

# power finance & risk

The exclusive source for power financing and trading news

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## Canadian Builder Hunts Backers For Calif. Farm

**Coram Energy** is canvassing for equity and debt to finance the 92.5 MW expansion of its Tehachapi, Calif., wind farm.

*See story, page 3*

## Constellation Mulls M&A Opportunities

**Constellation Energy** remains open to the possibility of additional acquisitions.

*See story, page 2*

## In The News

Dublin Builder Seeks Wind Funds	3
Hedge Fund Ups Trading And Risk Desk	4
Ex-Citi Pro Lands At Conn. Hedge Fund	4
Cleco Readies Tighter Bank Line	4

## Corporate Strategies

Southern Co. Issues Cap Ex Notes	5
CIT Launches Canadian Fund	5
Enbridge Goes Long On Bonds	5

## Departments

Weekly Recap	6
Generation Auction and Sale Calendar	7
Financing Record	12

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## \$5M Carrot?

### JPMORGAN LANDS POWER TRADING CHIEF

JPMorgan Securities has hired senior Morgan Stanley trader **Bo Taylor** in New York for a new position heading up its power trading desk. And the word in the headhunting fraternity is it cost the firm a \$5 million package to land him. As first reported on *PFR's* Web site last Thursday, Taylor left Morgan Stanley last week and is expected to join JPMorgan some time next week.

He could not be reached and Morgan Stanley spokesman **Mark Lake** and **Michael**

*(continued on page 12)*

### DEVELOPER EYES \$250M LOAN FOR WIND FARM

**Navitas Energy**, a unit of Madrid renewables giant **Gamesa Eólica**, is looking for a construction loan to fund a \$250 million, 200 MW wind farm in Brookings County, S.D. **Gabriel Alonso**, ceo at Navitas in its Minneapolis headquarters, says the developer is hoping to piggyback off larger parent which will back the project. Navitas has been in talks with European banks familiar with Gamesa, Alonso says, declining to specify the lenders with which it has held discussions.

*(continued on page 12)*

### SEMPRA UNIT COVETS EXELON PLANTS



Mark Snell

**Sempra Global** plans to take a close look at any plants Chicago-based **Exelon** ditches as it works out its merger with **Public Service Enterprise Group**, **Mark Snell**, president of the non-utility arm of **Sempra Energy**, told *PFR*. "We're anxiously awaiting a [divestiture] announcement," Snell says.

**Exelon** CEO **John Rowe** announced after the merger it planned to divest about 2 GW in the Mid-Atlantic region to mitigate any market power concentration issues. **Stephan Segouin**, head of M&A at **Exelon**,

*(continued on page 11)*

### ASTORIA ENERGY TEES UP QUEENS B-LOAN REDUX

**Astoria Energy** is set to launch a refinancing for a \$700 million B-loan facility backing construction of 1,000 MW gas-fired plant in Queens. The \$725 million reworked loan is led by **Calyon** and divided between a \$525 million and \$200 million tranche. **James Croyle**, president of **Astoria Energy** in Concord, Mass., declined to confirm the numbers but says construction risks have ameliorated enough to warrant better

*(continued on page 11)*



Astoria Energy

Check [www.iipower.com](http://www.iipower.com) during the week for breaking news and updates.

## At Press Time

## Constellation Scopes Acquisitions

Constellation Energy has acquisitions on the brain, one executive underscored at Morgan Stanley's *Global Electricity & Energy Conference* last week in New York. E. Follin Smith, executive v.p. and cfo at the Baltimore energy company, said it is looking at a number of opportunities, though she declined to give specific acquisition targets or talk about speculation that it might bid for Alliant Energy's Duane Arnold nuclear plant. Smith did not immediately return a call for additional comment.

Follin emphasized Constellation has developed an appetite for nuclear assets and would not be adverse to an arrangement whereby the company would operate nuclear plants for another energy player. "There have been a number of situations where we have discussed the value [of such a deal]. We'd be a logical candidate for that type of arrangement," she said. She noted, however, that Constellation has acquired relatively few plants in recent years because of its conservative outlook on future power prices.

Constellation's recent acquisitions include the 490 MW R.E. Ginna nuclear power plant in Ontario and the 1,757 MW Nine Mile Point nuclear plant outside of Syracuse, N.Y. Both acquisitions have been highly accretive for Constellation, Smith said.

