Capital Power Corporation Conference Call
Third Quarter 2011 Results - October 26, 2011 11:00am MST

OPERATOR:
Welcome to the Capital Power Corporation's conference call to discuss the third quarter 2011 results. At this time all participants are in listen-only mode. Following the presentation, we will conduct a question and answer session. Instructions will be provided at this time for you to queue up for questions. I would like to remind everyone that this conference call is being recorded on Wednesday, October 26, 2011 at 11:00am Mountain Standard Time. I will now turn the call over to Randy Mah, Senior Manager Investor Relations. Please go ahead.

RANDY MAH:
Good morning and thank you for joining us today to review Capital Power's third quarter results that were released yesterday. The third quarter results and the presentation slides for this conference call are posted on our website at www.capitalpower.com. This conference call is also being web cast from our website. Joining me on the call is Brian Vaasjo, President and CEO, and Stuart Lee, Senior Vice-President and CFO. After our opening remarks, we will open up the lines to take your questions.

Before we begin, let me direct your attention to the cautionary statement regarding forward-looking information on Slide number 2. Certain information in this presentation and in responses to questions contains forward-looking information. Actual results could differ materially from conclusions, forecasts or projections in the forward-looking information, and certain material factors or assumptions were applied in drawing conclusions or making forecasts or projections as reflected in the forward-looking information.

Additional information about the material factors and risks that could cause actual results to differ materially from the conclusions, forecasts or projections in the forward-looking information and the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information are disclosed on pages 14-16 of this presentation and in the Company's third quarter 2011 Management's Discussion and Analysis dated Oct 25, 2011 which has been filed on SEDAR.

I will now turn the call over to Brian for his remarks starting on Slide number 3.

BRIAN VAASJO:
Thanks Randy. I'll start off with an update on corporate developments. On September 1st, Keephills 3 began commercial operations after 4 1/2 years in construction. Keephills 3 is a 495 megawatt facility that we own jointly with TransAlta. It is the most technologically advanced coal-fired plant in Canada. Our portion of the final construction costs is expected to be in line with our 2011 target, which I'll discuss in more detail shortly. With Keephills 3 now operating, our generation portfolio has increased to more than 1,700 megawatts in the attractive Alberta power market.

On August 3rd, we announced a limited partnership agreement with Samsung and Pattern on a 270 megawatt wind power project called K2 Wind Ontario. Construction is expected to begin in 2013, with commercial operations in 2014. K2 will increase Capital Power's geographically diverse wind portfolio to approximately 525 megawatts.

Earlier this year, Capital Power Income L.P. and Atlantic Power announced an agreement whereby all of the outstanding limited partnership units of Capital Power Income L.P. would be acquired by Atlantic Power, including Capital Power's 29% ownership interest. The transaction is proceeding as expected with a November 1st meeting date, scheduled for unitholders of CPILP and shareholders of Atlantic Power to vote on the transaction. If the transaction is approved and all conditions have been met, the transaction is likely to close a few days later.

Moving to Slide 4, I'll discuss the financial and operating highlights for the third quarter. Our third quarter consolidated financial results were in line with expectations, with normalized earnings per share of $0.43 cents. Funds from operations, excluding the non-controlling interests in CPILP, were $116 million dollars, which is up 33% on a year-over-year basis. Stuart will provide more details on our financial performance in his remarks.

Capital Power had excellent operating performance in the third quarter. The average plant availability, excluding CPILP plants, was 97%, compared to 93% in the third quarter of 2010. Capital Power generated approximately 4,200 gigawatt hours, excluding generation from the CPILP plants. This was up 81% on a year-over-year basis due to the New England acquisitions and the commencement of commercial operations of Keephills 3.

Turning to Slide 5, I'll highlight some additional details on the operating performance of our plants. As mentioned, Capital Power's average plant availability, excluding Capital Power Income L.P. plants, was 97% in the third quarter. On a 2011 year-to-date basis, average plant availability is 94%, compared to 90% a year ago. Of note, Genesee 2 & 3 and the Island Generation facility delivered 100% availability for the first 9 months of the year. The new Keephills 3 plant also had 100% availability in the first full month of commercial operation. If plant operations perform as expected in the fourth quarter, our 2011 plant availability is back on track to meet our full-year target, which I'll discuss shortly. I'll now turn the call over to Stuart.

