

power finance & risk

The exclusive source for power financing and trading news

www.iipower.com

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

FEBRUARY 12, 2007

VOL. X, NO. 6

Horizon Buys Ore. Wind

Horizon Wind Energy has purchased 200 MW of wind projects from **Columbia Energy Partners**.

(See story, page 4)

Goldman Snags Aussie M&A Banker

Goldman Sachs has hired a **Lehman Brothers** energy exec for its **Goldman Sachs JBWere** unit in Melbourne.

(See story, page 3)

In The News

Dutch Merger Hinges On Regulation	3
Tyr Stalks GE PJM Coal Plant	3
Macquarie Considers Merchant Route	3

Corporate Strategies

Eskom Readies U.S. Bond Sale	4
Calif. Agency Shops Bonds For Gas	4
Entergy Funds Buyback With Cash	5

Departments

Financing Record	5
Generation Auction & Sale	8
Project Finance Deal Book	9
Weekly Recap	10

COPYRIGHT NOTICE: No part of this publication may be copied, photocopied or duplicated in any form or by any means without Institutional Investor's prior written consent. Copying of this publication is in violation of the Federal Copyright Law (17 USC 101 et seq.). Violators may be subject to criminal penalties as well as liability for substantial monetary damages, including statutory damages up to \$100,000 per infringement, costs and attorney's fees. Copyright 2007 Institutional Investor, Inc. All rights reserved.

For information regarding subscription rates and electronic licenses, please contact Dan Lalor at (212) 224-3045.

Romancing The Eddystone

GE MAKES STRONG PUSH TO TAKE LIBERTY FACILITY

General Electric is aggressively pursuing the 568 MW Liberty generating facility in Eddystone, Pa. Deal trackers say the asset could fetch as much as \$450 million, or \$800 per kW, though precise values being assigned by bidders could not be learned. Calls to an official at auctioneer **JPMorgan Chase** were not returned.

Observers suggested that GE's bid outstripped rivals, but exactly how much it offered

(continued on page 12)

Swoops On Thorndike

CREDIT SUISSE GIRDS FOR UTILITY M&A

Credit Suisse is forecasting a surge in merger and acquisition activity in the regulated utility sector. To position itself, the firm has hired 35-year industry veteran **John Thorndike** as a managing director from **Merrill Lynch** in New York, to help attract new business, says **Jamie Welch**, head of energy in New York. The 65-year-old energy banker was hired from Merrill primarily on the merits of his longstanding relationships with top senior execs at firms such as **FPL Group** and **Exelon Corp.**

(continued on page 12)

IBERDROLA 5.5 GW MEXICAN REFI PUSHES OFF

BBVA, **Calyon** and **Citigroup** have launched syndication of a \$1.7 billion loan refinancing for Iberdrola's Mexican assets. The deal is intended to leverage the Spanish player's 5.5 GW portfolio of existing and to-be-built generation assets (PFR, 12/18).

The initial bank meetings were held in New York and Europe, according to bankers following the deal, which has yet to reach financial close.

The debt is split into two equal tranches, a five-year portion priced at 32.5 basis points over LIBOR and a 10-year piece priced at 62.5. The Spanish utility funded the development

(continued on page 12)

LEADS KICK OFF \$1.1B LONGVIEW SYNDICATION

Syndication of \$1.1 billion in loans for **Longview Power**, a subsidiary of **First Reserve-backed GenPower**, was launched Feb. 8 by leads **Goldman Sachs** and **WestLB**. The bank meeting was held at the W Hotel in midtown Manhattan.

Proceeds will bankroll 50% of the costs of constructing a \$1.8 billion merchant coal plant in Maidsville, W.Va. Rounding out the package is a seven-year, \$900 million term loan—comprising a \$300 million funded term loan B, a \$350 million delayed-draw term loan and a \$250 million construction loan. Supporting these tranches is a six-year, \$100

(continued on page 12)

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



At Press Time

Mexican Retailer Partnership Seeks \$700M Wind Financing

Mexican retailer **Organización Soriana** and wind developer **Vientos Del Istmo** are looking for lenders to arrange as much as \$700 million in financing for 396 MW worth of wind farms.

Soriana, a general goods retailer in stiff competition with **Wal-Mart's** Mexican operations, plans to reduce costs by using the output to satisfy its own electricity needs. It is not known whether Soriana will sell output from the project. A request for comment was not returned by a Soriana spokesman.

The facility will be located in San Dionisio del Mar in Oaxaca. An RFP is expected in the next few weeks.

The initial plan calls for 216 MW to be installed by 2009, at a cost of about \$300 million. Subsequent phases of the project could lift capacity to 396 MW, and raise the total cost to near \$700 million. Whether the builders plan to raise the funds to build the entire 396 MW at once could not be learned. Soriana said **Vientos Del Istmo** have already obtained the necessary permitting and approvals for construction.

Indicative Bids On Globaleq Fleet Imminent

Globaleq has set a Feb. 16 deadline for indicative bids on nearly 2.5 GW of emerging market generation it is auctioning via **Lehman Brothers**. The Bermuda-registered power company, owned by U.K. government-owned fund of funds **CDC**, is expecting to receive offers for the entire fleet, but will consider a piecemeal sale to regional buyers, says **Stephen Morisseau**, v.p. of corporate affairs in Houston.

The decision to shop the portfolio was prompted by the rise of new infrastructure funds looking to snap up emerging market assets, explains Morisseau, and by **Globaleq's** desire to pursue more greenfield development opportunities going forward. These will likely be financed at the project level with debt provided by a combination of international and local banks, and equity provided by **CDC**.

Calls to **Ben Wilson**, an official at Lehman in London, were not returned. **Miriam de Lacy**, a spokeswoman for **CDC**, confirmed that the fund's investment advisor on **Globaleq**, **Actis**, is assessing market interest in the generation, but offered no further comment.

On the block is a series of predominantly contracted assets, located across Africa, Asia and the Americas, says Morisseau.

