

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Tabular amounts and amounts in footnotes to tables are in millions of Canadian dollars unless otherwise indicated.)

This Management's Discussion and Analysis ("MD&A") dated May 4, 2022 is provided to enable readers to assess the results of operations, liquidity and capital resources of TriSummit Utilities Inc. ("TSU" or the "Company") as at and for the three months ended March 31, 2022. This MD&A should be read in conjunction with the accompanying condensed interim consolidated financial statements as at and for the three months ended March 31, 2022 (the "Interim Financial Statements"), the Company's audited consolidated financial statements as at and for the year ended December 31, 2021 (the "2021 Annual Financial Statements") and the Company's management's discussion and analysis for the year ended December 31, 2021 (the "2021 Annual MD&A").

The Company's presentation currency is in Canadian dollars. In this MD&A, references to "\$" are to Canadian dollars unless otherwise indicated. The Interim Financial Statements and comparative information have been prepared in accordance with United States ("U.S.") generally accepted accounting principles ("U.S. GAAP") as codified by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). Throughout this MD&A, reference to GAAP refers to U.S. GAAP. Any reference to per Common Share measures are presented on a basic basis, unless otherwise indicated.

This MD&A refers to certain terms commonly used in the rate-regulated utility industry, such as "rate-regulated", "rate base" and "return on equity". The term "rate base" and "return on equity" are key performance indicators but are not considered to be a non-GAAP measure. Rate base is an amount that a utility is required to calculate for regulatory purposes, and generally refers to net book value of the utility's assets for regulatory purposes. Return on equity or "ROE" is a percentage that is set or approved by a utility's regulator and represents the rate of return that a regulator allows the utility to earn on the equity component of the utility's rate base. The Company refers to the rate base of its utility businesses because it believes that such term assists in understanding the Company's business and is commonly used by investors to help evaluate the performance of rate-regulated utilities. For a discussion of these terms and other terms commonly used in the rate-regulated utility industry, please see the "*Business of the Company - Utilities Business*" section in the annual information form of TSU dated March 2, 2022 (the "Annual Information Form").

Abbreviations, acronyms, and capitalized terms used in this MD&A that are not otherwise defined herein are used consistently with the definitions in the 2021 Annual MD&A or the Annual Information Form.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "should", "believe", "plan", "would", "could", "focus", "forecast", "opportunity" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this MD&A contains forward-looking information and statements pertaining to the following: expected success of financing plans and strategies, including maintenance of TSU's credit rating; the expected safety and reliability of TSU's operations; expectations regarding the PNG Reactivation Project (as defined herein) and the Salvus to Galloway Project (as defined herein); the GCOC (as defined herein) and LCE (as defined herein) proceedings announced by the BCUC (as defined herein); the GCOC, cost of service, and PBR (as defined herein) proceedings announced by the AUC (as defined herein); the AUC inquiry on matters related to hydrogen blending in natural gas distribution systems; the commencement of payments under the transportation and service agreements with Port Edward LNG (as defined herein); expectations regarding planned expenditures and related investments and capital program from 2022 to 2026 and the expected capital spend in 2022, including the sources of financing for TSU's capital expenditures; expected fluctuations in the Company's working capital and the expected funding of the Company's capital program; the Company's objective for managing capital and its effects on rate base and return to investors; the payment of dividends to the Company's shareholder; and expected impact of adopting ASUs (as defined herein) in the future on the Company's consolidated financial statements.

The forward-looking information and statements contained in this MD&A reflect several material factors, expectations and assumptions of the Company including, without limitation: expected commodity supply, demand and pricing; that the Company will continue to conduct its operations in a manner consistent with past operations; the general continuance of current or, where

applicable, assumed industry conditions; regulatory approvals and policies; funding operating and capital costs; project completion dates; capacity expectations; that there will be no material defaults by the counterparties to agreements with the Company and such agreements will not be terminated prior to their scheduled expiry; and the Company will continue to have access to wind and water resources in amounts consistent with the amounts expected by the Company. The Company believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable, but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking information and statements included in this MD&A are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information and statements, including, without limitation: changes in the demand for or supply of the Company's services; unanticipated operating results; changes in regulatory matters; limited, unfavourable or a lack of access to capital markets; increased costs; the impact of competitors; attracting and retaining skilled personnel and certain other risks (including, without limitation, those risks identified elsewhere in this MD&A); and the other factors discussed under the heading "*Risk Factors*" in the Annual Information Form and set out in the Company's other continuous disclosure documents.

The Company believes the forward-looking statements in this MD&A are reasonable. However, such statements are not a guarantee that any of the actions, events or results of the forward-looking statements will occur, or if any of them do occur, their timing or what impact they will have on the Company's results of operations or financial condition. Because of these uncertainties, investors should not put undue reliance on any forward-looking statements.

The forward-looking statements included in this MD&A are expressly qualified by this cautionary statement and are made as of the date of this MD&A. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as required by Canadian securities laws.

Additional information relating to the Company, including the Annual Information Form, is available on SEDAR at www.sedar.com.

THE COMPANY

TSU is incorporated under the *Canada Business Corporations Act* and its registered office and principal place of business is in Calgary, Alberta. TSU is a wholly owned subsidiary of TriSummit Cycle Inc., a company in which the Public Sector Pension Investment Board indirectly holds a majority economic interest and Alberta Investment Management Corporation indirectly holds a minority economic interest.

The Company owns rate-regulated distribution and transmission utility businesses through its operating subsidiaries Apex Utilities Inc. ("AUI") in Alberta, Pacific Northern Gas Ltd. ("PNG") and Pacific Northern Gas (N.E.) Ltd. ("PNG(N.E.)") in British Columbia and Heritage Gas Limited ("HGL") in Nova Scotia. The Company also owns the Bear Mountain Wind Park, an approximately 10 percent indirect interest in the Northwest Hydro Facilities, and a 33.33 percent equity interest in the utility that delivers natural gas to end-users in Inuvik, Northwest Territories.

FIRST QUARTER FINANCIAL HIGHLIGHTS

(Normalized EBITDA, normalized funds from operations (including per share amounts), normalized net income (including per share amounts), net debt, and net debt to total capitalization ratio are non-GAAP financial measures. Please see the “Non-GAAP Financial Measures” section of this MD&A.)

- Net income after taxes was \$28.7 million (\$0.96 per Common Share) compared to \$23.9 million (\$0.80 per Common Share) in the first quarter of 2021.
- Normalized net income was \$29.3 million (\$0.98 per Common Share), compared to \$23.1 million (\$0.77 per Common Share) in the first quarter of 2021.
- Operating income was \$32.4 million, compared to \$31.3 million in the first quarter of 2021.
- Normalized EBITDA was \$44.2 million, an increase of 8 percent compared to \$40.8 million in the first quarter of 2021.
- Cash from operations was \$44.6 million, compared to \$37.5 million in the first quarter of 2021.
- Normalized funds from operations were \$40.1 million (\$1.34 per Common Share), an increase of 15 percent compared to \$35.0 million (\$1.17 per Common Share) in the first quarter of 2021.
- Net debt was \$756.5 million as at March 31, 2022, compared to \$768.5 million as at December 31, 2021.
- Net debt to total capitalization ratio was 53.9 percent as at March 31, 2022, compared to 55.0 percent as at December 31, 2021.
- Rate base as at March 31, 2022 was \$1,079 million inclusive of construction work in progress, compared to \$990 million as at March 31, 2021.
- On March 31, 2022, the Alberta Utilities Commission (“AUC”) issued a decision approving the extension of the current ROE of 8.5 percent and equity thickness of 39 percent for AUI for 2023.

HIGHLIGHT SUBSEQUENT TO QUARTER END

- On April 1, 2022, the British Columbia Utilities Commission (“BCUC”) accepted PNG’s biomethane purchase agreements (“BPAs”) with ATCO Future Fuel RNG Limited Partnership (“ATCO”) and Tidal Energy Marking Inc. (“Tidal”) as meeting the requirements for a prescribed undertaking as defined by B.C.’s *Greenhouse Gas Reduction (Clean Energy) Regulation*.

OVERVIEW OF THE BUSINESS

TSU has three reporting segments:

- Utilities, which owns and operates rate-regulated distribution and transmission assets in Alberta, British Columbia and Nova Scotia. TSU also owns a 33.33 percent equity interest in the utility that delivers natural gas to end-users in Inuvik, Northwest Territories. In aggregate, the utilities had approximately \$1,079 million of rate base as at March 31, 2022 inclusive of construction work in progress and serve approximately 133,000 customers across Canada.
- Renewable Energy, which includes the 102 MW Bear Mountain Wind Park and an approximately 10 percent indirect interest in the 303 MW Northwest Hydro Facilities.
- Corporate, which primarily includes the cost of providing shared services, financing and access to capital, and general corporate support.

BUSINESS AND REGULATORY UPDATES

PNG Reactivation Project

On November 30, 2021, the BCUC granted approval of the certificate of public convenience and necessity (“CPCN”) application filed by PNG on March 5, 2021 which was seeking approval for costs related to system reactivation and recommissioning work necessary to return the existing Western System back to the contracted utilization capacity (the “PNG Reactivation Project”). The submitted capital cost in the CPCN application is approximately \$89 million and is expected to be incurred over a four-year period between 2021 and 2024. With the approval from the BCUC, construction began in the fourth quarter of 2021. As at March 31, 2022, \$5.9 million of capital expenditures have been incurred to date on the PNG Reactivation Project.

