

power finance & risk

The exclusive source for power financing and trading news

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Web Exclusives

● **Exelon** will consider a swap with **Sempra Energy** instead of an outright sale of the assets it plans to divest as a result of its pending merger with **Public Service Enterprise Group**.

● **Goldman Sachs** has wrapped a \$750 million loan package for **Cogentrix Energy** after boosting the term B portion.

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

PFR Overseas Nominees

PFR is revealing our international nominations for our annual project finance awards in 2004.

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KRIEDEL SIZES UP EXELON, GENHOLDINGS PACKAGES



William Kriegel

K-Road Ventures, the shop run by IPP trailblazer William Kriegel, has emerged as the frontrunner for a pair of merchant portfolios totaling nearly 7 GW. The New York-based firm is in advanced negotiations for the BNP Paribas-led creditor auction of the 3 GW Exelon Boston generating facilities and has also rekindled talks with lead creditor Société Générale for another shot at the 3.7 GW GenHoldings assets, now known as MachGen.

K-Road is reportedly aiming to land both portfolios and envisions solidifying its plans over the next few weeks or months. K-Road and SocGen officials

(continued on page 12)

GOLDMAN GAS TRADING BIGWIG HOPS TO CSFB

Rita Neagle, managing director and head of the New York gas trading desk at Goldman Sachs, is joining Credit Suisse First Boston. The prominent energy trader left last week, a few months after being made a managing director. She will take a similar role heading up New York gas trading at the Swiss-owned firm. CSFB has been looking to ramp up trading over the past few months after plans for a joint trading desk with TXU collapsed (PFR, 12/10).

Neagle had been with the gas trading desk at Goldman for over six years. Prior to her stint with Goldman, she was a gas trader with Houston-based commodities trading firm Louis Dreyfus from 1989-1997 and held a similar position with CNG Energy Services from 1997-1998. CNG was acquired by Richmond, Va.-based Dominion Resources in 1999.

—Christine Buurma

Cash For Pollution

EAST COAST STATES EXAMINE CARBON TRADING

The Regional Greenhouse Gas Initiative, an effort by nine Northeast and Mid-Atlantic states to reduce carbon dioxide emissions, is developing a cap-and-trade program. The program sets an emissions cap and allows companies that reduce emissions below it to sell carbon credits to entities emitting more than their allowance. According to sister publication *Derivatives Week*, the group expects to develop a model, by early summer, which will set a cap on how much each state can emit, says Joanne Morin, a climate change program manager with the New Hampshire Department of Environmental Services and an RGGI participant, adding it will take each state at least a year to implement the plans.

Derivatives users have already shown their interest in trading carbon and cap-and-trade programs will cause this market to surge, according to Peter Fusaro, chairman of Global

(continued on page 12)

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

AES Hunts Finance Pro For Wind Arm

AES SeaWest is seeking a dedicated project finance professional to oversee funding for wind development projects. The position is a new one for the renewable energy company created as a result of AES Corp.'s acquisition of developer SeaWest Holdings last month, says a recruiter familiar with the matter, noting the post will be based in San Diego. Calls to Christian Engsted, SeaWest president, and Robin Pence, a spokeswoman for AES in Arlington, Va., were not returned.

The project finance pro will perform financial analysis and modeling to determine the feasibility of proposals and prep power pricing and financing structures.

Greenwich Hedge Fund Scores Citi Energy Analyst

North Sound Capital, the \$3 billion hedge fund run by Tom McAuley, a former managing director at Tiger Management, has hired a new head for its energy team. Alexander Mottershead was an analyst with Citigroup Asset Management where he covered global energy and chemicals. According to sister publication Alternative Investment News, he is expected to join the Old Greenwich, Conn., fund in the next few weeks, says Ned Parrish, managing director of investor relations at North Sound.

Mottershead was brought in to replace David Zufman, who recently left to start his own fund, Parrish says.

Mottershead was between jobs and not available for comment. Mary Athridge, a Citi spokeswoman, would only confirm his departure.

Cleco Nails \$275M Revolver

Cleco Corp. has wrapped syndication of unsecured loan facilities totaling \$275 million.

Mike Burns, spokesman in Pineville, La., says the holding company's ability to manage risk and pay down debt drew investors, noting it has cut \$166 million in recourse debt over the past two years, bringing its debt level to 44%. Calls to Kathleen Nolen, treasurer, were not returned.

