Emera Incorporated TSX:EMA

M&A Call

Friday, September 04, 2015 11:00 PM GMT

Call Participants

EXECUTIVES

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Emera Incorporated

John B. Ramil
Former Chief Executive Officer and President
TECO Energy, Inc.

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Scott LaFleur
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Presentation

Operator

Good evening, ladies and gentlemen, and welcome to Emera conference call and webcast. The call will feature slides that will be available on Emera's Investor Relations website. You can access the webcast and slides at investors.emera.com. After the presentation, we will conduct a question-and-answer session. Instructions will be provided at that time. Please note that this call is being recorded on today, Friday, September 4, 2015, at 7:00 p.m. Atlantic or 6:00 p.m. Eastern Time.

I would like to now turn the meeting over to your host for today's call, Scott Lafleur, Manager, Investor Relations for Emera. Please go ahead Mr. Lafleur.

Scott LaFleur
Manager of Investor Relations

Good evening, and thank you, everyone, for joining us for an important transformational announcement for Emera today. Earlier, Emera was pleased to announce the definitive agreement to purchase TECO Energy in an all-cash transaction.

Joining me today to discuss the transformational transaction are Chris Huskilson, President and CEO of Emera. We are also happy to welcome from TECO, John Ramil, President and CEO of TECO Energy; Sandy Callahan, CFO, TECO Energy; and Mark Kane, Director of Investor Relations, TECO Energy. Also joining us is Scott Balfour, Executive Vice President and CFO of Emera; and other members of Emera's management team.

This morning, Chris will begin with an overview of the transaction, along with the strategic rationale behind the decision, followed by John Ramil who will provide an overview TECO Energy. Scott Balfour will follow discussing the financing overview and the combined business profile. Chris will finish the presentation discussing our stakeholders and then providing his closing remarks. We expect the presentation segment to last about 30 minutes, after which we'll be happy to take questions from analysts.

I will take a moment to advise you that this conference call will contain forward-looking information and statements with respect to Emera and the acquisition of TECO Energy. Forward-looking statements involve significant risks, uncertainties and assumptions. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally.

Such risk factors or assumptions include, but are not limited to, the ability to obtain stockholder, regulatory and other approvals and to satisfy conditions to closing; the ability to realize the expected benefits of the acquisition, regulation, energy prices, general economic conditions, weather, derivatives and hedging, capital resources, loss of service area, licenses and permits, environment, insurance, labor relations, human resources and liquidity risk. A number of factors could cause actual results, performance or achievement to differ materially from the results discussed or implied in the forward-looking statements.

For additional information with respect to certain of the risk factors, reference should be made to Emera's news release regarding the TECO acquisition and its continuous disclosure materials filed from time to time with Canadian securities. In addition, please note that this conference call is being widely disseminated via live webcast.

And now I will turn things over to Chris.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Well, thank you, Scott, and thank you, everyone, for joining us on this call. We know we're short notice, and we appreciate your attendance late on Friday on a long weekend. But this is a transformational announcement for Emera, and so we're very excited about this important day, both for Emera and TECO Energy, for our employees, our shareholders and the business as a whole.

I'm very pleased to be here to talk about the combining of these 2 leading energy companies. I'd also like to send a special thank you to John Ramil for speaking about Tampa Electric today and welcome, John. And as well, thank you, Sandy, for joining us.

Emera has prepared for a transformational transaction for some time, and we found our perfect match in TECO. Our patient approach and disciplined investment criteria have resulted in a transaction that is significantly accretive to EPS and cash flow for Emera's shareholders and one that advances our strategic objectives.

With that, I think we'll start on, Scott, is it Page 4?

Scott LaFleur
Manager of Investor Relations

Yes.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

On Page 4 of the presentation.

We have been patient and we have taken a disciplined approach to our business as a whole, and that's resulted in us being able to merge with a pure play regulated utility. And that pure play regulated utility is creating a tremendous -- a significantly accretive transaction for Emera's shareholders, one that moves our strategic objectives forward at a much faster pace than we originally had expected. I certainly consider TECO and Emera a perfect match.

It's significantly accretive in that in the first -- it's accretive in the first full year, and by the third year, it will be greater than 10% more accretive to the business. It accelerates our growth in regulated earnings. And in fact, essentially, in one step, we meet our regulated earnings target. It enhances the ability to support our targeted 8% dividend growth through 2019 and now we believe beyond. It expands our regulatory platform into natural gas distribution, an objective that we've had for some time as our shareholders would know. And it really creates increased scale for the business; in fact, top 20 North American regulated utility.

The transaction itself, as you've seen from an earlier press release, we're essentially doubling the company. Emera is to acquire TECO Energy for $27.55 per TECO common share on 100% cash consideration. That's an equity purchase price of $6.5 billion, a 48% premium to TECO's unaffected share and a 25% premium to TECO's unaffected 52-week high.

TECO has, as part of its asset base, it includes $1.7 billion of net operating tax losses and alternative minimum tax credits, which provides significant accretion to cash than the early years of this transaction. And so if you take those -- that value out of the transaction, we see a multiple of enterprise value to EBITDA of 10.8 and a multiple of enterprise value to rate base of approximately 1.6. The transaction is fully supported for the $6.5 billion of equity by fully committed bridge loans backed by JPMorgan and Scotiabank. The transaction is expected to close in mid-2016, and Scott will speak quite a bit more about financing a bit later.

Turning to the next page. Our patience has really paid off, and we've been preparing ourselves for a transaction of scale with a regulated utility for some time. We have grown organically both our rate base in cleaner, affordable energy; in transmission system development; and also, we've been greening our generation and our fuel to asset strategy. We've moved forward our balance sheet. We've strengthened our balance sheet through profitable growth, our disciplined approach to capital allocation and our focus on cash flow. And we've been able to create complementary, accretive cash flow-generating businesses like the work we do in our Emera Energy trading business and also the New England gas plants that we've recently purchased. All of those things have built capacity in our organization and capacity to move forward with a transaction of this scale.

