Q1 2023 Earnings Call

Company Participants

- Abby Motsinger, Vice President Investor Relations
- Brian Savoy, Executive Vice President and Chief Financial Officer
- Lynn J. Good, Chair, President and Chief Executive Officer

Other Participants

- Bill Apichelli, UBS
- David Arcaro, Morgan Stanley
- Julien Dumoulin-Smith, Bank of America
- Shahriar Pourreza, Guggenheim Partners
- Steve Fleishman, Wolfe Research

Presentation

Operator

Hello everyone, and welcome to the Duke Energy First Quarter 2023 Earnings Call. My name is Nadia and I'll be coordinating the call today. I will now hand over to your host Abby Motsinger, VP of Investor Relations to begin. Abby please go ahead.

Abby Motsinger

Thank you Nadia. And good morning, everyone. Welcome to Duke Energy's First Quarter 2023 Earnings Review and Business Updates. Leading our call today is Lynn Good, Chair, President and CEO, along with Brian Savoy, Executive Vice President and CFO.

Today's discussion will include the use of non-GAAP financial measures and forward-looking information. Actual results may be different than forward-looking statements, and those factors are outlined herein and disclosed in Duke Energy's SEC filings. The appendix of today's presentation includes supplemental information, along with the reconciliation of non-GAAP financial measures.

So with that, let me turn the call over to Lynn.

Lynn J. Good {BIO 5982187 <GO>}

Abby, thank you. And good morning, everyone. Today, we announced adjusted earnings per share of $1.20 for the first quarter. These results reflect a $0.22 headwind from weather, with

January and February ranking among the warmest winter months on record across our service territories.

In fact, DEP had its warmest January and February in the last 32 years. In response, we've already taken action activating agility measures across the enterprise, which Brian will walk through with you in just a moment.

With three quarters remaining, including our strongest quarter still ahead, we are reaffirming our 2023 guidance range of $5.55 to $5.75, with a midpoint of $5.65. We're also on track to deliver our long-term EPS growth rate of 5% to 7% through 2027 off the midpoint of the '23 range.

Before I turn to our regulated utilities, I'd like to provide an update on the sale of our commercial renewables business. As you know, we have separate sales processes underway for the utility scale business and the distributed energy business. We are in the late stage of the process for both transactions, and we'll look to update you in the near future. We continue to anticipate proceeds in the second half of the year.

Moving to Slide 5, we're making meaningful progress in our strategic initiatives in each of our jurisdictions. In North Carolina, we recently reached a partial settlement with public staff and SIDFR, who represents DEP's industrial customers, and the Duke Energy progress rate case. With agreements on approximately $3.5 billion of forward-looking capital investments in the multi-year rate plan, the settlement represents a significant milestone on our journey to modernize recovery mechanisms in North Carolina.

It positions us well to continue delivering value to customers while supporting the cash flows of the company. The settlement also provides clarity on retail rate base of approximately $12.2 billion for the historic base case and depreciation rates that largely align with DEP's proposal. Further, we reached agreement on performance incentive metrics and residential decoupling. We were pleased to be able to work with public staff and SIDFR to narrow the open items in the case.

These settlements are subject to approval by the North Carolina Utilities Commission. Evidentiary hearings began May 4th and are expected to conclude later this month. Interim rates will be implemented in June, subject to refund, and we expect permanent rates to be effective October 1st. The Duke Energy Carolina's rate case is about three months behind the DEP case and hearing is scheduled to begin on August 21st.

Moving to South Carolina, the Commission approved a comprehensive settlement in our Duke Energy Progress rate case in February. Revised rates went into effect in April. We also recently received Commission approval to securitize approximately $170 million of past storm costs at Duke Energy Progress. In Florida, the Commission approved our fuel capacity and storm cost request in March.

Rates were updated in April and reflect recovery of deferred fuel costs over 21 months with a debt return. We'll recover storm costs associated with hurricanes Ian and Nicole, as well as replenish the storm reserve over 12 months. We also continue to expand our renewable fleet in a steady and responsible manner, adding four solar projects in March and April, totaling 300 megawatts. With these additions, we now operate 1,200 megawatts of solar in Florida, with plans to continue adding approximately 300 megawatts a year going forward.

