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Barclays Makes U.S. Power Push

Barclays Capital has begun building a New York-based power trading team, with the appointment of an **American Electric Power** trader.

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Monsanto Puts Plant Up For Sale

An affiliate of Monsanto has hired **Marathon Capital** to divest an almost new power plant in Oregon.

See story, page 2

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New Entrant

DUKE VETERAN EYES MOTHBALLED GENERATION PROJECTS

Steve Gilliland, part of the top brass at **Duke Energy North America**, who until recently managed its 18 GW generation portfolio, has formed a power plant acquisition boutique with a novel twist. Rather than targeting the vast swath of underperforming facilities that are already on the block, Gilliland is setting his crosshairs on partially constructed plants and unbuilt greenfield generation projects. The initial focus of his new firm, **Federal Power Co.**, is to seek out U.S. power markets that it believes will be the first to recover from the downturn. "It won't be a homogenous recovery in power markets. It'll be spotty," says Gilliland.

Federal Power is already in negotiations to buy two incomplete 500 MW projects, Gilliland says, declining to give further details. Federal Power is also looking at

(continued on page 8)

J.P. MORGAN CONSIDERS EUROPEAN TRADING PUSH

J.P. Morgan is considering setting up a London-based power trading and marketing desk later this year, as part of an effort to ramp up its energy business. Officials close to the firm say Morgan is penciling in a fourth quarter entry date for power, by which time it should have got up to speed trading other more liquid European energy products.

The bank began staffing up its European oil and gas marketing desk in London last week with the appointment of **Rob Keen**, a former **Bank of America** and **Goldman Sachs** commodity derivatives salesman. He reports to **Jose Cogolludo**, head of energy derivatives marketing. Cogolludo, an 11-year Goldman Sachs energy marketing veteran who joined J.P. Morgan earlier this year, is looking to make several more hires in the coming months to provide marketing coverage across mainland Western Europe. He will turn his attention

(continued on page 8)

EDISON MISSION JOINS SPLIT LIEN REFINANCING WAVE

Edison Mission Energy is offering first and second-lien tranches in its upcoming \$2 billion debt refinancing, highlighting an emerging trend among financially stretched power companies to dice their refinancings into bank-friendly first-lien paper and riskier second-lien debt targeting institutional investors.

Institutional money managers' apparent appetite for subordinate tranches is assuaging many lenders' initial fears that the wave of looming debt maturities at **EME**, **Calpine** and the like would prove tough to refinance. "Edison will definitely find takers for the second [lien]," says one lender tracking the deal. Calpine's recent \$2.4 billion refinancing of its CCFC-II revolver (PFR, 3/29) was another senior-subordinate multi-tranche deal that took out a pure bank facility.

(continued on page 8)

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



At Press Time

Barclays Makes Big Apple Hire

Barclays Capital has begun building a U.S. power trading business. Last Monday Vishal Apte, a power trader covering the Northeast at **American Electric Power**, joined in New York. The appointment marks Barclay's first U.S. power trading hire since **Joe Gold**, managing director and head of continental European power and gas, crossed the pond from London to New York at the turn of the year (PFR, 12/9). Apte declined to comment and calls to Gold went unreturned.

Gold has already made several gas trading appointments, including the hire of **Chris Smith** and **Henry Weitzner**.

Barclays launched its European power business early in 2002 with the hire of some 25 traders and marketers, including Gold, from **Enron Europe** (PFR, 2/10/02).

London Hedge Fund Seen Eying Energy Push

Brevan Howard, a London-based fixed-income hedge fund with over GBP1 billion under management, is reportedly looking to enter the energy trading sphere. London gas traders say the fund, which operates out of **Credit Suisse First Boston's** office complex in Canary Wharf, has begun talking to potential recruits and is considering entering the market later this year. **James Morrison**, an investor relations official at Brevan Howard, denied it was looking to diversify into commodities.

Brevan Howard was set up last summer by five CSFB interest-rate derivatives traders, **Alan Howard**, **Chris Rokos**, **Jean-Philippe Blochet**, **Trifon Natsis** and **James Vernon**, according to press reports.

