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The exclusive source for power financing and trading news

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## Bahrain \$1.2B Syndication Nears Wrap

Six banks are aiming to wrap a \$1.2 billion syndication for the development of an electric generation and desalination plant in Bahrain.

*See story, page 4*

## Kinder Morgan May Shop Units

Kinder Morgan may look to unload its **Kinder Morgan Retail** and **Terasen Gas** businesses should a management-led buyout prove successful.

*See story, page 3*

## In The News

Conn. Firm Ties Up Asian Energy	3
BP Hires Trader	3
Bids For NU Generation Delayed	3

## Corporate Strategies

PPL Unit Shops Cap Ex Notes	4
Restructured Entergy To Retire Preferreds	4
Washington Gas Readies MTNs	5
Northeast Utility To Sell Mortgage Debt	5

## Departments

Financing Record	5
Generation Auction & Sale	6
Weekly Recap	7

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## WESTLB MANAGING DIRECTOR EXITS

**Jim Brown**, managing director at WestLB in New York, has left the bank. Brown was hired from Société Générale less than two years ago to lead its power infrastructure group (PFR, 11/8/04), but the German bank has gone through a series of personnel restructurings over the past several months that saw him move into the firm's industrial and infrastructure group (PFR, 7/22, 8/15).

**Connie Kain**, spokeswoman at WestLB in New York, says the banker left early this week and declined to comment further. Brown did not return a call to his cell phone.

*(continued on page 8)*

## GOLDMAN, CREDIT SUISSE TO DEBUT \$1.17B COLETO LOAN

Goldman Sachs and Credit Suisse are readying a \$1.17 billion Coletto Creek acquisition financing on behalf of **American National Power** for syndication Thursday. The subsidiary of **International Power** acquired the 632 MW coal facility earlier this year. Officials at Goldman and Credit Suisse declined to comment. **Andrew Mitchell**, spokesman for International Power in London, did not return a call for comment.

The financing consists of a \$935 million, seven-year term loan and also includes financing

*(continued on page 8)*

## RELIANT EMERGES AS FRONTRUNNER FOR TXU BIZ

**Reliant Energy** has emerged as the leading candidate to purchase 10.3 GW of gas-fired generation and 20 bcf in gas storage facilities that **TXU** has put up for auction. Reliant may be the only potential acquirer putting together a serious offer for the assets, says one market watcher, noting that viable prospects to buy the assets are thin.

Dallas-based TXU included a provision that the winner must agree not to build coal-fired generation on the plant sites for a significant period of time. The requirement was inserted because TXU announced plans to spend approximately \$10 billion developing new

*(continued on page 8)*



## NRG HAS BIG PLANS ... NONE INCLUDE MIRANT

**NRG Energy** wants nothing to do with **Mirant Corp.** and its attempted \$8 billion buyout bid as it plans to focus on the build-out of its existing generation array and the integration of its \$5.8 billion purchase of **Texas Genco**. Before Mirant launched its unsolicited \$8 billion takeover offer last week, NRG CFO **Robert Flexon** talked strategy with *PFR* and suggested that

*(continued on page 2)*

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## At Press Time

### NRG HAS

(continued from page 1)

its near-term goals lie in harnessing the value of its generation assets in order to provide returns to its shareholders:

"In the very short term, our first focus is successful integration of Genco. Second priority is brownfield development—expansion of existing locations rather than acquisitions—as being the real value enhancer of our company," the CFO explains. "What we're looking for . . . is innovative ways to take some of the excess cash flow and get it into the hands of our shareholders," he adds.

NRG CEO **David Crane** believes a merger with Mirant, which just emerged from bankruptcy earlier this year, would provide little value for the company and entangle it in an entity that is just gaining its financial footing. Mirant has little to no growth opportunities beyond 2007 and faces substantial spending to meet environmental standards, Crane says in his explanation of the NRG board's rejection of the takeover offer. Follow up calls to Crane and Flexon were not returned.

Mirant has said that its merger would cut some \$150 million in expenses annually and would have expected EBITDA excluding certain items of \$3 billion in 2007. "A combination of Mirant and NRG would create an enterprise with significant opportunities for expense and operational synergies and a national footprint," said Mirant CEO **Edward Muller**, in a formal letter. Calls to Muller were not returned.

NRG and Mirant were both forced into bankruptcy three years ago in the wake of energy giant **Enron's** collapse. Mirant resurfaced in January 2006 while NRG emerged three years earlier. Mirant closed last Thursday at \$25.50, down marginally from its pre-bid price of \$25.57. NRG closed at \$50.30, up from its pre-bid price of \$43.01.

