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Tesoro Corporation Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Your first question comes from the line of Paul Cheng of Barclays Capital. Mr. Cheng, your line is open.

Paul Cheng – Barclays Capital

Hey, guys. Good morning.

Bruce Smith

Good morning, Paul.

Paul Cheng – Barclays Capital

Just a number of quick balance sheet items. Do you have a working capital number on your inventory mark advantage in excess of the book value? And also the long-term component of the total debt?

Bruce Smith

Yes. I'll let Greg answer.

Paul Cheng – Barclays Capital

Hey, Greg.

Greg Wright

Paul, our working capital in the first quarter was increased less than \$10 million. So working capital was about \$215 million.

Paul Cheng – Barclays Capital

\$215 million. Okay.

Greg Wright

Inventory excess market value over book was about 480 million.

Paul Cheng – Barclays Capital

\$480 million. Okay.

Greg Wright

And you want a long-term debt?

Paul Cheng – Barclays Capital

Right.

Greg Wright

Just the long-term? You don't want capital leases in there or you do?

Paul Cheng – Barclays Capital

No. Just the long-term debt.

Greg Wright

Okay. I'll have to look that one up.

Paul Cheng – Barclays Capital

If you don't it then including long time leases. That's fine.

Greg Wright

It's a \$1.544 billion including–

Paul Cheng – Barclays Capital

\$1.544 billion. Okay. And Greg, I didn't hear, in your result, you stayed at the inventory or (inaudible) or loss in the first quarter in the gross margin?

Greg Wright

Nominal.

Paul Cheng – Barclays Capital

Nominal. Okay. And can you tell us that what is the CMA Contango benefit in the mid-continent system for the quarter?

Greg Wright

The CMA that you're talking about–

Bruce Smith

In the mid-continent system?

Paul Cheng – Barclays Capital

Yes. I mean, I assume that it's only the mid-continent system that you guys will benefit from the Contango.

Everett Lewis

We didn't do any separate Contango plays around that. We do, do a lot of current monthly average pricing, but we don't calculate the Contango benefit for that.

Paul Cheng – Barclays Capital

When you do the CMA by definition that you got the benefit from the Contango.

Everett Lewis

You do get some benefit because of your current monthly average price. We have not calculated the separate number for that.

Paul Cheng – Barclays Capital

Is that something that you guys may do or that you're not going to say, be part of it?

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