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Web Exclusive

Sempra Energy Trading has inked a \$1 billion revolver, its first facility as it looks to trade at arm's length from parent **Sempra Energy**.

For the full story go to *PFR's* Web site (www.iipower.com)

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On the Block

CAROLINA NUCLEAR PLANT STAKE GOES UNDER THE HAMMER

The U.S. Department of Agriculture's Rural Utilities Service has put a stake in a 2,258 MW South Carolina nuclear power plant up for sale and last week met with potential bidders.

The RUS is auctioning a 210 MW, 18.75% stake in Unit 1 of the Catawba Nuclear Station in York, S.C., and also a 9.375% interest in shared support facilities for the plant.

(continued on page 12)

MACQUARIE HIRES TXU EUROPE HONCHO FOR EUROPEAN ENERGY PUSH

Martin Stanley, former president of TXU Europe Energy Trading, is set to join Macquarie Bank in London next month to bolster a push by the Australian bank's principal finance arm into the European energy and generation sectors. Market watchers say Macquarie was one of several financial investors set to bid last Friday in National Grid Transco's auction of five regional U.K. gas pipeline networks. Macquarie also remains in the running to acquire a portfolio of Edison Mission Energy power plants,

(continued on page 11)

NEVADA POWER READIES \$450M DUAL FINANCING TO COMPLETE DUKE PROJECT



Michael Yackira

Nevada Power Co. is looking to raise a \$200 million revolver to fund the acquisition of a partly completed 1,200 MW power station project 20 miles north of Las Vegas and subsequently will issue around \$250 million in long-term bonds to partly pay down borrowings on the revolver. The replenished revolver will then be used to fund completion of the plant. Michael Yackira, executive v.p.

(continued on page 11)

HVB TAPS BOND MARKET WITH NOVEL WIND FARM FINANCING

HypoVereinsbank is tapping the capital markets with a EUR100 million bond offering backed by a basket of eight German and Portuguese wind parks and wind farm projects. The deal likely marks the first time that a portfolio of wind parks has been funded in the European bond market, and if successfully placed with investors could set the template for future wind generation financings. "There are literally thousands of small wind farms scattered across Europe that could be more efficiently financed on a portfolio basis," says one project financier.

(continued on page 12)

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



At Press Time PPL Wraps Upsized Loan Revolver

PPL Corp. has bagged its recently launched package of five-year loans and has upsized the deal by \$100 million to \$1 billion reflecting strong demand.

The loan package drew in \$1.2 billion of commitments during syndication for its planned \$900 million financing as the company rode the wave of lender interest in longer-dated power paper (PFR, 6/14). The \$700 million loan for PPL Energy Supply arranged by Wachovia and Barclays Capital edged up to \$800 million in the wake of healthy lender interest, while a \$200 million facility for PPL Electric Utilities Corp., led by Wachovia and Citigroup, stayed at its launch target. The loans are earmarked for general corporate purposes.

Cape Wind To Seek PPAs In Coming Months

Cape Wind Associates, developer of a controversial \$800 million, 420 MW offshore wind park to be erected in Nantucket Sound, will begin seeking long-term power purchase agreements within the next several months, says President **Jim Gordon**. Gordon says he sees huge demand for renewable energy in New England and adds he expects the Cape Wind project to begin producing power by late 2006.

Cape Wind is focused on completing its permitting process at the moment, says Gordon. Once this is finalized the developer will be able to gauge the total cost of the project and begin looking for viable sales contracts.

The Nantucket project will be financed with a combination of debt and equity, but it is still too early to determine the likely capital structure or say from where the financing will come, says Gordon.

Arizona Public Service To Push Out LC Loan Maturity

Arizona Public Service Co. has entered the bank loan market looking to renew a \$150 million 364-day letter of credit facility as a three-year deal. Maturity extensions have become the order of the day for power sector borrowers with strong enough credit profiles, say financiers. **Exelon** is another recent example with its new \$1.5 billion loan package that includes a five-year maturity (PFR, 6/21).

The APS facility is a long-standing deal that is used for LCs that backstop pollution control bonds, thereby enhancing their liquidity and credit quality. **Barclays Capital** is reprising its role as lead and **Bank of New York** is also co-leading the sale. The loan is priced at LIBOR plus 87.5 basis points. Commitments are due July 14 and closing is penciled in for July 22.

One banker says last year's 15-strong roster for the deal (PFR, 10/14) will likely be shaved back a little. He explains APS is looking to trim what was already a small group as part of an effort to strengthen relations with its core banking group.

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Trinidad LNG Set To Launch

The National Gas Company of Trinidad and Tobago is set to launch within the next few weeks financing for a pipeline to feed a liquefied natural gas station at Point Fortin, Trinidad. Although five leads were selected for a \$200 million non-recourse financing several months back (PFR, 3/8), one banker says the need to gain a variety of local approvals before pressing ahead with the deal has proved time consuming. He declined to elaborate further and would not discuss the current terms of the deal.

As originally envisaged, a roster of **BNP Paribas**, **Calyon**, **ING**, **Mizuho** and **Sumitomo Mitsui Banking** were to lead a 17.5-year loan with construction pricing of LIBOR plus 150 basis points and an initial spread of 175 basis points post completion. It is unclear if these terms have been altered.

The pipeline will feed a soon-to-be-expanded LNG facility owned by **Atlantic LNG Co.** and has 20-year contracts with some of the mammoth multi-national energy giants who are part owners of Atlantic LNG, including **BP**, **British Gas** and **Repsol**.

