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Ameren Eyes Reworked \$1.45B Line

Ameren Corp. plans on refinancing \$1.45B in credit lines.

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AEP's Sees Energy Bill Passage

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CITI'S WOOD HEADS TO ROTHSCHILD

Roger Wood, a managing director in Citigroup's global energy, power and chemicals group in New York, is joining N.M. Rothschild. Wood, who spearheaded power M&A deals for Citi, is expected to take on a similar role at his new firm. Calls to Wood's cell phone and to power group head **Hal Clark** were not returned.

Rothschild has been looking for experienced bankers to muscle into the North American energy space. It has been involved in several high-profile European energy deals, including National Grid Transco's GBP5.9 billion (US \$10.7 billion) sale of four

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SITHE LINES UP EQUITY FOR \$1.1B NEVADA PLANT

Sithe Global is tapping equity investors for a proposed \$1.1 billion power plant northwest of Mesquite, Nev. The Houston-based developer is in advanced discussions with two utilities that are expected to serve as off-takers and equity investors, says **Dirk Straussfeld**, senior v.p. One or both of the utilities will take 50% interests in the 750 MW coal-fired plant, with the rest being bankrolled via the project finance market in a 70:30 leverage structure, he says, declining to name the utilities.

The Toquop Energy Project is due to come online in 2010. **Cogentrix Energy** had been

(continued on page 12)

BEAR STEARNS HIRES MERRILL M&A VET

Tom Widener, a senior mergers and acquisitions banker in Merrill Lynch's power group, has jumped to Bear Stearns. Widener, did not return calls to his cell phone. He is expected to relocate to Bear Stearn's energy investment group in Houston.

Calls to **Rob Jones** and **Laurel Coben**, co-heads of power at Merrill, were not returned, nor were calls to **David Field** and **Pamela Baden**, co-heads of Bear Stearns' Houston energy group. **Terez Hanhan**, spokeswoman for Merrill, and **Russell Sherman**, spokesman for Bear Stearns, did not return repeated calls.

(continued on page 12)

Housecleaning

TENASKA TAPS 144A MART

Tenaska has privately placed \$361 million in long-dated high-yield bonds to knock out a similarly sized mini-perm construction and term loan associated with Lindsay Hill Generating Station in Autauga County, Ala. The privately-owned Omaha, Neb., IPP placed 7% senior secured bonds due 2021, with institutional buyers, via **Credit Suisse First Boston** and **Lehman Brothers**. Officials at Lehman and CSFB declined to comment.

The refinancing takes out the last mini-perm loan funding Tenaska used to build out its generating portfolio—the IPP used the same strategy on its Tenaska Alabama II project

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

AEP Chief Optimistic On Energy Bill Passage

American Electric Power CEO Mike Morris is optimistic about the prospect of Congress passing a comprehensive energy bill this year. Although other energy players have said the legislation's success is uncertain, Morris, speaking at Deutsche Bank's 10th Annual Electric Power Conference in New York last week, said he was 70% certain the bill would go through. House staffers have told Morris they are close to reaching a compromise on controversial portions of the bill, he said. Calls to Morris at AEP headquarters in Columbus, Ohio, were not returned.

Morris also said he expects a repeal of the Public Utility Holding Company Act of 1935 to be included in the bill, although it would not change AEP's stance on M&A. A PUHCA repeal would probably encourage other energy companies to expand their footprints, however, Morris said.

Morris also said he does not anticipate a re-entry for AEP into the wholesale trading arena. "Those skill sets have moved away from our company," he said. "I often say to my good friend Mayo [Shattuck, ceo of Constellation Energy], 'You've hired away all our talent.'"

Merrill Searches Hire For New Trading Post

Merrill Lynch is hunting for a senior equity and commodities trader in a new position underscoring the white shoe firms' burgeoning interest in European energy. The strategist will be charged with managing risk exposure for the commodities trading group, says one headhunter familiar with Merrill's search. The firm recently looked to bulk up its global commodities group with the acquisition of Entergy-Koch last year.

The commodities trader will focus on energy-related equities, oil and gas, utilities and metals and will be responsible for developing and implementing a commodities trading game plan for Europe, the Middle East and Asia, says the recruiter. Tim Cobb, a spokesman for Merrill in London, did not return a call.

Ameren To Retool \$1.45B Credit Package

Ameren Corp. is trolling to refinance \$1.15 billion in revolving lines credit, consolidating debt, via JPMorgan Chase and Barclays Capital, at its various subsidiary entities. At the same time the St. Louis, Mo., generating company wants to renew a \$350 million bank line. The new five-year debt package is being pitched at 30 basis points over LIBOR, 40 basis points fully drawn, and includes a utilization fee of eight basis points, says a banker following the deal. Spokesman Tim Fox at Ameren declined to discuss the refinancing effort or provide officials for comment. Officials at Barclays and JPMorgan declined to comment.

Ameren, which obtained the revolvers last year, is aiming to slash existing rates, the financier says. Existing pricing across stands at an all-in rate of 62.5 basis points. Ameren's credit lines are geared toward corporate purposes including backing short-term paper and funding letters of credit.