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.

power finance & risk

The exclusive source for power financing and trading news

EDITORIAL

TOM LAMONT
Editor

STEVE MURRAY
Deputy Editor

PETER THOMPSON
Executive Editor [Chicago]
(773) 439-1090

MARK DeCambre
Managing Editor
(212) 224-3293

BEN MILLER
Associate Reporter
(212) 224-3226

KATY BURNE
Senior Reporter
(212) 224-3165

STANLEY WILSON
Washington Bureau Chief
(202) 393-0728

KIERON BLACK
Sketch Artist

PRODUCTION

DANY PEÑA
Director

LYNETTE STOCK, DEBORAH ZAKEN
Managers

MICHELLE TOM, MELISSA ENSMINGER, BRIAN STONE, JAMES BAMBARA
Associates

JENNY LO
Web Production & Design Director

MARIA JODICE
Advertising Production Manager
(212) 224-3267

ADVERTISING AND BUSINESS PUBLISHING

JONATHAN WRIGHT
Publisher
(212) 224 3566

JESSICA SOMMAR
Editor, Business Publishing
(212) 224-3272

CHRIS DEANGELIS
Online Sales Director
(212) 224-3618

PAT BERTUCCI, MAGGIE DIAZ, LANCE KISLING, Associate Publishers

SAMUEL HARRIS WILLIAMS
Head of Legal Sales
(212) 224-3894

LESLIE NG
Advertising Coordinator
(212) 224-3212

PUBLISHING

ELAYNE GLICK
Publisher
(212) 224-3069

MIKE FERGUS
Marketing Director
(212) 224-3266

AMANDA CATERINA
Associate Marketing Manager
(212) 224-3096

VINCENT YENOSKY
Senior Operations Manager
(212) 224-3057

DAVID SILVA
Senior Fulfillment Manager
(212) 224-3573

SUBSCRIPTIONS/ELECTRONIC LICENSES

One year - \$2,725 (in Canada add \$30 postage, others outside U.S. add \$75).

DAN LALOR
Director of Sales (212) 224-3045

EMILY-JANE STAPLETON
Account Executive [London]
(44-20) 7779-8704

KEN LERNER
Account Executive
(212) 224-3043

GEORGE WITTMAN
Client Development Manager
(212) 224-3019

REPRINTS

DEWEY PALMIERI
Reprint & Permission Manager
(212) 224-3675
dpalmieri@institutionalinvestor.com

CORPORATE

GARY MUELLER
Chairman & CEO

CHRISTOPHER BROWN
President

STEVE KURTZ
Chief Operating Officer

ROBERT TONCHUK
Director/Central Operations & Fulfillment

Customer Service: PO Box 5016,
Brentwood, TN 37024-5016.
Tel: 1-800-715-9195. Fax: 1-615-377-0525
UK: 44 20 7779 8704
Hong Kong: 852 2842 6910
E-mail: customerservice@iineews.com

Editorial Offices: 225 Park Avenue
South, New York, NY 10003.
Tel: (212) 224-3293
Email: mdecambre@iineews.com

Power Finance & Risk is a general circulation newsweekly. No statement in this issue is to be construed as a recommendation to buy or sell securities or to provide investment advice.

Power Finance & Risk ©2007
Institutional Investor, Inc.

Copying prohibited without the permission of the Publisher.

Institutional Investor NEWS
INTELLIGENCE FIRST

Goldman Snags Lehman M&A Banker To Head Down Under

Goldman Sachs has hired Brett Mitsch, a senior v.p. covering power and utilities M&A at Lehman Brothers in New York, for its Anzac operation Goldman Sachs JBWere in Melbourne. Mitsch, who could not be reached, will start at Goldman in New York at the end of March and then head to his native land and take a senior position this summer.

JBWere, which merged with Goldman some four years ago, was founded in 1840 and is one of the largest financial services firms in Australasia.

At Lehman, Mitsch was part of the team that advised Aquila on its recently announced sale to Great Plains Energy and Black Hills Corp. in two separate transactions. He also was assisting AIG Highstar Capital on its auction of a 50% interest in Northern Star Generation, (PFR, 1/29).

A spokeswoman at Lehman was unable to comment by press time and a Goldman spokesman declined to comment.

Essent/Nuon Merger Hinges On Regulation

The proposed EUR24 billion (\$31 billion) union between Dutch energy players Essent and Nuon could face serious challenges at the hands of the Netherlands Competition Authority. Erwin van Lumich, senior director in the European energy and utilities team at Fitch Ratings in Barcelona, says if conditions set by local regulators require the companies to divest too many assets in the Netherlands—its core service territory—for market power reasons, they may call off the deal.

“The [unbundling debate] is really key for these companies in deciding if the transaction is worthwhile or not,” notes van Lumich, explaining that if regulators define the new company’s relevant market as the Netherlands rather than the wider market, the combined company would likely be forced to dispose more assets. Combined, EssentNuon—as the Amsterdam-based entity would be known—would have 8 GW of solid-fuel generation and 1.2 GW of predominantly wind-related, renewable generation. Net annual revenue would be about EUR12 billion.

Essent and Nuon announced their intention to merge Feb. 1, creating one of the largest energy groups in northwest Europe on a par with Spain’s Unión Fenosa and Electricidade de Portugal. The paper deal, which represents 55% of Essent’s stock and 45% of Nuon’s, was a defensive one, says van Lumich, designed to prevent a spin-off of their generation and supply business, giving them a platform to participate in European consolidation activity.

Essent, which is being advised by Citigroup, and Nuon, being

advised by ABN Amro, hope to complete their integration in the fall of this year. Spokespeople for the companies did not return requests for comment.

Tyr Stalks GE PJM Coal Plant

Tyr Capital is in negotiations to buy a 242 MW pulverized coal plant being sold by GE Energy Financial Services. The firm is pursuing a minority position in the asset, according to one deal tracker, but the exact amount being offered and other potential acquirers could not be learned.

GE EFS put its Birchwood facility, located near Fredericksburg in King George County, Va., on the block late last year (PFR, 11/20). It owns 99% of the plant, after buying a 49.5% stake from Mirant Corp. in 2003 for \$71 million, (PFR, 5/29/03); another 49% passive interest owned by Charlotte, N.C.-based Cogentrix Energy in December 2005; and Mirant’s remaining 0.5% limited partner interest last year.

Tyr already owns a 10% stake in the 672 MW Lincoln peaking facility in Manhattan, Ill., which it bought from Allegheny Energy alongside ArcLight Capital Partners in December 2004.

GE spokesman Andrew Katell had no comment and an official at Tyr declined to comment.

Macquarie Scopes Merchant Generation

Macquarie Bank is looking at ways to turn non-regulated generation assets into quasi-contracted investments to fit its low-risk, stable-return investor mandate. The idea follows the formation in 2005 of a Los Angeles-based energy trading arm Macquarie Cook Energy. “We have a flexible approach to investing and what infrastructure means to us is a cash flow characteristic of stable, reliable earnings. If we can use our commodities group to manage price volatility associated with merchant generation, maybe we could turn these assets into infrastructure like cash flows,” says Alan James, senior managing director at Macquarie Securities in New York. A dedicated generation fund is not yet under consideration, however.

