



Investor Presentation

June, 2019

Forward Looking Information

Certain statements contained in this presentation constitute forward-looking statements or forward-looking information (collectively, “forward-looking statements”). These statements relate to future events or the Company’s future performance. These 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 statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this presentation should not be unduly relied upon. These statements speak only as of the date of this presentation. In particular, this presentation contains forward-looking statements pertaining to the following: expectations regarding dividend payments and yields; expectations and plans for future growth, including expansion into existing and new markets and acquisition activities; expectations regarding the strengthening of leverage metrics over time; anticipated capital expenditures and rate base over the next five years; anticipated increase in activity in PNG’s service territory; potential growth on PNG’s Western Transmission system; expected timing of regulatory applications and decisions; expectations regarding the advancement of LNG projects; expectations regarding arrangements in relation to the Kitimat to Summit Lake, British Columbia pipeline; expectations regarding opportunities to attract new customers and expand existing franchise areas; expectations regarding the availability of industry consolidation opportunities in the future; projected adjusted normalized net income through 2023; anticipated future funding sources and expectations regarding future debt levels.

These 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 statements. Such statements reflect the Company’s then current views with respect to future events based on certain material facts and assumptions and are subject to certain risks and uncertainties, including without limitation changes in market, competition, governmental or regulatory developments, interest rate and foreign exchange rate risk and general economic conditions and the other factors described under the heading “Risk Factors” in the IPO Prospectus, the prospectus and the MTN prospectus supplement. The material assumptions in making these forward-looking statements are disclosed in ACI’s Annual Information Form of the year ended 2018 (the “AIF”).

Financial outlook information contained in this presentation about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on Management’s assessment of the relevant information available as of the date of this presentation. 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.

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In this presentation the Company uses certain supplementary measures, including “normalized EBITDA”, “normalized net income” and “adjusted normalized net income”, which are measures that do not have any standardized meaning as prescribed by U.S. GAAP. Accordingly, the Company’s use of such terms may not be comparable to similarly defined measures presented by other entities. Unless otherwise described herein, for a reconciliation of certain non-GAAP measures referred to herein to the corresponding measures which have standardized meanings as prescribed by U.S. GAAP, see “Non-GAAP Financial Measures” in the management’s discussion and analysis of the Company in the 2018 Annual Report.

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ACI at a Glance

Market capitalization¹:	\$705 million
Enterprise Value¹:	~\$1.3 billion
2018 Adj. Normalized Net Income	\$40.5 million
Dividend yield¹	~4.0%
Earnings Payout Ratio	65 – 75%
Credit Rating	BBB (High)

Asset Portfolio



ACI is a stable and predictable Canadian natural gas utility and renewable power business

1. Based on June 7, 2019 share price of \$23.50
See "forward-looking information"

High Quality & Diverse Utility Portfolio

**Rate Base
\$221 MM**



**Rate Base
\$357 MM**




**Rate Base
\$308 MM**



**Total Customer Base
~130,000**



 Natural Gas Territory

Operations across Canada with a diversified customer base

*Rate Base and Customers as at December 31, 2018.
See "forward-looking information"*

Clean Renewable Energy: 132 MW

10%

Equity interest in 303 MW NWh Facilities

60-Year

Power Purchase Agreements with BC Hydro

100%

Indexed to BC CPI



102 MW

~17.5% Long-term Avg. Capacity Factor

PPA - 2034

Power Purchase Agreement with BC Hydro

50%

Indexed to CPI

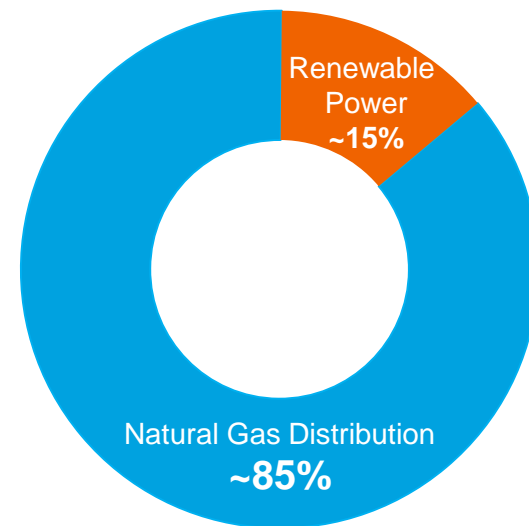


Stable, Predictable Cash Flow Profile

Underlying Assets Support Stable, Predictable Cash Flow Profile

- Natural gas distribution utilities are provincially regulated under cost-of-service and Performance Based Regulatory (PBR) frameworks
- Renewable power assets fully contracted with BC Hydro (Aaa-rated by Moody's)
 - Bear Mountain Wind Park 25-year PPA that is 50% indexed to CPI
 - Northwest Hydro Facilities with three separate 60-year PPAs that are 100% indexed to BC CPI

100% EBITDA is Regulated or Long-Term Contracted^{1,2}



Mixture of provincially regulated and long-term contracted earnings provides cash flow sustainability

