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The exclusive source for power financing and trading news

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Web Exclusives

CH Energy Group, a Newburgh, N.Y. utility, has set aside roughly \$129 million to acquire power plant stakes.

Final bids have been placed in **American Electric Power's** auction of 12 plants in Texas.

For the full stories go to *PFR's* Web site (www.iipower.com)

WestLB's Ryan Departs

John Ryan, managing director at WestLB in New York, has left the bank. Ryan led WestLB's restructuring team that tackled the jumbo debt refinancings at **Reliant Resources** and **Mirant** last summer.

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SCOTTISHPOWER, CALPINE JOIN BATTLE FOR U.K. POWER PLANT

U.K. utility ScottishPower, U.S. IPP Calpine and a newly formed bank-sponsored genco, **CGE Power**, are locked in a three-way tussle to acquire Damhead Creek, an 800 MW merchant power plant in Kent, southern England, that was foreclosed on last January by its bank creditors (PFR, 1/13/03). All three suitors have filed bids in the GBP300-350 million (\$550-635 million) range within the past three weeks.

Damhead's management, creditors and advisors met last



(continued on page 12)

BANKS VIE FOR LUCRATIVE MIRANT MANDATE

Banks are gearing up to bid for the lucrative mandate to advise and lead Mirant's multi-billion-dollar balance sheet refinancing, as the independent power producer prepares to exit Chapter 11 as early as this summer. **Credit Suisse First Boston** and **Citibank** are seen as early frontrunners to land the deal as they are also Mirant's largest lenders. "We're in the early stages of thinking this through," notes a financier in Mirant's lending group. "We're exploring all ideas from loan revolvers to term loans to bond issuances." He

(continued on page 12)

TRACTEBEL EYES SALE OR ASSET SWAP FOR PACIFIC NORTHWEST MERCHANT PLANT

Tractebel Power is looking to either sell or swap a recently completed \$400 million, 520 MW gas-fired power plant in Washington state. The Chehalis Power Station went into commercial operation in October, but following a strategic review the Houston-based player has decided it wants to own power plants that overlap with its energy services and marketing operations in the Northeast and Texas, explains an industry

(continued on page 12)

RELIANT REORGs; KAMINSKI DEPARTS

Three members of **Reliant Resources'** management committee, including **Vince Kaminski**, senior v.p., commercial analytics, have resigned following a sweeping reorganization announced at the beginning of the month. Kaminski, a heavyweight in quantitative energy analysis who founded and headed **Enron's** research group in Houston, could not be reached for comment.



Vince Kaminski

Reliant has combined its three formerly separate business units—corporate, wholesale and retail—into one entity in an effort to reduce costs and more closely mirror the market in which it operates,

(continued on page 11)

Check www.iipower.com during the week for breaking news and updates.



At Press Time

Citi Makes Trading Hires

Citigroup has begun filling out positions on its newly launched New York power trading desk. The firm has hired **Mark Sickafoose**, a power trader at **El Paso Corp.**, to trade the eastern U.S., and **Eric Strickland**, formerly with **RWE Trading Americas**, to trade the Western U.S. Both traders, who are expected to join Citi on Tuesday, could not be reached for comment. **Joseph Toussaint**, head of power trading, did not return calls.

Citi has also hired **Rachel Simon**, formerly with **Allegheny Energy**, to work in operations. Simon could not be reached.

Out The Door

WestLB's Ryan Follows Knoll

John Ryan, a managing director at WestLB in New York, has left the bank, following in the footsteps of his former boss **Manfred Knoll**, who exited the firm late last year (PFR, 11/17). Bankers say Ryan was closely allied to the colorful Knoll, who was head of global specialized finance in the Americas (PFR, 11/17). Ryan had already left the bank last week and could not be contacted. A spokeswoman at WestLB says the firm does not comment on personnel matters.

Ryan's most recent high-profile assignment was the \$5.9 billion make-or-break debt refinancing for **Reliant Resources** last year (PFR, 4/14). Ryan led WestLB's controversial effort to push hard for better loan terms from Reliant, a move that brought the debt-laden Houston utility to the brink of bankruptcy. Ryan's tough bargaining stance caused much ire among many of Reliant's other creditors, but also, ultimately secured better refinancing terms for the lending group.

Ryan also led WestLB's debt restructuring talks with **Mirant** last summer.

Downsized!

Goldman Erases Cogentrix Management

David Lewis, chairman, **James Lewis**, ceo, and **Mark Miller**, president and coo at **Cogentrix Energy** in Charlotte, N.C., have left the privately held power concern following **Goldman Sachs'** recent decision to acquire the IPP for \$2.4 billion. Lewis, Lewis and Miller left Cogentrix late last month. Calls seeking additional comment were referred to **Bruce Corwin**, a spokesman at Goldman in New York, who declined comment. Neither of the Lewis brothers nor Miller could be reached for comment.

In addition, **Dennis Alexander**, general counsel, **James Pagano**, group senior v.p.-development, mergers & acquisitions, **Thomas Schwartz**, cfo, and **Steve Doyon**, v.p.-project development, have also left Cogentrix as a result of the IPP's sale. Alexander declined comment and Pagano, Schwartz and Doyon could not be reached.

A lender familiar with the IPP says his firm has not been offered an explanation for the departures nor an indication of how the company will be managed from now on. He notes, however, some of the positions clearly overlapped with Goldman's in-house expertise.

Bruno Dunn, group senior v.p.-operations, is believed to be the only member of Cogentrix' executive management team to have survived the sale to Goldman. Dunn did not return calls.

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Institutional Investor NEWS
INTELLIGENCE FIRST

InterGen Gets Thumbs Up For \$1.6B Restructuring...

