Fourth Quarter and Full-Year 2018 Results

AltaGas | February 28, 2019

Forward-Looking Information

This presentation contains forward-looking statements. When used in this presentation, the words "will", "intend", "plan", "potential", "generate", "grow", "deliver", "can", "continue", "drive", "anticipate", "target", "come", "create", "position", "achieve", "seek", "propose", "forecast", "estimate", "expect", "solution", "outlook", "assumes" and similar expressions, as they relate to AltaGas or any affiliate of AltaGas, are intended to identify forward-looking statements. In particular, this presentation contains forward-looking statements with respect to, among others things, strategy, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. Specifically, such forward-looking statements included in this document include, but are not limited to, statements with respect to the following: projected contribution of each of the three segments to normalized EBITDA; expectation for $1.5-$2.0 billion in asset sales in 2019; expected performance, growth, funding and deleveraging of AltaGas; in-service date of RIPET; near-term financial and operational priorities of AltaGas; balanced funding plan; expected elimination of near-term common equity requirements; anticipated maintenance of investment grade credit rating; planned focus on long-term per share earnings and cash flow growth; planned capital allocation, including by segment and by project; anticipated sources and uses of capital in 2019; 2019 capital plan driving earnings and cash flow growth in 2020; anticipated effects of dividend reset; expectations regarding no requirement for term debt or to enter the hybrid market in the near term; expectation of improving debt to EBITDA metrics to 5.5x by the end of 2019; expected 2019YE net debt balance; expected achievement of 13-15% FFO/debt through 2023; expected debt/EBITDA of 5.5x-5.0x through 2023; expected 2019 normalized EBITDA by segment; [estimated AFFO and UAFFO for 2019]; expected maintenance capital for Midstream and Power in 2019; expected 2019 EBITDA seasonality for the utilities and midstream segments; expected benefits of RIPET, including expected capital/EBITDA ratio; expected EBITDA multiple on major projects; expectation that Midstream and U.S. Utilities projects will have strong risk adjusted returns and near term contributions to normalized FFO and normalized EBITDA; projected EBITDA growth from B.C. midstream assets; anticipated spending of $1.2 billion over 5 years and expected increase in revenues due to accelerated pipe replacement; targeted asset optimization in the utilities; expected execution of $1.3 billion capital program; targeted in service dates on major projects; anticipated regulatory filings; expected increase in rate base; and anticipated expenditures on accelerated replacement program.

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Financial outlook information contained in this presentation about prospective financial performance, financial position or cash flows is based on assumptions about future events, including, without limitation, economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this presentation should not be used for purposes other than for which it is disclosed herein.

In this presentation we use certain supplementary measures, including EBITDA, Normalized EBITDA, Normalized Funds from Operations ("FFO"), and AFFO and UAFFO that do not have any standardized meaning as prescribed under U.S. generally accepted accounting principles ("GAAP") and, therefore, are considered non-GAAP measures. AltaGas' method of calculating these non-GAAP measures may differ from the methods used by other issuers. Readers are advised to refer to AltaGas' Management's Discussion and Analysis ("MD&A") as at and for the year ended December 31, 2018 for a description of the manner in which AltaGas calculates such non-GAAP measures and for a reconciliation to the nearest GAAP financial measure.

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

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Randy Crawford

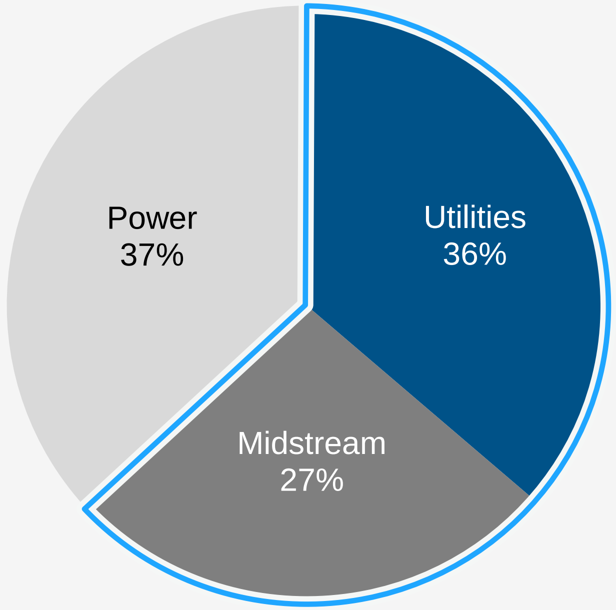
Introduction

Randy Crawford
President and Chief Executive Officer

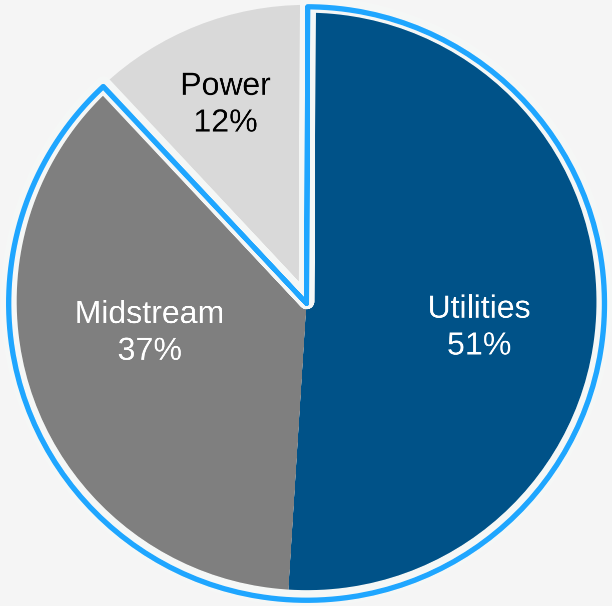
Repositioning the Business

Changing earnings mix to a low-risk, high-growth Utilities and Midstream company

2017 Normalized EBITDA[1]



2019E Normalized EBITDA[1 2]



~90% of 2019 EBITDA from Midstream and Utilities

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1 Non-GAAP financial measure; see discussion in the advisories
2 Excludes the impact of asset sales
See "Forward-looking Information"

2018 Operational Highlights

Midstream

- Increased core gas processing volumes in northeast B.C. by 25%
- Extended NGL footprint through the Aitken Creek transaction with Black Swan
- Committed to Townsend and North Pine expansions
- Significantly advanced construction of RIPET

Utilities

- Recovered US$125 million through accelerated replacement programs in Washington, DC, Maryland, Michigan and Virginia
- Began construction of the Marquette Connector Pipeline

Near-Term Priorities

Financial Priorities

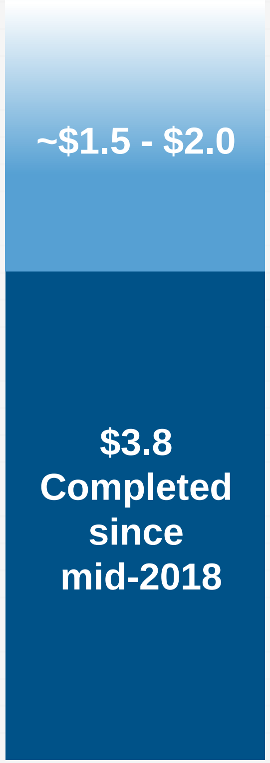
1. Execute remaining $1.5 – $2.0 billion non-core asset sales
2. De-lever the balance sheet and regain financial strength and flexibility
3. Fund strategic capital plan to strengthen competitive positioning within Midstream and Utilities