James cautions the firm would first need to come up with a way to forecast returns over a 30-year time horizon given that hedges would expire much sooner. “We’d struggle with the residual value after the initial hedge has rolled off.”

Macquarie’s Power Income Fund owns the 156 MW Cardinal Power cogeneration facility in Ontario, Canada, which has a long term PPA with Ontario Electricity Financial Corp. In 1997, the firm was also part of a consortium that acquired Loy Yang, a 2 GW brown coal plant near Traralgon, Victoria, from the Australian government. It has since sold its interest.

Horizon Buys 200 MW Of Oregon Wind Capacity

Horizon Wind Energy has purchased 200 MW of wind projects near Arlington, Oregon from Vancouver, Wash.-based developer **Columbia Energy Partners**. The **Goldman Sachs** outfit, which has been marketing itself to strategic buyers since late last year (PFR, 12/4/06), aims to have 1,350 MW of operational wind capacity in its portfolio by the year-end.

The sale includes permits for phase-one construction of a 104 MW wind farm and 200 MW of transmission on the **Bonneville Power Administration's** system, with dedicated access to its Jones Canyon substation. Additional details could not be obtained.

A call to **Michael Skelly**, chief development officer of the Houston-based wind shop, was not returned.

Corporate Strategies

Eskom Hunts Leads For Q4 U.S. Bond Offering

South African energy holding company Eskom is looking for leads on a \$500-750 million U.S. bond issue planned for the fourth quarter. Proceeds will help bankroll projects and related transmission improvements. **Caroline Henry**, treasury manager in Johannesburg, says an RFP for bookrunners on the notes, likely to have a minimum tenor of 10 years and be placed privately, will be launched shortly. It has been considering a U.S. offering since September (PFR, 9/18).

The U.S. debt markets are a priority, says Henry, because Eskom wants to further diversify its investor base and attract a number of foreign investors, specifically in Asia, who have expressed an interest in U.S. denominated bonds. "We can't isolate our funding to the local market. Plus we wanted to spread out wings from a name perspective," she says.

Eskom is planning a 144A offering, its first for many years in the U.S., which likely will be followed by one international issue roughly every 12-18 months. It has made no determination on which banks it might tap to lead the offering, Henry adds.

Separately, on Feb. 7 the state-run energy company sold ZAR350 million (\$48.5 million) into its domestic market—one of several ZAR350 million tranches it has offered under its ZAR65 billion shelf, registered in March last year. The 26-year notes are expected to price at 19 basis points over comparable Treasuries via the company's own market-making desk, says Henry.

A priority for Eskom is returning to service by 2010 three coal-fired power stations in Mpumalanga—961 MW Komati, 1520 MW Camden and 1128 MW Grootvlei—which were mothballed two decades ago when it had excess capacity. Also in the works are two, 1,050 MW open cycle gas turbine facilities, a

1,332 MW pumped storage facility, and a 300 MW expansion on an existing site, says Henry, noting these developments will be financed on balance sheet because the company needs to maintain its credit ratings. **Moody's Investors Service** rates it A2, while **Standard & Poor's** rates it BBB+.

Eskom is required to build 70% of capacity in South Africa, with the balance being undertaken by independent power producers. Of its 42 GW, predominantly baseload fleet, 88% is fueled by coal.

Ca. Agency Shops Bonds To Support Gas

The **Roseville Natural Gas Financing Authority** has sold \$209 million in revenue bonds to purchase gas to supply the northern California city's nearly-completed generation facility.

The authority is a special entity created by the City of Roseville to sell bonds financing the fixed, 20-year natural gas supply contract with **Merrill Lynch's** commodities arm, explains **Sandra McDonald**, financial advisor to the Sacramento suburb. "The single purpose entity allows the city to isolate itself from the performance of the gas contract," she says. The city's payment can be listed on the balance sheet as an operating expense, rather than debt, which is better for the city's overall credit profile.

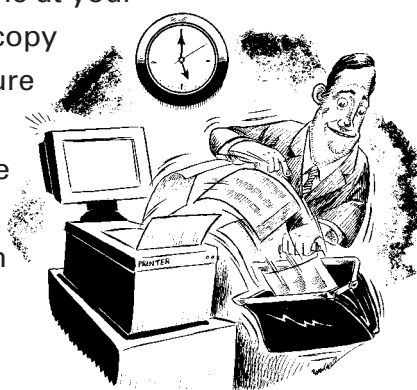
The bonds are backed by revenues from monthly gas sales to the city. The authority will enter into a commodity swap

NOW GET power finance & risk EVERY FRIDAY!

Paid subscribers now have access to a PDF of the upcoming Monday's newsletter on *Power Finance & Risk's* Web site every Friday afternoon before 5 p.m. EDT. That's a 64 hour jump on mail delivery, even when the post office is on time!

Read the news online at your desk or print out a copy to read at your leisure over the weekend.

Either way, you'll be getting our breaking news even sooner and starting your week off fully informed!



with **JPMorgan Chase** to hedge the price it receives for the gas from the city.

Delivery of the gas will start in January 2008, when the 160 MW Roseville Energy Park begins operation. McDonald says the combination of current gas prices and interest rates compelled the city to sell the bonds and arrange the purchase agreement now. The notes have tenors maturing each year from 2009 to 2028. The two- and three-year notes pay 4%, while all others are 5% notes. **Fitch Ratings** and **Standard & Poor's** each rate the notes AA-.

Merrill was also sole underwriter on the offering. Roseville selected Merrill through an RFP process involving nine banks. McDonald says the bank offered the best terms among the banks offering to handle both the purchase agreement and the debt underwriting.

Entergy To Fund \$1.5B Buyback Via Cash On Hand

Entergy Corp. plans to finance its \$1.5 billion share repurchasing program with internally generated funds. The decision to buy back common stock over a three-year period was not prompted by pressure from shareholders, but by the accumulation of free cash flow at holding company level. The cash is primarily from utility and unregulated nuclear operations,

notes **Mike Haggarty**, senior credit officer with **Moody's Investors Service** in New York.

Haggarty believes the New Orleans energy company settled on the repurchasing after deeming the market too pricey for larger strategic investments and not finding any suitable acquisition targets at multiples it is willing to pay. "They obviously haven't seen much opportunity in their area of expertise, so a stock buyback would seem to be what the board wants to spend money on right now," he notes. The company is in the process of exiting its unregulated business and has engaged investment bank **New Harbor** to auction the division's remaining assets, (PFR, 2/05).

