



AltaGas Income Trust

Investor Day Transcription

Date: Thursday, September 17, 2009

Time: 1:30 PM EST

Speakers: **Sheena McKellar**
Senior Analyst, Investor Relations

Mr. David Cornhill
President and Chief Executive Officer

Mr. Richard Alexander
President and Chief Operating Officer

Mr. Jim Bracken
Senior Vice President - Major Projects

Ms. Debbie Stein
Vice President Finance and Chief Financial Officer

SHEENA MCKELLAR:

Good afternoon, everybody. We'll get started now.

Welcome to AltaGas' Fourth Investor Day here in Toronto. Thank you to everyone who's joined us here in the room and also to everyone who is joining us on the webcast.

For those of you I haven't met, my name is Sheena McKellar. I work in investor relations at AltaGas. Before we begin, I'd like to take a minute to thank Jenny-Lee and Samantha, who have come up from our Burlington office to help out with registration. When you registered, you should have received a presentation package that has all of the slides from today's presentations and also bios for all of our executives, including those who are presenting today.

This afternoon's presentation will begin with David Cornhill, our Chairman and Chief Executive Officer, who will provide an overview of AltaGas' strategy. Richard Alexander, our President and Chief Operating Officer will then speak to you about our stable infrastructure business and provide some details on the growth projects that we're working on.

We'll have a short break after that and then Jim Bracken will speak to Bear Mountain, our first wind park, in British Columbia. And Debbie Stein will wrap everything up with a financing strategy discussion.

After each presentation, we'll take a couple of minutes for the immediate questions. And then at the conclusion, we should have some time to do any wrap up questions that you might still have. We're hoping we'll wrap everything up by around four o'clock, and then we'll have a brief reception and we'd be very happy if you could stay and meet with us for a few minutes.

Just before we start, I'd like to take a minute to introduce the other members of management who are here, but aren't speaking. We have Max Fantuz, our Executive Vice President and also Randy Toone, the Divisional Vice President of Field Gathering and Processing.

And just a couple of administrative issues. We are being webcast live today, so when you have a question, please raise your hand. I will come around with the microphone and if you could please provide your name and organization before asking your question that would be helpful. Exits are at the end of the room, in the event of any type of emergency, exit out of either door and there are well marked signs to leave the conference site.

And lastly, before I turn things over, I'd like to draw your attention to the forward-looking statements on page one of your presentation booklets and remind you that certain information presented today may constitute forward-looking statements with respect to AltaGas Income Trust. Such statements reflect AltaGas' current expectations, estimates, projections and assumptions. These forward-looking statements are not guarantees of future performance and are subject to certain risks, which could cause actual performance and financial results to vary materially from those contemplated in the forward-looking statements. For any additional information on this, please see the risk factor section of our annual information form.

And with that, I'm very pleased to introduce Mr. David Cornhill, our Chairman and Chief Executive Officer.

DAVID CORNHILL:

Thank you, everyone. I was hoping that we'd put name tags out so that I could ask the questions and be a professor here, it reminds me of school. I was just at the Ivy School not too long ago. Not as a student...

Thank you for joining us for our fourth annual investor conference, for those attending in person here in Toronto and those of you in the webcast audience.

We are a leading energy infrastructure company. Over 15 years, we have built a diverse asset base of natural gas and power infrastructure, which today totals \$2.3 billion and provides a long-term stable cash flow.

Our geographic focus is Canada and the northern and western United States, as you can see on this map. These are the areas that we operating in or where we are pursuing development opportunities.

We have a significant number of exciting real growth projects in the works. Based on our projects currently under development, we are pursuing approximately \$2 billion in projects over the next five to seven years, including the Harmattan Co-Stream, gas processing opportunities in northwest Alberta and northeast BC, the Michigan gas storage facility in the Lower Peninsula and wind and run-of-river power projects.

Despite the current challenging economic environment, our stable base business positions us well for continued strong performance. In 2009, we have planned capital expenditures of \$300 million for construction of the Bear Mountain Wind Park and development of other renewable energy projects as well as optimizing our existing infrastructure. Due to our stable revenue and disciplined risk management, we expect solid results for both our gas and power business.

In 2010, we estimate capital expenditures at \$200 million. We are pursuing projects like Co-Streaming at our Harmattan Complex to significantly increase our extraction production. We are expecting strong results in 2010, due to the stability of our business, our power and frac hedges in place and the incremental cash flow for new assets like Bear Mountain.

Beyond 2010, our solid base business provides stability while real growth projects like Forrest Kerr, Walker Ridge, will add long-term cash flow and strong returns to investors.

It may seem like we're pursuing more power business growth. This is mainly because of the lead time involved in the large power infrastructure projects. We see similar dollar value in gas projects that are in the works, but because of the shorter development time lines and the confidentiality, there is less visibility for these projects.

The growth we're pursuing targets specific goals. In the gas business, our goals are:

- To grow extraction volumes through projects like Harmattan Co-Streaming;
- We are changing our Field Gathering Processing business to be more successful by increasing average size of facility and increasing the amount of operating costs that flow through to our customers. We are working with producers to expand existing and build new facilities to meet their needs;

- Our Sarnia storage asset is in service, having been completed on time and under budget and we are pursuing additional gas storage opportunities of significant size;
- The expected acquisition of AltaGas Utility Group Inc. will bring rate regulated revenues back to our business and we'll pursue further growth in this business line.

The Harmattan Co-Stream project is a great project, expected to grow AltaGas' extraction business and significantly increase the utilization of our Harmattan Complex.

Currently, liquid-rich gas leaves Alberta as the Cochrane Straddle plant does not have sufficient capacity to meet demand. We have existing spare capacity of 250 million cubic feet per day at the Harmattan Complex. This project will see AltaGas process rich, sweet natural gas from the western Alberta system to recover ethane and NGLs.

We are very optimistic about this project and believe it will receive regulatory approval. It is consistent with our strategy to optimize existing assets and allow processing options to shippers on the western system.

The MOU we signed with Nova Chemical in July is a testament to the strong industry support that exists for our project. Additionally, the project meets requirements indicated by the ERCB in its NGL Inquiry ruling. It utilizes existing unused capacity, it creates a source of competition and it supports the Alberta government's incremental ethane policy.

Depending on the timing of the regulatory approval, the project could be in service in late 2010 and will add significantly to cash flow and it is underpinned by a long-term cost of service contract.

We have seen a number of field gathering and processing opportunities in northwest Alberta and northeast BC. We're working on a number of large projects with tier one producers and our key focus is in northeast BC and northwest Alberta, such as the Montney play. Rick will spend more time expanding this in his presentation.

Gas storage initiatives: we are developing a sizeable gas storage pool in northern Michigan, where we are working with a major storage player who will provide operatorship to this. We are taking the lead in the development of this project, though. We still see this project going forward, and targeting an on-stream date of 2012.

Finally, in August, we announced the offer to acquire outstanding shares of AltaGas Utility Group. The bid is open until October 7, 2009. We believe the utility assets are an excellent strategic fit for AltaGas. I've said many times, we wouldn't have rolled it out if I knew Flaherty was going to change his tax rules on trusts. And we see it as a great asset. The acquisition strengthens and diversifies our gas business with long-life, stable, regulated revenues.

I'll talk a little bit about the focus on our power business. Through strategic acquisitions, we've accumulated a diverse and attractive portfolio of renewable energy projects that we are focused on over the next five years. Our strategy is to use renewable energy projects to expand our power business and ensure its long-term sustainability, while reducing our emission intensity. These projects also provide opportunities to diversify our asset base by geography and fuel source.

We are currently pursuing run-of-river and wind development projects. These will provide clean energy to consumers in return for stable cash flow and secure long-term contracts.

We are subject to the same technical permitting and contractual challenges faced by all developers. We're pursuing the projects that work for us and a good balance between risk and reward. Based on the latest assessment of these prospects, our five-year plan assumes approximately 600 megawatts of our development portfolio is developed by 2015.

Today our power portfolio is conventional and based in Alberta. In the future, we plan to have a portfolio diversified by fuel source, geography and contract type. Our strategy is to grow our power business, while reducing the overall emissions intensity. Over time, we'll supplement our existing generation with clean and renewable sources of power, such as wind, run-of-river hydro, geothermal and gas-fired generation.

Our expansion into renewables is driven by the market demand for clean energy. As we continue to build and develop our portfolio of renewable projects, our emission intensity will decline until 2020. At this point, our power portfolio will be composed of clean energy sources.

Consumer and government are demanding clean sources to meet the energy requirements and we are meeting the demands with projects like Bear Mountain wind power.

These are some of the peakers at our Bantry facility. Currently we have 39 megawatts of gas-fired peaking in Alberta. We are looking to add further capacity, for instance 13 megawatts of gas-fired cogeneration at our Harmattan Complex that Rick will discuss in more detail. This opportunity will increase AltaGas' gas fired generation by almost one-third and provide power for Harmattan and excess will be sold into the grid.

This is my favorite picture to see and a long time coming. We spent a lot of time talking about this and it's nice to see blades on the turbines.

Bear Mountain Wind Park is our largest construction project to date. Our team's done an excellent job and we're very proud of the project. This is an example of AltaGas' ability to develop, manage and deliver a complex infrastructure project.

The 102-megawatt wind park is the first to deliver wind power to the British Columbia power grid. It began delivering wind power to BC grid on July 21st. Today 11 of the 34 turbines are fully operational and delivering power into the grid. And I understand that we have many more that are ready to go -- Jim will tell all the details, I won't steal his thunder.

The wind park is progressing as scheduled and expected to be fully operational this November. We have met all the environmental commitments to date, including the environmental assessment certificate and we have strong community and government support for the project.

