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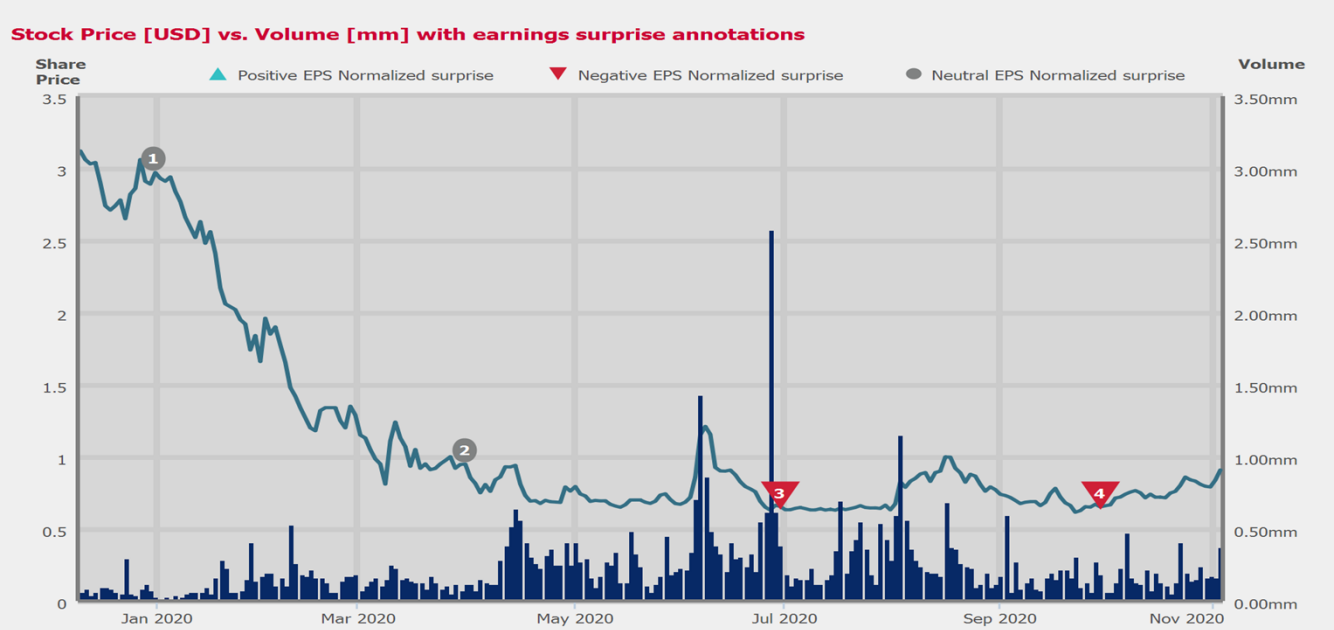
Hallador Energy Company NasdaqCM:HNRG FQ3 2020 Earnings Call Transcripts

Tuesday, November 03, 2020 7:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ3 2020-			-FQ4 2020-	-FY 2020-	-FY 2021-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	0.17	0.12	▼ (29.41 %)	0.02	0.23	NA
Revenue (mm)	73.90	65.13	▼ (11.87 %)	68.10	247.80	NA

Currency: USD
Consensus as of Nov-04-2020 7:31 AM GMT



- EPS NORMALIZED -

	CONSENSUS	ACTUAL	SURPRISE
FQ4 2019	(0.01)	(0.02)	NM
FQ1 2020	0.02	(0.12)	NM
FQ2 2020	0.02	0.01	▼1 (50.00 %)
FQ3 2020	0.17	0.12	▼2 (29.41 %)

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Call Participants

EXECUTIVES

Brent K. Bilsland
President, CEO & Chairman

Lawrence D. Martin
Executive VP & CFO

Rebecca Palumbo
Director of Investor Relations

ANALYSTS

Eric Fredback

Lucas Nathaniel Pipes
B. Riley Securities, Inc., Research Division

Mark Kaufman

ATTENDEES

Unknown Attendee

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Presentation

Operator

Good day, and welcome to the Hallador Energy Third Quarter 2020 Earnings Conference Call. [Operator Instructions] Please note this event is being recorded.

