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Pinnacle West Capital Corp. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

[Operator instructions]. Your first question comes from John Kiani.

John Kiani - Deutsche Bank Securities

Good morning.

Donald E. Brandt - President and Chief Operating Officer

Hi, John.

William J. Post - Chairman and Chief Executive Officer

Hi, John.

John Kiani - Deutsche Bank Securities

Don, I know you touched on this in your opening remarks, but can you give a little bit more color around some of the benefits that APS is going to realize or do you now expect APS will realize, like for example how much earnings contribution is associated with the favorable mark on the fuel hedges maybe the wholesale revenues piece and also the tax pieces, as well please?

Donald E. Brandt - President and Chief Operating Officer

Sure. I will maybe go a little backwards here, John. The taxes are about \$0.16 a share.

John Kiani - Deutsche Bank Securities

Okay.

Donald E. Brandt - President and Chief Operating Officer

The mark-to-market is about \$0.04. And the improved wholesale revenues are about \$0.04.

John Kiani - Deutsche Bank Securities

And what was the tax associated with, the tax benefit?

Donald E. Brandt - President and Chief Operating Officer

Just some resolutions of some outstanding tax matters, principally income tax.

John Kiani - Deutsche Bank Securities

Okay. And then, from a long term forecasting perspective, should we expect something like that to recur in '09 or that's just more of a near term benefit?

Donald E. Brandt - President and Chief Operating Officer

More of a near term benefit.

John Kiani - Deutsche Bank Securities

Okay. And then as far as SunCor is concerned, I mean, I think, you laid out pretty clearly your near term expectation for SunCor, how should we think about SunCor a little bit longer term from an earnings contribution perspective? Do you have a view on when you think that business will eventually turn around?

Donald E. Brandt - President and Chief Operating Officer

I think our sense is, at the earliest, towards the end of 2009.

John Kiani - Deutsche Bank Securities

So, then we should think then more about kind of the similar level of contribution perhaps into '09 and then maybe something better beyond that?

Donald E. Brandt - President and Chief Operating Officer

Well, we haven't gotten into that today, but we have within the level of earnings at SunCor, which I said is minimal.

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