

# Q1 2014 EARNINGS CALL

## CORPORATE PARTICIPANTS

**Jess Nieuwerk** *AltaGas Ltd. - Director of Finance & Communications*

**David Cornhill** *AltaGas Ltd. - Chairman & Chief Executive Officer*

**David Harris** *AltaGas Ltd. - Chief Operating Officer*

**Debbie Stein** *AltaGas Ltd. - Senior Vice President Finance and Chief Financial Officer*

**John Lowe** *AltaGas Ltd. - Executive Vice President Corporate Development*

## CONFERENCE CALL PARTICIPANTS

**Linda Ezergailis** *TD Securities - Analyst*

**David Noseworthy** *CIBC World Markets - Analyst*

**Carl Kirst** *BMO Capital Markets - Analyst*

**Robert Catellier** *GMP Securities - Analyst*

**Robert Kwan** *RBC Capital Markets - Analyst*

**Steven Paget** *FirstEnergy Capital - Analyst*

**Matthew Akman** *Scotiabank - Analyst*

## PRESENTATION

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### Operator

Good morning, ladies and gentlemen, and welcome to the AltaGas Ltd.'s conference call. I would now like to turn the meeting over to Mr. Jess Nieuwerk, Director of Finance and Communications. Please go ahead, Mr. Nieuwerk.

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### Jess Nieuwerk - *AltaGas Ltd. - Director of Finance & Communications*

Thank you. Good morning, everyone. Welcome to AltaGas' First Quarter 2014 conference call. Speaking today are David Cornhill, Chairman and Chief Executive Officer; David Harris, Chief Operating Officer; and Debbie Stein, Senior Vice President Finance and Chief Financial Officer. After some formal comments this morning, we will have a question-and-answer session.

Before we begin, I'd like to remind you that certain information presented today may include forward-looking statements. Such statements reflect the Corporation's current expectations, estimates, projections and assumptions. These forward-looking statements are not guarantees of future performance and they 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 additional information on these risks, please take a look at our Annual Information Form under the heading Risk Factors.

I'll now turn the call over to David Cornhill.

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### David Cornhill - *AltaGas Ltd. - Chairman & Chief Executive Officer*

Thank you, Jess. Good morning, everyone. Just three days ago, we achieved a major milestone at Forrest Kerr. And today we reported record financial results, and a dividend increase of over 15 percent.

For the quarter, our normalized earnings were \$0.60 per share, an increase of 13 percent over the first quarter 2013. Normalized EBITDA increased by 23 percent to \$179.2 million, compared to the first quarter of 2013.

On a trailing 12-month basis, we continue to hit record financial results. We've achieved \$542 million in normalized EBITDA, and \$410 million in normalized funds from operations.

Our results continue to reflect the strength in our operations and positive growth. In our Gas segment, volumes processed were significantly higher, and we benefitted from PetroGas' strong contribution. Our Utilities benefited from the never-ending cold weather, strong rate-based growth, and in the case of SEMCO, a favorable foreign-exchange rate.

In Power, we benefited from Blythe, but saw higher PPA costs and lower power prices in Alberta. Blythe had a major turnaround in March.

As part of the commissioning of Forrest Kerr, we have begun to flow water through the tunnel and soon through the nine turbines. This is a significant achievement.

Based on the strong cash flow, our low payout ratio, and the pending startup of Forrest Kerr, the Board has increased the dividend by \$0.02 per share per month, for an annual dividend of \$1.77 per share, for a 15.7 percent increase in the dividend.

On a growth front, we continue to make progress and have many potential growth opportunities. Over \$1 billion is already secured, with over \$600 million being invested in 2014 and 2015.

This comes from our investments in Utilities, the Alton Natural Gas Storage project, our Cold Lake expansion, regional LNG, JEEP modifications and debottlenecking, Cogen III at Harmattan, and the completion of the Northwest hydro projects.

We continue to make progress on additional growth in the Power and Gas business'. In Power, we are preparing to bid in the RFP process in California for the expansion of our Blythe facility. And in Gas, we're in discussion for over approximately 1 bcf a day of new processing capacity. The amount of the potential growth has not been seen since the late 1960s. David Harris will speak more of these opportunities.

