

power finance & risk

The exclusive source for power financing and trading news

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Goldman Loses London Power Duo

A pair of power traders have exited the London office of **J. Aron & Co.**, the commodities trading arm of **Goldman Sachs**.

See story, page 4

Kind Looks To Boost BofA Presence

Peter Kind is looking to raise **Bank of America's** status in energy after recently jumping from **Citigroup**.

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AIG, ONTARIO TAP BARCLAYS FOR \$1.1B INTERGEN FINANCING

AIG Highstar and the Ontario Teachers' Pension Plan have tapped Barclays Capital to arrange some \$1.1 billion in financing backing the \$1.75 billion purchase of a 5.5 GW global generation package from InterGen. The funding likely will take the form of long-dated securities that could be shopped to institutional and retail players, say officials close to the deal. The debt package won't be wrapped until the acquisition is completed by summer's end.

The 50/50 partners will fund the remainder of the sticker price with equity. "These types of assets have really stable cash flows and are a good offset to our liabilities that go out decades," says **Jim Leech**, senior v.p. and head of Ontario's private capital group in Toronto, declining to disclose financing specifics.

Barclays is expected to work with additional financiers, which probably will include

(continued on page 11)

WESTERN COOP CONSIDERS FINANCING OPTIONS FOR \$734M PLANT

Basin Electric Power Cooperative is weighing its financing options on a proposed 270 MW coal-fired plant in Gillette, Wyo., that could cost as much as \$734 million. The coop is considering both a non-recourse and public note offering option, says **Steven Johnson**, manager of treasury services in Bismarck, N.D.

The proposed facility, which would come online in 2011, is being constructed to meet spiking demand from its 120 member systems, which serves about 1.8 million consumers in Colorado, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, South Dakota and Wyoming through an existing shared transmission grid.

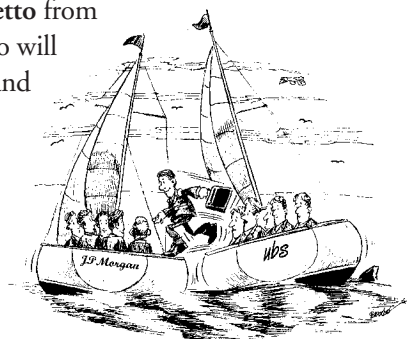
Basin will seek out financing toward the end of 2006 or beginning of 2007, once permitting is near completion. The company has not yet been in contact with any banks,

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JPMORGAN LANDS UBS FOR ENERGY CHIEF

JPMorgan Securities has hired M&A banker **Scott DeGhetto** from UBS to head up its energy division in New York. DeGhetto will help fill the void left by the departures of **Anthony Ianno** and **Chris Lowe**, M&A specialists who skipped to HSBC Securities in March as co-heads of its energy and utilities sector for the Americas, says **Eric Fornell**, global head of JPMorgan's natural resources group.

Calls to DeGhetto, who is on vacation, and **Walter Hulse**, head of the utilities group at UBS, were not returned. DeGhetto will join JPMorgan June 1.



(continued on page 11)

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

Kind Looks To Build Out BofA Group

Peter Kind, Bank of America's recently installed New York power group chief, is looking to raise the bank's profile as a dealmaker and may look to add hires as BofA builds up its client base. The bank will move to expand its reach by pushing its power banking services, including loan syndication, debt capital markets offerings and mergers and acquisitions advisory, Kind says. Kind took the helm earlier this month after more than seven years with Citi, where he was latterly co-head of power with **Jane Sadowsky** in the global energy, power and chemicals group.

BofA has not been seen as a major player in the energy space in recent years, with rival banks including Citi and **Credit Suisse First Boston** dominating the landscape. But Kind says BofA has a solid power banking platform that will enable the bank to become a more active player in coming years. BofA does not have a specific target number of bankers it may be looking to hire, says Kind. "We're looking to build up the desk, and if that means bringing in more people, we'll do that," he says.

There are roughly 20 bankers in BofA's power group. The M&A primary focus will be taking the lead in merchant distressed asset sales, such as the group of **Mirant** gas-fired assets the bank is currently shopping, says a banker familiar with the matter.

