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Kelson Debt Stressed

Kelson Holdings' $1.7 billion **Merrill Lynch**-led deal has settled into the stressed category in secondary loan trading. That's perplexing some holders.

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InterGen Refi Set For Duo

Two firms appear to be out front for the mandate to lead InterGen's $3 billion refinancing.

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MACH GEN CREDITORS SCOPE SECOND-LIEN RECAST

Hedge fund creditor/owners in the 4 GW merchant generation fleet known as MACH Gen are looking for cheaper financing terms on a second-lien loan and have invited a select group of firms to prepare for an advisor beauty contest next week. Calls to **Ned Kleinschmidt**, executive director at **Capstone Advisory Group** in Saddle Brook, N.J., which manages the assets, were not returned.

The $850 million second lien carries pricing of LIBOR plus 750 basis points and was

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Future Biz Fuelled?

DYNEGY DRAWS OVERSUBSCRIPTION, UPSIZES REVOLVER

Citigroup and **JPMorgan** have upsized a $750 million revolver for **Dynegy Holdings** to $850 million and added a $70 million term loan B to a financing package, which also includes a $400 million letter of credit facility. The move was on the back of three to four times oversubscription, according to deal-trackers.

The deal will underpin the combined **LS Power**/Dynegy entity and was a hot ticket because the company will be one of the few IPPs focused on growth, an official at **Scotia**

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Lending RFP Expected

DRAX GIRDS FOR SECOND REFI

Drax Power, the owner of the U.K.'s biggest coal plant, is looking to refinance £877 million ($1.5 billion) in loans obtained last year. The company believes it can secure cheaper financing after posting strong preliminary year-end results March 8. An RFP for lenders could be launched as early as next quarter, according to one deal tracker.

It is unclear which banks are being lined up to lead the refi. Calls to **Gordon Boyd**, finance director in Selby, North Yorkshire, and **Matthias Russwurm**, a managing director in

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LAZARD TAKES TXU BIDS

Lazard Frères took indicative offers Monday from a handful of groups looking to top **Kohlberg Kravis Roberts** and **Texas Pacific Group**'s planned $45 billion leveraged buyout of **TXU Corp.** Among them is a consortium involving **The Blackstone Group**, **Carlyle/Riverstone Holdings** and **Hellman & Friedman**. Officials at the firms did not return calls and other potential acquirers could not be learned. TXU, which is also being advised by **Credit Suisse**, has until April 16 to review the offers.

CEO **John Wilder** told *PFR* earlier this month that rival groups have a shot at scooping

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At Press Time

Duo Set To Lead $3B InterGen Refi

Merrill Lynch and **Lehman Brothers** are favorites to score mandates on a circa $3 billion parent-level refinancing for InterGen. CFO **Martin Rees** in Burlington, Mass., declined comment and officials at these firms did not return calls.

The company is seeking longer tenors and more favorable pricing on existing loans at three project subsidiaries in the U.K. and a portion of the acquisition financing obtained by joint venture owners **AIG Highstar Capital** and **Ontario Teachers' Pension Plan** two years ago (PFR, 2/16).

InterGen recently appointed a club of six banks to lead project financing for its planned 745 MW Island Power project on Jurong Island, Singapore. It also has an RFP out for lenders on a 400 MW expansion of its 820 MW Rijnmond facility in the Rotterdam Botlek region of the Netherlands.

Kelson Debt Sits In Stressed

Investors holding **Kelson Holdings** paper remain baffled by the $1.7 billion **Merrill Lynch**-led deal, which has settled into the stressed category barely two weeks after breaking at par into secondary trading. Some observers blamed the sub-prime mortgage meltdown for the wobble, which was most evident in the second-lien. Others said the credit was too aggressively priced. "There's no market worthy news driving it down," said one trader the week it broke. Merrill bankers declined comment.

Syndication of the deal wrapped March 8. The package consisted of a $990 million term loan B and six-year, $50 million revolver on the first lien, both priced at LIBOR plus 325. The second lien comprised a $470 million tranche priced at LIBOR plus 575, or 650 if the company employs a payment-in-kind, toggle feature; and a $160 million, seven-and-half-year holdco term loan with a fixed-rate PIK coupon priced at 13.459%, the swap equivalent of LIBOR plus 850.

The first lien broke for trading in the 100.25-100.625 context but dipped to 99.25 before firming to 99.625-99.875. The second lien broke in the 100.25-100.5 context, but slipped as low as 96.5 before settling in the 97.5-98 range. "It broke when conditions became quite choppy, but things have now stabilized. This was an opportunity sold on asset coverages, so when you encounter turbulence this would trade more negatively," said a deal watcher.

Proceeds will be used to repay existing project debt at the **Harbinger Capital Partners**-owned company and recapitalize at the parent level, (PFR, 2/12). It will also facilitate the formation of **Free State Management**, a new management outfit for its four natural gas-fired, combined-cycle facilities: 620 MW Dogwood (formerly Aries plant of **Calpine Corp.**) in Pleasant Hill, Mo.; 1,230 MW Redbud in Luther, Okla.; 1,230 MW Cottonwood in Deweyville, Texas; and 922 MW Magnolia in Benton County, Miss. A Kelson official declined comment.

BofA Taps New Harbor Power Banker

Scott Medla, an executive covering utility advisory work at boutique investment bank New Harbor, has joined **Banc of America Securities** in New York as managing director of power in the natural resources team. He joined March 12 and reports to head of power **Peter Kind**.

