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EnCana Acquisition Loan Launches

Banc of America Securities, Deutsche Bank and Goldman Sachs have started pitching a \$1.05 billion financing to fund **Carlyle/Riverstone Global Energy and Power Fund's Encana Corp.** purchase.

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J-POWER BAGS TENASKA ERCOT PLANT

J-Power USA Development Co. has won an auction for Tenaska Energy's Frontier plant. The Japanese investment firm outbid GE Energy Financial Services and ArcLight Capital Partners to acquire a 62% stake in the 830 MW Tenaska Frontier Generating Station, located in Shiro, Texas, as first reported on PFR's Web site. Terms of the deal could not be determined.

John Salyer, ceo of J-Power in Schaumburg, Ill., declined to comment.



Tenaska Frontier Plant

(continued on page 12)

IRISH WIND BUILDER TO SEEK LEADS FOR \$500-600M

Airtricity plans on trawling for lead banks to provide \$500-600 million in short-term financing for wind farms in Colorado, New Mexico and Texas it has in the works for next year. The Dublin-based renewables company, which has been aggressively targeting North America (PFR, 6/27), expects to issue an RFP to prospective banks sometime in May, says Ciaran O'Brien, senior v.p. in Chicago.

The preference will be to select from a roster of lenders with wind experience, including HSH Nordbank, Dexia Crédit Local, BayernLB, the official says. Details on the debt will be evaluated as it comes closer to being arranged. Officials at the banks either did not return calls or declined to comment.

Airtricity, which levers its projects by 75-90% or more, wants to obtain bridge funding of

(continued on page 12)

Platts' Annual Conference

DEAL BUZZ DOMINATES, BUT SOME OVERBUILD WOUNDS STILL SMART

Mergers and acquisitions and new construction deal talk dominated the Platts' 21st Annual Global Power Markets Conference at the Bellagio Hotel & Casino in Las Vegas last week. But just as palpable was the sense of warning: learn from past generation overbuilding mistakes or be doomed to repeat them.

The upbeat attitude of the more than 600 attendees is the product of hope the industry is "entering a new era of construction of



The Bellagio Hotel & Casino

(continued on page 5)

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



At Press Time

Citi Extends Entegra Group Syndication

Arranger Citigroup is extended syndication of lines of credit for holding entity **Entegra Group**. Commitments were due last week and that's now been extended a week. Citi opted to offer more time to evaluate the credit, because it has gone through a restructuring over the past several months. An official at Citigroup did not return a call for comment. Proceeds from the debt will be used to extend a gas hedging program from 18 months to 29 or 30 months (PFR, 3/20).

Entegra, formerly known as **Teco-Panda**, owns the Gila River Power Station just south of Phoenix and the Union Power Station in El Dorado, Ark. **Joff Mitchell**, managing director of **Kroll Zolfo Cooper** in Roseland, N.J., and interim president of the holding company, did not return a call for comment.



Union Plant

Pricing Surfaces On Pine Prairie Storage Loan

SunTrust Robinson Humphrey has set pricing on a term loan B being arranged on behalf of Houston-based **Plains All-American Pipeline** and **Vulcan Capital** for Pine Prairie Energy center. Pricing for the storage terminal, to be built in Evangeline Parish, La., is at LIBOR + 275 for a \$270 million, seven-year tranche with pricing on the \$50 million, five-year revolver set at LIBOR + 250. Financing for the natural gas storage facility, which will cost \$400 million, was launched last week (PFR, 4/3).

Officials at SunTrust declined to comment. The project was rated B+ by **Standard & Poor's** and B1 by **Moody's Investors Service**.

Construction on the first phase of the three-phase project, split into 8bcf increments, has started, with completion scheduled for second quarter 2007. The second and third phases are scheduled to come online in subsequent years, in 2008 and 2009, respectively.

Vulcan is the Seattle-based investment vehicle of **Paul Allen**, co-founder of **Microsoft**. A call to **Phil Kramer**, cfo for Plains in Houston was not returned and an email to the press representative for Vulcan was not returned.

SunTrust, a subsidiary of Atlanta-based **SunTrust Capital Markets**, is taking commitments for the financing until April 13, with closing scheduled for the end of the month.

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? 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@iineews.com.

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Investor NEWS
INTELLIGENCE FIRST

EnCana Gas Asset \$1.05B Acquisition Package Launched

Banc of America Securities, Deutsche Bank and Goldman Sachs have started pitching a \$1.05 billion financing for **Carlyle/Riverstone Global Energy and Power Fund** to acquire natural gas storage facilities from **EnCana Corp.** Carlyle/Riverstone agreed to acquire the assets early March for about \$1.5 billion. Pending regulatory approval, it should close within the month.

