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EnCana Corp. Eyeing Winning Bid

EnCana Corp. is close to selecting a winning bidder for its natural gas storage facilities.

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NRG Sees \$1B Secondary Paper Trades

About \$1 billion in **NRG Energy** debt, obtained to finance its purchase of **Texas Genco**, changed hands in the secondary market last week.

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MIRANT WEIGHS PHILIPPINES ASSET OFFLOAD

Mirant is pondering the sale of some 2.4 GW of generation facilities in the Philippines. Rumors about a possible sale have been floating among mergers and acquisition bankers in the sector, and Mirant has not issued requests for proposals or selected an advisor, say M&A officials. **Dave Thompson**, spokesman for Mirant in Atlanta, declined to comment or to make officials available for comment.

The objectives of the sale are not clear, notes one official. The company has secured \$2.35 billion in financing under the terms of its reorganization and by most accounts it is well-

(continued on page 12)

Power Shift

WESTLB CUTS DUO IN NY

WestLB has handed out pink slips to **Dempsey Gable**, executive director, and **Jonathan Berman**, managing director, in the bank's power originations group in New York. As first reported on *PFR's* Web site last week the layoffs are part of a strategy to streamline and eke out profitability at the same time as deal flow is thinning among boutique project finance shops (*PFR*, 11/8/04). The reshuffling, which occurred in late January, included cuts in its credit group as well as corporate banking, totaling approximately 17 staffers, observers say.

(continued on page 11)

AIG FP, ARCLIGHT JOCKEY FOR GARDEN STATE PLANT

AIG Financial Products and ArcLight Capital Partners are in the mix for **East Coast Power**, the **Goldman Sachs**-owned holding company for its 940 MW cogeneration facility in Linden, N.J. M&A officials familiar with the process say the two are among a number of bidders Goldman invited to participate in the second round of the sale of the coveted qualified generation facility (*PFR*, 1/30). The exact number of bidders aiming for the asset could not be determined. Second-round bids are due Feb. 22.

(continued on page 12)

Survey Says

PROJECT BANKERS EXPECT TO FINANCE IGCC WITHIN FIVE YEARS

Bankers believe an integrated gasification combined cycle plant will be project financed within the next five years. A survey by the **Allied Irish Bank's** Energy Team, headed by **Vaughn Buck**, reveals that 84% of about 70 financiers believe an IGCC plant will make its way through the market. Buck says this was the most surprising result, as the technology is new and has been touted as the next great thing for a long time, with no real progress. "I

(continued on page 11)

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



At Press Time Babcock & Brown Takes Run At Dominion Gas

Babcock & Brown is said to be keen on **Dominion Resources'** local gas distribution companies. According to several M&A officials, the Sydney, Australia-based investment and advisory firm is one of several bidders looking to score **Dominion Peoples** in Pittsburgh and **Dominion Hope** in Clarksburg, W.Va. The auction is entering the second phase. Other bidders could not be determined nor could offer amounts.

Calls to **Pete Labbat**, managing director at **Goldman Sachs** in New York, which is running the sale, and **Thomas Chewning**, cfo at Dominion in Richmond, Va., were not returned.

The gas assets were acquired along with another gas distribution facility in Ohio when the company merged with **Consolidated Natural Gas Company**. Goldman is expected to take bids this month (PFR, 1/16). A message left at Babcock & Brown in New York was not returned.

Exelon Boston Holders Await Equity Conversion

Owners of **Exelon Boston Generating** paper are awaiting a conversion of debt into equity related to a package of plants backing the paper. Expected sometime in the middle of the month is an issuance of 6.5 million shares, which will be priced roughly in the \$220 range. Trading in the when-issued-market already has been active over the past several weeks, as buyers anticipated the issuance, says one trader, noting that trading places the equity in the \$220-225 range.

Credit Suisse acted as financial advisor and arranged the recapitalization for owner in the operation **K Road Power** (PFR, 10/24). A call to **William Kriegel**, ceo of K Road Power, was not returned and CSFB officials declined comment.

