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Déxia Takes Noble Wind Co-Lead

Déxia Credit Local has been selected as one of the lead banks for **Noble Environmental Power**'s nearly $700 million wind farm financing. Another is still to be tapped.

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MachGen Preps Debt Restructuring

Hedge-fund owners of MachGen are looking to restructure debt tied to the package of plants underlying the facilities.

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In The News

Corporate Strategies

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EXELON TAPS LAZARD TO REASSESS PSEG TIE-UP

Exelon Corp. has hired Lazard to help it reevaluate its roughly $12 billion bid to acquire **Public Service Energy Group**. According to an official familiar with the deal, Exelon's board of directors wants an independent valuation because the linkup has been languishing in regulatory limbo for the past year and a half and it wants to ensure what it offered to pay still makes sense.

"Exelon's board wants to make sure the assumptions made 18 months ago still hold true

(continued on page 11)

GOLDMAN LOSES M&A DUO IN N.Y.

Goldman Sachs has lost a pair of energy mergers and acquisition bankers in the past week. Managing Director **Pete Labbat** left the whiteshoe firm to join ex-Goldman official **Doug Kimmelman**'s **Energy Capital Partners** and **Jay Horine** left his post to join rival **JPMorganChase** in **New York**. Calls to Kimmelman's mobile number and **Tim Kingston**, managing director at Goldman, were not returned. Goldman spokesman **Michael DuVally** declined to comment.

Energy Capital was launched last year with a plan for offices in New York and on the

(continued on page 12)

Still On The Shelf?

DPL CASTS FOR SUITORS

DPL Inc. has been quietly shopping itself over the past several months with officials close to the Dayton, Ohio, holding entity saying **Morgan Stanley** has been advising it. But, it is unclear if the company is continuing its pursuit of a sale.

Officials tracking the company say it has courted via Morgan the likes of Columbus-based **American Electric Power** and Akron-based **FirstEnergy** as well as strategic private equity investors.

(continued on page 11)

CALPINE, INVENERGY POCKET TOP PROJECT FINANCE AWARDS

The financing package for Calpine led by **Calyon** and **CoBank** and co-arrangers **HSH Nordbank, Hypo Vereinsbank** and **UFJ** has landed *PFR*'s top project finance honors. The debt tied to generation facilities in Freeport, Texas, and Mankato, Minn., stood out given that it was structured and wrapped with the IPP teetering on the brink of a bankruptcy filing. Meanwhile, Invenergy's wind construction loan led by **Déxia Crédit Local** scored accolades in the green energy category for its financing of a trio of wind facilities.

For full coverage, see page 7

J-Power Mulls Sale of Tenaska Frontier Stake

J-Power USA Development Co. is considering offloading a small stake in a gas-fired generation facility it bought in Shiro, Texas, even before the acquisition of the plant from Tenaska closes. The subsidiary of **Electric Power Development** of Tokyo could look to find a partner to quietly take on 5-10% of its 62% share in the Tenaska Frontier Generating Station. Although J-Power's parent, which owns some 16 GW of generation capacity outside of the U.S., could fund the entire deal without a partner, one observer noted that Electric Power tends to be conservative and might be looking to diversify its holdings.

Calls to **John Salyer**, president and ceo in Schaumberg, Ill., were not returned nor was a call to a Tenaska spokeswoman.

The acquisition price was not disclosed, but late bids in the deal were said to be in the $300 million range for its interest. **Lehman Brothers**, which brokered the sale, was expected to be among a cadre of potential financiers to help bankroll the purchase. A timetable for the financing could not be learned. A call to Lehman officials was not returned.

Primary Stake Generates Keen Appetite

Bids for **American Securities Capital Partners**' **Primary Energy Ventures** is said to be relatively aggressive. Expectations were that bids would come in the range of $400-450 million, but some offers are in the $450-470 million range with a few topping that number, according to deal trackers who have spoken to prospective investors. Final round bids are due June 15. Officials at American Securities and its affiliates, who put Primary up for grabs earlier this year (PFR, 2/20), did not return calls for comment nor did auctioneer **Lehman Brothers**.

Prospective buyers are said to include **DTE Energy** and **Crestview Advisors**. **Caithness Energy** and hedge fund **Harbert Distressed Investment Master Fund** (PFR, 5/15) are said to have also been in the mix.