As well, we've grown our people. The organization has grown in capacity from a leadership development perspective and that gives us more depth. And last but not least, we have a proven track record on strategy. We have successfully executed acquisitions and acquisitions in the U.S. and we've also successfully driven growth in new platforms. And so all in all, this business is ready for this type of growth, and we very much welcome the opportunity.

Together, we are building a North American energy leader. The acquisition of TECO accelerates the achievement of our financial goals. As I said earlier, this transaction is accretive in the first full year and in fact, 10% or more accretive in the third full year. That's one of the things that attracted us to this transaction that we saw substantive and significant, real, accretive growth. It also provides additional support to our dividend. And as you all know, we raised our dividend early in August, and we also raised our dividend growth target guidance. And this transaction provides support to that, which will see us being able to pursue that target beyond 2019. And last but not least, a very important part of our target is to grow our regulated earnings. And in fact, essentially in one step, we actually hit our regulated earnings target.

There's tremendous alignment between these 2 businesses, whether you think about the asset bases of the business or whether you think about the people of the business. We're very much aligned with TECO Energy and that, we think, will be very, very important to our growth in the future. We have experienced management teams and very much aligned cultures. Our approach to safety and customer service and the innovations that we see as opportunities in the business are very, very similar and we definitely see eye to eye. This provides a new growth platform for our business, and we will now be working with 7,400 people in our business, all of them working to serve our customers and to grow our business for our shareholders.

In this case, we -- this new platform is concentrated in growth markets, in constructive regulatory jurisdictions. It expands us into new LDC businesses, and it also provides an expanded U.S. platform for the business as a whole.

Moving to Page 9. This transaction achieves transformational scale within a relatively noncomplex set, and that is an extremely important part of this transaction. TECO is a large business, but it's very concentrated, and that concentration is going to be very, very helpful to our transition as we merge these 2 businesses together.

Tampa Electric is very similar to Nova Scotia Power. It faces similar challenges and opportunities, has a similar type of generation fleet and looks at similar opportunities. And so when we think about that, it means that the businesses have a lot in common, and that allowed -- that will allow us to work very, very well together. And then last but not least, the fact that TECO Energy is essentially a pure play regulated business is a fact that very much helps our future.

As well, we have geographic and regulatory diversification here. Even the simplicity of the fact that the seasonality of the 2 businesses is very different helps to smooth out the business over time. And last but not least, it allows us to enter 2 new regions geographically.

And with that, I'll turn things over to John, who will give you a bit of an overview of TECO Energy. John?

John B. Ramil
Former Chief Executive Officer and President

Thank you, Chris. But first, let me congratulate you and your team on this transaction, and thank you publicly for the great work and professionalism of all your folks and particularly the last several hours as we put the rollout plan to get it. Thank you very much, Chris. But let me thank all of you, all, for joining us this evening for this very, very important announcement.

Today, I'll give you some background on TECO Energy and our operations, talk a little bit about the very favorable regulatory climates that our utilities operate in and spend a little bit of time talking about the vibrant Florida and New Mexico economies. It's this combination of factors that really are contributing to our ability to make significant investment in our utilities and grow rate base at a compound annual growth rate of 5% to 7% through 2017. Our goal is to translate that rate base growth to earnings growth, and we've been performing on track to do just that.

TECO Energy is the holding company for 3 regulated utilities. Tampa Electric is a vertically integrated electric utility that serves about 700,000 customers in a 2,000 square mile service territory in West Central Florida, in Tampa and the areas surrounding it, a very compact and dense service area territory with respect to customers. We have fossil fuel generation. We have Florida regulated transmission to serve our own system and of course, the distribution system for that last mile of service to the customer.

We own and operate 4 plants with 3 main plants having a combined generating capacity for about 4.7 gigawatts. We're currently expanding the Polk Power Station by converting 4 simple-cycle combustion turbines at that plant to highly efficient natural gas-fired combined-cycle operation. And it's that expansion that is a big driver in our expected rate base growth through 2017 in-service date. We have a regulatory agreement in place that provides for $110 million of higher base rates effective January 1, 2017, or when that plant comes into service. And that's a deal that's already in place and will happen when that plant comes online. The project is on budget and on schedule for that January 2017 in-service date.

In addition, we recently announced 2 new utility-scale solar photovoltaic projects. The first is a 2-megawatt facility on the roof of a parking garage at Tampa International Airport and that's currently under construction. And the second is a 25-megawatt facility on land adjacent to our Big Bend power station, and that plant will be of service by the end of next year. Our regulated Florida natural gas distribution utility is Peoples Gas. Peoples Gas serves more than 350,000 customers throughout the state of Florida and operates and serves customers in all the major metropolitan areas of the state. And it is Florida's largest natural gas distribution utility.

Last year, we had an annual throughput of almost 1.5 billion therms, expect that to grow. We're having good success not only with traditional growth, but with the conversions of heavy vehicle fleets to compress natural gas. And we expect by the end of 2015, we'll have over 1,000 vehicles converted to compressed natural gas on the Peoples Gas System.

We own another regulated natural gas distribution utility, New Mexico Gas Company, and that's a company which we acquired and closed on the acquisition just about 1 year ago. That business serves more than 510,000 customers, and like Peoples Gas, it's the largest natural gas distribution utility in that state. New Mexico Gas has 12,000 miles of pipe in its system, including about 1,600 miles of high-pressure transmission pipelines. All 3 of our utilities have a customer mix that's heavily weighted to the residential and small commercial customer mix, and that tends to yield higher margins because of that mix.

In addition to our regulated utilities, we do have a coal company in our business mix. The primary product driving that business is the high-quality coal used in the production of steel. We've actively been in the process of exiting that business for the last several months. We announced an agreement to sell that business last October and moved it to discontinued operations for financial reporting purposes at that time. We continue to work with potential buyers to complete a sale and expect that to happen sooner rather than later.

All 3 of our utilities operate on a traditional rate of return regulation with attractive allowed returns on equity, and they also have prices that are competitive in their regions. As a result of its 2013 rate case settlement, Tampa Electric has an allowed ROE midpoint of 10.25% and is currently earning above that level. And as a result of a 2009 rate case decision, Peoples Gas has an allowed ROE midpoint of 10.75% and is also earning above that midpoint level. In Florida, rates are set at the middle of an allowed ROE range that has a 100 basis point band on either side. A company can earn up to the top of that allowed range before the regulators become concerned about over earning. And if the company is earning below the bottom of its allowed range, it can seek rate relief with interim rates to bring it back to the bottom of its allowed range.

