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Web Exclusive

Westdeutsche Landesbank has landed an $840 million mandate to arrange project-level financing for the construction of the 750 MW El Cajon hydroelectric power plant in Mexico.

For the full story go to *PFR*'s Web site (www.iipower.com)

Hedge Fund Lands Barclays Analyst

Keven Roach, managing director and utility analyst at **Barclays Capital** in New York, has joined **Pequot Capital** to manage a new fixed-income fund.

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In The News

Corporate Strategies

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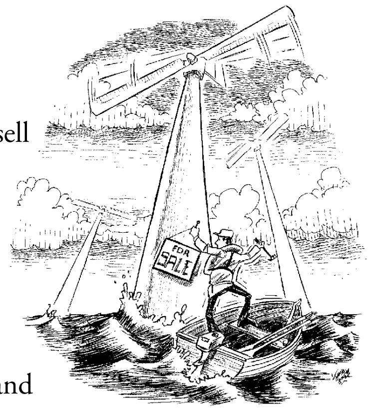
INNOGY LOOKS TO DIVEST U.K. WIND FARMS



Innogy, the U.K.'s largest wind power generator, is looking to sell its 13 on-shore wind farms—and other wind generation projects when they become operational—into a stand-alone special-purpose vehicle funded by external private equity investors. Innogy has a 26% share of the U.K.'s on-shore wind farm market with 159 MW of capacity.

The U.K. utility arm of **RWE** recently hired **RBC Capital Markets** to pitch the novel investment opportunity to banks and

(continued on page 8)

COORSH DEPARTS RWE

Bill Coorsh, president and managing director of **RWE Trading Americas** in Houston, has left the firm. Coorsh joined the U.S. arm of Germany's second largest utility two years ago from **Tractebel Energy Marketing** in Houston, where he was head of origination and marketing, and is widely credited with setting up the trading operations at Tractebel and subsequently at RWE Trading Americas. Coorsh, reached at home in Houston, declined comment.

Lisa Herrmann, general counsel for RWE Trading Americas in Houston, says Coorsh

(continued on page 8)

EDISON MISSION FACES PRESSURE ON PUMPED-STORAGE FINANCING

Edison Mission Energy is facing pressure from bondholders to refinance a GBP400 million ($625 million) non-recourse bond offering, a move that could lead to the deal being put back to the borrower, which in turn could push Edison to turn ownership of the 2,088 MW First Hydro pumped-storage facility in Wales over to bondholders. First Hydro is one of the few U.K. facilities financed by non-recourse bonds and investors fear their position has been significantly weakened by the collapse in wholesale power prices.

(continued on page 8)

TRAFIGURA NABS BofA'S MOONEY

Trafigura Group, a privately owned commodity trading company headquartered in Lucerne, Switzerland, has hired **David Mooney**, formerly global head of commodities at **Bank of America** in New York. Mooney started in London last week in a new position heading up power and natural gas trading, according to an official at the company in London. The proprietary trading shop hired Mooney because it sees opportunities resulting from upheaval in the power and gas market, he explains, adding Trafigura expects to make further hires. Mooney declined comment.

(continued on page 7)

Dynegy Stutters Toward $1.76B Refinancing

Houston-based Dynegy is edging toward reworking three maturing loan deals into a new secured $1.76 billion package, but the proposed refinancing is unlikely to be nailed down much before April 28—when the first loan matures—because pricing on the deal is regarded as tight.

At a recent analyst meeting company officials said the bank group is fundamentally behind the new deal, however, they noted some banks are still holding out for better terms.

"I think Dynegy should get done and it will get done," says one lender, who adds richer pricing would grease the wheels on the deal. The precise pricing could not be determined, though one lender says it is far north of the opening price of LIBOR plus 175 basis points on the $900 million deal that matures next month. **David Byford**, a spokesman at Dynegy, says, "We're confident we will be able to renew our credit facilities." He declined further comment.