Oregon Plant Heads For Auction

An EPC unit of St. Louis-based agri-giant **Monsanto** and Vancouver, Wash.-based developer **Makad Corp.** are looking to sell a 28 MW gas-fired peaker in Boardman, Ore., close to the Washington border. Indicative bids for the merchant facility are due May 12, says **Tom White**, managing director at **Marathon Capital**, which is advising on the sale.

The simple-cycle unit, which cost \$22.5 million to build, was completed in the fourth quarter of 2001, but has not been in commercial operation since then.

"The peaking market fell apart," says White. Makad and **Monsanto Enviro-Chem Systems** are looking to sell the plant now as the market has come back slightly. White says interest is being shown by players active in the Northwest, particularly given the poor outlook for hydroelectricity this summer, such as munis and also some wind developers, which could use the asset to firm supply to offtakers during low wind periods.



Boardman Power Plant

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

ABN Seen Hiring BNP Energy Pros

ABN AMRO is reportedly set to land two former BNP Paribas energy derivative professionals as it looks to beef up its European commodity business. Market watchers say **Vincent Chevance**, a senior oil and gas marketer, and **Wayne Harburn**, an oil and gas trader, are set to join the Dutch bank in London later this month. The pair left BNP early last month. Neither Chevance or Harburn could be reached for comment and calls to **Brian de Clare**, global head of commodity derivatives sales at ABN in London, were not returned.

Acquires Seal UniSource Buyout Loan

The private equity players planning to acquire **UniSource Energy** have wrapped a \$410 million loan that is financing the deal. The loan for **Saguaro Utility Group** had a testing time in syndication as some players were uncomfortable with the idea of a delayed drawn down of the facility. The delay was necessary as the acquisition is dependent of regulatory approval (PFR, 3/21).

Although some bankers complained about the 50 basis point ticking fee for undrawn commitments, one industry official says the loan wrapped with the fee left unchanged. The \$360 million, seven-year term loan and \$50 million, five-year revolver were also pitched with the spin that lenders taking part in the Saguaro deal would get a bigger slice of a separate \$400 million refinancing for UniSource unit **Tucson Electric**.

CSFB Adjusts Pricing On Astoria Energy Loan

Lead arranger **Credit Suisse First Boston** has sliced back pricing on a \$200 million second-lien loan for power plant developer **Astoria Energy**.

One financier says the spread now stands at 875 basis points over LIBOR, down about 12.5 basis points from the price talk mooted during syndication. The financier adds pricing on the first-lien \$500 million chunk has gone in the opposite direction, firming up at the top end of the 525-500 basis point spread range. The loan, which will finance construction of a 500 MW gas-fired plant in Queens, New York City, has a full book of commitments (PFR, 4/5) and was set to close last Friday after *PFR* went to press.

The deal's syndication has held center stage for many financiers because, once wrapped, it will be the first high-yield deal to fund construction of a power plant. Officials say this has traditionally been the preserve of bank lenders.

CSFB Analyst Heads To London Money Manager

Orlando Finzi, a utility fixed-income analyst at **Credit Suisse First Boston** in London, has left the sell-side firm to join **M&G**, a GBP120 billion (\$220 billion) money management affiliate of **Prudential Plc**.

Finzi says he joined M&G in London at the end of March as the firm's sole pan-European fixed-income utility analyst and replaces **Gary Parker**, who left recently to join Dublin-based **Pioneer Investments**.

Market watchers say M&G is one of the more active sterling-denominated fixed-income investors in the utility sector. According to M&G's Web site, utility credits account for two of the 10 largest investments in its GBP1.36 billion corporate bond fund. Non-recourse debt tied to the U.K.'s Sutton Bridge power plant accounts for 1.1% of the fund. A further 1.3% is allocated to **E.on's** 6.375% notes due 2032.

Orlando's departure leaves CSFB with only one investment-grade fixed-income European utility analyst, **Patrick Hughes**. Calls to Hughes were not returned.