## UniSource To Fire Up \$546M Loan With UBoC

UniSource Energy is kicking off syndication of a new \$546 million loan at the parent and subsidiary level and has tapped Union Bank of California to arrange it. UBoC is pitching a \$105 million loan split between a \$90 million term loan and a \$15 million secured revolving line of credit at the parent level, a \$401 million letter of credit facility for subsidiary Tucson Electric Power and a \$40 million revolver for UniSource Energy Services.

The bank, which has been talks to lead UniSource's loans (PFR, 3/14), is looking for nine tier one lenders to take a \$50 million slice of the deal and is asking 23 institutions to participate on the retail level, taking \$20 or \$30 million portions.

The parent-level loans are being promoted at LIBOR plus 2 3/8, the TEP loan is being pitched at LIBOR 125 basis points and the UES debt is being pitched at LIBOR plus 150 basis points. Participating fees will be determined at a bank meeting to be held this Wednesday. Commitment dates are April 6 for the UniSource and UES loans, with an April 14 closing while TEP commitments are due six days later with an expected May 6 wrap.

Bankers at UBoC declined to comment and several calls to UniSource official were not returned.

## Tell Us What You Think!

Do you have questions, comments or criticisms about a story that appeared in *PFR*? Should we be covering more or less of a given area? As we enter our 24<sup>th</sup> year of providing breaking news to the fixed income community, the staff of *PFR* is committed as ever to evolving with the markets and we welcome your feedback. Feel free to contact **Mark DeCambre**, managing editor, at 212-224-3293 or [mdecambre@iinews.com](mailto:mdecambre@iinews.com).

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## Vancouver Developer Hunts Backers For Calif. Farm

Developer **Coram Energy** is on the prowl for equity and debt to bank roll a 92.5 MW expansion of its Tehachapi, Calif., wind farm. The Vancouver, British Columbia, player normally ponies up all of the cash for construction thereby maintaining control. But, the \$110 million expansion is more than it can manage, says **Brian O'Sullivan**, president. Earlier projects required an equity investment of no more than about \$5 million, he notes. Project debt is being sought at the 70% range.

Underpinning construction is a 20-year PPA with **Southern California Edison**. O'Sullivan declined to discuss details of the deal.

"The debt's always out there. That's not the tricky part," O'Sullivan says, noting that with its bigger challenge is identifying a partner that shares its strategy. No discussions with any investors have been held but he says has been fielding calls from interested parties. "We're the most popular girl in town," he added, declining to name names.

The expansion will take about three years to complete because transmission lines need to be brought to capacity but the company is looking at its financial options now. Coram has not contacted banks yet.

## Leads To Shop \$270M Okie Pipeline Loan

**Atlas Pipeline Partners** is arranging a \$270 million acquisition financing via leads **Wachovia Bank** and **Fleet National Bank** to bankroll the \$190 million acquisition of **ETC Oklahoma Pipeline**. A portion of the facility will go toward paying down an outstanding revolver, says **Edward Cohen**, chairman and ceo at Atlas in Pittsburgh.

The midstream company's acquisition of ETC Oklahoma from Tulsa, Okla.-based **Energy Transfer Partners** includes 315 miles of natural gas pipelines located in Oklahoma's Anadarko basin, a natural gas processing facility and a gas treatment plant. The deal is expected to close next quarter.

The deal will consist of a \$225 million five-year revolver and a \$45 million five-year term loan. Pricing has not yet been determined. Atlas plans on bringing on equity participants for the acquisition and is in talks with potential investors, says Cohen, declining to give further details.

Along with funding the ETC acquisition, the facility will be used to pay down the \$57.5 million outstanding under an existing \$135 million facility, which was set up in July. That facility is priced at LIBOR plus 200 basis points, while the term loan is priced at LIBOR plus 275 bps. **KeyBanc Capital Markets**

and **Wachovia Bank** were co-lead arrangers for the deal.

**Jim Pierpoint**, a spokesman for Wachovia, declined to comment. **Eloise Hale**, a spokeswoman for Fleet parent **Bank of America**, did not immediately return a call for comment.