Justin Bowersock, director at **Fitch Ratings** in Chicago, adds Entergy was careful not to set itself a deadline on the repurchasing, giving it sufficient flexibility. It had to suspend its last \$1.5 billion buyback to repay losses and rebuild infrastructure in the wake of the 2005 hurricane season, he explains, adding that this initiative was finally completed in December last year.

Should ulterior opportunities to deploy its capital arise or its debt leverage increase to a material level, Entergy has said it may terminate or postpone its repurchasing program.

A call to Treasurer **Steven McNeal** was not returned and a spokeswoman was unable to make another official available.

Financing Record (JANUARY 31-FEBRUARY 6)

Debt

Issued	Issuer	Business Description	Principal (\$M)	Coupon(%)	Security	Maturity	Offered	YTM(%)	Spread	S&P	Moody's	Fitch
1/31/07	Iberdrola International	Pvd electricity prodn,distr	195.4	Floats	Mdm-Trm FI Nts	8/14/08	100	Floats		A	A2	AA-
2/1/07	CenterPoint Energy Inc	Electric utility	250	5.95	Senior Notes	2/1/17	100	5.95	115	BBB-	Ba1	BBB-
2/1/07	CenterPoint Energy Inc	Electric utility	150	6.25	Senior Notes	2/1/37	100	6.25	135	BBB	Baa3	BBB
2/2/07	Komipo(KEPCO/South Korea)	Cogeneration plant	161	Floats	Serial Bonds	2/9/12	100	Floats				

M&A

Announced	Effective	Target Name	Target Advisors	Target Nation	Acquiror Name	Acquiror Advisors	Acquiror Nation	Value (M)
1/31/07	2/1/07	Aquilex Corp		United States	Harvest Partners LLC		United States	
1/31/07	1/31/07	PannonPower Holding Zrt		Hungary	Dalkia Energia Zrt		Hungary	
1/31/07	1/31/07	US Renewables-Landfill Gas		United States	Viridis Energy Capital Pty Ltd		Australia	
2/1/07		Calcasieu Generating Facility,		United States	Entergy Gulf States Inc		United States	57
2/1/07		CMS Energy-Argentina Business		Argentina	Lucid Energy LLC		United States	180
2/1/07		CMS Energy-Northern Michigan		United States	Lucid Energy LLC		United States	
2/1/07		Nuon NV	ABN-AMRO Holding NV	Netherlands	Essent NV	Citigroup, Lazard	Netherlands	
2/2/07	2/2/07	Fortuna SA		Panama	Enel SpA	JP Morgan	Italy	161.3
2/2/07		GW Power Corp	Canaccord Capital Corp	Canada	Canadian Hydro Developers Inc		Canada	73.567
2/5/07		CESA		Spain	Investor Group		Albania	
2/5/07		ENSERV Energieservice GmbH &		Austria	OOe Ferngas AG		Austria	
2/5/07		Jilin Songhuajiang Thermal		China	Jilin Power Share Co Ltd		China	
2/6/07		CMS Generation Co	JP Morgan, UBS Investment Bank	United States	Abu Dhabi National Energy	Goldman Sachs & Co	Utd Arab Em	900
2/6/07		ABB Ltd-Jorf Lasfar Energy		Morocco	Abu Dhabi National Energy	Goldman Sachs & Co	Utd Arab Em	490
2/6/07		ABB Ltd-Neyveli Project		India	Abu Dhabi National Energy	Goldman Sachs & Co	Utd Arab Em	

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

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.

North America

- Federal energy regulators tentatively granted **Duquesne Light's** request for incentive payments to compensate it for the costs of building a \$184 million transmission line project in western Pennsylvania (*Associated Press*, 2/7).
- Minnesota's renewable energy bill was approved by the state senate and awaits approval in its house. The bill dictates that most utilities have to generate 25% of their power from renewable sources by 2025, while **Xcel Energy** would be under orders to use 30% from those sources by 2020 (*Associated Press*, 2/7).
- Maryland Gov. **Martin O'Malley** is urging federal regulators to deny a proposal by **AES** to build a \$400 million liquefied natural gas terminal at Sparrows Point in eastern Baltimore County, citing safety and economic concerns (*Associated Press*, 2/7).
- **Calpine** has won bankruptcy court approval to sell its 250 MW natural-gas fired Goldendale Energy Center in the state of Washington to **Puget Sound Energy** for \$120 million (*Associated Press*, 2/7).
- Natural gas production companies, including **Chesapeake Energy**, are helping fund a new coalition seeking to prevent the construction of **TXU's** coal-fired Texas buildout. (*McClatchy-Tribune Business News*, 2/7).
- **Alliant Energy's Wisconsin Power and Light** unit asked state regulators to approve its plan to build a \$700 million, 300 MW coal-fired plant at its Nelson Dewey site in Cassville, Wis. (*Reuters*, 2/7).
- **Great Plains Energy** plans to buy **Aquila** for \$1.7 billion. The deal excludes Aquila's Colorado electric utility and gas utilities in Colorado, Kansas, Nebraska and Iowa, which will be sold to **Black Hills Corp.** for \$940 million including debt in a separate transaction (*Reuters*, 2/7).
- Virginia became the first state to begin rolling back retail electricity competition, as both bodies of its state legislature approved a bill ending the state's 10-year experiment with partial deregulation at the consumer level (*Reuters*, 2/7).
- **ITC Holdings'** shareholder **International Transmission Holdings LP** has agreed to sell about 6.8 million shares of common stock in a secondary offering and as well as 1.3 million shares directly to a single unnamed investor (*Associated Press*, 2/7).
- **AmerinUE** has filed plans with the **Federal Energy Regulatory Commission** to begin reconstructing the 1.5 billion gallon

reservoir at its Taum Sauk hydroelectric plant later this year and have the plant back in operation by 2009. The cost of the reconstruction was not disclosed (*St. Louis Post-Dispatch*, 2/6).

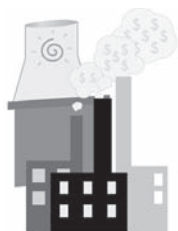
- The 13-state **PJM Interconnection** set an all-time record for winter electricity use, with demand rising above 112.5 GW (*Associated Press*, 2/5).