I would now like to turn the conference over to Becky Palumbo, Director of Investor Relations. Please go ahead.

Rebecca Palumbo
Director of Investor Relations

Thank you, Andrew, and thank you, everybody, for joining us today. [Audio Gap], this event is being webcast live, and you will be able to access a replay of this call on our website later today. Yesterday afternoon, we filed our Form 10-Q with the SEC for the third quarter 2020 financial and operating results, and we also issued a press release with certain financial highlights. Both documents are posted on our website.

With me today on this call are Brent Bilsland, our President and CEO; and Larry Martin, our CFO. Larry will begin with a financial overview of the quarter, and Brent will follow with our perspective on market conditions and outlook. We will open the call to your questions after Brent's remarks.

Today, our remarks may include forward-looking statements that are subject to a variety of risks, uncertainties and assumptions that could cause actual results to differ materially, for example, our estimates of mining costs, future coal sales and regulations relating to the Clean Air Act and other environmental initiatives. While these forward-looking statements are based on information currently available to us, if one or more of these risks or uncertainties materialize or if our underlying assumptions prove incorrect, actual results may vary materially from those we projected or expected. We do not undertake to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise, unless required by law to do so.

So with that, I'm going to turn the call over to Larry.

Lawrence D. Martin
Executive VP & CFO

Thank you, Becky, and good afternoon, everyone. I'm going to go over our operating results for the third quarter and year-to-date. So for the third quarter, we had net income of $1.9 million, which resulted in $0.06 per share. For the 9 months, we had a net loss of $1.5 million or $0.05 a share. Our free cash flow for the quarter was $11.6 million; and for the 9 months, $24.7 million. And we define free cash flow as net income plus deferred income taxes, DD&A, ARO accretion, change in fair value of hedges and stock compensation, less maintenance CapEx and equity investment method effects.

Our adjusted EBITDA, which we define as EBITDA plus stock compensation, ARO accretion and change in fair value of hedges, less the effects of our equity method investments in Hourglass Sands, was $17.1 million for the quarter; $44.2 million for the 9 months. We paid down debt of $14.2 million for the quarter and $33.2 million year-to-date. So our bank debt as of September 30 was $146.9 million, and our net debt was $141.6 million. Our debt-to-EBITDA leverage ratio was 2.46, well within our 3.4 or 3.5x covenant.

I will now turn the call over to Brent Bilsland, our CEO.

Brent K. Bilsland
President, CEO & Chairman

Thank you, Larry. During the third quarter, shipments returned to normal, coal inventory was reduced, and aggressive payments were made towards lowering our debt. None of these things would have been accomplished without the strong performance of our operations team. COVID has added new challenges for everyone, yet our operations group has done a remarkable job protecting the health and safety of our people, keeping our cost structure in line and ensuring our customer shipments needs have been met.

Shipments for the quarter were 1.6 million tons, which is a 27% increase over the prior quarter. We expect to ship 1.7 million tons during the fourth quarter of this year. Improved shipments helped us reduce our coal inventory by $4.5 million

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during the third quarter. However, inventory levels remain elevated by 9.3 million tons year-to-date. We expect to further reduce coal inventory in the fourth quarter of this year.

As I stated earlier, COVID has brought many challenges. And out of an abundance of caution, at times, up to 25% of our workforce was quarantined due to possible exposure issues. Despite these headwinds, during the third quarter, we were able to maintain production costs at $29.30 a ton, within our -- which was within our guidance range.

At Hallador, we have remained intensely focused on creating positive cash flow to aggressively pay down debt. During the third quarter, we paid down $14.2 million. And during the first 9 months of the year, we have paid down $33.2 million. By the end of 2020, we are targeting that we will pay down a total of $40 million for the year, bringing our debt down to $140 million, which would represent a 22% reduction in our bank debt year-over-year, all this from a company with a market capitalization of $25 million to $27 million.

