MANAGEMENT'S DISCUSSION AND ANALYSIS

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

This Management's Discussion and Analysis ("MD&A") dated May 7, 2025 is provided to enable readers to assess the results of operations, liquidity and capital resources of TriSummit Utilities Inc. ("TSU" or the "Company") as at and for the three months ended March 31, 2025. This MD&A should be read in conjunction with the accompanying condensed interim consolidated financial statements as at and for the three months ended March 31, 2025 (the "Interim Financial Statements"), the Company's audited consolidated financial statements as at and for the year ended December 31, 2024 and the Company's management's discussion and analysis for the year ended December 31, 2024.

The Company's presentation currency is in Canadian dollars. In this MD&A, references to "$" are to Canadian dollars unless otherwise indicated. The Interim Financial Statements and comparative information have been prepared in accordance with United States ("U.S.") generally accepted accounting principles ("U.S. GAAP") as codified by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). Throughout this MD&A, reference to GAAP refers to U.S. GAAP. Any reference to per Common Share measures are presented on a basic basis, unless otherwise indicated.

This MD&A refers to certain terms commonly used in the rate-regulated utility industry, such as "rate-regulated", "rate base" and "return on equity". The terms "rate base" and "return on equity" are key performance indicators but are not considered to be non-GAAP measures. Rate base is an amount that a utility is required to calculate for regulatory purposes, and generally refers to net book value of the utility's assets for regulatory purposes. Return on equity or "ROE" is a percentage that is set or approved by a utility's regulator and represents the rate of return that a regulator allows the utility to earn on the equity component of the utility's rate base. The Company refers to the rate base of its utility businesses because it believes that such term assists in understanding the Company's business and is commonly used by investors to help evaluate the performance of rate-regulated utilities. For a discussion of these terms and other terms commonly used in the rate-regulated utility industry, please see the "*Business of the Company - Utilities Business*" section in the annual information form of TSU dated March 5, 2025 (the "Annual Information Form").

Abbreviations, acronyms, and capitalized terms used in this MD&A that are not otherwise defined herein are used consistently with the definitions in the Annual Information Form.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "should", "believe", "plan", "would", "could", "focus", "forecast", "opportunity" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this MD&A contains forward-looking information and statements pertaining to the following: expected success of financing plans and strategies, including maintenance of TSU's credit ratings; the expected safety and reliability of TSU's operations; expectations regarding the CINGSA (as defined herein) expansion and reliability project, including storage capacity, maximum withdrawal and injection rates, the issuance of final rates, and the timing of completion of work; timing of the decisions by the RCA (as defined herein) on the application by ENSTAR (as defined herein) seeking a permanent revenue increase and the implementation of a FRM (as defined herein) in its tariff; timing of the decision by the BCUC (as defined herein) on the revenue requirements applications by PNG (as defined herein) seeking, among other things, approval of customer delivery rates effective January 1, 2025; expectations regarding planned expenditures and related investments and capital program from 2025 to 2029 and the expected capital spend in 2025; expected fluctuations in the Company's working capital and the expected funding of the Company's capital program; the Company's objective for managing capital and its effects on rate base and return to investors; the payment of dividends to the Company's shareholder; and expected impact of adopting ASUs (as defined herein) in the future on the Company's consolidated financial statements.

The forward-looking information and statements contained in this MD&A reflect several material factors, expectations and assumptions of the Company including, without limitation: expected commodity supply, demand and pricing; that the Company will continue to conduct its operations in a manner consistent with past operations; the general continuance of current or, where applicable, assumed industry conditions; regulatory approvals and policies; funding operating and capital costs; project completion dates; capacity expectations; that there will be no material defaults by the counterparties to agreements with the Company and such agreements will not be terminated prior to their scheduled expiry; and the Company will continue to have access to wind and water resources in amounts consistent with the amounts expected by the Company. The Company believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable, but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking information and statements included in this MD&A are not guarantees of future performance and should not be unduly relied upon. Such information and 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 information and statements, including, without limitation: changes in the demand for or supply of the Company's services; unanticipated operating results; changes in regulatory matters; limited, unfavourable or a lack of access to capital markets; increased costs; the impact of competitors; attracting and retaining skilled personnel and certain other risks (including, without limitation, those risks identified elsewhere in this MD&A); and the other factors discussed under the heading *"Risk Factors"* in the Annual Information Form and set out in the Company's other continuous disclosure documents.

The Company believes the forward-looking statements in this MD&A are reasonable. However, such statements are not a guarantee that any of the actions, events or results of the forward-looking statements will occur, or if any of them do occur, their timing or what impact they will have on the Company's results of operations or financial condition. Because of these uncertainties, investors should not put undue reliance on any forward-looking statements.

The forward-looking statements included in this MD&A are expressly qualified by this cautionary statement and are made as of the date of this MD&A. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as required by Canadian securities laws.

Additional information relating to the Company, including the Annual Information Form, is available on SEDAR+ at *www.sedarplus.ca.*

THE COMPANY

TSU is incorporated under the *Canada Business Corporations Act* and its registered office and principal place of business is in Calgary, Alberta. TSU is a wholly owned subsidiary of TriSummit Cycle Inc., a company in which the Public Sector Pension Investment Board indirectly holds a majority economic interest and Alberta Investment Management Corporation indirectly holds a minority economic interest.

The Company owns and operates rate-regulated distribution and transmission utility businesses through its wholly-owned operating subsidiaries ENSTAR Natural Gas Company, LLC and Alaska Pipeline Company, LLC, in Alaska (collectively, "ENSTAR"), Apex Utilities Inc. ("AUI") in Alberta, Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd. ("PNG(N.E.)") (collectively, "PNG") in British Columbia and Eastward Energy Incorporated ("EEI") in Nova Scotia. The Company also owns a 100 percent interest in the Bear Mountain Wind Park in British Columbia, a 65 percent indirect interest in an Alaska regulated storage facility owned by Cook Inlet Natural Gas Storage Alaska, LLC ("CINGSA"), and an approximately 10 percent indirect interest in the Northwest Hydro Facilities in British Columbia.

FIRST QUARTER FINANCIAL HIGHLIGHTS

(Normalized EBITDA, normalized funds from operations, normalized net income, net debt, and net debt to total capitalization ratio are non-GAAP financial measures. Please see the *"Non-GAAP Financial Measures"* section of this MD&A.)

- Net income attributable to shareholder was $40.1 million compared to $35.8 million in the first quarter of 2024.
- Normalized net income was $41.2 million, compared to $35.3 million in the first quarter of 2024.
- Operating income was $67.6 million, compared to $60.4 million in the first quarter of 2024.
- Normalized EBITDA was $92.2 million, compared to $82.5 million in the first quarter of 2024.
- Cash from operations was $52.7 million, compared to $30.4 million in the first quarter of 2024.
- Normalized funds from operations was $70.9 million, compared to $62.2 million in the first quarter of 2024.
- Net debt was $1,641.8 million as at March 31, 2025, compared to $1,623.7 million as at December 31, 2024.
- Net debt to total capitalization ratio was 54.1 percent as at March 31, 2025, compared to 54.3 percent as at December 31, 2024.
- Rate base as at March 31, 2025 was $2,110 million inclusive of construction work in progress, compared to $1,894[1] million as at March 31, 2024.

HIGHLIGHTS SUBSEQUENT TO QUARTER END

- On April 24, 2025, TSU completed the issuance of $150 million of senior unsecured medium-term notes with a coupon rate of 4.48 percent and a maturity date of April 24, 2032.

OVERVIEW OF THE BUSINESS

TSU has three reporting segments:

- Utilities, which owns and operates rate-regulated distribution and transmission assets in Alaska, Alberta, British Columbia and Nova Scotia. TSU also owns an indirect 65 percent interest in a regulated storage utility in Alaska. As at March 31, 2025, the utilities had approximately $2,110 million of rate base inclusive of construction work in progress and serve approximately 293,000 customers across Canada and the United States.
- Renewable Energy, which includes the 102 MW Bear Mountain Wind Park and an approximately 10 percent indirect interest in the 303 MW Northwest Hydro Facilities.
- Corporate, which primarily includes the cost of providing shared services, financing and access to capital, general corporate support as well as the equity investment in the NGIF Cleantech Ventures Limited Partnership ("NGIF").

BUSINESS AND REGULATORY UPDATES

CINGSA Expansion and Reliability Project

In November 2023, CINGSA and ENSTAR entered into an Expansion Precedent Agreement where CINGSA will provide firm storage service ("FSS") to ENSTAR under an Expansion FSS Agreement. The RCA approved the Expansion FSS Agreement in December 2023. On December 6, 2024, the RCA approved the expansion inception rates on an interim and refundable basis. Final rates are anticipated to be issued in the second half of 2025. As at March 31, 2025, approximately US$67 million of capital expenditures have been incurred on the project and CINGSA expects to complete the final project scope in the second half of 2025.

ENSTAR Regulatory Matters

In the second quarter of 2025, ENSTAR filed a rate application with the RCA seeking a permanent revenue increase based on a 2024 test year. A final decision is expected in the second half of 2026. In the second quarter of 2025, ENSTAR also requested approval from the RCA to implement a formula rate mechanism ("FRM") in its tariff, similar to the FRM at CINGSA. The proposed

[1] Adjusted to reflect period end rate base and construction work in progress at ENSTAR and CINGSA for consistency with TSU's other utilities. Previously, ENSTAR and CINGSA reported rate base using a thirteen-month average and did not include construction work in progress.

FRM would allow ENSTAR to adjust its base rates annually by calculating rate adjustments using actual historical costs and revenues.

PNG Revenue Requirements Applications

In April 2025, PNG filed its 2025 to 2027 revenue requirements applications with the BCUC in support of approvals sought for, among other matters, permanent changes to customer basic charges, delivery charges and revenue stabilization adjustment mechanism rate riders effective January 1, 2025. PNG expects a BCUC decision on the applications in the fourth quarter of 2025.

Nova Scotia Energy Board (“NSEB”)

On April 1, 2025, the mandates assigned to the NSUARB were transitioned to the NSEB and the Nova Scotia Regulatory and Appeals Board. EEI is now regulated by the NSEB.

CAPITAL PROGRAM GUIDANCE

Over the 2025 to 2029 time period, TSU expects capital investments of up to $1.3 billion at its Utilities. The expected capital program includes investments in system betterment projects to maintain the safety and reliability of TSU’s utility infrastructure, new business opportunities, technology improvements, and energy evolution investments. In 2025, TSU expects capital investments to be in the range of $180 to $220 million.

