

power finance & risk

The exclusive source for power financing and trading news

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CPV Unit Seeks Calif. Project Lenders

A **Competitive Power Ventures**' unit will seek lenders for over 1 GW of generation in California.

(See story, page 3)

AES, Mitsui Close In On Jordanian IPP

AES Oasis and **Mitsui & Co.** are nearing financial close on \$255 million in loans supporting Jordan's first IPP.

(See story, page 4)

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RELIANT EYES 2.5 GW PORTFOLIO SALE

JPMorgan Chase is slated to hit the market with a roughly 2.5 GW portfolio of generation assets on behalf of **Reliant Energy**. The IPP is shedding an array of generation assets primarily in the Southeast as well in Las Vegas. Officials at JPMorgan did not return calls. The exact timeframe of the sale could not be determined, but initial marketing material has been issued to a handful of potential bidders.

On the block are assets in Titusville and Osceola County, Fla. A 590 MW combined-cycle merchant plant, known as Bighorn in the Las Vegas area, also is up for grabs.

The reasoning behind Reliant's move to sell could not be learned and officials at the Houston-based energy outfit did not return a call for comment.

Also being sold is Choctaw—a 822 MW merchant plant in Mississippi.

Caribbean Booty?

MIRANT LOOKS TO LURE ASIA BUYERS TO CARIBBEAN

Mirant Corp. is maneuvering to get Asian buyers interested in its raft of Caribbean generation assets. The Atlanta IPP's thinking is that Asian investors, who have expressed a strong interest to own generation in the West, might be willing to meet the hoped-for sales price of \$1.2 billion or better.

Marubeni Corp. and **Tokyo Electric Power Co.** have already agreed to pay some \$3.42 billion for Mirant's Philippine fleet in a deal set to be completed in the second quarter. It is unclear if the Mirant officials have spoken to these investors.

At this point, Mirant has pushed back final bids for the Caribbean assets by a month from

(continued on page 11)

Margin Squeeze

BEAL BANK AFFILIATE SHUTTERS POWER & ENERGY OUTPOSTS

CSG Investments, an affiliate of **Beal Bank** that originates energy project loans and invests in high-yield corporate bond and bank debt, has closed two satellite offices, letting go energy bankers **Douglas Sherman** in New York and **Karen Gottwald** in Chicago.

Tighter margins on deals caused the firm to mothball its energy and power group until market conditions improve, says **Jason Nichols**, a trader at the 20-man shop. "There's more liquidity in the market, so financings are easier to come by," he notes, adding, "Potentially, when the market turns we will hire again." Calls to **Steve Harvey**, senior v.p. in Dallas, were not returned.

Sherman, reached on his cell phone, declined comment on his destination. Gottwald says

(continued on page 12)

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

Babcock Readies Leads For EUR1B Wind Refi

Babcock & Brown Wind Partners is close to appointing lead arrangers for EUR1 billion in loans that will refinance debt at some 1,200 MW of operational projects across the U.S., France, Germany, Spain and Australia and fund the 159 MW expansion of its Lake Bonney project in South Australia.

The fund, which is managed by **Babcock and Brown Infrastructure Management**, believes it has reached a point of critical mass whereby it makes sense to streamline debt supporting its assets, notes **Ian Harding**, an official at Babcock in London working on the club refinancing. "This will make [the fund's] finances more straightforward, because rather than managing 20 project finance loans, the idea is to aggregate them into one corporate portfolio to get the value of leveraging it," he says.

Proposals have been solicited from a handful relationship banks, including **Dexia Crédit Local** and **Bank of Scotland**, and mandates are expected to be awarded shortly, one deal tracker notes. The debt will comprise a large term loan, a construction loan to bankroll Lake Bonney II, and ancillary facilities for working capital and value-added tax.

The fund hopes to close on the financing by this summer. Late last year, it closed on a separate EUR1 billion refinancing for its Portuguese subsidiary **Enersis** via **BBVA**, **Banco Espírito Santo de Investimento**, **Caixa - Banco de Investimento** and **Millennium BCP Investimento**. The deal included a EUR800 million refinancing for Martel, a portfolio of wind farms and development sites with aggregate capacity of about 650 MW.

Traditional PF Case Touted As B-Loans Proliferate

With B loans dominating large deals such as **Entergra Power Group's** \$1.3 billion refinancing, a panel at the recent *USA Power and Utility Finance Conference* in Las Vegas stressed smaller, traditional project financings can still be competitive.

