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CIT Eyes Wrap Of Gas Storage Loan

CIT Group is expected to complete a non-recourse construction loan for **SGR Holdings** to develop a natural gas storage facility in Green County, Miss., this week.

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Bear Stearns Has LatAm Appetite

Arroyo Energy Investors, a wholly owned private equity arm of **Bear Stearns**, is mulling its options in South America.

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EXELON PLACES N.J. NUCLEAR FACILITY ON THE BLOCK

Exelon Corp. is quietly marketing a nuclear facility in Lacey Township, Ocean County, near the New Jersey Shore. Officials who have spoken to Exelon say the energy company is seeking a sale of the facility, known as Oyster Creek, in order to appease regulators as it works on completing its merger with Newark, N.J.-based **Public Service Enterprise Group**. One executive says the vintage-1969 plant could fetch some \$500-800 million in an auction.

A call to plant manager **Jim Randich** was not returned and

(continued on page 11)



Oyster Creek Power Plant

CAITHNESS SEEKS \$375M FOR L.I. PLANT

Caithness Long Island, an entity of New York-based **Caithness Energy**, is looking for banks to lead a roughly \$375 million construction loan to finance the first major baseload generating plant to be built on Long Island since the 1970s. **Ross Ain**, senior v.p. for Caithness in New York, says the company has submitted a request for proposal to prospective banks for construction financing for the proposed 326 MW gas-fired generation facility in Suffolk County, Long Island, but declined to name them or say how many lenders were in the running.

Underpinning the development is a 20-year power purchase agreement that the **Long Island Power Authority** has signed for 286 MW of the Long Island Energy Center. The remaining capacity will be shopped on a merchant basis. Selling some merchant capacity is a

(continued on page 12)

Another Dollop Of Dough

NRG JUICES \$3.2B GENCO ACQUISITION LOAN

NRG Energy's financing to fund the proposed acquisition of **Texas Genco** has been increased by \$375 million. Buyside demand compelled leads **Morgan Stanley** and **Citigroup** to tack on the additional amount to the seven-year \$3.2 billion term loan, pushing it to \$3.575 billion. NRG is hoping to use proceeds to replace preferred stock that carries a high interest rate with less expensive bank facilities, bankers say. Officials at Morgan and Citi declined to comment on the transaction.

Jay Mandel, spokesman for NRG Energy in Princeton, says final regulatory approval from the Nuclear Regulatory Commission for the Genco merger has been obtained, but declined to talk about financing related to the tie-up.

(continued on page 12)

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



At Press Time Swiss Commodities Shop Anoints Sales Chief

Lausanne, Switzerland-based Diapason Commodities

Management has tapped Frederic Hervouet as its global head of sales. The firm, which was founded in 2003 by commodities legend Jim Rogers, Lionel Motière and Stephan Wrobel, manages roughly \$2.8 billion. Diapason's assets were just \$150 million at the start of last year, and the asset growth is one reason for the new position being created, said Hervouet, who was head of Europe, Middle East and South East Asian marketing for Systeia Capital Management.

Rogers is no longer directly involved with the firm, following a management buyout of his stake in November. However, Diapason still offers products based on his *Rogers International Commodities Index*. It also made a push last year to get involved with active management, which also increased the need for marketing, says Hervouet.

Lenders To Kick Off Calpine DIP Syndication

Deutsche Bank and Credit Suisse will launch syndication of a \$2 billion DIP financing package imminently for beleaguered Calpine, barring final word from the bankruptcy judge. The package consists of a \$1 billion term loan, split into a two-year, \$350 million first-lien and a two-year \$650 million second-lien, and a two-year \$1 billion first-lien revolver. Pricing on the first-lien loan and revolver is expected to start at LIBOR +225 with pricing for the second-lien term loan expected to start at LIBOR +450. Calls to bankers at Deutsche Bank and Credit Suisse were not returned.

Banks started jockeying for the right to prep the debtor-in-possession financing even before the company filed for bankruptcy (PFR, 12/19). According to Katherine Potter, spokeswoman for the San Jose, Calif., IPP, the company has access to \$500 million in funds now, but adds it is too soon to comment on the DIP, since the company has a court hearing Wednesday in the U.S. Bankruptcy Court in New York, which will cover a variety of motions.

Calpine's capital structure includes about \$17 billion in debt set to mature at the holding company over the next few years. It includes \$5.6 billion of senior unsecured bonds and about \$12 billion that holds priority over its senior unsecured bonds. That includes \$642 million of first lien notes and \$3.7 billion of second lien notes (PFR, 12/19).