Burlington, Mass., power plant developer InterGen has restructured a troika of project loans totaling \$1.6 billion. The substance of the reworking was agreed toward the end of last summer (PFR, 9/1), but was only recently finally signed off on by all lenders. One official involved in the talks says the terms of the restructuring didn't change, but the process dragged on in part because credit approval was needed from the mammoth 30-strong bank group. **Martin Rees**, treasurer, declined comment.

InterGen is backing interest payments on three U.S. merchant power plants funded by the non-recourse loans with around \$300 million in letter-of-credit guarantees. In return for the LCs, lenders are deferring amortization of principal toward the end of the life of the loans and rounding up tenors on the deals so they all expire in 2011.

The plants are the 1,235 MW Cottonwood facility in Deweyville, Texas, the 1,220 MW Redbud plant in Oklahoma and the 900 MW Magnolia facility in Mississippi.

...As It Preps Energy Manager RFP

InterGen is preparing to put out an RFP for an energy manager for its 1,220 MW Redbud plant in Luther, Okla., and its 900 MW Magnolia plant in Ashland, Miss. The Burlington, Mass.-based company had planned to release the RFP in the fourth quarter (PFR, 9/22) but the document is awaiting approval from the IPP's advisor and bank lenders, according to an official familiar with the process. **Martin Rees**, treasurer, did not respond to questions by press time.

ArcLight Unit Launches Loan For Aquila Deal

An affiliate of **ArcLight Capital Partners** has launched a \$196 million B loan to back its acquisition of generation assets from Aquila. Under the \$301 million purchase, which was unveiled in November, **Teton Power Funding** is expected to take over 12 plants this quarter, say bankers. Further details of the pricing, tenor and structure of the loan could not be ascertained.

The loan is led by **Lehman Brothers**, which was also Aquila's advisor on the sale. Officials say Lehman has been offering financing packages to potential acquirers of assets where the firm is conducting the auction.

The plants are part of Aquila's residual merchant and trading business, which the company has been looking to sell. The

portfolio amounts to a net ownership in 643 MW and the facilities are located in California, Florida, Georgia, Maine, New York and Washington, and Jamaica.

Mexican Hydro Loan Edges Nearer To Closure

Banks are close to wrapping the loan leg of financing for the 750 MW El Cajon hydroelectric project in Nayarit, Mexico. The **WestLB**-led deal has received \$430 million in commitments from a seven-bank roster and is in talks with five other players, says one industry official. The aim is to wrap the \$450 million loan by the middle of next month, when a \$180-200 million bond will also be placed, he adds. Officials at WestLB declined comment.

The project is being built by a consortium headed by **Empresas ICA Sociedad Controladora** (PFR, 11/17). The project carries an implicit **Comision Federal de Electricidad** safety net as the state-owned utility has signed a PPA with the project. If CFE cancels the PPA, it has to pay a penalty equal to the debt on the project.

Enron Offspring Appoints CEO, Searches For Management

Prisma Energy International, one of two soon-to-be-formed Enron successor companies, is in the midst of hiring a management team to run the company should Enron creditors approve a plan of reorganization on April 20, which will help bring the Houston energy company out of Chapter 11. Under the plan Prisma will take ownership of Enron's international portfolio.

Sir **Ron Haddock**, a member of Enron's four-strong board, will be appointed chairman and ceo of Houston-based Prisma, says **Mark Palmer**, spokesman for Enron, noting that Haddock's primary role is to shepherd the new company through its infancy. "He could stay on for two years or five. It's at the board's discretion," says Palmer. Once Enron has been officially dissolved, Haddock will step down from its board.

The Houston office of recruitment firm **Russell Reynolds** has been hired to conduct Prisma's search for a cfo, says a market watcher. An official at Russell Reynolds declined comment.

Prisma is set to consist of the remnants of Enron's international portfolio and will include 2,100 MW of generation, 9,600 miles of natural gas pipelines, and 56,000 miles of electric transmission and distribution lines throughout Central and South America, South Korea, Turkey, Guam and Poland.

Haddock, who was most recently the ceo of **FINA**, a subsidiary of Brussels-based **Petrofina**, received a knighthood from the Kingdom of Belgium last May.

EKT Releases London Gas Traders

Entergy-Koch Trading has released two gas traders, **Andy Parker** and **Peter Simpson**, as a result of integrating its London-based gas and power desks. A spokesman for the energy trading shop says the departures, which occurred late last week, resulted from a decision to consolidate both long- and short-dated trading desks into a single team and eliminate any overlapping job functions. He adds that on a net basis EKT's energy trading and marketing headcount is set to grow imminently as the firm is looking to add a European power originator and is also looking to recruit a cross-commodity strategist and an options analyst.

MMC Hires AES Veteran

MMC Energy, a New York-based energy investment boutique that is looking to acquire power plants in both the U.S. and the U.K., has appointed **Glen Davis**, a former AES senior v.p., to its advisory board.

Davis left AES last May after an 18-year career covering power projects and acquisitions in the U.S., U.K. and Asia. His new appointment suggests MMC is taking another run at taking control of Drax, as Davis was involved in AES' GBP1.875 billion acquisition of the plant from **National Power** in 1999. Late last year MMC made a bid for the 4 GW coal-fired plant, an offer that was ultimately rejected by the plant's creditors. However, MMC is still interested in taking control of the asset following the recent failure of **International Power** to secure a sale.

"[His] knowledge and experience with assets in North America, the U.K., and Asia-Pacific will be key, as MMC pursues its asset acquisition and growth strategy," says **Karl Miller**, senior partner, in an e-mail sent to *PFR*. Davis was on vacation and could not be reached for comment.

