Capital Power
First Quarter 2016 Conference Call
April 25, 2016

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<u>**Conference Call Participants**</u>

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Robert Kwan
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Steven Paget
FirstEnergy Capital

Ben Pham
BMO Capital Markets

Patrick Kenny
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OPERATOR: Welcome to Capital Power's first quarter 2016 results conference call. At this time all participants are in listen-only mode. Following the presentation the conference call will be opened for questions. This conference call is being recorded today, April 25, 2016. 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 first quarter 2016 results, which were released earlier this morning. The financial results and the presentation slides for this conference call are posted on our website at capitalpower.com. We will start the call with opening comments from Brian Vaasjo, President and CEO, and Bryan DeNeve, Senior Vice President and CFO. After our opening remarks we will open up the lines to take your questions.

Before we start, I would like to remind listeners that certain statements about future events made on this conference call are forward-looking in nature and are based on certain assumptions and analysis made by the company. Actual results may differ materially from the company's expectations due to various material risks and uncertainties associated with our business. Please refer to the cautionary statement on forward-looking information on Slide #2.

In today's presentation we will be referring to various non-GAAP financial measures, as noted on Slide #3. These measures are not defined financial measures, according to GAAP, and do not have standardized meanings described by GAAP and, therefore, are unlikely to be comparable to similar measures used by other enterprises. Reconciliations of these non-GAAP financial measures can be found in the First Quarter 2016 MD&A. I will now turn the call over to Brian Vaasjo for his remarks starting on Slide #4.

BRIAN VAASJO: Thanks, Randy. I'll start off by reviewing our highlights for the first quarter. Capital Power delivered solid operating and financial performance in the first quarter that were in line with Management's expectations. This included achieving an average plant availability of 97%. On March 24th we terminated our buyer role under the Sundance C PPA. The impacts from the PPA termination resulted in an increase to our Alberta commercial hedge positions for 2017 to 2020, which is expected to produce positive impacts to Adjusted EBITDA. Bryan DeNeve will provide further details in his remarks.

For the Bloom Wind project, we have signed a ten-year agreement with a subsidiary of Allianz SE, the worldwide insurance and asset management group, for 100% of the output. Construction for the 178 megawatt project, located in Kansas, will begin in the third quarter of this year, with targeted completion in the third quarter of 2017.

For Genesee 4 and 5 project, we have delayed the Full Notice to Proceed decision to the fourth quarter of this year. The construction execution has been restructured and, should we elect to proceed under this revised plan, we would expect to achieve substantial completion of Genesee 4 in early 2020.

Turning to Slide 5, I want to provide an update on the Alberta Climate Leadership Plan. The Alberta government has appointed Mr. Terry Boston as a coal phase-out facilitator, to oversee the transition away from coal-fired generation by 2030. The facilitator is tasked with presenting options to the Alberta government that will strive to maintain the availability of Alberta's electricity grid, maintain stability of prices for consumers, and avoid unnecessarily stranding capital. The primary focus for the facilitator is on the six coal units that had an end of life beyond 2030 under the Federal Capital Stock Turnover regulations. For Capital Power, this impacts on our Genesee 1 and 2 units, and our 50% interest in Genesee 3 and Keephills 3. Initial meetings with Mr. Boston have taken place earlier this month and we remain optimistic that a fair and appropriate compensation outcome will be reached for our shareholders.

Moving to Slide 6, this slide summarizes the plant availability operating performance of our plants for the first quarter of 2016, compared to the same period a year ago. We had excellent operational performance in the first quarter, with average plant availability of 97%, compared to 98% in the first quarter of 2015. I'll now turn the call over to Bryan DeNeve.

BRYAN DENEVE: Thanks Brian. Starting on Slide 7, I would like to review our first quarter financial performance. We generated $109 million in Funds from Operations, and Normalized earnings per share of $0.33, that were in line with our expectations. Alberta power prices in the first quarter averaged $18/MWh, compared to $29/MWh in the first quarter of 2015. Despite this 38% year-over-year decline, our trading desk captured 189%

higher realized average price of $52/MWh on our Alberta commercial assets, versus the spot price of $18/MWh.