We also continue to make excellent progress on our LPG export initiatives. Our goal is to reach 60,000 barrels per day of export capacity by the end of the decade. With PetroGas' acquisition of the Ferndale terminal, we now have all the pieces required to get LPG exports off the ground. We expect to have the first LPG export shipment in Q2 of 2014. It will take a few years to ramp up the export volumes. The facility can handle export and import of up to 30,000 barrels a day. We continue to work on LPG export from the BC West Coast and this is where we target an additional 30,000 barrels a day. David Harris will provide an update on this, as well as the LNG initiatives.

Over the past two years we have delivered significant and profitable growth for our shareholders. We expanded our gas segment significantly with Gordondale, Co-Stream and Blair Creek. We've doubled our power generation portfolio with Blythe, and we have increased our utility rate base to \$1.4 billion. We have increased our dividend by over 20 percent and we have delivered on our goal of greater than 10 percent growth in earnings and cash flow.

With the strong start to 2014 we expect a good year, consistent with expectations. Our solid operations, in addition to Forrest Kerr and Volcano, the full-year contribution of PetroGas, and Blythe, are expected to add significant long-term value.

I will now pass the call over to David Harris.

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**David Harris - AltaGas Ltd. - Chief Operating Officer**

Thank you, David, and good morning, everyone. Operations across our three business segments performed well in the first quarter. Our Gas business had a record quarter. Normalized operating income from our gas business increased 71 percent to \$47.5 million, compared to same quarter 2013.

Our Gas business benefited from the acquisition of PetroGas, higher frac-exposed volumes from EEEP and Younger, and higher realized frac prices of \$30.38 per barrel, compared to \$29.57 per barrel in Q1 2013.

In the quarter we also continued to benefit from the ramp-up in volumes in liquid-rich areas. Total volumes processed increased by over 190 MMcf per day, to 1,573 MMcf per day, compared to Q1 2013. The increase was driven by higher volumes at Gordondale and Co-Stream, which operated close to design capacity. Results from our gas segment were partially offset by the sale of our energy management business and the Ante Creek facility, as well as higher cost to meet delivery commitments as results of curtailments to gas deliveries during the peak flows, which occurred in the quarter.

Normalized operating income from our Power business was \$15.9 million. The average realized power price for the quarter was approximately \$69 per megawatt hour, compared to approximately \$73 per megawatt hour for the same period last year.

In Alberta, generation volumes are similar to last year. However, this was combined with higher PPA costs and lower power prices. The current forward curve for the Alberta power prices shows some softening, reflecting new generation in the Alberta power market. Weaker Alberta power results were partially offset by the contribution from Blythe. Blythe's contribution in the quarter was for only two months due to a planned turnaround which started on March 1st. The turnaround was completed successfully, ahead of schedule, and below our budget. Blythe was back up and running in early April.

Our Utilities segment continues to deliver solid results. Operating income was approximately \$81 million, an increase of approximately 24 percent over Q1 2013. Higher earnings were driven primarily by colder weather quarter over quarter in Michigan, Alberta and Nova Scotia, as well as due to favorable foreign exchange rates. On a weather-normalized basis, operating income was \$74.2 million, compared to \$65.5 million in the same quarter 2013.

Let me now turn to provide an update on some of our projects under development.

At our Northwest projects, construction on Forrest Kerr is nearing completion. The wear, intake and desanding areas have all been commissioned. We started to flow water into the tunnel on April 28th. Water will gradually fill the power tunnel in preparation for full-speed, no-load testing on the turbines. The NTL continues to progress, and once it is available, commissioning to tie Forrest Kerr into the transmission line will begin. We continue to expect commercial operations in mid-2014.

We have made significant progress at Volcano. The tailrace is now complete, with no further in-river work required. The turbine assembly began in April, and we have commenced the penstock installation. We remain on track to bring Volcano in service later this year.

