

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

TECO Energy, Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

[Operation Instructions]. Your first question comes from Ashar Khan from SAC Capital.

Ashar Khan - SAC Capital

Good morning. If I can go back to the revision in guidance, is it fair that \$0.07 is from the coal and the rest is all from the utilities, am I doing my math right?

Gordon L. Gillette - Executive Vice President and Chief Financial Officer and President – TECO Guatemala

We are not going to be specific on how we got to...everything on a penny-for-penny basis, but I think it's fair to say that it is a combination of both the coal and the utility.

Ashar Khan - SAC Capital

Okay. And then just going back, could you mention at what prices the new contracts were signed this quarter?

John B. Ramil - President and Chief Operating Officer

Hi, Ashar. This is John Ramil. We are not disclosing the extract prices, but I can tell you the steam that we have contracted -- we have all of our steam contracted for -- some of it was done back in the time when you saw spot prices in the 50s and 60s and that a good bit of it was done back we installed spot prices in the 70s and 80s. And when you take all that along with those legacy contracts that we have from many years back, you get to that \$66 a ton average.

Ashar Khan - SAC Capital

Not, but, what I was... Gordon had mentioned in his comments that you signed some new contracts since March. Could you give us a flavor of what those contracts were signed at, the 6% or 7% that you mentioned in 10 and 11?

Gordon L. Gillette - Executive Vice President and Chief Financial Officer and President – TECO Guatemala

Ashar, we do not give specific contract pricing.

Ashar Khan - SAC Capital

Okay. And if I can just end up, Gordon, if I'm right the previous guidance was that for '09, at least the pre-tax net income would double and it would imply a pre-tax margin in an excess of \$10. If I am right from your comments today you're saying that, as you stand today, the pre-tax margin in '09 would be in excess of \$10 better than what was previously forecasted. Is that fair?

Gordon L. Gillette - Executive Vice President and Chief Financial Officer and President – TECO Guatemala

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.