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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by. This is the conference call operator. Welcome to the First Quarter 2015 conference call and webcast. (Operator Instructions). At this time I would like to turn the conference over to Donna Hynes, Director Investor and Public Relations Fortis Incorporated. Please go ahead.

Donna Hynes - Fortis Inc - Director, Investor and Public Relations

Thank you and good morning everyone welcome to the Fortis Inc. First Quarter 2015 earnings call. Fortis participants on the call this morning are Barry Perry, President and CEO, and Karl Smith, Executive Vice President and CFO, as well as additional members of our senior management team. This conference call is webcast and the supporting slide show is available on the Fortis Inc. website at www.fortisinc.com. A replay of the call will be available later today and the transcript will be posted to our website shortly thereafter. Our first quarter earnings release and related materials are also available on our website.

I would like to remind you that all forward-looking information provided during this conference call is subject to the forward-looking statement contained in the supporting slide show. All non-GAAP financial measures referenced in our prepared remarks are reconciled to the related GAAP financial measures in the slide show. Also unless otherwise specified all financial information referenced is in Canadian dollars. Barry Perry will begin with the corporate update and then Karl Smith will review the financial results in detail and discuss regulatory matters. The presentation will be approximately 15 minutes after which time we will turn the call over to the conference call operator for your questions. During the question-and-answer period we will take questions from the investment community first followed by the media, if time permits. In order to provide everyone with an equal opportunity to participate we ask that you limit yourself to two questions. If you have additional questions, please re-enter the queue.

Also, we ask that you focus your questions on our industry, our corporate strategy, recent developments, and key elements of the corporation's financial performance. If you have any detailed questions please follow up with us after this call and we would be pleased to discuss them with you at that time. I will now turn the call over to Barry Perry.



Barry Perry - Fortis Inc - President, CEO

Thank you, Donna and good morning everyone. Fortis is well positioned for a strong 2015. Q1 performance was driven by our major regulated utilities and reflects the settlement of capital tracker matters at FortisAlberta. As we expected the seasonality of UNS Energy earnings had a dampening impact on earnings per common share for the quarter, which Karl will discuss shortly. However we continue to expect UNS Energy will be accretive to earnings per common share in 2015, particularly given the strengthening in U.S. dollar.

Our focus during the first quarter of 2015 was primarily in three areas. First, the integration of UNS Energy, which is now complete. Second, the execution of our CAD2.2 billion, 2015 capital program. which was well advanced, with over CAD550 million being invested in the first quarter, and which saw the Waneta expansion come online in early April. And third, the strategic review of Fortis Properties and divestiture of our small nonregulated hydro assets in upstate New York and Ontario. Both of these initiatives are consistent with our focus on the core utility business. Fortis Properties currently represents approximately 3% of the corporation's total assets. We expect to make an announcement regarding the results of the strategic review by the end of the second quarter of 2015.

Additionally during the first quarter of 2015 we entered into an agreement to sell our small nonregulated hydro generation assets. The sale of these assets in upstate New York and Ontario, which have a combined net book value of approximately CAD30 million, is expected to close in the second quarter of 2015 and the second half of 2015 respectively. Following a decade of growth driven mainly by acquisitions 2015 kicks off a period of significant organic growth for Fortis. The CAD900 million, 335-megawatt Waneta expansion hydroelectric generating facility in British Columbia came online early April six weeks ahead of schedule and on budget. During construction the project maintained an excellent safety and environmental protection record. This investment, in which Fortis holds a 51% controlling interest, is supported by 40-year power purchase agreements with BC Hydro and the corporation's wholly own subsidiary FortisBC.

We are targeting 2015 contributions from the Waneta expansion in the range of CAD20 million to CAD25 million. Fortis is well positioned for a strong 2015 given the combination of a full year of earnings from UNS Energy, contributions from the Waneta expansion, the resolution of capital tracker matters at Fortis Alberta, and the anticipated implementation of new rates at Central Hudson in July after a two-year rate freeze. Turning to our LNG opportunities, construction of the CAD440 million Tilbury Phase 1A LNG facility expansion project in British Columbia is proceeding as planned. The expansion will add a second storage tank and a new liquefier. The investment will be included in FortisBC's regulated rate base and completion is expected before the end of 2016. The project will provide natural gas for the transportation industry, for remote communities, and for the marketplace in general. As an example in February FortisBC announced that it entered into agreement with BC Ferries to provide up to 300 thousand gigajoules of LNG annually over the next ten-years for the three new intermediate class Ferries.