One financier says there have been rumblings in the market that those multi-national players were questioning the necessity of tapping the non-recourse debt market, when corporate funding might be cheaper.

Brascan Bags Tightly Priced Bridge Loan For N.Y. Assets

Brascan Corp. has reportedly selected underwriters to arrange a roughly \$500 million bridge loan to fund its pending acquisition of a portfolio of New York State hydroelectric power plants and has landed pricing below 100 basis points over LIBOR. One financier notes the relatively tight pricing reflects the borrower's strong corporate credit rating, rather than the credit profile of the plants, which will have a merchant flavor. **Donald Tremblay**, cfo at subsidiary **Brascan Power**, confirmed the deal size, but declined further comment.

The Canadian acquirer was taking pitches from several lenders and selected a team of three banks and one institutional investor for the deal that will fund the takeover of 769 MW of capacity from **Reliant Energy**. The identity of the lenders could not be ascertained.

One banker says Brascan has been asking lenders for a two-year corporate bridge, with the intention of refinancing with a non-recourse facility at a later date. In an interview with *PFR* just after the announcement of the deal (PFR, 5/25), **Richard Legault**, president at Brascan Power, said the plan after closing would be to set up long-term non-recourse

financing covering 50-55% of the \$900 million price tag.

The portfolio is made up of 71 hydroelectric power generating plants, totaling 674 MW, and one 95 MW co-generation facility, in upstate New York.

BofA Analyst Joins \$1.5B Credit Fund

Jeffrey Burch, a former utility fixed-income analyst at **Bank of America** in London, has left the investment bank to help manage a recently launched \$1.5 billion credit derivatives-focused hedge fund in New York. He was between posts last week and could not be reached for comment.

Burch, a former *Institutional Investor*-ranked utility analyst at **Morgan Stanley** in London, joined BofA almost a year back to cover European utility credits, but in recent months has moved away from the public sphere to provide research to BofA's proprietary debt trading desk, says **Elizabeth Wood**, spokeswoman in London. She adds the switch reflected BofA disbanding company-specific fixed-income coverage earlier this year.

Burch is joining **Blue Mountain Capital**, a New York-based money manager that recently formed a \$1.5 billion credit trading joint venture with London-based **BlueCrest Capital**, says **Andrew Feldstein**, fund manager. He says Burch was recruited to support a push by the fund into European credit trading.

Mitsui Acquires Stake In Texas Wind Farm

Mitsui USA has bought a 50% stake in the 160 MW Brazos wind farm in Texas from La Jolla, Calif., green energy developer **Padoma Wind Power**. **Jan Paulin**, president of Padoma, says there were several interested suitors, but only two committed bidders at the end of the auction process. He declined to name other bidders or reveal the price paid for the stake.

The sale clears the way for **Dexia Crédit Local** and **ANZ Investment Bank** to execute a roughly \$90 million non-recourse loan refinancing for the wind farm (PFR, 7/6) on behalf of Mitsui and **Shell WindEnergy**, which owns the other half of the project.

The wind farm, located 90 miles southeast of Lubbock, came on line before Dec. 31 and so its finances are underpinned by the all-important federal production tax credits. The farm has an offtake contract with **TXU Energy**, which in turn has a retail electricity arrangement with **Green Mountain Energy Co.**

Harris Nesbitt Seeks I-Bankers

Harris Nesbitt, a middle-market investment and corporate bank, is looking to hire energy sector coverage bankers as part of a broader push into investment banking over the next year.

Dominic Petito, executive managing director and deputy head of client coverage, says the firm expects to add some 30 to 35 investment bankers within the next six to 12 months in Chicago and New York. Harris Nesbitt sees a significant opportunity for growth covering the middle market, as it's a segment increasingly ignored by bulge bracket firms, says Petito.

The Chicago-based company is also in the process of moving to an industry focus from a generalist focus in its investment banking division, says Petito.

Wind Energy Co. Hires Finance Exec

London-based **Novera Energy Europe** has appointed **Rob Wilde**, formerly head of development at **RWE Power**, as its first cfo. **David Scaysbrook**, chairman, says the appointment of an experienced and relatively high-profile figure reflects Novera's plan to list on the U.K. stock market shortly. He adds that Wilde's resume also includes a spell as finance director covering Eastern European generation projects at **Powergen**. Calls to Wilde were not returned.

The U.K.-focused wind energy and biomass generation subsidiary of Sydney-based Novera Energy has retained brokers **Collins Stewart** and **Oriel Securities** to float the U.K. business on the Alternative Investment Market, the stock exchange for small U.K. companies, shortly. Scaysbrook declined comment

on the timing or likely pricing of the IPO.

Novera Energy owns or operates some 31 MW of landfill gas-fired generation in the U.K. and a 14.5 MW wind farm in Wales. The company is likely to be the first pure green energy generation company to be listed in the U.K., according to Scaysbrook.

Primary Energy Re-Assesses B Loan Plan

Primary Energy, an Oak Brook, Ill.-based cogeneration investment boutique, is considering whether to press ahead with a \$375 million B loan refinancing. After an initial flurry of interest upon launch and a subsequent reworking, financiers say there has been little word on how the deal is going. "It's been a moving target," says **Mark Hall**, senior v.p. "We continue to look at our options." Hall declined to comment further except to note that nothing is definite about the financing.

The planned seven-year loan was reworked with its first-lien tranche upsized by \$50 million to take it to \$200 million. The second-lien tranche was cut by the same amount to stand at \$125 million. (PFR, 6/7). A \$100 million dividend payment to the sponsors under the original structure was also scaled back during the reworking.