At McLymont Creek, work on the powerhouse foundation is complete. Excavation of the power tunnel is 65 percent complete, and clearing of the intake access road is 85 percent complete. McLymont remains on track to be in service in mid-2015.

Our other projects are also progressing well. At our Alton Storage project in Nova Scotia, we have been working on the regulatory and permitting filings and awarding purchase orders to secure equipment for construction. We continue to work with Heritage Gas to secure a storage contract, which will require regulatory approval. But we will continue to progress while these things come together. We remain on track to start construction in June of this year.

We are also continuing active negotiations for our JEEP expansion in Alberta, and we continue to advance our first regional LNG project in Dawson Creek.

With respect to our other growth initiatives, as David mentioned, increased producer activity in the WCSB is driving significant demand for new infrastructure. We are looking at a number of potential projects, and we are in ongoing discussions with producers. We have feasibility studies underway, and in some cases we have even moved to pre-FEED studies. We expect to have more information on these opportunities later this year.

On LPG, in addition to Ferndale, the AltaGas-Idemitsu joint venture continued to evaluate the pre-feasibility and pre-FEED studies for the construction of a greenfield LPG export terminal for the BC West Coast. We are in the site selection process.

On the market front, we continue the dialog with many potential off-takers and suppliers to obtain commercial underpinning for the project. This project will be coordinated with our plans for Ferndale, and we expect to have more information on this in Q3.

The joint venture also continues to advance the LNG export initiative. We continue to work with the various parties to support the CCAA proceedings for the Douglas Channel LNG project. The various parties continue to work on completing term sheets, which may allow the project to be restructured under CCAA, in accordance with the terms, which have been substantially agreed to by all of the secured creditors. We are targeting May 5th for this. And if that date is met, we will start to develop definitive agreements. We will continue to update the market with material developments.

We also continue to focus on our Triton LNG export project. On April 16th, the NEB approved our export application for 2.3 million tonnes of LNG per year. Our export project is dependent on the PNG pipeline expansion. The pre-FEED study is ongoing, and we see many opportunities for additional shippers to back stop development cost.

That concludes my prepared remarks. I'll now pass the call over to Debbie.

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**Debbie Stein - AltaGas Ltd. - Senior Vice President Finance and Chief Financial Officer**

Thank you, David, and good morning, everyone. Our first quarter results were strong. We achieved normalized earnings of \$73.7 million, or \$0.60 per share, compared to \$55.5 million or \$0.53 per share in first quarter 2013.

Normalized EBITDA for the first quarter increased 23 percent to \$179.2 million. Funds from operations were \$129.8 million or \$1.06 per share, compared to \$122.4 million or \$1.16 per share in the same period 2013. The lower funds from operations per share for the quarter is primarily due to the timing of receipt of distributions from investments that are equity-accounted.

Assuming cash flow was the same as equity earnings, FFO would be \$141 million, or \$1.16 per share, compared to \$116 million or \$1.10 per share for the same quarter last year.

Our payout as a percentage of normalized FFO for the trailing 12 months ending March 31, 2014, remains conservative at 45 percent. Based on the dividend increase announced this morning, we expect to remain comfortably in our range of 40 percent to 50 percent of FFO for 2014.

On a GAAP basis, net income applicable to common shares for first quarter 2014 was \$39.9 million or \$0.33 per share, compared to \$49 million or \$0.46 per share for first quarter 2013.

The GAAP earnings include an after-tax gain of \$9 million from the sale of assets, including Ante Creek; a non-cash, after-tax provision of \$36.8 million related to some of the assets we acquired with the Taylor NGL limited partnership transaction in 2008; and mark-to-market accounting and the cost of early redemption of the medium-term notes.

In the quarter, Nova Chemicals exercised an option to purchase the EDS and JFP liquids pipeline in 2017. The exercise of the option will not impact earnings and cash flow associated with these assets until early 2017, when the proceeds for the purchase will be received and ownership changes.

Interest expense for first quarter 2014 was \$25.3 million. This is higher than same period last year as a result of higher debt balances from the addition of new assets, partially offset by higher capitalized interest of \$9.7 million, and lower average borrowing rates.