Europe and Middle East

- **CMS Energy** and Swiss engineering group **ABB** have agreed to sell power assets worth \$1.39 billion to state-controlled **Abu Dhabi National Oil Co.**, for \$900 million. ABB also plans to sell stakes in power projects in Morocco and India for \$490 million as it furthers the divestment of non-core businesses (*Reuters*, 2/6).
- **Endesa's** board gave its backing to a EUR41 billion (\$53.2 billion) bid by **E.ON**, clearing the way for the German group to complete Europe's largest cross-border deal in the energy sector (*Financial Times*, 2/6).
- Ukraine's parliament has passed a law to ban the privatization, sale or lease of the country's gas pipeline system, a move that effectively prevents the idea of any Ukrainian and Russian venture to manage the pipes (*Reuters*, 2/6).
- The U.K. government has given the go-ahead to **Eclipse Energy's** 280 million pound (\$550.5 million) Ormonde project. It will produce 108 MW from 30 wind turbines off the coast of Barrow, England, and use gas from nearby gas fields in Morecambe Bay to produce 93 MW of power on small platforms (*Reuters*, 2/8).
- Germany's **RWE** plans to build a pipeline from the Czech Republic to Belgium that would supply Germany, Britain and the Benelux markets with natural gas from Russia or Middle Eastern suppliers (*Wall Street Journal*, 2/6).
- Prime Minister **Tony Blair** wants Britain to launch a international clean energy project with other European countries, Japan and the U.S. in a drive to combat climate change, focusing on carbon capture and storage (*Reuters*, 2/6).

South America

- Sweden's **Skanska** won a contract worth up to \$136 million to build a 220 MW generation plant near Sao Paulo, Brazil, from state-run oil and gas company **Petrobras** (*Associated Press*, 2/8).



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/Comments
AES Corp.	Delano	Central Valley, Calif.	57	Biomass	Bodington & Co.	Teasers dispatched early Jan. (PFR, 1/29)
	Mendota	Central Valley, Calif.	25	Biomass		
AIG Highstar Capital	13 plants	U.S. portfolio, concentrated in Florida and Pennsylvania	2,378	Gas, coal and waste coal	Lehman Brothers	50% stake in Northern Star Generating for sale. Ontario Teachers' owns the balance. Two-stage auction begins this month (PFR, 1/29).
Astoria Energy	Astoria Plant	Queens, N.Y.	500	Gas	N/A	The partnership that owns the plant is said to be fielding offers from interested parties.
Atlantic City Electric Co.	B.L. England	Upper Township, N.J.	447	Coal/oil	Concentric Energy Advisors	Rockland Capital Energy Investments offered to buy for \$12.2 million so long as necessary approvals are made by March 31, 2007.
BayCorp Holdings	Benton Falls	Benton, Maine	4.3	Hydro	Concentric Energy Advisors	N/A
Cargill-led investor group	Granite Ridge	Londonderry, N.H.	720	Gas	Morgan Stanley	Second-round bids pushed back from early Jan. Advisor said to be compiling a \$400 million staple financing package (PFR, 1/15).
Complete Energy	Batesville	Batesville, Miss.	837	Gas	Dexia	A wholly owned subsidiary of Complete will purchase the asset for an undisclosed sum. Deal was scheduled to wrap in January.
Desert Power	Desert Power plant	Rowley, Utah	65 installed 100 planned	Gas	N/A	Owners auditioning 25 debt and equity financing counterparties to complete construction by June 1 (PFR, 1/15).
Dominion Resources	State Line	Hammond, Ind.	515	Coal	Credit Suisse	N/A
DPL Inc.	Montpelier Electric Generating Station	Poneto, Ind.	219	Gas	Pace Global Energy Services	N/A
Dynergy	Bluegrass	Oldham County, Ky.	573	Gas	JPMorgan Chase	Seller hopes to fetch between \$200-500 million in asset sales this year, (PFR 2/5).
	Heard County	Heard County, Ga.	539	Gas		
	Lyondell	Channelview, Texas	600	Gas		
EBG Holdings	Mystic 7	Everett, Mass.	560	Gas/Oil	Lehman Brothers	K-Road Power has settled on two potential buyers, (PFR/1/8).
	Mystic 8	Everett, Mass.	832	Gas		
	Mystic 9	Everett, Mass.	832	Gas		
	Fore River	Weymouth, Mass.	832	Gas/Oil		
GE Energy Financial Services	Green County plant	Jenka, Okla.	795	Gas	N/A	GE said to be fielding offers for its 90% stake. Tyr Capital owns the balance.
	Birchwood	Fredericksburg, Va.	242	Coal	N/A	(See story page X).
Globaleq	Emerging market portfolio	Asia, Africa, Americas	2,298	Mixed	Lehman Brothers	Indicative bids due Feb. 16, (see story, pX)
Goldman Sachs	Horizon Wind Energy	Houston, Texas	Owns 237.5 Co-owns 130	Wind outright	N/A	Goldman plans to take binding offers at the end of next month (PFR, 1/15).
Greenwich Energy Investments	Masspower	Springfield, Mass.	258	Gas	Miller Buckfire	Six or seven financial players shortlisted. Final bids due mid-month, (PFR, 2/5). Barclays is arranging a \$150 million staple.

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
KGen Power Partners	Murray Energy	Dalton, Ga.	1,244	Gas	Friedman Billings Ramsey	Private placement completed early Jan.
	Hot Springs	Hot Spring County, Ark.	620	Gas		Morgan Stanley arranging a \$400 million credit facility to refinance existing debt (PFR, 1/15).
	Hinds County	Hinds County, Miss.	520	Gas	N/A	Being sold to Tennessee Valley Authority
	Enterprise	Clarke County, Miss.	640	Gas		
	Sandersville	Washington County, Ga.	640	Gas		
	Southaven	Southaven, Miss.	640	Gas		
	New Albany	Union County, Miss.	385	Gas		
	Marshall Energy	Calvert City, Ky.	680	Gas		
LEP Holdings	Liberty	Eddystone, Pa.	568	Gas	JPMorgan	See story, page 1
MDU Resources' IPP unit, Centennial Energy Resources	Brush Power (units 1 & 3)	Brush, Colo.	213	Gas	Goldman Sachs	MDU considering sale of Centennial's generation to help fund acquisitions, e.g. purchase of Cascade Natural Gas (PFR, 1/18).
	Hartwell Generating Station (50%)	Hartwell, Ga.	310	Gas		
	Hardin Generating Station	Hardin, Mont.	116	Coal		
	Mountain View Power Partners	San Geronio Pass, Calif.	66.6	Wind		
	San Joaquin Cogen	Lathrop, Calif.	48	Gas		
Mirant Corp.	Apex plant	Nev.	527	Gas	JPMorgan	LS Power Equity Partners to acquire for \$1.407 billion. JPMorgan tipped to lead financing in form of term B debt, (PFR, 1/22). Deal to close by second quarter.
	Bosque	Texas	546	Gas		
	Shady Hills	Fla.	469	Gas/Oil		
	Sugar Creek	Ind.	561	Gas		
	Zeeland	Mich.	903	Gas		
	West Georgia	Ga.	613	Gas/Oil	JP Morgan	Global Infrastructure Partners left in the race. Early bidders were FPL, Fortis and Emera. Assets could fetch \$1.2 billion (PFR, 1/29)
	Curacao Utilities Co. (25%)	Curacao	133	Asphalt, refinery		
	Grand Bahama Power Co. (55%)	Grand Bahama Island	151	Oil		
	Jamaica Public Service Co. (80%)	Jamaica	621	Oil/Hydro		
	PowerGen (39%)	Trinidad & Tobago	1.2 GW	Gas		
Progress Ventures	Walton	Walton, Ga.	450	Gas	JPMorgan Chase	Bear Stearns unit Arroyo Energy Investors in pole position to acquire, with Starwood Energy also in the running, (PFR, 2/5).
	Monroe Power	Monroe, Ga.	350	Gas		
	Washington County	Washington County, Ga.	600	Gas		
	Effingham County	Effingham County, Ga.	500	Gas		