Credit Suisse First Boston is leading the deal. **Pen Pendleton**, a spokesman for the firm, was unable to provide comment by press time.

The loan refinances some 444 MW of inside-the-fence cogeneration assets tied to steel mills in Northern Indiana.



Middle East & North Africa Int'l Power Preps Listing For Omani Power Plant

International Power (IP) will next month float a 35% stake in its

280 MW **Al Kamil** power plant on the Omani stock market. **Keith Marsh**, newly installed ceo at **Al Kamil**, says IP has appointed **Bank Muscat** to underwrite the offering, which will be targeted exclusively at local retail and institutional investors.

The initial public offering is required by an Omani law that stipulates that all independent power plants must be listed on the Muscat stock market within four years of being commissioned. The gas-fired **Al Kamil** power plant came on

line in early 2002. The IPO will likely be followed within the next six months by similar transactions involving **AES'** **Barka** power plant, say market watchers.

Proceeds from the **Al Kamil** share sale will be transferred back to **International Power's** coffers in London. While the cash injection will be a shot in the arm for IP, the stock sale has been projected ever since it won the **Al Kamil** tender back in 2000, says Marsh.

IP invested some \$33 million of equity capital into **Al Kamil** during

construction and also inked a \$100 million long-dated project loan through mandated lead arrangers **Bank Muscat** and **Société Générale**.

Marsh, who was previously technical director at the plant,



Al Kamil

declined comment on the likely share sale price, but says a robust Muscat stock market bodes well for the offering.

Omani Deal Draws Strong Interest

Mandated lead arrangers **BNP Paribas** and **Standard Chartered Bank** have received commitments from eight regional and international lenders to join the lead arranger roster for an upcoming project loan to finance a **Tractebel**-led consortium's development of a roughly \$400 million 500 MW power project at Sohar in Oman, say market watchers. They add that strong interest could prompt BNP to widen the lead arranger group to six against an originally planned top table of four. Calls to BNP and Standard Chartered went unreturned.

Complicating the matter, however, was the announcement last Wednesday that a separate **Tractebel** consortium is set to win the mandate to develop a 1 GW power project in Bahrain (see story, below). Both power projects are expected to reach the bank market next month and some lenders may wish to be in only one of the deals.

Market watchers say BNP has approached several Japanese and German banks including **Bayerische Landesbank** about inking MLA underwriting tickets. The Sohar project is backed by a 15-year PWPA with the Omani government.

Tractebel Set To Win Bahrain Project

Bahrain's **Ministry of Finance & National Economy** has selected a joint venture between Belgian utility **Tractebel** and regional investment fund **Gulf Investment Corp.** as the preferred bidder to develop **El Ezzel**, a roughly \$600 million, 1 GW greenfield combined-cycle gas turbine project near Manama, Bahrain.

One market watcher notes **Tractebel** is in pole position to land the tender after submitting a sharply lower offtake contract proposal than the four other single bidders and consortia. The **Tractebel** package was priced at BHD8.08985 (\$21.41) per MWh well above its nearest rival **Korea Electric Power Co.** The latter made a bid of BHD9.375, says the official. **AES** and three consortia comprising **International Power/Sumitomo/Tokyo Electric Power Co.** and **Marubeni/BTU/Pendekar** were the unsuccessful bidders. Bids were submitted in early May (PFR, 5/10).

The tender marks **Tractebel's** second successful bid for a Middle East power plant development mandate in less than a month (PFR, 5/31). A consortium led by **Tractebel** was awarded preferred bidder status late in May for an Omani government tender to develop a 500 MW and 30 million gallons per day power and water desalination project at Sohar. It is expected to ink a 15-year PWPA

with the Omani government on July 5.

Tractebel and **GIC** employed **HSBC** and **Société Générale** as their financial advisors on the **El Ezzel** tender and these two banks are set to lead a roughly \$400-500 million long-dated project loan next month to fund the development of **El Ezzel**, say bankers. Officials at both banks declined to comment.



Latin America

Xcel Eyes Sale Of Final South American Asset

Minneapolis-based **Xcel Energy** has put a 76 MW Argentine power plant on the block. The **Energia del Sur** gas-fired plant, located in the Chubut province of Argentina, is **Xcel's** final asset in South America, says **Mary Sandok**, **Xcel** spokeswoman. The sale is the latest of a series of foreign divestitures as **Xcel** looks to refocus its business on its core U.S. electric and natural gas utility operations, says **Sandok**. Early this month **Xcel** sold **Corp. Independiente de Energia**, an energy services company in Buenos Aires with a 620 MW gas and oil-fired plant as its primary asset, for \$26 million to **Bell Investments** and **Albanesi S.A.**

Sandok declined to give a time frame on the **Energia del Sur** sale or reveal if **Xcel** is employing a bank to advise on the sale.

Corporate Strategies

We Energies To Tap ABS Mart For Environmental Capex

We Energies is looking to tap the capital markets with a \$490 million asset-backed bond offering toward year-end to pay for environmental clean-ups at several Wisconsin power plants.

We Energies will issue the paper under a recently passed state securitization law, the Environment Trust Financing program, that allows the utility to place an environmental tariff on customers' energy bills. "We felt this was probably the most cost effective [deal] because [the bonds] get a triple-A rating," says **Jim Schubilske**, assistant treasurer. The interest rate on 15-year bonds will likely be around 5%, he adds.

The bond offering's proceeds will primarily be used for capex at **We Energies'** Oak Creek, Pleasant Prairie and Port Washington plants through 2006, says **Schubilske**. These include the addition of emission-reduction equipment and the decommissioning of several coal-fired units.