The $900 million loan was a 364-day revolver led by **Citibank** and **Bank of America**. That deal was wrapped after Dynegy's initial effort to renew a $1.2 billion facility last April stalled. Calls to officials at Citi and BofA were not returned by press time. A $400 million facility maturing May 27 and lease-related debt also form part of the restructuring talks, says Byford.

The new package has a two-year maturity and is secured against mid-stream assets, says one lender. An initial target to get the deal wrapped by March 7 was missed, but bankers say that isn't necessarily a big issue. "Which refinancing hasn't gone right down to the maturity?" asks one financier.

The banks holding out on existing terms are looking to extract more concessions from the company, according to a recent research note from **Merrill Lynch**. Merrill analysts believe Dynegy will ultimately be able to roll over most of the debt. Calls to **David Silverstein**, high-yield energy and power analyst at Merrill, were not returned by press time.

SG's Worenklein Readies Start-Up To Own Power Assets

Jay Worenklein, global head of project finance at **Société Générale** in New York, is forming a new company to own and operate power generation assets. Worenklein, a 30-year veteran of the project finance sector, says the degree to which generation assets are undervalued provides too attractive an opportunity to miss. "I've always wanted to be an entrepreneur, but I've never had a really good idea before," he told *PFR*, explaining the reason for the timing of his departure.

SG announced Tuesday that **Bill Schmid**, Worenklein's deputy, will takeover the top slot. Worenklein joined SG from **Lehman Brothers** six and a half years ago and was instrumental in making the French bank a major player in the power project finance field.

Worenklein says his idea is to acquire assets with a view to capitalizing on what he thinks will be a rebound in valuations over the next four to five years. He has yet to approach potential backers, given the potential conflicts with his current position, but he notes the vehicle will be in the form of a company rather than a fund. His first priority, when he exits the French bank in three weeks, will be to assemble a management team that will have the operational experience to manage the assets. Whether the new company will focus on just U.S. assets or cast its net wider has not been determined, Worenklein says.

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NiSource Passes On Revolver Renewal

Merrillville, Ind.-based NiSource has decided not to renew an expiring $500 million 364-day revolver and will instead rely on an existing $1.25 billion term loan to cover its liquidity needs.

Mark Friedlander, spokesman, says the move reflects efforts by the company to reduce its dependence on short-term debt. To focus on its regulated businesses, the company has been selling non-core operations such as those engaged in water and exploration. This has raised funds allowing for the debt reduction, as has a $735 million equity issue last year. Friedlander says NiSource's business is now 98.5% regulated. The expiring revolver was itself a downsized facility from $1.25 billion the previous year (PFR, 3/11/02).

NiSource is, however, looking for an amendment to the term loan, which expires next March, to allow it to increase the letter of credit facility that it backs from $150 million to $500 million. **Barclays Capital**, which leads the deal, is looking to get lender approval for that change by the end of this week, according to one banker. Officials at Barclays declined comment.

Barclays M.D. Joins Credit Hedge Fund

Kevin Roach, managing director and senior utility analyst at **Barclays Capital** in New York, has left the U.K. investment bank to join a fixed-income hedge fund being launched by **Pequot Capital**. **Steve Zamsky**, portfolio manager, says Roach joins as senior v.p. and will cover utility debt as well as other credits. Roach could not be reached for comment and a spokeswoman at Barclays declined to comment on his departure.

The Pequot Credit Opportunities Fund, which is scheduled for an early April launch, will take long/short positions in bonds and also trade credit derivatives. Both are a departure from the $6 billion money manager's primary focus on equity and venture capital/private equity investing. Minimum investment in the new fund will be $1 million for individuals and $5 million for institutions. Zamsky declined comment on the size of the fund.

Roach previously worked with Zamsky at **Morgan Stanley** in New York. Roach left the bulge bracket player in October 2001 to join Barclays. Zamsky, the top-ranked investment-grade bond strategist on the 2002 *Institutional Investor* All-America Fixed-Income Research Team, left Morgan Stanley at the beginning of this year to head Pequot's new fund.