SEASONALITY

Results for the Utilities segment have a high degree of seasonality associated with them as the second and third quarters usually produce lower net income as a result of warmer weather, lower customer demand, and certain expenses such as depreciation, operating and administrative expenses, and interest expense, which generally increase as a result of rate base growth and are more evenly distributed throughout the year. These increased costs are normally more than offset in the first and fourth quarters which produce higher net income as a result of colder weather and higher customer demand.

SELECTED FINANCIAL INFORMATION

The following tables summarize key financial results:

	Three Months Ended March 31	
($ millions)	**2025**	2024
Normalized EBITDA[1]	**92.2**	82.5
Operating income	**67.6**	60.4
Net income attributable to shareholder	**40.1**	35.8
Normalized net income[1]	**41.2**	35.3
Total assets	**3,780.0**	3,472.5
Total long-term liabilities	**2,059.5**	1,879.3
Net additions to property, plant and equipment	**28.1**	9.1
Dividends declared	**12.3**	11.5
Cash from operations	**52.7**	30.4
Normalized funds from operations[1]	**70.9**	62.2

	Three Months Ended March 31	
($ per Common Share, except Common Shares outstanding)	**2025**	2024
Net income attributable to shareholder - basic and diluted	**1.34**	1.19
Normalized net income[1]	**1.37**	1.18
Cash from operations	**1.76**	1.01
Normalized funds from operations[1]	**2.36**	2.07
Weighted average number of Common Shares outstanding - basic and diluted (millions)	**30.0**	30.0

(1) Non-GAAP financial measure; see discussion in the *"Non-GAAP Financial Measures"* section of this MD&A.

The following table summarizes TSU's consolidated results:

	Three Months Ended March 31	
($ millions)	**2025**	2024
Revenue	**357.2**	341.5
Cost of sales	**(214.6)**	(208.7)
Operating and administrative expense	**(51.4)**	(52.3)
Accretion expense	**(0.1)**	(0.1)
Depreciation and amortization expense	**(23.0)**	(21.6)
Loss from equity investments	**(0.8)**	(0.4)
Unrealized gain (loss) on risk management contracts	**(1.4)**	0.6
Other income	**1.6**	1.4
Foreign exchange gain	**0.1**	—
Operating income	**67.6**	60.4
Interest expense	**(18.8)**	(17.8)
Income tax expense	**(6.8)**	(6.2)
Net income after taxes	**42.0**	36.4
Net income attributable to non-controlling interests	**(1.9)**	(0.6)
Net income attributable to shareholder	**40.1**	35.8

Three Months Ended March 31

Normalized EBITDA for the three months ended March 31, 2025 was $92.2 million, an increase of $9.7 million relative to the same period in 2024 primarily due to higher approved rates and rate base growth at the Utilities, higher generation from the Bear Mountain Wind Park, colder weather in Nova Scotia compared to the same period in 2024, and a favorable impact from the translation of U.S. dollar earnings at a higher average exchange rate, partially offset by warmer weather in Alaska and Alberta compared to the same period in 2024 and lower normalized EBITDA from the Northwest Hydro Facilities.

Operating income for the three months ended March 31, 2025 was $67.6 million, an increase of $7.2 million relative to the same period in 2024 primarily due to the same factors as the increase in normalized EBITDA discussed above, partially offset by higher depreciation and amortization expense and an unrealized loss on risk management contracts compared to a gain in the same period in 2024.

Operating and administrative expense for the three months ended March 31, 2025 was $51.4 million, a decrease of $0.9 million from the same period in 2024 mainly due to higher capitalized labour costs associated with the CINGSA expansion and reliability project.

Depreciation and amortization expense for the three months ended March 31, 2025 was $23.0 million, an increase of $1.4 million from the same period in 2024 mainly due to a higher PP&E balance at the Utilities.

Interest expense for the three months ended March 31, 2025 was $18.8 million compared to $17.8 million from the same period in 2024. The increase of $1.0 million was mainly due to a higher average debt balance.

Income tax expense for the three months ended March 31, 2025 was $6.8 million, an increase of $0.6 million from the same period in 2024 mainly due to higher taxable income.

Normalized net income for the three months ended March 31, 2025 was $41.2 million, an increase of $5.9 million from the same period in 2024 mainly due to the same factors as the increase in normalized EBITDA, partially offset by higher depreciation and amortization expense and higher interest expense.

Net income attributable to shareholder for the three months ended March 31, 2025 was $40.1 million, an increase of $4.3 million compared to the same period in 2024. The increase was mainly due to the same factors as the increase in operating income, partially offset by higher interest expenses.

Normalized funds from operations for the three months ended March 31, 2025 was $70.9 million, an increase of $8.7 million relative to the same period in 2024, primarily due to higher normalized EBITDA and higher interest expense.

Please refer to the "*Liquidity and Capital Resources - Liquidity*" section of this MD&A for a discussion of changes in cash from operating activities.

RESULTS BY REPORTING SEGMENT

Normalized EBITDA by Reporting Segment[1]

	Three Months Ended March 31	
($ millions)	**2025**	2024
Utilities	**$ 90.4**	$ 81.5
Renewable Energy	**3.0**	2.2
Corporate	**(1.2)**	(1.2)
	$ 92.2	$ 82.5

(1) Non-GAAP financial measure; see discussion in the *"Non-GAAP Financial Measures"* section of this MD&A.

Operating Income (Loss) by Reporting Segment

($ millions)	Three Months Ended March 31 2025	2024
Utilities	**$ 67.9**	$ 62.4
Renewable Energy	**0.5**	(0.5)
Corporate	**(0.8)**	(1.5)
	$ 67.6	$ 60.4

UTILITIES SEGMENT REVIEW

Financial results

($ millions)	Three Months Ended March 31 2025	2024
Revenue	**$ 351.8**	$ 337.9
Cost of sales	**(214.5)**	(208.6)
Operating and administrative expense	**(48.7)**	(49.3)
Normalized EBITDA(1) from equity investment	**0.2**	0.1
Other income	**1.6**	1.4
Normalized EBITDA(1)	**$ 90.4**	$ 81.5
Unrealized gain (loss) on risk management contracts	**(1.4)**	0.6
Depreciation and amortization expense	**(21.1)**	(19.7)
Operating income	**$ 67.9**	$ 62.4

(1) Non-GAAP financial measure; see discussion in the *"Non-GAAP Financial Measures"* section of this MD&A.

Operating statistics

	Three Months Ended March 31 2025	2024
Natural gas deliveries - end-use (PJ)	**27.5**	28.4
Natural gas deliveries - transportation (PJ)	**7.6**	8.7
Degree day variance from normal - ENSTAR (%)(1)	**(11.5)**	5.3
Degree day variance from normal - AUI (%)(1)	**0.2**	2.6
Degree day variance from normal - EEI (%)(1)	**(0.3)**	(8.4)

(1) A degree day for ENSTAR, AUI and EEI is the cumulative extent to which the daily mean temperature falls below 65 degrees Fahrenheit at ENSTAR, 15 degrees Celsius at AUI and 18 degrees Celsius at EEI. Normal degree days are based on a 10-year rolling average at ENSTAR and a 20-year rolling average at AUI and EEI. Positive variances from normal lead to increased delivery volumes from normal expectations. Degree day variances do not materially affect the results of PNG, as the BCUC has approved a rate stabilization mechanism for its residential and small commercial customers.

Three Months Ended March 31

Revenue increased by $13.9 million for the three months ended March 31, 2025, as compared to the same period in 2024, primarily due to the higher approved rates and rate base growth, colder weather in Nova Scotia compared to the same period in 2024, and a favorable impact from the translation of U.S. dollar revenue at a higher average exchange rate, partially offset by warmer weather in Alaska and Alberta compared to the same period in 2024.

Normalized EBITDA increased by $8.9 million for the three months ended March 31, 2025, as compared to the same period in 2024, primarily due to the higher approved rates and rate base growth, colder weather in Nova Scotia compared to the same period in 2024, and a favorable impact from the translation of U.S. dollar earnings at a higher average exchange rate, partially offset by warmer weather in Alaska and Alberta compared to the same period in 2024.

Operating income increased by $5.5 million for the three months ended March 31, 2025, as compared to the same period in 2024, primarily due to the same factors as the increase in normalized EBITDA, partially offset by higher depreciation and amortization expense and an unrealized loss on risk management contracts compared to a gain in the same period in 2024.

RENEWABLE ENERGY SEGMENT REVIEW

Financial results

($ millions)		Three Months Ended March 31 2025		2024
Revenue	**$**	**5.4**	$	3.6
Cost of sales		**(0.1)**		(0.1)
Operating and administrative expense		**(1.4)**		(1.6)
Normalized EBITDA[1] from equity investment		**(0.9)**		0.3
Normalized EBITDA[1]	**$**	**3.0**	$	2.2
Depreciation and amortization expense		**(1.8)**		(1.8)
Accretion expense		**(0.1)**		(0.1)
Accretion and depreciation and amortization expense from equity investment		**(0.6)**		(0.8)
Operating income (loss)	**$**	**0.5**	$	(0.5)

(1) Non-GAAP financial measure; see discussion in the *"Non-GAAP Financial Measures"* section of this MD&A.

Operating statistics

	Three Months Ended March 31 2025	2024
Bear Mountain Wind Park power sold (GWh)	**44.5**	33.0
Northwest Hydro Facilities power sold (GWh)[1]	**3.2**	7.3

(1) Representing 10 percent of the total power sold by the Northwest Hydro Facilities.

Three Months Ended March 31

Revenue increased by $1.8 million for the three months ended March 31, 2025 as compared to the same period in 2024, primarily due to higher generation at the Bear Mountain Wind Park and higher sales of renewable energy certificates ("RECs").

Normalized EBITDA increased by $0.8 million for the three months ended March 31, 2025 as compared to the same period in 2024, primarily due to higher revenue at the Bear Mountain Wind Park, partially offset by lower normalized EBITDA from the Northwest Hydro Facilities.

Operating income increased by $1.0 million for the three months ended March 31, 2025 as compared to the same period in 2024 due to the same factors as the increase in normalized EBITDA and lower accretion and depreciation expense from the investment in the Northwest Hydro Facilities.

During the three months ended March 31, 2025, TSU recorded a loss of $1.5 million from its investment in the Northwest Hydro Facilities as compared to a loss of $0.5 million in the same period in 2024. The increase in equity loss was primarily due to higher operating expense and lower generation at the Northwest Hydro Facilities.

