

Q4 2013 EARNINGS CALL

CORPORATE PARTICIPANTS

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

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Robert Kwan *RBC Capital Markets - Analyst*

Matthew Akman *Scotiabank - Analyst*

PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to the AltaGas Ltd. 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.

Jess Nieuwerk - AltaGas Ltd. - Director of Finance and Communications

Thank you. Good morning, everyone. Welcome to AltaGas's fourth-quarter and year-end 2013 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.

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

Thank you, Jess. Good morning, everyone. 2013 was a busy and outstanding year for AltaGas. Our business delivered exceptional results. Our earnings per share increased by 31% to \$1.51. Our EBITDA was up 51%, achieving over \$0.5 billion for the first time in our history. And at over \$400 million our funds from operations were up by 17% on a per-share basis.

Our results were driven by strong operations and positive growth in all three of our business segments. Our Utilities performed extremely well. SEMCO was the biggest driver and delivered first-year results that exceeded our expectations. SEMCO benefited from colder than normal temperatures, as did several of our other utilities.

Our Gas segment benefited from higher inlet volumes. This was due to increased producer activity in liquids-rich areas and asset additions.

In Power our operations were strong. We benefited from higher power prices in Alberta and from the acquisition of Blythe. The strengths shown in our operations gave our Board the confidence to raise our dividend in 2013 from \$1.44 to \$1.53, a 6.25% increase.

We had many major accomplishments in 2013. We established a significant joint venture with Idemitsu. We gained a solid foothold in the US power market with Blythe. This added over 500 megawatts of clean generation.

We significantly enhanced our midstream capability with Petrogas. Their logistics and marketing capabilities allow us to provide greater service to our customers. We made excellent progress on our Northwest projects. Forrest Kerr was mechanically complete. We announced Volcano is two years ahead of schedule. David Harris will provide more details on the projects.

We are proud of all these accomplishments. They are a clear reflection of the capability and strength of the Company.

When we look forward, our focus is straightforward. We have over \$2.5 billion worth of growth opportunities for our business. Almost half of the growth is already secured, and we will continue to progress on the other half.

We have \$2 billion to \$5 billion in energy export opportunities, which we continue to make good progress on. We expect to continue delivering greater than 10% growth in earnings and cash flow per share for the foreseeable future.

For 2014 our investment plans are: Bring Forrest Kerr online by mid-year and Volcano shortly thereafter; advancing McLymont Creek, ensuring it stays on track for 2015; and start construction on our Cold Lake pipeline expansion and our Cogen III plant at our Harmattan facility. Together these represent an investment of \$75 million.

At our Utilities we increased plan spend by almost 25% to \$185 million for 2014. This is a strong start to our five-year target of \$750 million capital spend.

In Nova Scotia we are planning major investments. We are looking to commit to investments of almost \$150 million in utilities and gas-related projects. Roughly \$45 million relates to our Heritage Gas utility in 2014. It is part of the \$185 million I mentioned earlier.

In Pictou County, Heritage Gas is currently completing a pipeline expansion to serve major industrial customers. This pipeline will enhance our ability to serve additional customers in Pictou County.

A recent Nova Scotia Utility Review Board decision will allow more residential customers to receive gas in a shorter time line. We are pleased to be able to service more residential customers more quickly.

The remaining \$100 million relates to Alton Natural Gas Storage project. Earlier this month we acquired the remaining 50% ownership interest in this project. This gas storage project will help ensure security of gas supply in the Maritimes and lessen the volatility of gas price. We expect to begin construction in Q2 of 2014 subject to the normal commercial arrangements and regulatory approvals.

We also continue to push several other projects forward. We have made significant progress on regional LNG. We have a five-year plan to build out this business to approximately 500,000 gallons a day. This will require investment of approximately \$250 million. Regional LNG is scalable and investment we made over a five-year period.

We are confident we can do this. We already have several sites for our projects in northern BC in the Fort Nelson to Prince Rupert corridor. Regional LNG can provide significant cost savings for our customers. It also is much cleaner and significantly reduces emissions. Once the business is fully built out, the greenhouse gas savings would be equivalent to taking over 50,000 cars off the road.