In Indiana, we've had an active legislative session. The legislature passed several energy bills, including House Bill 1421, which was signed into law and allows CWIP and rate base for natural gas generation. These bills support our ability to execute our energy transition in Indiana while maintaining reliable and affordable power for customers. We're in the process of finalizing CPCNs, which we expect to begin filing with the Indiana Commission later this quarter.

In Ohio, we've reached a comprehensive settlement with the PUCO staff and multiple other parties in our natural gas rate case. The settlement which is subject to Commissioner approval, includes agreement on expanded revenue caps for the capital expenditure program rider. An evidentiary hearing is scheduled to begin on May 23rd. And in Kentucky, the Commission is conducting an evidentiary hearing today on the electric rate case filed in December. If approved, new rates are anticipated to go into effect in July.

We're making great progress on our strategy across our entire service territory, meeting our commitments and advancing investments in a balanced way to better serve our customers. Our strong track record is reflected in our Impact Report, Duke Energy's 17th Annual Disclosure on sustainability topics. This comprehensive report was published in April and includes our goals and progress on a broad range of topics, including the energy transition. It also outlines our corporate citizenship and the value we're creating for employees, customers, and communities from economic development to environmental justice and to rescaling and redeploying workers.

Before I turn the call over to Brian, let me take a moment to talk about our grid investment plan, which is $36 billion and accounts for over half of our five-year capital plan. The grid is a critical part of our energy transition, and with more than 320,000 line miles, we operate the largest transmission and distribution system in the nation. The foundation of our grid plan is focused on improving reliability and resiliency, preparing the grid for renewables, and enabling electrification.

Our reliability and resiliency investments are centered on strengthening the grid against storms and security threats and improving the ability to rapidly restore power when there's an outage. We're making targeted investments across a variety of programs, including self-optimizing grid technologies, targeted undergrounding, physical and cybersecurity upgrades, and upgrading lines and substations.

Our investments are already making a difference as evidenced by our response to Hurricane Ian last fall, where we restored power in less than half the time of our Hurricane Irma restoration efforts in 2017. As highlighted on the slide, we've made great progress in establishing constructive recovery mechanisms across our jurisdictions. These mechanisms will also assist in recovering grid investments in a timely manner, mitigating lag and supporting balance sheet strength, while delivering benefits to our customers.

From grid improvements to installing renewables to advancing policy, we're taking collective action to transform and ready the system for the future. We have a clear path forward, and are confident our investment plan will deliver sustainable value and 5% to 7% earnings growth. With that, let me turn the call over to Brian.

Brian Savoy {BIO 18279960 <GO>}

Thanks, Lynn. And good morning, everyone. I'll start with quarterly results and highlight key variances to the prior year. As shown on Slide 7, our first quarter reported earnings per share were $1.01 and adjusted earnings per share were $1.20. This compares to reported and adjusted earnings per share of $1.08 and $1.29 last year. Adjusted results exclude the impact of commercial renewables, which is reflected in discontinued operations.

Within the segments, electric utilities and infrastructure was down $0.14 compared to last year. As Lynn mentioned, these results reflect extremely mild weather in January and February, which drove a $0.22 headwind compared to normal. This is the most significant weather impact we've seen in recent memory. In addition to weather, lower volumes and higher interest expense were partially offset by lower O&M and growth from rate cases and riders.

Rate case impacts in the quarter were primarily driven by our Florida utility. Consistent with our consistent with our current settlement terms, in January, we had an annual step-up under the multi-year rate plan, as well as the impact of a 25 basis point ROE increase as a result of rising interest rates.

Moving to Gas, Utilities, and Infrastructure, results were $0.04 higher year-over-year, primarily due to growth from riders and customer additions. Before discussing retail volumes, I'd like to take a moment to talk about our 2023 cost mitigation efforts and full year expectations. We're currently executing the $300 million in O&M reductions that we shared previously, which were incorporated into our base plan to address interest rate and inflation headwinds. As we've said, 75% of these savings are structural and will be sustainable into future years.

In response to mild weather in Q1, we've already activated agility measures, leveraging our scope and scale to identify further savings opportunities. As we've done in the past, we're looking to tactical O&M efforts and other levers. These include deferring non-critical work, reducing spend on outside services, and limiting non-essential travel and overtime, among others.

We will be thoughtful about these efforts, keeping our unwavering commitment to reliability and customer service at the forefront of our approach. Looking ahead, residential decoupling in North Carolina will be fully implemented by 2024. But until then, we will continue to flex the agility muscle that we have done so successfully in the past.