During the quarter, both our liquidity and our leverage ratio has improved to $52.7 million and 2.46x debt-to-EBITDA ratio, respectively. This brings our debt-to-EBITDA leverage ratio a full turn below our covenant of 3.5x.

On April 15, Hallador received a $10 million loan under the Paycheck Protection Program. The company expects a portion of this loan to be forgiven in early 2021.

Looking forward to energy markets recovering. Inventory levels at both mines and utility customers have remained elevated but are improving rapidly. Natural gas prices have improved dramatically, causing coal to dispatch in front of natural gas in most of our markets.

For the first 9 months of 2020, Henry Hub natural gas prices averaged $1.88. Currently, gas prices are around $3.24 next year, up $0.24 now. And next year's NYMEX is at -- the forward strip is at $3.11 as of last night.

Next year's gas prices are higher as the market anticipates less gas production in 2021. One indicator of less future gas production is the dramatic slowdown in oil and gas drilling. Oil and gas rig counts as of October 23 are 287 versus if you look at the peak in 2018-'19, it was 1,085. That's a 74% decline in the number of rigs drilling for oil and gas. Gas-targeted specific rigs as of the 23rd of October were 73 versus its 2018-2019 peak of 198. That's a 63% decline in the number of rigs drilling for gas.

LNG gas prices in Japan have improved dramatically from slightly over $4 in July of this year to $7 today. This is an impressive price recovery in only 4 months' time. Eventually, improved LNG prices should improve coal exports. Coal export prices have been slow to rise but are improving. API 4 is above $60 now throughout 2021, and API 2 is above $60 in the fourth quarter of '21.

In summary, Hallador will continue to focus on generating positive cash flow and reducing our debt. We are encouraged by the recent improvements in all energy markets and are cautiously optimistic of the future.
With that, we'll open up the line to the Q&A session.

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Question and Answer

Operator

[Operator Instructions] The first question comes from Lucas Pipes of B. Riley Securities.

Lucas Nathaniel Pipes
B. Riley Securities, Inc., Research Division

Brent, I wanted to ask on the pricing side, specifically for coal. I'll get to natural gas in a moment. But on the coal side, what's kind of the current pricing look like if you were to go out sell spot tons? And then looking ahead to 2021, 2022, some of your peers have noted that there is a market. There are -- a couple of utilities have come forth asking for term business. What sort of strip could we be looking at here for your average product? Would really appreciate your perspective on this.

Brent K. Bilsland
President, CEO & Chairman

Well, I think, in general, the market -- like I said, coal inventory levels are relatively high at the utilities. I mean if you go back to March-April time frame, coal plants just didn't run very much with the lockdown. Gas price was extremely cheap with the less power demand. It just kind of caused the backup of inventory levels.

We've now kind of seen that reverse, where gas is -- or excuse me, coal is dispatching in front of gas in most of our markets. So we're seeing those inventory levels come down. And we see this pretty strong or at least recently strong. Gas prices are making 2-year highs. So it looks like people are going to burn a lot of coal next year.

I think most utility buyers will kind of take a wait-and-see approach to buying. We don't expect to see 2021 buying very aggressive here in the Thanksgiving time frame, which would be normal. We think utilities will see what winter brings from a coal burn perspective, see if gas prices hang in there or go higher and then eventually pull the trigger.

So to be fair, I just don't think a lot is transacting right now. We did have some small spot business pop up. It was upper 30s. But I think those are very few data points out there to really go by. There were some blend-and-extend deals that we did this year, where we pushed some tons out of 2020 into 2021 and then extended the term of our contracts with customers for multiple years.

So that's kind of what you see happening. I think if gas prices -- you've got a few people out there saying, "Oh, gas prices are going to see a major rally." I mean I've even seen -- I think Squawk Box yesterday had somebody saying that it was going to be $6 gas. Something -- quite frankly, $3.50 or north happens, I think the buyers will certainly become convinced and get much more aggressive at buying.

But right now, I think they've got a lot of inventory. And they've been kind of chastised for being long and wrong in the past. And with all the concerns about COVID, is it going to be -- how much more headwind will that bring, go in the future? I just think deal buyers are going to take a wait-and-see approach.

