

Management's Responsibility for Financial Statements

The Consolidated Financial Statements and Management's Discussion and Analysis (MD&A) are the responsibility of the management of AltaGas Ltd. (AltaGas or the Corporation) and have been approved by the Board of Directors of the Corporation. The Consolidated Financial Statements have been prepared by management in accordance with United States Generally Accepted Accounting Principles (US GAAP) and include amounts that are based on estimates and judgments. The MD&A is based on the Corporation's financial results. It compares the Corporation's financial and operating performance in 2014 to that in 2013. The MD&A should be read in conjunction with the Consolidated Financial Statements and accompanying notes.

Management is responsible for establishing and maintaining adequate internal controls over financial reporting for the Corporation. Management has designed and maintains a system of internal controls over financial reporting, including a program of internal audits to carry out its responsibility. Management believes these controls provide reasonable assurance that financial records are reliable and form a proper basis for the preparation of financial statements. Management undertakes communication to employees of policies that govern ethical business conduct.

Under the supervision and with the participation of the Chairman and Chief Executive Officer and the Chief Financial Officer, management conducted an evaluation of the effectiveness of internal controls over financial reporting. Management concluded, based on its evaluation, that internal controls over financial reporting are effective as of December 31, 2014, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes.

The MD&A and Consolidated Financial Statements are approved by the Board of Directors after considering the recommendation of the Audit Committee. The Audit Committee of the Board of Directors is composed of directors who are not officers or employees.

The Audit Committee meets with management at least five times a year and meets independently with internal and external auditors and as a group to review any significant accounting, internal controls and auditing matters in accordance with the terms of the Charter of the Audit Committee, which is set out in the Annual Information Form. The Audit Committee's responsibilities include overseeing management's performance in carrying out its financial reporting responsibilities and reviewing the Consolidated Financial Statements and MD&A, before these documents are submitted to the Board of Directors for approval. The internal and independent external auditors have access to the Audit Committee without the requirement to obtain prior management approval.

The Audit Committee approves the terms of engagement of the independent external auditors and reviews the annual audit plan, the Auditors' Report and the results of the audit. It also recommends to the Board of Directors the firm of external auditors to be appointed by the shareholders.

The shareholders have appointed Ernst & Young LLP as independent external auditors to express an opinion as to whether the Consolidated Financial Statements present fairly, in all material respects, the Corporation's consolidated financial position, results of operations and cash flows in accordance with US GAAP. The report of Ernst & Young LLP outlines the scope of its examination and its opinion on the Consolidated Financial Statements.

{signed} David W. Cornhill

DAVID W. CORNHILL
Chairman and
Chief Executive Officer of
AltaGas Ltd.

{signed} Deborah S. Stein

DEBORAH S. STEIN
Senior Vice President Finance and
Chief Financial Officer of
AltaGas Ltd.

Independent Auditors' Report

To the Shareholders of AltaGas Ltd.

We have audited the accompanying Consolidated Financial Statements of AltaGas Ltd., which comprise the consolidated balance sheets as at December 31, 2014 and 2013, and the consolidated statements of income, comprehensive income and accumulated other comprehensive income (loss), equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these Consolidated Financial Statements in accordance with United States Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audits. We conducted our audits in accordance with Canadian Generally Accepted Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Consolidated Financial Statements present fairly, in all material respects, the financial position of AltaGas Ltd. as at December 31, 2014 and 2013 and the results of its operations and its cash flows for the years then ended in accordance with United States Generally Accepted Accounting Principles.

Calgary, Canada
February 25, 2015

{signed} Ernst & Young LLP
ERNST & YOUNG LLP
Chartered Accountants

Consolidated Balance Sheets

<i>As at (\$ millions)</i>	December 31 2014	December 31 2013
ASSETS		
Current assets		
Cash and cash equivalents	371.0	44.8
Short-term investment	50.0	-
Accounts receivable (note 18)	352.4	371.2
Inventory (note 6)	155.3	123.4
Restricted cash holdings from customers	4.2	2.7
Regulatory assets (note 17)	12.8	6.0
Risk management assets (note 18)	70.8	35.0
Prepaid expenses and other current assets	41.9	33.2
Deferred income taxes (note 16)	-	5.0
	1,058.4	621.3
Property, plant and equipment (note 7)	5,337.0	4,952.5
Intangible assets (note 9)	356.9	195.3
Goodwill (note 10)	785.1	743.1
Regulatory assets (note 17)	302.0	241.2
Risk management assets (note 18)	21.1	12.3
Deferred income taxes (note 16)	2.2	0.8
Restricted cash holdings from customers	12.2	12.8
Long-term investments and other assets (notes 11 and 18)	84.6	25.9
Investments accounted for by equity method (note 12)	453.9	479.1
	8,413.4	7,284.3
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 18)	343.6	321.8
Dividends payable	19.8	15.6
Short-term debt (note 13)	72.4	84.4
Current portion of long-term debt (notes 14 and 18)	214.4	209.1
Customer deposits	34.9	35.0
Regulatory liabilities (note 17)	10.0	1.8
Risk management liabilities (note 18)	43.5	44.7
Deferred income taxes (note 16)	2.1	0.5
Other current liabilities (note 19)	24.4	14.5
	765.1	727.4
Long-term debt (notes 14 and 18)	3,049.6	2,952.7
Asset retirement obligations (note 15)	70.9	76.1
Deferred income taxes (note 16)	467.2	442.8
Regulatory liabilities (note 17)	136.0	124.3
Risk management liabilities (note 18)	14.7	7.1
Other long-term liabilities (notes 18 and 19)	204.5	52.6
Future employee obligations (note 23)	131.2	71.8
	4,839.2	4,454.8

As at (\$ millions)	December 31 2014	December 31 2013
Shareholders' equity		
Common shares, no par value; unlimited shares authorized; 133.9 million issued and outstanding (<i>note 20</i>)	2,759.9	2,211.4
Preferred shares Series A cumulative redeemable five-year; par value \$25; authorized 8 million; 8 million issued and outstanding (<i>note 20</i>)	195.9	194.1
Preferred shares Series C cumulative redeemable five-year; par value US\$25; authorized 8 million; 8 million issued and outstanding (<i>note 20</i>)	200.6	200.6
Preferred shares Series E cumulative redeemable five-year; par value \$25; authorized 8 million; 8 million issued and outstanding (<i>note 20</i>)	195.8	194.9
Preferred shares Series G cumulative redeemable five-year; par value \$25; authorized 8 million; 8 million issued and outstanding (<i>note 20</i>)	196.1	-
Contributed surplus	14.9	13.4
Accumulated deficit	(185.2)	(62.1)
Accumulated other comprehensive income	163.1	39.4
Total shareholders' equity	3,541.1	2,791.7
Non-controlling interests	33.1	37.8
Total equity	3,574.2	2,829.5
	8,413.4	7,284.3

Commitments and guarantees (*note 22*)

See accompanying notes to the Consolidated Financial Statements.

Approved by the Board of Directors of AltaGas Ltd.

DAVID W. CORNHILL
Director

ROBERT B. HODGINS
Director

Consolidated Statements of Income

For the years ended December 31 (\$ millions except per share amounts)	2014	2013
REVENUE		
Sales	845.3	747.5
Services	489.1	416.9
Regulated operations	1,069.1	888.9
Other loss	(2.3)	(1.1)
Unrealized gain (loss) on risk management contracts (note 18)	4.7	(9.2)
	2,405.9	2,043.0
EXPENSES		
Cost of sales, exclusive of items shown separately	1,450.9	1,236.2
Operating and administrative	450.6	430.5
Accretion of obligations (notes 15 and 19)	6.9	3.7
Depreciation, depletion and amortization (notes 7 and 9)	173.4	152.5
Provision on long-lived assets (note 4)	119.1	22.6
	2,200.9	1,845.5
Income from equity investments (note 12)	38.6	112.2
Other income (expenses) (notes 5 and 11)	25.4	41.2
Foreign exchange loss	(0.4)	(0.3)
Interest expense		
Short-term debt	1.4	2.3
Long-term debt	110.0	99.8
Income before income taxes	157.2	248.5
Income tax expense (note 16)		
Current	14.0	19.8
Deferred	5.0	20.3
Net income after taxes	138.2	208.4
Net income applicable to non-controlling interests	8.1	7.3
Net income applicable to controlling interests	130.1	201.1
Preferred share dividends	34.5	19.6
Net income applicable to common shares	95.6	181.5
Net income per common share (note 21)		
Basic	0.75	1.56
Diluted	0.74	1.52
Weighted average number of common shares outstanding (notes 22 and 23)		
Basic	126.7	116.1
Diluted	128.6	119.5

See accompanying notes to the Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

For the years ended December 31 (\$ millions)	2014	2013
Net income after taxes	138.2	208.4
Total other comprehensive income (net of taxes)	123.7	54.8
Comprehensive income attributable to common shareholders and non-controlling interests (net of tax)	261.9	263.2
Comprehensive income attributable to:		
Non-controlling interests	8.1	7.3
Controlling interests	253.8	255.9
	261.9	263.2

Consolidated Accumulated Other Comprehensive Income (Loss) ⁽¹⁾

(\$ millions)	Available- for-sale	Cash flow hedges	Defined benefit pension plans	Hedge net investments	Translation foreign operations	Total
Opening balance, January 1, 2014	(3.0)	(10.4)	(5.7)	(35.9)	94.4	39.4
Other comprehensive income (loss)						
before reclassification	(10.5)	23.7	(4.2)	(35.0)	147.9	121.9
Amounts reclassified from other						
comprehensive income (note 3)	1.5	-	0.3	-	-	1.8
Net current period other comprehensive income (loss)	(9.0)	23.7	(3.9)	(35.0)	147.9	123.7
Ending balance, December 31, 2014						
(2) (3) (4) (5)	(12.0)	13.3	(9.6)	(70.9)	242.3	163.1
Opening balance, January 1, 2013	(5.8)	(1.0)	(10.2)	(2.2)	3.8	(15.4)
Other comprehensive income (loss)						
before reclassification	(0.9)	(10.1)	3.9	(33.7)	90.6	49.8
Amounts reclassified from other						
comprehensive income (note 3)	3.7	0.7	0.6	-	-	5.0
Net current period other comprehensive income (loss)	2.8	(9.4)	4.5	(33.7)	90.6	54.8
Ending balance, December 31, 2013						
(2) (3) (4) (5)	(3.0)	(10.4)	(5.7)	(35.9)	94.4	39.4

⁽¹⁾ All amounts are net of tax where applicable. Amounts in parenthesis indicate debits.

⁽²⁾ Available-for-sale - net of tax recovery \$1.7 million (December 31, 2013 - tax recovery \$0.4 million).

⁽³⁾ Cash flow hedges - net of tax expense \$4.6 million (December 31, 2013 - \$3.4 million).

⁽⁴⁾ Defined benefit pension plans - net of tax recovery \$3.3 million (December 31, 2013 - tax recovery \$1.0 million).

⁽⁵⁾ Hedge net investment - net of tax recovery \$10.2 million (December 31, 2013 - tax recovery \$5.2 million).

See accompanying notes to the Consolidated Financial Statements.

Consolidated Statements of Equity

For the years ended December 31 (<i>\$ millions</i>)	2014	2013
Common shares (note 20)		
Balance, beginning of year	2,211.4	1,639.9
Shares issued for cash on exercise of options	24.9	18.9
Shares issued under DRIP ⁽¹⁾	70.2	60.3
Shares issued on private issuance	-	100.0
Deferred taxes on share issuance costs	4.2	-
Shares issued on public offering	449.2	392.3
Balance, end of year	2,759.9	2,211.4
Preferred shares (note 20)		
Balance, beginning of year	589.6	394.7
Series A deferred taxes on share issuance costs	1.8	-
Series E issued and share issuance costs, net of taxes	0.9	194.9
Series G issued and share issuance costs, net of taxes	196.1	-
Balance, end of year	788.4	589.6
Contributed surplus		
Balance, beginning of year	13.4	10.6
Share options expense	3.7	4.6
Exercise of share options	(2.1)	(1.4)
Forfeiture of share options	(0.1)	(0.4)
Balance, end of year	14.9	13.4
Accumulated deficit		
Balance, beginning of year	(62.1)	(70.0)
Net income applicable to controlling interests	130.1	201.1
Reclassification of taxes on share issuance costs	(4.2)	-
Common share dividends	(214.5)	(173.6)
Preferred share dividends	(34.5)	(19.6)
Balance, end of year	(185.2)	(62.1)
Accumulated other comprehensive income (loss)		
Balance, beginning of year	39.4	(15.4)
Other comprehensive income	123.7	54.8
Balance, end of year	163.1	39.4
Total shareholders' equity	3,541.1	2,791.7
Non-controlling interests		
Balance, beginning of year	37.8	40.0
Net income applicable to non-controlling interests	8.1	7.3
Distribution by subsidiaries to non-controlling interests	(12.8)	(9.5)
Balance, end of year	33.1	37.8
Total equity	3,574.2	2,829.5

⁽¹⁾ Dividend Reinvestment and Optional Share Purchase Plan.

See accompanying notes to the Consolidated Financial Statements.

Consolidated Statements of Cash Flows

For the years ended December 31 (\$ millions)	2014	2013
Cash from operations		
Net income after taxes	138.2	208.4
Items not involving cash:		
Depreciation, depletion and amortization	173.4	152.5
Provision on long-lived assets	119.1	22.6
Accretion of obligations	6.9	3.7
Share-based compensation	3.7	4.2
Deferred income tax expense	5.0	20.3
Gain on sale of assets	(38.1)	(41.5)
Income from equity investments	(38.6)	(112.2)
Unrealized (gain)/loss on risk management contracts	(4.7)	9.2
Realized/unrealized losses on long-term investments	1.6	5.4
Losses from extinguishment of debts	16.6	-
Other	1.9	5.3
Asset retirement obligations settled	(2.4)	(1.9)
Distributions from equity investments	86.0	122.4
Changes in operating assets and liabilities:		
Accounts receivable	29.0	28.0
Inventory	(21.0)	(18.8)
Prepaid expenses and other current assets	(9.3)	(9.0)
Regulatory assets (current)	(5.9)	(1.5)
Accounts payable and accrued liabilities	(11.5)	(48.6)
Customer deposits	(2.3)	(8.3)
Regulatory liabilities (current)	7.7	(0.4)
Other current liabilities	(1.1)	2.7
Other operating assets and liabilities	3.5	23.7
	457.7	366.2
Investing activities		
Change in restricted cash holdings from customers	(1.3)	6.1
Acquisition of property, plant and equipment	(519.9)	(501.1)
Acquisition of intangible assets	(28.7)	(46.5)
Proceeds from dispositions of assets	64.5	51.0
Contributions to equity investments	(7.7)	(6.8)
Business acquisitions, net of cash acquired	-	(536.8)
Acquisition of short-term investments	(50.0)	-
Acquisition of equity investment	5.0	(230.5)
Acquisition of long-term investments	(53.0)	-
	(591.1)	(1,264.6)

Financing activities		
Net issuance of short-term debt	(17.6)	14.6
Issuance of long-term debt, net of debt issuance costs	1,348.1	2,091.7
Repayment of long-term debt	(1,345.7)	(1,637.5)
Dividends - common shares	(210.3)	(170.7)
Dividends - preferred shares	(35.0)	(19.2)
Distributions to non-controlling interest	(12.8)	(9.5)
Net proceeds from shares issued on exercise of options	22.8	18.9
Net proceeds from issuance of common shares	511.8	447.6
Net proceeds from issuance of preferred shares	194.4	194.9
	455.7	930.8
Effect of exchange rate changes on cash and cash equivalents	3.9	0.6
Change in cash and cash equivalents	322.3	32.4
Cash and cash equivalents, beginning of year	44.8	11.8
Cash and cash equivalents, end of year	371.0	44.8

The following cash payments have been included in the determination of earnings:

For the years ended December 31 (\$ millions)	2014	2013
Interest paid (net of capitalized interest)	97.0	98.9
Income taxes paid	17.4	5.2

See accompanying notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

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

1. ORGANIZATION AND OVERVIEW OF BUSINESS

The businesses of AltaGas Ltd. (AltaGas or the Corporation) are operated by the Corporation, AltaGas Holding Partnership, AltaGas Extraction and Transmission Limited Partnership, AltaGas Pipeline Partnership, AltaGas Processing Partnership, AltaGas Utility Group Inc. (Utility Group), AltaGas Utility Holdings (Pacific) Inc., and AltaGas Services (U.S.) Inc.

