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Tyr, Starwood Near CalPeak Purchase

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Tenaska Auction Enters Phase Two

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PA. MIDSTREAM GAS CO. SHOPS ASSETS

Scranton, Pa.-based **Southern Union**, which on Friday agreed to sell Wilkes-Barre, Pa.-based **PG Energy** to UGI Corp. for \$580 million, has also placed local distribution companies **Missouri Gas Energy** and Providence, R.I.-based **New England Gas** on the chopping block. Southern Union's objective in unloading the midstream operations is to fund its recent acquisition of **Sid Richardson** and **Richardson Energy** for approximately \$1.6 billion. **Merrill Lynch** has been tapped to handle the sale, according to bankers familiar with the process. The exact value of the assets could not be determined. A

(continued on page 12)

UNION, GILA PLANT DEBT SOARS ON PERFORMANCE RUMORS

Debt related to two of the largest generation facilities in the U.S., totaling some 4.5 GW in Arkansas and Arizona, has been spiking by nearly 20 cents on the dollar on word the once-troubled operation has been experiencing a significant turnaround. **Joff Mitchell**, managing director of **Kroll Zolfo Cooper** and interim president of facilities, known as **Entegra Group**, says the plants have been seeing better-than-expected performance. But he suggested that trading levels, which place the paper in the context of about 103-104 cents on the dollar,

(continued on page 11)

Power Up!

SUMITOMO UNIT MAPS 2 GW EXPANSION

Perennial Power Holdings is plotting an initiative to add some 2 GW of generation facilities to its portfolio in the U.S. and Canada over the next few years via investments and/or developments. As part of that effort, the investment entity, which is backed by deep-pocketed parent **Sumitomo Corporation**, has hired 16-year power veteran **Richard Ashby** as a senior v.p. and cfo. Ashby, who will be based at Perennial's headquarters in Los Angeles, and officials at the firm, did not return calls for comment.

(continued on page 12)

UTILITY, ENERGY LENDING SEES 20% 2005 SPARK

Approximately \$123 billion of loans were issued in the utility and energy sector last year, besting the 2004 activity by 18%. According to **Dealogic**, 226 deals were completed last year—not least of which was **TXU Corp.'s** \$3.5 billion credit facility led by **Citigroup** and **JP Morgan**. **Sandip Sen**, managing director for Citi's North American power investment banking team, says banks are getting more comfortable lending money post-**Enron Corp.** "Post-crisis capital dried up and banks were a little more reluctant to lend money to

(continued on page 11)

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



At Press Time Second-Lien Calpine Holders To See Interest

Calpine's second-lien notes traded up five points on news that second-lien noteholders would receive interest payments as the beleaguered company goes through its bankruptcy. According to a trader, the debt was trading at levels that would value the debt at about 90 cents on the dollar, in response the U.S. Bankruptcy Court for the Southern District of New York that declared that at least partial interest payments on second-lien securities would be made. The first interest installment is due in March and the second in September. A Calpine spokeswoman confirmed the company is in discussions with its second-lien note holders, but would not comment on the interest payments.

The interest payments were granted at the same court hearing that confirmed Calpine's debtor-in-possession financing. The court also granted final approval for a \$2 billion DIP financing to fund operations during Calpine's Chapter 11 restructuring. The DIP facility is secured by liens on all of Calpine's unencumbered assets and junior liens on all of its encumbered assets, according to a company release.

Gas Spike May Encourage Merchant LNG

A merchant market in liquefied natural gas may begin to develop in 2008 to 2009, when power producers will have potentially dealt with another three or four consecutive years of high natural gas prices, say **Lasan Johong**, analyst at **RBC Capital Markets**.

Johong considers utilities and pipeline companies to be major candidates to get involved in merchant LNG. He also sees gas prices coming back down to earth as LNG becomes a big part of the equation, with prices falling to the \$4.50 range. He also anticipates that construction of LNG facilities will not be centered around the Gulf of Mexico, but will be spread out along coastlines off the shores of major metropolitan areas, to save on the costs of moving the gas.

