

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a Greek letter alpha symbol in orange, set against a dark red background.

Holly Q2 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

[Operator instructions]

We will pause for a moment to compile the Q&A roster. Your first question comes from the line of Richard Boliva [ph] with Deutsche Bank.

Richard Boliva - Deutsche Bank

Hey, good morning, guys.

Matthew P. Clifton - Chairman and Chief Executive Officer

Good morning.

Richard Boliva - Deutsche Bank

I just wanted to get a little more color, if I could, on the cat cracker, if there's any kind of longer-term damage there. And I can see you're pretty good [ph] on the crude throughputs, but what you kind of think that'll do to your margins, I guess, a little bit for the quarter.

Matthew P. Clifton - Chairman and Chief Executive Officer

I'll let Dave Lamp, our EVP, talk about the first part of the question.

David L. Lamp - Executive Vice President of Refining and Marketing

No, we don't expect any long-term damage. In fact, we have all the parts and everything we need to make the repairs necessary. There was no major damage; it just had catalyst pluggage through the unit that we had to clean up.

Matthew P. Clifton - Chairman and Chief Executive Officer

I think on the second part, Rich, clearly we'll have some reduced overall throughputs. We did mitigate to some extent because we had a substantial amount of intermediate feed stock, so we were able to keep all the other units ramped up to keep our production as high as possible while we had this reduced crude rate.

And then as we come back on with the cat cracker, we'll see how much of the gas and oil that was built up that normally goes to the cat cracker while it was down can be fed to that as we keep rates at ultimate... at the 100%.

Richard Boliva - Deutsche Bank

Do you have excess capacity on that FCC relative to the crude unit?

Matthew P. Clifton - Chairman and Chief Executive Officer

We have slightly some excess capacity there. I think as we get into the winter months, I guess we've got contrary forces. The cut points on diesel kind of shrinks the capacity a bit. The cooler weather increases the blower capacity somewhat. So normally, I think its a couple thousand barrels a day excess capacity.

Richard Boliva - Deutsche Bank

Great, thanks. And then I guess you're pretty much done with turnaround for the year, then?

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