Operational Priorities

1. First cargo out of RIPET early Q2 2019
2. Capitalize on structural advantage within Canadian Midstream to maximize returns and drive growth
3. Enhance returns across our Utilities
4. Implement performance-based culture focused on operational excellence and prudent capital allocation

Asset Sales Drive Focus on Midstream and Utilities Segment

Asset Sales
($ billions)



Phase 3 › 2019 Targeted additional asset sales

Phase 1 & 2 › 55% Northwest Hydro
35% Northwest Hydro
Non-Core Midstream
and Power ACI IPO

Continued de-leveraging further focuses the asset base and provides an efficient source of capital to strengthen the balance sheet and fund growth

1 Before transaction costs
See "Forward-looking Information"

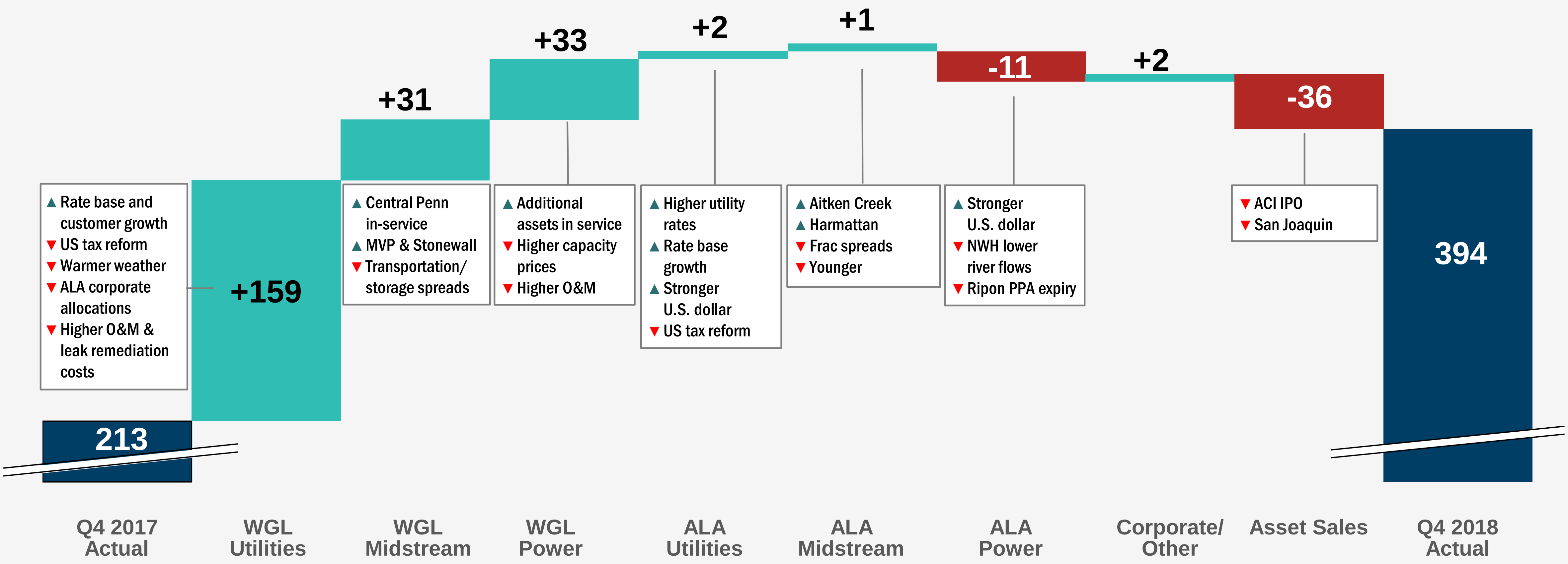
Tim Watson

Q4 and Full-Year 2018 Results

Tim Watson
Executive Vice President and Chief Financial Officer

Contributions from WGL Drives Q4 2018 EBITDA Higher

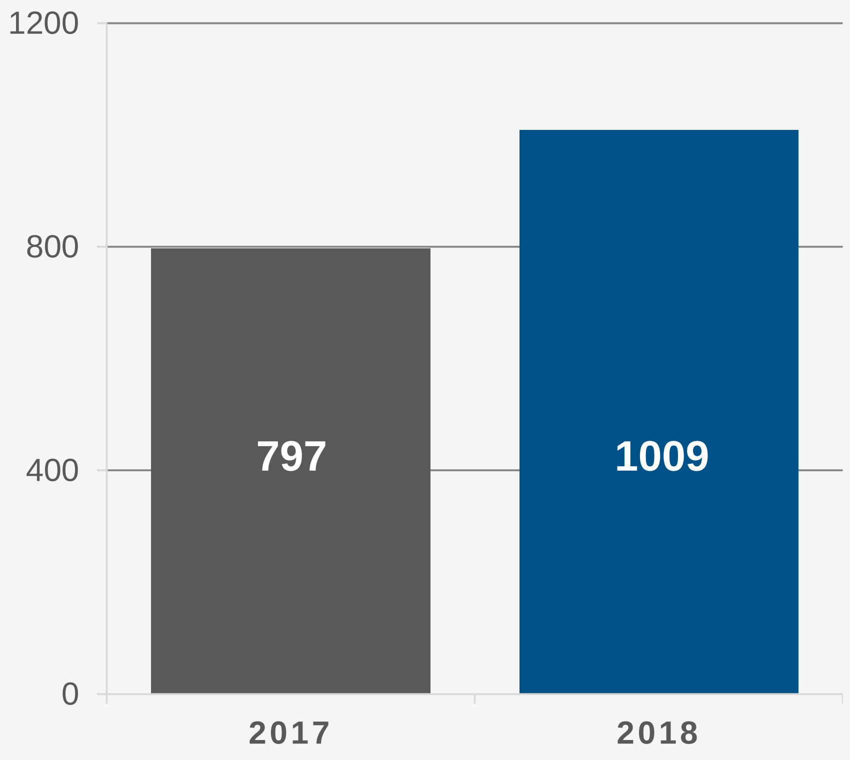
2018 Q4 Actuals vs. 2017 Q4 Actuals – EBITDA
($ millions)



