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CH Energy Group, Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you ladies and gentlemen. [Operator instructions]. One moment please for the first question. And we do have no questions right at this time, please continue.

Well Bonnie, this is the last step in our call, so why don't wait another 30 seconds or so and see if any questions do come in.

Operator

Thank you.

We have the question from Maurice May with Power Insights. Please go ahead.

Steven Lant

Hello Maury.

Maurice May

[inaudible] review at Griffith. Does it include not continuing to buy tuck-in acquisitions?

Steven Lant

It really includes all of the expenditures and investments we could make, Maury, including under what terms if any we would make additional acquisitions.

Maurice May

Okay. And you mentioned you are looking at product mix. I thought most of the product that is sold was fuel oil for heating.

Steven Lant

That is true. However, we do have substantial volumes of motor fuel business and lesser volumes of heavier oil products and propane and kerosene.

Maurice May

Okay.

Steven Lant

Yes, there, the lion's share is home heating oil.

Maurice May

And, then you mentioned customer mix. Does mean you might commercial customers over residential, or vice versa, something like that?

Steven Lant

We are really studying the profitability of different groups of customers and classes of customers to determine which we can serve most profitably. Again I don't want to prejudge the answer to that question, even though we do have some preliminary information. We are kind of looking at all of the different classes of customer and the lines of business.

Maurice May

And then the final question on Griffith is, would you sell the whole operation or would you put it on the block?

Steven Lant

Well, I think answer to that question, Maury, has to be is the same answer that would apply to any of our shareholders assets that is, if we thought that was the best thing to do to maximize shareholder value, we would consider it.

Maurice May

Okay. And then, moving over to the rate case, can you review for me the ROE trends in New York? I don't follow any other utilities in New York, but I have heard some, about some disappointing ROEs. Can you give me the latest trends in New York State, please?

Steven Lant

Sure. The last three cases that have been decided have all been at a 9.1% ROE level. One of them was a three year agreement and that had added to it a 30 basis point stayout premium, so the allowed ROE for the three year period is 9.4%. But that is the most recent information that we can point to and it is actually quite current, as current as a week ago, and most recent decision.

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