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Sierra Pacific Resources Q2 2008 Earnings Call Transcript

Question-and-Answer Session

[Operator Instructions]. We do have a question from the line of Dan Eggers with Credit Suisse. Please go ahead.

Daniel Eggers - Credit Suisse

Yes. Good morning. I wondered if you guys could just expand a little bit more on the customer trend, customer consumption level is kind of breaking out a little more between weather and the impact you have in either conservation, or people doing some little tightening and how we should think about that going forward?

William D. Rogers - Corporate Senior Vice President and Chief Financial Officer

Dan, this is Bill Rogers. As I mentioned on the call, relative to second quarter 2008, cooling degree days were down 21% in Southern Nevada, specifically we had 1,142 cooling degree days this year and 1,442 last year. And with respect to weather versus customer usage, I would say it is balanced on those two factors.

Daniel Eggers - Credit Suisse

So even with the customer growth then you are seeing a minus 6%, half of that was consumption decisions and half of that was weather driven then?

William D. Rogers - Corporate Senior Vice President and Chief Financial Officer

Yes.

Daniel Eggers - Credit Suisse

Okay.

William D. Rogers - Corporate Senior Vice President and Chief Financial Officer

And it wasn't the half... excuse me, Dan. Within the half, there is consumption decisions and part, it's our own investment energy conservation on behalf of our customers.

Daniel Eggers - Credit Suisse

And then if I were to... do you have any... I guess, any data on the number of your metered customers that are vacant properties versus ones where people are living full-time?

William D. Rogers - Corporate Senior Vice President and Chief Financial Officer

We did not and that would be considered a low-use customer, and would not... every meter is not a customer without going into that. But do we have... the number of those types of customers is actually going down as we are clearing out the housing inventory.

Daniel Eggers - Credit Suisse

Do you see any positive demographic trends as far as body is showing up, so we should actually be thinking about intensity of meter use going up looking forward, or is it going to... or is the second quarter trend the right one to watch?

William D. Rogers - Corporate Senior Vice President and Chief Financial Officer

The trend should be to clear out the excess housing and apartment inventory by mid-2009 and that has been the trend throughout this year. So, I think you put it as meter usage and we agree with your statement there.

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