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Research Sparks Mirant Debt Boost

Mirant Corp.'s '03 and '04 revolvers traded actively in the 74 range after Conn.-based broker **Libertas Partners** published a bullish research report.

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Empire State IPP Taps Cantor For PPA Search

Besicorp Development, an independent power producer based in Kingston, N.Y., plans to fund a 505 MW, $500 million gas-fired plant in Rensselaer, N.Y. with project debt and outside equity.

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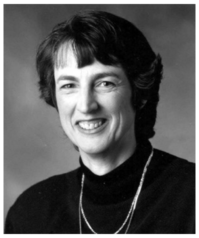
PINNACLE WEST LOOKS TO LAND $350M IN '05


Barbara Gomez

Pinnacle West Capital Corp., the parent company of utility **Arizona Public Service Co.**, plans to issue $350 million in bonds this year to fund the acquisition of the Sundance power plant by the utility and to redeem higher-rate debt. The company has not yet determined the financing details, says **Barbara Gomez**, treasurer at Pinnacle in Phoenix.

Allentown, Pa.-based **PPL Corp.** is selling the 450 MW, gas-fired

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It's Back!

EL PASO REFIRES $278M CHEYENNE PIPELINE FINANCING

El Paso Corp. is set to start the ball rolling again on an approximately $278 million non-recourse loan that will fund the expansion of its Cheyenne Plains gas pipeline. The original deal hung around much of last year as lenders waited on the Houston player to sort out its financial filings (PFR, 8/13) and eventually the syndication just petered out. One industry official says the new loan is being launched again by **WestLB**, which is aiming to close the

(continued on page 12)

KING STREET MAKES POWER PLAY

Hedge fund titan **King Street Capital Management**'s *King Street Capital, LP*, fund is set up to score big in an energy play through investments in bankrupt companies—**National Energy & Gas Transmission** (NEGT) and its subsidiary **USGen New England**. An investment opportunity arose due to a legal tussle between note holders and USGen over whether a transaction for the Bear Swamp power facility was a true sale-leaseback or disguised financing, according to a letter to investors obtained by sister publication *Alternative Investment News*. King Street, believing the notes would be deemed financing,

(continued on page 11)

ASTORIA EYEING BOND MART FOR $700M

Astoria Energy, subsidiary of Concord, Mass.-based **SCS Energy**, is considering hitting the bond market to refinance a $700 million B-loan obtained to help bankroll the construction of 1,000 MW gas-fired plant in Astoria, Queens. The generation facility's sponsor contemplated obtaining a fresh bank loan in October (PFR, 10/18) but now believes the bond market might offer a better alternative.

The existing debt, led by **Credit Suisse First Boston**, was split between a $500 million first-lien priced at 525 basis points over LIBOR and a $200 million second lien loan priced

(continued on page 11)

N.Y. IPP Eyes Project Loan, Taps Cantor For PPA Hunt

Besicorp Development, an independent power producer based in Kingston, N.Y., plans on financing a 505 MW gas-fired power project in Rensselaer, N.Y. with project debt and outside equity. As a part of its development effort, the IPP has tapped **Cantor Fitzgerald Brokerage** to lead power purchase agreement negotiations for the $500 million project. Cantor is negotiating PPAs for several undisclosed companies, says **Bill Ross**, director of Cantor's structured power transaction group in San Francisco, and the firm has seen more companies seeking third parties to lead PPA negotiations in the past year as a result of an oversupply of merchant facilities.

Financing discussions with undisclosed counterparties are underway, but will not be wrapped until a PPA is obtained, says **Michael Zinn**, Besicorp chairman and CEO. There will be a sizeable equity component, says Ross, adding that is one of the reasons Cantor is comfortable leading PPA negotiations. Neither Ross nor Zinn would provide the planned debt-to-equity breakdown.

Potential equity investors are monitoring PPA progress. "It's kind of a chicken and egg game," Ross says. Besicorp hopes to complete the financing this summer and wrap construction two years from that point. The developer is looking for a long-term PPAs in the range of 10 years and will most likely enter into several offtake contracts, as a number of marketers and local load serving entities have expressed interest, he says. A tolling agreement will also be considered.