Interest for the syndication, which was 1.5 times oversubscribed, was spurred by lender's eagerness to enter into new deals and spawn new relationships, says one banker involved with the deal. New banks to enter the deal led by Bank of New York and JP Morgan, include UFJ, Mizuho Bank, Comerica, Calyon and Société Générale. Allocation amounts could not be obtained. Officials at BoNY declined to comment and JP Morgan officials did not return calls for comment.

Other participants include West LB, KeyBank, Union Bank of California, CoBank, Bank Hapoalim, Credit Suisse First Boston, Goldman Sachs, Hibernia National and Whitney National Bank. Officials at the firms either declined to comment or did not return calls.

The holding company is refinancing an existing three-year \$150 million facility and its subsidiary Cleco Power's \$125 million 364-day line (PFR, 3/21). Both are now five-year facilities with the holding company maintaining a facility fee of 27.5 basis points over LIBOR, a utilization fee of 12.5 basis points and a draw fee of 87.5 basis points over LIBOR. Cleco Power's new line is priced at LIBOR plus 12.5 basis points for its facility fee and has a 12.5 basis point utilization fee and a 60 basis point draw spread (PFR, 3/21).

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

PPM Seeks Gas Trading Analysts

PPM Energy, the Portland, Ore.-based independent power producer arm of U.K. holding company **ScottishPower**, is looking for two trading analysts to evaluate hedged natural gas positions. PPM is seeking to bulk up trading and marketing operations (PFR, 3/4). A call to **Ralph Currey**, senior v.p. of energy management, was not returned.

The analyst positions are new posts in PPM's Houston office, says a headhunter familiar with the matter. It was not immediately clear why the IPP is looking to expand its trading team.

Westar Stretches Tenor On \$300M Line

Westar Energy is looking to refinance a three-year \$300 million unsecured facility replacing it with a longer-tenor five-year senior secured line. Leads **Bank of New York** and **JPMorgan** launched syndication two weeks ago with commitments due next Monday, according to one banker. "Over the past couple of years, we have been doing some refinancing when conditions in the financial markets have made it favorable for us," says **Gina Penzing**, spokeswoman Westar in Topeka, Kan., declining to comment on specifics.

The new facility is backed by first-mortgage bonds. Pricing on the facility could not be obtained. The original line was wrapped in March 2004 and priced at 30 basis points undrawn and 150 points drawn over LIBOR. Officials at Bank of New York declined comment and calls to bankers at JPMorgan were not returned.

Hasta La Vista, Energy Woes! Schwarzenegger Taps NY Shop To Tout Plan



Schwarzenegger

The state of California is planning to launch an aggressive public relations campaign for Gov. **Arnold Schwarzenegger**'s 10-point energy plan and has tapped New York-based consultant **Saber Partners** to tout it. Saber will also advise on financial and regulatory issues related to the plan, says **Joseph Fichera**, ceo.

Saber held a similar position during the state's energy crisis under then-Gov. **Gray Davis**.

The centerpiece of the proposal is a requirement that all energy sellers maintain a 15% reserve margin, which would be the most stringent in the country. Comparatively the reserve margin, which is the difference between the

dependable capacity of a utility's system and the anticipated peak load, in ERCOT is 12.5%.

The plan also encourages the **Public Utilities Commission** to increase the amount of renewable energy the state uses to 20% by 2010, rather than 2017 as was previously mandated. **Joseph Desmond**, deputy secretary for energy in Sacramento, Calif., did not return a call.

Canadian Firm Launches Energy Fund

Toronto-based **HorizonOne Asset Management** launched an energy fund on April 1. The firm will follow this with the roll out of its second hedge fund, an income-focused vehicle, on June 1, says **James Mahoney**, president.

According to sister publication, *Alternative Investment News*, the *EnergyPlus Fund* invests in a combination of private and public small- to mid-cap energy firms. This is complemented by a special situations portfolio which can invest in any sector, says Mahoney. The fund charges a 1.5% management fee and a 20% performance fee. It has been launched with less than C\$10 million, he adds, declining to be more specific. All investors are high-net-worth individuals but HorizonOne will look to attract larger investors, such as institutions and family offices, over time.

An offshore version of the fund might be in the cards going forward, says Mahoney, who stressed that this has not yet been decided.

Power Pursuit Southern Co. Hunts For More Southern Generation

Southern Co. is on the prowl for potential acquisitions, namely assets within its existing Alabama, Georgia, Mississippi and Florida service areas. **Ashley Robinett**, an engineer with Southern's acquisitions group, **Southern Company Generation**, in Birmingham, Ala., says the Atlanta-based energy holding company is open to acquiring gas-fired plants in the southern U.S. and is evaluating relatively new and technologically advanced assets. Southern will also favor plants that generate strong cash flows. "We're not necessarily looking at distressed assets," she comments.

