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A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

JULY 9, 2007
VOL. X, NO. 27

ArcLight, DTE Take Final Bids

ArcLight Capital Partners and **DTE Energy** accepted final bids on their co-owned 304 MW Crete Energy Venture facility.

See story, page 2

In The News

Dexia, Scotia Launch Nuke Debt	2
Former TXU CFO Joins Transco	3
Dexia Bags New Veep In New York	3
Invenery, RBC Retool Syndication	3
Calyon Taps Mizuho LatAm Director	3
CenterPoint Plots Securitization	3
HSBC Trumps Citi on Saudi Advisory	3
Russia Taps ABN Amro M&A Staffer	4
Leads Hook 21 On Horizon Debt	4
Idaho Nuke Developer Talks Funding	4
Bear Targets Euro Commodities Biz	4
Ghana Developer Hunts Equity	5

Corporate Strategies

Entergy Sub Securitizes Storm Costs	5
Enogex Restructures As MLP	5
ONEOK Accelerates Share Buyback	6
MidAmerican Sells \$650M For Wind	6

Departments

Project Finance Deal Book	7
Generation Auction & Sale Calendar	8
Weekly Recaps	10

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US POWER GEN NAMES QUARTET TO LEAD IPO

Privately held power producer **US Power Generating Company** has named four bookrunners to lead its initial public offering this fall. The leads are **Credit Suisse** and **Goldman Sachs**, with the former on the left, supported by **Merrill Lynch** and **Morgan Stanley**. Co-manager roles will also be awarded, but the identity of those firms could not be learned.

Between five and 10 firms pitched for the assignment. **Lehman Brothers**, **JPMorgan Chase**, **Citigroup** and **Deutsche Bank** are thought to have been among them. The four that won got the nod not on the basis of price, but on their positioning of the equity offering, their capabilities, relationship and research strength, according to observers.

US Power Gen was formed by the \$5 billion merger of **Astoria Generating**, which was

(continued on page 12)

RUSSIAN PROJECT LOOKS TO HIRE ADVISOR FOR FIRST-OF-A-KIND FINANCING

Russian-British joint venture **TNK-BP** and wholesale generating company **OGK-1** are looking to appoint a financial advisor on what will be Russia's first limited-recourse power project financing. They aim to build a third 800 MW gas-fired unit at the Nizhnevartovskaya plant in Siberia, construction of which is slated to begin in 2010.

Banks expected to submit proposals include **Citigroup**, **Société Générale**, **ING Bank**, **ABN Amro**, **Raiffeissen Bank** and **BNP Paribas**. The **EBRD** also is expected to play



(continued on page 12)

CON ED BIDDERS HEAD INTO FIRST ROUND

Morgan Stanley is set to take indicative bids Tuesday on **Consolidated Edison's** independent power production business. Strategics expected to bid include **BG North America**, **GE Energy Financial Services** and **American National Power**, and financials include private equity shops **Energy Capital Partners** and **LS Power**. The **Consolidated Edison Development** bundle consists of 1,697 MW of partially contracted Northeast and Mid-Atlantic generation.

Teasers were dispatched at the end of May (PFR, 6/01) to more than 100 parties, about a quarter of whom are expected to submit offers. The assets are expected to be sought after because about half of them have dual-fuel capability and reserve margins in the region are expected to fall below 10% from 15% by 2011. Observers say bids will need to be north of

(continued on page 12)

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



At Press Time

Scotia, Dexia Fire Up Bruce Nuclear Syndication

Scotia Capital and Dexia Crédit Local launched syndication last week of a C\$750 million (\$710 million) term loan funding **Borealis Infrastructure's** share of the refurbishment of Bruce nuclear facility in Tiverton, Ontario (PFR, 6/18). Private meetings were held with a few Canadian banks, according to a Scotia official. Pricing has not yet been fixed. A Borealis official in Toronto declined to comment and an official at Dexia in Montreal did not return calls.