Mirant Rises On Libertas Research

Mirant Corp.'s '03 and '04 revolvers traded actively around 74-74 1/2 after a bullish research report was published by Conn.-based broker **Libertas Partners**. The '05 traded around the 79 1/2-81 1/2 range. Meanwhile, **Mirant Americas Generation Inc.'s** bank debt traded at 107 1/4-108 1/4.

"Some investors in MAGI read our report and realized that the distribution to Corp., according to the plan of reorganization, would be based on full recovery amounts," says **Derek Jerina**, senior analyst at Libertas. "When they realized their recoveries would be slightly greater than they originally anticipated at the expense of the trade claims they bought more of the Corp. bank debt. This drove the price up."

"The MAGI bank debt will receive new debt and equity, which is to have a value equal to its full recovery amount, which is par, plus pre-petition accrued, plus post-petition accrued," Jerina explains. The expectation is that the accrued rate will be the default interest rate, which is 200 basis points higher than the regular interest rate, he adds.

Other market participants did not put as much emphasis on the report though and attributed the hike to positive expectations around the company's final reorganization. A Mirant spokesman did not return calls. Before the report, the '03 and '04 revolvers were quoted at 71 3/4-72 3/4. The '05 was quoted at 77 1/2-78 3/4. The MAGI was quoted at 107-107 3/4. Mirant extended its period of exclusivity three times before filing its plan of reorganization a month ago (LMW, 1/24). Regardless of the plan, there are some creditor issues that remain to be solved.

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Institutional Investor NEWS
INTELLIGENCE FIRST

Cheese State Group Seeks Muni Future

A grassroots citizens' coalition, frustrated by rate increases from Milwaukee-based utility **We Energies**, is pushing for a city-owned electric utility in Racine, Wis. The effort would be completely funded by municipal bonds, says Alderman **Pete Karas**. The group does not yet have a cost estimate for the project, which is still in its early stages, says Karas. **Beth Martin**, a spokeswoman for We Energies, did not immediately return a call for comment.

The group, known as the **Greater Racine Bright Public Power Initiative**, is currently raising funds for a feasibility study, which costs about $100,000. The organization is hoping to conduct the study in the next few months. After the study, the plan needs to be put to a referendum to get off the ground, Karas says.

If established, the public utility would need to acquire or develop about a 100 MW peaking gas-fired plant, estimated to cost $50 million, build several smaller plants or initiate a renewable energy project, says Karas. The utility will also need to acquire infrastructure from We Energies.

Freeport LNG Builder Looks To Up Debt

Freeport LNG Development plans on increasing leverage on the financing for its planned liquefied natural gas facility in Quintana, Texas, taking debt up by $60 million to $200 million. **Charles Reimer**, president in Houston, says the proceeds will be used to facilitate **Federal Energy Regulatory Commission** certification for construction and fund possible future expansion.

Reimer says Freeport has not decided what form financing will take. "We don't know if it'll be a straight bank loan," he says, declining to give more specifics about the options being explored. He also declined to say if present market conditions were making it easier to upsize the debt. The precise planned debt/equity split could not be determined.

The company was originally looking for a $140 million non-recourse loan to fund one leg of a two-tranche financing set up with **ConocoPhillips** (PFR 10/29). At this point, the new deal, led by **Royal Bank of Scotland**, will include both tranches in a single financing. Calls to officials at RBS and Conoco were not returned.

The receiving terminal is estimated to cost more than $650 million, with the engineering procurement contract costing about $500 million, says Reimer. He says the facility will be operational the first quarter of 2008 and the financing should be wrapped this year, declining to give a specific date.

John Levin Sees Boost Via Mirant

New York money management firm **John A. Levin & Co.**'s *Levco Debt Opportunity Fund* was up 0.05% last month and had exposure to energy concern **Mirant Corporation** and **Owens Corning.** The fund allocated 59.7% to bank debt as of January up from 56.2% in December, according to a letter to investors obtained by sister publication *Alterrnative Investment News*. The letter cited the investment in Mirant as a positive contributor to performance. The fund has a long position in senior bank debt and senior notes for Mirant and Mirant Americas Generating Inc. The company filed a plan of reorganization last month, and the paper traded higher after the filing was digested by market participants, according to the letter.