An official at Banc of America confirmed the hire but calls to Medla and Kind were not immediately returned. At New Harbor, Medla most recently handled the sale of **Duke Energy**'s 50% stake in Bolivian generating company **Empresa Eléctrica Corani** to **Econergy International**. Before that, he served five years as a managing director at **Fieldstone** and seven years as head of power and utilities at **Deutsche Morgan Grenfell**.

KBC To Reduce NY Project Finance Staff

KBC Bank plans to downsize its New York project finance operations. The current staff of four officials will be reduced to two, with **Susan Silver**, head of project finance and **Bradford Joyce**, v.p., slated to leave at some point this year. Silver and Joyce declined comment.

KBC has made a policy decision to focus on other markets and reduce its North American operations to portfolio maintenance. Three years ago, the bank had a project finance staff of seven in New York. Former head **Wim Verbraeken** transferred to the bank's Hong Kong office last year.

Silver and Joyce have been with KBC for eight and five years respectively. During that time, the bank arranged construction financings including **AES Corp.**'s 730 MW Wolf Hollow gas-fired plant in Texas (PFR, 12/26/2004) and **Mirant** and **Cleco**'s $300 million Perryville gas-fired plant in Louisiana.

SunTrust Flexes Down Gas Storage B Loan

SunTrust Capital Markets wrapped up financing commitments for **SG Resources** and **ArcLight Capital Partners**' Southern Pines Energy Center natural gas storage facility, flexing down pricing and eliminating a delayed draw portion of its B loan tranche, according to a SunTrust official.

The $235 million package is split into a $100 million five-year revolver and $135 million seven-year term loan B. It refinances a $115 million construction loan provided by **CIT** (PFR, 2/3/2006) and funds additional construction.

The deal was about 3.5 times oversubscribed, according to the official, allowing the B loan pricing to be flexed down from 225 basis points to 187.5. The delayed draw portion of the loan, originally making up 30%, was removed. Large demand for the revolver, priced at 200 basis points, led to its being upsized from $75 million.

More than seven banks were allocated pieces of the revolver and 15 investors bought into the B loan. The deal is expected to close by the end of the month. The Greene County, Miss., facility will consist of two 8 bcf salt caverns.

ING Amsterdam Power MD Takes Middle East Slot

Diederik van den Berg, managing director in utilities and power at **ING Bank** in Amsterdam, the Netherlands, has been appointed head of structured finance for **ING Wholesale Banking** in the Middle East. Van den Berg says he departs for Dubai in May, declining to elaborate further on the move.

The official was involved in originating a number of European financings, including the recent £485 million ($950 million) capex loan for **International Power** to upgrade its 1,050 MW Rugeley coal plant, (PFR, 9/22) and a €340 million package to help fund **BOT-Elektrownia Belchatów**'s replacement of 833 MW in merchant, lignite-fired generating capacity in Poland, (PFR, 11/17).

ING Big Apple Banker Exits

Stuart Hastie, a v.p. in ING's New York utilities group, has left the firm, according to bankers. The reason for his departure could not be learned. Hastie could not be reached for comment and ING officials declined to comment. Hastie joined ING from **Bank of Scotland** last summer, and had previously worked at **Royal Bank of Scotland**.

Final Bids on Centennial Imminent

Binding bids are due this week in the second round of **MDU Resources**' sale of its domestic IPP business **Centennial Power**. Auctioneer **Goldman Sachs** shortlisted a group of potential buyers after taking indicative offers March 1. Values on the portfolio are in excess of $500 million, according to a source familiar with the sale process.

Parties interested in the outfit could not be identified. Calls to **Kerri Munzert**, an official at Goldman advising MDU, were not immediately returned and **Bill Connors**, v.p. at Centennial in Bismark, N.D. declined comment.

On the block is a contracted fleet comprising a 213 MW gas-fired plant in Brush, Colo., a 116 MW coal plant in Hardin, Mont., a 50% stake in a 310 MW gas-fired facility in Hartwell, Ga., a 48 MW gas-fired unit in Lathrop, Calif. known as San Joaquin Cogen and **Mountain View Power Partners**, a 66.6 MW wind facility near Palm Springs, Calif., which is expected to be sold separately to a tax equity player. MDU is evaluating a sale of its **Colorado Energy Management** operations unit, but would prefer to keep it.

MDU's international IPP, featuring 900km of transmission lines in Brazil, also is in play, notes **Phyllis Rittenbach**, director of investor relations at MDU. A 49.9% stake in a 225 MW simple-cycle unit in Trinidad and Tobago called Trinity Power was sold last month, but not announced. Divestitures will help fund MDU's $475 million purchase of **Cascade Natural Gas Corp.**, expected to close in the third quarter (PFR, 1/12).

Corporate Strategies

PacifiCorp Fuels Capex With $600M Mortgage Notes

MidAmerican Energy Holdings subsidiary PacifiCorp sold $600 million in 30-year first mortgage bonds to repay short term debt and fund capital expansion projects. Capex has been more than $1 billion per year in recent years, says **Phillip Smyth**, analyst with **Fitch Ratings** in New York. It is expected to spend $1.5 billion in 2007. Calls to PacifiCorp officials were not returned.

The growth, Smyth says, is due mainly to Portland, Ore.-based PacifiCorp's expanding eastern service territories in Wyoming and Utah. The company has been investing in gas-fired and renewable generation. Spending on new plants and equipment over the next 10 years is forecasted to be $16 billion. This month, PacifiCorp issued a request for 1.7 GW megawatts of baseload supply for various lengths of time beginning 2012.

