

power finance & risk

The exclusive source for power financing and trading news

www.iipower.com

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

MARCH 6, 2006

VOL. IX, NO. 9

Northeast Begins Wholesale Auction

Northeast Utilities has kicked off a sale of its competitive wholesale generation business.

See story, page 3

JV Signs Deal For Calpeak Plants

Tyr Energy and **Starwood Energy** have inked an agreement to acquire **Pratt & Whitney**-developed plants known as Calpeak Power.

See story, page 3

In The News

Southwest Merchant Players May See Windfall	3
Astoria Debt Trades Well	3
Southern Subs Plot Offerings	4
Questar Eyes Equity, Debt For Pipe Financing	4
West Coast Firm Debuts Solar Fund	4

Corporate Strategies

Vt. Player Powers Up Share Buyback	5
ComEd Taps 30-Year Curve For Refi	5

Departments

Financing Record	5
Generation Auction & Sale	7
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 2006 Institutional Investor, Inc. All rights reserved.

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

INT'L POWER, TENASKA, AIG AMONG THE SHORT LISTED FOR COLETO PLANT

International Power, Tenaska Power Fund, Complete Energy Holdings, Oaktree Capital Management and a joint bid from AIG HighStar and Ontario Teacher's Pension Plan have made the short list in the auction of the 632 MW Coleto Creek plant in Texas. The coal-fired facility has been put on the block by **Sempra Generation** and **Carlyle/Riverstone Holdings** and **Goldman Sachs** is running the sale.

The value of bids accepted for the second round ranged from \$1-1.2 billion. Final bids are expected to be due at the end of March or in early April. The competition for the asset is strong because the plant is fired by cheap coal but under the ERCOT system it can sell power at a price based on the current high natural gas prices.

(continued on page 12)

W. VA. COAL PLANT DEVELOPER TAPS GOLDMAN

GenPower, a private Needham, Mass.-based power plant developer, has hired **Goldman Sachs** to advise on arranging financing for a 600 MW coal-fired plant in Maidsville, W.Va. The \$1 billion project has been traveling down a tortuous road to construction since hitting the drawing board a few years ago (PFR, 7/7/04).

Terms could not be learned and a timetable has not been set. Other banks are believed to be involved, but their identities could not be determined. **Bob Place**, head of GenPower, did not return a call for comment nor did Goldman officials.

The Longview Power project will be located north of Morgantown and benefits from its proximity to what is viewed as a coal-rich area.

Much of the permitting for the project has been completed, including air permits, but it

(continued on page 12)

STARWOOD MAY CAST FOR INVESTORS

Starwood Energy is weighing developing funds to attract investors looking for exposure to energy and power development. The Greenwich, Conn., shop was formed by property investment firm **Starwood Capital** a few years ago to invest in energy infrastructure projects, such as a 65-mile transmission line linking New Jersey and Long Island (PFR, 5/16). It has used its own equity, but sees an opportunity to raise more money by bringing in institutional capital, says an executive who has spoken with Starwood officials. Calls to **Steve Zaminksi**, v.p. at Starwood, were not returned.

Starwood Capital has a \$1.4 billion global real estate fund and a \$900 million hospitality-focused fund but it is unclear how large any energy infrastructure fund would be. At this point, Starwood Energy is vetting the fund notion with advisors and possible fund

(continued on page 12)

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



At Press Time

Ky. Pipe Co. Looks At Long-Term Debt For Expansion

Boardwalk Pipeline Partners will tap long-term debt to finance its subsidiary **Gulf South Pipeline Company's** \$575 million East Texas pipeline expansion. **Jamie Buskill**, cfo at Boardwalk in Owensboro, Ky., says interim financing will be via a \$200 million revolving credit facility that can be increased to \$400 million. The project is still undergoing permitting and regulatory approvals, so construction is not expected to start until next year, with an online date expected late summer, early fall. Longer-term debt would be set up in late 2007.

Boardwalk works with a consortium of banks, Buskill says, and while it has not been decided which banks the company will look use for the long-term debt, it will most likely be from that group, which includes **Citibank**, **Wachovia** and **JP Morgan Chase**. "It depends on what the market is and what makes sense at the time," he adds.

Loews Corp., a New York-based financial corporation, is the largest shareholder and is an 85.5% owner of Boardwalk and is willing to help finance the project via cash it has on hand, notes Buskill. He estimates Boardwalk will spend about 25-30% of the total cost of the project this year, with the rest of the cost being incurred next, when construction begins.

Banks Await Lead Nods On Caithness N.Y. Plant

Bankers are awaiting word eagerly the selection of lead arrangers for **Caithness Long Island**, an entity of New York-based **Caithness Energy**. The energy firm began asking banks to submit bids to lead arrange a roughly \$375 million construction loan about month ago (PFR, 1/23) but no lead has been announced yet. The to-be-built plant is the first major baseload generating plant to be built on Long Island since the 1970s. The timing for the announcement of a winner is not known. Calls to **Ross Ain**, senior v.p. for Caithness in New York, were not immediately returned.