Schubilske says **We Energies** jumped at the opportunity to

issue these ABS after the Wisconsin state legislature passed a provision in March earmarking certain rate increases to be allotted to the repayment of the bonds while disallowing We Energies from profiting from the value of the environmental improvements.

Lehman Brothers has been retained to arrange and underwrite the offering, which still needs approval by state utility regulators. "Everybody seems to look favorably on this, but you never know until you go through the process," says Schubilske. He says the company hopes to sell the bonds by November.

PSE&G Gets Flexible With Short-Term Floaters

Public Service Electric and Gas has tapped the floating-rate bond market for \$175 million in first and refunding mortgage bonds, layering a six-month call option into the two-year paper. **Rob Hornick**, credit analyst at **Fitch Ratings**, says the short-term tenor and call structure is fairly unusual, but it

reflects the flexibility being sought by the utility. "Their view is that they will pay off the paper with positive cash flows over the short-term," he says. Calls to **Paul Rosengren**, spokesman at PSE&G's parent **Public Service Enterprise Group**, were not returned by press time.

The issue, which was led by **BNP Paribas** and **Citigroup**, will be used to cover the repayment of \$159 million of first and refunding mortgage bonds that have been called for redemption. The spread over LIBOR for the new notes could not be determined. Hornick says in addition to the flexibility of the structure the funding rate will also obviously be lower given the short-term maturity.

Fitch assigned the paper an A rating, reflecting the relatively low business risk and the predictable revenue stream of PSE&G. The utility has regulated electric and gas distribution operations and has no commodity price exposure. Its credit status was also enhanced by a \$170 million capital infusion by Public Service Enterprise Group last year and dividend payments to its parent are expected to be limited this year.

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

- **Singapore Exchange Ltd.** is in talks with the **New York Mercantile Exchange** about setting up an energy futures exchange in Singapore. Nymex is expected to make a formal announcement on the project, which would feature electronic, over-the-counter and floor trading for crude oil, oil products, liquefied petroleum gas and liquefied natural gas within a few months (*Bloomberg*, 6/19).

- The **Electricity Generating Authority of Thailand** may award an IPP construction contract to **Gulf Electric** as compensation for delays in starting the 734 MW coal-fired Bo Nok project in Prachuab Khiri Khan. Gulf Electric wants THB4 billion (\$98 million) in compensation for delays in the Bo Nok project, which was relocated and its fuel source switched from coal to natural gas after heavy opposition from environmental and community groups (*Bangkok Post*, 6/22).

- **Korea Electric Power Co.** has signed a memorandum of understanding with one of China's biggest power companies, **Datang International Power Generation Co.**, to accelerate its entrance into the world's fastest-growing economy. The MOU

supports a Chinese government plan for some \$30 billion of investment in its generation market by 2020 (*BBC Monitoring Asia Pacific*, 6/23).

Europe & Middle East

- Embattled nuclear power generator **British Energy** has lured **Stephen Billingham**, a veteran of corporate financial recoveries, from engineering firm **WS Atkins** as its new finance director. Billingham is set to join the U.K.'s biggest electricity producer in the summer and is expected to be appointed to the British Energy board. He will replace **Martin Gatto**, the company's interim finance head (*The Glasgow Herald*, 6/23).

- **Nicolas Sarkozy**, France's finance minister, has kicked the part-privatization of Europe's biggest electricity company, **Electricité de France** and its sister company **Gaz de France** into touch. But he has pushed ahead with paving legislation that will enable the opening-up of the French energy markets and make it easy for his successor to float the companies. That decision will be subject to the views of a committee that will take 12 months to review how to refinance the companies. That this was a political move to avoid the heat stirred by tens of thousands of striking electricians was made clear by **François**

Roussely, chairman of EdF. He said EdF needs between EUR10-15 billion to restore a balance sheet ravaged by a decade of overseas acquisitions (*The Sunday Business*, 6/20).

- Spanish power companies got 11% fewer allowances for carbon dioxide emissions than utilities such as **Endesa** has been pushing for. Endesa and other companies had sought an industry total of 97 million tons per year as part of a Europe-wide emissions allocation scheme (*Bloomberg*, 6/21).

- Enel's** sale of stock in its Italian **Terna** unit was 2.3 times oversubscribed. The sale valued Terna at EUR3.4 billion (*Bloomberg*, 6/22).

- The U.K. could find itself short of gas during cold snaps next winter, according to House of Lords report that's critical of the U.K. government's energy policy (*The Times*, 6/24).

- Italian utility **Enel** plans to raise at least EUR500 million with a bond offering targeted at retail investors, according to Chief Executive **Paolo Scaroni** (*The Times*, 6/24).

- U.K. utility **Centrica** is in talks to sell its roadside recovery business, the **Automobile Association**. Centrica paid GBP1.1 billion for the AA in 1999 and is reported to be seeking offers in excess of £1.5 billion (*BBC News*, 6/21).

Latin America

- AES Corp.**'s Chilean unit **Gener SA** has completed its financial restructuring program, which included the sale of over 714 million new shares. Debt at its **AES Gener SA** subsidiary was cut by \$302 million and existing debt maturities extended (*Dow Jones*, 6/22).

U.S. & Canada

- The Texas Supreme Court ordered regulators to reconsider their ruling blocking **CenterPoint Energy**, the second-largest power distributor in the state, from recovering \$631 million in interest expenses from customers (*Bloomberg*, 6/18).

