

JUST ENERGY
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Operator: Good afternoon, ladies and gentlemen. Welcome to the Just Energy Group Inc. conference call to discuss the first quarter results for the period ended June 30th, 2012. Please note that all lines are on listen-only mode, however there will be a question-and-answer session at the end. For any assistance that you may require, please press star-zero to speak to an operator. And now, I'd like to turn the call over to Ms. Rebecca MacDonald. Go ahead, please.

Ms. Rebecca MacDonald: Good afternoon, everyone. With me this afternoon I have Ken Hartwick, our CEO, and Beth Summers, our CFO. We'd like to welcome you to our fiscal 2013 first quarter conference call. Ken and I will make a short presentation and then we will open the call to questions. We have entered our twelfth year in the public markets and I'm happy to state that our results show a continuation of growth and profitability. Just Energy continues to be the unique combination of growth and income that has consistently delivered for shareholders over the past twelve years. Before we get going, let me preface the call by telling you that our earnings release and potentially our answers to your questions will contain forward-looking financial information. This information may eventually prove to be inaccurate so please read the disclaimer regarding such information at the bottom of our press releases. I will have Ken go through the highlights of the quarter and the year, and then I will talk about what we see as a very bright future. After that, we will open for your questions. Before Ken takes over, I'd like to warn you that he has a terrible cold and be very, very kind with your questions to Ken.

Mr. Ken Hartwick: Thanks, Rebecca. The first quarter of fiscal 2013 had excellent operating results across all measures. As a sales and marketing company, we must add and retain customers in order to grow. Q1 saw our multi-channeled sales approach generate the strongest marketing results in our history. The highlight was our record customer additions. Two years ago, we signed what was then a record 505,000 new customers for the entire year. This quarter alone we added 338,000 new customers, the highest quarterly total in the company's history. This was an increase of 49% over the 227,000 added in Q1 last year. This marketing success was seen across all segments of the business with each of our new marketing channels contributing. Our core consumer division, residential marketing, generated 162,000 new customers, up 105% from fiscal 2012. This increase is in addition to the significant role our sales force plays in the record numbers of renewals seen in the quarter. Commercial additions were 176,000, up 19% from additions in fiscal 2012. Including these record additions generated through marketing and the customers acquired with Fulcrum in October, our customer base has reached 3,977,000, up 18% from a year earlier. Our National Home Services Water Heater and HVAC Rental Unit saw excellent growth as well. Their customer base reached 177,000, up 34% from a year earlier. At the end of the year, we published our growth guidance for fiscal 2013. That guidance called for double-digit growth with the caveat that it would require growth of more than 10% in our customer base to realize these targets. Including NHS, growth today stands at 19%. I am proud to say that our record first quarter has us well on our way to meeting that objective. This growth was accomplished the year through contributions from all our marketing channels. Over the past three years, we have moved to diversify our sales in marketing and to broaden our product line, while maintaining a focus on the customer's energy use and price. It was exciting to see the resultant turnaround of our residential customer additions. 162,000 added was by far the most we've ever seen in the quarter, and we had net residential additions for the first time in recent memory. These are traditionally our most profitable customers, and renewed strength in this segment is a

