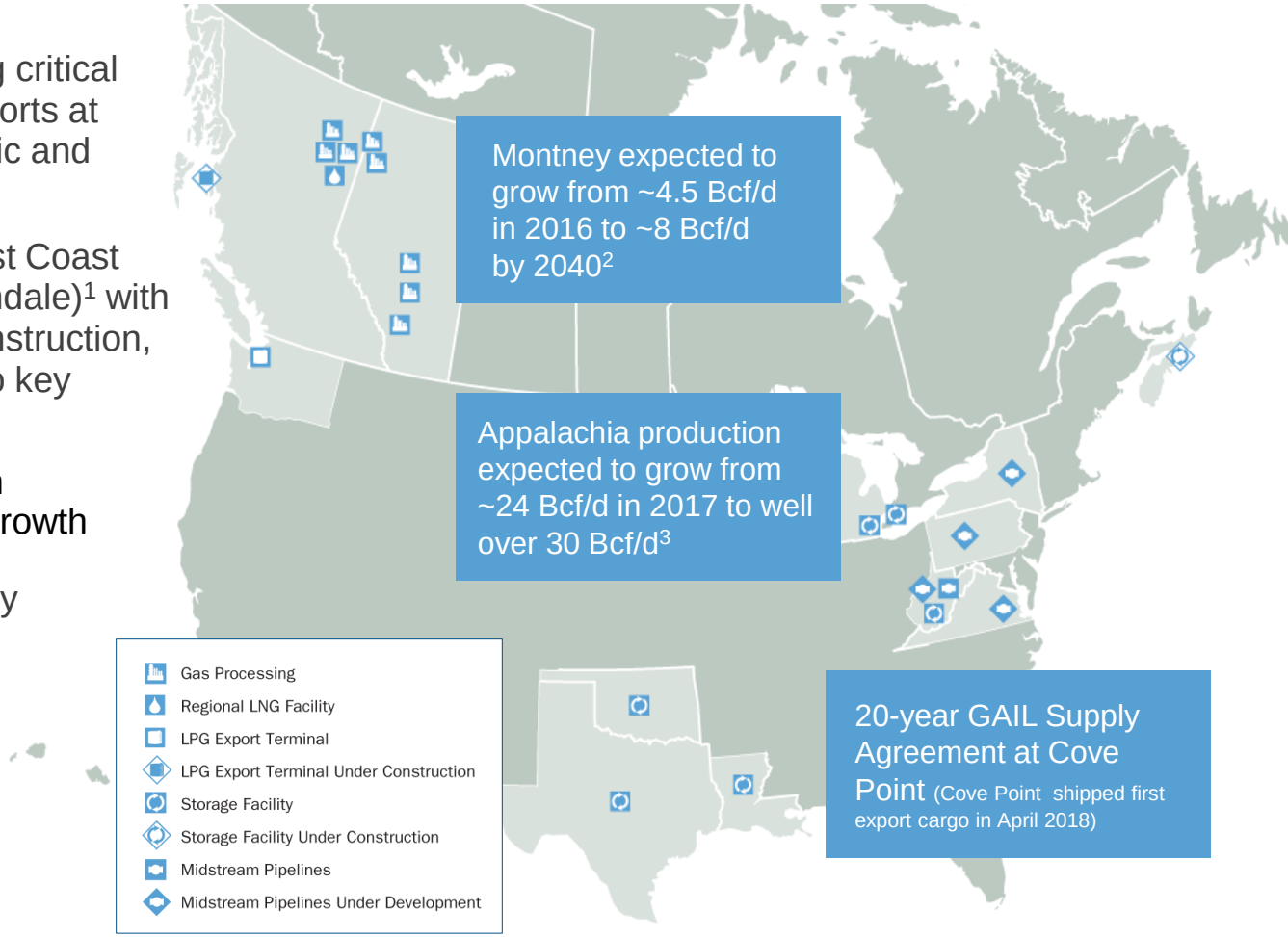
Strategic infrastructure provides producers with global market access