On September 10, 2021, Port Edward LNG Ltd. (“Port Edward LNG”), a party to certain transportation and service agreements with PNG received approval from the British Columbia Oil and Gas Commission for its LNG project in Port Edward, British Columbia. This is a major milestone in the realization of the PNG Reactivation Project. Under the terms of the transportation and service agreements with Port Edward LNG, demand charge payments are scheduled to begin in December 2022.

PNG Salvus to Galloway Project

On July 8, 2021, the BCUC granted approval of the CPCN application filed by PNG on October 2, 2020 which was seeking approval for a project to repair and refurbish part of its Western System, specifically the 8” transmission line from Terrace, British Columbia, to Prince Rupert, British Columbia (the “Salvus to Galloway Project”). The project is required to address aging infrastructure and supports long-term reliable supply. Project work is being conducted within the existing PNG corridor and nearby permitted temporary workspace. The submitted capital cost in the CPCN for the Salvus to Galloway Project is approximately \$85 million, the majority of which is expected to be incurred over a three-year period, between 2021 and 2023. Following the approval from the BCUC, construction began in the summer of 2021 and will continue in phases with completion expected in the fall of 2023. As at March 31, 2022, \$31.1 million of capital expenditures have been incurred to date on the Salvus to Galloway Project.

AUI Generic Cost of Capital (“GCOC”) Proceeding

On January 3, 2022, the AUC initiated a GCOC proceeding to establish the 2023 GCOC parameters for ROE and equity ratios (Stage 1), and address 2024 and future years (Stage 2). On March 31, 2022, the AUC issued a decision for Stage 1 approving the extension of the current ROE of 8.5 percent and equity thickness of 39 percent for AUI for 2023. For Stage 2, the AUC intends to hold a proceeding commencing during 2022 to establish the use of a formula-based approach for setting ROE for 2024 and beyond and to consider whether any changes are required to the cost-of-capital parameters to serve as the starting point for the formula.

PNG GCOC Proceeding

In January 2021, the BCUC announced the initiation of a GCOC proceeding to address the appropriate common equity component and return on equity for the utilities it regulates. The BCUC is in the process of determining the appropriate benchmark, and during the regulatory process the BCUC will also assess an appropriate effective date for implementation of any changes resulting from the proceeding.

AUI 2023 Cost of Service Application

On June 18, 2021, the AUC issued a decision regarding the process to establish the 2023 rates for Alberta electric and gas distribution utilities. AUI’s 2023 cost of service application was filed on December 15, 2021. Based on the proceeding schedule issued by the AUC on January 25, 2022, it is expected a decision will be released in the third quarter of 2022.

AUC Evaluation of Performance Based Regulation in Alberta

On June 30, 2021, the AUC issued a decision in which it determined it was in the public interest for distribution utilities to return to a third PBR term commencing in 2024, upon completion of the 2023 cost of service year. The parameters and changes to be adopted for the third PBR term will be set in a future generic proceeding tentatively set to commence in the third quarter of 2022.

AUI Hydrogen Inquiry

On November 5, 2021, the Government of Alberta released the Hydrogen Roadmap identifying the province as being well positioned to participate in the global hydrogen economy, with the province enabling hydrogen blending into natural gas distribution systems as one method to reduce greenhouse gas emissions. Upon the direction of the Minister of Energy, the AUC has opened an inquiry on the matters related to hydrogen blending in natural gas distribution systems, to which AUI is participating. The AUC's report is due on June 30, 2022.

PNG Application for Approval of a Low Carbon Energy Cost Recovery Mechanism and Biomethane Purchase Agreements

On April 1, 2022, the BCUC accepted PNG's BPAs with ATCO and Tidal as meeting the requirements for a prescribed undertaking as defined by B.C.'s *Greenhouse Gas Reduction (Clean Energy) Regulation*. This approval exempts the BPAs from regulatory review as to whether they are in the public interest. The BPAs provide biomethane supply for PNG's Low Carbon Energy ("LCE") program in support of the greenhouse gas reduction goals of PNG, its customers, and the Province of British Columbia. A further regulatory timetable has been established by the BCUC to review the LCE cost recovery mechanism portion of PNG's application.

CAPITAL PROGRAM GUIDANCE

Over the 2022 to 2026 time period, TSU expects capital spending of up to \$700 million at its Utilities. The expected capital program includes the PNG Reactivation Project and the Salvus to Galloway Project, as well as investments in system betterment projects to maintain the safety and reliability of TSU's utility infrastructure, new business opportunities, technology improvements, and energy transition investments. In 2022, TSU now expects capital spending to be in the range of \$155 to \$175 million.

SEASONALITY

Results for the Utilities segment have a high degree of seasonality associated with them as the second and third quarters usually produce lower net income as a result of warmer weather, lower customer demand, and certain expenses such as depreciation, operating and administrative expenses, and interest expense, which generally increase as a result of rate base growth and are more evenly distributed throughout the year. These increased costs are normally more than offset in the first and fourth quarters which produce higher net income as a result of colder weather and higher customer demand.

SELECTED FINANCIAL INFORMATION

The following tables summarize key financial results:

	Three Months Ended	
	March 31	
<i>(\$ millions)</i>	2022	2021
Normalized EBITDA ⁽¹⁾	44.2	40.8
Operating income	32.4	31.3
Net income after taxes	28.7	23.9
Normalized net income ⁽¹⁾	29.3	23.1
Total assets	1,754.7	1,648.6
Total long-term liabilities	1,005.7	947.0
Net additions to property, plant and equipment	13.2	9.1
Dividends declared	8.8	8.3
Cash from operations	44.6	37.5
Normalized funds from operations ⁽¹⁾	40.1	35.0

	Three Months Ended	
	March 31	
<i>(\$ per Common Share, except Common Shares outstanding)</i>	2022	2021
Net income after taxes - basic and diluted	0.96	0.80
Normalized net income - basic ⁽¹⁾	0.98	0.77
Dividends declared	0.2925	0.2750
Cash from operations	1.49	1.25
Normalized funds from operations ⁽¹⁾	1.34	1.17
Weighted average number of Common Shares outstanding - basic (millions)	30.0	30.0

(1) Non-GAAP financial measure; see discussion in the "Non-GAAP Financial Measures" section of this MD&A.

The following table summarizes TSU's consolidated results:

	Three Months Ended	
	March 31	
<i>(\$ millions)</i>	2022	2021
Revenue	163.3	123.9
Cost of sales	(89.8)	(55.8)
Operating and administrative expense	(29.7)	(26.9)
Accretion expense	(0.1)	(0.1)
Depreciation and amortization expense	(10.2)	(9.2)
Loss from equity investments	(1.1)	(1.4)
Unrealized gain (loss) on risk management contracts	(0.6)	0.8
Other income	0.6	0.1
Foreign exchange loss	—	(0.1)
Operating income	32.4	31.3
Interest expense	(7.4)	(6.9)
Income tax recovery (expense)	3.7	(0.5)
Net income after taxes	28.7	23.9

Three Months Ended March 31

Normalized EBITDA for the three months ended March 31, 2022 was \$44.2 million, an increase of \$3.4 million relative to the same period in 2021 primarily due to higher approved rates and rate base growth at the Utilities, higher revenues at Bear Mountain Wind Park, colder weather in Nova Scotia compared to the same period in 2021, and higher normalized EBITDA from the investment in the Northwest Hydro Facilities, partially offset by higher operating and administrative expenses and warmer weather in Alberta compared to the same period in 2021.

Operating income for the three months ended March 31, 2022 was \$32.4 million, an increase of \$1.1 million relative to the same period in 2021 primarily due to the same factors as the increase in normalized EBITDA as discussed above, partially offset by an unrealized loss on risk management contracts compared to a gain in the same period in 2021 and higher depreciation and amortization expense.

Operating and administrative expense for the three months ended March 31, 2022 was \$29.7 million, an increase of \$2.8 million from the same period in 2021 mainly due to higher costs incurred to support business development activities, higher wages and salaries and higher contractor and consulting expenses.

Depreciation and amortization expense for the three months ended March 31, 2022 was \$10.2 million, an increase of \$1.0 million from the same period in 2021 mainly due to a higher PP&E balance.

Interest expense for the three months ended March 31, 2022 was \$7.4 million compared to \$6.9 million in the same period in 2021. The increase of \$0.5 million was mainly due to a higher average debt balance.

Income tax recovery for the three months ended March 31, 2022 was \$3.7 million, compared to income tax expense of \$0.5 million in the same period in 2021. The decrease in income tax expense was primarily due to lower taxable income as a result of higher capital cost allowance deductions at AUJ and PNG and higher costs incurred to support business development activities.

Normalized net income for the three months ended March 31, 2022 was \$29.3 million, an increase of \$6.2 million relative to the same period in 2021 mainly due to the same factors as the increase in normalized EBITDA discussed above and lower income tax expense, partially offset by higher depreciation and amortization expense and higher interest expense.

Net income after taxes for the three months ended March 31, 2022 was \$28.7 million, an increase of \$4.8 million compared to the same period in 2021. The increase was due to the same factors as the increase in operating income discussed above and lower income tax expense, partially offset by higher interest expense.

Normalized funds from operations for the three months ended March 31, 2022 was \$40.1 million, an increase of \$5.1 million relative to the same period in 2021 primarily due to higher normalized EBITDA discussed above and lower current income tax expense, partially offset by higher interest expense and lower distributions from the Northwest Hydro Facilities.