Developed by larger lenders in early 2000 for risky assets, B loans have come to be a pervasive financing vehicle for big-ticket construction projects and large acquisitions. Commercial banks were on the sidelines in the early post-**Enron** years, says **Ray Wood**, managing director in the global energy group at **Credit Suisse** in New York. They were still dealing with troubled loans and hedge funds and other lenders moved into the space.

But **Jim Weinstein** of **Sumitomo Mitsui Banking Corp.** in New York says project finance lenders are still competitive in deals where there is complexity and in some cases, are competing by mimicking some aspects of B-loan terms.

For example, Weinstein says, the current **Lone Star Wind** financing for **FPL Group** includes little amortization, but offers a cash sweep comparable to those found in B loans. A cash sweep is one of the features found in B loans that commercial banks are now offering to borrowers. An official at lead arranger **BayernLB**, declined comment, other than to say the sweeps were similar to those found in B loans and very important to the deal. An FPL spokesman did not return a call.

If the borrower needs a more complex amortization structure, Weinstein says, a structure involving multiple tranches of funded or unfunded debt, and complex security packages, banks can compete where B-loans might be reluctant due to concerns about liquidity.

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Bahrain To Take Final Advisory Bids For IWPP

The Kingdom of Bahrain's Ministry of Finance and National Economy will take final proposals tomorrow from banks hoping to win an advisory role on a large greenfield water and power project to be located in the Al-Dur region.

BNP Paribas is a frontrunner to secure the mandate after winning competitive tenders on two previous projects including El Ezzel, a roughly 1 GW, combined-cycle gas turbine project near Manama (PFR, 8/13/2004) and Al Hidd (PFR, 12/23/2005).

The size of the new generation and desalination units at Al-Dur still needs to be determined, but could be in the realm of 3-4 GW, according to observers. Output from the plant—to be built, owned and operated by a winning consortium of developers in a separate tender process—will be sold to Bahrain's Ministry of Electricity and Water over an expected 20-year period beginning in 2009.

An official at the ministry of finance could not be reached and an official at BNP declined to comment.

Competitive Power Unit To Tap Lenders For West Coast Projects

E&L Westcoast, a unit of **Competitive Power Ventures**, plans to seek lenders in the latter half of this year for its planned 657 MW gas-fired combined cycle project in northern Calusa County near Sacramento, Calif. The project is one of four new-build proposals selected under utility **Pacific Gas and Electric Co.**'s 2004 long-term resource plan.

"We'll be active in the market prior to the end of this year, looking at all opportunities we have available to us," notes **Paul Buckovich**, senior v.p. of finance in Braintree, Mass. Additional equity may also be sought, says **Brian Kunz**, regional executive at CPV's recently opened development office in San Francisco. The executives declined to identify possible lenders.

Construction of Calusa is due to commence the middle of next year. Once complete, PG&E will buy the facility, which on an analyst call it estimated will cost E&L about \$1,000 per kW. Buckovich declined to outline CPV's expected capital costs for the project.

CPV's ownership interest in E&L is backed by \$200 million of funding from private equity firm **Warburg Pincus**, and additional stakes are held by affiliates of **ArcLight Capital Partners** and **General Electric**.

CPV also is considering a raft of financing options for a 455 MW facility in the Coachella Valley, Calif., winning bidder of a more recent RFO with **Southern California Edison**.

Construction of the peaker, which will not be flipped to SCE upon completion, is slated to begin in mid 2009 and wrap by Aug 1, 2010. The facility is expected to cost about \$400 million including the cost of emissions reducing credits, says Kunz.

Mandates will not necessarily be awarded to the same lenders for Calusa and Coachella, says Buckovich.

Canaport Syndication Closes In On Wrap

Leads **BMO Financial**, **Banco Santander**, **La Caixa**, **BBVA** and **Royal Bank of Scotland** have extended the syndication commitment deadline for a loan supporting construction of the Canaport LNG terminal.

The commitment deadline had been pushed back until the end of last week, due to an oversubscription, according to a banker following the deal. The leads planned to have allotments set by this week and have a final close by the middle of next month.

Syndication of the \$756 million loan launched in January in Madrid (PFR, 1/27). More than 40 banks queued up for 20 or fewer slots said to be on offer. Pricing was said to be pitched at 100 basis points or lower. The size of the oversubscription, or any plans to lower the pricing could not be learned by press time.