## Puget Sound Plots Share Offer

**Puget Sound Energy** plans to issue common stock to juice its capital structure to 43% equity from 40% presently. **Bertrand Valdman**, cfo, said the move will help strengthen the utility's overall balance sheet. He declined to give the amount or date of issuance at an earnings guidance conference call March 11. **Lynn Sherk**, Puget spokesperson in Bellevue, Wash., could not make an official available for comment.

**Jim Bellessa**, v.p. of research at **D.A. Davidson & Co.** in Great Falls, Mont., says Puget is hoping to strengthen its rating to BBB from the BBB-. "They went through a very tough period following the financial crises of 2000-2001. They want to return fully to a regulated model," he adds. The company moved into a model of being a transmission and distribution utility but the high cost of power affected its balance sheet, explains Bellessa.

## Irish Builder Talks Financing For Lone Star Wind

Dublin-headquartered **Airtricity** is negotiating with lenders to obtain around 60-70% in non-recourse financing for a 100 MW, \$125-140 million wind farm in Sterling County, Texas. **Martin McAdam**, general manager for North America in Chicago, says a PPA has been worked out with one or more parties but declined to reveal their identities or name prospective lenders. The developer plans on putting up 10% in equity.

The company has been looking at 1.5-2 MW turbines. McAdams hopes to have financing wrapped by third or fourth quarter of this year and to break ground next year.

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## Buckeye Hedge Fund Startup Looks To Bulk Up

Hedge fund **Alpha Energy Partners** plans to build up its operations over the next several months by adding four or five natural gas traders as well as one or two risk managers to round out its nine-person operation, says **Barry Hines**, co-founder of **Boomerang Capital** in Rowayton, Conn., an advisor to the firm. The Columbus, Ohio, relative value fund was rolled out late last year by **American Electric Power** energy trading veteran **Lew Williams** (PFR 9/24).

The hiring effort is to support plans to grow from an initial \$50 million to some \$500 million over the next two or three years, Hines explains. So far, three unnamed traders have been identified as prospects but contracts have not been finalized, he notes, declining to identify candidates. Part of Alpha's strategy is to lure traders displeased with year-end bonuses at other companies, he adds.

Since its fall launch, Alpha has raised nearly \$200 million in separate funds targeting both domestic and offshore high-net-worth investors eyeing the power/energy space and is aiming to beef up by raising more capital and making successful investments, Hines notes. The fund invests primarily in the North American natural gas market with as much as 60% dedicated to the sector. The remainder centers around power and crude oil plays. Calls to Williams were directed to Hines.

## Cleco Readies Reloaded Bank Line

**Cleco Corp.** is refinancing unsecured facilities totaling \$275 million via leads **Bank of New York**, **JPMorgan Chase** and **WestLB**. The Pineville, La., holding company is set to initiate the effort tomorrow, pitching tighter pricing and longer tenors on its \$150 million, three-year revolver and subsidiary **Cleco Power's** \$125 million, 364-day line.

"It's always better to have a longer term facility," says **Kathleen Nolen**, treasurer, noting that maintaining some portion in longer tenor debt will allow for less refinancing risk and lower all-in funding costs.

Both facilities have been extended to five-years with the holding company's new credit line being pitched with facility fees of 20 basis points from 27.5 basis points. The revolver also will have a utilization fee of 12.5 basis points and a carry an 87.5 basis point fee on drawn amounts from 150 basis points.

Cleco Power's new line is being shopped with a 12.5 basis point facility fee, down from 20 basis points and will carry an

identical utilization fee as its parent. The 100 basis point draw spread was cut to 60 basis points, according to a banker familiar with the deal. Nolen declined to talk about pricing.

Officials at BoNY declined to comment while calls to WestLB were not returned. **Mike Dorfsman**, spokesperson for JPMorgan in New York, could not make an official available to comment.

## Calyon Set For Emissions Trading

Calyon's weather and emissions desk has received bank approval to start trading emissions allowances and **David Foster**, head of weather and emissions in London, expects it to execute its first trades in a month. Foster says the bank will trade E.U. emissions allowances with power companies as well as other industries. "Since the start of the year, the phones have been ringing off the hook with people asking about emissions trading," he notes.

Allowances have been traded in limited quantities on a forward basis for some time, but the spot market has not yet taken off because several E.U. countries including the U.K. and Italy have delayed announcing their allocation of allowances. This has put some players off the emissions market and is an obstacle to the development of derivative instruments such as options. However, **Benedikt von Butler**, broker at **Evolution Markets** in London, expects the spot market to be up and running within the next one to two months.

