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Sierra Pacific Resources Q3 2008 Earnings Call Transcript

Question-and-Answer Session

[Operator Instructions]. And our first question comes from the line of Dan Eggers with Credit Suisse, please go ahead.

Dan Eggers - Credit Suisse

Hey good morning. Michael I was wondering if you could just give a little more color on what you guys are seeing as far as your customer disconnects, late payments, bad debt exposure, and anything about other telling signals as far as consumption patterns?

Michael W. Yackira - President and Chief Executive Officer

Well, I'll turn it over to Bill to give some of the numbers but by and large I don't think we are experiencing anything different from what a lot of company's are experiencing of late with the economy issues. We've have had some increases but not extremely significant. Bill?

William D. Rogers - Corporate Senior Vice President and Chief Financial Officer

Thanks Michael. Dan with respect to customer usage, the decline in usages last quarter was largely attributable to weather. With respect to payment and maybe referring to today's Wall Street Journal article, couple of ways to put in perspective. Our receivables days on hand is up maybe two days in the third quarter of this year compared with the third quarter of 2007. And our age receivables is unchanged on a year-on-year basis. Having said that we have increased our reserves for that and we did that... flow through that through the income this quarter and that number was approximately \$5 million.

Dan Eggers - Credit Suisse

Last quarter Bill I think you talked about usage being a pretty big determinant in the under... the downside of volumes in the second quarter, I think it was about half what you said was couple of 3% if I remember correctly, Are you guys not seeing that sort of customer response again this quarter or are you guys able to fine tune that analysis a little bit more?

William D. Rogers - Corporate Senior Vice President and Chief Financial Officer

The answer to that is both. We have been able to fine tune it and more of it is due to weather, when compared to a weather normal year in 2008 to weather normal year in 2007.

Dan Eggers - Credit Suisse

On the '09 CapEx, you kind of rattled that off real quickly, can you just go back through what the pieces are that you guys are keeping or what pieces are not going to get spent out of that \$350 million to \$400 million cut?

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