The leads closed and fully underwrote the debt Nov. 20, with each bank taking an equal piece of the 27-year facility (PFR, 11/22). **Repsol**, co-sponsor with **Irving Oil**, has a long-term agreement for the offtake at the Saint John, New Brunswick, terminal. Officials at the lead banks declined to comment or did not return calls.

Colo. Wind Outfit Hunts For Mexico Funding

Econergy International is looking for construction financing to support 40 MW worth of wind farms in Mexico. As much as 70% of the cost will come from the project finance market, says **John Northrup**, v.p., declining to state the exact figure. He said Econergy is currently speaking with banks, but declined to elaborate further.

The Denver-based renewables development and investment shop will begin construction on the 20 MW Baja Sur farm in Baja California and the 20 MW Santa Catarina project near Monterrey this year. Each will have long-term offtake agreements with municipalities who will also take a minority stake. The farms are expected to be running by October next year.

A 50 MW wind farm in Guanacaste, Costa Rica is also in the pipeline, and expected to be up by the end of 2008. Financing

will be arranged later in the year. Northrup declined to provide any details.

Econergy plans to have 13 wind and hydro projects in Latin America, representing 677 MW, in operation by the end of 2008. Not only is there demand for renewable energy, Northrup explains, but there is also an opportunity for Econergy's carbon markets group to trade the credits generated by the projects.

Rare Jordan

AES, Mitsui Close In On Jordanian IPP Funds

AES Oasis and Mitsui & Co. are nearing financial close on \$255 million in loans supporting construction of Jordan's first independent power project—a 370 MW combined-cycle gas turbine facility at Almanakher near Amman. Construction is slated to begin shortly and wrap next June.

According to materials from the **Ministry of Energy and Mineral Resources**, the government is promoting private investment in energy development in order to aid expansion and meet demand. It has devised a plan for the next 20 years under

which it wants to attract \$3 billion of investments to fund 2.1 GW of gas-fired generation at an estimated cost of \$870 million and \$386 million of transmission. A new pipeline system delivering natural gas from Egypt will facilitate this.

Sumitomo Mitsui Banking Corp. was tapped to lead financing for the project, aided by multi-lateral tranches from U.S. government financing entity the **Overseas Private Investment Corp.** and **Japan Bank for International Cooperation**. The \$225 million senior facility will be complemented by \$75 million in equity financing provided by AES, which owns 60% of the project, and Mitsui, which owns 40%.

The precise make-up of the debt could not be learned and **Tom Waterhouse**, head of project finance at SMBC in London, declined to comment. A spokeswoman for AES had no additional comment and Mitsui did not return calls.

Output from the plant will be sold to the **National Electric Power Co.**, formerly **Jordan Electricity Authority**, under a 25-year PPA. Specialist investment bank **Fieldstone** advised Jordan's government on the initial feasibility of the project, and helped select the preferred bidder. Saudi Arabia's **Xenel Industries** and Turkey's **Gama** reportedly were runners up in the tender.

PFR ANNUAL AWARDS



Power Finance & Risk will announce nominees for its fifth annual power project finance awards on **April 2** and announce winners **April 9**. We are seeking nominations from our readers for the best and worst deals of last year.

All project finance nominations must be based on **non-recourse** financing to the **power** sector. Beyond that the selection criteria is up for grabs. However, you may want to nominate deals based on:

- size
- innovative structure or syndication
- speed of execution
- ability to overcome market challenges

YOU CAN MAKE YOUR 2006 AWARDS NOMINATIONS UNDER THE FOLLOWING PROJECT FINANCE CATEGORIES:

- Best North or Latin American Deal
- Best European/Middle Eastern Deal
- Best Renewable Energy Deal

When making your nominations please explain **why** you are making these choices.

**Nominations must reach PFR
by March 26.**

power finance & risk

Please send your nominations to Mark DeCambre, managing editor at mdecambre@iinews.com

Corporate Strategies

Buffett Midstream Arm Places Long-Term Paper

Warren Buffett-owned MidAmerican Energy Holdings' unit Northern Natural Gas has sold \$150 million in long-term senior unsecured notes to fund expansion.

Northern Natural Gas is adding capacity in its market area in the Midwest, says Fitch Ratings analyst Karen Anderson in Chicago, through its Northern Lights project and other storage capital expenditures. A Northern Natural Gas spokesman did not return a request for comment.