Lone Star Developer Talks Funds For Wind Buildout

Superior Renewable Energy, a Houston-based project developer, plans on tapping banks to help fund two separate wind projects. **John Calaway**, ceo, says the developer is hoping to break ground late next year early 2008 on a 300 MW facility in southern Texas and follow that by constructing as much as 1 GW off Padre Island, Texas. The ceo declined to talk specifics on its funding plans or name financiers it might court but notes that it prefers to maintain a 40:60 debt-to-equity structure in its developments.

Superior announced two weeks ago it had secured rights to riparian land off Padre Island. Calaway says its offshore development plans are still nearly a decade off, but wanted to bag the land early. "Offshore is not in its primetime, yet," he says. At the same time the company wanted to secure a site now for when it is, he explains.

The offshore project will cost between $1-2 billion, while its onshore project will cost about $450 million.

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Institutional Investor NEWS
INTELLIGENCE FIRST

MachGen Readies Debt Retooling

Hedge-fund owners of MachGen are looking to arrange about $550 million in debt that will refinance the operation as part of a reworking that will see them convert some of the old debt they hold into equity. The holders, including **Strategic Value Partners** and **Cargill**, which own the bulk of the $1.2 billion in debt, have taken refinancing proposals from banks hoping to lead the deal. **Morgan Stanley**, which has been a lender to MachGen through a working capital facility, will take a prominent role in the deal, one observer says. **UBS**, **Deutsche Bank**, **Bear Stearns** and **WestLB** are among banks short-listed to participate in the retooling. Specific bank roles could not be determined.

Debt holders in the **PG&E National Energy**-developed plants are aiming to obtain $200 million in letter of credit facilities in order to ramp up its power hedging activities and another $100 million in working capital, says a banker familiar with the discussions.

MachGen plants are Millennium (360 MW) in Massachusetts, Athens (1,080 MW) in New York, Covert (1.2 GW) in Michigan and Harquahala (1.1 GW) in Arizona.

Calls to **Paul Triggiani**, analyst at Strategic Value partners in New York, and **Octavio Garcia**, managing director at Cargill, were not returned. Officials at the banks either declined to comment or did not return calls.

Colo. Energy Consultants Forge Shop

A group of ex-**Harris Group** consultants has formed energy management and consulting firm **Luminate**. An official at the Denver-based firm says the unit will advise project finance lenders, investors, generation owners, and utilities in engineering services in a variety of areas, running the gamut from renewables to conventional forms of generation. **Michael Robinson**, president, declined to comment.

The three principals of Luminate include Robinson, **Jon Neff**, senior v.p., and **Robert Courtney**, v.p. Neff and Courtney could not be reached for comment.

Big Apple Boutique Looks For Energy Bankers

Dahlman Rose, a New York investment bank specializing in energy and marine transport, is looking to add about eight energy bankers in the next 12 months to boost coverage. **Simon Rose**, ceo, said the firm, which also has offices in Houston, Boston and San Francisco, is looking for a banker to head its utilities business. In addition, it is looking for senior bankers to cover oil E&P companies, oilfield services businesses and coal companies. Dahlman is also looking for some v.ps.

The bank, which was founded two years ago, primarily works on capital markets transactions such as IPOs, PIPEs and secondary offerings, says Rose. It has worked on 12 such deals since its inception.

Déxia Tapped To Co-Lead Noble Wind Deal

Déxia Credit Local has been selected as one of the lead banks for **Noble Environmental Power**'s nearly $700 million wind farm financing. Officials say the sponsor is also targeting another co-lead but the identity of the firm could not be determined. Déxia officials declined to comment and calls to **Chuck Hinckley**, ceo, and **Jeff Nelson**, director of project financing, at Essex, Conn.-based Noble were not returned.

Noble, which is majority owned by **J.P. Morgan Partners**, is looking for financing for four wind farms totaling about 300 MW and asked around 10 institutions for proposals. The company is hoping for about $445 million in senior secured debt and $232 million in tax equity. **HVB** already provided a $153 million turbine loan earlier this year, which the company has indicated it might restructure as it obtains new debt (PFR, 4/24).

Ambac Hires Veteran Financier

Ambac has hired **Mike Pepe** as a managing director in New York from **Financial Guaranty Insurance Co.** to run a new project finance group. The Manhattan based financial services company, which offers guarantees on debt offerings, has never had a project specific unit and wanted to concentrate more on that area, an official says. Pepe is expected to add staff over the next several months. He reports to **Iain Bruce**, managing director in New York. Pepe declined to comment.

Before joining Ambac, Pepe worked for almost two years as a director in FGIC's international and global utilities group. He has been a long term fixture in project finance circles, notching stints at **Deutsche Bank**, **Calyon** and **Banca Intesa** on his resume. A spokesman for FGIC says Pepe's post will likely be restaffed.