Since we initially announced our LNG expansion plans back in 2013 there has been considerable interest for LNG supply from the Pacific Northwest, Hawaii, Alaska and other international markets. FortisBC is in a unique position to meet further growing demand for LNG from domestic and foreign markets by leveraging its existing infrastructure to rapidly and cost-effectively increase supply. Two significant LNG infrastructure projects are currently being pursued. First our Tilbury site has 35 acres of LNG zoned land with ocean access that is suitable for further expansion. FortisBC is working towards a possible Tillbury Phase 1B second expansion of liquefaction capacity at the site at an estimated cost of approximately CAD450 million. A 15-year conditional contract is in place with Hawaiian Electric for most of this liquefaction capacity. The contract is subject to approval by the Hawaii Public Utilities Commission.

And, secondly, FortisBC continues to move forward with an opportunity to expand its pipeline and compression infrastructure to the Woodfibre LNG site near Squamish, British Columbia. Woodfibre is a privately owned LNG processing export facility that is expected to be operational in 2018. The owner of the facility expects to finalize its investment decision by the end of 2015. The estimated project cost for the pipeline is approximately CAD600 million. The combined capital expenditures of over CAD1 billion for these two potential LNG projects along with a further CAD200 million to upgrade the existing coastal gas transmission system in support of the projects have been approved by the government of British Columbia. No further regulatory approval by the BCUC is required for either project. Expenditures for both projects will be included in FortisBC's regulated rate base. We expect to finalize our investment decisions and plans by the end of the year on these projects.

We continue to invest prudently in our existing electric and gas networks to ensure safe reliable and cost efficient energy services to our customers. Our forecast CAD2.2 billion, 2015 capital expenditure program represents an increase of almost 30% over 2014. In addition to the Waneta and

Tilbury Phase 1A expansion projects first quarter capital expenditures included US \$46 million at UNS Energy to increase ownership interest in the Springerville Unit One Generating Facility to 49.5% upon the expiry of a leasing arrangement. Over the five-year period, through 2019, capital expenditures are expected to total approximately CAD9 billion, driving a 38% increase in forecast midyear rate base from CAD14 billion in 2014 to over CAD19 billion in 2019. This would represent a five-year compound annual growth rate of approximately 6.5%. If you were to include the Tilbury Phase 1B project and the pipeline expansion to the Woodfibre LNG site, the five-year CAGR would rise to 7.5%. Over this five year horizon we expect our capital investment will support continuing growth in earnings and dividends to our common shareholders.

Our Q1 and Q2 2015 dividends have been declared at CAD0.34 per common share, which represents an annualized dividend of CAD1.36 for 2015, and an increase of 6.25% over last year. Fortis has increased its annualized dividend to common shareholders for 42 consecutive years, the record for a public corporation in Canada. To conclude, the number one priority of Fortis is the provision of safe reliable and cost-efficient energy services to our customers. Our focus over the next 12 to 18 months will be on the execution of the Corporation's capital expenditure program, progressing our LNG opportunities, and completion of the strategic review of Fortis Properties. In all, I am very optimistic about our prospects for 2015 and beyond. And with that update I'll now turn things over to Karl who will discuss our financial results and key regulatory matters.