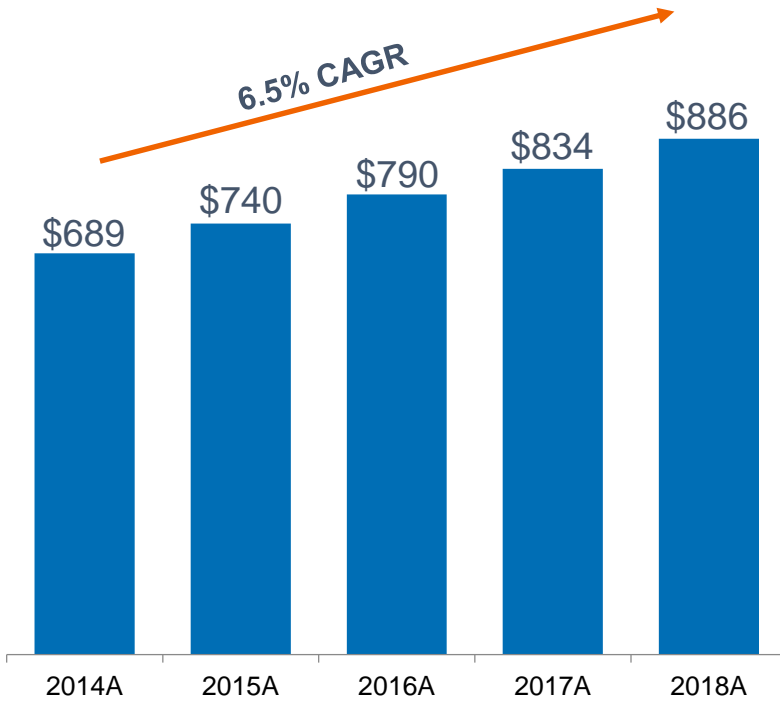
(1) For the twelve month period ended December 31, 2018.

(2) Non-GAAP measure.

See "forward-looking information"

Strong Rate Base Growth




Consolidated Rate Base



Attractive historical rate base growth delivered under supportive regulatory environments

See "forward-looking information"

Regulatory Outlook

	Location	Rate Base ¹	Allowed ROE ¹	Deemed Equity ¹	Regulatory Update
	Alberta	~\$357MM	8.5%	▪ 39%	<ul style="list-style-type: none"> ▪ PBR-2 set for 5-year term between 2018-2022 ▪ Under the PBR-2 regime, AUI is authorized to invest approximately \$41 million per year over the 5 year plan term ▪ AUI has applied for additional extraordinary Type 1 Capital Tracker for its ~\$10 M Etzikom lateral pipeline project – decision by AUC expected in mid 2020 ▪ Review and variance application regarding AUI's cost of capital on-going
	British Columbia	~\$221MM	9.4% ²	▪ 45% ²	<ul style="list-style-type: none"> ▪ Expected to submit new 2020/2021 revenue requirement application in Q4 2019. Final decision expected in Q3 2020. ▪ Expect application for PNG Re-Activation Toll and Auction Process to be submitted in Q2/Q3 2019 ▪ Certificate of Public Convenience and Necessity application for work on transmission system would follow after definitive agreements signed
	Nova Scotia	~\$308MM	11.0% ³	45%	<ul style="list-style-type: none"> ▪ Expect to file an application for the expiry of the current Customer Retention Program

(1) As at December 31, 2018

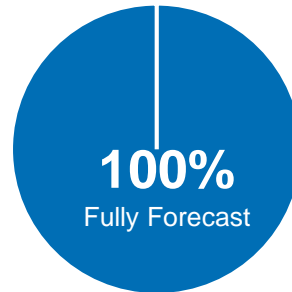
(2) Weighted average between Northeast System and Western System

(3) Excludes the customer retention program

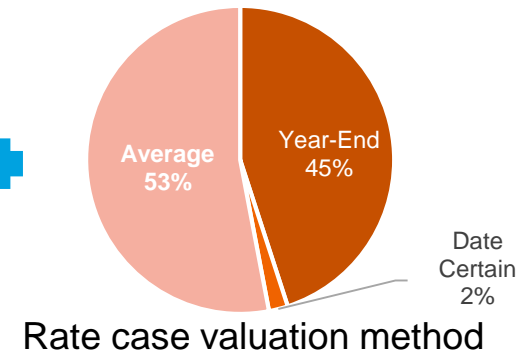
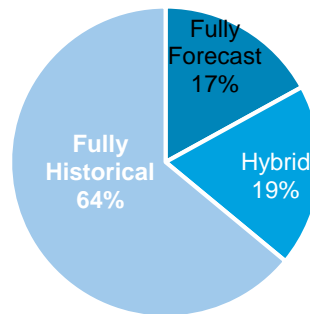
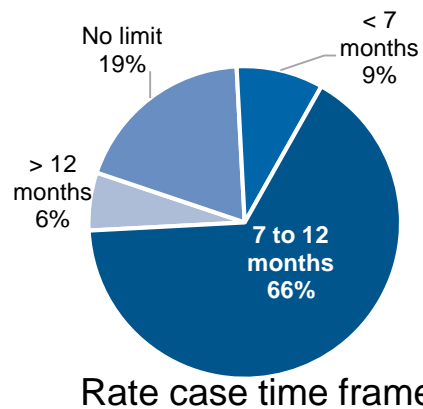
See "forward-looking information"

