Canadian Utilities Limited
First Quarter, 2020 Results
Conference Call Transcript

Date: **Friday, May 1, 2020**

Time: **9:00 AM MT**

Speakers:

Myles Dougan - Director, Investor Relations & External Reporting

Siegfried Kiefer - President & Chief Executive Officer

Dennis DeChamplain - Executive Vice President and Chief Financial Officer

Conference Call Participants:

Linda Ezergailis TD Securities, Inc. – Managing Director

Maurice Choy RBC Capital Markets – Research Analyst

Mark Jarvi CIBC Capital Markets – Managing Director

Patrick Kenny National Bank Financial – Managing Director

Andrew Kuske Credit Suisse – Managing Director

Operator:
Welcome to the First Quarter 2020 Earnings Conference Call for Canadian Utilities.

As a reminder, all participants are in listen-only mode and the conference is being recorded. After the presentation, there will be an opportunity to ask questions. To join the question queue, you may press star, then one on your telephone keypad. Should you need assistance during the conference call, you may signal an Operator by pressing star, and zero.

I would now like to turn the conference over to Mr. Myles Dougan, Director, Investor Relations and External Disclosure. Please go ahead, Mr. Dougan.

Myles Dougan:
Thank you, Sachi, and good morning, everyone. We're pleased you could join us for our First Quarter 2020 Conference Call.

With me today is President and Chief Executive Officer, Siegfried Kiefer, Executive Vice President and Chief Financial Officer, Dennis DeChamplain, Senior Vice President and Controller, Derek Cook, and Vice President, Finance, Treasury, and Risk, Colin Jackson. Siegfried and Dennis will begin today with some opening comments on recent Company developments and our financial results. Following their prepared remarks, we will take questions from the investment community.

Please note that a replay of the conference call and a transcript will be available on our website at canadianutilities.com and can be found in the Investors section under the heading Events and Presentations.

I'd like to remind you all that our remarks today will include forward-looking statements that are subject to important risks and uncertainties. For more information on these risks and uncertainties, please see the reports filed by Canadian Utilities with the Canadian Securities regulators.

Finally, I'd like to point out that during this presentation, we may refer to certain non-GAAP measures, such as adjusted earnings, adjusted earnings per share, funds generated by operations, and capital investment. These measures do not have any standardized meaning under IFRS, and as a result, they may not be comparable to similar measures presented in other entities.

Now, I'll turn the call over to Siegfried for his opening remarks.

Siegfried Kiefer:
Thank you, Myles, and good morning, everyone. It is indeed a pleasure for me to be joining you, and I'd like to thank each of you for joining us today for our First Quarter 2020 Conference Call.
I'll ask Dennis to give you the first quarter financial highlights in a minute, but before that, I'd like to talk about how Canadian Utilities is addressing the COVID-19 pandemic and the slowdown in global economic activity.

The changes we are all facing have caused far-reaching concern and economic hardship for consumers, businesses, and communities across the globe, and most certainly, in our own province here in Alberta. In this time of uncertainty, our people are working hard to ensure that we continue to support our customers and the communities that depend on our essential services. The pandemic and slowdown in economic activity did not have a material impact on Canadian Utilities' adjusted earnings in the first quarter of 2020. We have considerable resiliency, given the regulatory and long-term contracted nature of our earnings.

The quality of our overall earnings has improved substantially in the last decade. In 2019, 95 per cent of Canadian Utilities' adjusted earnings came from the regulated utilities. This change has led to greater predictability in our earnings and cash flows. But the long-term impact on Canadian Utilities, of this crisis, cannot be fully determined until the depth and length of the current economic slowdown is known.

In the near-term, we are responding to the situation by focusing on ways to enhance our financial strength. To optimize our free cash flow and liquidity in this uncertain period, we are reviewing our 2020 Capital Investment Plan. Our capital investment is targeted in our utilities and in our long-term contracted energy infrastructure. If there are ways to optimize our capital plan and postpone certain projects in order to reduce the burden on our customers, we will look at that.

We are also committed to doing our part to limit the spread of COVID-19 by following the guidance of local health authorities and governments. In February, we activated our pandemic response plan. We implemented enhanced protocols aimed at protecting the health of our employees and our customers, while sustaining our essential services. We continue to actively monitor the situation and will act accordingly as new information becomes available.

I am very pleased and proud to share with you that our employees have stepped up in this challenging time. They have performed in an exemplary fashion to continue to provide safe and reliable service to our customers.