Karl Smith - Fortis Inc - EVP, CFO

Thanks, Barry, good morning everyone. Earnings attributable to common equity shareholders for the first quarter of 2015 were CAD198 million, or CAD0.72 per common share. Compared to CAD143 million or CAD0.67 per common share for the first quarter of 2014. As Barry mentioned UNS Energy had a major impact on quarter one financial results. Additionally when comparing these results for the first quarter of last year, several non-recurring items must be considered. The slide now being webcast provides an analysis of first quarter 2015 adjusted earnings, and adjusted earnings per share. It removes from our results four non-recurring items, which are acquisition-related costs incurred in the first quarter of 2014, pertaining to the UNS Energy transaction, including interest on the related convertible debentures; a capital tracker revenue adjustment related to the 2013 and 2014 fiscal years, that was recognized in this quarter; foreign exchange gains on the Corporation's expropriated investment in Belize Electricity; and the quarter one 2014 earnings of Griffith Energy Services, which was sold in March 2014. On this basis, adjusted earnings for the first quarter of 2015 were CAD179 million, or CAD0.65 per common share. Compared to CAD146 million or CAD0.68 per common share for the same quarter last year. The increase in adjusted first quarter earnings reflects CAD20 million contribution by UNS Energy. As well as improved performance at our other major regulated utilities. These positive impacts were partially offset by increased corporate expenses due largely to financing costs associated with the acquisition of UNS Energy. The earnings of UNS are highly seasonal with approximately 75% of the earnings occurring in the second and third quarters, as the use of air conditioning and other cooling equipment is highest during those periods. Consequently the inclusion of UNS Energy results had an approximate CAD0.13 dilutive impact on earnings per common share in the first quarter of 2015. That being said, we expect UNS Energy will be accretive to earnings per common share this year. Given that approximately 40% of our total assets are now in the United States the strength in U.S. dollar is having a positive influence on financial results. We estimate that on average each 5% change in the U.S. dollar to Canadian dollar exchange rate would have an approximate CAD0.04 impact on annual earnings per common share.

Turning now to our financing highlights, in first quarter of 2015 the corporation's regulated subsidiaries raised over CAD400 million of long-term financing at attractive rates. This included US \$300 million issued by Tucson Electric Power, which is UNS Energy's largest utility. Net proceeds were used primarily to refinance maturing debt, to repay credit facility borrowings and to fund capital expenditure programs. We expect to apply the net proceeds from the sale of our small hydro assets, and for any transaction associated with the strategic review of Fortis Properties towards the CAD500 million of outstanding debt associated with the UNS Energy acquisition.

Cash flow from operating activities was CAD450 million for the first quarter of 2015. An increase of CAD185 million or approximately 78% from the first quarter of last year. This increase was driven primarily by higher cash earnings contributed by UNS Energy. Fortis has a light debt maturity profile, with an average of CAD250 million maturing annually over the next five-years, excluding credit facility borrowings. Additionally at March 31, 2015, Fortis and its subsidiaries had unutilized committed credit facilities of CAD2.1 billion, providing the corporation with ample liquidity. Fortis continues to have strong access to capital. We remain rated A minus by S&P and A low by DBRS, both with a stable outlook. These ratings, which are among the highest for utility holding companies in North America, are supported by our low risk business profile, and our capital structure, which on a consolidated basis at March 31, 2015, was 35% common equity, 9% preferred equity and 56% debt.

UNS Energy and its regulated utilities received credit rating upgrades from Moody's in the first quarter 2015. We expect this will have a positive impact on their future cost of capital, which in the case of UNS Energy's regulated utilities, will directly benefit their customers. Moving on to regulatory front, regulatory decisions were received in March 2015 on FortisAlberta's capital tracker applications and the generic cost of capital proceeding. The capital tracker decision approved revenue for substantially all of FortisAlberta's 2013 through 2015 capital programs as filed. The utility had previously recognized capital tracker revenue in 2013, and 2014 on an interim basis at 60% of the applied for amounts. The generic cost of capital decision reduced FortisAlberta's allowed ROE from 8.75% to 8.3% and reduced the common equity component of capital structure from 41% to 40%.

The revised ROE and common equity thickness, which are retroactive to 2013 and which will remain in effect on an interim basis for 2016, apply only to the portion of FortisAlberta's rate base that is funded by capital tracker revenue. The net impact of these two decisions was the recognition in quarter one, 2015 of a positive CAD10 million capital tracker revenue adjustment related to 2013 and 2014. Additionally capital tracker revenue for 2015 capital expenditures will reflect both decisions. FortisAlberta will file an application in May 2015 for 2016 and 2017 capital tracker revenue. Generic cost of capital proceedings for 2016 have commenced in Alberta. Pre-hearing meetings to determine the scope of the proceeding and other procedural matters are scheduled to take place in May and June with hearings to commence on November 30, 2015.