As a result of its 2012 rate case settlement, New Mexico Gas has an implied ROE of 10%. It's currently earning just below that level, and we have improved its performance over the past year of our ownership and our goal is to have them earning their allowed ROE.

All 3 utilities have the traditional fuel and conservation cost recovery clauses. In addition, Tampa Electric has an environmental cost recovery clause, which allows it to recover the cost and earn a return on investments made to comply with new environmental regulations. Tampa Electric also has phased in higher base rates as a result of the 2013 rate case settlement. Almost $70 million are already in effect with $110 million that I mentioned earlier, which we'll see in 2017 when the pull conversion project goes into service.

The next slide before you -- on that slide, you can see the strength of the Florida economy and the steady growth in New Mexico. The Florida economy has market -- has rebounded very nicely from the depth of the recession. Unemployment is trending down nicely, and the state continues to add jobs. New Mexico has had steady but slower growth. It has benefited from the energy industry, so it's not hurt as badly with job losses and the recession as Florida. The current oil price environment has cost some jobs in some portions of the state, but other areas are growing. Like employment, the economy is recovering nicely.

Our strategy has been to own and operate utility businesses that will grow at or better than the national average. And that is the case with our most recent quarterly customer growth rates of 2.2% at Peoples Gas, 1.8% for Tampa Electric and 0.7% for New Mexico Gas.

With that description, Chris, I'll turn it back to you.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Okay. Well, thank you, John. And I think Scott's going to take us through the next few slides. Scott?

Scott Carlyle Balfour
Chief Operating Officer

Thanks, Chris. Thanks, John. So as Chris mentioned, financing this transaction is fully supported with USD 6.5 billion fully committed bridge financing that's been provided to us led by JPMorgan and Scotiabank. Of course, our long-term financing strategy is very much centered upon and designed to achieve a credit-neutral impact, working to maintain the existing credit rating profile of Emera and TECO and the rated affiliates. The actual execution of the permanent financing will be by way of placements of common equity, of preferred equity and long-term debt, the timing of which will be influenced through the process of regulatory approvals and of course, prevailing market conditions. As we do look to finance this, we will look to finance most of the debt and preferred share financings in U.S. dollars, which of course, will assist in providing a bit of a natural currency hedge relative to movements of the U.S. and Canadian currency.

In thinking about the sort of combined business profile between -- in combination of Emera and TECO, this slide here talks to the scale impacts of Emera pro forma this transaction. Of course, the transaction for us isn't about scale. It's about acquiring a terrific business, led by a great team and people with strategic fit and providing an opportunity for driving future growth. But it does, of course, provide a significant positive impact on scale, and that incremental scale is important in terms of building and providing incremental organizational capacity and capability through the combined team. We do end up in a top 20 position from a North American regulated utility context. And of course, with that benefit, that increased scale does provide some access to capital market advantages to further enhance the strong access to capital markets that Emera and TECO both enjoy today.

If you look at the expanded geography and regulatory impact that this transaction has for Emera, of course, we now end up with significant and positive diversification through the regulatory environment that we now operate, Emera today and obviously, in Nova Scotia, in Maine, in Newfoundland, Labrador and in the Caribbean, adding benefit of TECO's businesses in Florida and New Mexico. And pro forma the transaction, the combined business would have about 2.4 million customers combined throughout those regulated geographies.

Although I think what's interesting when we think about the diversification impact is looking at the geography. Today, about half of Emera's earnings come from Canadian-based operations with about 43% from United States and another 7% from the Caribbean and is seen as transaction pro forma the combination on a trailing 12 months basis, as of June 30, 2015, illustration, you see that the Canadian portion of the earnings base would be approximately 25% in the U.S., increase to about 71% and the Caribbean, represents about 4%. And this really provides great diversity to the revenue, the earnings profile of the business. But importantly, through the combination, it also significantly improves the portion of our earnings and EBITDA that's generated from our regulated businesses. And Emera's really strong performance over the last few years through its unregulated businesses of Emera Energy and the New England gas generation fleet that we recently acquired has driven that strong performance has meant that our strategic goal of maintaining 75% to 85% of our earnings from regulated entities has trended lower and the benefit of this transaction is -- and it brings our regulated EBITDA back to 90% or higher and regulated earnings pretty close to 85%, in fact, 84% on a pro forma historical basis.

If you look at the capital expenditure profile of a combined Emera-TECO organization, it's about CAD 6.5 billion, these are Canadian dollars, through 2015 through 2019. Plus or minus $2 billion per year that Emera and TECO will be spending on a combined basis, investing in capital in 2015 and 2016. Another $4.2 billion over 2017 to 2019 period, which is about $1.4 billion for a year. Of course, that capital profile will continue to grow as those years become closer. And of course, it's this capital investment that will drive future earnings growth and cash flow growth for the combined Emera-TECO enterprise moving forward.

And with that, I'll pass it back to Chris.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Well, thank you, Scott. When we think about this transaction, we think about it through a number of different lenses. And some of those lenses that are extremely important to us is our customer -- our customer approach. And as we think about the customers, things like the commitment -- our commitment to honor all the stipulations in respect of the 2014 TECO acquisition of New Mexico Gas. That's a very important part of this transaction and a very important -- it's a very important commitment from Emera's perspective.

As well, and as always, we're focused on customer service. TECO has been focused on customer service over its history and -- as has Emera. And together, our -- that focus will continue and enhance. Our operational excellence, ensuring that we run our businesses in the best possible way, safe and efficient for our employees and the public.

And also, investing in cleaner, reliable, affordable energy for our customers. So those are the commitments that we make to our customers as part of this transaction, they're commitments that we have had as 2 separate entities and commitments that we will enhance as a combined entity.