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**Institutional
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INTELLIGENCE FIRST

Pricing Emerges On Astoria Generating B-Loan

Leads **Goldman Sachs** and **Morgan Stanley** launched the \$950 million financing package for the Astoria assets last week with pricing at around LIBOR plus 225 for the first tranche of debt and LIBOR plus 450 proposed for the second tranche. The credit bankrolls **Madison Dearborn** and **US Power Generating's** winning bid to acquire generating assets from **Reliant Resources** for \$975 million (PFR, 10/3). Calls to **David Mosher**, managing director at Madison Dearborn in Chicago and **Jacob Worenklein**, head of US Power Gen in New York, were not returned.

Observers say about 80 strong queued up to take pieces of the loan. As a result, pricing could be flexed down, specifically on the second tranche, as the transaction gets closer to completion, say officials close to the deal. Calls to bankers at Goldman and Morgan were not returned.

Arleen Spangler, analyst at S&P in New York, says the package is similar to what the rating agency has seen in the past. She notes one of the determining factors in the rating was the unique New York City market which necessitates factoring in the capacity market and the uncertainty of prices. Bolstering the deal is a Morgan Stanley capacity contract that locks in capacity revenues for the first three years for about 50% of net revenues.

S&P rates the first tranche BB- and the second tranche received a B rating. The loan consists of a \$430 million term loan B, a \$100 million working capital facility and a \$120 million synthetic letter of credit. A \$300 million term loan C makes up the second tranche.

Chévere

Bear Stearns Unit Targets Latin American Generation

Arroyo Energy Investors, a wholly owned private equity arm of **Bear Stearns**, is considering its options in South America. "It's an area of interest for us," says **David Field**, managing director of Arroyo in Houston. **Pamela Baden**, managing director says Mexico and Brazil are two areas of interest for the company. Those countries are stable nations relative to others in Latin America, according to **Sovereign Risk Insurance**, a Bermuda-based political risk insurer. The directors declined to be more specific about Arroyo's plans.

Arroyo has acquired approximately \$2 billion worth of assets, including the purchase of **El Paso's** equity interests in the Cedar Brakes I and Cedar Brakes II subsidiaries for about \$94 million last year.

Arroyo is currently in the process of auctioning two qualifying

facilities in Florida (PFR, 1/13). The gas-fired plants, which were acquired from **American Electric Power** for \$156 million in March 2004, are the 120 MW Mulberry plant and the 103 MW Orange plant. Arroyo owns 46.25% of Mulberry and 50% of Orange. The sale is being handled internally. Initial bids are due Feb. 6 and final bids are due March 3.

Merrill Expresses Cautious Optimism On Mirant

Mirant Corp. has strong liquidity as it emerges out of bankruptcy, but the market may be too optimistic in its hopes for the company's EBITDA, according to a **Merrill Lynch** report. Merrill Analyst **David Silverstein** in New York, says there are still a number of factors that Mirant will need to manage in the coming year, including its hedging program, emissions compliance costs and future asset sales. A call to **Dave Thompson**, spokesman for Mirant in Atlanta, was not returned.

On a consolidated basis, Merrill is projecting Mirant to have a \$1.15 billion EBITDA, while other researchers have predicted pro forma numbers upwards of \$700 million, Silverstein notes.

Mirant has hedged more than 50% of its coal-fired productions through 2006, according to the report, but analysts are looking for a continued hedging plan beyond, Silverstein says. Merrill expects that Mirant could receive about \$1.5-2 billion from the sale of their Philippines assets, but the use of those proceeds has not been declared.

As Mirant lines up its strategy, analysts are hoping for clarified guidance for the year during an analyst meeting to be held next month in New York. Merrill does not expect to seek business with Mirant in the future, the reporter says.

CIT Group Set To Wrap Miss. Gas Storage Loan

CIT Group is expected to complete a non-recourse construction loan for **SGR Holdings** to develop a natural gas storage facility in Green County, Miss., this week. The holding entity, a subsidiary of Boston-based **ArcLight Capital Partners**, is aiming to secure financing in the neighborhood of \$100 million. Pricing has been set in the 200-300-basis point range, says one banker looking at the deal, which consists of a construction loan and working capital facility. **Tony Clark**, principal at SGR in Houston, did not return a call requesting comment. Officials at CIT also did not return calls.

The storage terminal, the Southern Pines Energy Center, is being built by **SG Resources Mississippi**, a subsidiary of Houston-based SGR. Only a handful of bankers are participating

in the financing, but their identities could not be determined.