The five-year loan can be extended for an additional five years at the discretion of Borealis, the infrastructure arm of the **Ontario Municipal Employees Retirement Savings** pension fund. Through Borealis, OMERS owns 36% of operator **Bruce Power** and has committed more than C\$2.1 billion to the restarting of two idle reactors and repowering of two more at the Bruce A Nuclear Generating Station, raising capacity to 6.2 GW from 4.6 GW. Work is expected to be complete in 2009.

DTE, Arclight Take Final Bids On Ill. Asset

DTE Energy and Arclight Capital Partners took final bids July 2 on their jointly owned Crete Energy Venture facility outside Chicago. Each has a 50% stake in the 304 MW gas-fired, simply-cycle peaker. **Lehman Brothers** is advising on the sale.

As first reported by *PFR*, Arclight decided to cash out after monitoring the early valuations DTE had received on its interest (PFR, 4/20). The Boston private equity shop is simultaneously weighing a sale of its 90% interest in 656 MW Lincoln Generating in nearby Manhattan, Ill., in which **Tyr Capital** holds the remaining 10%.

The logical buyer for Lincoln would be **Exelon Generation**, deal trackers say, after it bought **Peoples Energy's** 30% stake in the 350 MW South Chicago Energy project in March last year. First in line for Crete would be **Tenaska Power Fund**, they add, after it bought a 308 MW gas-fired peaker from **Wisconsin Energy Corp.** in 2005.

Officials at both these companies did not immediately respond to requests for comment. Nor did officials at Lehman or the sellers.

ArcLight acquired its 50% in Crete from **Entergy Asset Management** in 2004 (PFR, 2/3/04). Arclight and Tyr bought Lincoln, power from which is contracted to **Exelon Generation**, from **Allegheny Energy** in December 2004.

Tell Us What You Think!

Do you have questions, comments or criticisms about a story that appeared in *PFR*? Should we be covering more or less of a given area? The staff of *PFR* is committed as ever to evolving with the markets and we welcome your feedback. Feel free to contact **Katy Burne**, managing editor, at 212-224-3165 or kburne@iinews.com.

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**Institutional
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INTELLIGENCE FIRST

Ex-TXU CFO Tapped For Transco

Former TXU cfo **Kirk Oliver** joined **Hunt Oil's Hunt Transmission Services** as a senior v.p. last week. Oliver had been consulting with Hunt for about a year, he explains from Dallas, and was drawn to a full-time role by its attitude towards holding assets. "Unlike private equity, it's a business, not an investment," he says.

Oliver left TXU last year after eight years and has been consulting privately in the interim. At Hunt, he spearheads its efforts to acquire and build T&D assets, most notably the \$1.55 billion 800-mile Panhandle Loop project under development with Hunt affiliate **Sharyland Utilities** (PFR, 3/2).

Dexia Nets Project Finance Veep

Vincas Snipas has joined **Dexia's** energy project finance team as a v.p. in New York, reporting to **Guy Cirincione**, head of project finance. He transfers from **Dexia's** risk management group in New York, where he oversaw a team of analysts. Before joining **Dexia**, he was a developer with **Patriot Power** and a banker within the project finance groups at **Commerzbank** and **Sakura Bank**.

Invenergy, RBC Launch Reworked St. Clair Package

Invenergy and **RBC Capital Markets** have started syndicating a revamped \$480 million debt package for the Chicago developer's 570 MW St. Clair power station in Ontario. After bankers balked at a reverse auction offering roles in a 21-year deal, the sponsor and advisor have come back with a tenor of construction plus five years and a more straightforward syndication process. An RBC official declined comment, and an **Invenergy** finance official did not return a call. Pricing could not be determined, but the sponsor is said to be looking for commitments of \$25 million or more.

Invenergy launched the deal in April, aiming to have banks pitch pricing they were willing to pay for the \$383 million term loan and \$96 million letters of credit (PFR, 4/27). In May, the sponsors added \$60 million in equity to cheer up the market, which was unhappy with the process, tenor and prospects of going to credit committees twice to approve the deal. The message from the first round was, "Banks don't want to see this again," according to one banker.