The communities that we serve, those are also very important to us. And as it relates to Florida and New Mexico communities, we will continue to invest as TECO has in those communities and in community activities. Very important to Emera in the communities we serve today and they will -- that will continue in this expanded group of communities.

As well, the preservation of the existing headquarters, both here in Tampa Bay and also in Albuquerque. That's a very important part of the transaction for us. And when we think about bringing these 2 companies together, we think about bringing 2 large groups of employees, 3,700 people in Emera, 3,700 people in TECO Energy and we see that as much, much greater than the sum of the parts.

As well, when Emera looks at running public utilities in communities, we feel it's very, very important to have local presence on the boards that are responsible for those companies. And so we will be creating operating boards in both in Florida and in New Mexico, and those operating boards will have local directors on those boards to ensure that those utilities stay connected to the communities that they serve. And that's a very important part of our commitment to the communities that -- where we will serve electricity and gas.

And then last, but certainly not least, we're creating a deep commitment here to the existing employees of TECO Energy. We want to retain the entire management team and employees that exist here today and we think that, that is a huge synergy for our business. Now Emera is a strongly growing company today, and as a strongly growing company, we need talent and we see the talent that exists in TECO Energy as being an important part of our future. And so we certainly embrace that and make a deep commitment to those employees.

We turn to Page 23. It gives you a bit of a sense of how the time line will unfold. Obviously, we've made the announcement today and there will -- we will proceed to initiate regulatory filings. We'll be filing certainly in New Mexico and with some U.S. federal agencies, including the FERC and others. We'd expect that, that process, including the filing of the proxy that will be filed for the shareholder vote, to take between now and the middle of 2016 to be able to close this transaction.

So we are building a North American energy leader here together. As I said earlier, this is really the merger of 2 very strong businesses into a much stronger business, a business that has the capacity to service customers in better ways than it has -- and continue to service customers in the best way possible. This transaction is significantly accretive to ongoing Emera EPS. It grows our regulated earnings and cash flows and provides tremendous support to our dividend as we go forward. And so when we think about this transaction and we think about its aspects, this is a transaction that grows our business, strengthens our business and allows us to continue to grow in an even greater way into the future. And one of those ways is that it brings into Emera a regulatory platform including natural gas distribution, something that we've been seeking for a bit of time and something that we will be able to move forward with as part of the transaction with TECO.

It increases our scale, improves our credit profile and I think drives benefits for customers, employees, communities and shareholders. And so with that, I believe we have a very, very successful transaction here, one that will grow a strong company, a strong investment and one that I think we'll all be very proud of.

With that, I'd just like to take a moment to thank John and his team for the professional way that they've presented their business and gone through the process that they've gone through. The team has [indiscernible] second to none. It has been a great pleasure to work with you through this process and as we know, there's lots more to come, lots more working together and we look forward to that and the success we've had today and in the future.
So with that, Scott, I think we'll open things up for questions and we'd be happy to take the questions from the lines.

Question and Answer

Operator

[Operator Instructions] Your first question comes the line of Ali Agha with Suntrust.

Ali Agha
SunTrust Robinson Humphrey, Inc., Research Division

Just some logistical questions. One is -- does TECO have the right to look for other alternatives like a go-shop period if you will or are they pretty much locked into this transaction?

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

John, do you want to go...

John B. Ramil
Former Chief Executive Officer and President

Yes. Ali, how are you doing?

Ali Agha
SunTrust Robinson Humphrey, Inc., Research Division

John, congrats.

John B. Ramil
Former Chief Executive Officer and President

We usually have these conversations in the morning. Thank you. We are locked into this transaction, committed and emotionally, but at the same time, we cannot go out and solicit. If an offer comes in, we can look at it and consider it but we can't go out and solicit.

Ali Agha
SunTrust Robinson Humphrey, Inc., Research Division

Okay. And also related to that, what are the break-up fees associated with this transaction?

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Go ahead, John.

John B. Ramil
Former Chief Executive Officer and President

They are, I think, very much in the typical market range. I think the buyer's breakup is 5%, if I remember correctly. And the seller's is 3.25%.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

3.25%.

John B. Ramil
Former Chief Executive Officer and President

Yes, 3.25%.

Ali Agha
SunTrust Robinson Humphrey, Inc., Research Division

Okay. And last question, does the Florida commission not need to officially approve this transaction?

John B. Ramil
Former Chief Executive Officer and President

There is no requirement in the state of Florida for the commission to approve this transaction.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

And I would just note, we've taken the opportunity though today to make calls to Florida commissioners and to other folks around the state just to make sure that people were well informed. And we're committed to keeping the Florida commission well informed, as we go through this process.

Operator

Your next question comes from the line of Travis Miller with Morningstar.

Travis Miller
Morningstar Inc., Research Division

Congratulations to John and his team there.

John B. Ramil
Former Chief Executive Officer and President

Thanks, Travis.

Travis Miller
Morningstar Inc., Research Division

Wonder about the New Mexico approval. What did you guys learn from the New Mexico Gas approval process that might be there are hurdles or easy parts, or things that you could give to rate payers without changing the deal too much? Just generally, what did you learn that you think might come up again as you go through that process?

John B. Ramil
Former Chief Executive Officer and President

Travis, a good question. As we -- one of the things that we had to do in ESCO is we had to introduce people to who TECO Energy was and what we're about, and our history and that was all a good story. So once we got through that, that was quite helpful. And I think Chris and his team from Emera will do that quite well. The other is, if you remember, that company, relatively small utility company, totally self-contained, doing all of their support services to the business, while we were setting up a centralized service company to efficiently serve all 3 utilities. So there are not a lot, but there are some job eliminations in that state, so that was an area of concern. I think given the way Chris and his team are approaching it, we've already paved that road. And that has happened, and in fact, it's happened quite well. We're well into that process and have, I think, fewer jobs that you can count on one hand, where we actually had to let people go. It's been handled through self-nominations and attrition. So I think we've done a few -- we've kind of been through the process once, and we have some ideas on how to make sure that we can make it a little bit easier on the regulators this time around and get through the process.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

John, I just might add a couple of things. I mean first of all, the stipulations that are there from the last transaction, certainly, those are stipulations that we'll respect in a very solid way. We're committed to those stipulations and moving forward that way. We're also committed to making an application and making sure that we introduce Emera properly to the state of New Mexico, to the regulators and to the government officials there. And in fact, John, I think we're taking a trip a little later next week where we will be introducing ourselves in that market and looking forward to building relationships there. And ultimately, to serving customers in that market. We see that business as a great investment that TECO has made and an opportunity for the future. And so we're very much looking forward to being in New Mexico.