The proposed 326 MW gas-fired generation facility is in Suffolk County, Long Island. Underpinning the development is a 20-year power purchase agreement that the **Long Island Power Authority** has signed for 286 MW of the Long Island Energy Center. The remaining capacity will be shopped on a merchant basis. Selling some merchant capacity is a requirement of LIPA.

In December, the LIPA board green-lighted the PPA agreement, as well as granted approval to be the lead agency for the environmental review. Regulatory approval for the air permit is still being sought, but if everything goes as planned, construction could start as early as late this year, with operation to begin in summer of 2008.

Last summer, **CIT Group** and **West LB** completed a \$70.5 million club-style loan refinancing debt for a wind farm portfolio for Caithness (PFR, 08/15).

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

PETER ROTH
Associate Reporter
(212) 224-3226

MARI SLATER
Associate Reporter
(212) 224-3116

STANLEY WILSON
Washington Bureau Chief
(202) 393-0728

JANA BRENNING,
KIERON BLACK
Sketch Artists

PRODUCTION

DANY PEÑA
Director

LYNETTE STOCK, DEBORAH ZAKEN
Managers

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

JENNY LO
Web Production & Design Manager

MARIA JODICE
Advertising Production Manager
(212) 224-3267

ADVERTISING

JONATHAN WRIGHT
Advertising Director
(212) 224-3566
jwright@iinews.com

PAT BERTUCCI, ADRIENNE BILLS,
PHILIP COX, MAGGIE DIAZ
Associate Publishers

PUBLISHING

ELAYNE GLICK
Publisher
(212) 224-3069

AMANDA CATERINA
Associate Marketing Manager
(212) 224-3096

VINCENT YESENOSKY
Senior Operations Manager
(212) 224-3057

DAVID SILVA
Senior Fulfillment Manager
(212) 224-3573

SUBSCRIPTIONS/ ELECTRONIC LICENSES

One year - \$2,545 (in Canada add \$30 postage, others outside U.S. add \$75).

DAN LALOR
Director of Sales (212) 224-3045

NATALIE MAIR
Account Executive [London]
(44-20) 7779-8076

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

CHRISTOPHER BROWN
Chief Executive Officer

DAVID E. ANTIN
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@iinews.com

Editorial Offices: 225 Park Avenue
South, New York, NY 10003.
Tel: 1-212-224-3293
Email: mdecambre@iinews.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 ©2006
Institutional Investor, Inc.

Copying prohibited without the permission of the Publisher.

**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Northeast Commences Wholesale Auction

Northeast Utilities has kicked off a sale of its competitive wholesale generation business. A merger and acquisition financier following the deal says Berlin, Conn.-based Northeast's financial advisor **JPMorgan Chase** is in the process of having prospective bidders sign confidentiality agreements and is expected to distribute marketing materials soon. Northeast had planned to launch its auction months ago but market observers speculate that issues related to pricing fluctuations in commodities and/or regulatory issues might have caused delays.

Northeast wants to sell the operation because it did not effectively hedge its books, market observers say. In the fall players pointed to **Goldman Sachs**, **FPL Group** and **Constellation Energy** as strong prospects to buy the assets (PFR, 9/5). Northeast's merchant generating facilities consist of 1.44 GW in Massachusetts and Connecticut.

Lazard Freres also is serving as a general advisor to Northeast Utilities. Calls to **Paul Dabbar** at JPMorgan in New York, **George Bilicic**, senior managing director at Lazard in New York, and **David McHale**, cfo at Northeast, were not returned.

Plant Woes May Benefit Southwest Merchant Player

Mechanical problems and a shutdown at two key power plants for the Phoenix and Nevada market could be a boon to merchant generators such as **Entegra Group** during spring and summer. A West Coast analyst following merchant operators notes the shuttering of the 1.5 GW coal-fired Mojave Generating Plant near Laughlin, Nev., and operating difficulties at the 4 GW Palo Verde Nuclear facility, create the possibility of a supply crunch.

Entegra, which is owned by a group of hedge funds, runs Gila River Power Station just south of Phoenix and Union Power Station in El Dorado, Ark., that total some 4.5 GW in capacity. The relatively underutilized facilities could be charged up if shortages persist into the peak air-conditioning season. Officials at Entegra did not return calls for comment.

Palo Verde is the largest nuclear facility in the U.S. and serves more than four million customers. Its owners say problems at the plant, which has seen significantly reduced capacity, could keep it hamstrung into the summer. **Arizona Public Service**, which is a part of a consortium that owns Palo Verde, says it should have enough replacement power to avoid shortfalls, but

the analyst notes a string of hot days could cause demand to pick up quickly at the peak.