As we move beyond 2020, it is vital that we remain focused on what we do best: driving operational and regulatory excellence; maintaining affordable, reliable, and sustainable energy delivery; ensuring the

safety of our people, our customers, and communities; and creating long-term value for our share owners. Continuing to execute on these fundamental priorities will enable Canadian Utilities to pursue opportunities for the longevity and prosperity of our businesses in Alberta and abroad.
Now, I will turn the call over to Dennis for his comments on our financial performance.

Dennis DeChamplain:
Thanks, Siegfried, and good morning, everyone.

Canadian Utilities achieved adjusted earnings of $179 million in the first quarter of 2020, compared to $200 million in the first quarter of 2019. Lower earnings this quarter were mainly due to the sale of the Canadian fossil
fuel-based electricity generation portfolio in the third quarter of 2019, and the sale of Alberta PowerLine in the fourth quarter of 2019.

We received gross proceeds of about $1 billion for the sales of those businesses and increased our financial strength. In essence, we were paid upfront for their future earnings streams. That does mean that we are not recording their quarterly earnings today. Excluding the foregone earnings from the sales of those businesses, our adjusted earnings were actually $8 million higher in the first quarter compared to last year, and this was mainly due to continuing cost efficiencies across our businesses, utility rate-based growth, and lower income taxes.

During the quarter, we were also quite active on the capital investment front. We completed and placed into service the Pembina-Keephills natural gas transmission pipeline, which is the largest project in our Natural Gas Transmission division's history. This project was completed with zero lost time injuries, ahead of schedule, and below the $230 million budget. This 59-kilometre high pressure natural gas pipeline supports coal-to-gas conversion of power producers in the Genesee and surrounding areas of Alberta, reducing emissions through the use of clean-burning natural gas. Over the eight months of construction, the project employed more than 600 people from local and nearby Indigenous communities.

Meanwhile, construction continues on the fifth salt cavern at our hydrocarbon storage facility near Fort Saskatchewan, Alberta, with full operation targeted for late 2021. In Chile, the first 3 megawatts of our solar generation facility are expected to be operational in the second half of this year, with the remaining 15 megawatts scheduled for completion next year.

As Siegfried noted, we are looking at our 2020 Capital Investment Plan to see if there are ways to put less of a burden on our customers in these challenging economic times. In March, the Government of Alberta announced that residential, farm, and small commercial customers would be given the option to defer payment of their utility bills, considering the pressures arising from the COVID-19 pandemic. The government has indicated that the initial payment deferral will last for 90 days, and the final terms of the program are expected to be completed in the very near future. We already have short-term financing options in place if we are asked to supply financial liquidity for this program.

The Bank of Canada has announced a Commercial Paper Purchase Program, or CPPP to support the continuous functioning of financial markets. Due to our strong credit ratings and existing commercial paper programs, both Canadian Utilities and CU Inc. are eligible to participate in this program. Through this program, CU and CU Inc. can issue up to an aggregate of $875 million in commercial paper. If Canadian Utilities or CU Inc. were to take advantage of this program, it would increase liquidity beyond the $3 billion of normal course lines of credit that we already have in place.

Going forward, Canadian Utilities' financial position is supported by a strong, stable foundation of regulated utility and long-term contracted energy infrastructure investments and services. They provide the platform to continue our long track record of exceptional returns for our share owners.

That concludes our prepared remarks, and I'll now turn the call back over to Myles.

Myles Dougan:
Thank you, Dennis and Siegfried.

I'll turn the call over now to our conference coordinator for questions.

Operator:
Thank you. We will now begin the question-and-answer session. In the interest of time, we ask that you limit yourself to two questions. If you have additional questions, you are welcome to rejoin the queue. To join the question queue, you may press star, then one on your telephone keypad. You will hear a tone acknowledging your request. If you're using a speakerphone, please pick up your handset before pressing any keys. To withdraw from the question queue, please press star, then two. Once again, anyone on the conference call who wishes to ask a question may press star one at this time.

The first question is from Linda Ezergailis of TD Securities. Please go ahead.

Linda Ezergailis:
Thank you.

I'm just wondering if you could give us a sense of your capital program for the next couple of years. What might be considered a case line minimum integrity-type spend that you would not decrease your plan below? Can you give us a sense of the bookends of what sort of level of capital reduction might be contemplated, depending on how much social distancing is required, how much can be deferred to help your customers; any sort of context you could provide would be much appreciated.

Siegfried Kiefer:
Well, thank you for the question, Linda. Siegfried here.