Travis Miller
Morningstar Inc., Research Division

Okay, great. And then one other one on that coal. If you're not able to complete a coal transaction by the time you get all the regulatory approvals on the regulated utilities side, what happens? What's the thinking there? Or is there anything structurally in the deal that would happen if you're not able to sell the coal unit?

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Well, it's Chris here, I think we're quite confident that can happen. And John probably can fill you in on some of the details. But we're very confident that we'll be in a good place there.

John B. Ramil
Former Chief Executive Officer and President

Yes. And the transaction will move forward. But as Chris said, we're -- we believe that it will close, if not with the current buyer that we've been talking about, with someone else and perhaps in other fashions by selling it in pieces.

Travis Miller
Morningstar Inc., Research Division

Okay. Is there anything in the actual deal terms that has to do with that? In terms of selling the coal business?

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Really just we'll continue to proceed with the process that's ongoing right now.

John B. Ramil
Former Chief Executive Officer and President

Right. And proceed with the process and we'll keep Chris and his team informed as to what's going on.

Operator

Your next question comes from the line of Paul Patterson with Glenrock.

Paul Patterson
Glenrock Associates LLC

I wanted to ask you about the permanent capital structure that you guys were thinking in terms of acquiring the equity of TECO. Could you give us a little bit more flavor about what we should think about there?

Scott Carlyle Balfour
Chief Operating Officer

Yes, it's Scott Balfour speaking. And that's something that we'll sort of work through in time. We've obviously got a capital structure in mind. But as we work through the regulatory process, the shareholder approval process, really the best I can point to it at this time is to say that our objective is -- and we spent a fair amount of time sort of working this through obviously with an expectation that the credit rating impacts of this would be neutral and that pro forma -- close of the transaction with all the permanent financing in place that we see that the existing rating profile that Emera and TECO and its rated affiliates have today.

Paul Patterson
Glenrock Associates LLC

Okay. But are you guys planning on issuing any equity to do the transaction? Or -- I mean, how should we think about the transaction other than the commitment that you have for in terms of the bridge?

Scott Carlyle Balfour
Chief Operating Officer

Yes, that's something that will provide some further clarity as time goes by. But absolutely, we do intend to use a combination of common equity. Preferred equity is a fairly common structure that's utilized in Canada and that too will form part of our capital structure and of course debt. One of the advantages that we have in this transaction is that Emera today enjoys a pretty strong balance sheet relative to its historical capital structure. And so we do have some leverage capacity ourselves today, and that helps to facilitate this transaction as well. But as I say, our real focus is making sure that we end up with the same, similar rating profile that TECO and Emera both have today with this finance in place and implemented over the next 9 to 12 months through the regulatory approval process.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Yes, and Scott, I think it's important to reinforce that we've designed this financing so that it actually has an outcome from a ratings perspective that actually works for our business, and we see the opportunity there to do that. But it also results in a significantly accretive transaction.

Paul Patterson
Glenrock Associates LLC

Okay. And then with respect to the acquisition sale to the multiples that we're looking at, we look at potential book or a goodwill sort of back of the envelope. Is there anything we should think about in terms of writing off the assets or should we just basically look at the tangible book value of TECO and make our estimations as to what the goodwill or the price of tangible book value would be based on those numbers? In other words, is there going to be any change in accounting that we should think about in terms of write-up of assets that's going to be there, or otherwise, should we just think, hey, if we just take a look at the numbers which we can do, that the price paid minus tangible book value would pretty much be where we are in terms of goodwill or price intangible book?

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Yes, I guess I'd provide 2 points of context first, which is first of all, Emera is a U.S. GAAP-based reporter. We do report in U.S. GAAP, so we operate under the same accounting principles as does TECO. And the sort of detailed accounting work for this, of course, will carry on through the process as we get closer to closing. And yes, when you go through an acquisition, you have to go through and look at fair value. But recognizing that TECO's assets are all rate-based assets, I think your assumption would be pretty reasonable that the rate-based value that is currently ascribed to them would likely carry through this process. So I don't think you would sort of reasonably expect there to be any material write-up in value, as we just go through and finalize the purchase equation and all those things through the process.

Operator

Your next question comes from the line of Linda Ezergailis.

Linda Ezergailis
TD Securities Equity Research

Congratulations on this transaction.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Okay. Well, thank you, Linda.

Linda Ezergailis
TD Securities Equity Research

A few more questions around your accretion. You mentioned, it's accretive to EPS. I would assume it's also accretive to cash flow from operations per share or some sort of free cash flow per share metric. Can you confirm that and indicate maybe how much more it might be accretive to cash flow?

Scott Carlyle Balfour
Chief Operating Officer

I can help you with the first part, less so with the second. So I can affirm that the transaction is also accretive on a cash flow basis. And certainly, one of the elements of this transaction, as Chris referenced is, TECO does have a significant pool of tax loss carryforwards in place and AMT credits. So that provides a significant cash tax shield generating incremental cash through the next period. That amplifies, of course, that cash accretion in the early years. But yes, certainly, it is at least as accretive on a cash basis it is on an earnings basis within the profile that Chris referenced.

Linda Ezergailis
TD Securities Equity Research

Okay. Now on an income basis, are there some tax synergies as well?

Scott Carlyle Balfour
Chief Operating Officer

I'm sorry, I couldn't quite hear you, Linda. One more time?

Linda Ezergailis
TD Securities Equity Research

On an income basis, are there some tax synergies as well, or are there any implied synergies, I guess, more broadly in your accretion estimates?