Turning to volumes on Slide 8, as expected on a rolling 12-month basis, load growth has moderated closer to pre-COVID trends. When comparing to 2022, it's important to note that we had a very robust first quarter last year, which saw nearly 6% growth. In addition, nearly all of the Q1 weakness this year was seen in January and February, when weather was extreme. In these situations, it can be challenging to precisely estimate the weather component of total volume variances.

In March and April, when weather was closer to normal, volume trends were more consistent with expectations, giving us confidence that the full year 2023 load growth will be in the neighborhood of a 0.5%. Continued strong customer growth in the residential class also supports confidence in our outlook.

The population migration we've seen into our service territories remains as strong as ever. In the industrial class, we're seeing some weakness in the textile sector, as well as an isolated plant closure by an electronics manufacturer in the Carolinas. Lingering supply chain impacts also continue to be a factor impacting usage. With that said, fundamental growth remains strong. Many of our larger industrial customers are expanding, and economic development in our service territories continues to be robust.

For example, our recently released Impact Report highlighted our final economic development results for 2022. Over the year, we partnered with our states to attract over 29,000 new jobs and $23 billion in capital investments to our service territories. These new customers, which represent several key sectors such as battery, EVs, and semiconductors, will provide meaningful load growth as operations ramp-up. We're proud of these accomplishments, which support the communities we serve and give us further confidence in a long-term economic outlook for our service territories.

Moving on to financial activities on Slide 9. We had a productive first quarter, completing around 60% of our planned 2023 issuances. We've also been opportunistic, taking advantage of market dynamics, which made convertible notes an attractive option. In April, we issued 1.7 billion of these notes to reduce our commercial paper balance and lower interest expense. Importantly, we've made good progress on fuel proceedings during the quarter as well.

In Florida, we received approval for a full recovery of the 2022 deferred fuel balance with the rates updated April 1st. We also filed in February for recovery of approximately $1 billion of deferred fuel in DEC North Carolina. We expect to receive an order in August and for rates to be implemented in September. Filings over the summer will round-out the Carolina's addressing the remaining uncollected costs. In addition, we continue to expect proceeds from the sale of commercial renewables in the second half of this year which will be used for debt avoidance at the holding company. Combined, we expect these two items, fuel collections and the completed sale, will positively impact FFO to debt by 50 to 75 basis points by year-end. I know the balance sheet is top of mind for investors, and credit is at the forefront of our planning as well.

In fact, our efforts and commitment to the balance sheet were recently recognized by Moody's. In April, following our annual meeting, Moody's reaffirmed our current credit ratings and stable outlook at the holding company. This is further evidence that we have the right plan in place and are taking appropriate steps to maintain our strong balance sheet as we advance our energy transition and execute our capital plan.

Moving to Slide 12, we remain confident in delivering our 2023 earnings guidance range of $5.55 to $5.75 and growth of 5% to 7% through 2027. We operate in constructive growing jurisdictions, and the fundamentals of our business are strong. Our progress on key initiatives in the first quarter positions us well to deliver on our commitment as we execute the priorities that are important to our customers, communities, and shareholders.

With that, we'll open the line for your questions.

Questions And Answers

Operator

(Question And Answer)

Thank you. Our first question today goes to Shar Pourreza of Guggenheim Partners. Shah, please go ahead. Your line is open.

Q - Shahriar Pourreza {BIO 15145095 <GO>}

Good morning, guys.

A - Lynn J. Good {BIO 5982187 <GO>}

Good morning, Shar.

A - Brian Savoy {BIO 18279960 <GO>}

Good morning.

Q - Shahriar Pourreza {BIO 15145095 <GO>}

Good morning. Just to confirm, the short-term cost cut measures Brian touched on, those are incremental to the $300 million figure that's out there. Are any of them potentially structural in nature? And I guess, the key question is, where do -- I guess, where do you guys stand within the '23 EPS guidance range under that normal weather assumption for the rest of the year? Are you still kind of comfortable within the range at this juncture?

A - Lynn J. Good {BIO 5982187 <GO>}

The answer to that is yes, Shar, and let me talk about the various cost initiatives that are underway. The $300 million that we identified for last year, I would call largely structural. When we talk about 75% of this being achievable, it's because we're making fundamental changes in the way we're completing work, staffing work, prioritizing work, et cetera.

