

# power finance & risk

The exclusive source for power financing and trading news

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## K-Road Bags Exelon Boston Units William Kriegle's K Road Ventures

inked an agreement to acquire 3 GW Exelon Boston Generating's portfolio as PFR was going to press.



William Kriegle

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## KIMMELMAN TRAWLS FOR \$1B+ FOR PRIVATE EQUITY LAUNCH

Goldman Sachs rainmaker Doug Kimmelman has left the firm to launch a private equity business focused on financing North American energy infrastructure projects and is raising more than \$1 billion to seed it. The veteran banker, who spent about 22 years with Goldman and is widely known as the architect of generation unit Orion Power Holdings and the engineer of its eventual sale to Reliant



(continued on page 11)

## HOUSTON BOUTIQUE SNAGS LA PALOMA GENERATING

Complete Energy has landed La Paloma Generating, a 1,121 MW merchant gas-fired plant in California that has been on the block since last summer. The startup Houston-based investment boutique, run by former Dynegy executives Milton Scott and Hugh Tarpley and Lori Cuervo and Peter Dailey of Allegheny Energy, is said to be paying about \$600 million for the plant, according to market watchers. A spokeswoman declined to comment on pending deals, but industry observers believe the auction is all but wrapped

(continued on page 11)

## NEPTUNE GOES PRIVATE ROUTE FOR 660M NY/NJ LINE

Neptune Regional Electric Transmission is planning on a \$550 million private placement to bankroll construction of a 660 MW undersea transmission cable between New Jersey and Long Island that costs \$660 million to build. Lead Société Générale is having discussions with a group of unidentified life insurance companies interested in buying the notes, says one banker familiar with the deal. The transaction is expected to be placed some time in June, the banker says. Completion of the 67-mile line is set for June 2007 (PFR, 2/7).

(continued on page 2)

## CONSTELLATION POWER CHIEF MOVES TO CITADEL

The director of power trading for Constellation Energy has left the firm to trade power for hedge fund giant Citadel Investment Group in New York. Michael Barham, who had been with Constellation since 2003, was lured to Citadel by the higher bonuses and more attractive pay structure hedge funds offer, says one trader familiar with the matter. Barham was between jobs and could not be reached to comment. A receptionist at Constellation Energy Commodities Group in Baltimore says he left last Monday.

Calls to Thomas Brooks, president of the commodities group, were referred to

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## At Press Time

## NEPTUNE GOES

(continued from page 1)

**Christopher Hocker**, v.p. of planning in Pittsfield, Maine, says the company has been exploring a number of financing options, including a private bond offering, but declined to say which option it had chosen. Additional development funding is being provided by **Energy Investors Funds**, a private equity fund manager that invests in the power sector, and **Starwood Capital Group**, a private investor in Greenwich, Conn. Calls to **Herb Magid**, managing partner at EIF in Boston and **Merrick Kleeman**, senior managing director at Starwood, were not returned.

Given the life of the project, life insurance companies, which typically invest in long-dated assets to match their liabilities, make logical buyers. Officials at SocGen declined to comment.

Pricing of the planned 20-year note offering has yet to be determined. But strong demand in the market is expected to make pricing relatively thin, notes one banker. "People are hungry for assets," he added. The bonds are currently being rated and are expected to be investment grade because of the 20-year power purchase agreement Neptune has secured with **Long Island Power Authority**.

The bank will also dole out \$50 million in letters of credits through the bank market. Market observers say **Natexis Banques Populaires** and **NordLB** have shown interest in the letters because of the long term PPA but names of other interested parties could not be obtained. Letters of credit of this size typically only require one or two banks participating. Officials at both firms declined to comment.

—Raquel Pichardo

## El Paso Wraps \$278M Pipeline Financing

**El Paso** has closed a deal securing financing for a \$278 million expansion of its Cheyenne Plains gas pipeline. The 10-year senior secured credit facility was priced at 1 3/8% over LIBOR for the first four years, 1 1/2% over LIBOR for the next three years and will settle at 1 5/8% for the remainder of the tenor (PFR, 4/11). The loan is based on a 15-year amortization schedule and has a 40% balloon maturity, says a banker involved with arranging the debt. **Aaron Woods**, spokesman at El Paso in Houston, did not return calls before press time.