Calls to executives at APS were not returned. APS has signed a long-term PPA with Entegra that accounts for approximately one-third of its generation capacity.

Astoria Generating Trades Well After Break

Around \$200 million of **Astoria Generating's** paper has traded since it broke Feb. 23. A trader said it was of the most actively traded names last week. Astoria's \$430 million first-lien term loan broke at 101 3/8, while its \$300 million second lien broke at 102 1/2. The second lien dipped to 102 last week. The trader says a lot of buyers from a variety of financial institutions were interested in the paper. "It is a large loan that is a good credit. There is a lot of interest for energy paper," says one trader.

Morgan Stanley and **Goldman Sachs** lead the deal, which also consists of a \$100 million working capital facility and a \$120 million synthetic letter of credit. The financing backs **US Power Generating Co.** and **Madison Dearborn's** \$975 million acquisition of Astoria Generating from **Reliant Resources**.

The Astoria plant accounts for 24% of power consumed in New York City.

Venture Inks Agreement For Calpeak Plants

Tyr Energy and **Starwood Energy Investors** have signed an agreement to acquire **Pratt & Whitney**-developed plants known as Calpeak Power. Overland Park, Kan.-based Tyr and Greenwich, Conn.-based Starwood expect to finalize the deal soon and are seeking **Federal Energy Regulatory Commission**.

The portfolio is on the block because Pratt & Whitney is not a generation player and developed the plants to test new technologies (PFR, 10/31). The terms of the deal could not be determined. Calls to Tyr and Pratt & Whitney in East Hartford, Conn., were not returned. Calls to **Steve Zaminski**, associate v.p. at Starwood, were directed to a spokesman, who did not return a message for comment.

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

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

Southern Arms Plot \$1B In Offerings

Southern Co. operating units are planning to offer approximately \$1 billion of securities before year-end in the form of senior unsecured debt and possibly preferred shares.

Earl Long, assistant treasurer in Atlanta, says subsidiary **Alabama Power** plans to come to market with a debt offering late in the first quarter or in the second quarter and again in the fall. Sister company **Georgia Power** is expected to issue debt this summer.

Alabama Power may issue \$500 million, Georgia Power may issue \$300 million and the \$200 million would be spread out among Southern's other operating units, Long explains. The cash is for general corporate purposes, refinancing \$600-700 million in maturing paper and the installation of some two dozen scrubbers on some of coal-burning facilities over the next few years. He declined to be more specific about future offerings or the banks that could be involved.

Alabama Power has already placed \$600 million in debt including \$300 million through **Banc of America Securities** and **Barclays** (PFR, 2/13). In December, another subsidiary **Mississippi Power** issued debt through BofA. Alabama has also issued securities through **Citigroup** and **Goldman Sachs** (PFR, 1/23).

J.P. Morgan Securities led a \$250 million offering for Georgia Power, which was syndicated through **Williams Capital Group**, **Lazard Capital Markets** and **HSBC Securities** (PFR, 12/9).

Questar Eyes Equity, Debt For Pipe Financing

Questar Corp. plans on using \$80-100 million in equity and obtaining as much as \$120 million in long-term debt to bankroll a planned 77-mile pipeline expansion at subsidiary **Questar Overthrust Pipeline**. The Salt Lake City natural gas-focused shop likely will seek long-term debt next year and corporate level loans will be used as interim financing, says **Martin Craven**, treasurer at Questar Corp. The project will extend a natural gas line from southwest Wyoming to south-central Wyoming, says.

The parent company has individual lines of credit with about a dozen banks, including **Banc of America Securities**, **Credit Suisse**, **Merrill Lynch** and **Goldman Sachs**, Craven says, declining to provide details or specifics about the long-term financing plans.

Kinder Morgan Energy Partner's and **Sempra Pipelines & Storage** have signed a capacity agreement for the pipeline. **Chad Jones**, Questar spokesman, says the permitting process for the

project is underway and construction will begin promptly when permits are in hand. Questar is planning to start construction sometime this year, with completion slated for December 2007.

West Coast Firm Debuts Solar Fund

San Francisco-based **Renewable Ventures** has raised \$100 million for a solar generation fund. **Matt Cheney**, ceo of Renewable Ventures, says *Solar Fund I* investors include pensions, insurance companies and other institutions. "What we do is basically cater to those in the marketplace who want to access clean energy, but can't afford the upfront cost. We can take those projects and put them into a financial package in a way the markets can understand them," he says.

The fund is expected to seek out partnerships on some projects, but would most likely complete smaller scale developments of a few hundred kW's on its own. Renewable Ventures has some \$600 million worth of projects it hopes to bring to fruition in the next three years, or so. Cheney declined to discuss details about future projects. A spokeswoman was unable to provide information on the fund's fee structure or targeted returns.