Upon approval, NRG shareholders would receive \$57.50 per share in cash or Mirant common stock at an exchange ratio of 2.25 Mirant shares for each share of NRG common stock.

—M.D.

## Mirant, NRG LCDS Trade Higher

The loan-only credit default swaps of Mirant widened to 110-130 for NRG, a trader says. NRG was trading a "little bit better," according to another trader. It was trading at 100-120 compared with last week when its spreads widen 20 basis points to the 105-120 context.

The revolvers on both companies were up about half a point, but the \$3.575 billion NRG term loan was off about a quarter of a point and Mirant's \$700 million term loan was not seeing active trading, the first dealer says, because it was already trading at par.

The NRG term loan was trading at 100.25-100.50 and Mirant's term loan was trading at 99.875-100.125 last Thursday as PFR was going to press. He explains that if the acquisition is consummated, the loans would be taken out at par. "The bank debt has been pretty quiet," another trader says. "You would figure there would be some volatility, but it has been shrugged off by the bank guys." Calls to both companies were not returned by press time.

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### EDITORIAL

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Editor

**STEVE MURRAY**  
Deputy Editor

**PETER THOMPSON**  
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(773) 439-1090

**MARK DeCambre**  
Managing Editor  
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Associate Reporter  
(212) 224-3226

**MARI SLATER**  
Associate Reporter  
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**STANLEY WILSON**  
Washington Bureau Chief  
(202) 393-0728

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**Customer Service:** PO Box 5016,  
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Tel: 1-800-715-9195. Fax: 1-615-377-0525  
UK: 44 20 7779 8704  
Hong Kong: 852 2842 6910  
E-mail: customerservice@iinews.com

**Editorial Offices:** 225 Park Avenue  
South, New York, NY 10003.  
Tel: (212) 224-3293  
Email: mdecambre@iinews.com

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**Institutional  
Investor NEWS**  
INTELLIGENCE FIRST

## A Private Kinder Morgan May Offload Units

Kinder Morgan may look to unload its **Kinder Morgan Retail** and **Terasen Gas** businesses should a management-led buyout prove successful. **Robert Lane**, analyst at **Sanders Morris Harris**, says the companies were purchased as part of package deals where **Kinder Morgan** was targeting other assets, such as the oil sands pipelines in the Terasen deal. A sale would give Kinder cash to pay down debt and invest in higher-growth parts of the business, the analyst speculates. A message left with Kinder spokesman **Larry Pierce**, in Houston, was not returned.

Lane says one major reason for the attempted privatization may be the view that Kinder Morgan would have a significantly higher valuation in private hands. Lane points out that as a public company, Kinder Morgan is valued based on factors like the price-to-earnings ratio of similar companies, while at the private level it would be judged almost purely on cash flow.

Lane thinks **Richard Kinder**, ceo, and his partners, which include **Goldman Sachs Capital Partners**, **American International Group**, and **Carlyle/Riverstone Holdings**, will need to raise their offer of \$100 a share to \$105 to \$110 in order to make the deal happen. He adds that this group has a significant advantage over other potential bidders because he believes that the institutional investors who own the stock do not want anyone other than Kinder leading the company right now.

## Conn. Firm Completes Asian Energy Projects

Darien, Conn.-based private equity firm **FE Clean Energy Group's Global Asia Clean Energy Services Fund** recently made investments in energy efficiency projects throughout Asia, according to **George Sorenson**, founder. The \$65 million leveraged buyout vehicle targets small- to middle-market companies and supplied \$3.65 million for construction of Uttaranchal, India-based **Bhilangana Hydro Power Project**. The BHPP is a run-of-the-river 22.5 MW hydro electric project.

The fund also invested \$8.38 million for completion of Yunnan, China-based 96 MW **Yunnan Zhongta Yanjin Power Co.**, which consists of a series of three run-of-the-river hydroplants, Sorenson adds.

Additionally, the fund is in the final stages of investing in the San Carlos, Philippines-based **San Carlos Bio Ethanol Facility**. The project will consist of supplying power for four integrated ethanol distillery and co-generation plants with a capacity of 500,000 liters of ethanol and 40 MW of power

per day. The dollar amount for this investment has not been determined.

Sorenson is the fund's manager. He spent the past 10 years initiating and closing direct equity investments in electric, gas, water and telecommunications utilities in emerging markets. The fund, which launched in May 2003, carries a \$1 million investment minimum and 2.4/20 fees.