David Leuschen, managing director at **Riverstone Holdings** in New York, did not return a call for comment and officials at **The Carlyle Group** in Washington, D.C., declined comment. Calls to banks involved were not returned.

The package includes an \$800 million term loan B and a \$250 million revolver. Rating agencies have not weighed in on the package, and as pricing will be set once ratings provide guidance.

UBS and RBC Capital Markets handled the auction for EnCana, which included the 105 bcf AECO Hub in Alberta, the 14 bcf Wild Goose in California, the 15 bcf Salt Plains in Oklahoma and the 40 bcf Starks facility in Louisiana, which is in development (PFR, 2/6).

Street Sparks Up Clean Energy Equity Structures

Investment products referencing clean energy companies, or so-called eco-tech stocks, are being pitched by Street derivative firms to high-net-worth investors. Firms including **JPMorgan** and **The Royal Bank of Scotland** have started structuring capital-protected notes with coupon pay outs linked via derivatives corporates' stock and rising commodity prices.

RBS is pitching a three-year 100% capital-protected equity swap, dubbed Clean Energy. In the swap, the investor pays six-month Euribor and receives an annual coupon linked to the equity growth of seven clean-energy corporates, including **Evergreen Solar** and **Praxair**. **JPMorgan** is also looking at putting together a capital-protected basket of hydro-electric and solar power-linked stocks, according to a structuring official at the firm.

Some financiers argue the notes are likely to have only niche appeal. An RBS official counters, however, that the firm has seen good levels of interest in Clean Energy.

Corporate Strategies

Idaho Geothermal Co. Sells Share Privately



Daniel Kunz

U.S. Geothermal has privately placed C\$25 million in stock to help fund a multi-phase development of a 10 MW geothermal reservoir in Boise, Idaho. Underwriter **Dundee Securities Corp.** shopped 25 million shares priced at a C\$1 to a roster of private investors. That includes a unit of Greenwich, Conn., hedge fund **SilverPoint Capital**, says

Daniel Kunz, CEO at the renewable energy developers in Boise.

Excluding fees, Kunz says the company raised the equivalent of \$20 million, offering 57% of its equity and bringing its total outstanding stock to 43.3 million on the **Toronto Stock Exchange** and **OTC Bulletin Board**.

The geothermal outfit considered the negative impact of share dilution in issuing the additional stock, but believed the benefit of funding its project with equity was worth it. "We did our analysis in considering how to commercialize the development and believed that it made more sense to get money by putting more equity in the hands of shareholders than project financing," Kunz says. Shares of the company closed at C\$1.11 on the **TSX** last Wednesday.

Dundee Securities lead underwriting role in U.S. **Geothermal's** 2003 initial public offering factored into the bank

getting the nod to handle the placement, says Kunz.

Proceeds will be used to drill a number of so-called production wells, which produce fluids at high temperatures from the heat of the earth for electric generation. Funds from the offering along with some project debt will also be used prepare for subsequent phases of the geothermal construction at the site, acquire additional geothermal operations and for general corporate purposes, the CEO says.

Underpinning the development, known as **Raft River Geothermal Project**—an abandoned 1980s project originally sponsored by the **Department of Energy**—is a 20-year PPA with **Idaho Power**.

ITC Transmission Takes \$100M Private Route

ITC Transmission, the Novi, Mich.-based subsidiary of **ITC Holdings Co.**, has placed privately \$100 million in 30-year, 6.125% first-mortgage bonds to help pay for the early phases of a five-to-seven year, \$1 billion capital plan to upgrade and develop its system, which it began improving last year, says **Ed Rahill**, CFO.

ITC went the private route because it was less expensive, says Rahill. "The cost of registering an offering this small with the [**Securities and Exchange Commission**] can be quite expensive. This was a much more efficient way to place a small offering."

The offering was priced at 130 basis points over Treasuries and was rated BBB+ by **Standard and Poor's** and A3 by **Moody's Investors Service**. He declined to provide specifics on registration costs.

The \$100 million private offering was led by **Credit Suisse**, which underwrote ITC's first bond offering in 2003 at the operating and holding company level. "We were very pleased with the outcome of that offering," Rahill says.

ITC borrows from its revolver on a short-term basis to fund projects, then refinances with longer-term debt. The holding company maintains a roughly \$750 million revolver.