I'll let Dennis talk to the specifics, but maybe just by way of overview, our capital program would be generally around two-thirds, what I would call sustaining maintenance of existing infrastructure, and about one-third dedicated to growth, in terms of adding new customer connections or new facilities. Clearly, the one-third of growth will be a difficult thing to forecast depending upon the outcome of this crisis and the duration of the economic impact therefrom.

I would say our teams have been very effective at creating protocols to continue to be productive in executing our capital works, despite maintaining social distancing. One of the inventive things that came out of this crisis is a little application, "You See What I See" which allows our service people to ask our customers through their phone to give them a visual of what's happening with their appliance or their gas service, and that's allowed them to do, one, a lot more diagnostics, and two, in some cases, resolve issues without entering people's homes, so a couple of creative things that have helped there, but I'll let Dennis talk to the specifics of the numbers.

Dennis DeChamplain:
Thanks, Sieg. Good morning, Linda. Our capital plan for 2020, as you know, is roughly $1.2 billion, and that's the same for 2021. Siegfried mentioned one-third of that is growth, two-thirds maintenance capital. The growth, we expect that to soften as a lot of our customers have announced pullbacks in their capital programs throughout the province. There are also mostly pressures on the maintenance capital. As we see that demand for electricity, especially, reduce, we're very cognizant of the rate impacts on our customers. To the extent that we can defer any maintenance programs into the future, that would go to help our customers be able to afford their bills, especially in these tough economic times.

We are looking at all of those elements, and unfortunately, I don't think any of us know the depth and length of the pandemic, or the consequent economic impacts. We can't tell you with great certainty as to the impacts of our 2020 and 2021 plans at this moment. Sorry I can't help you with a lot of specificity on those numbers.

Linda Ezergailis:
No, that was very helpful context. Thank you. There's a lot of uncertainty.

I recall the last time your Company faced such uncertainty during a financial crisis and still had … better access to the debt capital markets than most other entities. Your financial strength has served you well. I realize that your focus is on stable operations, liquidity, and your continuing operations, but I'm just wondering, at what point, what conditions would need to be in place for you to move forward your strategy of diversifying outside of your core historical geography, and potentially deploying the proceeds of some of your recent asset sales to, potentially, opportunistically invest in businesses that might be more attractively valued over the next little while than you would have been seeing prior to the pandemic?

Siegfried Kiefer:
Thank you for that question, Linda. Siegfried here. I would have to say, we will continue to take a very prudent approach to acquisitions to ensure that they are accretive and valued to our share owners. In this time of uncertainty, we have made it a priority to remain focused on our liquidity and our financial strength, which I agree with you, will differentiate us in this economic recovery, and there may indeed be opportunities that present themselves through the economic crisis that would fit our criteria for a strong, strategic, accretive acquisition, but we'll continue to keep our priorities on liquidity and financial strength at the moment.

Linda Ezergailis:
Thank you. I'll jump back in the queue.

Operator:
The next question is from Maurice Choy of RBC Capital Markets. Please go ahead.

Maurice Choy:
Thank you and good morning.

My first question is just a carry-on from the review of capital plans. Obviously, you're under a PBR framework for distribution companies in Alberta, and COS too. Can you discuss how we should view ROEs, or achievable ROEs, with capital being deferred or delayed?

Dennis DeChamplain:
Sorry, Maurice, this is Dennis. I didn't catch the entirety of your question, but how about I answer what I think I heard? On our cost to service companies, our transmission utilities, our gas transmission company, we're locked in for 2020 with final rates being set, so we will be applying in, I believe the second quarter, for our rates for 2021 and beyond. Not a lot of volume risk on the transmission—for the electricity or gas transmission companies.

Electricity, we are in the process of our 2020 and beyond general tariff application. That's proceeding its way through the AUC's processes, and we hope to have a decision in early 2021 on that.

With regards to our PBR companies, as you're aware, under PBR 2, the Commission has baked into our rates a notional, call it $300 million per year, per utility, and that's the average of what we have spent over the initial term of PBR 1. To the extent that capital pressures come down for our gas and electricity distribution companies covered by PBR, the revenue won't change as a result of that capital, but our costs will go down. Our depreciation will go down, financing costs will go down, and that delta goes through to the bottom line. We've included those upsides or savings in the MD&A, and we've included them in the operational cost savings category that you see in the descriptors there.