- Allegheny Energy** is pressing ahead with its agreement to sell its 9% stake in **Ohio Valley Electric Corp.** to a unit of **Buckeye Power**, after other owners of the generation company declined an option to block the sale. Buckeye, an electricity coop in Columbus, will acquire the stake for \$102 million in cash and the assumption of about \$37 million in debt. Ohio Valley owns two coal-fired power plants, Kyger Creek in Ohio and Clifty Creek in Indiana (*Dow Jones*, 6/23).

- The **Federal Energy Regulatory Commission** has found issues of noncompliance at **Pinnacle West Capital** in relation to its **Arizona Public Service Co.** unit's transmission tariff. Arizona Public Service is discussing the issues with FERC and expects a public report to be issued later this year. A resolution isn't expected to have a material adverse effect on its financial position (*Dow Jones*, 6/23).

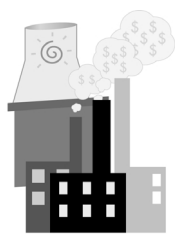
- Ken Lay's** lawyer has asked for another meeting with prosecutors following media reports that the ex-**Enron** chief executive chairman could soon be the subject of a grand jury indictment vote. **Mike Ramsey** said he and Lay have had four meetings with prosecutors over the last 2 1/2 years and would like to have one more. Ex-CEO **Jeff Skilling** asked for a similar meeting just before he was indicted earlier this year. Skilling pleaded not guilty to 35 felony charges days later (*Houston Chronicle*, 6/22).

- Enron** has received a higher offer for its **CrossCountry Energy** unit from an unidentified investment-grade company. An offer worth \$2.2 billion for CrossCountry, a portfolio of North American natural gas pipelines, from Texas oil tycoon **Oscar Wyatt** and some financial partners, already has been filed with Enron's bankruptcy court. Enron's largest creditors are seeking court permission to accept the new offer (*Reuters*, 6/22).

- UBS** has hired **Wallace Henderson** from **Credit Suisse First Boston** to run energy investment banking in New York. Henderson starts in July and will report to **Stephen Trauber**, global head of energy investment banking. Henderson was a managing director in CSFB's Latin American investment banking group and also worked in its oil and gas group (*Bloomberg*, 6/22).

- Spain has unveiled a plan to reduce sharply pollution between 2008 and 2012, and plans to push ahead with renewable energy projects to reduce emissions and meet European Union standards. Industry Minister **Jose Montilla** did not elaborate on the plan (*Bloomberg*, 6/22).

- The **Enron** grand jury has added more charges in a new indictment against four former **Merrill Lynch** employees and two ex-Enron employees who were originally set to go to trial June 7 in the Nigerian barge deal conspiracy case. Two new wire fraud charges were filed against all six defendants and a new charge of making a false statement was leveled against **Dan Boyle**, an ex-v.p. in Enron's global finance unit. The government contends the six were involved in a year-end 1999 deal in which they helped push through a sham sale of electricity-producing Nigerian barges to Merrill (*Houston Chronicle*, 6/24).



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 Will Ainger, managing editor, at (44-20) 7303-1735 or e-mail wainger@euromoneyplc.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status
AEP	Fiddler's Ferry	U.K.	2,000	Coal	Lexicon	Intention to sell.
	Ferry Bridge	U.K.	2,000	Coal	Lexicon	
	El Bajio	Mexico	600 (50%)	Gas	WestLB	
AES	Wolf Hollow	Texas	730	Gas	N/A	Ongoing.
	Granite Ridge	N.H.	720	Gas		
	Termomamonal	Colombia	90	Gas		
	Ottana	Italy	140	Gas	None	Ongoing
AES Fifoots Point	Fifoots Point	U.K.	363	Coal	KPMG (Administrator)	Looking to sell plant.
Allegheny Energy Supply	Armstrong	Penn.	356	Coal	J.P. Morgan	Ongoing.
	Hatfield	Penn.	1,600 (75%)	Coal	Citibank	
	Mitchell	Penn.	442	Coal	J.P. Morgan	
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention to sell.
Black Hills Energy	Pepperell	Mass.	40	Gas	-	Intention to sell.
CenterPointEnergy	Texas Genco portfolio (12 plants)	Texas	14,175	Variety	-	Reliant has passed up option to purchase portfolio.
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.	Seperate auction for each plant.
	La Paloma	Calif.	1,121	Gas	Lehman Bros.	
ConocoPhillips	Ingleside	Texas	440 (50%)	Gas	None	Looking to sell stake by June.
Damhead Power	Damhead	U.K.	800	Gas	E&Y	Has agreed sale to ScottishPower.
Delta Power	Lowell Power	Mass.	82	Gas	None	Actively pursuing a sale.
Duke Energy North America	Hot Spring Energy Facility	Ark.	620	Gas	CSFB	Has agreed sale with MatlinPatterson.
	Murray Energy	Ga.	1,240	Gas		
	Sandersville Energy	Ga.	640	Gas		
	Marshall Energy	Kty.	640	Gas/oil		
	Hinds Energy Facility	Miss.	520	Gas		
	Southaven Energy	Miss.	640	Gas		
	Enterprise Energy	Miss.	640	Gas		
	New Albany Energy	Miss.	385	Gas		
	Lee Energy	Ill.	640	Gas		
	Bridgeport Energy	Conn.	480 (67%)	Gas		
	Grays Harbor (in construction)	Wash.	650	Gas		
	Deming Energy (in construction)	N.M.	570	Gas		
	Griffith Energy (50%)	Ariz.	600	Gas		
	Maine Independence	Maine	520	Gas		
Dynergy	Oyster Creek	Texas	424 (50%)	Gas	N/A	Ongoing.
	Hartwell	Ga.	300 (50%)	Gas		
	Michigan Power	Mich.	123 (50%)	Gas		
	Commonwealth	Va.	340 (50%)	Gas		
El Paso Europe	Enfield	U.K.	396 (25%)	Gas	No Advisor	Looking to exit Europe.
	EMA Power	Hungary	70	Coal		
	Kladna	Czech Rep.	350	Coal		