TVA Hits Up The Fifties

Tennessee Valley Authority has gone deep on its most recent capital markets offering, shopping \$1 billion in 50-year 5.375% debt to replace shorter dated bonds. The Knoxville, Tenn.-based energy company did not want to pass up an opportunity to exchange a similar amount in 10-year bonds priced at 7 1/8% for cheaper paper, says **John Hoskins**, treasurer at the government-owned entity in Knoxville. Consulting with its underwriting leads **Merrill Lynch** and **Morgan Stanley**, the finance exec says dates on that end of the

capital markets spectrum made sense because the yield curve is relatively flat and the difference in obtaining debt carrying shorter-tenors was insignificant.

The issuance marks the largest issuance of that tenor for a corporate or agency issuer in the U.S. Although TVA has issued 50-year bonds before, the offering is the first it cannot buy back before its maturity in 2056.

The debt bears ratings of Aaa by **Moody's Investors Service** and AAA by **Standard & Poor's** and **Fitch Ratings**, the issuance drew strong demand and was shopped in under 24 hours, Hoskins says.

Morgan and Merrill were among a number of firms that pitched for lead underwriting positions and they were chosen because the group presented the best overall strategy for getting the deal completed. "Their proposal was the most well-developed for tapping the 50-year sector. There's not a lot of reference for pricing in that area," he adds.

Hoskins says TVA's balance sheet is in good shape with approximately \$25 billion in total financings outstanding, with an average tenor of 17 years.



John Hoskins

Financing Record (MARCH 29 -APRIL 3)

Debt

144A	Issued	Business Issuer	Principal Description	Principal (\$M)	Coupon(%)	Security	Maturity	Offered	YTM(%)	Spread	S&P	Moody's	Fitch
Yes	3/29/06	Nevada Power Co	Electric utility	250	6.65	Fxd/Straight Bd	4/1/36	99.846	6.662	170	BB	Ba1	BB+
	4/3/06	Delta Natural Gas	Gas utility	40	5.75	Insured Notes	4/1/21	100	5.75		AAA	NR	NR

M&A

Announced	Effective	Target Name	Target Advisors	Target Industry Sector	Target Nation	Acquiror Name	Acquiror Advisors	Acquiror Nation	Value (\$M)
3/29/06	3/29/06	Plzenska Energetika AS		Electric, Gas, and Water Distribution	Czech Republic	J&T Finance Group		Slovak Rep	
3/30/06		Guardian Pipeline LLC		Electric, Gas, and Water Distribution	United States	Northern Border Partners LP		United States	77
3/30/06	3/30/06	Murraylink HQI Australia	Rothschild	Electric, Gas, and Water Distribution	Australia	Australian Pipeline Trust	Pacific Road Corporate Finance	Australia	153
3/31/06		Goldman Sachs Grp Inc-NJ Power		Electric, Gas, and Water Distribution	United States	GE Energy Financial Services		United States	
3/31/06	3/31/06	Green Mountain Energy Co		Electric, Gas, and Water Distribution	United States	Undisclosed Acquiror		Unknown	
3/31/06		Henan Languang Envi Protection		Electric, Gas, and Water Distribution	China	Wuhan Kaidi Elec Power Co Ltd		China	
3/31/06		Henan Languang Envi Protection		Electric, Gas, and Water Distribution	China	Pingdingshan Coal(Group)Co Ltd		China	
3/31/06	3/31/06	Rocky Road Power LLC		Electric, Gas, and Water Distribution	United States	Dynegy Inc	Credit Suisse	United States	45
3/31/06		SE Chicago Energy Project		Electric, Gas, and Water Distribution	United States	Exelon Corp		United States	50

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

Global Power Markets Conference

More than 600 power company executives, bankers, analysts and consultants descended upon Las Vegas for Platts' 21st Annual Global Power Markets Conference. The event was held at the Bellagio Hotel for its first Sin City incarnation. Associate Reporter Peter Roth filed the following stories:

DEAL BUZZ

(continued from page 1)

baseload generation," said **Michael Morris**, ceo of **American Electric Power**. "They're playing offense. They're not playing defense anymore," noted **Frank Napolitano**, managing director at **Lehman Brothers**, adding that demand to buy and build generation assets is strong.

Don Kyle, managing director at **GE Capital Markets/Energy Financial Services**, told attendees that he has heard less questions about "where are we going" and more about how to invest. "Three years ago I went to one of the Platts conferences and there were no bankers there," said **Charles Costenbader**, senior manager at **Macquarie Bank**, giving an example of how much times have changed.

Still, the headiness caused many officials to express caution against being overly exuberant. "Greed has no memory," says **Alan Rosenberg**, president of **KGen Power Management**, who believes the challenges facing utilities as they contemplate growth means the end of the back to basics trend.