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

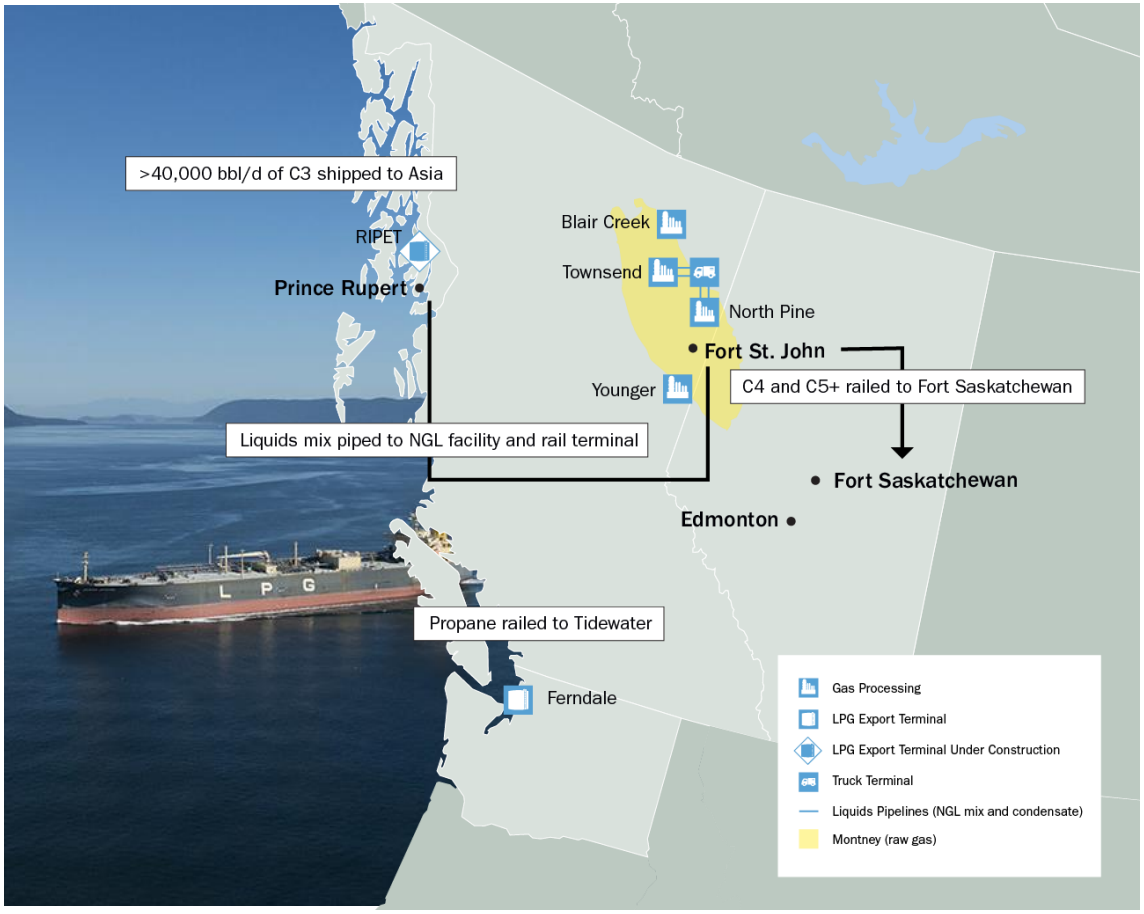
Strategic footprint in vertically integrated Montney & Marcellus / Utica plays



1 AltaGas has 1/3 interest in Ferndale facility
2 NEB – Energy Market Assessment.
3 U.S. Energy Information Administration.
See "Forward-looking Information"

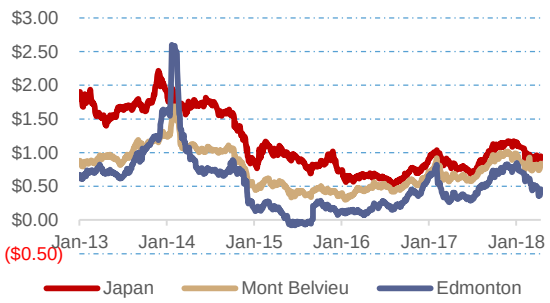
AltaGas' Northeast B.C. and Energy Export Strategy