ACI Regulatory vs. U.S. Regulatory

ACI Regulatory Environment



U.S. Regulatory Lag¹

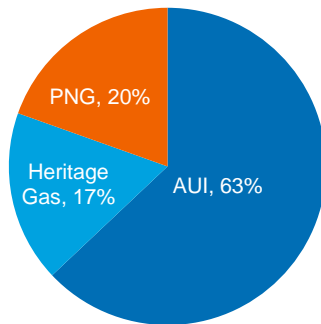


(1) Source: Regulatory Research Associates, a group within S&P Global Market Intelligence

Highly Executable 5-Year Capital Plan

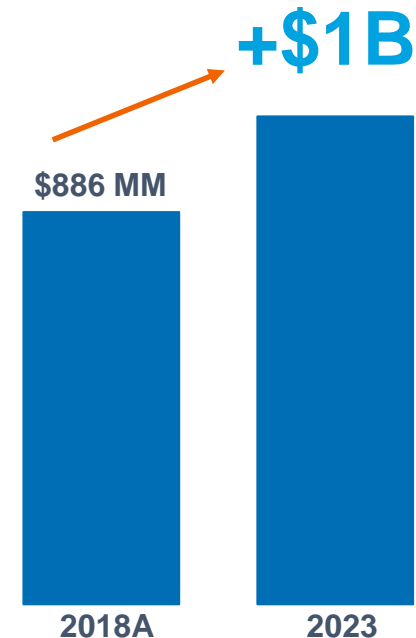
Cumulative Capital Expenditures

2019E – 2023E
~\$330 million



- ACI believes it is well positioned for significant ongoing growth through:
 - Approved capital expenditures adding to rate base
 - New customer additions
 - Expansion of ACI's existing asset base

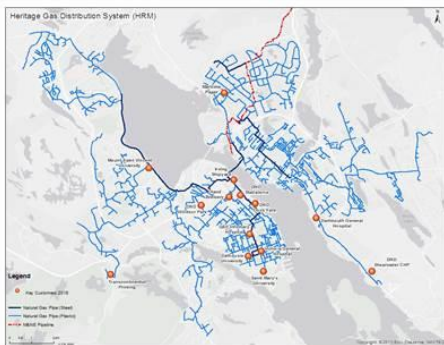
Rate Base Growth



See "forward-looking information"

Growth Opportunities Above the \$330 million

ACI has a number of projects to drive additional growth

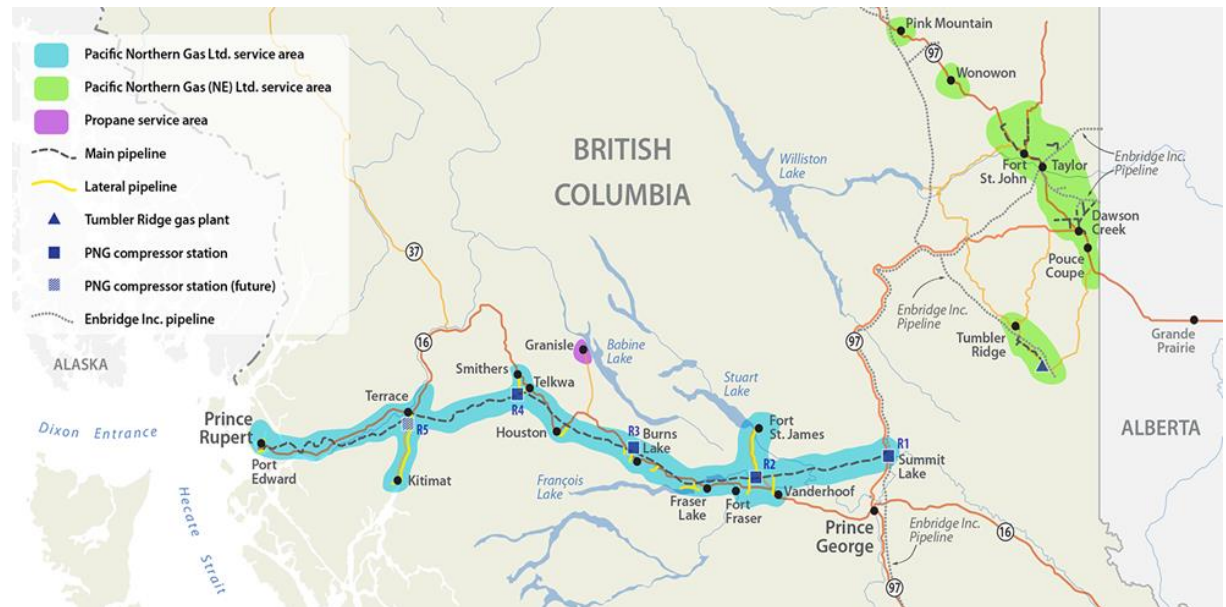


- Potential to have the \$10 million Etzikom lateral pipeline project included as Type 1 Capital at AUI
- Greater market penetration in the Halifax region; potential to capture a higher percentage of the 21,400 residences and businesses
- Renewable Natural Gas
- Compressed Natural Gas Vehicles
- Opportunities to capitalize on selective acquisitions and other energy infrastructure developments