Bruce Levy, president of **American National Power** believes discipline will suffer the same fate it has in the past. "I think things will get built like mad," he told attendees, adding people are always apt to believe that "mine will be the last successful [project]," even if the economics no longer add up. "People are talking about coal plants the way they talked about gas plants," Rosenberg told attendees. —*Peter Roth*

Liquidity Juices Deal Flow

Deal flow is more robust than it has been in six or seven years. At a roundtable session, veteran **Frank Napolitano**, managing director at **Lehman Brothers**, said increased liquidity in debt and equity markets has been a key component in driving mergers and acquisitions, allowing market participants options.

Don Kyle, managing director at **GE Capital Markets/Energy Financial Services**, noted that liquidity is fueling early exits by private equity, which is subsequently driving growth in the latest round of M&A. "What's selling? Everything, everywhere," said Kyle.

Strong appetite for assets also has resulted in pumped up prices. **Alan Rosenberg**, president of **KGen Power Management**, said prices are getting close to replacement value

on a number of plants. "I think people are going to be not shocked but quite surprised by the price [Coletto Creek Power Station] goes for," he says. But he does not expect an abatement of generation sales.

Laissez Les Bons Temps Rouler Vegas Venue Divides Attendees

The conference's move from New Orleans to Las Vegas this year was a topic of much debate among attendees, eliciting wistful thoughts of the Crescent City in some, support for Sin City in others and mixed feelings in many.

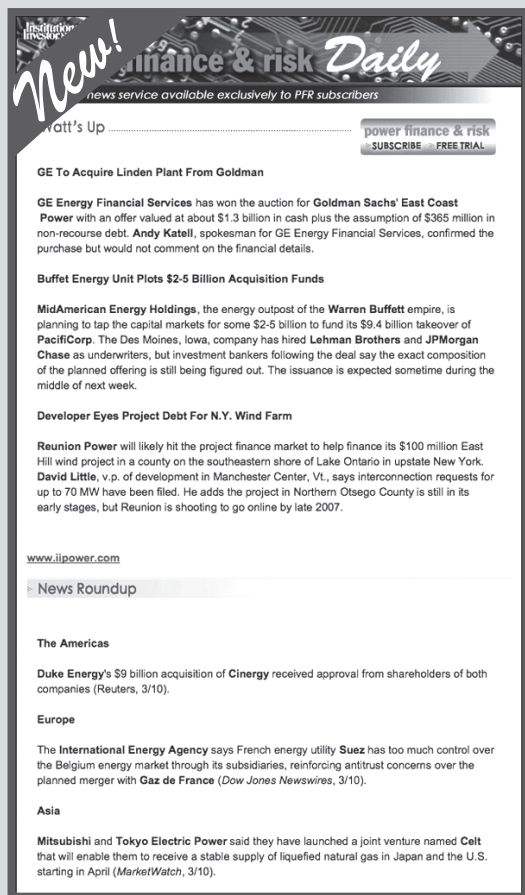
"In New Orleans, you could walk down Bourbon Street and see 90% of the people you needed to see," says **Steve Bissonnette**, first v.p. at **DZ Bank**. "The conference was the only thing going on at the [Fairmount] hotel, so it was more focused," says **Ashok Gupta**, senior v.p. at **Mizuho Corporate Bank**. Many industry officials mentioned events like the annual party at **Pat O'Brien's**, where virtually everyone from the conference could be found, as the type of event that did not happen in Las Vegas because of the diverse entertainment options.

Others immediately took to Las Vegas. "It has more to offer," said **Frank Napolitano**, managing director at **Lehman Brothers**. And **Doug Sherman**, underwriter at **CSG Investments**, wondered how anyone could not have a good time on the Las Vegas Strip.

Kellerman: Bigger Isn't Always Better In M&A

Larry Kellerman, managing director of commodities at **Goldman Sachs** and co-president of **Cogentrix Energy**, took issue with the notion gaining currency at the moment that bigger is better in the industry. He told attendees that regional utilities that are "efficient, responsive and innovative" can compete with larger energy holding companies and have advantages that come with their smaller size. "I don't want to wake up 10 years from now and say, 'Gee, we didn't think about the outcome or consequences if all this consolidation takes place.'"

"There are some mergers that make sense. I am concerned



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Global Power Markets Conference (cont'd)

that there are some utilities that don't see a choice," Kellerman said. "I think they can be every bit as efficient in the areas that affect the cost of running a utility." Larger companies do not have advantages solely because of their scale in the ability to raise either debt or equity capital, he added.

Smaller utilities also enjoy flexibility that their larger brethren do not. Kellerman said smaller utilities do not run into as many problems if they decide to make an acquisition, while a larger company may face market power allegations and reviews that cost time and money. "If they took advantage of their differential abilities, that's where they can gain competitive advantage."