At Central Hudson a joint settlement proposal associated with its general rate application was filed on February 6, 2015 to set new rates for a three-year period beginning July 1, 2015. New rates should provide the revenues required to support the US \$215 million of capital expenditures made during the two-year rate freeze, agreed to by Fortis to achieve regulatory approval of the CH Energy acquisition. The proposal includes a return on common equity of 9% and a common equity thickness of 48%. Public statements and evidentiary hearings were held in March and the final proposal was executed in April. The joint settlement proposal is targeted to go to the regulator in June for consideration and approval. And, finally, proceedings referred to as Reforming the Energy Vision are ongoing in New York State. These are generic proceedings aimed at reviewing the role of distribution utilities and aligning their investments and earnings with New York State policy goals. That concludes my prepared remarks and I'll now turn things back to Donna.

Donna Hynes - Fortis Inc - Director, Investor and Public Relations

This concludes the Fortis Inc. first quarter 2015 earnings presentation I will ask the conference call operator to please open the phone lines for the question-and-answer segment of this call.

QUESTIONS AND ANSWERS

Operator

Thank you. Ladies and gentlemen, we will now conduct the question-and-answer period, with the analyst community first, followed by questions from the media. (Operator Instructions). Your first question comes from the line Paul Lechem from CIBC. Please proceed with your question.

Paul Lechem - CIBC World Markets - Analyst

Thank you. Good morning. I wanted to ask about the regulatory decisions in Alberta. First on the reduction in your allowed ROE. Is there any, it seems to be that there was a bit of a surprise, especially the retroactive reduction in your allowed ROE. Are you considering, is there any opportunity for you to appeal that decision and what are your thoughts about that applying going forward?

Barry Perry - Fortis Inc - President, CEO

It's not our expectation, Paul, that we're going to appeal. In fact, we're going to be going into another cost of capital hearing in Alberta very quickly here. There's already a process been established to look at cost of capital for 2016 and onward. So I think our focus will be on the coming hearing.

Paul Lechem - *CIBC World Markets - Analyst*

Okay. And how do you think, feel that would play out in terms of your upcoming GCOC decisions in BC? Is that, would you see it applying or the decision (inaudible)?

Barry Perry - *Fortis Inc - President, CEO*

Well, you know, regulators obviously govern in each of their jurisdictions. I'm sure that that decision in Alberta will be part of the evidence that's put in front of the regulator in British Columbia. That's just natural. This is a very low interest rate environment. The decision in Alberta is probably the lowest cost of capital in North America, pretty close to it at this point in time. We would hope that that's the low water mark here, and but it depends I think on the environment that British Columbia is in when the decisions are being made on that hearing. You know, we'll have to wait and see where interest rates go from here really.

Paul Lechem - *CIBC World Markets - Analyst*

Okay. Can I also ask, can you provide more granularity and color on the, you mentioned the combined amounts of the capital tracker and the GCOC decision of CAD10 million. Can you give some more granularity, how does it break out between those two different dynamics?

Karl Smith - *Fortis Inc - EVP, CFO*

Yes, it gets very complicated very quickly, Paul, and luckily, well, first of all let's stand back. Not all the revenue at Fortis Alberta is affected immediately by that cost of capital decision. Because of the PBR regime, it's the, call it go forward rate base that's subject to inclusion in the capital tracker, I guess impacts it. For 2015, for example, somewhere around 10% to 15% of our revenue is affected by that generic cost of capital decision. Both, it's the ROE which would impact it the most, because the reduction in the capital structure was only 1% on the common equity. The other point I'll make is that with each passing year more of the revenue will be subject to the lower cost of capital, or the lowered weight of the average cost of capital. And then at the end of the term, in 2017, everything will be trued up and whatever the cost of capital is at that time would apply to everything going forward.

Paul Lechem - *CIBC World Markets - Analyst*

You said 10% to 15% of 2015's revenue?

Karl Smith - *Fortis Inc - EVP, CFO*

Total revenue is affected by the lowered generic cost of capital in Alberta.

Paul Lechem - *CIBC World Markets - Analyst*

How do you see that playing out for 2016, what percentage?

Karl Smith - *Fortis Inc - EVP, CFO*

It would be a larger percentage in 2016, but we haven't, we're not disclosing those numbers yet.