FPL Energy Wraps Wash. Wind Financing

FPL Energy has closed and allocated a \$126 million 14-year loan that refinances its 300 MW Stateline wind farm along the Washington/Oregon border. Bankers say the non-recourse deal wrapped after some adjustments were made to documentation to ease the process should the developer decide to build an 100 MW expansion on an adjacent site. One official notes the expansion site underpins FPL's bids for renewable RFPs in the Pacific Northwest.

The loan, which covers the largest wind facility in the U.S., saw strong demand (PFR, 3/22). As a result ticket sizes shrunk from the \$20 million target of lenders (see table).

Calls to leads **Bayerische Landesbank** and **ANZ Investment Bank** were not returned.

Lender	Amount (\$M)
ANZ Investment Bank	12.6
Bayerische Landesbank	12.6
Royal Bank of Scotland	8.4
Allied Irish Bank	8.4
Bank of Scotland	8.4
BBVA	8.4
CoBank	8.4
HSH Nordbank	8.4
HypoVereinsbank	8.4
KBC Bank	8.4
Lloyds Bank	8.4
KfW	8.4
NordLB	8.4
WestLB	8.4

Source: *PFR*

Banks Ready Spanish Wind Farm Financing

Caja Madrid and Dexia Crédit Local are set to seal a project level loan next month to fund the construction of the 50 MW Aldehulas wind farm in the Castile y Leon region of north-central Spain. A financier tracking the transaction says the banks have yet to determine whether to bring in a third bank before inking the deal. The roughly EUR50 million project loan will not be syndicated post signing, he adds. Officials at both banks declined to comment.

The wind farm is being developed as a joint venture between regional developer **Antata** and **Endesa**, Spain's largest utility. Endesa typically finances new projects on its balance sheet, but has opted for project-level financing in this case, as Aldehulas is a joint venture, explains the financier.

Endesa announced last month that it intends to invest some EUR1.3 billion over the next four years to acquire or develop some 3,400 MW of renewable generation capacity.

Corporate Strategies

DPL Taps Private Mart To Tackle \$500M Maturity

DPL has tapped the private note market for \$175 million to partially fund the refinancing of a \$500 million deal because the public market is effectively off limits to the Dayton, Ohio, utility holding company. The parent of **Dayton Power & Light** is embroiled in allegations of conflicts of interest and violations of **Securities and Exchange Commission** disclosure rules and tax law. "The fact it was able to tap the private market is a favorable thing," says **Rob Hornick**, senior director at **Fitch Ratings** in New York, noting that with a delayed 10k, the public market isn't available. Calls to **Pamela Holdren**, treasurer at DPL, were not returned.

The senior notes are unsecured, carry an 8% coupon and mature in 2009. New York hedge fund **Zimmer Lucas Partners** was the lead investor and **Morgan Stanley** was advisor to DPL on the deal, which was re-jigged from a planned \$300 million offering (PFR, 3/26). Zimmer Lucas is a specialist in distressed power situations and was attracted to the deal because of DPL's strong asset base, according to an observer. The hedge fund was lead investor on **Allegheny Energy's** \$300 million private placement of convertible trust preferred securities last summer (PFR, 9/30). Calls to Zimmer Lucas were not returned.

Hornick says DPL has enough liquidity after the issue to refinance its \$500 million of 6.82% notes due April 6. Fitch recently downgraded DPL's senior unsecured debt rating to BB from BBB minus and also the first-mortgage bond rating of Dayton Power & Light to BBB from A minus. The agency cited

delays to the company's 10k and the consequent impact on corporate liquidity. Hornick says Dayton Power & Light is a solid utility, but DPL is more heavily leveraged, Hornick says.

N.J. Utility Slashes Funding Lost

Atlantic City Electric Co., the utility covering the Garden State gambling mecca, has tapped the 30-year end of the yield curve to allow it to redeem more expensive debt. "Rates are low," says **Bob Dobkins**, spokesman at parent outfit, **Pepco Holdings**, of the rationale for the new \$120 million issue.