STUART LEE:
Thanks Brian. I'll start off with a quick summary of our financial results starting on Slide 6. Revenues and other income, before fair value changes, were $461 million dollars in the third quarter 2011, which is essentially flat from the $464 million dollars reported in Q3 2010. EBITDA, also before various fair value changes, was $160 million dollars, up 158% in the same period a year ago. Normalized EPS was $0.43 cents, which was in line with expectations.

Looking at cash flow, funds from operations, excluding the non-controlling interest in CPILP, was $116 million dollars, up 33% to the $87 million dollars reported in the third quarter of 2010. Finally, cash flow per share was $1.21 in the third quarter, up 9.0% from the $1.11 per share generated in Q3 2010.

Turning to Slide 7, our normalized EPS of $0.43 in the quarter was in line with expectations. Alberta spot power prices averaged $95/MWh in the third quarter, which resulted in higher than anticipated margins for the Alberta Commercial plants and Portfolio Optimization segment and higher availability incentive revenue for the Alberta Contracted plants. This was partially offset by lower than expected earnings contributions from our three New England plants due to low power prices in the region.

The New England plants contributed $10 million dollars in EBITDA in the third quarter, reflecting lower realized spark spreads and dispatch of the plants. I'll discuss our outlook for the New England plants in more detail shortly.

As I highlighted, Capital Power generated cash flow of $1.21 per share in the third quarter, up 9% from a year ago. The increase was primarily due to strong Alberta power market dynamics and Island Generation.
Turning to Slide 8, I'll discuss our Alberta Commercial plants and Portfolio Optimization segment. In the third quarter, Capital Power's realized price for Alberta was $74/MWh, compared to $95/MWh average Alberta spot price. The high average spot price was due to increased demand and reduced supply from several plant outages, including the Company's PPAs held at Sundance and Saskatchewan tie line restrictions. The higher price volatility increased opportunities to dispatch the Clover Bar and Joffre plants, which contributed to higher gross income and EBITDA. We also received higher net availability penalty revenue for the Sundance PPA due to higher rolling average power prices during the Sundance outage.

Capital Power's hedge positions in the Alberta portfolio as of September 30th are as follows: for the fourth quarter 2011, approximately 70% is hedged with prices in the mid-$60/MWh. For 2012, approximately 43% is hedged, with prices in the mid-$60/MWh and for 2013 approximately 16% is hedged with prices in the mid-$60/MWh.

We continue to expect 2011 normalized earnings per share to be in line with guidance provided in the second quarter 2011 MD&A, assuming Alberta power prices settle at their current forward prices at the high-$70/MWh range for the remainder of the year.

Turning to Slide 9, I'll review the 2011 expectations for the New England facilities. Our previous 2011 EBITDA guidance for the New England facilities was $51 to $55 million dollars, including unrealized gains. If current estimates of forward power prices and spark spreads are consistent with realized prices, we expect the New England facilities to contribute approximately $29 to $33 million dollars to 2011 EBITDA, excluding unrealized fair value changes.

Our 2011 EBITDA expectations are affected by: lower capacity payments where the negative impacts affecting 2011 are not expected to occur in 2012; lower realized sparks spreads from transactions in the real-time market, due to the under production in the day-ahead market - the impact is expected to net to zero over time; Connecticut generator tax of $2 million dollars. This tax was introduced in June of this year and is expected to continue until mid-2013; and heat rates are approximately 2% higher than initially anticipated.

Overall, we expect market fundamentals in the Eastern region will normalize future years, which will have a positive impact on the New England plants.

I'll now turn the call back to Brian.

BRIAN VAASJO:
Thanks, Stuart. I'll conclude our presentation by providing you with an update on our 2011 corporate priorities, starting on Slide 10.

For our operational targets, we targeted 94% plant availability for Capital Power's facilities, which included one scheduled outage at the Genesee facility. With a strong performance in the third quarter, we are back on track on meeting the 94% target.

The revised maintenance capital targets, under IFRS, is $56 million dollars for plant maintenance and the Genesee mine extension, which excludes items such as plant maintenance, CAPEX for the Capital Power Income L.P. plants and the New England plants acquired this year. At the end of the third quarter, maintenance CAPEX is approximately $38 million dollars.

