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EPL Group Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from John Kiani – Deutsche Bank.

John Kiani – Deutsche Bank

Can you talk us through some of the offsets that allow you to maintain or reiterate 2009 guidance with the capital spending cuts specifically more on the FPL Energy side?

Armando Pimental

For the most part as has been the case for the last couple of years, when we build new wind plants at FPL Energy, many of those wind plants come into service late in the year so this year we have built our total goal of 1,300 megawatts as an example, 499 of that is in service at the end of the third quarter.

So you can see a large amount of that would equate to service in the fourth quarter 2008. 2009 is very similar to that, so as you push back or reduce your CapEx for wind at FPL Energy, it does not significantly affect the EPS for that year.

John Kiani – Deutsche Bank

I also meant 2010 guidance.

Armando Pimental

So for 2010 the difference between what we were going to build which is 1,500 and what we currently announce of 1,300 continues to place us in the range of \$4.50 to \$4.90 that we have provided. You can take that a couple of ways. You can say that we were much more comfortable with the higher end of those ranges for 2010 than we are now. That's not what I'm saying.

But we feel comfortable based on the scenario analysis that we've run with different sizes of CapEx. At \$4.50 to \$4.90 for 2010 remains very reasonable.

John Kiani – Deutsche Bank

It sound like your conservatism is what you're saying allows you to stay within that range not necessarily in any particular area of the range?

Armando Pimental

For FPL Energy the fact that we're going to put in approximately 1,100, and by the way as Lew mentioned, those plans can go up or down depending on what happens particularly with the credit markets, but our plan right now for 1,100 megawatts for 2009 makes us feel very comfortable with '09 and 2010 guidance.

The other part of this which I'm sure you know at Florida Power and Light, although they've got some reduced customer usage trends here in the last year, the fact that we've got those two gas plants that are going up in 2009 and we've got solar, nuclear upgrades for which we get 11.75% returns on, all things that are very, very good for our customers and also very good for our shareholders.

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