Kelliher To Weigh Enforcement Options

Joe Kelliher, chairman of the **Federal Energy Regulatory Commission**, said the regulator plans to unveil enforcement options to insure transparency in energy markets in the wake of the Energy Policy Act of 2005. Speaking during a lunchtime address, he said the agency is determining what kind of power it has, but at some point it will open up to debate. "We think market participants can help us find our way," said Kelliher.

Financiers reacted positively to the approach. "It's good to have the regulators here to listen to people who want to build," according to **Frank Napolitano**, managing director at **Lehman Brothers**. **Charles Costenbader**, senior manager at **Macquarie Bank**, noted, "People at FERC understand that the private sector needs some oversight but in general can handle its own issues."

Kelliher also spoke about the near-term goal of fostering investment in transmission infrastructure, saying he expected most of the funding to come from vertically integrated companies.

Lesson Learned?

Generation Executives Preach Prudence

With memories of being burned during the last generation overbuild still fresh, some power company executives cautioned against over exuberance. "We tried the opposite tactic," reflected **Robert Hemphill**, executive v.p. of **AES**, in calling for fiscal prudence when developing generation over in the next several years.

Michael Morris, ceo of **American Electric Power**, cautioned attendees not to follow a herd mentality. "Let's not build all of the same kinds" of plants, alluding to talk of a wave of coal-fired projects, and harkening back to the gas-fired fleets that helped bankrupt **Calpine**. Morris, though, was clear in his support of coal, saying it would be "ludicrous" of U.S. companies not to take advantage of the abundant domestic resource.

Morris also questioned the viability of merchant generation in the future, drawing a swift reply from **Bruce Levy**, president of **American National Power**, the U.S. merchant generation unit of London-based **International Power**. "We certainly have an opposing view," said Levy, who pointed out that hedges can be obtained even in some of the dicier markets these days.

Seen & Heard

• If You Can't Fight The Power... **Peter Bickford**, managing director at **ABN Amro** in New York, and a number of young bankers from **Fortis Capital**, including v.p. **William Marder** and associate **Karsten Schmitz**, shared space with hip-hop veteran and **VH1's** *The Surreal Life* guest **Flavor Flav**, who left Las Vegas nightclub *Jet* late Monday night (early Tuesday morning depending on one's perspective) around the time the bankers walked in. Does that make Bickford et. al. really hip, or is it a sad reflection on the demise of the one-time *Public Enemy* member or both? Ah, the dichotomy of Vegas.

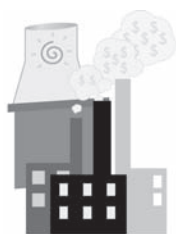
• This happened in Vegas and it's not staying there: **Matt Archer**, associate at law firm **Baker Botts**, won nearly \$1,000 by wagering Florida would win the **National Collegiate Athletic Association** men's basketball final by more than 13.5 points over **UCLA**. He slipped out of **Bingham McCutcheon's** and **AIG HighStar's** cocktail reception Monday at the Caramel Lounge before the game was over, presumably to head over to the sports book and collect his winnings.

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Generation Auction & Sale Calendar