The Bear Mountain project is underpinned by 25-year contracts with BC Hydro. We expect it to add approximately \$18 million EBITDA in the first full year based on the wind park being fully in service.

Bear Mountain meets our power business strategic focus. It adds renewable wind energy in a unique geographical location and long-term contract to our power portfolio.

Our other wind development portfolios include approximately 1,500 megawatts of project that are geographically dispersed in western Canada and the western United States. These projects are in various stages of development. Many of these projects are located in California or Nevada, markets which have favorable regulatory, high emission standards and strong consumer support for clean power. California has the most aggressive renewable portfolio standards in the United States, requiring utilities to have 20 percent of power generation from renewable sources in 2010 is increasing to one-third by 2020.

A brief update on some of these projects that are well advanced. The Walker Ridge wind development is located in northern California. Project capacity will be around 70 megawatts. The project has great transmission access and it's located near major load - San Francisco.

In August, we submitted bids into renewable RFP for both Pacific Gas and Electric (PG&E) out of San Francisco and San Diego Gas and Electric (SDG&E) and expect to hear back in October.

The project is well advanced and we estimate the in-service date could be December 2012. We are currently proceeding with the environment and land permitting process as well as working on turbine selections. With five years of wind data, we are confident in the wind resource.

The Glen Ridge wind development is located in southeast Alberta, about 10 kilometers north of Medicine Hat. The project includes a secured land package of approximately 17,000 acres. The first phase of the project would be approximately 100 megawatts, with the potential to expand further at a later date.

There's a proven wind source in the area with existing operating wind development. We have three met towers in the area, collecting data for over two years and there's significant data of wind edge that's off site as well. Once in service, the project will provide green credits to offset compliance costs associated with the Sundance, our purchase arrangement.

Finally, the Rough Rider is a wind development project located in North Dakota. The project holds easements for approximately 27,000 acres on private land. Phase I of the development is targeted to be about 90 megawatts and it has the potential for an incremental expansion of about 100 megawatts. We have three met towers on site and have been collecting data for three years.

The environmental impact studies are complete and if we expand the project, we'll have to do additional work on additional turbines for the layout. AltaGas recently entered an agreement with the Western Area Power Administration to undertake interconnected system, interconnection system impacts assessment, which will help advance this project. The project could be operational date by mid-2012.

I'll talk a little bit about run-of-river. We have ten run-of-river developments in British Columbia for a total of 400 megawatts. As you see on the map, six are located in the southern BC and four in northwestern BC.

Five of these projects total 295 megawatts, are well advanced and are included in our strategic plan. These include three projects totaling 275 megawatts in the northwest BC, which were bid into the BC Hydro call in November of 2008 and as well as two projects we're working on detailed plans right now for 20 megawatts in southern BC with an existing 40-year energy purchase arrangement in place.

The BC Hydro call process has been delayed, but it's clear from numerous public statements that the British Columbia government intends to continue to support the development of high quality renewable projects. AltaGas believes our northwest BC projects are among the most attractive in the province.

I want to talk a little bit more about Forrest Kerr, which is located in northwest BC. Forrest Kerr is one of the largest single site run-of-river projects in North America. Last year, an updated feasibility study was completed by Hatch, a leading engineering firm. The study determined the design and confirmed the economics of 195 megawatt project.

The Forrest Kerr resources have been studied extensively by BC Hydro, and has over 40-years of hydrology data to draw from. The project has a high capacity factor and the cost per megawatt is expected to be very competitive relative to other successful IPPs. The site is established with roads and construction lay-down areas in place. We are now working to get this project shovel ready for mid-2010.

I'd like to vary a little bit from my prepared notes. I want to talk a little bit about an announcement yesterday. The BC provincial government has been advancing steadily plans for a new 278-kilovolt transmission line in northern BC. And this is right along the area of our development of our hydro projects.

The Northwest Transmission Line, or NTL, would extend approximately 335 kilometers from Terrace to south of Bob Quinn in the north. Bob Quinn is roughly 40 kilometers from AltaGas' Forrest Kerr project.

As you may have heard yesterday, Prime Minister Harper announced that the federal government funding for the NTL. The federal government, under the Green Infrastructure Fund, has set aside up to \$130 million for the project, which will promote the development and use of green sustainable energy in the area.

The NTL is expected to be ready for construction in mid-spring next year. In addition, to federal and provincial government support, the NTL has broad support from the local government, First Nations and various resource and green energy interests.

The NTL enhances transmission infrastructure support in the northwest British Columbia project and we view the announcement regarding federal funding and accelerated provincial commitment to the NTL as quite favorable to our projects. Given this, we are prepared to work cooperatively with the BC government to support the NTL development.

Talking about geothermal, as you know, we have a small interest in a geothermal company. We're going to continue to study geothermal. It fits our general focus and strategy provides long-term stable cash flow, long-life assets and would expand our power portfolio of renewable energy. Geothermal is reliable, renewable and we think will be very competitive on a cost basis.

It provides 24-hour baseload energy, which makes it an excellent source for utilities and they love geothermal. It is also a global energy source with existing production installed in 76 countries. Geothermal plants have minimal environmental impact once built and have long operating life and consistent, predictable cash flow.

We have invested in Magma. It's a public company focused on exploration, development, operations of geothermal projects. We're using this to understand and study the business to determine whether we want to put additional resources there.

We are pursuing \$2 billion of real growth projects. We see significant growth in both our gas and power business that's coming over the next five years. We have a strong base business to build from, solid gas and power business underpinned by long arrangements and low-risk, high-quality assets.

We expect to deliver strong investment returns for share appreciation, that's for next year, and a strong dividend. We expect to convert to a dividend paying corporation in the second half of 2010. The conversion to the corporate structure makes the most sense for our business and our investors. We will continue to implement our growth strategy, while seeking to provide investors with the balance of income and growth.

We expect to pay a dividend in the range of \$1.10 to \$1.40 per share on an annual basis. Until conversion, we would expect to continue -- we will -- the lawyer is behind me -- we will continue to pay a monthly distribution of \$0.18 per unit.

A little bit about how we see the financing going forward. We're working to deliver our \$2 billion growth through internal cash sources and debt -- working hard for no new equity for these projects. We expect the financing to grow through free cash flow, with new assets coming on-stream. As they come on-stream, we also see very low cash taxes. We have significant pools, about \$1.2 billion, at the end of next year, and also through our corporate dividend.

We expect to also see, with our corporate structure, have the ability to increase the amount of debt that's proven to be investment grade on our balance sheet. And we will work with strategic partners on some projects like Michigan Storage - we're working with a strategic partner - as well potentially, some renewable power projects.

And I will now pass it on to Rick for a more detailed discussion of business operations.

I guess questions, first.

NIMA BILLOU, BLOOM INVESTMENT COUNSEL:

How do you decide, with respect to the power performance, I mean, given certain geographies, you're dealing with the municipalities, you're dealing with local government and sort of the grid? For instance, California, it's sort of a basket case right now. But how do you decide to protect against your partner risk? When you want to enter a new territory, what makes it attractive?

DAVID CORNHILL:

When we look at partners, what we're looking for is to augment our capability.

In terms of wind projects, the key that we're focused on is transmission. First transmission, then you find wind around transmission, because that's the key for the development of those projects. Having great wind and no transmission: it's hard right now to go the other way.

For instance, I'll use the Michigan Storage; we're dealing with a key operator of gas storage in the Midwest. They provide operational flexibility that we, as a stand alone operator, couldn't do.

So we're looking for that as well as a good balance sheet. So operational first, finance second, if we're looking for partners in projects.

WINFRIED FRUEHAUF:

If you get involved in geothermal, would you do this with partners? That's the first part of my question. And the second one, would it be in British Columbia? The third part, or the United States? And how do you expect to overcome, if it's in British Columbia, the lack of incentives that is currently?

DAVID CORNHILL:

British Columbia, still all the rules aren't established. They do have some interesting, but we don't see that in the near term.

Geothermal, part of the business that we like is it's very consistent with how we operate in the gas business. The exploration and drilling risk is not where we think our strengths are, our culture is very inconsistent with the type of investment we want to do.

Once you're operating and working on a development phase and managing the grid and managing how to operate those facilities, we think we could bring some strength there, but clearly our skill set is not exploration. And we don't have the mind set and we don't think our shareholders want us to go into that business and as long as I'm here, we won't be.

We see it as very similar to the gas business; where you provide the facility, provide operations, where you're working with a partner who is on the more the exploration side and resource development side.

UNIDENTIFIED AUDIENCE MEMBER:

I've got a couple of questions, actually. One, you talked a lot about growing over the next five years, \$5 million worth of growth, or \$2 billion, sorry. If you could give us some sort of guidance as to how you plan on growing while maintaining the capital structure and if that's part of your plan. And second, how you plan on financing all that growth? And third, the importance of maintaining an investment grade rating. The guy who covers you guys is sitting right beside you.

DAVID CORNHILL:

Debbie will go into more detail. I think it's better for Debbie to talk about sort of the financing plan. But as the guy next to you knows, investment grade is very important to us and we'll work to maintain an investment grade rating. And the mid-B type of investment grade is clearly where we're looking to be, even though we think we should be a single-A right now.

MATTHEW AKMAN, MACQUARIE:

Thanks, David. Matthew Akman from Macquarie.

Bear Mountain Wind Park was built at about an 11 times EBITDA multiple, based on the EBITDA guidance you gave. And that probably made sense in a certain environment when you started that project, but what kind of multiple can we expect AltaGas to be building in other wind projects at the core, given your current cost of capital?

DAVID CORNHILL:

I would say Bear was at the high end, significantly over -- well, I won't give you an exact, but the returns have gone up materially required to do wind power -- wind and hydro reflecting higher cost of capital.