Completion of the gas-fired, combined-cycle facility is expected in the fourth quarter of 2008. It has a 20-year offtake agreement with the **Ontario Power Authority**. **Stark Investments**, a Milwaukee, Wis.-based asset management firm, is providing an undisclosed equity stake in the project.

Calyon Hires Mizuho LatAm Banker

Calyon has hired **Dorian Calderon** from **Mizuho Corporate Bank**. He started last week as a director of Latin American project finance in New York, reporting to managing director **Georges Romano**. He will be responsible for originating deals across the project finance spectrum.

Calderon spent 10 years at **Mizuho**, focusing primarily on oil and gas transactions, including a gas project for **Trinidad and Tobago's** state oil company **Petrotrin**, and an offshore oil project in **Brazil** for **Mitsubishi**, **Marubeni** and **Petrobras**.

CenterPoint Preps Securitization

CenterPoint Energy Houston Electric is planning a \$500 million securitization. The electric transmission and distribution subsidiary of **CenterPoint Energy** filed for approval yesterday with **Texas' Public Utility Commission**. The deal will likely come to market sometime in late September or early October, said **Floyd LeBlanc**, v.p. at the company. Bookrunners have not yet been selected but will be chosen soon, following consultation with the **Texas PUC**, he said.

The potential deal follows the **Texas Legislature's** passing of **House Bill 624**. This bill allows utilities to issue bonds in order to recover certain amounts being collected through a monthly competition transition charge to retail providers.

The bond issue will help **CenterPoint** reduce the 8% interest rate currently being paid on transition balances. The company estimates that if interest rates are at 5.5% when the bonds are issued, the deal could save customers \$50 million over 14 years.

HSBC Beats Citi To Saudi Advisory Role

HSBC has landed the financial advisory mandate on a follow-up **IWPP** in **Jubail Industrial City**, **Saudi Arabia**, on which **Citigroup** previously advised. "When bidding in the tender process, we effectively lost to **HSBC** on price," says **Bill Appleby**, an official in **Citi's** infrastructure and energy finance team in **London**.

Once complete, the \$1.3 billion project will have more than 1 GW of contracted capacity, says **Paul Eardley-Taylor**, a director in **HSBC's** project finance, power and utilities team. When asked whether the project would have a **Saudi Ministry of Finance** guaranty, he said, "We are encouraging our client and the **Saudi** authorities to take a consensus approach." Tenders will be issued early in the fourth quarter, and bids will be taken by the second quarter of next year with a view to announcing a winner by the end of 2008.

Suez Energy International won the opportunity to build, own

and operate the initial IWPP—a 2.2 GW/800,000 cubic meters of water a day facility in which state utility offtaker **Marafiq** owns 30%. The balance is held by **Public Investment Fund** and **Saudi Electric Co.**, each owning 5%. A limited-recourse financing for that plant closed last month (PFR, 6/1).

ABN Amro M&A Banker Heads East

Vladimir Rusinov, a director in ABN Amro's integrated energy group in London, has left the bank to work for Russian investment bank **Renaissance Capital** in Moscow, according to officials at ABN. Calls to Rusinov and Renaissance were not immediately returned.

During the five years he spent at ABN, Rusinov participated in the \$10 billion initial public offering for Russian exploration and production titan **Rosneft**, the largest IPO from the country to date and the largest in Europe last year. He also worked on Finnish utility **Fortum's** acquisition of a 12.51% stake in Russia's **St. Petersburg Generating Company** from ABN last October for EUR 120 million (\$163.2 million).

Barclays, Citi Lasso 21 For \$3B Horizon Debt

Bookrunners **Barclays Capital** and **Citigroup** have brought in 21 banks on the \$3 billion package supporting **Energias de Portugal's** purchase of **Horizon Wind Energy** from **Goldman Sachs**. The banks had intended to sign up MLAs among EDP's relationship banks before launching general syndication, but books were closed as soon as the deal was more than twice oversubscribed, forgoing the need for the follow-up phase.