We are moving forward with the initial LNG project in Dawson Creek. The \$22 million project could be supplying LNG to customers as early as late 2014.

David Harris will provide updates on AltaGas' plans to meet demand for new gas infrastructure, the potential life expansion in our energy export initiatives. Before turning the call over to him, let me comment on the proposed BC LNG tax. We are evaluating the proposed tax to understand the impact on our project. At this point, the impact is uncertain.

It is clear however, that the tax puts BC at a disadvantage to compete with other suppliers in the world. The tax will also impact regional LNG, resulting in higher costs to our customers.

To close, 2014 will be another big year for the Company. We expect greater than 10% growth in earnings and cash flow. Forrest Kerr and Volcano in particular will be a significant step change to AltaGas, with strong secured cash flows. This growth means we have ample room to raise our dividend and stay within our payout ratio of 40% to 50% of FFO. Our dividend is rock solid.

This is an exciting time for AltaGas. We have many exciting growth projects ahead, and we have the organizational capability to execute on them successfully.

I will now pass the call on to David Harris.

David Harris - AltaGas Ltd. – Chief Operating Officer

Thank you, David. And good morning, everyone. Operations across our three business segments were strong in the fourth quarter, with normalized operating income of \$123.8 million compared to \$105.1 million in the fourth quarter 2012.

Normalized operating income from our Gas business increased 46% to \$38.8 million. Our gas business benefited from the acquisition of Petrogas and the ramp up in volumes in liquid-rich areas despite lower realized frac spreads.

Total volumes processed increased by over 160 MMcf per day to 1,454 MMcf per day compared to Q4 2012. The increase was driven by higher volumes at the Harmattan Co-Stream facility and increased volumes at Gordondale and Blair Creek. Realized frac spreads was approximately \$25 per barrel compared to approximately \$32 per barrel in Q4 2012.

Normalized operating income from our Power business was \$29.6 million, an increase of 5.3% compared to the fourth quarter of 2012. Blythe contributed significantly to the power segment, exceeding our expectations, but was offset by lower power prices realized in Alberta. The average realized power price in Alberta was approximately \$65 per megawatt hour compared to approximately \$73 per megawatt hour for the same period last year.

Our Utility business had another solid quarter. Normalized operating income was \$55.4 million, an increase of approximately 10% over Q4 2012. Higher earnings were driven by rate-based growth and by colder weather compared to Q4 2012 in Michigan and Nova Scotia.

For the full-year operating income for all three business segments increased 46% to \$385.6 million. Contributing to the increase was the first full-year contribution of SEMCO, which delivered approximately \$143 million in EBITDA, beating our expectations. Results also benefited from higher volumes processed, the addition of Blythe, and the acquisition of our interest in Petrogas.

Our Gas segment processed higher average volumes in 2013 of 1,361 MMcf per day compared to 1,261 in 2012. Higher income was also driven by higher realized power prices in Alberta of \$77 per megawatt hour compared to \$69 per megawatt hour in 2012, rate-based growth and colder weather in Michigan, Nova Scotia and Alberta compared to 2012. Results for the full year were partially offset by lower realized frac prices.

Looking at our Northwest projects, construction on Forrest Kerr continues ahead of schedule and on budget. The turbine generator sets are now mechanically complete. And the project has moved into the electrical installation and commissioning phase. We continue to monitor the progress of the NTL, and it remains on track to sync to the grid by mid 2014.

At Volcano we have made significant progress. Construction of the intake and weir installation has been completed. The powerhouse building, turbine foundations and crane installation have also been completed. Turbine generator sets are scheduled for delivery to site in March. And penstock installation is set to commence in the spring and the project is on track to come online later this year.

At McLymont Creek construction of the 7-kilometer intake access road is 85% complete. Work was shut down for the winter. We expect to restart roadwork in March and complete road construction by the summer. Excavation of the power portal has been completed and approximately 50% of the 2,800-meter power tunnel has been excavated. Excavation of the powerhouse foundation is complete and installation of the powerhouse foundations has commenced. The project remains on track to be in service in mid 2015.