First round commitments for the bank lines are due June 29. JPMorgan and Barclays are looking to attract some 20 banks for the big-ticket credit refinancing.

Ameren's operating subsidiaries include AmerenCILCO, AmerenCIPS, AmerenIP, AmerenUE, subsidiary AmerenEnergy, AmerenEnergy Resources, AmerenEnergy Generating and Ameren Fuels & Services.

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Morgan Bags Mirant Power Trader

Morgan Stanley has hired Eric Yao as an executive director in its power trading group in Purchase, N.Y. His trading mandate will mirror his duties for Atlanta-based Mirant, where he was manager of the Northeast region, including the PJM Interconnection market, says **Simon Greenshields**, head of natural gas and electricity at Morgan Stanley. Yao was in transit and could not be reached for comment.

Yao left Mirant a few weeks ago, confirmed Mirant spokesman **Doug Thompson**, who was unable to provide additional information about the departure. At Mirant, Yao reported to **Doug Tinkler**, director, who declined to comment. His start date at Morgan Stanley is anticipated to be sometime at the end of the month.

Greenshields says the hire corresponds with Morgan Stanley's strategy of building out its power trading group domestically and in Europe (PFR, 3/25). The move comes several months after the departure of **George "Beau" Taylor**, but Greenshields says the build up is unrelated to Taylor's exit to JPMorgan Chase (PFR, 3/17).

NSTAR Prowls For Supply Analyst

NSTAR is seeking a senior energy supply analyst at its Boston headquarters. The utility player is looking for an analyst to evaluate the wholesale markets for power and gas, says a recruiter familiar with the matter. It could not be determined whether the hire was new or existing. **Christina McKenna**, spokeswoman for NSTAR, could not locate officials to comment by press time.

The analyst will be responsible for evaluating the ISO New England and New England Power Pool market rules, procedures and transmission plans, according to the headhunter. The hire will also develop regulatory strategies, coordinating with the **Federal Energy Regulatory Commission** and other regulatory agencies by drafting filings and providing testimony.

AES Wraps Dexia-Led Buffalo Gap Financing

Dexia Cr dit Local has syndicated \$116 million in construction financing for AES' 120 MW Buffalo Gap wind project. The loan priced at 1 3/8% over LIBOR and was divided evenly between the lead, **HypoVereinsbank** and **Bayerische Landesbank**, says one banker.

Officials at Dexia did not return calls nor did **Jim King**, head of the project finance group at BayerLB. **Gisela Kroess**, a banker at HVB, declined to comment and **Ryan Pfaff**, executive v.p. in San Diego at AES SeaWest, the wind development arm of Arlington, Va.-based AES, did not respond to a call.

The loan will bankroll construction of the central Texas project which is scheduled for completion by year-end (PFR, 12/20). AES then plans to take out the debt with equity from a consortium

including affiliates of JPMorgan Chase, New York Life Insurance Company, Prudential Capital Group, The Northwestern Mutual Life Insurance Company, and Union Bank of California. The breakdown among equity partners could not be ascertained.

Underpinning construction is a 15-year PPA for 100% of the output with **Direct Energy**, a Houston, Texas-based retail electric provider.

Pa. Partners Take A Run At \$375M Wind Farms

Freedom Wind Energy is attempting to work out a financing strategy for two proposed Northeast wind farms totaling some \$375 million. The Butler, Pa., limited partnership is composed of a trio of legal professionals, new to energy business and their strategy entails attracting investors or obtaining a project loan independently, says **Kennan Dandar**, executive director in Tampa.

The projects include a 100 MW farm in Cambria County, northwest of Harrisburg, Pa. and the 150 MW Deer River farm, in Copenhagen, N.Y. Several details need to be worked out before the project gets off the ground, including obtaining permitting and a PPA for the approximately \$150 million Cambria project. Permitting should wrap by the beginning of November, adds Dandar, and the three-month construction should begin in March once winter passes. The \$225 million Deer River project will be worked out in a similar manner once the Cambria facility is wrapped.

So far, Freedom Wind has been fielding inquiries from two developers interested in a complete or partial buyout of the projects, but Dandar says nothing definitive has been hashed out. "It's earlier than preliminary," he says of the discussions. The partnership has also been in talks with a non-recourse financier but Dandar declined to name it.

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Corporate Strategies

Pepco Pockets Floaters To Refi

Pepco Holdings has issued \$250 million in floating-rate notes priced at LIBOR plus 62.5 basis points to refinance debt. The proceeds from the five-year paper, along with \$50 million in cash on hand, will pay down fixed-rate debt at **Conectiv**. Pepco acquired Conectiv, a holding company for utilities **Delmarva Power & Light** and **Atlantic City Electric**, in August 2002. **Karen Almquist**, assistant treasurer in Washington, D.C., says it is more efficient to remove debt from one of the two holding companies.

The maturing debt consists of \$250 million of 5.3% notes and \$50 million of 6.73% paper which matures this month.