Corporate Strategies

Great Plains Upsizes Credit Line

Great Plains Energy has signed credit agreements increasing the size of its revolver at the holding level and utility subsidiary **Kansas City Power & Light** to $1 billion.

Todd Kobayahsi, v.p. of strategy at Great Plains, says Kansas City Power needs the liquidity to help fund a five-year, $1.5 billion capital expenditure program that includes adding 100 MW of wind generation, and environmental upgrades, while Great Plains needs collateral to cover risk related to its power trading.

Kansas City, Mo.-based Great Plains' credit has been juiced by $100 million to $600 million and Kansas City Power's line has been increased to $400 million.

Great Plains also issued, about 6.32 million shares at $27.50, or about $173.8 million in total, in a forward sale agreement with **Merrill Lynch**. The underwriters, which also include **Credit Suisse Securities**, have an over-allotment option to buy up to 684,450 more shares. Kobayashi says the company chose this plan because of the flexibility it offers since a forward sale allows the company to hedge pricing risk. Some of the proceeds can be funneled to Kansas City Power, he notes.

Merrill was tapped to underwrite the offering because it participated in two equity offerings at Great Plains in the last few years, Kobayahsi notes. Credit Suisse is also participating in the equity offering because it has provided good strategic advice, he notes.

Questar Subsidiary Shops $250M In Notes

Questar Market Resources, the gas and oil E&P and trading player, has priced $250 million of 6.05% notes, due 2016 to refinance higher-rate debt maturing next year. **Martin Craven**, treasurer at Salt Lake City, Utah, parent **Questar**, says it wants to eliminate the old subsidiary debt now because it believes the interest rate environment is in its favor now. The notes were expected to close last week.

The issuance will retire $200 million of 7% notes and the balance will be used to retire inter-company indebtedness. **Banc of America Securities** and **Goldman Sachs** were the joint book-runners of the offering, Craven says, noting Questar has worked with both firms before.

Questar Market Resources has about $700 million in long-term debt outstanding including its most recent offerings. He notes the holding company is comfortable with its subsidiary's debt-to-capital ratio of 30:70. Questar Market has no plans of tapping the capital markets again this year.

Edison Mission Plots Debt Overhaul

Edison Mission Energy plans to offer $1 billion of senior unsecured debt by the end of this week and to upsize its revolving credit line from $98 million to $500 million. The Irvine, Calif.-based unit of **Edison International** will use the offering to refinance a similar amount of existing debt that matures in 2008 and 2011, says **Craig Howard**, treasurer at Edison Mission.

Howard says Edison Mission plans to sell seven- and 12-year notes through lead underwriter **JPMorgan Chase**. **Citigroup**, **Credit Suisse Group**, **Goldman Sachs** and **Merrill Lynch** are co-managing the debt offering.

The revolver is being led by Citi and **Union Bank of California**. Edison Mission uses its revolver to provide collateral that supports its hedging activities at its Homer City, Pa., coal-fired plant.

Edison Mission has $1.6 billion of corporate-level debt but there are no plans to refinance the remaining $600 million, Howard says. **Arlene Spangler**, analyst at **Standard & Poor's**, points out some of the debt being refinanced has covenants that limit the amount of secured debt the company can carry, including the new revolver. Spangler notes no debt remains outstanding on its revolver. S&P recently affirmed the unit's B+ senior unsecured credit rating.

Pa. Gas Co. Offers Shares To Erase Acquisition Debt

Atlas Pipeline Partners has sold $20 million of common units to help refinance short-term debt used to finance its 25% investment in the NOARK pipeline from **Southwestern Energy Co. Brian Begley**, v.p. of investor relations, says the offering, along with a $35 million private placement of 7.60% senior notes, will help pay back borrowings from The Moon Township, Pa., company's credit revolver used to finance the $65 million acquisition in the short-term. He declined to make an official available. The units were sold at $41.20.

Aneesh Prabhu, an analyst at **Standard & Poor's** in New York, says the acquisition is a solid, low-risk investment for Atlas, but notes S&P remains concerned about the midstream company's methods for funding growth. Atlas has completed three major acquisitions since 2005, Prabhu says, noting that the company has become "a different animal."

Wachovia Securities is the lead on Atlas' $200 million credit revolver and also handled the share sale.