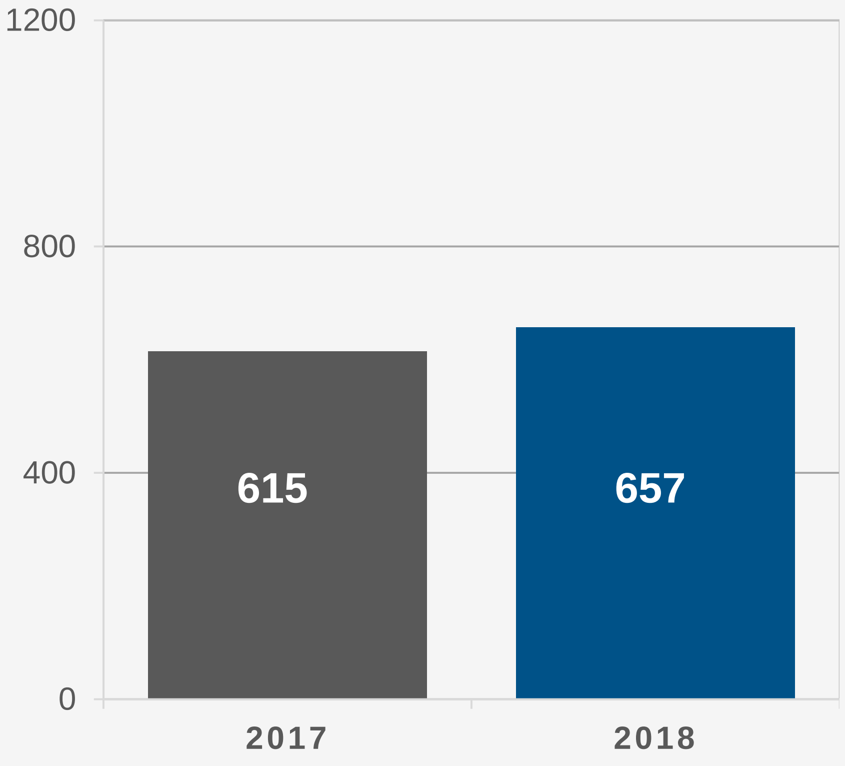
1 Non-GAAP financial measure ; see discussion in the advisories

2018 Financial Results Summary

2018 Normalized EBITDA[1]
($ millions)



2018 Normalized FFO[1]
($ millions)



1 Non-GAAP financial measure ; see discussion in the advisories
See "Forward-looking Information“

Q4 & FY 2018 – Normalized EBITDA Variance

($ millions)

2018 Normalized EBITDA[1]	Q4 2018	Q4 2017	Variance	FY 2018	FY 2017	Variance	2018 vs 2017 EBITDA Drivers
Utilities	232	90	+142	426	298	+128	+ WGL acquisition + Utility rates and rate base growth - ACI IPO - US tax reform - Higher O&M and leak remediation at WGL
Midstream	93	61	+32	277	221	+56	+ New facilities (Townsend, Aiken Creek, North Pine) + WGL acquisition (Central Penn, Stonewall, Mountain Valley) + Higher realized frac spreads (full year) - Energy Services
Power	76	72	+4	320	303	+17	+ WGL acquisition - Northwest Hydro river flows - Asset sales - Ripon PPA expiration
Corporate	(7)	(10)	+3	(14)	(25)	+11	+ Allocation of corporate costs + Higher interest income through loans to affiliates
Total Normalized EBITDA	**394**	**213**	**+181**	**1,009**	**797**	**+212**	

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1 Non-GAAP financial measure; see discussion in the advisories
See "Forward-looking Information“

2019 Balanced Funding Plan Priorities

Regain financial strength and flexibility to efficiently fund growth

Financial flexibility

- Accelerate de-levering
- Stabilize balance sheet
- Maintained investment grade credit rating

+

Optimize cost of capital

Eliminate near-term common equity requirements and work towards a self-funding model

+

Maintain capital discipline

Execute only the highest quality, highest return projects

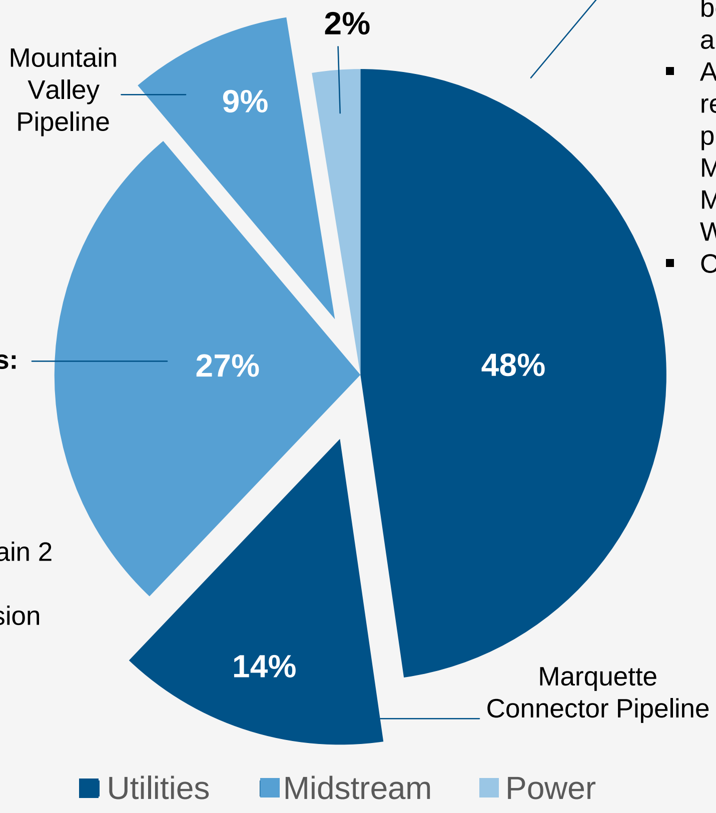
=

Recapture share value

Focus on long-term per share earnings and cash flow growth

Capital Allocation Focused on Near-Term Returns

~$1.3 Billion Top-Quality Projects



Identified Projects:
- Approved system betterment across all Utilities
- Accelerated pipe replacement programs in Michigan, Virginia, Maryland and Washington D.C.
- Customer growth

Identified Projects:
- RIPET
- Townsend Expansion
- Aitken Creek Development
- North Pine – Train 2
- Central Penn Pipeline Expansion