When we talk about the actions we're taking in response to weak weather, I would call those more tactical. This is deferral. This is reducing non-critical work, third-party spend, expenses. Those types of things that we have done so many times as you know. And so the combination of all of these activities, as well as the fact we enter any given year expecting a range of outcomes and establishing contingencies that are planning in case something doesn't work out exactly as planned, we are confident in reaffirming the range of $5.55 to $5.75. And so we'll continue to update you as the year progresses, but we are confident in reaffirming at this point.

Q - Shahriar Pourreza {BIO 15145095 <GO>}

Okay. Perfect. And then just, Lynn, commercial, obviously the commercial sale being in late stage is new language and you obviously took another $175 million charge. This is obviously the second charge to date. Could we maybe just elaborate why the expectations on the sale have come off more? I mean, what's driving the second revision? Is it capital markets? Is it buyer interest? Just some sense there. And I guess, when can we see something announced? Is it 3Q? Is it closer to year-end? Thanks.

A - Lynn J. Good {BIO 5982187 <GO>}

Yes, sure. Appreciate the question. And we are continuing strong progress. We're in the late stages and expect to be able to provide more information shortly on where we are. Given the fact that we have placed the business into discontinued operations, we continue to evaluate whether we have the right recognition of net book value on the financial statements and did take an additional impairment charge representing further progression of the process. I would say to you, though, that the estimated value that we see in this process remains within our planning assumptions. So there's nothing here that I would point to as a surprise for us as we've moved through the process.

As we have continued the negotiations, the marketing is complete, we're in discussions with select bidders, and we have made a decision to separate the process involving, for example, two projects that we are a minority owner of and concluded that the natural owner is the majority owner based on discussions and negotiations that progressed.

So you should look at all of this as demonstration that we're nearing the end of the process and we'll be anxious to announce and give you further feedback as soon as that's appropriate.

Q - Shahriar Pourreza {BIO 15145095 <GO>}

Okay, perfect. I appreciate the extra color. Thanks, guys. Have a good morning.

A - Lynn J. Good {BIO 5982187 <GO>}

Thank you.

A - Brian Savoy {BIO 18279960 <GO>}

Good morning.

Operator

Thank you. The next question goes to Julien Dumoulin-Smith with Bank of America. Julian, please go ahead. Your line is open.

Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Hey, good morning, team. Thank you guys very much. Appreciate it. Look, Brian, actually. Hey, good morning, Lynn. Brian, I wanted to go back to some of your comments, and you specifically said credit is at the forefront of many people's minds. In the last question, it was brought up about expectations evolving on the renewable sale here. Just want to be crystal clear about this, I mean especially following the affirmation borrowing any changes in CapEx here, which you obviously do in a fairly annual cadence, can you just elaborate a little bit on how you're thinking about the balance sheet it seems like you've got a target here to get back to 14% you talked about the 50 to 75 basis points, but very specifically here, your comfort level with the plan and the need to address any further equity or equity-like considerations to expedite getting to that long-term target.

A - Brian Savoy {BIO 18279960 <GO>}

Now, thanks, Julian. And, it's the right question, and it is top of mind for us and for investors. Thinking about what was the pressure we felt in 2022, it was really focused on deferred fuel. We under-collected nearly $4 billion of deferred fuel, we also had storm restoration costs of around $0.5 billion. So, the balance sheet were $4.5 billion of cost that we didn't plan for as we moved into 2022.

We're starting to recover that deferred fuel at DEP and at Duke Energy Florida. Duke Energy Carolinas will happen later this year, and we put in chart in the slides to show that balance come off over the next two years. And as we recover those deferred fuel balances, along with the proceeds of commercial renewables, we feel like the balance sheet is where it needs to be. The target of 14% FFO to debt is the right target with the right cushion to deal with contingencies that come year in and year out, and positions us for no equity through 2027.

Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Excellent. Thank you for hitting that clearly and good progress on the fuel. And then separately, Lynn, if you can comment here. I mean, obviously a lot of different utility assets moving around, potentially changing hands here. We'd love to hear your thoughts more specifically therein as you think about the options. You've got obviously a full plate in some respects on a lot of novel angles, especially in the Carolinas here. But can you elaborate at least your latest thinking around perhaps evaluating further assets here?

A - Lynn J. Good {BIO 5982187 <GO>}

Julian, I would say our primary focus at Duke is executing what we think is one of the strongest organic growth plans around. As you look at the clean energy transition going on in the Carolinas, Indiana is beginning transition of generation as well with CPCNs coming yet this year. Florida is continuing to deliver strength with not only solar development, but also grid investment from the storm production plan.