"Any major city [government] will think, 'Do I really want to pay shipping charges, \$1 or more, when I can put a facility 20 miles out on the Atlantic Ocean?' "The placement of LNG terminals close to the plants that would consume the fuel could also raise serious issues for pipeline companies, says Johong.

Johong looks to **Sempra Energy** as a bellwether for LNG. He says that one way to know when investment in LNG is getting heady is when Sempra decides to exit. Johong says it would not surprise him if developers succumb to the temptation of building larger LNG facilities than they need, in the same way merchant power developers overbuilt, leading to a glut in supply and a decline in prices.

Among players currently involved in LNG, Johong says **Cheniere Energy** seems to be willing to shoulder more market risk, taking an "if you build it, they will come" approach, while Sempra is taking the opponent stance.

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**Institutional
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INTELLIGENCE FIRST

Goldman Cuts Field Of Bidders For N.J. Plant

Goldman Sachs has pared the field of qualifying bidders for **East Coast Power**, the bank-owned holding company for its 940 MW cogeneration facility in Linden, N.J., and invited an unknown number of bidders to participate in the second round. An industry official involved in the sale says the due date for second round bids is set for Feb. 15, but may be moved back by about a week to give bidders more time to kick the tires (PFR, 1/16). **Pete Labbat**, managing director at Goldman Sachs in New York, did not return a call for comment.

The plant has a long-term PPA with **Consolidated Edison Co. of New York** for 645 MW through 2017. The plant was purchased for \$456 million in cash and the assumption of about \$600 million in non-recourse debt.

Tyr, Starwood Close To Bagging Calpeak Assets

A venture including **Tyr Energy** and **Starwood Energy Investors** is closing in on wrapping up an acquisition of **Pratt & Whitney**-developed plants, known as Calpeak Power. The Overland Park, Kan.-based Tyr and Greenwich, Conn.-based Greenwich expect to ink an agreement for the plants and seek **Federal Energy Regulatory Commission** some time this week. The portfolio is on the block because Pratt & Whitney is not a generation player and developed the plants to test new technologies (PFR, 10/31). Calls to Tyr and Pratt & Whitney in East Hartford, Conn., were not returned. **Steve Zaminski**, associate v.p. at Starwood, declined to comment.

Each of the six plants is about 50 MW a piece, have PPAs in place with local utilities, including **Pacific Gas & Electric**. The terms of those contracts could not be determined.

The Calpeak facilities are El Cajon, Enterprise, Lonestar, Panoche, Vaca and Mission. The auction is being handled directly by Pratt & Whitney—a **United Technologies** unit.

El Paso Spreads Pull In To Historical Tights

Five-year credit-default swap spreads on **El Paso Corp.** drew in to historical tights last week on rumors the Houston-based energy company may be upgraded. The price of protection on El Paso pulled in to 210 basis points Thursday from 254 bps the week before and has tightened 80-100 basis points since the beginning of the year.

El Paso's bid/offer was 205/215 basis points Thursday as bond holders bought up cheap protection. "El Paso is a massive holding for real-money accounts and also hedge funds," a trader says. "Everyone's involved in this."

Standard & Poor's has maintained the agency's B minus rating since the summer. "The company has made considerable progress over the last few months," says **Ben Tsocanos**, associate director, referring to El Paso's completed restructuring program and improved liquidity. "They have done a number of things we were looking for them to do, but cash flow is still not at levels we'd like."

Moody's Investors Services has not changed its rating or outlook on El Paso in 11 months, since it reaffirmed its B3 rating and stable outlook.

Chesapeake Eyes Long-Term Debt For Pipe Project

Chesapeake Utilities will seek long-term financing to fund the construction of its subsidiary's \$33.6 million natural gas pipeline expansion. The Dover, Del.-based utility is using its credit facility to fund initial construction but expects to replace that with debt of longer tenors, says **Beth Cooper**, treasurer at Chesapeake. She adds the company's lines of credit totaling \$65 million are provided by three different financial institutions but would not identify the lenders.