Westport, Conn.-based Pequot was formed in 1986 and runs some 23 investment funds.

FirstEnergy Unit Offers LC Facility

Cleveland Electric Illuminating Co., a unit of Akron, Ohio-based **FirstEnergy Corp.**, is looking to renew and downsize a small letter of credit facility via lead **Barclays Capital**. The two-year $48 million deal, which backs tax exempt pollution-control bonds, is slated to close April 4, according to one market official. Pricing on the deal is 1 1/8% over LIBOR, the official notes. Bankers at Barclays declined comment. Market officials note Barclays has a close relationship with FirstEnergy. Last November, along with co-lead **Citibank**, Barclays wrapped a $1 billion revolver for the company (PFR, 11/18).

Investment Startup Eyes Summer Foray

StoneCap Group, a newly formed Houston investment boutique launched by two **Dynegy** alumni, is looking to make its first investment in the distressed U.S. power and gas sector this summer. The limited partnership is presently talking to potential investors, says **Hugh Tarpley**, co-founder and former executive v.p. at Dynegy responsible for mergers and acquisitions. Tarpley launched StoneCap with **Milton Scott**, formerly executive president and chief administrative officer at Dynegy.

StoneCap is pursuing two goals initially, Tarpley says. First, it is seeking information on generation portfolios on the block and second, it's looking to line up investors. He adds that the firm is looking at both general investment in its operation and also deal-specific cash injections. Acknowledging that there are many new investment startups looking to capitalize on depressed valuations, Tarpley argues StoneCap has an advantage. "We bring the ability to actually execute the transactions. It's our experience of getting them done."

Tarpley also believes that there are ways of structuring deals so that vendors—be they banks or power companies—can retain some of the upside when the cyclical energy market rebounds, for example, by offering equity stakes. Offering sellers some upside exposure should make them more willing to sell, he argues.

In terms of the type of assets and the scope of its plans, StoneCap is looking at merchant generation and also transmission and distribution, but it doesn't have a megawatt or dollar target. "We're definitely not looking at megawatts. We are looking at businesses and valuations," he says.

Tarpley and Scott left Dynegy last November when it became clear the company would not be returning to growth mode, Tarpley says.

AEP Eyes Mid-Summer For Next Wind Deal

American Electric Power is planning to launch financing to back another wind project in Texas in the third quarter. The company last year wrapped the first large U.S. wind deal in the U.S. for several years with its $120.7 million loan for the Desert Sky project loan which is on the shortlist for *PFR*'s North American Deal Of the Year (PFR, 3/10). The next project is the 150 MW Trent Mesa farm near Abilene, Texas. **Randy Boteler**, director, project finance, says the company is currently working on finalizing the independent engineering report and is looking at the third quarter to execute financing.

AEP has yet to select lead arrangers for the deal, Boteler says, noting its size will not be bigger than the Desert Sky loan. He adds the company will look at the banks that took part in funding Desert Sky, but won't exclude those that didn't. **Fortis Capital** led the Desert Sky loan with **Rabobank**, **Dexia Crédit Local** and **Royal Bank of Canada** coming in as co-managers.

Macquarie Eyes Energy Expansion

Macquarie Bank is looking to establish a natural gas trading desk in the U.S. by year-end to complement the gas and oil derivatives business it launched in Europe and Australia in the fourth quarter.

"We're relatively pleasantly surprised [by] how much market acceptance there has been for Macquarie so far," explains **Andrew Downe**, head of treasury and commodities in Sydney. "We're looking at putting a trading presence in the States," says Downe, noting that it will likely be in New York but Houston is a possibility.

The Sydney based bank has no plans to re-enter the electricity trading market. Macquarie had a small foray into electricity derivatives in Australia a few years back, notes Downe, but pulled out due to credit concerns from market participants as well as the immaturity of rules and regulations.