The \$156 million Northern Lights project involves developing about 70 miles of pipeline extensions and new lines in Minnesota and Iowa, which are expected to begin operation next year. The company may also be considering expanding storage capacity, Anderson notes.

The 5.8% notes, which were underwritten by RBS Greenwich Capital, mature in 2037 and were sold privately. Fitch assigned an A rating, based on its stable and flexible supply from five different major basins and a customer base primarily of local distribution companies. "Their leverage is very low," Anderson explains, with debt making up 40% to 50% of the unit's capital structure.

Northern Natural Gas currently has \$800 million in debt.

TransCanada Purchase Prompts ANR Debt Reduction

Natural gas pipeline operator ANR Pipeline Co., a unit of El Paso Corp., is using cash on hand to buy back \$269.2 million in 8.875% paper maturing in March 2010 to satisfy conditions put forward under the terms of its impending acquisition by TransCanada American Investments.

Kenneth Ulrich, manager of corporate finance at El Paso in Houston, says the redemption, expected to close shortly, is something the buyer requested when conceiving the deal. TransCanada, an investment-grade company, was concerned because the ANR bonds are governed by covenants restricting the amount of debt its target can incur and the ways in which it can use its operating cash. Calls to a TransCanada spokesman were not returned.

Holders of the targeted notes were slated to receive \$1,048.13 for every \$1,000 in principal, less \$20 for any who offered their consent to the tender by the Jan. 26 deadline. The amount of notes redeemed equates to nearly 90% of the bonds originally issued in 2003, leaving some \$30.8 million outstanding on which the restrictive covenants will be removed. Goldman Sachs

served as deal manager and solicitation agent, while Global Bondholder Services acted as information agent.

Alberta, Canada-based TransCanada announced its intention to acquire a 17,000 km distribution system in ANR Pipeline; 230 billion cubic feet of storage capacity in ANR Storage; and a 3.55% interest in Great Lakes Gas Transmission, a limited partnership in which it already owns a 50% stake, on Dec. 22. Under the terms of the \$3.4 billion deal, expected to close later this quarter, TransCanada will assume \$457 million of debt. El Paso plans to use the sale proceeds to reduce leverage.

Ameren Ill. Divvies Up Revolver

Ameren's Illinois subsidiaries took out a \$500 million credit facility, continuing a move to separate borrowing capacity from the parent, in light of state regulatory concerns.

The subsidiaries had been drawing from funds specifically set aside for them, but Ameren since July has been establishing separate financing, says Denise Furey, an analyst with Fitch Ratings in New York. An Ameren spokesman would not make an official available for comment.

"Having a separate borrowing system protects each of the utilities and the parent," Furey says. Under the previous arrangement, Ameren would issue short-term debt, and place the proceeds in a collective pool, along with revenues from each of the subsidiaries. The subsidiaries could borrow funds from the pool as needed. The system was acceptable as Ameren maintained separate pools for regulated and non-regulated subsidiaries. Furey says this system, used by many holding companies with regulated subsidiaries, saved Ameren some costs of borrowing, and made managing funds easier.

But potential changes in Illinois generation rates might make it cheaper to set up a stand-alone facility for its entities, Furey notes. Until January, distribution and generation rates in Illinois had been frozen during a deregulation market development period. The power supply for 2007 was auctioned late last year, with the higher rates to be passed on to customers. However, an extension to the freeze through 2009 is working its way through the state legislature after failing in November. Failing to pass though higher costs in a reasonable way could harm the subsidiaries' credit profiles, she explains.

Subsidiaries will each use their slice for general corporate purposes, according to a company filing. Its subsidiaries include AmerenEnergy Resources Generating Company, CILCORP, Central Illinois Public Service Company, Central Illinois Light Company and Illinois Power Company utilities.

Fitch rates Ameren at A-. "It's a very positive market for

Corporate Strategies (cont'd)

investment grade power companies,” Furey says about the timing of the facility, provided by **JPMorgan Chase**.

Ameren's consolidated debt is at \$5.97 billion, about 47% of total capital, according to its most recent **Securities and**

Exchange Commission filing. AmerenEnergy Resources Generating has \$475 million in debt, CILCORP \$4 billion, CIPS has \$492 million, CILC \$198 million, and Illinois Power \$327 million.