Earlier this month, Southern signed an agreement to acquire **Constellation Energy Group**'s Oleander Power Plant in Cocoa, Fla., about 50 miles east of Orlando, for \$206 million. Oleander is a 680 MW gas-fired plant that sells power to **Florida Power & Light** and **Seminole Electric Cooperative** in Tampa as well into the spot market.

PFR'S FOURTH ANNUAL POWER PROJECT FINANCE AWARDS INTERNATIONAL NOMINATIONS



PFR is revealing its international nominations for our annual project finance awards, acknowledging the most innovative and noteworthy deals in 2004.

The non-recourse finance arena in Europe and the Middle East has been a mixed bag with bank lenders still smarting from the troubles of companies such as U.K.-based **Drax Limited** and **British Energy**. But deal flow in the Middle East, in markets such as Bahrain and Saudi Arabia, has been robust over the past year, says **Phill Fletcher**, partner at **Millbank, Tweed, Hadley & McCloy** in London. "After the U.K. crisis banks aren't looking to finance deals except in the Middle East where there are power purchase agreements in place" he says.

Winners for international and The Americas project finance deals will be announced next week. To have your say e-mail Managing Editor **Mark DeCambre** at mdecambre@iinews.com before it's too late.

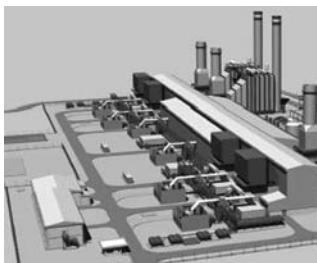
Best International

Sponsors: **Tractebel Electricity & Gas International, Gulf Investment Corp.**

Assets: 950 MW project in Manama, Bahrain

Lead Arrangers: **HSBC, Société Générale**

Location: Manama, Bahrain



Al Ezzel Power Plant

Observers lauded the \$500 million construction financing for **Al Ezzel Power's** 950 MW based on its size and prominence as the first independent power producer facility in Bahrain. The project, which will cover about 1/3 of the power demand in that burgeoning Middle Eastern market, will sell

electricity and water under a 20-year PPA to the **Ministry of Electricity and Water**. Bahrain's electricity demand is growing at 7% per year and is supported by an increase in population and industrial development. Phase one of the project, a 470 MW plant, will be delivered next April.

The deal breaks down into a \$373 million, 20-year term loan, matching the PPA, priced at 120-175 basis points over LIBOR.

Financing also includes a \$127 million portion that will serve as a 3.5-year bridge priced at a 40 basis points over LIBOR.

Sponsor: **Fred Olsen Renewables**

Assets: 106 MW Of Wind farms In Scotland

Lead arrangers: **HSBC** and **Bank of Tokyo-Mitsubishi**



Fred Olsen Wind Farm

Although small, Norway-based Fred Olsen's £90 million (\$170 million) wind project is being ballyhooed as the largest wind farm financing on a contracted basis in Europe. The

financing consist of two cross-collateralized financings for two facilities in the Rothe area of Scotland and are made up of a 15-year £70 million facility and a £20 million working capital portion. The projects are called Rothes (50.6 MW) and Paul's Hill (56 MW). Construction of Rothe is underway with the Paul's Hills deal requiring approvals which are expected soon, observers say.

Underpinning the financing is a long-term power purchase agreement with E.ON UK utility subsidiary **PowerGen**.

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Corporate Strategies

Cheniere Pegs \$500M Private Notes For LNG

Cheniere Energy is planning a \$500 million senior-note offering to support construction of liquefied natural gas projects in Texas and Louisiana. The deal would mark the first parent-level issuance by Cheniere, which is looking to construct several LNG facilities, including the Sabine Pass terminal in southern Louisiana (PFR, 2/4). The coupon on the 10-year private placement was not been set but will probably fall between 6.5% and 7.5%, says **Swami Venkataraman**, an analyst with S&P in San Francisco. **David Castaneda**, a spokesman at Cheniere, declined to comment or make company officials available.

The rating of the Cheniere notes reflects risk associated with the relative upstart Houston-based developer, says Venkataraman. Although intended to fund LNG development,

the builder can use proceeds for upstream and downstream ventures as well as shipping and gas marketing, among other uses, Venkataraman says, adding that the company has strong incentives to execute its LNG projects without changes because they are expected to generate strong cash flows. It also could use proceeds from the offering to pay down project debt associated with Sabine Pass, he notes. Senior secured debt related to Sabine totals about \$822 million.