Macquarie likely will expand the total headcount of its energy desks in London and Sydney from 12 to up to 20 this year. "In response to **Enron** pulling out of the market, the entry price for this business has come down," explains Downe, noting that the bank began preparations for trading energy derivatives last year as it saw opportunities in the aftermath of the U.S. energy giant's downfall. He continues that Macquarie should be in a strong position because it is well capitalized.

"We're following our traditional business model of a customer-driven business," says Downe, adding it will also take proprietary positions.

To spearhead its newly minted energy business, in October Macquarie hired **Simon Grenfell**, executive director in the commodities group at **Goldman Sachs** in London, as executive director and head of the energy markets division in London. "We're up and trading," says Grenfell, concurring that the firm will bulk up its operation this year.

Banks Wrap Spanish Grid Financing

Lead arrangers **Deutsche Bank** and **BBVA** have closed syndication of a EUR706 million ($750 million) non-recourse acquisition loan funding **CVC Capital Partners** and Spanish grid operator **Red Eléctrica**'s acquisition of **Iberdrola**'s Spanish transmission business.

Paul Senate, syndication manager at Deutsche Bank in London, says a final signing will take place this Wednesday or Thursday when allocations will have to be scaled back because syndication was heavily oversubscribed. He notes much of the interest has come from Spanish banks.

The bank roster includes **Banesto**, **Caja Madrid**, **Crédit Agricole Indosuez**, **Natexis** and **Royal Bank of Scotland**, which joined as lead arrangers and sub-underwriters.

SocGen Survey

Lenders Open For New Contracted Business

Project finance lenders are open to funding new generation projects so long as the plants have contracted offtakers, according to **Société Générale**'s annual survey of lender sentiment. Ninety-seven percent of banks say they will look at deals with good clients that have strong offtake counterparties, according to the survey, which also underlined the fact that the merchant field is pretty much closed to business. Just 3% of lenders will look at deals exposed to the merchant power market.

Don Kyle, managing director at SocGen, notes the high interest level in funding new deals is surprising given the number of banks that are preoccupied with reviewing their loan portfolios just now. He adds that while the sentiment may be strong, banks may not get the chance to act on their view because so few contracted deals are likely to hit the market.

The survey, which was based on 31 responses from banks, was unveiled at SocGen's recent conference in Florida (PFR, 2/24) and is regarded as one of the best barometers of the lending sector.

The banks also underlined the view that a recovery in power prices is some way off and is very region specific. In the ERCOT region, 70% of the respondents think a recovery won't materialize until 2006 or later, in SERC its 80% for the same time frame. In a slightly less bearish class, only 53% put recovery in NEPOOL in the same time frame and then 50% on MAIN.

Corporate Strategies

Wisconsin Energy Locks In Long-Term Lows

Milwaukee, Wis.-based Wisconsin Energy tapped the 30-year end of the fixed-income mart last week paying a 6.2% coupon for the deal. **Jeff West**, treasurer, says the funds will be used to pay down some commercial paper. “Interest rates are at 40-year lows,” he notes by way of explaining the rationale for locking rates at the 30-year maturity. He adds this makes it a compelling financing, even though in the short term the debt becomes more expensive because near-end rates are even lower.

The notes, due April 2033, were issued at 99.457 and the placing was headed up by sole book runner **Salomon Smith Barney**. West says the company has a long-standing relationship with SSB and the firm has strong expertise in this area. As a result the deal was a negotiated transaction rather than being put out to bid. **BNP Paribas** and **SG Cowen** were also in the deal as co-managers.

The notes carried a A2 rating from **Moody’s Investors Service** and BBB+ from **Standard & Poor’s**. The two notch differential reflects the different views the agencies are taking about the impact of Wisconsin Energy’s capital investment program, West notes.

ComEd Issues Trust Preferred Securities

Commonwealth Edison will use the proceeds from the sale of $200 million of trust preferred securities completed last Monday to refinance $200 million of similar notes that come due this month. The 30-year securities were issued with a 6.35% dividend compared with the 8.48% rate of the maturing securities, says **Trent Frager**, a spokesman for ComEd. The hybrid securities were issued by ComEd Financing III, a special-purpose entity formed by ComEd for the sole purpose of refinancing securities issued by ComEd Financing I. ComEd, a wholly-owned subsidiary of **Exelon**, is a regulated transmission and distribution utility serving about 3.5 million customers in northern Illinois.