Royal Bank of Scotland Fills N.Y. Project Slot

Royal Bank of Scotland has hired **Alec Montgomery**, head of the project finance team at **Crédit Agricole Indosuez** in New York, to head its New York project finance team. Montgomery, who joined last week, has a remit to build the firm's deal origination team, "so we're in a position to grow when the business comes back." That may involve adding one or two senior bankers, notes one observer. Montgomery says quality of the candidates will partly determine how many appointments he makes.

The move ends a long search to replace **Siobhan Smyth**, who returned to the U.K. last year (www.iipower.com, 9/1). The delay in picking a replacement puzzled some observers given the plum nature of the position at one of the few players

that is looking to grow (*PFR*, 12/8). "The opportunity speaks for itself. It's a smaller group that is growing," says Montgomery on his reasons for taking the position.

Montgomery reports to **Chuck Zabriskie**, head of project & export finance for the Americas in Houston. "I believe we have room to grow our market share in North America," Zabriskie says. He has known Montgomery for several years, dating back to their time together at **Union Bank of Switzerland** earlier in their careers. Prior to working at **Crédit Agricole**, Montgomery was head of **Deutsche Bank's** power project finance team.

Calls to officials at **Crédit Agricole** were not returned, but one banker says the firm is unlikely to hire a direct replacement for Montgomery, given its pending merger with **Crédit Lyonnais**.

Goldman Snares Structuring Heavyweight

Goldman Sachs has hired **Alex Tolstykh**, manager of research and structuring at **Progress Energy** in Raleigh, N.C. Tolstykh, reached at Progress Energy, referred calls to **Peter O'Hagan**, a Goldman partner in New York, who did not return calls.

Tolstykh is believed to be taking a senior structuring position covering the Southeast, according to an official familiar with the move. Goldman has been aggressively expanding its energy presence over the last year, most recently with the acquisition of privately held IPP **Cogentrix Energy**, which has added some 3,300 MW to the Wall Street firm's portfolio.

Prior to joining Progress Energy, Tolstykh held positions at **Deloitte** and **Morgan Stanley**.

Officials at Progress declined comment on the move.

NAB Reportedly Eyes U.S. Energy Push

National Australia Bank is considering expanding its agricultural commodity derivatives business in the U.S. to include energy derivatives, according to an official familiar with the firm.

Tim Andriesen, head of commodity derivatives marketing in New York, says NAB is looking to grow its commodity derivatives business but has "no firm plans" to launch an energy commodities trading operation in the Big Apple. NAB trades energy derivatives out of Sydney and London, he adds, but does not have a presence in the U.S. energy derivatives market.

A growing number of financial institutions, including **Citibank** (*PFR*, 6/23) and **J.P. Morgan** (*PFR*, 10/27), are preparing to get into the U.S. energy trading market in the wake of **Enron's** collapse and the waning of the wholesale market.

Corporate Strategies

SoCalEd Makes Three-Tranche Offering

Edison International's Southern California Edison recently tapped the capital markets with a three-tranche offering of first-mortgage bonds totaling nearly \$1 billion. **David Bodek**, an equity analyst at **Standard & Poor's**, says the bulk of the proceeds will be used to pay down existing debt, though a small portion will be siphoned off for capex purposes.

The debt package consists of \$300 million of 10-year 5% bonds that were priced at 99.844 to yield 78 basis points over comparable Treasuries, \$525 million of 30-year 6% bonds, priced at 99.339 to yield 98 basis points over Treasuries, and \$150 million of three-year floating-rate bonds. "Floats are cheap," notes Bodek, "and not a bad idea in a company's capital structure."

Bodek says the Rosemead, Calif.-based utility is likely to use the proceeds to fund the repurchase of all of its outstanding 40-year 8.75% junior subordinated deferrable interest debentures, a debt series that was paid down just a few days before the latest bond offering. **Gil Alexander**, a SoCalEd spokesman, declined to comment.

J.P. Morgan, Citibank and Lehman Brothers led the deal.

Georgia Power Places Debt Trifecta

Atlanta-based **Georgia Power Co.** tapped the market three times last week, landing \$400 million in two bond deals and a slug of trust preferred securities after deciding rates were low enough to warrant calling old debt. "We try to manage aggressively," says **Mike Harreld**, cfo, of the utility's approach to debt management. The debt will be used to refinance three separate debt issues that become callable toward the end of February, and it slices \$4 million off Georgia Power's annual interest bill.

Last Monday, the company placed \$100 million of 4%, seven-year notes via lead underwriter **Goldman Sachs**. On Tuesday, it priced \$100 million of 5.75%, 40-year bonds through **Citigroup**. And, last Thursday, as *PFR* went to press the **Southern Co.** subsidiary was set to place \$200 million in trust preferred paper with **Morgan Stanley** in the lead chair. **David Brooks**, managing director at Southern, says pricing for the trust preferred notes would be around the 5 7/8-6% mark.

The utility wasn't sure it could place all three deals within one week, Brooks says, but the demand was there. The advantage of doing all three so close to each other is that rates won't move significantly. He describes the thought process as,

"We like these rates. It'll save us some money. Get it done."

The line-up of investment banks was based on which firm was most aggressive in terms of getting the best price. Harreld says there is a group of banks Georgia Power likes to use, but at the same time firms have different capabilities in different securities. "One shoe doesn't fit all feet," he reflects.

Brooks declined to comment on which notes it will call with the new funds.



Middle East & North Africa

BNP, HSBC Ready Alba Financing

BNP Paribas and **HSBC** are expected to sign a \$300 million loan within the next few weeks to partly fund **Aluminium Bahrain's** development of a 640 MW power plant and the expansion of its smelting facilities. The export credit agreement-linked loan is the second leg of a roughly \$1.5 billion financing package signed last April.

