

# power finance & risk

The exclusive source for power financing and trading news

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## Sempra Drums Up Strong Lender Interest

**Sempra Energy Partners** and **The Carlyle Group/Riverstone Holdings** have drummed up strong lender interest in financing a Texas power plant acquisition.

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## RELIANT DRAWS STRONG INTEREST IN N.Y. ASSET SALE

Reliant Resources has reportedly drawn a strong showing of bidders for two portfolios of power plants it is selling: one in upstate New York and the other in New York City. Canadian asset management company **Brascan** and **CH Energy Group**, the parent company of **Central Hudson Gas & Electric**, are thought to be bidding for the upstate assets, which consist of 71 hydroelectric plants with a combined capacity of 675 MW, and the 95 MW natural gas and oil-fired Carr



*(continued on page 8)*

## INT'L POWER HOLDS TALKS WITH CGE OVER POOLING U.K. PLANTS

**International Power** is reportedly in discussions with bank-sponsored genco **CGE Power** about transferring its two U.K. power plants to the new investment vehicle, in return for an equity stake in CGE. Market watchers say talks are at a preliminary stage, but could progress quickly, as both sides seem agreeable to a deal. **Aarti Singhal**, an International Power spokeswoman in London, declined comment, and calls to bankers involved in CGE went unreturned.

*(continued on page 8)*

## LS POWER LAUNCHES ENERGY & UTILITIES FUND

Privately held LS Power has launched a fund affiliate, **Luminus Management**, which will look to buy distressed energy and utility assets. East Brunswick, N.J.-based LS Power sold its generation portfolio to **NRG Energy** in 2000 and believes this is now an attractive time to re-enter the market, according to an official familiar with the venture. **Mike Segal**, LS Power's president, did not return calls.

The New York City-based fund is expected to take positions in securities issued by

*(continued on page 8)*

## SEMPRA LANDS FORMER ENRON QUANT HEAVYWEIGHT



*Vince Kaminski*

**Sempra Energy Trading** has hired **Vince Kaminski**, most recently v.p.-commercial analytics at **Reliant Energy** in Houston, as managing director and head of quantitative analysis. Kaminski, who joined the Stamford, Conn.-based trading outfit last week, could not be reached for comment.

"Sempra likes to hire the best of the best," says **Audrey Cullen Davis**, Boca Raton, Fla.-based senior partner at recruiter **First Call**

*(continued on page 8)*

Check [www.iipower.com](http://www.iipower.com) during the week for breaking news and updates.



## At Press Time

**D.E. Shaw Hires Aquila Trader**

New York hedge fund D.E. Shaw has reportedly hired **David Fincher**, an energy trader previously at **Aquila**. Fincher at various times ran power trading and also traded natural gas at the Kansas City, Mo.-company, says a former colleague. Fincher could not be reached and officials at D.E. Shaw did not return calls.

## Restructuring Shop Seeks Asset Manager For TECO Plants

**Kroll Zolfo Cooper**, the restructuring shop that is advising the lenders to a pair of **TECO Energy**-sponsored distressed merchant plants, recently sent an asset management RFP to a trio of shops. The asset manager would be responsible for oversight of the O&M provider and energy manager, which are not thought to have been selected. Officials at the recipients—**Competitive Power Ventures**, **Tyr Energy** and **Kelson Energy**—declined comment or did not return calls. Calls to **Kroll Zolfo** were referred to **Joff Mitchell**, an official at the firm, who did not return calls.

**TECO** announced in February it plans to walk away from the Union (2.2 GW) project in El Dorado, Ark., and the Gila River (2.3 GW) facility located in Gila Bend, Ariz. (PFR, 2/9). The plants were funded with a \$1.4 billion bank loan led by **Citibank** and **Société Générale**.

## Sempra/Carlyle Financing Draws Strong Bid Roster

**Sempra Energy Partners** and **The Carlyle Group/Riverstone Holdings** have reportedly whipped up a deep bench of suitors to finance their \$430 million joint acquisition of a 632 MW coal-fired power plant in Goliad County, Texas. "It's *the* deal in the market," says one financier. Riverstone, which appears to be organizing the selection mechanics, is seeking bids for \$300-400 million in debt financing, say bankers. **Beal Bank**, **CIT Group**, **Credit Lyonnais** and **WestLB** are reportedly among the suitors. Officials at the banks either declined comment or did not return calls. **Alexander Arkin**, v.p. at Riverstone, did not return calls by press time.

**Rick Vaccari**, managing director at SEP, says the acquirers have drawn up a shortlist and expect to pick a lead this week. The shortlist contains both B loan providers and traditional project financier. "We're still looking at the whole range. There are pluses and minuses to each of those markets," he adds. While B loans can provide more flexible covenants than traditional project finance, non-recourse deals can provide longer maturities, he explains. The acquirers expect to unveil a PPA on the Coletto plant, which is a merchant facility, with a minimum tenor of five years.