Exelon Boston's first- and second-lien term loans issued a few months ago are trading just north of par, traders say. CSFB helped to provide a \$350 million first line and a \$300 million second-lien loan. The second lien is priced at LIBOR plus 630 basis points, while the first lien is priced at LIBOR plus 325 basis points.

Exelon Boston, which also is owned by a group of hedge funds, was originally developed by **Sithe Energies**. It was sold to Exelon, which sold the plants back to the developers in July 2003 after it failed to make a profit on its investment.

Tell Us What You Think!

Do you have questions, comments or criticisms about a story that appeared in *PFR*? Should we be covering more or less of a given area? The staff of *PFR* is committed as ever to evolving with the markets and we welcome your feedback. Feel free to contact **Mark DeCambre**, managing editor, at 212-224-3293 or mdecambre@iineews.com.

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**Institutional
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INTELLIGENCE FIRST

EnCana To Pick Winning Storage Asset Bid

Calgary, Alberta-based **EnCana Corp.** is close to selecting a winning bidder for gas storage facilities it put on the block late last year. Final bids have been received and an announcement is expected soon, says one M&A tracker. The value of the assets and the identity of bidders could not be determined. EnCana announced plans to sell the facilities in June 2005. EnCana spokesman **Alan Boras** says it plans to choose a winner sometime in the first quarter but he declined to be more specific.

UBS and **RBC Capital Markets** are managing the sale for the natural gas company. Among the facilities included are the 105 bcf AECO Hub in Alberta, the 14 bcf Wild Goose in California, and the 15 bcf Salt Plains in Oklahoma. Also included in the auction is the 40 bcf Starks facility in Louisiana, which is in development. The assets represent almost all of EnCana's gas storage facilities and is one of the largest such sales, says one M&A official.

Calls to **Tom Osbourne**, managing director at UBS in New York, and to **Geoff Cohen**, managing director at RBS in Toronto, were not returned.

Calpine Second Lien Surges

Calpine Corp.'s second-lien loan traded up into the 91-92 range from the 85-86 context a week earlier. A trader says demand for the loan is strong because investors are comfortable with the collateral backing the financing. He added that the strong interest in the second lien is matched by the demand for Calpine's \$2 billion debtor-in-possession financing, which is oversubscribed. "Prospects for the company are good," says the trader.

Calpine's bonds also traded up. Its 7.875% '08 bonds were up two-and-half points to 43, while its 7.75% '09 notes climbed three points to 43.5, according to **Markit** and **NASD**.

Calpine last week announced the unfurling of a new business plan designed to help it emerge from Chapter 11. As part of the reorganization plan, Calpine intends to sell several businesses, such as its construction unit and **Thomassen Turbine Systems**, a support services company for gas turbines. It also plans to shut down its **Calpine Power Services** division.

Last week, it also appealed a U.S. District Court decision, which ruled that the **Federal Energy Regulatory Commission** should have jurisdiction over Calpine's appeal to reject eight power sales contracts. A Calpine spokeswoman said the company

believes its case to reject the contracts should be heard before a bankruptcy court.

ArcLight Venture To Bag Mich. Biomass

Boston-based **ArcLight Capital Partners** and **Delta Power** are looking to acquire a leasehold interest in a biomass plant known as **Cadillac Renewable Energy LLC** in Michigan. **General Electric** financed construction of the 38 MW plant in Cadillac which was owned by a joint venture between **Decker Energy** and **NRG Energy**.

It sells electricity to **Consumers Energy** under a 35-year contract. Delta and ArcLight submitted a filing to **Federal Energy Regulatory Commission** to approve the planned sale. Officials at ArcLight and Delta did not return calls for comment. A FERC official declined to comment.