AEP Looks To Upsize Revolver

American Electric Power plans to refinance an existing $127 million revolving credit line, upsizing by $31 million. The new 10-year facility is being pitched at LIBOR plus 1 3/8% and ramping up by 1/8th increments every three years, says one banker familiar with AEP's plans. **WestLB** is leading the deal which will be closed by mid-March. Officials at WestLB's New York syndication group declined to comment as did **Randy Boteler**, director of corporate finance at AEP in Columbus, Ohio.

Hedge Fund Plans Asian Expansion

Pyrenees Capital Management, a Stamford, Conn.-based hedge fund which specializes in weather and natural gas trading, plans to start trading weather contracts referenced to Asia. **Jeff Bortniker**, managing partner, says it will likely start trading risk in Asia within three to five months. The fund's weather trading book has 40% of its positions in Europe and 60% in the U.S.

As part of its expansion plans, Pyrenees has hired **Coi Dang**, head weather trader at **XL Weather & Energy**. Dang joins as a managing partner alongside former XL Weather & Energy staffers Bortniker and **Yu Li.** Bortniker was a former ceo of XL Weather & Energy and also worked with Dang at **Enron** where Bortniker ran structured products marketing in the New York office and Dang traded weather in Houston. Li was a weather and energy researcher at XL.

In addition, Pyrenees also plans to launch an offshore fund, based in either Bermuda or Toronto, by yearend to trade emission and unscheduled turbine outages. The fund hopes to have $100 million under management by April, according to Bortniker. He declined to say the firm's current assets. He says the fund's staff of three will double by yearend.

Avista Reworks Ore. Plant Credit Line

Avista Corp. has refinanced a $350 million revolver, which was partially used to fund a generation acquisition in Oregon, while stretching out the tenor and clipping pricing. The Spokane, Wash., energy holding company felt increased competition in the bank market would lead to more favorable terms on the line obtained last year, says **Malyn Malquist**, cfo.

Maturity on the revolver was extended from one to five years and pricing was lowered to LIBOR plus 1% from 1 3/8%, saving Avista about $1 million per year in interest, says Malquist. **Bank of New York** and **Union Bank of California** led the refinancing, based on their longstanding relationships with Avista, he notes.

The original loan, obtained late last year (PFR, 12/17), funded the $62.5 million acquisition of a 50% stake in the 280 MW Coyote Springs 2 plant in Oregon from **Mirant**, giving it full ownership in the gas-fired facility. Avista's need for additional gas-fired generation, an attractive purchase price as well as the plant's proximity to its service area, made it appealing. The new revolver will also be used for general corporate purposes.

Toronto Offers Fly-By CoGen Funding

The **Greater Toronto Airports Authority** is financing construction of a $110 million (C$135 million), 117 MW cogeneration plant near the Toronto Pearson airport via a fixed income issue which also bankrolls other projects. The plant will provide power and steam to the airport, as well as providing power to Ontario's electrical grid on a merchant basis, says **Steve Shaw**, v.p. of corporate development.

The authority issued $350 million (C$285 million) in secured notes earlier this month to finance the plant and other airport expansion plans, Shaw says. The authority typically taps the bond markets a few times per year under its capital markets program to fund airport maintenance and development. The plant is scheduled for completion by September.

The 10-year bonds carry a 5% fixed coupon and were led by **BMO Nesbitt Burns**, which has worked with the authority in the past. The notes were rated A2 by **Moody's Investors Service** and A- by **Standard & Poor's**.

FirstEnergy Syndication Draws Interest

Lenders are oversubscribing on a planned $244 million loan in syndication for FirstEnergy subsidiaries **Cleveland Electric Illuminating Co.** and **Beaver Valley Power Station**, which runs the 800 MW nuclear plant. The loans comprise a $195 million letter of credit facility for Cleveland Illuminating and a $49 million facility for nuclear facility Beaver Valley. Commitments are totaling nearly $500 million, says one banker following the deal. Final commitments were due last Friday as *PFR* was going to press, the banker says.

Leads **Barclays Capital** and **Union Bank of California** are pitching five-year maturities, both carrying pricing of LIBOR plus 100 basis points. **Richard Marsh**, cfo at First Energy, did not return repeated calls. Neither lead returned a call for comment.

The Akron, Ohio, company is seeking the debt to provide credit support for the units and, specific to Beaver Valley, offer a backstop to a similar amount in tax-exempt pollution-control bonds.

