

# power finance & risk

The exclusive source for power financing and trading news

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## Madison Dearborn Fund Keen On Energy

Madison Dearborn plans to target the power sector with its \$6.5 billion *Madison Dearborn Capital Partners V, L.P.*  
*See story, page 3*

## Horizon Syndication Deadline Set

**Bayerische Landesbank** and **Goldman Sachs** have set a June 7 deadline for syndication of a \$263 million wind farm financing on behalf of **Horizon Wind Energy**.  
*See story, page 3*

## In The News

Fund Group Promotes Energy Plays 3  
Airtricity Taps U.K. CEO 3

## Corporate Strategies

Dynegy Punches Up \$150M Loan 4  
Dallas Gas Shop Funds Buy Via  
Private Placement 4  
CenterPoint Sub Issues 10-Years 4  
Northern States Powers  
30-Year Debt 5

## Departments

Financing Record 5  
Generation Auction & Sale 7  
Weekly Recap 10

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## New Kid On The Grid

### WACHOVIA TAPS SG'S BREDDER FOR PROJECT PUSH

Wachovia is firing up a project finance effort and hired veteran **Roger Bredder** to spearhead it. Bredder, a managing director at **Société Générale**, is expected to build up a team gradually to rival firms such as **Credit Suisse** and **WestLB**, who have been very active in B-loan syndications and private placements for utilities and other energy outfits. The move to enter is the first by a major financial firm into project finance in several years.  
*(continued on page 2)*

### LS POWER MULLS MINTING FRESH INVESTMENT VEHICLE

LS Power is considering powering a new fund and is gauging investor interest. The energy investment and development shop raised some \$1.2 billion in *LS Power Equity Partners* less than 12 months ago, (PFR, 8/15) but it believes sufficient appetite exists to mint a new one, says one official.

*LSP Equity Partners* has rung up some significant purchases including acquisitions of **Duke Energy North America's** generation plants outside the Midwest for \$1.6 billion, as  
*(continued on page 12)*

### LOUIS DREYFUS BOLSTERS COAL, EMISSIONS TRADING

**Louis Dreyfus Energy Services** has bagged a pair of energy traders in coal and carbon emissions reportedly in an effort to grow its U.S. trading platform. The Paris-headquartered commodities trading firm hired **Michael Taylor**, director at **NRG Energy** in Princeton, N.J., to run its emissions trading and **Raphael Pierce**, v.p. at **Peabody Energy**, was tapped a few weeks ago as a coal trader. Both are expected to begin work at the firm's Wilton, Conn., office in the next several weeks. Neither Taylor nor Pierce could be reached for comment. **Chip Register**, senior v.p. at Louis Dreyfus, did not return a call.  
*(continued on page 12)*

### CANAPORT LNG LINES UP CLUB FOR \$675M

**Banco Santander**, **BBVA**, **Royal Bank of Scotland** and **BMO Financial** are expected to be selected as co-leads as a part of a planned club syndication for a roughly C\$746 million (\$675 million) project loan for sponsor **Canaport LNG**. The loan will finance a liquefied natural gas regassification terminal in Saint John, New Brunswick.

Backers **Repsol** and **Irving Oil** were happy with all the pitches by short-listed lenders (PFR, 4/24) and were keen on working with all the parties, contingent on the lenders agreeing on financial details, which are being hammered out, says one observer. Officials at  
*(continued on page 12)*

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## WACHOVIA TAPS

(continued from page 1)

Bredder is expected to start over the next several weeks. It is unclear if the effort will operate out of Charlotte or New York or both. Details on its staffing plans also could not be learned. **Mike Kolosowsky**, managing director in fixed income at Wachovia in Charlotte, who led the initiative to identify talent for the project finance push, and **David Johnson**, managing director in energy and power, did not return calls for comment. Bredder did not return a call or emails requesting comment.

"That's a pretty good get for Wachovia. Roger is one of the more respected guys in the industry," says **Don Kyle**, managing director at **GE Energy Financial Services** in Stamford, Conn., who worked closely with Bredder at SocGen in New York for several years in project syndications before splitting to GE (PFR, 11/1/04).