See "forward-looking information"

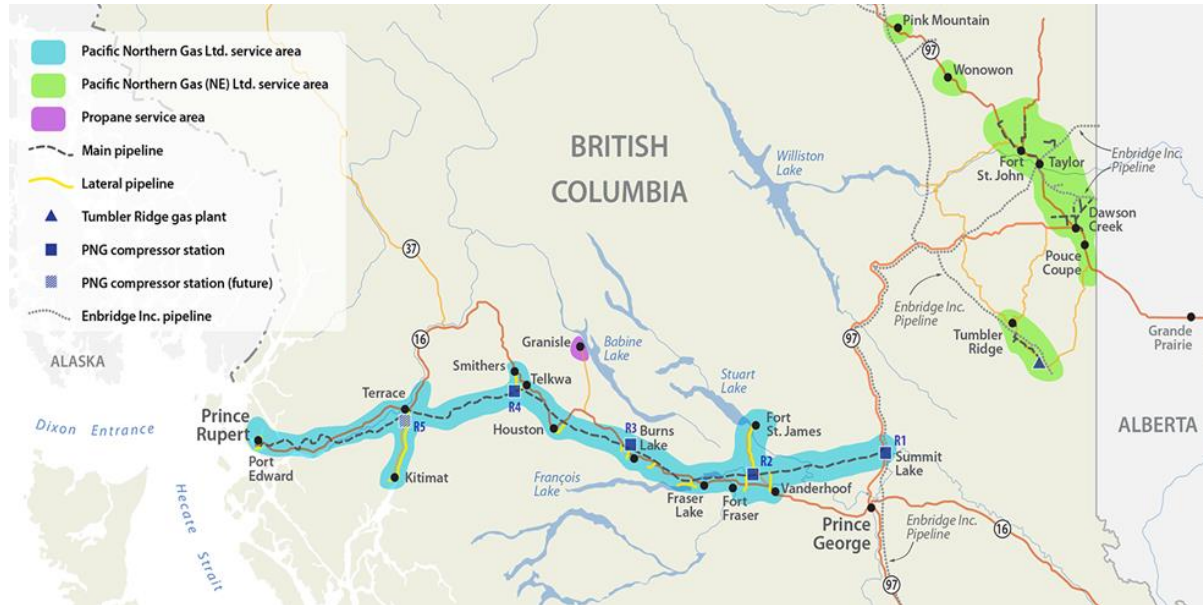
Providing Natural Gas Service to Energy Exports

Increased economic activity is expected throughout PNG's service territory



- Increased economic activity is expected to drive additional investment opportunities for PNG
 - PNG will invest \$2 million to provide natural gas service to LNG related projects
- There is significant potential to fill PNG's existing transmission system

Significant Growth Potential on PNG's Western Transmission System



- PNG set to offer capacity to fill its existing transmission line
- Requires re-activation of compressor stations
- Regulatory application to BCUC for base toll and auction process for pipeline capacity is expected in the summer of 2019

Western Transmission System Timeline¹

PNG expects work on the transmission system could start as early as next year

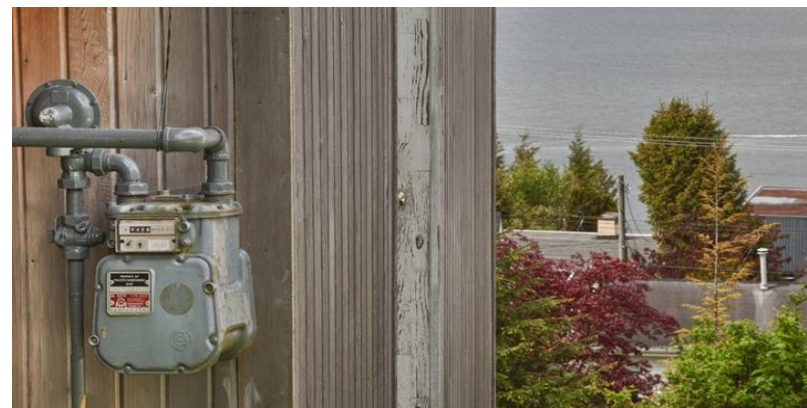
	Q2	Q3	Q4	Q1	Remainder of 2020
BCUC application for base toll and auction process					
BCUC decision expected					
Launch auction process					
Binding bids expected					
Definitive agreements signed					
BCUC approval & commencement of re-activation work					