The wood-fueled plant cost about \$60 million to construct and was fired up in July 1993. The facility burns about 400,000 tons per year of waste wood. It is operated by NRG and employs some 20 workers. Details of the Delta and ArcLight's acquisition could not be determined. The plant has a 95% reliability rate.

CIT Wraps Southern Pines Gas Terminal Funds

CIT Group has closed a non-recourse construction loan for **SGR Holdings** to develop a natural gas storage facility in Green County, Miss. The holding entity, a subsidiary of Boston-based **ArcLight Capital Partners** secured financing in the neighborhood of \$110 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. 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.

Southern Union Set To Unload Gas Units

Southern Union's **Missouri Gas Energy** and **New England Gas** subsidiaries are poised to be unloaded, on the heels of the Scranton, Pa.-based energy company's sale of **PG Energy** to **UGI**. Southern Union sold the Wilkes-Barre, Pa.-based midstream asset for \$580 million, and **Credit Suisse** advised **UGI** on the purchase (PFR, 1/30). **Merrill Lynch** is advising Southern Union, and M&A officials say they are keeping these two offerings as quiet as the first. Southern Union is unloading the local distribution companies (or LDCs) to finance the acquisition of **Sid Richardson** and **Richardson Energy** for approximately \$1.6 billion.

Calls to **Laurie Coben**, managing director at Merrill in New York, were not returned and **Jon Barnett**, spokesman for Southern Union, declined to comment on what he labeled market rumors.

Possible candidates to purchase the Missouri LDC include Tulsa, Okla.-based **Oneok**, says a banker familiar with Southern Union's plans. Another M&A official, not involved in the process, notes that Missouri could be tougher to sell because state regulators are notoriously tough and are not usually willing to let buyers pass along costs to rate payers. A price range for the LDC could not be determined. Calls to **Lori Webster**, spokeswoman at Oneok, were not returned.

NRG Loan Paper Pops In Secondary Mart

About \$1 billion of **NRG Energy's** new debt backing the acquisition of **Texas Genco** has traded in the secondary market since the deal was completed, with the \$3.575 billion term loan B breaking for trading at 101.25. **Morgan Stanley** and **Citigroup** lead the deal, which also consists of a \$1 billion revolver and a \$1 billion letter of credit (PFR, 01/09). All tranches are priced at LIBOR plus 2%. The debt has actively traded in the range of 101-101 1/2. Bankers at Citi and Morgan either did not comment or did not return calls.

Clark Orsky, an analyst at **KDP Investment Advisors** in Montpelier, Vt., says even though NRG is leveraging up the purchase, the deal was structured the company has pledged cash flow to pay down debt, which makes the deal appear less risky. One trader noted the deal was 2X oversubscribed.

The term loan was increased from \$3.2 billion and was originally priced at LIBOR plus 2 1/4%. A spokeswoman at NRG says the loan was upsized to take out the sponsor preferred stock, which would have been a high coupon and could have restricted the company from paying dividends.

Pricing on the term loan was decreased because of high demand. **Moody's Investors Service** upgraded NRG's corporate family rating to Ba3 from B1 and assigned a Ba2 senior secured rating to the term loan.

Spain's Gas Natural May Need To Boost Endesa Bid

Spain's Gas Natural may have to increase its bid for competitor Endesa after the target unveiled strong earnings for last year. **Oleg Ledovskoy**, an analyst with **BNP Paribas** in London, says the market has long speculated Gas Natural would have to increase its current €21.7 billion (\$26.33 billion) bid for Endesa in order to appease shareholders and ensure that a deal gets done. Endesa's saw its EBITDA increase by 33% to €6.020 billion.

Even before offers are finalized, Spain's government must greenlight the takeover, which was expected as *PFR* was going to press. Endesa is worth about 3X Gas Natural's €14 billion enterprise value, says Ledovskoy. Calls to spokespeople for Endesa in Madrid and Gas Natural in Barcelona were not returned.