NiSource To Rejigger $1.25B Bank Line

NiSource plans to rework $1.25 billion in credit lines in an effort to lock relatively cheap rates. The Merryville, Ind., holding company is looking to refinance and combine a $500 million, 364-day facility maturing next month and a $750 million revolver expiring in two years. Spokeswoman **Kris Falzone** says the facilities are used for general operating purposes and have not been allotted to a particular project.

Barclays Capital and **Credit Suisse First Boston** are pitching one $1.25 billon five-year loan to replace both facilities with a facility fee of 15 basis points and a first drawn fee of LIBOR plus 57.5 basis points. The rate jumps to LIBOR plus 70 basis points if Nisource draws over 50%, explains a banker familiar with the deal.

The fees have been stepped back from fully drawn pricing of 97.5 basis points and a commitment fee of 25 basis points (PFR 2/22/04). Barclays and CSFB plan on wrapping the revolver by March 11. Officials at Barclays declined to comment and calls to officials at CSFB were not returned.

NiSource works with a 21-bank syndicate and outside lenders are not involved, explains Falzone. "We have been turning banks away," she comments but would not name interested parties.

Corporate Strategies

Calpine Bags $100M Calif. Merchant Debt


Robert Kelly

Calpine Corp. has landed a $100 million, non-recourse credit facility, representing the first single-asset merchant financing obtained in California since the energy market turmoil of 2001. The loan will help support the construction of a 600 MW, natural gas-fired plant set to come online in June in San Jose. Improving market conditions and heightened demand for generation in the Bay Area, where it is difficult to find sites, encouraged the San Jose IPP to seek debt, says **Robert Kelly**, cfo., adding **Calpine Energy Services** will purchase the plant's output.

Calpine's decision to serve as general contractor for the Metcalf Energy Center through its subsidiary, **Calpine Construction Management Company**, helped it reduce costs, notes Kelly. The total cost runs about $500 million, with Calpine providing the equity. Some portion of the construction could also be funded with debt issued at the corporate level, he adds, declining to be more specific.

The credit facility will mature in 2008 and carries a variable interest rate, which Kelly declined to specify. **ING Capital** was chosen as lead arranger and **Bayerische Landesbank** served as co-arranger and syndication agent.

Southern Union Refis Bridge With $400M+ Offering

Southern Union Co. has issued $343 million in common shares and $100 million in equity units to refinance a $407 million bridge loan. The debt was set up to fund its acquisition of **CrossCountry Energy**, says **Richard Marshall**, treasurer at Southern in Wilkes-Barre, Pa.

The T&D gas player offered the common shares Feb. 7 at a roughly 7% discount to its $24.61 closing price. The units—a hybrid known as income equity units—are comprised of two components: notes issued with a fixed interest rate and an equity forward agreement in which holders agree to purchase a set amount of shares in three years. The units were priced at $50 and carry a payment rate of 5%, issued on a quarterly basis. The rate consists of a 4.35% interest rate and a 0.625% contract adjustment rate.

"The company is very bullish on the prospect of its stock and using equity units is an opportunity to capitalize on that potential," said a banker familiar with the deal. The banker says it chose this route because of upcoming growth opportunities, such as the expansion of its pipeline infrastructure.

The income units were sold in the open market while a handful of institutional investors acquired the stock privately.

The units were rated BBB by **Fitch Ratings** and **Standard & Poor's**, and Baa3 by **Moody's Investors Services**. The lead bankers on both issuances were **Merrill Lynch**, **Pierce**, **Fenner & Smith Inc.** and **J.P. Morgan Chase**.

Entergy Floats Bonds To Wipe Pricey Debt

Entergy Gulf States, an **Entergy Corp.** subsidiary covering parts of Louisiana and Texas, has issued $85 million in first-mortgage bonds to replace higher rate debt. The new bonds, which carry a coupon of 6.8% and mature on March 1, 2035, refinance a similar amount in quarterly income preferred securities (QUIPS) priced at 8.75%. **Yolanda Pollard**, spokesperson for parent Entergy in New Orleans, declined to make officials available for comment.

Mike Hardgrove, associate director at co-lead **Barclays Capital**, says the relatively low interest rate environment might have spurred the electric utility to move now. "Thirty-year [Treasury] rates in particular have rallied this past month and a half, making it an attractive time to issue long-dated debt," he says. Rates on the 30-year have tightened by about 35 basis points so far this year, he notes. The QUIPS, which were callable in 2002, were floated in 1997 and set to mature March 31, 2046.