If you look at Bear, it also has -- not everything is the same because it also has escalated power prices. So if you look at the natural escalation of power prices, you have a growth curve in that, assuming all of it -- things are equal. So, that's -- and the 25-year term of it and with the Crown Corporation, so it's at the low end of what I would say acceptable. But from our first time delivering it at \$2 million a megawatt, we think we're quite comfortable.

MATTHEW AKMAN:

And Bear I understand is a different environment, but if we're modeling all the growth going forward in wind just sort of a range of multiples or returns on capital you can expect on those projects that you're bidding in California right now, for example?

DAVID CORNHILL:

After tax, double digits. And there's no leverage in any of our returns that we give out.

UNIDENTIFIED AUDIENCE MEMBER:

Thanks. A very quick question, on your interest in Magma, what's the percentage interest in that?

DAVID CORNHILL:

I'm going to say about 5 percent.

DAVID NOSEWORTHY, SCOTIA CAPITAL:

For your Forest Kerr project, a \$600 million estimate, would that include transmission required to connect to the new NTL?

DAVID CORNHILL:

I think in the original estimates, we assumed that we would do any enhancements all the way down to Bob Quinn.

DAVID NOSEWORTHY, SCOTIA CAPITAL:

Is it lower now then?

DAVID CORNHILL:

I don't think it should be higher.

Well, thank you. Now, I'll hand it over to Rick.

RICHARD ALEXANDER:

Thank you, David. Good afternoon, everyone. Today, I'll be speaking about our business operations and the growth projects that we are currently pursuing.

AltaGas invests in long-life, quality energy infrastructure to meet energy demand. Over the past 15 years, we have focused on building a gas and power business that today totals \$2.3 billion. Our diverse and balanced portfolio of gas and power assets has long-term stable cash flow.

Diversifying our assets by geography and fuel source mitigates risk while maintaining the appropriate risk return balance. Our business is not controlled by commodity price cycles. Long-term contractual arrangements and disciplined risk management shelter AltaGas from commodity price fluctuations.

Today, AltaGas has a portfolio of quality growth opportunities, both short and long-term projects, to grow our gas and power businesses. We plan to proactively pursue these opportunities and grow AltaGas. The AltaGas team has successfully executed its business growth and financing strategies since 1994 and delivered a strong track record of solid returns to investors.

Our long-life gas infrastructure provides stable cash flow and is strategically located throughout the Western Canada Sedimentary Basin touching more than 2 billion cubic feet per day of natural gas. We have interests in six NGL extraction facilities with 1.6 billion cubic feet per day of inlet capacity and 86,000 barrels per day of NGL production capacity.

We own eight transmission pipelines with 554 cubic feet per day of gas transport and 152,000 barrels per day of NGL transport, located throughout the basin. And we have more than 70 gas processing facilities with 1.2 billion cubic feet per day of capacity and approximately 6,500 kilometers of gathering lines.

The majority of our assets in FG&P are skid-mounted, which allows us to redeploy these assets in response to producer processing needs. Our first gas storage asset has been operational since June. It's located in Sarnia, Ontario, and it has 5.3 billion cubic feet per day of capacity, of which we have a 50 percent interest. We also offer gas procurement, management and optimization services, which help enhance asset base.

Our gas business is stable, underpinned by long-term contracts. As you can see, for the trailing 12 months ended June 30, 2009, gas business operating income is comparable to 2008's record results. The majority of revenues from our gas business are stable and low-risk for the larger, fixed-return component.

For the first six months of 2009, 84 percent of net revenue was underpinned by contractually fixed earnings such as cost-of-service and fee-for-service agreements. The remaining 16 percent represents frac spread revenues, 9 percent from the frac spread hedge contribution and 7 percent from spot prices.

This chart shows our extraction volumes split into ethane and NGL production. We have steadily increased our extraction production over time by acquiring interests in additional extraction facilities and optimizing our current infrastructure. The majority of these volumes are in stable fixed-fee or fee-for-service revenue.

Since adding the Taylor assets in early 2008, we have more than doubled our extraction production. In 2009, we have seen stronger extraction volumes due to no scheduled extraction turnarounds and new volumes, which resulted from the 2008 capital spending.

Around 13 percent of our total extraction volumes are exposed to frac spreads. This amounts to approximately 5,200 barrels per day. The remaining extractions volumes are secured by long-term fixed-fee or fee-for-service arrangements. The chart shows the historical frac spreads that AltaGas has realized since 2002. In 2009, AltaGas expects to realize more than \$20 per barrel based on our hedges and current forward spot prices.

We've hedged two-thirds of our exposed volumes for the remainder of 2009 at approximately \$25 per barrel and more than 34 percent of 2010 exposed volumes above \$20 per barrel. For 2009 through 2015, the chart shows the average frac spread forecast of several petroleum consultants. As you can see, they are forecasting frac spreads in the low-to-mid 20s per barrel for the next few years. It is also important to remember that our extraction business has downside protection and that we do not need to remove the NGLs from the gas stream if it's not economic to do so.

This chart shows our field gathering and processing volumes from 1996 through 2009. Our throughput volumes increased steadily as we added gathering and processing assets throughout the Basin. As a result of weak gas prices and regulatory uncertainty about royalties, drilling abated in late 2006 and that trend continued for 2007. The addition of the RET Complex in early 2008 boosted throughput levels.

However in the second half of last year, low commodity prices and tight capital markets impacted producers in the Basin. Since then, we have seen a significant decline in gas drilling activity with 49 percent fewer gas wells completions in second quarter 2009 compared to the same period in 2008. Lower producer activity and producers shutting in gas due to low commodity price has had a decline in throughput in some AltaGas facilities.

Well tie-ins for AltaGas facilities totaled 86 for the first six months of 2009, down from 153 in the same period of 2008. Currently, we have in excess of 30 million cubic feet per day of gas shut in by producers due to lower natural gas prices. And it's estimated that in the Basin there's about 750 million cubic feet shut in.

This chart shows our FG&P processing fees over the past 5 years. We have worked to steadily grow business net revenue per volume to mitigate the risk of escalating operating costs. The evolution of our FG&P contracting strategy has resulted in increased processing fees and some op cost flowthrough to offset declining volumes and increasing op costs.

You can see the growing operating cost flowthrough component on this graph. It's the brown part of the bar. Despite lower volume throughput in the first 6 months of 2009, fees have continued to grow. And currently, 50 percent to 60 percent of FG&P operating costs are recovered through flowthrough contracts.

This map shows that there's been active drilling in the Basin in 2009, and as you can see, much of the drilling activity is located in northeast BC and northwest Alberta, areas where we're looking to expand existing facilities and build new facilities in response to producer demand. There is also substantial activity in central Alberta where coal bed methane drilling activity is quite strong. This is another of our focus areas.

In the short term, FG&P business faces challenges due to lower drilling activity and the negative impact that it has on production. Nevertheless, we remain optimistic about the business over the medium and long-term.

Natural gas prices are expected to strengthen as the lack of drilling results in lower supply. As the economy comes out of recession, the demand for natural gas will strengthen and this will shift the supply and demand balance to a more favorable gas price environment.

Drilling technology is constantly changing and improving, and as a result we continue to be optimistic about the Basin. With improvement in recovery technology, unconventional sources of gas are now more producible. And we are seeing an increasing number of opportunities to grow the business through expanding or consolidating existing facilities and building new facilities to meet producer demand.

This slide shows historical natural gas prices as well as several petroleum consultants' forecasts for gas prices over the next few years. The forecasts expect gas prices to remain low for the remainder of 2009 and begin to recover in 2010. Beyond 2010, they are forecasting \$7 to \$9 per GJ gas over the following 5 years. As gas prices recover and begin to increase over the next couple of years, we expect drilling activity and gas production in the Basin will improve.

Our first gas storage asset has been operational since June. The Sarnia Storage project is AltaGas' first infrastructure investment in Ontario. It was completed on time and from our current estimates is under budget, and our share of the capital was approximately \$25 million.

Located in Sarnia, Ontario, the storage pool has 5.3 billion cubic feet per day of capacity of which we own 50 percent. The asset is part of the strategic Dawn Marketing Hub, which is a vital part of the gas marketing and pipeline information serving eastern Canada and the northeast United States.

This is a very strategic, long-term asset for us and has significant synergies with our energy services expertise, including the purchasing and resale of gas and transportation. We also offer gas procurement, management and optimization services, which help enhance our asset base. We expect Sarnia Storage to contribute EBITDA of approximately \$3 million per year. And, as David already indicated, we are pursuing additional significant storage opportunities in Michigan.

Our power businesses sells energy and ancillary services in Alberta and currently supplies approximately 5 percent of Alberta's electricity demand. We also have existing power assets in BC, as you can see on the map. Our current portfolio includes 353 megawatts of coal-fired generation capacity through the Sundance B power purchaser agreement. The Sundance facility is located just northwest of Edmonton, and the PPA expires in 2020.

We also have 39 megawatts of gas-fired peaking capacity in southern Alberta. Twenty-five megawatts was leased for 10 years beginning in 2004, and in 2008 we added another 14 megawatts to two of our

FG&P sites, Bantry and Parkland. Our peaking capacity provides a partial operational backstop to our coal-fired generation.

The 102-megawatt Bear Mountain Wind Park is currently under construction in northeast BC, and you'll hear more about this from Jim. We also have a 25 percent interest in a 7-megawatt Run-of-River facility in southwest British Columbia. As David mentioned earlier, our development portfolio includes 1,900 megawatts of renewable energy production in western Canada and the western United States.