Construction on the first phase was expected to kick off late in the fourth quarter or some time in the first quarter. The natural gas terminal, once completed, will store up to 16 billion cubic feet of natural gas. Initial construction will cover half of its

capacity, with the company hoping to bring the operation into service next year. Phase II is expected to come into service a year later.

Federal Energy Regulatory Commission approved construction in October 2002.

Corporate Strategies

Progress Shops Notes To Chop Maturing Debt

Progress Energy has sold \$400 million in senior notes to tackle some \$800 million in maturities coming due in March. **Tom Sullivan**, treasurer at the Raleigh, N.C.-based energy company, says the debt coming due was originally obtained when it acquired assets from **LG&E Energy** nearly four years ago (PFR, 5/1/02). Sullivan says the debt issuance will address half of the maturing debt, while the remainder will be paid down with cash on hand.

Progress shopped \$300 million in fixed 5.625% notes due 2016 and \$100 million floating-rate senior notes due 2010. Issuing a mix of fixed and floating debt gave the company wiggle room in case rates shift. "We wanted to give ourselves some flexibility to pay down debt in the future without paying a premium, which the floating rate allows us to do."

Citigroup and **Banc of America Securities** were joint bookrunners. Those institutions have worked with Progress in the past, Sullivan notes, declining to elaborate on the company's banking relationships.

Four years ago, Progress issued five- and 10-year notes via Banc of America Securities and **Salomon Smith Barney** to help fund its acquisition of a pair of power plants in Georgia. The debt was split into a \$350 million, 6.05% five-year tranche and a \$450 million, 6.85% 10-year leg.

'Bama Utility Pitches Long-Terms

Alabama Power has sold \$200 million of 10-year, 5.2% notes and \$100 million 30-year, 5.75% notes to pay down short-term borrowings. Funds from both offerings were used to pay down short-term debt associated with general corporate spending, including the Birmingham, Ala.-based utility's ongoing construction program, says **Earl Long**, assistant treasurer at parent company **Southern Co.**

The \$200 million offering was led by **Citigroup** and **Goldman Sachs**, and co-managed by **Morgan Keegan**, **Jackson Securities**, **Scotia Capital**, and **BNY Capital Markets**. Morgan Keegan and Jackson Securities were included on the deal because both are skilled at finding smaller tier-two and tier-

three investors.

The \$100 million long-bond offering was led by **Edward Jones** and sold to retail investors. "[Edward Jones has] a large retail base and [has] been able to sell our bonds through retail before," Long says, noting that focusing on retail investors is a lot more labor intensive, but is worth it because it diversifies the investor base.

Alabama Power would have liked to offer more long bonds, but its bankers indicated that it would be challenging to sell more than \$100 million. **Jim Krekeler**, general partner at Edward Jones, says the 30-year notes the firm sold are a bond tailor made for retail investors, given that they possess a AAA-insured bond insurance policy and pay quarterly instead of semiannual dividends.

Entergy Miss. Taps Notes To Replace Acquisition Debt

Entergy Mississippi has issued \$100 million, 5.9% first-mortgage bonds due in 2016 to refinance funds used to help it acquire the Attala plant. Specifically, the notes will help the **Entergy Corp.** utility subsidiary pay back inter-company funds it borrowed from its parent via a shared subsidiary money pool. According to **Justin Bowersock**, an analyst with **Fitch Ratings** in Chicago, the pool is a means of short-term financings for the subsidiaries. A call to **Morgan Stewart**, Entergy spokesman in Jackson, Miss., was not returned.

Entergy acquired the 480 MW, natural-gas-fired, Attala facility in Kosciusko, Miss., in March. The utility paid \$88 million for the plant and additional funds were expected to be shelled out for upgrades. It is unclear how much of the note offering will go toward refinancing.

Entergy Mississippi has been dealing with storm recovery costs related to Hurricanes Katrina and Rita. Bowersock says the company will be seeking regulatory approval for cost recovery that is expected to come over a five-year timeframe.

Credit Suisse First Boston and **Key Bank** served as bookrunners for the note offering. After the issuance, total debt for Entergy Mississippi will be about \$795 million, with the new debt increasing the company's total debt-to-capitalization ratio to 56:44 from 53:47, Bowersock says.

Nev. Bankrolls Plant Purchase Via Debt Auction



Bill Rogers

Nevada Power has placed privately \$210 million of 10-year 5.95% notes to pay for the acquisition of a 75% interest in the Silverhawk generation plant in the Las Vegas Valley from a subsidiary of **Pinnacle West**, says **Bill Rogers**, corporate treasurer at Nevada Power.