AltaGas is a diversified energy infrastructure business with a focus on natural gas, power and regulated utilities. AltaGas has three business segments, Gas, Power and Utilities.

AltaGas' Gas segment serves producers in the Western Canada Sedimentary Basin (WCSB) and includes natural gas gathering and processing, natural gas liquids (NGL) extraction and fractionation, transmission, storage and natural gas marketing, and the one-third ownership investment, through AltaGas Idemitsu Joint Venture Limited Partnership (AIJVLP), in Petrogas Energy Corp. (Petrogas). AIJVLP also manages the liquefied natural gas (LNG) and the liquefied petroleum gas (LPG) export development projects.

The Power segment includes 1,285 MW of generating capacity from gas-fired, coal-fired, wind, biomass and run-of-river assets in Canada and the United States, along with an additional 81 MW of assets under construction and 2,360 MW of power generation in various stages of development.

The Utilities segment is predominantly comprised of natural gas distribution rate regulated utilities in Canada and the United States. The utilities are generally allowed the opportunity to earn regulated returns that provide for recovery of costs and a return on, and of, capital from the regulator-approved capital investment base.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

These Consolidated Financial Statements have been prepared by management in accordance with United States Generally Accepted Accounting Principles (US GAAP).

Pursuant to National Instrument 52-107, "Acceptable Accounting Principles and Auditing Standards" (NI 52-107), US GAAP reporting is generally permitted by Canadian securities laws for companies subject to reporting obligations under U.S. securities laws. However, given that AltaGas is not subject to such reporting obligations and could not therefore rely on the provisions of NI 52-107 to that effect, AltaGas sought and obtained exemptive relief by the securities regulators in Alberta and Ontario to permit it to prepare its financial statements in accordance with US GAAP.

The exemption will terminate on or after the earlier of January 1, 2019, the date to which AltaGas ceases to have activities subject to rate regulation, or the effective date prescribed for a mandatory application of International Financial Reporting Standard for rate regulated accounting.

These Consolidated Financial Statements include the accounts of the Corporation and all of its wholly-owned subsidiaries and its interest in various partnerships and joint ventures where AltaGas has an undivided interest in the assets and liabilities of the joint venture or partnership.

Transactions between, and amongst, AltaGas and its wholly-owned subsidiaries, and the proportionate interests in joint ventures or partnerships are eliminated on consolidation as required by US GAAP. Where there is a party with a non-controlling interest in a subsidiary that AltaGas controls, that non-controlling interest is reflected as "Non-controlling interests" in the Consolidated Financial Statements. The non-controlling interests in net income (or loss) of consolidated subsidiaries is shown as an allocation of the consolidated net income and is presented separately in "Net income applicable to non-controlling interests".

SIGNIFICANT ACCOUNTING POLICIES

Business Acquisitions

Business acquisitions are accounted for using the acquisition method. Under the acquisition method assets and liabilities of the acquired entity are recorded at fair value. Acquisition-related costs are expensed as incurred. The excess of the consideration transferred over the fair value of the assets and liabilities acquired is recognized as goodwill.

Rate-Regulated Operations

SEMCO Energy Inc. (SEMCO), AltaGas Utilities Inc. (AUI), Pacific Northern Gas Ltd. (PNG) and Heritage Gas Limited (Heritage Gas) (collectively "Utilities") engage in the delivery and sale of natural gas and are regulated by the Michigan Public Service Commission (MPSC) and Regulatory Commission of Alaska (RCA), Alberta Utilities Commission (AUC), British Columbia Utilities Commission (BCUC) and the Nova Scotia Utility and Review Board (NSUARB), respectively.

The MPSC, RCA, AUC, BCUC and NSUARB exercise statutory authority over matters such as tariffs, rates, construction, operations, financing, returns, accounting and certain contracts with customers. In order to recognize the economic effects of the actions and decisions of the MPSC, RCA, AUC BCUC and NSUARB, the timing of recognition of certain assets, liabilities, revenues and expenses as a result of regulation may differ from that otherwise expected using US GAAP for entities not subject to rate regulation.

Regulatory assets represent future revenues associated with certain costs incurred in the current period or in prior periods that are expected to be recovered from customers in future periods through the rate setting process. Regulatory liabilities represent future reductions or limitations of increases in revenue associated with amounts that are expected to be refunded to customers through the rate setting process.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and investments in money market instruments with original maturities of less than three months.

Short-term Investments

Short-term investments consists of investments in money market instruments with original maturities of more than three and less than 12 months. Short-term investments are carried at fair value.

Accounts Receivable

Receivables are recorded net of the allowance for doubtful accounts in the accompanying Consolidated Balance Sheets. AltaGas regularly analyzes and evaluates the collectability of the accounts receivable based on a combination of factors. If circumstances related to the collectability change, the allowance for doubtful accounts is further adjusted. Accounts are written off when collection efforts are complete and future recovery is unlikely.

Inventory

Inventory consists of materials, supplies and natural gas, which are valued at the lower of cost or net realizable value. Cost of inventory is assigned using a weighted average cost formula. In general, commodity costs and variable transportation costs are capitalized as gas in underground storage. Fixed costs, primarily pipeline demand charges and storage charges, are expensed as incurred through the cost of gas.

Restricted Cash Holdings from Customers

Cash deposited which is restricted and is not available for general use by AltaGas is separately presented as restricted cash holdings in the Consolidated Balance Sheet.

Property, Plant and Equipment (PPE), Depreciation and Amortization

Property, plant and equipment are carried at cost. The Corporation depreciates the cost of capital assets, net of salvage value, on a straight-line basis over the estimated useful life of the assets, with the exception of rate regulated utilities assets, where depreciation is calculated on a straight-line basis or over the contract term of a specific agreement at rates as approved by the regulatory authorities.

The U.S. utilities include in depreciation expense an amount allowed for regulatory purposes to be collected in current rates for future removal and site restoration costs. The Canadian utilities that collect future removal and site restoration costs in rates defer the revenue until the costs are incurred.

Interest costs are capitalized on major additions to property, plant and equipment until the asset is ready for its intended use. The interest rate used for calculating the interest costs to be capitalized is based on AltaGas' prior quarter actual borrowing long-term interest rate, unless AltaGas borrowed funds specifically for the purpose of obtaining an asset. In this case, the interest costs to be capitalized are calculated using the actual interest rate applicable to the funds obtained for that asset.

Utilities capitalize an imputed carrying cost on assets during construction as authorized by regulatory authorities and the amount so capitalized is an allowance for funds used during construction (AFUDC). AFUDC is the amount that a rate regulated enterprise is allowed to recover for its cost of financing assets under construction. Capitalized overhead, administrative expenses and AFUDC are included in the cost of the related assets and are recovered in rates charged to customers through depreciation expense, as allowed by the regulators.

The range of useful lives for AltaGas' property, plant and equipment is as follows:

Gas assets	1 - 45 years
Power generation assets	5 - 120 years
Utilities assets	3 - 80 years
Corporate assets	1 - 5 years

As required by the respective regulatory authorities, net additions to utility assets at Heritage Gas and PNG are not depreciated until the year after they are brought into active service and net additions to utility assets at AUI and SEMCO are depreciated commencing in the year in which the assets are brought into active service.

Generally, when a regulated asset is retired or disposed of, there is no gain or loss recorded in income. Any difference between the cost and accumulated depreciation of the asset, net of salvage proceeds, is charged to accumulated depreciation or another regulatory asset or liability account. It is expected that any gain or loss that is charged to accumulated depreciation or another regulatory account will be reflected in future depreciation expense when it is refunded or collected in rates.

Leases are classified as either capital or operating. Leases that transfer substantially all the benefits and risks of ownership of property to AltaGas are accounted for as capital leases.

Intangible Assets

Intangible assets are recorded at cost and are amortized on a straight-line basis over their term or estimated useful life:

Energy services relationships	15-19 years
Electricity service agreement	60 years
Software	2 - 5 years
Land rights	25 - 60 years
Franchises and consents	9 - 25 years

Goodwill

Goodwill represents that portion of the consideration on acquisitions which was in excess of the fair value of the net assets acquired. Goodwill is not subject to amortization but assessed at least annually for impairment, or more often when impairment indicators exist. If an impairment test of goodwill shows that the carrying amount of the goodwill is in excess of the fair value, a corresponding impairment loss would be recorded in the Consolidated Statement of Income.

Impairment of Long-Lived Assets

If facts and circumstances suggest that a long-lived asset or an intangible asset may be impaired, the carrying value is reviewed. If this review indicates that the value of the asset is not recoverable, as determined by the projected undiscounted cash flows related to the asset over its remaining life, then the carrying value of the asset is reduced to its estimated fair value less cost to sell.

Financial Instruments

Financial instruments are recorded using the mark-to-market method of accounting for transactions under derivative contracts for which AltaGas is not permitted, or does not elect, to apply the normal purchase/normal sale exemption, rate regulated accounting for financial instruments, or hedge accounting in order to match the earnings impact of those activities to the greatest extent permissible. Under the mark-to-market method of accounting, the fair value of these contracts is recorded as derivative assets and liabilities at the time of contract execution.

The financial assets are classified as "held-for-trading", "held-to-maturity", "loans and receivables", or "available-for-sale". Financial liabilities are classified as "held-for-trading" or other financial liabilities. Subsequent measurement is determined by classification.

Held-for-trading financial assets and liabilities consist of swaps, options, forwards and equity securities. These financial instruments are initially recorded at their fair value, with subsequent changes in fair value recorded in net income.

AltaGas does not have any held-to-maturity financial assets.

Loans and receivables are recognized at amortized cost using the effective interest method.

The available-for-sale classification includes non-derivative financial assets that are designated as available-for-sale or are not included in the other three classifications. Available-for-sale instruments are initially recorded at fair value and changes to fair value are recorded through "Other comprehensive income" (OCI). Declines in fair value below the amortized cost basis that are other than temporary are reclassified out of OCI to earnings for the period.

Investments in equity instruments that do not have a quoted market price in an active market are measured at cost. Income earned from these investments is included in the Consolidated Statement of Income under "Other income (expenses)".

Other financial liabilities not classified as held-for-trading are recognized at amortized cost, using the effective interest method.

Derivatives embedded in other financial instruments or contracts (the host instrument) are recorded separately and are measured at fair value if the economic characteristics of the embedded derivative are not closely related to the host instrument, the terms of the embedded derivative are the same as those of a standalone derivative and the entire contract is not held for trading or accounted for at fair value. Changes in fair value are included in income.

All derivatives, other than those that meet the normal purchase and normal sale (NPNS) exemption, are carried on the Consolidated Balance Sheet at fair value. A physical contract generally qualifies for the NPNS exemption if the transaction is reasonable in relation to AltaGas' business needs, the counterparty owns or controls resources within the proximity to allow for physical delivery, AltaGas intends to receive physical delivery of the commodity, and AltaGas deems the counterparty credit worthy. AltaGas continually assesses the contracts designated under the NPNS exemption and will discontinue the treatment of these contracts under this exemption where the criteria are no longer met.

Offsetting of Derivative Assets and Derivative Liabilities

Offsetting of fair value amounts is generally not applied except where a right of set off exists. A right of set off exists only if and when AltaGas and its counterparty in the financial instrument owe a determinable amount, the two parties agreed to set off the amounts due, AltaGas intends to set off, and the right of set off is enforceable by law.

Hedges

As part of its risk management strategy, AltaGas uses derivatives to reduce its exposure to commodity price, interest rate and foreign exchange risk. AltaGas designates certain derivatives as hedges and prepares documentation at the inception of the hedging contract. AltaGas performs an assessment at inception and during the term of the contract to determine if the derivative used as a hedge is effective in offsetting the risks in the values or cash flows of the hedged item.

The effective portion of changes in the fair value of cash flow hedges is recognized in OCI. Ineffective portions and amounts excluded from effectiveness testing of hedges are included in income. Gains or losses from cash flow hedges that have been included in accumulated other comprehensive income are included in net income when the underlying transaction has occurred or is likely not to occur.

AltaGas designated some of its US dollar denominated long-term debt as a foreign currency hedge of its investment in foreign operations. Accordingly, foreign exchange gains and losses, from the dates of designation, on the translation of the US dollar denominated long-term debt are included in OCI.

Long-Term Investments and Other Assets

Long-term investments are recorded at cost or designated as available-for-sale or held-for-trading. Investments in equity instruments that do not have a quoted market price in an active market are measured at cost.

Investments Accounted for by the Equity Method

The equity method of accounting is used for investments in joint ventures and affiliates in which AltaGas has the ability to exercise significant influence, but not control.

Under this method, the assets and liabilities of the joint ventures and affiliates are not consolidated. The investments in net assets of the equity investments are recorded in the Consolidated Balance Sheet in "Investments accounted for by equity method". The gain or loss from operations of the joint ventures and affiliates is reported on a net basis in the income statement under the caption "Income from equity method investments".

Development Costs

AltaGas expenses development costs as incurred unless such development costs meet certain criteria related to technical, market, regulatory and financial feasibility for capitalization. Development costs are examined annually to ensure capitalization criteria continue to be met. When the criteria that previously justified the deferral of costs are no longer met, the unamortized balance is taken as a charge to income in the period when this determination is made. Development costs are amortized based on the expected period of benefit, beginning at the commencement of commercial operations.

Asset Retirement Obligations

AltaGas recognizes asset retirement obligations in the period in which the legal obligation is incurred and a reasonable estimate of fair value can be determined. The associated asset retirement costs are capitalized as part of the carrying amount of the asset and are depreciated over the estimated useful life of the asset. The liability is increased due to the passage of time over the estimated period until the settlement of the obligation, with a corresponding charge to accretion expense for asset retirement obligations.

Certain utility assets will have future legal obligations on retirement but an asset retirement obligation has not been recorded due to its indeterminate life and corresponding indeterminable timing and scope of these asset retirement obligations. The U.S. utilities recognize asset retirement obligations for some interim retirements, as expected by their regulators, whereas utilities in Canada do not.

