

ALTAGAS AND GOVERNMENT OF ALBERTA REACH DEFINITIVE AGREEMENT TO SETTLE POWER PURCHASE ARRANGEMENT DISPUTE

Calgary, Alberta (December 16, 2016)

AltaGas Pipeline Partnership ("AltaGas") and the Government of Alberta ("GOA") reached a definitive Settlement Agreement today regarding the termination of the Sundance B Unit 3 and Sundance B Unit 4 Power Purchase Arrangements ("Sundance B PPAs") previously held by ASTC Power Partnership, a partnership between TransCanada Energy Ltd and AltaGas. Under the Settlement Agreement, AltaGas has agreed to contribute 391,879 self-generated carbon offsets and make a total of \$6 million in cash payments over three years starting in 2018. AltaGas Pipeline Partnership and ASTC Power Partnership are granted a full release from all past, present and future obligations respecting the Sundance B PPAs by the GOA.

"Today's agreement creates certainty for Alberta's investment climate which will help spur clean energy projects," said David Harris, President and CEO, of AltaGas. "We look forward to working with the Government of Alberta and its agencies as the new capacity market develops."

"The agreement provides an amicable resolution for AltaGas and government and encourages participation by Alberta-based firms in the electricity future of the Province," said John Lowe, AltaGas' Executive Vice President. "It also honours the tradition of regulatory excellence fostered by Neil McCrank, Bob Heggie and other public servants of the former Alberta Energy & Utilities Board."

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This release contains forward-looking statements. When used herein, the words "may", "would", "could", "can", "will", "be", "intend", "possible", "plan", "develop", "anticipate", "target", "believe", "seek", "propose", "continue", "estimate", "spur", "expect", and similar expressions, as they relate to AltaGas or an affiliate of AltaGas, are intended to identify forward-looking statements. In particular, this release contains forward-looking statements with respect to, among other things, the development of a new capacity market and new projects in clean power, AltaGas' participation in such market, such projects and in the electricity future of the Province. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect AltaGas' current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, changes in market, competition, governmental or regulatory developments, general economic conditions and other factors set out in AltaGas' public disclosure documents. Many factors could cause AltaGas' actual results, performance or achievements to vary from those described in this release, including without limitation those listed above. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this release as intended, planned, anticipated, believed, sought, proposed, estimated or expected, and such forward-looking statements included in, or incorporated by reference in this release, should not be unduly relied upon. Such statements speak only as of the date of this release. AltaGas does not intend, and does not assume any obligation, to update these forward-looking statements. The forward-looking statements contained in this release are expressly qualified by this cautionary statement.