Barclays and **Royal Bank of Scotland** led the new offering

PG&E Places $1.9B Recovery Bonds

Pacific Gas & Electric has sold about $1.9 billion in bonds backed by a charge to the utility's retail customers. The San Francisco-headquartered utility, which filed for Chapter 11 bankruptcy in April 2001, is issuing the so-called recovery bonds in five tranches to recapture losses incurred during California's energy crisis. Emerging from bankruptcy just last year, the company views the issuance as a strategy toward shoring up its balance sheet and ultimately renewing dividend payments halted prior to filing for a restructuring, says one Manhattan-based bank analyst declining to be identified. "This is pretty consistent with what the utility was attempting to do as it moves to solvency," the analyst comments. Calls to officials at PG&E were directed to spokesman **Brian Hertzog**, who was unable to make officials available for comment.

The bonds, which have terms from one to seven years, consist of a $260 million portion, a $655 million tranche, a $315 million piece, and two offerings totaling $475 million and $182.8 million. The notes carry relatively thin coupon rates ranging from 3.32% to 4.47%. The securities are rated Aaa/AAA from **Moody's Investors Service** and **Fitch Rating**, respectively.

Lehman Brothers, **Citigroup** and **Morgan Stanley** underwrote it.

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.

U.S. & Canada

• **Tractebel LNG North America LLC**, the Boston-based operator of a liquefied natural gas depot has proposed the development of a $900 million offshore LNG terminal near Gloucester, Mass. The site, about 10 miles south of Gloucester, is roughly the same area where Texas-based **Excelerate Energy LLC** proposed building a $200 million LNG facility last June (*The Boston Globe* 2/14).

• **PPM Energy** has proposed a wind farm, to be located near the Antelope Valley California Poppy Reserve in Lancaster, Calif., that will generate up to 200 MW. The company hopes to bring the project online in 2006 (*Los Angeles Daily News*, 2/11).

• **Pacific Gas & Electric Co.** is negotiating with **Duke Energy** to buy power from Duke's 1,002 MW, gas-fired Morro Bay Power plant, located in San Luis Obispo, Calif. If an agreement is not reached, the plant will be mothballed, Duke officials say (*The Tribune*, 2/11).

• Utility operator **DPL Inc.** says that it agreed to sell its interests in 46 private-equity funds to an investment group at a premium of nearly 13%. DPL says selling the interests to **AlpInvest/Lexington 2005**, a joint venture of **AlpInvest Partners** and **Lexington Partners Inc.,** is expected to generate pretax proceeds of about $850 million. (*Associated Press,* 2/14).

• **Williams Cos**. on Friday said it received Federal Energy Regulatory Commission permission to expand its Transco natural gas pipeline in New Jersey. The natural gas producer and distributor will need 3.5 miles of new 36-inch pipeline along Transco's existing pipeline in Burlington County, N.J. (*Associated Press*, 2/11).

• Eight new LNG terminals should appear in the United States by 2010, the chairman of the **Federal Energy Regulatory Commission** said last week." Then it will be onesies, twosies after that," **Pat Wood**, FERC's chairman, told reporters at **Cambridge Energy Research Associates**' annual **CERAWeek** conference in Houston (*Reuters*, 2/16).

Russia & Asia

• The Russian gas monopoly, **Gazprom**, has its eye on the US market. It plans to create a consortium mid-year to supply liquefied natural gas from a field off of Russia's Arctic Coast (*Financial Times* 2/14).

• **Merrill Lynch** says it expects China to produce a tough action plan within the next two months aimed at reducing the number of unauthorized power plants across the country. The brokerage says if such a plan is implemented, which it believes highly likely, China's IPPs will benefit in terms of both industry fundamentals and market sentiment (*XFN-Asia*, 2/14).

• The Vietnamese electricity sector plans to invest almost $13.8 billion in upgrading or building 52 power plants with a combined capacity of 7,574 MW in the 2006-2010 period. The investment is aimed at producing 93 billion kWh by 2010 to meet the demands for socio-economic development (*Asia Pulse*, 2/15).