very positive sign. Our utilization of the commercial broker channel has also been a particular success with more than half our customer base now classed as commercial. We understand that these commercial customers generate by design lower-per-customer margins than our traditional residential base, but their payback on aggregation costs is less than 18 months, just like a residential customer. While this results in lower average margins, this is a very lucrative business as each customer equivalent brings lower customer aggregation costs and lower ongoing customer care expenses. Other new marketing channels include our initial steps into internet acquisition and telemarketing. Our network marketing unit, Momentis, continues its rapid growth. From a standing start with 3500 independent representatives at the beginning of fiscal 2012, Momentis has grown to 66,000 independent reps at quarter end. With the rapid ramp-up, we are only now starting to see the benefit of this division in new customer contract and sales of other products. Adding customers is very important but retaining them is vital as well. We continue to see a low, stable, commodity-price environment which makes renewals more difficult and attrition a challenge. In Q1, both these measures were solid. Attrition was unchanged year-over-year at an annual rate of 14%. Renewals are strong at 74%, up from 66 a year earlier. While this is clearly positive, it is important to note that commercial renewals are often the result of competitive bidding and will tend to be volatile quarter-to-quarter. Our customer growth was matched by margin growth. We had forecast that fiscal 2013 would see 10% to 12% growth in margin, and after the strong first quarter we are ahead of that pace. Driven by the 19% growth in customers, our gross margin was up 21% year-over-year. While the first quarter is seasonally the slowest for sales and margin, this is a very good start to the year. Our administrative costs were up 28% as we continue to build a base for future expansion. Much of this growth was Momentis and the establishment of a UK office that Rebecca will discuss later. Bad debt stayed under control, averaging 2.6%, down from 2.8% a year earlier. As the percentage of our revenue exposed to bad debt grows, management is carefully monitoring to ensure that the losses are held within their target range of 2% to 3%. National Home Services had another strong quarter. Tracking its growth in installed base year-over-year, revenue and gross margin are up 40% and 36% respectively. This product is a natural expansion of our focus on the customer's energy needs and the tremendous values being built daily within this division, with steps being taken to move outside of Ontario. Selling and marketing expenditures were up, reflecting both the costs of our record additions and the startup costs of the Momentis network. The overall result of the quarter is seen in strong growth in adjusted EBITDA. We had record number of renewals in the quarter leading to adjusted EBITDA growth being less than margin growth. The 13% realized is well ahead of the pace to meet our 8% to 10% published target. Our payout ratio on adjusted EBITDA for the quarter was 105% after margin, down from 116% in the year prior. Payout ratio has historically been higher in Q1 and Q2 and lower in the higher-margin periods of Q3 and Q4. This continues a downward year-over-year trend of recent quarters. We are confident that the measures we have taken to diversify Just Energy would pay off in renewed growth. It is this confidence that caused us to project double-digit growth in a period of very low inflation. As always, we have paid the \$1.24 dividend many of our shareholders rely on. Today's price, we have 11.2% annual yield. Combine that with double-digit growth we are projecting and you have returns even the harshest critic would call exceptional in this challenging and uncertain economy. Overall, Just Energy had solid operating performance in the first quarter. Let me turn it over to Rebecca.

Ms. Rebecca MacDonald: Thank you, Ken. You can imagine I am also pleased with the results for the quarter. As Ken pointed out, we showed excellent customer growth and expenditure control with the results leaving us ahead of our guidance after the first three months of the year. As regards to the future, Just Energy is not in the business of standing still. Three years ago, we saw the growing demand for green energy from our consumer division customers and developed our JustGreen products. These products have been a tremendous success with green sources now making up 12% of our current consumer electricity portfolio and 11% of our consumer natural gas portfolio. While the take-up by new customers on Green sloped slightly this year due to the pricing pressures in a challenging economy, Green products remain a focus for the company. We continue to initiate new products and options for Green-orientated customers. Our new Hudson Energy Solar business has committed to more than \$108 million