JPMorgan, **Credit Suisse First Boston** are leading the deal with **Bank of America** and Denver-based **Petrie Parkman** are acting as co-underwriters.

Cheniere currently has three other LNG projects under development. A project in Freeport, Texas, has been permitted and contracted, while the Creole Trail terminal in southern Louisiana and a terminal in Corpus Christi, Texas, are in nascent stages. The facilities are expected to carry a total cost of \$3 billion.

Consumers Trims Debt Scheme

Consumers Energy has sold \$150 million of 5.65% notes to pay down higher-rate debt. The lower rate will support the Michigan electric and natural gas utility initiative of decreasing leverage to around 50% from 60% over the long term by boosting cash flow, says spokesman **Dan Bishop** at **CMS Energy** in Jackson, Mich., declining to give a target date. He declined to make a Consumer official available for comment.

The note offering comes on the heels of a \$300 million first-mortgage bond placement (PFR, 4/4) late last month, which was geared toward institutional buyers.

The 5.65%, 30-year notes were priced at par and will be used to redeem \$140 million of 6.25% senior secured quarterly notes due Oct. 1, 2028, says **Brian Janiak**, credit analyst at **Standard & Poor's** in New York. **Ambac Financial Group** insured the bonds but details about the wrap could not be learned. **Edward D. Jones & Co.** led the deal that also included firms **Comerica Securities**, **Goldman Sachs**, **Wachovia Securities** and **Fifth Third Securities**. The bonds are rated AAA by S&P and Aaa by **Moody's Investors Services**.

An electric and natural-gas utility, Consumers issued debt in two phases over the past three weeks in order to match institutional and retail appetites for utility paper, says the spokesman. Both issuances are in keeping with the company's theme of concentrating on its core utility business as it refinances at lower interest rates with longer tenors, notes Janiak.

Malaysian Power Co. Charts Debt Buyback

Tenaga Nasional is planning to sell U.S. dollar-denominated bonds to help repurchase as much as \$608 million of outstanding debt. Prompting the buyback is the desire to substantially cut higher-rate foreign currency borrowings which have curbed profits, says **Brian Cahill**, managing director for **Moody's Investors Service** in Sydney. Foreign currency debt at Malaysia's largest power producer totaled \$4.23 billion on Nov. 30, he notes. Specifics on the new bonds were not immediately available and calls to investor relations at Tenaga were not returned.

The Kuala Lumpur-based generator will only proceed with the buyback if it can sell at least \$250 million of new notes by April 28, with interest being gauged over the next few days as it commences its road show. Ideally, Tenaga will seek to repurchase its entire \$608 million debt-load but would settle with repurchasing as much as \$300 million, observers say. Moody's maintains a debt rating of Baa2 for the company.

Tenaga's plan is to repurchase \$107.55 million of its 7.2% notes and \$500 million of its 7.625% notes, which were issued in 1997 and mature in April 2007, at a premium of 15 basis points over comparable Treasuries. The tender offer is valid until April 29. **Barclays Capital**, **Credit Suisse First Boston** and Malaysia's **CIMB** are leading the deal. The repurchase is expected to extend Tenaga's debt maturity profile and minimize refinancing risk.

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

- **Willaims Northwest Pipeline** plans on replacing 80 miles of a natural gas pipeline that is a half century old. The pipe runs through western Washington and has ruptured twice. The \$340 million project should commence in 2006 (*The Olympian*, 4/12).
- **Black Hills Power** is scaling back plans for its new WyGen No. 2 coal-fired plant saying that existing transmission infrastructure was not enough to deliver more energy. The new plant will be 100 MW rather than the 500 MW originally planned (*Associated Press*, 4/12).
- **Gartmore Global Utilities**, a \$10 million investment portfolio, named three of its favorite American power companies. The list included **Constellation Energy**, because it is well poised to benefit from industry consolidation, **Exelon** because of its upcoming merger with **Public Service Enterprise Group** and **Dominion Resources** because of its undervalued oil and gas assets (*MarketWatch*, 4/12).
- **Constellation Energy Group** is offloading one of its Cocoa, Fla. plants to **Southern Co.**, for \$206 million. The deal is

expected to close during the second quarter and still needs regulatory approval (*Associated Press*, 4/11).