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

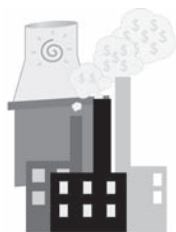
Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
InterGen	La Rosita (1.1GW Coal) Refi	Mexicali, Mexico	BNP Paribas, Calyon, Export Development Canada	Term Loan	\$400M	15 yr	CFE (Mexico), Shell Offtake. Syndicating
				Senior LC	\$47M	15 yr	
	Generation Portfolio Refi	Various	TBA	TBA	\$2.5B		Seeking Lead Banks
Repsol, Irving Oil	Canaport (LNG liquefaction)	Saint John, N.B.	BMO, Snatander, La Caixa, BBVA, RBOS	Term Loan	\$756M	27 yr	Repsol Offtake. Syndicating. Commitments due 2/23
Iberdrola	Mexico Portfolio (5.5 GW) Refi	Various	Calyon, Citigroup, BBVA	Package	\$1.7B	5-10yr	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, Canada	Bank of Tokyo, Mitsubishi, BMO Financial	Loan	\$500M	18 yr	Ontario Power Authority Offtake. Selecting Sub-underwriters. Syndication by April.
Airtricity	Sand Bluff (90MW Wind)	Sterling Co., Texas	HypoVereinsbank	Non-recourse Debt	\$140M		Awaiting Syndication
GenPower Holdings	Longview (690 MW Coal)	Maidsville, W.Va.	Goldman Sachs, WestLB	Term Loan	\$900M	7 yr	PPL Energy Plus (43%) and Mercahnt (53%) Offtake. Syndicating
				Revolver	\$100M	6 yr	
				Synthetic LOC	\$100M	7 yr	
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
Perennial Power	Hermiston Generation Plant (474 MW Gas)	Hermiston, Ore.	TBA	TBA	\$130M	10 yr	Lead banks expected 1Q2007
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	Seeking Lead Banks
Winergy Power	Plum Island (30 MW Wind)	Long Island, N.Y. (Offshore)	TBA	TBA			Seeking For Lead Banks
(Lone Star Wind)	Horse Hollow II and III,	Taylor, Nolen, Borden, Garza	BayernLB, Fortis	Term Loan	\$600M	15 yr	Syndicating

Live Deals: North America (cont'd)

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
FPL Energy	Red Canyon (606 MW Wind)	and Scurry Cos., Texas	Capital, Mizuho	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
Entegra	Gila Power Station and Union Power Station (5.3 GW Gas) Refi	Phoenix, Ariz., and El Dorado, Ark.	Lehman Brothers, Credit Suisse, Goldman Sachs	Second Lien Revolver for Working Capital	\$30M	7 yr	Awaiting Syndication 2/28
				Cash-pay Facility	\$450M	7 yr	
				Payment-in-kind Tranche	\$850M	8.5 yr	
Kelson Holdings (Harbinger Capital Partners)	Portfolio (4GW) Refi	Various	Merrill Lynch	Mezzanine Loan	\$750	7.5 yr	Syndication of \$1.5B Loans Launched Feb. 14.
				First Lien Senior Facility	\$1B	6 yr	
				Second Lien Senior Facility	\$500M	7 yr	

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
BOT-Elektrownia Belchatow	Belchatow (833MW, Coal)	Rogowiec, Poland	Citibank, ING	Term Loan	EUR250M (\$323.5M)	10 yr	Syndicating
				Standby Facility	EUR90M (\$119M)	8 yr	
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
Marubeni	Messaieed (2GW Gas)	Doha, Qatar	Calyon, Manging Agents	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. Awaiting Close
	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. Awaiting Close
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
C-Power	Thornton Bank (300 MW Wind)	Belgian Coast	Dexia	TBA	EUR100M (\$131M)	TBA	



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	Decision expected imminently. Advisor 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
Dynegy	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		
Entergy Corp.	50% stake in Top Deer Wind Ventures	Worth County, Iowa	40	Wind	New Harbor	Seller wants about \$500 million for the assets. Bidders shortlisted to about 10 financial players, (PFR, 2/8).
		Carsen County, Texas	40			
	RS Cogen	Lake Charles, La.	212	Gas		
	Roy S. Nelson	Westlake, La.	60	Gas/Oil		
	Warren Power	Vicksburg, Miss.	225	Gas		
	Harrison	Marshall, Texas	335	Gas		
	Independence	Newark, Ark.	121	Coal		
	Robert Ritchie	Helena, Ark.	544	Gas/Oil		
GE Energy	Green County plant	Jenka, Okla.	795	Gas	N/A	GE said to be fielding offers for its 90% stake.
Financial Services	Birchwood	Fredericksburg, Va.	242	Coal	N/A	Tyr said to be interested in acquiring, (PFR, 2/12/07).
Globaleq	Emerging market portfolio	Asia, Africa, Americas	2,298	Mixed	Lehman Brothers	Indicative bids were due Feb. 16 (PFR, 2/9).

