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Pinnacle West Capital Corp. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Thank you, sir. [Operator Instructions]. Our first question comes from Paul Ridzon, Keybanc. Your line is open, sir.

Paul Ridzon - Keybanc Capital Markets

Thank you. The \$720 million of CapEx cuts I was a little unclear, is that the 500 plus the 200 in January, an incremental 20 or is that an incremental of 220?

James R. Hatfield - Senior Vice President and Chief Financial Officer

No. Paul, let's be clear about that category question. Gross CapEx cuts were \$720 million, but because some of [Technical Difficulty] collect less from customer charge, the net impact CapEx reduction was \$520 million.

Paul Ridzon - Keybanc Capital Markets

Can you hear me?

James R. Hatfield - Senior Vice President and Chief Financial Officer

Yes. Can you hear me?

Paul Ridzon - Keybanc Capital Markets

Yes. So is it 920 less 200 of --

James R. Hatfield - Senior Vice President and Chief Financial Officer

Previously, now \$200 million.

William J. Post - Chairman and Chief Executive Officer

Hello?

Paul Ridzon - Keybanc Capital Markets

I'm sorry, is it 920 less 200 of line connections?

James R. Hatfield - Senior Vice President and Chief Financial Officer

No, it's 720 less 200 of line connections for a net CapEx reduction of 520. And that would be an addition to the \$200 million that was announced late last year or early this year.

Paul Ridzon - Keybanc Capital Markets

Okay. It's an addition to the 200?

James R. Hatfield - Senior Vice President and Chief Financial Officer

Yes.

Paul Ridzon - Keybanc Capital Markets

Where does that given that you've materially exceeded the 500, where does that put you with regards to flexibility on your equity issue?

James R. Hatfield - Senior Vice President and Chief Financial Officer

Well, I think again part of our plan was the these reductions in conjunction with interim relief and rate relief as requested at the ACC. So, I think we're certainly not looking at the need for equity this year. And I certainly, probably not in 2009 or we won't get an order until late in this year, which was ultimately determine what if anything we need to do.

Paul Ridzon - Keybanc Capital Markets

Okay. So, we could be looking in at '10 issuances?

James R. Hatfield - Senior Vice President and Chief Financial Officer

At the earliest would be 2010.

Paul Ridzon - Keybanc Capital Markets

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