The results were released to investors about a month early in an effort to rally shareholders behind the company and shore up confidence, Ledovskoy says. Offloading about €3.2 billion of assets, mostly in ancillary areas, such as telecom, helped Endesa improve performance, he notes.

Toronto Firm Launches Offshore Energy Fund

Toronto-based **Creststreet Capital** has launched an offshore version of its energy long/short hedge fund targeting European investors, and expects to soft-close the fund by late summer. The fund, which launched in November, holds \$25 million from family offices, funds of funds and high-net-worth investors. **Aaron Maybin**, associate portfolio manager, says these firms have entered the fund with an initial allocation of \$2-3 million, but that most intend to ramp their holdings up to around \$20 million each over time. The offshore fund will be soft-closed when it reaches \$100 million.

Creststreet kicked off the original onshore Canadian energy fund in May last year. This is still small, at C\$6 million, says Maybin. The firm will focus on marketing this version in the coming months. It will cap the strategy at around C\$250 million across the two funds. The firm is aiming to raise \$100 million from the offshore fund and C\$100 million from the onshore fund to achieve this, explains Maybin. The funds both charge a 2% management fee and a 20% performance fee. **Scotia Capital** is the prime broker.

Vermont Power Authority Eyes Bonds

Vermont Public Power Supply Authority will issue tax-exempt bonds to finance a proposed \$12 million, 42 MW plant near Swanton. **James Gibbons**, manager of power supply in Waterbury Center, Vt., says it is difficult to give a definite timeline for the project, as it has yet to get regulatory approval, adding he would be amazed if it were constructed and up in seven months. The bonds will be issued before construction starts.

VPPSA will look to purchase dual fueled turbines, says Gibbons, before beginning construction. Having two units, with two fuels, will give the plant flexibility, and practically ensures that if one unit went down, then the whole capacity load will not be lost. Gibbons adds the VPPSA believes the plant will provide an important hedge in the New England power market, and will provide the bulk of the capacity needs for VPPSA's members.

Corporate Strategies

Washington Gas Erases MTNs

Washington Gas Light has redeemed \$50 million of a 6.15%, 30-year medium-term note and replaced it with notes carrying a lower coupon. **Shelley Jennings**, treasurer in Washington, D.C., says the old debt had a 10-year call option, so the utility decided to go ahead and call the notes.

The subsidiary of **WGL Holdings** had two new issuances: \$25 million of 5.17%, 10-year paper and \$25 million of 5.7%, 30-year notes. **Williams Capital**, **Citigroup** and **Wachovia Capital Management** were the agents on the refinancing. Jennings says those banks have performed MTNs in the past

and Washington Gas is happy with their efforts.

Jennings says the 6.15% notes were issued originally for corporate purposes, including supporting construction and other capital programs. "We're not a very complicated company from that perspective," she says, adding that Washington Gas lays a lot of pipelines in the ground, and likes to finance those programs via long-term debt and common equity.

El Paso To Buyback Converts

El Paso plans on repurchasing up to \$615 million of 20-year, zero-coupon convertible bonds, which holders can put back to the Houston-based energy holding company as of Feb. 28. **Bill Baerg**, investor relations manager, who served as the corporate finance manager when the notes were issued five years ago, says cash has been earmarked to tender the notes.

Credit Suisse served as the sole manager of the original sale, which was done as a 144A private placement. Investors paid \$452.89 for each note, and are set to receive about \$552. El Paso raised about \$800 million during the offering, but it bought back about \$200 million on the open market. The zero-coupon offering is rated Caa1 by **Moody's Investors Service**.

The repurchase is being done under the original terms of the offering, which gave the company the option of paying holders with equity or cash. El Paso will put cash not used in this repurchase toward future debt-reduction opportunities. The official says El Paso has not specifically identified other areas to trim debt.

Separately, Baerg says El Paso expects to issue \$500 million of equity to partially finance the \$851 million August 2005 acquisition of **Medicine Bow Energy**, an oil and gas energy and production firm. When the acquisition closed, El Paso said it would use equity to finance part of the deal within a year.