Cooper says in the past the company has permanently financed acquisitions with private placements of debt, or equity, but adds that Chesapeake likes to analyze the pricing before committed to a strategy. Eastern Shore filed with the **Federal Energy Regulatory Commission** two weeks ago, and expects to begin construction as soon as the approval comes through.

The pipeline project known as **Eastern Shore Natural Gas Company's** pipeline expansion is a three-year project, with the first phase scheduled to come online in November. The next phase is scheduled to be completed in November of 2007, with final completion scheduled for November 2008. The project is expected to increase capacity for Eastern's system by 36%.

Eddystone, Pa., Plant Owners Tap New Asset Manager

Competitive Power Ventures has been awarded an asset management contract for the 560 MW Liberty plant by the non-recourse lenders that own the Eddystone, Pa., facility. The gas-fired plant, which was originally developed by **Reliant Energy** approximately two years ago, previously was managed by **Tyr Energy** (PFR, 5/12/04), which had an option to renew its agreement but passed. CPV's new contract is expected to take effect at the end of the month. An official at Tyr declined to comment and a message left with **Doug Egan**, president of CPV in Washington, was not returned.

The original bank creditors who provided loans for the project's construction, **JPMorgan Chase**.

Helaba, **HypoVereinsbank**, **KBC Bank** and **Metropolitan Life Insurance Co.**, have since sold their debt in the operation,

say sources familiar with the project. At this point, hedge funds **Harbert Ventures Partners**, **Strategic Value Partners**, as well as funds run by JPMorgan, **Bear Stearns** and **Merrill Lynch** are believed to own debt in the plant. Officials at the firms either did not return calls or declined to comment.

Feuding among the current owners over ownership and strategic plans for the plant has been ongoing for a year, watchers say. **North American Energy Services** continues to be the O&M manager of the facility.

Tenaska Frontier Auction Enters Round Two

Between six and nine qualifying bids of more than \$200 million made the cut for **Tenaska Energy's** sale of its 62% interest in the 830 MW Tenaska Frontier Generating Station plant in Shiro, Texas. An investor familiar with the sale says bids ranged in value from \$175-250 million. First-round submissions were due last Monday, and bidders picked for the second round were notified

near the end of last week. Tenaska, based in Omaha, Neb., has retained **Lehman Brothers** and **RBC Capital Markets** to advise on the auction (*PFR*, 12/26).

Calls to **Paul Smith**, managing director at Tenaska, to **Jeff Pollard**, managing director at Lehman in New York, and to **Geoff Cohen**, managing director at RBC Capital Markets in Toronto, were not returned. Due diligence is set to begin this week, with site visits scheduled for Feb. 6, and a winner expected to be declared sometime after that.

The sale of the stake breaks down into a 61.75% of Tenaska limited partnership and .25% of the general partnership. Tenaska will retain operating and management of the facility. Tenaska Frontier has an offtake contract with a division of **Exelon Corp.**, for the entire output until 2020. It began operating in 2000 and is considered one of the more efficient facilities in that region.

The remaining 38% interest in the plant is owned by **Diamond Generating**, a Los Angeles-based subsidiary of Japan's **Mitsubishi Corp.** Diamond Generating indicated to industry officials that it was not interested in bidding on the majority stake (*PFR*, 1/9).

Corporate Strategies

Aquila Adds \$100M Revolving Line

Aquila has padded its revolving credit facilities for the winter months, obtaining a new \$100 million, three-month credit line. The Kansas City, Mo.-based mega utility foresees continued volatility in the commodity market, particularly in natural gas, and wants to have dry powder to meet working capital demands, says **Randy Miller**, v.p. of finance. A longstanding banker for the energy company, **Union Bank of California**, arranged the line, which was priced at LIBOR plus 175 basis points.