Turning to Slide 8, I'll review our first quarter financial results, compared to the first quarter of 2015. Revenues were $341 million, down 5% from first quarter 2015, primarily due to lower portfolio optimization revenues. The portfolio was fully hedged at an average realized price of $52/MWh, compared to an average realized price of $59 in the first quarter of last year. Adjusted EBITDA, before unrealized changes in fair values, was $128 million, up 10% from the first quarter of 2015, primarily due to the addition of K2 Wind, which began commercial operations in the second quarter of 2015. Normalized earnings per share of $0.33 increased 3%, compared to $0.32 a year ago. As mentioned, we generated Funds from Operations of $109 million in the first quarter, which were up slightly on a year-over-year basis.

On Slide 9, I'll discuss the impact of our Alberta baseload hedging profile, from the termination of the Sundance PPA. The recent decisions of Capital Power and other companies to return PPA's back to the Balancing Pool has resulted in a significant, albeit temporary, increase in liquidity in the forward market, which has in turn helped contribute to the increase in our baseload hedging profile. For example, the table on the slide shows our current Alberta commercial portfolio positions from 2017 to 2019. For 2017 and 2018, the table also shows what our hedge positions were at the end of 2015. For 2017, we're now fully hedged, compared to being 38% hedged at the end of 2015. The average contracted price of our fully hedged position is in the mid-$40/MWh range. In 2018, we are 50% hedged, compared to 9% at the end of 2015. The average contracted price for our hedges in 2018 is in the low-$50/MWh. And, for 2019, we are 34% hedged, at an average contracted price in the low-$50/MWh. So, you can see our baseload merchant exposure is fully hedged for this year and for 2017.

Turning to Slide 10, this slide show our financial coverage of our operating margin to our financial obligations and dividends. Financial obligations include: interest payments, sustaining capex, G&A expenses, and assumes dividend growth from 2016 to 2018. This graph shows that we've significantly firmed up our hedging position, relative to when we spoke to this at our Investor Day in December. As depicted in the bottom line of the chart, operating margin from our contracted facilities alone, excluding any merchant margins, covers close to 100% of our financial obligations and dividends in 2016, and fluctuates between 90 to 95% in 2017 to 2019. The three lines above the contracted margin line shows our coverage when you add the operating margins from our merchant facilities, at various price levels. For example, at a fixed $40/MWh price, from 2016 to 2019, the financial coverage is approximately 135% in 2016 and decreases to about 110% in 2019.

For illustrated purposes, we have also shown the financial coverage based on forward prices at the end of March 2016, and also at a $70/MWh price. This results in an even higher financial coverage ratio.

With respect to dividend stability and dividend growth, this is supported by the table on the slide. As our baseload positions are fully hedged in 2016 and 2017, there is no reliance on Alberta spot power prices to cover our financial obligations and dividends, including the dividend growth. In 2018, we would need a minimum of $20/MWh to cover our financial obligations and dividends, and that minimum price increases to $30/MWh in 2019. As you saw on the previous slide, forward prices for 2018 and 2019 are currently trading above $50/MWh. I'll now turn the call back to Brian Vaasjo.

BRIAN VAASJO: Thanks Bryan. The charts on Slide 11 show our first quarter operational and financial results, versus the 2016 annual targets. In the first quarter, average plant availability was 97%, which exceeded our 94% plant availability target for 2016. Our sustaining capex was $8 million versus the $65 million annual target. We reported $52 million in plant operating and maintenance expense versus the $200 to $220 million target. Finally, we generated $109 million in Funds from Operations in the first quarter, versus the $380 to $430 million annual target. Overall, we are on track to meet our 2016 annual operational and financial targets.

Turning to Slide 12, we have two development and construction growth targets in 2016. As mentioned, we worked with our partner, ENMAX, and our suppliers to restructure the construction execution of the Genesee 4 and 5 project. This has delayed the decision point for proceeding to the fourth quarter of 2016, resulted in modestly higher costs and risk. The project is also contingent on clarity with respect to the impact of decisions from the Climate Leadership Plan, and the appropriate price signals for the Alberta energy-only market.

On Slide 13, we also have growth targets outside of Alberta, which involves executing a contract for the output of a new development. As highlighted earlier, this has been achieved with our Bloom Wind project. Bloom Wind has a ten-year, fixed price contract covering 100% of the output. The cost for Bloom Wind is approximately $358 million in Canadian Dollars. Construction of the project is expected to start in the third quarter of this year, with commercial operations targeting one year later. In addition to Bloom Wind, we are also actively bidding into RFPs for other US wind projects. I'll now turn the call back over to Randy.