Financing Record (MAY 11-MAY 17)

Debt

Issued	Issuer	Business Description	Amount ($M)	Coupon(%)	Security	Maturity	Offer Price	YTM(%)	Spread	S&P	Moody's	Fitch
5/13/06	Segari Energy Ventures Sdn Bhd	Electric utility	43.4	4.3	Islamic Finance	5/13/07	100	4.3		NR	NR	
5/13/06	Segari Energy Ventures Sdn Bhd	Electric utility	43.4	5.45	Islamic Finance	5/13/12	100	5.45		NR	NR	
5/13/06	Segari Energy Ventures Sdn Bhd	Electric utility	43.4	5.05	Islamic Finance	5/13/10	100	5.05		NR	NR	
5/13/06	Segari Energy Ventures Sdn Bhd	Electric utility	43.4	5.25	Islamic Finance	5/13/11	100	5.25		NR	NR	
5/13/06	Segari Energy Ventures Sdn Bhd	Electric utility	43.4	4.85	Islamic Finance	5/13/09	100	4.85		NR	NR	
5/13/06	Segari Energy Ventures Sdn Bhd	Electric utility	43.4	4.5	Islamic Finance	5/13/08	100	4.5		NR	NR	
5/15/06	CenterPoint Energy Inc	Electric utility	325	6.15	Sr Unsecurd Nts	5/1/16	99.644	6.198	20	BBB	Baa3	BBB
5/15/06	PPL Energy Supply	Electric utility	300	6.2	Sr Unsecurd Nts	5/15/16	99.861	6.219	108	BBB	Baa2	BBB+
5/17/06	Detroit Edison Co(DTE Energy)	Electric and gas utility	250	6.625	Fst Mtg Bonds	6/1/36	99.946	6.629		BBB+	A3	A-

M&A

Announced	Effective	Target Name	Target Advisors	Target Nation	Acquiror Name	Acquiror Advisors	Acquiror Nation	Rank Value ($M)
5/11/06		M3		Norway	International Maritime Exch		Norway	4.133
5/11/06	5/11/06	Oxford Power Holdings Ltd		United Kingdom	International Power PLC		United Kingdom	13.641
5/11/06		Oxford Power Holdings Ltd		United Kingdom	International Power PLC		United Kingdom	
5/12/06	5/12/06	HPP Yakoruda		Bulgaria	Business BG Group Correct Ltd		Bulgaria	0.444
5/12/06		Michigan Electric Transmission	Macquarie Securities Ltd	United States	ITC Holdings Corp	Credit Suisse Group, Lehman Brothers	United States	867
5/12/06		Weichai Power(Weifang)		China	Weichai Power Co Ltd		China	85.631
5/15/06		EDP		Portugal	Sonatrach		Algeria	
5/16/06		Tractebel Gas Engineering GmbH	Fortis	Germany	Investor Group		United Kingdom	
5/16/06	5/16/06	Tractebel Gas Engineering GmbH	Fortis	Germany	Investor Group		United Kingdom	
5/17/06	5/17/06	Elektrocieplownia Zdunska Wola		Poland	SFW Energia Sp zoo		Poland	11.145
5/17/06		European Wind Farms A/S		Denmark	EuroTrust A/S		Denmark	37.139
5/17/06		Malakoff Bhd		Malaysia	MMC Corp Bhd	Commerce Intl Merchant Bank, NEWFIELDS ADVISORS SDN BHD, Goldman Sachs (Asia)	Malaysia	4,688.25
5/17/06		Saar Ferngas AG	Deutsche Bank AG	Germany	RWE AG		Germany	

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

2005 POWER PROJECT FINANCE AWARDS

Power Finance & Risk is proud to announce the winners of its fifth annual award for excellence and innovation in non-recourse financing. This year's winners reflect sponsors and underwriters not shy about embracing market risk. It also demonstrates a sector that continues to mature around the growing renewable space, namely wind financings, which are expected to be a mainstay in the project arena for the next several years.

The winners were nominated by industry officials including project financiers and law firms and chosen by the editors of PFR.

Best Americas

Calpine Steamboat Holdings

Sponsor: **Calpine Corp.**

Assets: 250 MW cogeneration facility in Freeport, Texas, and a 375 MW combined-cycle plant near Mankato, Minnesota

Leads: **CoBank**, **Calyon**

Sponsor Calpine and leads CoBank and Calyon scored top honors for the $503 million Steamboat Holdings project financing.

A senior official close to the deal says the difficulty in getting the deal done was structuring it to be bankruptcy remote while dealing with Calpine subsidiaries that were involved with almost every aspect of construction. A CCC-rated company is usually not the most ideal situation, and the San Jose, Calif., IPP was also seen a candidate for bankruptcy.