CORPORATE SEGMENT REVIEW

($ millions)		Three Months Ended March 31 2025		2024
Operating and administrative expense	**$**	**(1.2)**	$	(1.2)
Normalized EBITDA[1]	**$**	**(1.2)**	$	(1.2)
Depreciation and amortization		**(0.1)**		(0.1)
Gain recognized from increased ownership interest in NGIF investment[2]		**0.5**		—
Foreign exchange gain		**0.1**		—
Transaction costs		**(0.1)**		(0.2)
Operating loss	**$**	**(0.8)**	$	(1.5)

(1) Non-GAAP financial measure; see discussion in the *"Non-GAAP Financial Measures"* section of this MD&A.
(2) Included under the line item "Loss from equity investments" on the Consolidated Statements of Income.

Expenses incurred by the Corporate segment are primarily associated with providing corporate shared services and business development. For the three months ended March 31, 2025, normalized EBITDA was a loss of $1.2 million, consistent with the three months ended March 31, 2024. For the three months ended March 31, 2025, corporate costs of $3.1 million were allocated to TSU's operating segments compared to $3.4 million for the same periods in 2024.

For the three months ended March 31, 2025, operating loss was $0.8 million compared to $1.5 million for the three months ended March 31, 2024. The decrease in operating loss was mainly due to a gain from equity investment and lower transaction costs related to the acquisition of the Alaska utilities.

SUMMARY OF SELECTED QUARTERLY RESULTS(1)

The following table sets forth unaudited quarterly information for each of the eight quarters from the quarter ended June 30, 2023 to the quarter ended March 31, 2025.

($ millions, except per Common Share amounts)	**Q1-25**	Q4-24	Q3-24	Q2-24
Revenue	**357.2**	328.5	149.4	191.1
Normalized net income(2)	**41.2**	26.4	1.1	7.2
Net income attributable to shareholder	**40.1**	28.2	0.8	7.1
Net income attributable to shareholder per Common Share - basic and diluted ($)	**1.34**	0.94	0.03	0.24
Dividends declared per Common Share ($)(3)	**0.4083**	0.4083	0.3825	0.3825

($ millions, except per Common Share amounts)	Q1-24	Q4-23	Q3-23	Q2-23
Revenue	341.5	298.2	128.6	179.4
Normalized net income (loss)(2)	35.3	30.7	(2.3)	4.1
Net income (loss) attributable to shareholder	35.8	37.4	(2.9)	3.4
Net income (loss) attributable to shareholder per Common Share - basic and diluted ($)	1.19	1.25	(0.10)	0.11
Dividends declared per Common Share ($)(3)	0.3825	0.3825	0.3100	0.3100

(1) Amounts may not add up due to rounding.
(2) Non-GAAP financial measure; see discussion in the *"Non-GAAP Financial Measures"* section of this MD&A.
(3) TSU declares and pays a quarterly dividend on its Common Shares. Dividends are at the discretion of the board of directors and dividend levels are reviewed periodically, giving consideration to the ongoing sustainable cash flow from operating activities, maintenance and growth capital expenditures, and debt repayment requirements of TSU.

Quarter-over-quarter financial results are impacted by seasonality, weather, planned and unplanned outages, and timing and recognition of regulatory decisions.

Revenue for the Utilities segment is generally the highest in the first and fourth quarters of any given year as the majority of natural gas demand occurs during the winter heating season, which typically extends from November to March.

Net income attributable to shareholder is affected by non-cash items such as deferred income tax, depreciation and amortization expense, accretion expense, impairment, gains and losses on risk management contracts, and gains or losses on the sale of assets. For these reasons, net income may not necessarily reflect the same trends as revenue. In addition, the equity investment in the Northwest Hydro Facilities is impacted by seasonal precipitation, which creates periods of high river flow, typically during May through October of any given year.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Company's primary sources of liquidity are cash flow from operations and debt additions. The Company's cash requirements include funding for capital expenditures and working capital, servicing and repaying long-term debt, and dividend payments. The Company's sources and uses of cash are further discussed below:

	Three Months Ended March 31	
($ millions)	**2025**	2024
Cash from operations	**$ 52.7**	$ 30.4
Cash used in investing activities	**(59.3)**	(41.6)
Cash from (used in) financing activities	**(14.7)**	15.2
Increase (decrease) in cash and cash equivalents and restricted cash	**$ (21.3)**	$ 4.0

Cash from operations

During the three months ended March 31, 2025, cash from operations increased by $22.3 million as compared to the same period in 2024 primarily due to a favorable variance from changes in operating assets and liabilities and higher cash earnings. The favorable variance in changes in operating assets and liabilities were primarily due to timing of supplier payments.

Investing activities

During the three months ended March 31, 2025, cash used in investing activities increased by $17.7 million as compared to the same period in 2024 primarily due to higher capital expenditures.

See also the "*Capital Expenditures*" section of this MD&A.

Financing activities

During the three months ended March 31, 2025, cash from financing activities decreased by $29.9 million as compared to the same period in 2024 primarily due to lower debt borrowings and an increase in dividends paid.

Working Capital

($ millions except current ratio)	**March 31, 2025**	December 31, 2024
Current assets	**$ 345.1**	$ 355.8
Current liabilities	**257.1**	286.6
Working capital	**$ 88.0**	$ 69.2
Working capital ratio	**1.34**	1.24

The variation in the working capital was primarily due to a decrease in accounts payable and accrued liabilities. TSU's working capital will fluctuate in the normal course of business, and any working capital deficiency will be funded using cash flow from operations and available credit facilities as required.

Capital Resources

The Company's objective for managing capital is to maintain its investment grade credit ratings, ensure adequate liquidity, maximize the profitability of its existing assets and grow its business through prudent capital investments which ultimately add to the utilities' rate base, and enhance returns to its shareholder. The Company's capital resources are comprised of short-term and long-term debt (including the current portion).

The use of debt or equity funding is based on TSU's capital structure, which is determined by considering the norms and risks associated with operations and cash flow stability and sustainability.

($ millions, except where noted)		**March 31, 2025**		December 31, 2024
Short-term debt	**$**	**52.3**	$	39.1
Current portion of long-term debt		**17.9**		18.0
Long-term debt[1]		**1,588.8**		1,605.1
Total debt		**1,659.0**		1,662.2
Less: cash and cash equivalents		**(17.2)**		(38.5)
Net debt[2]	**$**	**1,641.8**	$	1,623.7
Total shareholder's equity		**1,394.9**		1,368.6
Total capitalization	**$**	**3,036.7**	$	2,992.3
Net debt-to-total capitalization[2] (%)		**54.1**		54.3

(1) Net of debt issuance costs of $7.9 million as of March 31, 2025 (December 31, 2024 - $7.0 million).

(2) Non-GAAP financial measure; see discussion in the *"Non-GAAP Financial Measures"* section of this MD&A.

As at March 31, 2025, TSU's total debt primarily consisted of outstanding MTNs of $950 million (December 31, 2024 - $950 million), AUHI Notes of US$165 million (December 31, 2024 - US$165 million), CINGSA long-term debt of US$32.8 million (December 31, 2024 - US$35.1 million), PNG debentures of $20.0 million (December 31, 2024 - $20.0 million) and $408.7 million drawn under other bank credit facilities (December 31, 2024 - $407.2 million). In addition, TSU had $7.5 million of letters of credit issued (December 31, 2024 - $7.8 million).

On April 24, 2025, TSU completed the issuance of $150 million of senior unsecured medium-term notes with a coupon rate of 4.48 percent and a maturity date of April 24, 2032. The net proceeds were used (i) as to approximately $130 million, to repay amounts outstanding under the Canadian syndicated revolving credit facility and the Canadian operating credit facility, which amounts were incurred in the normal course of business to fund the working capital requirements of the Company, and (ii) as to the remainder, for general corporate purposes.

TSU's earnings interest coverage for the rolling 12 months ended March 31, 2025 was 2.2 times (12 months ended March 31, 2024 - 2.1 times).

Credit Facilities

The Company funds its long- and short-term borrowing requirements with credit facilities as follows:

($ millions)		**Borrowing capacity**		**Drawn at March 31, 2025**		Drawn at December 31, 2024
Canadian syndicated revolving credit facility[1]	**$**	**235.0**	**$**	**180.2**	$	186.8
U.S. syndicated revolving credit facility[2][3]		**215.6**		**176.2**		181.3
Operating credit facility[4]		**60.0**		**46.5**		37.5
PNG operating credit facility[5]		**25.0**		**13.3**		9.4
	$	**535.6**	**$**	**416.2**	$	415.0

(1) On November 25, 2024, the Company extended the maturity date of the facility to November 25, 2027. Borrowing options under this facility include Canadian prime rate-based loans, U.S. base rate loans, Secured Overnight Financing Rate ("SOFR") loans, term Canadian Overnight Repo Rate Average ("CORRA") loans and daily compounded CORRA loans. Borrowings against this credit facility bear fees and interest at rates relevant to the nature of the draw made and the Company's credit rating. There are no mandatory repayments prior to maturity under this facility. The facility has covenants customary for these types of facilities, which must be met at each quarter end. The Company has complied with all financial covenants each quarter since the establishment of this facility.

(2) On November 25, 2024, the Company extended the maturity date of the facility to November 25, 2027. Borrowing options under this facility include Canadian prime rate-based loans, U.S. base rate loans, SOFR loans, term CORRA loans and daily compounded CORRA loans. Borrowings against this credit facility bear interest at rates relevant to the nature of the draw made and the Company's credit rating. There are no mandatory repayments prior to maturity under this facility. The facility has covenants customary for these types of facilities, which must be met at each quarter end. The Company has complied with all financial covenants each quarter since the establishment of this facility.

(3) Borrowing capacity was converted at the March 31, 2025 U.S./Canadian dollar month-end exchange rate.

(4) Borrowings under this facility are due on demand. Borrowing options under this facility include overdraft, letters of credit, Canadian prime rate-based loans, U.S. base rate loans, SOFR loans, term CORRA loans and daily compounded CORRA loans. Borrowings on this credit facility bear fees and interest at rates relevant to the nature of the draw made and the Company's credit rating. This facility is used to fund overdraft amounts and to issue letters of credit. As at March 31, 2025, a total of $2.5 million (December 31, 2024 - $2.5 million) in letters of credit were issued and are outstanding. This facility has covenants

customary for these types of facilities, which must be met at each quarter end. The Company has complied with all financial covenants each quarter since the establishment of this facility.