On our development and construction targets, we set a target of at least $1.5 billion in capital committed to acquisitions and developments that are in line with our targeted rates of return. We have committed approximately $1.4 billion dollars against that target.

Our Keephills 3 construction targets are proportionate to capital costs is expected to be in line with the target of approximately $955 million dollars. Commercial operations began September 1st, which is one quarter delayed on a 4 1/2 year construction project. The development of our Quality Wind project remains on target for COD in 2012, however the Port Dover and Nanticoke wind project may be delayed for COD in 2013 due to delays in obtaining regulatory approvals.

Turning to Slide 11, I'll review our financial priorities and how we are tracking after 9 months. As Stuart mentioned, if Alberta power prices for the balance of 2011 settle on average in the high-$70/MWh range, we expect normalized EPS for 2011 to be in line with the guidance provided in the second quarter 2011 MD&A of approximately $1.40. This excludes the impact of the loss on the settlement of bond-forward contracts and the pension adjustment that were reported in Q2 2011. Normalized EPS is $0.87 after 9 months.

Our target for funds from operations, which doesn't include acquisitions, is to be modestly higher than the $257 million dollars achieved in 2010. Currently, FFO on a year-to-date basis is $264 million dollars, which includes approximately $15 million dollars from the New England acquisitions. Excluding these acquisitions, comparable FFO is $249 million dollars.

The cash flow per share is to achieve results that are modestly at higher-than the $3.28 per share results in 2010. After 9 months, we are at $3.01 per share.

Finally our dividend coverage ratio target for 2011 is a modest improvement of the 2.1 times reported in 2010. Currently the dividend coverage ratio is 2.5 times on a year-to-date basis.

Overall, our 2011 financial targets are on track. I'll now turn it back to Randy.

RANDY MAH:
My apologies. We have a fire alarm going during this conference call so if we have to evacuate, I will send out an email to reschedule this call. So, Donovan, I'm not sure if you can hear me very well with the alarms going on?

OPERATOR:
Yeah, I can hear you fine.

RANDY MAH:
Ok, we'll continue the call unless we have to evacuate and then we will have to reschedule so, please proceed with the question and answer session.

Question and Answer Session

OPERATOR:
So, I'd just like to remind everyone, to ask a question please press "01" now. To withdraw your question, press the "#" sign. Our first question is from Linda Ezergailis from TD Newcrest. Please go ahead.

LINDA EZERGAILIS:
Thank you. Can you just maybe tighten the time frame when in 2013 you think the PDN wind project might be in service?

BRIAN VAASJO:
Brian here, good morning Linda.

LINDA EZERGAILIS:
Good morning.

BRIAN VAASJO:
The PDN project, what is in large measure pushing it off is whether or not we'll end up with an appeal on the regulatory process. And that's basically a 6 months difference as to whether an appeal would be heard or not. So, it will move us anywhere from a 6 to a 12-month delay with the original date being October of 2012. So, anywhere in that time range between March and October of 2013.

LINDA EZERGAILIS:
That's helpful, thank you. And, maybe you can also give an update on the sale of your hydro assets? Originally, you were expecting that would be completed by the end of 2011 with about a $80 million dollar price? How is that coming along?

BRIAN VAASJO:
So, there's a couple of aspects to that. We are continuing with various processes associated with the sale of those assets. We may well be able to announce where we are sometime over the next month or so. But, we are on track to be disposing of those assets.

LINDA EZEGAILIS:
That's very helpful. And just as a final follow-up. You're basically at your investing target for 2011; just $100 million shy. Can you just give us an update on what you're seeing in terms of a greenfield/brownfield acquisition opportunities and how that might unfold over the next year?

BRIAN VAASJO:
So, as we've been saying as we've progressed through the year, we certainly are seeing increasing competition for quality contracted assets and from a merchant standpoint and from an acquisition standpoint we don't really see a lot of opportunities in Alberta in the short term. When you look at the Northeast market, we're pretty satisfied with the position that we're in. Don't see that we would be acquiring any assets there, certainly, for the next year or so. When you look at what we're currently considering and what we might see happening, I think as we shared last quarter, there might be a relatively small acquisition opportunity that would have a significant contracted portion that might potentially happen between now and the end of the year. Next year, overall, don't see necessarily a lot of potential acquisition activity.

LINDA EZEGAILIS:
Great, thank you.