Scott Carlyle Balfour
Chief Operating Officer

Yes, I'd say this is -- for us, this transaction and the financial merits of this transaction really aren't centered on synergies and the traditional sense. I think the synergies will come from what the team can do together to drive future growth and additional earnings. But there's no material cost synergies that we assume within our models to drive the kind of financial metrics that Chris referenced.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

And I think, Linda, it's -- and it's important to note. I mean when you look at what these 2 businesses are doing, Emera has some very large projects on the go right now, things like Maritime Link and others, and some very large expectations relative to supplying energy into the Northeast. I mean the opportunity is there. We just had the New England governors and the Eastern Canadian premieres together in Newfoundland last week -- or actually early this week. And in fact, they were talking about moving 20-plus kilowatt hours of energy into that market. And so there's the kind of opportunity we're looking at in that front. When we come through what's going on here at TECO, some very large projects on the go. The development -- the redevelopment of the Polk facility, the work that will happen as the coal plants continue to be -- so we'll see reduce in emissions. There are tremendous projects and opportunities there. So when we see putting these two work forces together, these 2 are great groups of people together, we see turning that into more and being able to source the talent necessary to do some of these larger things that we're working to do. And so we're very excited about that kind of synergy. It is our growth synergy that we're moving.

Linda Ezergailis

TD Securities Equity Research

Okay. That's helpful. Now just a follow-on to that. You got already significant growth in Canada. You got potential significant growth in New England as well. Do you have kind of a notional geographic mix that you're thinking where you will be in 5 to 10 years? And where you want to be i.e. potentially bolstering up your Canadian part of the mix?

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Well, so, Linda, I mean, I think our objective has always been to diversify this business. And as you know, it came from an extremely concentrated business. And the kind of notional objective that we set for ourselves is to have no single investment greater than about 35%. If you look at the pie chart that exists on Page 19, you'll see that we're actually achieving that in a very good way. I mean, even TECO -- Tampa Electric, I'm sorry, which is a very large concentrated business, turns out to be about 38% of this business, so right in around the targets that we've set for ourselves. So that's a little more of the way we're looking at this than being focused on a geography. And so we -- what -- and I think and we've said this many, many times as we've looked at our business, we look for businesses and transactions where we can do more around those businesses than just the existing business. And so when we look at a market like Florida, we look like -- a market like New Mexico, we see those opportunities, those linkages and adjacencies. And so that's what attracts us to this. And so that's what will always attract us. And so when we look for another business in the future, we'll look for that. And so other than that, that 35% number that I would quote, we probably wouldn't put any other parameters on that. We're not likely at this point, other than the Caribbean to leave North America, I would say that to you. But I don't see us being focused on geography per se. We're focused on finding good businesses with talented people that can grow. That's what we're really focused on, and I think we found that -- this is a bull's-eye. This is the perfect match for us and we'll focus for the next little while on 2 big things, closing this transaction and building Maritime Link and setting ourselves up for -- to supply New England. Those will be the things that we'll be focused on over the next little while and then we'll move on.

Linda Ezergailis
TD Securities Equity Research

That's very helpful. Just one final clean up question. You pay your dividends in Canadian dollars. Can you comment on how you're thinking about potentially hedging both this transaction cost and then prospectively -- pardon me, your U.S. dollar exposure or not at all?

Scott Carlyle Balfour
Chief Operating Officer

Yes, Linda, I mean, certainly, a significant part of this in terms of that hedging strategy is thinking about the financing strategy and the execution of that financing strategy, whether it's originated in the U.S. or in Canada, but largely focusing on raising those funds in U.S. dollars. So that in itself will provide us a fairly significant natural mitigation. And today, of course, notwithstanding the fact that we've got a significant portion of our earnings and assets in the U.S., our U.S.-based debt is actually very modest. So we've got some room to do that and frankly, we're probably a little overdue in building a U.S. debt profile on our balance sheet. So that really is the first and primary focus. And obviously, as we work through over the next 9 months or so to closing and following that, we'll continue to look at risk-mitigation strategies, as we always do, around how to manage currency exposures and the rest. But for now, most of it's really centered on the financial strategy execution.

Operator

Your next question comes from the line of Ben Pham with BMO Capital Markets.

Benjamin Pham
BMO Capital Markets Equity Research

I just want to also congratulate you on the deal. And I wanted to ask about the coal exposure in New Mexico and Florida, just the percentage. And where that's going. And I guess 2017 and how the Clean Power Act impacts, just if you need some sort of replacement cycle at some point in the future.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Yes, so, I mean, I think that's in -- and obviously John can chime in here because he's designed all this. But I think TECO Energy has really set itself up very, very well for the changes that have happened on the clean power side. I -- they were early adopters. They were in with the EPA reducing emissions in their power plants and they've been doing that for a long time. And so when you look at the way that the business is structured, especially with the Polk investment coming on, you're going to see a tremendous amount of flexibility sitting in this business. And that flexibility can turn into the ability to reduce -- to create affordable energy for customers and also, the ability to ultimately over time, so with Peoples Gas as an example, to serve more and more of the coal transition needs that exist in the state. And so this business is extremely well set up, both to comply with clean -- the Clean Energy Act and also to supply its customers in an affordable way and to help the state supply other customers in affordable ways. And so that's one of the things that we're quite excited about. As you can tell, I'm quite excited about this. And that's one of the things, when we looked at what Tampa -- TECO Energy was doing that actually caused us to say, "Boy, there's something here." There really is something here because they've laid the groundwork for a tremendous future. And so that's something that we recognized really quickly when we started talking to them. And I don't know, John, if there's anything you'd like to add to that.

John B. Ramil
Former Chief Executive Officer and President

Chris, you're a quick study. That was a really good answer. But just in New Mexico, people moving away from coal is actually an upside because it provides us opportunities to extend pipelines and infrastructure to power plants. And Chris is absolutely right with Tampa Electric, with the Polk expansion and some of the other things that we're doing, we will be positioned to generate as much as 80% of our electricity needs from natural gas. And when you couple that with some of the renewable programs that we're starting to get off the ground, we think we're in a very, very flexible situation to handle a broad array of different requirements.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

And just one more thing I'd add. So when I think about Peoples Gas, I think about the gas company of Florida. And when I think about New Mexico Gas, I think about the gas company of New Mexico. And those in and of themselves with the transition that's happening right now over the low -- higher carbon fossil fuel to lower carbon fossil fuel is a tremendous opportunity.

