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Portland General Electric Company Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Brian Russo – Landenburg Thalmann.

Brian Russo – Landenburg Thalmann

You talked about your 2010 capital market needs in terms of debt and I'm wondering, it looks like your debt to cap is creeping up above 50%. I think that's even with the equity offering completed in March and I'm wondering, do you have any capital equities in 2010 to finance the CapEx.

Maria Polk

We are expected to be just a tad bit above our target 50/50% but as we collateral positions rolling off as well as with the \$375 million of debt that we'll be issuing combined with the redemption of \$186 million of bonds in 2010, we do not see any material change from where we are versus our target.

Brian Russo – Landenburg Thalmann

On the guidance, it looks like hydro is below normal in the first quarter and growth is slowing and I'm just wondering if you could talk about the positive and negative drivers that you've assumed in your '09 guidance versus '08.

Maria Pope

As we noted in the first quarter, we were off on hydro. Hydro conditions though since our last conference call and our expectation has increased almost ten percentage points on average and so we are expecting more hydro profitability in that area. Also, with the exception of the Coal Strip outage that Jim mentioned, our operating facilities are doing quite well and we would expect the plants to continue to have a positive impact on our outlook. We are maintaining our guidance of \$1.80 to \$1.90.

Brian Russo – Landenburg Thalmann

Is the decoupling mechanism that began on February 1, are you able to mitigate any pressure on your ROE from the 1% decline in growth versus the flat growth you previously had expected?

Maria Pope

The decoupling mechanism is working virtually as we expected and that is in our forecast. And we've mentioned it in the first two months of this being in effect since February 1, we have seen about \$5. million net benefit. And that's taking into consideration what we received through the decoupling offset by the ten basis point reduction in our ROE.

Brian Russo – Landenburg Thalmann

You mentioned that you expect hydro conditions to improve in the second quarter. Can we assume that 5% to 6% hit you took in the first quarter could possibly reverse in the second and third quarter? Could you see a net benefit to hydro?

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