## Ex-Citi Trader Lands At Conn. Hedge Fund

**Craig Gile**, an energy derivatives trader who departed **Citigroup** last year along with global commodities head **David Becker**, has resurfaced—again as an energy trader—at **Graham Capital Management**, a \$4.4 billion Stamford, Conn.-based hedge fund. He reports to **Chris Hill**, head of the energy desk at Graham. Neither Gile nor Hill returned calls for comment. Becker is now head trader at **Trivium Capital** (PFR, 10/22).

Gile and Becker left Citigroup amid rumors the firm discovered positions in its oil trading book had been mis-marked, costing the firm an amount in the low tens of millions of dollars (PFR, 5/2/04).

Graham Capital's investments include energy, metals, soft goods, currencies, global interest rates and stock indices. In 2003, the firm launched an energy trading desk led by former **Duke Energy North America** trader Hill. The desk focuses primarily on oil and gas. The fund was founded in 1994 by **Kent Tropin**, former ceo of hedge fund giant **John W. Henry**.

## Corporate Strategies

### Southern Co. Utility Rolls Out \$250M Cap Ex Notes

Alabama Power Company has issued \$250 million of senior unsecured 5.65% notes to fund capital expenditure and pay down short-term debt. The Birmingham, Ala., utility subsidiary of Southern Company opted to issue notes now because it wanted to cut short-term debt levels, which had reached about \$150 million, says **Randy DeRieux**, assistant treasurer. "Ideally, we'd like to keep short-term debt at zero given the current market conditions," DeRieux says, alluding to the low interest rate environment.

The notes will fund maintenance of existing transmission and distribution infrastructure, says DeRieux. The utility typically launches several bond issues each year to fund capex, explains **Mo-Ying Seto**, an analyst with **Moody's Investors Service** in New York. According to Southern's 2004 10-K, Alabama Power expects to spend about \$902 million this year to finance ongoing construction costs.

The notes mature March 15, 2035 and are non-callable for 10 years. They carry a A2 by Moody's and A+ by **Fitch Ratings**. **JPMorgan Securities** was tapped to lead the deal after bank officials gave a presentation at the utility's headquarters suggesting that demand for long-term utility debt is high, DeRieux says.

### Kinder Morgan Pushes Out Tenor On \$750M



Kimberly Allen

Kinder Morgan and subsidiary energy pipeline holding company **Kinder Morgan Energy Partners** are replacing \$750 million in short-term commercial paper with long-end debt. The move frees up short-term debt capacity, which the energy transportation and storage company primarily uses to fund acquisitions and expansions. **Kimberly Allen**, treasurer at Kinder Morgan in Houston, says the move also takes advantage of the fact that rates on long and short-term debt are hovering in the same range. KMP issued 30-year, \$500 million senior unsecured notes with a coupon of 5.8% and KMI issued \$250 million 5.15%, 10-year notes.

**Lehman Brothers**, **Wachovia** and **Citigroup** were chosen to lead the deal because Kinder Morgan has worked with them in the past, says Allen. KMI, a midstream energy company, had some \$500 million in commercial paper outstanding with averages rates of 2.69%, but only \$250 million was refinanced, says Allen. Maintaining at least some portion in short-term paper allows for more flexibility, she adds. KMP had about \$550 million in paper outstanding with an average rate of 2.65%.

"[KMP] gives all our cash back to investors and when we find

opportunities, we go back to the markets," notes Allen. "It creates financial risk but it also creates financial discipline," she says of operating in the capital markets. KMP and KMI's notes were rated BBB+ and BBB by **Fitch Ratings**, respectively.

### CIT Tees Up C\$2.5B Fund

**CIT Capital Finance** has launched a C\$2.5 billion (\$2.08 billion) fund geared toward infrastructure, power and energy finance in Canada. *The CIT Canadian Infrastructure Fund*, which is being kicked off with backers **Deutsche Bank**, **The Manufacturers Life Insurance Company** and **Sun Life Financial**, was initiated to capitalize on an expected overhaul in Canada's infrastructure and a build-out of generation plants, says **Dan Morash**, global head of power, energy and infrastructure at CIT in New York.

