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ALE - Q1 2018 ALLETE Inc Earnings Call

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PRESENTATION

Operator

Good day, and welcome to the ALLETE First Quarter 2018 Financial Results Call.

Today's call is being recorded. Certain statements contained in this conference call are not descriptions of historical facts are forward-looking statements, such as terms defined in the Private Securities Litigation Reform Act of 1995, because such statements can include risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements.

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For opening remarks and introductions, I'd now like to turn the conference over to ALLETE President and Chief Executive Officer, Alan Hodnik. Please go ahead.

Alan R. Hodnik - ALLETE, Inc. - Chairman, President & CEO

Good morning, everyone, and thanks for joining us today. With me are ALLETE's Senior Vice President and Chief Financial Officer, Bob Adams; and ALLETE's Vice President, Controller and Chief Accounting Officer, Steve Morris.

Today we reported first quarter 2018 financial results of \$0.99 per share, a net income of \$51 million. The results for the quarter were consistent with our expectations, and demonstrate the benefit of our differentiated growth strategy.

Before Steve and Bob go through the details from the quarter, I would like to highlight several areas of interest. We take great pride in delivering value to our shareholders with ALLETE's differentiated strategy. A balanced strategy built upon a foundation of long-standing commitment to environmental, social and strong governance values. We strongly believe in the importance of how we deliver value to our shareholders with annual earnings growth and dividends underpinned by our culture that incorporates a longer view and sustainability in all of our strategies. Building upon our strategic positioning, we expect to see the benefits of our differentiated strategy throughout the remainder of this year and into the foreseeable future.



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Minnesota Power's Energy Forward strategy includes plans for generation sourced from the Nemadji Trail Energy Center or NTEC. A new natural gas facility that supports additional renewable generation and grid stability as well as the Great Northern Transmission Line to be completed in 2020, which will move carbon-free hydro energy from Canada. Both of these initiatives provide new opportunities for sustainable investments that further add to our history of environmental stewardship. Regarding the Minnesota Power rate review status, Minnesota Power filed for reconsideration in early April, and Steve will provide you more details in a moment.

Minnesota Power fully intends to earn its allowed ROE and has already made some difficult decisions, which include workforce reductions and other expense management efforts, while still meeting its obligations to provide safe and reliable services to its customers. The combination of an allowed ROE that is lower than industry average and disallowance of certain expenses, transmission revenue and the inequitable treatment of prepaid pension as part of the commission's order are somewhat challenging, but Minnesota Power is working diligently to earn its allowed ROE, while balancing various stakeholder interests.

We are pleased that Minnesota Power's taconite customers are operating at near full production. We anticipate continued strength supported by an improving economy, and actions by the Trump administration to reduce excessive imports that damage our country's steel industry. As mentioned last quarter, we are excited to see taconite customers making new long-term investments in their mining operations. There has also been constructive progress in the permitting process for Minnesota Power's new potential non-ferrous mining customer. These industries are important to our region and to Minnesota Power, and we believe they are well-positioned to benefit along with other stakeholders as our country pursues infrastructure upgrades along with a clean energy economy. ALLETE Clean Energy is making significant progress with its already announced initiatives to refurbish 385 turbines at several of its wind energy facilities, as well as construction startup on several renewable projects for others. In addition, ALLETE Clean Energy continues to evaluate a robust pipeline of potential projects with its strategic investment in wind turbines, already qualified for federal production tax credit Safe Harbor provisions.

2018 is a foundational year for ALLETE, as we expect improved positioning and growing returns from our business segments. I will provide additional comments in my closing remarks, but first I will ask Steve and Bob to go through the first quarter financial details. Steve?

Steven Wayne Morris - ALLETE, Inc. - VP, Controller & CAO

Thanks, Al, and good morning, everyone. I would like to remind you that we filed our 10-Q this morning, and encourage you to refer to it for more details on the first quarter results. For the first quarter of 2018, ALLETE reported net income of \$51 million or \$0.99 per share compared to \$49 million or \$0.97 per share for the same period in 2017.