Bredder is part of the core of ex-Chase Securities staffers that helped SG build its U.S. operation. SocGen has not been particularly active as of late. Its last deal was a financing for a \$550 million financing **Neptune Regional Transmission System** for a 660 MW undersea transmission line (PFR, 7/18). —*Mark DeCambre*

## Kinder Morgan Said To Eye Auction

Kinder Morgan is reportedly considering a sale of generation assets in the Midwest. The assets and a timetable could not be determined, but a mergers and acquisitions official says the energy company maintains generation facilities saddled with undesirable PPAs. It is unclear if the Houston-based player has hired an advisor or what sales tactic it might employ should it opt to launch a sale. A call to **Kimberly Dang**, cfo, was not returned.

Kinder Morgan's **Kinder Morgan Power Company** has ownership interests in two natural gas-fired plants in Colorado and one 550 MW gas-fired plant in Michigan. In addition, it has an interest in another in Colorado.

Kinder Morgan and **Mirant** developed a 550 MW gas-fired plant in Arkansas, but that plant was sold as part of Mirant's bankruptcy proceedings. In 2002, Kinder Morgan decided to end power development activities due to market conditions.

## Kimmelman Shop Hot For Northeast Assets

Energy veteran **Doug Kimmelman** is eager to put his firm **Energy Capital Partners** to work and is aggressively pursuing **Northeast Utilities'** wholesale generation business. Bankers familiar with the auction say Energy Capital plans to make an aggressive bid for the 1.44 GW of pump storage and hydroelectric generation in Massachusetts and Connecticut. Kimmelman formed Energy Capital last year (PFR, 5/16).

Calls to Kimmelman, senior partner in New York at Energy Capital, and **David McHale**, cfo at Berlin, Conn.-based Northeast, were not returned. **Dheeraj Verma**, managing director at auction manager **JPMorgan Chase** in New York, declined to comment.

Finals bids are due June 12. (PFR, 5/15). A \$1 billion offer was the hurdle to the second round, say bank and private equity officials (PFR, 5/8).

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Editor

**STEVE MURRAY**  
Deputy Editor

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Executive Editor [Chicago]  
(773) 439-1090

**MARK DeCAMBRE**  
Managing Editor  
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**PETER ROTH**  
Associate Reporter  
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**MARI SLATER**  
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**STANLEY WILSON**  
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**Editorial Offices:** 225 Park Avenue  
South, New York, NY 10003.  
Tel: (212) 224-3293  
Email: mdecambre@iinews.com

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INTELLIGENCE FIRST

## BLB, Goldman Set Horizon Syndication Deadline

Bayerische Landesbank and Goldman Sachs have set a June 7 bid deadline for syndication of wind farm financing on behalf of **Horizon Wind Energy**. Initial pricing on the deal, which backs two wind farms in Oklahoma and New York, is set at LIBOR plus 1 3/8% for a 15-year, \$263 million loan (PFR, 5/15). The debt steps up incrementally, topping out at LIBOR plus 250. BLB and Goldman officials did return calls for comment. A call to financing officials **David Berry** and **Jayshree Desai** at Horizon in Houston were directed to a spokeswoman, who did not return a call for comment.

Banks are being asked to commit about \$25 million. The loan will help finance the Blue Canyon II project in Southwestern Oklahoma and the Maple Ridge facility in Lewis County, N.Y., which Horizon co-owns with **PPM Energy**.

## Fund Group Pushes Nonprofit Into Energy Plays

**Fund Evaluation Group** is advising its nonprofit clients to invest in private energy investments such as traditional energy private equity and working interest funds. Private energy managers own an equity stake in the companies they acquire or to which they provide equity financing. Working interest managers acquire oil and gas properties such as wells that are already producing, and then develop the operations to make them more efficient. Private energy investments have far less volatility than long-only commodity indices, add value over the long term and also bring significant diversification, said **Christian Busken**, senior research analyst at FEG.