In first quarter 2014, we reported an income tax expense of \$16.9 million, compared to \$21 million in same quarter last year. The income tax expense includes a tax recovery of \$12 million related to the items normalized in the quarter.

For the three months ended March 31, 2014, net invested capital was \$94.7 million, the majority of which was related to the construction of the Northwest projects, and includes approximately \$27 million received on asset disposals.

For the full-year 2014 we expect our capital expenditures to remain in the range of \$400 million to \$500 million. In the quarter, we spent \$2.4 million on maintenance Capex.

Our balance sheet remains strong with debt-to-total-capitalization of 52.5 percent. We've been active on the financing side. In January, we issued \$300 million in notes, \$100 million of which was our first ever 30-year MTN.

We also successfully completed a US \$200 million medium-term note offering in March and we early-redeemed our 7.42 percent MTN in February instead of April. Our average debt maturity is 6.7 years, and continues to be very manageable. We will continue to balance our long-term and short-term financings and well as floating and fixed-rate debt, in order to execute a disciplined financing strategy that supports our business strategy.

And with that, I will turn the call back to Jess.

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**Jess Nieuwerk - AltaGas Ltd. - Director of Finance & Communications**

Thank you, Debbie. Operator, we'll now go to question and answers, please.

## **QUESTION AND ANSWER**

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**Operator**

Thank you. Linda Ezergailis, TD Securities.

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**Linda Ezergailis - TD Securities - Analyst**

Thank you. I have a question with respect to your final investment decision timing on your Western Canadian LPG and Triton projects. Is it reasonable to assume that the Triton decision would come with your PNG looping decision, which I think in your write-up you are anticipating as the end of 2015?

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**David Cornhill - AltaGas Ltd. - Chairman & Chief Executive Officer**

I think that's a fair assumption.

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**Linda Ezergailis - TD Securities - Analyst**

OK. And then for the LPG Western Canadian- Q3 this year?

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**David Cornhill - AltaGas Ltd. - Chairman & Chief Executive Officer**

The Ferndale gets us a lot more flexibility. I would say it's late this year or next year, as we work through the process.

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**Linda Ezergailis - TD Securities - Analyst**

OK, that's helpful. And with respect to the Nova payment, what will be the payment in 2017 and what is the earnings contribution of EDS and JFP?

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**Debbie Stein - AltaGas Ltd. - Senior Vice President Finance and Chief Financial Officer**

The proceeds are about \$67 million in 2017. And the current contribution is less than 2 percent of our current operating income.

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**Linda Ezergailis - TD Securities - Analyst**

OK, that's helpful. Thank you.

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**Operator**

David Noseworthy, CIBC

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**David Noseworthy - CIBC World Markets - Analyst**

Hi. Good morning and congratulations on the good quarter. It's nice to see a dividend increase and management's and I guess the Board's faith in your cash flows.

And maybe just a little bit more on your LNG opportunities there. Can you talk about what elements of the Douglas Channel LNG project AltaGas is looking to own, subject obviously to completion of the term sheets?

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**David Harris - AltaGas Ltd. - Chief Operating Officer**

Yes, David. We're looking in on the aspects of the shore facility, as well as the barge.

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**David Noseworthy - CIBC World Markets - Analyst**

OK. And assuming everything goes through as you expect, how would acquiring those assets speed up your development timeline for LNG?

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**David Cornhill - AltaGas Ltd. - Chairman & Chief Executive Officer**

We're hopeful that with the capacity already available on the PNG line, there will be no requirements for any significant pipeline adjustments. So we could be off late 2016 or early 2017 with LNG production.

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**David Noseworthy - CIBC World Markets - Analyst**

OK. So that's a good chunk earlier than perhaps otherwise. OK. And just on the LPG, and maybe to expand a little bit on what Linda was asking, is there a reason why you're looking at building another facility in Canada, as opposed to expanding your recently-acquired facility at Ferndale?

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**David Cornhill - AltaGas Ltd. - Chairman & Chief Executive Officer**

We think the diversification of two locations is advantageous for us, both long term as well as there is a restriction on Ferndale with respect to; we don't believe that we can go to 60,000 barrels at that location by itself.