Goldman Sachs and **BNP Paribas** led the offering. PacifiCorp had about $5.8 billion in outstanding debt and preferred stock as of Dec. 31.

The 5.7% first mortgage bonds were rated A- by both Fitch and **Standard & Poor's**. A continued stable outlook, Smyth says, is dependent on a favorable rate case decision later this year in Washington, where it has requested a 10% increase.

PPL Unit Upsizes Debut Hybrid

PPL Corp. sold $500 million of its inaugural, 60-year hybrid securities last week via special purpose financing unit **PPL Capital Funding**, after announcing it wanted to raise $400 million. **Jim Abel**, v.p. of finance and treasury in Allentown, Pa., says the intention was always to raise $500 million, but a more conservative target was a way to entice skittish investors while the sub-prime mortgage debacle is still playing out.

The hybrids priced at 220 basis points over 10-year Treasuries, sand Abel says he was "pleased with the execution and thought it was a fair price looking at comparable deals in the market." **Barclays Capital**, **JPMorgan**, **Morgan Stanley** and **Wachovia Securities** ran the books, which saw orders of $1.3 billion. **Credit Suisse**, **Merrill Lynch** and **UBS Investment Bank** were co-managers.

Hybrids were chosen because the 50% equity credit they get with ratings agencies makes them tax-deductible and therefore a cost-effective component of PPL's overall capital structure, explains Abel, noting that PPL may consider issuing more. The buy-side prefers to pick up extra yield by investing in deeply subordinated securities from creditworthy issuers than investing in senior debt from lesser rated entities, he says. "They see it as a pretty good trade off."

Proceeds from the issue, which closed March 13, will pay down $280 million of 8.375% medium term notes maturing June 15. The balance will help fund some of the $600 million in environmental controls that subsidiary **PPL Energy Supply** has committed to install on its 1,542 MW Montour coal plant in the Washingtonville, Pa., and its 1,483 MW Brunner Island plant in York Haven, Pa.

Southern Natural Gas Taps Debt To Refi

Southern Natural Gas is selling $500 million in 10-year senior notes in a private placement to refinance old debt. "This was the best time to hit the market," says **Bill Baerg**, director of investor relations at parent **El Paso Corp.**, which scored a coupon of 5.9% on the new notes which are set to close today.

Southern redeemed $400 million in 8.875% notes in February via a call option and has another $100 million in 6.7% 10-year notes coming due in October, for which it announced a repurchase offer March 14. Holders choosing to accept during the period ending April 9 will receive cash plus a premium set to be determined March 26.

El Paso has been making a concerted effort to pay down debt, says Baerg, also having applied some $3.3 billion in proceeds from the sale of its **ANR Pipeline** subsidiary in December to pay down debt (PFR, 2/23). Last week **Moody's Investor Service** raised the debt rating of El Paso and its subsidiaries to investment grade for the first time since 2002. The company had $14 billion in long-term debt at the end of 2006, down from more than $22 billion in 2003.

Baerg said a 144A placement best met the company's needs, declining to comment further on its reasons for the choice. Bookrunners **Banc of America Securities**, **Citigroup**, and **Credit Suisse** were chosen for their experience with this type of placement. The notes were rated Baa3 by Moody's, BBB- by **Fitch Ratings**, and B+ by **Standard & Poor's**.

ComEd Underwriting Troika Passed On Chance To Match Citi

The three underwriters lined up for **Commonwealth Edison**'s $300 million bond deal, which was the subject of a high profile snatch by **Citigroup**, were given an opportunity to re-bid, says **Tom Miller**, assistant treasurer at ComEd in Chicago.

The group wouldn't beat Citi's offer which involved reopening an existing 5.9%, 2036-maturity mortgage bonds Thursday, instead of issuing $300 million in new notes due 2037 as planned. Citi approached the utility with an offer to buy the old notes at 147 basis points while the trio—**Credit Suisse**, **Morgan Stanley** and **Wachovia Securities**—was out marketing the new notes and getting pricing estimates of 150 to 160 and higher.

"It was an economic decision. We were given an unsolicited offer at a credit spread that was significantly tighter than what was being discussed and we took it," says Miller. The bought deal, which closed March 22, eliminated pricing risk from the issue at a time when markets have been volatile, added an observer. "Investors could take comfort in an issue that is already trading in volume versus a new one."

Spokespeople for Wachovia and Credit Suisse declined comment, while a Morgan Stanley spokesman did not return calls. **Howard Hiller**, a managing director in fixed income capital markets at Citi in New York, was not available for comment.

The $288 million raised will refinance commercial paper and trim the electric utility's $1 billion revolver. Regulatory uncertainty in Illinois caused **Fitch Ratings** to downgrade ComEd to below investment grade March 9. Legislative Bill 1750, which passed the Illinois House of Representatives March 6, proposes to roll back ComEd's rates to 2006 levels and freeze them for three years.

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.

Asia

- **BP** and **Tata Group** plan to invest more than $400 million to expand the capacity of their solar cell manufacturing joint venture in Bangalore, India to achieve its designed manufacturing capacity of 300 MW by 2010 (*AFX*, 3/21).
- China has granted final approval for **PetroChina**, **Pacific Oil & Gas** and state investment company **Guoxin** to go ahead with a $955 million liquefied natural gas terminal in the country's east (*Reuters*, 3/21).