Lucas Nathaniel Pipes
B. Riley Securities, Inc., Research Division

That's helpful. And to hone in a little bit on the gas side, you mentioned the decline in the rig count, some of the changes internationally as well. And if you put it all together, what's your outlook on the gas side? And maybe more specifically, I know you look at this very -- in a lot of detail in terms of the supply-demand balance for natural gas. Do you have a sense for how much supply -- natural gas supply could be lost here on a year-on-year basis, 2021 versus 2020?

Brent K. Bilsland
President, CEO & Chairman

I think looking more at 30,000 feet, I mean, we saw the oil and gas industry in the United States produce 13 million barrels of oil, I believe, in '19. And now you're seeing -- currently, we're running more like at a 10.8 million barrels a day pace. And you've seen -- especially now with Q3 earnings starting to come out, you've seen multiple oil CEOs come out and

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say, well, they think that there's probably going to be a further decline in oil production unless costs -- unless pricing gets above $40. Right now, we're down in the mid-30s.

So I don't think we're going to see -- a year ago, we were seeing associated gas -- 40% of the U.S. gas supply was coming from associated gas coming from oil wells. So as oil declines and backs off here 20% to 30%, I think that -- I think we eventually will see that associated gas, to some degree, go away.

When you look over at the Marcellus and Utica, you've got EQT out. So the CEO said this week that they were not planning on production increases in 2021 because prices still weren't high enough to justify the cost. We saw -- who else? I'm drawing blank on names here, but we've seen Range Resources come out. Their CEO said the market is not incentivizing further growth.

So to me, every -- the CEOs are all signaling that they're not going to get crazy on drilling. And in a $3-plus environment, coal does very, very well. We have an inventory issue to kind of clear through. No one is really transacting on the export side. And it just kind of leads to a very unique year, where I think things are going to start off very slow. And I think in the back half of 2021, that could get really interesting.

Just because we've seen a lot of production on the coal side come off, we're not seeing a response from the gas people yet. And so I think all that is making our markets much more healthier than they've been.

We still have a lot of risk on COVID. What will that mean? We've seen Germany and France lock down their bars and restaurants again for a month. We've seen something similar to that out of the U.K. What's going to happen here in the U.S. in large part is going to depend on what happens to the COVID numbers and who's in charge. So all out of a long way of saying, we expect to see less competition from gas, and gas is coal's primary competition still today.

Lucas Nathaniel Pipes
B. Riley Securities, Inc., Research Division

Very helpful, Brent. And my last question. It's election day. Could you share your perspective on kind of what a Biden or another term for Trump, respectively, would mean for the coal sector? And maybe more specifically, the Illinois Basin?

Brent K. Bilsland
President, CEO & Chairman

Well, that's an easy short question. Trump has been very vocal on -- he's for all the abort of -- here we've got our nation to where it's energy-independent. We're the largest -- or have been one of the largest producers of oil in the world. We're still -- probably remain top 3 today.

So if it's Trump -- we're definitely seeing a transition away from coal, whether Trump's in office or whether Biden is. The question really just comes down to pace. And the utilities -- we've seen Duke Energy, who's one of the larger players in Indiana. They had their Investor Day and put out their -- the investor ESG-type conference. And they're shutting down a lot of coal plants in the Carolinas. But also in that, it looks like to us, they're signaling more of a -- coal in Indiana has got a 15 years and beyond.

And we -- if you look at it, they've just got so many -- if they were to try to shut it down right away, they -- first of all, from an economic perspective, huge stranded asset risk for the Indiana utilities. Secondly -- so that's more back to Biden, right? Because Biden's obviously had a lot of press about trying to transition in his $2 trillion stimulus plan.

When we talk to the grid operators, when we talk to the President and CEO of MISO -- MISO is the grid operator for the state of Indiana but quite -- the largest region. They go all the way from Louisiana to Alberta, Canada. So when we talk to the Chief Operating Officer there, and they've put out a report recently, I'm trying to remember the title of it, Renewable Integration Impact Assessment, where they basically say they can go to 30% renewables in MISO without too much trouble. But above that, they start to really have significant challenges. And MISO today is at 9% renewables.

