

**NIAGARA GAS TRANSMISSION LIMITED**  
**UNCONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2018**  
**(UNAUDITED)**

**NIAGARA GAS TRANSMISSION LIMITED**  
**UNCONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME**

Year ended December 31,	2018	2017
<i>(thousands of Canadian dollars)</i>		
Transmission revenue	4,422	4,903
	<b>4,422</b>	<b>4,903</b>
Expenses		
Operating and administrative	1,594	1,081
Depreciation	587	763
Municipal and other taxes	249	237
Abandonment surcharge	241	227
	<b>2,671</b>	<b>2,308</b>
	<b>1,751</b>	<b>2,595</b>
Interest expense & other	<b>(724)</b>	<b>(733)</b>
	<b>1,027</b>	<b>1,862</b>
Income tax (expense) / recovery	<b>(136)</b>	<b>(380)</b>
Earnings and comprehensive income	<b>891</b>	<b>1,482</b>

**NIAGARA GAS TRANSMISSION LIMITED**  
**UNCONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY**

Year ended December 31,	2018	2017
<i>(thousands of Canadian dollars)</i>		
Common shares	8,311	8,311
Retained earnings		
Beginning of year	5,918	5,186
Earnings	891	1,482
Dividends declared	<b>(1,000)</b>	<b>(750)</b>
Balance at end of year	<b>5,809</b>	<b>5,918</b>
Total shareholder's equity	<b>14,120</b>	<b>14,229</b>

**NIAGARA GAS TRANSMISSION LIMITED**  
**UNCONSOLIDATED STATEMENTS OF CASH FLOWS**

Year ended December 31,	2018	2017
<i>(thousands of Canadian dollars)</i>		
<b>Operating activities</b>		
Earnings	891	1,482
Depreciation	587	763
Amortization of deferred charges	32	32
Changes in operating assets and liabilities	223	41
	<b>1,733</b>	<b>2,318</b>
<b>Investing activities</b>		
Additions to property, plant and equipment	(1,523)	(348)
Investment in restricted long-term investment	(216)	(216)
	<b>(1,739)</b>	<b>(564)</b>
<b>Financing activities</b>		
Common share dividends	(1,000)	(750)
	<b>(1,000)</b>	<b>(750)</b>
Net increase / (decrease) in cash	<b>(1,006)</b>	1,004
Cash at beginning of year	<b>2,441</b>	1,437
Cash, end of year	<b>1,435</b>	2,441

**NIAGARA GAS TRANSMISSION LIMITED**  
**UNCONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

December 31,	2018	2017
<i>(thousands of Canadian dollars, number of shares in thousands)</i>		
<b>Assets</b>		
Current Assets		
Cash	1,435	2,441
Accounts receivable	21	6
Accounts receivable from affiliated companies	251	220
Prepaid expenses	80	103
Income tax receivable	18	-
	<b>1,805</b>	<b>2,770</b>
Property, plant and equipment	44,813	43,290
Less: accumulated depreciation	(15,976)	(15,391)
	<b>28,837</b>	<b>27,899</b>
Deferred charges, net	130	163
Restricted long-term investment	881	665
Regulatory asset related to deferred taxes	2,226	2,027
	<b>33,879</b>	<b>33,524</b>
<b>Liabilities and Shareholder's Equity</b>		
Current Liabilities		
Accounts payable	47	29
Accounts payable to affiliated companies	702	323
Income taxes payable	-	355
	<b>749</b>	<b>707</b>
Sinking fund promissory notes	15,900	15,900
Deferred taxes	2,194	2,012
Regulatory liability	916	676
	<b>19,759</b>	<b>19,295</b>
Shareholder's Equity		
Common shares (261 Outstanding at December 31, 2018 and 2017)	8,311	8,311
Retained earnings	5,809	5,918
	<b>14,120</b>	<b>14,229</b>
	<b>33,879</b>	<b>33,524</b>

*Wendy Zelond*

Director

*JES*

Director