## BP Bags Emissions Trader

BP has hired **Matt Reed** as a coal emissions trader in Houston. The trading executive had formerly worked at renewable trading outfit known as **Continental Green**. The trader works with **Gregory Pool**, who was hired to develop the firm's renewable trading operations in support of its power trading. Both report to **Britt Whitman**, who manages BP's coal and emissions group.

## NU Generation Bid Date Pushed Back

The planned date for final bids in the auction of **Northeast Utilities'** merchant generation assets has been delayed to some time after July 4. The bids were initially set to be submitted June 12 (PFR, 5/15). The delay is believed to be related to the length of the due diligence, which is taking longer than expected due to the number and mix of assets involved in the auction, says one banker.

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

The NU sale, which consists of generation facilities such as Northfield Mountain pumped storage hydroelectric facility, has already been delayed a few times (PFR, 11/14).

## Texas Gas Co. Sells Stock To Pay Debt

Houston, Texas-based natural gas provider **El Paso** recently raised \$500.7 million to pay down debt after it issued 35.7 million shares of common stock.

The debt comes from a loan an El Paso subsidiary took to finance a portion of the \$834 million purchase of Denver-based **Medicine Bow Energy Corporation** in August 2005, which increased the presence of the company in the Rocky Mountains region. The loan is secured by a perfected lien on some of subsidiary **El Paso Exploration and Production Company's** oil and gas assets, according to the company's prospectus filed with the SEC.

"This week was a good week to go to the market: we'd seen



positive results from our turnaround and the market recognized our performance,” said **Bill Baerg**, an El Paso spokesman. “We wanted to get the equity issue done.”

Underwriters **Banc of America Securities** agreed to buy the stock in a block deal at \$14.025, a roughly \$0.18 discount from the day’s previous close at \$14.20. Affiliates of BofA were the lenders for the Medicine Bow loan.

“This makes a stronger company,” Baerg said. “Our credit profile has improved.”

## Syndicate Eyes \$1.2B Bahrain Construction Finance Wrap

**Sumitomo Banking Corporation**, **Standard Chartered**, **Gulf International Bank** and **Royal Bank of Scotland** are among a group of lenders aiming to wrap a \$1.2 billion syndication for the development of an electric generation and desalination plant in Bahrain. Construction financing is underpinned by a 20-year power purchase agreement with the **Ministry of Electricity and**

**Water of Bahrain**. Calls to officials at the banks were not returned.

Sponsors of the development **International Power**, **Suez Energy International** and **Sumitomo Corp.** acquired an existing 1 GW gas-fired plant and 30 MIGD desalination plant last year from the Bahrain government (PFR, 12/30). That acquisition included the rights to build out an identical facility at the site, which is being developed now and should be completed by next year. **Mizuho Corporate Bank** and **KfW Bank** also have lead roles in the funding package.

IP spokeswoman **Arti Singhal** in London, Suez media representative **Katja Damman** in Brussels, and Sumitomo spokeswoman **Aya Masuhara**, reached in London, declined to comment.

The financing comprises a \$400 million, 20-year term loan, a \$175 million, two-year equity bridge and a \$590 million facility provided by **Japan Bank of International Cooperation**. A call to officials at JBIC in Japan was not returned. Pricing could not be determined. Syndication, launched in early May, is expected to close in the next few weeks.

## Corporate Strategies

### PPL Unit Shops Cap Ex Notes

**PPL Energy Supply** has issued \$300 million of 6.2%, 10-year notes to help fund its capital expenditure program. **Jim Abel**, treasurer at the Allentown, Pa.-based parent company **PPL Corp.** says the energy shop is focused on installing pollution control equipment at two coal-fired generating stations in Pennsylvania in addition to completing other upgrades. “We have a relatively full plate of financing needs over the next two years,” he explains.

The \$300 million note offering was led by relationship banks **Barclays Capital**, **Citigroup Global Markets** and **Morgan Stanley**. The notes were priced at 108 basis points over comparable Treasuries. Abel says he believes the margins are the most attractive it has achieved. He explains that PPL used forward swaps to hedge a portion of the offering. “We have the ability under policy to hedge up to 75%...of our financings in the coming 12-month period,” he notes.

PPL Energy Supply is planning to invest about \$1.6 billion in its environmental upgrades, says Abel. The company is planning on financing the upgrades through a combination of internally generated cash and incremental financings, similar to this latest offering, he notes. “We’re just trying to space out the financings to match our liquidity needs as we go along.” He adds one additional offering may be shopped but did not provide details.