The Infrastructure Fund will aim to provide financing for large-scale transactions for investment-grade sponsors with a sweet spot of about C\$150 million or better. **John Vincent**, assistant v.p. at Toronto-based Sun Life, says the insurer was enticed by some of the early deals CIT had pooled already in the vehicle. Neither he nor Morash would discuss specifics about deals or reveal information about the fund including projected returns.

The vehicle also has been eyeing the 2,500 MW Ontario power auction (PFR, 1/31), says Morash. In addition to Ontario, target markets will include British Columbia and Alberta. CIT is looking to identify all investments by the end of the month.

CIT launched a similar \$500M vehicle in 1997 targeting the U.S.

### Enbridge Taps Into Longer End

Calgary-based **Enbridge** has issued \$300 million of long-term bonds to refinance a five-year acquisition revolver, a loan which was partially drawn down to fund the transmission and distribution player's \$613 million **Shell Gas Transmission** purchase.

Prevailing low interest rates likely factored into Enbridge's decision to issue long-term debt, says **Allan McLean**, analyst at **Moody's Investors Service** in Toronto. The company filed a shelf registration last month for \$1 billion in debt securities, preferred shares and common stock offerings, indicating it might hit the capital markets multiple times in the near term. **John Whelen**, v.p. and treasurer for Enbridge, did not return calls for comment. The remainder of the acquisition price tag was funded with cash on hand.

The 4.9% notes mature in 2015 and are rated A3 by Moody's, A- by **Standard & Poor's** and A by **Dominion Bond Rating Service**. Led by **Citigroup**, the offering was priced at 99.702. The credit facility was priced at LIBOR plus 35 basis points and led by **Bank of America Securities**, which also helped underwrite the notes.

## 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

- Utilities could build power plants more cheaply and with greater financial certainty under a bill that's quickly moving through the Wisconsin state legislature. Prospective power-plant builders would apply to the state Public Service Commission to lock in a rate of return on investment that would be binding for at least 25 years (*Daily Reporter*, 3/14).
- **Solid Energy** is about six weeks away from knowing if it is worth building its proposed \$330 million coal-fired power station near Westport, New Zealand. Two sites are being investigated for the power station northeast of Westport, but deciding which one to choose depends on the outcome of a financial feasibility assessment (*Waikato Times*, 3/15).
- **Arch Coal Inc.** has agreed to provide its product to a Texas company proposing a \$2.3 billion plant that would turn coal into clean-burning diesel, hydrogen and electricity. **Medicine Bow Fuel & Power**, a subsidiary of Houston-based **DKRW Energy LLC**, is hoping to open a 33,000-barrel-a-day coal gasification and liquefaction facility on the Medicine Bow River Ranch by the end of the decade (*Associated Press*, 3/15).
- In an industry forum, the chief of **FirstEnergy Corp.** said that, despite the firm's past problems with the Davis-Besse nuclear power plant near Oak Harbor, Ohio, the financial outlook for the company this year is positive. The company expects to earn \$2.70 to \$2.85 a share, **Anthony Alexander**, president and chief executive, told analysts during an annual industry teleconference yesterday (*The Toledo Blade*, 3/11).
- Gov. **Mike Rounds** announced Wednesday that he has signed a bill to speed the development of large-scale wind farms in South Dakota. "Two goals of this legislation were to clarify the PUC's siting authority regarding wind farms so wind development will not be held up by unnecessary legal challenges and to financially protect landowners when windmills must be removed," **Gary Hanson**, **Public Utilities Commission** chairman, said (*Rapid City Journal*, 3/15).
- Illegal aliens gained access to a Citrus County, Fla., plant and worked as contracted painters. The immigrants using false social security numbers gained access to the Crystal River Energy Complex run by **Progress Energy**. Progress said the contractor should have better vetted its employees (*Washington Times*, 3/11).
- One of several court challenges to **Wisconsin Energy's** planned coal plants in Oak Creek was dismissed Friday, the same day that the state of Illinois filed its opposition to the \$2.15

billion project with the Wisconsin Supreme Court. Dane County Judge **John Albert** last week dismissed a challenge filed by **S.C. Johnson & Son Inc.** of Racine and the Sierra Club (*Milwaukee Journal Sentinel*, 3/12).