Please refer to the “*Liquidity and Capital Resources - Liquidity*” section of this MD&A for a discussion of changes in cash from operating activities.

RESULTS BY REPORTING SEGMENT

Normalized EBITDA by Reporting Segment ⁽¹⁾

(\$ millions)	Three Months Ended	
	2022	2021
Utilities	\$ 42.2	\$ 38.0
Renewable Energy	4.5	3.5
Corporate	(2.5)	(0.7)
	\$ 44.2	\$ 40.8

(1) Non-GAAP financial measure; see discussion in the “*Non-GAAP Financial Measures*” section of this MD&A.

Operating Income (Loss) by Reporting Segment

(\$ millions)	Three Months Ended	
	2022	March 31 2021
Utilities	\$ 33.2	\$ 31.3
Renewable Energy	1.7	0.7
Corporate	(2.5)	(0.7)
	\$ 32.4	\$ 31.3

UTILITIES SEGMENT REVIEW

Financial results

(\$ millions)	Three Months Ended	
	2022	March 31 2021
Revenue	\$ 157.1	\$ 118.2
Cost of sales	(89.7)	(55.7)
Operating and administrative expense	(25.9)	(24.7)
Normalized EBITDA from equity investment	0.1	0.1
Other income	0.6	0.1
Normalized EBITDA ⁽¹⁾	\$ 42.2	\$ 38.0
Unrealized gain (loss) on risk management contracts	(0.6)	0.8
Depreciation and amortization expense	(8.4)	(7.4)
Foreign exchange loss	—	(0.1)
Operating income	\$ 33.2	\$ 31.3

(1) Non-GAAP financial measure; see discussion in the "Non-GAAP Financial Measures" section of this MD&A.

Operating statistics

	Three Months Ended	
	2022	March 31 2021
Natural gas deliveries - end-use (PJ)	13.9	13.3
Natural gas deliveries - transportation (PJ)	1.7	1.5
Degree day variance from normal - AUI (%) ⁽¹⁾	(4.2)	(2.4)
Degree day variance from normal - HGL (%) ⁽¹⁾	(4.1)	(9.3)

(1) A degree day for AUI and HGL is the cumulative extent to which the daily mean temperature falls below 15 degrees Celsius at AUI and 18 degrees Celsius at HGL. Normal degree days are based on a 20-year rolling average. Positive variances from normal lead to increased delivery volumes from normal expectations. Degree day variances do not materially affect the results of PNG, as the BCUC has approved a rate stabilization mechanism for its residential and small commercial customers.

Three Months Ended March 31

Revenue increased by \$38.9 million for the three months ended March 31, 2022 compared to the same period in 2021 primarily due to higher approved rates and rate base growth, colder weather in Nova Scotia compared to the same period in 2021, and flow through of higher gas supply costs to customers, partially offset by warmer weather in Alberta compared to the same period in 2021.

Normalized EBITDA increased by \$4.2 million for the three months ended March 31, 2022 compared to the same period in 2021 primarily due to higher approved rates and rate base growth and colder weather in Nova Scotia compared to the same period in 2021, partially offset by warmer weather in Alberta compared to the same period in 2021.

Operating income increased by \$1.9 million for the three months ended March 31, 2022 compared to the same period in 2021, primarily due to the same factors as the increase in normalized EBITDA discussed above, partially offset by an unrealized loss on risk management contracts compared to a gain in the same period in 2021 and higher depreciation and amortization expense.

RENEWABLE ENERGY SEGMENT REVIEW

Financial results

(\$ millions)	Three Months Ended	
	March 31	
	2022	2021
Revenue	\$ 6.2	\$ 5.7
Cost of sales	(0.1)	(0.1)
Operating and administrative expense	(1.3)	(1.5)
Normalized EBITDA from equity investment	(0.3)	(0.6)
Normalized EBITDA ⁽¹⁾	\$ 4.5	\$ 3.5
Depreciation and amortization expense	(1.8)	(1.8)
Accretion expense	(0.1)	(0.1)
Accretion and depreciation and amortization expense from equity investment	(0.9)	(0.9)
Operating income	\$ 1.7	\$ 0.7

(1) Non-GAAP financial measure; see discussion in the "Non-GAAP Financial Measures" section of this MD&A.

Operating statistics

	Three Months Ended	
	March 31	
	2022	2021
Bear Mountain Wind Park power sold (GWh)	58.1	55.3
Northwest Hydro Facilities power sold (GWh) ⁽¹⁾	4.8	4.1

(1) Representing 10 percent of the total power sold by the Northwest Hydro Facilities.

Three Months Ended March 31

Revenue increased by \$0.5 million for the three months ended March 31, 2022 compared to the same period in 2021 primarily due to higher revenues at the Bear Mountain Wind Park as a result of annual price escalation and higher generation.

Normalized EBITDA increased by \$1.0 million for the three months ended March 31, 2022 compared to the same period in 2021 primarily due to higher revenues and lower maintenance expense at the Bear Mountain Wind Park, and higher normalized EBITDA from the investment in the Northwest Hydro Facilities.

Operating income increased by \$1.0 million for the three months ended March 31, 2022 compared to the same period in 2021 due to the same factors as the increase in normalized EBITDA discussed above.

During the three months ended March 31, 2022, TSU recorded \$1.2 million of loss from its investment in the Northwest Hydro Facilities, compared to \$1.5 million in the same period in 2021. The decrease in equity loss was mainly due to annual price escalation and higher generation at the Northwest Hydro Facilities compared to the same period in 2021.

CORPORATE SEGMENT REVIEW

(\$ millions)	Three Months Ended	
	March 31	
	2022	2021
Operating and administrative expense	\$ (2.5)	\$ (0.7)
Normalized EBITDA ⁽¹⁾	\$ (2.5)	\$ (0.7)
Operating loss	\$ (2.5)	\$ (0.7)

(1) Non-GAAP financial measure; see discussion in the "Non-GAAP Financial Measures" section of this MD&A.

Expenses incurred by the Corporate segment are primarily associated with providing corporate shared services and business development. For the three months ended March 31, 2022, normalized EBITDA was a loss of \$2.5 million compared to a loss of \$0.7 million for the three months ended March 31, 2021. The decrease in normalized EBITDA for the three months ended March 31, 2022 compared to the same period in 2021 was primarily due to higher costs incurred to support business development activities and higher salaries and wages. For the three months ended March 31, 2022, corporate costs of \$2.4 million were allocated to TSU's operating segments compared to \$1.7 million for the same period in 2021.

For the three months ended March 31, 2022, operating loss was \$2.5 million compared to a loss of \$0.7 million for the three months ended March 31, 2021. The increase in operating loss was due to the same factors as the variance in normalized EBITDA discussed above.

SUMMARY OF SELECTED QUARTERLY RESULTS⁽¹⁾

The following table sets forth unaudited quarterly information for each of the eight quarters from the quarter ended June 30, 2020 to the quarter ended March 31, 2022.

<i>(\$ millions, except per Common Share amounts)</i>	Q1-22	Q4-21	Q3-21	Q2-21
Revenue	163.3	130.8	54.6	67.9
Normalized net income ⁽²⁾	29.3	20.9	1.7	3.5
Net income after taxes	28.7	21.0	2.4	4.0
Net income after taxes per Common Share - basic and diluted (\$)	0.96	0.70	0.08	0.13
Dividends declared per Common Share (\$) ⁽³⁾	0.2925	0.2925	0.2750	0.2750

<i>(\$ millions, except per Common Share amounts)</i>	Q1-21	Q4-20	Q3-20	Q2-20
Revenue	123.9	99.8	48.6	61.3
Normalized net income ⁽²⁾	23.1	17.4	1.0	1.8
Net income after taxes	23.9	15.5	0.5	0.3
Net income after taxes per Common Share - basic and diluted(\$)	0.80	0.52	0.02	0.01
Dividends declared per Common Share (\$) ⁽³⁾	0.2750	0.2750	0.2600	0.2600

(1) Amounts may not add due to rounding.

(2) Non-GAAP financial measure; see discussion in the "Non-GAAP Financial Measures" section of this MD&A.

(3) TSU declares and pays a quarterly dividend on its Common Shares. Dividends are at the discretion of the board of directors and dividend levels are reviewed periodically, giving consideration to the ongoing sustainable cash flow from operating activities, maintenance and growth capital expenditures, and debt repayment requirements of TSU.

Quarter-over-quarter financial results are impacted by seasonality, weather, planned and unplanned outages, and timing and recognition of regulatory decisions.

Revenue for the Utilities segment is generally the highest in the first and fourth quarters of any given year as the majority of natural gas demand occurs during the winter heating season, which typically extends from November to March.

Net income after taxes is affected by non-cash items such as deferred income tax, depreciation and amortization expense, accretion expense, impairment, gains and losses on risk management contracts, and gains or losses on the sale of assets. For these reasons, net income may not necessarily reflect the same trends as revenue. In addition, the equity investment in the Northwest Hydro Facilities is impacted by seasonal precipitation, which creates periods of high river flow, typically during May through October of any given year.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Company's primary sources of liquidity are cash flow from operations and debt additions. The Company's cash requirements include funding for capital expenditures and working capital, servicing and repaying long-term debt, and dividend payments. The Company's sources and uses of cash are further discussed below:

<i>(\$ millions)</i>	Three Months Ended			
	2022		March 31	
				2021
Cash from operations	\$	44.6	\$	37.5
Cash used in investing activities		(23.4)		(16.0)
Cash used in financing activities		(13.8)		(20.9)
Increase in cash and cash equivalents	\$	7.4	\$	0.6

Cash from operations

During the three months ended March 31, 2022, cash from operations increased by \$7.1 million as compared to the same period in 2021 primarily due to higher cash earnings and a favourable variance from changes in operating assets and liabilities, partially offset by lower distributions from the investment in the Northwest Hydro Facilities. The favourable variance in changes in operating assets and liabilities were mainly due to timing of supplier payments.

