



Sierra Pacific Resources Q4 2007 Earnings Call Transcript

Question-and-Answer Session

[Operator Instructions]. Our first question is from the line of Dan Eggers with Credit Suisse, go ahead please.

Dan Eggers - Credit Suisse

Good morning, on the Harry Allen plant in the Ely Energy Center if things were to go well with Ely, are you at the point of no return to shift your focus on to that plant, or how should we think about timing the two projects since Ely isn't fully dead at this point?

Michael W. Yackira - President and Chief Executive Officer

Dan its Michael, Ely is surely not dead, as we mentioned in this call and as we mentioned earlier, the reason for moving the Harry Allen project ahead of Ely was because of delays in the permitting process for the Ely Energy Center. We saw that we couldn't have it on online by 2012 as we were expecting. So we had to move forward on the Harry Allen plant, that's really the whole essence of the issue, the issue is timing and reliability.

Dan Eggers - Credit Suisse

When could Ely get done if the approvals were to come at this point?

Michael W. Yackira - President and Chief Executive Officer

It's difficult to pinpoint at this point Dan, because we just don't know when the final decisions by the BLM on allowing for the access to the site will happen. We have to have the EIS completed; we have to have a recorded [ph] decision. We don't have firm timing on that, so it's impossible to tell at this point when we could start construction, let alone complete it.

Dan Eggers - Credit Suisse

Got it. And then on the housing fund obviously vacancies are high in the region, can you give a little color on kind of permitting activity from a new home perspective and you always have the jobs, if the jobs were created with the casinos, the people show up, what kind of timing should we be expecting at this point?

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

Dan its Bill Rogers. I don't have exact updates on permitting of homes with approximately 22,000 homes for sale on the market right now, that's down from a peak of 28,000. In Southern Nevada, we

use the center of our business and economic research as a baseline for our forecast, that's also the forecast for what goes on at the state. Their population growth as for 2008 is approximately 2.8%. They and we take a view that the hotel room additions, that Michael reviewed in 2008 and the 40,000 rooms that are likely to come on the strip in the next five years will provide for significant increase and our population growth and therefore will may define places to house the people, we will be working on the strip and over come customers of our company.

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