in capital projects, placing solar rays on most of corporate and public buildings. We are happy to announce that we have entered into a \$30 million non-recourse loan facility with Macquarie Bank to front solar expansion. Today we continue to look to the future and see many changes coming in how customers use energy. Time of use, metering, makes control of the home consumption an important goal of homeowners. This is an opportunity for Just Energy to provide products which assist customers in using energy effectively. Looking further out, we see growth in the sales of electric cars and other vehicles as the major driver of North American power consumption. Again, our executive team is looking for ways to have Just Energy products at the forefront of this growth sector. Last month we announced the opening of a commercial office in UK, our first step outside North America. The UK market is equal in size to combined New York and Texas, our two fastest-growing territories. We are entering the market with the strong support of our suppliers and our commercial broker network. They see an opportunity to profitably gain customers in an under-served segment of the UK commercial market. We have committed our normal, small, initial investment to open the new territory and we expect very rapid payback on that investment. These are just some of the plans we have for the future. I think you can see why we are confident that further growth is coming in future quarters. As some of you are no doubt aware, there have been some out there who believe that despite our track record and results, our company will have difficulty maintaining our growth or sustaining our dividends going forward. Look at our four metrics for the quarter – residential additions up 105%; commercial additions up 19%; National Home Services installed customers up 34%; attrition is flat; renewal rates are up; bad debt percentage is down; margins up 21%; adjusted EBITDA up 13%. Does that sound like a business concerned about sources of future growth? Critics will point to the fact that our cash flow exceeds our inflow as if this is a bad thing during a period of high growth. Let's look at this carefully. We are spending cash because we are signing more customers than we ever have. These customers pay back in 12 to 14 months. Is there a rational business that would not take as many of those customers as possible? As far as the cash [PH] crunch, look at our most important metric – the future margin embedded in our contracts. A year ago, we had embedded margin of \$1.7 billion. At the end of Q1, it stands at \$2.1 billion. That means in the last years, we have added 20% to the future cash flow of the company. In the quarter alone, embedded margin was up 6%. Given our high customer growth to date, we may have further quarters where total payout exceeds cash inflows. Accordingly, we have taken the steps necessarily to ensure that they do not constrain our ability to grow. The banks also increased our operating drive from \$350 million to \$370 million. Clearly they see our growth plan as a positive, not a detriment to the business. It is our intention to continue to drive embedded margin higher because ultimately that will define the way of the company and the payout to our shareholders. As regards to dividends, we have a policy of monthly dividends equal to \$1.24 annually. That has not changed and it is not changing now. I would like to thank Ken Hartwick and his team for an excellent quarter. Our efforts and expenditures to broaden our sales channels and geographic footprint have resulted in renewed growth without sacrificing the stability of Just Energy as we know it. Just Energy has become a North American leader in the deregulated commodity supply and green energy market. The future has never been brighter for your company. On that note, I will open up for questions.

Operator: Ladies and gentlemen, at this time if you'd like to ask a question, please press zero-one on your telephone keypad. And we do have a question that came in from Nelson Ng. Go ahead, Nelson.

Mr. Nelson Ng: Great, thanks. In terms of funding growth, it looks like you have about \$100 million available in your credit facility and also another \$30 million in your solar credit facility. I guess given your plans to invest in growth, what do you think your best options are to finance growth?

Ms. Beth Summers: Yes, Nelson, hi. It's Beth. I think the way that we would approach it as a company, when a sales growth pay back over 12 to 14 months, our view is it's not going to be hard to identify a way to fund that. It could be done various ways. It could be done through either equity or a

debt issuance, and when we've got that growth driving that, our view is we have various means to access that.

Ms. Rebecca MacDonald: It's Rebecca – it's safe to say that we are not concerned about our ability to fund the growth. We feel very strongly that that will not be an issue.

Mr. Nelson Ng: Okay. And would you issue equity at the current levels to fund growth?

Ms. Rebecca MacDonald: That's a tricky question. We will not issue today but we don't think that our price will stay at the level where it is. We are hoping it's going to go up, but sometimes in the future we might. We are never saying "no" but if you are asking us today, no, and we don't need to issue anything today.

Mr. Nelson Ng: Okay. Just in terms of the \$30 million solar credit facility, I guess compared to the \$108 million of solar commitments, so are you looking to increase the solar credit facility or is the credit facility a much shorter-term way of financing part of your commitments, and then would you want to somehow raise longer-term financing for your solar investments?

Ms. Beth Summers: Nelson, I would answer that actually in two pieces. The first piece is the \$30 million, comparing it to the \$90 million of solar project – there's actually two past loads that come from the project. One, you've got your PPA and your solar renewable credit; you also have a cash grant for the bulk of those projects, which is equal to 30% of that capital, so that will be coming in from a cash perspective. You are correct in the \$30 million. As those projects, we continue to have more projects in expand. The assumption is that we will increase that, and certainly there have been discussions that that would be increased through time as required. So the longer term, you're correct, it's a two-year facility. The view would be to gather a bulk of projects and that point come up with a long-term term-debt solution which makes sense on a portfolio basis.