Revenue Recognition

Revenue from sales represents the proceeds from the commodity sales in the Gas and Power reporting segments and are recognized at the time the product is delivered.

Revenue from services represents the proceeds from operating leases in the Gas and Power reporting segments where AltaGas is the lessor, and fees from the gathering, transportation, processing, and marketing of natural gas. Revenue from services are recognized at the time the service is delivered.

The Utilities reporting segment recognizes revenue, presented as "revenue from regulated operations" in the Consolidated Statements of Income, when the product or services are delivered on the basis of regular meter readings or estimates of usage and is consistent with the underlying rate setting mechanism mandated by the applicable regulatory authority.

Realized gains and losses from risk management activities related to commodity prices are recognized when the sale occurs or when the underlying financial asset or financial liability is removed from the Consolidated Balance Sheet items "Risk management assets" or "Risk management liabilities".

Unrealized gains and losses in respect of fair value changes to AltaGas' risk management activities, which do not meet the criteria as effective hedges, are recorded as revenue based on the related mark-to-market calculation at the end of the reporting period in the Corporate reporting segment.

Transaction Costs Related to Financial Instruments

Transaction costs related to the acquisition of held-for-trading financial assets and liabilities are expensed as incurred.

Transaction costs for obtaining debt financing are capitalized and included under "Long-term investments and other assets" on the Consolidated Balance Sheet. Premiums and discounts are netted against long-term debt on the Consolidated Balance Sheet. The deferred charges are amortized over the life of the related debt on an effective interest basis and included in interest expense on the Consolidated Statement of Income.

Foreign Currency Translation

Monetary assets and liabilities denominated in a foreign currency for domestic entities are converted at the exchange rate in effect at the balance sheet date. Adjustments resulting from the conversion are recorded in the Consolidated Statements of Income. Non-monetary assets and liabilities are converted at the exchange rate in effect at the transaction date. Revenues and expenses are converted at the exchange rate applicable at the transaction date.

For foreign entities with a functional currency other than Canadian dollars, AltaGas' reporting currency, assets and liabilities are translated into Canadian dollars at the rate in effect at the reporting date. The exchange rate used to convert a US dollar to a Canadian dollar as at December 31, 2014 was 1.1601 (December 31, 2013 – 1.0636).

Revenues and expenses are translated at average exchange rates during the reporting period. All adjustments resulting from the translation of the foreign operations are recorded in OCI. The average exchange rate used to convert a US dollar to a Canadian dollar for the year ended December 31, 2014 was 1.1048 (December 31, 2013 – 1.0301).

Share-Based Compensation Plans

AltaGas follows the fair value method of accounting for share options granted to certain employees and directors. Share options are valued at the date of the grant and recognized as compensation expense over the vesting period of the options. Consideration received by AltaGas on exercise of the share options is credited to shareholders' equity.

AltaGas uses the Black Scholes Merton model to determine the fair value of the options on their grant date and recognizes the share-based compensation cost over the vesting period.

AltaGas has a share-based compensation plan in which participants receive phantom shares requiring settlement by cash payments. During the graded vesting period, compensation expense is recognized using the liability method and is recorded as operating and administrative expense over the vesting period. A change in value of the vested phantom shares is recognized in the period the change occurs.

Pension Plans and Post-Retirement Benefits

AltaGas recognizes the overfunded or underfunded status of its pension and post-retirement benefit plans as either assets or liabilities in the Consolidated Balance Sheets.

The cost of defined benefit pension plans and post-retirement benefits is actuarially determined using the projected benefit method prorated on service with a reasonable range of expected plan investment performance and management's best estimate of salary escalation, retirement ages of employees and expected health care costs. The current service cost is the sum of the individual current service costs, and the accrued benefit obligation is the sum of the accrued liabilities for all participants.

For purposes of calculating the expected return on plan assets, those assets are valued at fair value. The cumulative net actuarial gain or loss at the beginning of the year in excess of 10 percent of the greater of the accrued benefit obligation and the fair value of plan assets is amortized on a straight-line basis over the average remaining service life of the active employees. The average remaining service period of the active members covered by the defined benefit pension plans and post-retirement benefit plans is 12.5 years and 11.7 years, respectively.

Unamortized actuarial gains (losses) and transitional obligations for non-utility plans are initially recognized in the other comprehensive income (losses) and amortized on a straight-line basis over the average remaining service life of active employees for the respective plan through the income statement. Utilities recognize unamortized actuarial gains (losses) and transitional obligations for pension plans and post-retirement benefits under regulatory and other liabilities.

Income Taxes

Income taxes for the Corporation and its subsidiaries are calculated using the liability method of tax accounting. Under this method, deferred income tax assets and liabilities are determined based on differences between the carrying value and the tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are in effect in the periods in which the differences are expected to be settled or realized.

Investment tax credits are deferred and amortized over the estimated service lives of the related properties.

The rate regulated natural gas distribution subsidiaries recognize a separate regulatory asset or liability for the amount of deferred income taxes expected to be recovered from, or paid to, customers in the future.

Net Income per Share

Basic and diluted net income applicable to common shares are computed using the weighted average number of common shares and the weighted average number of common shares that could potentially dilute earnings during a reporting period (share-based compensation awards). Net income applicable to common shares is the difference between the net income applicable to controlling interests less preferred share dividends.

The potentially dilutive impact of the share-based compensation awards is determined using the treasury stock method. Under the treasury stock method, awards are treated as if they had been exercised with any proceeds used to repurchase common stock at the average market price during the period. Any incremental difference between the assumed number of shares issued and purchased is included in the diluted share computation.

The computation of the diluted net income applicable to common shares excludes the anti-dilutive instruments. These anti-dilutive instruments were due to certain share-based compensation awards calculated under the treasury stock method. This anti-dilution occurs where the exercise prices are higher than the average market value of AltaGas' share price during the applicable period.

Emission Credits

As no active market currently exists, emission credits are carried at cost and included in "Prepaid expenses and other current assets".

USE OF ESTIMATES AND MEASUREMENT UNCERTAINTY

The preparation of Consolidated Financial Statements in accordance with US 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, depreciation, depletion and amortization expense, asset retirement obligations, long-lived and intangible assets, impairment assessment, financial instruments, income taxes, employee future benefits, litigation, share-based compensation and regulatory assets and liabilities.

Certain estimates are necessary for the regulatory environment in which AltaGas' subsidiaries or affiliates operate, which often requires 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.

RECENTLY ADOPTED ACCOUNTING PRINCIPLES

In April 2014, FASB issued Accounting Standards Update (ASU) No. 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity". The amendments in this Update improve the definition of discontinued operations by limiting the discontinued operations to the disposals of components of an entity that represent a strategic shift that have (or will have) a major effect on an entity's operations and financial results. AltaGas adopted the Update effective July 7, 2014. The amendments of this Update are applied to the disposals (or classifications as held-for-sale) of components occurring after the adoption date.

In November 2014, FASB issued ASU No. 2014-17, "Business Combinations-Pushdown Accounting". The amendments in this Update provide an acquired entity with an option to apply pushdown accounting when an acquirer obtains control of the acquired entity. The amendments in this Update were effective on November 18, 2014.

FUTURE CHANGES IN ACCOUNTING POLICIES

In January 2014, FASB issued ASU No. 2014-05, "Service Concession Arrangements". The amendments in this Update provide guidance for accounting for service concession arrangements, previously not covered by US GAAP. A service concession arrangement is an arrangement between a public sector entity grantor and an operating entity under which the operating entity operates the grantor's infrastructure. The amendments in this Update should be applied on a modified retrospective basis to service concession arrangements that exist at the beginning of an entity's fiscal year of adoption with a cumulative effect recognized as an adjustment to the opening retained earnings balance for the annual period of adoption. The amendments are effective for annual periods, and interim periods within those annual periods, beginning on or after December 15, 2014. AltaGas will adopt the Update for the financial periods beginning on January 1, 2015. The adoption of this Update does not have any impact on the preparation and presentation of AltaGas' Consolidated Financial Statements.

In May 2014, FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers". The core principle of the amendments in this Update is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments specify various disclosure requirements that would enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The amendments are effective for annual periods, and interim periods within those annual periods, beginning on or after December 15, 2016. Early adoption is not permitted. AltaGas commenced a process for the adoption of the Update. The impacts in the recognition, measurement and presentation of revenue from contracts with customers in accordance with the Update are under assessment for AltaGas' Consolidated Financial Statements.

In June 2014, FASB issued ASU No. 2014-12, "Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period". The amendments are effective for annual periods, and interim periods within those annual periods, beginning on or after December 15, 2015. Early adoption is permitted. AltaGas will adopt the Update for the financial periods beginning on January 1, 2016. AltaGas does not expect any material impact in the preparation and presentation of its Consolidated Financial Statements.

3. RECLASSIFICATION FROM ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) (AOCI)

AOCI components reclassified	Income statement line item	Year ended December 31, 2014	Year ended December 31, 2013
Cash flow hedges			
Commodity contracts - NGL (ineffective hedge)	Unrealized gains on risk management contracts	(0.4)	-
Commodity contracts – Bond forward	Interest expense – Long-term debt	0.1	0.7
	Other income (expenses)	0.2	-
Available-for-sale	Other income (expenses)	1.8	4.2
Defined benefit pension plans	Operating and administrative expense	0.5	1.3
	Total before income taxes	2.2	6.2
Deferred income taxes	Income tax expenses – Deferred	(0.4)	(1.2)
		1.8	5.0

4. PROVISION ON LONG-LIVED ASSETS

	2014	2013
Gas ^(a)	108.2	15.9
Power	10.9	3.7
Utilities	-	3.0
	119.1	22.6

^(a) Provision for 2014 includes \$19.5 million for Ethylene Delivery Systems (EDS) and Joffre Feedstock Pipeline (JFP) transmission pipeline assets and \$18.7 million for related transmission contracts, all of which will be sold to NOVA Chemicals Corporation in March 2017, in accordance with contractual requirements.

The provision also includes \$56.0 million related to assets assessed as no longer in use and \$14.0 million for gas processing assets reclassified as "held-for-sale".

5. OTHER INCOME (EXPENSES)

	Year ended December 31, 2014	Year ended December 31, 2013
Gain from sale of assets ^(a)	38.2	41.5
Interest income and other revenue	6.2	5.1
Losses from extinguishment of debts	(17.4)	-
Other than temporary impairment available for sale (note 11)	(1.8)	(4.3)
Unrealized gain (loss) from held-for-trading assets	0.2	(1.1)
	25.4	41.2

^(a) On March 2, 2011, Pacific Northern Gas Ltd. (PNG) sold its 50 percent interest in Pacific Trail Pipelines Limited Partnership (PTP), subject to a contingent reversionary right at the end of 2013. The purchase price of \$50 million was to be paid in two tranches. The first tranche of \$30 million was paid to PNG on closing in March 2011 while the remaining \$20 million was to be paid upon the buyers' advising PNG that they had issued a notice to proceed with respect to the construction of the Kitimat LNG project. On May 23, 2013 PNG and the buyers amended the acquisition agreement by increasing the second payment from \$20 million to \$38 million and removing the contingent reversionary right. During third quarter 2013, PNG received regulatory approval for the amendment, received payment of the consideration from the buyers and recognized a \$37.5 million pre-tax gain on the transaction.

6. INVENTORY

As at December 31	2014	2013
Natural gas held in storage	136.7	106.7
Other inventory	18.6	16.7
	155.3	123.4

7. PROPERTY, PLANT AND EQUIPMENT

As at December 31	2014			2013		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Gas	2,318.0	(681.9)	1,636.1	2,269.8	(545.9)	1,723.9
Power	2,050.1	(98.5)	1,951.6	1,759.5	(50.9)	1,708.6
Utilities	1,833.5	(108.4)	1,725.1	1,569.0	(65.9)	1,503.1
Corporate	49.6	(25.4)	24.2	25.2	(8.3)	16.9
	6,251.2	(914.2)	5,337.0	5,623.5	(671.0)	4,952.5

Interest capitalized on long-term capital construction projects for the year ended December 31, 2014 was \$29.9 million (2013 - \$30.6 million).

As at December 31, 2014, the Corporation had spent approximately \$440.4 million (2013 - \$943.3 million) on capital projects under construction that were not yet subject to amortization.

Depreciation expense related to property, plant and equipment (including assets under capital leases) for the year ended December 31, 2014 was \$162.2 million (2013 - \$142.3 million).

Net additions to Utilities assets at PNG and Heritage Gas are not amortized until the year after they are brought into active service as required by the respective regulating authorities. Net additions to SEMCO's utility assets are amortized for one half year, in the year in which they are brought into active service, as required by SEMCO's regulatory authority. Utility assets not yet subject to amortization were \$48.5 million as at December 31, 2014 (December 31, 2013 - \$42.9 million).

8. OPERATING LEASES

AltaGas is the lessor in several operating lease arrangements. The carrying value of property, plant, and equipment associated with these leases was \$2,159.4 million as at December 31, 2014 (2013 - \$1,113.8 million). The total revenue earned from these operating leases was \$124.0 million as at December 31, 2014 (2013 - \$68.9 million).

The following table sets forth the future fixed minimum revenue related to the operating leases for the years ended December 31:

2015	90.3
2016	92.1
2017	93.9
2018	95.7
2019	97.5

9. INTANGIBLE ASSETS

As at December 31	2014			2013		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
E&T contracts	56.5	(38.5)	18.0	57.3	(18.9)	38.4
Electricity service agreement	260.4	(1.8)	258.6	90.0	-	90.0
Energy services relationships	10.2	(6.1)	4.1	10.2	(5.3)	4.9
Software	84.6	(25.6)	59.0	73.5	(29.8)	43.7
Land rights	16.6	(1.7)	14.9	17.3	(1.6)	15.7
Franchises and consents	3.6	(1.3)	2.3	3.6	(1.0)	2.6
	431.9	(75.0)	356.9	251.9	(56.6)	195.3

Amortization expense related to intangible assets for the year ended December 31, 2014 was \$11.2 million (2013 - \$10.2 million).

As at December 31, 2014, the Corporation had capitalized approximately \$36.5 million in software costs (2013 - \$11.5 million) not yet subject to amortization.

The following table sets forth the estimated amortization expense of intangible assets, excluding any amortization of assets not yet subject to amortization, for the years ended December 31:

2015	11.7
2016	13.1
2017	11.4
2018	11.1
2019	11.0
Thereafter	262.2

10. GOODWILL

As at December 31	2014	2013
Balance, beginning of year	743.1	714.9
Other changes	-	(1.7)
Foreign exchange translation	42.0	29.9
	785.1	743.1

11. LONG-TERM INVESTMENTS AND OTHER ASSETS

As at December 31	2014	2013
Investments in publicly-traded entities ^(a)	46.3	5.0
Debt financing costs	22.0	17.0
Refundable deposits	15.7	-
Loan to employees	-	0.8
Other	0.6	3.1
	84.6	25.9

^(a) Investments in publicly-traded entities include common shares issued by Canadian entities that are classified as available-for-sale for \$43.5 million (December 31, 2013 - \$2.4 million) and held-for-trading for \$2.8 million (December 31, 2013 - \$2.6 million). Pursuant to the terms of a private placement in 2014, \$38.5 million of the common shares classified as available-for-sale are subject to a one-year hold period restriction, expiring in August 2015.

