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Quanta Services, Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Thank you, sir. Ladies and gentlemen, we will begin the question-and-answer session at this time. [Operator Instructions]. Our first question is from the line of Tahira Afzal. Please state your company name followed by your question.

Tahira Afzal - KeyBanc Capital Markets

Hi, this is Tahira from KeyBanc. Guys, many congratulations on a super quarter.

John R. Colson - President and Chief Executive Officer

Thank you.

James H. Haddox - Chief Financial Officer

Thanks.

Tahira Afzal - KeyBanc Capital Markets

If I look at your 15% organic growth rate contributions for first quarter, definitely better than I thought, is this something that you see as sustainable as you progress through the year? And what do you think could be the risks to this particular growth rate, if there are any?

John R. Colson - President and Chief Executive Officer

We anticipate and as projected double-digit internal growth for the foreseeable future for the company. I think that the only things that we could see that possibly can [inaudible] be a long deep recession that could affect some of our customers' spending. Typically, our customers are not affected by shallow or short-term recessions to any extent, but I think a long-term deep recession might affect that growth to some degree.

Tahira Afzal - KeyBanc Capital Markets

Okay, great. Thanks for that. And it's interesting you mentioned The Brattle Group presentation, because I attended that at the Edison Electric Institute. And from all the senior utility representatives there versus the state regulators, the only thing that this seemed to agree on was that the transmission spending mandate was pretty clear and the spending was there. I did feel that the utilities were incrementally more aggressive in terms of pushing these projects through and I just wanted to gauge what you are seeing from your clients?

John R. Colson - President and Chief Executive Officer

Yes, we are seeing the same thing... that thanks for the support. That's helpful to have a second party confirm what we've been seeing, but yes we are seeing our utility customers being aggressive towards their transmission build out. We don't want to get into a position where we are a hyponym and responding to every headline that our customers are producing, but certainly the momentum is there on the utility side and continues to be there, because? partially because their balance sheets are very strong right now and they have incentives from the Energy Policy Act as well.

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