Mr. Nelson Ng: Okay, thanks. And then just switching gears to Momentis, the number of reps has grown about 38% in the quarter alone. Like are you actively promoting the sales channel and recruiting reps yourself or is the growth mainly through existing reps recruiting new reps?

Mr. Ken Hartwick: Yeah. The way the model works is the recruitment by our existing reps, the senior people leading the organization of new reps – so that's where the growth is coming from, and as more new reps come in are with us longer, understand the business model, then they actively recruit the next group of reps into it.

Mr. Nelson Ng: Okay, because I was just thinking in terms of the \$16 million of costs incurred during the quarter relative to the 18,000 of reps added, that equates to roughly \$800 or so per person. I'm not sure like whether, like how that – can you provide some clarity in terms of how that \$16 million was spent?

Mr. Ken Hartwick: Yeah. You can't really equate it to dividing the amount by new reps because some of those payments are going to existing reps who are bringing in existing customers, and we look at the success of the sales channel and, as we mentioned in the comments at the beginning, we are now experiencing a net growth in our residential customer base, and I think it's safe to assume that we're seeing some of the success of that being driven out of the Momentis channels.

Mr. Nelson Ng: Okay. Thanks a lot. I'll get back into the queue.

Mr. Ken Hartwick: Thanks.

Ms. Rebecca MacDonald: Thanks.

Operator: Okay, and our next question comes from Tania Maciver. Go ahead, please.

Ms. Tania Maciver: Hi, guys. Just a couple of questions on the growth in customer adds and renewals – do you have any sort of insight into what the drivers are, I guess, in...? Are they in specific regions? Like is there a lot of it coming out of Texas, or are there different sales methods that are working better than others, or is it pricing-related?

Ms. Rebecca MacDonald: Tania, I will take a stab at it first. First we want to credit the management for their job well done. We think it really comes from management, but joking side, we are actually incredibly happy with every division. Every division is maximizing what they should be doing and there is a lot of work put into fine-tuning the different pieces of the business and different parts of our sales group, and it is just collectively paying off. So I don't want to tell you that the residential division is doing better than commercial or better than NHS or better than solar. Every single division is operating extremely well and extremely efficiently. This is exactly the question we had to just answer to our Board this morning and we are very, very pleased the way it's performing across the board.

Mr. Ken Hartwick: And Tania, if I could add as well, that I think our renewal number was very high in the quarter, to the positive, but again, we did caution people that that is volatile based on our commercial business so as you have some of that commercial [PH] part move through, that can bounce a lot. So while we would like it to be at 74% every quarter, we said we have seen some gradual improvement in it, which we have, and we think we will continue to see gradual improvement compared to the norm.

Ms. Tania Maciver: Right. Okay. So there's been no real changes in the process for renewal or in terms of any kind of more aggressive pricing or anything?

Mr. Ken Hartwick: No. No, not at all. It's just one of those quarters that was very good to the positive, which we'll take, but again, that's one of incremental improvement versus definite large leaps.

Ms. Tania Maciver: Right. And then the residential, I mean customer growth was surprising and was obviously very positive. Do you see that continuing along those lines?

Ms. Rebecca MacDonald: Definitely. Tania, we definitely see continuation because don't forget, we are already in our second quarter and we don't see the slow-down in sales. What we are collectively very, very happy is we are showing the market that our sales agents can sell at the good times, at the bad times, when the markets are rising and when the markets are flat, because we are basically, we always said that the hardest time to sell is when the price is very stable but we said as well that we are confident that we can deliver sales results, and this has just shown that our sales people are able to sell through good times and more challenging times.

Ms. Tania Maciver: Okay. And then just back on Momentis, I mean, it's obviously grown significantly. Is there a sort of a maximum level that you think that group should get to, or do you just keep growing and adding reps as they become available?

Mr. Ken Hartwick: No, I don't think there's a maximum to it. I think as we grow the base of senior leaders within that that are then really accumulating customers, which is the ultimate goal, it allows us to be more flexible in how we deal with the compensation of that rep base as it grows. So I wouldn't put any limit on it. I think it's one of our larger energy network marketers. It's probably in the order of 600,000

and they've been doing MLM for six or seven years. So as I said, we're going to grow it in a profitable manner, and whatever that pace is, that's the pace we'll grow it.

