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## El Paso Electric Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

(Operator Instructions) Your first question comes from Robert Howard of Prospector Partners

**Robert Howard - Prospector Partners**

The Palo Verde extension, do you guys have any estimate in how much extra cost there might be for doing that?

**Scott Wilson**

We don't have a precise number to give you right now, it is a couple million bucks our share, but I don't have any precise numbers for you.

**Robert Howard - Prospector Partners**

With the decommissioning funds retreating when might you have to make some cash contributions to that and how big might that be?

**Scott Wilson**

Well at this point in time even with the fall back in the equities that we held in those funds we are somewhere between the minimum funding requirement and the expected funding requirement or suggested funding requirement, for lack of a better term. So right now even though we have seen this retreat in the equity markets we are not in a position where we actually have to do any extra funding, so what we are going to do is we will see how this plays out and see if and when the equity markets rebound to see whether or not we need to do any incremental funding. But right now it doesn't appear we need to do any.

**Robert Howard - Prospector Partners**

The \$0.05 impact that you guys were talking about from weather, I guess that was compared to '07 versus instead of being compared to normal, is that right?

**Scott Wilson**

Yes. That was compared to '07, right.

**Robert Howard - Prospector Partners**

So if you were to compare it to normal weather, maybe I guess it would be a little better, a \$0.03 impact or I don't know if you have.

**Scott Wilson**

Yes, clearly in the quarter compared to '07 it was a 24% cooling degree difference and 19% from the 10-year average, so the cooling degree difference, the ten-year average, is about 80%. I hesitate to do that linear of a calculation, but that would be more like 40.04.

**Robert Howard - Prospector Partners**

But it's still significant. It should still be significant compared to normal as well as just '07.

**Scott Wilson**

Yes it was extraordinarily mild here in El Paso in the summer and that's just a fact.

**Operator**

Your next question comes from Maurice May of Power Insights.

**Maurice May - Power Insights**

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