Credit Suisse First Boston, **Merrill Lynch** and **BNY Capital Markets** served as senior co-managers, while **Commerzbank** and **Harris Nesbitt** acted as co-managers. Nevada Power specifically targeted investment-

grade investors rather than the high-yield community because of its improving credit rating. Its improved rating also enabled it to diminish or eliminate some of the covenants it maintained on earlier offerings, Rogers comments, declining to provide details. More than 60 institutional investors participated in the offering.

The sale was timed to coincide with the purchase of the 3/4-interest in Silverhawk, which closed concurrently on Jan. 10. Rogers says Nevada Power chose 10-year notes because buy-side interest was greatest in that market, its bankers said.

Nevada Power's capital structure consists of \$1.76 billion in shareholder equity and \$2.33 billion in debt, for a debt-to-capitalization ratio of 57:43. It has a \$500 million revolver through lead arranger **Wachovia** that matures Nov. 2010.

Financing Record (JANUARY 11-JANUARY 18)

Debt

Rule 144A	Issue Date	Issuer	Business Description	Amount (\$ mil)	Coupon (%)	Type of Security	Maturity	Offer Price	YTM(%)	Spread	S&P	Moody's	Fitch
	1/11/06	Alabama Power (Southern Co Inc)	Electric utility	200	5.2	Sr Unsecurd Nts	1/15/16	99.769	5.23	77	A	A2	A+
	1/11/06	Entergy Mississippi Inc	Electric utility	100	5.92	Fst Mtg Bonds	2/1/16	99.967	5.924	148	A-	Baa2	BBB+
	1/11/06	Florida Power & Light Co(FPL)	Electric utility	400	5.65	Fst Mtg Bonds	2/1/37	99.288	5.699	106	A	Aa3	NR
Yes	1/11/06	Inergy LP	Whl,ret propane, natural gas	200	8.25	Senior Notes	3/1/16	100	8.25	379	B	B1	NR
	1/13/06	Alabama Power (Southern Co Inc)	Electric utility	100	5.75	Sr Ins Qrt Nts	1/15/36	100	5.75	3	AAA	Aaa	NR
Yes	1/17/06	NGC	Gas utility	400	6.05	Sr Unsecurd Nts	1/15/36	99.617	6.078	158	BBB+	A3	NR

M&A

Announced	Date Effective	Target Name	Target Advisors	Target Industry Sector	Target Nation	Acquiror Name	Acquiror Advisors	Acquiror Industry Sector	Acquiror Nation	Value(\$Mil)
1/11/06	-	Rumford-Hydroelectric Facility	-	Electric, Gas, and Water Distribution	United States	Brookfield Power Inc	-	Electric, Gas, and Water Distribution	Canada	144
1/12/06	1/12/06	Abruzzo Energia	-	Electric, Gas, and Water Distribution	Italy	ASM Brescia SpA	-	Electric, Gas, and Water Distribution	Italy	-
1/12/06	-	Abruzzo Energia	-	Electric, Gas, and Water Distribution	Italy	ASM Brescia SpA	-	Electric, Gas, and Water Distribution	Italy	-
1/12/06	1/12/06	Solarsquare AG	-	Electric, Gas, and Water Distribution	Switzerland	Centrosolar AG	-	Wholesale Trade-Durable Goods	Germany	24.07
1/17/06	-	El Paso Corp-Central American	JP Morgan	Electric, Gas, and Water Distribution	El Salvador	Globeleq Ltd	-	Electric, Gas, and Water Distribution	United States	141
1/17/06	-	Chongqing Yujiankou Hydroelec	-	Electric, Gas, and Water Distribution	China	APC Hydro Power (Invest)Pte Ltd	-	Investment & Commodity Firms,Dealers,Exchanges	Singapore	-
1/18/06	-	Petroplus Tankstorage Intl	-	Electric, Gas, and Water Distribution	United Kingdom	Sem Group LP	-	Oil and Gas; Petroleum Refining	United States	-
1/18/06	-	Sempra Generation-Twin Oaks	-	Electric, Gas, and Water Distribution	United States	PNM Resources Inc	-	Electric, Gas, and Water Distribution	United States	480

Source: **Thomson Financial Securities Data Company**. For more information, call **Rich Peterson** at (212) 806-3144.



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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.

