



# ATCO Ltd.

## Investor Day 2019 Results Webcast Transcript

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**Speakers:** **Nancy C. Southern** – Chair & Chief Executive Officer, ATCO Ltd. and Chair, Canadian Utilities Limited

**Dennis DeChamplain** - Executive Vice President and Chief Financial Officer

**Chad Gareau** - Vice President, Corporate Strategy

**Myles Dougan** - Senior Manager, Investor Relations

**Participants:** **Linda Ezergailis** TD Securities, Inc. – Managing Director

**Darren Dansereau** QV Investors, Inc. – Vice President and Portfolio Manager

**Mark Jarvi** CIBC Capital Markets – Managing Director

**Dean Highmoor** Mackenzie Investments – Director, Investment Research



**Myles Dougan:**

Good morning, everyone. We're pleased you could join us for our 2019 ATCO and Canadian Utilities Investor Day. Please note that a slide presentation will accompany our remarks today. A copy of the presentation is available on our website at ATCO.com. It can be found in the Investor section under the heading Events and Presentations.

I'd like to remind you 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 ATCO with the Canadian securities regulators.

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

With that, I'm pleased to turn the podium over to Nancy Southern, ATCO Chair and Chief Executive Officer. Nancy?

**Nancy C. Southern:**

Thank you, Myles, and good afternoon, everybody. Welcome to ATCO Park. For those of you here with us today, hope you enjoyed your lunch from the Blue Flame Kitchen. We're very proud of our commons area in our new setting here at ATCO Park which is open to the community year-round. We find that we've got seniors visiting, playing their crib tournaments and ladies coming with their book clubs, and all of the people of ATCO coming to enjoy a good coffee, maybe a fresh cinnamon bun.

Thanks for organizing everything today, Myles. It's terrific of you. I know that we said to our investor groups that we would be more frequent in our communication with you. I didn't understand that it was going to be this close to our last one, but I'm really happy to see the turn out that we have, and it's terrific for all of us to be able to welcome you here today.

Before we actually begin, though, I would like to acknowledge the traditional territories of the Blackfoot Confederacy, which includes the Siksika, The Piikani and the Kainai, as well as the Tsuut'ina and



Stoney-Nakoda First Nations, the Métis Nation Region 3, and all people who make their homes in the Treaty 7 Region.

Now, with me here today are Chad Gareau, our Vice President, Corporate Strategy; Dennis DeChamplain, Executive Vice President and Chief Financial Officer; Siegfried Kiefer, President and Chief Executive Officer of Canadian Utilities; Adam Beattie, President of Structures; and Jim Landon, our President of Frontec. Dennis will begin today by giving us a brief overview of our financial track record. Following that, I'd like to review ATCO's strategy and the fundamental tenants of how we operate in ATCO, what our business looks like today, and touch on some of the geopolitical and macroeconomic headwinds we and industry in general face today, along with the steps that we've taken to deliver sustainable long-term shareowner value.

I'll turn it over to Dennis.

**Dennis DeChamplain:**

Thanks very much, Nancy. Despite the many shifts and changes in the global business environment in which we operate, our outstanding financial performance has consistently set us apart from our competitors. Over the years, strong earnings in structures and logistics, combined with Canadian Utilities growing earnings generated from its regulated utilities and contracted operations, have provided ATCO with long-term earnings stability and growth.

As you can see from this chart, 2015 was a difficult year for ATCO as a result of economic uncertainty, as well as declining oil and other commodity prices. ATCO faced these challenges with tenacity and a clear focus on revitalizing operations by expanding into new business lines, products and services, which Nancy will tell you more about in her remarks.

In 2019 we have been successful in growing earnings from all of our investments. In the first half of 2019, adjusted earnings were up almost 20% to \$190 million compared to \$160 million in the first half of 2018. This high-quality earning base has provided the foundation for continued dividend growth for our shareowners. As you can see from this chart, ATCO has increased its dividend every year for the past 26 years. This earnings and dividend growth has created excellent value for our shareowners. Since 1993, ATCO has generated an average return of 11.9% per year, twice that of the TSX Composite



Index; and in the last 10 years ATCO's return has been 9.2% per year, which also outpaces the TSX Composite. We haven't sacrificed our financial strength for this growth. In fact, maintaining our A-range credit rating has been fundamental to ATCO's success.