1. Timeline is indicative only and may shift
See "forward-looking information"

Poised for Incremental Growth

Growth summary

- Meaningful amount of low risk, organic growth given large quantum of approved capital associated with the utility businesses
- Over and above the forecast growth, ACI is well positioned to capture incremental growth in each of its operating regions
 - Greater market penetration rates in the Halifax area and associated customer growth at Heritage Gas
 - Exposure to increasing industrial activity in British Columbia driving customer growth in both coastal downstream markets and upstream markets adjacent to the Montney
 - Opportunity to capitalize on increased economic activity from Energy Exports
 - Opportunity to capitalize on PNG pipeline re-activation associated with specific small-scale LNG projects
- Given ACI's scale, there is tremendous upside potential from relatively small new growth opportunities
 - Very low risk growth from ongoing, routine betterment initiatives at AUI



See "forward-looking information"

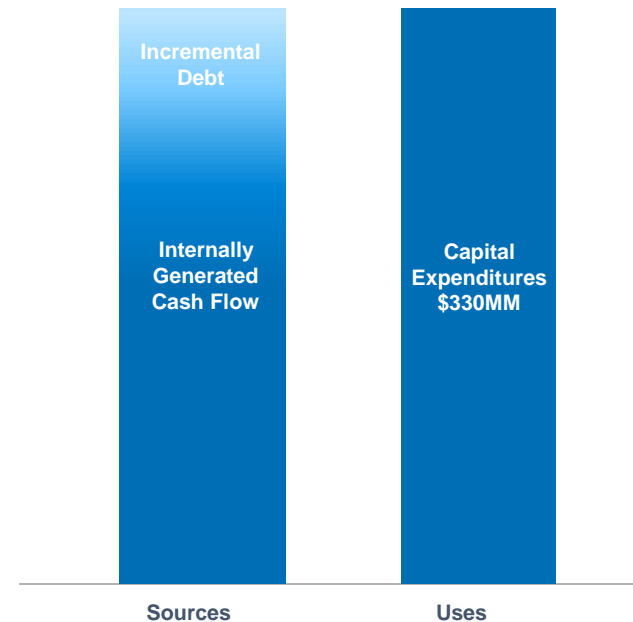


Financial Overview

Self-Funded Financing Model

- ACI has significant internally generated cash flow (after dividends) to fund growth
- ACI anticipates further strengthening in its leverage metrics over time
- Growth plan does not require external equity financing
- ACI executed a \$200 million Revolving Credit Facility on October 25, 2018 which, in addition to the \$50 million PNG Bank Credit Facilities and the \$35 million LC Facility, provides financial flexibility and supports incremental liquidity requirements

Sources & Uses Over 5-Year Plan



Strong organic growth outlook with strengthening leverage metrics and no external equity requirements

Strong Investment Grade Balance Sheet and Liquidity



**BBB
(high)**

ACI	
Long-Term Debt (\$MM) ¹	~\$637

**\$285
million**

- ACI has received an Issuer Credit Rating from DBRS of BBB (high) with Stable trend
- Supportive of strong ongoing access to debt capital at attractive rates to fund growth
 - Successfully issued \$300 million, 10-year senior unsecured MTN at 4.26% on December 3, 2018
 - Successfully issued \$250 million 7-year senior unsecured MTN at 3.15% on April 1, 2019
- Committed to maintaining investment grade credit rating
- Committed credit facilities:
 - ACI - \$200 million Revolving Credit Facility
 - PNG - \$50 million PNG Bank Credit Facilities
 - ACI - \$35 million LC Facility

(1) As at March 31, 2018
See "forward-looking information"

Strong Value Proposition

Adjusted Normalized
Net Income (\$MM)^{1,2}



65 - 75%

100%

- + Sustainable Dividend
- + Conservative Payout
- + Regulated / Contracted Cash Flows
- + Significant Future Opportunities
- + Dividend Growth

(1) For the twelve month period ended December 31, 2018

(2) Non-GAAP measure.

See "forward-looking information"



AltaGas Canada

Questions?



AltaGas Canada

Appendix

AltaGas

utilities

Established Franchise Area with Meaningful Rate Base Growth

- Under the PBR-2 regime, AUI is authorized to invest approximately \$41 million per year over the 5 year plan term
- Capital encompasses normal business growth, routine system betterment, technology and general plant maintenance
- AUI has applied for additional extraordinary Type 1 Capital Tracker for its ~\$10 M Etzikom lateral pipeline project

As at December 31, 2018

Customers	~80,400
Communities Served	90
Distribution System	~21,000 km
Rate Base	~\$357MM
Allowed ROE	8.5%
Allowed Common Equity	39%
2019E – 2023E Approved Capital	~\$209MM



Well established natural gas distribution utility business with predictable and secured growth