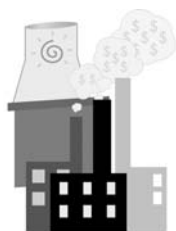
- Lawyers in the next **Enron** criminal trial told a judge last week that it should take about two months to try five defendants accused of fraud and conspiracy in the company's Internet division. U.S. District Judge **Vanessa Gilmore** said she will bring in 100 possible jurors to be questioned for an hour by defense attorneys and an hour by prosecutors (*Houston Chronicle*, 4/12).
- **Kentucky Utilities Co.** has announced plans for its largest transmission lines construction project in 20 years. If approved by the Kentucky Public Service Commission, 59 miles of high-voltage lines will be built in three places, including a nearly 13-mile segment across Woodford County to West Frankfort in Franklin County (*Lexington Herald-Leader*, 4/12).
- **Pepco Holdings**, a holding company with major utility operations in the Northeastern U.S., last week protested **Exelon Corp.**'s planned takeover of **Public Service Enterprise Group**. Several consumer groups have objected to Exelon's plan, arguing that the purchase would lead to higher utility bills for residential consumers (*Dow Jones*, 4/11).

Australia and Asia

- **Shell Oil** has inked a \$10 million deal to ship up to 2.5 million tons of liquefied natural gas per year from Australia to a terminal that **Sempra Energy** is developing in Baja, California. The shipments will begin in 2010 (*San Diego Union Tribune*, 4/12).
- **China Power International Development** got the governmental green light to bulk up its plant in eastern China. The project will involve adding two 600 MW coal-fired units and installing flue and gas desulphurization equipment to its Pingwei Power Plant II facility. (*Dow Jones*, 4/11).
- **GE Energy** has singled out wind energy as the highest-potential renewable fuel for Thailand this year after hydropower. Solar energy comes next as the most appropriate source of energy for the country, says **John Rice**, the president and chief executive officer of GE Energy (*Bangkok Post*, 4/12).
- **AES Corp.** plans to invest \$1 billion in the 1,000 MW Thar Coal Power Plant in Pakistan, Federal Minister for Water and Power **Liaquat Ali Jatoi** said last week. Pakistan has attracted significant investment in its power sector during recent roadshows in Dubai and London, said Jatoi (*AsiaPulse*, 4/12).

Europe and The Middle East

- St. Paul's Cathedral has done an about face on its plans to allow Britain's largest onshore wind farm to be developed on land it has owned for more than a millennium. The farm was to be developed by **nPower Renewables** around the villages of Bradwell-on-Sea and Tillingham, but the 26 turbine farm was nixed after locals protested (*The Independent*, 4/8).
- Beijing's first natural gas-fired power plant is expected to begin operations on June 18 this year. Two gas-fired generators, each with an installed capacity of 350 MW, will be installed. (*AFX-Asia*, 4/12).
- **Norsk Hydro ASA** said it is considering building a 50-turbine wind farm at Tellnes in southwestern Norway and is currently assessing the area for wind power development before applying for a government concession. The group has informed the Norwegian Water Resources and Energy Directorate of its plans for the farm (*AFX-Europe*, 4/12).
- **Electricite de France** said talks with **Enel SpA** over improving its access to the French market are "proceeding in a very constructive manner." EDF would not disclose the contents of the discussions (*AFX-Europe*, 4/12).