Provides NEW market access for Western Canadian propane producers to Asia



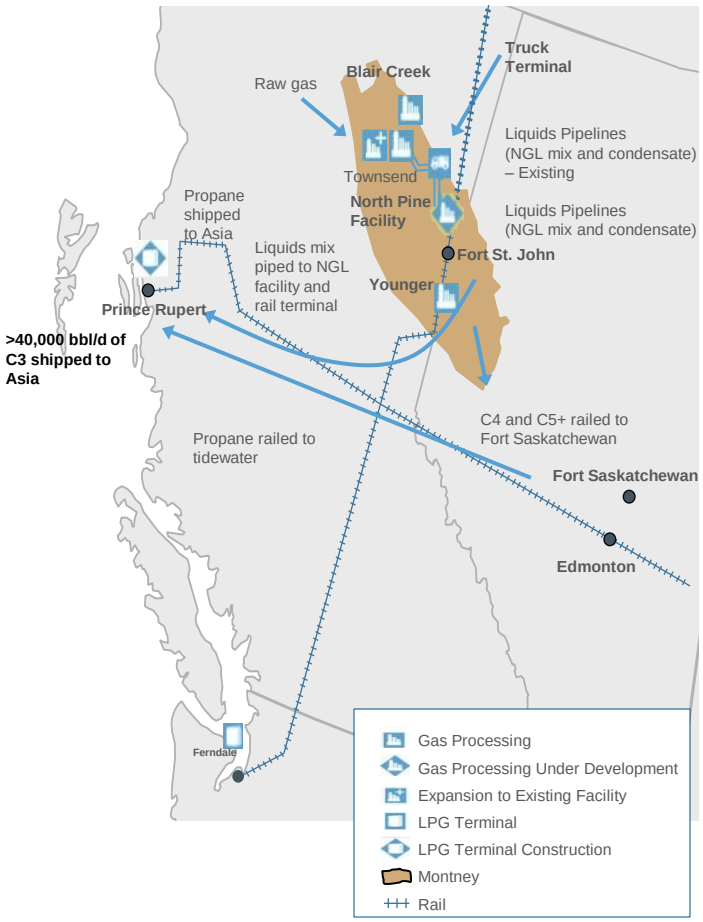
- AltaGas' propane export terminal at Ridley Island is poised to create a hub for key global markets to the west
- Significant shipping advantages vs. Gulf coast, providing producers with increased netbacks

Historical C3 Prices
($USD/Gal)



Northeast B.C. Strategy

Provides new market access for Western Canadian propane producers to Asia



Ridley Island Propane Export Terminal (RIPET)
$450 - $500 Million[1]
Commissioning: 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

Expansion of Townsend Gas Processing Facility
~$180 Million
In service: Q4 2019

- Expansion to add 198 MMcf/d of C3+ deep cut gas processing capacity at the Townsend Complex
- Arrangement provides Kelt with firm processing of 75 MMcf/d of raw gas under an initial 10-year take-or-pay

North Pine NGL Facility
In service: Dec. 1, 2017

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

1 Total project cost; ownership is 70% ALA and 30% Royal Vopak
Expectations at September 2018
See "forward-looking information"

Doubling the Townsend Gas Processing Complex

Expansion of the Townsend Complex and capture area coupled with enhanced NGL recovery will provide producers with more options for energy exports

Townsend Expansion

- Addition of a 198 MMcf/d of C3+ deep cut gas processing capacity
- Kelt with firm processing of 75 MMcf /d of raw gas under an initial 10-year take-or-pay arrangement
  - includes raw gas gathering, liquids handling, field fractionation and propane marketing arrangements including export through RIPET
- Economies of scale and synergies result in capital efficiencies approaching $750,000/MMcf of deep cut capacity
- Estimated project cost of $180 million
- Expected on-stream in Q4 2019

