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## Reliant Energy Inc. Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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Thank you. We will now begin the question and answer session. [Operator Instructions]. The first question is from John Kiani from Deutsche Bank. Please go ahead.

**John Kiani - Deutsche Bank**

Good morning.

**Mark Jacobs - President and Chief Executive Officer**

Good morning, John.

**John Kiani - Deutsche Bank**

I... my phone was cutting up, so I may have missed what you said, but I have a couple of questions around the contingent collateral on the retail business. And then also a comment you had made Brian on wholesale and on hedging. Did you say where you currently stand on reducing the Bcfe exposure and collateral postings for the retail business, and can you remind us of what the target was under the financing agreements please.

**Rick Dobson - Executive Vice President and Chief Financial Officer**

Yeah, this... Mark, if you want, you can take that, I can address the numbers aspect of it.

**John Kiani - Deutsche Bank**

Great.

**Rick Dobson - Executive Vice President and Chief Financial Officer**

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**John Kiani - Deutsche Bank**

Yes.

**Rick Dobson - Executive Vice President and Chief Financial Officer**

Basically gives you a snapshot that we're at 400 Bcfe and then the Goldman Sachs requirement that we're working on right now requires us to initially get to 300 Bcfe and then ultimately in a couple of months to 280.

**John Kiani - Deutsche Bank**

Got you. So, you're currently a 400, that's the 284 plus the 116.

**Rick Dobson - Executive Vice President and Chief Financial Officer**

That's right, John.

**John Kiani - Deutsche Bank**

But you need to be at 300 to affect the Goldman Sachs loan agreement?

**Rick Dobson - Executive Vice President and Chief Financial Officer**

That's a condition process of the Goldman Sachs loan. That's correct.

**John Kiani - Deutsche Bank**

Okay. And then the box on the right hand side that shows the levers to reduce collateral requirements, that's what we should look at for your message of reducing it by another 100, and then on top of that another 20 Bcf?

**Rick Dobson - Executive Vice President and Chief Financial Officer**

Those are the tools that we would used to reduce... yeah, down, that's just for the condition of funding.

**John Kiani - Deutsche Bank**

Right.

**Rick Dobson - Executive Vice President and Chief Financial Officer**

Obviously, we'll not talk about bringing the collateral requirements into a place that fits comfortably; we'll continue to drive it down below that level.

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