So, we feel like we've got just a robust capital plan moving forward and strong jurisdictions. So, our primary focus is on organic growth. As you note though, assets do become available from time to time, we will look at them if they make sense for us, but we'll do so in a disciplined way that maintains a focus on our balance sheet, maintains our focus on growth, maintains a focus on constructive jurisdictions that recognize the right balance between utility health and customer value. And I'll just leave it there.

Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Excellent. And then if I could clarify earlier, just super quickly, with respect to the Indiana, obviously, you've got this IRP out there. I'm just curious, A, if that could change your CapEx intra year, and B, if you have any further thoughts about what that could look like here.

A - Lynn J. Good {BIO 5982187 <GO>}

It's a really good question, Julien, because we have continued to update the IRP in Indiana. Our core retirement profile remains largely the same, but we are seeing increase in renewables as a result of the IRA. And we're also seeing the impact of MISA's new planning assumptions and how we ought to be addressing that over time. So we are on the verge of CPCN filings that will include both intermittent and non-intermittent resources. We will update the IRP again in 2024, and continue to evaluate whether we're moving at the right pace around the energy transition.

I would say as we get into the back part of the decade, there probably is more potential in Indiana around that transition, but we'd like to work through this process to get it started in a way that makes sense for customers in the state. So more to come on Indiana. Really pleased with the progress we're making.

Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Excellent. Thank you, guys. Talk soon.

A - Brian Savoy {BIO 18279960 <GO>}

Thank you.

A - Lynn J. Good {BIO 5982187 <GO>}

Thank you.

Operator

The next question goes to Steve Fleishman of Wolfe Research. Steve, please go ahead. Your line is open.

Q - Steve Fleishman {BIO 1512318 <GO>}

Hey. Good morning. Thanks. Hi, Lynn.

A - Lynn J. Good {BIO 5982187 <GO>}

Hi, Steve.

Q - Steve Fleishman {BIO 1512318 <GO>}

So just on the North Carolina Settlement Agreement, is there any other parties in the case? Are they opposed to it or are they just not taking a position? Where's kind of the other parties, if at all?

A - Lynn J. Good {BIO 5982187 <GO>}

Yes. Steve, I would say, we're really pleased with public staff and the industrials, two important parties in the case in Indiana. The Attorney General will be there as well as some of the consumer groups, environmental groups, et cetera. But, we feel like the settlement is very strong with public staff and the industrials. We also have a settlement on the performance incentive mechanisms, allocation and transmission, there are a host of things included. So, we believe it's a demonstration of strong progress, we're on the stand, starting, I guess, May 4, that's last week, and feel like we have a very strong case.

Q - Steve Fleishman {BIO 1512318 <GO>}

Okay.

A - Lynn J. Good {BIO 5982187 <GO>}

So, I can't speak to the other parties on what they may think about what we've put together, but I believe the strength of the settlement public staff and SIDFR is noteworthy.

Q - Steve Fleishman {BIO 1512318 <GO>}

Okay. Good. And then just in terms of thinking about a lot of the issue North Carolina over the years was just dealing with lag and the multiyear plans kind of helped hopefully deal with lag obviously ROE cap structures still need to be finalized, but is it fair to say the parts that you agreed upon here are kind of the pieces that would address kind of lag, regulatory lag in North Carolina in this settlement?

A - Lynn J. Good {BIO 5982187 <GO>}

I feel like it's a really key step in that direction, Steve, because for the first time we have approval of forward capital in a way that gives us some confidence and the construct of the legislation is such that we have an opportunity to adjust price as that capital is spent in a way that way that as you know is really new in the Carolinas and will reduce regulatory lag. So I think starting back with the legislation, we've been making progress toward modernization, and now with the settlement, have approval of that capital or have a settlement around that capital, of course, commissioned to approve in a way that we feel like we're making strong progress.

Q - Steve Fleishman {BIO 1512318 <GO>}

Okay. Great. Thank you.

A - Brian Savoy {BIO 18279960 <GO>}

Thank you.

A - Lynn J. Good {BIO 5982187 <GO>}

Thanks, Steve.

Operator

Thank you. Our next question goes to David Arcaro of Morgan Stanley. David, please go ahead. Your line is open.