Frager says that one of the reasons for the issuance, apart from lower rates, is the fact that ratings agencies tend to afford the securities equity-like treatment on the borrowers balance sheet. The securities were rated BBB/BBB/Baa2. **Salomon Smith Barney** led the offering.

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.

Europe & Middle East

• **Gas Natural** is preparing to press ahead with its bid for **Iberdrola**, despite criticism from some of its shareholders. "It is very clear that we are going to press forward," said a spokeswoman. "Even though we haven't presented the [detailed] bid yet, we will do so within the legal time frame" (*Dow Jones*, 3/14).

• **Richard Klein**, **RWE** board member for M&A, and **Manfred Remmel**, board member responsible for its multi-utility approach, have resigned (*Financial Times*, 3/17).

• The chief executives of Spain's five largest power companies have joined forces to oppose **Gas Natural**'s hostile bid for **Iberdrola**. **Endesa**, Iberdrola, **Union Fenosa**, **Hidrocantabrico**, and **Viesego** called on the government not to authorize the bid (*Expansion*, 3/18).

Latin America

• Brazilian federal power company **Furnas** has identified three major hydroelectric projects that could be built on the Madeira River, two in Brazil and one in Bolivia, totaling about 12,500 MW of capacity. Furnas is looking to proceed with a feasibility study and a simultaneous environmental impact assessment that would be completed by year-end (*Bnamericas.com*, 3/12).

• Colombia will launch a tender in April to construct a $450 million electricity transmission line to boost energy links between the country's north and center, which are threatened by rebel bombings. Government officials have mentioned possible investors including Colombia's state-controlled **ISA**, Canada's **Hydro Quebec**, **National Grid** and **Red Eléctrica** (*Reuters*, 3/13).

• **BNDES**, Brazil's development bank, said talks with **AES** have been stalled for days and that AES' preferred stock in **Eletropaulo** should automatically be auctioned off by the **Brazilian Clearing House** following the non-payment by AES of a $330 million debt installment last month (*Reuters*, 3/17).

• Brazilian power distributors **CELG** and **CEB** restarted payments last week on electric power purchases from subsidiaries of **Eletrobras**. The two companies stopped paying bills in 2001 as demand fell away during months of rationing and the Brazilian real depreciated against the U.S. dollar making payments difficult (*Bnamericas.com*, 3/19).

U.S. & Canada

• **Moody's Investors Service** placed **TECO Energy** debt on review for possible downgrade, citing concerns about the pace of TECO's efforts to sell assets and poor conditions in wholesale power markets (*St. Petersburg Times*, 3/13).

• **Merrill Lynch** has agreed to pay $80 million in disgorgement, penalties and interest to settle the **Securities and Exchange Commission**'s complaint that claimed Merrill and four former senior executives aided **Enron** in two "sham" transactions designed to falsely inflate the energy trader's earnings (*The Wall Street Journal*, 3/18).

• **Williams Co.s** has agreed to pay a $20 million civil penalty to the **Federal Energy Regulatory Commission**, the largest in FERC history, for engaging in anticompetitive business practices (*CBSMarketWatch.com*, 3/17).

• The $2.2 billion **Third Avenue Value Fund** is looking to increase its U.S. utility sector stock allocation to 7-8% from 3%. Portfolio manager **Marty Whitman** has bought stock of **TXU**, **Allegheny** and **Aquila** (*Dow Jones*, 3/18).

• The **Federal Energy Regulatory Commission** said it plans to release protected documents from its investigation into whether **El Paso** withheld natural gas supplies from California during its 2000-2001 energy crisis. El Paso, which denies any wrongdoing, has until March 24 to argue against such action (*CBSMarketWatch.com*, 3/18).