Europe & Middle East

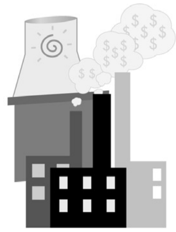
• **Íñigo de Oriol**, president of Spain's **Iberdrola**, says the company plans to channel $1.75 billion into Mexico for new electricity generation. Iberdrola's total investments in Mexico reach close to US$3.5 billion, including the investments now lined up (*El Economista*, 2/10).

• **Centrica** is considering launching a US$1.9 billion bid for Drax, the U.K.'s largest power station, which is controlled by over 100 creditors. The company is eager to diversify its electricity generation, which is skewed toward gas (*The Independent on Sunday*, 2/13).

• **AES Corp.**'s Chilean unit **AES Gener SA** has submitted plans for a $345 million, 740 MW, thermoelectric plant, Chile's main environmental authority reported. If approved, Gener will build the Totihue plant in two phases, with the first to begin in September and the second within the next five years. (*Dow Jones*, 2/14).

• **An Bord Pleanála** has refused planning permission for a wind farm near Pettigoe in Co Donegal. The refusal follows an appeal by the environmental group **An Taisce**, and concerns expressed by the **Northern Ireland Environment and Heritage Service** (*RTE News*, 2/15)

• Planning commissioner **Alistair Aburn** released his decision yesterday on **New Zealand Windfarm's** resource consent application for the Te Rere Hau Windfarm, heard at the Palmerston North City Council for four days from December 15. The company will be allowed to build an $80 million, 104-turbine wind farm on the picturesque Tararua Ranges, off North Range Road above Aokautere (*Manawatu Standard*, 2/15).



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
AES	Wolf Hollow	Texas	730	Gas	N/A	Transferred to KBC-led creditor group.
	Termomamonal	Colombia	90	Gas	None	Ongoing.
	Ottana	Italy	140	Gas		
Allegheny Energy Supply	Armstrong	Penn.	356	Coal	J.P. Morgan	Ongoing.
	Hatfield	Penn.	1,600 (75%)	Coal	Citibank	
	Mitchell	Penn.	442	Coal	J.P. Morgan	
Aquila	Racoon Creek	Ill.	340	Gas	Not chosen	Intention To Sell.
	Goose Creek	Ill.	340	Gas		
	Crossroads	Miss.	340	Gas		
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention To Sell.
Black Hills Energy	Pepperell	Mass.	40	Gas	-	Intention To Sell.
BNP -led bank group	Mystic River 7	Mass.	560	Oil/Gas	Lazard	Ongoing.
(Exelon developed plants)	Mystic River 8	Mass.	832	Gas		
	Mystic River 9	Mass.	832	Gas		
	Fore River	Mass.	832	Gas		
Citi & SocGen-led creditor group	Union	Ark.	2,200	Gas	Goldman	Ongoing.
(TECO Energy developed plants)	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	
Citi-led bank group	Lake Road	Conn.	840	Gas	Lehman Bros.	Cargill Bought Dept Portion. (PFR, 12/27)
(NEG developed plants)	La Paloma	Calif.	1,121	Gas	Lehman Bros.	
Delta Power	Lowell Power	Mass.	82	Gas	None	Actively Pursuing A Sale.
El Paso Europe	Enfield	U.K.	396 (25%)	Gas	None	Ongoing.
	EMA Power	Hungary	70	Coal		
	Kladna	Czech Rep.	350	Coal		
El Paso North America	Berkshire	Mass.	261 (56.41%)	Gas		Final Bids Due.
(Merchant assets)	CDECCA	Conn.	62	Gas		
	Eagle Point	N.J.	233	Gas		
	Fulton	N.Y.	45	Gas		
	Pawtucket	R.I.	67	Gas		
	Rensselaer	N.Y.	79	Gas		
	San Joaquin	Calif	48	Gas		
EnCana	Cavalier	Alberta	106	Gas	HSBC	Launched Sale In April. Looking To
	Balzac	Alberta	106	Gas	HSBC	Exit Generation Business.
	Kingston	Ontario	110 (25%)	Gas	HSBC	
Energy Investors Fund	Multitrade	Va.	79.5 (60%)	Biomass	None	Intention To Sell.
	Crockett	Calif.	240 (24%)	Gas		
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		
EPRL	Glanford	U.K.	14	Poultry Litter	Rothschild	Ongoing.
	Thetford	U.K.	39	Poultry Litter		
	Ely	U.K.	13	Poultry Litter		
	Westfield	U.K.	10	Poultry Litter		
	Elean	U.K.	38	Straw		