Also on the construction front we have started detailed engineering for both our Cold Lake pipeline expansion and our Cogen III facility. At Cold Lake we are in the regulatory and permitting process and in talks with First Nations. Pending all approvals, construction is expected to begin around mid year.

With Cogen III we have already procured the major equipment. And construction is expected to start in May.

Finally, let me talk about some of the other growth initiatives we have going on. In Gas, we are working with producers to meet their demand for new infrastructure. We're in ongoing discussions with producers to build new gas processing facilities, with feasibility studies and preliminary engineering underway. The opportunities include gas processing, NGL extraction, and fractionation facilities, as well as associated infrastructure. We expect to complete some of these studies in the following quarters of this year.

In Power, we continue to evaluate the potential expansion that would double our capacity at Blythe. There are a number of RFPs that help support this, and we are targeting a decision by the end of this year.

Finally, on our energy export initiatives, results from the pre-feasibility and pre-feed studies are being evaluated. We're in the site selection process for both LPG and LNG. And our work with the First Nations is progressing well. We expect to be in a position to make investment decisions by mid 2014.

With respect to LPG, AltaGas, Petrogas and Idemitsu together bring significant size, scale and expertise to move this initiative forward. Petrogas's potential LPG storage developments with ATCO is also a great advantage. It gives Petrogas the ability to source, store and market LPG from Ft. Saskatchewan. With the progress made we expect LPG exports could begin in the early part of 2016.

Our work on LNG has been centered on two fronts. First, we continue to be supportive of a solution for the restructuring proceedings for Douglas Channel LNG. Douglas Channel LNG would utilize the excess capacity on our PNG pipeline.

Second, we continue to focus on our Triton LNG project. Our Triton LNG project made an application to the NEB seeking approval to export 2.3 million tons of LNG per year. And we expect a response by Q3.

Regarding our PNG pipeline expansion, the BC Environmental Assessment Office began the public consultation period. The pre-feed study for the pipeline expansion is expected to conclude by June, while environmental studies are underway.

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

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

Thank you, David. Good morning, everyone, and thank you for joining our call this morning.

Today we reported strong results, both on an annual and quarterly basis. We finished the year with normalized earnings of \$0.49 per share for fourth quarter, an 11% increase over fourth quarter 2012. Our Q4 EBITDA increased 18% to \$153.3 million, and funds from operations were \$117.1 million.

For the full year, normalized net income increased 61% to \$175.8 million, or \$1.51 per share, compared to \$109.5 million or \$1.15 per share for full-year 2012. Normalized EBITDA for 2013 was a record \$508.9 million, an increase of 51% year over year.

For 2013 normalized funds from operations increased by 43% to \$402.7 million compared to \$281 million in 2012. On a per share basis, this was a 17% increase from \$2.96 in 2012 to \$3.47 in 2013. This translates to a dividend payout ratio of 43%, which is at the lower end of our range of 40% to 50%.

On a GAAP basis, net income applicable to common shares for fourth quarter 2013 was \$53.2 million, or \$0.44 per share, compared to \$26.7 million, or \$0.25 per share, for fourth quarter 2012. On a GAAP basis, net income applicable to common shares for the full-year 2013 was \$181.5 million, or \$1.56 per share, compared to \$101.8 million, or \$1.07 per share, for 2012.

Interest expense for fourth quarter 2013 was \$27.1 million, and \$102.1 million for full-year 2013. This is higher than same periods last year as a result of higher debt balances from the addition of new assets and lower capitalized interest, partly offset by lower interest rates.

In fourth quarter 2013, we reported an income tax expense of \$14.5 million compared to \$18.5 million in same quarter last year. For the full year, we reported income tax expense of \$40.1 million compared to \$46.1 million in 2012. Income tax was higher due to higher earnings but was more than offset by adjustments made to deferred tax liabilities, and as a result of a tax recovery after enactment of a Canadian tax amendment.

