

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

CH Energy Group, Inc. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). We will go to (John Hanson with Criterion Asset Management). Please go ahead.

John Hanson

Yes good afternoon.

Steve Lant

Good afternoon

John Hanson

You mentioned that you were still doing acquisitions in the grift of business, I think you said here in '08, but anything what's your thoughts are on the ethanol business this year in terms of I know you mentioned before the way that the business was kind of shaking out a bit that you might see some opportunities in that?

Steve Lant

On the ethanal side, again what we are focusing on primarily in 2008 John really is looking at our existing investments in Corn Husker looking at expansion opportunities there to modestly increase the efficiency and the scale of the plant to bring down overall cost. Beyond that we are looking at other potential investments in the ethanol space. As you would imagine, hedging is becoming a more and more important component of that and any additional investments that we would make in ethanol space would have to have a very tight hedging policy in place.

John Hanson

Okay. Alright, thank you.

Steve Lant

You are welcome.

Operator

We will go to Maurice May with Power Insights. Please go ahead.

Maurice May

Yes, good afternoon folks. Congratulations on a good quarter. Surprisingly a good quarter actually.

Steve Lant

Thank you.

Maurice May

And that is you know, one of my questions, when you lower guidance in early December and then you report beating the upper end of that guidance by \$0.03 just after a few more weeks after the guidance lowering. What was it in the later part of the December that changed the earnings picture sporadically?

Chris Capone

Primarily it was whether there was experienced towards the end of the year while January again is you heard us over count on the '08 guidance, we did actually experience some reasonably good whether towards the end of the year and that's was the primary driver.

Maurice May

Okay. And second of all, I noticed you all are down to 11 million in cash as of December 31, so your cash hold is pretty much done, but you still have liquidity don't you?

Steve Lant

We do Maurice, we have again when you look at our non-regulated businesses at this point, virtually completely funded with equity. So we have what we have always turned as late debt capacity.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.