Triggers Trade Flurry

InterGen To Handover Magnolia, Redbud Keys

InterGen has decided to transfer two of its U.S. plants to its lenders, a move that set off a trading wave in the secondary loan market. The IPP venture between **Royal Dutch/Shell Group** and **Bechtel Corp.** is handing back the keys to the 1.1 GW natural gas-fired Redbud facility in Luther, Okla. and the 900 MW Magnolia plant in Benton County, Miss., watchers say. Calls to **Martin Rees**, cfo at InterGen, were directed to spokeswoman **Sarah Webster**, who declined to comment.

Lenders **ABN Amro**, which leads the debt on Magnolia, and **Citigroup**, which arranged Redbud's loans were expected to take back the plants last week. The 1.2 GW Cottonwood plant in Newton County, Texas, is also expected to be transferred (PFR, 4/4) but exactly when is unclear. Officials at the lending institutions including **Deutsche Bank**, the lead for Cottonwood, either declined to comment or did not return calls.

According to *PFR* sister publication *Loan Market Week*, Deutsche Bank picked up \$50 million of Redbud's bank debt, purchasing two \$25 million pieces in separate auctions from original lenders **Mizuho Bank** and **Royal Bank of Canada**. Mizuho sold at levels at 56 and RBC traded at 55 1/2. Officials from the two lenders did not return calls.

Citigroup also was said to have snapped up two separate pieces of Magnolia totaling \$120 million at levels of 55 and 60 and **Credit Suisse First Boston** acquired a \$25 million stake of Redbud.

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Titanium Taps Deutsche Bank Trader

London-based **Titanium Capital** has hired **Kieran McKenna**, an oil trader from Deutsche Bank. "[McKenna] will add a critical dimension to our coverage of the energy sector," according to a Titanium investor document obtained by *PFR* sister publication *Alternative Investment News*. The firm has also hired three investment managers in New York and is likely to make further hires going forward, according to the document, which does not name the New York-based managers.

Philip Manduca, Titanium's managing director, confirmed that McKenna was due to join the firm this week but did not elaborate. **Richard Jefferson**, head of oil at the bank, says McKenna's role has been filled internally, declining to provide a name. McKenna, who left Deutsche Bank last month, could not be reached for comment.

MidAmerican Hunts For Power Trader

MidAmerican Energy is looking for a trader for its regulated and non-regulated businesses. The Des Moines, Iowa, holding company is searching for mid-level trader to handle power and derivatives products, covering periods from the prompt-month to real-time markets, says one headhunter familiar with the matter. It could not be ascertained whether the position is a new or existing one. A call to spokesman **Allan Urlis** was not returned.

The position will be in Des Moines and the hire will trade on MidAmerican's physical and financial power positions, including the availability of generation resources, purchased generation and forecasted retail load requirements. Monitoring regional energy markets and participating in market research projects will also fall within the staffer's mandate.

Toronto Firm Rolls Out Energy Fund

Toronto-based **Creststreet Capital** was slated this week to launch its first hedge fund, an energy long/short vehicle. The *Creststreet Energy Hedge Fund* is an onshore fund focused on the Canadian and U.S. markets, with a heavy Canadian weighting, says **Aaron Maybin**, associate portfolio manager. The firm is focused on energy and runs a mutual fund focused on this sector. "[The hedge fund] is built off our current platform, which we've been running for five years," he adds. Creststreet expects to roll out an offshore, Cayman-domiciled version around September.

The domestic fund was expected to launch with approximately C\$5 million (\$3.9 million) from friends and existing clients of the firm. Creststreet will shortly undertake a larger marketing campaign to target high-net-worth individuals, said Maybin. The fund has a C\$25,000 investment minimum and carries a 2%

management fee and a 20% performance fee with a high-water mark. The strategy will have a total capacity of C\$150 million, across the onshore Canadian fund and the proposed offshore version. "It will all be managed as one pool," Maybin explains. When gearing up to launch the offshore fund, the firm will travel to the U.K. as it wants to attract large European investors, he adds.

Aquila Reworks Asset-Based Liquidity Loan

Aquila has refinanced and extended a short-term \$150 million asset-based loan, originally obtained to meet liquidity needs in the Kansas City, Mo., company's utility operations due to heavy gas consumption this past winter. The loan is collateralized by utility payments made by Aquila consumers, says one banker close to the transaction. Calls to **Rick Dobson**, cfo, were not returned and an official at lead **Union Bank of California** declined comment.