Renewable Ventures began as a vehicle for Amsterdam-based **NUON** to enter the North American markets. The company maintains a series of investment vehicles focused on other areas of the renewables sector but has not previously set one up geared at solar investments.

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!



Corporate Strategies

Vt. Player Powers Up Share Buyback

Central Vermont Public Service has initiated a stock repurchase program of about 2.25 million shares. The Rutland, Vt.-based power company is using proceeds from the recent sale of wind firm **Catamount Energy Corporation**, says **Dale Rocheleau**, senior v.p. for legal and public affairs. He says about \$52 million after tax was netted from the sale and Central Vermont wanted to reward shareholders by redistributing proceeds. Central Vermont maintains a debt-to-equity ratio of 40:60.

The buyback started a few weeks ago and the aim is to complete it next week. The program is structured as a reverse Dutch auction in which the company looks to buy back shares between \$20.50-22.50. The shares were trading at \$21.41 today. New York-based **New Harbor** is the company's financial advisor. A call to **John Beatty**, managing director at New Harbor, was not returned.

Jeanny Silva, an analyst at **Standard & Poor's** in New York, says buybacks are generally bad from a credit perspective but not in this instance given that it is being funded from a sale.

Catamount was sold to **Diamond Castle Holdings**, a private equity firm (PFR, 10/24).

Going Long

ComEd Taps 30-Year Curve For Refi

Commonwealth Edison sold \$325 million of 5.90%, 30-year first-mortgage bonds to refinance notes that matured or were called last year. **Tom Miller**, v.p. of treasury at parent **Exelon Corp.** in Chicago, says the offering was oversubscribed. "There is a lot of demand on that end of the curve," he says, referring to the 30-year tenor. He adds demand for mortgage paper is also high. "The two combined make it a very opportune time to issue the bonds."

The debt was sold by lead managers **JPMorgan Chase**, **Lehman Brothers** and **Morgan Stanley** and syndicated through **Wachovia** and **Banco Popular**. Last June, ComEd called \$64 million of 9.875% notes due in 2020, and in October, a \$235 million tranche of 6.4% bonds matured.

All five participating banks have a prior relationship with Exelon or its operating units. Miller says Banco Popular is in a credit facility and its role in the sale was a way to reward that support. **Moody's Investors Service** rates this offering Baa1, and **Standard & Poor's** rates it A-.

Financing Record (FEBRUARY 22 - FEBRUARY 28)

Debt

Rule 144A	Issue Date	Issuer	Business Description	Amount (\$ M)	Coupon (%)	Security	Maturity	Offer Price	YTM(%)	Spread	S&P	Moody's	Fitch
No	2/23/06	NTPC Ltd	Electric utility	300	5.875	Medium-Term Nts	3/2/16	99.523	5.939	140	BB+	NR	BB+
Yes	2/24/06	Cia Energetica de Sao Paulo	Electric utility	300	10	Fxd/Straight Bd	3/20/11	100	10		NR	NR	NR
	2/27/06	Commonwealth Edison Co	Electric utility, uranium mine	325	5.9	Fst Mtg Bonds	3/15/36	99.371	5.945	130	A-	Baa1	A-
No	2/28/06	ESKOM Holdings Ltd	Electric utility	596.5	4	Fxd/Straight Bd	3/7/13	99.694	4.051	50	BBB+	A2	NR

M&A

Announced	Effective	Target Name	Target Advisors	Target Industry Sector	Target Nation	Acquiror Name	Acquiror Advisors	Acquiror Industry Sector	Value(\$Mil)
2/22/06		Circadian Ltd		Electric, Gas, and Water Distribution	Upper Speed Ltd		Investment & Commodity Firms,Dealers,Exchanges	British Virgin	
2/22/06		Circadian(CH) Ltd		Electric, Gas, and Water Distribution	Upper Speed Ltd		Investment & Commodity Firms,Dealers,Exchanges	British Virgin	72.347
2/23/06	2/23/06	Stream Energy		Electric, Gas, and Water Distribution	NGP Energy Capital Management	Firms,Dealers, Exchanges	Investment & Commodity	United States	10
2/25/06		Aquarion Co		Electric, Gas, and Water Distribution	Macquarie Bank Ltd	Macquarie Bank	Investment & Firms,Dealers,Exchanges	Australia	860
2/25/06		Gaz de France	Calyon Societe Generale-Lehman Brothers-Merrill Lynch & Co Inc-Lazard-ABN-AMRO Holding NV	Electric, Gas, and Water Distribution		UBS Investment Bank-JP Morgan-Rothschild-Morgan Stanley-BNP Paribas SA	Electric, Gas, and Water Distribution	Commodity France	44,825.67
2/27/06		Energie Ouest Suisse Holding		Electric, Gas, and Water Distribution	Suez SA	Aare-Tessin fuer Elektrizitaet	Electric, Gas, and Water Distribution	Switzerland	
2/27/06		KeySpan Corp	Lazard	Electric, Gas, and Water Distribution	National Grid PLC	Rothschild-Morgan Stanley-Deutsche Bank AG	Electric, Gas, and Water Distribution	United Kingdom	11,317.99
2/27/06		EOS		Electric, Gas, and Water Distribution	Aare-Tessin fuer Elektrizitaet		Electric, Gas, and Water Distribution	Switzerland	
2/27/06		North European Gas Pipeline		Electric, Gas, and Water Distribution	OAQ Gazprom	Water Distribution	Oil and Gas;	Russian Fed	
								Petroleum Refining	