The impact on the PBR companies is also cumulative. The amounts that we spend more than the notional budget or spend less than the notional budget over each year of the five-year PBR 2 framework carries on. What we do early in the PBR period continues to impact earnings throughout that five-year period. As we go later into the PBR second generation, the impacts could magnify, and that's how we would expect to see the ability to achieve premium returns higher than the approved return, continue for those two companies. Bearing in mind all the while the safe deliverability of our electricity and natural gas, hopefully coming to the point at the end of PBR 2 where we will be able to pass on those savings to customers through another rate cut, as we were able to do coming out of the first generation of PBR.

Do you have any follow-ups? Sorry, Maurice.

Maurice Choy:
No, that was very clear, and my apologies if my audio is not as clear. My second question relates to dividends. Obviously, the Company has a 48-year record of increasing it. I doubt you and the Board are wanting to give up that crown, but in prior disclosures, dividend growth is tied to growth of your assets, so if indeed we do see 2020 CapEx coming down, how should we view the potential for next year's dividend growth?

Dennis DeChamplain:
You're right. In our MD&A, we're pretty clear in that we are aiming to grow dividends in line with our sustainable earnings growth. If you hold the returns on equity flat, the growth in CU would mainly come from that rate-based growth. As we've been discussing a potential pullback on our capital, that in turn could, or will inform future dividend increases. Bearing in mind, when we do approach our Board of Directors with our recommended dividend increases, we do look at the long-term outlook for the Company and our earnings, the credit ratings strength, as well as the payout ratio. There are a number

of factors beyond just in one-year earnings when we go to our Board of Directors recommending our dividend amounts.

Maurice Choy:
Thank you very much.

Dennis DeChamplain:
Thanks, Maurice.

Operator:
The next question is from Mark Jarvi of CIBC Capital Markets. Please go ahead.

Mark Jarvi:
Thanks, good morning.

It seems like you guys are implying that the transmission utilities are pretty resilient, and that gas distribution is a bit more resilient given its connections and we're past sort of the peak season here in the winter. It comes down to electricity distribution as being the most economically sensitive. Is that correct? Is there any initial data, whether it's smart metering data, to show what has happened to volumes or loads in the last month and a half here?

Dennis DeChamplain:
Good morning, Mark.

We don't have clear data from demand on the electricity and gas businesses in detail since April 1. For the Natural Gas Distribution division, about 80 per cent of their revenues come from our residential customers, through fixed and variable charges. They are more resilient than the Electricity Distribution company because two-thirds of their revenue is from industrial and large commercial customers. There are some protective measures in place for the Electricity Distribution company to protect them from falling demands through contracts and ratchets that they have in place that necessitate the size of facilities that are put into those customers.

Included in the PBR framework, there is also an ability to apply for a recovery of costs due to exogenous events beyond Management's control. Those costs, which we have been able to successfully recover from customers, include lost revenue. We were able to recover lost revenue through the Calgary floods and the Fort McMurray fires. We believe that this pandemic and consequent economic collapse qualifies as an exogenous event, and we would be looking for some regulatory protection with regards to potential lost revenue. Once you get into the regulatory process, nothing is a guarantee, that's for sure.

Mark Jarvi:
That's helpful, Dennis. Are you implying, then, you've seen enough pressure on volumes, or do you think that you will have to go to the Z factor exogenous events application?

Then maybe can you just provide me more detail on this deferral bill that's gone through in terms of how that impacts EPS and cash flow, maybe?

Dennis DeChamplain:
Sure. In order to qualify for those Z factor applications to recover costs through exogenous events, it needs to meet a materiality factor, and those factors are different for electricity and gas. I'm sorry I don't know those thresholds off the top of my head, but I'll say they're relatively low, in the $5 million kind of range. We would need to look at the cumulative impact on revenues, and potential costs, I would imagine, to see what that net impact, or what the gross impact for any significant element would be before we would be able to indicate whether that Z factor would be applied for or not.

The second question with regards to the utility bill deferral; as we are right now, final terms yet to be ironed out and announced by the government, we do not believe that there would be any impact on earnings as a result of the utility bill deferral. It would just be a timing difference on the cash. If we were asked to backstop the lack of cash flows coming from the bill deferral, we would look to be recovering our costs, all our costs, which would include fair return for providing that backstop. The way it's leaning right now, it doesn't appear that there would be a significant call on the utilities for the backstopping of utility bills. That would come from government or government agencies as it's currently thought of, but as I say, those final terms have not yet been announced.

We expect them shortly. The program was announced on March 18 and was effective March 18, so we're all looking for certainty and clarity as that moves through the process, and we hope to have that in very short order.