Financing Record (JANUARY 25 - JANUARY 26)

Debt

Date	Issuer	Business Description	Amount (\$ mil)	Coupon (%)	Security	Maturity	Offer Price	YTM(%)	Spread	S&P	Moody's
1/26/06	NRG Energy Inc	Electric,gas utility	500		Mand Cvt Pfd St		250	1.12		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
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
1/26/06	United Utilities Water PLC	Water utility	88.9	Index	Indexed MTNs	1/31/41	100	Index		A-	A2
1/26/06	Zhejiang Energy Group Co Ltd	Electric and gas utility	1,861.00	4.3	Guaranteed Bds	1/26/16	100	4.3		NR	NR

M&A

Date Announced	Date Effective	Target Name	Target Advisors	Target Industry Sector	Target Nation	Acquiror Name	Acquiror Advisors	Acquiror Industry Sector	Acquiror Nation	Value (\$mil)
1/25/06		CESA		Electric, Gas, and Water Distribution	Spain	Acciona SA		Construction Firms	Spain	1,681.95
1/26/06		PG Energy Svcs Inc-Gas Asts		Electric, Gas, and Water Distribution	United States	UGI Corp	Credit Suisse Group	Electric, Gas, and Water Distribution	United States	580
1/26/06	1/26/06	Winona Lakes Utilities Inc-		Electric, Gas, and Water Distribution	United States	Pennsylvania Amer Water Co		Electric, Gas, and Water Distribution	United States	0.02

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.

Americas

- In opening statements last week, the defense team for former Enron officials **Ken Lay** and **Jeff Skilling** portrayed the company heads as pioneers, who were upended by panic-stricken creditors, who in turn caused liquidity in Enron's trading operation to evaporate. Prosecutors, instead, claimed that malfeasance and manipulation at the hands of its officials led to the energy company's ultimate demise nearly five years ago (*Wall Street Journal*, 2/1).

- **LS Power Equity Partners** received antitrust clearance from the Federal Trade Commission to buy the **Duke Energy North America** assets it won at auction for about \$1.54 billion (*Dow Jones Newswires*, 2/1).

- Rhode Island has joined the city of Fall River and Massachusetts in appealing the Federal Energy Regulatory Commission's recent reaffirmation for a liquefied natural gas terminal at Weaver's Cove (*Providence Business News*, 2/1).

- Australia's **Woodside Natural Gas** has surfaced with plans to anchor an LNG terminal somewhere off the coast of Southern California, but the company will not say exactly where the terminal will be placed, although the Malibu coast is a possibility (*Malibu Times*, 2/1).

- **Calpine**, which filed for bankruptcy in December, named **Scott Davido** its new cfo. Davido has experience with money problems like Calpine's. Three years ago, he helped guide New Jersey-based **NRG Energy** through bankruptcy (*San Jose Mercury News*, 1/31).

- **Wisconsin Public Service** is prepared to buy **Calpine's** Fox Energy Center, if necessary, in order to keep the power flowing from it to the regional power grid (*Gannett Wisconsin Newspapers*, 1/31).

- **American Electric Power** plans to build a 550-mile electricity-transmission line from West Virginia to New Jersey, the first major project to take advantage of a new federal law that encourages the construction of projects needed to bring relief to an overstressed power grid (*Wall Street Journal*, 1/31).

- Missouri officials issued a permit that will allow **Kansas City Power & Light** to begin constructing a second coal-fired power plant in northwest Missouri (*Associated Press*, 1/31).

- A new gas-fired power plant may be the only way Toronto can avoid blackouts while quenching its insatiable thirst for electricity, says **Dalton McGuinty**, premier of Ontario (*London Free Press*, 1/31).