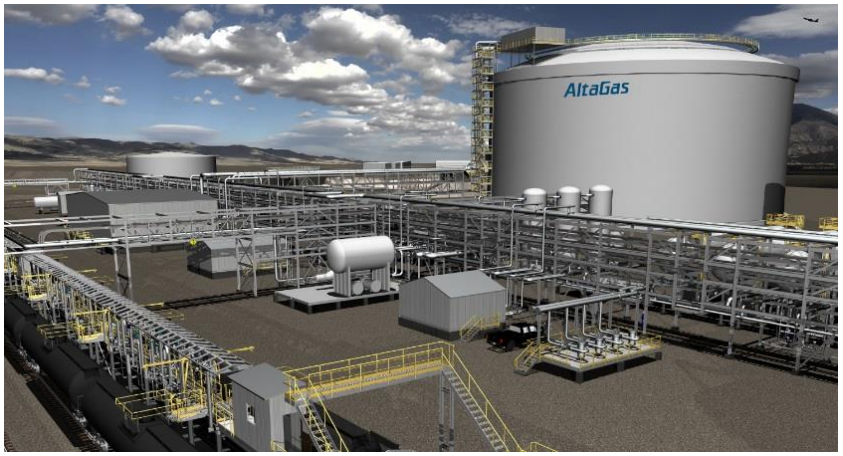
1 Expectations as at September 2018
See "forward-looking information"

Ridley Island Propane Export Terminal

First mover competitive advantage

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

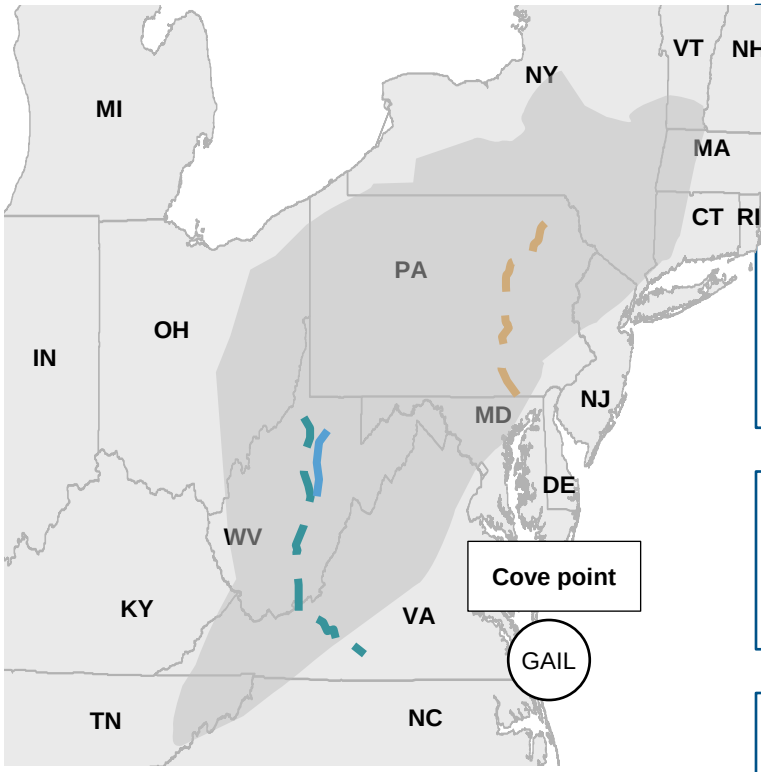
- Construction is underway and is expected to be in service by Q1 2019
- Facility designed for 40,000 bbls/d of export capacity
- Brownfield site includes existing world class marine jetty with deep water access, excellent railway access which enables the efficient loading of Very Large Gas Carriers 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
- Currently have close to 75% of supply secured
- 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 million[1]



1 Expectations as at September 2018. Total project cost; ownership will be 70% ALA and 30% Royal Vopak
See "forward-looking information"

AltaGas' Position in the Marcellus

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



Marcellus / Utica Basins
Central Penn
Mountain Valley
Stonewall

Stonewall
US$135 Million[1]
ALA 30% ownership

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

Central Penn
US$450 million[1]
ALA 21% ownership

- Designed to transport 1.7 Bcf/d as part of the "Atlantic Sunrise" project
- Expected in service Q3 2018

Mountain Valley
US$350 Million[1]
ALA 10% ownership

- Target in service Q4 2019
- Designed to transport 2.0 Bcf/d from West Virginia to Virginia

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 shipped first export cargo in April 2018