Commitments of \$300 million apiece were offered from the syndicate, which includes Iberian lenders **Banco Espirito Santo de Investimentos**, **BBVA**, **Banco Santander Totta** and **La Caixa**, and European lenders **BayernLB**, **BNP Paribas**, **Deutsche Bank** and **ING Capital**. Participants took equal slugs of the debt, comprised of two \$1.5 billion revolvers going out two and seven years. Fees are 22.5 basis points over LIBOR on the seven-year tranche and 17.5 on the one-year piece, with each receiving an extra 2.5 basis points if more than 50% of the facilities are drawn. Officials at the leads and an EDP spokesman in Lisbon declined to comment or did not return calls.

Citi advised EDP on the \$2.93 billion transaction, comprising \$2.15 billion for 100% of the equity in Horizon, \$180 million in assumed debt and \$600 million of capital expenditures (PFR, 3/30). **Morgan Stanley**, **JPMorgan** and **ABN Amro** unit **Lease Plan North America** recently bought \$600-\$700 million in syndicated tax equity tied to a portfolio of Horizon's facilities (PFR, 6/8).

Idaho Nuke Developer Approaches Lenders

Alternate Energy Holdings, developer of the planned 1.6 GW nuclear Idaho Energy Complex near Bruneau in Idaho, has been in discussions with a pair of lenders with a view to debt financing 80% of the \$3 billion project.

One is Fairport, N.Y., commercial real-estate lender **Cobblestone Financial Group**, which has signed a letter of intent for up to \$3.5 billion. The other is an unidentified Houston-based party, which has not yet submitted a formal offer.

"We're looking for someone to jump in now and take additional risk," explains **Don Gillespie**, president in Lynchburg, Va., underscoring the developer's desire to talk to financiers that will support the project as early as possible.

Although Cobblestone has no experience financing power, Gillespie says it provides access to the international investment community, where he expects funds for the U.S. nuclear renaissance to originate initially. Calls to Cobblestone, which has not yet been formally engaged, were not returned.

Discussions also are under way with several Western utilities regarding equity stakes in the project, which would constitute Idaho's first commercial-scale nuclear plant, producing bio-methane and ethanol onsite with excess heat from the plant. It has yet to secure state permits, following which an application to the **Federal Energy Regulatory Committee** will be submitted.

Bear Stearns To Target Hedges In European Push

Bear Stearns will look to develop financial hedges for power and energy in the more liquid European markets, such as France, Germany and the U.K. "We are very comfortable handling the physical aspects of this business, including transactions involving power plants, transportation, storage and emissions," says **Etienne Amic**, head of Bear Energy's European business in London. "But we also want to offer better hedging solutions. There is a new wave of investment in power and storage in Europe that needs hedging to protect capital. These new players need to go to market and that is what we want to help them do."

Amic, who joined Bear Energy last month from **Calyon**, where he was global head of commodities, says the plan is to tackle Spain, Italy and Central Europe later.

Paul Polosi, president of **Bear Energy** in Houston, adds that widening the firm's scope is about bringing synergies between the firm's commodities business on both continents. "The changes that have taken place specifically in the European LNG

markets over the past few years make it even more critical than before for the U.S. energy market to interact with the European market,” he says.

In addition to Amic, six new staffers will join Bear Energy's London office between mid-August and early September. Their names could not be learned and the firm declined to identify them.

Developer Looks To Rustle Up Equity For Ghana Project

InfraCo, a developer of infrastructure projects in low-income countries across Africa and Asia, is looking to line up equity investors for a 400 MW gas-fired combined-cycle plant in Ghana.

Funding for the \$350-400 million IPP is targeted at 25% equity to 75% debt, says **Ebbe Hamilton**, director of the donor-backed emerging markets developer in London.

Investec will advise on seeking additional equity and Washington, D.C.-based financial services firm **Greengate** will advise on debt financing as of early next year.

Construction and offtake contracts for the project near Accra are being negotiated, says Hamilton. The financing plan is to seek loans from the **Economic Commission for Africa** and the **African Development Bank**, as well as from commercial European lenders. The plant will take advantage of its proximity to the 678 Km West African Gas Pipeline, and be one of its principal offtakers, while itself selling power to the **Electricity Company of Ghana** and up to four local mining companies.