The pipeline only has a 10-year offtake contract, but the 16 banks involved were willing to take on the risk of a merchant tail because gas pipelines are considered stable assets. "It's hard to imagine where it really wouldn't be worth something," says one banker, who is participating in the deal but declined to be identified.

Other lending institutions involved in the **WestLB**-led deal included **ABN Amro**, **Scotia Bank**, **Nord LB**, **Royal Bank of Scotland**, **HypoVereinsbank**, **Fortis Bank** and **Allied Irish Bank**. Rounding out the syndicate are **MetLife**, **Union Bank of California**, **RZB Group**, **DZ Bank**, **CoBank**, **Natexis Banques Populaires**, **CIT Group** and **Amarillo Bank**.

Officials at West LB declined to comment as did officials at Allied and DZ Bank. Bankers at the remaining banks could not be reached before press time.

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## Canadian Wind Outfit Pushes For AMEX, NASDAQ Spot

Vancouver-based **Western Wind Energy** is hoping to get listed on either the **American Stock Exchange** or the **National Association of Securities Dealer Automated Quotation** by the end of the year. The company is currently listed on **Toronto Stock Exchange** and believes that a US listing will boost its visibility and help increase liquidity, says **Mike Boyd**, director at the company's Tucson, Ariz., offices. It is the only company purely focused on wind on the Toronto Exchange, says Boyd.

Western Wind received approval to apply for a NASDAQ or AMEX listing last summer from the **Securities and Exchange Commission**. At this point, it will need to meet a slew of requirements including having a market value equivalent to \$50 million to \$75 million and a minimum price of \$3 for the AMEX or \$4 for NASDAQ.

Although Western Wind is trading at C\$1.87, the company is betting that several projects in the wings, including a 20 MW farm in New Brunswick that should be up and running by year-end, will help to juice its share price and market value. The company has 15 million shares outstanding.

Boyd says that while NASDAQ is a more widely traded exchange, the AMEX holds the **WilderHill Clean Energy Index**, an index of public companies that focus in green energy. He declined to comment on which index the company it is leaning toward or provide a precise timetable for its inclusion.

## Ohio Hedge Fund Bags AEP Gas Trader

**Alpha Energy Partners** has hired **American Electric Power** natural gas trader **Shane Treleven**. The Columbus, Ohio-based hedge fund recently netted **John Broyles**, a former natural gas trader with **Citadel Investment Group** (PFR, 5/9), and has been beefing up its trading operation over the past several weeks (PFR, 3/18). Calls to **Lew Williams**, the AEP energy trading veteran who launched the operation, were referred to **Barry Hines**, advisor to Alpha at **Boomerang Capital** in Rowayton, Conn, who did not return calls.

Treleven also traded natural gas for **Cook Inlet Energy**, a Los Angeles-based energy trading and marketing firm, prior to his stint with AEP, says a trader familiar with the matter. He was between jobs and could not be reached for comment.

The fund, which invests primarily in the North American natural gas market, has raised nearly \$200 million in separate funds targeting both domestic and offshore high-net-worth investors eyeing the power/energy market and plans to grow to some \$500 million over the next two or three years.

## PwC Seeks Risk Managers

**PricewaterhouseCoopers** is looking for energy risk managers to join its Houston and Los Angeles offices. The energy risk management associates will be charged with providing risk management services for clients running physical energy assets and load obligations as well as those that trade and market energy-related commodities, says one headhunter familiar with the matter. It could not be determined whether the positions were new or existing.

Spokeswoman **Jenna Focarino** could not locate officials to comment and was unable to talk about PwC's plans herself. Calls to **Anna Costantino**, business development director for global energy, utilities and mining in Houston, were not returned.

The positions are part of PricewaterhouseCoopers' advisory group. The staffers also will be responsible for developing and analyzing energy trading and marketing strategies, among other duties, the headhunter says.

## Astoria Wraps \$93M LCs

**Astoria Energy** has wrapped \$93 million in letters of credit facilities, marking the final stage of its term B loan refinancing that supports construction of a 1 GW gas-fired plant in Queens. The LCs include a seven-year, \$37 million debt service facility; a five-year, \$10 million working capital facility; and a \$46 million loan earmarked to support construction risk as the plant is being completed, bankers involved with the deal say. **James Croyle**, president of Astoria in Concord, Mass., says the company is satisfied with the financing package, declining to comment further.