Our 2018 results reflect approximately \$600,000 after tax of severance-related expenses. Earnings were diluted by \$0.02 due to additional shares of common stock outstanding as of March 31, 2018. ALLETE's Regulated Operations segment, which includes Minnesota Power, Superior Water, Light and Power and the company's investment in the American Transmission Company, recorded net income of \$43.9 million, an increase of \$400,000 compared to the same quarter last year. Net income at Minnesota Power was slightly lower than 2017 results, primarily due to the timing of reserves recorded for an interim rate refund, discounts provided to EITE customers, a lower transmission revenue and higher property tax expense. These decreases were mostly offset by lower depreciation expense due to the timing of the Minnesota Public Utilities Commission's decision to modify the depreciable lives at the Boswell Energy Center, as well as lower operating and maintenance expense, higher sales to industrial customers due to the start-up of United States Steel Keewatin Taconite plants in March 2017, and higher sales to residential customers due to favorable weather conditions.

If you recall, we recorded the full year impact in the fourth quarter of 2017 of interim rate refund reserves and lower depreciation expense as a result of the January 18, 2018, commission's decision in our 2016 rate review. We will continue to see these timing impacts throughout the remaining quarters of 2018. Net income at Superior Water, Light and Power was higher due to a full quarter of new rates this year, which were implemented in August 2017 and colder weather in the first quarter of 2018 compared to last year.

A few additional comments on Minnesota Power's rate review status. On April 2, 2018, Minnesota Power filed a petition for reconsideration at the Minnesota Public Utilities Commission requesting reconsideration of certain decisions in the commission's order dated March 12, 2018, representing approximately \$20 million to \$25 million in additional annual revenue. Minnesota Power requested reconsideration for certain items, which included



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the allowed return on common equity, recovery of the prepaid pension asset and rate base, certain disallowed expenses, and certain transmission revenue adjustments. The Minnesota Department of Commerce filed a separate request for reconsideration, proposing to reduce the depreciable lives of Boswell Unit 3, Unit 4 and common facilities to 2035, and use the benefits of tax reform to offset the resulting increase in customer rates.

On April 12, 2018, Minnesota Power responded to the Department of Commerce request for reconsideration, and stated that with modification and conditions, the commission should generally accept the Department of Commerce proposal. We expect a decision on reconsideration by mid-2018.

A couple of updates on the open dockets related to tax reform for our Regulated Operations. In December of 2017, the Minnesota Public Utilities Commission opened a docket to review the effects of tax reform in Minnesota. Minnesota Power submitted an initial filing to the commission, in which it proposed to use the net tax benefits to offset other regulated costs to the extent the company is able to earn its allowed return on equity, and flow the remainder of benefits to customer through a new tax cost recovery rider. And as I noted, Minnesota Power responded to the Department of Commerce's proposal that the commission generally accept, with modifications in conditions, the Department of Commerce's proposal to shorten the lives of our Boswell Unit 3, Unit 4 and common facilities to 2035, while utilizing the benefits of tax reform. We anticipate a commission hearing and decision on this proposal in the second half of this year.

In February of 2018, Superior Water, Light and Power filed comments with the Public Service Commission of Wisconsin and proposed deferring the benefits of tax reform and incorporating any impacts into its next general rate review. Superior Water, Light and Power expects to file a rate review later this year.

Next, a few details from our other business segments. Net income at ALLETE Clean Energy increased \$1.4 million or 21% from 2017. Net income in 2018 was higher by \$1.2 million, due to a lower federal income tax rate as a result of tax reform, and \$600,000 after tax due to additional production tax credits as ALLETE Clean Energy continues to execute on its refurbishment strategy. These increases were partially offset by higher operating and maintenance expenses. U.S. Water Services' net loss increased \$1.1 million from 2017. The net loss in 2018 includes higher operating expense, partially offset by increased revenue, primarily resulting from the September 2017 acquisition of Tonka Water.

And the first quarter of 2018 was also impacted -- negatively impacted by the timing of equipment sales and colder weather conditions, which reduced chemical sales. The net loss in 2018 included \$300,000 of after-tax expense related to purchase accounting impacts. ALLETE's effective tax rate for the first quarter was a 7.8% benefit compared to 21.1% expense in 2017. The decrease from 2017 was primarily due to the reduction of the federal income tax rate from 35% to 21% and lower pretax income. ALLETE's financial position is supported by increased cash flow and a strong balance sheet. Cash from operating activities was \$121.3 million year-to-date and our debt to capital ratio was 42% as of March 31, 2018.