The floaters provide a cheaper funding rate, against five-year fixed rates of 4.5-4.6%. Almquist says the company also looks to maintain approximately 20% of its debt in floating-rate. The notes are callable at par after two years, giving the company the opportunity to use future cash flow to pay it down if pricing becomes unfavorable, she adds.

RBS Greenwich Capital, **JPMorgan Chase** and **Scotia Capital** were chosen to lead the offering because they are participants in the company's \$1.2 billion revolver. RBS and Scotia had not previously led an issuance and Pepco likes to rotate lead roles among its existing bank group, Almquist says. JPMorgan and **Citigroup** arranged Pepco's existing revolver.

A few weeks ago, **Delmarva Power** and **Potomac Electric Power**, another subsidiary, issued a combined \$275 million in 30-year notes to refinance higher-rate debt in a **Merrill Lynch** and **Credit Suisse First Boston**-led deal (PFR, 6/6).

Energy Northwest Issues Debt For Uranium

Energy Northwest plans on offering \$90 million in fixed-rate notes to finance the acquisition of uranium fuel for the **Columbia Generating Station**, a 1.1 GW nuclear plant. The public power producer will offer the bonds via underwriters **Citigroup** and **Goldman Sachs**, says **Rich Bresnahan**, manager of treasury in Richland, Wash. Uranium prices made it a favorable time to purchase the commodity in advance. "It's not like buying gas for your car," he says.

The bonds maturity will be between 2009 and 2015 and carry a coupon of 4.35-4.75%, says Bresnahan. The offering was expected to be priced last week.

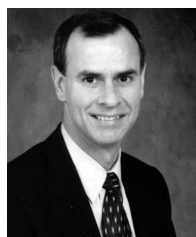
Energy Northwest does not expect to immediately make use of the fuel, so it may lease it to another party for a period of time. In that case, the lessees will return uranium of a

comparable quality to the power producer, explains Bresnahan. While he declined to state the price at which it will lease the fuel, he says **Energy Northwest** hopes to recover the difference between what a tax-exempt issuance would have cost and the rate on the new taxable notes. Non-taxed bonds would have been priced around 3.85%, he notes.

The leasing option allows **Energy Northwest** to pocket returns on the uranium, but as a result, precluded it from issuing tax-exempt bonds because it will generate revenue from the leasing contracts, notes Bresnahan.

Citigroup and **Goldman** were tapped to lead the deal as they have worked with the company in the past, says Bresnahan. Last month, **Energy Northwest** issued \$320 million in tax-exempt bonds in a Citigroup-led deal. The new bonds are backed by the **Bonneville Power Administration**, the largest regional federal power marketing agency, which also purchases the power from the **Columbia** plant. **Fitch Ratings** scores the notes AAA.

WPS Clinches \$500M Credit Line



Joseph O'Leary

WPS Resources has landed a \$500 million revolver, combining two expiring 364-day facilities. The **Green Bay, Wis.**, holding company decided to take advantage of the borrower-friendly market by stretching out maturities and expanding its original \$400 million line, says **Joseph O'Leary**, cfo. The new revolver backs commercial paper

issuances and letters of credit, he says.

The line is priced at 17.5 basis points over LIBOR plus a facility fee of 7.5 basis points—thin pricing reflects WPS' senior credit rating, which stands at A from **Standard & Poor's** and A1 from **Moody's Investors Service**. The previous line comprised a \$225 million revolver and a \$175 million credit line. Both were set to mature August 5 and had all-in pricing of LIBOR plus 32 basis points. **JPMorgan Chase Securities** was the lead arranger for the facility.

U.S. Bank and **Citigroup Global Markets**, which acted as co-lead arrangers for the new revolver, were chosen based on longstanding relationships with WPS, including involvement in prior credit agreements, O'Leary explains. U.S. Bank was the lead arranger for a \$340 million credit facility that WPS obtained in 2003. Spokespeople for the banks did not return calls.

Corporate Strategies (cont'd)

Beltway Utility Takes Out 6.5% Notes

Washington Gas Light Company has wiped out \$20 million of 6.5% notes due 2025 to lower interest-rate payments. The Washington, D.C.-based utility opted to redeem the bonds with cash on hand on June 9, their earliest call date, because it thinks it can capture cheaper interest rates given tight yields in the bond market, says **Shelley Jennings**, treasurer. The unit of **WGL Holdings** has not yet established a timetable for issuing replacement notes, though they will probably be launched within the next few months, she says. There was no call premium associated with the redemption.

Jennings declined to give an estimate of Washington Gas Light's target interest rate for the planned bond issuance. The lead bank for the deal will be chosen from the syndicate of banks participating in the company's medium-term notes program, which includes **Wachovia Capital Markets**, **JPMorgan Chase**, **Citigroup**, **Williams Capital Group** and **Merrill Lynch**, she explains. Officials at the banks either declined to comment or did not return calls.