Over time, our power business has performed very strongly. We employ disciplined hedging strategies to manage our exposure to commodity prices and ensure stable cash flows. For the trailing 12 months ended June 30, 2009, power business operating income was lower than 2008's record results. However, despite spot prices averaging \$48 per megawatt hour for the first half of 2009, AltaGas has realized an average price of \$69 per megawatt hour due to our hedging strategy.

This chart shows historical and forward prices for power from 2002 through 2015. Forward prices for Alberta power are in the low \$50 per megawatt range for the next few years. As you saw in the earlier chart, forecasts are suggesting that gas prices will recover to the \$7 to \$8 per GJ range over the next few years.

In 2009, we have hedged approximately two-thirds of our PPA volumes at \$76 per megawatt hour, similar to 2008 hedges. Despite the low spot prices this year, we expect to realize about \$70 per megawatt hour due to the hedge position. In addition, we've hedged 50 percent of our 2010 PPA volumes at similar prices to 2009.

As mentioned earlier, our strategy is to hedge two-thirds of the annual output from Sundance B and leave the remaining volumes exposed to the Alberta spot price. Most of our hedges are done financially with fixed-for-floating swaps, and we have effective credit and price risk management policies and practices in place, and we do extensive reviews of all counter-parties. Sales to our energy management customers provide additional hedge opportunities and extra liquidity for longer-term sales.

This chart shows the supply and demand outlook for power in Alberta out to 2016. You can see this forecasting power demand in Alberta to grow by approximately 1.2 percent through 2010 and 2.7 percent thereafter.

With the recent weakness in power prices, you can see the benefits of our hedging strategy. This graph shows the daily average power pool price as well as the average quarterly price received by AltaGas depicted by the green dots. By hedging two-thirds of our power volumes from Sundance we're able to reduce volatility in our earnings. You can also see the average price received by AltaGas has trended up over time.

We made our first investment in power when we purchased the 353-megawatt Sundance B PPAs at the end of 2001. Since then, we have diversified our power portfolio with the addition of gas-fired peaking plants and a small interest in a run-of-river hydro facility. David mentioned earlier, we are focused on expanding and growing our power business while also reducing our emissions intensity.

In 2006, we made our first progress in this strategic initiative when we entered into the partnership to develop wind projects in western Canada and western United States. And with the completion of the

Bear Mountain Wind Park this year, we will see our first wind project expand and diversify our portfolio and also reduce our emissions intensity.

Here, you can see where we envision our power business in the next 6 years. In 2015, our goal is to have around 1,000 megawatts of generating capacity in service based on our strategic planning and assuming current projects under development are completed. This would include the hydro projects that we bid into the BC Call for Power as well as some additional wind, gas and geothermal generation. With these additions, our power business will predominantly consist of clean power assets. We will be supplying much more power to consumers, and our carbon intensity will be significantly reduced.

And this slide is a summary of the growth projects we're currently working on, and I'll talk to these projects in more detail in the coming slides.

We acquired the Harmattan Complex with Taylor in 2008. Since then, we invested approximately \$60 million to optimize this facility and increase utilization. We have consolidated an area gas processing plant and added and extended additional gathering systems. We have also invested in plant efficiency and to improve our NGL fractionation capability.

The Harmattan Co-Stream project is another way to increase the value of this asset. The project is expected to bring at least 250 million cubic feet per day of rich, sweet natural gas from the NGTL western system to be processed using existing spare capacity. As this schematic shows, Harmattan currently gathers and processes raw gas and delivers the sale gas to the east leg of the NGTL. The Co-Stream project involves extracting the valuable liquids, ethane and NGLs, from the gas stream and delivering the processed gas back onto the NGTL.

This project has been designed to divert the lean gas around Cochrane plant so as to have minimal impact on its operations. Our Co-Stream project promotes responsible competition by adding processing options.

Currently, the Cochrane Straddle plant is the only extraction facility on the west leg of the NGTL. The east leg has five extraction facilities, including AltaGas' interest in the Empress facilities. The project would significantly increase utilization at Harmattan and is expected to add around 10,000 barrels per day of ethane and 3,000 barrels per day of propane-plus product.

The Co-stream project is expected to cost between \$100 million and \$120 million with an expected return in the mid teens. Once the project is in full service, we expect it to add approximately \$22 million of EBITDA on an annual basis.

We resubmitted our application to the ERCB in April. The file is current under review, and we expect to be advised of a hearing date in the next month. We hope to receive a decision by the end of this year.

In July, we signed a memorandum of understanding with Nova Chemicals, which provides that AltaGas would deliver all Co-stream products on a full cost-of-service basis to Nova for an initial term of 20 years. The MOU is an indication of the strong industry support that exists for the project. We are aiming for an in-service of November 2010 and will likely pre-order long-lead equipment prior to receiving regulatory approval to keep to that schedule.

While the FG&P business is facing some short-term challenges, we are seeing an increasing number of opportunities to grow the business. We're evolving our FG&P business to be more successful. As has been previously mentioned, we are working to increase the average size of our field gathering and processing facilities with plant expansions and by building new, bigger facilities in the areas of high producer demand.

We continue to focus on our contracting strategy and to increase the amount of operating costs that we flow through to the producers. We're exploring options to expand or consolidate existing facilities and build new facilities to meet producer demand, especially in the areas where there is significant drilling activity or we expect drilling to pick up.

We're working closely with the senior gas producers on engineering estimates and feasibility studies, and are focusing on the Montney and Doig plays in northeast BC and northwest Alberta. The projects vary in scope, but we're looking at returns in the mid-teens.

We are currently pursuing a sour gas expansion at our Pouce Coupe facility, which is located in an active production area in northwest Alberta. The expansion will allow us to process 20 million cubic feet per day of sour gas, and the project consists of plant facilities, gathering lines and an acid gas injection well, which eliminates CO₂ emissions.

We expect this project to have a return in the low teens and add approximately \$4.5 million per year in EBITDA once it is in service. A portion of the expanded capacity has been contracted to a producer under a take-or-pay contract. We see growth potential in the area for the processing of sour gas from producers in both north-western Alberta and northeast British Columbia in the Montney play.

The Pouce Coupe expansion is currently awaiting regulatory approval. The hearing was held in August, and we anticipated a decision from the ERCB shortly. Construction will start as soon as we receive approval, and we expect the expansion to be operational in the second quarter of 2010.

We're also pursuing an opportunity to expand capacity at our Ante Creek facility located near Grande Prairie in northwest Alberta. This project will use surplus processing equipment to increase capacity by 20 million to 25 million cubic feet per day. The project could be in service as early as first quarter 2010 and is estimated to cost approximately \$14 million. We are in the process of finalizing the engineering for the project and will proceed with regulatory approval shortly.

The Younger extraction facility is strategically located in an area of active gas production in northeast BC. Spectra is currently completing construction of their South Peace pipeline, which will bring up the 200 million cubic feet per day into the McMahon Gas Plant. The majority of the sales gas from McMahon is processed at the Younger facility. We expect it'll be close to full capacity of 750 million cubic feet per day by the end of this year due to this and continued strong drilling in the area.

While we have to make some facility modifications to increase volumes, they will involve minimal capital. We are also exploring other opportunities to bring additional sweet, liquid-rich gas from the south. Further expansion would require additional investment in the facility.

I won't go through these projects too much as David mentioned these earlier. These are the three run-of-river projects that we bid into the BC Call for Power in northwest British Columbia. As David mentioned, we're waiting to hear the results of the call, which has been delayed. But obviously, we're more optimistic with the recent federal government announcement on the NTL.

We have two other run-of-river projects that we're working on currently. We continue to progress the Log Creek and the Kookipi Creek projects located in southwest British Columbia near Hope. These 10-megawatt run-of-river projects already hold long-term, fixed-price contracts with BC Hydro from the 2006 Clean Call for Power.

We are working closely with the local First Nations, the Boothroyd Band, and regulators to finalize project design. We expect to submit a revised project development plan to the regulators early next year and are targeting the completion of the project design and engineering as well as regulatory approvals for late next year. Construction would occur in 2011 and 2012 with the facilities fully operational by early 2013. We expect capital costs to be in the \$60 million to \$70 million range with limited capital outlay until 2011. These contracts are 40-year PPAs with BC Hydro, and they're indexed to inflation.

The final project that I'll discuss today is another development at our Harmattan Complex. We are pursuing the opportunity to install a 12.8-megawatt cogeneration facility at Harmattan. The facility will provide the steam required to process gas, as well as produce electricity for on-site consumption with excess going into the grid. Capital is estimated at \$22 million with an expected in-service date of third quarter 2010.

We are seeing stronger extraction volumes as a result of no scheduled turnarounds as well as the addition of new volumes from 2008 and 2009 capital spending. We also expect to see higher volumes at Younger as a result of strong producer activity in the area. We expect to realize a frac spread in excess of \$20 in the second half of 2009, given the existing hedges and current forward prices. In 2010, as mentioned, we have approximately 34 percent hedged at about \$20 per barrel.

Our energy services segment is expected to benefit from the addition of Sarnia's storage asset as well as the expiry of the legacy gas marketing contract and a reduction of gas transaction gas liabilities. While producer activity is impacting processing volumes, we continue to be optimistic about this business and to explore ways to improve performance. Overall, we expect our gas business to deliver similar results to 2008 for 2009.

Looking ahead to 2010, we expect our gas business to benefit from the expected acquisition of Utility Group as well as various FG&P and extraction expansions and Sarnia Storage. Although small for 2010, the Harmattan Co-stream project is expected to increase business results and add \$22 million of EBITDA on a full-year basis beginning in 2011.