Converts to private energy include the **University of Colorado Foundation**, **Smith College** and **Ball State University**. Colorado's private energy investments have returned 13.8% since inception in August 1996 and 10.1% for the trailing five years ending March 31. The \$800 million fund has 3% of its assets in private energy with **First Reserve Corp.**, **Yorktown Partners LLC** and **TCW**. First Reserve and Yorktown are raising capital for new funds and the foundation is considering whether to re-up with them, said CIO **Chris Bittman**.

"Certainly it's an inflation hedge over the long term, particularly against unanticipated inflation," said **Tom Heck**, v.p. and treasurer at Ball State. The endowment has \$7 million in private energy and wants to invest another \$8 million.

**Investure** acts as the outsourced investment office for Smith College. Founder **Alice Handy** said that for Smith, as well as her other clients, energy is part of its private equity program, but should also be an integral part of the hedge fund and long-only

portfolios. Taking energy into account is nothing new, but due to the spike in oil prices "it's staring us right in the face." She described energy as "sort of like a volcano that periodically erupts and now it's erupting."

## Head Wind Airtricity Taps CEO For UK Biz



Adam Bruce

Airtricity has hired **Adam Bruce** as ceo for its U.K. operations. Bruce formerly worked with the U.K.-based law firm **McGrigors** for 10 years as director of public policy, where he was a founding director of the firm's public policy practice as well as working in its energy group.

Bruce will help oversee Airtricity's goal of investing in 1,000 MW in the U.K. of on-shore and off-shore development at about £2 billion (\$3.7 billion) over the next five years.

Airtricity outlined plans last year to find a chief executive for its U.K. business when it hired **Brian Wilson** to be its non-executive chairman in October. Bruce's familiarity with the political scene surrounding energy policy due to his work made him an attractive candidate, according to an official.

**Eddie O'Connor** founded Airtricity nine years ago and runs its Irish group. McGrigors spokesman **Matt Graydon** did not return a call for comment nor did Airtricity spokesman **Olly Scott**.

## Power Plays! Madison Dearborn Eyes Power Purchases Via \$6.5B Fund

Madison Dearborn plans to take aim at the power sector with its newly minted \$6.5 billion investment vehicle *Madison Dearborn Capital Partners V, L.P.* **Patrick Eilers**, director at the Chicago-based private-equity firm, says the firm could invest as much as \$800 million in equity in any one sector including power and energy.

Madison Dearborn could also form a new vehicle if the company's concentration in the sector became too high. "The capital isn't going to be the constraint," he says, noting that it would not have a problem finding new investors. He declined to talk additional specifics about the fund including return expectations.

Eilers notes that Madison Dearborn and its partner **U.S. Power Generating Co.**, which is headed by **Jay Worenklein**, would have liked to acquire recently auctioned Coletto Creek



Power Station and **East Coast Power**, but that the winning bidders, a unit of **International Power** and **GE Energy Financial Services**, respectively, were in positions where they could rationalize a larger purchase price.

Madison Dearborn has already made one energy investment with the new fund. It recently bought a stake in **UPC Wind Partners**, a Newton, Mass.-based wind energy company.

## Corporate Strategies

### Dynegy Goes For Term-Loan Boost

Dynegy has obtained a \$150 million, six-year term loan to provide interim liquidity. **Aaron Freedman**, an analyst with **Moody's Investors Service** in New York, says the Houston-based IPP is going through the final steps of its announced reorganization and completing a number of moves expected to tidy its balance sheet.

**David Byford**, spokesman for Dynegy, would not make an official available, but Freedman speculates the IPP set up the loan to have additional liquidity after a planned redemption of notes. Dynegy has said it will redeem some \$400 million of Series C notes held by majority shareholder **Chevron Corp.**

The term loan is arranged by **J.P. Morgan Securities** and **Lehman Brothers** and is expected to be wrapped sometime this week.

### Dallas Gas Shop Places Units For Midstream Buy

**Crosstex Energy L.P.** has placed privately \$360 million in senior subordinated units to help fund its planned acquisition of midstream assets from **Chief Holdings**. The Dallas-based company's purchase of natural gas gathering systems will cost approximately \$480 million, says **Bill Davis**, cfo of Crosstex, noting it will tap its revolver for the balance.