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Goldman Sachs	Horizon Wind Energy	Houston, Texas	1,350 targeted by year end	Wind	N/A	ExxonMobil, Babcock & Brown, Shell, Exelon and Iberdrola said to be bidding
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.
KGen Power Partners	Murray Energy	Dalton, Ga.	1,244	Gas	Friedman Billings	Private placement completed early Jan.
	Hot Springs	Hot Spring County, Ark.	620	Gas	Ramsey	Morgan Stanley arranging a \$400 million credit facility to refinance existing debt (PFR, 1/15).
	Hinds County	Hinds County, Miss.	520	Gas		
	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	N/A	Being sold to Tennessee Valley Authority
LEP Holdings	Liberty	Eddystone, Pa.	568	Gas	JPMorgan	GE said to be aggressively pursuing, alongside Complete Energy, Conectiv Energy and PPL Corp. (PFR, 2/12).
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 to acquire.
	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		
	Curacao Utilities Co. (25%)	Curacao	133	Asphalt, refinery	JP Morgan	(See story, pg. 1).
	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		
Mirant Corp., NY-Gen	Mongaup Generating Plant	Mongaup, N.Y.	4	Hydro	N/A	Being acquired by Alliance Energy.
	Swinging Bridge Generating Plant	Mongaup, N.Y.	12	Hydro		
	Rio Generating Plant	Mongaup, N.Y.	9	Hydro		
	Hillburn	Hillburn, N.Y.	51	Gas/Jet fuel		
	Shoemaker	Middletown, N.Y.	44	Gas/Jet fuel		
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		
Sithe Global Power	River Hill Power	Karthus Township, Pa.	290	Coal	Credit Suisse	Development rights to the project for sale.

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

- Britain's **Wood Group** has won contracts worth \$195 million from **American Electric Power** to build a gas-fired plant in Arkansas and two power plants in Oklahoma in 2007 (*Bloomberg*, 2/20).
- **Southern California Edison** has signed two, 10-year contracts for the delivery of 945 MW of power. SCE will receive 490 MW of power from **FPL's** natural gas-fired power plant in Blythe, Calif., and 455 MW from **Competitive Power Ventures'** new natural gas-fired plant in Coachella Valley. The agreement also includes a new 67-mile transmission link (*Reuters*, 2/16).
- Midstream company **Valero**, which was spun off from **Valero Energy Corp.**, plans on changing its name to **NuStar Energy** on April 2 (*Reuters*, 2/16).
- **El Paso Corp.** will form a master limited partnership for its pipeline assets this year (*Houston Business Journal*, 2/21).
- **GE Energy Financial Services** has acquired a \$65 million stake in an underground natural gas storage project in Port Barre, La., from **Haddington Energy Partners** (*Bloomberg*, 2/21).
- **Siemens** has won a contract worth \$450 million to supply equipment for **Caithness'** Long Island Energy Center (*Reuters*, 2/21).
- **Reliant Energy** Chief Executive **Joel Staff** plans to retire but remain on the board as non-executive chairman. CFO **Mark Jacobs** will become president and CEO (*Associated Press*, 2/22).
- **Constellation Energy** subsidiary **Constellation New Energy** has agreed to provide power for the **Chicago Cubs'** Wrigley Field stadium for an undisclosed amount (*Baltimore Business Journal*, 2/22).
- The **Texas State Office of Administrative Hearings** has postponed the start of **TXU's** air permitting hearing until June 27, citing a state judge's ruling that blocked the Texas governor's effort to expedite permits for six coal plants (*Reuters*, 2/21).
- North Carolina lawmakers plan to ask the state utilities commission for a three-month delay in ruling on **Duke Energy's** application to build two 800 MW coal-fired plants at its Cliffside Steam Station. A ruling was expected this month, but legislators want more information on cost estimates. The \$3 billion project has been before the commission for nearly two years (*Charlotte Business Journal*, 2/21).