But the structure proved to be up to the challenge and the strength of the deal is apparent even today: the debt is trading in the low '90s today, so bankers say Steamboat has survived the test.

The structure of the deal included a $466.5 million, five-year term loan that amounted to combined leverage of 83%, and a $36.5 million in letter of credit facilities. Pricing started at 175 basis points over LIBOR but steps up to LIBOR plus 200 by the final year of the loan. Freeport has a 25-year power-and-steam sales agreement with **Dow Chemical**, but also sells 50 MW of power into the ERCOT market. Mankato has a 20-year tolling agreement with **Xcel** subsidiary **Northern States Power**.

HSH Nordbank, **Hypo Vereinsbank** and **UFJ** were co-arrangers on the fully syndicated deal that was wrapped up in April.

Best Renewables

Invenergy

Sponsor: **Invenergy**

Assets: Trio of wind farms

Lead: **Déxia Crédit Local**

Invenergy's $390.4 million portfolio financing was the largest syndicated non-recourse bank financing in the wind sector in North America.

Jim Murphy, cfo at the Chicago-based wind developer, says the portfolio format was advantageous for Invenergy because it significantly reduced financing costs. The deal financed the 135 MW Judith Gap farm in Montana, the 60 MW Spring canyon farm in Colorado and the 64.5 MW Wolverine farm in Oregon.

Not only was this the largest syndicated, non-recourse wind deal, it was also the first non-recourse turbine financing in the North American bank market, as Déxia arranged a $77 million turbine loan. The deal was 100% leveraged, explains Murphy, adding the equity bridge loan was contingent on completion of the project.

The financing consists of a $153.3 million equity bridge loan, a $219.6 million construction loan that converted into a 15-year term loan when the projects were completed, and $17.5 million in ancillary facilities. Pricing started at 150 basis points over LIBOR, stepping up to 162.5 for years four to six, 175 basis point for years seven to nine, 187.5 basis point for years 10 to 12 and 200 basis points for years 13 to 15. A total of 10 banks were brought in, including **HSH Nordbank** and **HVB** as co-underwriters.

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
Atlantic City Electric Company	B.L.England	New Jersey	447	Coal	Concentric Advisors	
	Key Stone	Pa.	-	Coal		
	Conenaugh	Pa.	-	Coal		
American Securities Capital Partners	Approximately 70% Stake In Primary Energy Ventures	Oak Broak, Ill.	900	Various	Bank of America	Second-Round Bids Are In
Aquila	Racoon Creek	Ill.	340	Gas	Not chosen	Intention To Sell.
	Goose Creek	Ill.	340	Gas		
	Crossroads	Miss.	340	Gas		
Bear Stearns	Mulberry	Fla.	120	Gas	Bear Stearns	Sold to Northern Star Gen.
	Orange	Fla.	103	Gas	Bear Stearns	
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention To Sell.
BNP -led bank group	Mystic River 7	Mass.	560	Oil/Gas	Lazard	Ongoing.
(Exelon developed plants)	Mystic River 8	Mass.	832	Gas		
	Mystic River 9	Mass.	832	Gas		
	Fore River	Mass.	832	Gas		
Carlyle Riverstone/ Sempra	Coleto Creek Power Station	ERCOT	632	Coal	Goldman Sachs	Int'l Power Agreed To Purchase For $1.14B
Carlyle Riverstone/ Sempra	Topaz Power Group	ERCOT	2.9 GW	Gas&Oil	Greenhil & Co.	Ongoing.
Citi & SocGen-led creditor group	Union	Ark.	2,200	Gas	Goldman	Ongoing.
(TECO Energy developed plants)	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	
	Palisades	Mich.	798	Nuke	Concentric Advisors	Offer Memo End Of Jan.
Citi-led bank group	Lake Road	Conn.	840	Gas	Lehman Bros.	Cargill Bought Debt Portion (PFR, 12/27).
(NEG developed plants)	Lowell Power	Mass.	82	Gas	None	Actively Pursuing A Sale.
Delta Power						
El Paso Europe	EMA Power	Hungary	70	Coal		
El Paso North America	Berkshire	Mass.	261 (56.41%)	Gas		Final Bids Due.
(Merchant assets)	CDECCA	Conn.	62	Gas		Negotiations Are Taking Place With
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	Stake Sold To GE
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		