Generation Auction & Sale Auction (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Ernst & Young Corporate Finance	Bear Swamp	Mass.	599	Hydro	E&Y	Exploring Sale.
HSBC-led creditor group	Attala	Miss.	526	Gas	HSBC	Ongoing.
InterGen	Larkspur Energy	Calif.	90	Gas	Citi	Ongoing.
	Indigo	Calif.	135	Gas	Citi	
	El Bajio	Mexico	600 (50%)	Gas	N/A	
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	Ongoing.
	Astoria	N.Y.	1,276	Gas		
	Gowanus	N.Y.	549	Gas		
	Narrows	N.Y.	281	Gas		
Royal Ductch /Shell Group	La Rosita	Mexico	1,100		Citigroup	Closing In On Buyer.
	Redbud	Okla	1,220			
	Cottonwood	Texas	1,235			
	Magnolia	Miss.	900			
	Bajio	Mexico	600			
	Termocali	Columbia	235			
	Rocksavage	U.K.	748			
	Spalding	U.K.	860			
	Coryton	U.K.	732			
	Rjinmond	Netherlands	820			
	Knapsack	Germany	790			
	Catadau	Spain	1,200			
	Meizhou	China	724			
	Island Power	Singapore	750			
	Quezon	Philippines	460			
	Callide C	Australia	920			
	Millmerran	Australia	880			
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.
	Dell Power Station	Ark.	540	Gas		
	McAdams Power Station	La.	599	Gas		
Tractebel North America	Chehalis	Wash.	520	Gas	N/A	Looking To Sell Or Swap.
United Utilities	Landfill Generation Portolio	U.K.	50 MW	Landfill	RBC Capital Markets	Set To Launch Sale In May.

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KING STREET

(continued from page 1)

began buying them in the summer of 2003 and eventually became the largest holder at an average price of 54. Earlier this month, USGen reached a settlement with the Bear Swamp note holders that provides for recovery in the range of 93 to 100.

The firm also put a play in place with NEGT. In mid-2003, it began purchasing the company's unsecured claims in the mid 50s with the thought that a resolution that kept the payout on the Bear Swamp notes low would be beneficial to NEGT. But even with the favorable Bear Swamp settlement, that move has been favorable so far as NEGT's unsecured claims are trading over 70 largely due to higher than anticipated prices it received for the liquidation of its gas pipeline and independent power producer assets.

O. Francis Biondi, managing principal of the firm that manages $5 billion, declined to comment. The fund had a net return of 10.49% last year.

The notes in question were issued as part of a sale-leaseback transaction for USGen's Bear Swamp facility, a 600 MW hydroelectric plant in Massachusetts. When USGen filed for bankruptcy it sought to define the notes as a true sales-leaseback. "If treated as a lease, USGen could then reject the notes under the bankruptcy code as an executory contract, with likely recoveries to the Bear Swamp holders of around $0.45," according to the letter. However, if the notes were viewed as disguised financing, the note holders would be able to obtain recovery at par.

King Street felt the NEGT claims were undervalued, but also saw this as an opportunity to hedge its exposure to the Bear Swamp notes. If the notes were to be treated as financing, the fund would benefit from par recovery. But if that claim was rejected, any loss on the notes would be offset by a recovery on the NEGT holdings because, as USGen's parent, it would benefit from the Bear Swamp holders receiving a lower payout. —***Mark Faro***

ASTORIA EYEING

(continued from page 1)

at 875 basis points over (PFR, 4/5).

"The bond market is very liquid right now. It is a question of pricing and ratings," says one banker. **Calyon**, Astoria's advisor has been querying rating agencies.

Observers say if Astoria can achieve a double-B rating on its debt, pricing could be in the LIBOR plus 200 basis points range. The company is considering terms of 10 or 15 years. There is a call premium of 101-102 on the B-loan, but Astoria views the all-in-cost of refinancing as worth it.

