



Sierra Pacific Resources Q1 2008 Earnings Call

Question-and-Answer Session

All right, thank you. [Operator Instructions]. We have a question from Dan Eggers with Credit Suisse. Please go ahead.

Dan Eggers - Credit Suisse

Hi, good morning. Michael, just going back to what we talked about last quarter with jobs creation per hotel room at two to three jobs. Can you just give a little more color right now I guess the timing of those jobs come into effect how many of those people the rooms are going to be put into service '08, '09, '10 are already employed within the system just to help us better calculate what underlying growth would look like?

Michael W. Yackira - President and Chief Executive Officer

Dan, maybe 5,000 to 10,000 new rooms this year and about 35,000 over the next three or so years. But to break it down any finer than that, we'd need to do a little more work. But that's a good approximation.

Dan Eggers - Credit Suisse

Okay. So we... I guess when we look at the room additions relative to job creation, we should still be using two to three jobs per room, is the right assumption or is some of those... is some of that workforce already in the system, I guess from a customer-growth perspective?

Michael W. Yackira - President and Chief Executive Officer

From a new... these really do create new jobs. And the number that we have used in the past is about three and a half jobs per new room and that looks pretty effective.

Dan Eggers - Credit Suisse

Okay. And how much load can we think about being created with those hotel rooms separate from the jobs actual consumption of electricity within the system?

Michael W. Yackira - President and Chief Executive Officer

We don't disclose that, Dan.

Dan Eggers - Credit Suisse

Okay. Just another set of questions for you, I guess. Can you talk a little bit about your natural gas hedging from a supplier availability perspective but also from a pricing perspective? As we think about the big move in gas prices over the last three to four months, what that will do to rates at both utilities as you pass that through?

**William D. Rogers - Corporate Senior Vice President, Chief Financial Officer and Treasurer,
SPR**

Dan, this is Bill Rogers. We have commission approved energy supply plan, which includes in that a rolling three season ahead hedging plan, and then in the State of Nevada we have two seasons. We have summer which is April 1 through October, and then the winter season. So we are always hedged to some degree for the next three seasons, and in fact we are hedged about two months by the start of near-term season.

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