Europe

- Germany's antitrust authority approved **RWE**'s acquisition of power distributor **Eprimo** from **Ueberlandwerk Gross-Gerau**, of which RWE controls 50% (*Bloomberg*, 3/21).
- **Iberdrola**'s GBP11.7 billion ($23 billion) takeover bid for **Scottish Power** won't be investigated by Spain's energy regulator, as the **National Energy Commission** decided the purchase won't hinder Iberdrola's investments in its regulated distribution business (*Bloomberg*, 3/22).
- **KGHM Polska Miedz** is considering taking over the Zespol Elektrownii Patnow Adamow Konin power plant this year (*Bloomberg*, 3/22).
- German Chancellor **Angela Merkel** supports constructing 26 coal-fired plants proposed by **Vattenfall**, **RWE**, **E.ON** and **Energie Baden-Wuerttemberg**, despite her strong environmental stance (*Der Spiegel*, 3/21).
- Britain's government is to hold a competition to build at least one full-scale carbon capture and storage plant (*Reuters*, 3/21).

North America

- **Kohlberg Kravis Roberts**' **Henry Kravis** and **Texas Pacific Group**'s **David Bonderman** appealed to Texas legislators against a bill passed by the state senate that would place their groups' proposed $32 billion purchase of **TXU** before the public utility commission for review. The firms promised to file paperwork with utility regulators earlier than required by state law (*Houston Chronicle*, 3/21).
- The **North Carolina Utilities Commission** has issued an order assuring **Duke Energy** that it can recover planning costs for the proposed William S. Lee nuclear plant in South Carolina through future rate cases, whether or not the plant is built. Duke plans to spend about $125 million this year on planning for the facility (*Charlotte Business Journal*, 3/21).
- CFO **Peter Kampian** has resigned from Canada's **Algonquin Power Income Fund**. Controller **Luisa Paniconi-Read** has been appointed interim CFO (*Toronto Star*, 3/21).
- **Westinghouse Electric** plans to build a $100 million research center and headquarters for its Western Pennsylvania nuclear operations north of Pittsburgh, Pa. (*Associated Press*, 3/21).
- **Cheniere Energy Partners**, a limited partnership formed by **Cheniere Energy**, raised $283.5 million with an initial public offering (*Reuters*, 3/20).
- **FPL Group** has elected **Oliver Kingsley**, a former **Exelon** executive serving as president of the **World Association of Nuclear Operators**, to its board.

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 **Katy Burne**, senior reporter, at (212) 224-3165 or e-mail kburne@iinews.com.*

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
AES Corp.	Delano	Central Valley, Calif.	57	Biomass	Bodington & Co.	Teasers dispatched early Jan. (PFR, 1/29)
	Mendota	Central Valley, Calif.	25	Biomass		
AIG Highstar Capital	13 plants	U.S. portfolio, concentrated in Florida and Pennsylvania	2,378	Gas, coal and waste coal	Lehman Brothers	50% stake in Northern Star Generating for sale. Ontario Teachers' owns the balance. Two-stage auction began last month (PFR, 1/29).
Astoria Energy	Astoria plant	Queens, N.Y.	500 MW; 1 GW permitted	Gas	N/A	Owners fielding offers, with Suez Energy understood to be acquiring a 30% stake, (PFR 9/29)
Atlantic City Electric Co.	B.L. England	Cape May County, N.J.	447	Coal/oil	Concentric Energy Advisors	Rockland Capital Energy Investments completed purchase Feb. 8 for $12.2 million.
BayCorp Holdings	Benton Falls	Benton, Maine	4.3	Hydro	Concentric Energy Advisors	N/A
Cargill-led investor group	Granite Ridge	Londonderry, N.H.	720	Gas	Morgan Stanley	Status of auction unclear.
Con Ed Development, a unit of Consolidated Edison	Con Edison Energy	Springfield, Mass.	185	Coal, hydro	Morgan Stanley	Con Ed looking to sell. Teasers expected shortly, (PFR, 3/12)
	Newington Energy	Newington, N.H.	525	Gas		
	Ada Cogeneration	Ada, Mich.	29 (46%)	Gas		
	Lakewood	Lakewood, N.J.	236 (80%)	Gas		
	Ocean Peaking Power	Lakewood, N.J.	330	Gas		
	Rock Springs	Rising Sun, Md.	670 (50%)	Gas		
	Puerto Barrios	Guatemala	42 (49%)	Oil		
CT Acquisitions	Canal Road Hamilton Street	Cleveland, Ohio	800,000 Mlbs an hour at 165 psig	District heating and cooling systems	Concentric Energy Advisors	Binding bids due middle of next month
Desert Power	Desert Power plant	Rowley, Utah	65 installed 100 planned	Gas	N/A	Owners auditioning 25 debt and equity financing counterparties to complete construction by June 1 (PFR, 1/15).
Dominion Resources	State Line	Hammond, Ind.	515	Coal	Credit Suisse	In play
DPL Inc.	Montpelier Electric Generating Station	Poneto, Ind.	219	Gas	Pace Global Energy Services	In play
Dynegy	Bluegrass	Oldham County, Ky.	573	Gas	JPMorgan Chase	Seller hopes to fetch between $200-500 million in asset sales this year, (PFR 2/5). Timeline unclear.
	Heard County	Heard County, Ga.	539	Gas		
	Lyondell	Channelview, Texas	600	Gas		
DTE Energy	Georgetown 4	Indianapolis, Ind.	80	Gas	N/A	Indianapolis Power & Light to acquire
	Crete Energy Venture	Crete, Ill.	304 (50%)	Gas		Sales process initated, final bids due Q2
	East China	East China, Mich.	320	Gas		Seller exloring options, including outright sale
	River Rouge	Detroit, Mich.	240	Gas		On books at scrap value, in cold standby
Electricite de France Internationalunit Controladora del Golfo	Saltillo	Ramos Arizpe, Coahuila	248	Gas	JPMorgan Chase	Auction just launched. Timeline unclear.
	Anahuac (RB2)	Valle Hermoso, Tamaulipas	495	Gas		
	Lomas de Real (RB3)	Valle Hermoso, Tamaulipas	495	Gas		
	Valle Hermoso (RB4)	Valle Hermoso, Tamaulipas	500	Gas		
	Electricidad Aguila de Altamira	Altamira	495 (51%)	Gas		
	Gasoducto del Rio	54 km pipeline	330,000M Btu/D			
Entergy Corp.	50% stake in Top Deer Wind Ventures	Worth County, Iowa Carsen County, Texas	40 40	Wind	New Harbor	Seller wants about $500 million for the assets. Bidders shortlisted to about 10 financial players, (PFR, 2/8).
	RS Cogen	Lake Charles, La.	212	Gas		
	Roy S. Nelson	Westlake, La.	60	Gas/Oil		
	Warren Power	Vicksburg, Miss.	225	Gas		
	Harrison	Marshall, Texas	335	Gas		
	Independence	Newark, Ark.	121	Coal		
	Robert Ritchie	Helena, Ark.	544	Gas/Oil		
	Offtake Contract	Sam Rayburn Power Agency	50-80			