Australia

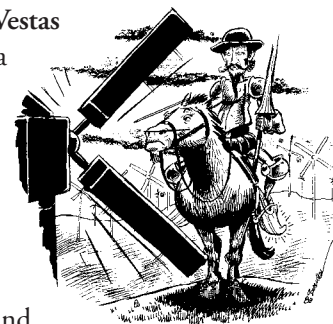
- The country's national competition regulator said it would block **Santos'** proposed A\$910 million (\$715 million) takeover of **Queensland Gas Company**. The decision is likely to clear the way for a separate deal in which **AGL Energy** would take a 27.5% stake in Queensland, negotiated to block Santos' hostile bid (*Financial Times*, 2/21).
- **AGL Energy** plans on paying A\$1.2 billion (\$942 million) for **PowerDirect**, an energy company controlled by the state of Queensland. It plans to sell at least A\$882 million of shares to fund the purchase (*Financial Times*, 2/19).

Asia and Russia

- **Tokyo Electric Power** and **Marubeni** plan to expand the capacity of the 735 MW Pagbilao power plant in the Philippines by 400 MW (*Reuters*, 2/20).
- Russia's state-owned **Unified Energy System** is planning to spin off 20 power generating companies over the next two years, to raise billions of dollars needed to upgrade the country's infrastructure (*Dow Jones*, 2/16).

Europe

- Britain's **Department of Trade and Industry** approved plans by a joint venture backed by **Airtricity** of Ireland and **Fluor** of the U.S. to build 500 MW of generation off the coast of Suffolk, England (*Financial Times*, 2/20).
- Danish turbine manufacturer **Vestas Wind Systems** plans to establish a EUR47 million (\$61.6 million) wind turbine blade factory in Castilla-La Mancha, Spain. The operation is intended to produce V90 turbines, popularly used in the Spanish market (*AFX*, 2/21).
- Italy's **Enel**, Spain's **Iberdrola** and two other groups have bid for a Greek government contract to build a 400 MW natural-gas-fired plant that will produce electricity at partly guaranteed prices. Officials plan to launch two additional tenders for an additional 800 MW by 2010 (*Bloomberg*, 2/22)...Greek company **Mytilineos** announced that it will not participate in the tender, instead building a 412 MW plant in central Greece at a cost of about EUR215 million (\$282 million) (*AFX*, 2/21).



MachGen Heads North On Break

The repriced credit for MachGen kept desks busy Thursday afternoon as it broke for trading at par 7/8-101 1/8 and ended up at par 5/8-par 7/8 at day's end, according to a dealer. Lead banks Morgan Stanley, Bear Stearns and Deutsche Bank launched a price cut on the term loan and synthetic letter of credit for the energy generation group mid-February.

The financing consists of a \$100 million revolver priced at LIBOR plus 225 basis points, a \$580 million first-lien, term loan priced at LIBOR plus 200 basis points and a \$60 million synthetic letter of credit priced at 200 over. The term loan and synthetic letter of credit were both previously priced at LIBOR plus 225 before the cut. A call to William Kriegle, ceo at K-Road Ventures which runs the power generation operation, was not returned.

Northern Star Recap Kicks Off

Lehman Brothers and BNP Paribas launched syndication Feb. 22 of a roughly \$830 million debt package to refinance a 1,492 GW portfolio of qualifying facilities owned by Northern Star Generation. The recapitalization also will facilitate a roughly \$100 million equity distribution to the portfolio owners, AIG Highstar Capital—which is selling its 50% stake via Lehman—

and Ontario Teachers' Pension Plan.

The bank meeting was held at 1:30pm at the Four Seasons Hotel in midtown Manhattan. Pricing was pitched in the LIBOR plus 175-200 basis range, in anticipation of a low to mid BB rating by Standard & Poor's and Moody's Investors Service. Officials at left lead Lehman and BNP declined to comment.

The debt comprises a roughly seven-year, \$318.5 million bank loan, split into a \$286 million term loan B and a \$32.5 million synthetic letter of credit facility. This will be complemented by an offering of \$515 million high-yield notes with a tenor of 18.5 years, (PFR, 02/05). The bond road show will begin next week.