**Crosstex Inc.**, which owns 2% of the general partnership interest of the limited partnership, acquired about half of the issued units sold at \$28.06. Davis explains Crosstex Inc. will also sell about 2.5 million in general partnership units to fund its purchase. Details of that placement and the identity of buyers for the remaining limited partner shares could not be determined. The transactions were completed without an underwriter.

**Chief Holdings'** midstream assets consist of about 650 miles of existing and planned pipelines in the Barnett Shale area of North Texas. Crosstex L.P.'s bid for the assets was part of a sale

involving **Devon Energy**, which acquired the upstream portion of **Chief Holdings**, says Davis.

**Bank of America** leads a \$250 million revolver for **Crosstex L.P.**

### CenterPoint Arm Turns To 10-Years

**CenterPoint Energy Resources** has issued \$325 million in 6.15%, 10-year notes to refinance \$145 million in maturing 8.9% notes. **Marc Kilbride**, treasurer at parent **CenterPoint Energy** in Houston, says the balance will be used for general corporate purposes, declining to elaborate further. The 8.9% paper had a 20-year tenor and originally was issued also for general corporate purposes.

**Barclays Capital**, **LaSalle Capital Markets** and **Scotia Capital** were underwriters, having worked on past deals with CenterPoint, Kilbride says.

**Justin Bowersock**, an analyst at **Fitch Ratings** in Chicago, says the natural gas distribution and gas gathering unit has a \$425 million pipeline project it hopes to have completed in early 2007. The expansion may require some incremental debt financing, but the pipeline is not risky since it is largely supported by long-term offtake contracts, the analyst notes. The proposed 172-mile pipeline will stretch from Carthage, Texas to the Perryville, La., hub. CenterPoint Energy Resources debt-to-equity ratio is 49:51.

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## Corporate Strategies (cont'd)

## Northern States Power Taps 30-Year Curve For \$400M

Northern States Power sold a \$400 million 30-year tranche of 6.25% first mortgage bonds in order to refinance an August maturity for a \$200 million, 2.875% three-year bond as well as a number of smaller municipal offerings and short-term debt. The offering was co-led by **Bank of New York**, **UBS**, and **Credit Suisse**. **Jake Mercer**, assistant treasurer at **Xcel Energy**, the parent company of the Eau Claire, Wis.-based utility, says all three firms provide credit to both Northern States and to Xcel.

Mercer says in addition to the favorable pricing available on

30-year debt, the long tenor matches up well with the company's generation assets. He says the offering was oversubscribed by about two times, but there was no consideration given to upsizing the offering because the utility would have needed regulatory approval.

Northern States is in the midst of a capital expenditure program that includes an effort to reduce emissions from its plants. Part of that plan involves Northern States switching some coal-fired generation to natural gas, and increasing generation capacity.

Mercer says there are no plans for future offerings at Northern States at this time.