Benjamin Pham
BMO Capital Markets Equity Research

Okay. And I wanted to also go back to the accretion expectations and just with the first year, the commentary on that. And when you talk about accretion in the first year, are you assuming full dilution on the common equity?

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Help me a little more, what you mean by full dilution, Ben?

Benjamin Pham
BMO Capital Markets Equity Research

Are you assuming you're issuing all the equity you need?

Scott Carlyle Balfour

Chief Operating Officer

Yes. This is pro forma closing of the transaction. That's right.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Yes. [indiscernible] full year, clearly transaction costs will go into probably a sub year in '16, but first full year.

Operator

Your next question comes from the line of Paul Lechem with CBIC.

Paul Lechem
CIBC World Markets Inc., Research Division

Just on the permanent financing, again, I'm just trying to understand the timing of it. So are you expected to have all permanent financing in place before closing of the transaction?

Scott Carlyle Balfour
Chief Operating Officer

That's our plan.

Paul Lechem
CIBC World Markets Inc., Research Division

Including all the equity that needs to be raised?

Scott Carlyle Balfour
Chief Operating Officer

That's right.

Paul Lechem
CIBC World Markets Inc., Research Division

Okay, fair enough. And then just trying to understand the capacity, once you take on TECO, the capacity to take on other major projects and other major initiatives that you have underway in New England, if some of those came to fruition on the transmission side. Would you then -- do you feel you still have capacity to execute on those transactions or initiatives?

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Yes, I mean I think being engaged with TECO actually adds to our capacity. And so, as I said earlier in my remarks, I mean, we are growing quickly the capacity, that human capacity of our organization is something we're seeking to grow. And I think with our merger with TECO Energy, we do grow that human capacity. And so I think that becomes an opportunity for us to do more things like the one you mentioned. And I think it's an opportunity for our employees across the business through cross-fertilization and other possibilities to take on new and exciting roles. And I think that, that's the kind of thing that we will hope will happen. I mean we, obviously, first and foremost have to retain the capability of the teams that exists here, and then to challenge them to new opportunities.

Paul Lechem
CIBC World Markets Inc., Research Division

Okay. And just trying to understand it is -- when you look at the investment opportunities across the expanded platform then, how do you think about the returns -- the different returns you're getting in different parts of the business, getting over 10% in TECO versus 9% and lower in the Maritimes? Does that sway your views on where you'd like to allocate capital, how you allocate capital going forward?

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Well, so I mean -- so Scott can chime in to this as well. But, I mean, I think first and foremost, all those businesses are solid, stand-alone businesses, and they can attract capital by their own nature. And so I think that, that's the first tenet that I would put forward. We have not seen difficulty in attracting capital to our business in any of its various dimensions. And so as long as we continue to be able to attract capital, and I think this transaction makes it easier not harder, then we'll continue to invest as those entities need it. And as I said, I think this is an enhanced capability to do that. So I don't know, Scott, if there's anything you just want to add.

Scott Carlyle Balfour
Chief Operating Officer

No, I think you addressed it perfectly. I think the only thing that I'd add is, of course, whenever we look at new capital investment, we're always working through a lens to ensure that we've got the discipline around that investment to ensure that it's the right thing for ratepayers and customers, the right thing for shareholders, that's always a measure. But otherwise, I think, Chris said it right. I don't -- I think that those businesses are able to secure and -- the capital they need to grow, and we continue to support that.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

I mean, just you take an example for a second, Paul. if you look at the cost of capital with Maritime Link would exhibit right now, with a 70-30 debt equity structure and a 9.25% return on equity side, I mean, that is a very low cost structure for the customers in that market. That's creating affordable energy for that market and it can attract the capital. So I look at that as being right dead center of where we want to be.

Paul Lechem
CIBC World Markets Inc., Research Division

Okay. Last quick question. I think I heard, Scott, you say you would consider raising some of the present debt in U.S. dollars. I was just wondering, are you considering also a U.S. listing for the stock?

Scott Carlyle Balfour
Chief Operating Officer

Yes, I wouldn't say it's in our plans right now, Paul. I think we're fortunate. We've got sort of our sector and Emera has access to the Canadian capital markets, certainly, on the equity capital market side that has supported us well over the years. Of course, as we look at debt placement, of course, we're very focused on both U.S. and Canada. But right now as we look at it, the capital needs that we have, I think, can be adequately addressed within the Canadian capital market. If at some point in time that lens changes and it looks like U.S. listing would be valuable from a cost for access to capital perspective, of course, we'll look at it. But that wouldn't be in our short-term planning today.

Operator

Your next question comes from the line of Robert Kwan with RBC Capital Markets.

Robert Michael Kwan
RBC Capital Markets, LLC, Research Division

I'm just wondering if I can go down some of the financing assumptions you have just underlying the accretion. And I know it doesn't sound like you want to give numbers, Scott. But it sounds like between the available balance sheet capacity you have and what you talked about as an improving credit profile -- risk profile, there's going to be at least a material amount of double leverage on the deal?

Scott Carlyle Balfour
Chief Operating Officer

I'm not sure I'd be thinking of it as double leverage. I think that we will look to continue to finance Emera and its affiliates looking at the appropriate capital structure for its rated and unrated affiliates, both existing and those of TECO to drive the right credit profile and cost of capital that suits that business and, of course, do the same at the Holdco level and look at the capital structure that's there. So I wouldn't -- yes, I think you can talk about double leverage as a component of the capital structure, but I -- we're not thinking of it any differently than the way that we think about how we finance the business today.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

So, Robert, if you look at the way we have targeted capital structure over time, we've always targeted 45% equity, which is the combination of common and pref, and 55% debt. That's our target capital structure. And so that is still our target capital structure. And that's what where we will work towards. What you saw over the past 3 years was we lifted the equity structure up quite a bit and reduced our debt substantially as a result of the fact that we had reduced our regulated earnings. This transaction, again, why it's a bull's eye for us is this transaction moves us up to our regulated earnings target right away. And so that allows us to put our capital structure back to where it came from, which is targeting the 45% to 55%, and that's really what we're focused on continuing to do. Now to your point, it might take a little while to get to that full point, but that's what our target is. You can look at it that way and continue looking at it that way. Scott is that...