In 2014, an other-than-temporary pre-tax loss of \$1.8 million was re-classified from OCI and recognized in the Consolidated Statement of Income under "Other income (expenses)" (2013 - \$4.2 million). The recognition of the other-than-temporary losses was the result of the length of time and extent to which the market value of the shares was less than cost.

Summary of After-tax Unrealized Gains (Losses) on Available-for-sale Recognized in AOCI

For the years ended December 31	2014	2013
Changes in fair value	(10.5)	(0.9)
Other-than-temporary loss	1.5	3.7
	(9.0)	2.8

12. INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

As at December 31	2014	2013
Affiliates	2.6	338.8
Joint ventures	451.3	140.3
	453.9	479.1

PETROGAS

On October 1, 2013, AltaGas completed the acquisition of a 25 percent interest in Petrogas, a privately-held leading North American integrated midstream company. Petrogas is engaged in the marketing, storage, and distribution of natural gas liquids, drilling fluids, fracturing fluids, crude oil and condensate diluents. Petrogas and its subsidiaries own underground storage facilities, own and lease surface storage, and own and operate processing plants, trucks and transportation equipment, loading and terminaling facilities and crude oil blending facilities. AltaGas paid for the acquisition with approximately 2.8 million common shares priced at \$35.69 per share and \$230.5 million of cash. The investment was accounted for using the equity method.

On October 24, 2013, AltaGas announced it planned to increase its effective ownership of Petrogas to 33 1/3 percent, exercising a call option included in the share purchase agreement with the vendor.

On March 1, 2014, AltaGas transferred its 25 percent ownership interest to AIJVLP. On March 1, 2014, AIJVLP acquired an additional 41 2/3 percent interest in Petrogas for \$300.8 million cash consideration and a \$250.0 million note payable to the vendor. As a result of the transaction, Petrogas is effectively owned one-third by each of AltaGas, Idemitsu Kosan Co., Ltd. (Idemitsu), and its former majority shareholder.

The table below is a list of joint ventures and affiliates as at December 31, 2014.

Description	Location	Ownership Percentage	Accounting Method
AltaGas Idemitsu Joint Venture LP	Canada	50	Equity
AltaGas Idemitsu Management Inc.	Canada	50	Equity
ASTC Power Partnership	Canada	50	Equity
Boston Bar LP	Canada	25	Equity
Busch Ranch Wind Project	United States	50	Proportionate
Craven County Wood Energy GP	United States	50	Equity
Craven County Wood Energy LP	United States	50	Equity
Eaton Rapids Gas Storage System	United States	50	Equity
Edmonton Ethane Extraction Plant (EEEEP)	Canada	48.667	Proportionate
Empress ATCO (EGLJV)	Canada	7.20	Proportionate
Empress Provident (PEEP)	Canada	11.25	Proportionate
Gilby Midstream	Canada	50	Proportionate
Grayling Generating Station GP	United States	50	Equity
Grayling Generating Station LP	United States	50	Equity
Ikhil Joint Venture	Canada	33.334	Proportionate
Inuvik Gas Ltd.	Canada	33.333	Equity
Sarnia Airport Storage Pool LP	Canada	50	Equity
Sarnia Airport Storage Pool Management Inc.	Canada	50	Equity
Younger	Canada	56.667	Proportionate

The tables below represent 100 percent of the most significant investees' financial information as at December 31, 2014 and 2013.

For the year ended December 31, 2014	Proportionate		Total
	Consolidation Method	Equity Method	
Revenues	279.4	288.0	567.4
Expenses	212.4	258.8	471.2
	67.0	29.2	96.2
As at December 31, 2014			
Current assets	51.0	39.0	90.0
Property, plant and equipment	279.3	79.4	358.7
Intangible assets	20.0	80.6	100.6
Long-term investments and other assets	3.1	875.2	878.3
Current liabilities	15.3	33.4	48.7
Other long-term liabilities	42.7	252.9	295.6

For the year ended December 31, 2013	Proportionate Consolidation Method	Equity Method	Total
Revenues	194.9	716.4	911.3
Expenses	148.4	284.2	432.6
	46.5	432.2	478.7
As at December 31, 2013			
Current assets	57.6	677.4	735.0
Property, plant and equipment	313.2	363.3	676.5
Intangible assets	20.0	85.8	105.8
Long-term investments and other assets	1.2	12.5	13.7
Current liabilities	4.2	406.4	410.6
Other long-term liabilities	41.9	65.9	107.8

13. SHORT-TERM DEBT

As at December 31	2014	2013
Bank indebtedness	26.6	3.4
\$50 million demand operating facility	-	7.2
US\$150 million operating facility	37.1	62.8
\$25 million operating facility	8.7	11.0
	72.4	84.4

Bank Indebtedness

Bank indebtedness bears interest at the lender's prime rate or at the interest rate applicable to bankers' acceptances. The prime lending rate at December 31, 2014 was 3.0 percent (December 31, 2013 - 3.0 percent).

Revolving Operating Credit Facilities

As at December 31, 2014, the Corporation held a \$50.0 million (December 31, 2013 - \$50.0 million) unsecured demand revolving operating credit facility with a Canadian chartered bank. Draws on the facility bear interest at the lender's prime rate or at the bankers' acceptance rate plus a stamping fee. Letters of credit outstanding at December 31, 2014 were nil (December 31, 2013 - \$0.02 million).

As at December 31, 2014, SEMCO held a US\$150.0 million (December 31, 2013 - US\$150.0 million) unsecured revolving operating credit facility with a Canadian chartered bank with a maturity date of December 20, 2019. Draws on the facility can be by way of U.S. base-rate loans, letters of credit and LIBOR loans. Letters of credit outstanding at December 31, 2014 were \$0.8 million (December 31, 2013 - \$1.0 million).

As at December 31, 2014, AltaGas held a \$25.0 million (December 31, 2013 - \$25.0 million) bank operating facility which is available for working capital purposes, has a term of 18 months and expires on May 22, 2015. The operating facility was acquired through the acquisition of PNG. Draws on the facility are by way of prime-rate advances, bankers' acceptances or letters of credit at the bank's prime rate or for a fee. Letters of credit outstanding at December 31, 2014 were \$5.7 million (December 31, 2013 - \$4.2 million).

Other Credit Facilities

As at December 31, 2014, the Utilities segment held a \$20.0 million (December 31, 2013 - \$20.0 million) unsecured uncommitted demand operating credit facility with a Canadian chartered bank. Draws on the facility can be by way of prime rate loans, U.S. base-rate loans, letters of credit, bankers' acceptances and LIBOR loans. Letters of credit outstanding at December 31, 2014 were \$3.6 million (December 31, 2013 - \$3.6 million).

As at December 31, 2014, AltaGas held a \$150.0 million (December 31, 2013 - \$150.0 million) unsecured four-year

extendible revolving letter of credit facility. Draws on the facility can be by way of prime loans, U.S. base-rate loans, LIBOR loans, bankers' acceptances or letters of credit. Letters of credit outstanding at December 31, 2014 were \$112.8 million (December 31, 2013 – \$67.5 million).

As at December 31, 2014, AltaGas held a \$125.0 million (December 31, 2013– \$125.0 million) unsecured bilateral letter of credit facility. Borrowings on the facility bear fees and interest at rates relevant to the nature of the draws made. Letters of credit outstanding at December 31, 2014 were \$12.7 million (December 31, 2013 – \$67.6 million).

14. LONG-TERM DEBT

As at December 31	Maturity date	2014	2013
Credit facilities			
\$1,400 million unsecured extendible revolving ^(a)	15-Dec-2018	-	578.6
Medium-term notes			
\$200 million Senior unsecured - 7.42 percent ^(b)	29-Apr-2014	-	200.0
\$200 million Senior unsecured - 4.10 percent ^(c)	24-Mar-2016	-	200.0
\$100 million Senior unsecured - 6.94 percent ^(d)	29-Jun-2016	-	100.0
\$200 million Senior unsecured - 5.49 percent	27-Mar-2017	200.0	200.0
\$175 million Senior unsecured - 4.60 percent	15-Jan-2018	175.0	175.0
\$200 million Senior unsecured - 4.55 percent	17-Jan-2019	200.0	200.0
\$200 million Senior unsecured - 4.07 percent	01-Jun-2020	200.0	200.0
\$350 million Senior unsecured - 3.72 percent	28-Sep-2021	350.0	350.0
\$300 million Senior unsecured - 3.57 percent	12-Jun-2023	300.0	300.0
\$200 million Senior unsecured - 4.40 percent	15-Mar-2024	200.0	-
\$300 million Senior unsecured - 3.84 percent	15-Jan-2025	300.0	-
\$100 million Senior unsecured - 5.16 percent	13-Jan-2044	100.0	-
\$300 million Senior unsecured - 4.50 percent	15-Aug-2044	299.7	-
US\$175 million Senior unsecured - floating ^(e)	13-Apr-2015	203.0	186.1
US\$200 million Senior unsecured - floating ^(f)	24-Mar-2016	232.1	-
SEMCO long-term debt			
US\$90 million CINGSA secured construction and term loan ^(g)	14-Nov-2015	-	86.3
US\$300 million SEMCO Senior secured - 5.15 percent ^(h)	21-Apr-2020	348.0	319.1
US\$82 million SEMCO Senior secured - 4.48 percent	2-Mar-2032	95.1	-
Debenture notes			
PNG RoyNat Debenture - 3.79 percent ⁽ⁱ⁾	15-Sep-2017	9.8	11.0
PNG 2018 Series Debenture - 8.75 percent ⁽ⁱ⁾	15-Nov-2018	10.0	11.0
PNG 2024 CFI Debenture - 7.39 percent ⁽ⁱ⁾	01-Nov-2024	7.4	7.9
PNG 2025 Series Debenture - 9.30 percent ⁽ⁱ⁾	18-Jul-2025	14.5	15.0
PNG 2027 Series Debenture - 6.90 percent ⁽ⁱ⁾	02-Dec-2027	15.5	16.0
Loan from Province of Nova Scotia ^(k)	31-Jul-2017	2.1	3.1
CINGSA capital lease - 3.50 percent	1-May-2040	0.5	0.5
CINGSA capital lease - 4.48 percent	4-Jun-2068	0.2	-
Promissory notes	25-Oct-2015	1.0	1.9
Other long-term debt		0.1	0.3
		3,264.0	3,161.8
Less current portion		214.4	209.1
		3,049.6	2,952.7

^(a) Borrowings on the facility can be by way of prime loans, U.S. base-rate loans, LIBOR loans, bankers' acceptances or letters of credit. Borrowings on the facility have fees and interest at rates relevant to the nature of the draw made. Letters of credit outstanding as at December 31, 2014 were nil (December 31, 2013 - \$19.0 million).

- (b) The notes were early redeemed on February 14, 2014.
- (c) The notes were early redeemed on December 8, 2014.
- (d) The notes were early redeemed on December 4, 2014.
- (e) The notes carry a floating rate coupon of three months LIBOR plus 0.79 percent.
- (f) The notes carry a floating rate coupon of three months LIBOR plus 0.72 percent.
- (g) Borrowings on the facility can be by way of LIBOR loans or alternative base rate loans. Borrowings on the facility have fees and interest at rates relevant to the nature of the draw made. The facility is non-recourse to the Cook Inlet Natural Gas Storage Alaska LLC (CINGSA) subsidiary.
- (h) Collateral for the US\$ MTNs is certain SEMCO assets.
- (i) Collateral for the Secured Debentures consists of a specific first mortgage on substantially all of PNG's property, plant and equipment, and gas purchase and gas sales contracts, and a first floating charge on other property, assets and undertakings.
- (j) Collateral for the Corpfinance International Ltd. (CFI) Debenture consists of first fixed specific and floating charges and a security interest over all the assets and undertakings of McNair Creek, a first security interest over all the interests of PNG in partnership interests and shares of McNair Creek.
- (k) The loan is non-interest bearing and, if certain prescribed revenue targets are achieved, interest will immediately begin to accumulate on a prospective basis at a rate of 6 percent per annum. In July 2011, Heritage Gas elected to repay the loan in five equal installments beginning July 31, 2012. Heritage Gas may also elect to fully repay the loan at any time with no penalty.

15. ASSET RETIREMENT OBLIGATIONS

	2014	2013
Balance, beginning of year	76.1	56.6
New obligations	0.7	0.3
Obligations settled	(3.7)	(1.8)
Revision in estimated cash flow	(7.5)	15.0
Accretion expense	4.2	3.7
Business acquisitions	-	2.2
Foreign exchange translation	1.1	0.1
Balance, end of year	70.9	76.1

The majority of the asset retirement obligations are associated with gas processing facilities in the Gas segment.

AltaGas estimates the undiscounted cash required to settle the asset retirement obligations, excluding growth for inflation, at December 31, 2014 was \$235.4 million (December 31, 2013 - \$244.7 million).

The asset retirement obligations have been recorded in the Consolidated Financial Statements at estimated values discounted at rates between 4.0 and 8.5 percent and are expected to be incurred between 2016 and 2164. No assets have been legally restricted for settlement of the estimated liability.

In May 2009, the National Energy Board (NEB) issued a decision that set out guiding principles for a mechanism that would set aside funds for pipeline abandonment. It also established a five-year action plan for all NEB-regulated

companies. In May 2014, the NEB issued a decision establishing that, by January 1, 2015, all NEB-regulated companies must have a mechanism in place that provides adequate funds to pay for pipeline abandonment. AltaGas Holdings Inc., a wholly-owned subsidiary of AltaGas, opted to comply with the NEB decision with a surety bond supplied by a surety company regulated by the Office of the Superintendent of Financial Institutions in the amount of \$40.8 million.

16. INCOME TAXES

Consolidated Tax Position

The tax provision recorded in the Consolidated Financial Statements differs from the amount computed by applying the combined Canadian federal and provincial income tax statutory rates to income before tax as follows:

For the years ended December 31	2014	2013
Income before income taxes - consolidated	157.2	248.5
Financial instruments - net	(4.7)	9.2
Income before financial instruments and income taxes	152.5	257.7
Income before income taxes - operating subsidiaries	152.5	257.7
Statutory income tax rate (%)	25.18	25.18
Expected taxes at statutory rates	38.4	64.9
Add (deduct) the tax effect of:		
Financial instruments	1.2	(2.3)
Rate adjustments to enacted Canadian rates	(5.1)	1.0
Permanent differences between accounting and tax basis of assets and liabilities	1.1	1.2
Non-taxable portion of capital (gains) losses on disposition of assets and investments	(3.8)	(9.4)
Non-taxable portion of recorded equity income	(7.2)	(1.4)
Tax benefit of state expense	4.0	3.5
Rate adjustment	-	0.6
Tax on preferred shares	1.2	1.0
Change in enacted rates on preferred shares	-	(3.1)
Other	(1.0)	(1.0)
Deferred income tax recovery on regulated assets	(4.7)	(4.4)
Prior year adjustment	(5.1)	(10.5)
	19.0	40.1
Income tax provision		
Current		
Canada	8.2	11.0
United States	5.8	8.8
	14.0	19.8
Deferred		
Canada	(13.5)	3.9
United States	18.5	16.4
	5.0	20.3
Effective income tax rate (%)	12.09	16.14

In 2013, \$22.7 million of deferred income tax liabilities were assumed on the acquisition of Blythe. In 2014, there were no deferred income tax liabilities assumed on acquisitions.