(5) PNG has a $25 million operating credit facility with a Canadian chartered bank. The operating line is available for working capital purposes through cash draws in the form of prime-rate advances, term CORRA loans, or daily compounded CORRA loans and the issuance of letters of credit and is collateralized by a charge on PNG's accounts receivable and inventories. As at March 31, 2025, $5.0 million (December 31, 2024 - $5.3 million) of letters of credit were issued and outstanding under this facility.

The following table summarizes the Company's primary financial covenants as defined by the credit facility agreements:

Ratios	**Debt covenant Requirements**	**As at March 31, 2025**
Bank debt-to-capitalization(1)(2)	not greater than 65 percent	**52.9%**

(1) Calculated in accordance with the Company's credit facility agreements, which are available on SEDAR+ at *www.sedarplus.ca*.

(2) Estimated, subject to final adjustments.

Base Shelf Prospectus

On January 4, 2023, the Company filed a $1.0 billion base shelf prospectus. The purpose of the base shelf prospectus was to facilitate timely offerings of certain types of future public debt and/or equity issuances during the 25-month period that the base shelf prospectus remains effective. The base shelf prospectus dated January 4, 2023, expired on February 2, 2025. On April 3, 2025, the Company filed a $1.0 billion base shelf prospectus to replace the base shelf prospectus dated January 4, 2023.

CAPITAL EXPENDITURES

	Three Months Ended March 31, 2025				Three Months Ended March 31, 2024			
($ millions)	**Renewable Energy**	**Utilities**	**Corporate**	**Total**	Renewable Energy	Utilities(1)	Corporate	Total
Capital expenditures:								
PP&E	**$ —**	**$ 28.4**	**$ —**	**$ 28.4**	$ —	$ 9.3	$ —	$ 9.3
Intangible assets	**—**	**0.4**	**—**	**0.4**	—	0.4	—	0.4
Capital expenditures	**—**	**28.8**	**—**	**28.8**	—	9.7	—	9.7
Disposals:								
PP&E	**—**	**(0.3)**	**—**	**(0.3)**	—	(0.2)	—	(0.2)
Net capital expenditures	**$ —**	**$ 28.5**	**$ —**	**$ 28.5**	$ —	$ 9.5	$ —	$ 9.5

(1) Effective January 1, 2025, contributions in aid of construction have been netted with capital expenditures. Prior year's comparatives have been adjusted to conform with current year's presentation.

Capital expenditures for the three months ended March 31, 2025 were $28.8 million, compared to $9.7 million for the three months ended March 31, 2024. The increase in capital expenditures was mainly due to capital investments in the CINGSA expansion and reliability project as well as lower contributions in aid of construction at ENSTAR.

RISK MANAGEMENT

TSU is exposed to various market risks in the normal course of operations that could impact earnings and cash flows. The Board of Directors provides oversight of the Company's risk management activities. There have been no significant changes during the three months ended March 31, 2025 to the Company's business risks that were disclosed in the 2024 annual MD&A.

Please also see note 11 to the Interim Financial Statements for further details on the Company's financial instruments.

SHARE INFORMATION

	As at May 7, 2025
Issued and outstanding	
Common Shares	30,000,000

FUTURE CHANGES IN ACCOUNTING PRINCIPLES

In December 2023, the FASB issued ASU No. 2023-09 "Income Taxes – Improvements to Income Tax Disclosures", which requires improved income tax disclosures by requiring consistent categorization and greater disaggregation of information in the rate reconciliation and income taxes paid by jurisdiction. The ASU is to be applied prospectively and is effective January 1, 2025. TSU is currently assessing the impact of the ASU on its annual consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03 "Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures", which requires additional disclosure and disaggregation of specific expense categories in the notes to the financial statements. The ASU is effective for annual reporting periods beginning after December 15, 2026 and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The ASU will be applied prospectively with the option for retrospective application. TSU is currently assessing the impact of the ASU on its consolidated financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has guaranteed payment for certain commitments on behalf of its subsidiaries as further described below. The primary obligations guaranteed by the Company have been included in the Company's balance sheet and commitments note in the Interim Financial Statements.

In October 2014, EEI entered into a throughput service contract with Enbridge Inc. for the use of the expansion of its Algonquin Gas Transmission and Maritimes & Northeast Pipeline systems. The contract commenced on October 1, 2020 and will expire 15 years thereafter. The Company issued two guarantees with an aggregate maximum liability of US$91.7 million, guaranteeing EEI's payment obligations under the throughput service contract with Enbridge Inc.

The Company, through EEI, has other agreements in place with natural gas distributors, wholesale gas marketers and financial institutions for the purchase and transportation of natural gas and by-products thereof including forward or other financial settled contracts. As at March 31, 2025 the Company had guarantees with an aggregate maximum of US$70 million and $3.3 million guaranteeing EEI's payment under those agreements.

DISCLOSURE CONTROLS AND PROCEDURES ("DC&P") AND INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

The Company is a "Venture Issuer" under applicable Canadian securities regulations for certain purposes. As such, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are not required to certify the design and evaluation of the Company's DC&P and ICFR under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. However, the CEO and CFO have reviewed the Interim Financial Statements and this MD&A. Based on their knowledge and exercise of reasonable diligence, they have concluded that these documents fairly present in all material respects the financial condition, financial performance and cash flows of the Company as at the date of and for the periods presented.

NON-GAAP FINANCIAL MEASURES

This MD&A contains references to certain financial measures used by the Company that do not have a standardized meaning prescribed by U.S. GAAP and may not be comparable to similar measures presented by other entities. Readers are cautioned that these non-GAAP measures should not be construed as alternatives to other measures of financial performance calculated in accordance with U.S. GAAP. The non-GAAP measures and their reconciliation to U.S. GAAP financial measures are shown below. These non-GAAP measures provide additional information that management believes is meaningful in describing the Company's operational performance, liquidity and capacity to fund dividends, capital expenditures, and other investing activities. The specific rationale for, and incremental information associated with, each non-GAAP measure is discussed below.

References to normalized EBITDA, normalized net income, normalized net income per share, normalized funds from operations, normalized funds from operations per share, net debt and net debt to total capitalization throughout this MD&A have the meanings as set out in this section.

Normalized EBITDA

		Three Months Ended March 31	
($ millions)		**2025**	2024
Normalized EBITDA	**$**	**92.2**	$ 82.5
Add (deduct):			
Foreign exchange gain		**0.1**	—
Unrealized gain (loss) on risk management contracts		**(1.4)**	0.6
Accretion expense		**(0.1)**	(0.1)
Depreciation and amortization expense		**(23.0)**	(21.6)
Accretion and depreciation and amortization expense from equity investment		**(0.6)**	(0.8)
Transaction costs		**(0.1)**	(0.2)
Gain recognized from increased ownership interest in NGIF investment(1)		**0.5**	—
Operating income	**$**	**67.6**	$ 60.4

(1) Included under the line item "Loss from equity investments" on the Consolidated Statements of Income.

Normalized EBITDA is a measure of the Company's operating profitability prior to how business activities are financed, assets are amortized, or earnings are taxed. Normalized EBITDA is calculated using operating income adjusted for depreciation and amortization expense, accretion expenses, foreign exchange gain, unrealized gain or loss on risk management contracts, and other typically non-recurring items, such as the transaction costs associated with the acquisition of the Alaska utilities. Normalized EBITDA is frequently used by investors in the evaluation of entities within the industry as it excludes items that can vary substantially between entities depending on the accounting policies chosen, the book value of assets and the capital structure.

Normalized EBITDA as presented should not be viewed as an alternative to operating income or other measures of income calculated in accordance with U.S. GAAP as an indicator of performance.

Normalized Net Income and Normalized Net Income per Share

		Three Months Ended March 31	
($ millions)		**2025**	2024
Normalized net income	**$**	**41.2**	$ 35.3
Add (deduct) after-tax:			
Unrealized gain (loss) on risk management contracts		**(1.4)**	0.6
Transaction costs		**(0.1)**	(0.1)
Gain recognized from increased ownership interest in NGIF investment(1)		**0.4**	—
Net income attributable to shareholder	**$**	**40.1**	$ 35.8

(1) Included under the line item "Loss from equity investments" on the Consolidated Statements of Income.

Normalized net income represents net income attributable to shareholder adjusted for after tax impact of unrealized gain or loss on risk management contracts and other typically non-recurring items, such as the transaction costs associated with the acquisition of the Alaska utilities. Normalized net income per share is calculated by dividing normalized net income by the weighted average number of common shares. This measure is presented in order to enhance the comparability of results, as it reflects the underlying performance of the Company.

Normalized net income and normalized net income per share as presented should not be viewed as an alternative to net income attributable to shareholder or other measures of income calculated in accordance with U.S. GAAP as an indicator of performance.

Normalized Funds from Operations and Normalized Funds from Operations per Share

	Three Months Ended March 31	
($ millions)	**2025**	2024
Normalized funds from operations	**$ 70.9**	$ 62.2
Add (deduct):		
Transaction costs	**(0.1)**	(0.2)
Changes in operating assets and liabilities	**(18.1)**	(31.6)
Cash from operations	**$ 52.7**	$ 30.4

(1) Included under the line item "Loss from equity investments" on the Consolidated Statements of Income.

Normalized funds from operations is used to assist management and investors in analyzing the liquidity of the Company without regard to changes in operating assets and liabilities in the period as well as other non-operating related income and expenses, such as the transaction costs associated with the acquisition of the Alaska utilities. Management uses this measure to understand the ability to generate funds for use in investing and financing activities.

Normalized funds from operations per share is calculated by dividing normalized funds from operations by the weighted average number of common shares.

Normalized funds from operations and normalized funds from operations per share as presented should not be viewed as an alternative to cash from operations or other cash flow measures calculated in accordance with U.S. GAAP as an indicator of liquidity.

Net Debt and Net Debt to Total Capitalization

Net debt and net debt to total capitalization are used by the Company to monitor its capital structure and financing requirements. It is also used as a measure of the Company's overall financial strength. Net debt is defined as short-term debt, plus current and long-term portions of long-term debt, less cash and cash equivalents. Total capitalization is defined as net debt plus shareholders' equity. Additional information regarding these non-GAAP measures can be found under the *"Liquidity and Capital Resources – Capital Resources"* section of this MD&A.