Net proceeds coupled with some cash at hand will be used to take down \$62.5 million of 7% first-mortgage bonds due Sept. 1, 2023 and \$75 million of 7% first-mortgage bonds due Aug. 1, 2028. The new \$120 million issue of 30-year, 5.8% first-mortgage bonds was led by **Banc One Capital Markets**, **Wachovia Securities** and **Scotia Capital**.

The A3/A minus-rated notes were issued at 99.693 to yield 5.821% and carried a 100 basis point spread over comparable Treasuries.

Atlantic City Electric, which covers a swath of south Jersey in addition to the city itself, operates under the **Conectiv** name.

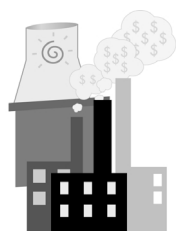
EdF Seen Scaling Back Offering

Electricité de France scaled back the size of a recent two-tranche bond offering when initial price talk emerged at the wide end of the Paris-based company's expectations, say market watchers. The French utility giant issued EUR500 million of seven-year bonds and tapped a recent three-year fungible offering with a EUR250 million add-on deal.

Fixed-income analysts say EdF typically raises debt in bulk and had initially been looking to raise in excess of EUR1 billion to bolster balance sheet liquidity ahead of some pending debt maturities. It ultimately opted for a EUR750 million deal when price talk on the longer-dated tranche widened to 25-27 basis points over the swap curve, against initial expectations of a 24-25 basis point spread, they add. Calls to EdF's press office were not returned.

The 3.75% coupon seven-year bonds ultimately priced at 99.589, representing a 27 basis point spread over the swap curve. Despite a wider-than-expected spread, **Andrew Moulder**, a fixed-income analyst at joint bookrunner **Barclays Capital**, says the offering represents fair value for both EdF and debt investors. Investors expect EdF to be downgraded from its present rating of Aa3/AA minus when it is privatized next year, and the pricing reflects a strong single A credit, argues Moulder.

Deutsche Bank, **Dresdner Kleinwort Wasserstein**, **JP Morgan** and **UBS** also underwrote the bond deal. The smaller tranche offers a 3.25% coupon and was priced at 101.926.



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 Will Ainger, managing editor, at (44-20) 7303-1735 or e-mail wainger@euromoneyplc.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status
AEP	Fiddler's Ferry	U.K.	2,000	Coal	Lexigon	Intention to sell.
	Ferry Bridge	U.K.	2,000	Coal	Lexigon	
	El Bajio	Mexico	600 (50%)	Gas	WestLB	
AES	Wolf Hollow	Texas	730	Gas	N/A	Ongoing.
	Granite Ridge	N.H.	720	Gas		
	Termomamonal	Colombia	90	Gas		
	Ottana	Italy	140	Gas	None	Ongoing
AES Fifoots Point	Fifoots Point	U.K.	363	Coal	KPMG (Administrator)	Looking to sell plant.
Allegheny Energy Supply	Armstrong	Penn.	356	Coal	J.P. Morgan	Ongoing.
	Hatfield	Penn.	1,600 (75%)	Coal	Citibank	
	Mitchell	Penn.	442	Coal	J.P. Morgan	
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention to sell.
Black Hills Energy	Pepperell	Mass.	40	Gas	-	Intention to sell.
CenterPointEnergy	Texas Genco portfolio (12 plants)	Texas	14,175	Variety	-	Reliant has passed up option to purchase portfolio.
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	
Citi-led bank group (NEG developed plants)	Lake Road	Conn.	840	Gas	Lehman Bros.	Seperate auction for each plant.
	La Paloma	Calif.	1,121	Gas	Lehman Bros.	
ConocoPhillips	Ingeside	Texas	440 (50%)	Gas	None	Looking to sell stake by June.
Damhead Power	Damhead	U.K.	800	Gas	E&Y	Banks Looking To Divest Ownership.
Delta Power	Lowell Power	Mass.	82	Gas	None	Actively pursuing a sale.
Duke Energy North America	Hot Spring Energy Facility	Ark.	620	Gas	CSFB	Launched sale in January.
	Murray Energy	Ga.	1,240	Gas		
	Sandersville Energy	Ga.	640	Gas		
	Marshall Energy	Kty.	640	Gas/oil		
	Hinds Energy Facility	Miss.	520	Gas		
	Southhaven Energy	Miss.	640	Gas		
	Enterprise Energy	Miss.	640	Gas		
	New Albany Energy	Miss.	385	Gas		
	Lee Energy	Ill.	640	Gas		
	Bridgeport Energy	Conn.	480 (67%)	Gas		
	Grays Harbor (in construction)	Wash.	650	Gas		
	Deming Energy (in construction)	N.M.	570	Gas		
	Moapa Energy	Nev.	1,200	Gas		
	Griffith Energy (50%)	Ariz.	600	Gas		
	Maine Independence	Maine	520	Gas		
Dynegy	Oyster Creek	Texas	424 (50%)	Gas	N/A	Ongoing.
	Hartwell	Ga.	300 (50%)	Gas		
	Michigan Power	Mich.	123 (50%)	Gas		
	Commonwealth	Va.	340 (50%)	Gas		
El Paso Europe	Enfield	U.K.	396 (25%)	Gas	No Advisor	Looking to exit Europe.
	EMA Power	Hungary	70	Coal		
	Kladna	Czech Rep.	350	Coal		