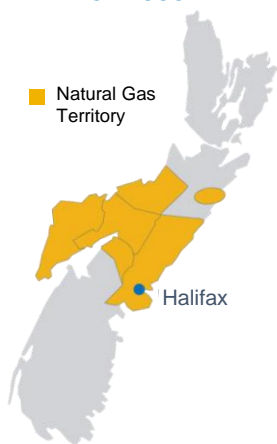
See "forward-looking information"



Heritage Gas to Target Thousands of New Customers

- Heritage Gas Franchise has exclusive rights to distribute natural gas to all or part of seven counties in Nova Scotia
- Heritage Gas is well positioned to capture customers choosing to adopt natural gas as a more reliable, cleaner, and lower cost energy fuel source for heating
 - 21,400 potential customers in Halifax Regional Municipality who have direct access to natural gas today

NOVA SCOTIA



As at December 31, 2018

Customers ~7,300

2018 Customer Growth 6%

Rate Base ~\$308MM

Allowed ROE 11.0%

Allowed Common Equity 45%

2019E – 2023E Planned Capital ~\$60MM

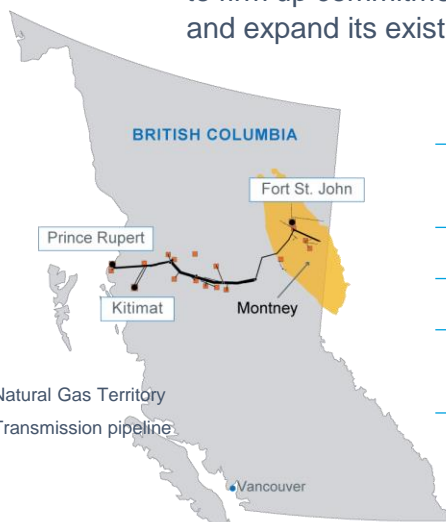


Opportunity to capitalize on gasification of Nova Scotia and provide clean energy to thousands of new customers

See "forward-looking information"

Positioned to Benefit from Potential New Energy Export Activity on Canada's West Coast

- PNG franchise area surrounds key west coast export terminals and key energy production and mining areas; poised to benefit from enhanced economic activity through these areas
- PNG also owns **the only natural gas pipeline** that runs from Canada's prolific Montney resource play to Canada's west coast with connections to Prince Rupert and Kitimat
- PNG is working through an open season process to firm up commitments to potentially re-activate and expand its existing system



As at December 31, 2018

Customers	~42,000
Communities Served	15
Rate Base	~\$221MM
Allowed ROE	9.4% ¹
Allowed Common Equity	45% ¹
2019E – 2023E Planned Capital	~\$65MM

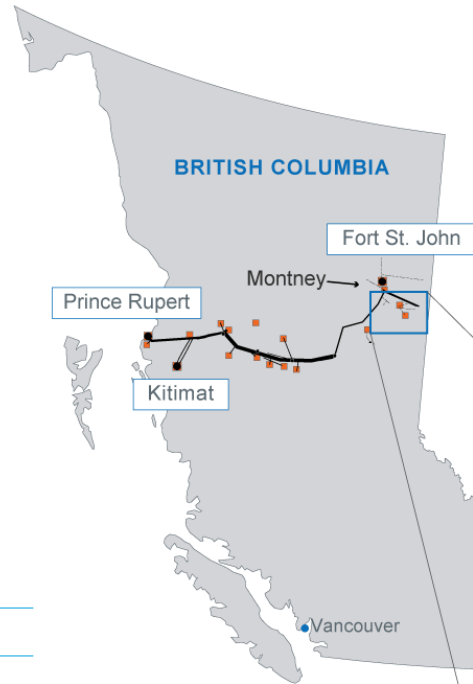
Established transmission and distribution system right through the Montney and energy export corridor

(1) Weighted average between Northeast System and Western System
See "forward-looking information"

Bear Mountain Wind Park

- Bear Mountain Wind Park is a 102 MW facility, located near Dawson Creek, and is British Columbia's first fully-operational wind park
- Commissioned and fully connected to the British Columbia power grid in 2009
- PPA pricing is 50% indexed to CPI, offering inflation protection
- The Bear Mountain Wind Park features a single row of thirty-four 3 MW ENERCON E-82 wind turbine generators

Location	▪ Dawson Creek, British Columbia
Capacity	▪ 102 MW
ACI Ownership	▪ 100%
COD	▪ 2009
PPA Contract	▪ Through 2034



High quality, long-term contracted wind facility with a proven operating history and wind resource

See "forward-looking information"