Those are my brief remarks, and I'll turn it back over to Nancy.

**Nancy C. Southern:**

Thank you, Dennis. I must tell you, we're very proud of our track record, and I believe that we have created sustainable long-term value for shareowners. Whilst Canadian Utilities has a longer track record in dividend growth, I think ATCO's performance has been pretty sterling in today's markets.

As Dennis mentioned, we experienced a rapid period of growth from 2005 up until 2015. For us it was an unheard-of capital investment period with expansion in our utilities, but as that big build decade began to slow down, so did the global economy and, as Dennis mentioned, commodity prices began to collapse. So, I'm very proud of what we've accomplished since 2015 in spite of core public policy and the geopolitical macroeconomic uncertainty that we continue to face today.

Well-intentioned but ill-conceived Government policy that has and will continue to disincent new investment capital in Canada is problematic, and it's something that we all need to pay attention to. Cumbersome regulatory intervention that impedes Canada's competitive advantage and excessive taxation are things that all industry is having to deal with today. Compounding these barriers to growth is monetary policy. It continues to thrust cash into a world that is not or possibly cannot absorb this excess liquidity. The result, as you all know, is the lowering of returns and the increase in risk. I know I'm not telling you anything that you don't already know as you search for new investments for your portfolios.

What I'd like to talk to you a little bit about is how we, collectively as investors, but us specifically in ATCO and Canadian Utilities, can continue to deliver premium results when our environment has shifted so dramatically. One of the big problems is that expectation has not caught up with reality and the realization of the current macroeconomic situation is definitely lagging. Now, I can't speak for others, but rather than waiting out this pervasive volatility that we're experiencing, ATCO is acting decisively to protect and continue to build on the value that we have created for shareowners.



I believe the key to our success now and into the future is an unwavering focus on our five strategic priorities: innovation, growth, and financial strength. These provide the foundation from which we have built our Company, and in these uncertain times top-tier operations and exercising patience in finding the right kinds of investments for long-term value is key. As always, we have and continue to take a prudent approach to cash and preserving our financial flexibility for the right opportunities when they do present themselves. Our commitment to these priorities has allowed ATCO to endure periods of immense instability, global recessionary times, and we have continued to grow.

These priorities underpin our strategy, which is delivering enduring essentials for global economic prosperity, housing, energy, logistics and transportation, water, agriculture, and real estate. We began the Company by building structures for people to live in and work in and expanded into providing the energy required for industry and communities. Now, with our investment in Neltume Ports, we've taken the next step into the transportation of goods to market. Simply put, our strategy is to provide the specific essential services which are often underserved across multiple business units to the same customer.

Our unique resources, integrated capabilities and exceptional customer care provide a competitive advantage that I believe is difficult to replicate. It's sometimes hard for you to understand because of the conglomerate nature of ATCO, but our goal is to create a future ATCO that is underpinned by these types of assets that provide nondiscretionary, contracted services with stable cash flows due to their essential nature and scarcity of competing alternatives.

Now, Chile, which we have identified as a strategic growth market, provides an excellent case study with respect to our focus on the essentials. Chile is blessed with abundant natural resources and a pretty stable economy, yet it is in need of modern infrastructure, and Chile is perfectly suited to the integrated solutions we can offer. We already supply workforce housing and logistical support for any new remote mining locations through our partnership with ATCO-Sabinco, and that same mining customer will also require behind-the-fence electricity, natural gas, and water utilities for their remote operations, and this is expertise that we've developed over the decades through Canadian Utilities. That customer will require transportation of its commodities to market, a service we can now help to facilitate through our investment in Neltume Ports.



Now, in this example with one customer, we can supply housing and logistics, energy, water, transportation through our current portfolio of essential services. This strategy has been shaped by a number of pervasive global trends; a combination of environmental, political, and technological factors that are reshaping economic and social systems, volatile weather events, increasing water stress, the shifts and human migration. These require holistic solutions, encompassing rapid deployment and ongoing development. The world is also experiencing unprecedented demographic changes. Global population is expected to grow to 9 billion people by 2045, led by the developing nations. Meanwhile, developed economies must contend with aging populations and long-run declines in the size of their labour force. Accordingly, we are seeing an economic shift away from the established economies of the West. These trends are creating unprecedented challenges but also an abundance of opportunity for ATCO.