In addition to this revolver, Aquila has another \$150 million revolver arranged through UBoC, as well as a \$110 million revolver arranged by **Credit Suisse Group**. UBoC also was the lead arranger for a \$300 million construction facility for a power plant Aquila is developing in conjunction with **Kansas City Power & Light** in western Missouri (*PFR*, 9/5).

Aquila's debt-to-capitalization ratio is about 58:42.

Midstream Outfit Takes Private Route To Wipe Term Loan

Copano Energy plans on placing privately \$225 million in 10-year senior notes and use proceeds to repay its \$170 million senior term loan facility obtained to help fund its \$500 million acquisition of **ScissorTail Energy** this summer. **Matthew Assiff**, cfo of the Houston midstream company, was on the road marketing the notes and was unavailable for comment. **Plana Lee**, an analyst at **Standard & Poor's** in New York, says Copano also used a revolving credit facility and a private placement of

equity to fund its acquisition.

Copano's \$170 million term loan was arranged by **Banc of America Securities** and was structured as a one-year bridge loan, priced at LIBOR plus 550. BofA also was chosen as underwriter of the private placement. Earlier this month, the bank worked with Copano on a \$50 million private placement (*PFR*, 01/19).

To fund its ScissorTail acquisition, Copano also took out a \$350 million, five-year revolver via BofA, priced at LIBOR plus 175.

Alliant Looks To Pare Debt Via Asset Sale

Alliant Energy plans on using proceeds from its \$153 million sale of assets in Brazil, which include a generation plant and five utilities, to pay down debt at its subsidiary **Alliant Energy Resources**. **Enrique Bacalao**, assistant treasurer at the Madison, Wis.-based energy holding company, says the company does not know how much or which securities will be paid off.

"We have indicated in the past that, in general terms, we will be applying proceeds to reduce debt at Alliant Energy Resources," Bacalao says. Alliant Energy still has assets worth holding onto at the Alliant Energy Resources level, but will continually assess its options. He would not disclose which banks acted as financial advisor for Alliant.

Jeanny Silva, an analyst at **Standard & Poor's** in New York, says Alliant Energy Resources has about \$625 million in net debt. She adds the company has managed to pay down about \$379 million since 2005 with the sale of other interests.

Brazil-based **Sobrapar**, which is controlled by local investor

Antonio José Carneiro, is the buyer of Alliant Energy's utility and plant assets.

Long, Short Of It SoCal Ed Auctions Long, Short-Tenor Debt

Southern California Edison has hit the debt markets with a mix of long-term and a short-term offerings to replace maturing debt. Mary Simpson, assistant treasurer at SoCal Ed, who answered queries via email, says the offering will fund the retirement of debt as well as ongoing capital requirements. SoCal Ed, a subsidiary of Rosemead, Calif., Edison International, issued \$350 million 30-year, 5.635% first-

mortgage bonds and \$150 million of three-year floating-rate notes through joint lead managers Credit Suisse Securities, Deutsche Bank Securities and Lehman Brothers.

A desire to take advantage of historically low interest rates provided the impetus for SoCal Ed's long-term issuance while the three-year debt offering was issued to finance assets authorized by the California Public Utilities Commission. Simpson notes that demand for corporate paper is high at the moment because pickings are slim since issuance has been relatively low. Moody's Investors Service rates SoCal Ed's first mortgage bonds A3.

Wells Fargo Securities, Goldman Sachs, and RBS Greenwich Capital acted as co-managers on the offering. Two of SoCal Ed's bonds, a \$200 million 6.375% issue and a \$150 million floating-rate issue, matured about two weeks ago.