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
AES	Wolf Hollow	Texas	730	Gas	N/A	Transferred to KBC-led creditor group.
	Termomamonal	Colombia	90	Gas	None	Ongoing.
	Ottana	Italy	140	Gas		
Aquila	Raccoon Creek	Ill.	340	Gas	Not chosen	Intention To Sell.
	Goose Creek	Ill.	340	Gas		
	Crossroads	Miss.	340	Gas		
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention To Sell.
Black Hills Energy	Pepperell	Mass.	40	Gas	-	Intention To Sell.
BNP -led bank group (Exelon developed plants)	Mystic River 7	Mass.	560	Oil/Gas	Lazard	Ongoing.
	Mystic River 8	Mass.	832	Gas		
	Mystic River 9	Mass.	832	Gas		
	Fore River	Mass.	832	Gas		
Citi & SocGen-led creditor group (TECO Energy developed plants)	Union	Ark.	2,200	Gas	Goldman	Ongoing.
	Gila River	Ariz.	2,300	Gas		
CMS Energy	Ensenada	Argentina	128	Gas	Not chosen	Announced Intention To Sell.
	CT Mendoza	Argentina	520	Gas	J.P. Morgan	
	El Chocon	Argentina	1,320	Hydro	J.P. Morgan	
Citi-led bank group (NEG developed plants)	Lake Road	Conn.	840	Gas	Lehman Bros.	Cargill Bought Debt Portion. (PFR, 12/27) An Undisclosed Buyer Has Emerged.
	La Paloma	Calif.	1,121	Gas	Lehman Bros.	
Delta Power	Lowell Power	Mass.	82	Gas	None	Actively Pursuing A Sale.
Duke Energy North America	Bridgeport Energy Project	Bridgeport, Conn.	490 MW	Gas	CSFB	Considering Sale Or JV.
	Maine Independence Station	Penobscot County, Maine	520 MW	Gas		
	Bayside Power Project	St. John, New Brunswick	260 MW	Gas		
	Fort Frances Cogeneration Project	Fort Frances, Ontario	110 MW	Gas		
	Lee Energy Facility	Lee County, Ill.	640 MW	Gas		
	Vermillion Energy Facility	Vermillion County, Ind.	640 MW	Gas		
	St. Francis Energy Facility	Glennonville, Mo.	500 MW	Gas		
	Washington Energy Facility	Washington County, Ohio	620 MW	Gas		
	Fayette Energy Facility	Fayette County, Pa.	620 MW	Gas		
	Hanging Rock Energy Facility	Lawrence County, Ohio	1,240 MW	Gas		
	Oakland Power Plant	Oakland, Calif.	165 MW	Gas		
	Moss Landing Power Plant	Monterey County, Calif.	2,538 MW	Gas		
	Morro Bay Power Plant	Morro Bay, Calif.	1,002 MW	Gas		
	South Bay Power Plant	Chula Vista, Calif.	700 MW	Gas		
	Griffith Energy Facility	Mohave County, Ariz.	600 MW	Gas		
	Arlington Valley Energy Facility	Maricopa County, Ariz.	570 MW	Gas		
	McMahon Cogeneration Plant	Taylor, British Columbia	117 MW	Gas		
El Paso Europe	Enfield	U.K.	396 (25%)	Gas	None	Ongoing.
	EMA Power	Hungary	70	Coal		
	Kladna	Czech Rep.	350	Coal		
El Paso North America (Merchant assets)	Berkshire	Mass.	261 (56.41%)	Gas		Final Bids Due.
	CDECCA	Conn.	62	Gas		Negotiations Are Taking Place With
	Eagle Point	N.J.	233	Gas		BroadStreet Resources.
	Pawtucket	R.I.	67	Gas		
	San Joaquin	Calif	48	Gas		Being Shopped To North American Power Group.
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	Intention To Sell.
	Crockett	Calif.	240 (24%)	Gas		

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Generation Auction & Sale Auction (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Entergy Asset Management	Robert Ritchie	Ark.	544	Gas/oil	None	Ongoing.
	Warren Power	Miss.	314	Gas		
	RS Cogen	La.	425 (49%)	CHP		
	Harrison County	Texas	550 (70%)	Gas		
EPRL	Glanford	U.K.	14	Poultry Litter	Rothschild	Ongoing.
	Thetford	U.K.	39	Poultry Litter		
	Ely	U.K.	13	Poultry Litter		
	Westfield	U.K.	10	Poultry Litter		
	Elean	U.K.	38	Straw		
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		
HSBC-led creditor group	Attala	Miss.	526	Gas	HSBC	Sold To Entergy
KBC-led creditor group	Milford	Conn	542	Gas	Lazard	Ongoing.
Mirant	Shady Hills	Fla.	474	Gas	BofA	Ongoing.
	West Georgia	Ga.	640	Gas		
	Bosque County	Texas	538	Gas		
	Wichita Falls	Texas	77	Gas		
Morrow Power	Boardman	Ore.	28	Gas	Marathon Capital	Evaluating Bids.
Nations Energy	Bayport	Texas	80	N/A		Considering Liquidation.
	Mungo Junction	Ohio	32			
	Southbridge	Mass.	7			
National Energy Gas & Transmission (USGen New England)	Salem Harbor	Mass.	745	Coal/Oil	Lazard	Dominion Has It Under Contract.
	Brayton Point	Mass.	1,599	Coal		
	Manchester St.	R.I.	495	Gas		
	Connecticut River	N.H.	479	Hydro		
	Deerfield River	Mass.	89	Hydro		
Oman (Ministry of Housing, Electricity & Water)	Rusail	Oman	730	Gas	CSFB	-
	Ghubratt	Oman	507	CHP		
	Wad AlJazzi	Oman	350	Gas		
Reliant Energy	Carr Street	N.Y.	95	Oil	Goldman	Ongoing.
	Astoria	N.Y.	1,276	Gas		
	Gowanus	N.Y.	549	Gas		
	Narrows	N.Y.	281	Gas		
InterGen	La Rosita	Mexico	1,100		Citigroup	Closing In On Buyer.
	Redbud	Okla	1,220			
	Cottonwood	Texas	1,235			
	Magnolia	Miss.	900			
	El Bajio	Mexico	600			
	Termocali	Columbia	235			
	Rocksavage	U.K.	748			
	Spalding	U.K.	860			
	Coryton	U.K.	732			
	Rjinmond	Netherlands	820			
	Knapsack	Germany	790			
	Catadau	Spain	1,200			
	Meizhou	China	724			
	Island Power	Singapore	750			
	Quezon	Philippines	460			
	Callide C	Australia	920			
	Millmerran	Australia	880			
SG-led bank group (NEG developed plants)	Athens	N.Y.	1,080	Gas	Blackstone	Assessing Bids.
	Covert	Mich.	1,170	Gas		
	Harquahala	Ariz.	1,092	Gas		
	Millennium	Mass.	360	Gas		
STEAG Teco Energy	Iskenderun	Turkey	1,320	Gas	Morgan Stanley	Ongoing. Reviewing Options
	Dell Power Station	Ark.	540	Gas		
	McAdams Power Station	La.	599	Gas		
Tractebel North America	Chehalis	Wash.	520	Gas	N/A	Looking To Sell Or Swap.
United Utilities	Landfill Generation Portolio	U.K.	50 MW	Landfill	RBC Capital Markets	Set To Launch Sale In May.
WPS Resources	Sunbury Generating Station	Shamokin Dam, Pa.	450 MW	Coal	Lazard	Buyers Are Stalling Over Fuel Contracts.