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
El Paso North America (Merchant assets)	Bastrop	Texas	543 (50%)	Gas	Citigroup	Final bids due.
	Bayonne	N.J.	186	Gas		
	Berkshire	Mass.	261 (56.41%)	Gas		
	Camden	N.J.	149	Gas		
	CDECCA	Conn.	62	Gas		
	Eagle Point	N.J.	233	Gas		
	Fulton	N.Y.	45	Gas		
	Milford	Conn.	540 (45%)	Gas		
	Newark Bay	N.J.	147	Gas		
	Pawtucket	R.I.	67	Gas		
	Rensselaer	N.Y.	79	Gas		
	San Joaquin	Calif	48	Gas		
El Paso North America (Contracted assets)	Midland Cogen	Miss.	1,500 (44%)	Gas	Citigroup	Set to sell remainder of QF portfolio to AIG.
	Prime	N.J.	66 (50%)	Gas		
Edison Mission Energy	Derwent	U.K.	214 (33%)	Gas	CSFB/Lehman	Has received initial non-binding bids.
	Dinorwig	U.K.	1,728	Pumped-storage		
	Ffestiniog	U.K.	360	Pumped-storage		
	ISAB Energy	Italy	512 (50%)	Waste		
	ICPV4	Italy	312 (50%)	Wind		
	Spanish Hydro	Spain	86	Hydro		
	Doga Energy	Turkey	180 (80%)	Gas		
	CBK	Philippines	728 (50%)	Pumped-storage		
	Clyde	N.Z.	432 (51%)	Hydro		
	Kwinana	Australia	116 (70%)	Gas		
	Loy Yang B	Australia	1,000	Gas		
	New Plymouth	N.Z.	464 (51%)	Gas		
	Oakey	Australia	300 (12%)	Gas		
	Ohaaki	N.Z.	104 (51%)	Gas		
	Otahuhu A	N.Z.	45 (51%)	Gas		
	Otahuhu B	N.Z.	372 (51%)	Gas		
	Poihipi	N.Z.	55 (51%)	Steam		
	Roxburgh	N.Z.	320 (51%)	Hydro		
	Te Rapa	N.Z.	45 (51%)	Gas		
	Valley Power	Australia	300 (60%)	Gas		
	Wairekei	N.Z.	165 (51%)	Steam		
Endesa	Paiton	Indonesia	1,230 (40%)	Coal	N/A	Ongoing.
	Tri Energy	Thailand	700 (25%)	Gas		
Endesa	Conatillor	Chile	172	Hydro	N/A	Ongoing.
Energy East	Ginna	N.Y.	470	Nuclear	J.P. Morgan/Concentric	Agreed sale to Constellation Energy.
Entergy Asset Management	Crete	Ill.	320	Gas	Deutsche Bank	ArcLight is set to acquire Entergy's 50% stake. Launched sale in September.
	Robert Ritchie	Ark.	544	Gas/oil		
	Warren Power	Miss.	314	Gas		
	Top of Iowa	Iowa	80	Wind		
	RS Cogen	La.	425 (49%)	CHP		
	Roy S. Nelson	La.	550 (20%)	Coal		
	Harrison County	Texas	550 (70%)	Gas		
	Independence	Ark.	842 (15%)	Coal		
Ernst & Young Corporate Finance (representing secured creditors)	Bear Swamp	Mass.	599	Hydro	E&Y	Exploring Sale.
Exelon	Mystic 8	Mass.	800	Gas	Lehman Bros.	Has shortlisted bidders. Looking to execute a quick sale.
	Mystic 9	Mass.	800	Gas		
	Fore River	Mass.	800	Gas		
Fife Power	Fife	U.K.	115	Coal	E&Y (Administrator)	El Paso placed plant in administration.
HSBC-led creditor group	Attala	Miss.	526	Gas	HSBC	Ongoing.
InterGen	El Bajio	Mexico	600 (50%)	Gas	No Advisor	Ongoing.
Killingholme Power	Killingholme B	U.K.	800	Gas	N/A	Banks Looking To Divest Ownership.