When -- if they try to get to 50%, the wheels just absolutely fall off, really. And behind the scenes, they'll tell you more like 40%. So the grid was built for 60-megahertz generation -- spinning generation. And so when you try to go to renewables, it just really wasn't designed to do that, which is why you're starting to see grid issues in California and Texas prop up because both of those states are in the 30% renewable range. And it looks like the states are going to be the testing ground that everyone else is going to watch.

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So we talk to the grid operators about, well, we see all the utilities which you remember saying, gosh, we're going to go 50% carbon-free or we're going to go 100% carbon-free by these dates. Their comment is, "Look, politicians are telling utility CEOs what they want." Utility CEOs are saying, "This is a great growth opportunity for our earnings, so let's go do it." But physics isn't quite there yet. So we take great security in the fact that we think the grid just absolutely needs us.

And when you look at our assets, they're designed to run for another 10, 15 years. And we think that the grid in Indiana is designed to be burning coal from for another 15 years plus. So there will be a transition. I just think it's going to be a lot longer tail than what some of the headlines read.

I mean these articles today in S&P talking about China is just starting construction of new coal plants. So the world -- we've got a lot of people out there trying to say that solar is cheaper. We definitely don't think that is the case. We think people will choose that because it's a lower-carbon option, but it's got a heck of a reliability issue associated with it.

Batteries are not ready to go. Look at the ISO comments out of California. They're in their -- California has turned the lights off 3x since August. And I just don't think people are going to put up with that. Here, you've got the largest -- fifth largest economy in the world, and it can't keep the lights on. And that's at 30% renewables.

Their plan is to go to 43% renewables here in 10 years. And so they're going to put more intermittent power on the grid. And at the same point in time, they're going to stop selling gasoline cars, which means now we're going to have more demand because we're going to try to fuel our transportation industry with electricity.

A lot of these are growth opportunities for the utilities. And there definitely will be a transition and it definitely -- but it definitely is going to take -- it's not going to be inexpensive, and it's going to take a very long period of time.

So all that's a long way of saying, if Biden wins, there'll still be a coal industry; and if Trump wins, there'll still be a coal industry.

Operator

[Operator Instructions] The next question comes from Mark Kaufman of MLK Investment Management.

Mark Kaufman

My question is more of a shorter-term question. The natural gas is in backwardation. '21 looks great; '22, not so much. So my question is if '22 were to change and improve and the gas producers would change their thoughts about trying to create more gas available, how would that -- well, how -- you seem to indicate that coal prices would probably start to -- I shouldn't say rise. There should be some more -- let me rephrase that. There would actually be more demand for coal because it seems that the only way prices go up is because there's a shortage of something.

And with that, I'll shift back to the -- that's natural gas but shift back to the question of coal. How quickly can you pivot to actually -- obviously, you've got some extra inventory. But would you need to mine more in a sense to catch up with potential demand that would be from coal if pricing on natural gas were higher? Sorry to be long-winded.

Brent K. Bilsland
President, CEO & Chairman

Yes. No problem. Thanks for the question, Mark. So I think you asked 2 questions. You made a comment about 2022 gas pricing being in backwardation, right? So the strip in 2021, is that $3.10? Is strip in 2022 is something like $2.80 or something like that?

There's some interesting articles out there that are saying that because of different loan covenants of the gas producers that gas producers are forced to hedge 18 months out a lot of their gas production. And this is potentially what is causing part of this backwardation in the gas field or the gas patch is that you've got a lot of producers that have to sell 18 months out, but you don't necessarily have a lot of buyers out there.

Mark Kaufman

So that's right. You know the decline in the production of the shale wells you have, it's like 60%, 70% in the first year. So with that, as far as whether you want to go out and drill right away, now you've really got to have something locked in on price because you're going to sell most of whatever it is you're drilling.

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Brent K. Bilsland
President, CEO & Chairman

Correct. So there's a lot of the gas...

Mark Kaufman

[Whereas you spend] $10 million on a new well.