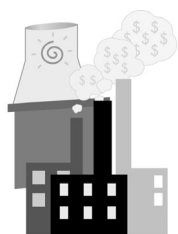
- After Oregon utility regulators issued their rejection of **Texas Pacific Group's** proposal to purchase **Portland General Electric**, other suitors were coming out of the woodwork to tout their own eligibility. Officials with the city of Portland – the early frontrunner if Enron remains willing to sell – staged a news conference last week to say they intended to contact **Stephen Cooper**, Enron's chief executive, by phone within 24 hours and follow up with a written offer to negotiate an agreement (*The Oregonian*, 3/11).

### Europe

- **Endesa**, Spain's largest power company, has received authorization to build and start up new wind farms and mini hydro plants this year, requiring an investment of EURO286 million. In 2005-2009, some 2.2 MW of wind power, 78 MW mini hydro plants, 102 MW of solid waste and biomass fueled plants and 39 MW of co-generation capacity are to be built (*Energy Business Review*, 3/14).
- **Scottish Power** has become accustomed to facing protesters riling against wind farm developments in Great Britain but now, it is seeing similar challenges in the U.S., where wind farm developments have taken off. U.S. Environmental campaigners have filed a law suit to fight the GBP100 million wind facility **Scottish Power** is planning in the Flint Hills of Kansas (*The Scotsman*, 3/13).
- German electric utility **E.ON** has revealed that it plans to explore possible acquisitions to boost income as profits from ongoing operations slip. The energy company's initial focus is expected to be in its home market of Europe (*Datamonitor*, 3/11).

### Asia

- **Uttar Pradesh Government** today said the gas-based **Reliance** power plant in Ghaziabad, India will start generation within two to three years. The state transport Minister **Naresh Agarwal** said the process for taking clearance from the pollution control board had been initiated. As per the commitment, 40% of the power generated by the plant will be provided to the state, Agarwal said (*New Kerala*, 3/11).
- **Kyushu Electric Power** signed an agreement last week with the **Korea Power Exchange**, a South Korean electricity trader, to trade information on wholesale power transactions. (*Kyodo News*, 3/16).



## 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@iineews.com](mailto:mdecambre@iineews.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 (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		
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 Chocón	Argentina	1,320	Hydro	J.P. Morgan	
Citi-led bank group (NEG developed plants)	Lake Road	Conn.	840	Gas	Lehman Bros.	Cargill Bought Dept Portion. (PFR, 12/27)
	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 (Merchant assets)	Berkshire	Mass.	261 (56.41%)	Gas		Final Bids Due.
	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 Exit Generation Business.
	Balzac	Alberta	106	Gas	HSBC	
	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		



# Power Finance & Risk

*Power Finance & Risk* will announce its fourth annual power project finance awards on April 25 and we are seeking nominations from our readers for the best deals of last year.

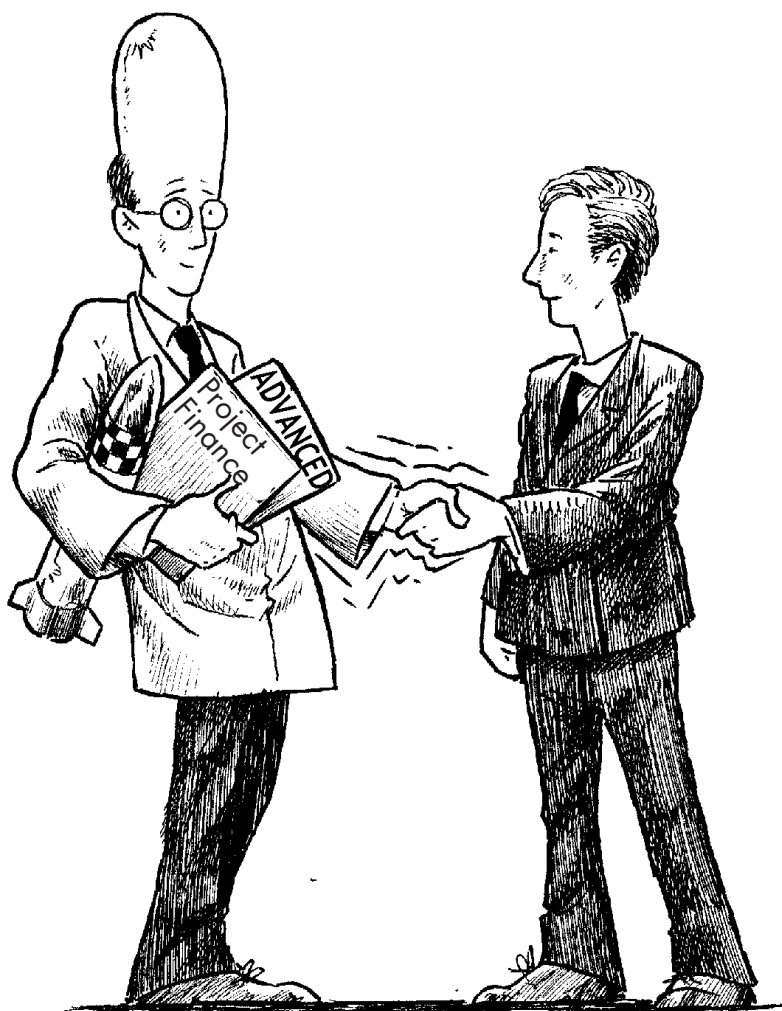
*You can make nominations under three categories:*