I'll now hand it off to Bob to review our earnings guidance and positioning for 2018. Bob?

Robert J. Adams - ALLETE, Inc. - Senior VP & CFO

Thanks, Steve, and good morning, everyone. Today we reaffirmed our 2018 earnings guidance at a range of \$3.20 to \$3.50 per share on net income of \$165 million to \$185 million. This guidance range is comprised of Regulated Operations segment earnings within a range of \$2.45 to \$2.65 per share and Energy Infrastructure and Related Services businesses, which includes ALLETE Clean Energy and U.S. Water Services and corporate and other earnings within a range of \$0.75 to \$0.85 per share. Our differentiated growth outlook anticipates average annual long-term earnings growth of 5% to 7%. This includes growth from the Regulated Operations segment of approximately 3% to 4%, and approximately 15% average annual growth from our Energy Infrastructure and Related Services businesses over the long term.

We expect improving financial performance over time for Minnesota Power as it continues on its path to earn its authorized ROE in 2019, through a combination of expense management, small coal plant closures, potential rate review reconsideration, and legislative and other regulatory outcomes. Our rating agencies are closely monitoring the status of Minnesota Power's reconsideration filing and the outcome as an indication of the regulatory environment and the company's ability to earn its allowed return on equity. Consistent with all of the ALLETE businesses, earning our cost of capital is a priority for the long-term sustainability of our company.

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As you know, ALLETE Clean Energy focuses on developing, acquiring and operating clean and renewable energy projects. ALLETE Clean Energy currently owns and operates approximately 535 megawatts of wind energy generation that is contracted under power sales agreements of various durations. In mid-March, we were pleased to announce ALLETE Clean Energy's newest project to build, own and operate an 80 megawatt wind energy facility pursuant to a 15-year power sales agreement with NorthWestern Corporation. Construction is expected to be completed in 2019. Upon completion of this project along with the previously announced project to build, own and operate a wind energy facility for Northern States Power, ALLETE Clean Energy will have over 700 megawatts of carbon-free, renewable wind generation in its portfolio.

For this robust project development backlog of approximately 465 megawatts, which includes the Clean Energy 1 project, the South Peak project, and the refurbishment projects yet to complete, ALLETE Clean Energy has proposed and bid approximately 900 megawatts of additional PTC projects and is evaluating more than a dozen potential existing renewable facility acquisitions.

U.S. Water Services' quarterly financial results reflect selling certain products that are seasonal in nature with higher demand typically realized in warmer months. So it is not unusual to experience weaker financial results in the first quarter. I remain excited about the prospects for all of our businesses at ALLETE and look forward to updating you throughout the year with our differentiated multifaceted growth platform.

We are well on our way with a new and exciting chapter at ALLETE. AI?

Alan R. Hodnik - ALLETE, Inc. - Chairman, President & CEO

Well, thank you for the financial update, Steve and Bob. ALLETE is an energy company with a differentiated strategy. We recognize that the impacts from human activity including climate change are real, complex and interrelated. And we have thoughtfully positioned the company to do more than just operate, but to be a recognized leader to address these issues through our family of businesses. Our strategy is intentionally designed to provide cleaner energy solutions through initiatives at our regulated utility businesses, and also at our complementary and growing Energy Infrastructure and Related Services businesses. As we have shared previously, Minnesota Power's Energy Forward Strategy includes a proposal to further balance and diversify its energy sources with the Nemadji Trail Energy Center natural gas facility. In 2017, the Minnesota Public Utilities Commission directed that the related natural gas energy power purchase agreement be decided through an administrative law judge process. Recently the Minnesota Department of Commerce weighed in favorably relative to the role of and the need for the NTEC initiative. The administrative law judge is expected to provide a recommendation by July of 2018, and the company anticipates a commission decision in the second half of 2018. The Minnesota Public Utilities Commission did not take any action regarding the tandem or complementary wind and solar energy power purchase agreements, which will be refiled separately, but still parallel to the natural gas initiative. Minnesota Power believes the optimal generation mix that best balances the sustainability, reliability and affordability interest of our nation and Minnesota Power's customers is a combination of 2/3 renewable and renewable enabling natural gas, and 1/3 environmentally compliant coal generation. Also in progress as part of our Energy Forward initiative is the ongoing construction of the Great Northern Transmission Line. The GNTL is designed to deliver carbon-free hydroelectric power from Northern Manitoba by 2020. Minnesota experienced a more traditional winter, which supported more efficient construction activity on the frozen swamps and bogs of Northern Minnesota. Minnesota Power expects to spend approximately \$100 million on construction this year, with an estimated total investment of \$330 million upon completion of the transmission line.

