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Enbridge Energy Partners Q2 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. [Operator Instructions]. Our first question is from Ross Payne with Wachovia Securities. Please state your question.

Ross Payne - Wachovia Securities

Thank you. First question on East Texas, I might have asked this in a prior conference call, but just to refresh my memory. What can we expect in terms of EBITDA contribution to that, and what kind of multiple of EBITDA was that project based on?

Mark A. Maki - Vice President, Finance, General Partner

Well the contribution this year Ross, will be fairly modest, especially in the first three quarters, and that's because the thing is largely under construction, and the first couple of phases. To really get the bang for the buck, as Terry said in his prepared remarks, once the final leg into the front line, and cones is completed. As far as the multiple of EBITDA, we would be expecting the assets, again, in the order of eight to nine multiple of EBITDA would be our expectation, maybe a little bit better, depending on how utilization goes. As far as the contribution this year, in terms of net income, on the order of \$12 million, again, a partial year effect on the project. We can comment more when we get to our guidance for 2008 as to what we expect to see on our project going forward.

Ross Payne - Wachovia Securities

Okay. The second question I've got is the processing plants that you guys are building right now, are those primarily to handle your equity gas and NGLs as part of your contract or is it fee based or what's driving the economics and what kind of return you are getting there?

Terry L. McGill - President

Yes, it really depends which location you are referring to, but we've got plants under construction in North Texas, those contracts typically are either percentage of leverage or percentage of proceeds type contracts, it's not so much our equity link, as the reason we are making or building those plants. It's ... the gas requires processing, so we are making the investments to be able to deliver Type 1 quality gas downstream into plants and then we will take our fee, either by taking commodity in one of those two structures, POP or POL or we will do a few based arrangement, as well. Anadarko, there you see, particularly, a POL contract and Keep Whole East Texas is a some people, some POL, and some fee based arrangement.

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