Brent K. Bilsland
President, CEO & Chairman

Yes. So I think that there's a lot of -- capital dried up for the gas patch about a year ago. So now all of these companies are basically saying, "Hey, we've got to drill within cash flow." And so they're trying to pay down debt, they're trying to pay dividends, and they're trying to maintain their production. And we think that there's -- they're messaging that they don't expect growth at these prices. The margins just aren't there.

So you have seen a rebound a little bit in the equity values of the gas companies. You've seen the opposite for the oil patch. I think that the top 25 oil companies' share prices are down 2% to 3% year-over-year. And if you look at like EQT and Range, their stocks are up like roughly 18% this year.

So to us, the economics right now, gas looks better than oil. But the CEOs are saying, we're not going to expand production at these prices. Because I think capital for them has become more expensive.

So back to -- if we see higher gas prices, will that lead to more coal production? It absolutely will. But I also think there's a lot of coal producers that have 10% of capacity kind of sitting there ready to go.

So we don't -- like I said, we think from a buying perspective, it's going to be quiet through Christmas and then -- unless gas prices go $0.50 higher or more.

From -- beyond that, I think it could get interesting in the back half of the year because I think exports could show up. What we're trying to follow is, why is LNG in Japan gone from $4 to $7 in 4 months. I mean that's just a dramatic move, which kind of puts coal back in the money in that Asian market.

Europe, we haven't seen that yet. LNG is still in -- $5.15 in U.K. and $5.50 in Europe. So it hasn't quite responded there, but gas inventories in Europe are also much better. So that's what's supporting the market. The COVID issues are constraining the market there.

So a lot of it really will come down to, what does the winter look like both in Europe and in the United States? Is it cold? That's going to have a dramatic influence on the market. If this winter starts off cold and you see gas prices rise, you're going to see fuel buyers get nervous and come out and cover. Because right now, they're looking at burn projections that, quite frankly, are all over the place.

In some scenarios, if we could return to a $2 gas market, the steel buyers are saying, "Well, we already have enough coal bought." But if we go to a $3.50 market, there may not be enough coal to supply them. So it's going to be a volatile ride. And everyone is going to wait until last minute to make decisions, which is a little unusual. Normally, by Thanksgiving, we're contracting with customers for business in 2021.

Fortunately, for Hallador, we have a pretty good book. We have over 5 million tons already contracted. So we don't have to do a lot of work. But we certainly would like to sell more tons, and we certainly expect to sell more tons. So Mark, I hope I've answered your question.

Mark Kaufman

So it sounds like if it's there, you're ready. If the demand...

Brent K. Bilsland
President, CEO & Chairman

If they were ready, we would have to hire more people. But we've shown that we can do that and -- but we have the equipment and we have available capacity, correct.

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Operator

[Operator Instructions] The next question comes from Eric Fredback of Pacific Value.

Eric Fredback

Congrats on a good quarter. We're just curious about any of the supply disruption that you guys have seen out there on the coal side. I know I think Arch had mentioned that they're pulling 20 million tons from this year and then trying to reduce that another 50% in the next 2 to 3 years. So any extra color you have on that? And anything else you're seeing?

Brent K. Bilsland
President, CEO & Chairman

Yes. We've seen a dramatic pullback. I think if you look at coal production first quarter of 2019, there were something like 14 mines running in the state of Indiana at an annualized pace of 34 million tons. If you look to today -- it's an internal number, so it's not -- it probably won't correlate with anything that's published. There's roughly 6 mines running in Indiana at a pace of about 17 million, 18 million tons. So we've seen almost coal production in the state of Indiana go to half.

Now some of those are permanent closures. I know we've permanently closed the mine, and we've seen another competitor permanently close a mine. And some of those are just kind of sitting there idle. We've seen a competitor here in the last few weeks lay off all their workforce and idle all their mines and just loading out inventory.

So we have permanent closures or supply disruption, as you would call it. We have mines, such as ourselves, that are running at 80% capacity. And then we have other mines that they've laid off their workforce. So can those mines come back? Yes, they can. But there's going to be a scramble for people, and it remains to be seen when that happens and what that looks like.