With spot prices considerably lower than recent years, our power business has seen an impact on earnings. However, our disciplined hedging strategy continues to reduce volatility in our cash flows. By locking in strong prices for 2009, AltaGas expects to realize an average of about \$70 per megawatt hour for the year. Overall, we expect the power business to deliver weaker results than 2008's record performance. However, the hedge strategy as well as incremental revenue from Bear Mountain is expected to stabilize results.

Looking ahead to 2010, we will add stable cash flows with Bear Mountain on line. We expect the wind park to contribute approximately \$18 million of EBITDA per year. We have also secured hedges at prices similar to 2009 for 50 percent of the Sundance volumes.

Overall, we expect 2009 to be another strong year. At AltaGas we invest in long-life, quality, stable infrastructure, and we hire top-quality people to run the infrastructure to ensure it delivers steady cash flows.

Management is able to focus on growing the business. Our growth portfolio includes both new development and optimizing the existing assets. We are pursuing the projects that make sense for our business so we can deliver strong returns to investors.

And with that, I'll open it to questions.

NIMA BILLOU, BLOOM INVESTMENT COUNSEL:

When looking at your capital plan, I mean it's split on the \$2 billion opportunity, roughly 25 to 30 percent on the gas side and 70 to 75 percent on the power side. Given your own forecasts of return in gas prices obviously from these depressed levels, why not invest more aggressively in the more cyclical component of your business, whether it be NGL or FG&P rather than the longer-life power side of the business if you assume reversion of the mean?

RICHARD ALEXANDER:

I'll pick up on a point David made earlier. I think one thing you have to be cautious of, the power assets tend to be much more visible than our gas opportunities. The main reason for that is most of the power projects have very long lead time and require significant government process whereas the gas opportunities are more partner-based with producers and therefore subject to greater confidentiality agreements. They typically can also be completed in less time, so I think you would see that going forward it is closer to a 50/50 split. It's just not as visible.

NIMA BILLOU, BLOOM INVESTMENT COUNSEL:

Okay. So, the opportunities may be there --?

RICHARD ALEXANDER:

The opportunities are there. We're working on them. We just can't speak to them because of confidentiality agreements.

NIMA BILLOU, BLOOM INVESTMENT COUNSEL:

Until they materialize and you'll have a press release?

RICHARD ALEXANDER:

And then we'll press release.

NIMA BILLOU, BLOOM INVESTMENT COUNSEL:

Okay, thanks.

ROB CATELLIER, CLARUS SECURITIES:

Hi. I have a couple of quick questions. I'll just table them all at once.

Is the Harmattan Co-Generation project contingent on the Co-Stream project? And then on the gas opportunity side, have you seen a change in the level of competition in the last 12 months for those opportunities? And maybe you can address the other producer expectations, as well as the change in input costs? And finally, you mentioned the opportunities in the Montney, but you haven't mentioned the Horn River Basin or other basins. So, I wondered if you could characterize what the opportunities are like in the Horn River?

RICHARD ALEXANDER:

I'll try to remember all those. In terms of the Harmattan, the Co-Gen, it is not contingent on Harmattan Co-Streaming. That project's a good standalone project, and particularly because the power can be used on site, as well as excess power sold to the grid.

In terms of competition, I don't think we're seeing an increase in competition. I think the competition is similar to what it has been in the past. If anything's changed, there's probably a little less competition from the producers themselves because they're trying to preserve scarce capital for exploration and development rather than facilities.

I'm not sure I can remember all four. I think your last question was about the Horn River play. What we have seen so far is producers who are in the Horn River are probably further away from facility development. And where they're not, they tend to be bigger, larger companies, and they're pursuing their own facilities at this point. But I think it's just a matter of time before we see more opportunity in that area.

UNIDENTIFIED AUDIENCE MEMBER:

I was interested in getting more color on your processing contracts. I noticed that the chart shows that currently 84 percent of them are under fee-for-service or cost-of-service and these contracts are probably three to five-year long. So, is the intent to maintain that proportion of split between cost-of-service fee or fee-for-service and power hedge? How is the mix going to change going forward, more commodity exposure, less?

RICHARD ALEXANDER:

I would expect over time if you look at the Gas business, we will see less in terms of commodity exposure. For example, as we add the Co-Streaming project it's 100 percent fee-for-service, cost-of-service business, so that should percentage-wise reduce the exposure that we have to the market. But in terms of what exposure we do continue to have, we will continue to employ a disciplined hedging strategy.

MATTHEW AKMAN, MACQUARIE:

Thanks. A couple of questions, one is on the hedge portion of your Power business. I know in the past that with the very high pay-out ratio having a lot of the power hedged forward was almost necessary. I'm wondering whether you can reduce your hedge portion on the PPAs, especially if you

think and you believe in your gas price forecast, can you reduce hedging going forward with a lower pay-out ratio?

RICHARD ALEXANDER:

We can. Every year, we review the hedging strategy with the Board. At this point, there is no plans to reduce that hedging strategy. We're currently working under the assumption we'll hedge two-thirds of the PPA, recognizing that we will in addition have the Bear Mountain Wind Park, which is a fixed-price contract with inflation escalators. So as a percentage, our overall, you know, hedged or predicted, the power price should increase. But, it will give us more flexibility on how we use our peakers for backup.

MATTHEW AKMAN, MACQUARIE:

Okay. And a separate question on Harmattan, does the profitability or the amount of gas flowing into the expansion depend at all on what happens to gas production in Alberta over the next while or in the future?

RICHARD ALEXANDER:

In theory, it can be impacted by -- and would be impacted by gas production. But, we happen to be quite bullish on what will happen to volumes in the Basin, particularly with drilling technology. And I think that's part of why we're seeing gas prices where we are, that --.

MATTHEW AKMAN, MACQUARIE:

Sorry, I'm thinking of the Co-Stream project in particular. Is the Co-Stream project potentially impacted by gas production in Alberta?

RICHARD ALEXANDER:

Only if -- only to the extent that there aren't enough volumes to divert off the line, but we don't see that. We expect to see at least 250 million a day of availability.

MATTHEW AKMAN, MACQUARIE:

Okay. And one last question on frac plants, you had a forecast of frac spreads, probably a lot higher than the market is really attributing the value of frac plants. So, are you interested in buying other frac plants in the market right now, whether they be in Canada or the U.S.?

RICHARD ALEXANDER:

We would definitely be interested in increasing our position in Canada. But currently, we're not aware of anything for sale. But with regards to the U.S., I think we would be interested but more cautious, just about going into the United States and that area.

WINFRIED FRUEHAUF:

Do you expect to increase your mix on methane emissions for all of your gas operations? And if you do, have you any thought of what they might be and what they might cost you?

RICHARD ALEXANDER:

I'd turn that one in. Randy, do you have any thoughts on that? You'll need the microphone. I'll turn that over to Randy Toone.

RANDY TOONE:

Sorry, you said methane? Well, if you look at our Pouce Coupe expansion, we're putting in acid gas injection, which will eliminate CO2 emissions. But, also the ERCB, the regulator in Alberta, you have to do fugitive emission studies which we are continuing to do to improve fugitive emissions, if that's what you're getting at.

WINFRIED FRUEHAUF:

Well, not only fugitive emissions but emissions resulting from your operations, given that methane is a more potent greenhouse gas than CO2.

RANDY TOONE:

At all our plants we try to contain methane, and so we try to eliminate any releases of methane because it's valuable and we try to get that to market. There's only the odd chance if you go flare that we'd see methane go the atmosphere.

RICHARD ALEXANDER:

Okay. With that, I don't know, Sheena do we want to take it to break?

SHEENA MCKELLAR:

That'd be a good idea. Maybe take a break, and then we can come back to any questions at the end.

RICHARD ALEXANDER:

We're available to answer questions on the break as well. Thank you.

(BREAK)

SHEENA MCKELLAR:

Well, welcome back everybody. Kicking off the second half of our day we have Jim Bracken, who is the Senior Vice President of Major Projects, and he will be talking to you about Bear Mountain Wind Park.

JIM BRACKEN:

Thank you, Sheena. Good afternoon, everyone. As you know, AltaGas is growing and a significant part of that growth is through the development and construction of projects. We're continuing to develop our organizational capabilities and capacity to execute on our development and construction plans, and a couple of years ago we created the Major Projects group to project manage and execute these large capital projects.

Today, I've got to talk to you about the Bear Mountain Wind Park. It's our largest development project to date and the first operational wind farm in British Columbia. I described this project last year at Investor Day, and the project hasn't changed since then, other than its nearing in completion. It's still on time and it's still on budget.

Bear Mountain Wind Park is located in the Peace River region near Dawson Creek in north-eastern British Columbia, and you can see that here on this map. It's marked by the green turbine. The 102-megawatt wind park has been under construction for almost two years now, and we're very pleased with the program to date.

As mentioned, the project is on time and on budget and is expected to be fully in service in November of this year. Today, the wind park is already delivering clean energy to the BC power grid from 11 turbines.

Today, I'm going to walk you through the construction process that we've undertaken. At last year's Investor Day, we showed you some pictures and a little video of the Bear Mountain Ridge and the construction of the road and the turbine foundations, and those foundations were completed in October.

Since then, we've installed the 7 kilometers of collector system lines, the 7.5-kilometer transmission lines connecting to the BCTC grid and we've constructed the 138 kV substations.

As you likely know, we are using the Enercon 3-megawatt E-82 turbines for this project. The turbines, the blades, the generators and the nacelles were manufactured in Germany. The components were transported in three shipments across the Atlantic in April and May, and the shipments came by boat through the St. Lawrence Seaway through the Great Lakes to Thunder Bay. And from there, they were transported across Canada by rail and truck. Everything arrived on site as scheduled and without incident.

Now, I'm going to run a short video here, and this isn't part of the Film Festival this week. It's a more exclusive viewing than that, and I'm hoping it'll give you some sense for the activities that we've undergone and the state of progress of the project.