Paul Lechem - *CIBC World Markets - Analyst*

Okay.

Barry Perry - *Fortis Inc - President, CEO*

Paul, it's Barry back again, John Walker is here with me, he runs our Western Operations. He actually corrected me on a point I want to just tell you. We are part of the group of utilities in Alberta that are appealing aspects of the cost of capital decisions. I do want to clarify that. But, obviously, we're also focused on getting ready for the upcoming new cost of capital hearing, as well.

Paul Lechem - *CIBC World Markets - Analyst*

Okay. Thank you.

Operator

And your next question comes from the line of Linda Ezer gallis from TD Securities. Please proceed with your question.

Linda Ezer gallis - *TD Securities - Analyst*

Thank you. With respect to Central Hudson, I was hopeful to get an update in your write up, I'm just wondering what sort of changes, if any, were in the final joint proposal versus the February joint settlement proposal. And what, when will we know exactly if you get on to the June regulatory schedule and what might be some risk of delays of getting that approved?

Barry Perry - *Fortis Inc - President, CEO*

Linda, there weren't very many changes but I'm going to ask Jim Laurito who is the President and CEO of Central Hudson, who is on the call to give you a good answer to that question. Jim, are you there?

Jim Laurito - *Central Hudson - President, CEO*

I am, Barry. Thanks for the question, Linda. The changes were really just geography. All they really wanted us to do was to extract the third party energy efficiency charges from our various gaps in electric programs. They initially wanted us to put those in delivery rates, which was a change from past practice. And then in between the hearings, due to some impact from the overlap from the REV proceeding, their policy shifted on that, and they asked us to extract those charges. So those are just third party charges that will go back into the SBC surcharge on the bill. So no earnings impact. The joint proposal that was filed in February was reopened for that narrow purpose and that one change. So it will have the effect of appearing to lower delivery rates further, so the increase will be reduced from what it was originally proposed to be. But that reduction is just geography and does not impact the bottom line.

So to the second part of your question, we should know approximately a week in advance of the June 17th session if we are on the agenda, that would be the formal time frame. We do expect, at this point, to be on the agenda. Subsequent to the hearings, the settlement hearings that were held in March, that Karl referenced, the ALJ, importantly, eliminated the requirement for a recommended decision, briefs and reply briefs, so there are no more procedural steps to go through prior to the June 17th session, which is the most streamlined way to get there. So we feel good about it at this point.



Linda Ezer gallis - *TD Securities - Analyst*

Thank you. And just as a follow up question, any dissenters of any materiality in this settlement?

Jim Laurito - *Central Hudson - President, CEO*

No. As the original joint proposal was signed on by ourselves and four other parties, including two large environmental groups, and the final joint proposal was executed by the five, the same five parties, without any formal opposition at this point.

Linda Ezer gallis - *TD Securities - Analyst*

Great. Thank you very much.

Operator

Our next question comes from the line of Ben Pham of BMO. Your line is open.

Ben Pham - *BMO Capital Markets - Analyst*

Good morning everybody. Just a question on US and UNS Energy. Wondered if you can comment on your current capital structure relative to the regulatory metrics and where do you expect it to be at the end of this year, and also where you are on the general applications that you're planning to file that at some point in the future?

Barry Perry - *Fortis Inc - President, CEO*

You're referring to UNS Energy, right?

Ben Pham - *BMO Capital Markets - Analyst*

That's right.

Barry Perry - *Fortis Inc - President, CEO*

Yeah, so generally, Ben, when we got approval for the transaction in Arizona, you know, part of the commitment was to increase the equity thickness of Tucson Electric Power to 50%. And we're on that path at this point in time. So the regulator really supports thicker equity in that jurisdiction. David, can you recall, David Hutchens is with me here at this point, the President and CEO of UNS, what the current equity thickness of TEP would be?

David Hutchens - *UNS Energy - President, CEO*

The current that was allowed by the commission is 43.5%. That's what's been raised. It bumps around a little bit, obviously, as we make capital investments here but we do have the plan, as Barry said, of increasing that before we get into the next rate case. So the goal is obviously to get it up near that 50% level, which is basically the kind of average equity layer for Arizona utilities.