The Americas

- Iowa regulators rejected two challenges to **Alliant Energy's** sale of Iowa's only nuclear power plant, the Duane Arnold Energy Center, to **FPL Group** (Associated Press, 1/19).
- **Woodside Natural Gas**, a wholly owned subsidiary of Australian energy company **Woodside Petroleum**, has announced plans to seek approval for an offshore sea-to-land pipeline off the coast of California (*Oil & Gas Journal*, 1/19).
- Peruvian energy producer **Edegel** said that its board of directors approved a merger with **Empresa de Generacion Termoelectrica Ventanilla**, also known as **Etevensa** (*AFX News*, 1/19).
- **PNM Resources** said it will buy the 305-megawatt, coal-fired Twin Oaks power plant in Texas from **Sempra Energy** for \$480 million in cash, in a bid to expand its merchant generating fleet (*Reuters*, 1/18).
- More gas pipelines and a renewed look at nuclear plants are needed to shield Florida residents from hurricane fuel shortages and to meet burgeoning energy demands, state officials said Tuesday (*South Florida Sun-Sentinel*, 1/18).
- A group of influential **New York Mercantile Exchange** seat owners is fuming at the lucrative bonus checks awarded to the energy market's top executives (*New York Post*, 1/18).
- Global energy demand is expected to grow by 2.2% in 2006 despite high oil prices, says the International Energy Agency (*Dow Jones Newswires*, 1/17).
- A new \$2.9 billion initiative approved by the California Public Utilities Commission to subsidize the use of solar power has investors and entrepreneurs looking at the sun and seeing green (*VentureWire Professional*, 1/17).
- A new ethanol plant in the Savannah area has commitments for funding and could be producing the alternative fuel from biomass by 2007 — likely the first of several planned ethanol facilities to be realized as part of Georgia's emerging ethanol industry (*Atlanta Business Chronicle*, 1/13).
- **El Paso**, agreed to sell six power plants in Central America and the Caribbean to a subsidiary of **Globeleq** for about \$141 million (Associated Press, 1/13).
- Coal prices are expected to rise only moderately this year, while costs from some types could decline, according to a new report. The average price per ton of the thermal coal burned in power plants is expected to rise about 10% to 15%, a mild jump

when compared with the doubling and tripling of prices seen since 2002 (*Wall Street Journal*, 1/3).

Europe

- Portugal announced a “mega-plan” for renewable energy, including the development of innovative technology and the creation of industrial clusters (*Jornal de Negocios Online*, 1/19).
- **Gazprom**, the Russian energy giant, is planning an assault on the British market with plans to provide 20 percent of Britain's gas by 2015, possibly through the \$17 billion takeover of a company such as **Scottish Power** (*The Guardian*, 1/18).
- **Endesa**, Spain's biggest power company, posted a record profit and said it will pay \$3.1 billion in dividends this year to help convince shareholders to reject **Gas Natural's** hostile takeover bid (*Bloomberg News*, 1/18).
- **Electricite de France**, Europe's largest utility, said it hired **Citigroup** to advise on the sale of its stake in Brazilian power distributor **Light Servicos de Eletricidade** (*Bloomberg News*, 1/18).
- **Scottish Power's** abrupt replacement of its chief executive, **Ian Russell**, with former **Allied Domecq** boss **Philip Bowman**, is causing London speculation that the company could be open to renewed bid overtures (*The Guardian*, 1/13).

Americas

- **Calpine** will seek \$2 billion of loans as early as next week to help it continue operating. **Deutsche Bank** and **Credit Suisse Group** are arranging the funds and may meet to syndicate the loans to more lenders next week (*Bloomberg News*, 1/19).
- Federal regulators declined to reconsider their approval of a liquefied natural gas terminal in the heart of Fall River, Mass., even though city and state officials contend it poses a safety risk (Associated Press, 1/19).

Australia/Asia

NRG Energy has hired investment bankers from **Morgan Stanley** to look at options for its Australian power-generation assets, which could be worth more than \$750 million (*Australian Financial Review*, 1/16). NRG has also cleared the last regulatory hurdle to its planned acquisition of **Texas Genco**, after the Nuclear Regulatory Commission approved the deal (Associated Press, 1/13).