Configured to ensure interest payments, the four-year debt was refinanced at a thin spread of 1 3/8 basis points over LIBOR for full utilization, despite Aquila's junk rating of B minus/B2 by **Standard & Poor's** and **Moody's Investors Services**. Pricing drops to a spread of 3/8 if the facility is half utilized.

Originally, the debt was completed by UBoC as a six-month \$125 million loan with a spread of 250 basis points over LIBOR (PFR, 10/29) but the size was upsized by \$25 million just before it closed last year, the banker says.

Participants on the loan include **Allied Irish Bank** and **Commerzbank**, which are acting as co-syndication agents. Other lenders include **UBS Warburg** and **LaSalle Bank**. Each lender is believed to have taken a \$20-30 million portion of the loan but exact commitments could not be ascertained. Officials at the lenders either declined to comment or did not return a call.

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Okla. Trading Start-Up Mulls Acquisitions

Odyssey Energy Services, a Tulsa, Okla., energy trading and marketing venture launched a few weeks ago, is looking at acquisitions. **James Kincaid**, ceo, says the firm does not have any specific targets but is evaluating outfits that would bring market share and experienced staffers.

Backed by **Wachovia** and energy player **Resolute Holdings**, the trading company is targeting hydrocarbon businesses throughout the U.S. to complement its natural gas trading and marketing capabilities, although it will not rule out firms that trade physical power, Kincaid says. With Wachovia's capital behind it, the firm will look at any opportunities regardless of size, Kincaid says.

Kincaid, a veteran energy marketer who has worked with a number of independent oil and gas companies, including **Tide West Oil Company** and **Mega Natural Gas Company**, decided to launch Odyssey to fill the void left by merchant players exiting the trading space. Odyssey is trying to distinguish itself from the established investment bank trading operations by catering to the specific client needs rather than offering a broad menu of trading options, Kincaid says.

Xcel Wraps \$1.1B Upsized Revolver

Xcel Energy has closed a senior unsecured facility package, increasing the line from \$1 billion to \$1.125 billion on the back of lender appetite. Syndication for the deal, which is slated to refinance short-term debt at subsidiaries **Public Service Company of Colorado**, **Northern States Power Co.** and **Southwestern Public Service**, drew 23 lenders. One official says the company's strategy of frequently extending carrots to its existing lenders, in the form of fresh business, attracted new participants.

Syndication on the new five-year lines concluded two weeks ago with the closing occurring early last week. Calls to **George Tyson**, treasurer at Xcel in Minneapolis, were not returned.

The facilities replace a 364-day line totaling \$775 million (PFR, 4/4). Public Service and Northern States are slated to take \$500 million and \$375 million chunks respectively. Pricing for both is set at 15 basis points over LIBOR undrawn, 57 1/2 points first drawn and 70 basis points fully drawn. Southwestern's \$250 million revolver is priced at 1/8 basis points over LIBOR undrawn, 47 1/2 first drawn and 60 points fully drawn.

JPMorgan Chase & Company and **Bank of New York** are co-leads and joint book runners for Public Service and Southwestern. Officials at BoNY declined to comment and calls to JPMorgan went unreturned. **Wells Fargo Bank** led Northwestern's deal. **Scott Bjelde**, v.p. at the bank in Minneapolis, did not return calls.

Lehman Brothers, **Morgan Stanley**, **Merrill Lynch**, **Credit**

Suisse First Boston and **Barclays Capital** also are said to be participating. Calls to officials at these banks were not returned.

Goldman Traders Exit London Power Desk

J. Aron & Co., the commodities trading arm of **Goldman Sachs**, has lost power traders **Charles Tuke** and **Stefan van Reit** in London, who left to pursue other ventures. Tuke is believed to have joined an unidentified hedge fund. Van Reit was expected to head up an aborted weather derivatives operation for Goldman (PFR, 1/28/02) but has opted to retire from the business, says a recruiter familiar with the matter. Calls to van Reit and Tuke in London were fielded by staffers taking messages for the departed pair.

Isabelle Ealet, a managing director for the commodities group in London, also did not return a call.