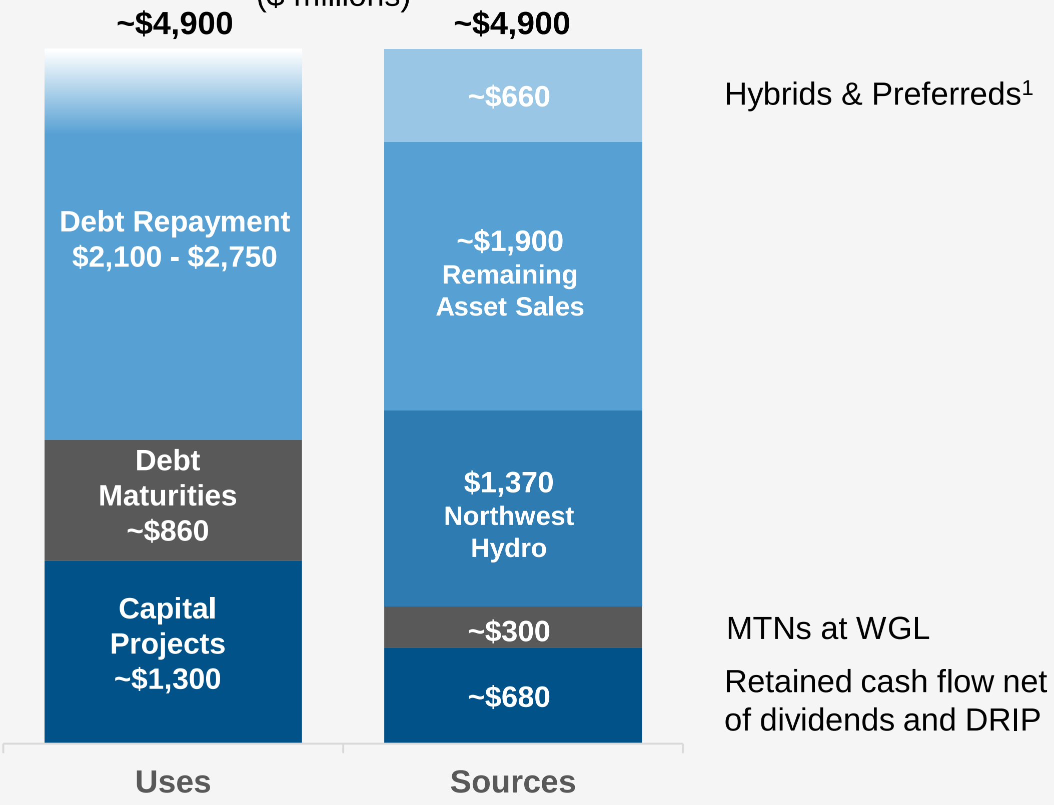
Capital Allocation Criteria:

- Strong organic growth potential and strategic fit
- Strong risk adjusted returns and near-term contributions to per share FFO and Earnings
- Strong commercial underpinning

Funding Plan Progressing as Planned with Northwest Hydro Sale Completed

2019 Sources and Uses

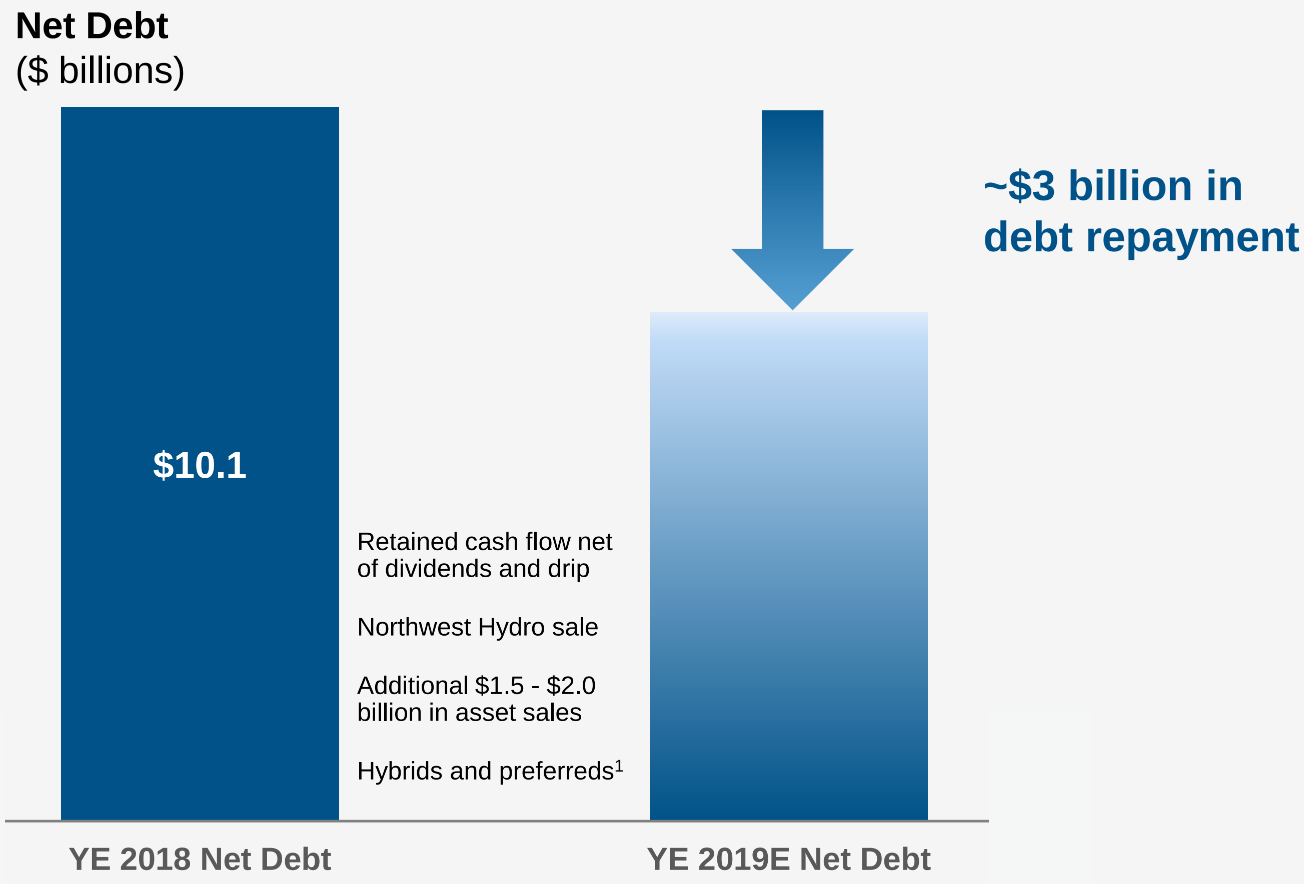
($ millions)



- Balanced funding plan eliminates the need for near-term common equity and provides funding flexibility
- Asset sales provide efficient source of capital to pay down debt and fund growth
  - $1.37 billion NWH sale completed
- Dividend reset retains cash flow
- 2019 capital plan drives earnings and cash flow growth in 2020 and beyond
- No requirement to access term debt or hybrid market in the near-term. These options will be considered on an opportunistic basis.