InfraCo—which is backed by the **Private Infrastructure Development Group** made up of four European governments and the **World Bank**—holds a 75% stake in the project. The co-sponsors are Ghana's **Cenpower** and **Reltub Company**. Construction will take two years and begin in September next year.

Corporate Strategies

Entergy Sub Securitizes Storm Costs

Entergy Gulf States, a unit of **Entergy Corp.**, has sold \$330 million of bonds backed by a ratepayer charge to recover \$320 million of costs relating to damage from Hurricane Rita. A Texas statute passed last year allows the Austin-based company to securitize rights to the surcharge, place them in a bankruptcy-remote entity and issue bonds from the SPV.

The deal follows a flurry of AAA-rated deals in recent weeks, including **Baltimore Gas & Electric's** \$625 million securitization of stranded costs (PFR, 6/22), and **Great River Energy's** upsized \$1.3 billion bond offer, wrapped by **MBIA**, which priced June 21. “For those of our accounts that like the very high-grade deals, it's been a stunningly strong period with three deals coming to market all at once,” says **John Anderson**, head of power and project finance at **John Hancock Financial Services**.

Entergy Gulf States will use its proceeds to repay equity contributions from its parent that funded the rebuilding of transmission and distribution assets damaged by Rita in 2005. There was concern about the company's credit due to uncertainty about the regulatory response, explains **Justin Bowersock**, director at **Fitch Ratings** in Chicago, which rated the notes AAA and assigns Entergy Gulf States a BB+. He says the law set up especially for the offering sets a strong precedent for recovering costs associated with any future natural disasters.

The bonds, which priced June 22, are divided into a three-

year \$94.5 million 5.51% tranche, an eight-year \$121.6 million 5.79% tranche, and a 12-year \$114.4 million 5.93% tranche. **Morgan Stanley** led the sale, with co-managers **First Albany Capital**, **Loop Capital Markets** and **M.R. Beal & Company**. An Entergy spokeswoman in New Orleans did not make an official available for comment.

Okla. Midstream Restructures As MLP In Run-Up To IPO

OGE Energy Corp., the parent company of utility **Oklahoma Gas and Electric Co.**, plans to restructure its pipeline subsidiary **Enogex Inc** as a master limited partnership. **Mihoko Manabe**, v.p. at **Moody's Investors Service** in New York, says the company's gathering and processing assets fit the MLP format perfectly. But she cautions that under the new model, Enogex will be required to pay all its available cash after maintenance as distributions, so it will have to finance growth externally in the capital markets. “This is more risky,” she notes.

Under the restructuring, a publicly-traded MLP called **OGE Enogex Partners** will be created, with Enogex serving as the limited partner and **Enogex LLC** serving as the general partner. Enogex LLC will then raise \$130 million in an initial public offering of 7.5 million common units at some point in the second half of this year, or 8.6 million if the underwriters exercise their option to purchase additional units. Following the

IPO, OGE Energy will retain 75% of Enogex—enough to keep it investment grade—and the MLP will get a 25% interest in OGE for its contribution.

Partners is also expecting \$300 million in proceeds from a fresh issuance of senior unsecured notes, rated Baa3 by Moody's, which will be used to retire an existing \$400 million issue of 8.125% senior notes set to mature in 2010. Underwriters on both the IPO and the debt issue are **UBS** and **Lehman Brothers**. Spokesman **Gil Broyles** declined to comment and calls to **James Hatfield**, cfo of OGE Energy, and the underwriters were not returned.

ONEOK Opts For Accelerated Buyback

Midstream gas distributor ONEOK has spent \$370 million repurchasing 7.5 million shares, accelerating its buyback instead of executing it in piecemeal phases. The parent of MLP ONEOK Partners funded the purchase with cash on hand, says **Dan Harrison**, v.p. of investor relations in Tulsa, Okla.