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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 Mark DeCambre, managing editor, at (212) 224-3293 or e-mail mdecambre@iineews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Atlantic City Electric Company	B.L.England	New Jersey	447	Coal	Concentric Advisors	In Second Rounds.
	Key Stone	Pa.	-	Coal		
	Conenough	Pa.	-	Coal		
Aquila	Racoon Creek	Ill.	340	Gas	Not chosen	Intention To Sell.
	Goose Creek	Ill.	340	Gas		
	Crossroads	Miss.	340	Gas		
Bear Stearns	Mulberry	Fla.	120	Gas	Bear Stearns	Intention to sell
	Orange	Fla.	103	Gas	Bear Stearns	Intention to sell
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention To Sell.
BNP -led bank group (Exelon developed plants)	Mystic River 7	Mass.	560	Oil/Gas	Lazard	Ongoing.
	Mystic River 8	Mass.	832	Gas		
	Mystic River 9	Mass.	832	Gas		
	Fore River	Mass.	832	Gas		
Carlyle Riverstone/ Sempra	Coleto Creek Power Station	ERCOT	632	Coal	Goldman Sachs	First-round Bids Due Mid-Jan.
Carlyle Riverstone/ Sempra	Topaz Power Group	ERCOT	2.9 GW	Gas&Oil	Greenhil & Co.	Preliminary Marketing Materials Have Been Submitted
Citi & SocGen-led creditor group (TECO Energy developed plants)	Union	Ark.	2,200	Gas	Goldman	Ongoing.
	Gila River	Ariz.	2,300	Gas		
CMS Energy	Ensenada	Argentina	128	Gas	Not chosen	Announced Intention To Sell.
	CT Mendoza	Argentina	520	Gas	J.P. Morgan	
	El Chocon	Argentina	1,320	Hydro	J.P. Morgan	
	Palisades	Mich.	798	Nuke	Concentric Advisors	
Citi-led bank group (NEG developed plants)	Lake Road	Conn.	840	Gas	Lehman Bros.	Cargill Bought Debt Portion (PFR, 12/27).
	Lowell Power	Mass.	82	Gas	None	Actively Pursuing A Sale.
Delta Power						
Duke Energy North America	Bridgeport Energy Project	Bridgeport, Conn.	490 MW	Gas	CSFB	LS Power Has Won An Auction For Approximately \$1.48-1.54B
	Maine Independence Station	Penobscot County, Maine	520 MW	Gas	Goldman Sachs	
	Bayside Power Project	St. John, New Brunswick	260 MW	Gas		
	Fort Frances Cogeneration Project	Fort Frances, Ontario	110 MW	Gas		
	Lee Energy Facility	Lee County, Ill.	640 MW	Gas		
	Vermillion Energy Facility	Vermillion County, Ind.	640 MW			
	St. Francis Energy Facility	Glennonville, Mo.	500 MW	Gas		
	Washington Energy Facility	Washington County, Ohio	620 MW	Gas		
	Fayette Energy Facility	Fayette County, Pa.	620 MW	Gas		
	Hanging Rock Energy Facility	Lawrence County, Ohio	1,240 MW	Gas		
	Oakland Power Plant	Oakland, Calif.	165 MW	Gas		
	Moss Landing Power Plant	Monterey County, Calif.	2,538 MW	Gas		
	Morro Bay Power Plant	Morro Bay, Calif.	1,002 MW	Gas		
	South Bay Power Plant	Chula Vista, Calif.	700 MW	Gas		
	Griffith Energy Facility	Mohave County, Ariz.	600 MW	Gas		
	Arlington Valley Energy Facility	Maricopa County, Ariz.	570 MW	Gas		
	McMahon Cogeneration Plant	Taylor, British Columbia	117 MW	Gas		
El Paso Europe	EMA Power	Hungary	70	Coal		Final Bids Due.
El Paso North America	Berkshire	Mass.	261 (56.41%)	Gas		