• **Enron** plans to split off some of its gas pipeline businesses into a separate company, rather than sell them at depressed prices. "We were not satisfied we were getting full value for our properties" at auction, explained CEO **Stephen Cooper**. The new company would include Enron's interests in Transwestern Pipeline, Citrus and Northern Plains Natural Gas Co. Enron put these assets up for sale last August (*Wall Street Journal*, 3/20).

TRAFIGURA NABS

(continued from page 1)

Mooney was responsible for establishing an electricity derivatives trading operation at BofA in New York last year with the hire of several traders from **Enron** (PFR, 6/24). "He likes to build things," says a trader in London, adding that Mooney is regarded as a high-flyer.

Trafigura is active in physical oil, metals and minerals trading and has purchased assets to support its trading operations. It expects to draw on Mooney's experience—at BofA and prior to that **Citibank** in New York—in financial commodities trading, to develop this aspect of its business, the official notes. He declined comment on whether it is in active talks to buy power and gas assets.

The prop shop was founded in the early 1990s by traders who defected from a company run by legendary oil trader and one-time fugitive from U.S. justice **Marc Rich**.

Mooney left BofA in the fourth quarter and was replaced by **Julian Barrowcliffe**. *—V.K.*

Financing Record (MARCH 5 - MARCH 20)

Bonds

Issue Date	Maturity	Issuer	Amount ($ mil)	Offer Price	Type of Security	Coupon (%)	Spread to Bench Mark	Moody's	S&P	Book Manager(s)
3/5/03	8/10/07	Hydro One	49.8	99.064	MTNs	4.55	-	-	-	BMO Nesbitt Burns/RBC/Scotia Capital
3/5/03	10/31/05	Hydro One	231.2	99.399	MTNs	4	-	-	-	BMO Nesbitt Burns/RBC/Scotia Capital
3/5/03	4/21/06	Hydro One	190.8	99.238	MTNs	4.15	-	-	-	BMO Nesbitt Burns/RBC/Scotia Capital
3/5/03	11/10/06	Hydro One	95.8	99.146	MTNs	4.3	-	-	-	BMO Nesbitt Burns/RBC/Scotia Capital
3/5/03	6/1/06	Hydro One	114.7	99.265	MTNs	4.2	-	-	-	BMO Nesbitt Burns/RBC/Scotia Capital
3/5/03	5/4/07	Hydro One	192.1	99.032	MTNs	4.45	-	-	-	BMO Nesbitt Burns/RBC/Scotia Capital
3/5/03	1/30/06	Hydro One	73.9	99.418	MTNs	4.1	-	-	-	BMO Nesbitt Burns/RBC/Scotia Capital
3/5/03	5/31/04	Hydro One	161	99.617	MTNs	3.45	-	-	-	BMO Nesbitt Burns/RBC/Scotia Capital
3/5/03	3/28/04	Hydro One	160.2	99.652	MTNs	3.4	-	-	-	BMO Nesbitt Burns/RBC/Scotia Capital
3/5/03	1/30/04	Hydro One	155.3	102.74	MTNs	6.778	-	-	-	BMO Nesbitt Burns/RBC/ScotiaCapital
3/5/03	3/15/34	Ameren	184	98.883	Sr Secured Nts	5.5	90	A1	A-	Bank of New York/JP Morgan
3/6/03	3/15/08	TXU Energy	250	100	Notes	6.125	353	Baa2	BBB	Lehman/Salomon
3/6/03	3/15/13	TXU Energy	1,000	100	Notes	7	334	Baa2	BBB	Lehman/Salomon
3/7/03	3/1/13	Public Service Co of Colorado	250	99.854	Notes	4.875	125	Baa1	BBB+	BankOne/UBS Warburg
3/10/03	3/28/11	Kraftwerke Blenio	49.1	100.35	Fxd/Straight Bd	2.375		NR	AA-	Zuercher
3/11/03	3/15/10	American Electric Power	500	99.574	Notes	5.375	297	Baa3	BBB	Barclays/UBS Warburg
3/13/03	3/15/13	CenterPoint Energy Houston	450	99.632	Gen'l Mtg Bds	5.7	200	Baa2	BBB	Salomon/CSFB/Deutsche Bank
3/13/03	3/15/33	CenterPoint Energy Houston	312.3	99.427	Gen'l Mtg Bds	6.95	225	Baa2	BBB	Salomon/CSFB/Deutsche Bank
3/13/03	3/15/10	Metropolitan Edison Co	100	99.727	Notes	4.45	125	A2	BBB	Bank One/JP Morgan
3/13/03	3/15/13	Metropolitan Edison Co	150	99.713	Notes	4.95	130	A2	BBB	Bank One/JP Morgan
3/14/03	3/25/27	Western Power Distribution	316.7	98.862	Fxd/Straight Bd	5.875	140	Baa1	BBB+	Barclays/JP Morgan
3/17/03	4/1/33	Wisconsin Energy Corp	200	99.457	Senior Notes	6.2	148	A2	BBB+	Salomon
3/19/03	4/1/33	CenterPoint Energy Inc	650	100	Notes	7.875		Baa1	BBB	Salomon/Bank One/Wachovia
3/19/03	4/1/10	Duke Energy Corp	200	99.838	Fst Mtg Bonds	4.5	103	A2	A	ABN AMRO/JP Morgan