Underpinning the construction is **Consolidated Edison**'s plan

Mergers & Acquisitions

Date Announced	Date Effective	Target Name	Target Nation	Acquiror Name	Acquiror Industry Nation	Rank Value ($mil)
2/9/05		ACN Energy	United States	Commerce Energy Group Inc	United States	14
2/9/05		Northwest Alabama Gas-East	United States	MultiFUELS LP	United States	
2/9/05		Torrent Power Generation Ltd	India	Alstom Ltd	India	23.101
2/10/05		TECO Ltd	Thailand	Ratchaburi Gas Co Ltd	Thailand	13.7
2/10/05		TECO Ltd	Thailand	Texaco(Thailand)Energy Co I	Thailand	13.7
2/11/05		AP Electricals Pvt Ltd	India	Marsons Ltd	India	
2/14/05		Swan Group PLC	United Kingdom	Investor Group	Australia	154.35
2/16/05		Inalta SA	Spain	Red Electrica de Espana SA	Spain	1,279.86

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

to contract 500 MW of the plant for 10 years. With about six months to a year left until completion of development, the lending community has become more amenable to the deal that was viewed early on as particularly risky given its initial construction risk.

Calls to officials at Astoria were directed to **Christopher Grath**, a spokesman, who was unable to comment. Calls to **Francois Coussot**, managing director at Calyon, were not returned nor were calls to officials at CSFB.

The $983 million construction financing package combines $283 million in equity and $700 million in debt. Equity investors include **CDP Capital-Americas,** a subsidiary of **Caisse de dépôt et placement du Québec**, **SNC-Lavalin Generation Inc.**, the **Energy Investors Funds Group**. Those Montreal-based groups either declined to comment or did not return messages.

—Mark DeCambre

PINNACLE WEST

(continued from page 1)

Sundance plant to Arizona Public Service in March for $190 million pending regulatory approval. The plant is located in south-central Arizona.

Pinnacle West will need a total of $600 million to finance the Sundance acquisition and repurchase maturing notes, Gomez says. But because the company has a $250 million invested cash position from notes issued in June, it will seek only $350 million in additional debt this year, she explains. Pinnacle West filed a $500 million debt shelf registration with the **Securities and Exchange Commission** in December.

The company has two series of long-term notes coming in the next several months, with one maturing in August and the other in January of 2006. In light of the different maturities, Pinnacle West may issue the replacement debt in two separate tranches, launching one just before August and the other around year-end, Gomez says. The existing debt consists of $300 million of notes carrying a 7 5/8 % coupon and $100 million of notes carrying a 6 1/4% coupon.

Pinnacle West has not yet selected banks to lead the deals. The company typically chooses banks based on existing relationships, as well as the banks' expertise in energy-related financing and their ability to bring financing ideas to the table, says Gomez. The holding company has worked with **Credit Suisse First Boston** in the past.

—Christine Buurma

EL PASO REFIRES

(continued from page 1)

financing mid-March. **Aaron Woods**, spokesman at El Paso, and officials at WestLB declined comment on the loan.

Last year's deal was pitched as a five-year loan with base pricing of 222 basis points over LIBOR and a 50 basis point commitment fee. Whether those benchmarks have changed could not be determined.

The pipeline runs from the Cheyenne Hub just south of Cheyenne, Wyo., to Greensburg, Kan., and the expansion should be up and running by January 2006. "The expansion is additional compression to increase the capacity of the pipeline itself," says Woods. The pipeline has about 15 off-take agreements, though the value of the contracts could not be determined. One industry officials says gas company, **EnCana**, is among that group. **Wendy Wiedenbeck**, spokesperson at EnCana, was not able to make an official available to comment.

—Raquel Pichardo

Quote Of The Week

"It's kind of a chicken and egg game."—**Bill Ross**, *director of the structured power transaction group at* ***Cantor Fitzgerald Brokerage****, on the tendency of investors to monitor PPA progress as counterparties monitor financing progress (see story, page 2).*

One Year Ago In Power Finance & Risk

James Turner, ceo of **Cinergy**'s regulated utility assets, told delegates at **UBS**' *Natural Gas & Electric Utilities Conference* in New York that among other targets, Cinergy was weighing mergers with **LGE Energy's Louisville Gas & Electric**, **DPL Energy's Dayton Power & Light** and **AES Corp.** subsidiary **AES IPALCO**. [At an analyst meeting in January, Cinergy CEO **Jim Rogers** said the company continues to evaluate targets (PFR, 1/21).]