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
GE Energy Financial Services	Green County plant	Jenka, Okla.	795	Gas	N/A	GE said to be fielding offers for its 90% stake.
	Birchwood	Fredericksburg, Va.	242	Coal	N/A	Tyr said to be interested in acquiring, (PFR, 2/12/07).
Globeleq	Emerging market portfolio	Asia, Africa, Americas	2,082	Mixed	Lehman Brothers	Ashmore Energy and IP said to have partnered up on indicative bid, due Feb. 16 (PFR, 2/9).
Goldman Sachs	Horizon Wind Energy	Houston, Texas	1,350 targeted by year end	Wind	N/A	ExxonMobil, Babcock & Brown, Shell, Exelon and Iberdrola said to be bidding
Greenwich Energy Investments	Masspower	Springfield, Mass.	258	Gas	Miller Buckfire	Announcement expected shortly. Barclays is arranging a $150 million staple.
LEP Holdings	Liberty	Eddystone, Pa.	568	Gas	JPMorgan	Owners may favor recap over auction (PFR 3/19).
MDU Resources IPP unit, Centennial Energy Resources	Brush Power (1&3)	Brush, Colo.	213	Gas	Goldman Sachs	First round bids were due March 1. Assets said to be drawing offers of around $500 million.
	Hardin Generating	Hardin, Mont.	116	Coal		
	Hartwell Generating	Hartwell, Ga.	310	Gas		
	Mountain View Power Partners	San Gorgonio Pass, Calif.	66.6	Wind		
	San Joaquin Cogen	Lathrop, Calif.	48	Gas		
Mirant	Curacao Utilities (25%)	Curacao	133	Asphalt	JPMorgan	Seller said to be marketing to Asian buyers, but Global Infrastructure Partners in pole position, (PFR, 2/23) Final bids imminent.
	Grand Bahama Power Co. (55%)	Grand Bahama Island	151	Oil		
	Jamaica Public Service Co. (80%)	Jamaica	621	Oil/Hydro		
	PowerGen (39%)	Trindad & Tobago	1.2 GW	Gas		
	Apex plant	Nev.	527	Gas	JPMorgan	LS Power to acquire, but is already soliciting interest in Shady Hills (PFR, 3/5).
	Bosque	Texas	546	Gas		
	Shady Hills	Fla.	469	Gas/Oil		
	Sugar Creek	Ind.	561	Gas		
	Zeeland	Mich.	903	Gas		
	West Georgia	Ga.	613	Gas/Oil		
Mirant Corp., NY-Gen	Mongaup Generating Plant	Mongaup, N.Y.	4	Hydro	N/A	Being acquired by Alliance Energy.
	Swinging Bridge Generating Plant	Mongaup, N.Y.	12	Hydro		
	Rio Generating Plant	Mongaup, N.Y.	9	Hydro		
	Hillburn	Hillburn, N.Y.	51	Gas/Jet fuel		
	Shoemaker	Middletown, N.Y.	44	Gas/Jet fuel		
Progress Ventures	Walton	Walton, Ga.	450	Gas	JPMorgan Chase	Seller will fetch $480 million in sale of generation to ArcLight Capital Partners and contract portfolio to Constellation Energy Commodities Group
	Monroe Power	Monroe, Ga.	350	Gas		
	Washington County	Washington County, Ga.	600	Gas		
	Effingham County	Effingham County, Ga.	500	Gas		
Reliant Energy	IndianRiver	Titusville, Fla.	587	Oil/Gas	JPMorgan	Full marketing material imminent (PFR, 2/26)
	Osceola Generating Station	Holopaw, Fla.	470	Gas (peaker)		
	Bighorn Generating Station	Las Vegas, Nev.	598	Gas		
	Choctaw Generating Station	French Camp, Miss.	804	Gas (mothballed)		
Sithe Global Power	River Hill Power	Karthaus Township, Pa.	290	Coal	Credit Suisse	Development rights to the project for sale.