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

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Atlantic City Electric Company	B.L.England	New Jersey	447	Coal	Concentric Advisors	
	Key Stone	Pa.	-	Coal		
	Conenaugh	Pa.	-	Coal		
Aquila	Raccoon Creek	Ill.	340	Gas	Not chosen	Intention To Sell.
	Goose Creek	Ill.	340	Gas		
	Crossroads	Miss.	340	Gas		
Bear Stearns	Mulberry	Fla.	120	Gas	Bear Stearns	Sold to Northern Star Gen.
	Orange	Fla.	103	Gas	Bear Stearns	
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention To Sell.
BNP -led bank group (Exelon developed plants)	Mystic River 7	Mass.	560	Oil/Gas	Lazard	Ongoing.
	Mystic River 8	Mass.	832	Gas		
	Mystic River 9	Mass.	832	Gas		
	Fore River	Mass.	832	Gas		
Carlyle Riverstone/ Sempra Carlyle Riverstone/ Sempra	Coleto Creek Power Station	ERCOT	632	Coal	Goldman Sachs Greenhil & Co.	Awaiting Definitive Bids At End Of March Or Early April. Preliminary Marketing Materials Have Been Submitted
	Topaz Power Group	ERCOT	2.9 GW	Gas&Oil		
Citi & SocGen-led creditor group (TECO Energy developed plants)	Union	Ark.	2,200	Gas	Goldman	Ongoing.
	Gila River	Ariz.	2,300	Gas		
CMS Energy	Ensenada	Argentina	128	Gas	Not chosen	Announced Intention To Sell.
	CT Mendoza	Argentina	520	Gas	J.P. Morgan	
	El Chocon	Argentina	1,320	Hydro	J.P. Morgan	
	Palisades	Mich.	798	Nuke	Concentric Advisors	
Citi-led bank group (NEG developed plants)	Lake Road	Conn.	840	Gas	Lehman Bros.	Cargill Bought Debt Portion (PFR, 12/27).
	Lowell Power	Mass.	82	Gas	None	Actively Pursuing A Sale.
Delta Power						
El Paso Europe	EMA Power	Hungary	70	Coal		Final Bids Due. Negotiations Are Taking Place With
El Paso North America (Merchant assets)	Berkshire	Mass.	261 (56.41%)	Gas		
	CDECCA	Conn.	62	Gas		
EnCana	Cavalier	Alberta	106	Gas	HSBC	Launched Sale In April.
	Balzac	Alberta	106	Gas	HSBC	
	Kingston	Ontario	110 (25%)	Gas	HSBC	
Energy Investors Fund	Multitrade	Va.	79.5 (60%)	Biomass	None	Stake Sold To GE
Entergy Asset Management	Robert Ritchie	Ark.	544	Gas/oil	None	Ongoing.
	Warren Power	Miss.	314	Gas		
	RS Cogen	La.	425 (49%)	CHP		
	Harrison County	Texas	550 (70%)	Gas		
Exelon/PSEG	Eddystone Generating Station	Delaware County, Pa.	1,510 MW	Coal and Gas		Interviewing Banks To Advise On Sales.
	Linden Generating Station	Linden, N.J.	775 MW	Gas		

Generation Auction & Sale Auction (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Goldman Sachs	East Coast Power	Linden, N.J.	940 MW	Gas	Goldman	GE Agreed To Purchase Asset.
Gama Construction Ireland Limited	Tynagh	Republic of Ireland	400 MW	Gas	Fieldstone Private Capital Group	Ongoing.
KBC-led creditor group Mirant	Milford	Conn.	542	Gas	Lazard	Ongoing.
	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		
InterGen	Redbud	Okla.	1,220		Citigroup	Harbert Venture Acquired The Assets.
	Cottonwood	Texas	1,235			
	Magnolia	Miss.	900			
Sempra	Twin Oaks	ERCOT	305	Coal	Goldman Sachs	Sold To PNM Resources For \$480 million.
SG-led bank group (NEG developed plants)	Athens	N.Y.	1,080	Gas	Blackstone	Assessing Bids.
	Covert	Mich.	1,170	Gas		
	Harquahala	Ariz.	1,092	Gas		
	Millennium	Mass.	360	Gas		
STEAG	Iskenderun	Turkey	1,320	Gas	Morgan Stanley	Ongoing.
Teco Energy	Dell Power Station	Ark.	540	Gas		Reviewing Options.
	McAdams Power Station	La.	599	Gas		
Tenaska Energy	Tenaska Frontier	ERCOT	830	Gas	Lehman Brothers RBC Capital Markets	J. Power Agreed To Purchase Asset (See Story, Pg. 1)
Tractebel North America	Chehalis	Wash.	520	Gas	N/A	Looking To Sell Or Swap.
WPS Resources	Sunbury Generating Station	Shamokin Dam, Pa.	450 MW	Coal	Lazard	Buyers Are Stalling Over Fuel Contracts.

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Entry Date	Fund Name	Assignment	Mandate Size (millions)	Consultant	Comments
6/21/2005	Stanford Management Company	Asia/Multi Asset	N/A	None	SMC has sent its managing directors to Asia for three months to scout out investment opportunities. The managing directors focus on different asset classes. They will return in late August or early September.
6/14/05	Dairy Crest Group Pension Fund	Global/Active Equity	130 GBP	Mercer Investment Consulting	Fund is searching for a global (ex-U.K.) active equity manager. Decisions by autumn.
6/14/05	New York City Board of Education	US/Alternatives/Private Equity	60 USD	Mellon, Human Resources & Investor Solutions	Seeking exposure to a diversified pool of private equity funds across various strategies and vintage years. RFQ will be available at (http://www.comptroller.nyc.gov) on or about June 17. Deadline is July 1, 2005.
6/13/05	Massachusetts Pension Reserves Investment Management Board	Global/Active Fixed-Income/Inflation-Linked Bonds	720 USD	Cliffwater, LLC	Seeking active global inflation-linked bond manager. RFPs are available at (http://www.mapension.com). Proposals are due July 1 with selection in Sept. 1, 2005.