DEFINITIONS

AUC	Alberta Utilities Commission
Bcf	Billions of cubic feet
BCUC	British Columbia Utilities Commission
GWh	Gigawatt hour
MMcf	Millions of cubic feet
MTN	Medium-term note
MW	Megawatt
NSEB	Nova Scotia Energy Board
NSUARB	Nova Scotia Utility and Review Board
PJ	Petajoule; one million gigajoules
PP&E	Property, plant and equipment
RCA	Regulatory Commission of Alaska
ROE	Return on Equity

ABOUT TSU

TSU is a North American company with natural gas distribution, transmission and storage utilities and renewable power generation assets. TSU serves approximately 293,000 customers across Canada and the United States, delivering energy safely and reliably. For more information visit: www.trisummit.ca

Condensed Interim Consolidated Balance Sheets *(unaudited)*

As at *($ millions)*		**March 31, 2025**		December 31, 2024
ASSETS				
Current assets				
Cash and cash equivalents *(note 14)*	**$**	**17.2**	$	38.5
Accounts receivable, net of allowances		**186.3**		184.7
Inventory *(note 4)*		**98.1**		95.5
Restricted cash holdings from customers *(note 14)*		**1.1**		1.1
Regulatory assets		**30.1**		22.5
Risk management contract assets *(note 11)*		**0.3**		1.7
Prepaid expenses and other current assets		**12.0**		11.8
		345.1		355.8
Property, plant and equipment		**2,186.1**		2,177.2
Intangible assets		**47.3**		48.8
Goodwill *(note 5)*		**698.6**		699.1
Regulatory assets		**330.4**		344.9
Deferred income taxes *(note 10)*		**1.0**		4.2
Other long-term assets		**61.7**		61.2
Investments accounted for by the equity method		**109.8**		110.6
	$	**3,780.0**	$	3,801.8
LIABILITIES AND SHAREHOLDER'S EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**157.4**	$	197.2
Short-term debt *(note 6)*		**52.3**		39.1
Current portion of long-term debt *(note 7)*		**17.9**		18.0
Customer deposits		**9.1**		10.9
Regulatory liabilities		**7.5**		7.6
Risk management contract liabilities *(note 11)*		**10.4**		9.6
Other current liabilities		**2.5**		4.2
		257.1		286.6
Long-term debt *(note 7)*		**1,588.8**		1,605.1
Asset retirement obligations		**10.1**		9.7
Deferred income taxes *(note 10)*		**204.0**		203.9
Regulatory liabilities		**189.8**		189.7
Risk management contract liabilities *(note 11)*		**1.0**		0.6
Lease liabilities		**11.4**		11.2
Future employee obligations *(note 12)*		**17.9**		17.8
Customer advances for construction		**36.5**		42.0
	$	**2,316.6**	$	2,366.6

As at *($ millions)*		**March 31, 2025**		December 31, 2024
Shareholder's equity				
Common shares, no par value, unlimited shares authorized; March 31, 2025 and December 31, 2024 - 30 million shares issued and outstanding	**$**	**321.0**	$	321.0
Contributed surplus		**731.2**		731.2
Retained earnings		**291.4**		263.6
Accumulated other comprehensive income *(note 8)*		**51.3**		52.8
Total shareholder's equity	**$**	**1,394.9**	$	1,368.6
Non-controlling interests		**68.5**		66.6
Total equity		**1,463.4**		1,435.2
	$	**3,780.0**	$	3,801.8

Commitments, contingencies and guarantees *(note 13)*

Subsequent events *(note 17)*

See accompanying notes to the condensed interim consolidated financial statements.

Condensed Interim Consolidated Statements of Income *(unaudited)*

($ millions)	Three months ended March 31 **2025**	2024
REVENUE *(note 9)*	**$ 357.2**	$ 341.5
EXPENSES		
Cost of sales, exclusive of items shown separately	**214.6**	208.7
Operating and administrative	**51.4**	52.3
Accretion	**0.1**	0.1
Depreciation and amortization	**23.0**	21.6
	289.1	282.7
Loss from equity investments	**(0.8)**	(0.4)
Unrealized gain (loss) on risk management contracts *(note 11)*	**(1.4)**	0.6
Other income	**1.6**	1.4
Foreign exchange gain	**0.1**	—
Operating income	**67.6**	60.4
Interest expense		
Short-term debt	**(0.2)**	(0.5)
Long-term debt	**(18.6)**	(17.3)
Income before income taxes	**48.8**	42.6
Income tax expense *(note 10)*		
Current	**(3.4)**	(2.0)
Deferred	**(3.4)**	(4.2)
Net income after taxes	**$ 42.0**	$ 36.4
Net income attributable to non-controlling interests	**(1.9)**	(0.6)
Net income attributable to shareholder	**$ 40.1**	$ 35.8

See accompanying notes to the condensed interim consolidated financial statements.

Condensed Interim Consolidated Statements of Comprehensive Income *(unaudited)*

($ millions)	Three months ended March 31 2025	2024
Net income after taxes	**$ 42.0**	$ 36.4
Other comprehensive income ("OCI"), net of taxes		
Foreign currency translation adjustment *(note 8)*	**(0.9)**	20.0
Unrealized loss on net investment hedge *(notes 8 and 11)*	**(0.6)**	(2.1)
Other comprehensive income (loss), net of taxes	**(1.5)**	17.9
Comprehensive income attributable to non-controlling interest	**(1.9)**	(0.6)
Comprehensive income attributable to shareholder	**$ 38.6**	$ 53.7

See accompanying notes to the condensed interim consolidated financial statements.

Condensed Interim Consolidated Statements of Changes in Equity

(unaudited)

($ millions)	Three months ended March 31 **2025**	2024
Common shares		
Balance, beginning of period	**$ 321.0**	$ 321.0
Balance, end of period	**$ 321.0**	$ 321.0
Contributed surplus		
Balance, beginning of period	**$ 731.2**	$ 731.2
Balance, end of period	**$ 731.2**	$ 731.2
Retained earnings		
Balance, beginning of period	**$ 263.6**	$ 238.6
Net income attributable to shareholder	**40.1**	35.8
Common share dividends	**(12.3)**	(11.5)
Balance, end of period	**$ 291.4**	$ 262.9
Accumulated other comprehensive income ("AOCI")		
Balance, beginning of period	**$ 52.8**	$ (10.5)
Other comprehensive income (loss)	**(1.5)**	17.9
Balance, end of period	**$ 51.3**	$ 7.4
Total shareholder's equity	**$ 1,394.9**	$ 1,322.5
Non-controlling interests		
Balance, beginning of period	**$ 66.6**	$ 59.6
Net income attributable to non-controlling interests	**1.9**	0.6
Balance, end of period	**$ 68.5**	$ 60.2
Total equity	**$ 1,463.4**	$ 1,382.7

See accompanying notes to the condensed interim consolidated financial statements.

Condensed Interim Consolidated Statements of Cash Flows *(unaudited)*

($ millions)		Three months ended March 31 **2025**		2024
Cash from operations				
Net income after taxes	**$**	**42.0**	$	36.4
Items not involving cash:				
Depreciation and amortization expense		**23.0**		21.6
Accretion expense		**0.1**		0.1
Deferred income tax expense *(note 10)*		**3.4**		4.2
Loss from equity investments		**0.8**		0.4
Unrealized (gain) loss on risk management contracts *(note 11)*		**1.4**		(0.6)
Other		**0.1**		(0.1)
Changes in operating assets and liabilities *(note 14)*		**(18.1)**		(31.6)
	$	**52.7**	$	30.4
Investing activities				
Additions to property, plant and equipment	**$**	**(58.7)**	$	(30.6)
Additions to intangible assets		**(0.8)**		(1.1)
Proceeds from disposition of assets, net of transaction costs		**0.3**		0.2
Contributions to equity investments		**(0.1)**		(0.3)
Acquisition of the Alaska Utilities Business, net of cash and restricted cash acquired		**—**		(9.8)
	$	**(59.3)**	$	(41.6)
Financing activities				
Net proceeds from short-term debt	**$**	**13.2**	$	0.4
Net borrowing under credit facilities		**(11.5)**		18.0
Issuance of long-term debt, net of debt issuance costs		**—**		11.8
Repayment of long-term debt		**(3.4)**		(3.2)
Finance lease principal repayment		**(0.2)**		(0.3)
Common share dividends		**(12.3)**		(11.5)
Other		**(0.5)**		—
	$	**(14.7)**	$	15.2
Change in cash and cash equivalents and restricted cash		**(21.3)**		4.0
Effect of exchange rate changes on cash and cash equivalents and restricted cash		**—**		(0.5)
Cash and cash equivalents and restricted cash, beginning of period		**39.6**		22.7
Cash and cash equivalents and restricted cash, end of period *(note 14)*	**$**	**18.3**	$	26.2

See accompanying notes to the condensed interim consolidated financial statements.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

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

1. OVERVIEW OF THE COMPANY

TriSummit Utilities Inc. (“TSU” or the “Company”) is incorporated under the *Canada Business Corporations Act* and its registered office and principal place of business is in Calgary, Alberta. TSU is a wholly owned subsidiary of TriSummit Cycle Inc., a company in which the Public Sector Pension Investment Board indirectly holds a majority economic interest and Alberta Investment Management Corporation holds a minority economic interest.

The Company owns and operates rate-regulated distribution and transmission utility businesses through its wholly owned subsidiaries ENSTAR Natural Gas Company, LLC and Alaska Pipeline Company, LLC, in Alaska (collectively, “ENSTAR”), Apex Utilities Inc. (“AUI”) in Alberta, Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd. (collectively, “PNG”) in British Columbia and Eastward Energy Incorporated (“EEI”) in Nova Scotia. The Company also owns a 100 percent direct interest in the Bear Mountain Wind Park in British Columbia, a 65 percent indirect interest in an Alaska regulated storage facility owned by Cook Inlet Natural Gas Storage Alaska, LLC (“CINGSA”), an approximately 10 percent indirect interest in the Northwest Hydro Facilities in British Columbia, and a 33.33 percent equity interest in the utility that delivers natural gas to end-users in Inuvik, Northwest Territories.

2. BASIS OF PRESENTATION

Basis of Preparation

These condensed interim consolidated financial statements (“Financial Statements”) have been prepared by management in accordance with United States Generally Accepted Accounting Principles (“U.S. GAAP”).

Pursuant to National Instrument 52-107, “Acceptable Accounting Principles and Auditing Standards” (“NI 52-107”), U.S. GAAP reporting is permitted by Canadian securities laws for companies subject to reporting obligations under U.S. securities laws. However, given that the Company is not subject to such reporting obligations and could not therefore rely on the provisions of NI 52-107 to that effect, the Company sought and obtained exemptive relief from the securities regulators in Alberta and Ontario to permit it to prepare its financial statements in accordance with U.S. GAAP. The exemption will terminate on the earlier of (a) January 1, 2027; (b) the date upon which the Company ceases to have activities subject to rate regulation; and (c) the first day of the Company’s financial year that commences on or following the later of (i) the effective date prescribed by the International Accounting Standards Board (“IASB”) for the mandatory application of a standard within International Financial Reporting Standards specific to entities with activities subject to rate regulation and (ii) two years after the IASB publishes the final version of a mandatory rate regulated standard.