The earlier deal consisted of a \$500 million commercially-syndicated loan, a \$250 million Islamic financing and a \$300 million loan facility secured against Alba's aluminum output.

BNP and HSBC are unlikely to syndicate the ECA tranche, says a banker involved in the process.

The \$1.7 billion "Line 5" expansion will allow Alba to increase its smelting capacity by some 33% to 750,000 tons of aluminum per annum (PFR, 6/30/02).

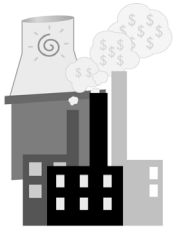
Bahrain Readies 400 MW IPP Tender

Bahrain's **Ministry of Finance & National Economy** is slated to launch a tender early this week for international power companies to bid on developing a 400 MW independent power plant at Al Ezzel, near Manama.

An official at **BNP Paribas**, which is advising the Bahraini government, says the greenfield combined cycle gas turbine project will be awarded on a build-operate-transfer basis under a 20-year contract with the country's Ministry of Electricity & Water.

The Ezzel project was initially conceived as both a water desalination and power generation project, but, in an attempt to speed up the project and meet growing demand for power, the scope of the project has been scaled back, explains a market watcher.

The Al Ezzel project marks Bahrain's third large-scale power development scheme in recent years. **Alstom** is presently expanding an existing 240 MW, 4.7 million gallon power and water desalination plant at Al Hidd into a 750 MW, six million gallon facility. Separately, aluminum smelter **Aluminium Bahrain** is building a 625 MW inside-the-fence combined-cycle gas-turbine plant (see story above).



Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call Will Ainger, managing editor, at (44-20) 7303-1735 or e-mail wainger@euromoneyplc.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status
AEP	Fiddler's Ferry	U.K.	2,000	Coal	Citi	Intention to sell.
	Ferry Bridge	U.K.	2,000	Coal	Citi	
	El Bajio	Mexico	600 (50%)	Gas	WestLB	
	Mulberry	Fla.	120 (45%)	Gas	CSFB	Launched sale process in June as part of deregulation of Texas market.
	Orange	Fla.	103 (50%)	Gas		
	Brush II	Colo.	68 (50%)	Gas		
	Thermo Cogen	Colo.	272 (50%)	Gas		
	Barney M. Davis	Texas	697	Gas/oil	CSFB	
	E.S. Joslin	Texas	254	Gas/oil		
	J.L. Bates	Texas	182	Gas/oil		
	Laredo	Texas	178	Gas/oil		
	Lon C. Hill	Texas	559	Gas/oil		
	Victoria	Texas	491	Gas/oil		
	La Palma	Texas	255	Gas/oil		
	Nueces Bay	Texas	559	Gas/oil		
	Coletto Creek	Texas	632	Coal		
	Oklunion	Texas	54 (7.8%)	Coal		
	Eagle Pass	Texas	6	Hydro		
	South Texas	Texas	630 (25%)	Nuclear		
AES Fifoots Point	Fifoots Point	U.K.	363	Coal	KPMG (Administrator)	Looking to sell plant.
Allegheny Energy Supply	Armstrong	Penn.	356	Coal	J.P. Morgan	Ongoing.
	Hatfield	Penn.	1,600 (75%)	Coal	Citibank	
	Mitchell	Penn.	442	Coal	J.P. Morgan	
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention to sell.
Black Hills Energy	Pepperell	Mass.	40	Gas	-	Intention to sell.
CenterPointEnergy	Texas Genco portfolio (12 plants)	Texas	14,175	Variety	-	Reliant Resources has option to purchase portfolio in early 2004
CMS Energy	Ensenada	Argentina	128	Gas-fired	Not chosen	Announced intention to sell.
	CT Mendoza	Argentina	520	Gas-fired	J.P. Morgan	
	El Chocon	Argentina	1,320	Hydroelectric	J.P. Morgan	
Duke Energy	Hot Spring Energy Facility	Arkansas	620	Gas	N/A	Is looking for an advisor to conduct sale
	Murray Energy	Georgia	1,240	Gas		
	Sandersville Energy	Georgia	640	Gas		
	Marshall Energy	Kentucky	640	Gas/oil		
	Hinds Energy Facility	Mississippi	520	Gas		
	Southhaven Energy	Mississippi	640	Gas		
	Enterprise Energy	Mississippi	640	Gas		
	New Albany Energy	Mississippi	385	Gas		
Dynergy	Oyster Creek	Texas	424 (50%)	Gas	N/A	Ongoing
	Hartwell	Ga.	300 (50%)	Gas		
	Michigan Power	Mich.	123 (50%)	Gas		
	Commonwealth	Va.	340 (50%)	Gas		
Duke Energy North America	Lee Energy	Ill.	640	Gas	J.P. Morgan	
	Bridgeport Energy	Conn.	480 (67%)	Gas		
	Grays Harbor (in construction)	Wash.	650	Gas		
	Deming Energy (in construction)	N.M.	570	Gas		
	Moapa Energy	Nev.	1,200	Gas		
	Griffith Energy (50%)	Ariz.	600	Gas		
	Maine Independence	Maine	520	Gas		