Investing activities

During the three months ended March 31, 2022, cash used in investing activities increased by \$7.4 million as compared to the same period in 2021 primarily due to higher capital expenditures.

See also the “*Capital Expenditures*” section of this MD&A.

Financing activities

During the three months ended March 31, 2022, cash used in financing activities decreased by \$7.1 million as compared to the same period in 2021 primarily due to lower debt repayments, partially offset by an increase in dividends paid.

Working Capital

<i>(\$ millions except current ratio)</i>	March 31, 2022	December 31, 2021
Current assets	\$ 116.5	\$ 110.3
Current liabilities	100.8	109.8
Working capital	\$ 15.7	\$ 0.5
Working capital ratio	1.16	1.00

The variation in the working capital was primarily due to an increase in cash held and a decrease in accounts payable. TSU's working capital will fluctuate in the normal course of business, and the working capital deficiency will be funded using cash flow from operations and available credit facilities as required.

Capital Resources

The Company's objective for managing capital is to maintain its investment grade credit rating, ensure adequate liquidity, maximize the profitability of its existing assets and grow its business through prudent capital investments which ultimately add to the utilities' rate base, and enhance returns to its shareholder. The Company's capital resources are comprised of short-term and long-term debt (including the current portion).

The use of debt or equity funding is based on TSU's capital structure, which is determined by considering the norms and risks associated with operations and cash flow stability and sustainability.

<i>(\$ millions, except where noted)</i>	March 31, 2022	December 31, 2021
Current portion of long-term debt	\$ 1.1	\$ 1.0
Long-term debt ⁽¹⁾	768.7	773.4
Total debt	769.8	774.4
Less: cash and cash equivalents	(13.3)	(5.9)
Net debt ⁽²⁾	\$ 756.5	\$ 768.5
Shareholder's equity	648.2	628.3
Total capitalization	\$ 1,404.7	\$ 1,396.8
Net debt-to-total capitalization ⁽²⁾ (%)	53.9	55.0

(1) Net of debt issuance costs of \$2.8 million as of March 31, 2022 (December 31, 2021 - \$3.0 million).

(2) Non-GAAP financial measure; see discussion in the “*Non-GAAP Financial Measures*” section of this MD&A.

As at March 31, 2022, TSU's total debt primarily consisted of outstanding MTNs of \$650 million (December 31, 2021 - \$650 million), PNG debentures of \$23.0 million (December 31, 2021 - \$23.0 million) and \$99.0 million drawn under other bank credit

facilities (December 31, 2021 - \$104.0 million). In addition, TSU had \$8.3 million of letters of credit issued (December 31, 2021 - \$8.3 million).

TSU's earnings interest coverage for the rolling 12 months ended March 31, 2022 was 2.9 times (12 months ended March 31, 2021 2.5 times).

Credit Facilities

The Company funds its long and short term borrowing requirements with credit facilities as follows:

<i>(\$ millions)</i>	Borrowing capacity	Drawn at March 31, 2022	Drawn at December 31, 2021
Syndicated revolving credit facility ⁽¹⁾	\$ 200.0	\$ 74.0	\$ 79.0
Operating credit facility ⁽²⁾	35.0	3.2	3.2
PNG committed credit facility ⁽³⁾	25.0	25.0	25.0
PNG operating credit facility ⁽⁴⁾	25.0	5.1	5.1
	\$ 285.0	\$ 107.3	\$ 112.3

- (1) On October 25, 2018, the Company entered into definitive credit agreements establishing the \$200 million unsecured syndicated revolving credit facility. On July 16, 2021, the Company amended the facility and extended the maturity date to July 16, 2025. Borrowing options under this facility include Canadian prime rate-based loans, U.S. base rate loans, bankers' acceptances and LIBOR loans. Borrowings against this credit facility bear fees and interest at rates relevant to the nature of the draw made and the Company's credit rating. There are no mandatory repayments prior to maturity under this facility. The facility has covenants customary for these types of facilities, which must be met at each quarter end. The Company has complied with all financial covenants each quarter since the establishment of this facility.
- (2) On October 25, 2018, the Company entered into a definitive credit agreement with a Canadian chartered bank establishing the \$35 million revolving operating credit facility. Borrowings under this facility are due on demand. Borrowing options under this facility include overdraft, letters of credit, Canadian prime rate-based loans, U.S. base rate loans, bankers' acceptances and LIBOR loans. Borrowings on this credit facility bear fees and interest at rates relevant to the nature of the draw made and the Company's credit rating. This facility is used to fund overdraft amounts and to issue letters of credit. As at March 31, 2022 a total of \$3.2 million (December 31, 2021 - \$3.2 million) in letters of credit were issued and are outstanding. This facility has covenants customary for these types of facilities, which must be met at each quarter end. The Company has complied with all financial covenants each quarter since the establishment of this facility.
- (3) PNG has \$55 million of revolving credit facilities maturing on May 4, 2023, \$30 million of which is with the Company and \$25 million of which is with a Canadian chartered bank. The \$25 million external facility will be used to support PNG's capital spending program. Borrowings under the external facility are available by way of bankers' acceptances bearing interest at the three-month bankers' acceptance rate plus a spread and subject to stand-by fees. Interest and stand-by costs are due monthly. Optional repayments are allowed without penalty and there is no mandatory repayment prior to maturity. The facilities have covenants customary for these types of facilities, which must be met at each quarter end. PNG has been in compliance with all financial covenants each quarter since the establishment of these facilities.
- (4) PNG has a \$25 million operating credit facility with a Canadian chartered bank maturing on November 4, 2022. The operating line is available for working capital purposes through cash draws in the form of prime-rate advances or bankers' acceptances and the issuance of letters of credit and is collateralized by a charge on PNG's accounts receivable and inventories. As at March 31, 2022, \$5.1 million (December 31, 2021 - \$5.1 million) of letters of credit were issued and outstanding under this facility.

The following table summarizes the Company's primary financial covenants as defined by the credit facility agreements:

Ratios	Debt covenant Requirements ⁽³⁾	As at March 31, 2022
Bank debt-to-capitalization ⁽¹⁾⁽²⁾	not greater than 65 percent	53.3%

(1) Calculated in accordance with the Company's credit facility agreements, which are available on SEDAR at www.sedar.com.

(2) Estimated, subject to final adjustments.

(3) On July 16, 2021, the unsecured syndicated revolving credit facility was amended to only require the Consolidated EBITDA to Interest Expense covenant of not less than 2.5x to be reported if TSU's credit rating is below BBB (low) or equivalent.

Base Shelf Prospectus

On November 16, 2020, the Company filed a \$1.0 billion base shelf prospectus. The purpose of the base shelf prospectus is to facilitate timely offerings of certain types of future public debt and/or equity issuances during the 25-month period that the base shelf prospectus remains effective. As at March 31, 2022, \$1.0 billion was available under the base shelf prospectus.

CAPITAL EXPENDITURES

(\$ millions)	Three Months Ended March 31, 2022				Three Months Ended March 31, 2021			
	Renewable Energy	Utilities	Corporate	Total	Renewable Energy	Utilities	Corporate	Total
Capital expenditures:								
PP&E	\$ —	\$ 13.3	\$ —	\$ 13.3	\$ —	\$ 9.2	\$ —	\$ 9.2
Intangible assets	—	0.4	—	0.4	—	1.3	—	1.3
Capital expenditures	—	13.7	—	13.7	—	10.5	—	10.5
Disposals:								
PP&E	—	(0.1)	—	(0.1)	—	(0.1)	—	(0.1)
Net capital expenditures	\$ —	\$ 13.6	\$ —	\$ 13.6	\$ —	\$ 10.4	\$ —	\$ 10.4

Capital expenditures for the three months ended March 31, 2022 were \$13.7 million compared to \$10.5 million during the three months ended March 31, 2021. The increase in capital expenditures was mainly due to higher capital spending at PNG, partially offset by lower software development costs.

RISK MANAGEMENT

TSU is exposed to various market risks in the normal course of operations that could impact earnings and cash flows. The Board of Directors provides oversight of the Company's risk management activities. There have been no significant changes during the three months ended March 31, 2022 to the Company's business risks that were disclosed in the 2021 Annual MD&A.

SHARE INFORMATION

As at May 4, 2022

Issued and outstanding

Common Shares 30,000,000

ADOPTION OF NEW ACCOUNTING STANDARDS

The Company did not adopt any new Accounting Standards Updates ("ASU") issued by the Financial Accounting Standards Board ("FASB") during the first quarter of 2022.