Project Finance Deal Book

*Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report updates or provide additional information on the status of financings, please call **Katy Burne**, senior reporter, at (212) 224-3165 or e-mail kburne@iinews.com.*

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Invenergy	St. Clair Power Station (570 MW Gas)	Sarnia, Ontario, Canada	Royal Bank of Canada	Debt TBA	About C$370M ($316M)	22.5 yr	Ontario Power Authority Offtake. March Syndication
InterGen	La Rosita (1.1GW Coal) Refi	Mexicali, Mexico	BNP Paribas, Calyon, Export Development Canada	Term Loan	$400M	15 yr	CFE (Mexico), Shell Offtake. Syndicating
				Senior LC	$47M	15 yr	
	Generation Portfolio Refi	Various	TBA	TBA	$3B		Seeking Lead Banks
Repsol, Irving Oil	Canaport (LNG Liquefaction)	Saint John, N.B.	BMO, Snatander, La Caixa, BBVA, RBOS	Term Loan	$756M	27 yr	Repsol Offtake. Commitments in. Awaiting Close
Iberdrola	Mexico Portfolio (5.5 GW) Refi	Various	Calyon, Citigroup, BBVA	Package	$1.7B	5yr 10 yr	Syndicating
EdF Energie Nouvelles	La Ventosa (80-100 MW Wind)	Juchitan, Oaxaca, Mexico	TBA	TBA			Choosing Lead Banks
LS Power	Plum Point (665 MW Coal) Refi	Osceola, Ark.	TBA	TBA			Mo. Joint Muni Electric Utility Offtake. Choosing Lead Banks
Calpine, Mitsui &Co.	Greenfield (1GW Gas)	Courtright, Ont., Canada	Bank of Tokyo, Mitsubishi, BMO Financial	Loan	$500M	18 yr	Ontario Power Authority Offtake. Selecting Sub-under writers. Syndication by April
Airtricity	Sand Bluff (90MW Wind)	Sterling Co., Texas	HypoVereinsbank	Non-recourse Debt	$140M		Awaiting Syndication
Terrawinds Resources	TerraWinds (201 MW Wind)	Rivier-Du-Loup, Quebec, Canada	HSH Nordbank	Senior Secured Construction and Term Debt Facility	C$300M ($259M)	TBA	Hydro-Quebec Offtake Awaiting Syndication
Sumitomo Power	Hermiston Generation Plant (474 MW Gas)	Hermiston, Ore.	TBA	TBA	$130M	10 yr	Lead Banks Expected 1Q2007
Lodi Gas Storage (ArcLight Capital)	Acquisition Refi		TBA	Secured Loans	$145M	TBA	Seeking Lead Banks
Noble Environmental Power	Altona, Ellenberg, Clinton and Bliss (339 MW Wind)	Altona, Ellenberg, Clinton and Bliss, N.Y.	HSH Nordbank, Dexia Credit Locale	Non-recourse Loan	$445M	TBA	Supported by 10 yr. Hedges. Syndication Expected 1Q2007
Bethel Energy	(100 MW Solar)	Imperial County, Calif.	TBA	Debt and Equity, TBA	$368M	TBA	Looking For Lead Banks
Katabatic Power	(25.5 MW Wind)	Mount Hays, B.C.	TBA	TBA	TBA	TBA	Seeking Lead Banks
Winergy Power	Plum Island (30 MW Wind)	Long Island, N.Y. (Offshore)	TBA	TBA			Looking For Lead Banks
MachGen	Merchant Portfolio (4 GW) Refi	Various	Morgan Stanley, Deutsche Bank, Bear Stearns	Package	$1.5B		Syndicating
Borelais Infrastructure	Bruce Power (4.6 GW) Refurbishing	Tiverton, Ont.	TBA	TBA	C$1B ($846M)	TBA	Choosing Lead Banks
Northern Star Generation	1.5 GW Portfolio	Various	Lehman Brothers, BNP Paribas	Term Loan B	$350M	TBA	Awaiting Syndication
				Synthetic Letter of Credit	$30M	TBA	
				High-Yield Debt	$500M	18.5 yr	
Organizacion Soriana, Vientos Del Istmo	(216 MW Wind)	Oaxaca, Mexico	TBA	TBA			Chosing Lead Banks
Entegra	Gila Power Station and Union Power Station (5.3 GW Gas) Refi	Phoenix, Ariz., and . El Dorado, Ark	Lehman Brothers, Credit Suisse, Goldman Sachs	Second Lien Revolver for Working Capital	$30M	7 yr	Syndicating
				Cash-pay Facility	$450M	7 yr	
				Payment-in-kind Tranche	$850M	8.5 yr	