Half the last buyback ending in November was accelerated,

Harrison notes, and management was better able to plan overall spending than it would have been able to under a longer-term buyback. "We've done it both ways, but the accelerated plan made the most sense—we're in and we're out," he says.

Under the current plan, **Bank of America** borrowed 7.5 million shares, fronted ONEOK the proceeds and will buy back an equivalent amount of units in the open market to settle.

Cash flow for the year ending March 31 was nearly \$1 billion, a six-year high, Harrison says, boosted by cash from ONEOK Partners and a favorable rate case settlement for its **Kansas Gas Service** business. ONEOK Partners has \$1.5 billion of expansion projects planned, and last week agreed to a \$300 million acquisition of pipeline assets from **Kinder Morgan Energy Partners**, to be initially funded by its \$700 million revolver led by **SunTrust Robinson Humphrey Markets** and **Wachovia Capital Markets**.

ONEOK now has 104 million shares outstanding. Its shares closed July 2 at \$51.68, and hit a 52-week high of \$54.90 on May 31, and a 52-week low of \$32.99 on July 17 last year.

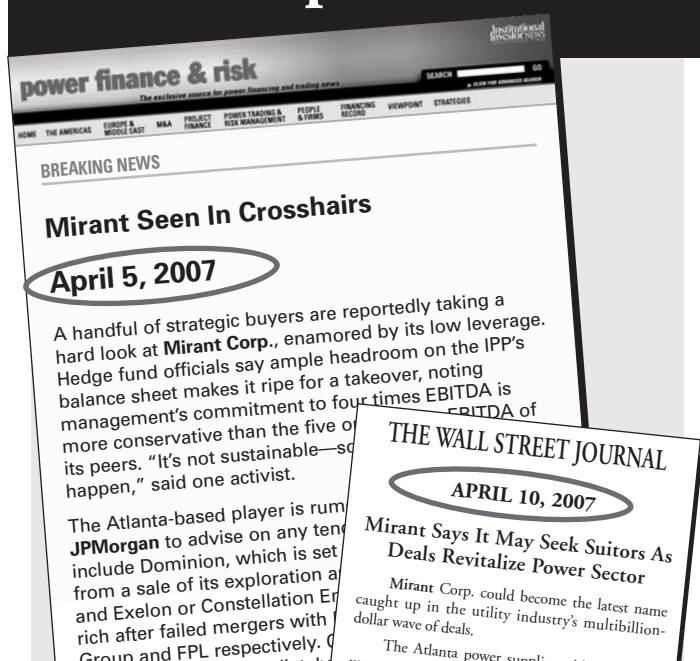
MidAmerican Funds Wind Rollout With Debt

MidAmerican Energy Co. raised \$650 million via the sale of senior notes to help fund a series of generation projects, principally the development of new wind it has in the pipeline. "With all the wind farms that MidAmerican is building, they need to access the capital markets for new debt on a regular basis," says **Robert Hornick**, senior director of global power at **Fitch Ratings** in New York, which assigns an A rating to the notes.

The Des Moines, Iowa-based unit of **MidAmerican Energy Holdings** has a 123 MW facility known as Pomeroy under construction, slated to be complete by the year-end. A further 540 MW is awaiting permits from the state's utilities board to complement the 459.5 MW it already owns and operates. Separately, the company has a 60% stake in a 790 MW coal-fired unit at Council Bluffs Energy Center in Iowa, which became operational June 1. MidAmerican will book \$866 million in costs for that unit this year, and needed to tap the capital markets for new funds to bankroll its wind.

The bond issue, which closed June 29, consisted of \$250 million in 5.95% senior notes, due 2017, and \$400 million of 5.65% notes, due 2012. The underwriters on the deal were **Lehman Brothers**, **Greenwich Capital Markets** and **Goldman Sachs**. **Patrick Goodman**, cfo of MidAmerican Energy Holdings, and **Brian Hankel**, treasurer, declined to comment via a spokesman as to why these firms were selected.

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Project Finance Deal Book

Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report updates or provide additional information on the status of financings, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iineews.com.