Ms. Rebecca MacDonald: And just a reminder, Tania – that MLM customer is in some respects a little different type – not different type of customers, different personality of the customer. It's a customer that doesn't necessarily respond well to door-to-door but responds well to a living room sale, so it's not jeopardizing our other sales channels.

Ms. Tania Maciver: Right. And can you just remind us how that group is compensated?

Mr. Ken Hartwick: Yeah. So a representative will be paid based on getting a flowing customer for us, so that's the primary driver. So they'll get points awarded based on the type of customer, you know a bigger customer in Texas will get more points than the customer in New York. So the compensations link back primarily to the customer. Now we'll run bonus programs similar to what we do with our door-to-door guys for getting a certain number of customers in a week or a certain number of customers in a month, but it's always linked back to the growth in flowing customers.

Ms. Tania Maciver: Okay. Okay, and then just one last question on the UK office. You said, you talk about an investment that you made to get the office up-and-running. How much was that and what does the office look like? How many people? You've obviously started selling to customers in that region – how is that going?

Mr. Ken Hartwick: Right. So when we enter any market, and I don't think the UK was really any different, we always say it's \$2 to \$3 million to get our operations set up, get billing set up, you know, all the things that we need to do to get functional. We went live on July 23rd. We have signed up our first group of customers, commercial only at this point. We're very happy with the size of the customers. The margins were very similar to Texas in what we're seeing out of that customer, which is positive, and maybe a little bit better. But to us the real positive sign we saw is that we have had a very strong enrollment of brokers in the UK into Hudson, and ultimately when you bring brokers in, they're now registered, they're on the system, and that will result in customers. So actually, you know, we're two weeks into – we're not two years into it – but we are very encouraged with the first couple of weeks in what we're seeing.

Ms. Rebecca MacDonald: And, you know, that is a market, Tania, which has been deregulated for a while. It's a full commodity market, a large market, and a couple of lifetimes ago I operated there and it's a very, very similar market to some of the markets we operate in Texas; and from the size perspective, as I said in my remarks, it's really the size of Texas and New York, which is substantial for us. We feel very, very positive about our move over there.

Ms. Tania Maciver: And then the terms of the contracts that you've been signing with the commercial customers, are those similar to what they see here? Are they shorter or longer or --?

Mr. Ken Hartwick: It's very similar. I think they ranged from one year to three in the initial block of customers. Our commercial book in the U.S. and Canada is a little over a three-year average term and we would anticipate that we would be in that range in the UK.

Ms. Tania Maciver: A three-year average. Okay, perfect. Okay, great. Thank you, and I hope you feel better, Ken.

Mr. Ken Hartwick: Thank you very much.

Ms. Rebecca MacDonald: They're trying to make him to help but we're not very successful.

Operator: And our next question comes from John [PH] McIlveen. Go ahead, please.

Mr. John McIlveen: Yes. Good afternoon. Could you comment on how the July net additions are going?

Ms. Rebecca MacDonald: Oh, my God, we cannot comment on July. That's the second quarter. Are you kidding me? You want us in jail?

Mr. John McIlveen: Well, I meant in general.

Ms. Rebecca MacDonald: It's a good try. It's a very good try but you have to wait until we finish the quarter, please.

Mr. John McIlveen: Oh, okay. All right, then. How about we talk about the growth marketing then? How long do you think the present pace will continue? Is there a plan to keep it at this level for x-number of quarters and then slow it down?

Mr. Ken Hartwick: Yeah. I think the way we tend to look at it is, and as Beth commented earlier, if we're getting a payback on a customer within 12 to 14 months, you know, as far as all of our commission dollars back or aggregation costs back, we want to see if we can maintain a growth pace very similar or better than what we're currently doing, and I think the job for management group is to make sure the financing and funding is in place to go at that growth. It's relatively easy just to ratchet it all back and say "let's not grow" or pull the growth rates back, but we don't think that's the right answer for shareholders. So like I say, the first task at hand is to make sure that we have the liquidity in place to keep growing at the pace that we are.