MIRANT LOOKS

(continued from page 1)

Feb. 16 to mid March. The current frontrunner for the assets is said to Global Infrastructure Partners, a joint venture between GE Infrastructure and Credit Suisse (PFR, 1/29). Observers suggest genuine interest beyond Global Infrastructure might be limited because some 70% of the EBITDA from the portfolio is generated in Jamaica, a country which carries a sub-investment grade issuer default rating of B+, according to Fitch Ratings. And

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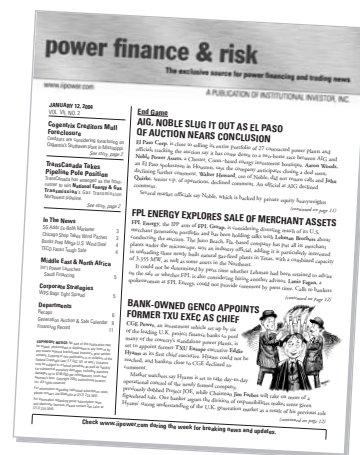
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while interest has been relatively strong given demand for generation assets, Mirant believes it can still bag better pricing, says the tracker. It is not known exactly how much bidders have offered for the portfolio. Officials at auctioneer **JPMorgan Chase** did not return calls.

Adebayo Ogunlesi, who heads up Global Infrastructure, was not available for comment and his assistant in New York declined comment. **Florida Power & Light Co.**, who was formally involved in bidding earlier, is still watching the process closely, the deal tracker says. An official at **FPL** declined comment.

On the block are controlling interests in two utilities: an 80% stake in **Jamaica Public Service Co.**, with its 621 MW of predominantly oil-fired generation, and a 55% stake in **Grand Bahama Power**, which owns 151 MW of oil-fired generation. Also in play is 39% of **Power Generation Co.** of Trinidad and Tobago, which has 1.2 GW of domestic gas-fired generation and a 210 MW IGCC plant due to come online this quarter, as well as a 25.5% convertible debt interest in **Curaçao Utilities Co.** Of the aggregate 2 GW portfolio, Mirant owns about 1 GW, (PFR, 8/14, 10/23). —*M.D.*

BEAL BANK

(continued from page 1)

she has landed as a senior v.p. at **Hilco Financial**, a specialist in bridge loans for mergers and acquisitions.

Among the deals **CSG** participated in were a syndicated corporate loan for **Allegheny Energy Supply Co.**, which it

bought into at \$185 million. It also originated a 15-year, \$140 million loan for the 300 MW, **Calpine**-sponsored **Blue Spruce Energy Center** in Aurora, Colo. (PFR, 10/17/2005) in October 2005 at a time when mainstream lenders were eschewing merchant developers.

—*Katy Burne*

Quote Of The Week

"There's more liquidity in the market, so financings are easier to come by." — **Jason Nichols**, a trader at **CSG Investments** in New York, explaining why the high-yield lending affiliate of **Beal Bank** decided to shutter offices in Chicago and Manhattan (see story, pg. 1).

One Year Ago In Power Finance & Risk

Targa Resources put up for sale some of the **Dynegy** midstream assets it acquired in 2005. **Merrill Lynch** was chosen to handle the auction process for approximately \$1 billion in North Texas assets. [Proceeds from the sale were expected to slash Targa's more than \$2 billion in debt (PFR, 4/21). **Moody's Investors Service** lowered the ratings to B1 from Ba3 in October (PFR, 10/6).]

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DECEMBER 21, 2006

RUSSIA'S UES READIES 95.5 GW ASSET IPO

Russia's state-owned **RAO UES** is preparing to sell equity interests publicly in 95.5 GW of thermal generation. The initiative is part of a wider restructuring of the nation's power sector that will see the country invite strategic investors to buy stakes in its generation to fund its 23 GW pipeline and upgrade existing facilities.

Company spokesman **Stas Degtyarev** raise about 40% of the \$83.1 billion in new capital expenditure program. "The whole badly, but it's impossible to finance the v Details about which banks will handle the which stock exchange(s) will be targeted Finland's **Fortum**, Italy's **Enel**, Germany's **E.ON** Corp. of the U.S. have each expressed a

MarketWatch
 From DOW JONES

FEBRUARY 16, 2007

Russian Power Monopoly to Spin off 20 Companies

The Russian state-owned electricity company is planning to spin off 20 power-generating companies over the next two years in an effort to raise the billions of dollars needed to modernize the power grid.

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