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



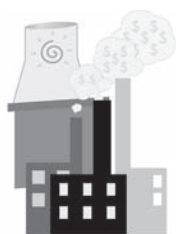
**Tired of fighting over the latest
newsletter copy?
Here's a simple, painless solution:
The Corporate Access Program.**

- Instant, online access to breaking news, feature stories, league tables, rankings, search listings and online archives.
- Information- and user-specific plans tailored to meet your company's needs and bottom line.
- An opportunity to limit your worries about copyright infringement.
- Business leads and insights into regulatory outlooks.

**For information or a proposal, contact
Daniel Lalor at 212-224-3045 or dlalor@iinews.com**

**Institutional
Investor NEWS**
INTELLIGENCE FIRST

INSTITUTIONAL INVESTOR NEWS / 225 PARK AVENUE SOUTH / NEW YORK, NY 10003
WWW.IINEWS.COM



Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call Mark DeCambre, managing editor, at (212) 224-3293 or e-mail mdecambre@iinews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Atlantic City Electric Company	B.L.England	New Jersey	447	Coal	Concentric Advisors	In Second Rounds.
	Key Stone	Pa.	-	Coal		
	Conenough	Pa.	-	Coal		
Aquila	Racoon Creek	Ill.	340	Gas	Not chosen	Intention To Sell.
	Goose Creek	Ill.	340	Gas		
	Crossroads	Miss.	340	Gas		
Bear Stearns	Mulberry	Fla.	120	Gas	Bear Stearns	Intention to sell
	Orange	Fla.	103	Gas	Bear Stearns	Intention to sell
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention To Sell.
BNP -led bank group (Exelon developed plants)	Mystic River 7	Mass.	560	Oil/Gas	Lazard	Ongoing.
	Mystic River 8	Mass.	832	Gas		
	Mystic River 9	Mass.	832	Gas		
	Fore River	Mass.	832	Gas		
Carlyle Riverstone/ Sempra	Coleto Creek Power Station	ERCOT	632	Coal	Goldman Sachs	First-round Bids Due Mid-Jan.
Carlyle Riverstone/ Sempra	Topaz Power Group	ERCOT	2.9 GW	Gas&Oil	Greenhil & Co.	Preliminary Marketing Materials Have Been Submitted
Citi & SocGen-led creditor group (TECO Energy developed plants)	Union	Ark.	2,200	Gas	Goldman	Ongoing.
	Gila River	Ariz.	2,300	Gas		
CMS Energy	Ensenada	Argentina	128	Gas	Not chosen	Announced Intention To Sell.
	CT Mendoza	Argentina	520	Gas	J.P. Morgan	
	El Chocon	Argentina	1,320	Hydro	J.P. Morgan	
	Palisades	Mich.	798	Nuke	Concentric Advisors	
Citi-led bank group (NEG developed plants)	Lake Road	Conn.	840	Gas	Lehman Bros.	Cargill Bought Debt Portion (PFR, 12/27).
	Lowell Power	Mass.	82	Gas	None	Actively Pursuing A Sale.
Delta Power						
Duke Energy North America	Bridgeport Energy Project	Bridgeport, Conn.	490 MW	Gas	CSFB	LS Power Has Won An Auction For Approximately \$1.48-1.54B
	Maine Independence Station	Penobscot County, Maine	520 MW	Gas	Goldman Sachs	
	Bayside Power Project	St. John, New Brunswick	260 MW	Gas		
	Fort Frances Cogeneration Project	Fort Frances, Ontario	110 MW	Gas		
	Lee Energy Facility	Lee County, Ill.	640 MW	Gas		
	Vermillion Energy Facility	Vermillion County, Ind.	640 MW			
	St. Francis Energy Facility	Glennonville, Mo.	500 MW	Gas		
	Washington Energy Facility	Washington County, Ohio	620 MW	Gas		
	Fayette Energy Facility	Fayette County, Pa.	620 MW	Gas		
	Hanging Rock Energy Facility	Lawrence County, Ohio	1,240 MW	Gas		
	Oakland Power Plant	Oakland, Calif.	165 MW	Gas		
	Moss Landing Power Plant	Monterey County, Calif.	2,538 MW	Gas		
	Morro Bay Power Plant	Morro Bay, Calif.	1,002 MW	Gas		
	South Bay Power Plant	Chula Vista, Calif.	700 MW	Gas		
	Griffith Energy Facility	Mohave County, Ariz.	600 MW	Gas		
	Arlington Valley Energy Facility	Maricopa County, Ariz.	570 MW	Gas		
	McMahon Cogeneration Plant	Taylor, British Columbia	117 MW	Gas		
El Paso Europe	EMA Power	Hungary	70	Coal		Final Bids Due.
El Paso North America	Berkshire	Mass.	261 (56.41%)	Gas		