☐ Best North or Latin American Deal

☐ Best Renewable Energy Deal

☐ Best European or Middle East Deal

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



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Nominations must reach *PFR* by March 28.

A shortlist of candidates will be announced in the April 4 issue.

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Please send your nominations to **Mark DeCambre**, managing editor, at [mdecambre@iineews.com](mailto:mdecambre@iineews.com)

All correspondence will be treated with confidentiality.



## 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 Dutch /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			
	Rijnmond	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 Portfolio	U.K.	50 MW	Landfill	RBC Capital Markets	Set To Launch Sale In May.

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## ASTORIA ENERGY

(continued from page 1)

pricing this time around. He says the project is ahead of schedule and on or under budget. He declined further comment.

The existing debt was split between a \$500 million first-lien priced at 525 basis points over LIBOR and a \$200 million second lien priced at 875 basis points over LIBOR (PFR, 4/5). New pricing could not be learned. Calls to **Francois Coussot**, managing director at Calyon, were not returned.

Astoria Energy, subsidiary of Concord-Mass.-based **SCS Energy**, had been rumored to be considering the bond market to refinance the loan (PFR, 2/21) after deciding the bond option might be a better fit than obtaining a fresh bank loan (PFR, 10/18). Bankers say some portion of the loan could still be in private bonds, but that could not be determined. Officials at **Credit Suisse First Boston**, who lead the original deal, did not return calls.

Austrian lender **Erste Bank** looks to make out on the deal since it was the only traditional project finance bank who participated, taking a \$10 million chunk of the loan (PFR, 4/26). "Erste Bank's decision as the only project finance bank to invest in this deal in 2004 has been vindicated," says **Pat Kunkel**, director at Erste in New York. He says the 525 basis point spread

and 200 basis point call premium make for favorable returns when the company refinances.

—R.P.

## SEMPRA UNIT

(continued from page 1)

did not return calls for comment.

Sempra is interested primarily in coal-fired generation and LNG pipelines in Pennsylvania, New Jersey and Maryland, Snell says. Exelon has two coal-fired units in the PJM region: the 388 MW Cromby Generating Station in Phoenixville, Pa., and the 1,510 MW Eddystone Generating Station in Delaware County, Pa. Both plants are a stone's throw away from Philadelphia. Sempra Global is looking exclusively at baseload plants, Snell notes.

Snell adds that Sempra would consider teaming up again with New York-based private equity firm **Carlyle/Riverstone**, which was its partner on the Coletto Creek acquisition (PFR, 3/22), for any future buys, but the availability of cheap debt may obviate a JV. "The debt market is so good, you can finance these projects at a level where you don't need a partner," Snell comments.

Aside from PJM, the IPP also likes ERCOT. Sempra's most recent acquisitions, 305 MW Twin Oaks Power and 632 MW Coletto Creek, were both coal-fired plants in Texas.

—C.B.