Deferred income tax liabilities were composed of the following:

As at December 31	2014	2013
PPE and intangible assets	487.4	450.1
Regulatory assets	143.9	124.6
Deferred financing	(16.6)	(8.8)
Deferred compensation	(17.0)	(6.1)
Financial instruments	(1.7)	(1.2)
Non-capital losses	(131.0)	(122.7)
Other	2.1	1.6
	467.1	437.5

The amount shown on the Consolidated Balance Sheets as deferred income tax liabilities represents the net differences between the tax basis and book carrying values on the Corporation's balance sheets at enacted tax rates.

As at December 31, 2014 the Corporation had tax-affected non-capital losses of approximately \$193.8 million for tax purposes, which will be available to offset future taxable income. If not used, these losses will expire between 2015 and 2034.

Uncertain Tax Positions

The Corporation recognizes the benefit of an uncertain tax position only when it is more likely than not that such a position will be sustained by the taxing authorities based on the technical merits of the position. The current and deferred tax impact is equal to the largest amount, considering possible settlement outcomes, that is greater than 50 percent likely of being realized upon settlement with the taxing authorities.

On an annual basis the Corporation and its subsidiaries file tax returns in Canada and various foreign jurisdictions. In Canada AltaGas' federal and provincial tax returns for the years 2007 to 2013 remain subject to examination by taxation authorities. In the United States both the federal and state tax returns filed for the years 2009 to 2014 remain subject to examination by the taxation authorities.

Management determined that the following provision was required for uncertainty on income taxes during the year:

Years ended December 31	2014	2013
Balance, beginning of year	3.3	3.3
Increases as a result of positions taken during the year	0.4	-
Balance, end of year	3.7	3.3

17. REGULATORY ASSETS AND LIABILITIES

AltaGas accounts for certain transactions in accordance with ASC 980, Regulated Operations. AltaGas refers to this accounting guidance for regulated entities as "regulatory accounting". Under regulatory accounting, utilities are permitted to defer expenses and income as regulatory assets and liabilities, respectively, in the Consolidated Balance Sheets when it is probable that those expenses and income will be allowed in the rate-setting process in a period different from the period in which they would have been reflected in the Consolidated Statements of Income by a non-rate-regulated entity. These deferred regulatory assets and liabilities are included in the Consolidated Statements of Income in future periods when the amounts are reflected in customer rates. Management's assessment of the probability of recovery or pass-through of regulatory assets and liabilities requires judgment and interpretation of laws and regulatory agency orders, rules, and rate-making conventions. The relevant regulatory bodies are the AUC, BCUC and NSUARB in Canada, and MPSC and RCA in the United States.

If, for any reason, the Corporation ceases to meet the criteria for application of regulatory accounting for all or part of its operations, the regulatory assets and liabilities related to those portions ceasing to meet such criteria would be derecognized from the Consolidated Balance Sheets and included in the Consolidated Statements of Income for the period in which the discontinuance of regulatory accounting occurs. Criteria that give rise to the discontinuance of regulatory accounting include (i) increasing competition that restricts the ability of the Corporation to charge prices sufficient to recover specific costs, and (ii) a significant change in the manner in which rates are set by regulatory agencies from cost-based regulation to another form of regulation. The Corporation's review of these criteria currently supports the continued application of regulatory accounting for utilities.

The following table summarizes the regulatory assets and liabilities recorded in the Consolidated Balance Sheets, as well as the remaining period, as of December 31, 2014 and 2013, over which the Corporation expects to realize or settle the assets or liabilities:

	December 31 2014	December 31 2013	Recovery Period
Regulatory assets - current			
Deferred cost of gas	12.5	6.0	Less than one year
Deferred property taxes	0.3	-	Less than one year
	12.8	6.0	
Regulatory assets - non-current			
Deferred regulatory costs and rate stabilization adjustment mechanism	10.4	11.0	Various
Pipeline rehabilitation costs	6.0	6.6	1 - 5 years
Future recovery of pension and other retirement benefits ^(a)	127.3	70.4	Various
Deferred environmental costs	21.6	21.5	2 - 10 years
Deferred loss on reacquired debt	2.9	3.2	2 - 5 years
Deferred depreciation and amortization ^(b)	20.3	17.0	Various
Deferred future income taxes ^(c)	79.1	71.2	Various
Revenue deficiency account ^(d)	33.4	40.0	Various
Other	1.0	0.3	2 - 3 years
	302.0	241.2	
Regulatory liabilities - current			
Deferred cost of gas	3.9	1.4	Less than one year
Deferred property taxes	-	0.3	Less than one year
Deferred regulatory costs	-	0.1	Less than one year
Energy optimization costs	3.4	-	Less than one year
Interruptible storage service revenue	0.9	-	Less than one year
Refundable tax credit	1.8	-	Less than one year
	10.0	1.8	
Regulatory liabilities - non-current			
Option fees deferral	0.7	1.6	Various
Refundable tax credit ^(e)	12.2	12.8	Various
Future removal and site restoration costs ^(f)	120.7	107.5	Various
Load balancing	-	1.3	Various
Insurance recovery of environmental costs	1.0	1.1	4 years
Interruptible storage service revenue	1.1	-	2 years
Other	0.3	-	Various
	136.0	124.3	

^(a) Certain utilities have recovered pension costs related to regulated operations in rates, and as such the Corporation has recorded a regulatory asset for the pension funding deficiency. Depending on the method utilized by the utility the recovery period can be either the expected service life of the employees or the benefit period for employees or a specific recovery period as approved by the respective regulator.

^(b) Pursuant to the NSUARB decision dated February 12, 2009, Heritage Gas was ordered to suspend amortization of property, plant and equipment and intangible assets for regulatory purposes for the fiscal periods from 2009 to 2011 inclusively. The NSUARB, in its most recent decision dated November 24, 2011, continued the order to suspend amortization for regulatory purposes for the fiscal periods from 2012 to 2013 inclusively; amortization resumed for regulatory purposes in 2014 at 25 percent of authorized rates. Amortization will be phased in over the next three years at the following rates: 2015 at 50 percent of authorized rates; 2016 at 75 percent of authorized rates; and 2017 at 100 percent of authorized rates. As a result of this order, the Corporation recognizes a regulatory asset equal to the amortization that would have otherwise been included in rates. The deferred regulatory asset is expected to be recovered over the remaining useful life of related assets, which commenced in 2014.

- (c) Remaining amortization period varies depending on the timing of underlying transactions.
- (d) Heritage Gas has an approval from the NSUARB to use a revenue deficiency account (RDA) until it is fully recovered, subject to a cap of \$50 million, imposed in 2010, which may be increased subject to approval by the NSUARB. The RDA is the cumulative difference between the revenue requirements and the actual amounts billed to customers.
- (e) On September 18, 2013, CINGSA received a US\$15.0 million gas storage facility tax credit from the State of Alaska for the benefit of its firm storage service customers. CINGSA will derive no direct or indirect benefit from the tax credit. Following receipt of the tax credit, CINGSA deposited it in a separate interest-bearing account. CINGSA will act as a custodian of the tax credit and any interest earned for the benefit of CINGSA's customers. On an annual basis, covering the years 2012 through 2021, CINGSA will disburse to the customers 1/10th of the amount of the tax credit not subject to refund to the State and interest earned. The RCA has approved the disbursement methodology.
- (f) This amount and timing of draw down is dependent upon the cost of removal of underlying utility property, plant and equipment and the life of property, plant and equipment.

18. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Corporation purchases and sells natural gas, NGL, and power and issues short-and long-term debt. The Corporation uses derivative instruments to reduce exposure to fluctuations in commodity prices, interest rates and foreign currency exchange rates that arise from these activities. The Corporation does not make use of derivative instruments for speculative purposes.

Fair Values of Financial Instruments

The fair value of power, natural gas and NGL derivatives was calculated using estimated forward prices from published sources for the relevant period. The fair value of interest rate and foreign exchange derivatives was calculated using quoted market rates.

The following methods and assumptions were used to estimate the fair value of each significant class of financial instruments:

Short-term investments, accounts receivable, accounts payable, short-term debt and dividends payable - the carrying amount approximates fair value because of the short maturity of these instruments.

Current portion of long-term debt, long-term debt, and other long-term liabilities - the fair value of current portion of long-term debt, long-term debt, and other long-term liabilities have been estimated based on discounted future interest and principal payments using estimated interest rates.

	December 31 2014	December 31 2013
Summary of Fair Values		
Current portion of long-term debt		
Carrying amount	214.4	209.1
Fair value	214.4	212.4

	December 31 2014	December 31 2013
Summary of Fair Values		
Long-term debt		
Carrying amount	3,049.6	2,952.7
Fair value	3,170.3	3,062.6

Summary of Fair Values	December 31	December 31
	2014	2013
Long-term Liabilities ^(a)		
Carrying amount	155.6	-
Fair value	149.1	-

^(a) Excludes non-financial liabilities.

Fair Value Hierarchy

AltaGas 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. Included in this category are publicly traded shares valued at the closing price as at the balance sheet date.

Level 2 - fair values are determined based on inputs other than quoted prices that are observable for the asset or liability. AltaGas uses over-the-counter derivative instruments to manage fluctuations in commodity prices, interest rates and foreign exchange rates. AltaGas estimates forward prices based on published sources adjusted for factors specific to the asset or liability, including basis and location differentials, discount rates, currency exchange and interest rate yield curves. The forward curves used to mark-to-market these derivative instruments are vetted against public sources.

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

December 31, 2014	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	371.0	-	-	371.0
Short-term investment	50.0	-	-	50.0
Risk management assets - current	-	70.8	-	70.8
Risk management assets - non-current	-	21.1	-	21.1
Long-term investments and other assets ^(a)	46.3	-	-	46.3
Financial liabilities				
Risk management liabilities - current	-	43.5	-	43.5
Risk management liabilities - non-current	-	14.7	-	14.7
Current portion of long-term debt	-	214.4	-	214.4
Long-term debt	-	3,170.3	-	3,170.3
Other long-term liabilities ^(b)	-	149.1	-	149.1
December 31, 2013	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	44.8	-	-	44.8
Risk management assets - current	-	35.0	-	35.0
Risk management assets - non-current	-	12.3	-	12.3
Long-term investments and other assets ^(a)	5.4	-	-	5.4
Financial liabilities				
Risk management liabilities - current	-	44.7	-	44.7
Risk management liabilities - non-current	-	7.1	-	7.1
Current portion of long-term debt	-	212.4	-	212.4
Long-term debt	-	3,062.6	-	3,062.6
Other long-term liabilities ^(b)	-	-	-	-

^(a) Excludes non-financial assets and financial assets carried at cost.

^(b) Excludes non-financial liabilities.

Summary of Unrealized Gains (Losses) on Risk Management Recognized in Net Income

For the years ended December 31	2014	2013
Natural gas	(7.9)	(0.8)
Storage optimization	2.1	(1.4)
NGL Frac Spread	3.2	(3.9)
Power	7.5	(2.3)
Heat rate	0.1	0.2
Foreign exchange	(0.3)	(0.5)
Embedded derivative	-	(0.5)
	4.7	(9.2)

Summary of Unrealized Gains (Losses) and Tax Recovery (Expense) on Cash Flow Hedges Recognized in AOCI

	Year ended			Year ended		
	Unrealized	Tax	December 31	Unrealized	Tax	December 31
	gains	expense	2014	losses	recovery	2013
Bond forward	-	-	-	(0.3)	-	(0.3)
NGL Frac Spread	17.8	(4.5)	13.3	(13.5)	3.4	(10.1)
AOCI	17.8	(4.5)	13.3	(13.8)	3.4	(10.4)

Offsetting of Derivative Assets and Derivative Liabilities

As at December 31, 2014

	Gross amounts of recognized assets/liabilities	Gross amounts offset in Balance Sheet	Net amounts presented in Balance Sheet
Risk management assets ^(a)			
Natural gas	61.0	25.2	35.8
Storage optimization	1.0	-	1.0
	62.0	25.2	36.8
Risk management liabilities ^(b)			
Natural gas	64.9	25.2	39.7
Storage optimization	0.1	-	0.1
Total	65.0	25.2	39.8

^(a) Net amount of risk management assets on the Consolidated Balance Sheets is composed of risk management assets (current) balance of \$25.2 million and risk management assets (non-current) balance of \$11.6 million.

^(b) Net amount of risk management liabilities on the Consolidated Balance Sheets is composed of risk management liabilities (current) balance of \$30.1 million and risk management liabilities (non-current) balance of \$9.7 million.

As at December 31, 2013

	Gross amounts of recognized assets/liabilities	Gross amounts offset in Balance Sheet	Net amounts presented in Balance Sheet
Risk management assets ^(a)			
Natural gas	88.2	57.5	30.7
Storage optimization	1.9	1.2	0.7
	90.1	58.7	31.4
Risk management liabilities ^(b)			
Natural gas	84.1	57.5	26.6
Storage optimization	3.1	1.2	1.9
	87.2	58.7	28.5

^(a) Net amount of risk management assets on the Consolidated Balance Sheets is composed of risk management assets (current) balance of \$27.2 million and risk management assets (non-current) balance of \$4.3 million.

^(b) Net amount of risk management liabilities on the Consolidated Balance Sheets is composed of risk management liabilities (current) balance of \$25.4 million and risk management liabilities (non-current) balance of \$3.2 million.

Market Risk on Financial Instruments

AltaGas is exposed to market risk and potential loss from changes in the values of financial instruments. AltaGas enters into financial derivative contracts to manage exposure to fluctuations in commodity prices, interest rates and foreign exchange rates.