Live Deals: Europe/Middle East

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
ACS Group	La Boga Portfolio (Wind)	6 sites, Spain	Natexis, La Caixa	Term Loan Tax Facility	EUR 350M ($462M) EUR 58M ($77M)		Syndication 1Q2007
BOT-Elektrownia Belchatow	Belchatow (833MW, Coal)	Rogowiec, Poland	Citibank, ING	Term Loan Standby Facility	EUR250M ($323.5M) EUR90M ($119M)	10 yr 8 yr	Syndicating
Babcock & Brown, Eurowatt	Wind Portfolio (120MW)	Various, France	La Caixa, Natexis	Term Loan	EU183M ($234M)		Syndication to Launch 1Q2007
Babcock & Brown Wind Partners	Wind Portfolio (1.2 GW) Refi	Various, Global	TBA	Financing Package	EUR1B ($1.3B)		Choosing Lead Banks
Spanish Egyptian Gas Company	Damietta (LNG) Refi	Damietta, Egypt	TBA	non-recourse loan	$600M	15-16 yr	Choosing Lead Banks with Advisor RBOS
Suez	Barka II (678MW)	Barka, Oman	HSBC, Sumitomo Mitsui	Senior Term Loan	$600M	17.5 yr	Oman Power and Water Procurement Company Offtake. Financial close expected 2/07
Marubeni	Messaieed (2GW Gas)	Doha, Qatar	Calyon, Manging Agents TBA	Financing Package	$1.63B		Syndication 2Q2007
Gulf Total Tractebel Power	Taweelah A1 (1.35GW Gas IWPP) Refi	Abu Dabi, UAE	BNP Paribas, Calyon	Term Loan	$880M	22 yr	Abu Dhabi Water and Electric Authority Offtake. Awaiting Close
	Taweelah A10 (221MW Expansion to Gas IWPP)	Abu Dabi, UAE	BNP Paribas, Calyon	Term Loan	$212M	22 yr	Abu Dhabi Water and Electric Authority Offtake. Awaiting Close
Suez Energy International	Marafiq (2.5GW IWPP)	Jubail, Saudi Arabia	BNP Paribas, Samba Financial, Gulf International Bank	Financing Package, Makeup TBA	$3.4B		Marafiq Power & Water Utility offtake. Syndication week of 3/26
ACWA Power	Shuqaiq (850MW IWPP)	Shuqaiq, Saudi Arabia	BayernLB, Gulf International Bank	Financing Package	$2B		Syndicating. Awaiting Close
Ras Laffan Power Co. (AES)	Ras Laffan A (750 MW IWPP)	Doha, Qatar	TBA	TBA	$572M		Looking For Lead Banks
C-Power	Thornton Bank (300 MW Wind)	Belgian Coast	Dexia	TBA	EUR100M ($131M)	TBA	
AES Oasis, Mitsui & Co.	Almanakher (370MW Gas)	Almanakher, Jordan	Sumitomi Mitsui, Overseas Private Investment Corp., Japan Bank for International Cooperation	Senior Facility Equity Tranche	$255M $75M		Near Close. National Electric Power Co. Offtake

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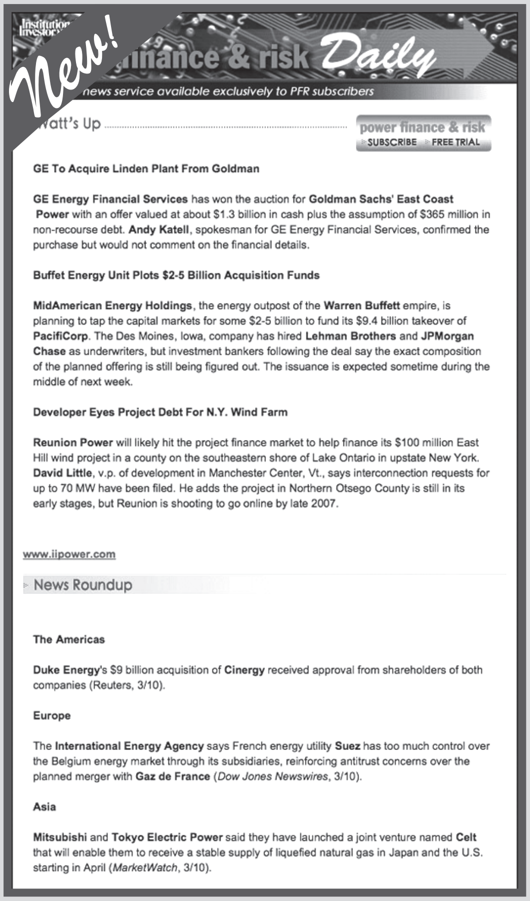

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GE To Acquire Linden Plant From Goldman

GE Energy Financial Services has won the auction for **Goldman Sachs' East Coast Power** with an offer valued at about $1.3 billion in cash plus the assumption of $365 million in non-recourse debt. **Andy Katell**, spokesman for GE Energy Financial Services, confirmed the purchase but would not comment on the financial details.

Buffet Energy Unit Plots $2-5 Billion Acquisition Funds

MidAmerican Energy Holdings, the energy outpost of the **Warren Buffett** empire, is planning to tap the capital markets for some $2-5 billion to fund its $9.4 billion takeover of **PacifiCorp**. The Des Moines, Iowa, company has hired **Lehman Brothers** and **JPMorgan Chase** as underwriters, but investment bankers following the deal say the exact composition of the planned offering is still being figured out. The issuance is expected sometime during the middle of next week.

Developer Eyes Project Debt For N.Y. Wind Farm

Reunion Power will likely hit the project finance market to help finance its $100 million East Hill wind project in a county on the southeastern shore of Lake Ontario in upstate New York. **David Little**, v.p. of development in Manchester Center, Vt., says interconnection requests for up to 70 MW have been filed. He adds the project in Northern Otsego County is still in its early stages, but Reunion is shooting to go online by late 2007.

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News Roundup

The Americas

Duke Energy's $9 billion acquisition of **Cinergy** received approval from shareholders of both companies (Reuters, 3/10).

Europe

The **International Energy Agency** says French energy utility **Suez** has too much control over the Belgium energy market through its subsidiaries, reinforcing antitrust concerns over the planned merger with **Gaz de France** (*Dow Jones Newswires*, 3/10).

Asia

Mitsubishi and **Tokyo Electric Power** said they have launched a joint venture named **Celt** that will enable them to receive a stable supply of liquefied natural gas in Japan and the U.S. starting in April (*MarketWatch*, 3/10).

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DYNEGY DRAWS

(continued from page 1)

Capital, which is participating in the revolver explains. He notes LS Power has a 7 GW development pipeline. "There will be tremendous new project finance opportunities down the road," says the official at a bank participating in the revolver.