ADVERTISE HERE!



The Source for Investment and Financial News
Relied upon by Industry Decision Makers.

Targeting the financial markets? No matter what segment of the market, **II News** publications reach the audience you're looking for. Our readers pay an average of \$1695 to read this targeted news so you can be sure they read every issue.

Multiple products or multiple targets? *No problem.* Any ad you run in any **II News** publication counts toward a frequency discount, affording you flexibility to target multiple markets and save.

Get your custom promotional plan today!

Call Jonathan Wright at
212-224-3566 or email
jwright@iineews.com

**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Generation Auction & Sale Auction (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
(Merchant assets)	CDECCA	Conn.	62	Gas		Negotiations Are Taking Place With HSBC Launched Sale In April.
	EnCana	Cavalier	Alberta	106	Gas	
	Balzac	Alberta	106	Gas	HSBC	
	Kingston	Ontario	110 (25%)	Gas	HSBC	
Energy Investors Fund	Multitrade	Va.	79.5 (60%)	Biomass	None	Stake Sold To GE
Entergy Asset Management	Robert Ritchie	Ark.	544	Gas/oil	None	Ongoing.
	Warren Power	Miss.	314	Gas		
	RS Cogen	La.	425 (49%)	CHP		
	Harrison County	Texas	550 (70%)	Gas		
Exelon/PSEG	Eddystone Generating Station	Delaware County, Pa.	1,510 MW	Coal and Gas		Interviewing Banks To Advise On Sales.
	Linden Generating Station	Linden, N.J.	775 MW	Gas		
Goldman Sachs	East Coast Power	Linden, N.J.	940 MW	Gas	Goldman	2nd round bids due mid-February
Gama Construction Ireland Limited	Tynagh	Republic of Ireland	400 MW	Gas	Fieldstone Private Capital Group	Ongoing
KBC-led creditor group	Milford	Conn	542	Gas	Lazard	Ongoing.
Mirant	Shady Hills	Fla.	474	Gas	BofA	Ongoing.
	West Georgia	Ga.	640	Gas		
	Bosque County	Texas	538	Gas		
	Wichita Falls	Texas	77	Gas		
Morrow Power	Boardman	Ore.	28	Gas	Marathon Capital	Evaluating Bids.
Nations Energy	Bayport	Texas	80	N/A		Considering Liquidation.
	Mungo Junction	Ohio	32			
	Southbridge	Mass.	7			
National Energy Gas & Transmission (USGen New England)	Salem Harbor	Mass.	745	Coal/Oil	Lazard	Dominion Has It Under Contract.
	Brayton Point	Mass.	1,599	Coal		
	Manchester St.	R.I.	495	Gas		
	Connecticut River	N.H.	479	Hydro		
	Deerfield River	Mass.	89	Hydro		
Oman (Ministry of Housing, Electricity & Water)	Rusail	Oman	730	Gas	CSFB	-
	Ghubratt	Oman	507	CHP		
	Wad AlJazzi	Oman	350	Gas		
Reliant Energy	Carr Street	N.Y.	95	Oil	Goldman	Madison Dearborn And US Power Gen. Have Won A Bid To Acquire The Assets.
	Astoria	N.Y.	1,276	Gas		
	Gowanus	N.Y.	549	Gas		
	Narrows	N.Y.	281	Gas		
InterGen	Redbud	Okla	1,220		Citigroup	Harbert Venture Acquired The Assets.
	Cottonwood	Texas	1,235			
	Magnolia	Miss.	900			
Sempre	Twin Oaks	ERCOT	305	Coal	Goldman Sachs	Ongoing
SG-led bank group (NEG developed plants)	Athens	N.Y.	1,080	Gas	Blackstone	Assessing Bids.
	Covert	Mich.	1,170	Gas		
	Harquahala	Ariz.	1,092	Gas		
	Millennium	Mass.	360	Gas		
STEAG	Iskenderun	Turkey	1,320	Gas	Morgan Stanley	Ongoing.
Teco Energy	Dell Power Station	Ark.	540	Gas		Reviewing Options.
	McAdams Power Station	La.	599	Gas		
Tenaska Energy	Tenaska Frontier	ERCOT	830	Gas	Lehman Brothers RBC Capital Markets	Ongoing-selling 62%
Tractebel North America	Chehalis	Wash.	520	Gas	N/A	Looking To Sell Or Swap.
WPS Resources	Sunbury Generating Station	Shamokin Dam, Pa.	450 MW	Coal	Lazard	Buyers Are Stalling Over Fuel Contracts.