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
El Paso North America (Merchant assets)	Bayonne	N.J.	186	Gas		Final bids due.
	Berkshire	Mass.	261 (56.41%)	Gas		
	Camden	N.J.	149	Gas		
	CDECCA	Conn.	62	Gas		
	Eagle Point	N.J.	233	Gas		
	Fulton	N.Y.	45	Gas		
	Milford	Conn.	540 (45%)	Gas		
	Newark Bay	N.J.	147	Gas		
	Pawtucket	R.I.	67	Gas		
	Rensselaer	N.Y.	79	Gas		
	San Joaquin	Calif	48	Gas		
El Paso North America (Contracted assets)	Midland Cogen	Miss.	1,500 (44%)	Gas	Citigroup	Set to sell majority of QF portfolio to AIG.
	Prime	N.J.	66 (50%)	Gas		
Edison Mission Energy	Derwent	U.K.	214 (33%)	Gas	CSFB/Lehman	Has received initial non-binding bids.
	Dinorwig	U.K.	1,728	Pumped-storage		
	Ffestiniog	U.K.	360	Pumped-storage		
	ISAB Energy	Italy	512 (50%)	Waste		
	ICPV4	Italy	312 (50%)	Wind		
	Spanish Hydro	Spain	86	Hydro		
	Doga Energy	Turkey	180 (80%)	Gas		
	CBK	Philippines	728 (50%)	Pumped-storage		
	Clyde	N.Z.	432 (51%)	Hydro		
	Kwinana	Australia	116 (70%)	Gas		
	Loy Yang B	Australia	1,000	Gas		
	New Plymouth	N.Z.	464 (51%)	Gas		
	Oakey	Australia	300 (12%)	Gas		
	Ohaaki	N.Z.	104 (51%)	Gas		
	Otahuhu A	N.Z.	45 (51%)	Gas		
	Otahuhu B	N.Z.	372 (51%)	Gas		
	Poihipi	N.Z.	55 (51%)	Steam		
	Roxburgh	N.Z.	320 (51%)	Hydro		
	Te Rapa	N.Z.	45 (51%)	Gas		
	Valley Power	Australia	300 (60%)	Gas		
	Wairekei	N.Z.	165 (51%)	Steam		
	Paiton	Indonesia	1,230 (40%)	Coal		
	Tri Energy	Thailand	700 (25%)	Gas		
Endesa	Conatillor	Chile	172	Hydro	N/A	Ongoing.
EnCana	Cavalier	Alberta	106	Gas	HSBC	Launched sale in April. Looking to exit generation business.
	Balzac	Alberta	106	Gas	HSBC	
	Kingston	Ontario	110 (25%)	Gas	HSBC	
Energy Investors Fund	Multitrade	Va.	79.5 (60%)	Biomass	None	Intention to sell.
	Crockett	Calif.	240 (24%)	Gas	None	
Entergy Asset Management	Crete	Ill.	320	Gas	Deutsche Bank	ArcLight is set to acquire Entergy's 50% stake. Launched sale in September.
	Robert Ritchie	Ark.	544	Gas/oil		
	Warren Power	Miss.	314	Gas		
	Top of Iowa	Iowa	80	Wind		
	RS Cogen	La.	425 (49%)	CHP		
	Roy S. Nelson	La.	550 (20%)	Coal		
	Harrison County	Texas	550 (70%)	Gas		
	Independence	Ark.	842 (15%)	Coal		
Ernst & Young Corporate Finance (representing secured creditors)	Bear Swamp	Mass.	599	Hydro	E&Y	Exploring sale.
Exelon	Mystic 8	Mass.	800	Gas	Lehman Bros.	Has shortlisted bidders.
	Mystic 9	Mass.	800	Gas		
	Fore River	Mass.	800	Gas		
Fife Power	Fife	U.K.	115	Coal	E&Y (Administrator)	El Paso placed plant in administration.
HSBC-led creditor group InterGen	Attala	Miss.	526	Gas	HSBC	Ongoing.
	El Bajio	Mexico	600 (50%)	Gas	No Advisor	Ongoing.