RANDY MAH: Thanks Brian. Mike, we're ready to start the Q&A.

QUESTION AND ANSWER SESSION

OPERATOR: All right. To remind anyone, for questions please press '01' on your keypad. Ok, just give us a few moments while everyone is queuing up. Okay, the first question comes from Linda Ezergailis. Please go ahead.

LINDA EZERGAILIS: Thank you. I have some questions around Bloom. I'm wondering if you could provide us with some parameters around the economics; whether it be power price utilization, your expected returns, et cetera?

BRYAN DENEVE: Yes. So, for the Bloom project, the project itself is expected to meet our target returns. We look at the project, primarily on a contracted basis; but also post-PPA we build in higher returns from a merchant perspective, where we face some re-contracting risk. The projected EBITDA during the next ten years is approximately $9 million per year Canadian. That could vary slightly, up or down, depending on the final commercial terms we have in place with a tax equity investor. At the end of the PPA period, we expect that the EBITDA will increase to the range of $23 million Canadian per year.

LINDA EZERGAILIS: Ok, thank you. And, just some more details around the financing with the tax equity?

BRYAN DENEVE: No, at this point those details are still under discussion and negotiations, so the actual final agreements with the tax equity investor will be negotiated and put in place closer to COD.

LINDA EZERGAILIS: Ok, thank you. And just a follow-up on G4 & 5. Can you talk a little bit about what the additional risks, incremental risks are? And what's bringing the cost a little bit higher? If you can talk about quantity as well, that'd be helpful.

BRIAN VAASJO: Sure, Linda. Those are relatively modest. In terms of costs, they are the normal, kind of, escalations associated with supply contracts. So, nothing dramatic at all from that perspective. And, in respect of risk, as we indicate, the project has been restructured, which means, you're undertaking a lot more activity in a shorter period of time. So that brings on just additional complexity, risk, where you have higher paid number of people on site, working on multiple construction phases, execution risk associated with just a higher level of activity taking place at the site, over a shorter period of time.

LINDA EZERGAILIS: Thank you. And is there an option, potentially, with your suppliers and partners to delay a little bit further, if necessary? Or, do you expect this to be, kind of a hard stop to decide by the end of this year?

BRIAN VAASJO: Well, we can always delay the project and have the flexibility to delay the project so that its completion date changes. The target here is to continue, and we've been compressing the time frame such that we can have the same general completion date. But, within our contracts there is the ability to move the project further along but for later completion dates.

LINDA EZERGAILIS: Great. Thank you.

OPERATOR: All right. Next question comes from Jeremy Rosenfield from Industrial Alliance. Please go ahead.

JEREMY ROSENFIELD: Yes, thank you. Good morning. Just a couple of questions. In terms of the hedging, to start off, by turning back over the PPA for Sundance, what is the hedge position now for the remainder of 2016, if you could just, sort of elaborate on that? And what your strategy is for the rest of the year? Have you brought the hedge positions down to 100% of the remaining baseload capacity?

BRYAN DENEVE: Yes, so with the termination of the Sundance C PPA, that's removed about 350 MWs of length in our position. Now, as you mentioned, we were hedged about 100% of our baseload. So, we still have our peaking assets, which include the Clover Bar Energy Centre and our share of the Joffre facility, which cover the majority of that length that we've reduced. So, at this point in time, we would have greater than 100% of our baseload position hedged and we're managing that position as we move forward.

JEREMY ROSENFIELD: So, just to be clear, when you say you're managing as you move forward, you're going to look and see in the market and weigh whether it's worthwhile offloading some of that, compared to potentially generating power, not from the baseload portion of your portfolio? If I understand correctly?

BRYAN DENEVE: That's exactly right.

JEREMY ROSENFIELD: Ok, I just wanted to be clear on that.

BRYAN DENEVE: Yes.

JEREMY ROSENFIELD: I mean —just from a strategy perspective, previously, in periods of market volatility there's a risk associated with that. And here, obviously, I think the pricing is not very volatile. So, just to make sure that your interpretation is that volatility should remain relatively low, going forward, and so you're not uncomfortable holding the gas-fired assets to backstop the PPA position, or the hedge position, I should say?

BRYAN DENEVE: That's correct. So very healthy. Our generating units are operating very well this year. But the other key factor, of course, is that with the PPA—majority of the PPAs going back to the Balancing Pool, we're not seeing a lot of strategic bidding that we saw previously. So that's also had a downward impact on volatility.