Sempra/Carlyle announced they were acquiring the plant and nine others from **American Electric Power** last month (PFR, 3/22). The financing will be secured on Coletto as it is the most valuable asset in the portfolio, according to bankers, who note that four of the plants are inactive. The acquisition is slated to close in July.

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**Institutional Investor NEWS**  
INTELLIGENCE FIRST

## Cinergy Crosses Line On \$1.5B Deal

Cinergy has booked tickets from 19 lenders, taking commitments over \$1.5 billion, for its recently launched two-tranche loan refinancing. Several banks asked for more time and are expected to come into the facility, notes one financier. Commitments were due last week (PFR, 3/29) but the deal isn't scheduled to close until late this month. The financing is split between a \$500 million 364-day facility and a three-year \$1 billion loan. Fully drawn pricing on both tranches is set at 100 basis points and steps up if Cinergy's Baa2 credit rating is downgraded. Officials at left-side lead **Barclays Capital** declined comment.

## Constellation Snares AEP Asset Manager

**Constellation Power Source**, the unregulated generation and energy marketing arm of Baltimore-based **Constellation Energy Group**, has hired **Dale Furrow**, v.p. of power plant portfolio management at **American Electric Power** in Columbus, Ohio. Furrow joins in the new position of v.p.-portfolio manager, responsible for a book of structured transactions within the firm's trading group, according to an official familiar with the move. He reports to **Max Duckworth**, head of trading. Furrow and Duckworth declined comment.

Constellation has reaffirmed its commitment to the merchant energy market and, as such, may look to make further hires in the coming months, the official notes.

AEP has not decided whether to replace Furrow, according to **Melissa McHenry**, spokeswoman at AEP in Columbus, Ohio.

## Japan's UFJ Bank To Re-Ignite U.S. Non-Recourse Effort

**UFJ Bank** is looking to build up its Big Apple project finance presence. The bank, which was formed in January 2002 by the merger of **Sanwa Bank** and **Tokai Bank**, has only been in a select few deals over the last year but is now plotting a place in the market as co-arranger or lead on deals, says one observer. Word in the industry is that will involve adding a senior staffer to run the team. Officials at UFJ declined comment.

UFJ was sidelined by balance sheet constraints at the parent level, but it now over those problems, says a financier. On the power front, the portfolio is in relatively good health as the bank and its predecessor entities avoided merchant power paper altogether. "The bank has a clean portfolio, but they also want to invest," says another banker. "You go to other places and the credit committees are scared or skeptical," he adds.

## Deutsche Bank Hires First U.S. Power Marketer

**Deutsche Bank** has hired **Neil Bresnan**, senior director of Northwest power marketing at **Duke Energy North America** in Calgary, as a power marketer covering western North America. This is the German bank's first power marketing hire in North America, according to an official. Bresnan, whose phone number is not yet listed on Deutsche Bank's switchboard in New York, did not respond to an e-mail by press time.

DENA announced in late 2002 it would cut some 275 jobs as part of a move to consolidate energy trading in Calgary and Salt Lake City to its Houston office. Calls to **Kate Perez**, manager of public affairs at Duke in Houston, were not returned.

## Cinergy Adds Exelon Origination Staffer

Cinergy has hired **Anand Balakrishnan**, an eastern power origination staffer at Exelon in Kennett Square, Pa., in a similar role. Balakrishnan, who worked at **Aquila** prior to Exelon, declined comment. Calls to **Jim Fallon**, head of power trading and origination at Cinergy in Cincinnati, were not returned.

The hire follows the recent addition of **Jason Page**, a structurer at **Mirant** (PFR, 3/15). Both Balakrishnan's and Page's positions are thought to have been created following a reorganization at Cinergy.

Calls to Exelon were referred to **Ted Caddell**, a spokesman, who was unable to provide comment by press time.

## El Paso Pipeline Financing Drags

Financial closure on a five-year \$278 million construction package for **El Paso Corp.**'s Cheyenne Plains gas pipeline has been delayed, a development that one banker attributes to a hold up in signing shipper contracts. The loan, led by **WestLB**, was slated to wrap in late March with retail syndication expected to follow soon afterwards (PFR, 3/29). Instead, the retail round likely will take place later this month or possibly in early May.

The deal is in a holding pattern while lenders wait for shippers to sign standard documents allowing contracts to be assigned to the lenders in the event of a foreclosure, according to the banker. There are no substantive problems with the docs, WestLB has been telling lenders, he adds. Officials at WestLB declined comment. Six lenders have joined WestLB in the deal, which funds construction of a 380-mile natural gas pipeline that will run from Cheyenne, Wyo., to Greensburg, Kan.