ATCO has significant investments and expertise in providing many of these global essential services, and I believe we are extremely well-positioned to capture the opportunities these emerging trends are uncovering, so I'll talk about each of our investments and the capabilities in turn.

Now, I'll just touch on energy investments in Canadian Utilities. Canadian Utilities has been a top-tier investment for ATCO since our acquisition back in 1980. Dependable earnings from our regulated utilities and long-term contracted operations have provided Canadian Utilities with bedrock stability and dividend growth for decades. With global energy demand continuing to grow, it will play a prominent role in our strategy moving forward.

Last year we embarked on a process to streamline CU into a long-term contracted infrastructure enterprise, and to ensure that we have a robust balance sheet to pursue future growth and weather economic storms. Siegfried Kiefer, Canadian Utilities' newly appointed Chief Executive Officer, will speak further to CU's operations in his presentation, so I will leave CU for now.

Modular structures, it's unfortunate we've closed the blinds, but you actually can probably see, and you will see later this afternoon, truckloads of units moving out of this factory right now. It is our founding business, and it provides housing around the world. From our earliest days, the Alberta Trailer Company, in case any of you didn't know where ATCO came from, was focused on innovative and



efficient solutions to meet customer needs for workforce shelters in austere environments. Since that time, we have emerged as a world leader in providing adaptable, high-quality and cost-effective modular solutions.

Under the leadership of Adam Beattie, our Modular Structures business has accomplished a remarkable transformation in the last few years. From 2008 to 2014, that same decade that we experienced tremendous new capital investment in Canadian Utilities, we also experienced significant growth fueled by development within the natural resource sector for ATCO Structures. But in 2015 we recognized the challenges facing many of our traditional customers, and we looked to reposition ourselves and try to move away from an overreliance on the resource sector. We found great success in branching out from our traditional roots. We've successfully identified and commercialized many non-traditional applications for our modular structures, such as schools, hotels, affordable housing alternatives, hospitals, even jails within North and South America and Australia.

You can see just a few examples of our successful diversification on this slide. In 2017 we built a school in Melbourne, Australia and a student dormitory in Langley, British Columbia. In 2018 we built schools of the state of Victoria, Australia. Our new tiny home product line will be unveiled later this month with our Homes for Heroes launch; I'm very proud of this. It's a 15-tiny home community located in Northeast Calgary, which will serve to offer homeless veterans a place of their own, a tiny home complete with a small kitchen, a full bathroom, including a bathtub, and bedroom and sitting area in just 250 square feet. These non-traditional modular structures are really quite beautiful, and you wouldn't even recognize them as having been built using modular construction techniques.

Now, while the natural resource industry remains our largest sector for leads, we've seen a sizable increase in demand for infrastructure, education, and urban residential housing over the past 24 months. Australia has been our leader for these in the non-traditional modular sectors, and we have two leading edge manufacturing facilities as well as multiple branch offices that cover the entire nation. East Coast of Australia has been a particularly busy area for us of recent with strong activity in the construction sector. Although we have prioritized growth in non-traditional segments, we've continued to have success in securing and delivering large workforce housing projects as well, on time and on budget, which has long been our hallmark.



In North America, as you'll all see later today, we are flat out—I mean flat out—constructing the Cedar Valley Lodge which will house the 4,500 workers building LNG Canada's liquification and export terminal. It's one of the largest accommodation facilities ever built in Canada.

With respect to the global trends that I mentioned earlier, our Modular Structures business is well-equipped to support customers and communities to respond to volatile weather events attributed to climate change. Earlier this year we were awarded a contract for the installation and rental of a 1,500-person camp for fire disaster relief in Paradise, California. This project represents one of the largest workforce accommodation facilities ever supplied for disaster relief in the United States. It was crucial in allowing first responders to focus on the critical task at hand.

We've also intensified our efforts to expand our footprint in emerging markets which offer long-term growth potential. We have expanded our Modular Structures business in Latin America with strategic investments, as I mentioned, in Chile, but also in Mexico. We've got a strong partnership in Chile: ATCO-Sabinco. Our partner, Ultramar, who's also our Neltume Ports partner, is headquartered in Santiago. Our new state-of-the-art manufacturing facility in Chile enables us to cost-competitively bid any new workforce housing projects in the region. It also allows us to quickly and efficiently build units to grow our market share in the space rental business.