Generation Auction & Sale Auction (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
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		
Goldman Sachs	East Coast Power	Linden, N.J.	940 MW	Gas	Goldman	GE Agreed To Purchase Asset.
Gama Construction Ireland Limited	Tynagh	Republic of Ireland	400 MW	Gas	Fieldstone Private Capital Group	Ongoing.
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		
InterGen	Redbud	Okla	1,220		Citigroup	Harbert Venture Acquired The Assets.
	Cottonwood	Texas	1,235			
	Magnolia	Miss.	900			
Sempra	Twin Oaks	ERCOT	305	Coal	Goldman Sachs	Sold To PNM Resources For $480 million.
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.
Teco Energy	Dell Power Station	Ark.	540	Gas		Reviewing Options.
	McAdams Power Station	La.	599	Gas		
Tenaska Energy	Tenaska Frontier	ERCOT	830	Gas	Lehman Brothers RBC Capital Markets	J. Power Agreed To Purchase Asset.
Tractebel North America	Chehalis	Wash.	520	Gas	N/A	Looking To Sell Or Swap.
TXU	17 peaker sites	Texas	10.3GW	Gas	Bank of America	First-Round Bids Are In.
WPS Resources	Sunbury Generating Station	Shamokin Dam, Pa.	450 MW	Coal	Lazard	Buyers Are Stalling Over Fuel Contracts.

Weekly Recap

The Weekly Recap is a summary of publicly reported power news stories. The information has been obtained from sources believed to be reliable, but PFR does not guarantee its completeness or accuracy.

The Americas

• At least one **Exelon Corp.** investor is urging the Chicago energy company to abort the $12 billion, stock-for-stock deal to buy **Public Service Enterprise Group**, or try to negotiate better terms. **Zachary Schreiber**, managing director of **Duquesne Capital Management**, believes the deal would result in $8.4 billion of dilution to Exelon's enterprise value (*Wall Street Journal*, 5/13).

• New Brunswick's premier **Bernard Lord** is not giving up efforts to block a proposed liquefied natural gas terminal on the Maine side of Passamaquoddy Bay. Lord is opposed to the LNG project because it would require huge tankers to pass through Canadian waters and near tourism-dependent communities such as St. Andrews (*Telegraph-Journal*, 5/15).

• Incentives approved by Congress to assist in construction of a North Slope natural gas pipeline, in Alaska, included a provision calling for a study of federal intervention if no company had applied to build the line within 18 months. That period expired last month without an application to the **Federal Energy Regulatory Commission** and federal officials confirm they are proceeding with a study (*Associated Press*, 5/15).

• Florida state regulators have decreased the amount of money **Florida Power and Light** said it needed to cover its hurricane costs over the last two years. The utility asked the Florida Public Service Commission to approve an almost $2 billion surcharge, but the commissioners knocked the amount down to $1.1 billion (*Associated Press*, 5/16).

• Canadian energy firm **Emera** will invest around C$350 million to build a pipeline linking the planned Canaport liquefied natural gas import terminal near Saint John, New Brunswick, to markets in Canada and the Northeast in the United States (*Reuters*, 5/16).

• **Sempra LNG**, a unit of **Sempra Energy**, has received bids from offtakers to take as much as 2.9 billion cubic feet per day of its capacity, about twice its planned expansion of its liquefied natural gas terminal in Baja, Mexico (*Reuters*, 5/16).

• The U.S. market holds better growth prospects than Europe for U.K.-based utility **National Grid** because it's a closer fit with its U.K. operations. "We're essentially exporting the U.K. model to the U.S.," says **Steve Lucas**, finance director (*Dow Jones Newswires*, 5/17).

• According to state officials in Alaska, liquefied natural gas shipped down a pipeline from Prudhoe Bay to Valdez would be worth less than the gas from Gov. **Frank Murkowski**'s favored Alaska Highway pipeline route (*Anchorage Daily News*, 5/17).

• The $350 million liquefied natural gas re-gasification terminal at Quintero in central Chile will fast track partial operations to start in late 2008 with full-scale operations coming online in 2009, according to **GNL Chile** CEO **Antonio Bacigalupo** (*Business News America*, 5/17).

• Atlanta-based **Southern Co.** has signed a long-term wholesale power agreement to provide **EnergyUnited Electric Membership Corp.**'s incremental energy requirements from Sept. 1 through Dec. 31, 2025 (*Dow Jones Newswires*, 5/18).

• Jurors began deliberating on the fates of former **Enron** executives **Ken Lay** and **Jeff Skilling** (*Houston Chronicle*, 5/18).