- The Pennsylvania Public Utility Commission voted to re-examine a 73% rate increase at a tiny electric utility, **Pike County Light & Power Co.**, a unit of **Consolidated Edison Inc.**, which serves a fast-growing area popular with telecommuters. The ruling signals that regulators may seek to limit power-rate increases despite deregulation (*Wall Street Journal*, 1/28).

Africa

- **BG Group** subsidiary **BG Gas Marketing** signed a memorandum of understanding to buy 2 million tons a year of LNG from Nigeria's **Brass LNG** for 20 years (*Oil & Gas Journal*, 1/31).

Europe

- A European court rejected **Endesa's** request for interim measures after the European Commission ruled that the probe into **Gas Natural's** bid for the utility should be dealt with in Spain (*AFX News*, 2/1).

- U.K.-based green energy project developer **KP Renewables** hired U.S. financial advisor **Marathon Capital** to raise \$221 million to finance renewable energy projects in the U.K. (*Dow Jones Newswires*, 2/1).

Asia/Australia

- The power plants being built by China to keep up with the country's surging electricity needs are typically inefficient, 1950s-era plants that waste two-thirds of their coal (*Newsweek*, 2/6).

- Australia would be the preferred LNG supplier to Asia and the west coast of the U.S. for at least the next five years, says **Ian Macfarlane**, federal resources minister, ensuring the nation billions of dollars worth of export revenues (*Australian*, 2/1).

- New Zealand utilities investor **Infratil** struck a deal to buy a 39 MW diesel-fired peaking plant in South Australia from a subsidiary of U.S. company **Cummins** (*Dow Jones Newswires*, 1/31).

- **Australian Gas Light** plans to build a 95 MW, \$236 million wind farm north of Adelaide, next to its existing 180 MW gas-fired power plant (*Australian Associated Press*, 1/31).

- **BHP Billiton** says 18 large buyers have signed letters of interest in purchasing gas from its rival \$600 million **Cabrillo Port LNG** import terminal project (*Sydney Morning Herald*, 1/27).



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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@iinews.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	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.

PROJECT BANKERS

(continued from page 1)

thought 84% was very bullish," he says. "I've heard about this my entire career."

This is the second year AIB has taken the pulse of about 120 project financiers, at about 66 institutions, with questions ranging from what the most active areas for project finance will be to what kind of interest rate range will be the most prevalent in the market for a fully contracted deal with a strong utility.

While 33% of about 63 respondents last year thought wind would be the most active area of deals for project finance, about 42% think asset acquisition and merger and acquisition activity will be the most active this year. The B loan market is expected to remain the most popular of financing methods for plants going forward, with 69% of respondents this year feeling the B loan market will finance most of the plants, an increase over last year's total of 49%. While sentiment toward the B loan market has not seemed to change, financiers think banks will embrace merchant risk sooner. This year, about 44% of respondents believe banks will embrace merchant risk by 2007-2008, while last year about the same percentage believed merchant risk would be embraced by 2008-2010.

For the complete survey results please go to www.iipower.com.

—Mari Slater

WESTLB CUTS

(continued from page 1)

Neither Gable nor Berman returned calls to their mobile phones.

Gable worked for the German lender for just over a year, after previously heading **Commerzbank's** project finance team in New York (PFR, 5/24/04), and observers say the layoffs came as a surprise given that the veteran was linked to some 10 deal closings, totaling about \$20 million in revenues for the firm. Berman had been with the firm for 10 years and had been associated with several large originations in the generation arena including **Ohio Valley Electric Corp's** \$445 million private placement of 20-year notes. WestLB spokeswoman **Connie Kain** was unable to comment when reached.

Co-head of the power group **Lou Iaconetti**, who came on board a few months ago (PFR, 11/7), informed the power executives of the cuts. Iaconetti and co-head **Santino Basile**, report to **Jim McPartlan**, the head of investment banking, who took on his current role from **Howard Moseson**, who resigned in the summer (PFR, 8/1).