Goldman has sought to bulk up its European power trading efforts in recent months. As part of this effort, J. Aron began trading electricity last summer on Germany's **European Energy Exchange**. Goldman was also planning to launch a weather derivatives desk in London but that effort reportedly was abandoned as the firm cut back on non-core businesses to reduce costs (PFR, 12/9/02).

Vermont Town Deals For Hydro Facility

The mill town of Rockingham, Vt., and a group of equity partners are working a deal with Canadian energy behemoth **TransCanada** to acquire a 49 MW hydroelectric facility. Rockingham, a town of 5,500 residents, will increase revenues from the facility, says **Edward Soboleski**, a member of the Rockingham town board. A call to TransCanada spokesman **Kurt Kadatz** was not returned.

TransCanada has indicated its willingness to sell the Bellows Falls operation to Rockingham and its partners, which include the **Vermont Hydroelectric Power Authority** and Canadian power companies **Brascan** and **Emera**, for \$72 million, says Soboleski.

Brascan, Emera and the power authority will provide funding for the acquisition, and Rockingham will lease the plant for the next 74 years to **Bellows Falls Power Co.**, a new company formed by Brascan and Emera. As part of the deal, Rockingham will receive \$3 million per year for the next 10 years as payment in lieu of taxes from Brascan and Emera.

Calls to **Shelley Moorhead**, a spokeswoman for Brascan, and **Margaret Murphy**, a spokeswoman for Emera, were not returned. The town's public service board is expected to approve the purchase in early June, according to Soboleski. The board must then hold a town-wide vote, which is also expected to demonstrate support for the acquisition.

Corporate Strategies

Cheniere Offering Stutters Amid GM Jitters

Cheniere Energy has shelved its planned \$500 million bond offering as a result of turmoil in the bond market created by **General Motors**. GM, which has been clinging to its investment grade BBB- rating with **Standard & Poor's**, has roiled the junk bond markets placing upward pressure on high-yield bonds. **Swami Venkataraman**, an analyst with S&P in San Francisco, says market turbulence meant Cheniere would have had to pay more for its offering. Calls to **Charif Souki**, ceo at Cheniere and **David Castaneda**, investor relations manager, were not returned.

The Houston-based LNG developer's offering was delayed a day after the average yield for high-yield bonds rose to 8.3%, according to **Merrill Lynch & Co.** data. Cheniere, whose offering was rated B3 by **Moody's Investors Service** and B+ by S&P, may have faced paying as much as 9%, when earlier this year, 10-year bond issues with similar ratings would have yielded 6.5% to 7.5%, Venkataraman says. Cheniere still plans to issue the bonds, although it has not yet determined a date.

The company planned to use the proceeds to fund liquefied natural gas projects in Texas and Louisiana (PFR, 4/15). **Credit Suisse First Boston** and **JPMorgan Chase & Co.** are leading the offering. Calls to **Steve Cheng**, a banker with CSFB, were not returned.

Vancouver Private Equity Player Ditches Energy

Buyout firm **Tricor Pacific Capital** has shed its 40% stake in **Pacific Northern Gas** and will most likely steer clear of the sector going forward. The private equity outfit wants richer returns than those it forecasts it could pocket from energy investments, says **David Rowntree**, managing director in Vancouver. The stake was offloaded via a marketed offering on the **Toronto Stock Exchange**.

Although Tricor's net return on equity for Vancouver-based PNG was about 50%, the firm has decided future energy plays would likely be in the low teens. Rowntree says returns in the low teens are much less attractive than those it usually garners from traditional buyouts.

Rowntree declined to provide targets for returns on equity. PNG was the firm's only energy investment. The company obtained PNG from **Duke Energy** in 2003 for \$13 per share, or \$18.7 million total, and sold it for \$19.40 per share, or \$26 million. **Scotia Capital**, which led Tricor's purchase from Duke in 2003, and **CIBC World Markets** led the secondary offering.

David Busto, managing director for Scotia in Vancouver, says the recent PNG offering was primarily acquired by retail investors due the company's relatively small capitalization. Retail interest was also driven by the 4% dividend, says **Paul Langley**, an executive director with CIBC in Vancouver.

Tricor was initially drawn to PNG because the company boasted a strong management team and high quality contracted assets, Rowntree says. PNG was also targeted because British Columbia has a less stringent regulatory environment, he comments.