Separately, PPL Energy Supply sister **PPL Capital Funding** could see a \$730 million refinancing down the road, Abel notes.

PPL Capital Funding is an investment arm set up to raise funds for PPL Energy Supply’s generation build-up before Energy Supply had the credit standing to tap the capital markets, explains **Robert Hornick**, an analyst at **Fitch Ratings** in New York.

Timing for an offering could not be determined and Abel declined comment.

## Restructured Entergy To Retire Preferreds

**Entergy Louisiana Holdings** plans on redeeming a spate of preferred shares totaling \$29 million as part of its re-organization into a limited liability corporation. **Justin Bowersock**, an analyst at **Fitch Ratings** in Chicago, says the entity announced its re-organization plans at the end of 2005 after Hurricanes Rita and Katrina significantly hobbled its business. **Morgan Stewart**, spokesman for Entergy Louisiana’s parent company **Entergy Corp.** in Jackson, Miss., did not return a call for comment.

Part of Entergy Louisiana Holdings’ plan is to transfer debt and equity from the old Entergy Louisiana to the new holding vehicle. The preferred shares that will be fully redeemed June 15 include: 100,000 shares of 7.36% at \$103.36, 100,000 shares of 7.84% at \$103.78 and 75,000 shares of 5.16% at \$104.18. It could not be determined which banks, if any, are involved in the transaction.

Entergy Louisiana reworked its corporate structure to help save the company \$8-10 million annually after the **Louisiana**

**Public Service Commission** suggested the reorg strategy as a way to save rate payers money (PFR, 1/9). Bowersock says Fitch has the company on ratings watch negative due to the continued uncertainty as to when the company will be getting storm recovery costs and Fitch rates it BBB- with a negative outlook.

## Washington Gas Readies MTN Auction

**Washington Gas Light** has registered to sell \$300 million in medium-term notes. **Shelly Jennings**, treasurer at Washington, D.C.-based parent company **WGL Holdings** says proceeds will be used for general corporate purposes including the construction and enhancement of the utility's generation assets. The treasurer says a sale is not yet set to kick off and declined to provide a timeframe.

**Ari Kagan**, analyst at **Fitch Ratings**, notes that Washington Gas has increased its capital expenditures in order to upgrade its gas pipeline network in Prince George's County, Md. Specifically, it has been having trouble with gas leaks in pipes that receive gas from a **Dominion Resources** liquefied natural gas terminal and wants to repair them.

**Citigroup**, **Banc of America Securities**, **Merrill Lynch**, **SunTrust Robinson Humphrey**, **Williams Capital Group** and **Wachovia Securities** structured the MTN shelf and could possibly be tapped to sell the notes given the company's

relationship with the firms.

Typically, WGL shops MTNs on its own because it can be administratively burdensome and costly to engage underwriters, especially since its typical offerings are in the relatively small \$25-50 million range, Jennings says. Washington Gas' MTNs are rated AA- by Fitch.

## Northeast Utility To Hawk \$250M In Mortgage Paper

**Connecticut Light & Power** is planning a sale of \$250 million of first and refunding mortgage bonds. The tenor of the offering could not be determined, and **Randall Shoop**, treasurer at parent company **Northeast Utilities**, declined to comment.

**Ari Kagan**, analyst at **Fitch Ratings**, says the Berlin, Conn.-based electrical transmission entity has incurred short-term debt in the process of building more transmission and distribution assets and appears to be looking to trim debt. It could not be determined if underwriters have been chosen for the offering, nor could the timing be learned.

According to Connecticut Light regulatory filings, the transmission company had \$1.375 billion of long-term debt including preferred stock, and \$1.055 billion of equity at the end of 2005, for a total capitalization of \$2.430 billion, and a debt-to-capitalization ratio of 43:57. **Standard & Poor's** rates the bonds BBB+.