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
El Paso Europe	Enfield	U.K.	396 (25%)	Gas	No Advisor	Looking to exit Europe.
	EMA Power	Hungary	70	Coal		
	Kladna	Czech Rep.	350	Coal		
El Paso North America (Merchant assets)	Barstrop	Texas	543 (50%)	Gas	Citigroup	Final bids due.
	Bayonne	N.J.	171	Gas		
	Camden	N.J.	150	Gas		
	CDECCA	Conn.	58	Gas		
	Fulton	N.Y.	45	Gas		
	Newark Bay	N.J.	123	Gas		
	Pawtucket	R.I.	67	Gas		
	Rensselaer	N.Y.	79	Gas		
	San Joaquin	Calif	48	Gas		
El Paso North America (Contracted assets)	Ace	Calif.	100 (48%)	Coal	Banc of America	Launched sale in June.
	Mt Poso	Calif.	50 (16%)	Coal		
	NCA 1	Nev.	86 (50%)	Gas		
	Front Range	Colo.	480 (50%)	Gas		
	Badger Creek*	Calif.	46 (26%)	Gas		
	Bear Mt*	Calif.	45 (51%)	Gas		
	Chalk Cliff*	Calif.	45 (51%)	Gas		
	Corona*	Calif.	50 (20%)	Gas		
	Crockett*	Calif.	240 (5%)	Gas		
	Double C*	Calif.	46 (26%)	Gas		
	High Sierra*	Calif.	46 (26%)	Gas		
	Kern Front*	Calif.	46 (26%)	Gas		
	Live Oak*	Calif.	45 (51%)	Gas		
	McKittrick*	Calif.	45 (51%)	Gas		
	Cambria	Penn.	85	Coal		
	Colver	Penn.	100 (28%)	Coal		
	Gilberton	Penn.	80 (10%)	Coal		
	Panther Creek	Penn.	82 (50%)	Coal		
	Dartmouth	Mass	68	Gas		
	MassPower	Mass	252 (50%)	Gas		
	Midland Cogen	Miss.	1,500 (44%)	Gas		
	Prime	N.J.	66 (50%)	Gas		
	Mid-Georgia	Ga.	300 (50%)	Gas		
	Mulberry	Fla.	115 (46%)	Gas		
	Orange	Fla.	96 (50%)	Gas		
	Orlando	Fla.	114 (50%)	Gas		
	Vandola	Fla.	680 (50%)	Gas		
Endesa	Conatillor	Chile	172	Hydro	N/A	Ongoing.
Energy East	Ginna	N.Y.	470	Nuclear	J.P. Morgan	Looking to sell by year-end.
Entergy Asset Management	Crete	Ill.	320	Gas	Deutsche Bank	Launched sale in September.
	Robert Ritchie	Ark.	544	Gas/oil		
	Warren Power	Miss.	314	Gas		
	Top of Iowa	Iowa	80	Wind		
	RS Cogen	La.	425 (49%)	CHP		
	Roy S. Nelson	La.	550 (20%)	Coal		
	Harrison County	Texas	550 (70%)	Gas		
	Independence	Ark.	842 (15%)	Coal		
Exelon	Mystic 8	Mass.	800	Gas	Lehman Bros.	Has shortlisted bidders. Looking to execute a quick sale.
	Mystic 9	Mass.	800	Gas		
	Fore River	Mass.	800	Gas		
Fife Power	Fife	U.K.	115	Coal	KPMG (Administrator)	El Paso placed plant in administration.
InterGen	El Bajio	Mexico	600 (50%)	Gas	No Advisor	Ongoing
LG&E Power	Roanoke Valley	N.C.	178 (50%)	Coal	N/A	Sent out RFP in April.
	Gregory Power	Texas	550 (50%)	Gas		
	Palm Springs	Calif.	42 (50%)	Wind		
	Tyler	Minn.	27 (50%)	Wind		
	Van Horn	Texas	41 (33%)	Wind		
	Tarifa	Spain	30 (46%)	Wind		

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Mirant	Kendall	Mass.	270	Oil	CSFB	Ongoing.
	Shady Hills	Fla.	474	Gas	BofA	
	West Georgia	Ga.	640	Gas		
	Bosque County	Texas	538	Gas		
	Wichita Falls	Texas	77	Gas		
National Energy Gas & Transmission	Cedar Bay	Fla.	258 (64%)	Coal	Lazard	Set to launch auction shortly.
	Panther Creek	Penn.	80 (55%)	Coal	Lazard	
	Logan	N.J.	226 (50%)	Coal	Lazard	
	Northampton	Penn.	110 (50%)	Coal	Lazard	
	Indiantown	Fla.	330 (51%)	Coal	Lazard	
	Carneys Point	N.J.	245 (51%)	Coal	Lazard	
	Selkirk	N.Y.	345 (42%)	Gas	Lazard	
	Altresco Pittsfield	Mass.	173 (89%)	Gas	Lazard	
	Masspower	Mass.	267 (13%)	Gas	Lazard	
	Scrubgrass	Penn.	87 (51%)	Coal	Lazard	
	Colstrip Energy	Mont.	40 (17%)	Coal	Lazard	
	Hermiston	Ore.	474 (25%)	Gas	Lazard	
NRG (Asia)	Gladstone Power	Australia	1,500 (37.5% stake)	Coal	ABN AMRO	Awaiting bids.
	Flinders	Australia	760	Coal		
	Hsinchu	Taiwan	400 (60% stake)	Gasfired		
	Lanco Kondapalli	India	340 (30% stake)	Gas/Oil		
	Collinsville	Australia	192 (50% stake)	Coal		
NRG (Latin America)	TermoRio	Brazil	1040 (50% stake)	Gas	Deutsche Bank	Awaiting bids.
	COBEE	Boliva	220 (98% stake)	Hydro/Gas		
	Itiquira Energetica	Brazil	160 (98% stake)	Hydro		
	Cementos Pacasmayo	Peru	66	Hydro/Oil		
	Bulo Bulo	Bolivia	90 (60% stake)	Gas-fired		
	Cahua	Peru	45	Hydro		
NRG (Europe)	CEEP	Poland	10 (10% stake)	-	Goldman Sachs	Ongoing.
	Enfield	U.K.	380 (25%)	Gas-fired		
	MIBRAG	Germany	238 (50% stake)	Coal		
NRG (U.S.)	Big Cajun II	La.	2,400 (90%)	Coal	-	Ongoing.
	Pike	Miss.	1,192	Gas		
	Batesville	Miss.	1,129	Gas		
	Brazos Valley	Texas	633	Gas		
	Kaufman	Texas	545	Gas		
	Big Cajun	La.	458	Gas		
	Bayou Cove	La.	320	Gas		
	Sabine River	Texas	420 (50%)	Gas		
	Sterlington	La.	202	Gas		
	Mustang	Texas	485 (25%)	Gas		
	Pryor Cogen	Okla.	88 (20%)	Gas		
	Timber	Fla.	13.8	Biomass		
	Power Smith	Okla.	80 (9.6%)	Gas		
Oman (Ministry of Housing, Electricity & Water)	Rusail	Oman	730	Gas	CSFB	-
	Ghubratt	Oman	507	CHP		
	Wad AlJazzi	Oman	350	Gas		
Ontario Power Generation	Lennox	Ontario	2,140	Oil, gas	Merrill Lynch & Scotia Capital	Ongoing.
	Lakeview	Ontario	1,140	Coal		
	Atikokan	Ontario	215	Coal		
	Thunder Bay	Ontario	310	Coal		
PG&E National Energy Group	Bear Swamp	Mass.	599	Hydro	Lazard Frères	Ongoing.
	Masspower	Mass.	267	Gas		
	Salem Harbor	Mass.	745	Coal & Oil		
	Pittsfield	Mass.	173	Gas		
	Brayton Point Station	Mass.	1,599	Coal		
	Manchester Street Station	R.I.	495	Gas		