Pricing on the **Calyon**-led deal could not be obtained. The \$46 million portion consists of seven separate project letters of credit that will mature five years after construction is completed. Calls to **Francois Coussot**, managing director at Calyon, were not returned.

**Erica Egan**, v.p. in the structured finance group at Helaba in New York, says the bank was comfortable taking a slice of the deal because construction has been moving along steadily. The banker is also encouraged by the project's engineering and procurement contract that is being guaranteed by reputable construction firm **SNC-Lavalin**. Helaba participated in all three letters, she adds, declining to detail its participation.

In all, 11 lending institutions participated, including **CIT Group**, **Helaba**, **UFJ**, **Sumitomo Mitsui**, **NordLB**, **Allied Irish Bank**, **Bayerische Landesbank**, **Natexis**, **Erste Bank** and **Union Bank of California**.

Allocation amounts could not be obtained. Officials at **UFJ**, **Bayerische**, **Natexis** and **Erste** declined to comment. Officials at the remaining banks did not return calls.

Last year, Astoria Energy, a subsidiary of Concord, Mass.-based **SCS Energy**, financed the \$700 million project via a term



loan and pushed to refinance within months (PFR, 3/21). The new \$725 million deal closed last month. The bank financing reportedly consists of a \$515 million tranche and a \$210 million tranche, and is believed to be in syndication.

## Exelon Scopes ERCOT Marketer

Exelon is hunting for a regional energy marketing manager to focus on the **Electric Reliability Council of Texas** area. Hatching a wholesale business plan and marketing strategy for the Chicago-based holding company in the ERCOT region will be one of the new marketing manager's main responsibilities, says a recruiter familiar with the manner. Exelon has been beefing up its trading and marketing teams since the announcement of its pending merger with **Public Service Enterprise Group** (PFR, 4/1).

Where the new hire will be based could not be determined. It also is unclear if the position is new or existing. Neither **John Young**, executive v.p. for finance and markets at Exelon, nor spokeswoman **Jennifer Medley** returned calls.

The manager also will structure deals and handle contract negotiations to meet target profit and risk reduction goals for the wholesale marketing group, the headhunter says. The manager will also provide input for **Exelon Generation's** strategic planning efforts, including regulatory initiatives, mergers and acquisitions and restructuring opportunities.

## Sempra Venture To Tweak Coletto Revolver

**Sempra Energy** and **Carlyle/Riverstone** are looking to amend its \$460 million credit facility to pay a \$50 million special dividend on its Coletto Creek facility acquired last year. The amendment will increase debt by up to \$45 million and allow cash trapped at the project level to be distributed in a dividend payment. The 632-megawatt MW coal-fired facility was purchased for \$430 million from **American Electric Power** plant based in Texas (PFR, 4/14/04). Calls to Carlyle and Riverstone were not returned and a Sempra spokesman was unable to comment when reached.

**Citigroup**, **Goldman Sachs** and **J.P. Morgan** lead the bank debt, which was originally syndicated last summer. The existing \$60 million revolver will remain unchanged with pricing of LIBOR plus 2 1/2%. The B loan, which is currently \$193 million and priced at LIBOR plus 2 1/4%, will be increased to \$228 million and pricing will be cut to 1 3/4% over LIBOR. A \$47 million letter of credit facility will be increased by \$10 million. The pricing is also being cut 50 basis points to LIBOR plus 1 3/4%. A \$150 million C loan is being re-priced

from LIBOR plus 3 1/2% to LIBOR plus 3 1/4%. There is also 101 soft call protection on the C loan.

**Moody's Investors Service** has put the bank debt ratings on review for downgrade. The first-lien is rated Ba2 and the second lien Ba3. Since the acquisition, Coletto has produced lower than expected projected funds from operations. This is due to significant increases in projected fuel costs that will not be entirely offset by reductions in other operating costs. Much of their output for the next several years is under contract and the plant is therefore under a margin squeeze.

## EIF Taps BNP For 240 MW Crockett Auction

**Energy Investors Funds** has selected **BNP Paribas** to advise it on the sale of its 24% interest in Crockett Cogeneration facility in San Francisco. The company decided to unload the 240 MW gas-fired plant a year ago along with its stakes in the 79.5 MW biomass plant in Hurt, Va., and a third unidentified facility (PFR, 5/31). All three plants are owned in a pair of maturing investment vehicles, *Energy Investors I* and *II*, which are being unwound.

