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Southern Union Co. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

[Operator Instructions] Your first question comes from Lasan Johong with RBC Capital Markets. Please proceed.

Lasan Johong - RBC Capital Markets

Good morning. George, you'd mentioned that the offer being or the deal that Sandell is suggesting probably not in the best interest of long-term shareholders, I think we understand [inaudible] and generally how your strategy is formatting [ph], but could you give us a bit of an insight into kind of how you are thinking about Southern Union Gas Services, what your thoughts are regarding the kind of the small distribution asset that you own, is there an opportunity or where do you see an opportunity to potentially hire more CapEx or take strategic initiative that would enhance shareholder value going forward?

George L. Lindemann - Chairman and Chief Executive Officer

Well, I think the answer to your question is we have always looked at enhancing shareholder value. We have traded out our Texas LDC and the like kind transaction. We did the same with our Pennsylvania ones, and we did the same with our Rhode Island ones. So we are always looking to move assets around to gain better assets when they become available and at that time.

Lasan Johong - RBC Capital Markets

Where do you see the opportunities going forward?

George L. Lindemann - Chairman and Chief Executive Officer

I don't see one tomorrow morning, but that doesn't mean I won't see one next week.

Lasan Johong - RBC Capital Markets

Okay. Right now as of late LNG flows have not exactly been what you would call robust, does that alter your thinking about the future of LNG?

George L. Lindemann - Chairman and Chief Executive Officer

Our LNG facility, as Rob Bond said, is at leased out for 20 years. So it really matters little to us whether we receive LNG or we don't, we receive the same amount of money from British Gas one way or the other.

Lasan Johong - RBC Capital Markets

Right. Rob you had mentioned the Florida Gas Transmission CapEx was \$2.4 billion, Phase VIII, what was that an increase in?

Robert O. Bond - Senior Vice President, Pipeline Operations and President & Chief Operating Officer- Panhandle Energy & CrossCountry Energy

I think the original... we had originally estimated it to be \$2.1 billion.

Lasan Johong - RBC Capital Markets

Okay. And you went over the numbers on the op income and EBITDA and the op income was \$242 million, a range of what?

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