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
SG-led bank group (NEG developed plants)	Athens	N.Y.	1,080	Gas	Blackstone	Assessing bids.
	Covert	Mich.	1,170	Gas		
	Harquahala	Ariz.	1,092	Gas		
	Millennium	Mass.	360	Gas		
TECO Energy	Gila River Power Station	Arizona	2,300	Gas	N/A	Is considering exiting the merchant energy business
	Odessa Power Station	Texas	1,000	Gas		
	Guadalupe Power Station	Texas	1,000	Gas		
	Frontera Power Station	Texas	477	Gas		
	Dell Power Station	Arkansas	540	Gas		
	Union Power Station	Arkansas	2,200	Gas		
	McAdams Power Station	Louisiana	599	Gas		
	Commonwealth Chesapeake	Virginia	315	Gas		
Tractebel North America	Ripon Cogeneration	Calif.	49	Gas	Navigant	Launched sale in May.
	San Gabriel	Calif.	41	Gas		
	Chehalis	Wash.	520	Gas		Looking to sell or swap.

* Looking to sell the California-located Jupiter portfolio as a single block

Weekly Recap

The Weekly Recap is a summary of publicly reported power news stories. The information has been obtained from sources believed to be reliable, but PFR does not guarantee its completeness or accuracy.

Asia & Australia

- **China Power International** is preparing an international stock market listing, a move that could value the state power company at up to \$4 billion. The company has invited at least five investment banks, **Citibank**, **Credit Suisse First Boston**, **Deutsche Bank**, **Merrill Lynch** and **UBS** to bid for an advisory role. The utility is expected to float some 25% of its shares on Hong Kong's stock exchange and a secondary listing in New York is also possible (*Financial Times*, 1/14).

- At least seven bids have been shortlisted for **Duke Energy's** AUD1.5 billion (\$1.2 billion) Australian and New Zealand assets, but the option of an initial public offering is still running neck-and-neck with a trade sale (*Reuters*, 1/13).

Europe & Canada

- **American Electric Power** has rejected a bid from **International Power** for two U.K. power stations. London-based IP had been preferred bidder for Fiddlers Ferry and Ferrybridge. AEP is trying to sell the plants as it exits Europe to focus on its U.S. operations (*Reuters*, 1/9).

- At least two major U.S. financial firms, believed to include **Morgan Stanley** in conjunction with **MMC Energy** have held

talks in recent weeks about a possible leveraged buyout of U.K. **IPP International Power** (*Sunday Express*, 1/12).

- France is determined to win the blessings of an international consortium to host the first large-scale nuclear fusion plant. Prime Minister **Jean Pierre Raffarin** told reporters following his New Year's address that "Europeans can do it by their own means" if necessary. France and Japan are both bidding for the project to generate energy by reproducing the sun's power source—an estimated \$12 billion effort to find an alternative to fossil fuels like coal and oil. The project's sponsors, the European Union, the U.S., Russia, South Korea, China, Japan and Canada, are to meet next month to discuss the site choice (*Associated Press*, 1/12).

- Dutch renewable energy firm **E-Connection** is set to start building a 120 MW offshore wind energy park 15 miles off the Dutch coast. The wind farm, which will consist of 60 2 MW turbines, is expected to come on line in 2005 (*Reuters*, 1/13).

- Spain's **Gas Natural** has agreed to buy Italian gas distributor **Brancato** for some EUR100 million. The purchase of Sicily-based Brancato marks Gas Natural's entry into the Italian gas distribution market. Gas Natural has been marketing natural gas in Italy since 2002 (*Dow Jones*, 1/14).

● **Enel CEO Paolo Scaroni** says an agreement between the Italian utility giant and **Electricité de France** to swap control of various assets and pave the way for EdF to take control of Italian utility **Edison** could take months to conclude. The two state-controlled giants are locked in talks over an accord that would give Enel access to the French market, but Rome and Paris are reluctant to open up their highly protected power markets to foreign competitors (*Reuters*, 1/15).

Latin America

● **Eletrobras CFO Alexandre Magalhaes** has resigned from Brazil's biggest state-run power company, despite pleas by his bosses to stay. Magalhaes, who is widely credited with improving the company's transparency and finances, is leaving for personal reasons (*Dow Jones*, 1/9).