Barry Perry - Fortis Inc - President, CEO

And we also have about 50% in place, actually it's likely more than that, at the gas business, and the UNS Electric business, which are the smaller two utilities in Arizona.

Ben Pham - BMO Capital Markets - Analyst

Okay. And, maybe, Barry or David just if you can comment, just staying with UNS Energy, just any sense of cost mitigation? There's been some pressure on the cost side, maybe to get an update on your discussions with EPA in terms of some of the stuff proposing to change that glide path on the CO2 rules.

David Hutchens - UNS Energy - President, CEO

On the cost side, it's kind of a blocking and tackling, and we're focused on O&M reductions, we're focused on efficiencies, just kind of the standard stuff that we're always focused on at UNS Energy to maintain those lower O&M costs. As far as the Clean Power Plan, you know, we're cautiously optimistic that the conversations we've had with the EPA are being taken under advisement for their final rule.

Most of the changes that we have, that are addressing the timing and the magnitude of how that power plan affects Arizona is related to taking into consideration the age of the plants. And the plants, the coal plants in Arizona are actually quite new in terms of coal plant age as a reference. And so that's really what we're focused on, is having the EPA put out a rule that says coal plants aren't really subject for redispach or displacement by gas until they reach their 40th year. And just as a frame of reference in Arizona we have a couple that are from the time frame of 1986, one in 1990, two as new as 2006 and 2010, those are Springerville three and four. So cautiously optimistic that the EPA is listening when we get to the final rule.

Ben Pham - BMO Capital Markets - Analyst

Do you have a sense of when the rules will be coming out? Is it mid this year?

David Hutchens - UNS Energy - President, CEO

It says late summer, which I don't know if that's, if it has a definite time line to it, but I'm guessing probably August September time frame.

Ben Pham - BMO Capital Markets - Analyst

Okay. Very good. Thanks for taking my questions.

Barry Perry - Fortis Inc - President, CEO

Thank you, Ben.

Operator

Your next question comes from the line of Andrew Kuske of Credit Suisse. Your line is open.



Andrew Kuske - *Credit Suisse - Analyst*

Thank you good morning. The question is for Barry and just relates into the developments in Ontario and what could be happening with Hydro One and the government's stated intention. How do you think that unfolds for the MEU opportunity in Ontario? And I know M&A's on the back burner for now from a Fortis perspective but how do you look it the lay of the land in Ontario, say 12 months out?

Barry Perry - *Fortis Inc - President, CEO*

Let me clarify. Anything in Ontario that is available is not on the back burner. We sort of see that as our home ground, and if there's opportunities to consolidate municipal utilities in the province we're definitely looking at them, Andrew. Clearly what's going on with Hydro One is not something that Fortis is going to participate in. It really doesn't lend itself to our motto. The most of any shareholders going to be able to own is 10% of the shares that are sold and, you know, that's not a position that we are going to play in.

We're hopefully, obviously, that some of the discussion around removal of the transfer tax related to when we buy municipal utilities this penalty tax I'll call it the sort of window that they're looking at, at maybe three-years of a holiday to encourage further consolidation to occur in the province, and that will be very interesting to us, albeit apparently they are really just saying it's only for a really small utility, like less than 30,000 customers, which you know, reduces the attractiveness of some of the targets but you know we are, we would definitely look at opportunities in that area. So all in all, it's probably some positive momentum at this point in time in Ontario, and it gives us cause for some optimism that we might be able to grow our business there over the next few years.

Andrew Kuske - *Credit Suisse - Analyst*

So probably more of a roll up around the existing platform you have in Ontario, just given some of the restrictions on the MEU tax at this point in time than anything bigger and bolder?

Barry Perry - *Fortis Inc - President, CEO*

Yes, you know, the bold stuff seems to be eliminated by the approach taken by the province, frankly, whether it be an outright sale of Hydro One or Brampton to investor-owned utilities, you know that is not what occurred here, so they sort of developed an in province solution, I'll call it.

Andrew Kuske - *Credit Suisse - Analyst*

Okay. That's very helpful. And maybe a bit more of a nitpicky question, what you disclosed in the MD&A was this CAD1 million which is know is a small amount of BD costs regarding potential generation facility in BC. Would that be hydro focused? And what other additional color could you provide on that?