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.

The Americas

- **KeySpan** has agreed to be sold to **National Grid**, a British utility, for about \$7.3 billion in cash, according to people involved in the negotiations (*New York Times*, 2/27).
- **The Carlyle Group** is set to boost its investment in the renewable energy sector as demand from U.S. state entities is rising, says **David Rubenstein**, the firm's founder and managing director (*Washington Post*, 2/27).
- GE and a **Macquarie** investment fund are vying to buy a big stake in TXU's electricity-delivery business, in a deal that could be valued at more than \$5 billion (*Wall Street Journal*, 2/27).
- **NStar** could be a possible target for **National Grid** in the wake of the London energy company's planned acquisitions of **KeySpan** and the Rhode Island assets of **Southern Union's New England Gas**, according to reports (*Boston Globe*, 2/28). **Robert Catell**, ceo of KeySpan, will pocket nearly \$80 million in cash as a result of KeySpan's sale to National Grid (*New York Post*, 2/28).
- **David Delainey**, the former president of **Enron North America**, Enron's wholesale-trading unit, testified he illegally dipped into reserves to meet and beat earnings targets under pressure from then-chief executive **Jeffrey Skilling** (*Associated Press*, 2/28).
- Ex-**Enron** trader **Timothy Belden** testified Enron bought cheap power in the Northwest to sell in California, allowing it to rake in big profits. The trader ran Enron's Western power trading desk in 2000 and 2001 and pleaded guilty to gaming California's power market during that state's energy crisis (*Dow Jones Newswires*, 3/1).
- **Dominion Resources** will sell its Pennsylvania and West Virginia natural gas local distribution utilities to gas company **Equitable Resources** for \$970 million cash (*Associated Press*, 3/2).
- Chilean President **Ricardo Lagos** announced the discovery of important natural gas reserves in southern Chile, and local media said the reserves could be enough to cover 25% of the country's consumption (*Associated Press*, 3/2).
- **Southern Union** wrapped up its buyout of **Sid Richardson Energy Services** for \$1.6 billion (*Houston Business Journal*, 3/2).
- **MidAmerican Energy Holdings** received written approval from the **Wyoming Public Service Commission** to buy **ScottishPower's PacifiCorp** (*Dow Jones Newswires*, 3/1).

- **Allegheny Energy** announced a plan to build a transmission line from West Virginia to central Maryland in an effort to improve system reliability and reduce transmission congestion in the region (*Dow Jones Newswires*, 2/28).

Europe

- **Suez** and **Gaz de France** plan to merge in a one-for-one stock swap, creating a power and gas company worth more than \$85.7 billion and fending off a hostile bid for Suez from Italy's **Enel** (*Bloomberg News*, 2/27).
- Britain's **Centrica** could gain control of **SPE**, Belgium's second-largest power supplier, due to the merger of **Suez** and **Gaz de France**. Centrica and Gaz de France jointly own a 51% stake in SPE and may have to sell to appease regulators since Suez also owns **Electrabel**, in Belgium (*Times of London*, 2/28).
- **Gas Natural** will consider raising its \$27.9 billion hostile offer for **Endesa**, Spain's largest power company, to compete with a bid from Germany's **E.ON** (*Bloomberg News*, 2/28).
- The European Commission is to take legal action against France over the country's new decree restricting foreign investment. The decree gives Paris the power to veto or impose conditions on foreign takeovers in 11 "strategic" sectors, including energy (*Telegraph*, 2/28).
- **Gas Natural** has secured financial backers to help sweeten an offer for **Endesa**, Spain's biggest power producer. Gas Natural's current strategy is to tap those backers if Germany's **E.ON** withdraws its bid (*Dow Jones Newswires*, 3/2).
- Italian power company **Enel** said it will pay \$105 million to take a 50% stake in Russian energy trading firm **RusEneregoSbyt**, as it beefs up its presence in the Russian electricity market (*Dow Jones Newswires*, 3/2).
- **Paolo Scaroni**, ceo of **Eni**, Italy's largest oil and gas group, says a merger with **Enel**, the electric utility, was not on its agenda and there had been no discussions with the government about a deal (*Financial Times*, 3/2).
- **Suez LNG Trading**, a subsidiary of Suez, said it has signed an agreement with **Brass LNG** for the purchase of 2 million tons of liquefied natural gas per year for a period of 20 years (*MarketWatch*, 3/1).