## Financing Record (MAY 17-MAY 23)

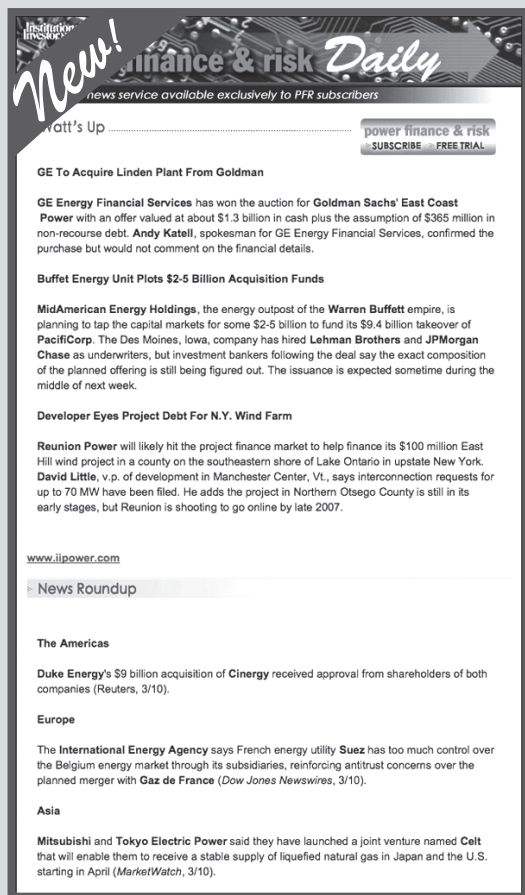
### Debt

144A	Issued	Issuer	Principal (\$M)	Coupon(%)	Security	Maturity	Offered	YTM(%)	Spread	S&P	Moody's	Fitch
	5/17/06	Detroit Edison Co(DTE Energy)	250	6.625	Senior Notes	6/1/36	99.946	6.629		BBB+	A3	A-
No	5/18/06	Iberdrola Finanzas S.A.U	282.3	5.255	Gtd Mdm-Trm Nts	12/15/10	99.6	5.355	56	A+	A2	AA-
Yes	5/18/06	Kosepco(KEPCO/South Korea)	300	6	Notes	5/25/16	99.208	6.107	47	A-	A2	A-
	5/18/06	Northern States Power Co(New)	400	6.25	Fst Mtg Bonds	6/1/36	99.649	6.276		A-	A2	A+
Yes	5/19/06	Edison Mission Energy Co	500	7.5	Senior Notes	6/15/13	100	7.5	254	B+	B1	NR
Yes	5/19/06	Edison Mission Energy Co	500	7.75	Senior Notes	6/15/16	100	7.75	272	B+	B1	NR
No	5/22/06	Iberdrola Finanzas S.A.U	94.3	5.255	Gtd Mdm-Trm Nts	12/15/10	99.701	5.33		A+	A2	AA-
	5/23/06	DTE Energy Co	300	6.35	Senior Notes	6/1/16	99.94	6.358	130	BBB-	Baa2	BBB

### M&A

Announced	Effective	Target Name	Target Advisors	Target Nation	Acquiror Name	Acquiror Advisors	Acquiror Nation	Value(\$M)
5/17/06		Brookfield Power Inc		Canada	Green Island Power Authority		United States	8.077
5/17/06	5/17/06	Elektrociepownia Zdunska Wola		Poland	SFW Energia Sp zoo		Poland	11.145
5/17/06	5/17/06	Energetika Malenovice AS		Czech Republic	E ON Ceska Republika AS		Czech Republic	
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 & Co	Malaysia	4,688.25
5/17/06		Saar Ferngas AG	Deutsche Bank AG	Germany	RWE AG		Germany	
5/17/06	5/17/06	Teplarna Otrkovice AS		Czech Republic	E ON AG		Germany	
5/17/06	5/17/06	Teplarna Otrkovice AS		Czech Republic	E ON Ceska Republika AS		Czech Republic	
5/18/06		Vertex Energy LP		United States	Earth Biofuels Inc		United States	
5/18/06	5/18/06	Corinthian Holdings NV		Neth Antilles	Tanjong Energy Hldgs Sdn Bhd		Malaysia	0.006
5/18/06	5/18/06	El Paso Corp-Itabo Power Facil	JP Morgan	Dominican Rep	AES Grand Itabo Ltd		United States	25
5/18/06	5/18/06	Tbilgazi		Georgia	KazTransGaz		Kazakhstan	12.5
5/19/06		Shell Energy Svcs Co LLC		United States	MXenergy Inc		United States	
5/21/06	5/21/06	Colbun SA	JP Morgan	Chile	Angelini Group		Chile	232.708
5/22/06		Dynegy Inc-825 Megawatt Power		United States	Duke Energy Corp		United States	195
5/22/06	5/22/06	Pannon Szeleromu		Hungary	Tractebel Elyo		France	
5/22/06		Thames PAM Jaya PT-Assets		Indonesia	Metito Indonesia PT		Indonesia	100
5/23/06		ONS Energie NV		Netherlands	ENECO Energie NV		Netherlands	

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



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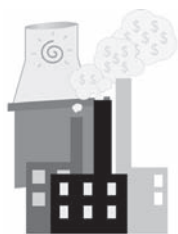
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## Generation Auction & Sale Calendar