Eric Fredback

Great. So you said 80 -- you guys are around 80% capacity right now. What -- I mean how high can you get that and still kind of keep production costs where they're at or, let's say, under $30 a ton? Yes.

Brent K. Bilsland
President, CEO & Chairman

Well, we're -- I think we had about as tail -- we had a very challenging quarter from a production standpoint in that -- there were times, we had 25% of our workforce quarantining. Now that doesn't mean they were -- tested positive for COVID. That means they came in and said, well, my spouse has it or I was around someone this weekend who tested positive. And so out of an abundance of caution, our policy is we've got to quarantine that employee until they have a negative test.

So for our ops people to say, "Gosh, we're running at basically a 6 million-ton pace." On any given day, we're not sure who's going to walk in the door for work, right, because...

Eric Fredback

Yes.

Brent K. Bilsland
President, CEO & Chairman

And that -- it isn't even as easy as that sounds because skill sets aren't necessarily so you can have all your electricians out. Well, that's a problem. You can have all your miner operators sick that day. So that's a problem. So specific skill sets -- obviously, we do a lot of cross-training. And obviously, we've got a lot of units. So we're somewhat guarded against that.

So to see our cost numbers where they were with the labor issues that kind of cropped up in the third quarter, I felt pretty good about that. So we're still saying that we expect our costs to stay below $30 for the balance of this year and into early next year. I don't really see that changing at this time. If we run harder, those costs drop a few bucks a ton.

Eric Fredback

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Okay. Cool. And then one final quick question. Because of the quarter you guys had with the cash flow and the ability to pay down as much debt as you did, I'm just kind of curious what your end goal is as far as deleveraging and how far you want to take that.

Brent K. Bilsland
President, CEO & Chairman

Well, look, in 2014, we were a company that was net debt-free. So -- and that's a very good way to live life. We think -- I think you've seen other competitors out there saying, "Hey, we'd love 1x debt-to-EBITDA." I think that would be a really good target, and we'll reevaluate when we get to that point. But right now, we're just trying to pay down aggressively as possible. I thought we made great progress on that to pay down. We're on target, like I said, to pay down 22% of our debt this year.

So with all the headwinds of COVID, which make producing an operating company -- or operating a production company challenging. So I think more of the same from us.

Eric Fredback

Okay. Great. Well, congrats again on a great quarter.

Brent K. Bilsland
President, CEO & Chairman

Thank you.

Operator

[Operator Instructions] The next question comes from [Brian Bassett], a private investor.

Unknown Attendee

Could you guys help with a little bit of what we should expect in Q4 from a CapEx standpoint and an inventory reduction standpoint?

Lawrence D. Martin
Executive VP & CFO

Yes. So our CapEx for the fourth quarter will be about ratable for what it's been the first 3 quarters, $5 million or $6 million for CapEx. And what was your other -- what was the end of that question?

Unknown Attendee

Regarding how much more inventory you think you'll work through in the fourth quarter.

Lawrence D. Martin
Executive VP & CFO

Oh, I think our inventory reduction will be very similar to the third quarter, 5 -- I think $5 million, maybe $5.5 million reduction. And that will still be a little higher than we started the year with. But our first quarter and second quarter of next year are kind of front-end loaded. So then we would further reduce it first quarter next year. But probably $5 million to $5.5 million reduction this quarter.

Unknown Attendee

Excellent. And one last question. When you guys think big picture, what's the price on nat gas that we should be thinking is the number that within Indiana coal would dispatch in front of?

Brent K. Bilsland
President, CEO & Chairman

Varies a little bit by each utility, what's the price of coal, what's the price of transportation. But I think $2.30 is kind of a good general range when we see $2.30 Henry Hub.

Operator

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[Operator Instructions] This concludes our question-and-answer session. I would like to turn the conference back over to Brent Bilsland for any closing remarks.

Brent K. Bilsland
President, CEO & Chairman

I want to thank everyone for taking the time to listen to our call today and specifically all those that asked questions. We appreciate your interest and look forward to talking to you next quarter. Thank you.

Operator
The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.

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