In January 2021, IASB published the exposure draft *Regulatory Assets and Liabilities*, which would be applicable to entities with rate regulated activities. In July 2024, the IASB completed the redeliberations of the exposure draft, however, the timing of the issuance of, and the effective date for, the final standard is not yet known. The Company continues to monitor the developments of the exposure draft and determine the potential impacts to the Company’s financial statements.

Principles of Consolidation

The Financial Statements include the accounts of the Company and its direct and indirect majority-owned subsidiaries, including, without limitation: TSU USA Holdings Inc. (“TSUH”), Alaska Utility Holdings Inc. (“AUHI”), TriSummit Utility Group Inc., Bear Mountain Wind Limited Partnership, TriSummit Canadian Energy Holdings Ltd., ENSTAR, PNG, AUI, EEI and CINGSA. To the extent there are interests owned by other parties, these interests are included in non-controlling interests. The Financial Statements also include investments in Northwest Hydro Limited Partnership (“Coast LP”), Inuvik Gas Ltd., and NGIF Cleantech Ventures Limited Partnership (“NGIF”), which are accounted for using the equity method. Investments in unconsolidated companies that the Company has significant influence, but not control, over, are accounted for using the equity method. In addition, the Company uses the equity method of accounting for investments in limited partnership interests in which it has more than a minor interest or influence over the partnership's operating and financial policies. Intercompany transactions and balances are eliminated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES AND MEASUREMENT UNCERTAINTY

The preparation of these Financial Statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities during the period. Key areas where management has made complex or subjective judgments, when matters are inherently uncertain, include but are not limited to: revenue recognition, credit loss estimates, depreciation and amortization rates, determination of the classification, term and incremental borrowing rate for leases, fair value of asset retirement obligations, fair value of property, plant and equipment and goodwill for impairment assessments, fair value of financial instruments, provisions for income taxes, assumptions used to measure employee future benefits, provisions for contingencies, purchase price allocations, and carrying value of regulatory assets and liabilities. Certain estimates are necessary for the regulatory environment in which the Company operates, which often require 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 Financial Statements of future periods.

SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared following the same accounting policies and methods as those used in preparing the Company's 2024 annual audited consolidated financial statements.

FUTURE CHANGES IN ACCOUNTING PRINCIPLES

In December 2023, the FASB issued ASU No. 2023-09 "Income Taxes – Improvements to Income Tax Disclosures", which requires improved income tax disclosures by requiring consistent categorization and greater disaggregation of information in the rate reconciliation and income taxes paid by jurisdiction. The ASU is to be applied prospectively and is effective January 1, 2025. TSU is currently assessing the impact of the ASU on its annual financial statements.

In November 2024, the FASB issued ASU No. 2024-03 "Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures", which requires additional disclosure and disaggregation of specific expense categories in the notes to the financial statements. The ASU is effective for annual reporting periods beginning after December 15, 2026 and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The ASU will be applied prospectively with the option for retrospective application. TSU is currently assessing the impact of the ASU on its financial statements.

4. INVENTORY

As at		**March 31, 2025**		December 31, 2024
Natural gas	**$**	**75.1**	$	72.1
Materials and supplies		**23.0**		23.4
	$	**98.1**	$	95.5

5. GOODWILL

As at	March 31, 2025	December 31, 2024
Balance, beginning of period	**$ 699.1**	$ 652.2
Foreign exchange translation	**(0.5)**	46.9
Balance, end of period	**$ 698.6**	$ 699.1

6. SHORT-TERM DEBT

As at March 31, 2025, the Company held a $60.0 million (December 31, 2024 - $60.0 million) revolving operating credit facility with a Canadian chartered bank. Borrowings under this facility are due on demand. Draws on this facility are by way of overdraft, Canadian prime rate loans, U.S. base-rate loans, letters of credit, Secured Overnight Financing Rate ("SOFR") loans, term Canadian Overnight Repo Rate Average ("CORRA") loans and daily compounded CORRA loans. As at March 31, 2025, the outstanding borrowings under this facility were $44.0 million (December 31, 2024 - $35.0 million). Letters of credit outstanding under this facility as at March 31, 2025 were $2.5 million (December 31, 2024 - $2.5 million).

As at March 31, 2025, the Company held a $25.0 million (December 31, 2024 - $25.0 million) bank operating facility which is available for PNG's working capital purposes. Draws on this facility are by way of prime-rate advances, term CORRA loans and daily compounded CORRA loans or letters of credit at the bank's prime rate or for a fee. As at March 31, 2025, the outstanding borrowings under the operating facility were $8.3 million (December 31, 2024 - $4.1 million). Letters of credit outstanding under this facility as at March 31, 2025 were $5.0 million (December 31, 2024 - $5.3 million).

7 . LONG-TERM DEBT

As at	Maturity date		**March 31, 2025**		December 31, 2024
Credit facilities					
$235 million unsecured revolving credit facility[(a)]	25-Nov-2027	**$**	**180.2**	$	186.8
US$150 million U.S. unsecured revolving credit facility[(a)]	25-Nov-2027		**176.2**		181.3
AUHI notes					
US$50 million series A senior unsecured notes – 5.34 percent	15-Dec-2027		**71.9**		71.9
US$25 million series B senior unsecured notes – 5.38 percent	31-Mar-2030		**35.9**		36.0
US$90 million series C senior unsecured notes – 5.41 percent	31-Mar-2033		**129.4**		129.5
Debenture notes					
PNG 2025 series debenture – 9.30 percent[(b)]	18-Jul-2025		**9.5**		9.5
PNG 2027 series debenture – 6.90 percent[(b)]	2-Dec-2027		**10.5**		10.5
Medium term notes					
$300 million senior unsecured – 4.26 percent	5-Dec-2028		**300.0**		300.0
$250 million senior unsecured – 3.15 percent	6-Apr-2026		**250.0**		250.0
$100 million senior unsecured – 3.13 percent	7-Apr-2027		**100.0**		100.0
$100 million senior unsecured – 5.28 percent	15-Aug-2052		**100.0**		100.0
$200 million senior unsecured – 5.02 percent	11-Jan-2030		**200.0**		200.0
CINGSA senior secured notes – 4.48 percent[(c)]	2-Mar-2032		**47.2**		50.6
Finance lease liabilities			**3.8**		4.0
		$	**1,614.6**	$	1,630.1
Less debt issuance costs and discount			**(7.9)**		(7.0)
		$	**1,606.7**	$	1,623.1
Less current portion			**(17.9)**		(18.0)
		$	**1,588.8**	$	1,605.1

(a) Borrowings on the credit facility can be by way of Canadian prime rate based loans, U.S. base rate loans, SOFR loans, term CORRA loans and daily compounded CORRA loans

(b) Collateral for the Secured Debentures consists of a specific first mortgage on substantially all of PNG's property, plant & equipment and gas purchase and gas sales contracts, and a first floating charge on other property, assets and undertakings.

(c) Collateral for the CINGSA Senior secured loan is certain CINGSA assets. Alaska Storage Holding Company, LLC, a subsidiary in which the Company has a controlling interest, is the non-recourse guarantor of this loan.

On April 24, 2025, TSU completed the issuance of $150 million of senior unsecured medium-term notes with a coupon rate of 4.48 percent and a maturity date of April 24, 2032.

8. ACCUMULATED OTHER COMPREHENSIVE INCOME

	Translation of foreign operations	Net Investment Hedge	Defined benefit pension and post-retirement benefit plans	Total
Opening balance, January 1, 2025	**$ 63.3**	**$ (11.2)**	**$ 0.7**	**$ 52.8**
OCI before reclassification	**(0.9)**	**(0.7)**	**—**	**(1.6)**
Current period OCI (pre-tax)	**$ (0.9)**	**$ (0.7)**	**$ —**	**$ (1.6)**
Income tax on amounts retained in AOCI	**—**	**0.1**	**—**	**0.1**
Net current period OCI	**$ (0.9)**	**$ (0.6)**	**$ —**	**$ (1.5)**
Ending balance, March 31, 2025	**$ 62.4**	**$ (11.8)**	**$ 0.7**	**$ 51.3**
Opening balance, January 1, 2024	$ (13.1)	$ 2.1	$ 0.5	$ (10.5)
OCI before reclassification	76.4	(15.1)	0.3	61.6
Current period OCI (pre-tax)	$ 76.4	$ (15.1)	$ 0.3	$ 61.6
Income tax on amounts retained in AOCI	—	1.8	(0.1)	1.7
Net current period OCI	$ 76.4	$ (13.3)	$ 0.2	$ 63.3
Ending balance, December 31, 2024	$ 63.3	$ (11.2)	$ 0.7	$ 52.8

9. REVENUE

The following table disaggregates revenue by major sources:

	Three months ended March 31, 2025			
	Renewable Energy	Utilities	Corporate	Total
Revenue from contracts with customers				
Gas sales and transportation services	**$ —**	**$ 360.7**	**$ —**	**$ 360.7**
Storage services	**—**	**1.6**	**—**	**1.6**
Other	**0.5**	**0.5**	**—**	**1.0**
Total revenue from contracts with customers	**$ 0.5**	**$ 362.8**	**$ —**	**$ 363.3**
Other sources of revenue				
Revenue from alternative revenue programs[(a)]	**$ —**	**$ (9.7)**	**$ —**	**$ (9.7)**
Leasing revenue[(b)]	**4.9**	**—**	**—**	**4.9**
Other	**—**	**(1.3)**	**—**	**(1.3)**
Total revenue from other sources	**$ 4.9**	**$ (11.0)**	**$ —**	**$ (6.1)**
Total revenue	**$ 5.4**	**$ 351.8**	**$ —**	**$ 357.2**

(a) A large portion of revenue generated from the Utilities segment is subject to rate regulation and accordingly there are circumstances where the revenue recognized is mandated by the applicable regulators in accordance with ASC 980.

(b) Relates to power sold to BC Hydro under the power purchase agreement for the Bear Mountain Wind Park, which is accounted for as an operating lease. The lease revenue earned are from variable lease payments which are recorded when actual electricity is generated and delivered.

