

**BLA Private Wealth**  
**RAYMOND JAMES®**

**BLA Newsletter Issue #2 – June 2021**

We hope you and your family have continued to be safe and healthy. We have some good news to share with everyone – our new website is live ([click here](#)). You will notice that we have re-branded to BLA Private Wealth, or at length, Bee Lee & Associates Private Wealth. In last month’s newsletter, we highlighted that this new team name resonates much better with our team’s growth over the past few years. We would like to hear your feedback on our new website!

Our next webinar is titled, “Mid-Year Market Update”, with guest speaker Nadeem Kassam, Head of Investment Strategy at Raymond James Ltd.

**Date:** Thursday, July 22, 2021

**Time:** 1:00 pm ET / 10:00 am PT

[Click here to register](#)

Lastly, as a reminder, we have launched a retirement income tool. By visiting the website below, you will be able to enter your current financial situation and it will calculate what is needed to help you achieve your retirement goals.

<https://my.razorplan.com/RJ/Advisor?advId=060DBD22>

We hope everyone stays safe and healthy, and please don’t hesitate to contact us at any time if you have any questions regarding your investments or financial plan.

**Insights**

Below is an update on Fortis - a favourite holding of many of our clients. For this reason, we have written this update to keep you informed on what the company is doing.

If you would like to discuss further or have any questions, please reach out to Bee Lee at 519-883-6062 or email [bee.lee@raymondjames.ca](mailto:bee.lee@raymondjames.ca)

We continue to view Fortis as a core holding in client portfolios.

**Fortis Inc.**

Fortis is a leader in the North American regulated electric and gas utility industry, with assets across Canada, the U.S., and the Caribbean. Regulated utilities account for 99% of the company’s assets and 93% of that

represents transmission and distribution. The remaining 1% is primarily attributable to non-regulated energy infrastructure. Fortis has a small environmental footprint with fossil generation representing 5% of regulated assets. By 2035, Fortis expects all of its assets to comprise of energy delivery and renewable carbon-free generation.

Fortis has pivoted to an organic growth strategy centered on clean energy. Fortis is currently executing on a \$19.6 billion five-year capital plan. This includes investments in renewable generation such as solar, wind, and battery storage, interconnections of renewables, liquefied natural gas, and renewable natural gas. We expect the capital plan will grow the rate base (the asset base that Fortis can earn a specified rate of return) at an average annual growth rate of ~6%, from \$30.5 billion in 2020 to over \$40 billion in 2025. We believe the capital plan is low-risk and highly executable, with only 15% of the capital investment scheduled for large projects (\$100 million or more). Fortis expects the growth plan to support ~6% average annual dividend growth through 2025.

Beyond the current five-year capital plan, Fortis has identified \$4-\$6 billion in renewable investment projects in Arizona. These projects will facilitate the company's transition into renewables (~2,400 megawatts of new wind/solar) and battery storage (~1,400 MW of storage), and support the company's goal to be coal-free by 2032. Fortis expects the \$1.7 billion Lake Erie Connector transmission project to roll into the five-year growth plan in 2022 (~40% financed by the Canada Infrastructure Bank). The Lake Erie Connector is a transmission line across Lake Erie that will transmit 1,000 megawatts of electricity between Ontario and the U.S. Other opportunities across the company's footprint (i.e. the Southern Crossing Gas Transmission Expansion in BC) could provide upside to the current ~6% rate base growth plan.

Fortis's capital plan does not factor in opportunities that could arise from President Biden's infrastructure plan, which calls for 100% carbon-free electricity by 2035. This puts Fortis in a favorable position, as this could accelerate energy transition investments across the nine U.S. states that company current services. Overall, we consider Fortis to be a best-in-class regulated utility, with high-quality assets, and a long runway of attractive organic growth. We still view Fortis as a core holding in client portfolios.

Risks include lower economic growth in the U.S. and Canada, higher interest rate expectations, and regulatory dynamics.



**Bee Lee**

Financial Advisor

[bee.lee@raymondjames.ca](mailto:bee.lee@raymondjames.ca)

519-883-6062



**Heather Desjardins**

Financial Advisor Assistant

[Heather.Desjardins@raymondjames.ca](mailto:Heather.Desjardins@raymondjames.ca)

519-883-6048

**Christopher De Sousa, CIM®**

Trading & Research Specialist

[Christopher.DeSousa@raymondjames.ca](mailto:Christopher.DeSousa@raymondjames.ca)

519-883-6044

**Tolga Cetinkaya**

Client Service Assistant

[Tolga.Cetinkaya@raymondjames.ca](mailto:Tolga.Cetinkaya@raymondjames.ca)

519-904-6080

595 Parkside Drive, Unit 1, N2L0C7, Waterloo, Ontario, Canada | [www.raymondjames.ca/blaprivatewealth](http://www.raymondjames.ca/blaprivatewealth)