M&A

Date Announced	Date Effective	Target Name	Target Advisors	Target Country	Acquiror Name	Acquiror Advisors	Acquiror Country	Deal Value ($mil)
3/5/03	-	Envirostar Energy	-	Australia	Great Pacific Financial Group	-	Australia	1.084
3/5/03	3/5/03	Irkutskenergo Public Joint	-	Russian Fed	Comprehensive Energy Systems	-	Russian Fed	-
3/5/03	3/5/03	Pechora Gres Regional Electric	-	Russian Fed	Comprehensive Energy Systems	-	Russian Fed	-
3/5/03	3/5/03	Sistemas Energeticos Cando	-	Spain	SEC Holdco	-	Spain	83.959
3/6/03	-	Kuzbassenergo	-	Russian Fed	MDM Bank	-	Russian Fed	-
3/8/03	3/8/03	Shenzhen Hua Wei Electronic	-	China	Undisclosed Acquiror	-	Unknown	0.731
3/9/03	-	Mid Kent Water	-	U.K.	Macquarie Bank	-	Australia	-
3/10/03	-	Iberdrola	Morgan Stanley	Spain	Gas Natural	Goldman Sachs/Invercaixa	Spain	29,736.45
310/03	3/10/03	Quest Energy	-	U.S.	Enterprise Products Operating	-	U.S.	-
3/11/03	-	El Paso Prodn-Rosa Fed Unit	-	U.S.	Undisclosed Acquiror	-	Unknown	135
3/13/03	3/13/03	Enel-Trani Power	-	Italy	Amet	-	Italy	16.184
3/13/03	-	TXU Energy-Gas Mktg Bus	-	U.S.	UGI Energy Services	-	U.S.	-
3/15/03	-	Atro Oyj	-	Finland	Graninge	-	Sweden	-
3/15/03	-	Edison-Gas Assets,Egypt	-	Egypt	Gazprom	-	Russian Fed	-
3/15/03	-	Gujarat NRE Power	-	India	Gujarat NRE Coke	-	India	-
3/17/03	-	Trailigaz Ozone	-	France	Wedeco	-	Germany	-
3/18/03	-	Bukit Utama Power	-	Indonesia	Tambang Batubara Bukit Asam	-	Indonesia	-
3/18/03	-	Metropolitan Utilities	-	Malaysia	Investor Group	Arab-Malaysian Merchant Bank	Malaysia	-

22.118Source: **Thomson Financial Securities Data Company**. For more information, call **Rich Peterson** at (973) 645-9701.

COORSH DEPARTS

(continued from page 1)

left the firm on Feb. 10. She declined all further comment.