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**Institutional
Investor NEWS**

Weekly Recap

The Weekly Recap is a summary of publicly reported power news stories. The information has been obtained from sources believed to be reliable, but PFR does not guarantee its completeness or accuracy.

The Americas

- **Trunkline LNG Co.** will spend about \$250 million to upgrade a liquid natural gas terminal near Lake Charles, La. The subsidiary of Houston-based **Southern Union Co.** has hired a unit of **BG Group** to install new vaporization equipment which will result in increased fuel efficiency. Work should be completed by 2008 (*United Press International*, 4/6).
- **Competitive Power Ventures** plans to build a 660 MW natural gas plant in Colusa County, Calif. Construction costs were not released. The sponsor is scheduled to begin construction in 2008. When the plant is completed, **Pacific Gas & Electric Co.** will buy and operate it (*Oroville Mercury Register*, 4/6).
- **Equatorial Energia** raised the equivalent of \$217 million, with its primary and secondary offerings of units on the **Brazilian Stock Exchange**. **Credit Suisse** and **Banco Pactual** underwrote the offering for the Brazilian utility (*The Wall Street Journal*, 4/3).
- **Calpine** reduced the output of the 811 MW natural gas-fired combined-cycle Delta Energy Center in Contra Costa County, Calif., by over 600MW. The company said the reduction was a scheduled one (*Reuters*, 4/3).
- Ex-**Westar Energy** officials **David Wittig** and **Douglas Lake** received multi-year jail terms and million-dollar fines for bilking Westar Energy out of millions in cash. Wittig was sentenced to 18 years in prison and ordered to pay a total of \$19.8 million in restitution by the U.S. District Court for Kansas, and Lake was sentenced to 15 years in prison and ordered to pay fines totaling \$7.7 million (*The Wall Street Journal*, 4/4).
- **Calpine** has identified 20 plants as non-core assets that it could potentially offload by year-end. The San Jose, Calif., company also is closing offices in Atlanta, Boston and Dublin, Calif. These efforts, and other restructuring plans, are expected to reduce annual costs by more than \$150 million (*Dow Jones Newswires*, 4/4).
- **Esperanza Energy**, a unit of San Antonio-based **Tidelands Oil & Gas Corp.**, is evaluating construction of an offshore southern California liquefied natural gas receiving terminal. A specific site has not yet been identified (*United Press International*, 4/4).
- **Florida Power & Light Co.** plans to increase generation resources by about 27% over the next 10 years to meet anticipated customer growth and increasing customer electricity

needs. FP&L also notified the **Nuclear Regulatory Commission** of its intent to submit a license application in 2009 for a new nuclear power plant in Florida at an unspecified site (*South Florida Business Journal*, 4/4).

- Two former natural gas traders scheduled to go to trial together in April will now be tried separately in May. **Michelle Valencia**, formerly of **Dynegy**, and **Greg Singleton**, an ex-El Paso staffer, are accused of filing false gas trading data and withholding data to trade publications (*Houston Chronicle*, 3/31).
- **Southern California Edison Co.** has given up an effort to quickly restart its giant Mohave power plant, which was shut down Jan. 1 for failing to comply with pollution standards (*Los Angeles Times*, 3/31).
- **Xcel Energy** is auditioning developers to construct a solar power plant capable of supplying power to as many as 1,800 homes. The project will cost around \$50-60 million (*The Denver Business Journal*, 3/31).
- **Pacific Gas & Electric Co.** plans to spend about \$1.5 billion on its first power-plant building program since deregulation forced the utility to sell most of its generators. The first plant is scheduled to go online in 2009 (*San Francisco Chronicle*, 4/5).
- Ohio's Hamilton and Clermont counties are out of the running as sites for a \$1 billion coal-to-hydrogen electric plant, known as the FutureGen project. The U.S. **Department of Energy**, which will choose the finalists next month, is selecting paring down from more than two dozen sites in nine states for the experimental plant (*The Enquirer*, 4/5).

Europe

- Spain's **Endesa** will ask a Spanish court to lift the mandated suspension of a takeover bid from **Gas Natural** in case a rival bid from **E.ON** is approved by regulators (*The Wall Street Journal*, 4/3).
- **Gerhard Schroder**, the former German chancellor, is under pressure to resign as chairman of the **Gazprom-led North European Gas Pipeline Co.** after it was reported his government granted the project a €1 billion credit guarantee just weeks before he left office (*Financial Times*, 4/3).
- The European Commission ordered Italy and Spain to lift laws that limit foreign control of domestic energy companies. Both rules break European Union treaty laws guaranteeing movement of capital within the 25-nation bloc, the commission said (*The Wall Street Journal*, 4/4).