Superior Water, Light and Power continues to invest in growth initiatives to enhance the quality and reliability of electric, gas and water services provided to its customers. In support of these initiatives, the company anticipates capital investment of approximately \$20 million in 2018, and anticipates filing for a rate review later this year. On the new customer front, PolyMet proposed copper, nickel and precious metal mining operation in Northeastern Minnesota, continues to make progress on major permitting milestones.

In January of this year, the Minnesota Department of Natural Resources and the Minnesota Pollution Control Agency released PolyMet's draft permit to mine and also its air and water discharge permits. The last required public hearings for these permits were held in the first quarter of this year. The U.S. Forest Service has previously authorized a land exchange with PolyMet and continues to work with the company on the final title transfer. Upon completion, this will result in PolyMet obtaining surface rights to land needed to develop its mining operation. The final environmental impact statement also requires records of decision by federal agencies, which are expected in 2018. Minnesota Power could supply between 45 to 50 megawatts of new load under a 10-year power supply contract that would begin upon start-up of the mining operations.



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And now a few comments on ALLETE's Energy Infrastructure and Related Services businesses. ALLETE Clean Energy is making significant progress with its construction activities to refurbish wind turbines located at three wind farms in Minnesota and Iowa. ACE and its project teams are on schedule to complete these refurbishment initiatives in the planned 2020 time frame. These initiatives will improve performance and availability of these facilities, while generating federal production tax credits, as they resume generating carbon free energy for their customers.

We believe the long-term operational benefits and resulting economics from these refurbished facilities will benefit the renewal of power sales agreements, further contributing to ALLETE Clean Energy's long-term financial performance. ALLETE Clean Energy is about to ramp up construction activity on an energy facility, it will sell to Montana-Dakota Utilities upon completion. Construction is on schedule and the project is expected to be completed in the second half of 2018. With its strategic investment in production tax credit -- tax qualified Safe Harbor turbines, ALLETE Clean Energy is an attractive partner as it evaluates additional renewable projects and formally bid into a nationwide pipeline of renewable RFPs. The next several years will be transforming to earnings growth, to larger scale, and to project construction activity for ALLETE Clean Energy, as it moves forward with its multifaceted growth strategy.

Lastly, we believe U.S. Water Services is well-positioned for growth, as it captures revenue streams in the emerging integrated water management industry. With our first quarter financial results behind us, we are confident that our differentiated strategy is positioned to provide growth and earnings as well as dividends. We believe ALLETE's family of businesses will continue to benefit from investment growth opportunities, primarily driven by demands for cleaner energy and water conservation, along with our nation's renewed focus on infrastructure upgrades and expansion. Thank you for your time and for your investment in ALLETE. And at this time, I will ask the operator to open up the line for your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) And our first question comes from Paul Ridzon from KeyBanc.

Paul Thomas Ridzon - *KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst*

This request for reconsideration, you said \$20 million to \$25 million, that could really move the needle? Could that by any chance be retroactive depending on what comes out of it?

Steven Wayne Morris - *ALLETE, Inc. - VP, Controller & CAO*

Yes, hi Paul, Steve Morris. It would be as of most likely January 1, 2017 that's when we started to implement our interim rate refund reserve that's what the effective date would be. So we would go back and adjust that through that period of time up through today.

Paul Thomas Ridzon - *KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst*

Thank you, and when do you expect that to be decided?

Steven Wayne Morris - *ALLETE, Inc. - VP, Controller & CAO*

Well, tentatively there's a hearing this month, so we would, and that could get changed, but we would expect that to be heard and decided in the second quarter, so by the time we have our second quarter results.



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Paul Thomas Ridzon - KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst

And then just some clarification that the department made their proposal regarding Boswell and tax reform, is that going to be consolidated with your proposal to hit your ROE and then start getting back? Or -- what's the procedural schedule on those?