An official familiar with the company says Coorsh's relationship with RWE soured after it backed away from a commitment to purchase or take control of the output of generation assets in the U.S. and did not allow the Houston operation full use of risk limits. These difficulties, he says, and the strong control exerted by the head office in Essen over the Houston operation underline the vast cultural differences between U.S. and German companies.

RWE Trading Americas' parent in Germany last week pledged to scale back acquisition plans and announced the resignation of **Richard Klein**, board member in charge of M&A. It also undertook to cut the utility's EUR24 billion ($25.5 billion) debt mountain amid fears over its credit rating, which was recently placed on credit watch by **Standard & Poor's**.

—Victor Kremer

EDISON MISSION

(continued from page 1)

Edison Mission has organized an extraordinary bondholder meeting this afternoon at the request of creditors to discuss restructuring the long-dated sterling deal and how better to safeguard their interests, says **John Hale**, a fixed-income investment official at the **Association of British Insurers** in London, which is representing several bondholders. **Jonathan Green**, an Edison Mission spokesman in London, confirmed the IPP is due to meet bondholders today, but declined to reveal the agenda.

The meeting is being organized because First Hydro's bond documentation allows for a restructuring in the event of a material change impacting the deal. The introduction of New Electricity Trading Arrangements (Neta) in the U.K. in 2001 may be such an event, says Hales, noting Neta has caused a radical transformation of the energy industry.

In an extreme scenario a restructuring could mean putting the deal back to First Hydro, but it's more likely that the bondholders will push for a reworking to better safeguard their interests, say market watchers. If the deal is put back to First Hydro it is unlikely that its parent, Edison Mission, would be willing to redeem the deal, says one analyst, forecasting Edison would probably walk out on the plant and force a liquidation.

Last Wednesday First Hydro's 9% notes due 2021 were trading at 69 1/2-72 1/2 to yield roughly 13%. Three months back the bonds were being offered in the low 30s.

The bonds got beaten up partly because Neta undermined the day-night power price arbitrage crucial to operating pumped-storage facilities successfully, notes one analyst. Hopes of a restructuring and First Hydro's strong performance during a colder-than-usual U.K. winter have fuelled a recent rally in the bonds.

—W.A.

INNOGY LOOKS

(continued from page 1)

other financial investors. "It's an interesting idea," says one financier who has been shown the deal, noting it would free up equity capital for Innogy yet still allow the utility to meet stringent renewable energy growth targets and retain access to renewable energy certificates. Officials at RBC declined to comment.

John Wilkinson, a spokesman at Innogy, says the move follows the recent introduction of the U.K. government's Energy White Paper (PFR, 3/3), "which made it clear that massive investment is needed to meet the Government's targets for renewable energy."

The White Paper requires all suppliers to provide 10% of energy from renewable sources by 2010.

Wilkinson continues that the establishment of a wind equity fund will allow Innogy "to diversify its access to funds to build future wind generation assets." He adds that Innogy will look to sell assets into the fund post construction, but may keep a minority equity stake.

The refinancing move also fits in with RWE's newfound desire to slash capital expenditure costs in the wake of increased rating agency scrutiny.

Innogy owns, operates and develops wind farms through its National Wind Power subsidiary. It is developing a further 200 MW of capacity on shore and over 120 MW at sea. The 60 MW North Hoyle farm, off the coast of Wales, is likely to come online before year-end.

—Will Ainger

Quote Of The Week

"I've always wanted to be an entrepreneur, but I've never had a really good idea before."—**Jay Worenklein**, *global head of project finance at **Société Générale** in New York, explaining his reason for leaving the French bank to set up a generation investment company (see story, page 2).*

One Year Ago In Power Finance & Risk

Private equity shops such as **Madison Dearbourn Partners** were leading the charge to acquire **AES**' Midwest utility **CILCORP**. [St Louis, Mo.-based **Ameren** announced it would buy CILCORP for $1.4 billion last April. The deal closed in January.]