The original offering was issued in 1995 as part of Washington Gas Light's medium-term note program, launched to fund ongoing construction and upgrades to the utility's infrastructure. The company did not use a bank to redeem the notes. Washington Gas Light had \$613 million of debt outstanding under its medium-term note program as of March 31, Jennings says.

Financing Record (JUNE 8 - JUNE 14)

Debt

Debt	Issuer	Business Description	Principal Amount (\$ Mil)	Coupon (%)	Security	Maturity	Offer Price	Offer YTM (%)	Spread	S&P	Moody's	Fitch
6/8/05	PacifiCorp	Electric utility	300	5.25	Fst Mtg Bonds	6/15/35	99.64	5.274	105	A-	A3	A-
6/9/05	CLP Power Hong Kong Financing	Special purpose finance co	64.3	4.15	Gtd Mdm-Trm Nts	6/23/15	100	4.15		A+	Aa3	NR
6/10/05	Iberdrola SA	Electric utility	606.2	3.5	Medium-Term Nts	6/22/15	100.95	3.387	32	A+	A2	A+
6/13/05	Tenaska Alabama Partners LP	Pvd electric services	361	7	Sr Secured Nts	6/30/21	100	7	292	B+	B1	NR
6/14/05	ONEOK Inc	Pvd gas purchasing svcs	400	5.2	Fxd/Straight Bd	6/15/15	99.946	5.207	110	BBB+	Baa1	NR
6/14/05	ONEOK Inc	Pvd gas purchasing svcs	400	6	Fxd/Straight Bd	6/15/35	99.752	6.018	160	BBB+	Baa1	NR
6/15/05	Dominion Resources Inc	Elec,gas utility;holding co	300	na	Notes	6/15/35	100	na		BBB+	Baa1	BBB+

M&A

Date Announced	Target Name	Target Industry Sector	Target Nation	Acquiror Name	Acquiror Advisors	Acquiror Industry Sector	Acquiror Nation	Value (\$mil)
6/9/05	Delt AB	Electric, Gas, and Water Distribution	Sweden	El & Industrimontage Holding i		Electric, Gas, and Water Distribution	Sweden	-
6/9/05	Tianze Development Ltd	Electric, Gas, and Water Distribution	Hong Kong	China Power Intl Dvlp Ltd	Merrill Lynch (Asia Pacific) China Merchant Securities Co. CLSA ECM	Electric, Gas, and Water Distribution	Hong Kong	-
6/10/05	SPE SA	Electric, Gas, and Water Distribution	Belgium	Luminus NV		Electric, Gas, and Water Distribution	Belgium	-
6/10/05	San Infra Trd Pvt Ltd	Electric, Gas, and Water Distribution	India	Interlink Finl Svcs Ltd		Investment & Commodity Firms, Dealers, Exchanges	India	-
6/13/05	TPS Dell LLC-Dell Power	Electric, Gas, and Water Distribution	United States	Associated Elec Coop Inc		Electric, Gas, and Water Distribution	United States	75
6/14/05	Grays Ferry Power Plant	Electric, Gas, and Water Distribution	United States	Tenaska Power Fund LP		Investment & Commodity Firms, Dealers, Exchanges	United States	37
6/14/05	Morris Power Plant	Electric, Gas, and Water Distribution	United States	Diamond Generating Corp		Electric, Gas, and Water Distribution	United States	82
6/14/05	Ontelaunee Energy Center	Electric, Gas, and Water Distribution	United States	Tenaska Power Fund LP		Investment & Commodity Firms, Dealers, Exchanges	United States	231
6/14/05	Philadelphia Water Works Plant	Electric, Gas, and Water Distribution	United States	Tenaska Power Fund LP		Investment & Commodity Firms, Dealers, Exchanges	United States	7

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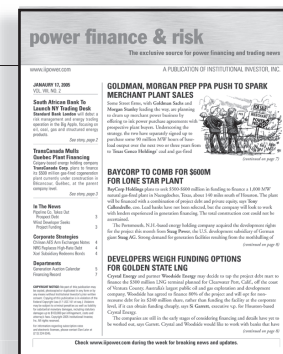


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VIEWPOINT

Financing Utility Assets In Today's Regulatory Environment

About half of the electricity used annually in the U.S. comes from coal, a mineral four times more abundant domestically and significantly cheaper than the second most used generation feedstock, natural gas. Natural gas generates about 20% of our electricity. Despite its preeminence as a feedstock, coal is the utility industry's bad boy, being a significantly worse polluter than natural gas. Recent advancements in technology relating to clean coal, which the **Natural Resources Defense Council** (NRDC) calls a "misnomer," arguably bridge the pollution gap between coal and natural gas. The costs for clean coal technology, however, reduce substantially the cost advantage coal enjoys and raises an element of completion and operation risk that will affect providers of capital to new coal-fired projects. As a result, in planning to meet customer demand for electricity in the next decade, utilities must perform a delicate balancing act for their environmental, financial and end-user constituents.

