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SCANA Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). And our first question will come from the line of Steve Fleishman with Catapult Capital. Please proceed.

Steve Fleishman - Catapult Capital

Yeah, hi guys. This is Steve Fleishman. How are you?

Jimmy Addison

Great. How about you?

Steve Fleishman - Catapult Capital

I'm good. Couple of questions; first, the \$10 million electric margin reduction that you talked about 2009 versus 2008.

Jimmy Addison

Right.

Steve Fleishman - Catapult Capital

Does that exclude the weather impact for '08 as the base, is that like a weather normalized for both years or is the weather in there as well?

Jimmy Addison

No, what we're assuming is we're working off of '08's actual and of course we're projecting '09 as normal weather. So it's working off of '08.

Steve Fleishman - Catapult Capital

Okay. So actually weather normalized reduction is bigger than that because '08 had below normal weather?

Jimmy Addison

That's correct.

Steve Fleishman - Catapult Capital

Okay. So there should be like a weather benefit that's within that 10 million, so then the non-weather part should be larger?

Jimmy Addison

That's correct.

Steve Fleishman - Catapult Capital

Okay. And I think, you said weather was about \$0.06 below normal in '08, is that correct? Okay. And then on the issue of the pension?

Jimmy Addison

Yes.

Steve Fleishman - Catapult Capital

You said that the pension costs are going to be up about 12 million?

Jimmy Addison

That's right, pre-tax.

Steve Fleishman - Catapult Capital

Pre-tax, and that includes the fact that some of the pension you're getting to defer. So it would have been up more than that?

Jimmy Addison

It would have.

Steve Fleishman - Catapult Capital

If not for the deferral order that you received?

Jimmy Addison

Correct.

Steve Fleishman - Catapult Capital

Okay. And then, just overall when you look at the pressure on '09 versus '08, is pretty much all of it at SCE&G or is there some pressure at Georgia and some of these other businesses as a really all to utility?

Jimmy Addison

Steve, I think the economy is fairly similarly and all three of our major jurisdictions here. The, for example, the unemployment rates we discussed range from 8.1% in Georgia to 9.5% in South Carolina.

On the other hand Georgia's housing market rose substantially more than South Carolina's did and has therefore fallen more. So there are different factors impacting it. But, I think the issue of customer usage and the issue of slowing growth of applies to all three territories.

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