1 Will be considered on an opportunistic basis
See "Forward-looking Information"

De-lever the Balance Sheet



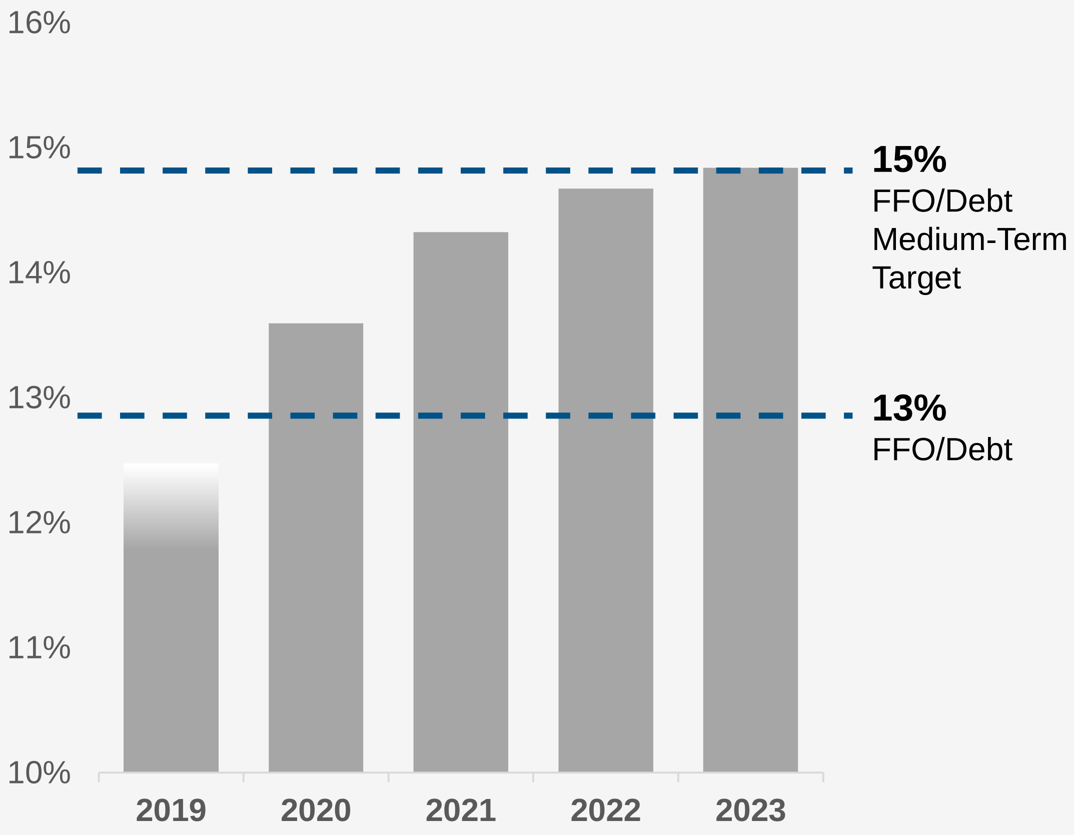
2019 Plan Supports

- Lower debt and stronger balance sheet
- Improving Debt/EBITDA metrics to ~5.5x at year end
- Commitment to investment grade credit rating

1 Will be considered on an opportunistic basis
See "Forward-looking Information"

Maintained Investment Grade Credit Rating

FFO[1]/Debt Outlook - Illustrative



Unsecured Debt Ratings				
	S&P	**Fitch**	**Moodys**	**DBRS**
AltaGas	BBB- (Neg)	BBB		BBB (low)
SEMCO	BBB- (Neg)		Baa1	
WGL Holdings	BBB- (Neg)	BBB	Baa1 (Neg)	
Washington Gas	BBB+ (Neg)	A-	A2 (Neg)	

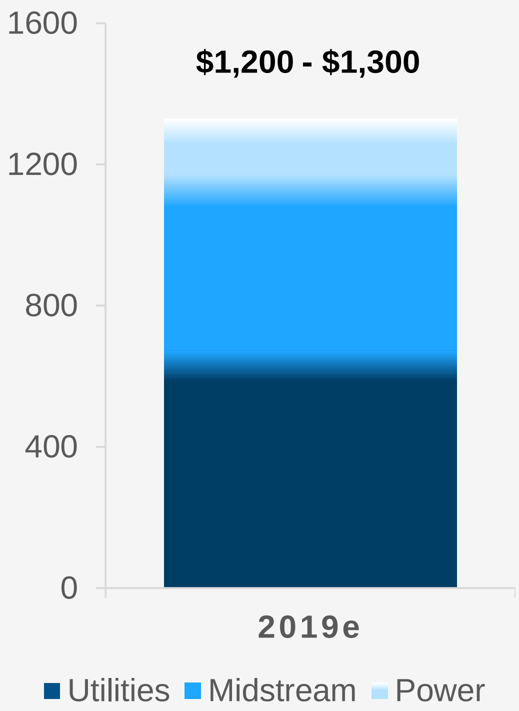
- Highly confident funding plan
- Lower business risk profile
- Dividend reset and additional asset sales support accelerated balance sheet de-levering
- Credit profile strengthens significantly through 2023
  - 13% - 15% FFO/Debt
  - 5.5x - 5.0x Debt/EBITDA

1 Non-GAAP measure; see discussion in the advisories
See "Forward-looking Information"

2019 Outlook

2019 Outlook Remains Unchanged – Segmented EBITDA

2019 EBITDA[1] Guidance
($ millions)



Normalized 2019 EBITDA	2019e	% of Segmented EBITDA	Growth Drivers
Utilities	$650 - $700	51%	+ Full year of WGL + Utility capital and rate base growth
Midstream	$450 - $520	37%	+ Full year of WGL (Central Penn, Stonewall pipelines) + RIPET and new Canadian assets into service + WGL Midstream assets into service (Mountain Valley Pipeline)
Power[2]	$140 - $180	12%	+ Full year of WGL - Northwest Hydro asset sale
Total Segmented EBITDA	**$1,240 - $1,400**		
Corporate	($30) - ($40)		
Asset Sales	($50) - ($100)		Asset sales expected to close in 2019
Total Consolidated	**$1,200 - $1,300**		

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1 Non-GAAP financial measure; see discussion in the advisories
2 Includes impacts resulting from Northwest Hydro Facilities asset sale
See "Forward-looking Information“

2019 Outlook Remains Unchanged - UAFFO

2019 Guidance
($ millions)

FFO	2019e
Normalized EBITDA[1]	**$1,200 - $1,300**
Cash Interest	(330) - (340)
Other[2]	15 - 25
Current Tax	(30) - (40)
FFO Total	**$850 - $950**
NCI - received/(paid)	10 - 15
Preferred Dividends Paid	(70) - (80)
Midstream and Power Maintenance Capital	(30) - (40)
AFFO[1] Total	**$750 - $850**
Utilities Depreciation	$(245) - $(255)
UAFFO[1]	**$500 - $600**

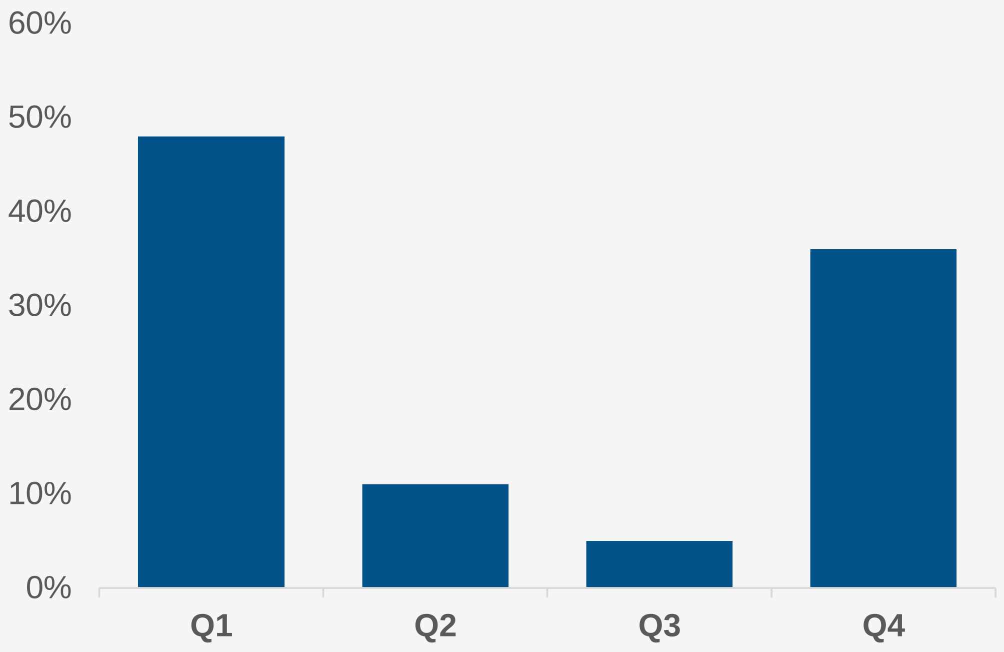
($ millions)