Commodity Price Risk Management

Natural Gas

AltaGas purchases and sells natural gas to its customers. The fixed price and market price contracts for both the purchase and sale of natural gas extend to 2020. AltaGas had the following contracts and commodity swaps outstanding related to the storage optimization activities:

December 31, 2014	Fixed price (per GJ)	Period (months)	Notional volume (GJ)	Fair value
Sales	\$2.00 to \$12.00	1 - 72	77,394,117	39.0
Purchases	\$2.09 to \$9.08	1 - 72	72,262,437	(37.4)
Swaps	\$2.51 to \$16.26	1 - 10	4,266,090	(5.5)

December 31, 2013	Fixed price (per GJ)	Period (months)	Notional volume (GJ)	Fair value
Sales	\$3.05 to \$11.20	1 - 58	72,722,907	3.3
Purchases	\$3.06 to \$11.80	1 - 58	69,128,935	0.7
Swaps	\$4.19 to \$4.41	1 - 3	1,314,593	-

NGL Frac Spread

AltaGas entered into a series of swaps to lock in a portion of the volumes exposed to NGL frac spread and propane sales. AltaGas had the following contracts outstanding:

December 31, 2014	Fixed price	Period (months)	Notional volume	Fair value
Propane swaps	\$1.0900 to \$1.1560 CAD/gal	1 - 12	810,316 gallons	19.3
Butane swaps	\$1.2450 to \$1.4000 CAD/gal	1 - 12	197,104 gallons	4.1
WTI swaps	\$101.2 to \$104.4 CAD/bbl	1 - 12	87,600 Bbl	3.2
Natural gas swaps	\$3.5975 to \$4.045/GJ	1 - 12	4,566,150 GJ	(5.7)

December 31, 2013	Fixed price	Period (months)	Notional volume	Fair value
Propane swaps	\$0.7895 to \$1.0464 US/gallon	1 - 12	56,107,800 gallons	(14.0)
Butane swaps	\$1.15 to \$1.3017 US/gallon	1 - 12	14,103,600 gallons	(1.4)
WTI swaps	\$91.68 to \$96.80 US/Bbl	1 - 12	153,300 Bbl	(0.4)
US\$ swaps	\$1.03	1 - 12	34.7	(0.6)
Natural gas swaps	\$3.145 to \$3.49/GJ	1 - 12	7,040,580 GJ	2.9

Power

Under the Sundance B PPA AltaGas has an obligation to buy power at agreed terms and prices to December 31, 2020. The Corporation sells the power to the Alberta Electric System Operator at market prices and uses swaps to fix the prices over time on a portion of the volumes. AltaGas' strategy is to mitigate the cash flow risk to Alberta power prices to provide predictable earnings. Certain contracts met the expected purchase, sale or usage requirements exception and have not been included in risk management assets or liabilities. At December 31, 2014, AltaGas had no intention to terminate any contracts prior to maturity. AltaGas had the following commodity forward contracts on electrical power, commodity swaps, and heat rate hedges outstanding:

December 31, 2014	Fixed price (per GJ or MWh)	Period (months)	Notional volume (GJ or MWh)	Fair value
Power sales	\$43.94 to \$97.55	1 - 72	2,808,405	22.1
Power purchases	\$48.50 to \$88.00	1 - 48	1,226,496	(9.9)
Swap sales	\$49.10 to \$63.00	1 - 4	229,985	2.5
Swap purchases	\$56.50	1 - 36	78,912	(0.9)
Heat rate electricity sales	\$61.75 to \$75.35	1 - 4	31,190	0.4
Heat rate gas purchases	\$3.93	1	49,600	(0.1)

December 31, 2013	Fixed price (per GJ or MWh)	Period (months)	Notional volume (GJ or MWh)	Fair value
Power sales	\$43.94 to \$94.10	1 - 48	1,631,338	7.9
Power purchases	\$48.50 to \$105.50	1 - 60	1,825,960	(1.3)
Swap sales	\$58.75 to \$66.00	1 - 12	111,360	0.2
Swap purchases	\$56.50	1 - 48	105,192	(0.5)
Heat rate electricity sales	\$66.00 to \$86.63	2	28,800	0.2
Heat rate gas purchases	\$3.085 to \$3.7875	2	122,400	0.1

Interest Rate Risk Management

To hedge against the effects of future interest rate movements, AltaGas, from time to time, enters into interest rate swap agreements to fix the interest rate on a portion of its bankers' acceptances issued under credit facilities.

AltaGas had no interest rate swaps outstanding as at December 31, 2014 and 2013.

Foreign Exchange Risk Management

To manage the risk of fluctuating cash flows due to variations in foreign exchange rates, AltaGas enters into foreign exchange forwards, swaps and options for US dollars.

AltaGas had no contracts outstanding as at December 31, 2014 and 2013.

Hedge Net Investments

Foreign exchange gains and losses on long-term debt denominated in US dollars are unrealized and can only be realized when a long-term debt matures or is settled. As at December 31, 2014, management designated US\$375 million of outstanding debt to hedge against the currency translation effect of its foreign investments (December 31, 2013 - US\$570 million). US dollar denominated long-term debt has been designated as a hedge of the net investment in foreign subsidiaries. This designation has the effect of mitigating volatility on net income by offsetting foreign exchange gains and losses on US dollar denominated long-term debt and foreign net investment.

Sensitivity Analysis

The sensitivity analysis is estimated based on the notional volumes of each commodity contract and equity security outstanding, taking into consideration the future income tax impact.

The following table illustrates potential effects of changes in relevant risk variables on AltaGas' net income and OCI for contracts in place at December 31, 2014:

Factor Share	Increase or decrease ⁽¹⁾	Increase or decrease in net income	Increase or decrease in OCI
Alberta electricity average pool prices	\$1/MWh	1.8	-
Natural gas spot price (AECO)	\$0.50/GJ	0.3	-
NGL frac spread:			
Propane	\$1/Bbl	-	0.6
Butane	\$1/Bbl	-	0.1
WTI	\$1/Bbl	0.1	-
Natural gas to replace heat value of NGL	\$0.50/GJ	-	1.7
Change in CAD per US\$ exchange rate	1 percent	0.2	-
Equity risk	1 percent	-	0.4

⁽¹⁾ Estimated increase or decrease to forward prices or curves

Credit Risk on Financial Instruments

Credit risk results from the possibility that a counterparty to a financial instrument fails to fulfill its obligations in accordance with the terms of the contract.

AltaGas' credit policy details the parameters used to grant, measure, monitor and report on credit provided to counterparties. AltaGas minimizes counterparty risk by conducting credit reviews on counterparties in order to establish specific credit limits, both prior to providing products or services and on a recurring basis. In addition, most contracts include credit mitigation clauses that allow AltaGas to obtain financial or performance assurances from counterparties under certain circumstances. AltaGas provides an allowance for doubtful accounts in the normal course of its business.

AltaGas' maximum credit exposure consists primarily of the carrying value of the non-derivative financial assets and the fair value of derivative financial assets. As at December 31, 2014, AltaGas had no concentration of credit risk with a single counterparty.

Accounts Receivable Past Due or Impaired

AltaGas had the following past due or impaired accounts receivable (AR):

	As at December 31, 2014	AR accruals	Receivables impaired	Less than 30 days	31 to 60 days	61 to 90 days	Over 90 days
Trade receivable	341.4	126.7	2.5	194.7	11.1	2.9	3.5
Other	13.5	-	-	11.9	-	-	1.6
Allowance for credit losses	(2.5)	-	(2.5)	-	-	-	-
	352.4	126.7	-	206.6	11.1	2.9	5.1

Allowance for credit losses	As at December 31, 2014
Allowance for credit losses, beginning of year	3.8
Foreign exchange translation	0.1
New allowance	0.7
Recovery of allowance	(1.3)
Allowance applied to uncollectible customer accounts	(0.8)
Allowance for credit losses, end of year	2.5

	As at December 31, 2013	AR Accruals	Receivables impaired	Less than 30 days	31 to 60 days	61 to 90 days	Over 90 days
Trade receivable	373.4	171.9	3.8	174.7	14.1	4.7	4.2
Other receivable	1.6	-	-	-	-	-	1.6
Allowance for credit losses	(3.8)	-	(3.8)	-	-	-	-
	371.2	171.9	-	174.7	14.1	4.7	5.8

Allowance for credit losses	As at December 31, 2013
Allowance for credit losses, beginning of year	3.6
Foreign exchange translation	0.1
New allowance	1.5
Allowance applied to uncollectible customer accounts	(1.4)
Allowance for credit losses, end of year	3.8

Liquidity Risk on Financial Instruments

Liquidity risk is the risk that AltaGas will not be able to meet its financial obligations as they fall due. AltaGas manages this risk through its extensive budgeting and monitoring process to ensure it has sufficient cash and credit facilities to meet its obligations. AltaGas' objective is to maintain its investment-grade ratings to ensure it has access to debt and equity funding as required.

AltaGas had the following contractual maturities with respect to non-derivative financial liabilities:

As at December 31, 2014

	Total	Payable accruals	Sub total	<u>Payments due by period</u>			
				Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Accounts payable and accrued liabilities	343.6	142.2	201.4	201.4	-	-	-
Dividends payable	19.8	-	19.8	19.8	-	-	-
Short-term debt	72.4	-	72.4	72.4	-	-	-
Other current liabilities	24.4	8.3	16.1	16.1	-	-	-
Long-term liabilities	204.5	-	204.5	-	79.3	19.2	106.0
Current portion of long- term debt	214.4	-	214.4	214.4	-	-	-
Long-term debt	3,049.6	-	3,049.6	-	457.4	388.1	2,204.1
	3,928.7	150.5	3,778.2	524.1	536.7	407.3	2,310.1

As at December 31, 2013

	Total	Payable accruals	Sub total	<u>Payments due by period</u>			
				Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Accounts payable and accrued liabilities	321.8	146.3	175.5	175.5	-	-	-
Dividends payable	15.6	-	15.6	15.6	-	-	-
Short-term debt	84.4	-	84.4	84.4	-	-	-
Other current liabilities	14.5	10.1	4.4	4.4	-	-	-
Long-term liabilities	52.6	-	52.6	-	52.6	-	-
Current portion of long- term debt	209.1	-	209.1	209.1	-	-	-
Long-term debt	2,952.7	-	2,952.7	-	579.9	972.2	1,400.6
	3,650.7	156.4	3,494.3	489.0	632.5	972.2	1,400.6

19. LONG-TERM LIABILITIES

In 2010, AltaGas entered into a 60-year CPI indexed EPA and other related agreements with BC Hydro for its 195 MW Forrest Kerr run-of-river project. As at December 31, 2013, AltaGas paid an initial consideration of \$90.0 million in support of the construction and operation of the Northwest Transmission Line (NTL). On July 29, 2014, AltaGas paid \$5.3 million to BC Hydro, and thereafter future consideration is expected to be approximately \$9.8 million per year, adjusted for inflation.

The NTL came into service on July 12, 2014, an event that triggered AltaGas' firm commitment with BC Hydro.

The fair value of the firm commitment on initial recognition was measured using an estimated 2 percent inflation rate and 4.27 percent discount rate.

This fair value of the NTL liability has been recorded within other current liabilities for \$10.6 million and other long-term liabilities for \$155.6 million. Accretion expenses for the year ended December 31, 2014 were \$2.7 million (December 31, 2013 - nil).

The initial consideration and the fair value of the future considerations, for a total amount of \$258.5 million, has been recognized within the intangible assets and shall be depreciated over 60 years, the term of the EPA with BC Hydro.

20. SHAREHOLDERS' EQUITY

Authorization

AltaGas is authorized to issue an unlimited number of voting common shares. AltaGas is also authorized to issue preferred shares not to exceed 50 percent of the voting rights attached to the issued and outstanding common shares.

On April 4, 2013, AltaGas issued 11,615,000 common shares at a price of \$34.90 per common share for aggregate gross proceeds of approximately \$405 million, including 1,515,000 common shares pursuant to the exercise in full of an underwriters' option.

On October 1, 2013 AltaGas issued 2,801,905 common shares priced at \$35.69 per common share as part of the acquisition of a 25 percent interest in Petrogas.

On August 28, 2014, AltaGas issued 9,027,500 common shares at a price of \$51.00 per common share for aggregate gross proceeds of approximately \$460 million, including 1,177,500 common shares pursuant to the exercise in full of an underwriters' option.

Dividend Reinvestment Plan (DRIP)

AltaGas has adopted a Dividend Reinvestment and Optional Share Purchase Plan for holders of common shares (the Plan).

The Plan, as may be amended from time to time, provides eligible holders of common shares with the opportunity to reinvest the cash dividends paid by AltaGas on their common shares towards the purchase of new common shares at a 5 percent discount to the average market price (as defined below) of the common shares on the applicable dividend payment date (the dividend reinvestment component of the Plan). The Plan also provides shareholders who are enrolled in the dividend reinvestment component of the Plan with the opportunity to purchase new common shares at the average market price (with no discount) on the applicable dividend payment date (the optional cash payment component of the Plan). Each of the components of the Plan is subject to prorating and other limitations on availability of new common shares in certain events. The "average market price", in respect of a particular dividend payment date, refers to the arithmetic average (calculated to four decimal places) of the daily volume weighted average trading prices of common shares on the Toronto Stock Exchange for the trading days on which at least one board lot of common shares is traded during the 10 business days immediately preceding the applicable dividend payment date. Such trading prices will be appropriately adjusted for certain capital changes (including common share subdivisions, common share consolidations, certain rights offerings and certain dividends). Shareholders resident outside of Canada are not entitled to participate in the Plan.

Preferred Shares

Holders of the Series A Preferred Shares are entitled to receive a cumulative quarterly fixed dividend for the initial period ending on, but excluding, September 30, 2015 at an annual rate of 5.00 percent, payable quarterly, as and when declared by the Board of Directors of AltaGas. The first dividend payment of \$0.4589 per Series A Preferred Share was made on December 31, 2010. The dividend rate will reset on September 30, 2015, and every five years thereafter at a rate equal to the sum of the then five-year Government of Canada bond yield plus 2.66 percent. The Series A Preferred Shares are redeemable by AltaGas, at its option, on September 30, 2015, and on September 30 of every fifth year thereafter.

Holders of the Series A Preferred Shares have the right to convert all or any part of their shares into cumulative redeemable floating rate preferred shares, the Series B Preferred Shares, subject to certain conditions, on September 30, 2015 and on September 30 of every fifth year thereafter. Holders of Series B Preferred Shares will be entitled to receive a cumulative quarterly floating dividend at a rate equal to the sum of the then 90-day Government of Canada Treasury Bill yield plus 2.66 percent, as and when declared by the Board of Directors of AltaGas.

Holders of the Series C Preferred Shares are entitled to receive a cumulative quarterly fixed dividend for the initial period ending on, but excluding, September 30, 2017 at an annual rate of US\$1.10 per share, payable quarterly, as and when declared by the Board of Directors of AltaGas. The first dividend payments of \$0.3473 per Series C Preferred Share were payable on October 1, 2012. The dividend rate will reset on September 30, 2017 and every five years thereafter, equal to the sum of the U.S. Government Bond Yield on the applicable rate calculation date plus 3.58 percent. The Series C Preferred Shares shall not be redeemable prior to September 30, 2017. On September 30 in every fifth year thereafter, AltaGas may, at its option, redeem for cash all or any part of the outstanding Series C shares by payment of US\$25 per Series C share plus accrued and unpaid dividends.

Holders of the Series C Preferred Shares have the right to convert all or any part of their shares into cumulative redeemable floating rate preferred shares, the Series D Preferred Shares, subject to certain conditions, on September 30, 2017 and on September 30 of every fifth year thereafter. Holders of Series D Preferred Shares will be entitled to receive a cumulative quarterly floating dividend at a rate equal to the product of the floating quarterly dividend rate and US\$25 per share, and multiplying that product by a fraction, the numerator of which is the actual number of days in such quarterly floating rate period and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year. The floating quarterly dividend rate will be the annual rate of interest equal to the sum of the Treasury Bill rate on the applicable rate calculation date plus 3.58 percent.

Holders of the Series E Preferred Shares are entitled to receive a cumulative quarterly fixed dividend for the initial period ending on, but excluding, December 31, 2018 at an annual rate of 5.0 percent, payable quarterly, as and when declared by the Board of Directors of AltaGas. The first dividend payment of \$0.3699 per Series E Preferred Share was paid on March 31, 2014. The dividend rate will reset on December 31, 2018 and every five years thereafter at a rate equal to the sum of the then five-year Government of Canada Bond Yield plus 3.17 percent. The Series E Preferred Shares are redeemable by AltaGas, at its option, on December 31, 2018 and on December 31 of every fifth year thereafter.