Mr. John McIlveen: Okay. On the commercial for a moment here, we talked about how it's less a gross margin versus residential; now that's on an accounting gross margin. If we think about it from a cash flow basis, is that the same case? I mean you mentioned lower customer care costs, lower acquisition cost, so on a cash flow basis per customer, is that any different, lower or higher, than residential?

Mr. Ken Hartwick: No. We think net-net it's very similar because if you sign up a school or a school board that's a thousand RCEs, you tend to have one phone call with them each year to review their billing for the year. It just doesn't generate the activity level that a thousand houses generate, so while the cash flow profile might be a little bit different and they'll be paying the brokers by quarterly or annually, based on the customer staying flowing with us, the overall administration of the commercial book is significantly less. So that's why we think, you know, you go over the terms of the contract over a three-year period and you're probably in the same cash position as you are with a residential customer.

Mr. John McIlveen: Okay, very good. That's it. Thanks.

Mr. Ken Hartwick: Thank you.

Ms. Rebecca MacDonald: Thanks.

Operator: Ken, our next question comes from Damir Gunja. Go ahead, please.

Mr. Damir Gunja: Thank you. Good afternoon. I just wanted to touch on seasonality. Can you remind us just how Q3 and Q4 are relative to the full year? I guess you've had some acquisitions, you're moving

into different geographies, and then sort of the shift from residential to commercial – is it still safe to say going forward that those two quarters represent, I don't know, 60% of your gross margins?

Ms. Beth Summers: Yes, Damir. I think if you look at Q3/Q4, that would be roughly 60%; Q1 and Q2 40%. And as you said, I think if we look back historically it's become less seasonal but it's still fairly seasonal.

Ms. Rebecca MacDonald: And Damir, that assuming the winter shows up, and we're all praying for a good winter.

Mr. Damir Gunja: I guess on that topic, have you looked at any sort of hedging for the upcoming winter, or is too early?

Mr. Ken Hartwick: Yes. It's always the very similar approach to what we took last year with the weather hedges is what is being put in place for this coming winter, and similarly we put those in place for the summer time for the summer periods back in February, so it's the same, well ahead of the season.

Mr. Damir Gunja: Okay. And just a final one from me, I guess it's probably still early, it's clearly not showing up in the numbers yet, but what's your view on the natural gas environment? There seems to be some signs that going forward, things are certainly going to look better than they've been in recent years. Just maybe comment on what you're seeing there and what sort of forward impact there could be if there's some reacceleration and presumably you'd be building some significant and better margins on that side.

Mr. Ken Hartwick: Yeah. I think we commented for the last couple of years but, you know, any strengthening in the gas markets is a positive to us both because there's the volatility in the price, which is a benefit to our residential sales force in particular, but also then the ability to maybe shift a little more of the margin on to the customer price as well. So, like I say, gas prices are up headed over \$3. They're over \$3. Any strengthening up there just makes things better for us, and that includes in our renewal book because we talked about the impact of renewals against the \$2 gas price, but as this has moved back again, it will benefit what we're doing.

Mr. Damir Gunja: And can you just remind us, is it another 12 months or so until you get through sort of the worst of some of those high gas renewals?

Mr. Ken Hartwick: 15. So we were 18 last quarter, 15 this quarter, so we're on cap one.

Mr. Damir Gunja: Okay. Thanks.

Mr. Ken Hartwick: Thank you.

Ms. Rebecca MacDonald: [PH] 15.

Operator: And our next question comes from [PH] Manesh Kuswami. Go ahead, please.

Mr. Manesh Kuswami: Hi, guys. Just a quick question for you – in terms of the breakdown between commercial and residential customers, in your internal models, when do you guys kind of see the sort of tipping point where you'll have more margin coming from the commercials, and maybe can you give a sense for sort of five years out, what we might expect from your portfolio?