Financing Record (JANUARY 18—JANUARY 26)

Debt

Date	Issue	Business Description	Amount (\$ mil)	Coupon (%)	Type of Security	Maturity	Offer Price	YTM(%)	Spread	S&P	Moody's	Fitch
1/23/06	Iberdrola Finanzas S.A.U	Electric utility	307.5	Floater	Flt Rte Gtd Bds	2/9/09	99.913	Floater		A+	A2	A+
1/24/06	Southern California Edison Co	Electric utility	150	Floater	Fst Mtg Bonds	2/2/09	100	Floater		BBB+	A3	BBB+
1/24/06	Southern California Edison Co	Electric utility	350	5.625	Fst Mtg Bonds	2/1/36	99.755	5.642	106	BBB+	A3	BBB+
1/26/06	NRG Energy Inc	Electric,gas utility	500		Mand Cvt Pfd St		250	1.12		NR	nr	NR
1/26/06	NRG Energy Inc	Electric,gas utility	2,400.00	7.375	Senior Notes	2/1/16	100	7.375	290	B-	B1	NR
1/26/06	NRG Energy Inc	Electric,gas utility	1,200.00	7.25	Senior Notes	2/1/14	100	7.25	277	B-	B1	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)
1/18/06		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	Goldman Sachs & Co	Electric, Gas, and Water Distribution	United States	PNM Resources Inc		Electric, Gas, and Water Distribution	United States	480
1/19/06		Alliant Energy-Brazilian Asts	Merrill Lynch & Co Inc	Electric, Gas, and Water Distribution	Brazil	Investor Group	Rothschild	Investment & Commodity Firms,Dealers,Exchanges	Brazil	152
1/19/06		Duke Energy Gas-Gas Assets		Electric, Gas, and Water Distribution	United States	NGAS Gathering LLC		Oil and Gas; Petroleum Refining	United States	18
1/19/06		ETEVENSA (Generalima)	Citigroup	Electric, Gas, and Water Distribution	Peru	EDEGEL SAA (Generandes)		Electric, Gas, and Water Distribution	Peru	
1/20/06		Beaver Power Corp		Electric, Gas, and Water Distribution	Canada	Brookfield Power Inc		Electric, Gas, and Water Distribution	Canada	
1/20/06		Endesa Italia		Electric, Gas, and Water Distribution	Italy	ASM Brescia SpA		Electric, Gas, and Water Distribution	Italy	
1/20/06	1/20/06	M-Power TT Ltd		Electric, Gas, and Water Distribution	Malaysia	Simplex Trend Sdn Bhd		Metal and Metal Products	Malaysia	
1/20/06	1/20/06	Poweo		Electric, Gas, and Water Distribution	France	Verbund		Electric, Gas, and Water Distribution	Austria	48.548
1/20/06	1/20/06	Prazska Energetika AS		Electric, Gas, and Water Distribution	Czech Republic	Energie Baden-Wuerttemberg AG		Electric, Gas, and Water Distribution	Germany	
1/23/06		Al Hidd Power & Water Project		Electric, Gas, and Water Distribution	Bahrain	Investor Group		Investment & Commodity Firms,Dealers,Exchanges	United Kingdom	
1/23/06	1/23/06	Kolskaya Power Sales Co		Electric, Gas, and Water Distribution	Russian Fed	MMC Norilsk Nickel Group OAO		Metal and Metal Products	Russian Fed	
1/24/06	1/24/06	Gorna Oyahovitza EAD		Electric, Gas, and Water Distribution	Bulgaria	EBRD		Nonclassifiable Establishments	United Kingdom	20.625
1/24/06	1/24/06	Elektrozapredelenie-Varna EAD		Electric, Gas, and Water Distribution	Bulgaria	EBRD		Nonclassifiable Establishments	United Kingdom	
1/25/06		Corporacion Eolica SA		Electric, Gas, and Water Distribution	Spain	Acciona SA		Construction Firms	Spain	1,681.95

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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.

