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## Southern Union Co. Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

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[Operator Instructions]. And your first question comes from the line of Craig Shere with Scottwood Capital. Please proceed

**Craig Shere - Scottwood Capital**

Hi, three questions; hopefully they are pretty quick. I believe in March last year that you gave guidance in '08 that was about \$880 million plus, so that's kind of line with the new guidance particularly given the infrastructure enhancement delay. But for '07, I think it was \$854 million, and not backing out one time items, which aren't huge. I think I come up with a total of \$800 million. Can you first explain really if I am working at this right, and if so, where was the mess? And is this indeed non-recurring? The other couple of questions are: I want to better understand from an accounting standpoint how we get from \$157 million of Citrus net income to \$101 million of equity income to your 50%. And also I want to better understand the other net of \$40 million at Citrus; what exactly is that and how repeatable is that?

**Robert O. Bond - Senior Vice President, Pipeline Operations and President and Chief Operating Officer Panhandle Energy & CrossCountry Energy**

Craig, your first question that dealt with the guidance that we gave in the March of 2007 specifically the strategic planned guidance on EBITDA. On an adjusted basis, the EBITDA for company wide is about \$830 million. The strategic plan had \$854 million. There is a difference there of about \$24 million or so, and the... that's primarily the result of the shortfalls that we saw at the Southern Union Gas Services' operations. I view that... those to be non-recurring as it is evidenced by the guidance that we provided with respect to EBITDA for 2008 being right in the range of what was given last year through the strategic line.

**Craig Shere - Scottwood Capital**

Okay, and just the \$830 million, I see about \$195 million for half of the EBITDA, executing the one-time adjustments at Citrus. Is that right?

**Robert O. Bond - Senior Vice President, Pipeline Operations and President and Chief Operating Officer Panhandle Energy & CrossCountry Energy**

That's right.

**Craig Shere - Scottwood Capital**

Okay. And then I was just taking \$427 million operating income and adding depreciation and adding the \$195 million?

**Robert O. Bond - Senior Vice President, Pipeline Operations and President and Chief Operating Officer Panhandle Energy & CrossCountry Energy**

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