For those of you that are on the webcast, you should be able to click on and run this video as well. And if for some reason that function doesn't work for you, you will see some slides with pictures showing some of the same things. And the video's about six or seven minutes, and I'll give a bit of a commentary as we go through it.

(VIDEO PLAYING – available on webcast)

In these first scenes, you can see some of the blades coming into Dawson Creek by train, and you'll see as they get a closer here that there are two blades on each car and then a shipping rack. And the shipping rack is actually used right from the production site in Germany all the way into Dawson Creek and provides a safe, easy way to handle the blades. These blades are over 40 meters in length each.

From the rail shipping year they were delivered to a site just a couple of kilometers away from the project very close the Bear Mountain Ridge. It's sort of a pre-assembly staging area that we used, and at that staging area we also did some pre-assembly attaching the blade fins into each blade. And you can see the trucks moving, and that's the Bear Mountain Ridge just off on the horizon. It was quite a

sight at Dawson Creek, there were a lot of these trucks coming through town, so it was pretty high profile to the people in the area.

These first tower sections arrived on the site in late May. The towers were manufactured in Saskatoon by Hitachi, and they were delivered to the Bear Mountain site in four pieces. You can see here, this is one piece. This is the lowest of the first section. These loads were transported by road and some of them were as long as 50 meters.

These are some of the nacelles, in the nacelles section, the rotor hubs coming up the site road. These are some of the roads that we actually built for the project. We had six to ten truckloads per day going up here. It took about 500 truckloads from mid-May to mid-August to deliver all of the equipment to the site. And the roads that we built stood up very well to all of that traffic. We did maintain radio control across these roads to avoid any accidents or congestion delays.

Here, you can see the brains of the turbine, the e-module, the silver structure; and this is the first tower section being lifted over top of it. Those e-modules contain all the cabinetry and controls for each of the turbines.

Here, you can see the second tower section being lifted into place, and there's a crew that works from inside. You can see them at the top of the first tower section. They work from inside fastening bolts to hold the sections together.

Then, you can see a number of cranes at work here. We just have a number of different-sized cranes on the site for throughout the erection process. We had two 400-ton cranes, which were the largest ones we used, and those were the ones used to lift the upper tower sections and their cell components. And one of those two big cranes are still on site completing the blade lifting. That would be the fourth and final tower section for that particular turbine.

You can see a man being lifted in a basket there. There's occasionally parts of the project where you can't access things from inside the tower sections or the nacelle. You need to lift somebody from the outside such as detaching blades from the crane mechanism. Then, you can see the nacelle being lifted up.

You can see the crews working from inside the nacelle, and that's the generator itself being lifted in place. You see there's no gearbox in these machines. This is one of the rotors. The rotor is what the blade's attached to. That goes on next after the generator. Then there's a nose cone that goes on.

Here's one of the blade lifts, and we install the blades one at a time into the rotor. The crane crews work from inside the nacelle to attach the blades. There are actually 100 bolts that need to be attached for each of those blades. That process is pretty sensitive to wind conditions. It can really only be done at relatively calm conditions. So from a construction perspective, it's unfortunate that we have to actually build these on such windy sites. There's the first turbine on July 21st actually in production, turbine number 7.

(VIDEO ENDS)

As I mentioned, in July we completed the testing and commissioning connecting to the BCTC grid, so we were live to grid at that point. Our substation and transmission lines were commissioned at that

time in July, and on July 21st our first turbine actually began producing and delivering wind into the BC grid. And we've continued to commission additional turbines each week since that time.

As of today, we have erected all 34 towers and nacelles and this slide says 16 turbines were installed. But as of today, this morning we had 22 turbines with blades on them with two more being completed today. So by the end of the day today, we will have 24 machines with blades on them, and of those 24, 11 are actually producing power into the grid.

And I'm also very happy report that this progress is accomplished with a very good safety record. We've now had over 195,000 man hours on the site with no lost-time incidences. The project risks have been very well contained, and the project is nearing completion and we remain on schedule for our November in-service date.

The Bear Mountain Wind Park is an example of the AltaGas strategy. The project diversifies our power portfolio by geography, by fuel source and by contract type, and it provides us a source of stable, long-term cash flows. The expected annual impact, as Rick mentioned earlier, is approximately \$18 million of EBITDA and we expect an after-tax IRR in the high single digits.

Now, we believe this project will be successful in delivering those expected returns at or above our expectations for a number of reasons, the first one being that the project is nearly complete. Our capital costs are well under control, and we have successfully used fixed-price contracts for key elements of the project in order to manage those costs. We've used effective project management discipline, and we have a solid execution plan in place that has allowed us to stay on schedule and on budget.

Secondly, we have a long-term purchase agreement with BC Hydro. It's a 25-year contract at a fixed price with a small escalator relative to the consumer price index, so we will receive some price increases over the 25 years of the contract.

Now thirdly, we have long-term operating and maintenance agreement in place with the turbine supplier, with Enercon, which will ensure that the turbines are reliable and available to produce energy at the rated output.

Another reason we believe that this will be financially successful is that we are very confident in our energy output predictions. We have extensive, high quality wind data, which has been analyzed by a leading industry expert in wind modeling. We have over seven years of on-site wind data with correlation to the Environment Canada Weather Station at Fort St. John for additional decades of data.

And a fifth reason that we believe this will be successful is that we're confident that these wind turbines will perform well and meet their power curve, that is that they will achieve energy output levels at the various wind speeds, as represented by the manufacturer because of Enercon's track record, and that's brought out by the initial results of the turbines that we have commissioned already.

Furthermore, we enjoy very strong government and community support for the project. And somewhat unique to our project, we retained renewable energy credits as an additional revenue source for the project.

That concludes my presentation. I'd be happy to take any questions.

NIMA BILLOU, BLOOM INVESTMENT COUNSEL:

You spoke to the wind data that you had, the seven years and then the additional, you said, decades of data. When you're entering again just new markets in California, do you have a minimum confidence level, a certain number of years, and do you have as much confidence in the quality of the data with these new markets as you do with the Bear Mountain project?

JIM BRACKEN:

Well, we don't have quite as much wind data for most of those other projects, and the confidence really comes from the way that the data is modeled and the uniqueness of the site. So, we can get confidence with lesser data, but obviously the more data you have the better. And if it can be correlated fairly tightly to a weather station close by, then that can go a long way to compensate for the lack of on-site data.

NIMA BILLOU, BLOOM INVESTMENT COUNSEL:

Is there a minimum number of years that you try and target before you enter a market?

JIM BRACKEN:

No. We don't have a hard and fast minimum.

UNIDENTIFIED AUDIENCE MEMBER:

Sorry. I just wanted to clarify. Did you say that the 11 turbines that already are on stream are ahead of expectations, or meeting expectations?

JIM BRACKEN:

They are slightly better than the wind power curve that was published by Enercon.

UNIDENTIFIED AUDIENCE MEMBER:

And how long have they been on?

JIM BRACKEN:

They've been on for a couple of weeks.

WINFRIED FRUEHAUF:

What is the expected annual capacity factor of this wind farm? And is BC Hydro obligated to take whatever electricity you are capable of delivering at any time?

JIM BRACKEN:

BC Hydro will take all of the capacity, all of the energy output from the project for the full 25 years. The capacity factors are in the 20s. They're relatively low for this particular project, but our capital

costs for this project are very low on a per-megawatt basis. That allows us to get a return that we're comfortable with.

WINFRIED FRUEHAUF:

Are these high or low 20s?

JIM BRACKEN:

Low 20s.

UNIDENTIFIED AUDIENCE MEMBER:

You had spoken, and it's a pretty unique maintenance agreement that you have with Enercon, can you just review the protection that you have? And why were they willing to extend that level of protection, and will they be able to do it in the future for these gearless turbines?

JIM BRACKEN:

Enercon has been doing this - they refer to it as their EPK. It's a standard maintenance agreement that they offer for virtually all of their wind farms. They've been doing it for many years, at least 15 that I'm aware of, and the arrangement does provide a guarantee for the availability of the machines. It doesn't guarantee the wind, but it does guarantee the turbines are available and that they will produce to the power curves.

One last question over here.

DAN YUNGBLUT, GOODMAN & COMPANY:

Just curious about the adoption of Catch the Wind technology, maybe not in this one but some of the new ones under development. Are you familiar with what Catch the Wind is?

JIM BRACKEN:

No, I'm not.

DAN YUNGBLUT, GOODMAN & COMPANY:

Oh, okay. Well then that probably answers the question then.

UNIDENTIFIED AUDIENCE MEMBER:

So in wind power, are there opportunities where you may need to be a greenfield to build from, I guess, from the start? Or, would you look at acquiring smaller operators that have run out of funds or that are interested in selling?

JIM BRACKEN:

The projects on the immediate horizon are greenfield projects like Bear. Bear was a greenfield project. We built it from the ground up, and we're capable of doing that and we're anxious to do it again.

Well, with that I'll turn it over to Debbie Stein.

DEBBIE STEIN:

Well, I don't have any videos.

So, thank you again for joining us. As you heard today, AltaGas continues to focus on operating and growing its energy infrastructure business to deliver strong returns to its investors over the long term. Our assets and services provide stable cash flow under-pinned by industry, driven by long-term, strong economy fundamentals and enhanced by a disciplined risk management strategy.

Today, I'll talk a little bit about our historic performance as a reminder of our ability to deliver strong returns to our investors, and you'll see how our finance strategy and current financial metric support our ongoing operations as well as our growth plans over the coming years.