Many utilities will be evaluating their existing coal-fired generation capacity in light of recently proposed clean air requirements. The currently high prices of natural gas may create a financial incentive to keep existing coal-fired generation plants in service rather than replace them with new gas-fired generation. Under the phase-in of clean air requirements, these plants will require the expenditure of significant capital over the next few years for pollution control equipment in order to remain in operation. Industry estimates of the cost of installation of such equipment range from \$300 to \$400 per kilowatt.

Unfortunately, the last five years have also muddled the financing waters for utilities, regardless of whether their choice is new construction or the addition of pollution control devices to existing plants. Ten years ago, utilities would raise capital for generation by adding debt to their balance sheets and then earn a return on their capital through the cost of service provisions in their rates. Deregulation in some states caused generation assets to move off the balance sheets of utilities to non-regulated merchant owners; utilities then based the generation component of their costs in market based rates.

Today, the migration to merchant facilities has slowed and the regulatory environment is murky, making utilities hesitant to disturb favorable rates with a new rate case necessitated by the incurrence of large amounts of capital. In addition, regulators are far more likely to examine in any rate filing the financial risk associated with future compliance with new air

quality standards directed at coal-fired plants and the prudence of expending capital for coal-fired generation as opposed to combined cycle natural gas plants. Of course, new financings and new rates by a utility will also give rise to a re-examination of outstanding debt by the rating agencies. All of these considerations were probably in part responsible for the recent decision by **Allegheny Energy** to seek legislation that will allow it to recover the cost of pollution control equipment through a surcharge to its customers as opposed to a rate change.

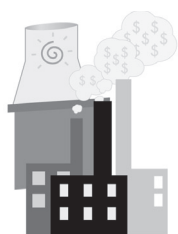
Five years ago a utility may have also considered an off-balance sheet financing for pollution control equipment through a special purpose entity that finances the equipment on a non-recourse basis and then supplies the pollution abatement service through a contract with the utility. **Enron's** demise, however, led to the adoption of FASB Interpretation No. 46, which tests SPEs by a stringent set of "variable interest entity" standards that make it far more difficult to keep non-recourse debt off a sponsor's balance sheet. While FIN 46 does not make off-balance sheet financing impossible, it may make a qualifying SPE less appealing to a utility that is not accustomed to relinquishing control over plant assets and paying to a third party SPE sponsor equity returns for taking greater risk on the project.

The combination of FIN 46 and deregulation concerns may also lead to hybrid financings that involve consortiums of utilities, customers and suppliers. Such is the case with last year's financing of pollution control upgrades for **Tucson Electric Power's** Springerville generation facility. To finance approximately \$100 million for such upgrades, TEP entered into an arrangement with **Tri-State Generation and Transmission Association** and **GE Capital Structured Finance** under which GE will construct and be the majority owner of a new 400 MW coal-fired unit at Springerville, with a structured lease obligation financing of approximately \$950 million of debt and equity being supported by a long-term lease of the facility to Tri-State and long term commitments for capacity from several sources, many of them Tri-State's existing customers. For its part, TEP entered into a power purchase contract for 5 years for 100MW and construction and financing for the new unit included the pollution control upgrades for TEP's units 1 and 2.

Financing of utility generation assets for the remainder of the decade will probably not follow the historic approach of floating a bond issue and filing a rate case. The uncertain regulatory environment, volatile gas prices, heightened air quality concerns and new accounting rules must all be weighed in a utility's decision of how to meet its generation needs in the future.

Written by Mark Zvonkovi, a partner in the New York office of law firm Akin Gump Strauss Hauer & Feld.





Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call Mark DeCambre, managing editor, at (212) 224-3293 or e-mail mdecambre@iinews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status
AES	Wolf Hollow	Texas	730	Gas	N/A	Transferred to KBC-led creditor group.
	Termomamonal	Colombia	90	Gas	None	Ongoing.
	Ottana	Italy	140	Gas		
Aquila	Racoon Creek	Ill.	340	Gas	Not chosen	Intention To Sell.
	Goose Creek	Ill.	340	Gas		
	Crossroads	Miss.	340	Gas		
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention To Sell.
Black Hills Energy	Pepperell	Mass.	40	Gas	-	Intention To Sell.
BNP -led bank group (Exelon developed plants)	Mystic River 7	Mass.	560	Oil/Gas	Lazard	Ongoing.
	Mystic River 8	Mass.	832	Gas		
	Mystic River 9	Mass.	832	Gas		
	Fore River	Mass.	832	Gas		
Calpine	Ontelaunee Energy	Ontelaunee Township Center, Penn.				Tenaska Power Fund in talks to acquire for \$231 million Tenaska in talks to acquire 50% interest for \$37 million Tenaska in talks to acquire 8% interest for \$7 million
	Grays Ferry	Philadelphia	175 MW,	gas-fired,		
	Philadelphia Water	Philadelphia	23 MW	gas-fired diesel and biogas		
	Morris Power Plant,	Morris, Ill.	156 MW,	gas-fired		Diamond Generating in talks to acquire for \$82 million International Power and Mitsui & Co. have agreed to acquire for \$906 million
	Saltend Energy Centre	Hull, England	1,200 MW,	gas-fired		
Citi & SocGen-led creditor group (TECO Energy developed plants)	Union	Ark.	2,200	Gas	Goldman	Ongoing.
	Gila River	Ariz.	2,300	Gas		
CMS Energy	Ensenada	Argentina	128	Gas	Not chosen	Announced Intention To Sell.
	CT Mendoza	Argentina	520	Gas	J.P. Morgan	
	El Chocon	Argentina	1,320	Hydro	J.P. Morgan	
Citi-led bank group (NEG developed plants)	Lake Road	Conn.	840	Gas	Lehman Bros.	Cargill Bought Debt Portion. (PFR, 12/27) Complete Energy Has Won The Bidding. Actively Pursuing A Sale.
	La Paloma	Calif.	1,121	Gas	Lehman Bros.	
Delta Power	Lowell Power	Mass.	82	Gas	None	
Duke Energy North America	Bridgeport Energy Project	Bridgeport, Conn.	490 MW	Gas	CSFB	Merging With Cinergy In A \$9 Billion Deal.
	Maine Independence Station	Penobscot County, Maine	520 MW	Gas		
	Bayside Power Project	St. John, New Brunswick	260 MW	Gas		
	Fort Frances Cogeneration Project	Fort Frances, Ontario	110 MW	Gas		
	Lee Energy Facility	Lee County, Ill.	640 MW	Gas		
	Vermillion Energy Facility	Vermillion County, Ind.	640 MW	Gas		
	St. Francis Energy Facility	Glennville, Mo.	500 MW	Gas		
	Washington Energy Facility	Washington County, Ohio	620 MW	Gas		
	Fayette Energy Facility	Fayette County, Pa.	620 MW	Gas		
	Hanging Rock Energy Facility	Lawrence County, Ohio	1,240 MW	Gas		
	Oakland Power Plant	Oakland, Calif.	165 MW	Gas		
	Moss Landing Power Plant	Monterey County, Calif.	2,538 MW	Gas		
	Morro Bay Power Plant	Morro Bay, Calif.	1,002 MW	Gas		
	South Bay Power Plant	Chula Vista, Calif.	700 MW	Gas		
	Griffith Energy Facility	Mohave County, Ariz.	600 MW	Gas		
	Arlington Valley Energy Facility	Maricopa County, Ariz.	570 MW	Gas		
	McMahon Cogeneration Plant	Taylor, British Columbia	117 MW	Gas		
El Paso Europe	Enfield	U.K.	396 (25%)	Gas	None	Ongoing.
	EMA Power	Hungary	70	Coal		
	Kladna	Czech Rep.	350	Coal		
El Paso North America (Merchant assets)	Berkshire	Mass.	261 (56.41%)	Gas		Final Bids Due. Negotiations Are Taking Place With BroadStreet Resources.
	CDECCA	Conn.	62	Gas		
	Eagle Point	N.J.	233	Gas		
	Pawtucket	R.I.	67	Gas		
	San Joaquin	Calif	48	Gas		
EnCana	Cavalier	Alberta	106	Gas	HSBC	Being Shopped To North American Power Group. Launched Sale In April.
	Balzac	Alberta	106	Gas	HSBC	
	Kingston	Ontario	110 (25%)	Gas	HSBC	