Calls to **Andrew Schroeder**, partner in New York, were directed to **Mark Segel**, partner in Boston, who declined to comment. A timetable for the sale could not be determined.

Two months ago, BNP served as sole underwriter for the placement of \$295 million of 20-year senior secured notes for EIF (PFR, 4/11). The notes were meant to pay down higher-rate debt associated with Crockett Cogeneration.

The facility has a power purchase agreement with **Pacific Gas & Electric Co.** which terminates in 2026. The energy holding company is rated Baa1 by **Moody's Investors Service** and BBB by **Standard & Poor's**.

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## Strategies

### Appalachian Reins In Secured Debt

**Appalachian Power** has redeemed \$45 million of 8% first-mortgage bonds as it looks to scale back outstanding secured debt. The Columbus, Ohio, utility subsidiary of **American Electric Power** used cash on hand to redeem the bonds and has been paying down asset-backed debt because current market conditions allow it to obtain unsecured notes with lower coupons, says **Denise Furey**, an analyst with **Fitch Ratings** in New York. **Susan Tomasky**, cfo for AEP in Columbus, did not return a call, and spokesman **David Hagelin** was unable to make officials available.

Appalachian Power issued \$200 million of senior unsecured notes in January, so it is not expected to issue additional debt to replace the first-mortgage bonds, Furey says. American Electric Power had \$417 million of first-mortgage bonds outstanding as of March 31, according to the company's most recent 10-Q. Its senior unsecured notes total \$7.7 billion. The amount of debt at the utility level could not be determined.

The first-mortgage bonds were set to mature in 2025 but were callable this month at 104% of the principal amount plus accrued interest. They were part of a \$50 million issuance from 1995 that went toward paying down outstanding long-term debt. At the time, the deal was led by **Salomon Brothers (Citigroup)**, **Credit Suisse First Boston** and **Chemical Securities** (now **JPMorgan Chase**), with **Deutsche Bank Trust Company Americas** acting as the redemption agent.

### Commonwealth To Tackle High-Rate Bonds

**Commonwealth Edison Company**, subsidiary of Chicago utility **Exelon Corp.**, plans to redeem \$64.2 million in 9.875% first-mortgage bonds next month. **Kellie Szabo**, spokeswoman at Exelon in Chicago, says the debt is being redeemed now because Commonwealth has an option to do so. She declined to comment on the particulars of the refinancing, but **Daniele Seitz**, v.p. and senior analyst at **Maxcor Financial** in New York, says Exelon is using cash on hand to erase its subsidiary's high-rate bonds.

Commonwealth's 30-year bonds, issued June 15, 1990, were originally used to refinance maturing debt, says Szabo. According to the company's 10-Q, as of March 31, its long-term debt was \$2.9 billion.

Rising electricity prices means Exelon is generating roughly \$1 billion a year in surplus cash and therefore has sufficient funds to pay off higher-rate debt at its subsidiaries, says Seitz.

Furthermore, since Exelon's leverage may increase from 55%

to 60% once the planned merger with **Public Service Enterprise Group** is complete, it is logical to pay down debt in preparation, says Seitz. Calls to **Frank Clark**, president of ComEd and **Barry Mitchell**, cfo at Exelon, were not returned.

### El Paso Reworks Debt Ahead Of Rate Moves



Steven Busser

**El Paso Electric** is paying down \$359 million in first-mortgage bonds with an eye toward replacing them with less expensive securities. "It's a bet that interest rates are going to go up," says **Steven Busser**, treasurer at the Texas utility subsidiary of **El Paso Corp.**, about the timing of the redemption. The company will retire \$183.5 million in 8.9% notes and \$175.5 million in 9.4% notes, which were used to repay creditors when the Houston-based energy outfit emerged from bankruptcy in February 1996, he adds.

El Paso plans on issuing between \$380 million to \$400 million in unsecured bonds to replace existing debt, says Busser. He would not provide details on the timing or pricing of the issue. The offering will be distributed from a \$1 billion shelf registration the company filed on May 5, he says. **Credit Suisse First Boston**, which the utility has worked with in the past, has been selected to lead its issuance, says Busser.

The offering will run from May 6 to June 2 and include accrued interest. A 6% premium will be offered for par amount repurchased before May 16 and a 2% premium will be offered thereafter. The higher premium for the early tender will serve as compensation for the interest payments the holder is missing out on, says Busser. The notes were callable Feb. 1.