Now, Mexico is another example of our focus on emerging market expansion. In 2018, just a year ago, we acquired a majority ownership in ATCO Espaciomovil. It's a leading modular building manufacturer in Mexico, and we're now the largest manufacturer of modular products in the Mexican market with the second-largest fleet in modular rental assets in the country.

ATCO Frontec is the logistics piece for our global essential services strategy. Perhaps above all others, Frontec is uniquely positioned at the force of disruptive global trends. In addition to its traditional operations and facilities, services, and maintenance, Frontec has seen an increasing demand for its services in disaster response and emergency management. Our structures and Frontec businesses have extensive experience in mobilizing camps and providing the services for these types of emergency situations, with rapid deployment capabilities.





Now, under the leadership of Jim Landon, Frontec's President, we are responding to ever-increasing demand. Frontec is busy now working on the contract for camp maintenance at the 1,500-person camp supplied by structures on the fire disaster relief in Chico, California. The combined efforts of our Structures and Frontec teams have actually produced very good financials results as we've gone through this transformation. Revenues in the first half of 2019 are up 36% from the same period in 2018. In 2018 the Structures and Frontec businesses together improved their earnings over the past year by \$9 million, and in the first half of this year, we've already achieved 70% of last year's earnings. Now, that may not seem like a lot, but to put it in context, in 2015 we didn't make very much money at all in our ATCO Structures and Frontec businesses, so it really is quite impressive thanks to this terrific team.

Now, moving on to Neltume Ports, the transportation piece of the global essential services strategy, many of you heard about this acquisition when we first did it last year. It's an investment that diversifies ATCO by industry and geography and further expands our business activities in Latin America. Like ATCO-Sabinco, Neltume, as I mentioned, is an investment with Ultramar, a trusted partner who shares the same strong values as ATCO. While this is a new business for us, it has strong parallels to existing ATCO businesses because it has franchise-like infrastructure opportunities, long-term contracts, and often a common customer, primarily based in the minerals industry, which, as we discussed earlier, may also have the need for our integrated other integrated capabilities.

We are now actively involved in delivering a variety of goods to the world, including both drive-out cargo and container volumes, as well as agricultural commodities. With 16 port operations across four South American countries, Neltume has an outstanding reputation with its employees and customers alike. Slightly stronger GDP growth expectations in Latin America compared to North America also creates a positive environment for Neltume Ports to continue growing the business. In just one year this new business has contributed \$12 million to our adjusted earnings and a further \$12 million in dividends.

Now, moving on to agriculture and water, admittedly, our investments here are extremely modest, but we have begun to explore the possibilities. There is no doubt that these sectors are fundamental to global progress, and they are facing considerable strain. Climate change is projected to impact the production of major crops, such as wheat and maize, rice and soybeans, at a time of growing demand on our food systems. The confluence of this may present future opportunities for our Company in the future. For example, our Industrial Water business here in Alberta affords us with foundational expertise



which we hope to apply to future water opportunities, as well as very thorough due diligence investigation on—what's it called—indoor agriculture, and of course, energy is a big part of indoor agriculture and agriculture close to the market. Siegfried will speak about our Industrial Water operations in greater detail in his presentation.

Now, let me move on to the final part of our strategy, which in our essential services is real estate. We've consolidated our Real Estate portfolio and are leveraging our expertise in commercial property development and leasing. With a sizable portfolio of real estate properties, our objective is to unlock the hidden value that's on our balance sheet over time. Earnings from this business will come from and is coming from three avenues: sale of commercial and industrial properties and land, leasing existing properties to third parties to generate steady revenue, and long-term development projects. Now, last year we sold two of our properties, and we booked a net gain of about \$13 million in adjusted earnings from that transaction. In 2018 we also sold the property associated with our heralded Barking Power plant in the U.K. for gross cash proceeds of \$219 million. We also have several commercial properties that are leased to third parties, and we continue to actively pursue additional leasing opportunities.

Potential real estate development projects could take the form of building on undeveloped land already in our portfolio or repurposing of property to better suit current market needs. For example, we've begun the master planning and land use re-design for ATCO Park. Now, this is where we are today, and we have approximately 40 acres to be developed just on this site alone. It has tremendous value, and it creates further development opportunities over the long term.