So you heard David and Rick talk about our business strategy, but I think it's worth repeating at the start of the finance section, so you can see how our finance strategy supports our overall business strategy. We don't often talk about the first bullet on the slide, which is about how we maximize the value on the energy value chain component of our business with our investors as much anymore. Not because it's not important, but quite frankly, it's actually very much second nature to us at AltaGas.

Our ability to leverage the energy value chain is one of our strengths, and as you can see by our initiatives discussed today, that's exactly what we're doing and what we plan to do going forward.

You've also seen examples of how we are optimizing our existing businesses by growing and diversifying our assets with the overarching goal of delivering sustainable returns for our investors over the long-term. Doing so requires not only a clear business strategy, but also a disciplined financing strategy.

So the future looks bright. Our strategy is to deliver stable and sustainable cash flows, balancing growth and income. As you've seen, we have substantial opportunities to grow our cash flows from low risk, long-life assets. Our move to a corporate structure with lower pay-out ratios and no cash taxes in the near to medium term, our strong balance sheet and capital markets position us well to capitalize on these opportunities to meet our overall goal of enhancing shareholder value.

No finance presentation is complete without a look back, so before I move on to the financing strategy, I'll take a few minutes to look at our strong track record.

Our strategy is to invest in assets that generate earnings, secured by contractual arrangements, which provide long-term stable cash flows. In the event that we have exposure to commodity prices, we follow a hedging strategy that is mandated by our Board.

The chart on the left shows our net income growth since 2004. This has always been a key performance indicator for AltaGas, whether we are structured as a trust or a corp. And so the five years ending in 2008, the accumulative average growth rate of net income was 26 percent, that rate, on a trailing 12-month basis, is 21 percent. We are on track for another strong year with net income for the first half of 2009 at \$74.4 million.

EBITDA grew from \$133.4 million in 2004 to \$256.4 million in 2008, a cumulative average growth rate of about 18 percent, and on a trailing 12-month basis, that growth rate was 15 percent. As of the end of June this year, we reported \$125.6 million in EBITDA, again, well on our way to another strong year on this basis.

This slide shows our metrics on a per unit basis. Our net income increased from \$1.33 per unit in 2004, which was the first year of us as a trust, to \$2.38 per unit in 2008. And the cumulative average growth rate for those five years ending in 2008 was 15.6 percent on a trailing 12-month basis, was just over 11. On a cash basis, the funds from operations and EBITDA have also had strong growth of approximately 9.5 percent and 8.5 percent respectively over that five-year period. And on a trailing 12-month basis, they both increased to about 5.5 percent since 2004.

Of note on this slide, however, is the gray bar compared to the red or burgundy bar, that you see there, which shows that historically we have maintained a conservative pay-out ratio compared to funds from operations.

Over this time frame, our weighted average units outstanding increased from 49.4 million units to 68.8 million units at the end of 2008 and 79 million units at the end of June, which is an increase of almost 40 percent to the end of '08 and 50 percent to the end of June. Even with the increase in units outstanding, we grew all of our metrics on a per unit basis, reinforcing our track record and ability to grow and enhance unitholder value, including distributions on a per unit basis, which grew at about 4 percent per year over this time period.

We've accomplished this while maintaining a strong balance sheet as well as good access to the capital markets, giving us the financial flexibility to continue to enhance shareholder value in the future.

Continuing on our look back, but with an eye to the future, this slide shows our strategy at work, with a good balance between our gas and power assets. In 2008, power was 53 percent of total operating income from the business segments and on a year-to-date basis, the Gas business in 2009 contributed 55 percent to total business operating income. This year, we expect to see stronger evidence that our diversification strategy and hedging strategy work, as we expect to see the impact of lower spot power prices and lower producer activity in Alberta offset by the strength of the spot market in frac, supported by our hedging strategy, like I said. And of course, we have certainly been able to manage through those lower commodity prices this year.

Over the long term, we look at maintaining the balance between our gas and power business.

So looking forward, we expect to continue to benefit from our growth and diversification strategy and as we see the contribution from our wind generation as well as the expected addition of the rate regulated assets to our asset mix, you'll see what we expect our EBITDA in 2010 to break out compared to 2009.

The cash flow from Bear Mountain, as you've heard, is underpinned by a 25-year contract, with BC Hydro and primarily all of the gas distribution assets are regulated. We see this increased cash flow diversification improving our business risk profile.

Diversification has been a key to our growth strategy over the past 15 years and this slide compares the diversification of our assets with that of a group we would expect to be our corporate peers going forward.

As you can see from this slide, our suite of assets and growth opportunities align us well with the larger energy infrastructure companies in Canada.

Moving on to our finance strategy, we are well positioned to support our business strategy, which is to provide strong returns in the form of stable income and growth to investors over the long term. The finance strategy, therefore, supports the ongoing operations as well as our growth plans. Our key objectives are to minimize the cost of capital, ensure we have adequate liquidity to support our operations as well as our future growth and ensure we have multiple access to capital markets, while maintaining an optimal level of financial risk. Maintaining these objectives will allow us to provide the strong returns for our investors.

Our key financial targets are our credit rating, our leverage ratio and our mix of floating to fixed. We are committed to an investment grade rating, which allows us good access to the debt markets and we continue to share our business and financing strategy with the rating agencies, focusing on their key concerns of risk management, liquidity and cash flow sustainability to ensure our ratings remain strong.

In April, S&P upgraded our rating from BBB- to BBB, citing our increased exposure to the long-term contracted gas infrastructure business, prudent financial practices and effective strategy execution.

After our announcement of plans to acquire the public float of AltaGas Utility Group Inc., DBRS commented that "Although relatively small, the expected impact of the proposed acquisition on AltaGas' credit and stability profiles to be moderately positive."

DBRS believes that the utility group acquisition would improve AltaGas' business risk profile through the addition of low-risk, regulated natural gas distribution assets.

As we see this acquisition as a platform for future growth of these types of assets, as David mentioned, we see the ability to increase our balance sheet capacity increasing. Currently, our debt to total cap target is in the 40 percent to 45 percent range and following the acquisition of Utility Group we expect to increase the target to 45 percent to 50 percent, as a result of the addition of the regulated suite of assets to our portfolio.

Our lower pay-out ratios on conversion to a corp would also support our higher target range. These targets all contributed to meeting our financing objectives, which, like I said before, minimizing the cost of capital, ensuring financial flexibility and ensuring access to the capital markets.

So a little bit about our financing strategy at work; starting in late 2008, we developed a plan for 2009 to allow us to manage through the difficult economic times and come out of the economic turbulence in an even stronger position, which we believe we have done. In 2009, we took several steps to ensure we were executing our strategy. We did the 100 million equity issue in January, which strengthened our balance sheet. We did a new \$250 million facility in February, reducing or eliminating our 2009 refinancing risk. We had eight banks with total commitments of over \$300 million on that facility. And that facility has subsequently been reduced to \$150 million with one of our MTN issues.

In April, we completed our \$200 million, five-year MTN with over 20 subscribers. And in June, we had our seven-year MTN for our first seven-year MTN for \$100 billion with total subscribers.

So as a result of all of the financing initiatives, you see we have ample credit facilities available and a very manageable debt maturity profile with a strong balance sheet.

So our finance strategy has resulted in strong financial metrics. This graph shows our debt to total capitalization ratio compared to the target ranges between 2004 and today. And as you can see, we have always been disciplined in staying within or below our target and we are committed to doing so in the future, with a focus on maintaining our strong balance sheet and our investment-grade rating.

At the end of the second quarter, our debt to total cap was about 36 percent and with the expected acquisition of Utility Group, we would expect that on a pro forma basis that debt to total cap would be about 42.5 percent.

Looking at our peers as an indication of our competitive advantage to deliver strong returns to our shareholders, you see here that we are currently at a lower debt to total cap and that's not just compared to our peers, but also to the standards set by the rating agencies. As we continue to execute our strategy of adding low-risk, long-life assets to our portfolio and increase free cash flow, we expect to maintain our balance sheet strength and financial flexibility. And the slide on the right underscores the discipline of our strategy, again, as we consistently have been lower than the median on our EBITDA to interest metrics.

Our financing strategy has also resulted in a manageable debt maturity profile. Currently our average debt maturity is about 4.1 years. What you have here is in 2010, we have our \$150 million credit facility that we did in February coming up in August. We have a \$375 million operating credit facility in September. We've timed these facilities with when we start formalizing our plans to convert back to a corp and the plan is that when we start forming out those plants would be to start looking at how we would put these facilities together and redo the facilities.

In 2012, we have a five-year MTN that's coming due in July, in 2014, a 200 million MTN coming due in April and in June of 2016, \$100 million MTN. And we are still looking at project financing for our Bear Mountain project, which would further extend our debt maturity profile and provide another source of capital as we move forward. And if we were to do a, say, a 20-year project financing on top of what we have today, that would take our average debt maturity from the 4.1 to almost seven years.

So one of the main objectives of having a financing strategy that works is to support the growth strategy; you heard both David and Rick talk about the many projects. And this slide sums it up. The sum total of the projects we are pursuing quite vigorously totaled about \$2 billion over the next five to seven years. And the majority of the projects are low-risk, long-life assets and we are looking at about \$600 million in Gas and about \$1.4 billion in Power. And we've talked about the visibility of power versus the visibility of gas.

So in 2009, that plan is about \$360 million and the \$360 million does include the expected outflow of cash in the fourth quarter for the acquisition of Utility Group. But of the remaining \$300 million, \$60 million is still, at this point, uncommitted and the remainder was really to finish a lot of our capital projects that we've started: Harmattan in 2008, we've expanded our EDS pipeline, to progress our Pouce Coupe expansion and of course our selling of storage.