Maintenance Capital	2019e
Midstream Maintenance Capital	$14
Power Maintenance Capital	$21

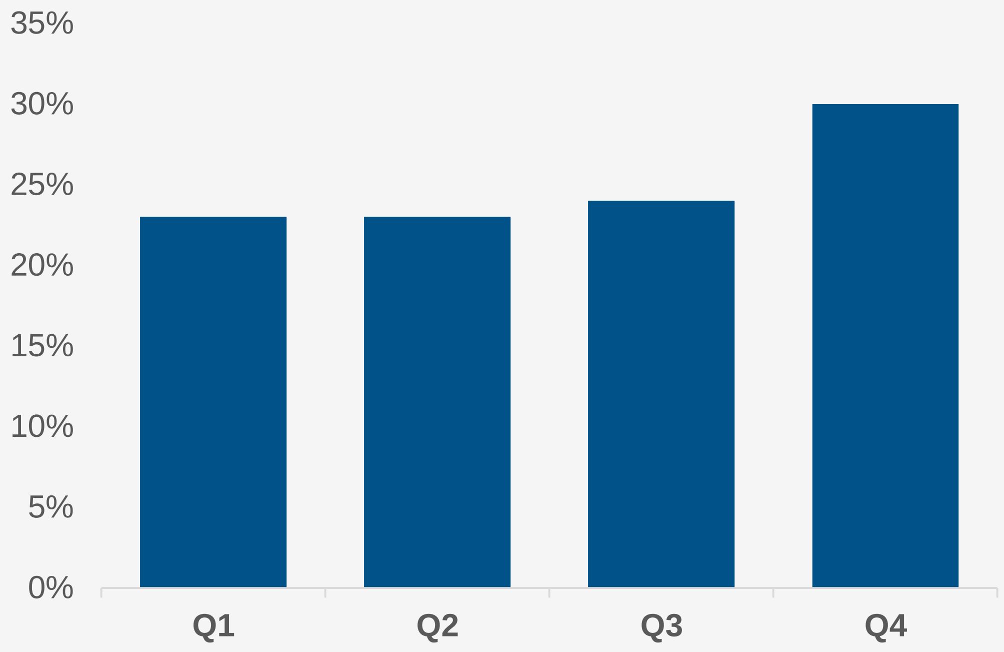
1 Non-GAAP financial measure; see discussion in the advisories
2.Among other things includes net impact of equity earnings and cash distributions
See "Forward-looking Information“

2019 EBITDA Guidance Seasonality

Utilities Segment EBITDA Seasonality



Midstream Segment EBITDA Seasonality



Non-GAAP financial measure; see discussion in the advisories
See "Forward-looking Information“

Randy Crawford

2019 Spotlight on Execution

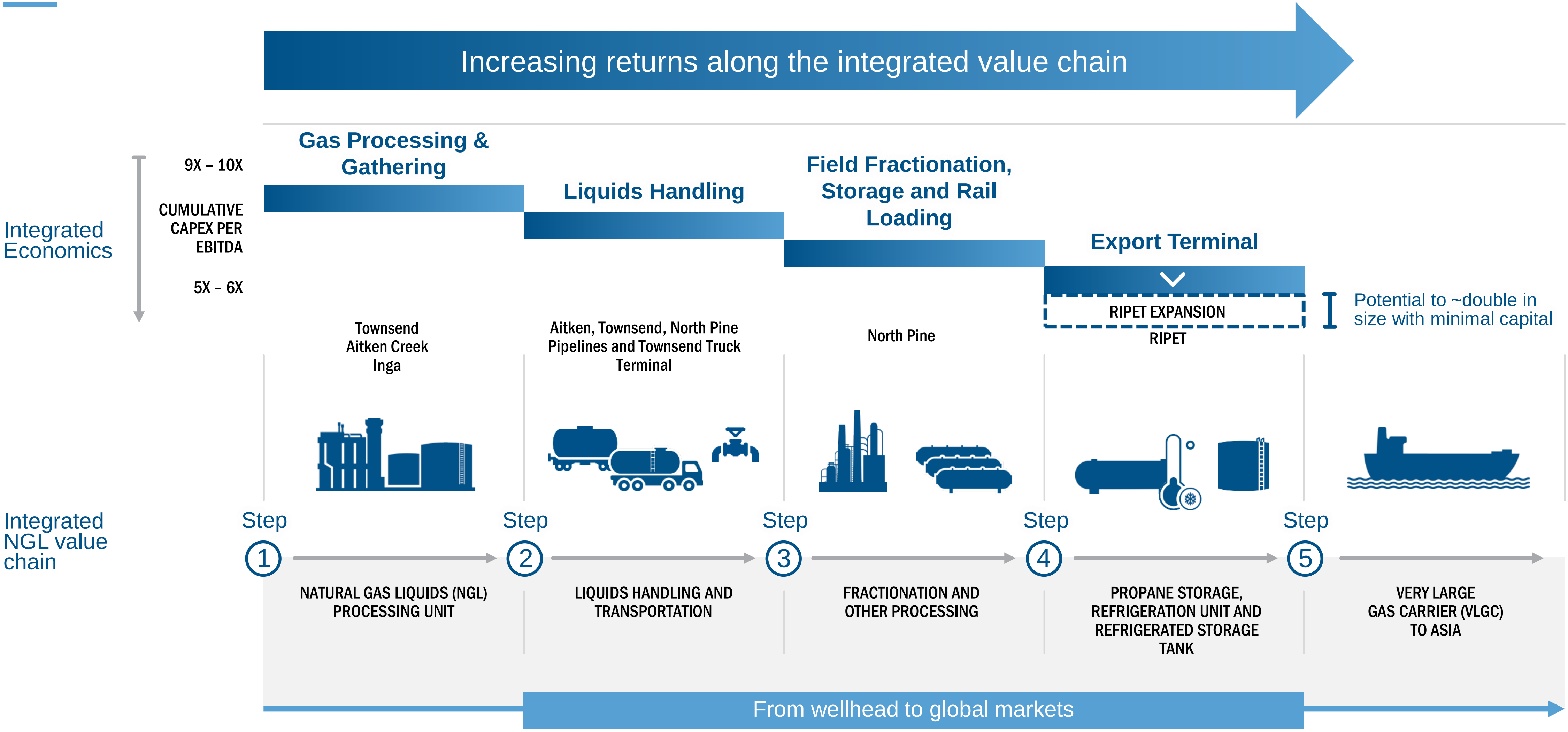
Randy Crawford
President and Chief Executive Officer