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
LG&E Power	Roanoke Valley	N.C.	178 (50%)	Coal	N/A	Sent out RFP in April.
	Gregory Power	Texas	550 (50%)	Gas		
	Palm Springs	Calif.	42 (50%)	Wind		
	Tyler	Minn.	27 (50%)	Wind		
	Van Horn	Texas	41 (33%)	Wind		
	Tarifa	Spain	30 (46%)	Wind		
Merloni Elettrodomestici	Teverola	Italy	150	gas	N/A	Is in talks with ArcLight.
	Ferrara	Italy	150	gas		
Mirant	Kendall	Mass.	270	Oil	CSFB BofA	Ongoing.
	Shady Hills	Fla.	474	Gas		
	West Georgia	Ga.	640	Gas		
	Bosque County	Texas	538	Gas		
	Wichita Falls	Texas	77	Gas		
Morrow Power	Boardman	Ore.	28	Gas	Marathon Capital	Looking to select bidder by June.
National Energy Gas & Transmission	Cedar Bay	Fla.	258 (64%)	Coal	Lazard	Ongoing.
	Panther Creek	Penn.	80 (55%)	Coal		
	Logan	N.J.	226 (50%)	Coal		
	Northampton	Penn.	110 (50%)	Coal		
	Indiantown	Fla.	330 (51%)	Coal		
	Carneys Point	N.J.	245 (51%)	Coal		
	Selkirk	N.Y.	345 (42%)	Gas		
	Altresco Pittsfield	Mass.	173 (89%)	Gas		
	Masspower	Mass.	267 (13%)	Gas		
	Scrubgrass	Penn.	87 (51%)	Coal		
	Colstrip Energy	Mont.	40 (17%)	Coal		
	Hermiston	Ore.	474 (25%)	Gas		
	Salem Harbor	Mass.	745	Coal & Oil		
	Pittsfield	Mass.	173	Gas		
	Brayton Point Station	Mass.	1,599	Coal		
	Manchester Street Station	R.I.	495	Gas		
Nations Energy	Bayport	Texas	80	N/A	Considering liquidating the company.	
	Mungo Junction	Ohio	32			
	Southbridge	Mass.	7			
Oman (Ministry of Housing, Electricity & Water)	Rusail	Oman	730	Gas	CSFB	-
	Ghubratt	Oman	507	CHP		
	Wad AlJazzi	Oman	350	Gas		
Ontario Power Generation	Lennox	Ontario	2,140	Oil, gas	Merrill Lynch & Scotia Capital	Ongoing.
	Lakeview	Ontario	1,140	Coal		
	Atikokan	Ontario	215	Coal		
	Thunder Bay	Ontario	310	Coal		
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
	Termopaipa IV	Philippines	185	Gas		
TECO Energy	Gila River Power Station	Ariz.	2,300	Gas	N/A	Considering exiting the merchant energy business.
	Odessa Power Station	Texas	1,000	Gas		
	Guadalupe Power Station	Texas	1,000	Gas		
	Frontera Power Station	Texas	477	Gas		
	Dell Power Station	Ark.	540	Gas		
	Union Power Station	Ark.	2,200	Gas		
	McAdams Power Station	La.	599	Gas		
	Commonwealth Chesapeake	Va.	315	Gas		
Tractebel North America	Chehalis	Wash.	520	Gas	N/A	Looking to sell or swap.
United Utilities	Landfill Generation Portfolio	U.K.	50 MW	Landfill	RBC Capital Markets	Set To Launch Sale In March.