Holders of the Series E Preferred Shares have the right to convert all or any part of their shares into cumulative redeemable floating rate preferred shares, the Series F Preferred Shares, subject to certain conditions, on December 31, 2018, and on December 31 of every fifth year thereafter. Holders of Series F Preferred Shares will be entitled to receive a cumulative quarterly floating dividend at a rate equal to the sum of the then 90-day Government of Canada Treasury Bill yield plus 3.17 percent, as and when declared by the Board of Directors of AltaGas.

Holders of the Series G Preferred Shares are entitled to receive a cumulative quarterly fixed dividend for the initial period ending on, but excluding, September 30, 2019 at an annual rate of 4.75 percent, payable quarterly, as and when declared by the Board of Directors of AltaGas. The first dividend payment of \$0.2896 per Series G Preferred Share was paid on September 30, 2014. The dividend rate will reset on September 30, 2019 and every five years thereafter at a rate equal to the sum of the then five-year Government of Canada Bond Yield plus 3.06 percent. The Series G Preferred Shares are redeemable by AltaGas, at its option, on September 30, 2019 and on September 30 of every fifth year thereafter.

Holders of the Series G Preferred Shares have the right to convert all or any part of their shares into cumulative redeemable floating rate preferred shares, the Series H Preferred Shares, subject to certain conditions, on September 30, 2019 and on September 30 of every fifth year thereafter. Holders of Series H Preferred Shares will be entitled to receive a cumulative quarterly floating dividend at a rate equal to the sum of the then 90-day Government of Canada Treasury Bill yield plus 3.06 percent, as and when declared by the Board of Directors of AltaGas.

Common Shares Issued and Outstanding	Number of shares	Amount
January 1, 2013	105,336,884	1,639.9
Shares issued for cash on exercise of options	806,093	18.9
Shares issued under DRIP	1,745,411	60.3
Shares issued on private issuance	2,801,905	100.0
Shares issued on public offering	11,615,000	392.3
December 31, 2013	122,305,293	2,211.4
Shares issued for cash on exercise of options	989,162	24.9
Shares issued on public offering	9,027,500	449.2
Deferred taxes on share issuance costs	-	4.2
Shares issued under DRIP	1,619,794	70.2
Issued and outstanding at December 31, 2014	133,941,749	2,759.9

Preferred Shares Series A Issued and Outstanding	Number of shares	Amount
January 1, 2013	8,000,000	194.1
December 31, 2013	8,000,000	194.1
January 1, 2014	8,000,000	194.1
Deferred taxes on share issuance costs	-	1.8
Issued and outstanding at December 31, 2014	8,000,000	195.9

Preferred Shares Series C Issued and Outstanding	Number of shares	Amount
January 1, 2012	-	-
January 1, 2013	8,000,000	200.6
December 31, 2013	8,000,000	200.6
Issued and outstanding at December 31, 2014	8,000,000	200.6

Preferred Shares Series E Issued and Outstanding	Number of shares	Amount
January 1, 2013	-	-
Shares issued on public offering	8,000,000	194.9
January 1, 2014	8,000,000	194.9
Deferred taxes on share issuance costs	-	0.9
Issued and outstanding at December 31, 2014	8,000,000	195.8

Preferred Shares Series G Issued and Outstanding	Number of shares	Amount
January 1, 2014	-	-
Shares issued on public offering	8,000,000	200.0
Share issuance costs, net of taxes	-	(3.9)
Issued and outstanding at December 31, 2014	8,000,000	196.1

Weighted Average Shares Outstanding	2014	2013
Number of shares - basic	126,660,704	116,068,088
Dilutive equity instruments ^(a)	1,904,208	3,440,922
Number of shares - diluted	128,564,912	119,509,010

^(a) Includes all options that have a strike price lower than the market share price of AltaGas' common shares at December 31, 2014 and 2013, respectively.

Share Option Plan

AltaGas has an employee share option plan under which employees and directors are eligible to receive grants. As at December 31, 2014, 8,270,519 shares were reserved for issuance under the plan. As at December 31, 2014, options granted under the plan generally have a term of six to 10 years until expiry and vest no longer than over a four-year period.

As at December 31, 2014, the unexpensed fair value of share option compensation cost associated with future periods was \$5.2 million (December 31, 2013 - \$6.2 million). As at December 31, 2014, the compensation expense recorded for share options was \$3.7 million (December 31, 2013 - \$4.2 million).

The following table summarizes the Corporation's share options:

	Options outstanding			
	2014		2013	
	Number of options	Exercise price ⁽¹⁾	Number of options	Exercise price ⁽¹⁾
Share options outstanding, beginning of year	5,561,505	27.25	5,846,460	25.01
Granted	666,000	45.57	801,500	37.72
Exercised	(989,162)	23.03	(806,093)	21.75
Forfeited	(114,688)	34.44	(280,362)	26.38
Share options outstanding, end of year	5,123,655	30.28	5,561,505	27.25
Share options exercisable, end of year	3,007,280	25.51	2,917,955	23.28

⁽¹⁾ Weighted average.

The following table summarizes the employee share option plan as at December 31, 2014:

	Options outstanding			Options exercisable	
	Number outstanding	Weighted average exercise price	Weighted average remaining contractual life	Number exercisable	Exercise price
\$9.48 to \$18.00	307,970	15.34	4.36	307,970	15.34
\$18.01 to \$25.08	1,160,800	20.89	5.14	1,146,550	20.84
\$25.09 to \$50.89	3,654,885	34.53	6.41	1,552,760	30.97
	5,123,655	30.28	6.00	3,007,280	25.51

The fair value of each option granted is estimated on the date of grant using the Black-Scholes-Merton option pricing model with assumptions for grants as follows:

Years ended December 31	2014	2013
Risk-free interest rate (%)	1.71	1.41
Expected life (years)	6	6
Expected volatility (%)	20.21	23.59
Annual dividend per share (\$)	1.71	1.53
Forfeiture rate (%)	16.00	15.00

Equity-based Compensation Plan

In 2004, AltaGas implemented an equity-based compensation plan, which awards phantom shares to certain employees. Beginning in 2008, all employees were eligible to receive phantom shares. The phantom shares are valued based on dividends declared and the trading price of the Corporation's common shares. The shares vest on a graded vesting schedule over a 36 to 44 month period. For the year ended December 31, 2014, the compensation expense recorded was \$4.6 million (2013 - \$3.3 million).

As at December 31, 2014, the unexpensed fair value of equity-based compensation cost associated with future periods was \$11.7 million (December 31, 2013 - \$9.2 million).

21. NET INCOME APPLICABLE TO COMMON SHARES

The following table summarizes the computation of net income applicable to common shares:

Years ended December 31	2014	2013
Numerator:		
Net income applicable to controlling interests	130.1	201.1
Less: Preferred share dividends	34.5	19.6
Net income applicable to common shares	95.6	181.5
Denominator (millions of shares):		
Weighted average number of common shares outstanding	126.7	116.1
Dilutive equity instruments ^(a)	1.9	3.4
Weighted average number of common shares outstanding - diluted	128.6	119.5
Basic net income applicable per common share	0.75	1.56
Diluted net income applicable per common share	0.74	1.52

^(a) Includes all options that have a strike price lower than the market share price of AltaGas' common shares at December 31, 2014 and 2013, respectively.

For year ended December 31, 2014, 642,000 options were excluded from the computation of diluted earnings per share because their effects were not dilutive (year ended December 31, 2013 - 805,500 options).

22. COMMITMENTS AND GUARANTEES

Commitments

AltaGas has long-term natural gas purchase arrangements, service and storage agreements, long-term commitments for capital projects, and operating leases, all of which are transacted at market prices and in the normal course of business.

Future payments of these commitments at December 31, 2014 are estimated as follows:

	2015	2016	2017	2018	2019	2020 and beyond	Total
Gas purchase ^(a)	324.6	293.4	297.4	152.7	1.3	1.3	1,070.7
Service agreement ^(b)	7.9	8.4	8.6	15.1	15.0	150.1	205.1
Storage services	3.4	3.4	3.4	3.5	3.5	36.2	53.4
Capital projects ^(c)	29.3	-	-	-	-	-	29.3
Operating leases ^(d)	24.7	24.0	11.6	11.6	6.3	54.4	132.6
	389.9	329.2	321.0	182.9	26.1	242.0	1,491.1

^(a) AltaGas enters into contracts to purchase natural gas and natural gas transportation and storage services from various suppliers for its utilities. These contracts, which have expiration dates that range from 2015 to 2022, are used to ensure that there is an adequate supply of natural gas to meet the needs of customers and to minimize exposure to market price fluctuations.

^(b) In December 2014, AltaGas' Blythe facility entered into a Long Term Service Agreement (LTSA) with Siemens to complete various upgrade and maintenance services on the Combustion Turbines at the Blythe facility over 116,000 EOH/CT, or 20 years, whichever comes first, in exchange for \$194.1 million payable over the next 19 years, of which \$47.2 million is expected to be paid over the next five years. The LTSA has fixed fees that will be incurred in the five years following December 31, 2014 and variable fees on a per equivalent operating hour (EOH) basis.

^(c) Commitments for capital projects are related to the construction of Power and Gas assets. Estimated amounts are subject to variability depending on the actual construction costs.

^(d) Operating leases include lease arrangements for land, office spaces, vehicles, office and other equipment.

Guarantees

On October 2014, Heritage Gas Ltd., a wholly-owned subsidiary of AltaGas, entered into a throughput contract with a third party owner of the transportation facility for the use of their pipelines in the U.S. and Canada. The contract will commence at completion of the construction of the pipelines and it will expire 15 years thereafter. The contract is subject to customary regulatory approval. AltaGas issued a US \$91.7 million guarantee to stand by all payment obligations under the transportation agreement.

Contingencies

AltaGas is participating in a proceeding underway before the Alberta Utilities Commission (AUC) regarding factors that form the basis for certain transmission charges paid by Alberta generators. On January 20, 2015, the AUC released the AUC Loss Hearings for the complaints regarding the ISO Transmission Loss Factor Rule and Loss Factor Methodology used for the power distribution in Alberta. The AUC will proceed to determine the relief and remedies to be granted in accordance with its findings and conclusions regarding its authority and jurisdiction made in its decision. AltaGas is one of the respondents to the complaint and it has assessed that it may incur additional payments for transmission charges, but the timing and amount, or range of amounts, required to settle the claim cannot be estimated and, accordingly, no accrual of the loss contingency was recognized as at December 31, 2014.

23. PENSION PLANS AND RETIREE BENEFITS

Defined Contribution Plan

AltaGas has a defined contribution (DC) pension plan for substantially all employees who are not members of defined benefit plans. The net pension expense recorded for the DC plan was \$5.7 million for the year ended December 31, 2014 (year ended December 2013 - \$4.8 million).

Defined Benefit Plans

AltaGas has several defined benefit pension plans in Canada and the United States for unionized and non-unionized employees. These benefit plans are funded.

Supplemental Executive Retirement Plan (SERP)

AltaGas has non-registered, defined benefit plans that provide defined benefit pension benefits to eligible executives based on average earnings, years of service and age at retirement. The SERP benefits will be paid from the general revenue of the Corporation as payments come due. Security will be provided for the SERP benefits through a letter of credit within a retirement compensation arrangement trust account.

Post-Retirement Benefits

AltaGas has several post-retirement benefit plans for unionized and non-unionized employees in Canada and the United States. Benefits provided to retired employees are limited to the payment of life insurance and health insurance premiums. These benefit plans are not funded. Post-retirement benefit plans in the United States provide certain medical and prescription drug benefits to eligible retired employees, their spouses and covered dependents. Benefits are based on a combination of the retiree's age and years of service at retirement.

The most recent actuarial valuation of the defined benefit plans for funding purposes was completed as of December 31, 2014. Information from the funding valuation was used in the actuarial valuation completed for expense calculation purposes. The next actuarial valuation for funding purposes is required to be completed as of a date no later than December 31, 2015.

The following table summarizes the details of the defined benefit plans, including the SERP and post-retirement plans in Canada and the United States:

Year ended	Canada		United States		Total	
	Defined Benefit	Post-Retirement Benefits	Defined Benefit	Post-Retirement Benefits	Defined Benefit	Post-Retirement Benefits
December 31, 2014						
Accrued benefit obligation						
Balance, beginning of year	108.3	11.9	182.2	60.8	290.5	72.7
Actuarial loss	16.2	1.7	35.1	11.6	51.3	13.3
Current service cost	5.8	0.5	5.7	1.5	11.5	2.0
Member contributions	-	0.6	-	-	-	0.6
Interest cost	5.2	-	9.8	3.3	15.0	3.3
Benefits paid	(4.7)	(0.3)	(10.6)	(1.7)	(15.3)	(2.0)
Plan amendments	-	-	-	(3.7)	-	(3.7)
Foreign exchange translation	-	-	16.5	5.5	16.5	5.5
Balance, end of year	130.8	14.4	238.7	77.3	369.5	91.7

Plan assets						
Fair value, beginning of year	80.0	3.6	157.2	50.4	237.2	54.0
Actual return on plan assets	5.7	0.3	10.0	3.3	15.7	3.6
Employer contributions	9.1	1.1	-	0.2	9.1	1.3
Member contributions	0.2	-	6.7	-	6.9	-
Benefits paid	(4.7)	(0.3)	(10.6)	(1.7)	(15.3)	(2.0)
Foreign exchange translation	-	-	14.3	4.6	14.3	4.6
Fair value, end of year	90.3	4.7	177.6	56.8	267.9	61.5
Accrued benefit liability	(40.5)	(9.7)	(61.1)	(20.5)	(101.6)	(30.2)

Year ended	Canada		United States		Total	
	Defined Benefit	Post-Retirement Benefits	Defined Benefit	Post-Retirement Benefits	Defined Benefit	Post-Retirement Benefits
December 31, 2013						
Accrued benefit obligation						
Balance, beginning of year	109.2	13.8	181.6	53.1	290.8	66.9
Actuarial (gain) loss	(7.6)	(2.8)	(19.2)	2.4	(26.8)	(0.4)
Current service cost	6.3	0.6	6.2	1.3	12.5	1.9
Member contributions	-	0.1	-	-	-	0.1
Interest cost	4.6	0.5	7.8	2.3	12.4	2.8
Benefits paid	(4.2)	(0.3)	(6.7)	(2.0)	(10.9)	(2.3)
Foreign exchange translation	-	-	12.5	3.7	12.5	3.7
Balance, end of year	108.3	11.9	182.2	60.8	290.5	72.7
Plan assets						
Fair value, beginning of year	67.2	2.3	119.0	40.3	186.2	42.6
Actual return on plan assets	7.5	0.1	25.0	8.3	32.5	8.4
Employer contributions	9.4	1.5	11.7	0.5	21.1	2.0
Member contributions	0.1	-	-	-	0.1	-
Benefits paid	(4.2)	(0.3)	(6.7)	(1.5)	(10.9)	(1.8)
Foreign exchange translation	-	-	8.2	2.8	8.2	2.8
Fair value, end of year	80.0	3.6	157.2	50.4	237.2	54.0
Accrued benefit liability	(28.3)	(8.3)	(25.0)	(10.4)	(53.3)	(18.7)