And on the power side, about \$175 million of it is to complete there and move forward on all of our other power initiatives. And there's a small sliver in there for corporate and that's mainly IT projects.

So in 2010 and beyond, we're looking at about \$1.7 billion, and so in 2010, the expected CapEx is about \$200 million and so that leaves us with about \$1.4 billion to \$1.5 billion between 2011 and 2015.

So how do we fund this? We are well-positioned to fund our operations and our growth. Ongoing operating liquidity is amply financed through our credit facilities and free cash flow. The current facilities we have today total about \$650 million and that includes \$50 million of a demand operating facility, \$75 million of an LC facility and about \$525 million of syndicated credit facilities. And at the end of second quarter, there was just over \$524 million in available facilities. The slide says \$400 million because we did have the \$100 million sitting in cash and hadn't drawn down our credit facilities yet with the MTN that closed on June 29th, so that's the difference, in case you're wondering.

So our smaller organic projects and acquisitions, we would see being financed through our free cash flow. DRIP proceeds, which in 2009 we're expecting to be about \$30 to \$35 million. If we convert to a corp, we'll see what that program provides in terms of cash flow, and continued access to the debt markets.

Our larger projects, and to the extent that we do any acquisitions, would be financed through debt and equity markets. In June 2009, we renewed our \$500 million base prospectus and we drew down about \$100 million of that with the June MTN issue.

And of course, project financing, which I mentioned on Bear Mountain, would provide another source of financing that we don't have in our toolbox today, and as David said, we would look at considering strategic partners with larger projects.

So getting to the tax pools, you'll see we expect to have tax pools of more than \$1.1 billion starting in 2011 and that is assuming that the CCA deduction there of \$300 million is the maximum that we would be allowed to take.

At the end of December 2008, the average rate on that \$870 million was about 25 percent and that shakes out to 55 percent at about 25 percent, 5 percent is the 30 percent CCA raise and 7 percent of the 50 percent rate, 33 percent and 14 percent.

We have not updated this for the addition of the Bear Mountain numbers because it's not in service yet, but almost all of it would go to 43.2 at the 50 percent rate.

Based on our current plans, we do not expect to have significant cash taxes until 2015. And that will further strengthen our cash flow and support our dividend policy as well as our growth strategy.

So we expect our free cash flow to grow as we add assets. In 2010, we expect to see contributions from Bear Mountain, our rate regulated business, with the expected acquisition of Utility Group, Pouce Coupe coming on in Q1 of 2010 and a full year of Sarnia. And we expect to see a small contribution from Harmattan co-streaming in 2010.

And in 2011, we would see a full year contribution from co-streaming as well as some of our other projects in FG&P that we're currently working on.

We expect funds from operations to grow as a result of having no significant cash taxes in those years and our free cash flow, again, would be further enhanced with our lower pay-out ratios, adding between \$60 million and \$85 million in free cash flow, based on the guidance that we've given in terms of the way we believe our dividend would land.

So overall, we believe we have a solid financing plan for our growth strategy. We have credit facilities, which provide ample support for our ongoing operations and smaller projects and acquisitions. We have good access to the capital markets, as we have demonstrated over the last 10 years of our history as a public company. We have strong credit metrics to support our investment grade rating. We have a manageable debt profile, which is a result of the many initiatives we took this year. And lastly, we expect to be increasing cash flow as we add more long-term, low-risk assets to our portfolio, enhanced with significant tax rules and dividend policies, which result in lower pay-out ratios.

Before I conclude, I would like to reiterate David's comments about the dividend. Our lower pay-out, upon conversion, is really based on a solid business strategy to balance income and growth. With our free cash flow, we are able to sustain the distribution. However, with the many opportunities we see to enhance shareholder value, we believe that the balance between income and growth works well for our investors. We are well-positioned to deliver strong returns.

In closing, while our finance strategy supports our growth, we do not grow for the sake of growth. Our ultimate goal is to enhance shareholder value and we believe we are well positioned to do that. We have a well balanced portfolio of low-risk energy infrastructure assets, complemented by a disciplined finance and business strategy and substantial real growth opportunities to add more long-life, low-risk assets and cash flow to our portfolio. With our conversion to a corporation in 2010, we are well positioned to balance the income and growth value proposition for our investors over the long term.

With that, I will open it up for questions.

UNIDENTIFIED AUDIENCE MEMBER:

So if you were looking to project finance Bear Mountain, would you look to raise the entire \$200 million?

DEBORAH STEIN:

No, we would not. We would use our similar balance between debt and equity to drive how we would finance that.

NIMA BILLOU, BLOOM INVESTMENT COUNSEL:

What are the exact dates of maturity for the 2010 debt?

DEBORAH STEIN:

The syndicated facility?

NIMA BILLOU, BLOOM INVESTMENT COUNSEL:

Yes.

DEBORAH STEIN:

The one that we did in February comes due in August. And the one that we had before that comes due in September.

NIMA BILLOU, BLOOM INVESTMENT COUNSEL:

Are you going to use your existing capacity just to meet that and just decide whether or not to come to market again in terms of any medium-term notes? Or are you going to, before the debt comes due, just address it?

DEBORAH STEIN:

Well, it would depend on where we are in our debt to total capital, and what is drawn on the facilities. So to the extent that we need to make sure that we have adequate capacity in our facilities, we would either do an MTN that would make sure we had enough dry powder in our facilities.

But the plan would be, as we firm up the conversion plans, that we would look to have a credit facility that is in that \$650 million range, based on where we are today.

NIMA BILLOU, BLOOM INVESTMENT COUNSEL:

And you had mentioned the dividend and the balance between income and growth. And I know the feedback passed on to David and Rick as well, I think there's a perception out there that as you go quarterly, you'll be in line with your peers, but if you remain monthly, it's almost a penalty.

But I would argue that if you retain a monthly dividend that it would be far more attractive to income oriented investors, they could use it for their own personal cash flow matching and in the electronic age, there's little if none in terms of extra administrative costs.

So has there been thought or announcements done on retaining a monthly dividend?

DEBORAH STEIN:

We have talked about it and so we'll take your comments under advisement.

NIMA BILLOU, BLOOM INVESTMENT COUNSEL:

Thank you.

WINFRIED FRUEHAUF:

What is the implied range of pay-out ratios corresponding to dividend of \$1.10 to \$1.40?

DEBORAH STEIN:

We have not provided that guidance, so we've given the marketplace a sense of where we think the range is going to land and depending on what the market thinks in terms of our net income and cash flow estimates, we leave it up to the marketplace to confirm what those pay-out ratios are. We thought it would better to just give a range as opposed to playing with ratios.

WINFRIED FRUEHAUF:

And also on that \$1.49 billion of capital expenditures through 2015, what would be the approximate range of common equity versus debt?

DEBORAH STEIN:

On the projects themselves or what does the balance sheet look like over that time period?

WINFRIED FRUEHAUF:

Yes.

DEBORAH STEIN:

On the projects?

WINFRIED FRUEHAUF:

Yes.

DEBORAH STEIN:

It would depend on the project. If you have a solid project with long-term contracts that were lower risk, so you look at something like the hydro projects, you would expect that the debt ratio on that would be higher than something that's not contracted.

So, saying that, I think the overarching criteria would be that we would maintain an overall debt to total cap that would make sure that we did not jeopardize our investment grade rating. So we would look at it on an asset-by-asset basis.

WINFRIED FRUEHAUF:

And corresponding to a dividend range of \$1.10 to \$1.40 would follow. But at the higher dividend, we would probably need more equity?

DEBORAH STEIN:

One would argue that, yes.

UNIDENTIFIED AUDIENCE MEMBER:

Given that the yields at an all-time low right now, would you consider coming to the market this year versus next year, when we don't know what the yields are going to be?

DEBORAH STEIN:

For equity?

UNIDENTIFIED AUDIENCE MEMBER:

No, sorry, to term out your debt. There are huge maturities next year, right? \$275 million?

DEBORAH STEIN:

That's our credit facility with the banks.

UNIDENTIFIED AUDIENCE MEMBER:

Right. And \$100 million bond, right, \$100 million bond?

DEBORAH STEIN:

Yes. No, we don't have any plans to come to the market now for those. But we continue to look at it.

I'll turn it back to David.

DAVID CORNHILL:

I was just reflecting that a year ago, we were into the Lehman failure, I think, just before our conference, and with the financial crisis you can see, we've come a long way. If you look at what the equity and financing we've put in place is doing. Delivering on our first development project at Sarnia and Bear, we've come a long way in a year that has been quite challenging.

I think you can see that we've got a strong team, a strong business. And we've got real projects for growth and we've been talking about our growth and development over several years, it's nice to see them actually generating cash flow for the company and I think we've developed a track record here of coming in on budget and doing what we say. I can't guarantee every project will be that great, but we'll work hard to make sure that we do that.

As well as growth, as you see in the near term, capital is balanced quite well with respect to power and gas and we have clearly more visibility on our power projects, but we're really excited about the opportunities and the recent government announcement on the NTL - it's a major step forward for AltaGas.

So we're excited. We think we've got a good plan and we have a team here in Calgary to make it happen as well as across the country.

The last thing: we've decided to provide chocolates and no other significant gift today because sometimes they just get thrown out.

So we are donating money to the Dawson Creek Cross-Country Ski Team and facilities there in lieu of donation or gifts here. Part of that is we're sponsors of the Canadian Cross Country Team and after the Olympics, we hope to get a couple of the Canadian athletes up to work with the kids in Dawson Creek on the cross-country. So in lieu of a small gift, we decided we'd make a donation there.

I'd like to thank you for coming. We'll be open for questions in general, and there will be a short reception after this for any other questions and just general discussion. And we've got you done on time. If not, thank you very much and we'll hope to see you outside.