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**David Noseworthy - CIBC World Markets - Analyst**

OK. Thank you. And then last question and I'll go back in the queue, but with regards to the sale of the Ante Creek facility, it seems like that's a long-life gas processing plant in Western Alberta that would be consistent with your strategic direction. Why sell that facility?

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**David Cornhill - AltaGas Ltd. - Chairman & Chief Executive Officer**

There wasn't the diversification of land ownership around that facility that would allow us to maximize the value as a mid-streamer.

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**David Noseworthy - CIBC World Markets - Analyst**

OK. Thank you very much. Those are my questions.

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**Operator**

Carl Kirst, BMO Capital Markets

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**Carl Kirst - BMO Capital Markets - Analyst**

Thanks. Good morning, everybody; nice quarter as well. Just maybe a clarification with respect to Douglas Channel and understanding where we are in the negotiations. But to the extent that this does reach fruition, you guys are able to just step in; I'm assuming the Golar contract is not going to be with that. And I guess maybe the question is- will it be up to you all and Idemitsu, to effectively market that train?

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**David Cornhill - AltaGas Ltd. - Chairman & Chief Executive Officer**

The consortium that we're working with on this is with EDF and Exmar and ourselves, as a joint venture owner. So we do have lots of capability to market LNG worldwide with EDF.

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**Carl Kirst - BMO Capital Markets - Analyst**

OK. So it wouldn't necessarily be a firm take-or-pay, it would be more sort of viewed as potentially sort of a global marketing opportunity, shall we say?

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**David Cornhill - AltaGas Ltd. - Chairman & Chief Executive Officer**

I think, as they say, more at 11, if I could.

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**Carl Kirst - BMO Capital Markets - Analyst**

Understood. And then maybe just shifting gears entirely down to California with Blythe. I just wanted to better understand the RFP process, is that specifically for the generation? Does that open the possibility of additional transmission as well, or is that up to you all as far as how you want to package your project?

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**David Harris - AltaGas Ltd. - Chief Operating Officer**

I think it could be all of the above. It will depend on the make-up of the individual RFPs that come out. We would expect to see RFPs from Southern California Edison, as well as San Diego Gas and Electric, and potentially others. And depending on the shape of those RFPs, Carl, it would dictate how we would turn around and structure our offering into the RFP process. But we are very well-situated with our location in Blythe, not only just on a generation basis. But to your earlier point, I think it also could possibly come with maybe enhanced transmission in the area as well.

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**Carl Kirst - BMO Capital Markets - Analyst**

David, is there a sense of, and I think maybe this was discussed back when Blythe was first purchased last year, but do you have a sense of what the, maybe not even for this go round, but just over the next perhaps 5-10 years, what the investment potential is from a transmission front?

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**David Harris - AltaGas Ltd. - Chief Operating Officer**

That's tough to speculate on. But I would use the word significant. It depends on the RFPs and the location of the generation, as it compares to congestion and where they need to stream the power to. They will try to stay away from environmentally-impacted areas, as it relates to attainment zones and stuff. So it would be a little premature to turn around and speculate on an actual dollar value on transmission.

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**Carl Kirst - BMO Capital Markets - Analyst**

Understood. Appreciate the color, guys; thank you.

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**Operator**

Robert Catellier, GMP Securities

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**Robert Catellier - GMP Securities - Analyst**

Hi. Good morning and congratulations on Forrest Kerr. It sounds like it's almost done. I had a question on BC LNG. With the transaction for the Pacific Northwest and now your sanctioning of the investment in your Dawson Creek for the regional LNG, can you give us an update on your view of BC tax and regulatory policy? Our previous conversations seemed to indicate you saw still quite a bit of certainty there. Have things moved along?

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**John Low - AltaGas Ltd. - Executive Vice President Corporate Development**

I think there is greater certainty. There is some greater certainty on BC's LNG tax policy and we're still working with the BC government on that.