Steven Wayne Morris - ALLETE, Inc. - VP, Controller & CAO

Yes, I think they are 2 separate things. So one of our proposals was in response to the Department of Commerce proposal to go back now and shorten the lives to 2035 for Boswell was that would be heard in conjunction with our tax filing and not part of a rate case. And so that's really a cash issue, it's not an ROE issue.

Paul Thomas Ridzon - KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst

The department's proposal, and your proposal to hit your authorized return before you give back would be the same proceeding?

Steven Wayne Morris - ALLETE, Inc. - VP, Controller & CAO

Well, our tax proposal was exactly that, it was in essence to earn our allowed ROE. That's in our tax filing, and the Department of Commerce in their reconsideration for a rate case also asked for a shorter life for Boswell. In addition, in the tax filing that their response was the shorter life of Boswell. So we think it's appropriate that the life of Boswell be taking -- taken up with our tax filing and not part of rate case, because that's a tax reform issue.

Paul Thomas Ridzon - KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst

And then also at ACE you mentioned that you're looking at 12 potential acquisitions. Should we think about these as kind of PTC's that are expired, kind of like your prior acquisitions? You made some remaining contract life and is there any opportunity for refurbishments of these potential targets?

Robert J. Adams - ALLETE, Inc. - Senior VP & CFO

Yes, hi Paul, this is Bob. Yes, in terms of the profile of those acquisitions they would be very similar to the acquisition that we've done historically. So they could have PTC life left in them, several years typically, but coming to the end of the 10-year life, we would certainly look for refurbishment opportunities, in fact some of the ones that we're looking at currently have that opportunity. And so yes, and in terms of returns, you didn't ask about returns, but returns are expected to be very consistent with the types of deals we've done in the past.

Paul Thomas Ridzon - KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst

Do you have an inventory of refurbishment eligible parts or are those already earmarked for the 3 projects you're doing?

Robert J. Adams - ALLETE, Inc. - Senior VP & CFO

They're earmarked for the existing projects we're doing.

Paul Thomas Ridzon - KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst

But you would still secure more and be eligible for the 80% tax credit, correct?



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Robert J. Adams - ALLETE, Inc. - Senior VP & CFO

That's correct. Yes.

Alan R. Hodnik - ALLETE, Inc. - Chairman, President & CEO

Yes, Paul, ACE has turbine supply arrangements with a couple of providers. So there is that opportunity going forward.

Operator

And our next question comes from Chris Ellinghaus from Williams Capital.

Christopher Ronald Ellinghaus - The Williams Capital Group, L.P., Research Division - Senior Equity Research Analyst of Power and Natural Gas

The discussion on acquisitions seems a little bit new. Is -- are you seeing more activity or are you just telling us more at this point?

Robert J. Adams - ALLETE, Inc. - Senior VP & CFO

So Chris, this is Bob. No it's very much 1 of the 4 planks of our strategy that we talked about, in addition to of course, the PTC strategy that we have. We've been looking at acquisitions, and with a dozen projects there is quite a bit of activity there, so.

Christopher Ronald Ellinghaus - The Williams Capital Group, L.P., Research Division - Senior Equity Research Analyst of Power and Natural Gas

I guess, what I'm really saying, has there been an increase in activity or have you really been sort of at this level for a while?

Robert J. Adams - ALLETE, Inc. - Senior VP & CFO

We've been at this level for a while.

Christopher Ronald Ellinghaus - The Williams Capital Group, L.P., Research Division - Senior Equity Research Analyst of Power and Natural Gas

Okay. I think Steve was talking about equipment sales timing at U.S. Water. Is that something that you expect to sort of rationalize over the rest of the year?

Robert J. Adams - ALLETE, Inc. - Senior VP & CFO

Yes, we do.

Christopher Ronald Ellinghaus - The Williams Capital Group, L.P., Research Division - Senior Equity Research Analyst of Power and Natural Gas

And when you have the weather effect -- the U.S. Water is that something that also, sort of, winds its way through the rest of the seasons?

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Robert J. Adams - ALLETE, Inc. - Senior VP & CFO

Well, yes, of course. This business does better with warmer weather, generally speaking. And so to the extent that warm weather patterns continue, as they have over the last couple of years, we would expect that that would create some potential upside for the company and all things considered, weather would be on plan, so to speak.