The premier daily sales and marketing tool for investment managers.

iisearches posted over \$2.7 trillion in business leads in 2005...

...grow your business with the latest daily search leads.

Project Finance Deal Book

Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report updates or provide additional information on the status of financings, please call Mark DeCambre, managing editor, at (212)-224-3293 or e-mail mdecambre@iineews.com.

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
InterGen	La Rosita (1.1GW Coal) Refi	Mexicali, Mexico	BNP Paribas, Calyon, Export Development Canada	Term Loan	\$400 M	15 yr	CFE (Mexico), Shell Offtake. Syndicating
				Senior LC	\$47 M	15 yr	
Repsol, Irving Oil	Canaport (LNG liquefaction)	Saint John, N.B.	BMO, Snatander, La Caixa, BBVA, RBOS	Term Loan	\$756 M	27 yr	Repsol Offtake. Syndicating
Iberdrola	Mexico Portfolio (5.5 GW) Refi	Various	Calyon, Citigroup, BBVA	Package	\$1.7B	5yr 10 yr	Awaiting Close. Syndicating
EdF Energie Nouvelles	La Ventosa (80-100 MW Wind)	Juchitan, Oaxaca, Mexico	TBA	TBA			Choosing Lead Banks
LS Power	Plum Point (665 MW Coal) Refi	Osceola, Ark.	TBA	TBA			Mo. Joint Muni Electric Utility Offtake. Choosing Lead Banks
Calpine, Mitsui & Co.	Greenfield (1GW Gas)	Courtright, Ont., Canada	Bank of Tokyo, Mitsubishi, BMO Financial	Loan	\$500M	18 yr	Ontario Power Authority Offtake. Syndicating
Airtricity	Sand Bluff (90MW Wind)	Sterling Co., Texas	HypoVereinsbank	Non-recourse Debt	\$140M		Awaiting Syndication
GenPower Holdings	Longview (600 MW Coal)	Maidsville, W.Va.	Goldman Sachs, WestLB	TBA	\$1B		Structure and syndication expected by 2/1
Terrawinds Resources	TerraWinds (201 MW Wind)	Rivier-Du-Loup, Quebec, Canada	HSH Nordbank	Senior Secured Construction and Term Debt Facility	C\$300M (\$259M)	TBA	Hydro-Quebec Offtake. Awaiting syndication
Caithness Energy	Long Island Energy Center (350 MW Gas)	Brookhaven, N.Y.	Citigroup	Privately Placed Bonds	\$450M	TBA	LIPA Offtake. Placement expected by 2/07
Boston Generating	Portfolio (3GW) Refi	Various	Credit Suisse, Goldman Sachs	First Lein Term Loan	\$1.08B	7 yr	Awaiting Syndication
				First Lein Revolver	\$70M	5 yr	
				First Lein Synthetic LC	\$250M	7 yr	
				Seond Lein Term Loan	\$400M	8 yr	
				Holding Co. Notes	\$300M	10 yr	
Sumitomo Power	Hermiston Generation Plant (474 MW Gas)	Hermiston, Ore.	TBA	TBA	\$130M	10 yr	Lead banks expected 1Q2007
NorTex Gas	Various	Various, Texas	WestLB, Barclays, ING, Citigroup	Term Loan	\$280M	7 yr	Books have closed
				Working Capital Facility	\$55		
Lodi Gas Storage (ArcLight Capital)	Acquisition Refi		TBA	Secured Loans	\$145M	TBA	Seeking Lead Banks
Noble Environmental Power	Altona, Ellenberg, Clinton and Bliss (339 MW Wind)	Altona, Ellenberg, Clinton and Bliss, N.Y.	HSH Nordbank, Dexia Credit Locale	Non-recourse Loan	\$445M	TBA	Supported by 10 yr. hedges. Syndication expected 1Q2007
Bethel Energy	(100 MW Solar)	Imperial County, Calif.	TBA	Debt and Equity	\$368M	TBA	Looking For Lead Banks
Katabatic Power	(25.5 MW Wind)	Mount Hays, B.C.	TBA	TBA	TBA	TBA	Looking For Lead Banks
Winergy Power	Plum Island (30 MW Wind)	Long Island, N.Y. (Offshore)	TBA	TBA			Looking For Lead Banks
(Lone Star Wind) FPL Energy	Horse Hollow II and III, Red Canyon (606 MW Wind)	Taylor, Nolen, Brden, Garza and Scurry Cos., Texas	BayernLB, Fortis capital, Mizuho	Term Loan	\$600M	15 yr	Syndicating
				LC	\$100M	10 yr	
MachGen	Merchant Portfolio (4 GW) Refi	Various	Morgan Stanley, Deutsche Bank, Bear Stearns	Package	\$1.5B		Syndicating
Borelais Infrastructure	Bruce Power (4.6 GW) Refurbishing	Tiverton, Ont.	TBA	Non-recourse Project Finance Debt	C\$1B (\$846M)	TBA	Choosing Lead Banks
Northern Star Generation	1.5 GW Portfolio	Various	Lehman Brothers, BNP Paribas	Term Loan B	\$350M	TBA	Awaiting Syndication
				Synthetic Letter of Credit	\$30M	TBA	
				High-Yield Debt	\$500M	18.5 yr	
Organizacion Soriana, Vientos Del Istmo	(216 MW Wind)	Oaxaca, Mexico	TBA	TBA			Chosing Lead Banks