The following amounts were included in the Consolidated Balance Sheets:

	Defined Benefit 2014	Post-Retirement Benefits 2014	Defined Benefit 2013	Post-Retirement Benefits 2013
Prepaid expenses and other current assets	-	-	(0.4)	-
Other current liabilities	0.6	-	0.6	-
Future employee obligations	101.0	30.2	53.1	18.7
	101.6	30.2	53.3	18.7

The following amounts were not recognized in the net periodic benefit cost and recorded in the other comprehensive losses:

Year ended	Canada		United States		Total	
	Defined Benefit	Post- Retirement Benefits	Defined Benefit	Post- Retirement Benefits	Defined Benefit	Post- Retirement Benefits
December 31, 2014						
Amounts included in accumulated other comprehensive income (loss)						
Amortization actuarial loss	0.5	-	-	-	0.5	-
Past service cost	0.1	-	-	-	0.1	-
Net actuarial loss	(12.4)	(1.0)	(0.2)	-	(12.6)	(1.0)
Total accumulated other comprehensive loss on a pre-tax basis	(11.8)	(1.0)	(0.2)	-	(12.0)	(1.0)
Increase (decrease) by the amount included in deferred tax liabilities	3.0	0.2	0.2	-	3.2	0.2
Net amount in accumulated other comprehensive loss after-tax	(8.8)	(0.8)	-	-	(8.8)	(0.8)

Year ended	Canada		United States		Total	
	Defined Benefit	Post- Retirement Benefits	Defined Benefit	Post- Retirement Benefits	Defined Benefit	Post- Retirement Benefits
December 31, 2013						
Amounts included in accumulated other comprehensive income (loss)						
Transitional obligation	0.1	-	(0.2)	-	(0.1)	-
Past service cost	(0.3)	-	-	-	(0.3)	-
Net actuarial loss	(7.1)	(0.3)	-	-	(7.1)	(0.3)
Total accumulated other comprehensive loss on a pre-tax basis	(7.3)	(0.3)	(0.2)	-	(7.5)	(0.3)
Increase (decrease) by the amount included in deferred tax liabilities	1.8	-	0.2	0.1	2.0	0.1
Net amount in accumulated other comprehensive loss after-tax	(5.5)	(0.3)	-	0.1	(5.5)	(0.2)

Amounts to be amortized in the next fiscal year	Post-Retirement	
	Defined Benefit	Benefits
Actuarial losses	1.7	0.1
Past service losses	0.1	-
Total	1.8	0.1

The following are the benefit cost components:

Year ended	Canada		United States		Total	
	Defined Benefit	Post-Retirement Benefits	Defined Benefit	Post-Retirement Benefits	Defined Benefit	Post-Retirement Benefits
December 31, 2014						
Net benefit plan expense for the year:						
Current service cost and expenses	5.7	0.5	5.7	1.5	11.4	2.0
Interest cost	5.2	0.6	9.7	3.3	14.9	3.9
Expected return on plan assets	(4.6)	(0.1)	(12.8)	(4.1)	(17.4)	(4.2)
Amortization of actuarial loss on accrued benefit obligation	1.5	-	2.9	0.6	4.4	0.6
Costs arising in the year	7.8	1.0	5.5	1.3	13.3	2.3

Year ended	Canada		United States		Total	
	Defined Benefit	Post-Retirement Benefits	Defined Benefit	Post-Retirement Benefits	Defined Benefit	Post-Retirement Benefits
December 31, 2013						
Net benefit plan expense for the year:						
Current service cost and expenses	6.2	0.6	6.2	1.3	12.4	1.9
Interest cost	4.6	0.6	7.8	2.3	12.4	2.9
Expected return on plan assets	(3.9)	-	(10.4)	(3.4)	(14.3)	(3.4)
Amortization of actuarial loss on accrued benefit obligation	2.5	0.3	4.4	0.3	6.9	0.6
Costs arising in the year	9.4	1.5	8.0	0.5	17.4	2.0

The objective of the Corporation's investment policy is to maximize long-term total return while protecting the capital value of the fund from major market fluctuations through diversification and selection of investments.

The objective for fund returns, over three to five year periods, is the sum of two components - a passive component, which is the benchmark index market returns for the asset mix in effect, plus the added value expected from active management. It is the Corporation's belief that the potential additional returns justify the additional risk associated with active management. The risk inherent in the investment strategy over a market cycle (a three-to five-year period) is two-fold. There is a risk that the market returns, as measured by the benchmark returns, will not be in line with expectations. The other risk is that the expected added value of active management over passive management will not be realized over the time period prescribed in each fund manager's mandate. There is also the risk of annual volatility in returns which means that in any one year the actual return may be very different from the expected return.

Cash and money market investments may be held from time to time as short-term investment decisions at the discretion of the fund manager(s) within the constraints prescribed by their mandate(s).

The Corporation has a target asset mix for the Canadian plans of 45 percent to 55 percent fixed income assets. The target asset mix for the U.S. plans is 33 percent fixed income assets. These objectives have taken into account the nature of the liabilities and the risk-reward tolerance of the Corporation.

The collective investment mixes for the plans are as follows as at December 31, 2014:

Canada	Fair value	Level 1	Level 2	Percentage of Plan Assets (%)
Cash and short-term equivalents	3.5	3.5	-	3.69
Canadian Equities	30.9	30.9	-	32.45
Foreign Equities	17.2	17.2	-	18.11
Fixed Income	38.2	38.2	-	40.17
Real Estate	5.0	-	5.0	5.32
Other	0.2	0.2	-	0.08
	95.0	90.0	5.0	100.00

United States	Fair value	Level 1	Level 2	Percentage of Plan Assets (%)
Cash and short-term equivalents	0.6	0.6	-	0.26
Foreign Equities	158.4	158.4	-	67.56
Fixed Income	75.4	75.4	-	32.18
	234.4	234.4	-	100.00

Total	Fair value	Level 1	Level 2	Percentage of Plan Assets (%)
Cash and short-term equivalents	4.1	4.1	-	1.25
Canadian Equities	30.9	30.9	-	9.36
Foreign Equities	175.6	175.6	-	53.29
Fixed Income	113.6	113.6	-	34.49
Real Estate	5.0	-	5.0	1.54
Other	0.2	0.2	-	0.08
	329.4	324.4	5.0	100.00

	Defined Benefit	Post-Retirement Benefits	Defined Benefit	Post-Retirement Benefits
Significant actuarial assumptions used as at December 31	2014		2013	
Discount rate (%)	3.80 - 4.90	4.10 - 4.90	3.20 - 5.00	0.00 - 5.00
Expected long-term rate of return on plan assets (%)	0.00 - 7.50	0.00 - 7.50	0.00 - 8.00	0.00 - 8.00
Rate of compensation increase (%)	2.75 - 4.00	0.00 - 3.50	0.00 - 4.00	0.00 - 3.50
Average remaining service life of active employees (years)	12.5	11.7	12.70	12.95

The estimates for health care benefits take into consideration increased health care benefits due to aging and cost increases in the future. The assumed initial health care cost trend rates used to measure the expected cost of benefits range between 4 and 10 percent and the ultimate trend rate between 4 and 5 percent, which is expected to be achieved by 2027.

The assumed health care cost trend rates have a significant effect on the amounts reported for health care plans. A one percentage point change in the assumed health care trend rates would have the following effects for 2014:

	Increase	Decrease
Service and interest costs	20.1	(13.3)
Accrued benefit obligation	89.3	(55.7)

The following table shows the expected cash flows for defined benefit pension and other-post retirement plans:

	Defined Benefit	Post-Retirement Benefits
Expected employer contributions:		
2015	14.2	3.2
Expected benefit payments:		
2015	10.9	2.3
2016	14.0	2.4
2017	13.9	2.7
2018	14.8	2.9
2019	16.0	3.1
2020 - 2024	96.1	19.1

24. RELATED PARTY TRANSACTIONS

In the normal course of business, AltaGas transacts with its subsidiaries, affiliates and joint ventures. Amounts due to or from related parties on the Consolidated Balance Sheet were measured at the exchange amount and were as follows:

As at December 31	2014	2013
Due from related parties		
Accounts receivable ^(a)	2.2	1.1
Long-term investments and other assets ^(b)	-	0.8
Prepaid expenses and other current assets ^(b)	0.8	-
	3.0	1.9
Due to related parties		
Accounts payable ^(c)	17.6	20.6
Long-term debt ^(d)	0.1	0.3
	17.7	20.9

^(a) Receivable from joint ventures and an affiliate.

^(b) AltaGas and one of its managers agreed on a loan in the principal amount of \$750,000, to be paid in full with accrued interest at the rate prescribed by the Income Tax Act (Canada) on the earlier of the date of employment termination and May 31, 2015.

^(c) Payables to joint ventures.

^(d) Due to an affiliate of the Corporation.

Year ended December 31,	2014	2013
Revenue ^(a)	94.8	24.1
Cost of sales ^(b)	3.8	12.5
Operating and administrative expenses ^(c)	10.7	1.3
Other income (expenses) ^(d)	0.4	-
Interest expense on long-term debt	0.2	0.2

^(a) In the ordinary course of business, AltaGas sold natural gas to an affiliate.

^(b) In the ordinary course of business, AltaGas purchased natural gas from two of its joint ventures.

^(c) Administrative costs recovered from joint ventures.

^(d) Interest income from an affiliate.

25. COMPARATIVE FIGURES

Certain comparative figures related to income tax liabilities for the year ended December 31, 2013 have been reclassified to conform to the presentation adopted in the current year.

26. SEGMENTED INFORMATION

AltaGas owns and operates a portfolio of assets and services used to move energy from the source to the end-user. The following describes the Corporation's four reporting segments:

Gas	<ul style="list-style-type: none"> – NGL processing and extraction plants; – transmission pipelines to transport natural gas and NGL; – natural gas gathering lines and field processing facilities; – purchase and sale of natural gas and electricity; – natural gas storage facilities; – LNG and LPG development projects; and – equity investment in a North American entity engaged in the marketing, storage, and distribution of NGL, drilling fluids, crude oil, and condensate diluents.
Power	<ul style="list-style-type: none"> – coal-fired, gas-fired, wind, biomass and run-of-river power output under power purchase agreements, both operational and under construction; and – sale of power to commercial and industrial users in Alberta.
Utilities	<ul style="list-style-type: none"> – rate-regulated natural gas distribution assets in Michigan, Alaska, Alberta, British Columbia and Nova Scotia; and – rate-regulated natural gas storage in Michigan and Alaska.
Corporate	<ul style="list-style-type: none"> – the cost of providing corporate services, financing and general corporate overhead, investments in public and private entities, corporate assets, financing other segments and the effects of changes in the fair value of risk management contracts.

Geographic Information

Years ended December 31	2014	2013
Revenue^(a)		
Canada	1,574.9	1,376.0
United States	826.3	676.2
Total	2,401.2	2,052.2

^(a) Operating revenue from external customers.

As at December 31	2014	2013
Property, plant and equipment		
Canada	3,642.9	3,418.9
United States	1,694.1	1,533.6
Total	5,337.0	4,952.5

The following tables show the composition by segment:

Year ended December 31, 2014	Gas	Power	Utilities	Corporate	Intersegment Elimination	Total
Revenue	1,178.8	388.0	1,076.9	-	(242.5)	2,401.2
Unrealized gain on risk management	-	-	-	4.7	-	4.7
Cost of sales	(789.6)	(244.4)	(651.6)	-	234.7	(1,450.9)
Operating and administrative	(177.1)	(52.1)	(199.3)	(29.9)	7.8	(450.6)
Accretion of obligations	(3.7)	(3.1)	(0.1)	-	-	(6.9)
Depreciation, depletion and amortization	(66.8)	(38.9)	(64.3)	(3.4)	-	(173.4)
Provision on long-lived assets	(108.2)	(10.9)	-	-	-	(119.1)
Income from equity investments	23.6	13.8	1.2	-	-	38.6
Other income (expenses)	12.0	27.0	3.2	(16.8)	-	25.4
Foreign exchange loss	-	-	-	(0.4)	-	(0.4)
Interest expense	-	-	-	(111.4)	-	(111.4)
Income (loss) before income taxes	69.0	79.4	166.0	(157.2)	-	157.2
Net additions to:						
Property, plant and equipment ^(a)	48.1	306.2	239.9	10.9	-	605.1
Intangible assets	0.6	171.6	3.5	16.8	-	192.5
As at December 31, 2014:						
Goodwill	161.4	-	623.7	-	-	785.1
Segmented assets	2,284.3	2,338.1	3,148.2	642.8	-	8,413.4

^(a) Net additions to property, plant and equipment and long-term investments and other assets may not agree to changes reflected in Consolidated Balance Sheets due to classification of business acquisition and foreign exchange changes on U.S. assets.

Year ended December 31, 2013	Gas	Power	Utilities	Corporate	Intersegment Elimination	Total
Revenue	1,019.9	300.4	894.4	-	(162.5)	2,052.2
Unrealized loss on risk management	-	-	-	(9.2)	-	(9.2)
Cost of sales	(658.1)	(231.8)	(502.5)	-	156.2	(1,236.2)
Operating and administrative	(184.7)	(33.1)	(190.2)	(28.8)	6.3	(430.5)
Accretion of obligations	(3.6)	(0.1)	-	-	-	(3.7)
Depreciation, depletion and amortization	(68.5)	(22.8)	(57.3)	(3.9)	-	(152.5)
Provision on long-lived assets	(15.9)	(3.7)	(3.0)	-	-	(22.6)
Income from equity investments	1.6	108.1	2.5	-	-	112.2
Other income (expenses)	5.6	0.3	40.2	(4.9)	-	41.2
Foreign exchange loss	-	-	-	(0.3)	-	(0.3)
Interest expense	-	-	-	(102.1)	-	(102.1)
Income (loss) before income taxes	96.3	117.3	184.1	(149.2)	-	248.5
Net additions (reductions) to:						
Property, plant and equipment ^(a)	42.1	333.8	765.4	3.3	-	1,144.6
Intangible assets	(7.0)	(0.2)	6.5	9.2	-	8.5
As at December 31, 2013:						
Goodwill	161.4	-	581.7	-	-	743.1
Segmented assets	2,454.8	1,924.5	2,765.9	139.1	-	7,284.3

^(a) Net additions to property, plant and equipment and long-term investments and other assets may not agree to changes reflected in Consolidated Balance Sheets due to classification of business acquisition and foreign exchange changes on U.S. assets.

Other Information

DEFINITIONS

Bbls/d	barrels per day
Bcf	billion cubic feet
GJ	gigajoule
GWh	gigawatt-hour
kV	kilovolt
Mcf	thousand cubic feet
Mmcf/d	million cubic feet per day
MW	megawatt
MWh	megawatt-hour
PJ	petajoule
MMBTU	million British thermal unit

ABOUT ALTAGAS

AltaGas is an energy infrastructure business with a focus on natural gas, power and regulated utilities. The Corporation creates value by acquiring, growing and optimizing its energy infrastructure, including a focus on clean energy sources. For more information visit: www.altagas.ca.

For further information contact:

Investment Community

1-877-691-7199

investor.relations@altagas.ca