Dynegy's combination with LS Power is set to close in April, pending a shareholder vote this week. A Dynegy spokesman would not make an official available for comment.

About a dozen banks bought into the revolver, at various levels. Pricing is set at 125 basis points if it secures a BB+ rating or higher, and 150 if it does not. More than 50 institutional investors bought into the letter of credit, which was reduced from the originally pitched $500 million by $100 million and flexed down to 150 basis points from 175, and the B loan also priced at 150.

Proceeds of the new term loan B will be used to provide consideration to LS Power for a 50% interest in the Griffith gas-fired plant in Mohave, Ariz., one of the facilities being acquired from LS Power.

The revolving credit facility will be available for letters of credit and may be used by Dynegy to fund Dynegy's repayment of a $275 million subordinated note to be issued with the LS Power transaction. LS Power will receive the note, $340 million shares of Dynegy common stock, and $100 million in cash. The combined entity will also assume approximately $1.8 billion in net debt from LS Power. ***—Ben Miller***

MACH GEN

(continued from page 1)

part of a $1.5 billion refinancing of the portfolio led by **Morgan Stanley**, **Bear Stearns** and **Deutsche Bank** earlier this year (PFR, 1/26). Observers say the company wants to lower costs of borrowing on this portion by 100 to 200 basis points. Supporting this is a first lien comprising a $100 million revolver priced at 225 over, a $580 million first-lien term loan priced at 200 and a $60 million synthetic letter of credit priced at 200. Pricing was flexed down from 7/8-101 1/8 as it broke for trading to 5/8-par 7/8 (PFR, 2/23).

MACH Gen—formerly known as **GenHoldings** under the ownership of developer **National Energy Group**, a unit of **Pacific Gas & Electric**—was transferred back to its a creditor group led by **Société Générale** in 2003. SocGen arranged $2.075 billion in project debt for the fleet alongside **Citigroup** in 2001. **Competitive Power Ventures** manages the plants—named MACH Gen after the first initial of each facility: 360 MW Millennium in Massachusetts, 1.08 GW Athens in New York, 1.2 GW Covert in Michigan and 1.1 GW Harquahala in Arizona. ***—Katy Burne***

DRAX GIRDS

(continued from page 1)

leveraged finance at **Deutsche Bank**, which advised on the original refinancing for Drax were not returned. **Barclays Capital**, **Commerzbank** and **ING Bank** arranged the existing package, comprising a five-year, £500 million term loan; a seven-year, £200 million letter of credit; a five-year £100 million revolver and £77 million bridge loan (PFR, 12/02/05).

Drax is a baseload plant with aggregate capacity of 4GW meeting 7% of the U.K.'s electricity needs. Its EBITDA for 2006 was £583 million against £239 million the year before, and operating profit was £658 million against £355 million in 2005. *—K.B.*

LAZARD TAKES

(continued from page 1)

TXU (PFR, 3/9). Deal trackers say the extent to which new bidders will be successful hinges on showing the state **Public Utility Commission** they intend to be transparent about their plans for the utility, install more renewable capacity than coal and effect rate cuts of more than 10%. "There are a half a dozen things that could be done by rival players that could serve policy focus in Texas and creativity around those could win them the day," said one observer. Texas legislators are considering handing the PUC authority to approve or reject the buyout.

Banks understood to be seeking a role in the staple financing for rival bidders include **Merrill Lynch**, **Banc of America Securities**, **Deutsche Bank**, **Barclays Capital** and **Wachovia Securities**. KKR and TPG are being advised by **Citigroup**, **Goldman Sachs**, **JPMorgan Chase**, **Lehman Brothers** and **Morgan Stanley**. *—K.B.*

Alternating Current

Firewood, Anyone?

Talk about distressed assets. As *PFR* went to press, the reserve price of former **Enron** CEO **Ken Lay**'s desk had yet to be met on an **eBay** auction. A desk used by former presidents **Jeff Skilling** and **Richard Kinder** had received no bids. A Sunday deadline loomed for the custom workstations boasting "an elegant Makore Pommelle veneer."

Houston charity **Saving Animals Across Borders** has put the desks on the block, after receiving them as a donation from investors who bought one of Enron's towers in 2003.

The buck stopped here

It is believed that future profits from the sale have already been booked on the charity's books via mark-to-market accounting. Reports that it will spin off the unsold furniture into a special partnership partially owned by **Lea Fastow**'s cat remain unconfirmed.

Calendar

- **Pace Global Energy Services** will host the *Renewable Energy Finance: Opportunities & Challenges* interactive web conference April 5. Register at www.infocastinc.com/ reneweb/home.htm.

- **Power** magazine presents *Electric Power 2007* at the Donald Stephens Convention Center in Chicago May 1-3. Register at www.electricpowerexpo.com.

- The *Solar Power Project Finance & Investment Summit* will be held at the **Rancho Bernardo Inn** in San Diego May 9-11. To register, call 1-818-888-4444.

Quote Of The Week

"We were given an unsolicited offer at a credit spread that was significantly tighter than what was being discussed and we took it."
—**Tom Miller**, *assistant treasurer at* **Commonwealth Edison**, *on choosing* **Citigroup** *to lead a $300 million bond deal (see Corporate Strategies, page 5).*

One Year Ago In Power Finance & Risk

Lehman Brothers launched the two-round auction of **American Securities Capital Partners**' stake in Oak Brook, Ill., generator **Primary Energy Ventures**. [**EPCOR Partners** acquired the 454 MW portfolio for $380 million (PFR, 3/18).]