## Financing Record (MAY 24-MAY 30)

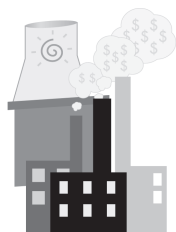
### Debt

Issued	Issuer	Principal Amount(\$M)	Coupon(%)	Security	Maturity	Offer Price	YTM(%)	Spread	S&P	Moody's
5/24/06	National Grid PLC	467.1	5.25	Fxd/Straight Bd	6/2/11	99.511	5.362	65	A-	Baa1
5/27/06	Huaneng Power Intl Inc	62.4	3.12	Debentures	5/27/07	100	3.12		NR	NR

### M&A

Announced	Effective	Target Name	Target Advisors	Target Nation	Acquiror Name	Acquiror Advisors	Acquiror Nation	Rank Value(\$M)
5/24/06	5/24/06	Celerity Energy Partners		United States	EnerNOC Inc		United States	
5/24/06		Encore Energy Solutions LLC		United States	US Energy Initiatives Corp		United States	
5/24/06		Priority Power Management Ltd		United States	AMEN Properties Inc		United States	3.73
5/24/06		Sterling Planet Inc		United States	INSEQ Corp		United States	
5/25/06	5/25/06	Prisma Energy Intl Inc	Blackstone Capital Partners LP	United States	Ashmore Energy Intl Ltd		United Kingdom	
5/25/06		Prisma Energy Intl Inc		United States	Ashmore Energy Intl Ltd		United Kingdom	
5/25/06		Tricaftan Envi Tech Pte Ltd		Singapore	Welly Widjaja Chandra		Singapore	0.472
5/29/06		Entergy Power Netherlands		Netherlands	Enel Produzione SpA		Italy	
5/29/06		Kinder Morgan Inc		United States	Investor Group	Goldman Sachs & Co	United States	23,945.34
5/30/06		Metansicula SpA		Italy	Investor Group	Lazard	Italy	
5/30/06		NRG Energy Inc	Citigroup	United States	Mirant Corp	JPMorgan Chase	United States	7,894.80

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



## 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	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 (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		
El Paso North America (Merchant assets)	Berkshire	Mass.	261 (56.41%)	Gas		Final Bids Due.
	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		

For a complete listing of the Generation Auction & Sale Calendar, please visit [www.iipower.com](http://www.iipower.com)

## 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.*

### Asia

- The Kedo group, an international consortium set up to build nuclear power plants for North Korea, has abandoned the project because of Pyongyang's "continued failure" to co-operate with efforts to give up its nuclear weapons program. It demanded compensation from the state for the millions of dollars already spent on the \$4.6 billion project (*BBC News*, 6/1).

### Australia

- The government will impose foreign-ownership restrictions on **Snowy Hydro Ltd.** as it starts to lay the groundwork for a planned A\$3 billion (\$2.27 billion) sale of the power company. The proposed 35% foreign-ownership cap did not immediately head off a threatened High Court challenge to the privatization, however (*Wall Street Journal*, 5/31).

### The Americas

- Atlanta's **Mirant Corp.** has filed a lawsuit against **NRG Energy** accusing the Princeton, N.J.-based energy company of using conflict issues "as a pretext to entrench itself and obstruct and preclude any offer from Mirant." The lawsuit accuses **Goldman Sachs**, which has resigned as adviser to Mirant, of passing on confidential information to Mirant (*Wall Street Journal*, 6/1).
- **Enron Corp.**'s former broadband unit finance chief **Kevin Howard** was convicted on five counts of fraud, conspiracy and falsifying records while former in-house accountant **Michael Krautz** was acquitted of the same charges (*Associated Press*, 6/1).
- **National Grid** and **KeySpan Corp.**, have officially inked a joint application with the **Federal Energy Regulatory Commission** for merger approval. In February, National Grid said it was acquiring KeySpan for \$7.3 billion in cash. A decision by FERC is due in October (*Associated Press*, 5/26).
- **Kinder Morgan Energy Partners**, which is controlled by pipeline operator **Kinder Morgan Inc.**, has sold two Wyoming facilities to **Momentum Energy Group** for about \$43 million in cash (*Associated Press*, 5/31).
- **Allethe** has issued \$31.8 million in bonds to fund improvements at one of its developments in the state. The bonds, issued by the **Palm Coast Park Community Development District**, will go toward environmental, traffic and infrastructure improvements at Palm Coast Park, a 4,700-acre development in Flagler County (*Bizjournals.com*, 5/26).

- **ConocoPhillips** officials hinted they could abandon plans to build a liquefied natural gas terminal should Alabama Gov. **Bob Riley** veto the company's current proposal, which would use billions of gallons of seawater per year to reheat the gas. ConocoPhillips is 2.5 years into the approval process and could back out if forced to change the design for Compass Port LNG off Alabama's coast (*The Press-Register*, 5/31).

- Brazil's state-run oil firm **Petroleo Brasileiro**, or **Petrobras**, is inaugurating a thermoelectric power plant with an installed capacity of 1 GW. It cost \$715 million to build (*Dow Jones Newswires*, 5/31).