1 Represents ALA share of total project cost
See "Forward-looking Information"
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CUBIC FEET
ALTAGAS UTILITIES INC.
CUBIC FEET
ALTAGAS UTILITIES INC.
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Utilities

U.S. Utility Business

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

- Delivering clean and affordable natural gas to homes and businesses in multiple jurisdictions
- **Increased diversification**, across several **high growth areas,** minimizing exposure to any one jurisdiction

Over $4 Billion[1]

Rate base at June 30, 2018

Over 1.5 Million[1]

Customers

1 As at June 30, 2018 proforma including WGL
See "Forward-looking Information"
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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$135 - $140 million. Recovery on MCP is expected to be through a general base rate case
  - Expected to meaningfully increase rate base
- Received approval of Act 9 application from the Michigan Public Service Commission in August 2017 to construct, own and operate the project
- Engineering and property acquisitions have begun and will continue throughout 2018, and construction to be completed in 2019
- MCP is expected to be in service in Q4 2019

Supportive Regulatory Environment for U.S. Gas Utilities

Utility	Location and Rate Base[1]	Customers[1]	Allowed ROE and Equity Thickness	Regulatory Update
SEMCOENERGY GAS COMPANY	Michigan $654 MM	309,000	10.35% 49%	▪ Use of projected test year for rate cases with 10 month limit to issue a rate order, eliminates/reduces regulatory lag ▪ Recovery of invested capital in pipeline replacement through the Mains Replacement Program surcharge has reduced the need for frequent rate cases ▪ Last rate case filing completed in 2010; next case to be filed in 2019 ▪ In August 2017, received approval from the Michigan Public Service Commission for the Act 9 application for the Marquette Connector Pipeline
ENSTAR Natural Gas Company	Alaska $365 MM	144,000	11.88% 51.80%	▪ Final order approving US$5.8 MM rate increase (including US$5 MM interim rates previously included in rates) issued on September 22, 2017. Final rates effective November 1, 2017 ▪ Next rate case to be filed in 2021, based on 2020 historical test year.
Cook Inlet Natural Gas STORAGE Alaska	Alaska $97 MM	ENSTAR, 3 electric utilities and 5 other customers	12.55% 50.00%	▪ In April 2018 filed application for advanced approval of the redundancy project with ~US$41 MM capital cost; RCA decision expected in early Q1 2019 ▪ Rate case filed in April 2018
Washington Gas A WGL Company	Virginia	524,000	9.50% 52.3%	▪ Rate case filed in July 31, 2018 seeking rate increase of US$37.6MM, including transfer of US$14.7MM rider under the Steps to Advance Virginia's Energy Plan ("SAVE") for net increase of US$22.9MM; US$1.3 billion projected rate base based on 10.6% ROE and ~53.3% of equity thickness ▪ Filed 2019 SAVE capex and rider in August 31 2018, expect to incur approximately US$70MM 2019 SAVE capex
Washington Gas A WGL Company	Maryland	~$3 BN 478,000	9.50% 53.0%	▪ Rate case filed in May 2018 seeking rate increase of US$56.3 MM including transfer of US$15 MM Strategic Infrastructure Development and Enhancement Plan ("STRIDE") surcharge for net increase of US$41.3MM; based on 10.3% ROE, ~ 51.7% equity thickness, and ~US$1.1 billion projected rate base ▪ Filed STRIDE 2 application for 2019-2023 for ~US$394 MM replacement capex
Washington Gas A WGL Company	Washington D.C.	162,000	9.25% 55.7%	▪ 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 late 2018 for the period Oct 2019 to Sept. 2024

1 WGL figures as of September 30, 2017. SEMCO, Enstar and CINGSA Figures as of December 31, 2017. US$ converted at an exchange rate of $1.3168 CAD / $1.00 USD
See "Forward-looking Information"
Unless otherwise stated, dollar amounts in this presentation are in Canadian dollars