Barry Perry - *Fortis Inc - President, CEO*

That was in 2014, I think, Andrew, and it really relates to our exploring the possibility to expand Similkameen power, put a new power plant on the Similkameen river and just once we got through the, sort of, pre feasibility stage and calculating the price for the dam it just became unattractive and we parked it for now. It may reactivate itself in the future but at this point we're not spending any further funds on it.

Andrew Kuske - *Credit Suisse - Analyst*

Okay. Very helpful. Thank you.



Barry Perry - Fortis Inc - President, CEO

Okay. Thank you, Andrew.

Operator

Your next question comes from the line of Robert Kwan from RBC Capital Markets. Please proceed with your questions.

Robert Kwan - RBC Capital Markets - Analyst

Good morning. Just on the larger LNG products and specifically Woodfibre, hearing some local stuff out here, kind of Squamish and just the Howe Sound corridor. Any comments just as to, you know, what you're seeing. I know you got the approval but are you at the table with Woodfibre as part of public meetings and just what is the color that you're getting back with respect to that?

Barry Perry - Fortis Inc - President, CEO

Robert, I would say we remain optimistic on that project but John Walker is here in the room with me so I'm going to, he's the closest to it and dealing with it on a day-to-day basis. I'll let John comment on, sort of, our status there.

John Walker - Fortis Inc - EVP of Western Canadian Operations

Robert, there is, just to be clear we've got two distinct projects on the go, one is the Woodfibre, of course, where they're looking to get the approval to build the LNG facility. And FortisBC Energy, which is looking to build a piping compression to feed that particular plant. So in answer to your question, yes, we work, we try to coordinate to the degree possible to make sure messaging is similar, and we're both being supportive on that end of it. But also being clear that we try to maintain the integrity of the two different projects as they move forward.

Robert Kwan - RBC Capital Markets - Analyst

Okay. So to some extent it sounds like you're coordinating but for the most part they're kind of in charge of trying to push the community engagement on their project forward, given you've got a somewhat smoother kind of regulatory process?

John Walker - Fortis Inc - EVP of Western Canadian Operations

Well, the two projects, from a community point of view, are intertwined in terms of how we're moving through. But the issues are somewhat different between the pipeline and as we try to progress it through certain areas, certain parts of the geography that we have to deal with there, including some of the first nation issues that might be specific. With respect to Woodfibre, actually, they have, in terms of moving their project ahead in terms of the site and that sort of thing, a little bit more straightforward in that regard. But the two are intertwined in the public's eye and that's why we coordinate our messaging.

Robert Kwan - RBC Capital Markets - Analyst

That's great. And just kind of a smaller question around Central Hudson, you mentioned during the quarter the booking of energy incentives. Wondering if you can provide a magnitude of that, maybe a little surprised at the year-over-year pick up given the weather last year and the fact that you're just lagging on rates.



Barry Perry - Fortis Inc - President, CEO

Jim, did you get that question?

Jim Laurito - Central Hudson - President, CEO

I did, yes. The total energy efficiency incentives come from prior programs, Robert. And the total of those will amount to about \$2.7 million, so we broke the pro-rata share in the quarter. And those will continue.

Robert Kwan - RBC Capital Markets - Analyst

Okay.

Jim Laurito - Central Hudson - President, CEO

The new programs going forward do not carry incentives, so this will be 2015 item, and then that will end.

Robert Kwan - RBC Capital Markets - Analyst

So you said so the \$2.7 million, sorry, you mentioned pro-rata. Was that pro-rata to quarter or was that pro-rata to the company including prior periods?

Jim Laurito - Central Hudson - President, CEO

Pro-rata to the quarter for the year.

Robert Kwan - RBC Capital Markets - Analyst

Okay. That's great. Thanks very much.

Barry Perry - Fortis Inc - President, CEO

Thank you, Robert.

Operator

(Operator Instructions). If there are no further questions I would like to turn the call back over to Mr. Perry for any closing remarks.

Barry Perry - Fortis Inc - President, CEO

Thank you, operator. We have nothing further to add at this time. Thank you for participating in our Q1 2015 Earnings Call. And enjoy the rest of your day.

Operator

This concludes today's conference call. You may now disconnect.

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