Midstream Segment

RIPET: Canada's First West Coast Propane Export Terminal

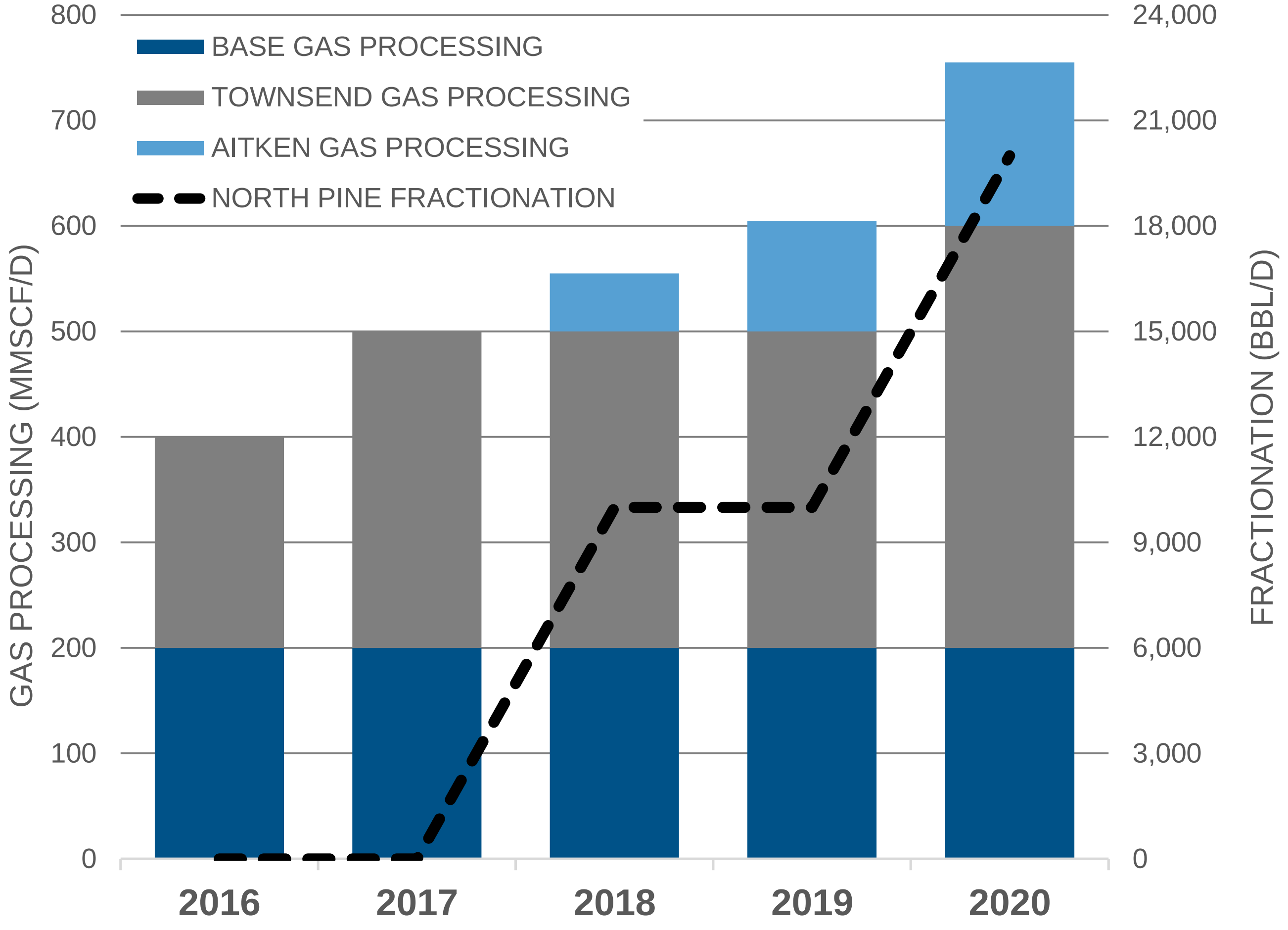
- Improving Western Canadian producers netbacks by providing access to premium Asian markets
- Attracts additional volumes through AltaGas' midstream value chain, maximizing integrated economics
- First mover advantage establishes strong relationship with Far East markets
- Strong return on investment (~6x Capital/EBITDA)
- Robust demand driving acceleration of potential capacity expansion with minimal capital investment required

Integrated Service Offering with Access to Global Markets

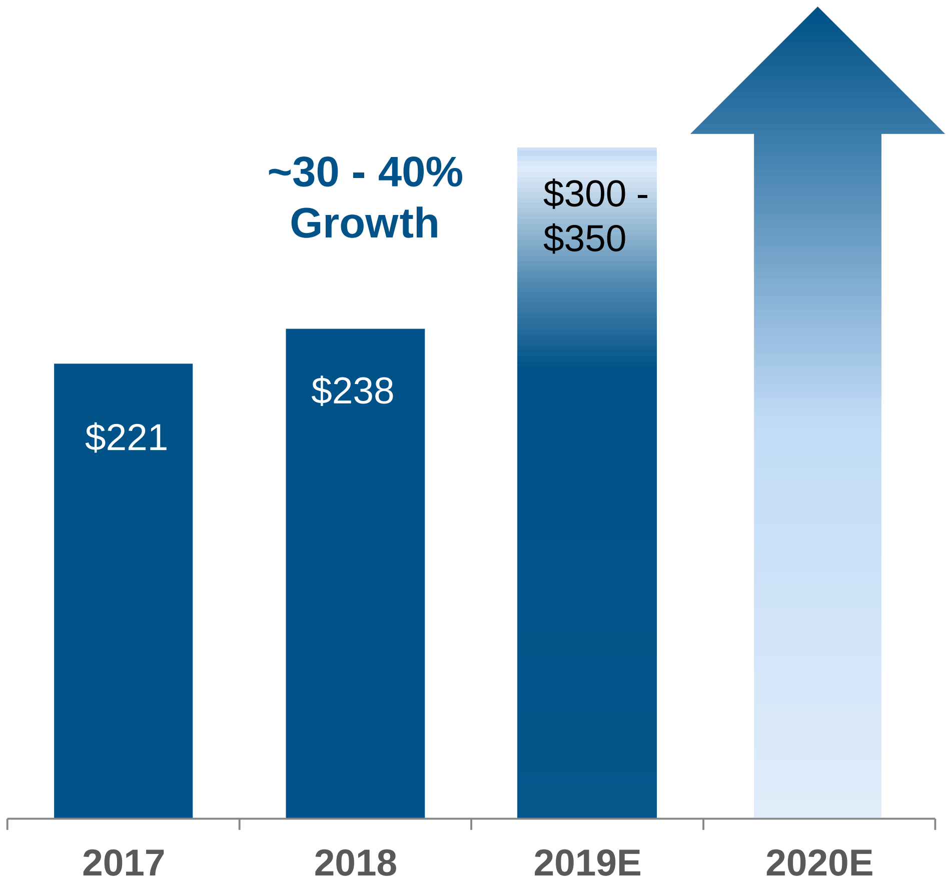


Initial Investment in Montney Midstream Assets Sets the Stage for Significant Organic EBITDA Growth Opportunities