EDISON MISSION

(continued from page 1)

The EME package, which is being set up by subsidiary **Midwest Generation**, is still being pitched to investors, so firm pricing has yet to materialize. One industry official says a \$700 million first-lien seven-year loan has price talk of LIBOR plus 325 basis points, but pricing is unclear on the other \$200 million tranche of the first-lien loans that will take the form of a revolver. The balance of the deal consists of \$1 billion of second-lien notes due 2034 and a \$100 million revolver at EME.

The security on the refinancing, as with several earlier multi-tranche deals, is strong, says one observer. The deals are secured against Midwest Gen's fleet of Midwest coal plants. Those plants are in locales that would sustain the debt even when their contracts expire, he adds.

Citigroup, **Credit Suisse First Boston**, **Lehman Brothers** and **J.P. Morgan** are leads on the financing and are looking to close the deal quickly; within the next week or so, says one official. A spokesman at Morgan confirmed the deal's pricing and structure.

The new funds will take out \$693 million of indebtedness at Midwest Gen's direct parent, **Edison Mission Midwest Holdings**, and covers termination payments under the Collins Station \$970 million lease financing. —P.T.

DUKE VETERAN

(continued from page 1)

acquiring development rights, and by year-end Gilliland hopes to have between one and three deals booked, covering at least 1,000 MW and possibly 2,000 MW of capacity.

The firm has landed external backing from institutional and individual investors, Gilliland says, declining to name the institutions, or give a specific figure on the capital at its disposal. He says the backing runs into the millions, but not hundreds of millions.

There is a view among some players that, even on the horizon, there is little need for additional generation capacity. Gilliland says this may be the case in some markets, such as Mississippi, but other areas are going to need new capacity by 2008. And that requires developers to start the ball rolling now, he adds. Federal Power in particular sees good near-term prospects in PJM East, parts of New York, Florida and Southern California.

Gilliland, who is well known in project development circles, left his slot as senior v.p. of asset management at DENA at the turn of the year after a management restructuring.

He is not bidding in the current auction of DENA southeast U.S. merchant assets (PFR, 4/5) as the plants are

located in regions outside Federal Power's interest.

Randy Wheelless, a spokesman at Duke, says the company has been downsizing the wholesale operations run by DENA and as part of the move a several staffers have left over the last few years.

Before DENA, Gilliland held executive positions at **CRSS Capital**, a power plant developer, **Transco Power** and **Proler International**, an energy services and recycling company.

—Peter Thompson

J.P. MORGAN

(continued from page 1)

to the U.K. gas market in the second half of this year and then look at power, says one official. Cogolludo and Keen declined to comment.

Market watchers say they would welcome the arrival of a new entrant into the power-trading arena, but remain skeptical of Morgan's ambitions. "It has been considering setting up a power desk for a while, but has continuously pushed back the start date," says one recruitment executive. —W.A.

Quote Of The Week

"It won't be a homogenous recovery in power markets. It'll be spotty." —**Steve Gilliland**, former senior v.p. at **Duke Energy North America**, forecasting a variable recovery in wholesale power prices across the U.S. (see story, page 1).

One Year Ago In Power Finance & Risk

Pepco Holdings was looking to issue up to \$700 million in bonds to refinance commercial paper. CFO **Andrew Williams** said the company had yet to select underwriter for the deal. [In late May the Washington, D.C., utility holding company issued a \$400 million two-tranche floating- and fixed-rate bond offering through joint bookrunners **Credit Suisse First Boston** and **Merrill Lynch**.]

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