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**Robert Catellier - GMP Securities - Analyst**

OK. Just on the Ferndale and piecing together the LPG export opportunity, I'm wondering how that might impact the frac spread hedging strategy.

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**David Harris - AltaGas Ltd. - Chief Operating Officer**

We- at this particular time, Robert, we really don't see any impact to our strategy as it relates to frac hedging.

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**Robert Catellier - GMP Securities - Analyst**

OK. And then there was a reference in the MD&A about the impact of higher cost from storage, potentially impacted by low storage levels. And I'm wondering if that's something that was just vagaries of an extremely cold winter, or if it's something that maybe strategically needs to be addressed with some additional storage capacity.

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**David Harris - AltaGas Ltd. - Chief Operating Officer**

No, we believe it's probably the exception, not the norm to come. And we've also deployed some counter measures here recently that will mitigate that in the future if it did reoccur and we expect to claw back the loss here, as we work through the year.

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**Robert Catellier - GMP Securities - Analyst**

OK. Thanks. That's it for me.

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**Operator**

Robert Kwan, RBC Capital Markets.

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**Robert Kwan - RBC Capital Markets - Analyst**

Good morning. Reference just to the higher PPA costs; I'm just wondering if you're able to quantify what that was and also what specifically that was attributable to.

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**David Harris - AltaGas Ltd. - Chief Operating Officer**

Sure. It's really utilization, a situation where there was high availability but it was underutilized based off of megawatt generation. So you pay for that higher availability, hence resulting in the higher cost on the PPA.

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**Robert Kwan - RBC Capital Markets - Analyst**

So was that just a situation where you decided to dispatch it down?

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**David Harris - AltaGas Ltd. - Chief Operating Officer**

It was a situation dictated by the market conditions.

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**Robert Kwan - RBC Capital Markets - Analyst**

OK. Just on the equity distributions; and I'm just wondering if there's some explanation. I know you'd mentioned PetroGas I think is on a Q2-Q4 schedule, so that was part of it. But you still trail the earnings quite meaningfully. And I'm just wondering. Is there something going on at Sun B, or is there some other explanation why the cash is trapped? Because I think that was also a big difference in Q4.



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**Debbie Stein - AltaGas Ltd. - Senior Vice President Finance and Chief Financial Officer**

Robert, it's really timing. There's nothing more to it than just timing of when we get the cash.

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**Robert Kwan - RBC Capital Markets - Analyst**

And so is there something holding, I know in Q1 I think you make your greenhouse gas payments, but you've been trailing now for two quarters. Is the partnership moving to something more like a six-month distribution?

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**Debbie Stein - AltaGas Ltd. - Senior Vice President Finance and Chief Financial Officer**

No, no. Nothing's changed.

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**Robert Kwan - RBC Capital Markets - Analyst**

OK. So is there maybe, let's put it this way. Is there effectively an accrued distribution, i.e. should we be seeing out-sized distributions in either Q2 through Q4?

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**Debbie Stein - AltaGas Ltd. - Senior Vice President Finance and Chief Financial Officer**

You would see it in Q2, yes.

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**Robert Kwan - RBC Capital Markets - Analyst**

OK. Are you able to quantify how much you're behind at this point?

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**Debbie Stein - AltaGas Ltd. - Senior Vice President Finance and Chief Financial Officer**

Not at this point, no.

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**Robert Kwan - RBC Capital Markets - Analyst**

OK. Maybe just a last question, still on power and just the hedging. I know the basis for the description has changed, but it looks like the hedge percentages are still lower than what we've seen in recent quarters. I'm just wondering is this just because you're not seeing any value in the curve or is there something else going on?

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**David Harris - AltaGas Ltd. - Chief Operating Officer**

No, partially the curve has softened a little bit. But we're not off by much. We're within about 5 percent of where we were at this time last year, and probably over the last three years and probably within a couple of dollars of where we are around an effective hedge place.

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**Robert Kwan - RBC Capital Markets - Analyst**

Is it fair to say that you're still front-end loaded then on the hedges?