### TEP Buys Back \$221M Bonds

**Tucson Electric Power** has redeemed \$221 million in tax-exempt bonds and aims to take down another \$4 million in the coming weeks. The utility is looking to shore up its balance sheet so that 100% of cash flow can be directed to parent, **UniSource Energy**, explains **Kent Grant**, general manager of financial planning at the Tucson, Ariz.-based utility. Per the state regulator's requirement, only 75% of the subsidiaries dividends can be distributed to its parent until it trims its leverage by some 10% to 60%, he explains.

UniSource is using proceeds from a \$150 million convertible notes offering in February and a term loan it entered into last month to fund the buyback. TEP will use cash on hand and will borrow from its revolving credit facility if necessary to redeem

additional securities, adds Grant.

TEP several weeks ago initiated the tender auction, which pays a slight premium of \$101.50 for every par amount of the \$221 tendered. The remaining \$4 million balance will be paid at par, adds Grant, declining to give a specific date for the redemption. He says it is typical to have some holders, specifically retail investors, hesitate to respond.

The 6% bonds, series B and C, were issued between 1997 by the **Industrial Development Authority of the County of Pima**.

The buyback will give TEP flexibility to reissue the bonds at a later date if it wishes, says Grant, noting that no re-issuance has been set. The bonds were originally issued to fund transmission and distributions projects for TEP.

Last month, the company had requested that bondholders of nine series of notes offer a sale price, but the company was disappointed by the overpriced requests, says Grant. This time around, the company narrowed the offering to two series of bonds and offered a set sale price, he explains.

## 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

- **Bulgaria's Privatization Agency** is likely to cancel the sale of its 630 MW generation facility after the bidders less than the agency for the coal-fired plant than they anticipated. Greece's power utility PPC, seen as the highest bidder, had offered EUR71 million for the Boboy Dol power plant. The price is 55 times the profit the plant had last year (*Bulgarian News Network*, 5/9).
- **Electrabel CEO Jean-Pierre Hansen** said last week he is in support of a large merger in the European energy distribution sector (*AFX-Europe*, 5/10).
- **Endesa** will continue to search out growth opportunities in Italy, **Endesa Italia Chairman Jesus Olmos** said in the wake of the news that **Electricite de France's** board has decided to maintain its presence in Italy and form a partnership with **AEM**. Endesa was reported to have offered to buy out EDF's stake in **Italenergia Bis**—a holding company controlling 62% of **Edison**—if the French company decided to move out of Italy (*AFX-Europe*, 5/9).
- **E.ON** said it purchased the Enfield gas-fired power station for \$206 million in order to expand its electricity generation activities in the U.K. The plant can generate enough electricity for 300,000 homes (*AFX*, 5/9).
- Proposals to build a series of nuclear power stations in Britain will be put to **Tony Blair** this week by **Alan Johnson**, the new secretary of state for productivity, energy and industry. The prime minister told senior aides before the election that he would use any fresh 'political capital' to launch a personal crusade for a big program of reactor-building (*Independent On Sunday*, 5/9).

### The Americas

- State regulators approved **Wisconsin Power and Light Company's** request to lease a new power plant in Sheboygan Falls for \$135 million over the next 20 years. **The Public Service Commission** approved the deal after saying the utility will need

more power generation capabilities this summer. The plant is owned by **Sheboygan Power** (*Associated Press*, 5/5).

- The **Florida Municipal Power Agency** said it plans to build a 300 MW natural gas-fired plant near Fort Pierce, Fla. If permits are granted, the company can break ground in 2006. The plant would serve customers in Fort Pierce, Vero Beach, Lake Worth, Clewiston as well as other cities (*Sun-Sentinel*, 5/7).
- **Allegheny Energy** of Greensburg, Pa., is suing **Merrill Lynch** claiming its January 2001 acquisition of Merrill's former energy-trading business for about \$490 million was fraudulent and a breach of contract (*The Day*, New London, Conn., 5/10).
- **Progress Energy Florida** and **Florida Power & Light** said last week that they haven't decided whether to take advantage of legislation passed last week enabling them to issue corporate bonds to cover their hurricane recovery costs. Gov. **Jeb Bush** hasn't signed the legislation, but his office has expressed support for it (*St. Petersburg Times*, 5/10).
- Construction of the world's largest wind farm should get under way in eastern McLean County, Ind., next spring. **Zilkha Renewable Energy's** 400 MW project will cost \$500 million, with as many as 260 wind turbines built on farms (*Pantagraph*, Bloomington, Ind., 5/10).
- **Cinergy** has said it will fork over \$100 million for **Allegheny Energy's** 512 MW Wheatland plant in southwest Indiana. The purchase will help Cinergy's subsidiaries **Cincinnati Gas & Electric** and **PSI Energy** meet their peak summer demand (*Bloomberg*, 5/10).
- **Exelon** has offered to sell 1,100 MW of production capacity if the **Federal Energy Regulatory Commission** approves its purchase of **Public Service Enterprise Group** without going through a hearing process. The \$12.8 billion purchase will be the largest U.S. utility acquisition in history (*Bloomberg*, 5/10).
- A tax-credits law was signed on Monday that offers financial