	Three months ended March 31, 2024			
	Renewable Energy	Utilities	Corporate	Total
Revenue from contracts with customers				
Gas sales and transportation services	$ —	$ 340.5	$ —	$ 340.5
Storage services	—	1.5	—	1.5
Other	0.3	1.1	—	1.4
Total revenue from contracts with customers	$ 0.3	$ 343.1	$ —	$ 343.4
Other sources of revenue				
Revenue from alternative revenue programs[(a)]	$ —	$ (7.7)	$ —	$ (7.7)
Leasing revenue[(b)]	3.3	—	—	3.3
Other	—	2.5	—	2.5
Total revenue from other sources	$ 3.3	$ (5.2)	$ —	$ (1.9)
Total revenue	$ 3.6	$ 337.9	$ —	$ 341.5

(a) A large portion of revenue generated from the Utilities segment is subject to rate regulation and accordingly there are circumstances where the revenue recognized is mandated by the applicable regulators in accordance with ASC 980.

(b) Relates to power sold to BC Hydro under the power purchase agreement for the Bear Mountain Wind Park, which is accounted for as an operating lease. The lease revenue earned are from variable lease payments which are recorded when actual electricity is generated and delivered.

Accounts receivable as at March 31, 2025 include unbilled receivables of $68.5 million (December 31, 2024 - $83.9 million) related to gas sales and transportation services rendered to customers but not billed at period end.

Transaction price allocated to the remaining obligations

The following table includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied as at March 31, 2025:

	Remainder of 2025	**2026**	**2027**	**2028**	**2029**	**> 2029**	**Total**
Gas sales and transportation services	$ 8.0	$ 4.4	$ 2.5	$ 1.8	$ 1.5	$ 8.6	**$ 26.8**
Storage services	4.5	6.5	6.7	6.7	6.7	15.1	**46.2**
Other	0.9	1.2	1.2	1.1	0.1	0.1	**4.6**
	$ 13.4	$ 12.1	$ 10.4	$ 9.6	$ 8.3	$ 23.8	**$ 77.6**

The Company applies the practical expedient available under ASC 606 and does not disclose information about the remaining performance obligations for (i) contracts with an original expected length of one year or less, (ii) contracts for which revenue is recognized at the amount to which the Company has the right to invoice for performance completed, and (iii) contracts with variable consideration that is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation. In addition, the table above does not include any estimated amounts of variable consideration that are constrained. The majority of gas sales and transportation service contracts and storage service contracts contain variable consideration whereby uncertainty related to the associated variable consideration will be resolved (usually on a daily basis) as gas is delivered or as service is provided.

10. INCOME TAXES

For the three months ended March 31, 2025, the Company recognized an income tax expense of $6.8 million (three months ended March 31, 2024 – $6.2 million). The increase in income tax expense for the three months ended March 31, 2025 was mainly due to higher taxable income.

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, risk management contract assets (liabilities), accounts payable and accrued liabilities, short-term debt, current portion of long-term debt, and long-term debt. In addition, the Company entered into physical commodity contracts to manage exposure to fluctuations in commodity prices for its customers. Physical commodity contracts that meet the normal purchase and normal sale exemption are not recorded on the balance sheet at fair value and are recognized in the consolidated income statement when the contracts are settled.

Fair Value Hierarchy

The Company 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.

Level 2 - fair values are determined based on valuation models and techniques where inputs other than quoted prices included within level 1 are observable for the asset or liability either directly or indirectly. The Company uses derivative instruments to manage fluctuations in foreign exchange rates, natural gas prices and interest rates. The Company estimates forward prices based on observable market prices and rates from published sources.

Level 3 - fair values are based on inputs for the asset or liability that are not based on observable market data. The Company uses valuation techniques when observable market data is not available. The Company's level 3 derivatives include renewable energy physical purchase contracts with no observable market data. The Company uses comparable benchmark information and risk adjusted discount rates as inputs to estimate fair value for these derivatives.

The carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities, and short-term debt approximate fair value because of the short maturity of these instruments.

					March 31, 2025
	Carrying Amount	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Financial assets					
Fair value through net income					
Risk management contract assets - current					
Foreign exchange contracts	**$ 0.3**	**$ —**	**$ 0.3**	**$ —**	**$ 0.3**
	$ 0.3	**$ —**	**$ 0.3**	**$ —**	**$ 0.3**
Financial liabilities					
Fair value through other comprehensive income					
Risk management contract liabilities - current					
Foreign exchange contracts	**$ 10.4**	**$ —**	**$ 10.4**	**$ —**	**$ 10.4**
Fair value through regulatory assets and liabilities					
Risk management contract liabilities - non-current					
Commodity contracts	**1.0**	**—**	**—**	**1.0**	**1.0**
Amortized cost					
Current portion of long-term debt(a)	**17.9**	**—**	**17.9**	**—**	**17.9**
Long-term debt(a)	**1,596.7**	**—**	**1,623.2**	**—**	**1,623.2**
	$ 1,626.0	**$ —**	**$ 1,651.5**	**$ 1.0**	**$ 1,652.5**

(a) Excludes deferred financing costs and debt discount.

					December 31, 2024
	Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
Financial assets					
Fair value through net income					
Risk management contract assets - current					
Foreign exchange contracts	$ 1.6	$ —	$ 1.6	$ —	$ 1.6
Commodity contracts	0.1	—	0.1	—	0.1
	$ 1.7	$ —	$ 1.7	$ —	$ 1.7
Financial liabilities					
Fair value through other comprehensive income					
Risk management contract liabilities - current					
Foreign exchange contracts	$ 9.6	$ —	$ 9.6	$ —	$ 9.6
Fair value through regulatory assets and liabilities					
Risk management contract liabilities - non-current					
Commodity contracts	0.6	—	—	0.6	0.6
Amortized cost					
Current portion of long-term debt(a)	18.0	—	18.0	—	18.0
Long-term debt(a)	1,612.1	—	1,622.8	—	1,622.8
	$ 1,640.3	$ —	$ 1,650.4	$ 0.6	$ 1,651.0

(a) Excludes deferred financing costs and debt discount.

The following table presents the significant unobservable inputs used in the fair value measurement of Level 3 financial instruments:

March 31, 2025		Fair Value	Valuation Technique	Unobservable Input	Weighted average price	Unit of Measurement
Commodity contract - physical						
Renewable natural gas	$	(1.0)	Discounted cash flow	Renewable natural gas price	30.01	$/GJ

There is uncertainty caused by using unobservable inputs and changes in the unobservable inputs could result in significantly different fair values.

The following table presents the changes in fair value of risk management contract assets and liabilities classified as Level 3 of the fair value hierarchy:

As at		**March 31, 2025**		December 31, 2024
Balance, beginning of period	**$**	**(0.6)**	$	11.1
Unrealized loss included in regulatory assets		**(0.4)**		(11.7)
Balance, end of period	**$**	**(1.0)**	$	(0.6)

There were no transfers into or out of Level 3 as at March 31, 2025 or December 31, 2024.

Risks Associated with Financial Instruments

The following is an update to the Company's risks associated with financial instruments from those disclosed in the Company's 2024 annual audited consolidated financial statements.

Commodity Price Risk

The Company from time to time may enter into natural gas financial swaps to reduce its customers' exposure to natural gas price volatility. As at March 31, 2025, the Company had no outstanding natural gas swaps (December 31, 2024 – 450,000 MMBtu). During the three months ended March 31, 2025, the Company recognized an unrealized loss of $0.1 million associated with these contracts (2024 – unrealized loss of $0.1 million).

In addition, the Company has a biomethane purchase agreement which allows PNG to purchase renewable natural gas from a biogas production and purification facility up to a maximum of 230,000 GJ per annum for 15 years from the in-service date of the facility. Any unrealized gains and losses arising from changes in fair value of this agreement are deferred as a regulatory asset or liability.

Foreign Exchange Risk

A vast majority of EEI's natural gas supply costs are denominated in U.S. dollars. Although all natural gas procurement costs, including any realized foreign exchange gains or losses are passed through to its customers, the Company has entered into foreign exchange forward contracts to manage the risk of fluctuations in gas costs for customers as a result of changes in foreign exchange rates. As at March 31, 2025, the Company had outstanding foreign exchange forward contracts for US$20.2 million at an average rate of $1.42 Canadian per U.S. dollar. These foreign exchange forward contracts have a duration of less than one year. As at December 31, 2024, the Company had outstanding foreign exchange forward contracts for US$19.0 million at an average rate of $1.35 Canadian per U.S. dollar. During the three months ended March 31, 2025, the Company recognized an unrealized loss of $1.3 million associated with these contracts (2024 – unrealized gain of $0.7 million).

The Company may use non-derivative and derivative instruments to hedge a portion of its net investment in foreign operations against foreign currency exposure. As at March 31, 2025, the Company designated its outstanding foreign exchange swap contract to sell US$100 million at an exchange rate of 1.3346 Canadian per U.S. dollar as a net investment hedge (December 31, 2024 – US$100 million at an exchange rate of 1.3386 Canadian per U.S. dollar). During the three months ended March 31, 2025, the Company recorded an after-tax loss of $0.6 million associated with its foreign exchange swap contracts in other comprehensive income (2024 – loss of $2.1 million). In addition, the Company has designated US$50 million of outstanding debt as a net investment hedge (December 31, 2024 - $US50 million). For the three months ended March 31, 2025, the Company recorded an after-tax gain of $0.1 million associated with the translation of its U.S. dollar denominated debt in other comprehensive income (2024 - $nil).

Credit Risk

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. The Company's maximum credit exposure consists primarily of the carrying value of accounts receivable and the fair value of derivative financial assets. The Company's utilities business generally has a large and diversified customer base, which minimizes the concentration of credit risk. To minimize credit risk, the utilities business will request a security deposit which is eligible for refund after an observable period of compliance with payment terms. A credit report may also be requested. For the Company's renewable generation assets, all power generated is sold under the electricity purchase agreement with BC Hydro, an investment grade counterparty.

Expected credit losses on accounts receivable are estimated based on historical experience adjusted to reflect current and/or future conditions for receivables with similar risk characteristics. Accounts receivable are written-off against the allowance for credit losses when it is probable that the receivable is not collectible.

Allowance for credit losses		**March 31, 2025**		December 31, 2024
Balance, beginning of period	**$**	**2.2**	$	2.4
Foreign exchange translation		**—**		0.1
New allowance		**0.6**		1.6
Recovery of allowance		**0.1**		0.1
Allowance applied to uncollectible customer accounts		**(0.6)**		(2.0)
Balance, end of period	**$**	**2.3**	$	2.2

12. PENSION PLANS AND RETIREE BENEFITS

The costs of the defined benefit and post-retirement benefit plans are based on management's estimate of the future rate of return on the fair value of plan assets, salary escalations, mortality rates and other factors affecting the payment of future benefits.