JEREMY ROSENFIELD: Ok. Maybe if I could just ask a second question on the negotiations that are ongoing? I think the first question is, basically, are you allowed to say anything on—in terms of adding some transparency or visibility? And/or is it, maybe, just too early and we have to just hold on?

BRIAN VAASJO: So, I would say all of the above. It is obviously very early in the process. Secondly, from the standpoint, as you've characterized as negotiations, it's not really appropriate to discuss that in public, in the positioning. And, certainly, there's an expectation that parties will keep negotiations and discussions or not be public in those discussions. So, I wouldn't expect that you'd hear necessarily a lot from any of the parties involved for a period of time.

JEREMY ROSENFIELD: Ok. Those are my questions for the moment. Thanks.

OPERATOR: All right. Next, we have a question from Andrew Kuske from Credit Suisse. Please go ahead.

ANDREW KUSKE: Thank you, good morning. I guess the question is for Brian. And, if we look at any market, no matter what the market is, market confidence is really underpinning any kind of functional market dynamic. And, I guess, just the question is – in the current market context in Alberta, where quite a few PPAs returned back to the Balancing Pool, does that really speak to the lack of market confidence in the market structure and there is a real need for fundamental market change?

BRIAN VAASJO: So, the answer to that is clearly no. And, from our perspective, and it's trying to take these moving pieces and putting them into context. So, firstly, there's the backdrop of what's happening with the Climate Leadership Plan. And, certainly, the indications we've had thus far is the incorporation of renewables and the commitment of the government that's been stated over and over that they want to maintain and see a healthy energy-only market. All actions seem to be confirming that. And, then, you look at the issue around compensation. Again, we expect a positive outcome from that.

Then it gets to the particulars of the market price today and the economics, and recognizing that the PPAs were twenty-year construct and near the end of their life; contractual provisions have kicked in that allow those contracts to be pushed back to the Balancing Pool, which is a reflection of economics, not a reflection of market fundamentals. And, as you move forward to 2020, 2021, and those time periods, as I think almost everybody's expectations are that you'll see very robust prices reflecting certainly the first wave of coal retirements and the need for new generation in the province.

And again, looking at it from a fundamental perspective; our view is when you look at the series of retirements that are going to be taking place, some sooner rather than later, but certainly through to the end of 2030 – it actually is reflective of a very, very dramatic in our market, as opposed to something that would create a negative perception, from a market fundamental perspective. We expect that, when we get through this current uncertainty, you'll see a very fundamentally sound market. Although, as is indicative of an energy-only market, with low natural gas prices and a short-term overhanging supply you have low prices. So we continue to be very bullish on the market fundamentals.

ANDREW KUSKE: So, I appreciate that. And, maybe as a follow up, is it fair to say and, maybe, to characterize, given baseball season just started – you've got some single hits for capital allocation with wind projects in the US, if you can win PPAs? And then, maybe the home run prize is in your core market in Alberta, with re-powering initiatives with G4 and G5, on a longer-term basis?

BRIAN VAASJO: So certainly, the visibility that we see today is on those natural gas opportunities, as well as renewable opportunities here in the province. But, in addition to that, we're seeing again, significant renewable opportunities in the US. But we're also starting to see some, and plan on participating in, some natural gas, fully contracted natural gas builds in the US, as well. We're hoping to hit home runs from both Alberta and elsewhere in North America.

ANDREW KUSKE: Ok, that's great colour; appreciate that. Thank you.

OPERATOR: All right. Next we have a question from Robert Kwan from RBC Capital Markets. Please go ahead.

ROBERT KWAN: Good morning. When I just look at the hedge position, with Sun C dropping off, I'm just wondering, is it, because we're just so early in the year, why you're not more bullish on your 2016 FFO outlook, given you've dropped off a very high, or high-cost PPA and spot is quite a bit lower?

BRYAN DENEVE: In terms of the implications of the Sundance C PPA, certainly it varies month to month. Current forwards are showing some strengthening in pricing in Alberta during the summer months. So, certainly the benefits are less during those months. But, we've taken into account the implications on our Funds from Operations and EBITDA in our Q1 forecast.

ROBERT KWAN: Ok. So your comments are really based on where the forward strip is right now, rather than what we're seeing prevailing in the spot market?