incentives for companies that build new integrated gasification combined cycle plants using Indiana coal. The law, signed by Gov. **Mitch Daniels**, offers \$75 million in credits for every \$1 billion investment (*South Bend Tribune*, 5/10).

- The Canadian federal government and the Northwest Territories have reached a very preliminary arrangement to create a fund that will allow the territories to deal with some of the socio-economic issues around the proposed pipeline, said deputy prime minister, **Anne McLellan**. Work on the \$7 billion project, spearheaded by **Imperial Oil**, was halted last month because the companies involved said key issues were not being addressed (*CBC Calgary*, 5/10).

- **Dynegy** would cut the cord on its last tie to the natural gas business with its proposed sale of its extensive midstream natural gas asset and marketing network, a move that analysts say could bring in as much as \$3 billion. If successful, Dynegy will become a pure-play power generator that will be able to take advantage of consolidation in the power industry with better focus and a lower cost structure, analysts said (*Intelligence Press*, 5/9).

- **TXU** can unilaterally drive up wholesale power prices, a situation that raises questions about defects in the electric deregulation law and whether the state needs better antitrust protections, according to a new report at the **Texas Public Utility**

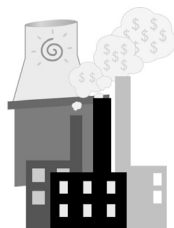
**Commission**. Left unchecked, a utility with such monopolistic power can block out competition, which would lead to higher home electric bills, the report stated (*Fort Worth Star-Telegram*, 5/9).

## Asia

- **Power BHD** and **Laraib Energy** have formed a joint venture to build a 79 MW hydropower plant in Pakistan. Chairman **Tan Sri Majid** said the project will be leveraged by 75%. The partnership has already been in discussions with **Islamic Development Bank** and **Asia Development Bank** for project financing. Financing should close by September with the facility up and running about two and a half years later (*Malaysia Star*, 5/6).

- **Electric Power Development Co.**, better known as **J-Power**, plans to buy inefficient coal power stations in China and upgrade them to more efficient facilities. The power station operator and electricity wholesaler intends to divert roughly 10% of its total annual investment for overseas projects (*AFX-Asia*, 5/9).

- Coal-fired power plants may be allowed in the Thai government's next round of independent power plant project bids. **Viraphol Jirapraditkul**, the deputy director-general of the **Energy Policy and Planning Office**, says the office is setting specifications of power plants for bids for the second round of IPPs that will come online after 2010 (*Bangkok Post*, 5/9).



## 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](mailto: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	Racoon 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.	



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

Seller	Plants	Location	MW	Plant Type	Advisor	Status
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	Merging With Cinergy In A \$9 Billion Deal.
	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			
	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		
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		



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

Seller	Plants	Location	MW	Plant Type	Advisor	Status
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			
	Rijnmond	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.

## KIMMELMAN TRAWLS

(continued from page 1)

**Resources** for \$4.8 billion (including debt/equity) in 2002, is starting **Energy Capital Partners** with **Scott Helm**, Orion's co-founder, and **Thomas Lane**, managing director in Goldman's mergers and acquisitions unit.

Reached on his mobile phone, Kimmelman declined to comment. Neither Lane nor Helm were available for comment. Goldman spokesman **Michael DuVally** also declined comment.