Q - David Arcaro {BIO 20757284 <GO>}

Hi. Thanks for taking my question.

A - Lynn J. Good {BIO 5982187 <GO>}

Hi, David.

Q - David Arcaro {BIO 20757284 <GO>}

Morning. Let's see, I wanted to check in just on the Florida 10-year site plan. I just wanted to confirm whether there could be upside to the CapEx outlook now that you've gotten that filed.

A - Lynn J. Good {BIO 5982187 <GO>}

David, I would say we're continuing it with our progress of about 300 megawatts a year. And as we get deeper into the plan, I think we'll consider whether we're moving quickly enough. The multiyear rate plan for Florida runs through '25 -- '24, the team is signaling me here. So effective '25 will kind of reset that expectation in Florida and we'll continue to look at whether we're delivering the right amount of capital and customer value as we go, always focused on not only continuing to develop renewables at a pace, but also delivering value to customers along the way.

Q - David Arcaro {BIO 20757284 <GO>}

Okay. Got it. Thanks. And then also just wanted to follow up on the Carolina's settlement. I was just wondering what your current thoughts are about potentially achieving a settlement at the Duke Energy Carolina's rate case now that you've been successful in getting the partial settlement at Progress?

A - Lynn J. Good {BIO 5982187 <GO>}

David, I think our posture is always to look for ways to achieve settlement. If you think about the calendar of -- or the procedural calendar of any rate case, typically, parties file their positions and then you have an opportunity to sit down and discuss. We will, of course, pursue that in the DEC case as we did in this one. And we'll keep you updated as the summer progresses.

Q - David Arcaro {BIO 20757284 <GO>}

Okay. Great. Thanks very much.

A - Lynn J. Good {BIO 5982187 <GO>}

Thank you.

Operator

Thank you. The next question goes to Bill Apichelli of UBS. Bill, please go ahead. Your line is open.

Q - Bill Apichelli

Hi. Good morning. Just was wondering if I can get some additional color around the sales trend --

A - Lynn J. Good {BIO 5982187 <GO>}

Hi.

Q - Bill Apichelli

Good morning. Some additional color around the sales trends, I know you commented that when you have the extreme weather, it can distort the weather normalization trends. But maybe just some more color around why you feel better about the trend you saw in March and April.

A - Lynn J. Good {BIO 5982187 <GO>}

Brian, do you want to ?

A - Brian Savoy {BIO 18279960 <GO>}

Definitely. I'll take that, Bill. Thanks for the question. And I want to remind you that Q1 of 2022 was a robust quarter. We had 6% year-over-year growth that quarter, strength in all sectors as we were coming out of the COVID rebound. That was the peak point. And so we're comparing to a high watermark, and volume trends normalized to our expectations over the course of 2022.

And when we looked at this year with extreme weather in January and February, as I mentioned, it's really hard to pinpoint what the true weather normalized volumes are in those situations.

And when we analyzed March and April results, weather was close to normal in both those months, and the volume trends were on track with our expectations for the year. So we do feel like this is bracketed into January and February as far as the weakness. And we feel confident that our 0.5% load growth in 2023 and the long-term outlook around a 0.5% is right for us because of the customer growth we're seeing at 1.7%, as well as the industrial expansions and economic development activity in our regions.

Q - Bill Apichelli

Okay, great. Thank you. And then just one other quick follow-up. On the corporate and other, there was a $0.08 pickup year-over-year. I know you cited some investment gains. Can you just provide some color around that?

A - Brian Savoy {BIO 18279960 <GO>}

Yes. Bill, we have investments in benefit trusts and other types of investments like that are captive insurer and market returns go up and down. We obviously had a strong first quarter. S&P was up around 8% and that was reflected in the market returns in that section.

Q - Bill Apichelli

Okay. Great. Thank you so much.

A - Brian Savoy {BIO 18279960 <GO>}

Thank you.

A - Lynn J. Good {BIO 5982187 <GO>}

Thank you.

Operator

Thank you. We have no further questions. I'll now hand back to Lynn Good, Chair, President and CEO for any closing comments.

A - Lynn J. Good {BIO 5982187 <GO>}

Well, thank you, and thanks to all of you who joined today and for your interest and investment in Duke. We're available for follow-on questions after this call and look forward to talking soon. Thanks so much.

Operator

Thank you. This now concludes today's call. Thank you so much for joining. You may now disconnect your lines.