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Killingholme Power	Killingholme B	U.K.	800	Gas	N/A	Has agreed sale to Centrica.
LG&E Power	Roanoke Valley	N.C.	178 (50%)	Coal	N/A	Ongoing.
	Gregory Power	Texas	550 (50%)	Gas		
	Palm Springs	Calif.	42 (50%)	Wind		
	Tyler	Minn.	27 (50%)	Wind	N/A	Sent out RFP in April.
	Van Horn	Texas	41 (33%)	Wind		
	Tarifa	Spain	30 (46%)	Wind		
Mirant	Kendall	Mass.	270	Oil	CSFB	Ongoing.
	Shady Hills	Fla.	474	Gas	BofA	
	West Georgia	Ga.	640	Gas		
	Bosque County	Texas	538	Gas		
	Wichita Falls	Texas	77	Gas		
Morrow Power	Boardman	Ore.	28	Gas	Marathon Capital	Looking to select bidder by June.
National Energy Gas & Transmission	Cedar Bay	Fla.	258 (64%)	Coal	Lazard	Ongoing.
	Panther Creek	Penn.	80 (55%)	Coal		
	Logan	N.J.	226 (50%)	Coal		
	Northampton	Penn.	110 (50%)	Coal		
	Indiantown	Fla.	330 (51%)	Coal		
	Carneys Point	N.J.	245 (51%)	Coal		
	Selkirk	N.Y.	345 (42%)	Gas		
	Altresco Pittsfield	Mass.	173 (89%)	Gas		
	Masspower	Mass.	267 (13%)	Gas		
	Scrubgrass	Penn.	87 (51%)	Coal		
	Colstrip Energy	Mont.	40 (17%)	Coal		
	Hermiston	Ore.	474 (25%)	Gas		
	Salem Harbor	Mass.	745	Coal & Oil		
	Pittsfield	Mass.	173	Gas		
	Brayton Point Station	Mass.	1,599	Coal		
	Manchester Street Station	R.I.	495	Gas		
Nations Energy	Bayport	Texas	80	N/A		Considering liquidating the company.
	Mungo Junction	Ohio	32			
	Southbridge	Mass.	7			
Oman (Ministry of Housing, Electricity & Water)	Rusail	Oman	730	Gas	CSFB	-
	Ghubratt	Oman	507	CHP		
	Wad AlJazzi	Oman	350	Gas		
Reliant Energy	Carr Street	N.Y.	95	Oil	Goldman	Ongoing.
	Astoria	N.Y.	1,276	Gas		
	Gowanus	N.Y.	549	Gas		
	Narrows	N.Y.	281	Gas		
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.
	Termopaipa IV	Philippines	185	Gas		
TECO Energy	Gila River Power Station	Ariz.	2,300	Gas	N/A	Considering exiting the merchant energy business.
	Odessa Power Station	Texas	1,000	Gas		
	Guadalupe Power Station	Texas	1,000	Gas		
	Frontera Power Station	Texas	477	Gas		
	Dell Power Station	Ark.	540	Gas		
	Union Power Station	Ark.	2,200	Gas		
	McAdams Power Station	La.	599	Gas		
	Commonwealth Chesapeake	Va.	315	Gas		
Tractebel North America United Utilities	Chehalis	Wash.	520	Gas	N/A	Looking to sell or swap.
	Landfill Generation Portolio	U.K.	50 MW	Landfill	RBC Capital Markets	Set to launch sale in May.

Financing Record (JUNE 18 - JUNE 25)

Bonds

Issue Date	Maturity	Issuer	Amount (\$mil)	Offer Price	Coupon (%)	Type of Security	Spread to benchmark	Moody's	S&P	Bookrunner(s)
6/21/04	6/23/06	PSEG	175	100	Floats	Fst Mtg Bonds	-	A3	A-	BNP/Citi
6/23/04	7/15/14	Curtis Palmer Hydroelectric	190	99.622	5.9	Notes	125	NR	A-	Citi/Deutsche

M&A

Date Effective	Date Announced	Target Name	Target Advisors	Target Country	Acquiror Name	Acquiror's Advisor	Acquiror Country	Value (\$mil)
6/17/04	-	TXU-Natural Gas Transmission	JP Morgan/Lehman/CSFB	U.S.	Atmos Energy	Merrill	U.S.	1,930
6/18/04	-	Vector Wind Energy	-	Canada	Minera Delta	-	Canada	-
6/21/04	-	Jackgreen International	-	Australia	Lion Equities	-	Australia	2,485
6/23/04	-	Distrigaz Sud	-	Romania	OAQ Gazprom	-	Russian Fed	-
6/23/04	-	Duke Energy-Power Plant	-	U.S.	Nevada Power	Merrill	U.S.	182

Source: **Thomson Financial Securities Data Company**. For more information, call **Rich Peterson** at (973) 645-9701.

MACQUARIE HIRES

(continued from page 1)

according to one banker. Spokeswoman **Alison Jefferis** declined to comment and calls to Stanley were not returned.

Stanley joins Macquarie on July 1 as an executive in its global specialized finance and infrastructure group after an 18-month stint helping administrators **Ernst & Young** and **KPMG** unwind the trading book and liquidate the assets of bankrupt energy outfit TXU Europe (PFR, 5/24).

Market watchers say Stanley arrives at Macquarie after mixed fortunes at TXU Europe. While described as a smart and able dealmaker, he managed a trading business that was forced to file for bankruptcy in 2002 when parent company **TXU Corp.** abandoned plans to inject additional equity capital into its European operations (PFR, 10/15/02). Bankers and traders say TXU Europe was largely undone by a U.K. trading book weighed down by a series of large and deeply out-of-the-money offtake contracts with Drax, Rugeley and several other power plants. Indeed, some rival U.K. traders refused to accept TXU Europe's credit, insisting instead that TXU Corp. act as legal counterparty for U.K. energy trades, according to a senior market official.

Macquarie's ambitions were highlighted earlier this month when it filed with the **Securities and Exchange Commission** plans to list a new asset investment vehicle, the **Macquarie Infrastructure Assets Trust**, on the **New York Stock Exchange**, in which it would take a \$35 million stake. The trust will both seek out new investment opportunities and acquire Macquarie's existing positions in several U.S. and U.K. companies including **South East Water** and the **Yorkshire Link** toll road.

—Will Ainger

NEVADA POWER

(continued from page 1)

& cfo, says **Merrill Lynch** was financial advisor for the acquisition and will be one of the leads for the financing, but the company has yet to decide which other banks will be involved.

Nevada Power is acquiring the Moapa Valley natural gas-fired combined-cycle power plant from **Duke Energy** for \$182 million. Duke suspended construction in March last year.