## Bank Of Scotland Trims NY Project Finance Biz

Bank of Scotland is repatriating two power project finance bankers from its U.S. operation, in part because of thinning flows in the U.S. **Paul Greig**, head of project finance for North America, is to take up a senior slot in the London project finance team in June, and **Steven Gray**, director, is heading to Edinburgh to fill a new position researching non-recourse markets and products, according to industry officials. Greig and Gray declined comment.

The bank has been one of the more active in the thin U.S. markets over the last year or so, most recently wrapping up a participant role in **FPL Energy's** Stateline transaction (PFR, 4/12). One observer says the bank isn't pulling out of the market. It will be maintaining its \$1 billion U.S. power book and remain open for new U.S. business. The bank doesn't, however, think there will be much flow over the short-term and so won't be directly replacing the duo. "The deal pipeline going forward is light," says one observer. **Gary MacDonald**, a director handling portfolio management, will be the point person in New York for the power business.

Greig and Gray were likely to wrap up their overseas tour of duty this year anyway, say observers. The moves are also prompted

by the reorganization of the global project finance group along industry rather than office-location lines (PFR, 3/15).

## Calpine Talks Turkey Over Fox Deal

Calpine is looking to set up a \$120-150 million project finance loan via **Union Bank of California** and **Bayerische Landesbank** to finance construction of its Fox Energy Center in Kaukauna, Wis. Financiers say Calpine has not formally awarded a mandate because the bankers are still carrying out due diligence. Deal structuring will likely start within the next two-to-three weeks and the deal could wrap within three months, they add. Calls to **Brian Harenza**, v.p. of finance at the San Jose, Calif.-based IPP, were not returned. Officials at UBoC and BayerLB declined comment.

The 350 MW plant, which is due on line next year, has an offtake contract with **Wisconsin Public Service** (PFR, 3/8). The offtake contract means this deal should have little trouble finding takers, according to a banker. Another notes the dollar size also means the loan will likely be placed on a club basis rather than through a wide-ranging syndication.

Calpine acquired the Fox Energy Center, a pre-construction project, from **MidAmerican Energy Holdings** last May for an undisclosed amount.

## Corporate Strategies

### FirstEnergy Utility Redeems Debt

**Pennsylvania Electric Co.** tapped the fixed-income mart for \$150 million in 10-year notes allowing it to redeem a \$125 million maturing issue of more expensive 5.75% coupon debt. The new notes carry a coupon of 5.125%. **Phil Smyth**, analyst at **Fitch Ratings** in New York, says the balance of the proceeds have been earmarked for general corporate purposes. Calls to **Tom Navin**, treasurer at the utility's parent, **FirstEnergy**, were not returned.

The new offering, led by **Morgan Stanley** and **Citigroup**, saw the notes issued at 99.837 to yield 5.146%. They carried a spread over comparable Treasuries of 125 basis points.

Fitch gave the senior unsecured offering a BBB rating, says Smyth. The utility has solid coverage ratios relative to its rating group, but it is also closely tied to the BBB minus rating of parent FirstEnergy. Smyth notes this reflects the fact PenElec relies on FirstEnergy and its affiliates to meet its power supply requirements.

The utility is setting up a \$75 million accounts receivables loan facility, which would be its first standalone short-term credit facility. FirstEnergy's utilities have traditionally relied on a common 'money pool' for short-term credit needs, Smyth notes. While this is a cheap form of funding, it makes all the

contributors dependent on each other. "A contagion effect might impact PenElec," he says.

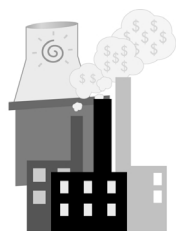
PenElec is based in Erie, Pa., and covers 580,000 residential and business customers in the northern and central parts of the state.

## Ameren Shelf Registration Seen Financing Illinois Power Buy

**Ameren Corp.** will likely use proceeds from its \$2 billion shelf registration to finance its pending \$2.3 billion acquisition of Decatur, Ill.-based **Illinois Power**. **Susan Gallagher**, spokeswoman for Ameren in St. Louis, declined to comment.

**Denise Furey**, an analyst at **Fitch Ratings** in New York, says Ameren needs to issue equity in order to finance the acquisition with a 50:50 debt-to-equity ratio. **Standard & Poor's** analyst **Barbara Eisman** notes that the new shelf registration would give Ameren flexibility to refinance a \$327 million 5.7% bond issue that is due later this year, and to pay for maintenance costs.

Furey says any new acquisitions would likely fall within St. Louis-based Ameren's core business of electric and gas distribution and managing coal-fired plants. "They tend to stick to what they are good at," says Furey.