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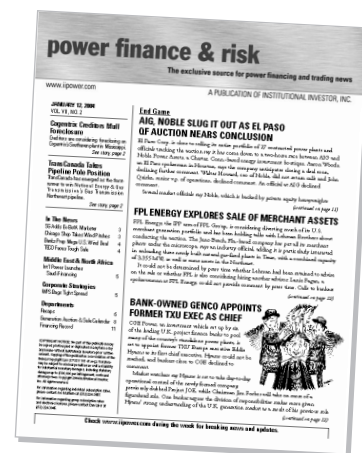
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## Financing Record (MARCH 9-MARCH 15)

### M&A

Date Announced	Target Name	Target Industry Sector	Target Nation	Acquiror Name	Acquiror Advisors	Acquiror Industry Sector	Acquiror Nation	Value (\$mil)
3/9/05	Baixada Santista Energia Ltda	Electric, Gas, and Water Distribution	Brazil	Petrobras		Oil and Gas; Petroleum Refining	Brazil	17.736
3/9/05	ETC Oklahoma Pipeline Ltd	Electric, Gas, and Water Distribution	United States	Atlas Pipeline Partners LP	Friedman Billings Ramsey & Co	Electric, Gas, and Water Distribution	United States	190
3/10/05	Aschaffenburg Versorgungs	Electric, Gas, and Water Distribution	Germany	HEAG Suedhessische Energie AG		Electric, Gas, and Water Distribution	Germany	
3/10/05	Mjoskraft AS	Electric, Gas, and Water Distribution	Norway	Eidsiva Energi AS		Electric, Gas, and Water Distribution	Norway	82.099
3/10/05	Mjoskraft AS	Electric, Gas, and Water Distribution	Norway	Eidsiva Energi AS		Electric, Gas, and Water Distribution	Norway	
3/10/05	Independent Power Tanzania Ltd	Electric, Gas, and Water Distribution	Tanzania	Ranhill Power Bhd		Electric, Gas, and Water Distribution	Malaysia	15
3/14/05	Hydrochem(S)Pte-Hyflux Bldg	Electric, Gas, and Water Distribution	Singapore	A-REIT		Investment & Commodity Firms, Dealers,Exchanges	Singapore	11.736
3/15/05	AquaEnergy Group Ltd	Electric, Gas, and Water Distribution	United States	Finavera Ltd		Electric, Gas, and Water Distribution	Ireland-Rep	0.5
3/15/05	Reinecke+Pohl Sun Energy GmbH	Electric, Gas, and Water Distribution	Germany	Investor		Investment & Commodity Firms, Dealers,Exchanges	Germany	4.162

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

## DEVELOPER

(continued from page 1)

At this point no PPAs are in place, but Navitas is negotiating with interested local utilities, Alonso says, declining to identify them. It expects to have a PPA in place in the next three or four months. The Brookings County project, bordering Minnesota, was chosen because it is one of the windiest locations in the Midwest and because of its proximity to existing transmission lines, Alonso says. Construction should commence by spring 2006 with completion expected by the end of that year.

—*Raquel Pichardo*

## JPMORGAN LANDS

(continued from page 1)

**Dorfsman**, spokesman for JPMorgan, declined comment.

JP Morgan's willingness to pay up suggests it wants to be a significant trading player in power and energy. It is a change of approach from what it characterized as a cautious foray into power (PFR, 10/23).

Market players say JPMorgan's hiring Taylor, who was an executive director with Morgan's power desk, will likely be followed by a buildout of the desk over the next several months.

Taylor reported to **Simon Greenshields**, head of natural gas and electricity. Greenshields was on vacation and did not return a call for comment.

—*Christine Buurma*

## Quote Of The Week

*"We're the most popular girl in town."* —**Brian O'Sullivan**, president of Vancouver-based developer **Coram Energy**, on the interest investors have expressed in financing the expansion of Coram's 92.5 MW wind farm in Tehachapi, Calif. (see story, page 3).

## One Year Ago In Power Finance & Risk

- A joint venture between **Sempra Energy Partners** and **Carlyle Group/Riverstone** were rumored to be only days away from pouncing on a 10-plant 3.8 GW merchant generation portfolio in Texas from **American Electric Power**. [The JV acquired the nine merchant facilities and Coletto Creek, a Texas coal-fired plant, for \$430 million (PFR, 3/22). **Goldman Sachs** and **Morgan Stanley** signed PPAs for the 632 MW plant, closing the acquisition (PFR, 6/2).]

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