Montney Operating Capacity



Canadian Midstream Normalized EBITDA ($ millions)



Utilities Segment

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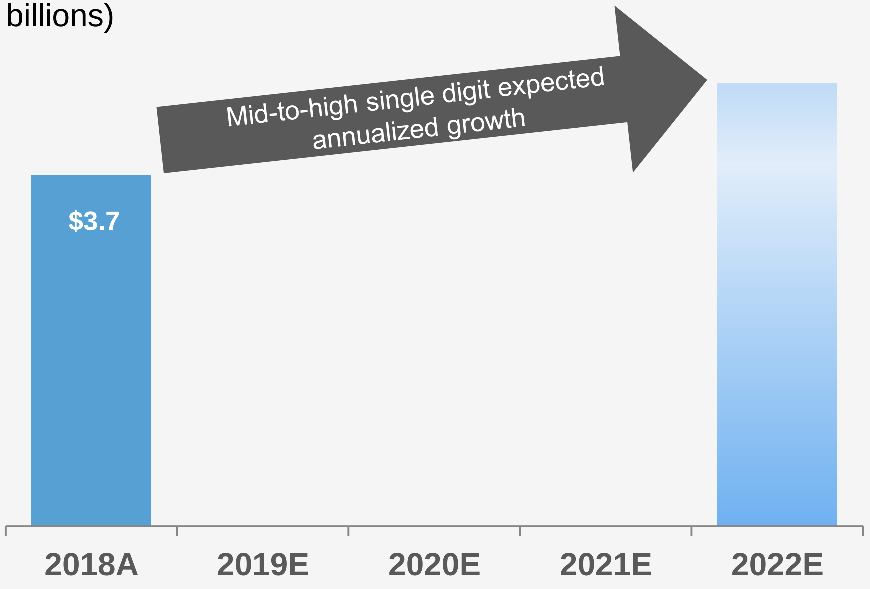
Utilities Provide Base for Growth

Growth driven and economically strong jurisdictions:
District of Columbia, Maryland, Virginia, Michigan and Alaska

- Low-risk, growing cash flows
- US$3.7 billion rate base with mid-to-high single digit rate base growth
- Strong customer growth also drives near-term returns
- Accelerated replacement program in four jurisdictions with anticipated spending of approximately $1.2 billion over 5 years and timely surcharge-based returns

Rate Base

($ billions)



2019: Drive Operational Excellence at the Utilities

Focus on accelerated replacement capital will support rate base growth and drive earnings growth

2019 Focus

- Prudently allocate capital based on infrastructure needs and returns
- Drive operational excellence and improve customer service
- Tightly manage O&M including leak remediation expenses
- Accelerate returns through the execution of strategic projects (Marquette Connector)

~40% increase in accelerated replacement capital spend in 2019

Conclusion

2018: Transform the Business

- Focus on Midstream and Utilities

2019: Unlock the Growth Potential of our Assets

- Strengthen the balance sheet and financial flexibility
- Leverage the unique value proposition of our Canadian Midstream footprint
- Achieve more timely returns and drive rate base growth in our Utilities
- Execute $1.3 billion in high-quality capital projects

Additional Slides

Supportive Regulatory Environment for Utilities

Utility	2018 YE Rate Base ($US)	Average Customers	Allowed ROE and Equity Thickness	Regulatory Update
SEMCO Michigan	$480 MM	303,000	10.35% 49%	▪ Distribution rates approved under cost of service model. ▪ Use of projected test year for rate cases with 10 month limit to issue a rate order. ▪ Last rate case settled in 2011. Next rate case expected to be filed in 2019. ▪ In August 2017, received approval from the Michigan Public Service Commission for the Act 9 application for the Marquette Connector Pipeline
ENSTAR Alaska	$295 MM	145,000	11.875% 51.81%	▪ Distribution rates approved under cost of service model using historical test year and allows for known and measurable changes. ▪ Rate Order approving rate increase issued on September 22, 2017. Final rates effective November 1, 2017. ▪ Required to file another rate case no later than June 1, 2021 based upon 2020 test year.
CINGSA Alaska	$74 MM[1]	ENSTAR, 3 electric utilities and 5 other customers	11.875%[2] 50.00%	▪ Distribution rates approved under cost of service model using historical test year and allows for known and measurable changes. ▪ Rate case filed in 2018 based on 2017 historical test year. ▪ Rate case hearing scheduled for April 2019 with a decision expected in the third quarter of 2019.
Virginia	$2.8 B	531,000	9.50% 52.3%	▪ Distribution rates approved under cost of service model. ▪ Rate case filed in July 31, 2018 seeking rate increase of US$37.6MM, including transfer of US$14.7MM rider under the Steps to Advance Virginia's Energy Plan ("SAVE") for net increase of US$22.9MM; US$1.3 billion projected rate base based on 10.6% ROE and ~53.3% of equity thickness. Hearing starts April 30, 2019, expect decision in late Q3 2019.
Maryland		489,000	9.70% 51.7%	▪ Distribution rates approved under cost of service model. ▪ Rates approved in December 2018; $28.6 million in new revenues including transfer of US$15 million of Maryland Strategic Infrastructure Development and Enhancement ("STRIDE") costs and increased return on equity to 9.7%
Washington D.C.		165,000	9.25% 55.7%	▪ Distribution rates approved under cost of service model. ▪ Last rate case was filed in February 2016 with final rates approved in March 2017 ▪ Rate case to be submitted in 2020

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1 Reflects 65% ownership
2 CINGSA implemented interim rates reflecting an assumed ROE of 11.875% based on a rate case filed in April 2018
See "Forward-looking Information"

Accelerated Replacement Program

Utility	Location	Program
SEMCO ENERGY GAS COMPANY	Michigan	▪ Mains Replacement Program expires in 2020. Renewal expected to be filed in 2019. ▪ Expect to incur approximately US$10 million in 2019.
Washington Gas A WGL Company	Virginia	▪ Authorized to invest US$500 million, including cost of removal over a five-year calendar period ending in 2022. ▪ The SAVE application for 2019 was approved and implemented beginning January 2019. ▪ Expect to incur approximately US$90MM in 2019.
Washington Gas A WGL Company	Maryland	▪ STRIDE renewal approved in 2018 to be US$350 million over 5 years (2019 – 2023) ▪ Expect to incur approximately US$65 million in 2019.
Washington Gas A WGL Company	Washington D.C.	▪ Phase 2 of the PROJECT*pipes* program for accelerated replacement filed in December 2018 requesting approval of approximately US$305 million in accelerated infrastructure replacement in the District of Columbia during the 2019 to 2024 period. ▪ Seeking commission approval by September 30, 2019. ▪ Expect to incur approximately US$33 million in 2019.