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Financing Record (APRIL 6-APRIL 13)

Debt

144A	Date	Issuer	Business	Amount (\$ Mil)	Coupon (%)	Type	Maturity	Offer Price	Yield To Maturity (%)	Benchmark Spread	S&P	Moody's	Fitch
Yes	4/6/05	Central Maine Power Co	Electric utility	25	5.78	Medium-Term Nts	4/11/35	100	5.78	105	BBB+	A3	A-
Yes	4/6/05	Pinnacle West Energy	Electric utility	500	Floater	Float Rate Nts	4/1/07	100	Floater		BBB-	Baa2	NR
Yes	4/11/05	El Paso Corp	Pvd elec,gas utility svcs	750		Cum Cvt Pfd		13.03	4.99		NR	nr	NR
	4/12/05	Georgia Power Co(Southern Co)	Electric utility	125	5.8	Notes	4/15/35	99.508	5.835	110	AAA	A2	AAA

M&A

Date Announced	Target Name	Target Industry Sector	Target Nation	Acquiror Name	Acquiror Nation	Value (\$Mil)
4/6/05	Basin Creek Equity Partners	Electric, Gas, and Water Distribution	United States	Maxim Power Corp	Canada	11.2
4/6/05	MHES Asia Sdn Bhd	Electric, Gas, and Water Distribution	Malaysia	PCB Power Sdn Bhd	Malaysia	2.08
4/7/05	Energie Baden-Wuerttemberg AG	Electric, Gas, and Water Distribution	Germany	Oberschwaebische	Germany	
4/8/05	East Surrey Holdings PLC	Electric, Gas, and Water Distribution	United Kingdom	Kellen Acquisitions Ltd	United Kingdom	1,556.00
4/8/05	DAO Mosenergo	Electric, Gas, and Water Distribution	Russian Fed	Gazprom	Russian Fed	
4/11/05	Jiangxi Lan Tian Bi Shui	Electric, Gas, and Water Distribution	China	China Water Affairs Group Ltd	Hong Kong	2.5
4/11/05	Natl Transmission Corp-Sub	Electric, Gas, and Water Distribution	Philippines	MERALCO	Philippines	
4/11/05	Trans-Global-Bulk Terminals(7)	Electric, Gas, and Water Distribution	United States	Kinder Morgan Energy Partners	United States	245
4/12/05	Coastal Power Co Ltd	Electric, Gas, and Water Distribution	Hong Kong	Ali Khalifa Athbi Al Sabah	Kuwait	2.6
4/12/05	PW Atex Sp zoo	Electric, Gas, and Water Distribution	Poland	Praterm SA	Poland	4
4/13/05	Fairhaven Power Co Inc	Electric, Gas, and Water Distribution	United States	DG Energy Solutions LLC	United States	

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

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EAST COAST

(continued from page 1)

Change Associates. He expects the greenhouse gas market to grow tenfold in the next five years to \$100 billion.

