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## NSTAR Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Our first question will come from the line of Daniel Fidel with Brean Murray, Carret. Please proceed.

#### Daniel Fidel - Brean Murray, Carret

Good morning gentlemen, congrats on a very solid fourth quarter fiscal year ending.

#### Jim Judge

Thank you, Dan.

#### Daniel Fidel - Brean Murray, Carret

Just a couple of quick questions on my side can you give us any additional specifics on what your assumptions are for bad debt expense and potential expense in your 2009 guidance and then as a separate follow on question, can you talk a little bit about your capital budget 365 million can you break that out little bit in terms of how much you'll be spending on the single project how much for sort for utility growth.

#### Jim Judge

On the bad debt issue we have budgeted bad debts to increase in 2009 slightly we actually as I said in my comments we are flat with 2007, in fact I was pleased to see the days receivables outstanding at the end of the year, this year we are actually slightly better than a year ago. So, we've done a good job in terms of receivables to recognize sort of the economic impacts and anticipate an increase in expense.

The pension area; our pension plan meets all funding requirements we contributed about \$70 million in 2008 cash into the plan and we have a plenty of another \$25 million contribution in '09. We do have a regulatory treatment the utilities in Massachusetts have, which really mitigates the volatility in P&L impact of pension expense. Probably five years ago the department put this mechanism in place that smoothes the impact of increased in FASB expense. So, it really has minimal impact going forward.

On the capital budget, I think I mentioned we have about a \$100 million of CapEx associated with the transmission business, probably 200 million associated with distribution in its more sort of business as usual, no major new sub-stations in there, and then there is about \$50 million to \$70 million when you look at our gas operations, IT investments, customer care, et cetera. The end regulated side, very small budget of \$7 million in CapEx.

**Daniel Fidel - Brean Murray, Carret**

Sir, thank you for that clarity. Very helpful.

**Jim Judge**

You're welcome,

**Operator**

And your next question will come from the line Paul Patterson with Glenrock Associates. Please proceed.

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