The net pension expense by plan for the period was as follows:

Three months ended March 31, 2025		**Defined Benefit**		**Post-Retirement Benefits**		**Total**
Current service cost[(a)]	**$**	**2.0**	**$**	**0.2**	**$**	**2.2**
Interest cost[(b)]		**2.7**		**0.2**		**2.9**
Expected return on plan assets[(b)]		**(4.2)**		**(0.2)**		**(4.4)**
Amortization of regulatory asset[(b)]		**—**		**(0.1)**		**(0.1)**
Net benefit cost recognized	**$**	**0.5**	**$**	**0.1**	**$**	**0.6**

(a) Recorded under the line item "Operating and administrative" expenses on the Condensed Interim Consolidated Statements of Income (Loss).
(b) Recorded under the line item "Other income" on the Condensed Interim Consolidated Statements of Income (Loss).

Three months ended March 31, 2024		Defined Benefit		Post-Retirement Benefits		Total
Current service cost[a]	$	2.1	$	0.2	$	2.3
Interest cost[b]		2.6		0.2		2.8
Expected return on plan assets[b]		(4.2)		(0.1)		(4.3)
Amortization of regulatory asset[b]		—		(0.1)		(0.1)
Net benefit cost recognized	$	0.5	$	0.2	$	0.7

(a) Recorded under the line item "Operating and administrative" expenses on the Condensed Interim Consolidated Statements of Income (Loss).
(b) Recorded under the line item "Other income" on the Condensed Interim Consolidated Statements of Income (Loss).

13. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Commitments

The Company has long-term natural gas purchase and transportation arrangements, service agreements, and operating and finance leases, all of which are transacted at market prices and in the normal course of business.

Guarantees

The Company has guaranteed payment for certain commitments on behalf of its subsidiaries as further described below. The primary obligations guaranteed by the Company have been included in the Company's balance sheet and commitments note. Please refer to note 21 of the 2024 audited annual consolidated financial statements for details regarding the Company's commitments.

In October 2014, EEI entered into a throughput service contract with Enbridge Inc. for the use of the expansion of its Algonquin Gas Transmission and Maritimes & Northeast Pipeline systems. The contract commenced on October 1, 2020 and will expire 15 years thereafter. The Company issued two guarantees with an aggregate maximum liability of US$91.7 million, guaranteeing EEI's payment obligations under the throughput service contract with Enbridge Inc.

The Company, through EEI, has other agreements in place with natural gas distributors, wholesale gas marketers and financial institutions for the purchase and transportation of natural gas and by-products thereof including forward or other financial settled contracts. As at March 31, 2025, the Company had guarantees with an aggregate maximum of US$70 million and $3.3 million guaranteeing EEI's payment under those agreements.

Contingencies

The Company is subject to various legal claims and actions arising in the normal course of business. While the final outcome of such legal claims and actions cannot be predicted with certainty, the Company does not believe that the resolution of such claims and actions will have a material impact on the Company's consolidated financial position or results of operations.

14. SUPPLEMENTAL CASH FLOW INFORMATION

The following table details the changes in operating assets and liabilities:

		Three months ended March 31		
		2025		2024
Source (use) of cash:				
Accounts receivable	**$**	**(2.4)**	$	0.6
Inventory		**(2.7)**		5.9
Other current assets		**—**		(6.4)
Regulatory assets (current)		**(7.6)**		2.5
Accounts payable and accrued liabilities		**(16.2)**		(22.3)
Customer deposits		**(1.9)**		(4.4)
Regulatory liabilities (current)		**(0.1)**		(9.7)
Other current liabilities		**(1.8)**		(1.6)
Net change in regulatory assets and liabilities (long-term)[(a)]		**14.3**		3.1
Other long-term assets and liabilities		**0.3**		0.7
Changes in operating assets and liabilities	**$**	**(18.1)**	$	(31.6)

(a) Inclusive of a decrease in the revenue deficiency account (source of cash) of $7.5 million during the three months ended March 31, 2025 (three months ended March 31, 2024 – a decrease in the revenue deficiency account (source of cash) of $5.8 million).

The following cash payments have been included in the determination of net income after taxes:

		Three months ended March 31		
		2025		2024
Interest paid	**$**	**20.8**	$	13.1
Income taxes paid (net of refunds)	**$**	**4.3**	$	1.9

As at		**March 31, 2025**		December 31, 2024
Cash and cash equivalents	**$**	**17.2**	$	38.5
Restricted cash holdings from customers		**1.1**		1.1
Cash, cash equivalents and restricted cash per consolidated statement of cash flow	**$**	**18.3**	$	39.6

15. SEGMENTED INFORMATION

The Chief Operating Decision Maker ("CODM") of the Company consists of the members of the executive committee. The Company is primarily organized based on the asset types it owns and the following describes the Company's three reporting segments:

The following describes the Company's three reporting segments:

Utilities	– Includes the rate-regulated natural gas distribution assets in Alaska, Alberta, British Columbia and Nova Scotia, a 65 percent indirect interest in a rate-regulated storage facility in Alaska, as well as an approximately 33.33 percent equity investment in Inuvik Gas Ltd.
Renewable Energy	– Includes the 102 MW Bear Mountain Wind Park, and an approximately 10 percent indirect equity investment in Coast LP, which indirectly owns and operates three run-of-river hydroelectric power generation assets in northwest British Columbia (the "Northwest Hydro Facilities").
Corporate	– Includes the cost of providing shared services, financial and general corporate support and corporate assets as well as the equity investment in the NGIF.

The CODM uses earnings before interest, taxes, depreciation and amortization ("EBITDA") and operating income to evaluate performance and allocate resources to the segments. Performance is assessed by comparing the actual results to budget by segment.

The following tables show the composition by segment:

	Three months ended March 31, 2025				
		Renewable		Intersegment	
	Utilities	Energy	Corporate	Elimination	Total
Revenue	$ 351.8	$ 5.4	$ —	$ —	$ 357.2
Cost of sales	(214.5)	(0.1)	—	—	(214.6)
Operating and administrative	(48.7)	(1.4)	(1.3)	—	(51.4)
Accretion expense	—	(0.1)	—	—	(0.1)
Income (loss) from equity investments	0.2	(1.5)	0.5	—	(0.8)
Unrealized loss on risk management contracts	(1.4)	—	—	—	(1.4)
Other income	1.6	—	—	—	1.6
Foreign exchange gain	—	—	0.1	—	0.1
EBITDA	89.0	2.3	(0.7)	—	90.6
Depreciation and amortization	(21.1)	(1.8)	(0.1)	—	(23.0)
Operating income (loss)	$ 67.9	$ 0.5	$ (0.8)	$ —	$ 67.6
Interest expense	(14.3)	—	(4.5)	—	(18.8)
Income (loss) before income taxes	$ 53.6	$ 0.5	$ (5.3)	$ —	$ 48.8
Net additions to:					
Property, plant and equipment[(a)(b)]	$ 28.1	$ —	$ —	$ —	$ 28.1
Intangible assets[(a)]	$ 0.4	$ —	$ —	$ —	$ 0.4

(a) Net additions to property, plant, and equipment, and intangible assets may not agree to changes reflected in the Consolidated Statement of Cash Flows due to classification differences.

(b) Effective January 1, 2025, contributions in aid of construction have been netted with the additions to property, plant and equipment.

	Three months ended March 31, 2024									
		Utilities		Renewable Energy		Corporate		Intersegment Elimination		Total
Revenue	$	337.9	$	3.6	$	—	$	—	$	341.5
Cost of sales		(208.6)		(0.1)		—		—		(208.7)
Operating and administrative		(49.3)		(1.6)		(1.4)		—		(52.3)
Accretion expense		—		(0.1)		—		—		(0.1)
Income (loss) from equity investments		0.1		(0.5)		—		—		(0.4)
Unrealized gain on foreign exchange contracts		0.6		—		—		—		0.6
Other Income		1.4		—		—		—		1.4
EBITDA		82.1		1.3		(1.4)		—		82.0
Depreciation and amortization		(19.7)		(1.8)		(0.1)		—		(21.6)
Operating income (loss)	$	62.4	$	(0.5)	$	(1.5)	$	—	$	60.4
Interest expense		(13.7)		—		(4.1)		—		(17.8)
Income (loss) before income taxes	$	48.7	$	(0.5)	$	(5.6)	$	—	$	42.6
Net additions (reductions) to:										
Property, plant and equipment[(a)(b)]	$	9.1	$	—	$	—	$	—	$	9.1
Intangible assets	$	0.4	$	—	$	—	$	—	$	0.4

(a) Net additions to property, plant, and equipment, and intangible assets may not agree to changes reflected in the Consolidated Statement of Cash Flows due to classification differences.

(b) Adjusted to net contributions in aid of construction with additions to property, plant and equipment to conform with current year's presentation.

The following table shows goodwill and total assets by segment:

		Utilities		Renewable Energy		Corporate		Total
As at March 31, 2025								
Goodwill	**$**	**698.6**	**$**	**—**	**$**	**—**	**$**	**698.6**
Segmented assets	**$**	**3,501.3**	**$**	**346.3**	**$**	**(67.6)**	**$**	**3,780.0**
As at December 31, 2024								
Goodwill	$	699.1	$	—	$	—	$	699.1
Segmented assets	$	3,484.6	$	345.0	$	(27.8)	$	3,801.8

The following tables show the geographical information of the Company's revenue and property, plant and equipment:

	Three months ended March 31			
		2025		2024
Revenue				
Canada	**$**	**152.1**	$	140.0
United States		**205.1**		201.5
Total	**$**	**357.2**	$	341.5

		March 31, 2025		December 31, 2024
Property, plant and equipment				
Canada	**$**	**1,359.2**	$	1,359.5
United States		**826.9**		817.7
Total	**$**	**2,186.1**	$	2,177.2

16. SEASONALITY

The utility business is highly seasonal with the majority of natural gas deliveries occurring during the winter heating season. Gas sales increase during the winter resulting in stronger first and fourth quarter results and weaker second and third quarter results. In addition, the Company's equity investment in the Northwest Hydro Facilities is impacted by seasonal weather, which create periods of high river flow typically during May through October of any given year, resulting in stronger results during this time period.

17. SUBSEQUENT EVENTS

Subsequent events have been reviewed through May 7, 2025, the date on which these condensed interim consolidated financial statements were approved for issue by the Board of Directors. Other than as disclosed under note 7, there were no subsequent events requiring disclosure or adjustment in the Financial Statements.