Generation Auction & Sale Auction (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
(Merchant assets)	CDECCA	Conn.	62	Gas		Negotiations Are Taking Place With HSBC Launched Sale In April.
	EnCana	Cavalier	Alberta	106	Gas	
	Balzac	Alberta	106	Gas	HSBC	
	Kingston	Ontario	110 (25%)	Gas	HSBC	
Energy Investors Fund	Multitrade	Va.	79.5 (60%)	Biomass	None	Stake Sold To GE
Entergy Asset Management	Robert Ritchie	Ark.	544	Gas/oil	None	Ongoing.
	Warren Power	Miss.	314	Gas		
	RS Cogen	La.	425 (49%)	CHP		
	Harrison County	Texas	550 (70%)	Gas		
Exelon/PSEG	Eddystone Generating Station	Delaware County, Pa.	1,510 MW	Coal and Gas		Interviewing Banks To Advise On Sales.
	Linden Generating Station	Linden, N.J.	775 MW	Gas		
Goldman Sachs	East Coast Power	Linden, N.J.	940 MW	Gas	Goldman	2nd round bids due mid-February
Gama Construction Ireland Limited	Tynagh	Republic of Ireland	400 MW	Gas	Fieldstone Private Capital Group	Ongoing
KBC-led creditor group	Milford	Conn	542	Gas	Lazard	Ongoing.
Mirant	Shady Hills	Fla.	474	Gas	BofA	Ongoing.
	West Georgia	Ga.	640	Gas		
	Bosque County	Texas	538	Gas		
	Wichita Falls	Texas	77	Gas		
Morrow Power	Boardman	Ore.	28	Gas	Marathon Capital	Evaluating Bids.
Nations Energy	Bayport	Texas	80	N/A		Considering Liquidation.
	Mungo Junction	Ohio	32			
	Southbridge	Mass.	7			
National Energy Gas & Transmission (USGen New England)	Salem Harbor	Mass.	745	Coal/Oil	Lazard	Dominion Has It Under Contract.
	Brayton Point	Mass.	1,599	Coal		
	Manchester St.	R.I.	495	Gas		
	Connecticut River	N.H.	479	Hydro		
	Deerfield River	Mass.	89	Hydro		
Oman (Ministry of Housing, Electricity & Water)	Rusail	Oman	730	Gas	CSFB	-
	Ghubratt	Oman	507	CHP		
	Wad AlJazzi	Oman	350	Gas		
Reliant Energy	Carr Street	N.Y.	95	Oil	Goldman	Madison Dearborn And US Power Gen. Have Won A Bid To Acquire The Assets.
	Astoria	N.Y.	1,276	Gas		
	Gowanus	N.Y.	549	Gas		
	Narrows	N.Y.	281	Gas		
InterGen	Redbud	Okla	1,220		Citigroup	Harbert Venture Acquired The Assets.
	Cottonwood	Texas	1,235			
	Magnolia	Miss.	900			
Sempra	Twin Oaks	ERCOT	305	Coal	Goldman Sachs	Ongoing
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		
STEAG	Iskenderun	Turkey	1,320	Gas	Morgan Stanley	Ongoing.
Teco Energy	Dell Power Station	Ark.	540	Gas		Reviewing Options.
	McAdams Power Station	La.	599	Gas		
Tenaska Energy	Tenaska Frontier	ERCOT	830	Gas	Lehman Brothers RBC Capital Markets	Ongoing-selling 62%
Tractebel North America	Chehalis	Wash.	520	Gas	N/A	Looking To Sell Or Swap.
WPS Resources	Sunbury Generating Station	Shamokin Dam, Pa.	450 MW	Coal	Lazard	Buyers Are Stalling Over Fuel Contracts.

Calpine Underlines Recovery, Referencing Link

An auction settling credit-default swaps on **Calpine Corp.**, the bankrupt U.S. power supplier, underscored the relationship between CDS recovery values and volume of CDS referencing the name. This link was highlighted last fall when the recovery rate of **Delphi Corp.**, a name highly referenced in collateralized debt obligations and CDS index contracts, fixed at 63.375%.

At \$22.5 billion, Calpine had greater debt outstanding than Delphi, but its recovery rate was fixed at only 19.125%. Unlike Delphi, which priced below where it was trading pre-auction and above where analysts valued it, Calpine priced close to both where it was trading and where analysts valued it. "Delphi was totally inflated because of supply and demand, not fundamentals," one trader says. "With Calpine, the expectations for a short squeeze were not as pronounced, so it priced on fundamentals."

EXELON PLACES

(continued from page 1)

spokeswoman **Jennifer Medley** in Chicago declined to comment. It is not clear if Exelon has hired a sales advisor. Observers speculated that **FPL Group** or **Constellation Energy**, might have an interest in the facility. Officials at the firms declined to comment.

The facility generates some 636 MW and was one of the first large-scale commercial nuclear power plants switched on in the United States. It has been reviewed several times by the U.S. Nuclear Regulatory Commission for safety violations related to emergency response systems, according to published

reports. The most recent violation occurred in August, when operators failed to tell local and state officials about an emergency. Nevertheless, NRC indicates that the plant is operating safely.

AmerGen Energy LLC, a wholly owned subsidiary of Exelon, operates the facility.

AmerGen is in the process of seeking an extension of the plant's operating license by 20 years. The new license should allow Oyster Creek Generating Station to continue to provide the state of the Garden State power until 2029.

The Oyster Creek plant pays an estimated \$9.2 million in state and local taxes annually, according to Exelon's Web site.