Christopher Ronald Ellinghaus - The Williams Capital Group, L.P., Research Division - Senior Equity Research Analyst of Power and Natural Gas

Okay. And one more thing about the ACE acquisition potential. Are you seeing, because of winding down of PTC timing that there is a greater pipeline of sellers at this point?

Robert J. Adams - ALLETE, Inc. - Senior VP & CFO

Not necessarily so. But I would expect that that would be the case as the years unfold here 2019 and 2020.

Christopher Ronald Ellinghaus - The Williams Capital Group, L.P., Research Division - Senior Equity Research Analyst of Power and Natural Gas

Right. And as far as the necessary equipment, you see more than adequate supply where you shouldn't have any trouble acquiring equipment, should you make some acquisitions?

Robert J. Adams - ALLETE, Inc. - Senior VP & CFO

Yes, no concerns there.

Operator

And our final question comes from Elizabeth Guynn from Mizuho Investments.

Elizabeth Roi Guynn - Mizuho Securities USA LLC, Research Division - Research Associate of Americas Research

I just have a quick question. Do you guys expect more equity dilution in 2018?

Robert J. Adams - ALLETE, Inc. - Senior VP & CFO

So Liz, this is Bob. Let me give you a bit of a picture, but actually both in '18 and '19, where we have a DRIP program, which is our dividend reinvestment program. And typically in a given year, we are issuing between \$15 million and \$20 million a year. So that's going to be the limit of any equity in '18 and then again in '19 except for the case where we do additional projects at ALLETE Clean Energy or an acquisition at U.S. Water, a larger one.

Elizabeth Roi Guynn - Mizuho Securities USA LLC, Research Division - Research Associate of Americas Research

Okay, great. And then as ACE and the U.S. Water business continue to grow, how do you intend to keep your current regulated and non-regulated business mix, sort of at the equilibrium that it is at right now?



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Robert J. Adams - ALLETE, Inc. - Senior VP & CFO

Well, we've got -- some significant headroom left with regard to our ability to grow the nonreg, we believe. Of course, as you know we -- the ratings -- our credit ratings are important to us, maintaining a strong investment grade rating is important. So we've got some headroom for that growth. And as I stated over time to the extent that there is more growth in the nonreg than regulated and that mix starts to become higher than we like, we will be searching for other regulated opportunities to grow earnings there as well.

Operator

And we do have another question in the queue it's from Kevin Fallon from Citadel.

Kevin Fallon

I just wanted to ask what's baked in guidance for 2018 for Minnesota Power's earned ROE? It looks like from Analyst Day that you guys were expecting an 8.25% ROE is that correct?

Steven Wayne Morris - ALLETE, Inc. - VP, Controller & CAO

Yes, that is correct, Kevin.

Kevin Fallon

And just make sure, yes, the math is that \$20 million pretax added to that would get you to earning a 9.25% at Minnesota Power in 2019?

Steven Wayne Morris - ALLETE, Inc. - VP, Controller & CAO

That's correct.

Kevin Fallon

And is there any difference between the regulatory ROE and financial ROE? Are there unrecovered costs or something?

Steven Wayne Morris - ALLETE, Inc. - VP, Controller & CAO

Yes, there is a little bit of unrecovered costs, but it's not significant.

Kevin Fallon

Like less than 10 basis points not significant or how so?

Steven Wayne Morris - ALLETE, Inc. - VP, Controller & CAO

Yes, yes, I think that's about right.



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Operator

And we do have another question from Paul Ridzon from KeyBanc.

Paul Thomas Ridzon - *KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst*

Just a clarification on Kevin's question. Is that 8.25% consolidated utility or just Minnesota Power?

Steven Wayne Morris - *ALLETE, Inc. - VP, Controller & CAO*

It's just Minnesota Power.

Operator

And we have no further questions at this time. So I'll turn the call over to Mr. Hodnik for closing remarks.

Alan R. Hodnik - *ALLETE, Inc. - Chairman, President & CEO*

Well, Steve, Bob, and I thank you once again for being with us this morning. Thanks for your investment in ALLETE, and we'll see you all on the road as we get out here in the spring, summer and fall. Thank you very much and have a good day.

Operator

And this concludes today's conference call. You may now disconnect.

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