Nevada Power envisages spending around \$376 million to complete the project and have it on line by the summer of 2006. The revolver, which will likely have a three- to five-year maturity, will initially be used to fund the acquisition. However, by year-end its capacity should have been freed up via the long-term bond offering and it will then be tapped on an ad hoc basis to fund construction, says Yackira. The company also will gradually drop equity into the project as well, ultimately resulting in 50/50 debt-to-equity split.

Along with parent **Sierra Pacific Resources**, Nevada Power has had constrained access to the capital markets because of its sub-investment grade status. Yackira says both companies have managed to tap the bank market over recent months through deals secured against company properties. A recent \$150 million loan facility was three times oversubscribed and had a range of lenders from relationship players like **Union Bank of California** to institutions such as **American Express** and **Fidelity**. "It's a smorgasbord of firms," he says. "It's a good preface to going back to the market." The new financings will have to follow the same secured format, he adds.

Nevada Power had been planning to build a 520 MW plant at its Harry Allen site, but the acquisition allows it to get power online one year earlier and at a cheaper dollar per kw

rate. The Harry Allen expansion will be nixed if the Moapa deal gets approved. At peak times, only 35% of the utility's demand load is met by internal resources and the rest is purchased power. Yackira says the utility has been looking to increase its generation portfolio. "This allows us to make a substantial leap forward in a short period of time," he adds.

The acquisition is expected to close Oct. 1, if the expected approval is received from the **Public Utilities Commission of Nevada**.
—Peter Thompson

CAROLINA NUCLEAR

(continued from page 1)

The stake is owned by a regional non-profit utility, the **Saluda River Electric Cooperative**, and was set aside in 1999 as collateral for outstanding debt guaranteed by RUS. When the U.S. government restructured Saluda's debt in 1999, it required Saluda to divest its remaining generation assets within 10 years to pay down debt and therefore the Catawba stake has been put on the block, explains **Steven Slovikosky**, RUS point person for the sale. He notes other shareholders in Unit 1 include **North Carolina Electric Membership Corp.** and **Duke Energy**, both of which have right of first refusal to buy the plant.

Potential bidders also include **Southern Co.**, **Dominion**, **Entergy**, **CIT Capital**, **Capital Management Associates** and South Carolina co-op **Piedmont Municipal Power**, all of which attended the non-binding pre-bid meeting last week, says **John Eichner**, of **Science Applications International**, which is running the sale for RUS. The plant is operated by Duke Energy unit **Duke Power**.

Catawba is a uranium dioxide-fueled pressurized water reactor that cost \$3.6 billion to build some 20 years back. Unit 1 came on line in 1985 and Unit 2 was commissioned the following year. Saluda River will retain an option to continue purchasing power from the plant for two years, says Slovikosky.

Eichner says the bidding process will comprise a two-step auction. After the initial meeting, which was not mandatory for bidders, suitors must submit an intention to bid by July 7. Companies will then be examined to see if they meet **Nuclear Regulatory Commission** standards, and qualified companies must submit final bids at the end of August.

This final deadline may be pushed back as prospective bidders warned Slovikosky last week that they may need more time to put their bids together.

No minimum bid floor has been set. "It's not something that happens every week," explains Eichner of the difficulty in evaluating nuclear assets.

Don Ouchley, general manager at Piedmont, confirmed that the company, which owns 25% of Catawba's Unit 2, is considering upping its stake in the plant. A Dominion

spokesman declined comment and spokesmen at Southern, Entergy and CIT Capital did not return calls

—Angela Salvucci

HVB TAPS

(continued from page 1)

HVB is looking to price the 20-year bond, dubbed **Max Two Ltd.**, this week and close the transaction in early July. "We're looking to fill the order book over the next two weeks," says **Kai Froemer**, an originator at HVB, declining further comment on where the bank is seeing demand or on the price talk.

The basket comprises five operational wind farms in Germany that will have their existing debt refinanced and three projects in northern Portugal that are slated to be hooked up to the grid late next year. All

of the farms are operated by German green energy company **Energie Kontor**, though it does not own the assets.

Froemer says the motivation for the deal in Germany was to lock in long-dated fixed rate financing. Germany's state-owned **KfW** can provide cheaper wind farm financing than the capital markets, but it will only provide debt for up to 10 years, he explains. The Portuguese assets will likely be able to shave some 20 basis points off comparable single-asset bank loan financing through the deal, he says.

—W.A.

HVB's Wind Farm Basket			
Wind Farm	Country	Investment (EUR)	Capacity (MW)
Beckum II	Germany	4.04	4
Dirlammen	Germany	11.51	10.4
Grevenbroich II	Germany	5.04	5
Sievern X	Germany	16.45	9.5
Debstedt	Germany	24.84	18.5
Penedo Ruivo	Portugal	24.7	13
Montemuro	Portugal	20	10.4
Marao	Portugal	22.7	10.4

Source: HVB

Quote Of The Week

"It's a smorgasbord of firms."—**Michael Yackira**, cfo at **Sierra Pacific Resources**, on the diverse range of players that signed up to a recent \$150 million loan facility (see story, page one).

One Year Ago In Power Finance & Risk

Calpine was renewing its effort to sell 11 of its 12 qualifying facilities after negotiations to sell the portfolio to **GE Structured Finance** for over \$700 million faltered. GE made one acquisition, an \$82 million 60% stake in the 115 MW **Kings City QF** near San Jose, but talks over other assets failed. [Calpine sold another 70% stake in the 150 MW **Auburndale** plant to **Arclight Capital Partners** for \$86 million, and took the rest of the QFs off the block, citing a stronger balance sheet (PFR, 9/6).]