Lone Star Mid-Stream Co. Bags Juiced Revolver

Crosstex Energy has combined two expiring credit lines and upsized capacity in a single \$250 million revolver. The Dallas mid-stream natural gas entity wanted to have more dry powder for potential acquisitions and the low-interest rate environment means it could get that relatively cheaply, says **Joe Ragusa**, treasurer. "This is an opportunity to expand our line at a reasonable cost as we prepare for growth," he notes, adding the line also will support a roughly \$100 million planned development of a 122-mile North Texas pipeline project in the Barnett Shale region. The revolver also has an accordion feature which allows for an additional \$100 million of capacity at no cost until utilized.

The original lines, which were both set to mature June 2006, consisted of a \$100 million facility and an equally-sized line that could be used as a letter of credit. The facilities were priced based on a matrix tied to Crosstex's debt to EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) ratio and had a spread range of 25-250 basis points. Similar to the old line, the new five-year revolver can be priced over the prime rate or LIBOR, depending on where interest rates are at the time, says Ragusa.

Pricing on the new revolver, also pegged to debt-to-EBITDA, ranges from 0-175 basis points over the prime or LIBOR rates.

Bank of America, administrative agent, led the credit line with **Union Bank of California** serving as syndication agent. Both have worked on previous facilities for the company. **Citibank**, **Comerica Bank**, **KeyBank** and **SunTrust Bank** have been brought on as new participants, Ragusa, notes, explaining the lenders asked Crosstex, in advance of its expansion of the line, to be included in any retooling of the facility. **BNP Paribas**, **Guaranty Bank**, **Royal Bank of Canada** and **U.S. Bank National Association** are also participating.

Calls to **Allison Goodwin**, director at BofA in Boston, and **John Clark**, v.p. at UBoC in Dallas, were not returned.

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.

Europe and The Middle East

- Building a fleet of nuclear power stations would be a much cheaper way of meeting the U.K.'s targets for cutting greenhouse gas emissions than an expansion of renewable energy, according to a recent report by economics consulting firm **Oxera**. The firm calculates that a new nuclear program would cost the taxpayer just over \$7.6 billion whereas continuing to rely on green energy such as wind power would require \$22.8 billion of public support (*The Independent*, 4/25).
- Ukraine's Chernobyl plant could potentially be shut down due to its \$6 million debt load, according to plant officials. The plant is in the red because of overdue wages and unpaid bills for electricity, gas and transport. **Semyon Shteinb**, spokesman for the plant's operator, says shuttering the plant could result in breaches of nuclear safety (*United Press International*, 4/25).
- Norwegian-based **Orkla** is planning to upgrade and expand a hydroelectric power plant in Saudefaldene, Norway. The food to

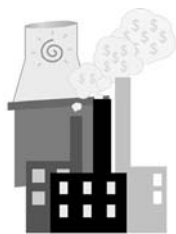
chemical products company will spend some \$267 million to boost production by 500 GWs per hour. The plan is expected to commence in May and is set to conclude by 2008 (*AFX Financial News*, 4/28).

Asia

- Vietnam's Hoa Binh Hydro Power Plant—responsible for 20% of the country's electricity—is producing only about a third of its normal output because water levels have dipped to the lowest point since the plant was put into operation in 1989, says **Nguyen Van Thanh**, plant director. The plant might need to be shut down if low rainfalls persist (*The Associated Press*, 4/25).
- The State Development and Investment Company of China will spend \$108 million to build a wind plant in the suburbs of Urumqi, capital of northwest China's Xinjiang Uygur region. The project will have a combined installed capacity of 100 MW and will be completed in three years (*Xinhua*, 4/25).

