

# Quanta Services Shares Jump 12% on Pipeline Project

**Date:** November 2, 2011 11:39 AM

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**Source:** AP

**Categories:** [Stocks](#)

**Tags:** [PWR](#), [NYSE](#)

**Permalink:** <http://bit.ly/scsHKV>

Tallahassee, FL 11/1/11 ([StreetBeat](#)) -- Quanta Services Inc. ([NYSE: PWR](#)) said Wednesday that its third-quarter net income fell 17.2 percent as sales declined in its natural gas and pipeline business.

The Houston energy services company reported net income of \$52 million, or 25 cents per share, for the three months ended Sept. 30. That compares with \$62.8 million, or 30 cents per share, for the same part of 2010. Revenue increased 3.7 percent to \$1.25 billion in the quarter. Excluding acquisition costs and other special items, Quanta said adjusted earnings were 29 cents for the quarter.

The results beat Wall Street forecasts. Analysts, who typically exclude special items, had expected earnings of 25 cents per share on revenue of \$1.21 billion, according to FactSet.

The company said revenue grew 54.5 percent in its electric power business, 50.3 percent in its telecommunications business and 1.2 percent in its fiber optic licensing business. Revenues fell 53.1 percent in its natural gas and pipeline business, however, and the segment posted an operating loss of \$3.95 million, compared with a profit of \$53.1 million in last year's quarter. Quanta said it expects to earn between 32 and 36 cents per share in the final three months of the year on revenue between \$1.35 and \$1.45 billion.

Separately, Quanta, a contractor for the electrical, natural gas and telecommunications industries, said it was tapped for a joint venture that will build 1,179 miles of pipeline and related infrastructure from Hardisty, Alberta, to Steele City, Neb. The project, known as the TransCanada Keystone XL Pipeline, is headed by TransCanada, which is still awaiting final approval for the pipeline's construction. Quanta said it would hire at least 2,000 construction workers for the project.

Shares of Quanta rose \$2.62, or 13.21 percent, to \$22.46 in morning trading.

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