Mark Jarvi:
Okay, we'll watch for that. Thanks.

Dennis DeChamplain:
Thanks, Mark.

Operator:
The next question is from Patrick Kenny of National Bank Financial. Please go ahead.

Patrick Kenny:
Yes, hi, good morning guys. Notwithstanding the mountain of uncertainty out there right now, and I know it just came out yesterday, but wondered if we can get your initial thoughts on Alberta's plan to re-launch the economy, and how at least Phase 1, and potentially Phase 2, might mitigate any lost revenue over the coming quarters, if all goes well?

Siegfried Kiefer:
Well, thank you, Patrick. Siegfried here. I think that is a question that's looming heavy on everyone's mind at the moment, as what are the risks inherent with the various scenarios around re-launching or relaxing the isolation measures that are in place today. I have to say that I think a wise approach is indeed one that we'll continue to measure as you go through the different phases, the impacts or implications of the relaxation. To the extent that Alberta is extremely well-positioned from a testing perspective relative to other parts of Canada and the world, I think we'll have a pretty good measure on the success or the ability to continue the phased rollout of the relaxation.

All that being said, I think it doesn't take much of a setback to have you revert and elongate the isolation piece. I'd hate to speculate on the design of the different programs across Canada and how successful they'll be. I think every province faces a slightly different circumstance. I'll leave it to the health authorities to determine how aggressive they want to be in their rollout plans, but thanks for the question. It's weighing heavy on everyone's mind.

Patrick Kenny:
Yes, absolutely. Fingers crossed all goes well.

Then maybe just to touch on the exposure to the oil and gas activity levels here. Based on the production curtailments that have been announced publicly so far by various oil sands producers and other E&P companies, would you have an internal forecast as to how much demand destruction we could see for your electricity distribution business? Perhaps maybe, how much of that loss could be offset by some higher residential load, at least until the kids go back to school and get off the video games?

Dennis DeChamplain:
My short answer is no, I don't have a forecast. It goes into our capital plans for disconnects. We didn't see much of any softening in the revenue for Q1. While I said earlier, we don't have any hard data indicating the last six weeks that we'd be able to extrapolate and come up with a forecast for the year and beyond. The crisis will probably not be solved by the end of this year, and then we question when there will be a full recovery in Alberta? I think most prognosticators would go later rather than sooner on that. We did talk about the regulatory protections phase that the distribution companies can avail themselves to with respect to the exogenous events. We would accumulate those lost revenues and

costs related to the pandemic, and we may be in front of the Alberta Utilities Commission with another Z factor. That doesn't help the cash situation until such time as that would be resolved.

If you look at that relative decrease in cash coming from a large pullback, we have over $3 billion in cash and committed credit facilities that, most certainly, would be able to weather the storm. I don't think the revenue, or curtailed revenue, would get anywhere near the $3 billion, given the proportion that the oil and gas sector contributes to our revenue, but it's cumulative. We are looking at it, and we'll see how much production does indeed go forward in the remaining quarters of this year, and the potential for it to carry on into future years.

Patrick Kenny:
It sounds like you're ranking liquidity ahead of strategic M&A, and that billion dollars of cash that you're sitting on today is going to be there until you have further clarity as to the depth of this downturn.

Dennis DeChamplain:
Siegfried mentioned it earlier with regards to the strategic M&A. We've positioned our Company for long-term sustainable growth. We were able to conclude those asset sales last year. Having the additional billion dollars in the bank is a great comfort in days like these, but we are also mindful of the future. This storm shall pass. We do have the financial strength to weather that storm and keep our eyes out for the long-term growth of the Company.

Once we do get a better read on the impacts of COVID, and whether there's a second wave or a third wave on reopening the economies and how that all plays out, and the recovery in the price of oil and how our customers respond, yes, we'll certainly be in a better position. That won't take up all of our liquidity and all of our powder as we go and continue to look to grow the Company for long-term value for our share owners. It is a balance.

Patrick Kenny:
Okay, that's great. Thanks, Dennis. Thanks, Siegfried.

Dennis DeChamplain:
Thanks, Pat.

Operator:
Once again, if you have a question, please press star, then one.

The next question is from Andrew Kuske of Credit Suisse. Please go ahead.

Andrew Kuske:
Thank you, good morning.

Obviously, you've both been in the industry for a long time and you've seen a number of economic cycles, and clearly, there are some attributes on this one that are similar, and there are a lot of things that are very different. But when you put the context of what you can see now from bad debts, customer defaults in the current environment, how does that stack up versus some of the past downturns and the past cycles you've seen?