The Americas

- **American Electric Power** has filed a cost recovery plan with the Public Utilities Commission of Ohio, which is the final step in launching construction of a new 600 MW gas-fired plant in Meigs County, Ohio. West Virginia was also considered an option for the new facility (*The State Journal*, 4/25).
- The **Japan Bank for International Cooperation** and a syndicate of 15 international banks on Monday signed a \$2.2 billion financing contract for a power and desalination plant project in the United Arab Emirates. JBIC and banks from Europe, Japan and the Middle East will provide **Taweelah Asia Power Co.**, the funds to buy an existing power plant from the **Abu Dhabi Electricity and Water Authority** (*The Associated Press*, 4/25).
- Trading of **Calpine Corp.**'s stock was briefly halted on Friday amid scuttle that the IPP was considering filing for Chapter 11. The rumors were strongly denied by company officials (*Wall Street Journal*, 4/25).
- **Brascan Power** has paid \$42 million for two hydroelectric generating stations totaling 48 MW from **Reliant Energy**. The Piney station is a 28 MW facility located on the Clarion River in Pennsylvania and the Deep Creek station is a 20 MW facility located on the Youghiogheny River in Maryland (*Houston Business Journal*, 4/27).
- Biomass such as corn cobs and husks could replace 30% of the fuel used for transportation in the U.S., according to a study by **Oak Ridge National Laboratory** (*United Press International*, 4/22).
- The board of supervisors for Coconino County, Ariz., approved a proposal to construct a 60 MW Sunshine Wind Park to be located 35 miles east of Flagstaff. The project is being developed by **Sunshine Arizona Wind Energy**, a partnership of Flagstaff investors and **Foresight Wind Energy** (*Energy Prospects*, 4/25).
- President **Bush** offered proposals last week to speed up construction of nuclear power plants and oil refineries and boost sales of energy-efficient vehicles. Bush outlined his initiatives in his second energy speech in a week, reflecting growing concern in the White House that high energy prices are beginning to slow economic growth and undercut the president's approval rating (*Dow Jones*, 4/27).
- **Pacific Gas and Electric Co.** has signed contracts with wind power generators to supply enough electricity for nearly 120,000 customers. San Francisco-based PG&E said it supplies 31% of its customer load from renewable resources, with 18% from its hydroelectric facilities and 13% from smaller renewable resources (*San Francisco Business Times*, 4/27).



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. Ongoing.
	Termomamonal	Colombia	90	Gas	None	
	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. Negotiations Are Taking Place With BroadStreet Resources.
	CDECCA	Conn.	62	Gas		
	Eagle Point	N.J.	233	Gas		
	Pawtucket	R.I.	67	Gas		Being Shopped To North American Power Group.
	San Joaquin	Calif	48	Gas		
EnCana	Cavalier	Alberta	106	Gas	HSBC	Launched Sale In April.
	Balzac	Alberta	106	Gas	HSBC	
	Kingston	Ontario	110 (25%)	Gas	HSBC	
Energy Investors Fund	Multitrade	Va.	79.5 (60%)	Biomass	None	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	AIG And Ontario Said To Have Won The Bidding War.
	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	Iskenderun	Turkey	1,320	Gas	Morgan Stanley	Ongoing. Reviewing Options
Teco Energy	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 Portfolio	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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AIG, ONTARIO

(continued from page 1)

Deutsche Bank, which advised AIG/Ontario on the acquisition, and **JPMorgan Chase**, which led financing for the duo's acquisition of 25 qualifying facilities called **Northern Star Generation** from **El Paso Merchant Energy** last year (PFR, 3/7/04). **Dresdner Kleinwort Wasserstein**, which was backing another prospective InterGen buyer could also participate, watchers say. Officials at the banks declined to comment. It could not be determined why Barclays netted the lead role.

Constructed over the past few years, the 10-plant InterGen portfolio is laden with more than \$3 billion in project debt. The facilities are primarily contracted and sited in the U.K., the Netherlands, Mexico, the Philippines, China and Australia. Facilities in the U.S. (see related story, page 2), Colombia and Turkey will be retained by the IPP venture of **Royal Dutch/Shell Group** and **Bechtel Group**, which owns 68% and 32% of InterGen, respectively.

InterGen, advised by **Citigroup**, has been looking to unload its undesirable plants since last year. Calls to officials at Citigroup in Manhattan and InterGen in Burlington, Mass., were not returned.

"We think this is a deal that fits our portfolio very well," Leech says, noting the acquisition complements its Northern

Star Generation assets. He declined to say if the venture intended on integrating the Northern Star operation and InterGen or if it would shed any of its less desirable InterGen plants once a deal finalized. Leech believes AIG/Ontario won the bidding war for the InterGen package because the team decided to buy the entire portfolio rather than carve out some portions as some prospects were aiming to do. "Our competitive advantage is simply that we stood up and said we will buy the entire portfolio," he says.