As a result, our effective tax rate for full-year 2013 was 16.1% compared to 27.7% last year. In 2014, we expect the effective tax rate to be approximately 25%.

For the full year 2013, net invested capital was \$1.4 billion, the majority of which was related to the acquisition of Blythe, Petrogas and construction of the Northwest projects. For 2014 we expect our capital expenditures to be in the range of \$400 million to \$500 million.

Our balance sheet remains strong with debt to total capitalization of 53.1%. We've been active on the financing side. In fourth quarter we successfully completed an 8 million share issuance for our Series E preferred shares for gross proceeds of \$200 million.

We also entered into an agreement for a \$1.4 billion unsecured credit facility with an expiration date of December 2017. Early this year we issued \$300 million in notes, \$100 million of which was our first ever 30-year MTN. As a result, our average debt maturity has been extended and is now seven years, and continues to be very manageable. We will continue to balance our long-term and short-term financings, as well as floating and fixed-rate debt, in order to execute a financing strategy that supports our business strategy.

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

Jess Nieuwerk - AltaGas Ltd. - Director of Finance and Communications

Thanks, Debbie. Operator, we will now take Q&A please.

QUESTION AND ANSWER

Operator

(Operator Instructions)

David Noseworthy - CIBC World Markets - Analyst

Just a quick question on the gas. You mentioned that you're working with producers for a number of new processing facilities -- NGL, extraction, fractionation. Can you provide any color as to when you think these will go from discussions to agreements?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

We're hopeful this year on some of them. Some of them are much longer lead times, but we would be hopeful this year.

David Noseworthy - CIBC World Markets - Analyst

Okay. And when you look at the \$400 million to \$500 million of capital plan for this year, would there be any consideration in that number towards some of these potential projects?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

No.

David Noseworthy - CIBC World Markets - Analyst

Okay, fair enough. And then in terms of the California power market, I was wondering if you could take a moment and just comment on what we're seeing there. Near term there's the issue of the snowpack being so low and drought concerns. Does that provide any urgency or motivation for utilities to re-contract Blythe or expand Blythe?

David Harris - AltaGas Ltd. - Chief Operating Officer

I think it does. Not just ourselves but for gas turbine generation in general within California. They've got one of the most aggressive renewable programs in the US. So, as you turn around and expand renewables that have intermittent capability and are subject to Mother Nature more than conventional power, it certainly helps add robustness for the utilities there to turn around and push RFPs out to turn around and to underpin that firm base gas generation, David.

David Noseworthy - CIBC World Markets - Analyst

Thanks for that. And if your utilization is higher on Blythe, and generally pricing is stronger in California, how does that flow through? Does any of that flow through to you in the quarter? Or is that just all capacity and so you're not seeing any of that?

David Harris - AltaGas Ltd. - Chief Operating Officer

No. It's mostly -- 99% of that's all capacity. We do see a little bit of uplift, is when you do run is the margin you pick up on heat rate. But for the sake of Blythe, it's all about capacity payment.

David Noseworthy - CIBC World Markets - Analyst

Okay. Appreciate that. And then, just finally, on Alton Gas Storage, have there been any preliminary discussions with the Nova Scotia Utility and Review Board regarding this project? Is there an appetite for this project? It sounds with, what was it? A Q2 construction start, you must have socialized this idea already?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

Yes. This project would not be a regulated project.

David Noseworthy - CIBC World Markets - Analyst

Okay. So then what is the 20-year term agreement? How does that work?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

We would be negotiating with customers to take firm supply arrangements there. So they would take capacity.

David Noseworthy - CIBC World Markets - Analyst

Okay. So Heritage could be the customer and then that would be a cost pass-through?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

Yes.

David Noseworthy - CIBC World Markets - Analyst

Okay. So the approval would be more of can Heritage get that approved as a prudent expense?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

Yes.

David Noseworthy - CIBC World Markets - Analyst

Okay. Perfect. Thank you very much. Those are my questions.

Operator

Carl Kirst, BMO.