Twenty-eight states impose some form of carbon emission standard, but a federal requirement lies in the near future because corporations with facilities in multiple states want one guideline, Fusaro explains. The SO_x and NO_x markets were governed on a state-by-state basis until frustrated corporates asked the government to step in. Multi-state corporates, including **Southern California Edison**, **American Electric Power** and **Cinergy**, have all requested government intervention.

"The minute [CO₂ emission reductions] become mandatory, this market rocks and rolls," Fusaro said. Many players have held back and not sold their carbon quotas because they expect prices to rise significantly, as would be the case if the market were federally regulated. "This is an emerging market in the best sense of the word," he notes.

Companies like cap-and-trade programs because they allow emissions to be reduced gradually, which gives them time to comply while investing in new technology. RGGI's cap-and-trade program focuses on power plants, but it may look at other sources of carbon emissions once implemented. —*Kristel Halter*

KRIEGEL SIZES

(continued from page 1)

declined to comment and calls to BNP Paribas were not returned.

The Boston area plants were developed by **Exelon Corp.**, which decided to hand back the keys last summer to BNP

Paribas. A deal for the generating facilities was down to just two bidders about a month ago (PFR, 3/4).

Exelon's plants are saddled with more than \$1.4 billion in non-recourse bank loans. Secondary trading levels for Exelon paper have ratcheted up since August from 89 to 111.

Observers following the deal said that Houston-based **Tractebel North America** would be a logical candidate because Tractebel subsidiary

such as K-Road. Calls to Tractebel officials were not returned.

The package includes Mystic 7, 8 and 9, Fore River, all 832 MW gas-fired plants, along with Mystic 7, a 560 MW oil and gas-fired plant. A **Lehman Brothers**-led auction of the Exelon Boston plants faltered in 2003 (PFR, 11/25/03).

Meanwhile, K-Road's renewed plans to strike a deal for MachGen come after it originally bid at or near the seller's roughly \$1 billion price target. A 17-lender group led by SocGen hired **The Blackstone Group** to sell the **PG&E National Energy Group**-developed plants more than a year ago (PFR, 6/16/03) but K-Road is holding talks directly with its lenders, officials say.

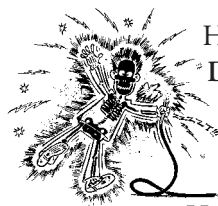
Blackstone's contract to sell the portfolio was believed to have been terminated after the K-Road deal collapsed, but Blackstone spokesman **John Ford** did not return calls to confirm this.

LS Power Development is also reportedly eyeing the MachGen plants but **Frank Hardenbergh**, chief operating officer, declined to comment.

The MachGen generation fleet consists of Athens (1,080 MW) in New York, Millennium (360 MW) in Massachusetts, Covert (1,170 MW) in Michigan and Harquahala (1,092 MW) in Arizona.

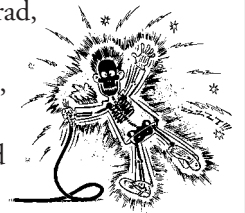
—*Mark DeCambre*

Alternating Current



His fastball may no longer top 90 mph, but **David Herr**, managing director at **Standard & Poor's** in Philadelphia, is still throwing high heat in the energy and power arena. A Villanova University grad,

Herr was drafted by the **Montreal Expos** but after injuring his arm, he put his competitive instincts to a different use as a consultant for energy and power outfits.



Bear Stearns Buys MachGen Debt

Bear Stearns bought \$120 million of MachGen bank debt last week from **Citigroup** at 97 1/2 as rumors emerged that K-Road was in talks with **Société Générale**. According to sister publication *Loan Market Week*, another \$100 million was offered by **Bank of Scotland** later during the week, but an actual sale could not be confirmed.

The price has risen significantly but it is not clear from the public side what could be driving the activity.

Distrigas of Massachusetts LLC owns an LNG terminal that provides gas to two of the plants. But one player tracking the deal says although Tractebel kicked the tires, it was not willing to match what was considered more aggressive bidding from equity firms

Quote Of The Week

"The minute [CO₂ emissions reductions] become mandatory this market rocks and rolls." —**Peter Fusaro**, chairman of **Global Change Associates**, commenting on the beneficial impact a federal regulated cap-and-trade program would have on the trading of carbon credits (see story, page 1).

One Year Ago In Power Finance & Risk

ABN AMRO was set to land two former BNP Paribas energy derivative professionals in order to bulk up its European commodity business. [Within the month, **Vincent Chevance** and **Wayne Harburn** both joined as global co-heads of commodities at the bank's London offices (PFR, 8/16).]