Energy Capital is expected to kick off with about 15 energy pros and should be up and running soon with offices in the New York area and a satellite office on the West Coast. Fundraising efforts, which will target institutional investors such as insurance companies and pension funds, is expected get underway later in the year, observers say. The investment vehicle will aim to fund projects in the power and gas sector, including construction of generation facilities and transmission lines as well as distribution and storage facilities.

A dearth of updated energy infrastructure in the U.S. and booming increase in demand for megawatt capacity is believed to

be Kimmelman's main impetus for kicking off the operation. Total North American energy demand is expected to increase by some 40% over the next two decades with \$3.5 trillion projected as the required investment for new developments by 2030, according to an **International Energy Agency** report. —**Mark DeCambre**

## HOUSTON BOUTIQUE

(continued from page 1)

with more than 75% of the creditors that own debt associated with the plant's construction approving the group's bid.

**Trust Company of the West** is expected to pony up some portion of the funding for the transaction, but since the deal is not yet closed an ultimate capital structure has not been determined. **Brian Daly**, managing director for TCW in New York, declined to comment.

Officials at **Lehman Brothers**, which arranged the sale of the facility, and **Citigroup**, which led the original creditor group that helped fund the plant's development, did not return calls for comment.

Hedge funds, the main owners of the plant's debt, have been



driving up the price of the debt trading in the secondary market over the past several months, with levels spiking to 120 from 80 since August 2004.

Complete Energy's plans for the plant are unclear. It completed its first acquisition more than a year ago, purchasing an 837 MW natural gas-fired plant in Batesville, Miss., from **NRG Energy**. The boutique generation buyer ultimately hopes to amass a portfolio of 7,000 - 10,000 MW of capacity.

La Paloma Generating, developed by **PG&E National Energy Group**, has been a potential sale candidate for nearly two years. It has been performing well, observers say, noting that it has a heat rate of 6,800-7,000 Btu/kwh with comparable plants running at heat rates of 7,000-7,200. The La Paloma project received its **California Energy Commission** approval in October 2003. —*M.D.*

## CONSTELLATION

(continued from page 1)

Constellation spokesman **Larry McDonnell**, who declined to comment. Calls to Citadel energy trading head **Scott Rose** in Chicago, where Citadel is based, were referred to a spokesman, who declined to comment.

Constellation, an energy holding company, has lost several traders to hedge funds over the past few months, says the trader. Traders were frustrated that the company's policy for doling out bonuses was not clear-cut, he claims. Constellation does not offer traders a fixed percentage of their trading revenues as bonuses, as some firms do, he notes. Large hedge funds typically offer traders 15-20% of their individual revenues, says **Jonathan Weitz**, president of Southbury, Conn.-based executive search firm **Jilson Advisors**. Jilson was not involved in Barham's placement.

Traders at energy companies like Constellation are often drawn to hedge funds because of the upside potential the funds offer, Weitz says. While energy companies pony up bonuses in cash, hedge funds offer traders the option of investing their payouts in the fund, creating enormous profit potential. But the base salary for power traders at energy companies and hedge funds is typically the same, between \$125,000 and \$200,000, Weitz says.

In March, four energy traders from Constellation jumped to Houston energy trading and marketing start-up **Saracen Energy Partners**, founded last year by officials from **Vitol Group**, the Dutch commodities marketing and trading company, says the trader. Constellation also lost **John Broyles**, a natural gas trader who initially moved to **UBS** and later bounced to Columbus, Ohio-based hedge fund **Alpha Energy Partners** (PFR, 5/6 and 4/8).

Citadel is one of the world's largest hedge funds, with

\$10 billion in assets under management and offices in Chicago, San Francisco, Tokyo and New York. The firm's investment strategies include merger arbitrage, convertible arbitrage, and statistical arbitrage in equities and options. —*Christine Buurma*

## 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](mailto: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.

## Quote Of The Week

*"It's a bet that interest rates are going to go up."* —**Steven Busser**, treasurer at **El Paso Electric** in El Paso, Texas, on the company's timing of a \$359 million first mortgage bond redemption (see story, page 5).

## One Year Ago In Power Finance & Risk

**Hydro-Québec International** had signed an agreement to sell its 20% stake in **Meiya Power**, one of the largest independent power producers in mainland China, to **Darby Overseas Investments**, an emerging market fund headquartered in Washington, D.C. The price tag on the deal had not yet been disclosed. [On July 30, 2004, the company stated Darby forked over \$84.6 million representing a profit for Hydro-Québec of \$12.9 million.]

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