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Vectren Corp. Q3 2008 Earnings Conference Call Transcript

Question-and-Answer Session

[Operator Instructions]. Our first question comes from the line of Paul Patterson with Glenrock Associates. Your line is open.

Paul Patterson - Glenrock Associates

Good afternoon guys.

Carl L. Chapman - President and Chief Operating Officer

Hi Paul.

Paul Patterson - Glenrock Associates

First on the coal side, the 8 to 12 pre-tax margin. What kind of sale prices included in that for 2009?

Carl L. Chapman - President and Chief Operating Officer

Actually Paul we're not going to disclose the sales price right now. We roll out our guidance will have metrics but we think that while we continue to finalize just a little bit of contracting, all we want to do is just give you a good sense of what we think the resulting margin will be instead and we're comfortable with that range.

Paul Patterson - Glenrock Associates

Okay. When were the RFP's conducted or when were the bids put in for the 2009 contract?

Carl L. Chapman - President and Chief Operating Officer

Actually RFP's would have been in the last few weeks and we literally just signed contracts between Vectren Utility Holdings or City Care of the power supply towards the assets and fuels literally within the last few days.

Paul Patterson - Glenrock Associates

Okay. Can you give us a sense as to how they compare to coal prices on the market or is that thing going to wait on until we get better guidance for 2009?

Carl L. Chapman - President and Chief Operating Officer

Well again we believe that we'll give you more guidance as we roll it all out but I think its fair to say that we believe these are reasonably market prices but also a good price for the utility customer with a nice balance to reach there.

Paul Patterson - Glenrock Associates

Okay. Can you give us an idea of ... how much is depletion I guess, should we be thinking of that per ton. You mentioned that this 8 to 12 is including the effect of depletion, I believe correct?

Carl L. Chapman - President and Chief Operating Officer

Yes it is. I don't have that depletion numbers handy but again, we'll provide the whole metrics when we roll that out.

Paul Patterson - Glenrock Associates

Okay. I won't ask you too much more on that. Let me ask you that the commercial real estate business. How much does that contribute in terms of earnings, I mean and does this write-down reflect any potential impact in terms ongoing contribution from them?

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