The departing bankers are not expected to receive bonuses for last year, a fact that has garnered the ire of the staffers given what they believe to have been a strong performance last year, according to officials familiar with the situation. Although bonus structures factor in many variables, typically about 10-

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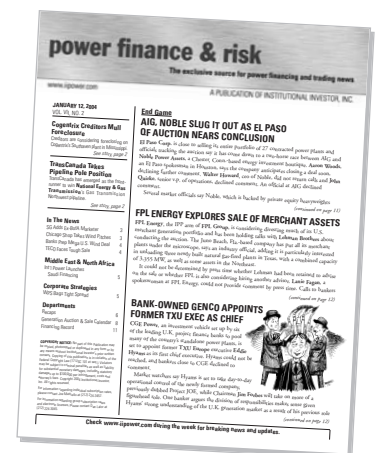
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15% of banker's revenues are thrown into a bonus pool from which bonuses are allocated, the officials say.

Since the fall, several behind the scenes moves have occurred at the firm, including the shifting of head of power **Jim Brown**—who was hired to juice that group—to the firm's industrial's and infrastructure group. That group includes automobiles and airlines. It is also believed that WestLB is making cuts in its European office, which McPartlan is overseeing. Brown declined to comment. —*Mark DeCambre*

AIG FP

(continued from page 1)

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.

Steven Pike, managing director at AIG FP in New York, did not respond to an email request for comment. **Pete Labbat**, managing director at Goldman in New York, did not return a call for comment, nor did **Dan Revers**, managing partner at ArcLight in Boston. —*P.R.*

MIRANT WEIGHS

(continued from page 1)

positioned, from a cash standpoint, to operate. The Atlanta-based energy outfit emerged from Chapter 11 proceedings last month.

Mirant owns 2.43 GW of generating capacity through its wholly owned **Mirant Philippines** unit, including the roughly 1.2 GW coal-fired Sual Generating Plant in Sual, Pangasinan, and the 704 MW coal-fired Pagbilao Generating Plant in Pagbilao, Quezon. Nearly all of the electricity from those two plants is under long-term contracts to the **National Power Corporation**, Philippines' national electric company. One M&A official says that Japanese power companies would be logical acquirers of the plants based on their location and the fact that they are contracted assets. Mirant owns about 14 GW of generation in the U.S. —*Peter Roth*

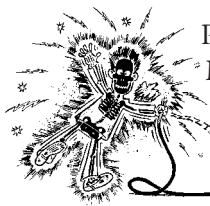
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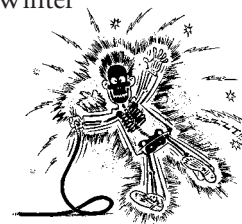
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Alternating Current



Project bankers made their way to **Annie Moore's Pub** in New York near Grand Central Station last Wednesday to attend **Allied Irish Bank's** Winter Project Finance reception. Lured by the promise of pints, bar food, and most importantly, power industry dish, about 60 bankers were in attendance. Host **Vaughn Buck**, head of the energy and utilities group at AIB, says his group just likes to have fun—as anyone who has ever had the privilege of lunching midday with the energy financier can attest. Attendees were treated to a buffet of largely French fries and sausages. Buck had to leave the event at around 9:30pm, but bankers partied into the night.



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

Quote Of The Week

"I thought 84% was very bullish. I've heard about this my entire career." —**Vaughn Buck**, head of the energy and utilities group at **Allied Irish Bank**, on his reaction to the result that many financiers expect to project finance an integrated gasification combined cycle plant within five years (see story, page 1).

One Year Ago In Power Finance & Risk

Cheniere Energy was increasing its leverage on its financing for its liquefied natural gas facility in Sabine Pass, La. Envisaged as a \$750 million loan, lead banks **Credit Suisse First Boston** and **HSBC Securities** were looking to increase the debt portion of the package originally pitched with pricing at LIBOR plus 150. [CSFB and HSBC wrapped the \$822 million senior secured credit facility with a syndicate of 47 financial institutions about three weeks later.]