FUTURE CHANGES IN ACCOUNTING PRINCIPLES

In June 2016, FASB issued ASU No. 2016-13 "Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments". The amendments in this ASU replace the current "incurred loss" impairment methodology with an "expected loss" model for financial assets measured at amortized cost. In November 2019, FASB issued ASU No. 2019-10 "Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815) and Leases (Topic 842): Effective Dates" which deferred the effective date of ASU No. 2016-13 to January 1, 2023. Early adoption is permitted. The Company is currently completing its assessment of the impact of these ASUs on its consolidated financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has long-term natural gas purchase and transportation arrangements, service agreements, and operating and finance leases, all of which are transacted at market prices and in the normal course of business. In March 2022, TSU subscribed for units of NGIF Cleantech Ventures Limited Partnership (the "Fund"). The Fund is operated by NGIF Capital Corp., a venture of the Canadian Gas Association, to support the funding of cleantech innovation in the natural gas value chain. As part of the subscription, TSU has committed to investing \$5 million in the Fund over the next five years. In 2021, PNG entered into a BPA to purchase renewable natural gas from a biogas production and purification facility. The contract has a term of 15 years and allows PNG to purchase up to 230,000 GJ of renewable natural gas per annum. The BPA is subject to the completion of certain conditions, including approval from the BCUC and on April 1, 2022, the BCUC approved the BPA. The BPA has a minimum

commitment totaling approximately \$28.6 million as at April 1, 2022 and is considered a financial instrument that will be recognized on the Company's balance sheet and subject to fair value measurement. Other than as noted, TSU did not enter into any material off-balance sheet arrangements during the three months ended March 31, 2022. Reference should be made to the 2021 Annual Financial Statements.

DISCLOSURE CONTROLS AND PROCEDURES ("DC&P") AND INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

The Company is a "Venture Issuer" under applicable Canadian securities regulations for certain purposes. As such, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are not required to certify the design and evaluation of the Company's DC&P and ICFR under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. However, the CEO and CFO have reviewed the Interim Financial Statements and this MD&A. Based on their knowledge and exercise of reasonable diligence, they have concluded that these documents fairly present in all material respects the financial condition, financial performance and cash flows of the Company as at the date of and for the periods presented.

NON-GAAP FINANCIAL MEASURES

This MD&A contains references to certain financial measures used by the Company that do not have a standardized meaning prescribed by U.S. GAAP and may not be comparable to similar measures presented by other entities. Readers are cautioned that these non-GAAP measures should not be construed as alternatives to other measures of financial performance calculated in accordance with U.S. GAAP. The non-GAAP measures and their reconciliation to U.S. GAAP financial measures are shown below. These non-GAAP measures provide additional information that management believes is meaningful in describing the Company's operational performance, liquidity and capacity to fund dividends, capital expenditures, and other investing activities. The specific rationale for, and incremental information associated with, each non-GAAP measure is discussed below.

References to normalized EBITDA, normalized net income, normalized net income per share, normalized funds from operations, normalized funds from operations per share, net debt and net debt to total capitalization throughout this MD&A have the meanings as set out in this section.

Normalized EBITDA

	Three Months Ended	
	March 31	
<i>(\$ millions)</i>	2022	2021
Normalized EBITDA	\$ 44.2	\$ 40.8
Add (deduct):		
Foreign exchange loss	—	(0.1)
Unrealized gain (loss) on risk management contracts	(0.6)	0.8
Accretion expense	(0.1)	(0.1)
Depreciation and amortization expense	(10.2)	(9.2)
Accretion and depreciation and amortization expense from equity investment	(0.9)	(0.9)
Operating income	\$ 32.4	\$ 31.3

Normalized EBITDA is a measure of the Company's operating profitability prior to how business activities are financed, assets are amortized, or earnings are taxed. Normalized EBITDA is calculated using operating income adjusted for depreciation and amortization expense, accretion expenses, foreign exchange gain (loss), unrealized gain (loss) on risk management contracts, and other typically non-recurring items. Normalized EBITDA is frequently used by investors in the evaluation of entities within the industry as it excludes items that can vary substantially between entities depending on the accounting policies chosen, the book value of assets and the capital structure.

Normalized EBITDA as presented should not be viewed as an alternative to operating income or other measures of income calculated in accordance with U.S. GAAP as an indicator of performance.

Normalized Net Income and Normalized Net Income per Share

	Three Months Ended	
	March 31	
(\$ millions)	2022	2021
Normalized net income	\$ 29.3	\$ 23.1
Add (deduct) after-tax:		
Unrealized gain (loss) on risk management contracts	(0.6)	0.8
Net income after taxes	\$ 28.7	\$ 23.9

Normalized net income represents net income after taxes adjusted for after tax impact of unrealized gain (loss) on risk management contracts and other typically non-recurring items. Normalized net income per share is calculated by dividing normalized net income by the weighted average number of common shares. This measure is presented in order to enhance the comparability of results, as it reflects the underlying performance of the Company.

Normalized net income and normalized net income per share as presented should not be viewed as an alternative to net income after taxes or other measures of income calculated in accordance with U.S. GAAP as an indicator of performance.

Normalized Funds from Operations and Normalized Funds from Operations per Share

	Three Months Ended	
	March 31	
(\$ millions)	2022	2021
Normalized funds from operations	\$ 40.1	\$ 35.0
Add (deduct):		
Changes in operating assets and liabilities	4.5	2.5
Cash from operations	\$ 44.6	\$ 37.5

Normalized funds from operations is used to assist management and investors in analyzing the liquidity of the Company without regard to changes in operating assets and liabilities in the period as well as other non-operating related income and expenses. Management uses this measure to understand the ability to generate funds for use in investing and financing activities.

Normalized funds from operations per share is calculated by dividing normalized funds from operations by the weighted average number of common shares.

Normalized funds from operations and normalized funds from operations per share as presented should not be viewed as an alternative to cash from operations or other cash flow measures calculated in accordance with U.S. GAAP as an indicator of liquidity.

Net Debt and Net Debt to Total Capitalization

Net debt and net debt to total capitalization are used by the Company to monitor its capital structure and financing requirements. It is also used as a measure of the Company's overall financial strength. Net debt is defined as short-term debt, plus current and long-term portions of long-term debt, less cash and cash equivalents. Total capitalization is defined as net debt plus shareholders' equity. Additional information regarding these non-GAAP measures can be found under the "Liquidity and Capital Resources – Capital Resources" section of this MD&A.

DEFINITIONS

GW means gigawatt

GWh means gigawatt hour

PJ means petajoule; one million gigajoules

PP&E means property, plant and equipment

ABOUT TSU

TSU is a Canadian company with natural gas distribution utilities and renewable power generation assets. TSU serves approximately 133,000 customers, delivering low carbon energy, safely and reliably. For more information visit:

www.trisummit.ca

Condensed Consolidated Balance Sheets *(unaudited)*

As at (\$ millions)	March 31, 2022	December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 13.3	\$ 5.9
Accounts receivable, net of allowances	92.5	90.4
Inventory	1.0	3.0
Regulatory assets	5.2	5.2
Risk management contracts asset <i>(note 8)</i>	0.1	1.2
Prepaid expenses and other current assets	4.4	4.6
	116.5	110.3
Property, plant and equipment	1,103.1	1,099.6
Intangible assets	40.0	41.1
Goodwill	119.1	119.1
Regulatory assets	251.4	252.4
Other long-term assets	12.3	12.7
Investments accounted for by the equity method	112.3	113.5
	\$ 1,754.7	\$ 1,748.7
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 81.1	\$ 88.2
Current portion of long-term debt <i>(note 5)</i>	1.1	1.0
Customer deposits	9.0	10.5
Regulatory liabilities	8.3	7.3
Risk management contracts liabilities <i>(note 8)</i>	—	0.5
Other current liabilities	1.3	2.3
	100.8	109.8
Long-term debt <i>(note 5)</i>	768.7	773.4
Asset retirement obligations	4.8	4.8
Deferred income taxes <i>(note 7)</i>	156.9	156.1
Regulatory liabilities	46.8	47.4
Lease liabilities	6.0	6.2
Future employee obligations <i>(note 9)</i>	22.5	22.7
	\$ 1,106.5	\$ 1,120.4
Shareholder's equity		
Common shares, no par value, unlimited shares authorized; March 31, 2022 and December 31, 2021 - 30 million shares issued and outstanding	321.0	321.0
Contributed surplus	100.0	100.0
Retained earnings	228.9	209.0
Accumulated other comprehensive loss	(1.7)	(1.7)
	648.2	628.3
	\$ 1,754.7	\$ 1,748.7

Commitments and contingencies *(note 10)*

Subsequent events *(note 14)*

See accompanying notes to the condensed interim consolidated financial statements.

Condensed Consolidated Statements of Income *(unaudited)*

<i>(\$ millions)</i>	Three months ended	
	2022	March 31 2021
REVENUE <i>(note 6)</i>	\$ 163.3	\$ 123.9
EXPENSES		
Cost of sales, exclusive of items shown separately	89.8	55.8
Operating and administrative	29.7	26.9
Accretion	0.1	0.1
Depreciation and amortization	10.2	9.2
	129.8	92.0
Loss from equity investments	(1.1)	(1.4)
Unrealized (loss) gain on risk management contracts <i>(note 8)</i>	(0.6)	0.8
Other income	0.6	0.1
Foreign exchange loss	—	(0.1)
Operating income	32.4	31.3
Interest expense		
Short-term debt	(0.1)	(0.1)
Long-term debt	(7.3)	(6.8)
Income before income taxes	25.0	24.4
Income tax expense (recovery) <i>(note 7)</i>		
Current	(2.8)	(0.1)
Deferred	(0.9)	0.6
Net income after taxes	\$ 28.7	\$ 23.9

See accompanying notes to the condensed interim consolidated financial statements.