Power

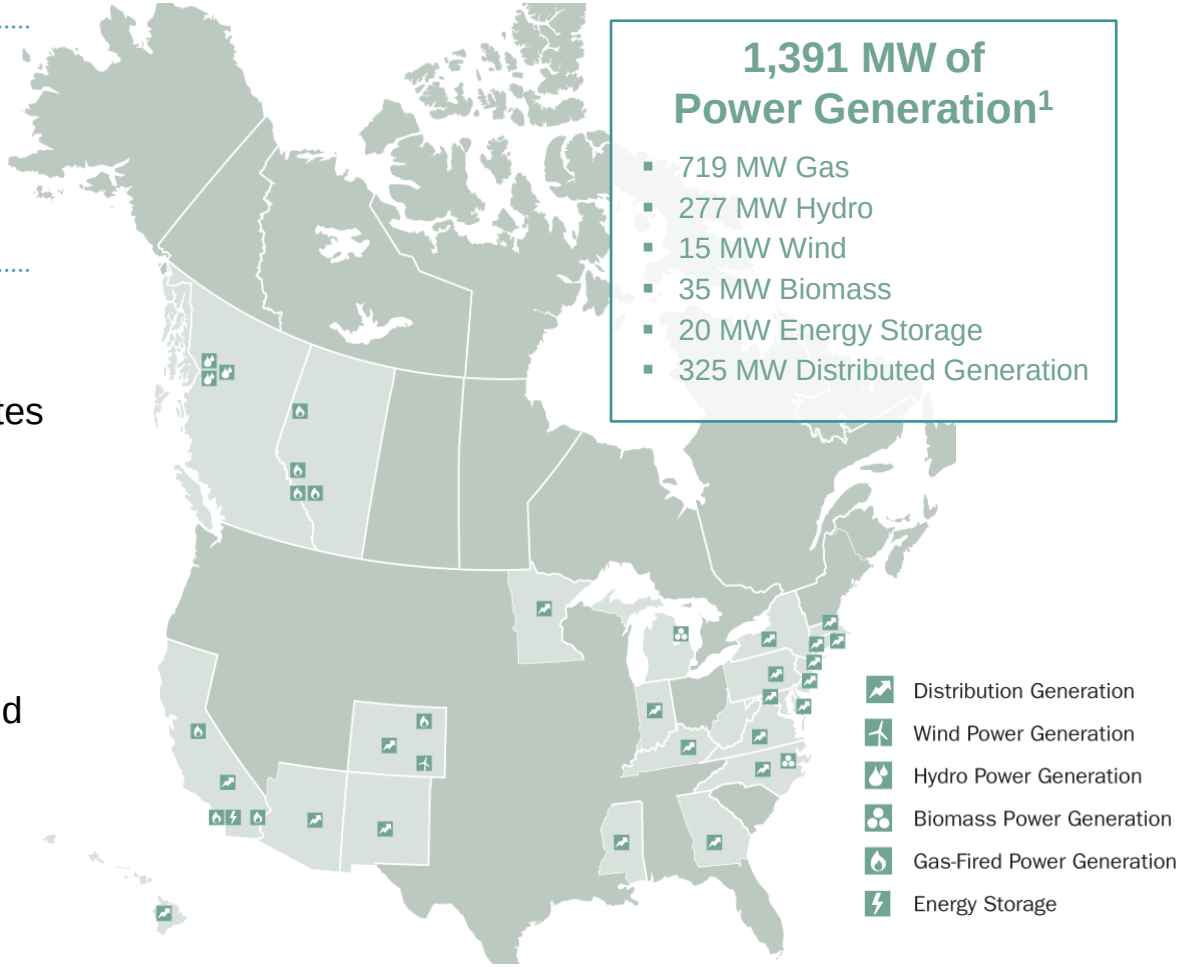
Contracted Power

Generating clean energy with natural gas and renewable sources

Strong footing in the Power market with a focus on capital light, innovative solutions

Diversified Power Portfolio

- Power generation in over 20 states and provinces
- Average contract length of ~17 years[1]
- Track record of building projects on-time / ahead of schedule and under budget in both Canada and the U.S.



1,391 MW of Power Generation[1]

- 719 MW Gas
- 277 MW Hydro
- 15 MW Wind
- 35 MW Biomass
- 20 MW Energy Storage
- 325 MW Distributed Generation

1 As at September 20, 2018
See "Forward-looking Information"

AltaGas