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NSTAR Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions)

Your first question comes from the line of Annie Tsao from Bernstein. Please proceed.

Annie Tsao

Good morning.

Jim Judge

Hi.

Annie Tsao

Can you hear me?

Jim Judge

Yes, Annie.

Annie Tsao

Yeah, hi. How are you?

Jim Judge

Fine. How are you?

Annie Tsao

I guess several questions. First is like you mentioned in the beginning you have a higher bad debt. So, can you just elaborate that in a little bit more detail, how is your bad debt situation? And also in your 2008 outlook, your assumption for the electric sales is assuming to increase 1% to 2%. How about the gas sales there? And also my last question has to do with whatever happened right now with the subprime crisis, do you see any impact to any of your business?

Jim Judge

Okay. The bad debts, obviously, sort of the national economy, we're no different up here. We do have housing issues impact in the economy. We're fortunate to have such a large commercial base. I

think, in particular, we do have some pretty good growth going on with the hospitals and educational facilities.

But the bad debt number in the fourth quarter was higher. I think our days receivable outstanding inched up about a day over where we were a year ago. Not unexpected given sort of the economic pressures that the customers were experiencing. And we are doing as good a job as we can in terms of collecting receivables, but I think it's understandable given the economic situation in general.

Your second question, both electric and gas sales are expected to be 1% to 2% in '08 in terms of growth. And the third question had to do with subprime?

Annie Tsao

Subprime.

Philip Lembo

Yeah. Subprime impact. Right, Annie?

Annie Tsao

Yeah.

Jim Judge

We're not really seeing any significant increases or impacts to the company's result of the economic turmoil that that's generated.

Annie Tsao

Thank you.

Operator

Your next question comes from the line of the Alex Kania with Merrill Lynch. Please proceed.

Alex Kania

Good morning.

Jim Judge

Hi, Alex.

Alex Kania

A couple of real quick questions. The first one is, when you were given the drivers for the quarter, I wanted to make sure that the \$0.03 of reliability and safety spending is that in addition to the \$0.06 of increase to O&M?

Jim Judge

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