## 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](mailto: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.	Separate 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	J.P. Morgan	-
	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		
	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		
	Paiton	Indonesia	1,230 (40%)	Coal		
	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.
LG&E Power	Roanoke Valley	N.C.	178 (50%)	Coal	N/A	Sent out RFP in April.

## Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
	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	Ongoing.
	Shady Hills	Fla.	474	Gas	BofA	
	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.

## RELIANT DRAWS

(continued from page 1)

Street Generating Station. Calls to **Harry Goldgut**, ceo of power generation at Brascan in Toronto, were not returned. **John Masergian**, a spokesman at CH Energy in Poughkeepsie, N.Y., declined comment.

Meanwhile, **Constellation Energy**, **Dominion Resources**, **Morgan Stanley**, **Kelson Energy**, **Riverstone Holdings/The Carlyle Group** and **US Power Generating Co.** are believed to be vying for the New York City assets, which could carry a price tag of over \$1 billion, according to one estimate. The New York City portfolio consists of the 1,276 MW Astoria Generating Station, the 549 MW Gowanus Gas Turbine Facility and the 281 MW Narrows Gas Turbine Facility. Officials at Constellation, Morgan Stanley, Dominion, Kelson, Riverstone/Carlyle and US Power Generating did not return calls or declined comment.

A banker notes that Reliant and its advisor, **Goldman Sachs**, are hoping to raise roughly \$1.4 billion for the New York City plants. "If they get \$1.4 billion we're going to have a party," he says, adding that although the plants have intrinsic value because they are in the load-constrained New York City market, they are merchant facilities and therefore a risky investment. "They may be over-estimating the market appetite," he adds.

Reliant is reportedly looking to select a preferred bidder by early May to acquire the three New York City power plants.

—*Victor Kremer & Nina Sovich*

## INT'L POWER

(continued from page 1)

London-based International Power owns two power plants in the U.K., Rugeley (1 GW) and Deeside (500 MW). The size of International Power's stake in CGE would depend on how many other power plants CGE manages to take control of over the next few months. It has already filed preliminary offers for a swath of merchant generation, including Drax (4 GW), Damhead Creek (800 MW) and Killingholme A (680 MW). At present, it remains little more than an empty investment shell.

International Power has already intimated that it might be interested in teaming up with many of the U.K.'s project finance lenders to pool their distressed generation portfolios. The then-CFO **Phil Cox** told *PFR* last summer that the IPP would consider some form of tie up (*PFR*, 5/5), but International Power subsequently pursued a solitary path seemingly at odds with the CGE banks. Last fall it bid for both Drax and AEP's Fiddler's Ferry (2 GW) and Ferrybridge (2 GW) power plants: three assets that CGE also is bidding on. International Power was named preferred bidder on all

three stations, but failed to close any of the deals. Cox is now chief executive.

CGE also has failed to execute any acquisitions to date, and has been undermined in part by many plant creditors' unwillingness to swap existing non-recourse debt for new CGE paper.

With both CGE and International Power's acquisition strategies failing to find traction, the idea of a tie-up suddenly becomes much more appealing to both parties, say bankers. "Once CGE lands these two plants, many other facilities could fall into its hands," argues one City M&A banker.

—*Will Ainger*

## SEMPRA LANDS

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**Associates**, which placed Kaminski.

After a stint on Wall Street, Kaminski launched **Enron's** quantitative research group in Houston and went on to work at **Citadel Investment Group** before moving to Reliant last year. He left Reliant at the beginning of the year as a result of a sweeping reorganization aimed at cutting costs (*PFR*, 1/19).

—*V.K.*

## LS POWER

(continued from page 1)

utilities or by energy projects as well look to acquire physical assets.

LS Power last year won the asset management mandate to run a quartet of merchant plants, known as GenHoldings, on behalf of the lenders to the projects (*PFR*, 5/19).

—*V.K.*

## Quote Of The Week

"Sempra likes to hire the best of the best."—**Audrey Cullen Davis**, senior partner at **First Call Associates**, commenting on the firm's placement of well-known energy quant **Vince Kaminski** at **Sempra Energy Trading** (see story, page 1).

## One Year Ago In Power Finance & Risk

**Merrill Lynch** relaunched its energy trading operation in New York, hiring **Kuljinder Chase** and **Jake Goldberg** from **Allegheny Energy** to run the desk. The move came two years after Merrill sold its Global Energy Markets business to Allegheny (*PFR*, 4/21/03). [Subsequently, **Scott Kerson**, former head of commodity marketing for the Americas at **Deutsche Bank** in New York, joined Merrill to head energy marketing (*PFR*, 8/11) and **Vincent Francoeur** and **David Koenig** rejoined Merrill from Allegheny (*PFR*, 6/30).]