Generation Auction & Sale Auction (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Energy Investors Fund	Multitrade Crockett	Va. Calif.	79.5 (60%) 240 (24%)	Biomass Gas	None	BNP Paribas is advising on the saleBNP Paribas is advising on the sale
Entergy Asset Management	Robert Ritchie Warren Power RS Cogen Harrison County	Ark. Miss. La. Texas	544 314 425 (49%) 550 (70%)	Gas/oil Gas CHP Gas	None	Ongoing.
EPRL	Glanford Thetford Ely Westfield Elean	U.K. U.K. U.K. U.K. U.K.	14 39 13 10 38	Poultry Litter Poultry Litter Poultry Litter Poultry Litter Straw	Rothschild	Ongoing.
Exelon/PSEG	Eddystone Generating Station Linden Generating Station	Delaware County, Pa. Linden, N.J.	1,510 MW 775 MW	Coal and Gas Gas		Interviewing Banks To Advise On Sales.
HSBC-led creditor group	Attala	Miss.	526	Gas	HSBC	Sold To Entergy
KBC-led creditor group	Milford	Conn	542	Gas	Lazard	Ongoing.
Mirant	Shady Hills West Georgia Bosque County Wichita Falls	Fla. Ga. Texas Texas	474 640 538 77	Gas Gas Gas Gas	BofA	Ongoing.
Morrow Power	Boardman	Ore.	28	Gas	Marathon Capital	Evaluating Bids.
Nations Energy	Bayport Mungo Junction Southbridge	Texas Ohio Mass.	80 32 7	N/A		Considering Liquidation.
National Energy Gas & Transmission (USGen New England)	Salem Harbor Brayton Point Manchester St. Connecticut River Deerfield River	Mass. Mass. R.I. N.H. Mass.	745 1,599 495 479 89	Coal/Oil Coal Gas Hydro Hydro	Lazard	Dominion Has It Under Contract.
Oman (Ministry of Housing, Electricity & Water)	Rusail Ghubratt Wad AlJazzi	Oman Oman Oman	730 507 350	Gas CHP Gas	CSFB	-
Reliant Energy	Carr Street Astoria Gowanus Narrows	N.Y. N.Y. N.Y. N.Y.	95 1,276 549 281	Oil Gas Gas Gas	Goldman	Ongoing.
InterGen	La Rosita Redbud Cottonwood Magnolia El Bajio Termocali Rocksavage Spalding Coryton Rijnmond Knapsack Catadau Meizhou Island Power Quezon Callide C Millmerran	Mexico Okla Texas Miss. Mexico Columbia U.K. U.K. U.K. Netherlands Germany Spain China Singapore Philippines Australia Australia	1,100 1,220 1,235 900 600 235 748 860 732 820 790 1,200 724 750 460 920 880		Citigroup	AIG And Ontario Has Won The Bidding War.
SG-led bank group (NEG developed plants)	Athens Covert Harquahala Millennium	N.Y. Mich. Ariz. Mass.	1,080 1,170 1,092 360	Gas Gas Gas Gas	Blackstone	Assessing Bids.
STEAG Teco Energy	Iskenderun Dell Power Station McAdams Power Station	Turkey Ark. La.	1,320 540 599	Gas Gas Gas	Morgan Stanley	Ongoing. Reviewing Options
Tractebel North America	Chehalis	Wash.	520	Gas	N/A	Looking To Sell Or Swap.
United Utilities	Landfill Generation Portolio	U.K.	50 MW	Landfill	RBC Capital Markets	Set To Launch Sale In May.
WPS Resources	Sunbury Generating Station	Shamokin Dam, Pa.	450 MW	Coal	Lazard	Buyers Are Stalling Over Fuel Contracts.

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

- **Citigroup** said last week it has agreed to pay \$2 billion to settle a class-action suit brought by **Enron** stock and bond holders who had sued the company for its role as banker and adviser to the bankrupt energy giant. **Bill Lerach**, lead counsel for the **University of California Board of Regents**, which brought the lawsuit, called the settlement a favorable development, though he declined to predict what effect it would have on other litigation (*AFX-UK*, 6/10).
- The Senate Finance Committee last week released a draft of an \$18 billion package of energy tax incentives aimed at increasing U.S. energy supplies. The proposal would extend tax credits for power generators using renewable resources (*AFX-UK*, 6/14).
- The **Public Utilities Commission of Ohio** suspended the joint merger application filed by **Cinergy** and **Duke Energy** in order to take on a more thorough investigation of the deal. A PUCO spokeswoman said action is “more or less a procedural move” that gives the commission more time to review the proposed \$9 billion acquisition of Cinergy (*Reuters*, 6/14).
- Two Texas energy companies formally applied to the federal government for permission to build a linked pipeline and liquefied natural gas unloading station about 13 miles off the coast of Gloucester, Mass. The moves by business partners **Duke Energy** and **Excelerate Energy** set up a head-to-head race with **Neptune LNG**, which filed a \$900 million plan in February with the U.S. Coast Guard for its own offshore gas facility in the same vicinity (*Boston Globe*, 6/14).
- **Xcel Energy** plans to build a 125-mile power line from Denver to Pueblo, Colo., much of it along an existing corridor that cuts through El Paso County. Under a new state law, the company must ask the Public Utilities Commission to rule that the noise and buzzing of the 345,000-volt transmission line is “reasonable” (*The Gazette*, Colorado Springs, Colo., 6/10).
- The Board of Supervisors passed a resolution opposing the construction of a coal-fired power plant in Nevada’s Black Rock Desert. It urges the city of Los Angeles to reject **Sempra Energy’s** application to the Department of Water and Power to tap the regional transmission line it partially owns to carry electricity across the border to California (*Associated Press*, 6/14).

- **Colorado Interstate Gas**, a subsidiary of **El Paso Corp.**, has started construction on a 102-mile, \$61 million expansion of a natural gas pipeline from the Raton Basin in south-central Colorado to the panhandle of Oklahoma. The project should be in service by Oct. 1 (*Denver Business Journal*, 6/14).

Asia

- **China National Nuclear** aims to build two 650 MW and two 1 GW reactors at its Qinshan nuclear power plant, which will more than double its generation capacity. Total investment for the two planned expansion projects is expected to reach \$4.3 billion (*AFX-Asia*, 6/13).
- **China Southern Power Grid** is in talks to buy a 30% interest in a joint venture aiming to supply Hong Kong with electricity from the mainland, according to **China Power International Holding** chief **Li Xiaolin**. Li said China Southern Power Grid would bring in much-needed transmission and distribution expertise. (*BBC Monitoring Asia Pacific*, 6/11).

