

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.

Sierra Pacific Resources Q3 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions)

Our first question comes from Dan Eggers from Credit Suisse. Your line is open.

Dan Eggers - Credit Suisse

Yeah. Good morning. Senator Reid has made a lot of noise recently in opposition to Ely? Can you just give us an update on kind of your interactions with the Senator and his staff and, you know, kind of outline from your perspective what are his major pushback points in the project right now, given a the broad base support within the state?

Michael Yackira

Well, Dan, I think you've hit the nail on their head in their last comment. There is broad-based support for our coal project in the state. There is an understanding, that we as a state are too dependent, where customers are too dependent on natural gas as a fuel source. We are the only state in the west that has such dependence on natural gas, say, like California, for example, 50% of its energy comes from a combination of coal, hydro and nuclear. And that really is reflected most in the west.

So our desire is to have a more balance portfolio. I think the Senator is looking at this as more of a national issue, in fact, just last week he made mention the fact that the coal industry is the one that's really in his sites. Just what happens that we're building a coal plan in his own state.

But, you know, I think the -- again, the last comment you made, it is a most important. We're continuing to progress on the matters with respect to the permit and the EIS. And we're continuing forward in the scheduled as I mentioned before, is in line with what we'd originally thought with respect to the Draft Air Permit being released by next month.

Dan Eggers - Credit Suisse

Now, there has been some proposed legislation around the use of federal lands, kind of, specific to Ely that have been talked about or proposed. Is there a way for you to build Ely, I guess, one, without federal land? And two, from a transmission perspective, is there any way to avoid a federal land issue or is that something unavoidable?

Michael Yackira

You realize, Dan, that 87% of the land mass in Nevada is controlled by the Bureau of Land Management. And the only place that we have -- we feel is the right place to build this coal plant in the center of the state which would provide the opportunity for us to interconnect our two utilities more readily than other places is in White Pine County in Ely.

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