—Mark Decasmbre

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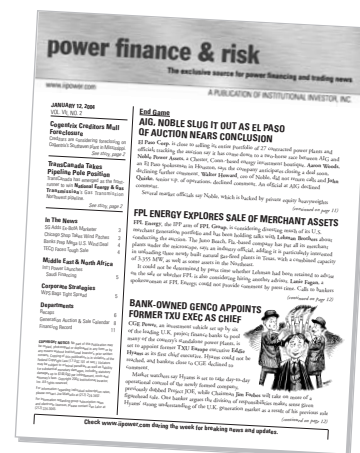
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NRG JUICES

(continued from page 1)

In addition to the upsized, \$3.575 billion secured term loan, the debt package comprises a \$1 billion secured revolver, an identically sized secured synthetic letter of credit, a \$3.2 billion senior unsecured note offering and a \$500 million issuance of convertible preferred stock. Morgan and Citi are pitching to prospective investors in a roadshow planned for this week.

Pricing on the offering is expected to be about 200 basis points, flexed down from anticipated pricing of 225, one banker says, noting that some terms of the deal are still being hammered out. Pricing on the bank facilities, high-yield debt and equity should be settled by early next week.

Fitch Ratings assigned a BB rating to the bulk of the debt package. Analysts called for comment did not return calls. The acquisition financing also includes about \$2 billion of equity that will be issued to The Blackstone Group, Hellman & Friedman, Kohlberg Kravis Roberts & Co., and Texas Pacific Group, which acquired the Texas Genco assets about two years ago. —M.S.

CAITHNESS SEEKS

(continued from page 1)

requirement of LIPA. According to Bert Cunningham, spokesman for LIPA, the power authority believes competition is good for the market after years of having only one supplier.

In December, the LIPA board green-lighted the PPA agreement, as well as granted approval to be the lead agency for the environmental review. Regulatory approval for the air permit is still being sought, but if everything goes as planned, construction could start as early as late this year, with operation to begin in summer of 2008.

Last summer, CIT Group and West LB completed a \$70.5 million club-style loan refinancing debt for a wind farm portfolio for Caithness (PFR, 08/15). —Mari Slater

Calendar

- Platt's is holding its 4th Annual Gas Storage Outlook Conference January 19-20 in Houston. For additional information, please call 1-866-355-2930, or 1-781-860-6100 if calling from outside the U.S., or email registration@platts.com.
- The Edison Electric Institute will host its International Utility Conference in London on February 20-23 at the London Hilton on Park Lane. For additional information please contact Debra Henry, via email at dhenry@eei.org or via phone at (202) 508-5496 or Mari Smallwood, via email at msmallwood@eei.org or via phone at (202) 508-5501.
- Euromoney is holding a Renewable Energy Finance Forum March 13-14 in Berlin at The Hilton. For additional information, please call 44-0-20-7779-8103, or email energyevents@euromoneyplc.com

Quote Of The Week

"It's an area of interest for us." —David Field, managing director of Arroyo Energy Investors in Houston, on the private equity firm's interest in generation in South America (see story, page 3).

One Year Ago In Power Finance & Risk

AES Corp. was planning to seek about \$840 million to finance the development of a \$1.2 billion, 670 MW coal-fired plant in central Bulgaria. The company was looking at 70% non-recourse project debt and 30% equity, according to Robert Hemphill, executive v.p. for global development. The energy holding company had identified ING, Calyon and BNP Paribas as its lead banks. [AES finalized its loan last month via ING, Calyon and BNP, along with the European Bank for Reconstruction and Development, which are providing 70% of the financing as projected.]

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JULY 8, 2005

Back On The Block!

DUKE EYES RELAUNCH OF NORTH AMERICAN AUCTION

Duke Energy is considering reigniting a plan to shed its North American merchant subsidiary Duke Energy North America. A sale of the IPP unit, which has been shelved since Duke initiated merger talks with Dena in May (5/12), but officials familiar with the energy players say selling DENA combination because proceeds could be always looking at alternatives scenarios," says spokesman Pete N.C., but he declined to comment as rumors.

Calls to Michael Cyrus, CEO of Duke Energy, Ohio and Paul And

THE WALL STREET JOURNAL

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Planned Sale of Some Assets To Cause a \$1.3 Billion Charge

Duke Energy Corp. plans to put up for sale almost all of wholesale-power producer Duke Energy North America's assets outside the Midwest, causing a third-quarter pretax charge of about \$1.3 billion. The assets to be sold include the

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