Mr. Ken Hartwick: Yeah. We think overall that that 50/50 mix is one that we think we like, and like I say, we're starting to see net-net growth on our residential growth coming out of this quarter. To the

earlier question, as we move through the renewals over the next 15 months, we think our renewal rates, which a lot of it is residential, will climb contributing again to the net residential growth, so the 50/50 mix is something that we would look out in our planning cycle and say that's probably where we'll be at in two years from now and three years from now.

Mr. Manesh Kuswami: So two to three years is kind of when you think you'll hit the 50/50 mark. Okay. And when you get to that point, can we sort of think of the business as being less volatile, like just in terms of commercial customers being more sticky? – I think you've mentioned that in past, in terms of renewals?

Mr. Ken Hartwick: Yeah. The commercial customers tend to demonstrate a certain level of loyalty across some of the base. You know, a number of them are into bids. Brokers bid them out through the commercial books so you get some volatility related to that, but again, as you look across the two customer pools, resie and commercial, both have different attributes that we like which is why we want that mix that we're targeting.

Ms. Rebecca MacDonald: And they are different profile customers and one thing about the commercial business that we also have to be reminded of is that it's kind of not as predictable a customer addition-wise and renewal-wise as residential customers are because – and Ken alluded to it earlier – our renewals this quarter were 74% but you have to be cautioned that a lot of it was based on our commercial renewals and some of them might not happen in the next year to come. So just, they are two customer bases that have a tendency to behave somewhat differently.

Mr. Manesh Kuswami: Okay. I appreciate the color. Thanks for taking my questions.

Operator: Okay, and our next question comes from Nelson Ng. Go ahead, Nelson.

Mr. Nelson Ng: Great, thanks. Just a few follow-up questions. In terms of the warm weather in the U.S. and the drought, how has that impacted Q1 margins and how do you expect it will impact Q2 margins; and I guess I saw in the report that you received about \$1.2 million of proceeds from your weather swaps in Q1?

Ms. Beth Summers: Yeah, Nelson, from a weather impact and from that warm weather in the south, there's much less impact, so you wouldn't see much in Q1 on the electricity side and it's because the contracts are a little different, typically in the gas contracts where they're load-balanced, so you don't have that same fluctuation or see that difference when you get the extreme weather on either side. And as for the weather hedge, yeah, that was as a result of some of the extreme weather where you have extreme volatility in Texas and we put weather hedges in place to protect ourselves, similar to what we do in the Northeast end of Canada in the gas markets in the winter – similar structures.

Mr. Nelson Ng: Okay. So in general, you don't expect Q2 to be materially impacted from the dry weather?

Ms. Beth Summers: No. There'd be a bit of a pickup but not material.

Mr. Nelson Ng: Okay.

Ms. Rebecca MacDonald: Remember, we don't speculate on a commodity. We are hedged, and any additional balancing is done with the pass to cost to the customer, so do not expect a big pickup. We loved the summer. We are happy summer showed up for the remainder of the volume that's locked in, but we are not going to be benefiting financially from the very hot summer.

Mr. Nelson Ng: Okay, got it. And for the ethanol facility, like the decline in EBITDA, was that mainly due to the margin squeeze in terms of the movements in the price of ethanol and wheat, or was it attributable to the downtime?

Ms. Beth Summers: It's two-fold. A portion of it was attributable to the planned outage as well as some of the reduced production as a result of some very wet weather and difficulty in getting the feedstock. The other impact, you're absolutely correct, is a squeeze on the margin where ethanol prices have declined and the grain prices have increased, squeezing it comparatively-speaking from last year.

Mr. Nelson Ng: Okay. So going forward, with no downtime, I presume you'll be generating positive EBITDA for that facility?

Ms. Beth Summers: Yes.

Mr. Nelson Ng: Okay. Thanks.

Operator: Okay, once again, ladies and gentlemen, if you'd like to ask a question, please press zero-one on your telephone keypad.

Ms. Rebecca MacDonald: Well, if there are no other questions, we would like to thank you very much for your support. If you have any additional questions, feel free to call Ken, Beth or myself, and we look forward talking to you when we report the second quarter. Thank you very much.

Operator: Thank you, ladies and gentlemen. This will conclude today's conference. Have a nice day.