Christopher Lee, managing director at AIG Highstar, reached on his cell phone, declined to comment as did **Mark Miles**, principal. AIG is expected to complete the deal via fund *Highstar Capital II*, which it is raising an unspecified amount of equity for generation investments.

—**Mark DeCambre**

JPMORGAN LANDS

(continued from page 1)

DeGhetto will join JPMorgan as a managing director and will be charged with a full spectrum of responsibilities, including handling M&A, loan syndication, and equity and fixed income offerings, says Fornell. DeGhetto and **Eric Gleason**, a senior v.p. with JPMorgan's London energy team, who moved to the New York office in February, will assume Ianno and Lowe's responsibilities.

—**Christine Buurma**

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WESTERN COOP

(continued from page 1)

says Johnson, adding that the project is still in the early permitting stages and that the total cost and financing plans hinge on the type of technology chosen.

The cooperative has hit the market once before with a notes offering for another project, adds Johnson. In 2002 and 2003, the issued first-mortgage bonds rated Aaa and A1 by Moody's Investors Services. He declined to identify the financial institution it worked with.

Basin is considering three types of technologies: pulverized coal, integrated gasification combined-cycle and circulating fluidized bed. Pulverized coal is the most inexpensive and though it is a proven technology there is a possibility of running into air permitting problems, says Johnson. This option could bring the price of the plant down to \$550 million. An IGCC plant would push the price tag up to \$734 million and a fluidized bed plant facility would cost somewhere in the middle of the two.

He declined to say which technology it is leaning toward. Fuel will be taken from the adjacent Dry Fork Mine.

—Raquel Pichardo

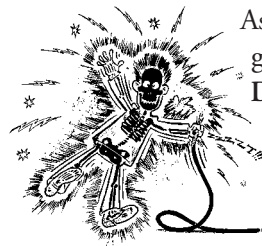
Quote Of The Week

"Our competitive advantage is simply that we stood up and said we will buy the entire portfolio." —**Jim Leech**, senior v.p. and head of the **Ontario Teachers' Pension Plan** private capital group in Toronto, on how **AIG Highstar** and Ontario beat out rival bidders for the 5.5 GW **InterGen** portfolio (see story, page 1).

One Year Ago In Power Finance & Risk

Rockland Capital Energy Investments made its first significant acquisition in Europe with the purchase of a stake in the debt of a financing subsidiary of **Teesside Power Ltd**, a 1,875 MW gas-fired facility in northeast England formerly owned by **Enron**. [Rockland quietly unloaded its Teesside position late last year to an undisclosed buyer (PFR, 12/17/04).]

Alternating Current



As a managing director in the power group for **Bank of America** in Chicago, **David McSweeney** was responsible for maintaining solid relationships with the bank's clients. These days, he's got different constituents to glad-hand: the voters of Illinois'

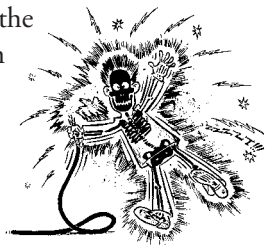
8th Congressional District. Republican McSweeney, 39, quit his post with BofA earlier this month to gear up for the campaign trail, as a Republican against Democratic incumbent **Melissa Bean**.

The staunch conservative began developing his political chops early, working as a campaign operative for **Ronald Reagan** in 1980, when McSweeney was still a teen. He has been in politics ever since, holding office at the local level and launching failed efforts to wrest the 8th district seat from 30-year Republican incumbent **Phil Crane** in 1998 and 2002.

McSweeney is currently favored to win the Republican primary in March for the seat and is expected to give Bean a run for her money in the predominantly Republican district. McSweeney says his platform harkens to his energy banking days as he hopes to push through a comprehensive energy bill.



David McSweeney



Calendar

- **Infocast** is hosting its *12th Annual Power Industry Forum* on May 11-13. The event will be held at The Watergate Hotel in Washington. For more registration information call (818) 888-4444.
- **Synergy** is hosting its annual Energy Trading Central & Eastern Europe conference on May 24-25 at the Novotel Hotel in Budapest. For information email: info@synergy-events.com
- **Energy Ireland** is hosting its *Energy Ireland 2005* confab on June 13-14 at the Burlington Hotel in Dublin. For information call +353 (0)1 661 3755.

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