OPERATOR:
Ok, our next question is from Juan Plessis from Canacord Genuity. Please go ahead.

JUAN PLESSIS:
Great, thanks very much. And just a follow-up on Linda's question here. With regard to the potential acquisition this year, is that in reference to the one you had mentioned last quarter, somewhere in the range of $200 to 400 million dollar price tag on that?

BRIAN VAASJO:
Actually, I think we had commented that was somewhat of a maximum range. Generally speaking, you'd be looking at the lower end of the range in terms of what we are actively pursuing right now. In fact, it could potentially even be lower.

JUAN PLESSIS:
Ok, great. Thanks for that. And, with respect to the New England plants you lowered your 2011 EBITDA guidance (accounting for unrealized gains) by about $10 - $15 million dollars. Now, would this revised guidance be more reflective of what you're looking for going forward in 2012?

STUART LEE:
So, Juan, we haven't our finalized our 2012 budget at this point in time so we're still working through that. I do think that there will be some portion of the variance we've seen this year that will carry on into next year but there are other items for instance, the capacity payments that I noted in the slide deck. The lower capacity payments that we've seen this year - we would expect that to end in 2011 and not repeat itself in 2012, and that's been about a $3 million dollar negative variance year to date.

JUAN PLESSIS:
Ok. Thank you for that. And having operated the New England plants now for close to 6 months, has your overall view on the New England market changed over the medium term?

BRIAN VAASJO:
So certainly our view of the market as reflected in spark spreads and what I'll call the commodity elements, has not recovered as rapidly as we had expected. And, again, just to put it in context, we weren't expecting a quick recovery in the market. We were expecting a gradual recovery but that hasn't generally developed. Again, in lock step with the fact that the US economy in general hasn't recovered to the same degree that people had anticipated earlier this year. So that element certainly continues to impact on our view of the market in the shorter, and a little bit into the medium term. In terms of the assets that we acquired, in terms of the potential that we see in the medium to longer term and, certainly our belief in our ability to create some significant value with those assets, that remains unchanged. Continue to see that as being an excellent market, excellent dynamics, and what we're seeing is that the general recovery is just not as robust as we had originally thought it would be.

JUAN PLESSIS:
Ok, thanks for that, Brian. And, just if I can move on to your hedges in Alberta. At the end of Q2, you had about 80% of your portfolio hedged for the remainder of the year and now you have 70% at a modestly higher price. Can you tell us what's going on there? Did you have a higher proportion locked in Q3 or is there something else going on?

STUART LEE:
It was a slightly higher portion locked in Q3 and a little bit more open position coming into Q4.

JUAN PLESSIS:
Ok, great. And, I know you've increased your hedge position for 2012 a little bit. Can you tell us where prices are right now for 2012 and where you intend to be on your hedge position going into 2012?

STUART LEE:
If you look at the 2012 forwards they are in the low-$70 dollar range; $72-$73 dollar range and as we look at our hedge position for 2012 you'll see consistent with what we've done over the course of the last quarter; we'll continue to look at lengthening into additional and firming up our position heading into 2012. Certainly, we'll be within our overall risk limits that are monitored by the Board, but it'll get shaped based on pricing and specific periods of time and the desk is taking views with respect to specific quarters, months, and off-peak and on peak.

JUAN PLESSIS:
All right, thanks very much.

OPERATOR:
Ok, our next question is from Robert Kwan from RBC Capital Markets. Please go ahead.

ROBERT KWAN:
Great, good morning. Brian, you were talking about the acquisition market that it doesn't look like there is a lot out there and especially into 2012. I know you probably haven't set your capital deployment targets but should we expect you might be quite a bit less active on the project development and acquisition front in 2012?

BRIAN VAASJO:
In respect of our overall target for next - this year was a billion and a half - certainly, next year will be less. We haven't landed on our expectations but to be clear we do expect there will be a fair amount of assets in the market that will be potentially out there to purchase. Our view is that for real high quality contracted assets and with the financial players moving into that market, we don't believe we'll generally be very competitive. And, when you look at the merchant side in Alberta don't see a lot of opportunities and we're pretty satisfied with our position in the Northeast so don't see where we'd be pursuing many opportunities from that standpoint.

When you look at the development side, we have some significant longer-term developments that we're working on in a number of regions; the regions that we're focused on. So, we'll certainly continue to work those and may make some significant longer-term capital commitments associated with those kinds of activities. So, development will be strong; the M&A side will be, certainly, not nearly as active as we've been over the last year.