Live Deals: Europe/Middle East

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
ACS Group	La Boga Portfolio (Wind)	6 sites, Spain	Natexis, La Caixa	Term Loan Tax Facility	EUR 350M (\$462M) EUR 58M (\$77M)		Syndication 1Q2007
BOT-Elektrownia Belchatow	Belchatow (833MW, Coal)	Rogowiec, Poland	Citibank, ING	Term Loan Standby Facility	EUR250M (\$323.5M) EUR90M (\$119M)	10 yr 8 yr	Syndicating
Babcock & Brown, Eurowatt	Wind Portfolio (120MW)	Various, France	La Caixa, Natexis	Term Loan	EU183M (\$234M)		Syndication to Launch 1Q2007
Spanish Egyptian Gas Company	Damietta (LNG) Refi	Damietta, Egypt	TBA	non-recourse loan	\$600M	15-16 yr	Choosing Lead Banks with Advisor RBOS
Suez	Barka II (678MW)	Barka, Oman	HSBC, Sumitomo Mitsui	Senior Term Loan	\$600M	17.5 yr	Oman Power and Water Procurement Company Offtake. Financial close expected 2/07
Marubeni	Messaieed (2GW Gas)	Doha, Qatar	Calyon, Manging Agents TBA	Financing Package	\$1.63B		Syndication 2Q2007
Gulf Total Tractebel Power	Taweelah A1 (1.35GW Gas IWPP) Refi	Abu Dabi, UAE	BNP Paribas, Calyon	Term Loan	\$880M	22 yr	Abu Dhabi Water and Electric Authority Offtake. Syndication Wrapped
	Taweelah A10 (221MW Expansion to Gas IWPP)	Abu Dabi, UAE	BNP Paribas, Calyon	Term Loan	\$212M	22 yr	Abu Dhabi Water and Electric Authority Offtake. Syndication Wrapped
Suez-Tractebel	Marafiq (2.5GW IWPP)	Jubail, Saudi Arabia	BNP Paribas	Financing Package	\$2.5B		Marafiq Power & Water Utility offtake. Awaiting syndication
ACWA Power	Shuqaiq (850MW IWPP)	Shuqaiq, Saudi Arabia	BayernLB, Gulf International Bank	Financing Package	\$2B		Syndicating. Awaiting close
Ras Laffan Power Co. (AES)	Ras Laffan A (750 MW IWPP)	Doha, Qatar	TBA	TBA	\$572M		Looking For Lead Banks

www.iipower.com

power finance & risk
The exclusive source for power financing and trading news

BREAKING NEWS

U.K. Outfit Emerges As Lake Road Frontrunner

December 20, 2006

British Gas is the frontrunner for the 780 MW Lake Road gas-fired plant in Killingly, Conn. According to deal trackers, the auctioneer Credit Suisse is negotiating a final contract that values the plant for in excess of 825 per kW, or more than \$6 million. An official at British Gas and Credit Suisse executive declined comment.

FT FINANCIAL TIMES

DECEMBER 28, 2006

BG Group buys \$685m US power plant

BG Group, Britain's third largest oil and gas company, has agreed to buy a power plant in Connecticut for \$685m from a consortium of private investors. Lake Road is an 805MW gas and oil fired facility and provides power for New England. The energy company that was spun out of British Gas will get regulatory approval in the next few weeks.

You Read It Here First!

To Subscribe Call 212 224 3570 (USA),

+ 44 20 7779 8999 (UK),

EMAIL: ushotline@iinvestor.net

More Hookups May Follow SCE Line

Southern California Edison's \$580 million Palo Verde-Devers II line, expected to be approved in April, could be followed by other interstate lines to meet California's power needs. If the cost savings offered by the 500 KV, 230-mile California-Arizona hookup can be matched by connecting to states farther out, says Gary Tarplee, director of electric system planning at SCE in Rosemead, Calif., then it will look to draw more power from outside.

"We have a lot on our plate," says Tarplee, describing the number of transmission feasibility studies SCE is undergoing both within California and with other states. One is exploring bringing in power from Wyoming via Utah and Nevada, with the result expected in April, says Tarplee. Other studies are looking at bringing power from Wyoming via Arizona, and from British Columbia through Washington and Oregon.

In addition to regulatory issues at all levels and environmental concerns, the main hurdle to such long-distance hookups is economics, Tarplee explains. The wind power and clean coal power on offer must be cheap enough to justify transmission costs. Palo Verde-Devers II will save ratepayers \$84 million over the life of the project, according to SCE forecasts.

Lines connecting renewable generation, such as the recently-announced \$1.85 billion Tehachapi project in the Mojave Desert,

were done on a "build it and they will come" basis, Tarplee says. When bringing in power from Wyoming or British Columbia, there needs to be much more certainty of commitment from generators, he says. SCE expects the first phase of the Tehachapi project, with a capacity of 700 MW, to begin construction later this year.

Enel Taps HSBC For \$2B Slovakian Nuclear Project

Italy's Enel has appointed HSBC to arrange debt financing for a EUR1.6 billion (\$2.08 billion) nuclear construction project in Mochovce in the Slovak Republic.

The utility plans to take an existing 816 MW of capacity at units 1 and 2, brought online around 1998, and expand it by 942 MW across two further units by as early as 2011. Details on a power offtaker could not be learned.

Details on the structure of the debt, including terms and pricing, could not be learned. Calls to Roberta Vivencio, an Enel spokeswoman in Rome, and Xavier De Rollat, a nuclear project banker at HSBC in London, were not returned.

Enel rejoined the World Association of Nuclear Operators in October last year, after acquiring a 66% stake in Slovenske Elektrarne.

SUBSCRIPTION ORDER FORM

www.iipower.com

☐ **YES!** Please send me 1 year (51 issues) of **Power Finance & Risk** at the special price of \$2,395*. Once I have subscribed I can select a permanent User ID and Password at www.iipower.com at no extra charge.

NAME B400101

TITLE FIRM

ADDRESS

CITY/STATE POSTAL CODE/ZIP COUNTRY

TEL FAX E-MAIL

Options for payment:

- ☐ Bill me ☐ Check enclosed (please make check payable to Institutional Investor News)
☐ I am paying by credit card: ☐ Visa ☐ Amex ☐ Mastercard

CREDIT CARD NUMBER EXPIRATION DATE SIGNATURE

The information you provide will be safeguarded by the Euromoney Institutional Investor PLC group, whose subsidiaries may use it to keep you informed of relevant products and services. We occasionally allow reputable companies outside the Euromoney Group to mail details of products which may be of interest to you. As an international group, we may transfer your data on a global basis for the purposes indicated above.