Asia and Russia

- Japan's **Toshiba Corporation** is near a deal to buy **Westinghouse Electric**, a builder of nuclear power plants, for about \$5 billion. Toshiba beat competing bids from **General Electric**, **Hitachi** and **Mitsubishi Heavy Industries**. Westinghouse, based in Monroeville, Pa., is controlled by **British Nuclear Fuels**, which in turn is controlled by the British government (*The New York Times*, 01/23).
- **Malaysia LNG**, a unit of **Petroliaam Nasional**, has signed an agreement to supply up to 420,000 metric tons of liquefied natural gas a year to Japan's **Shikoku Electric Power Co.** The supply contract is for 15 years beginning in 2010, with an option to extend the contract for another five (*Dow Jones Newswires*, 01/23).
- **FuelCell Energy** said its Asian distributor has sold a 1 MW power plant to provide electric power and heat for a **Sharp Corp.** flat-screen TV factory in Japan. Financial details were not disclosed. The power plant will provide **Sharp's** Kameyama manufacturing facility with a portion of its base load electricity and air conditioning, while reducing its carbon dioxide emissions (*Business Week*, 01/24).
- **Gulf Electric Group** said its unit **Gulf Power Generation** has secured about \$763 million in financing from 12 local and foreign banks to help finish building the Kaeng Koi 2 power plant. The 1,468 MW power plant, which is being operated by Gulf Power, is already about 60% completed (*Dow Jones*, 01/24).
- Russia's **Power Machines** has signed a contract worth \$59 million to supply equipment to the Bureya hydro power plant in East Siberia. The company will design, produce, deliver and install two hydraulic turbines and two hydro generators with a capacity of 335 MW for two of the plant's six units. Deliveries of the equipment will start in the second half of 2006 and the units are to be commissioned in June and November 2007 (*International Water Power and Dam Construction Magazine*, 01/24).
- Moscow and Ukraine continue to bicker over natural-gas shipments as reduced supplies of Russian gas to Europe led to shortages in several countries and fueled energy-security anxieties across the continent. Russia, which provides a quarter of Europe's gas, blamed Ukraine for taking too much of the fuel from

pipelines carrying Moscow's exports to Europe, while Ukraine insisted it was entitled to the extra volumes due to a cold winter (*The Wall Street Journal*, 01/25).

The Americas

- Canada's **Brookfield Power** will buy privately held **Beaver Power Corp.**, which has four hydroelectric facilities in northern Ontario, according to the unit of **Brookfield Asset Management**. The power plants on the Groundhog, Shekak, Serpent and Sables rivers have a total generating capacity of about 50 MW. The price purchase was not disclosed and the deal is subject to regulatory approval (*Reuters*, 01/20).
- **Weaver's Cove Energy** moved one step closer to construction on its Fall River, Mass., liquefied natural gas facility last week after the **Federal Energy Regulatory Commission** denied opponents' requests for a rehearing. The same day, officials at FERC reaffirmed their rejection of a proposed **KeySpan LNG** facility in Providence, saying the company failed to show how it would meet federal safety standards (*The Boston Globe*, 01/20).
- **AES Corp.**, restated its financial results for 2002 through the first quarter of 2005, reducing results by \$556 million for the 13-quarter period. For the period, the company had a \$1.37 billion loss from continuing operations, versus an earlier reported loss of \$815 million. Separately, AES raised its projection for 2005 earnings from continuing operations to 85 cents a share from 76 cents a share (*The Wall Street Journal*, 01/20).
- **General Electric Co.** has partnered with Japan's **Hitachi** to make a bid for nuclear-technology company **Westinghouse Electric Co.** Hitachi is a strong player in Japan and is expected to control about 40% of a joint bid. The sale price could come in above \$3.5 billion (*The Wall Street Journal*, 01/20).
- Former Enron Chief Executive **Jeff Skilling** will likely face 31 felony counts instead of 31 when his trial begins later this month. The Enron Task Force is suggesting downsizing the charges so that Skilling likely would no longer face four counts of wire fraud involving the Raptor hedging structures. His trial starts the 30th (*The Houston Chronicle*, 01/20).
- The United States Supreme Court granted a request by Delaware to appoint a special master in a border dispute case with New Jersey, a dispute involving New Jersey's effort to help

BP build a liquefied natural gas plant on the New Jersey side of the Delaware River (*Newsday*, 01/23).

