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Energy Transfer Partners Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Our first question comes from the line of Michael Blum with Wachovia. Please go ahead.

Michael Blum - Wachovia

A couple of questions. One, just housekeeping, is your guidance that you provided for EBITDA before, is that still unchanged?

Kelcy Warren

Yes, Michael. This is Kelcy. That is going to be a tough hill to climb this year. There is no question about it, but so far, we are monitoring our financial performance very closely. At some point, we feel that we will not be able to achieve the guidance then we will advise you, but right now, it looks good.

Michael Blum - Wachovia

Then, on the intrastate pipeline side, obviously, the volumes are real strong, can you talk about the trends that you're expecting to see for volumes if it is possible in the first quarter or going forward? Can you talk about what the trend was in base volumes versus volumes that you received because of projects that came on line if it's possible to break that out? I don't know if it is.

Kelcy Warren

Yes, let me do this. I'm going to ask Mackie for a little bit of help on this. But first of all, let me state that we created a pipeline system in Texas that now is not dependent upon a basin or basins. It actually can address the hydraulic needs of pretty much the intrastate.

So therefore, the point I'm making by that is let's say, if rig counts fall in the Barnett Shale, that's okay. The capacity that we built for the Barnett Shale can fill volumes that may come in the system through the Permian Basin or other parts of the state. So what we've seen is we've seen healthy volumes. We were running our pipelines near capacity in most instances, even in a period of dramatic rig count reduction. As it relates, Mackie, to drilling versus pure third party, can you take a stab at that?

Mackie McCrea

Just to kind of add to that, as you all know, we have about 80% to 85% of our capacity sold out on all of our long-haul intrastate pipeline systems. So regardless of any declines, we do have that

protection. Depending on where the basins are, some of the pipelines are 100% full and some of them are nearly full.

So we feel very fortunate to have the ability to fill our pipelines as much as possible, not only with our base volumes, but also in the day-to-day activity of completely (inaudible) our lines where possible.

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