- **FPL Group** and **Constellation Energy** are temporarily suspending merger activities, a decision an FPL spokesman calls "prudent" given continuing political opposition to the proposed merger. The \$11 billion merger has fallen victim to a political firestorm in Maryland over whether **Baltimore Gas & Electric**, Constellation's regulated utility subsidiary, should be allowed to raise electricity rates by 72% when the utility starts charging customers at the beginning of July for the cost of buying power from the wholesale market (*Dow Jones Newswires*, 5/31).

### Europe

- A consortium of hedge funds that includes **Ashmore Investment Management**, **Eton Park** and **D.E. Shaw** have agreed to buy the international assets of **Enron** for \$2.1 billion in cash from **Prisma Energy**, the holding company that operates the assets of the former energy giant (*Financial Times*, 5/26).
- Three major solar projects are underway in Spain and Portugal: **Endesa** is building a 20 MW plant near Cadiz for €140 million (\$179 million); **GE Energy Financial Services** is working on a 11 MW plant about 200 km southeast of Lisbon for \$75 million; and **BP** and has teamed with **Santander Central Hispano** in a €160 million deal to construct up to 278 solar plants in Spain with a total capacity of between 18-25 MW.
- Italian energy company **Eni SpA**'s chief executive welcomed the draft of a new decree for the development of the domestic energy sector that the Italian industry ministry is preparing. The plan would include tax breaks for local authorities that agree to host infrastructure projects such as re-gasification plants (*Dow Jones Newswires*, 5/31).



## RELIANT EMERGES

(continued from page 1)

generation in Texas. Final bids were due Friday.

The expected value of Reliant's bid could not be determined, nor could the identities of other bidders. Calls to **Chris Schein**, spokesman at TXU in Dallas, and to **Peter Kind**, head of power at auction manager **Bank of America**, were not returned. **Pat Hammond**, spokeswoman at Reliant in Houston, declined to comment.

About 45 plants at 17 sites are included in the sale, of which 12 individual plants with a capacity to generate about 3.2 GW are mothballed (PFR, 5/1). Decommissioning costs could be in the range of \$50 million per plant if they are shut down, says the banker tracking the auction.

—Peter Roth

## GOLDMAN, CREDIT SUISSE

(continued from page 1)

for working capital purposes, including a \$60 million, five-year revolver and a roughly \$170 million, seven-year synthetic letter of credit facility. Pricing is contingent on ratings, which the sponsors are still awaiting.

ANP planned on obtaining approximately 70-80% in debt for the purchase of the coal-fired facility in Goliad County, Texas and funding the remainder of the purchase with cash (PFR, 4/24). Coletto has power purchase agreements with **J. Aron & Co.** and **Morgan Stanley**, which were signed when **Sempra Energy** and **Carlyle/Riverstone** acquired Coletto from **American Electric Power** two years ago (PFR, 7/5/04). —M.S. & Mark DeCambre

## WESTLB MANAGING

(continued from page 1)

A bank official says Brown's departure is part of the bank's continued re-alignment, but declined to detail the bank's plans. Brown's duties are expected to be absorbed by existing staffers.

Earlier this year, WestLB saw the exit of **Dempsey Gable**, executive director, and **Jonathan Berman**, managing director, in the bank's power originations group in New York (PFR, 2/6).

—Mari Slater

## 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>.
- The **American Wind Energy Association** is hosting its WINDPOWER conference and exhibition in Pittsburgh at the David L. Lawrence Convention Center June 4-7. For more information, please contact **Marissa Bundy** at 202-383-2505 or [mbundy@awea.org](mailto:mbundy@awea.org).
- **Intertech-Pira** is hosting a Photo-voltaic Summit at the Double Tree Hotel Mission Valley in San Diego June 27-28. For more information, please contact **Doug Sanborn** at 207-781-9603.

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## Quote Of The Week

"We have the ability under policy to hedge up to 75%...of our financings in the coming 12-month period." —**Jim Abel**, treasurer at Allentown, Pa.-based **PPL Corp.**, explaining why subsidiary **PPL Energy Supply** used forward swaps to hedge its \$300 million note issuance (see story, page 4).

## One Year Ago In Power Finance & Risk

NRG Energy was in talks to acquire **Dynegy**. The IPPs were supposedly interested in combining their dominant base-load coal facilities scattered across North America. [NRG abandoned the Dynegy talks and acquired **Texas Genco** in February for almost \$6 billion.]