ROBERT KWAN:
Ok. So, just how are you thinking about the development side because, on one hand, the returns tend to be better than the acquisitions, but you don't have the quick turn to cash flow. And so when you're talking with your rating agencies and you're looking at your credit metrics and your funding position, what kind of a thought process on how aggressive you can be about pursuing new greenfield development?

BRIAN VAASJO:
So, it depends on the type of development. There are some wind opportunities potentially in front of us as well as on the solar side we see some significant opportunities in the US Southwest market. So, those ones have a relatively quick turnover of capital and from a credit metrics standpoint, their impacts can be relatively short-lived. For a longer term - say natural gas development and we do have a couple of those in the pipeline - you're absolutely right, it certainly does have an impact on credit metrics and certainly we would have to take that into consideration with our overall portfolio. Again, none of them would have significant impacts on capital spend in 2012 or even 2013. They're more longer-term traditional development projects.

ROBERT KWAN:
Ok. Maybe just a last question here. Just to wrap specific numbers around the guidance. You talked about the $1.40 minus the pension and the bond-forward and then you've got that $1.16 in the table. So, is the $1.16 what you're working towards or is it something a little bit higher because when we look at the pension and the bond-forward I didn't think it worked out to being almost $0.25.

STUART LEE:
Yeah, so, Robert, the $1.16 is really -- when we entered the year we'd given guidance to the $1.20. We've adjusted that for IFRS to $1.16 for our IFRS impacts. But the guidance we gave in Q2 remains for the balance

of the year where we expect to come in roughly at the $1.40 less the bond-forward impact and less the impact to the pension adjustment.

ROBERT KWAN:
So, if you take the bond-forward and the pension off, what specifically is the number you guys are working to?

STUART LEE:
It's in the range of about $1.25.

ROBERT KWAN:
$1.25? And, so, if you take off where you are off to date, you're basically looking at Q4 being very similar to Q3 yet that's Alberta power prices clearing it at almost $25 below the spot pricing in Q3? Is there something else other than just K3 coming on line that should keep things pretty similar?

STUART LEE:
One of the impacts is the fact that K3 only contributed in September and, had it actually been up and running in August, we would have had significant upside and part of the reason we've seen the positive impact on capital costs on Keephills is because of the tremendous August that facility had and the fact that the pre-COD revenue went against the capital costs. So, factoring in Keephills and an expectation of a little bit better performance out of New England, we would expect that we can hit that target.

ROBERT KWAN:
And that largely offsets the lower expected spot price plus the loss of CPILP in this quarter?

STUART LEE:
Correct, although CPILP, on an EPS basis doesn't really do anything significant for us.

ROBERT KWAN:
Ok. Ok, great. Thanks very much.

OPERATOR: Ok, there are currently no questions in the queue.

RANDY MAH:
Ok. We'll just wait a moment to see if anybody else wants to ask a question.

OPERATOR:
I'll just remind everyone to ask a question, please press "01". To withdraw your question, press the "#" sign. Ok, we do have a question here from Matthew Akman from Scotia Capital. Please go ahead.

MATTHEW AKMAN:
Thanks. Sorry for the late queue there. Quick question for Stuart and then maybe one for Brian if I could. Stuart, on depreciation, which is down $14 million year-over-year in the quarter, there is a note that relates to CPILP's assets and how those are held and recognized for depreciation purposes. I'm just wondering if there's an offset in revenues as well or is that just a pure benefit to earnings in the way that the accounting treats that depreciation of assets held for sale?

STUART LEE:
So, there's no offset in revenue, it's just really any of the assets held for sale there's no depreciation taken off them in the period. And, so it's only hitting the depreciation line.

MATTHEW AKMAN:
Ok, so to some extent when CPILP goes, you said it doesn't affect earnings one way or the other that much but to the extent that it's held for sale right now it's impacting in a positive manner because depreciation is lower but revenues haven't changed. Is that fair?

STUART LEE:
So, if you look at CPILP and you look at the amount that actually gets picked up. We're picking up for our shareholders, CPC shareholders, about 15% of CPILP. So, it's pretty insignificant at the end of the day.