Europe

- Belgian energy supplier **Luminus** and energy generator **SPE** have announced plans to merge. The new group would be 51% owned by the UK’s **Centrica** and **Gaz de France**. The rest will be owned by Belgian municipalities (*AFX-UK*, 6/10).
- **E.ON**, **ENEL** and three other companies have showed early interest in acquiring Montenegro power plant TE Pljevlja, reported CIA news wire citing South East Europe Newswire (See News), which did not name its source. See News said the Czech Republic’s **CEZ**, Russia’s **Rusal**, and **Belon Group**, have bought the privatization document, while E.ON and ENEL have expressed their interest in buying the documentation (*AFX News Limited*, 6/15).
- The European Union is near working out a carbon dioxide emission’s strategy sometime early this week. The Union has struggled to get a proposal, originally initiated in January, approved by the 25 member commission. The proposal is meant to force companies to adhere to strict emission allowances or buy credits from lower emitting companies, if they exceed their allocations. It also details the scope of trading credits for renewable energy projects (*Financial Times*, 6/16).



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BEAR STEARNS

(continued from page 1)

During his tenure at Merrill, Widener was involved in several high-profile deals, including **Reliant Resources'** \$1.1 billion sale of 3 GW of generation assets to Dutch utility **NV Nuon** in 2003 and the sale of **British Energy's** stake in U.S. nuclear operator **AmerGen** to **FPL Group**, also in 2003.

—C.B.

CITI'S WOOD

(continued from page 1)

gas distribution networks last year. The bank's North American arm is based in New York, although it could not immediately be determined whether Wood, who is expected to start next month, will work out of New York or London.

Wood joined **Salomon Smith Barney** in 2000 and worked on deals including **CenterPoint Energy's** \$3.7 billion divestment of **Texas Genco** last year. He was a senior member of **JPMorgan Chase's** energy group. His departure follows the defection of **Peter Kind**, former co-head of power for Citi, to **Banc of America Securities** in April (PFR, 4/29).

—Christine Buurma

TENASKA TAPS

(continued from page 1)

(PFR, 10/27/03). "We're just elated to term [the mini-perm] debt out for the longer term and fully hedge all of our financial risk," says **Michael Lawler**, treasurer.

The Lindsay Hill combined-cycle, gas-fired facility has been operational for the past three years, making a retooling of the original non-recourse debt in the high-yield market feasible, notes Lawler. The bond market fallout resulting from the demotion of names such as **General Motors** to junk status delayed the refinancing plans by about three to four weeks, he adds. But because the loan, originally led by **Calyon**, did not mature until 2007, it was able to wait out the turmoil in high-yield.

Standard & Poor's assigned a preliminary B+ rating to the senior secured offering.

Ralf Etzelmueller, S&P analyst in New York, says that, while the rating agency views the Lindsay Hill operation as stable, it believes that its anticipated debt coverage of 1.2-1.3X, which assumes a plant dispatch of about 40%, is a bit optimistic. The facility has averaged dispatch only of 10% since it went live in 2002.

Lawler defends the coverage ratio, underscoring the offtake contract with **Williams Power Co.**, subsidiary of **William Cos.**, is structured so Tenaska receives payments even if the plant never

runs. "There are five years of cash flow under contract with Williams after the debt is paid off," Lawler says. He declined to disclose specifics regarding its offtake agreement.

Williams spokesman **Kelly Swan**, did not return a call for comment.

—Mark DeCambre

SITHE LINES

(continued from page 1)

planning a natural gas fired plant at the same site so an environmental impact statement is already in place, which has sped up the PPA process. "We're very ahead of schedule with the PPA," he says. The PPA and equity terms should be inked by year-end, he says, and permitting should take between 12 to 16 months, Straussfeld says.

Sithe's equity portion will be fronted by parent **Reservoir Capital**, a New York-based private equity firm. The debt will be sought in early 2007 and Sithe will break ground once permits and financing are in place.

Sithe is working on another proposal of a 1,500 MW plant in northwestern New Mexico. It is proposing along with the Navajo Nations (PFR, 6/13).

—Raquel Pichardo

Calendar

- **Platts' 2nd Annual Utility Mergers and Acquisitions Conference** will take place June 28-29 at the Millenium Broadway Hotel in New York. Topics include investment opportunities for the merchant power sector and the effects of state and federal regulatory challenges on M&A. For more information, call 1-866-355-2930.

- **The American Coal Council** is hosting a coal seminar for handling and storing Powder River Basin coal on August 16-18 in San Antonio. A specific location for the event has yet to be determined. For details contact **Teresa Coffey**, conference director at (602-485-4737 ~ (602) 485-4847 (fax).

Quote Of The Week

"It's not like buying gas for your car." —**Rich Bresnahan**, manager of treasury at **Energy Northwest**, on purchasing uranium fuel for a 1.1 GW nuclear plant (see story, page 4).

One Year Ago In Power Finance & Risk

Cary Metz, a power marketer at **Citadel Investment Group** in Chicago, had left the firm reportedly to start up a hedge fund. [**American Electric Power** veteran **Lew Williams** lured Metz to his start-up natural gas, oil and power trading fund **Alpha Energy Partners** (PFR, 9/27).]