- Former **Enron** executive's **Jeff Skilling** and **Ken Lay** will go on trial Monday in Houston. U.S. District Judge **Sim Lake** ordered the request from the men's lawyers to move the case be denied. The pair face charges of conspiracy and fraud (*The Houston Chronicle*, 01/24).

- According to an **American Wind Energy Association** report released Tuesday, a record 3,000 MW of new capacity will be installed in the United States in 2006, enabling the world's biggest energy consumer to lessen its consumption of costly natural gas by 5% and cut down on carbon dioxide emissions (*The Wall Street Journal*, 01/24).

The **Philadelphia Gas Works** is close to announcing the developer of its proposed gas-shipping terminal in Port Richmond. PGW won't identify its intended partner, but people familiar with the project say it is **Hess LNG**, based in New York. As a city-owned utility, PGW needs City Council approval of the project (*The Philadelphia Inquirer*, 01/25).

- Ohio's Athens County is lobbying hard to have the FutureGen power plant built in Athens County. The county's

top economic development official testified in Columbus two weeks ago in support of a bill to provide funding to help bring the plant to Ohio. Twenty states are competing for the plant, and Ohio is proposing 12 site alternatives (*The Athens News*, 01/25).

- Alabama's **Energen Corp.** has tapped **James McManus II**, the head of its oil and gas acquisition unit, to be its new president and chief operating officer. McManus will continue to be president of its oil and gas acquisition and development unit, **Energen Resources**. Energen also announced that **John Richardson**, formerly vice president of acquisitions and engineering, will become chief operating officer of Energen Resources, and D. Paul Sparks Jr., formerly vice president of operations, will become senior vice president of operations at the unit (*Associated Press*, 01/25).

- The bi-national organization that runs the Yacyreta hydroelectric plant opened bidding last week for a three-turbine, 300 MW expansion at the dam located on the Parana River between Argentina and Paraguay. The Brazo Ana Cua expansion is expected to generate 2,000 million kilowatt-hours of power annually and \$60 million in revenue a year (*The Wall Street Journal*, 01/24).



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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		
	Conenaugh	Pa.	-	Coal		
Aquila	Raccoon 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/ Semptra	Coleto Creek Power Station	ERCOT	632	Coal	Goldman Sachs	First-round Bids Due Mid-Jan.
Carlyle Riverstone/ Semptra	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.

UNION, GILA

(continued from page 1)

might be over-hyped. He declined to talk about Entegra's current earnings or its expectations.

Entegra owns and operates the Gila River Power Station located just south of Phoenix and the Union Power Station in El Dorado, Ark., both of which had been in distress since being constructed some two or three years ago. But trackers of the facilities say they anticipate information about the plant, which will be disclosed to debt-holders at a private meeting to be held Tuesday in New York, will be very positive.

One official speculates that a unit of energy holding company **Arizona Public Services**, may have inked a long-term contract to take approximately one-third of Entegra Group's generation capacity. A call to spokesman **Michael Johnsen**, in Prescott, Ariz., was not returned. Such a contract would bode well for Entegra, which was developed as a merchant operation lacking a long-term revenue stream.

Morgan Stanley, which is said to be a major owner in the debt, has been promoting the Entegra paper to prospective investors over the past several weeks, note officials who have spoken to traders on the firm's prop desk. Traders at the firm suggest that the paper should be valued in the range of 125—a

stark contrast to 60-levels the debt was trading at about a year ago (PFR, 12/6). It could not be determined how much debt Morgan Stanley owned in the facilities. Officials at Morgan declined to comment.

Entegra Group debt, originally known as Teco-Panda, is a part of larger bank financing put in place during the summer of 2001 to support the construction and operation of the plants. The effort was a joint venture between **TECO Wholesale Generation**, known at the time as **TECO Power Services Corp.**, and **Panda Energy International**. The original financing included \$1.675 billion of non-recourse debt and \$500 million in equity bridge loans.