• **Morgan Stanley** has moved one of its top energy investment bankers to Houston from New York and plans on hiring two more executives. **Thomas Langford**, who advised **Unocal** on the takeover battle between China's **CNOOC** and **Chevron**, will relocate to become head of investment banking for the southwest region (*Financial Times*, 5/18).

• **Sempra Energy** will consider spinning off or selling its commodities-trading unit to become more attractive to investors, according to **Donald Felsinger**, ceo of the San Diego-based energy company. He adds any decision is at least two years away (*Bloomberg*, 5/18).

• **GE Energy Financial Services**, a subsidiary of **General Electric Co.**, plans to acquire a 40% stake in a natural gas-fired power plant in Tynagh, Ireland. Terms of the deal were not disclosed (*Associated Press*, 5/18).

• **Energen Corp.,** the Birmingham, Ala.-based energy holding company will start buying back shares under an existing stock repurchase plan. About 2.15 million shares are authorized for repurchase, according to a company statement (*Associated Press*, 5/18).

Europe

• Spain's **Endesa** will let shareholders decide whether the company accepts one of two rival bids or stays independent, after reporting stronger earnings in the first quarter. It reported an 87.9% increase in its first-quarter net profit to €1.05 billion up from €560 million in the same period of 2005 (*Dow Jones Newswires*, 5/16).

Weekly Recap (cont'd)

• French-Belgian utility **Suez** and the French state-owned gas company **Gaz de France** are split on major issues such as the terms and the corporate governance of the announced, €32 billion ($41.4 billion) merger plan. Suez needs at least 66% of its shareholders to approve the merger (*Wall Street Journal*, 5/16).

• Germany's **E.ON** is not considering raising or selling its stake in Russian natural gas company **OAO Gazprom**, according to **Burckhard Bergmann**, ceo of E.ON subsidiary **E.ON Ruhrgas**. E.ON Ruhrgas owns around 6.4% in Gazprom, worth about €14 billion, making it the largest foreign stakeholder in the Russian company (*Dow Jones Newswires*, 5/17).

• U.K. Prime Minister **Tony Blair** wants Britain to build a new generation of nuclear power plants, which would mean nuclear power would continue to provide at least 20% of the U.K.'s total energy needs in 2025 (*Financial Times*, 5/17).

• The Spanish government has appealed against a Supreme Court-mandated injunction that halts **Gas Natural**'s hostile takeover of the country's biggest utility **Endesa**. The suspension stems from the Endesa claim that government approval of Gas Natural's bid doesn't address competition concerns regulators (*Dow Jones Newswires*, 5/18).

• European Commission antitrust officials have raided the offices of some of Europe's largest gas companies as part of an investigation of the energy sector. Companies that received surprise visits include **Gaz de France**, Germany's **E.On Ruhrgas**, **RWE**, Belgium's **Distrigas** and **Fluxys** and Austria's **OMV**. The commission described the raids as a preliminary step, adding the companies might have abused dominant positions in their local markets (*The New York Times*, 5/18).

• The European Commission said France did not violate market rules by promoting a €70 billion merger between state-controlled **Gaz de France** and **Suez**. The ruling disagrees with complaints by Italy that the deal was engineered to thwart a bid from Italy's **Enel** (*International Herald Tribune*, 5/17).

Australia

• The A$3 billion ($2.3 billion) privatization of Australian energy provider **Snowy Hydro** will include a 10% cap on individual shareholdings to protect it from predators, and it may list later than previously expected. Snowy Hydro had been expected to list on the **Australian Stock Exchange** by June 30, but the public offering is now likely to be in July (*Wall Street Journal*, 5/18).

EXELON TAPS

(continued from page 1)

today," the executive notes. "They may renegotiate terms or the exchange ratio or they might do nothing at all," he adds. Exelon spokeswoman **Jennifer Medley**, in Chicago, declined to comment and **Paul Rosengren**, spokesman for Newark-based PSEG, did not return a call for comment. Lazard officials did not return calls.

Originally **J.P. Morgan Securities** and **Lehman Brothers** advised Exelon on the merger and **Morgan Stanley** was financial advisor to PSEG. Those firms have not been asked to review the merger plans since its completion factors into their fees, the official notes. Officials at the firms either declined to comment, or did not return calls.

The tie up met with resistance from consumer advocates who fear a combined entity might result in rate increases. Advocates have asked that the companies be required to shed more than the proposed 6 GW of nuclear generation they've offered, which could make a merger uneconomical (PFR, 4/10).