Carl Kirst - BMO Capital Markets - Analyst

Nice results. A couple questions. First on Forrest Kerr. And recognizing the commentary around mid year, perhaps I can ask it this way. Do you still see it as a feasible timeframe of the NTL coming in June 1 with a 30-day sync, and having Forrest Kerr earning revenues by July 1? Or is that something that we should put push back a little bit?

David Harris - AltaGas Ltd. - Chief Operating Officer

No, we're solidly on track for that projection.

Carl Kirst - BMO Capital Markets - Analyst

Excellent. And David was asking about the drought in California. But as we look at that in BC, do you all look at -- obviously a 60-year agreement, it's a drop in the bucket -- but is there potential that 2014 volume utilization, as you're seeing it now, comes on perhaps less than initially expected? Or do you not expect that to really impact, given the conservative assumptions that were baked into Forrest Kerr?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

One of the conservative assumptions during the main production, we have lots of spare. The snowpack was actually higher than normal. It's not quite as well watched as California's snowpack. But last report that we saw they are running somewhere north of 120% of normal, last ones I saw. So, there was a good snowpack on top of that. A lot of the water is glacier fed.

Carl Kirst - BMO Capital Markets - Analyst

Excellent. And then maybe last question, if I could. To the extent that we're looking at maybe mid year FID on the LPG export, is there still a potential of an FID on the LNG export by the end of the year? Or has the BC LNG tax inserted more of a wrench maybe than you otherwise were expecting? Or does that just keep it on a parallel process and year end is still feasible?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

LNG's more complex so there's more variability on that date. We still are working hard for that date. The tax plus other things, it's just more complex than the LPG export opportunity. So, at this point, we haven't moved it but there's more variability in -- or lack of visibility in our forecasting.

Carl Kirst - BMO Capital Markets - Analyst

Understood. I appreciate the color. Thanks, guys.

Operator

Steven Paget, FirstEnergy Capital.

Steven Paget - FirstEnergy Capital - Analyst

Could you please comment on your cash tax outlook for 2014?

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

If you just give me a minute here.

Steven Paget - FirstEnergy Capital - Analyst

Of course. Why don't I ask my second question? Maybe if you could comment on equity distributions out of Petrogas in the fourth quarter. And what your outlook might be for the first quarter.

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

This is a non-accountant view. I view the earnings from Petrogas and the equity as basically cash. We have the flexibility to move cash out at full capability and actually contractual agreements to move the lion's share out on an annual basis. But from an equity accounting perspective, I think we may see dividends twice a year.

Steven Paget - FirstEnergy Capital - Analyst

Thank you.

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

David, on the current tax it's about \$15 million for the year.

Steven Paget - FirstEnergy Capital - Analyst

\$15 million. Thank you, Debbie. Those are my questions.

Operator

Robert Kwan, RBC Capital Markets.

Robert Kwan - RBC Capital Markets - Analyst

If I can just come back to some of the prospective projects around gas infrastructure and these feasibility studies. Are they being funded by customers?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

Yes.

Robert Kwan - RBC Capital Markets - Analyst

And then so is there an agreement in place that by them funding it basically that would then turn into your project if they're happy with the feasibility study?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

I would say there's a high probability that that would go in that direction.

Robert Kwan - RBC Capital Markets - Analyst

That's great. And then just around NGL fractionation, can you talk a little bit about what the plans are? Is that something you'd be looking at, at one of your existing sites? And also just the scale, is it something similar to what we would see in Fort Saskatchewan? Or is it something a little bit smaller?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

It could be significant. I think we need a little more time for that to develop -- but both new greenfield as well as expanding our existing.

Robert Kwan - RBC Capital Markets - Analyst

Okay. Just if I can clarify on the equity distribution. I think, Debbie, you said twice a year. So, is it fair that there wasn't -- or what quarters would we be thinking about?

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

Probably Q2 and Q4 would be routine. But like David said, we do have the ability to see that potentially more frequently.

Robert Kwan - RBC Capital Markets - Analyst

Okay. And was there anything with relation to Sun B where equity distributions matching cash generation?

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

That's typically happens on the year end, depending on the kind of the fourth quarter you have. It's really all about the timing of the cash flow in terms of when the cash comes in from the partnership.