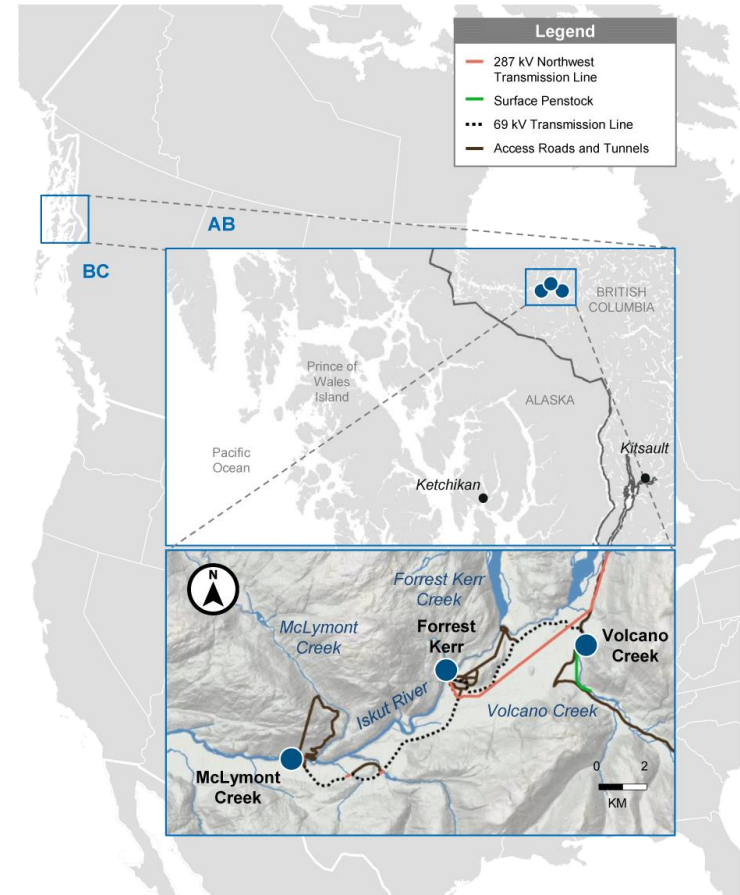
10 Percent Equity Ownership in Northwest Hydro Facilities¹

Low-Risk PPAs with Inflation Escalation

- Low-risk 60-year PPAs with a Aaa rated counterparty
- Minimal maintenance capital
- No direct commodity risk on contracted power (firm and non-firm power based on an escalating fixed price)
- PPA pricing is 100% indexed to BC CPI, offering inflation protection over the long remaining life of the contracts



	Forrest Kerr	McLymont Creek	Volcano Creek
COD	Oct. 2014	Oct. 2015	Dec. 2014
Design Capacity	214 MW	72 MW	17 MW
2017A Productivity Factor²	95%	90%	97%
PPA Expiry	Oct. 2074 (~57 years)	Oct. 2075 (~58 years)	Dec. 2074 (~57 years)
PPA Pricing	Contracted price per MWh generated (100% BC CPI escalation) for 100% of energy commitments sold to BC Hydro (Aaa rated)		