Hedge fund groups including **Stanley Druckenmiller**'s **Duquesne Capital Management** also has stated it thinks the merger will be expensive for Exelon shareholders. Duquesne is said to own about 1% of Exelon. Exelon shares closed at $54.36 with a 52-week high and low of $59.90-45, last Wednesday, while PSEG closed at $60.65 with a 52-week high and low of $72.45-54.07.

—***Mark DeCambre***

DPL CASTS

(continued from page 1)

CEO **James Mahoney**, who is stepping down in July, and the advisors at the beginning of the year sought to attract a buyer willing to pay approximately $30 per share, but was unable to garner attention at that level, says one M&A banker. The company closed last Wednesday at $26.49 with a 52-week high and low of $28.34- $23.87. A banker says despite Mahoney's planned July departure, it could still seek a buyer but notes that much of the chatter surrounding the company has died down.

Calls to Mahoney were fielded by an assistant who directed calls to spokesman **Art Meyer**, who was unavailable for comment. Spokesman **Mark Lake**, at Morgan Stanley in New York, says the company is not currently engaged by DPL but declined to comment further.

Mahoney, who plans on forming a global energy company, took the reins of DPL two years ago and sold a $1 billion private equity portfolio, reduced debt and worked with the **Public Utilities Commission of Ohio** to negotiate a rate stabilization plan.

—*M.D.*

GOLDMAN

(continued from page 1)

West Coast (PFR, 5/16). Labbat could not be reached for comment and it could not be determined where he will be based, or what deals Energy Capital has been involved in since its founding.

Labbat was involved in the firm's auction of Linden, N.J., plant holding entity **East Coast Power** to a unit of **General Electric** (PFR, 3/13) and the sale of Coleto Creek—a facility shopped by **Sempra Generation** and **Carlyle/Riverstone Holdings** to an **International Power** subsidiary.

Horine was a managing director at Goldman for 12 years in the power group and recently advised **Dominion Resources** on its sale of two gas local distribution companies. At JPMorgan, Horine will report to **Doug Petno**, head of energy investment banking, after his gardening leave period ends, says **Adam Castellani**, spokesman at JPMorgan. *—Peter Roth*

Calendar

- **Euromoney** and the **American Council on Renewable Energy** will host the third annual Renewable Energy Finance Forum-Wall Street in New York at the Waldorf Astoria Hotel June 21-22. For more information, please contact **Glenn Cooney** at +44-0-20-7779-8914.

- **Midwest Renewable Energy Association** is hosting its 17th annual Renewable Energy and Sustainable Living Fair June 23-25, 2006. The Fair will again be held at the ReNew the Earth Institute, MREA's educational facility, in Custer, Wis. For additional information contact http://www.the-mrea.org.

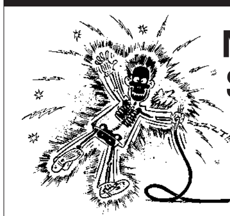
Quote Of The Week

"Offshore is not in its primetime, yet."—**John Calaway**, *ceo of Houston-based* ***Superior Renewable Energy****, on why it has secured land for future offshore development in Texas while holding off plans for a few years (see story, page2).*

One Year Ago In Power Finance & Risk

Complete Energy was planning on financing its acquisition of 1,021 MW La Paloma Generating via the term loan B market. [**WestLB** wrapped a $520 million two-tiered loan. The $370 million first lien was oversubscribed five times, while the second lien was oversubscribed eight times (PFR, 8/15).]

Alternating Current



N.Y. Bankers Watch Barca Take Soccer Champions League

With many having European roots (and employers), New York City-based project financiers often like to meet to discuss business when by coincidence major football (soccer) games are being televised. Last Wednesday was no exception with the hotly anticipated UEFA Champions League final between Spain's FC Barcelona and England's Arsenal.

Wenger Unhappy

Among the cast of characters at Maggie's Place, an Irish pub in midtown Manhattan, were **David Leech**, v.p. at **Helaba**,**Vaughn Buck**, head of the energy and utilities group at **Allied Irish Bank**, and **Rainer Kraft**, senior v.p. at **Fortis Capital**. Attendees, who were predominantly rooting for Arsenal, saw an early red card send off Arsenal's German goalie **Jens Lehmann**. Despite scoring first after that, the English team succumbed to the Catalan giants with two second half goals.

It could not be determined whether attendees spent as much time whining after the game as did Arsenal manager **Arsene Wenger**, the talented French coach with a penchant for myopia when it comes to his own team's failings.