—Mark DeCambre

UTILITY, ENERGY

(continued from page 1)

companies, and I think once things started to settle down, banks were, and are, beginning to get more comfortable with lending back to the energy companies," Sen says.

Citi led the bookrunner volume rankings last year with 27.1%, ahead of JP Morgan at 23.8%. "I think we're looked at as an institution that is there to be supportive in good times and in bad," Sen says.

Deal flow has been steadily increasing since 2002, when it

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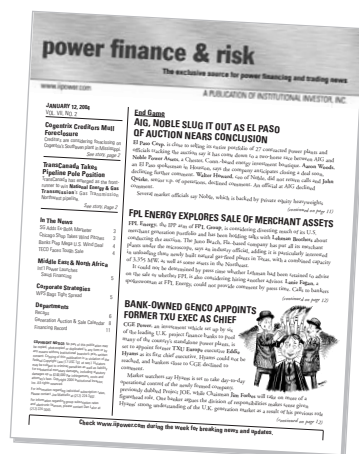
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bottomed out at 205 deals after declining since 2000 and the 235 deals done that year. The 205 loans issued in 2002 accounted for about \$100 billion, but as the fall-out from the energy crisis and the Enron collapse settled, deals started to increase. Most of the capital provided over the past year was investment-grade, with \$91 billion done in that area. Sen says the breakdown reflects the industry, as most power companies are investment-grade.

Bankers at JP Morgan did not return phone calls. **Chris Schein**, spokesman for TXU in Dallas, says the company does not talk about its credit facilities.

—*Mari Slater*

SUMITOMO UNIT

(continued from page 1)

The growth plan is a push by Sumitomo Corp. to beef up its international portfolio, say officials who have spoken with Perennial and its parent. It has 2.5 GW in generation portfolio and wants to add 4 GW, in addition to what it is targeting in the Americas via Perennial.

At this point, the roughly 468 MW Hermiston Generating plant in Hermiston, Ore., which Perennial owns jointly with **PacifiCorp.**, is the only plant in the company's portfolio. It will be canvassing similar quality assets that have capacity contracts in place as well as those that are partially contracted, say officials who have spoken to Perennial and its parent.

In August, Perennial added fire power to its investment group with the hire of ex-Mirant Corp. executive **David Davis**. The official who helped engineer Mirant's roughly \$3 billion

investment in **Pepco Holdings** joined the Perennial team as an executive director of corporate strategy. Additional hires are expected in the next few years as the company grows, but targeted staff levels have not been decided, observers say.

Ashby, who will work closely with Davis, cut his teeth in power in the early 1990s developing independent power plants in Asia. He was also director of project finance for **Infrastructure Capital Corp.** in Washington, D.C.

—*M.D.*

PA. MIDSTREAM

(continued from page 1)

timeframe for the sales also could not be determined.

Calls to **Laurie Coben**, managing director at Merrill Lynch, and to **Robert Bond**, senior v.p. of pipeline operations at Southern Union, were not returned. Southern Union spokesman **Jon Barnett**, in Houston, did not return calls. Media representatives at Merrill Lynch were unavailable for comment.

—*Peter Roth*

Calendar

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

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Quote Of The Week

"The company has made considerable progress over the last few months. They have done a number of things we were looking for them to do, but cash flow is still not at levels we'd like."—**Ben Tsocanos**, associate director of **Standard & Poor's** in New York, on **El Paso Corp.**'s completed restructuring program and improved liquidity (see story, page 3).

One Year Ago In Power Finance & Risk

Duke Energy, was planning a sale of its North American merchant subsidiary, **Duke Energy North America**. The offering included combined-cycle and peaking plants as well as a trading platform associated with hedging those facilities. [**LS Power** won the bidding for the DENA assets, paying upwards of \$1.54 billion for the generation. **Credit Suisse** and **Goldman Sachs** will lead arrange acquisition financing. (PFR, 01/16).]