BRYAN DENEVE: Yeah, we typically look at forward prices when we put together our Q1 forecast. But certainly, we also have our own view of fundamental prices that are driving our trading decisions.

ROBERT KWAN: Got it, ok.

BRYAN DENEVE: So, certainly, those are two different prices.

ROBERT KWAN: Ok. Just turning to the NCIB – how are you viewing this? Is it more something that you're looking at having put in place for tactical purposes? Or do you plan to methodically use it at the current level of the share price and just, kind of, things to be thinking? How do you look at just the uncertainty, how Alberta unfolds, your credit rating? And then, although it's probably less likely, but the potential for G1 and G2 PPAs to be turned back to you?

BRYAN DENEVE: Yeah, we've put in place the NCIB. Certainly we think that's one of the tools we want to have available to us, for potential capital allocation. As we've mentioned before, our primary allocation is towards our growth opportunities. So with Bloom underway, that's where our discretionary cash flow will primarily be directed. Certainly, as we see things unfold, we would expect, if we see the right things unfolding with the implementation of the Climate Leadership Plan, that G4 will be underway by the end of this year. So that'll also be one of our priority places to put capital. So, certainly, we need to look at that. And then, in the context of; is there going to be any potential changes in our discretionary cash flow, either from the compensation decision or other potential changes in the market? Or, if something happens and G4 does get pushed out. So, again, it's to maintain that flexibility to utilize our capital in the most value-added way, depending on how things unfold.

ROBERT KWAN: Ok, that's great. If I can just ask one more question around Slide 10 and the contracted—or, the dividend and the financial charge coverage? Is the $40/MWh – just want to confirm that that's a gross price and not net of carbon? And the other question being: what's driving a much greater wedge between that line and the contracted margin, versus what you put forward at Investor Day?

BRYAN DENEVE: So, the prices there, the merchant, the $40/MWh price – that would be the all-in pool price. So it's not net of any carbon taxes.

ROBERT KWAN: Ok. And then, just, why is the wedge significantly wider for 2019 versus what you had in Investor Day?

BRYAN DENEVE: For 2019 – I don't think we showed 2019 at Investor Day.

ROBERT KWAN: Ok. Even the '18 amount is significantly wider. Sorry Bryan, got the years mixed up.

BRYAN DENEVE: 2018?

ROBERT KWAN: Yeah, 2018. The lines were almost on top of each other and there's a very significant wedge.

BRYAN DENEVE: Oh, between the forward line and the merchant $40 line?

ROBERT KWAN: No, the $40 line and the contracted margin line.

BRYAN DENEVE: Ok.

ROBERT KWAN: Because I assume the higher hedging in 2018 would already be in the contracted line.

BRYAN DENEVE: So as we've hedged more, in 2018 we're now 50% hedged. And we've hedged at prices that are above the $40. So, what that means is that line lifts if we are able to sell the balance of length at $40.

ROBERT KWAN: But you've hedged a higher amount, so shouldn't the contracted margin line have risen as well?

BRYAN DENEVE: The lower line?

ROBERT KWAN: Yes.

BRYAN DENEVE: No, the lower line only includes what we have under long-term tolling arrangements. It does not include any of our hedging of our merchant lengths in the Alberta market.

ROBERT KWAN: Got it, understood. Thank you.

OPERATOR: All right. And, next we have a question from Steven Paget, from First Energy Capital. Please go ahead.

STEVEN PAGET: Thank you and good morning. If the Alberta government simply retires coal and allows the market to take care of everything else, the market would probably tend to use more gas-fired power. So, how do you think the government might induce the addition of renewables? Do you think there could be a renewable portfolio standard for end-use consumers?

BRIAN VAASJO: So, what the approach that the government is taking, and they announced that last November, and the direction by the Deputy Minister of Energy to the AESO, was to develop a program that was, basically, inducing participants in the renewable market by basically providing them a top-up. And that being, there will be for example, at the end of this year an expectation that there'll be a call for additional renewable energy in the province. And the bidding process will be; how much do you need from the government to move forward with your project on, basically, a REC basis. So, we'll be competitive at the generation level, and do not, and the government has not, and we don't anticipate we'll be setting a renewable energy standard.

STEVEN PAGET: Thank you. In 2016, with the put-back of the Sundance C PPA, it seems to me you'd be long, about 2 terawatt hours of contracts without backup generation. Is it at all possible you can make this up with your peaking un-contracted generation in the province? Or will you need to buy more power? And, if you need to buy more power, why not buy it now at low prices?