Robert Michael Kwan
RBC Capital Markets, LLC, Research Division

Sorry, go ahead.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

No, I just -- and we have been saying that for the past 7 or 8 years that, that's our target capital structure. So -- and I think that is the right capital structure for a business with this much regulated earnings.

Robert Michael Kwan
RBC Capital Markets, LLC, Research Division

Got it. And have you run this -- these numbers by the rating agencies yet?

Scott Carlyle Balfour
Chief Operating Officer

So we spent a lot of time obviously thinking about rating output, we have a pretty good understanding as to how the metrics work. And so we've applied our lens against those metrics to have a confidence level through that work as to the ratings outcome that we can expect.

Robert Michael Kwan
RBC Capital Markets, LLC, Research Division

Okay. Can you just talk about what your FX rate assumption is?

Scott Carlyle Balfour
Chief Operating Officer

Really, what really is important as you think about it is yes, the math is sensitive to what FX does between now and closing and the math is sensitive to what FX does post-closing. But really, I think the relevant assumption is that we're within a relatively stable FX environment. And so we've essentially modeled the FX environment that we see today, and the models are sort of based within that, obviously, we've sort of looked at it on a number of different levels but, generally, the model will be based upon a stable currency environment.

Christopher G. H. Huskilson

Chief Executive Officer, President and Non-Independent Director

Yes. So, Robert, I think the only qualification that we're putting on the accretive numbers that we're talking about are stable FX environment.

Robert Michael Kwan
RBC Capital Markets, LLC, Research Division

Got it. And then in terms of timing, are there any key regulatory and/or shareholder milestones -- approval milestones that you want to see before you move to finance the transaction, or do you think you could be out in front of that to some degree?

Scott Carlyle Balfour
Chief Operating Officer

I think that's something we'll assess as we go, Robert. And as you said, as you point out, there are some milestones to achieve towards closing on the transaction through TECO's shareholder approvals and various regulatory approvals. So we'll continue to look at the progress against those milestones and measure that against the capital market conditions in order to come up with what we see as the ideal execution strategy.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Yes. And I think, Robert, certainly, TECO Energy is committed to moving through the shareholder approval at pace, and I think that's exactly what we have set to do. I don't know, John?

John B. Ramil
Former Chief Executive Officer and President

Yes, absolutely right.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Yes, thanks, John.

Robert Michael Kwan
RBC Capital Markets, LLC, Research Division

Okay. And then just last on question on financing. Obviously, they've got to make their own decision, but could Algonquin play a role in all of this?

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

No, we don't expect so.

Robert Michael Kwan
RBC Capital Markets, LLC, Research Division

Okay. Just as we look at the outlook, on the fuel the asset strategy, you've been quite successful in your jurisdictions. I know, Chris, you talked a lot about how you see that playing out. Can you just talk about the amount of fuel that's in the rates within the TECO utility and the economics of renewables there and how that interplay might work as it relates into the all-in customer bill?

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Well, I think and, obviously, would welcome John to chime in to this one. But I think, first of all, the -- I -- the short-term approach within Tampa Electric, at least, is the gas work that they're doing. They're being able to ultimately displace coal and both on the one hand, have the capacity there for reliability purposes, but on the other hand be able to reduce coal consumption by putting more and more natural gas into this. And when you look at the cost of natural gas in this market, that's a very competitive thing to do. That creates affordable energy for the customers and that's exactly what this business should be doing. As you see though, they're starting to introduce some solar projects and other clean opportunities. And over time, I'm sure that, that'll happen. But that's -- it's going to be a natural gas world for some time to come, I think. And, John, I don't know if there's anything...

John B. Ramil
Former Chief Executive Officer and President

I 100% agree with that. And we -- I talked about the flexibility earlier with natural gas and that's what the Polk expansion has really positioned us to have moving in there.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

It's a tremendously flexible generation fleet that is at the business has today. And that's a great opportunity.

Operator

Your next question comes from the line of Linda Ezergailis with TD Securities.

Linda Ezergailis
TD Securities Equity Research

Just to follow-up to Robert's question about permanent financing and how Algonquin might play a role. Just looking at your portfolio of businesses and assets, are there any assets that you would consider to be less core or noncore, or businesses that you might selling to help finance the equity requirements for this transaction?

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

I mean, I think, Linda, we certainly haven't made any decisions in that area, and we constantly look at our asset base. You saw our transaction with First Wind earlier this year. We constantly look at our asset base, but we haven't made any decisions, and we don't necessarily see that as part of this.

Scott Carlyle Balfour
Chief Operating Officer

The other thing I'd add, Linda, is we do continually with a look at the portfolio from that perspective, but also just in terms of ensuring that we've got the best capital efficiency within the businesses that we have. And so there's opportunities that's unrelated to this transaction to continue to drive that capital efficiency within the structure and the various businesses that we have, that we expect will continue to provide a significant source of cash flow moving forward.

Christopher G. H. Huskilson
Chief Executive Officer, President and Non-Independent Director

Yes. And I think just a simple example of that, so Scott, that's a really important point. A simple example of that is what's going on in New England right now in the capital market is making some of our New England assets more and more valuable. And so that's allowing us to look at how those get financed, one example.

Operator

We have no further questions at this time. I'll turn the call back over to the presenters.

Scott LaFleur
Manager of Investor Relations

Okay. Well, first of all, as we've all said earlier, we're very excited about this transaction. We're excited about the relationship. We've already formed, I think, a pretty good bond between ourselves and the people at TECO Energy. And so I really, really look forward to the future with TECO Energy and growing our business for our customers and our shareholders. So thank you all very much for taking the time late on a Friday before a long weekend. We definitely apologize for that part of this transaction, but I don't think we apologize for much else. So thank you all for taking that time, and we wish you all a great long holiday weekend. Thank you.

Operator
This concludes today's conference call. You may now disconnect.