Now, in closing, I'd like to leave you with a few key points. We will continue to diversify our footprint, prioritizing global markets that are poised for growth and that lend themselves to our integrated expertise. The markets we are focused on are Australia, the U.S., and Latin America, and, in particular, Chile and Mexico. I believe we are positioned at the forefront of global trends, and we will focus our investments in those essential services which are universally vital to economic and social development.

Looking forward to any questions that you might have. Thank you again for taking the time to join us today and for your support of our Company. I'll now turn the mic back over to Myles.



**Myles Dougan:**

Thank you, Nancy. We have a mic here and some time for any questions you might like to ask. I'd ask if you could identify yourself by name. We are on live webcast, so please do ask your question into the microphone. Would anyone like to ask the panel a question?

**Linda Ezergailis:**

This is a question for Nancy. I'm looking at your framework of essential services, and I'm just wondering what other services that might be quasi-essential or essential that are not on there that you consider, that are not currently on there that might be on there, that will never be on there. You've obviously put a lot of thought to this, and I'd just be interested to hear a little bit more about that.

**Nancy C. Southern:**

Well, I think, Linda, the one glaring omission is communication. It is something that we considered, but we felt that we probably would be too much on the fringes of that industry. We didn't see that our capabilities necessarily matched communication. We also saw that the size and heft of global communication businesses is far beyond our ability to compete, so we scratched that one off the list. I guess the infrastructure building roads and bridges is another one, but we don't see that as a core competency, although we have competencies in construction with Frontec and Structures. It's interesting to see some of the opportunities that are arising today that Frontec is being considered for after Hurricane Dorian in the Bahamas. But in that regard, we would be more of a project manager and an aggregator of those pieces of industry that we are not currently operating in and matching those with our energy housing, water supply, and logistics and transportation.

**Myles Dougan:**

Just a reminder that you can submit questions if you are on the webcast, and we will ask those here. Next question.

**Darren Dansereau:**

Good afternoon. My name is Darren Dansereau with QV Investors. The question I had was on agriculture. You mentioned with agriculture there's products that can move out of South America, but I was wondering in Canada or other countries, what would be the agricultural focus because it is obviously a very big sector?



**Nancy C. Southern:**

Yes. Well, on the ports side of the business, and Chad can speak to this as well, one of the attractive features of Neltume was their understanding of the union issues in North America on the ports side. Not to say that we won't be prepared to enter into North America with a port opportunity, but at this point in time, we felt the development underserved infrastructure and development of ports in South America and the exponential growth of their ag industry was the best opportunity that we evaluated over a period of time.

Agriculture itself, if we get into production and distribution of agricultural products, is very complementary to our transportation business then, being able to export. But at this time, we really are focusing on the growth in South America.

Did you want to add anything, Chad?

**Chad Gareau:**

No. I think you said it well. We do have an indirect exposure to both import and export of agricultural products. Fertilizers are our big piece of the volume going into Latin America, as well as the export of grains, soy beans, and things of that nature. That's the indirect investment today, and over time we continue to monitor for future opportunities.

**Nancy C. Southern:**

Maybe Dennis could just talk about a little exercise that we've just undertaken on the whole indoor agricultural space, which would kind of round out the circle with modular structures, provision of energy and water and actually the production of agriculture products.

**Dennis DeChamplain:**

Thanks, Nancy. This was a great idea and kind of a showcase for our employees' drive and innovation. They came up with a potential target. They kind of scanned the world to take a look at various indoor ag companies; we had an opportunity to buy in on almost the ground floor; we took a look at it, quite a hard look at it; and kind of determined that, I'll say, much like the toll roads, is that apart from energy control systems, the largest component of their costs, there wasn't a lot of value that we could bring in



line with our core competencies. But it was a great exercise for our people. It went up to our Investment Committee, and because of those factors related to our core competencies, we decided to give it a pass. But the teams are continuing to monitor the indoor ag space, whether it be kind of a venture capital investment, which this one would've been, or investing direct in farms themselves, is open for the future for us.

**Nancy C. Southern:**

We were talking about lettuce when we were investigating, not the cannabis industry at this point in time.

**Mark Jarvi:**

Mark Jarvi from CIBC. Within ATCO now you have a couple of different business lines that, I guess, arguably traded at different types of multiples, like Neltume would be sort of higher multiple and Structure and Logistics historically not the same. How do you guys think about allocating capital to these different types of business profiles? Then how would you think about using data at the ATCO level, depending on just, I guess, the sort of duration of cash flows and how you would decide when to use data at ATCO?