*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	Primary Energy Ventures	Oak Brook, Ill.	900	Various	Bank of America	First-Round Bids Are In
Aquila	Raccoon 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 (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		
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.	
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	Offer Memo End Of Jan.
	Palisades	Mich.	798	Nuke	Concentric Advisors	
Citi-led bank group (NEG developed plants)	Lake Road	Conn.	840	Gas	Lehman Bros.	Cargill Bought Debt Portion (PFR, 12/27).
	Lowell Power	Mass.	82	Gas	None	Actively Pursuing A Sale.
Delta Power						
El Paso Europe	EMA Power	Hungary	70	Coal		Final Bids Due. Negotiations Are Taking Place With
El Paso North America (Merchant assets)	Berkshire	Mass.	261 (56.41%)	Gas		
	CDECCA	Conn.	62	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	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		

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## 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.
Goldman Sachs	Linden Generating Station	Linden, N.J.	775 MW	Gas		
	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 Mirant	Milford	Conn.	542	Gas	Lazard	Ongoing.
	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		
	McAdams Power Station	La.	599	Gas		Reviewing Options.
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.



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## 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

- **Warren Buffet's MidAmerican Energy Holdings** has bought 8,500 acres of coal-rich land in Johnson County, Wyo., with the intent of building generation projects (*Associated Press*, 5/19).
- **Duke Energy** agreed to buy an 825 MW power plant in Rockingham County, N.C., from **Dynegy** for \$195 million. The plant, which went into operation in 2000, consists of five 165 MW Westinghouse combustion turbine units capable of using either natural gas or oil to operate (*TheStreet.com*, 5/22).
- Bankrupt **Calpine** said its creditors will demand payment in amounts "significantly greater" than the \$17.4 billion in debt it has declared (*San Jose Mercury News*, 5/20).
- **Frank Murkowski**, governor of Alaska, says state participation is the best way to entice Alaska's major oil companies to build a multibillion dollar gas pipeline to markets in Canada and the Lower 48 states (*Fairbanks Daily News-Miner*, 5/22).
- **Jim Rogers**, ceo of **Duke Energy**, says the company is interested in acquiring Ohio utility operator **DPL**, claiming there is an industrial logic to the combination of utilities. Rogers also says Duke will make a decision on whether to keep or sell off its natural gas business this year (*Charlotte Business Journal*, 5/23).
- A federal jury found **Kenneth Lay**, former chairman and ceo of **Enron**, and **Jeffrey Skilling**, also a former ceo, guilty of a variety of conspiracy and fraud charges in connection with Enron's 2001 collapse (*Wall Street Journal* 5/25).
- President **George W. Bush** said the U.S. should "aggressively" build new nuclear power plants, calling atomic energy a safe, abundant and affordable way to diversify the country's energy resources (*Dow Jones Newswires*, 5/24).
- Russia's gas monopoly **Gazprom** signaled it may snub U.S. oil giants and choose other partners to help it market natural gas in the U.S. amid increasingly chilly relations between Moscow and Washington. It is in talks with **Sempra** and Britain's **BG**, a move seen as a warning shot to **Chevron** and **ConocoPhillips** (*Reuters*, 5/25).

### Europe

- Reports of a merger between **Enel** and Italian oil and gas giant **Eni** is "not an issue on the agenda," says **Fulvio Conti**, ceo of Enel, denying the two would link up (*Dow Jones Newswires*, 5/19).
- **Gerard Mestrallet**, chairman and ceo of French water and energy conglomerate **Suez**, will become chairman and ceo of the entity derived from this French utility's merger with French state-owned gas company **Gaz de France**. The job title of **Jean-Francois Cirelli**, Gas de France chairman and ceo, has not yet been identified (*Wall Street Journal*, 5/25).
- French water and energy conglomerate **Suez** will tender its remaining 9.5% stake in Chilean power generator **Colbun** on the Santiago stock exchange (*Dow Jones Newswires*, 5/23).
- Austria's economics minister announced **OMV's** planned takeover of electric utility **Verbund** to create a European energy giant is scuttled. The companies failed to show government regulators that the merger would be "meaningful and just" (*Associated Press*, 5/23).
- Three independent Australian lawmakers announced a push to reverse a decision by three governments to sell the A\$3 billion (\$2.26 billion) **Snowy Hydro Ltd.** Australian Prime Minister **John Howard**, is adamant the privatization will proceed and Snowy Hydro shares will begin trading on the Australian Stock Exchange in July (*Wall Street Journal*, 5/25).
- **Scottish Power** posted a fiscal fourth-quarter net profit, boosted by a gain from the sale of its U.S. **PacificCorp** unit, against a year-earlier loss that included an impairment charge. The Glasgow, Scotland-based energy company had a net profit of £969.7 million (\$1.83 billion) for the quarter ended March 31, compared with a year-earlier net loss of £20.1 million (*Wall Street Journal*, 5/25).