● Spain's **Gas Natural** will raise its offer for **Endesa** to compete with a rival counter-bid from Germany's **E.ON**, according to the company's chief executive. A spokeswoman for Gas Natural did not give a new price. Gas Natural last year offered about €22 billion in cash and shares. E.ON countered with an all-cash offer of €29.1 billion (*Dow Jones Newswires*, 4/5).

Asia

● India became the first government member of the \$950 million FutureGen project that will build a coal-based plant without any carbon emissions. The project expects to raise \$250 million from a private-industry coalition, with the remaining \$700 million to be provided by the U. S. in

partnership with other countries (*United Press International*, 4/4).

● **Industrial & Commercial Bank of China** will lend 60 billion yuan (\$7.5 billion) to **China Guangdong Nuclear Power Holding Co.**, a state-owned nuclear power company, over the next five years for nuclear plant construction and operations (*The Wall Street Journal*, 3/31).

The Middle East

● **Qatar Gas Transport Co.** is ordering six liquid natural gas tankers, worth a combined \$1.8 billion, from South Korea's **Daewoo Shipbuilding and Marine Engineering** and **Samsung Heavy Industries** (*United Press International*, 3/31).

J-POWER BAGS

(continued from page 1)

Lehman Brothers and **RBC Capital Markets**, which are running the process, green-lighted first round bids between \$200-250 million for the second phase (PFR, 3/17), and six to nine bidders were believed to be vying for the asset (PFR, 1/30). Calls to officials at the auctioneers were not returned.

The sale breaks down into Tenaska's 61.75% limited partnership stake and 0.25% of the general partnership. Tenaska will retain operating and management of the facility, which has an offtake contract with a division of **Exelon** for the entire output until 2020. The plant, which is a combined-cycle, dual-fueled natural gas and oil facility, began operating in 2000 and is considered one of the more efficient facilities in the region.

—Peter Roth

IRISH WIND BUILDER

(continued from page 1)

about one-year to fund construction that it hopes to replace with equity from investors aiming to receive tax-benefits from investing in wind farms. The to-be-constructed projects are in the planning stages with **Airtricity** still at work on PPAs. O'Brien declined to identify the specific projects because he said deals and agreements are still in flux.

Given a growing tolerance for risk in wind generation, **Eddie O'Connor**, ceo at **Airtricity**, says capacity from its 2007 batch of projects, which could total some 400 MW, might be as much 50% sold on a merchant basis. "Taking merchant risk is not as big a deal as it was during the stretch in the late 1990s. It's a quantifiable risk now," he says.

Meanwhile, **HypoVereinsbank** is expected to provide \$250 million in short-term funds for a series of Texas wind farms, O'Brien says. Syndication of that loan will kick off in the next few weeks, he says. In the fall, HVB was tapped to provide construction funds for a trio of wind farms in Idaho, New York and Texas (PFR, 11/14). Calls to officials at the bank were not returned.

O'Brien says plans for its Idaho project collapsed, but its

Gamesa- and **Siemens-**manufactured turbines will be directed to planned farms in ERCOT. He would not comment further on its plans in Idaho.

—Mark DeCambre

Tag End

Airtricity, the Dublin-based renewable energy company, has hired **Pat Wood** as chairman of the company's North American advisory board. The company also appointed **Declan Flanagan** as general manager North America.

Calendar

● **Euromoney** and the **American Council on Renewable Energy** will host the third annual Renewable Energy Finance Forum-Wall Street in New York at the Waldorf Astoria Hotel June 21-22. For more information, please contact **Glenn Cooney** via phone at +44-0-20-7779-8914.

● **Midwest Renewable Energy Association** is hosting its 17th annual Renewable Energy and Sustainable Living Fair June 23-25, 2006. The Fair will again be held at the ReNew the Earth Institute, MREA's educational facility, in Custer, Wis. For additional information contact <http://www.the-mrea.org>.

Quote Of The Week

"Greed has no memory."—**Alan Rosenberg**, president of **KGen Power Management**, talking at the Platts' conference in Las Vegas, on the challenges facing utilities as they contemplate growth (see story, page 5).

One Year Ago In Power Finance & Risk

Lehman Brothers had landed a buyer for La Paloma Generating, a 1.12 GW merchant gas-fired plant near Kern County, Calif., that had been for sale for about a year. [**Complete Energy**, a Houston-based investment boutique, bought the facility for about \$600 million (PFR, 5/16).]