**Dennis DeChamplain:**

Thanks, Mark. We incurred some debt with Neltume when we had the hybrid issue and a term loan. Right now, we're at about 6% of our capital structure at the holding company. We don't want very much leverage about ATCO. We've kind of pinned it at about 20% in terms of a ceiling. I'll say the beauty of Adam's and Jim's businesses are that there is not a lot of capital required to run those businesses. There's working capital requirements on larger projects, like LNG Canada, BC Hydro when we did Site C a few years back. So, that one isn't too much of a concern in terms of allocating capital.

On Neltume, the \$450 million purchase price, approximately \$200 million is sitting on their balance sheet to fund future growth, whether it's brownfield expansions, M&A activities, what have you. We'll see how long that cash runs out. We've done two smaller transactions since the purchase of around \$10 million each and haven't had the requirement for additional capital from ATCO. We'll see how we do chewing into that \$200 million-ish kind of funding that they have for expansion.



**Nancy C. Southern:**

Yes. I would just add that we do separate and distinguish between bolt-ons. Adam has capital that he would allocate for his growth in his business as would Frontec, and that would be viewed as Adam would have to come with his strategy to the Investment Committee and say, look, this is where I need to grow, and really relate it to his business.

In the new areas, as I mentioned, we're being very prudent and patient. Dennis has a great team that is looking for new opportunities. Unfortunately, we don't see a lot of opportunity in North America; we see that as a highly competitive base. We want to make sure—I mentioned the headwinds, the macroeconomic headwinds—we want to make sure that we have real financial flexibility, and that we are not just spending for the sake of spending and making new investments and creating a diversified portfolio. I think that we've stood the test of time because of our prudence with regards to the balance sheet, and so we're looking for strong returns but also very strong cash flow. We expect our investments to deliver good cash flow so that we can maintain that dividend profile that you've seen and—yes, and so far everybody is trying to find those good, excellent investments; just haven't come across one in the last year.

**Dean Highmoor:**

Hi, Nancy. It's Dean Highmoor from Mackenzie Investments. Just to build on Mark's question then, to be more targeted, what's sort of return metrics or earnings accretion or timeline for accretion do your potential deals need to have for you to proceed? You also mentioned you want real financial flexibility. What would that look like, and when could we know you're kind of there and you're kind of ready to do something versus—I'm sensing more of a bit of a cautious tone so far today.

**Nancy C. Southern:**

Yes. I think caution is in order right now. We have the financial flexibility today, as Dennis just mentioned. We've got 9% debt at the ATCO Holding level, so we've got a 20% ceiling. We want to make sure that we maintain the dividend flow. There is the hope, and there is the reality. We'd like to see 20% returns and mega cash flows with accretion immediately, and those are hard to find, particularly the 20% return.



**Nancy C. Southern:**

They're not all like that, but accretion near term, if not immediate accretion, is critical to us, which is why Neltume was a really good investment for us right off the bat. I think that our owners would all be understanding and comfortable if we were able to just say that within the next 12 to 18 months, you're going to find that this is accretive. But we're not going to give you a prescribed formula because a lot of this is strategic, and if we're in a world that is increasing in uncertainty, and we are poised with tremendous financial flexibility, I think that gives us wonderful opportunities to find the right deals in the right places. In all of our industries, whether it's Structures or Frontec or even the ports, consolidation is definitely an opportunity on the horizon, as it is for Canadian Utilities in the future. So, I think that's really what we're going to be focusing on.

**Dean Highmoor:**

On that theme of consolidation and ports area, I guess there was a transaction with Kinder Morgan Canada recently in the market. Why wasn't that a good fit for you guys?

**Nancy C. Southern:**

We think it is a good fit. It would be a good fit. There were a lot of other assets that went along with that transaction, and it's something that we look at very carefully. We were not the preferred bidder, I guess you would say, because of the value we place on a number of the other assets, but we certainly would be interested in a port now and in Canada, whether it's on the East Coast or the West Coast. We think that that's a viable future opportunity for us.

**Myles Dougan:**

Well, it's 12:45 and just in the interest of staying on schedule so that we can get you through the manufacturing site tour, I think we will take a break right now for an intermission for 10 minutes, and then we'll come back with the Canadian Utilities presentation. I believe Nancy is going to stay on the podium. Thanks very much. We'll see you in 10 minutes.