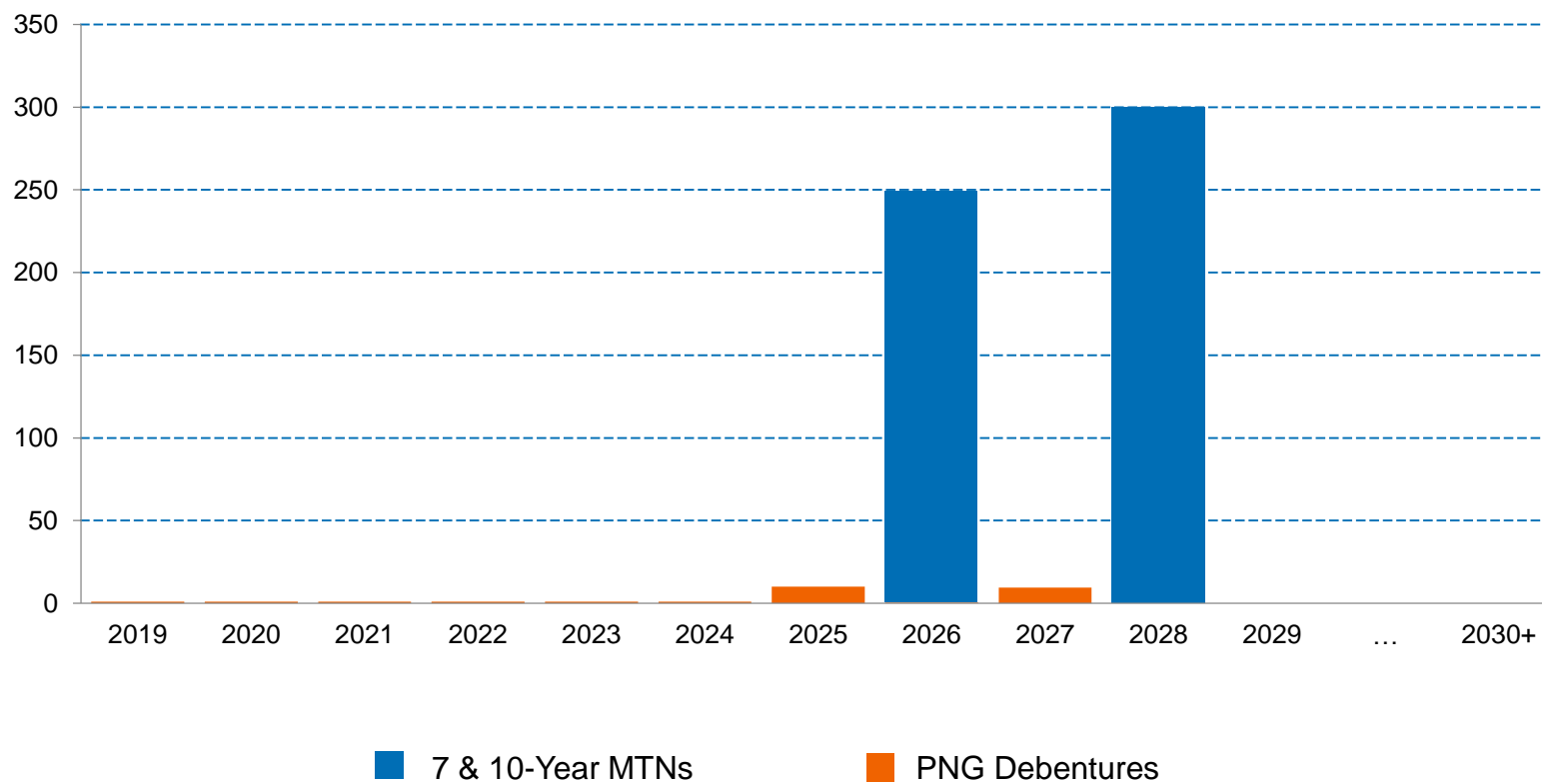


60-year long-term contracted run-of-river hydro facilities 100% indexed to BC CPI

(1) ACI owns a 10% indirect equity interest in the Northwest Hydro Facilities which will be accounted for as an equity investment and equity income under U.S. GAAP
 (2) Productivity Factor defined as total actual generation / total theoretical generation (based on design capacity of 277 MW)
 See "forward-looking information"

Debt Maturity Profile

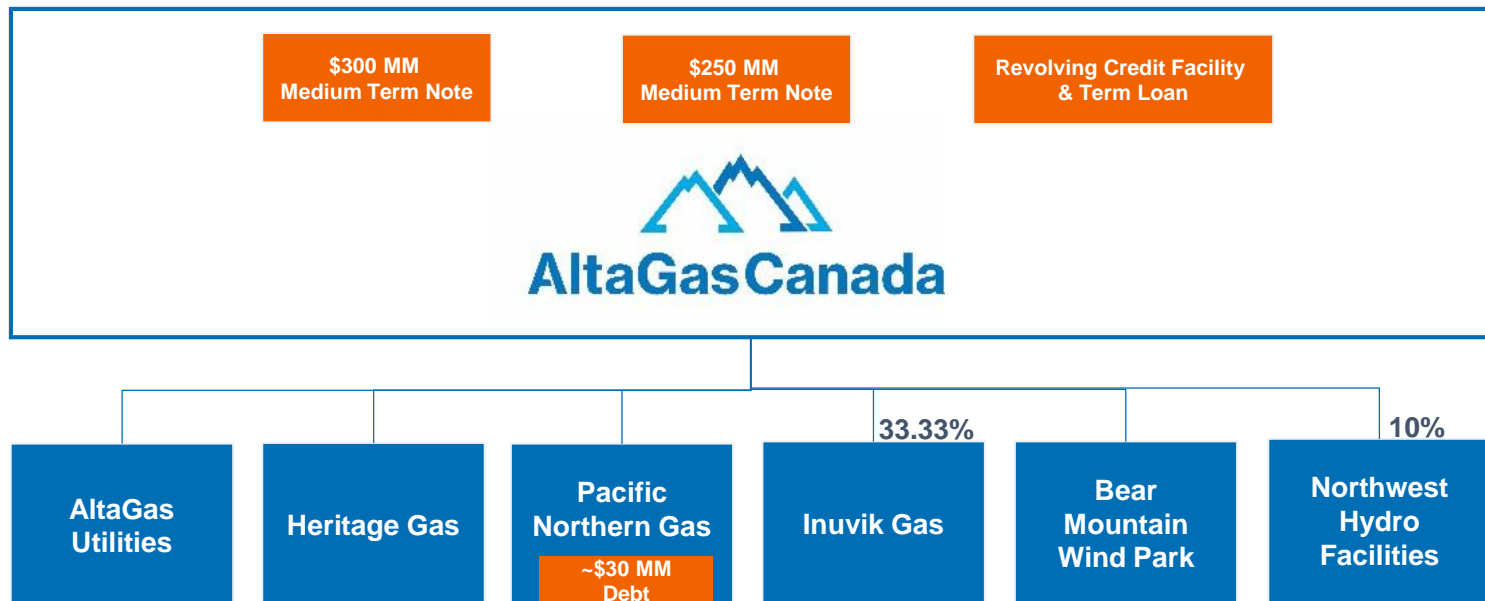
\$ Millions



See "forward-looking information"

Prudent Capital Structure and Fully Unencumbered Assets

- ACI's credit profile benefits from the diversity of its assets



See "forward-looking information"