Condensed Consolidated Statements of Comprehensive Income *(unaudited)*

<i>(\$ millions)</i>	Three months ended	
	2022	March 31 2021
Net income after taxes	\$ 28.7	\$ 23.9
Other comprehensive loss, net of taxes	—	—
Comprehensive income, net of taxes	\$ 28.7	\$ 23.9

See accompanying notes to the condensed interim consolidated financial statements.

Condensed Consolidated Statements of Changes in Equity *(unaudited)*

(\$ millions)	Three months ended	
	2022	March 31 2021
Common shares		
Balance, beginning of period	\$ 321.0	\$ 321.0
Balance, end of period	\$ 321.0	\$ 321.0
Contributed surplus		
Balance, beginning of period	\$ 100.0	\$ 100.0
Balance, end of period	\$ 100.0	\$ 100.0
Retained earnings		
Balance, beginning of period	\$ 209.0	\$ 191.3
Net income after taxes	28.7	23.9
Common share dividends	(8.8)	(8.3)
Balance, end of period	\$ 228.9	\$ 206.9
Accumulated other comprehensive loss		
Balance, beginning of period	\$ (1.7)	\$ (2.7)
Balance, end of period	\$ (1.7)	\$ (2.7)
Total shareholder's equity	\$ 648.2	\$ 625.2

See accompanying notes to the condensed interim consolidated financial statements.

Condensed Consolidated Statements of Cash Flows *(unaudited)*

(\$ millions)	Three months ended	
	2022	March 31 2021
Cash from operations		
Net income after taxes	\$ 28.7	\$ 23.9
Items not involving cash:		
Depreciation and amortization expense	10.2	9.2
Accretion expense	0.1	0.1
Deferred income tax expense (recovery) <i>(note 7)</i>	(0.9)	0.6
Loss from equity investments	1.1	1.4
Unrealized loss (gain) on foreign exchange contracts <i>(note 8)</i>	0.6	(0.8)
Other	0.3	—
Distributions from equity investment	—	0.6
Changes in operating assets and liabilities <i>(note 11)</i>	4.5	2.5
	\$ 44.6	\$ 37.5
Investing activities		
Additions to property, plant and equipment	(21.8)	(14.2)
Additions to intangible assets	(1.7)	(1.8)
Proceeds from disposition of assets, net of transaction costs	0.1	—
	\$ (23.4)	\$ (16.0)
Financing activities		
Net repayment of short-term debt	—	(4.1)
Net repayment of bankers' acceptances	(5.0)	(8.5)
Common share dividends	(8.8)	(8.3)
	\$ (13.8)	\$ (20.9)
Change in cash and cash equivalents	7.4	0.6
Cash and cash equivalents, beginning of period	5.9	7.1
Cash and cash equivalents, end of period	\$ 13.3	\$ 7.7

See accompanying notes to the condensed interim consolidated financial statements.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(Tabular amounts and amounts in footnotes to tables are in millions of Canadian dollars, unless otherwise indicated.)

1. OVERVIEW OF THE COMPANY

TriSummit Utilities Inc. ("TSU" or the "Company") is incorporated under the Canada Business Corporations Act and its registered office and principal place of business is in Calgary, Alberta. TSU is a wholly owned subsidiary of TriSummit Cycle Inc., a company in which the Public Sector Pension Investment Board indirectly holds a majority economic interest and Alberta Investment Management Corporation holds a minority economic interest.

The Company owns rate-regulated distribution and transmission utility businesses through its operating subsidiaries Apex Utilities Inc. ("AUI") in Alberta, Pacific Northern Gas Ltd. ("PNG") and Pacific Northern Gas (N.E.) Ltd. ("PNG(N.E.)") in British Columbia and Heritage Gas Limited ("HGL") in Nova Scotia. The Company also owns the Bear Mountain Wind Park, an approximately 10 percent indirect interest in the Northwest Hydro Facilities, and a 33.33 percent equity interest in the utility that delivers natural gas to end-users in Inuvik, Northwest Territories.

2. BASIS OF PRESENTATION

Basis of Preparation

These consolidated financial statements have been prepared by management in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP").

Pursuant to National Instrument 52-107, "Acceptable Accounting Principles and Auditing Standards" ("NI 52-107"), U.S. GAAP reporting is permitted by Canadian securities laws for companies subject to reporting obligations under U.S. securities laws. However, given that the Company is not subject to such reporting obligations and could not therefore rely on the provisions of NI 52-107 to that effect, the Company sought and obtained exemptive relief from the securities regulators in Alberta and Ontario to permit it to prepare its financial statements in accordance with U.S. GAAP. The exemption will terminate on or after the earlier of January 1, 2024, the date upon which the Company ceases to have activities subject to rate regulation, or the effective date prescribed for the mandatory application of a standard within International Financial Reporting Standards specific to entities with activities subject to rate regulation.

In January 2021, the International Accounting Standards Board published the exposure draft *Regulatory Assets and Liabilities*, which would be applicable to entities with rate regulated activities. The effective date for mandatory application of the eventual final standard, if any, is not yet determinable and the Company continues to monitor the developments of the exposure draft and determine the potential impacts to the Company's financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its direct and indirect subsidiaries, including, without limitation: TriSummit Utility Group Inc., Bear Mountain Wind Limited Partnership, TriSummit Canadian Energy Holdings Ltd., PNG, AUI, and HGL. The consolidated financial statements also include investments in Inuvik Gas Ltd. and Northwest Hydro Limited Partnership ("Coast LP"), which are accounted for by the equity method. Intercompany transactions and balances are eliminated. Investments in unconsolidated companies that the Company has significant influence over, but not control, are accounted for using the equity method. In addition, the Company uses the equity method of accounting for investments in limited partnership interests in which it has more than a minor interest or influence over the partnership's operating and financial policies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES AND MEASUREMENT UNCERTAINTY

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the period. Key areas where management has made complex or subjective judgments, when matters are inherently uncertain, include but are not limited to: revenue recognition, credit loss estimates, depreciation and amortization rates, determination of the classification, term and discount rate for leases, fair value of asset retirement obligations, fair value of property, plant and equipment and goodwill for impairment assessments, fair value of financial instruments, provisions for income taxes, assumptions used to measure employee future benefits, provisions for contingencies, and carrying value of regulatory assets and liabilities. Certain estimates are necessary for the regulatory environment in which the Company operates, which often require amounts to be recorded at estimated values until these amounts are finalized pursuant to regulatory decisions or other regulatory proceedings. By their nature, these estimates are subject to measurement uncertainty and may impact the consolidated financial statements of future periods.

SIGNIFICANT ACCOUNTING POLICIES

Except as noted below, these condensed interim consolidated financial statements have been prepared following the same accounting policies and methods as those used in preparing the Company's 2021 annual audited consolidated financial statements.

FUTURE CHANGES IN ACCOUNTING PRINCIPLES

In June 2016, FASB issued ASU No. 2016-13 "Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments". The amendments in this ASU replace the current "incurred loss" impairment methodology with an "expected loss" model for financial assets measured at amortized cost. In November 2019, FASB issued ASU No. 2019-10 "Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815) and Leases (Topic 842): Effective Dates" which deferred the effective date of ASU No. 2016-13 to January 1, 2023. Early adoption is permitted. The Company is currently completing its assessment of the impact of these ASUs on its consolidated financial statements.

4. SHORT-TERM DEBT

As at March 31, 2022, the Company held a \$35.0 million (December 31, 2021 - \$35.0 million) revolving operating credit facility with a Canadian chartered bank. Borrowings under this facility are due on demand. Draws on this facility are by way of overdraft, Canadian prime rate loans, U.S. base-rate loans, letters of credit, bankers' acceptances and LIBOR loans. As at March 31, 2022, the outstanding overdraft under this facility was \$nil (December 31, 2021 - \$nil). Letters of credit outstanding under this facility as at March 31, 2022 were \$3.2 million (December 31, 2021 - \$3.2 million).

As at March 31, 2022, the Company held a \$25.0 million (December 31, 2021 - \$25.0 million) bank operating facility which is available for PNG's working capital purposes. The maturity date of this facility was extended to November 4, 2022. Draws on this facility are by way of prime-rate advances, bankers' acceptances or letters of credit at the bank's prime rate or for a fee. As at March 31, 2022, prime-rate advances under the operating facility were \$nil million (December 31, 2021 - \$nil million). Letters of credit outstanding under this facility as at March 31, 2022 were \$5.1 million (December 31, 2021 - \$5.1 million).

5. LONG-TERM DEBT

As at	Maturity date	March 31, 2022	December 31, 2021
Credit facilities			
\$200 million unsecured revolving credit facility ^(a)	16-Jul-2025	\$ 74.0	\$ 79.0
\$25 million PNG committed credit facility ^(b)	4-May-2023	25.0	25.0
Debenture notes			
PNG 2025 series debenture - 9.30 percent ^(c)	18-Jul-2025	11.0	11.0
PNG 2027 series debenture - 6.90 percent ^(c)	2-Dec-2027	12.0	12.0
Medium term notes			
\$300 million senior unsecured - 4.26 percent	5-Dec-2028	300.0	300.0
\$250 million senior unsecured - 3.15 percent	6-Apr-2026	250.0	250.0
\$100 million senior unsecured - 3.13 percent	7-Apr-2027	100.0	100.0
Finance lease liabilities		0.6	0.4
		\$ 772.6	\$ 777.4
Less debt issuance costs and discount		(2.8)	(3.0)
		\$ 769.8	\$ 774.4
Less current portion		(1.1)	(1.0)
		\$ 768.7	\$ 773.4

(a) Borrowings on the credit facility can be by way of Canadian prime rate-based loans, U.S. base rate loans, bankers' acceptances and LIBOR loans.