U.S. & Canada

● **Duke Energy** is reorganizing its wholesale energy divisions and shuffling their managers accordingly. The only manager leaving the company in the reorganization is **Robert Ladd**, president of Duke's North American wholesale energy division, based in Houston. His job will be eliminated in Duke's restructuring. Duke said it is combining its remaining North American and international wholesale-energy units into a newly created unit called **Duke Energy Americas** (*Reuters*, 1/12).

● Workers at unit 3 at **Entergy Nuclear's** Indian Point nuclear power station in New York state are preparing for a possible strike if their union and the company cannot agree on a new contract, a union official said (*Reuters*, 1/12).

● **Virginia Natural Gas** filed a complaint with the **Federal Energy Regulatory Commission** against **NiSource's Columbia Gas Transmission** unit, alleging operational failures in the Columbia system that hurt Virginia Natural Gas and its customers. Virginia Natural Gas is seeking about \$37 million in damages, the majority of which would be distributed to customers should the utility prevail (*Dow Jones*, 1/14).

● **El Paso Corp.** and its **Coastal Eagle Point Oil Co.** operation closed the sale of the Eagle Point refinery and inventories to **Sunoco** for about \$246 million. The deals consist of \$111 million for the refinery and about \$135 million, subject to adjustment, representing the fair market value for the related working inventories. The refinery is in Westville, N.J., across the Delaware River from Philadelphia (*Dow Jones*, 1/14).

● **Black Hills Corp.** is acquiring **Cheyenne Light, Fuel & Power** from **Xcel Energy**, which expects to record a gain of about a cent a share when the deal closes. Further financial details weren't disclosed, but the companies expect to gain regulatory approval and close the deal by year-end. Black Hills expects to pay about book value for the electric and gas utility, which has 30,000 gas customers in Cheyenne, Wyo. and provides power through a contract with **Public Service Company of Colorado**, which extends through 2007 (*Dow Jones*, 1/13).

● **Westar Energy** repaid most of its bank term-debt in the fourth quarter. The move is part of a broader plan to cut its borrowings and regain a firm financial footing. The Topeka, Kansas-based company repaid \$279.7 million, cutting the term loan balance to about \$114 million. Westar, whose two former top executives were indicted for fraud last month, said it cut its debt by more than \$890 million to \$2.25 billion in 2003 by selling off investment stakes and using cash from operations (*Reuters*, 1/12).

● The Justice Department's plea agreement with former **Enron CFO Andrew Fastow** will result in further leads in the Enron fraud investigation. "We are confident more can be done in this case and Mr. Fastow can be helpful. Our work is not done here," said Deputy Attorney General **James Comey** just hours after Fastow entered a guilty plea. Fastow is the highest-level defendant to be charged to date in the Enron investigation. Fastow's cooperation is expected to provide information on any involvement by former Enron Chairman **Kenneth Lay** and former CEO **Jeffrey Skilling**. Both have proclaimed their innocence (*Wall Street Journal*, 1/15).

● The **California Energy Commission** has awarded **Calpine** a license to build the 1,100 MW San Joaquin Valley Energy Center, a project that could come on line within two years. The combined-cycle, natural gas-fired plant will cost between \$400-600 million to build, and will be sited near Fresno in the city of San Joaquin. The plant's operational date will depend on whether and when Calpine can sign a power purchase agreement, said **Mike Argentine**, a project development manager at Calpine (*Dow Jones*, 1/15).

● A day after a **Mirant** executive estimated the company could raise \$325 million from the partial public offering of its Philippine business, the U.S. power producer played down the estimate and said it was too early to assign a value (*Reuters*, 1/14).

RELIANT REORGs

(continued from page 1)

according to **Sandy Fruhman**, a spokeswoman in Houston.

As part of the reorganization **Rex Clevenger**, senior v.p., finance, and **Mark Hendrix**, senior v.p. and chief information officer, have also resigned. Clevenger and Hendrix, who were both members of

Reliant's management committee, could not be reached.

Kaminski, known in the industry as "the genius," joined Reliant last spring after a stint at Chicago hedge fund **Citadel Investment Group** (PFR, 5/25). A senior trader at a rival hedge fund says the departure from Reliant is probably a good move for Kaminski as his talents were under-utilized at the company.

—*Victor Kremer*

Financing Record (JANUARY 7 - JANUARY 14)

Bonds

Issue Date	Maturity	Issuer	Country	Amount (\$ mil)	Offer Price	Type of Security	Coupon (%)	Spread to Benchmark	Moody's	S&P	Bookrunner(s)
1/12/04	1/15/16	Dominion Resources	U.S.	200	99.965	Notes	5.2	115	Baa1	BBB+	Barclays/Wachovia
1/12/04	5/15/06	Dominion Resources	U.S.	100	100	Float Rate Nts	Floats	-	Baa1	BBB+	Barclays/Wachovia
1/12/04	1/15/11	Georgia Power (Southern Co)	U.S.	100	99.023	Notes	4	57	A2	A	Goldman Sachs & Co
1/13/04	1/15/44	Georgia Power (Southern Co)	U.S.	100	100	PINES	5.75	77	A2	A	Citigroup
1/13/04	2/1/19	United Utilities	U.K.	350	99.548	Notes	5.375	135	A2	BBB+	UBS

M&A

Date Announced	Date Effective	Target Name	Target Advisors	Target Country	Acquiror Name	Acquiror Advisors	Acquiror Country	Deal Value (\$mil)
1/9/04	-	Halemba Power Plant	-	Poland	Kompania Weglowa	-	Poland	-
1/12/04	1/12/04	Electrabel	-	Belgium	Suez	-	France	637.024
1/13/04	1/13/04	Grupo Brancato	-	Italy	Gas Natural	-	Spain	127.698
1/13/04	-	Cheyenne Light Fuel & Power	-	U.S.	Black Hills Power	-	U.S.	-
1/13/04	-	Jersey New Waterworks	-	Jersey	Jersey Electricity	-	U.K.	-
1/14/04	-	Yuechi Natural Gas	-	China	Panriver Investments	-	Hong Kong	4.476

Source: **Thomson Financial Securities Data Company**. For more information, call **Rich Peterson** at (973) 645-9701.