Robert Kwan - RBC Capital Markets - Analyst

So if we look at Q4, was there something held back that --?

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

Yes. There was less cash from an equity point of view. So, we didn't get any cash on the Petrogas earnings. And on the power, there was less cash that came in the door compared to earnings for Q4 2013 compared to Q4 2012.

Robert Kwan - RBC Capital Markets - Analyst

Okay. Sorry -- the less, though, is that due to the performance because of power price or was that due to actually something being held back?

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

No, nothing was held back. It's just timing of when the cash flow comes in the door. So, it came in in January.

Robert Kwan - RBC Capital Markets - Analyst

Okay. Last question, just on the LNG tax. With your regional LNG, do you sense that the way it was worded by the government to tax all LNG in the province, was your sense of that, it was trying to close a loophole? Or did you think that they were actually trying to target any of the local/regional initiatives?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

I'm not sure. Your guess is as good as mine.

Robert Kwan - RBC Capital Markets - Analyst

Okay. I assume this is something you will be talking with the government to see if you can at least have that lifted on local sales?

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

I think we encourage regional LNG converting from diesel, we think it's in the best interest of the province.

Robert Kwan - RBC Capital Markets - Analyst

Okay. That's great. Thank you very much.

Operator

Matthew Akman, Scotiabank.

Matthew Akman - Scotiabank - Analyst

A couple quick questions on Utilities. First, weather was favorable in the quarter. But I'm just reading from page 14 of the MD&A, it looks like end-use was flat year over year. But you attributed higher use to weather. So I'm just wondering if you could square that.

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

Matthew, on the increase quarter over quarter, some of it was weather. Some of it was higher usage on transportation on some of the industrial users. And then there was a little bit on FX, as well.

Matthew Akman - Scotiabank - Analyst

What I'm wondering, Debbie, is whether -- sorry, to use the term, but with whether, there is more positive impact, if I could call it that, on cold weather in Michigan versus maybe Alaska. Because last year it looked like weather was much colder in Alaska and this year in Michigan. So, is that part of it?

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

Yes. It was colder in Michigan than it was in Alaska in Q4.

Matthew Akman - Scotiabank - Analyst

Okay.

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

Matthew, Michigan's the biggest variance of weather, and probably Alaska and Alberta.

Matthew Akman - Scotiabank - Analyst

Yes. Okay. That's what it looks like. Okay, thank you. In terms of your guidance for the ROE decision that's coming in British Columbia is --and I'm on page 8 now -- return on equity decision on PNG not expected to materially impact results. What was the ROE that you were booking on PNG in 2013?

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

9.75 for the western leg. And the eastern I think was slightly below that.

Matthew Akman - Scotiabank - Analyst

Okay. So, are you suggesting that you don't expect significant changes in the allowed ROE?

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

No, we don't. That's our takeaway on it based on our historical experience with the BCUC and how they look at the risk profile of the PNG system.

Matthew Akman - Scotiabank - Analyst

Okay, great. Thanks very much. Those are my questions.

Operator

There are no further questions registered at this time. I would now like to turn the meeting over to Mr. Nieuwerk.

Jess Nieuwerk - AltaGas Ltd. - Director of Finance and Communications

Thank you, operator. We'll just finish with a few more comments here from David Cornhill.

David Cornhill - AltaGas Ltd. - Chairman and Chief Executive Officer

Thank you. I just wanted to take the opportunity to thank David Wright. He's retiring at the end of March. He's worked with us for seven years and has been a major part. And now he's retiring and enjoying life and improving his golf game so he doesn't have to buy his wife so many shoes.

So, I just wanted to mention and thank him. This will be the last conference call that he sits in on. So, I just wanted to let everyone know that he's planning to retire at the end of March.

Thank you.

Jess Nieuwerk - AltaGas Ltd. - Director of Finance and Communications

Thanks, everybody, for joining us today. And we are available for any follow-up questions you may have.

Operator

Thank you. The conference has now ended. Please disconnect your lines at this time. And we thank you for your participation.