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Entergy Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(operator instructions). And our first question will come from Greg Gordon Citi Investment, your line is open.

Greg Gordon - Citi Investment

Thank you. First question, can you tell us -- I think your guiding to an overall corporate tax rate for 2009 of 37%, but there is a -- what are the assumed tax rate at nuclear and those two tax rate at the utility, because there is some pretty big swings in the underlying guidance?

Leo Denault

Well, we really don't, -- haven't given out what they are by -- put that in terms of, by utility by business unit. We look at that consolidated tax return and then we allocate those at the end of the year. So to some extent it jumps around year-to-year. When you look at that consolidated tax number Greg, it kind of evens out in terms of where it goes one year versus the other. So if you've got for example this year is \$76 million or so and those -- it showed up, it's benefit to one side and its reduction to the other. It really depends on how the positions that we've had over the course of the year play themselves out.

You can call Michelle and she can get you into more detail in terms of what exactly was within those numbers and then how we're looking at it in terms of what's going on in 09, but it really does depend a lot on the tax position we've taken and how they show up in the year in terms of whether its audit or reserves or what have you.

Greg Gordon - Citi Investment

Second question is on your sales assumptions. Given your exposure to the petrochemical industry, is it reasonable to assume that you'll have weather adjusted and hurricane adjusted growth in sales in 09 versus 08 you mentioned that there is industrial expansion that's a part of the assumption there. Can you go through how you got comfortable with that baseline?

J. Wayne Leonard

Yeah. I think if you look at our sales, firstly go back what Leo talk about in 07 versus 08 results, if you adjusted for the storm our industrial would have been down about 1.8%, but we would have seen at about a 2% growth in our residential and commercial. Looking forward as we are trying to (ph) adjust for the storm that gets us down to about 1.5% growth rate and as Leo said we do have some

expansions one of those are actually complete and we actually will see that coming forward and then talking with them and we believe we will still see that expansion and the others that's coming along.

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