You want news from over 40 of the best sources in the industry, in one place?

Your success depends on knowing where to look for vital news and information...

InstitutionalInvestor.com gives you:

- *Award-winning editorial*
- *Groundbreaking news*
- *Comprehensive coverage*
- *Analysis*
- *Rankings*
- *Archives*
- *Email alerts*
- *and more...*

**Institutional
Investor.com**

Visit www.InstitutionalInvestor.com today.

STARWOOD LOOKS

(continued from page 1)

placement agents.

The energy firm has set up other vehicles to make its investments. Via a 50-50 venture with **GE Energy Financial Services**, Starwood aims invest \$20 million per generation project in the mid- to late-stage of development (PFR, 9/26).

—Mark DeCambre

W. VA. COAL

(continued from page 1)

is not known where the company stands on securing a PPA. A group of environmental and local public activist, including the **Sierra Club**, have challenged construction, causing delays.

As of late lenders have been increasingly comfortable providing financing for new coal-fired plants—**Merrill Lynch**, **Credit Suisse**, **Goldman Sachs** have launched B-loan syndication on behalf of **LS Power** for the construction of a pulverized coal-fired plant near Osceola, Ark. The loan, which funds construction of a planned 800 MW greenfield project known as Plum Point (PFR, 2/27)

—M.D.

INT'L POWER

(continued from page 1)

Officials at Goldman, **AIG HighStar**, **Tenaska Capital**, **Complete**, **Riverstone** and **Sempra** did not return calls. **Jim Leech**, senior v.p. at Ontario Teachers, and **Sara Richardson**, spokeswoman for International Power, declined to comment.

First-round bidders who did not qualify for the second round include Sydney-based **Babcock & Brown** and East Brunswick, N.J.-based **LS Power**. **Kathy Alderfer**, spokeswoman for Babcock & Brown in San Francisco, and **Jim Bartlett**, managing director at LS Power, did not return calls for comment.

The plant was put up for sale late last year through **Topaz Power Group** joint venture (PFR, 12/19).

—Peter Roth

Calendar

- **Platts** will host the 21st Annual Global Power Markets Conference in Las Vegas on April 2-4 at the Bellagio Hotel. For additional information, please contact **Kevin LaPierre** via email at Kevin_lapierre@platts.com, or via phone at 212-904-4358.
- **Euromoney** and the **American Council on Renewable Energy** will host the third annual Renewable Energy Finance Forum-Wall Street in New York at the Waldorf Astoria Hotel June 21-22. For more information, please contact **Glenn Cooney** via phone at +44-0-20-7779-8914.
- **Euromoney** is holding a Renewable Energy Finance Forum March 13-14 in Berlin at The Hilton. For additional information, please call 44-0-20-7779-8103, or email energyevents@euromoneyplc.com

For More Benefits Visit Our Web Site

As a *Power Finance & Risk* subscriber, you're entitled to access the *Power Finance & Risk* Web site absolutely free! Go to www.iipower.com and discover the added value to your subscription, including:

- **Breaking News**—stories are posted as we get them. Check www.iipower.com during the week for the hottest power news.
- **Breaking News E-mail Alerts**—your advance notice of the hottest stories as they break.
- **Additional Content**—in-depth statistics, ratings and rankings available online.
- **Earlier delivery**—each issue of *Power Finance & Risk* is available in full on the Web site every Friday at 4pm EST.
- **Generation Sale & Auction Calendar**—access a searchable archive that includes all the stories and features from past issues of *Power Finance & Risk*.
- **Printer-Friendly Stories**—click on the "printer-friendly version" link at the bottom of the story to get a clean copy of the article to print, with no irregular page breaks or uneven margins.

To set up your subscriber password, please contact us at
customerservice@iinews.com
 or at 1-800-715-9195 between 8 a.m. and 6 p.m. EST.

Quote Of The Week

"The two combined make it a very opportune time to issue the bonds."—**Tom Miller**, v.p. of treasury at **Exelon Corp.** in Chicago, referring to demand for mortgage paper and the demand on that end of the curve, on why subsidiary **Commonwealth Edison** sold \$325 million of 5.90%, 30-year first-mortgage bonds (see story, page 5).

One Year Ago In Power Finance & Risk

Two bidders were reportedly vying to acquire the 3 GW **Exelon Boston** generation portfolio, which was put on the auction block by bank creditors including **BNP Paribas**. The bids were reportedly in the \$1.1 billion range. [**K-Road** sealed the deal to acquire the generation portfolio (PFR, 005/16).]