### Asia/Australia

- Australian anti-nuclear energy groups are bracing for action, with Prime Minister **John Howard** expected to seize the initiative on the nuclear power debate when he returns from overseas this week (*Sydney Morning Herald*, 5/22).

### Russia

- Russia said it would resist calls to liberalize its natural-gas sector, subverting hopes that this week's Russia-EU summit at the Black Sea resort of Sochi would resolve tensions over energy policies (*Wall Street Journal*, 5/24).



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## LS POWER

(continued from page 1)

well as the remaining 50% interest in a plant in the DENA portfolio for \$115 million. With that deal list, observers believe the firm could use more equity to play with.

The dollar target and its timetable for the vehicle could not be determined, nor could the identities of potential investors with whom it has spoken but it is likely to turn to some of its existing pool, watchers say. A call to **Jim Bartlett**, managing director at LS Power in New York, was not returned.

LS Power recently inked a deal with **Bear Energy**, a unit of **Bear Stearns**, to dispatch power from the DENA portfolio. All together, LS Power's fund has purchased or agreed to purchase 11 generation projects totaling about 7.6 GW. —*Peter Roth*

## CANAPORT LNG

(continued from page 1)

the lenders either declined to comment or did return a call.

All the financiers are said to have offered to provide tenors of nearly 30-years. Underpinning the project is Repsol's agreement to take the output from the facility. The company also has a 75% interest in the project, with Irving holding the balance. Once terms are settled syndication is expected to follow over the next few weeks. Repsol and Irving Oil officials did not return a call.

Ground breaking on the \$750 million project is underway with the bulk of the construction effort to be initiated in the next few months. Once completed, sometime in 2008, it will be the first liquefied natural gas import facility in Canada.

The receiving terminals for the project would be situated close to a Maritimes & Northeast pipeline, which extends from the Canadian maritime to Massachusetts, and would serve markets in eastern Canada and New England. —*M.D.*

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## LOUIS DREYFUS

(continued from page 1)

**Judith Tanselle**, director of coal, ash and emissions at NRG, declined to comment and directed calls to a spokeswoman, who did not return a call. Calls to officials at Peabody were not returned.

Over the past few months, trading firms have been making a push to grow their coal and emissions businesses as the price of natural gas and oil has spiked. Also, new technology, such as integrated gasification combined cycle plants (IGCC), promise to convert coal into cleaner burning fuels and has begun to boost interest in the commodity. "Coal has become more Wall Street. It's part of [coal's] natural evolution as a commodity," one senior trader notes.

**Deborah Rivera**, managing partner at headhunter **The Succession Group** in New York, says she has witnessed staffing levels at coal and energy emissions shops start to pick up significantly. —*M.D.*

## 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

"Certainly it's an inflation hedge over the long term, particularly against unanticipated inflation." —**Tom Heck**, v.p. and treasurer at **Ball State University** in Muncie, Ind., on why investment in private energy is an attractive one (see story, page 3).

## One Year Ago In Power Finance & Risk

**LS Power Development** was quietly accumulating 20-30% of the \$1.4 billion project debt tied to the MachGen generation fleet, after a bid for the physical assets was nixed. [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 (PFR, 5/22). Banks looking to participate include **Morgan Stanley**, **UBS**, **Deutsche Bank**, **Bear Stearns** and **WestLB**.]