MATTHEW AKMAN:
Ok, I'll circle back with you guys on detail but thanks for that answer. Can I ask a question on maintenance capital? I'm just a little bit confused about what the guidance is for maintenance capital this year. On page 11 you talk about capital expenditures for maintenance of CPLP are expected to be $71 million but then on the table on page 12, everything adds up to $98 million for CPLP so what is the right number to be using and what's the difference?

STUART LEE:
I'll have to take that one away, Matthew. I can get back to you on that.

MATTHEW AKMAN:
Ok.

STUART LEE:
So, I'll have to reconcile that.

MATTHEW AKMAN:
Ok. Thanks for that. Just one more for Brian. I'm just wondering, given that after a fairly short period you guys have had to review your forecast for the New England acquisition, does that give you pause at all in future on

kind of broader acquisition strategy and does it make you think at all that the acquisition strategy is possibly more challenging than you'd ideally like it to be?

BRIAN VAASJO:
When you look at the acquisition of those three assets, it established a very significant position for us in that market. The overall strategy is, as we said when we acquired them, was that they weren't going to be short-term significant contributors, although in the longer term we see, particularly 1,100 megawatts as being a huge, huge value creator in future years. The fact that the market hasn't come back, and again in lock step with the US economy, isn't suggesting to us that that the approach of acquiring assets at the bottom of the market with significant future upside isn't a good strategy. As we go forward as I indicated earlier, we look at acquisitions on a go-forward basis and, I'll say our appetite for them, we are satisfied pretty much with that position of 1,100 megawatts in the market for now.

Don't see opportunities happening in Alberta in the short term for fully contracted assets, we see that we wouldn't necessarily be competitive. If you look at the acquisition of Island Generation facilities; it's doing extremely well relative to our expectations. So, the market hasn't developed in the short term as we had anticipated. I don't think that short-term view necessarily has a significant impact on our view on acquisition strategy on a go-forward basis. Again, because of the market, we don't expect to be active now, too active over the next year or two but certainly, it'll come back to a time when acquiring significant assets at the bottom of the market will make a tremendous amount of sense.

MATTHEW AKMAN:
Ok. Thanks for those answers. That's all of my questions.

OPERATOR:
Our next question is from Paul Tan from Credit Suisse.

PAUL TAN:
Hi, good afternoon. My question is regarding the Alberta power market. With the startup of Keephills 3, how do you see it affecting the market, especially in terms of pricing going forward? And also, what are your views on Sundance 1 and 2? How do you factor them in to your forecast?

BRIAN VAASJO:
So, in respect of Keephills 3. The fact that it was anticipated certainly impact on forwards and the fact that it is generating power now is certainly reflected in the current forwards that Stuart had alluded to earlier. The fact that this year, the balance of the year, is in the low-$70s and next year is expected to be generally in the same range. So, that impact is already in the market.

In respect of Sundance 1 and 2; the general expectation as measured by the forward market is, generally, that those assets wouldn't be coming back in to service and we would certainly share that view with the market. Or, we don't necessary have a contrary view of what seems to be the general perception.

PAUL TAN:
Ok, thank you. And, last question would be, how are you seeing with regards to turbine prices? Are you continuing to see weakness in them? And, following after that one, if you are seeing decreasing costs, does that necessarily translate into better returns on the development projects that you are currently working on? Thank you.

BRIAN VAASJO:
So, with respect to the wind turbines, the price has been fluctuating a little bit, but generally over the last 18 months or so has been on a downward trend. Certainly, we believe, as we had locked in prices in respect of our turbines, we enjoyed some of that benefit. But, at points in times we did make contractual commitments which included pricing. Again, in those cases we think we're standing very well relative to where our budgets were and are satisfied with the pricing we have seen. We don't expect to see significant further dropping in the prices of turbines.

PAUL TAN:
Great. Thank you very much.

OPERATOR:
There are currently no further questions in the queue.

RANDY MAH:
Ok, if there are no further questions we will conclude our call. As a reminder, we are hosting our annual Investor Day event in Toronto on December 8 and more information on the event will be communicated in November. Thanks again for joining us today and for your interest in Capital Power Corporation. Have a good day everyone.

OPERATOR:
Ladies and Gentlemen, this concludes the Capital Power Corporations conference call to discuss the third quarter 2011 results. Thank you for your participation and have a nice day.

[TRANSMISSION CONCLUDED]