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**David Harris - AltaGas Ltd. - Chief Operating Officer**

That's correct. And our trend looks fairly consistent for Q2-Q3 this year, as in previous years. And we usually pick up as we get toward the tail end of the year and get into the winter months.

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**Robert Kwan - RBC Capital Markets - Analyst**

OK. That's great. Thanks very much.

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**Operator**

Steven Paget, FirstEnergy Capital

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**Steven Paget - FirstEnergy Capital - Analyst**

Thank you. On Triton LNG, maybe you comment on progress made toward finding a buyer for the gas.

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**David Cornhill - AltaGas Ltd. - Chairman & Chief Executive Officer**

There has been lots of discussion. I was just in Japan earlier last month and lots of interest for buyers at this point. Hopefully within this year, we'll see some additional movement. We've been focused on resolving the Douglas Channel and have not made any commitments to the next level yet.

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**Steven Paget - FirstEnergy Capital - Analyst**

Thank you, David. Question on Alberta power; do you think the start of the Shephard project in early 2015 could see the Alberta market become more of a gas-linked market?

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**David Harris - AltaGas Ltd. - Chief Operating Officer**

Certainly that is a potential.

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**Steven Paget - FirstEnergy Capital - Analyst**

And how would this affect AltaGas?

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**David Harris - AltaGas Ltd. - Chief Operating Officer**

Not materially. We've already seen, with the announcement of Shephard earlier this year, as far as how they're trending for test power. The market probably moved about \$0.50. We think the market is picking up a fair amount of Shephard coming on, and then when it actually does hit the grid and starts going into test power and then eventually commercial operation, there may be a little bit more of a move, but nothing substantial, compared to the forward curve that we're seeing now.

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**Steven Paget - FirstEnergy Capital - Analyst**

Well thank you, David. Those were my questions.

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**Operator**

David Noseworthy, CIBC

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**David Noseworthy - CIBC World Markets - Analyst**

Hi. Just a quick question on the Blythe maintenance. Reading through the MD&A, \$12 million was expensed this quarter, \$28 million is expected for the full amount. So do we see that \$16 million expense come through in Q2? Is that the way to think about it?

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**Debbie Stein - AltaGas Ltd. - Senior Vice President Finance and Chief Financial Officer**

No, David. The \$16 million or so is redeployed. You'll recall when we bought the facility, we bought spare parts with it. And so it's really taking it out of inventory and putting it to the asset.

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**David Noseworthy - CIBC World Markets - Analyst**

Oh, OK.

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**Debbie Stein - AltaGas Ltd. - Senior Vice President Finance and Chief Financial Officer**

So the cash amount is about \$11 million.

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**David Noseworthy - CIBC World Markets - Analyst**

OK. So we've basically seen the cash amount already come through?

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**Debbie Stein - AltaGas Ltd. - Senior Vice President Finance and Chief Financial Officer**

Yes.

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**David Noseworthy - CIBC World Markets - Analyst**

All right, that's helpful. And then Debbie, just while we're on it, you mentioned the maintenance Capex for the quarter, but I missed that. Could you repeat that?

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**Debbie Stein - AltaGas Ltd. - Senior Vice President Finance and Chief Financial Officer**

It was \$2.4 million.

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**David Noseworthy - CIBC World Markets - Analyst**

\$2.4. OK, great. Perfect. And then one other question on the gas side of the equation. David, I was wondering if you could talk about the timing of when we might hear something more concrete regarding the gas processing opportunities.

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**David Harris - AltaGas Ltd. - Chief Operating Officer**

I would say you'll see more color from our Q2 call and further as we get into to Q3.

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**David Noseworthy - CIBC World Markets - Analyst**

Perfect. Thank you very much.

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**Operator**

Thank you. Mr. Nieukerk, we have no further questions at this time.

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**Jess Nieukerk - AltaGas Ltd. - Director of Finance & Communications**

Perfect, thank you. I'd like to thank everybody for joining us today. That concludes our AltaGas' First Quarter 2014 conference call, and we are available for any follow-up questions after the call. Thank you.

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**Operator**

Thank you. The conference call has now ended. Please disconnect your lines at this time, and we thank all who participated.