(b) Borrowings on the credit facility can be by way of Canadian prime rate-based loans and bankers' acceptances.

(c) Collateral for the Secured Debentures consists of a specific first mortgage on substantially all of PNG's property, plant & equipment and gas purchase and gas sales contracts, and a first floating charge on other property, assets and undertakings.

6. REVENUE

The following table disaggregates revenue by major sources:

	Three months ended March 31, 2022			
	Renewable Energy	Utilities	Corporate	Total
Revenue from contracts with customers				
Gas sales and transportation services	\$ —	\$ 161.2	\$ —	\$ 161.2
Other	0.3	0.8	—	1.1
Total revenue from contracts with customers	\$ 0.3	\$ 162.0	\$ —	\$ 162.3
Other sources of revenue				
Revenue from alternative revenue programs ^(a)	\$ —	\$ (4.8)	\$ —	\$ (4.8)
Leasing revenue ^(b)	5.9	—	—	5.9
Other	—	(0.1)	—	(0.1)
Total revenue from other sources	\$ 5.9	\$ (4.9)	\$ —	\$ 1.0
Total revenue	\$ 6.2	\$ 157.1	\$ —	\$ 163.3

(a) A large portion of revenue generated from the Utilities segment is subject to rate regulation and accordingly there are circumstances where the revenue recognized is mandated by the applicable regulators in accordance with ASC 980.

(b) Relates to power sold to BC Hydro under the power purchase agreement for the Bear Mountain Wind Park, which is accounted for as an operating lease. The lease revenue earned are from variable lease payments which are recorded when actual electricity is generated and delivered.

	Three months ended March 31, 2021				
	Renewable Energy	Utilities	Corporate	Total	
Revenue from contracts with customers					
Gas sales and transportation services	\$ —	\$ 122.9	\$ —	\$ 122.9	
Other	0.3	0.4	—	0.7	
Total revenue from contracts with customers	\$ 0.3	\$ 123.3	\$ —	\$ 123.6	
Other sources of revenue					
Revenue from alternative revenue programs ^(a)	\$ —	\$ (5.6)	\$ —	\$ (5.6)	
Leasing revenue ^(b)	5.4	—	—	5.4	
Other	—	0.5	—	0.5	
Total revenue from other sources	\$ 5.4	\$ (5.1)	\$ —	\$ 0.3	
Total revenue	\$ 5.7	\$ 118.2	\$ —	\$ 123.9	

(a) A large portion of revenue generated from the Utilities segment is subject to rate regulation and accordingly there are circumstances where the revenue recognized is mandated by the applicable regulators in accordance with ASC 980.

(b) Relates to power sold to BC Hydro under the power purchase agreement for the Bear Mountain Wind Park, which is accounted for as an operating lease. The lease revenue earned are from variable lease payments which are recorded when actual electricity is generated and delivered.

Accounts receivable as at March 31, 2022 include unbilled receivables of \$31.0 million (December 31, 2021 - \$48.8 million) related to gas sales and transportation services rendered to customers but not billed at period end.

Transaction price allocated to the remaining obligations

The following table includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied as at March 31, 2022:

	Remainder of 2022	2023	2024	2025	2026	> 2026	Total
Gas sales and transportation services	\$ 11.3	\$ 20.0	\$ 18.3	\$ 19.5	\$ 19.3	\$ 318.8	\$ 407.2

The Company applies the practical expedient available under ASC 606 and does not disclose information about the remaining performance obligations for (i) contracts with an original expected length of one year or less, (ii) contracts for which revenue is recognized at the amount to which the Company has the right to invoice for performance completed, and (iii) contracts with variable consideration that is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation. In addition, the table above does not include any estimated amounts of variable consideration that are constrained. The majority of gas sales and transportation service contracts contain variable consideration whereby uncertainty related to the associated variable consideration will be resolved (usually on a daily basis) as gas is delivered or as service is provided.

7. INCOME TAXES

For the three months ended March 31, 2022, the Company recognized an income tax recovery of \$3.7 million (three months ended March 31, 2021 – income tax expense of \$0.5 million). The decrease in the income tax expense for the three months ended March 31, 2022 was mainly due to lower taxable income as a result of higher capital cost allowance deductions and higher costs incurred to support business development activities.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of accounts receivable, foreign exchange contracts, natural gas swaps, accounts payable and accrued liabilities, short-term debt, current portion of long-term debt, and long-term debt. In addition, the Company entered into physical commodity contracts to manage exposure to fluctuations in commodity prices for its customers. The physical commodity contracts are not recorded on the balance sheet at fair value because they meet the normal purchase and normal sale exemption and are recognized in the consolidated income statement when the contracts are settled.

Fair Value Hierarchy

The Company categorizes its financial assets and financial liabilities into one of three levels based on fair value measurements and inputs used to determine the fair value.

Level 1 - fair values are based on unadjusted quoted prices in active markets for identical assets or liabilities. Fair values are based on direct observations of transactions involving the same assets or liabilities and no assumptions are used.

Level 2 - fair values are determined based on valuation models and techniques where inputs other than quoted prices included within level 1 are observable for the asset or liability either directly or indirectly. The Company uses derivative instruments to manage fluctuations in foreign exchange rates and natural gas prices. The Company estimates forward prices based on published sources.

Level 3 - fair values are based on inputs for the asset or liability that are not based on observable market data. The Company uses valuation techniques when observable market data is not available.

Accounts receivable, accounts payable and accrued liabilities, and short-term debt - the carrying amounts approximate fair value because of the short maturity of these instruments.

	March 31, 2022				
	Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
Financial assets					
Fair value through net income					
Risk management contracts asset	\$ 0.1	\$ —	\$ 0.1	\$ —	\$ 0.1
	\$ 0.1	\$ —	\$ 0.1	\$ —	\$ 0.1
Financial liabilities					
Amortized cost					
Current portion of long-term debt ^(a)	\$ 1.1	\$ —	\$ 1.1	\$ —	\$ 1.1
Long-term debt ^(a)	771.5	—	775.0	—	775.0
	\$ 772.6	\$ —	\$ 776.1	\$ —	\$ 776.1

(a) Excludes deferred financing costs and debt discount.

	December 31, 2021				
	Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
Financial assets					
Fair value through net income					
Risk management contracts asset	\$ 1.2	\$ —	\$ 1.2	\$ —	\$ 1.2
	\$ 1.2	\$ —	\$ 1.2	\$ —	\$ 1.2
Financial liabilities					
Fair value through net income					
Risk management contracts liability	\$ 0.5	\$ —	\$ 0.5	\$ —	\$ 0.5
Amortized cost					
Current portion of long-term debt ^(a)	\$ 1.0	\$ —	\$ 1.0	\$ —	\$ 1.0
Long-term debt ^(a)	776.4	—	830.6	—	830.6
	\$ 777.9	\$ —	\$ 832.1	\$ —	\$ 832.1

(a) Excludes deferred financing costs and debt discount.

Risks Associated with Financial Instruments

The following is an update to the Company's risks associated with financial instruments from those disclosed in the Company's 2021 annual audited consolidated financial statements.

Commodity Price Risk

The Company from time to time may enter into natural gas financial swaps to reduce the customers' exposure to natural gas price volatility. As at March 31, 2022, the Company had no outstanding natural gas swaps. As at December 31, 2021, the Company had outstanding natural gas swaps with notional volumes of 495,000 MMBtu and risk management contracts liability of \$0.5 million.

Foreign Exchange Risk

A vast majority of HGL's natural gas supply costs are denominated in U.S. dollars. Although all natural gas procurement costs, including any realized foreign exchange gains or losses are passed through to its customers, the Company has entered into foreign exchange forward contracts to manage the risk of fluctuations in gas costs for customers as a result of changes in foreign exchange rates. As at March 31, 2022, the Company had outstanding foreign exchange forward contracts for US\$14.7 million at an average rate of \$1.24 Canadian per U.S. dollar. As at December 31, 2021, the Company had outstanding foreign exchange forward contracts for US\$36.7 million at an average rate of \$1.23 Canadian per U.S. dollar. These foreign exchange forward contracts have a duration of less than one year and a risk management contracts asset of \$0.1 million as at March 31, 2022 (December 31, 2021 – risk management contracts asset of \$1.2 million).

9. PENSION PLANS AND RETIREE BENEFITS

The costs of the defined benefit and post-retirement benefit plans are based on management's estimate of the future rate of return on the fair value of pension plan assets, salary escalations, mortality rates and other factors affecting the payment of future benefits.

The net pension expense by plan for the period was as follows:

	Defined Benefit	Post- Retirement Benefits	Total
Three months ended March 31, 2022			
Current service cost ^(a)	\$ 2.0	\$ 0.2	\$ 2.2
Interest cost ^(b)	1.1	0.1	1.2
Expected return on plan assets ^(b)	(1.8)	(0.1)	(1.9)
Amortization of regulatory asset ^(b)	0.2	—	0.2
Net benefit cost recognized	\$ 1.5	\$ 0.2	\$ 1.7

(a) Recorded under the line item "Operating and administrative" expenses on the Consolidated Statements of Income.

(b) Recorded under the line item "Other income (loss)" on the Consolidated Statements of Income.

