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NTELOS Holdings Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. We will now be conducting a question-and-answer session. (Operator Instructions). Our first question is from the line of Ric Prentiss with Raymond James. Please state your question.

Ric Prentiss - Raymond James

Thanks. Good morning guys.

Michael Moneymaker

Hey Ric.

James Quarforth

Good morning, Ric.

Ric Prentiss - Raymond James

Couple of questions for you, first on the data side, obviously an important priority for you guys. Can you talk just little about the billing this classification, kind of what happened? How you fix it and then more importantly, as you look at the new trends now when you get it recast, what are your thoughts as far as wouldn't the rates reset for the \$9 million a month? What you've seeing in the new trends and how they get built? When do you think you might be able to surpass the minimum levels?

James Quarforth

Okay, big questions. As I reported before Ric, NTELOS found us as billing issue through their internal process we had. And what happened was or what we found was we had an incorrect disposition of our record type from the home category of data usage to the travel category, which we believe are best guesstimate currently for 2008 is 3.9 million as Mike pointed out. That, those adjusted will be reflected in our Q and certainly it has some impact in the first half of 2009, as we were running in access of 9 million minimum.

As we reported before, we expected the second half of 2009 to drop to the 9 million minimum as we have that travel data rate we said, I think some key points here are from a trend perspective is that we irrespective of that re-categorization of those record types who seen tremendous data growth in travel data and home data as I mentioned in my talk travel data growth since we turn up EV-DO is up 448% and it continues to be very strong as we get more device penetration overtime.

I think the bigger question is, we've seen the focus on the travel data usage and that being the key driver to get to the 9 million minimum. I think the real key driver here is really all the rate elements.

And if you believe strength is going to turn their business around. We have three other rate elements that should kick-in that will help accelerate, that through the 9 million monthly minimum. You may recall that when we had an amendment a year and a half ago with Sprint we build the \$8 million minimum for about fourth quarters. No we haven't provided any guidance for 2010 at this point in time so to give you a specific view as to when that will go through the 9 million minimum -- we're not prepared to answer that question yet. But I think the key focus here is to really watch our Sprint and the strength of Sprint.

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