BRYAN DENEVE: I think that's a good characterization. So certainly, there are periods of time where we won't be able to fully back our position with our peaking assets. Our decision, whether to buy back that power now, all depends on our view of fundamental prices versus forward prices.

STEVEN PAGET: What do you think of the spread between the two right now?

BRYAN DENEVE: That's information that we don't share publically.

STEVEN PAGET: Very well. Thank you, gentlemen and good morning.

OPERATOR: All right. Next we have a question from Ben Pham from BMO Capital Markets. Please go ahead.

BEN PHAM: Ok, thanks. Good morning. A couple of clarification questions. Are you still committed to your dividend growth targets you highlighted last quarter?

BRIAN VAASJO: So, I think, Ben, very much the way we talked about it at Investor Day – our dividend growth and dividend expectations are based on our contracted cash flow and relative to what our obligations are. And I think, as Bryan went through the slide and demonstrated that, in fact, that positioning is stronger than it was back during Investor Day. So, our position hasn't changed.

BEN PHAM: Ok. And are you prioritizing that over share buy backs?

BRIAN VAASJO: Yes.

BEN PHAM: Ok. And, then just on your—had a couple questions on—or a couple commentaries you guys had on the hedges for '16. Did you guys say that you bought back some hedges with the Sundance PPA termination and production rolling off?

BRYAN DENEVE: No, I don't think we've commented either way on that. I think what we've said is that by no longer having the Sundance C PPA, that's reduced our length and we're making decisions on whether to buy back that length, depending on our view of fundamental prices versus forward prices in the market.

BEN PHAM: Ok. And then, you also mentioned you backstopped some of that with your gas-fired peakers. But when you include your expected production from that, it's reasonable to assume you would still buy some from some spot, the residual?

BRYAN DENEVE: Yes, in some periods. Yup.

BEN PHAM: Ok, and do you guys hedge any of the gas pricing at all? With AECO being pretty weak – to lock in the spark spread?

BRYAN DENEVE: Yes, and, again, it's a similar case where we look at our fundamental view of gas versus where forwards are. And, if there's—we may take a position on whether to lock in the gas, depending on potential value creation opportunities.

BEN PHAM: Ok. So you haven't hedged anything but that's something that you would consider.

BRYAN DENEVE: No, I didn't say that. I just said that we'll hedge, depending on where we see value in hedging versus not.

BEN PHAM: Ok.

BRYAN DENEVE: So, we certainly, I can't obviously disclose what we have hedged, given the competitive nature of the market, but we make those decisions, again, on our fundamental view versus where the market is trading at.

BEN PHAM: Ok. That's it for me. Thanks for taking my questions.

OPERATOR: All right. And the last question we have in the queue at this time comes from Patrick Kenny from National Bank Financial. Please go ahead.

PATRICK KENNY: Good morning, guys. Just on the Sundance PPAs being turned back. Can you just confirm whether or not these are being challenged by the government at all? Or are these terminations a done deal, from a legal perspective?

BRIAN VAASJO: Given that the government is considering the PPAs and looking at the situation, and they've made public comments on, conducting legal reviews and so on and so forth. So, under the circumstances, wouldn't be appropriate for us to comment on that, other than to say, we are pretty comfortable with our right to be able to, under these circumstances, to put the PPA back to the Balancing Pool.

PATRICK KENNY: Ok. And then, I know it's still early days in your discussions with Mr. Boston, but wondering if there's been any change, perhaps, in your views on potentially converting some of your coal plants to gas-fired, as part of your overall compensation package?

BRIAN VAASJO: So, I'll comment outside of that process. Obviously, we continue to look at different ways in which our plants can have a life beyond 2030, or part, or all of those facilities. So that is ongoing work. And, to use a government term, that does minimize stranded capital. So, we're doing a lot of that work on our own.

PATRICK KENNY: Ok. Great, thanks guys. That's all I had.

OPERATOR: All right. And we currently don't have any other questions in the queue.

RANDY MAH: Ok, if there are no more further questions we will conclude our conference call. Thank you for joining us today and for your interest in Capital Power. Have a good day everyone.

OPERATOR: Ladies and gentlemen, this concludes Capital Power's first quarter 2016 conference call. Thank you for your participation and have a nice day.

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