Three months ended March 31, 2021	Defined Benefit	Post- Retirement Benefits	Total
Current service cost ^(a)	\$ 2.2	\$ 0.2	\$ 2.4
Interest cost ^(b)	0.9	0.1	1.0
Expected return on plan assets ^(b)	(1.5)	(0.1)	(1.6)
Amortization of regulatory asset ^(b)	0.6	—	0.6
Net benefit cost recognized	\$ 2.2	\$ 0.2	\$ 2.4

(a) Recorded under the line item "Operating and administrative" expenses on the Consolidated Statements of Income.

(b) Recorded under the line item "Other income (loss)" on the Consolidated Statements of Income.

10. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Commitments

The Company has long-term natural gas purchase and transportation arrangements, service agreements, and operating and finance leases, all of which are transacted at market prices and in the normal course of business. In March 2022, TSU subscribed for units of NGIF Cleantech Ventures Limited Partnership (the "Fund"). The Fund is operated by NGIF Capital Corp., a venture of the Canadian Gas Association, to support the funding of cleantech innovation in the natural gas value chain. As part of the subscription, TSU has committed to investing \$5 million in the Fund over the next five years. In 2021, PNG entered into a biomethane purchase agreement ("BPA") to purchase renewable natural gas from a biogas production and purification facility. The contract has a term of 15 years and allows PNG to purchase up to 230,000 GJ of renewable natural gas per annum. The BPA is subject to the completion of certain conditions, including approval from the British Columbia Utilities Commission ("BCUC") and on April 1, 2022, the BCUC approved the BPA. The BPA has a minimum commitment totaling approximately \$28.6 million as at April 1, 2022 and is considered a financial instrument that will be recognized on the Company's balance sheet and subject to fair value measurement. Other than as noted, there were no material changes in commitments from those disclosed in the Company's 2021 annual audited consolidated financial statements.

Guarantees

The Company has guaranteed payment for certain commitments on behalf of its subsidiaries as further described below. The primary obligations guaranteed by the Company have been included in the Company's balance sheet and commitments note.

In October 2014, HGL entered into a throughput service contract with Enbridge Inc. for the use of the expansion of its Algonquin Gas Transmission and Maritimes & Northeast Pipeline systems (the "Atlantic Bridge Project"). The contract commenced on October 1, 2020 and will expire 15 years thereafter. The Company issued two guarantees with an aggregate maximum liability of US\$91.7 million, guaranteeing HGL's payment obligations under the throughput service contract with Enbridge Inc.

The Company, through HGL, has other agreements in place with natural gas distributors, wholesale gas marketers and financial institutions for the purchase and transportation of natural gas and by-products thereof including forward or other financial settled contracts. As at March 31, 2022, the Company had guarantees with an aggregate maximum of US\$55.0 million and \$3.3 million guaranteeing HGL's payment under those agreements.

On October 22, 2018, the Company issued a guarantee with a maximum liability of \$0.3 million related to the land tenure and the right of way for permanent access and power line access at Bear Mountain Wind Park.

Contingencies

The Company is subject to various legal claims and actions arising in the normal course of business. While the final outcome of such legal claims and actions cannot be predicted with certainty, the Company does not believe that the resolution of such claims and actions will have a material impact on the Company's consolidated financial position or results of operations.

11. SUPPLEMENTAL CASH FLOW INFORMATION

The following table details the changes in operating assets and liabilities:

	Three months ended	
	2022	March 31 2021
Source (use) of cash:		
Accounts receivable	\$ (2.7)	\$ (2.3)
Inventory	2.0	0.7
Other current assets	0.3	(1.3)
Regulatory assets (current)	(0.1)	(0.6)
Accounts payable and accrued liabilities	3.5	1.7
Customer deposits	(1.5)	(2.7)
Regulatory liabilities (current)	1.0	0.8
Other current liabilities	(0.9)	(0.9)
Net change in regulatory assets and liabilities (long-term) ^(a)	2.8	7.0
Other long-term assets	0.1	0.1
Changes in operating assets and liabilities	\$ 4.5	\$ 2.5

(a) Inclusive of a decrease in the revenue deficiency account (source of cash) of \$5.8 million during the three months ended March 31, 2022 (three months ended March 31, 2021 – a decrease in the revenue deficiency account (source of cash) of \$5.4 million).

The following cash payments have been included in the determination of net income after taxes:

	Three months ended	
	2022	March 31 2021
Interest paid	\$ 1.1	\$ 0.9
Income taxes paid (net of refunds)	\$ 0.1	\$ —

12. SEGMENTED INFORMATION

The following describes the Company's three reporting segments:

Renewable Energy	– Includes the 102 MW Bear Mountain Wind Park, and an approximately 10 percent indirect equity investment in Coast LP, which indirectly owns and operates three run-of-river hydroelectric power generation assets in northwest British Columbia.
Utilities	– Includes the rate-regulated natural gas distribution assets in Alberta, British Columbia and Nova Scotia as well as an approximately 33.33 percent equity investment in Inuvik Gas Ltd.
Corporate	– Includes the cost of providing shared services, financial and general corporate support and corporate assets.

The following tables show the composition by segment:

	Three months ended March 31, 2022						
	Utilities	Renewable		Corporate	Intersegment		Total
		Energy	Elimination				
Revenue	\$ 157.1	\$ 6.2	\$ —	\$ —	\$ —	\$ 163.3	
Cost of sales	(89.7)	(0.1)	—	—	—	(89.8)	
Operating and administrative	(25.9)	(1.3)	(2.5)	—	—	(29.7)	
Accretion expense	—	(0.1)	—	—	—	(0.1)	
Depreciation and amortization	(8.4)	(1.8)	—	—	—	(10.2)	
Income (loss) from equity investments	0.1	(1.2)	—	—	—	(1.1)	
Unrealized loss on foreign exchange contracts	(0.6)	—	—	—	—	(0.6)	
Other income	0.6	—	—	—	—	0.6	
Operating income (loss)	\$ 33.2	\$ 1.7	\$ (2.5)	\$ —	\$ —	\$ 32.4	
Interest expense	(1.9)	—	(5.5)	—	—	(7.4)	
Income (loss) before income taxes	\$ 31.3	\$ 1.7	\$ (8.0)	\$ —	\$ —	\$ 25.0	
Net additions (reductions) to:							
Property, plant and equipment ^(a)	\$ 13.2	\$ —	\$ —	\$ —	\$ —	\$ 13.2	
Intangible assets	\$ 0.4	\$ —	\$ —	\$ —	\$ —	\$ 0.4	

(a) Net additions to property, plant, and equipment, and intangible assets may not agree to changes reflected in the Consolidated Statement of Cash Flows due to classification differences.

	Three months ended March 31, 2021						
	Utilities	Renewable		Corporate	Intersegment		Total
		Energy	Elimination				
Revenue	\$ 118.2	\$ 5.7	\$ —	\$ —	\$ —	\$ 123.9	
Cost of sales	(55.7)	(0.1)	—	—	—	(55.8)	
Operating and administrative	(24.7)	(1.5)	(0.7)	—	—	(26.9)	
Accretion expense	—	(0.1)	—	—	—	(0.1)	
Depreciation and amortization	(7.4)	(1.8)	—	—	—	(9.2)	
Income (loss) from equity investments	0.1	(1.5)	—	—	—	(1.4)	
Unrealized gain on foreign exchange contracts	0.8	—	—	—	—	0.8	
Other Income	0.1	—	—	—	—	0.1	
Foreign exchange loss	(0.1)	—	—	—	—	(0.1)	
Operating income (loss)	\$ 31.3	\$ 0.7	\$ (0.7)	\$ —	\$ —	\$ 31.3	
Interest expense	(1.4)	—	(5.5)	—	—	(6.9)	
Income (loss) before income taxes	\$ 29.9	\$ 0.7	\$ (6.2)	\$ —	\$ —	\$ 24.4	
Net additions (reductions) to:							
Property, plant and equipment ^(a)	\$ 9.1	\$ —	\$ —	\$ —	\$ —	\$ 9.1	
Intangible assets	\$ 1.3	\$ —	\$ —	\$ —	\$ —	\$ 1.3	

(a) Net additions to property, plant, and equipment, and intangible assets may not agree to changes reflected in the Consolidated Statement of Cash Flows due to classification differences.

The following table shows goodwill and total assets by segment:

	Renewable				Total
	Utilities	Energy	Corporate		
As at March 31, 2022					
Goodwill	\$ 119.1	\$ —	\$ —	\$ 119.1	
Segmented assets	\$ 1,511.4	\$ 312.8	\$ (69.5)	\$ 1,754.7	
As at December 31, 2021					
Goodwill	\$ 119.1	\$ —	\$ —	\$ 119.1	
Segmented assets	\$ 1,487.8	\$ 310.5	\$ (49.6)	\$ 1,748.7	

13. SEASONALITY

The utility business is highly seasonal with the majority of natural gas deliveries occurring during the winter heating season. Gas sales increase during the winter resulting in stronger first and fourth quarter results and weaker second and third quarter results. In addition, the Company's equity investment in the Northwest Hydro Facilities is impacted by seasonal weather, which create periods of high river flow typically during May through October of any given year, resulting in stronger results during this time period.

14. SUBSEQUENT EVENTS

Subsequent events have been reviewed through May 4, 2022, the date on which these consolidated financial statements were approved for issue by the Board of Directors. Other than as disclosed under note 10, there were no subsequent events requiring disclosure or adjustment to the consolidated financial statements.