



Mayor's Energy Task Force ENSTAR Update



October 21, 2014

*All Our **Energy** Goes Into Our Customers*

Presentation Overview

Introduction and AltaGas Overview

ENSTAR Gas Supply:

- ENSTAR gas supply, state of affairs
- 4th Quarter gas cost adjustment
- Revised gas cost adjustment process

Rate Case:

- Current Rates
- New Rates in 2 Steps
- Rate Case Process

Special Projects:

- Gudenrath Compressor Station
- Homer
- South Big Lake Road

Forward-looking information

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\$10.4 billion
enterprise value¹

\$7.2 billion
total assets²

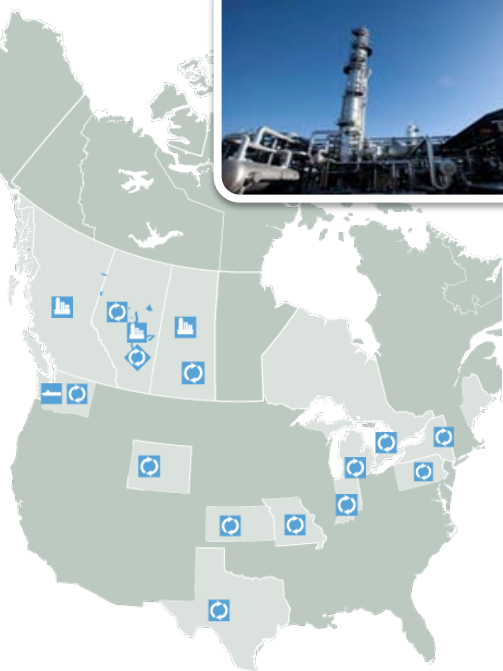
1,600
employees²



Ticker Symbol:	TSX: ALA
Market Capitalization ¹	\$6.1 billion
TTM Normalized Earnings ²	\$185.10 million
Basic Shares Outstanding ¹	132.6 million
Inception	1994
Corporate Head Office	Calgary, AB

Solid and diverse business platform

GAS



Gas processing:

Over 2 Bcf/d transacted

Processing capacity:

2/3 serving liquids-rich areas

POWER

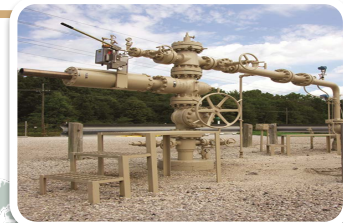


Power generation: 1,388 MW¹

60% Canada; 40% US

5 fuel types: Wind, hydro, biomass, gas and coal

UTILITIES



Utilities: Serving over 550,000 customers; 22% Canada; 78% US

Rate base: ~\$1.4Billion²



Gas supply

Annual ENSTAR distribution: 33 Bcf

Annual ENSTAR transportation: 23 Bcf

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Gas supply

Hilcorp	28.4 Bcf
Buccaneer Energy	2.6 Bcf
Anchor Point Energy	1.7 Bcf
ConocoPhillips	0.3 Bcf

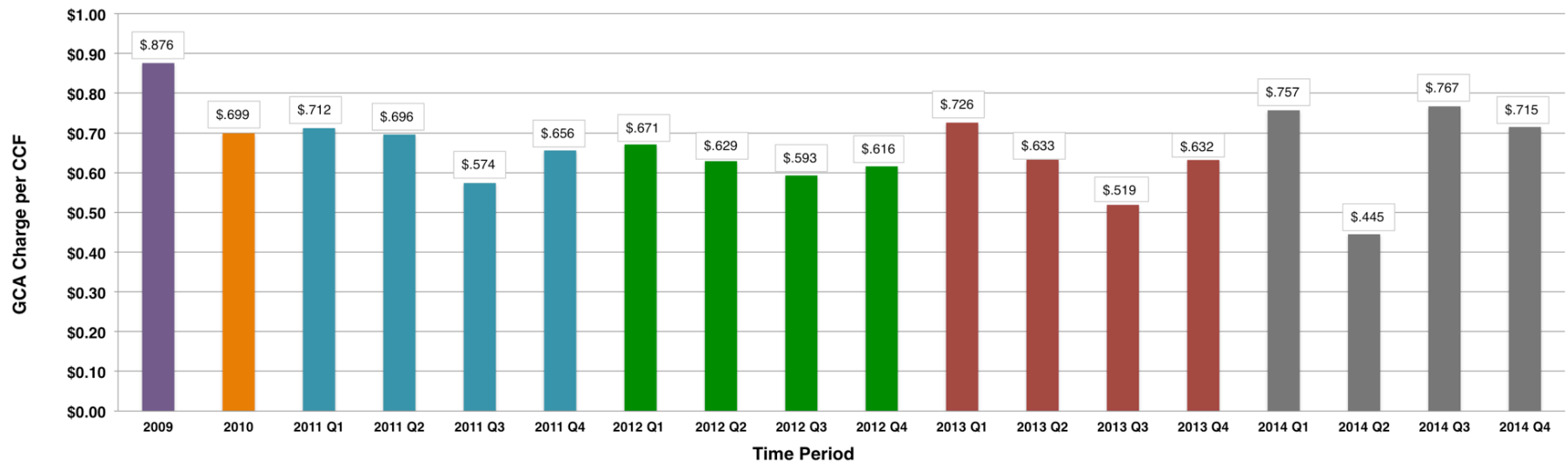
Gas storage

CINGSA	3.2 Bcf
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Gas Cost Adjustment (GCA)

GCA 5-year History



*Since 2011, the GCA has been adjusted quarterly. Beginning in July 2015, ENSTAR will return to annual adjustments.

- 4th Quarter GCA of \$7.15/Mcf is a \$.52/Mcf reduction from the 3rd Quarter.

Gas Cost Adjustment (GCA)

Annual Adjustments

- In November 2014, ENSTAR will file a GCA adjustment to the RCA which will be effective from January 2015 – June 2015.
- July 2015, ENSTAR will switch from quarterly to annual GCA adjustments.



2015 Rate Case

Current Rates

- The current rates have been in place since the last rate case in 2010.
- Customer Charge: \$13.50/Month
- Service Charge (Base): \$0.1101/CCF

2015 Rate Case

New Rates in 2 Steps

- Step 1: November 1, 2014
 - Customer Charge: \$14.00/Month
 - Service Charge (Base): \$0.1142/CCF
- On average, customers will see a \$1.00 increase on their monthly bill.

2015 Rate Case

New Rates in 2 Steps

- Step 2: Upon RCA Approval (mid-2015)
 - Customer Charge: \$16.00/Month
 - Service Charge (Base): \$0.1336/CCF
- On average, customers will see an additional \$4.63 increase on their monthly bill.

ENSTAR Projects

Gudenrath Compressor Upgrade

- Replaces A-plant, originally installed in 1973.
- Upgrade increases horsepower from 2,400 to 3,180.
- Important step for ensuring deliverability during peak winter demand.



ENSTAR Projects

Homer Special Assessment District

- 2" and 4" main.
- 392,000' or just over 74 miles.
- \$12,000,000 project
- Serves the entire city of Homer, including the spit



ENSTAR Projects

South Big Lake Road

- 2" and 6 " main.
- 31,900', or just over 6 miles.
- Will serve approximately 171 lots.
- Weather dependent, completion is scheduled Fall 2014.