Siegfried Kiefer:
It's a great question, Andrew. I'd have to say that we are still very early days in this cycle. I think so much of it will depend upon what the relaxation and what the restart of businesses, how that scenario unfolds, that it's a little tough to compare against full-cycle economic downturns that we've seen before.

There are several different scenarios around how the recovery will take hold. A simple example would be just how quickly can we put the unemployed back to work in the province, and what will that unemployment run rate be for the next little while? There are a number of things to watch here so it's difficult, in my mind, to kind of give you a comparison, is this going to be tougher? I certainly think it will be more difficult on Alberta than the '08, '09 Financial Crisis, which we seemed to be able to, for the most part, escape a significant amount of the impact. It really depends upon what the recovery unfolds, how it unfolds, and how quickly that happens, in my mind. Not a very definitive answer, but this one will be different.

Andrew Kuske:
Okay, appreciate that. Then, Dennis, you mentioned the Bank of Canada's Commercial Paper Purchase Program. Did you only mention that in the context of its potential liquidity factor in the event that the market freezes and you would be eligible for that?

Dennis DeChamplain:
Andrew, that would be in addition to the $3 billion that we have for liquidity. It's just an additional supportive measure that we have, given the strength and quality of the CU name.

Andrew Kuske:
Okay, appreciate the clarification on that, thank you.

Operator:
Next is a follow-up question from Linda Ezergailis of TD Securities. Please go ahead.

Linda Ezergailis:
Thank you.

I realize there is uncertainty related to the generic cost of capital proceeding, but I'm wondering if you can get a sense of what factors would need to be in place for that to resume, if you've received any sense from the regulator? If for some reason it's deferred substantially, I'm wondering if there's an expectation that perhaps the current framework for establishing ROE would apply to 2021. If you can provide any context, whether it be from any discussions you have with stakeholders or just based on your understanding of the regulatory environment in Alberta, it would be appreciated.

Siegfried Kiefer:
Linda, it's Siegfried here, and I will pass it to Dennis because he is far closer to the regulatory ins and outs. But I'd have to say, from my perspective, that the challenge in trying to set a return and equity thickness commensurate with market for 2021 is not about not being able to physically have hearings and people in the same room. It's going to be about can the market signals be properly read to give you any confidence in what that decision should be.

We've seen such disruption in the debt markets, in the capital markets, and for me, it's how can you properly assess the evidence to come up with a well-reasoned decision that you can be comfortable with, will be appropriate in the 2021 timeframe, given that we're nine months left before that period starts, and I don't see things settling down at the moment.

I'll turn it to Dennis because he's much closer to the process.

Dennis DeChamplain:
Great question, Linda. In mid-March, the AUC suspended the GCOC proceeding indefinitely; said they would revisit it every 60 days, 30 to 60 days. We responded with the need to have prospectively and certainty. All of our comments and encouragement for the Utilities Commission are in that vein.

The first 30 days passed, and the AUC asked for comments to be filed yesterday. All of the utilities recommended that the existing parameters be extended to 2021 on a final basis, so carry on the 37% equity and 8.5% return, as final for next year. All of the customer groups indicated that they needed more time to update their evidence, given the economic certainties that we're faced with now compared to the conditions that were in place in January when their additional evidence was filed.

We don't know how the AUC is going to proceed with that, but we do know that our customers and our investors are looking for certainty that we can operate safely and effectively. Because of the fair return standard with regards to having attraction and retention of capital in these volatile times, it is even more important that we do bolster the regulatory certainty that we have in this province, and strongly encourage the Utilities Commission to make sure that our province stays open for business, and help out by giving the utilities the certainty and prospectively that we require.

Linda Ezergailis:
Thank you for that context, I hope they hear you. That's my question, thank you.

Dennis DeChamplain:
Thanks, Linda.

Operator:
This concludes the question-and-answer session. I would like to turn the conference back over to Mr. Myles Dougan for any closing remarks.

Myles Dougan:
Thank you, Operator, and thank you to all of you for participating today.

Just a reminder, next Wednesday, May 6 at 10:00 a.m. Mountain Time is our Canadian Utilities Annual Meeting. It's a virtual meeting, so you can login on our website.

Thanks for your interest in our First Quarter Conference Call today, and we look forward to speaking with you again soon. Bye for now.

Operator:
This concludes today's conference call. You may disconnect your lines. Thank you for participating and have a pleasant day.