- ☐ Please tick if you object to contact by telephone.
☐ Please tick if you object to contact by fax.

- ☐ Please tick if you object to contact by email.
☐ Please tick if you do not want us to share your information with other reputable businesses.

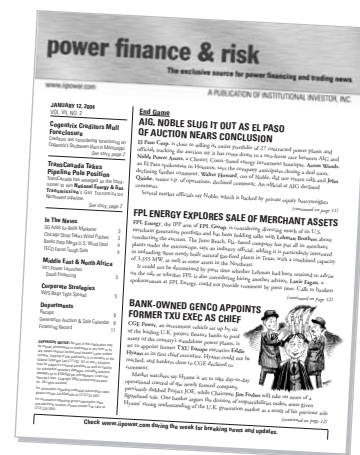
* In Canada, please add US\$30 for postage. Other non-U.S., please add US\$75.

Institutional Investor NEWS
 INTELLIGENCE FIRST

UNITED STATES
 Tel: 1-212-224-3570
 Fax: 1-615-377-0525
 Email: customerservice@iinvestor.com
 Mail: Institutional Investor News
 P.O. Box 5016
 Brentwood, TN 37024-5016

UNITED KINGDOM
 Tel: 44 207 779 8929
 Fax: 44 207 779 8619
 Email: jdavies@euromoneyplc.com
 Mail: Julian Davies
 Institutional Investor News
 Nestor House, Playhouse Yard
 London, EC4V 5EX, England

HONG KONG
 Tel: 852 2842 6910
 Fax: 852 2543 7617
 Email: enquiries@euromoneyasia.com
 Mail: Edealia Cheung
 Institutional Investor News
 17/F, Printing House, 6 Duddell Street
 Central, Hong Kong



LEADS KICK OFF

(continued from page 1)

million revolver for working capital and a seven-year, \$100 million synthetic letter of credit for posting collateral to the project's counterparties and for debt service reserve.

Pricing on the debt was pitched at roughly 250 over LIBOR, but is expected to move based on the scarcity of new power paper and the low reserve margins in the PJM Interconnection, where the 695 MW plant will be built. Some 300 MW, or 43%, of the unit's output will be sold under a five-year PPA to PPL EnergyPlus, with the balance sold spot.

Complementing the debt, rated Ba3 by Moody's Investors Service and BB- by Standard & Poor's, is a \$930 million equity slug to be funded by the private equity backers shortly before the debt is exhausted. Officials at the leads did not return calls, and a spokeswoman at Greenwich, Conn.-based First Reserve was unable to comment. —K.B.

IBERDROLA 5.5 GW

(continued from page 1)

of its Mexican generation facilities on balance sheet.

The assets include the 120 MW Enertek gas-fired cogeneration plant in Tamaulipas, and gas-fired combined-cycle plants in Monterrey (1.04 GW), La Laguna (500 MW) in Durango state and Altamira IV (1.04 GW) and V (1.12 GW) in Tamaulipas. The package also includes the 1.14 GW Tamazunchale plant under construction in the state of San Luis Potosi.

Iberdrola expects to have reached 5.5 GW of generation by 2009. The company holds 36% of the government-controlled **Comision Federal de Electricidad's** outstanding electricity contracts.

Officials at Calyon and Citi did not return calls requesting comment. A BBVA official in Mexico City did not return a request for comment and calls to the Iberdrola press office in Madrid were not returned. —Ben Miller

GE MAKES

(continued from page 1)

could not be learned. A GE spokesman declined to comment.

Contenders that submitted second-round bids by the Jan. 26 deadline included **Complete Energy**, **BG North America**, **Pepco Holdings** subsidiary **Conectiv Energy** and Pennsylvania's **PPL Corp.**, according to one observer. **Energy Capital Partners**, **US Power Generating Co.**, **LS Power** and **American National Power**, a unit of the U.K.'s **International Power**, also expressed an interest in the plant, but it is unclear if they are still in the running. A sale announcement is expected next month.

The creditor group that controls Liberty—via dedicated operating entity **LEP Holdings**—is led by **Strategic Value Partners**

and includes **Harbert Venture Partners**, **Cargill** and private equity firms affiliated with **Bear Stearns** and **Merrill Lynch**. The gas-fired plant, managed by **Competitive Power Ventures**, was transferred to them in 2004 when a bankruptcy court nullified a tolling agreement between the then owners **Reliant Resources** and **PG&E National Energy Group**, (PFR, 8/4/2003).

Although the facility is not currently contracted, reserve margins in the PJM market are sufficiently low that payments for power, whether sold spot or to a traditional offtaker, would be handsome. —Katy Burne

CREDIT SUISSE

(continued from page 1)

"We all recognize that John can add a new dimension to our team. He's very much associated with the regulated utility business and that's a business we very much want to grow in," Welch notes. Thorndike is on a 60-day gardening leave period and is not expected to join the firm until April. He could not be reached for comment.

Welch declined to elaborate further on how Thorndike is meant to enhance the Credit Suisse's energy team but says the firm hopes to see more deal flow in the small to mid-cap size deals. Credit Suisse served as advisor to **Great Plains Energy** and **Black Hills Corp.** in their acquisition of assets from **Aquila**.

The loss of Thorndike from Merrill, where he was co-head of global energy and power and vice chairman of investment banking, is a blow to Merrill, which has had Credit Suisse nipping at its heels in the U.S. energy merger and acquisition league tables for the past two years. According to financial analytics firm **Thomson Financial**, last year Merrill was fourth in the league tables with \$47.9 billion in deals, compared to \$46.5 billion from Credit Suisse ranked fifth. A Merrill spokeswoman in New York declined comment. —Mark DeCambre

Quote Of The Week

"We wanted to spread our wings from a name perspective." —**Caroline Henry**, treasury manager at **Eskom**, on why the South African energy holding company plans to issue bonds in the U.S. market (see story, page 4).

One Year Ago In Power Finance & Risk

Mirant was considering the sale of 2.4 GW of generation facilities in the Philippines, including the 1.2 GW coal-fired Sual Generating Plant in Sual, Pangasinan, and the 704 MW coal-fired Pagbilao Generating Plant in Pagbilao, Quezon. [A consortium led by **Marubeni Corp.** and **Tokyo Electric Power Co.** agreed to buy Mirant's interests in the country for \$3.42 billion (PFR, 12/15).]