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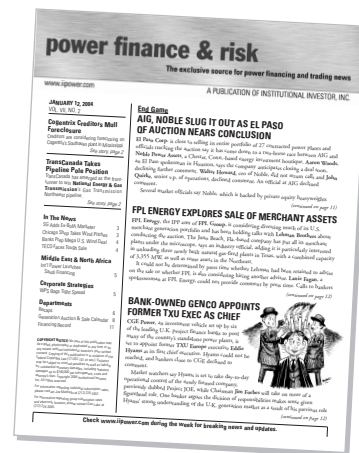
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TRACTEBEL EYES

(continued from page 1)

official. **James Beach**, the project finance point man at Tractebel in Houston, declined comment.

Tractebel isn't driven by a strong sense of urgency. The sale is something it would like to do, but if it doesn't land a good offer it will keep the merchant asset, a banker says. That approach reflects the backing it gets from its deep-pocketed Belgian parent **Tractebel S.A.**, he explains.

Talks are at an initial stage, says another official, who declined to identify interested parties. If the sale doesn't go ahead, the company may look to tap the project finance market later this year to refinance the facility, he adds. Construction of the project was funded on Tractebel's balance sheet.

Tractebel was planning to pull the trigger on a \$250 million non-recourse loan to refinance the construction costs of the plant up until late last year (PFR, 9/29). Bankers who pitched for the deal have been told that the refinancing wouldn't be going ahead.

One banker who pitched to arrange the non-recourse loan says the plant, which is located in the town of Chehalis, is performing well since being fired up. —**Peter Thompson**

BANKS VIE

(continued from page 1)

expects Mirant's creditor committee, in conjunction with management, to run a beauty contest by March, though no formal date has been set. **James Peters**, a spokesman at Mirant in Atlanta, says he does not know when the company would emerge from bankruptcy or when a bank would be chosen to lead the exit financing. **Pen Pendleton**, spokesman at CSFB, declined to comment, and **Danielle Romero**, a Citi spokeswoman, did not return calls.

Mirant's refinancing will likely consist of \$1 billion in high-yield bonds, says one banker, adding the deal could prove extremely profitable for Wall Street firms. CSFB and **Lehman Brothers** split a \$36 million underwriting fee to lead Minneapolis-based **NRG Energy's** \$2.7 billion debt refinancing, issued shortly after emerging from bankruptcy in early December, according to one banker. Citi and **Deutsche Bank** each pocketed \$2 million for co-managing the deal, he adds. **Lesa Bader**, a spokeswoman at NRG, declined to comment on investment banking fees, as did **Hannah Burns**, spokeswoman at Lehman Brothers. **Ted Meyer**, spokesman at Deutsche Bank, did not return calls.

The precise make-up of the committee that will appoint the refinancing mandate is still being worked out, reports one banker, adding its composition will help determine which firms are chosen. "If management changes between now and then, Citi may

have a better chance," argues the banker, noting that the bank voted against Mirant's restructuring plan last summer, a move that helped to push the IPP into bankruptcy (PFR, 6/30).

—**Nina Sovich**

SCOTTISHPOWER

(continued from page 1)

Thursday afternoon at City law firm **Allen & Overy** to weigh up the competing bids. No decision was reached, but a banker close to the talks says Calpine is running a distant third in the race. He adds the creditor committee is sharply divided on whether to accept ScottishPower's all-cash GBP309 million offer or back a more speculative GBP350 million debt-financed offer from CGE Power.

ScottishPower's offer, filed on Jan. 5 with **Damhead Creek Ltd.**'s management board in Cobham, Surrey, is the Edinburgh-based utility's second attempt to acquire the gas-fired power plant, according to an offer letter obtained by PFR. The Edinburgh-based utility made an initial pitch on Dec. 22, and upped the ante with a GBP20 million sweetener 14 days later.

In the letter, **Jamie Wilson**, projects director at ScottishPower, stated the utility is looking to sign exclusive acquisition negotiations by last Friday. It also suggests a growing level of frustration among ScottishPower's management that it has been unable to ink a deal so far.

"We are becoming increasingly concerned as to the prospects of completing a successful transaction with you...I cannot overstress the fact that absent some improved degree of certainty as to the process and the way forward we may have no alternative than to pursue alternative opportunities where the prospects for completion are greater."

Wilson declined to comment, as did **Cliff Stanley**, managing director and ceo of Damhead Creek.

Calpine's offer, filed Jan. 6, follows an earlier approach last July. According to an offer letter obtained by PFR, the San Jose, Calif., based IPP is offering Damhead's creditors roughly GBP30 million in cash and roughly GBP230 million in non-recourse debt. Additionally, Calpine proposes to credit-enhance the debt by cross-collateralizing it against Calpine's 1.2 GW Saltend power plant, a facility that is funded on Calpine's balance sheet. Calls to **John King**, senior v.p. of Calpine's international business in San Jose, were not returned.

—**Will Ainger**

Quote Of The Week

"We like these rates. It'll save us some money. Get it done."—**David Brooks**, managing director at **Southern Co.** in Atlanta, explaining the utility's pragmatic and opportunistic approach to capital raising (see story, page 5).