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
AES	Termoelectrico del Golfo Termoelectrico de Penoles (460 MW Petcoke)	Tamuin, Mexico Tamuin, Mexico	BNP Paribas TBA	Term Loan TBA	\$245M TBA	TBA TBA	Syndicating. Choosing lead bank.
RES	Hackberry Wind (165 MW Wind)	Southern Texas	TBA	TBA	TBA	TBA	Looking for lead banks.
Harbinger Capital Partners	Calgary Energy Center (300MW Gas) Refi Island Cogen (230MW Gas) Refi	Calgary, Alberta	UBoC	Term loan LC Term loan	C\$274M C\$45M C\$150M	19 yr 15 yr	Syndication launched week of 6/18.
InterGen	Generation portfolio refi	Various	Merrill Lynch, Lehman Bros.	Bond/bank deal	\$3B	TBA	Syndicating.
Borealis Infrastructure	Bruce Power (4.6 GW)	Tiverton, Ont.	Scotia, Dexia	TBA	C\$750M (\$710M)	TBA	Syndication launched 7/3.
LEP Holdings	Liberty Electric Power (568MW Gas) Refi	Eddystone, Pa.	Credit Suisse, Merrill Lynch	First lien Second lien	\$400M \$200M	TBA TBA	Syndication expected in August.
Nacogdoches Power	Nacogdoches (100MW Biomass)	Sacul, Texas	TBA	TBA			Looking for banks to fund debt for \$330M project.
Calpine, Mitsui & Co.	Greenfield (1GW Gas)	Courtright, Ont.Canada	BofTM, BMO Financial	Loan	C\$650M (\$590M)	18 yr	Syndicating.
LS Power	Sandy Creek (4GW) Refi	Riesel, Texas	TBA	TBA			Looking for banks to lead debt.
J-Power USA	Pala (86.5 MW Gas)	San Diego Co., Calif.	TBA	TBA			Looking for lead bank.
MACH Gen	Generation Portfolio (800MW Coal)	Various	Credit Suisse	TBA	\$850M	TBA	Refinancing of \$850M second lien, or more. Structure TBA.
Acciona Solar Power	Nevada Solar One (64MW Solar)	Boulder City, Nev.	Santander, BBVA, La Caixa	Term loan	\$140M		Syndication expected in August.
Airtricity	Roscoe (209MW Wind) 2008 Turbine Supply	Abilene, Texas Various	HVB, BayernLB, NordLB TBA	TBA TBA	\$300M	TBA	Syndication launched 6/21. Choosing lead banks.
Shell WindEnergy, Dominion	Mt.Storm (264 MW, Wind)	Grant Co., W.Va.	TBA	Construction financing	\$288M	TBA	Choosing Leads. Hedge with merchant tail expected.
Invenergy	St. Clair Power Station (570 MW Gas)	Sarnia, Ontario, Canada	RBC	Construction term loan LC facility	\$383M \$96M	5 yr	Syndication re-launched 7/2.
Terrawinds Resources	TerraWinds (201 MW Wind)	Rivier-Du-Loup, Quebec, Canada	HSH Nordbank	Senior secured construction and term debt facility	C\$300M (\$259M)	TBA	Hydro-Quebec offtake. Awaiting syndication.
Perennial Power	Hermiston Generation Plant (474 MW Gas)	Hermiston, Ore.	TBA	TBA	\$130M	10 yr	Lead banks expected 2Q2007
Lodi Gas Storage	Acquisition Refi		TBA	Secured loans	\$145M	TBA	Status unclear.
Noble Environmental Power	Altona, Ellenberg, Clinton and Bliss (339 MW Wind)	Altona, Ellenberg, Clinton and Bliss, N.Y.	HSH Nordbank, Dexia	Non-recourse loan	\$445M	TBA	Closed 6/20. Awaiting syndication. Selecting sub-underwriters.

Live Deals: Europe/Middle East/Africa

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Abaste	El Bonillo (20 MW Solar)	El Bonillo, Spain	Deutsche Bank	Bond Offering	\$207M	24.5 yr	Iberdrola offtake.
Industrial Promotion Services, Sithe Global	Bujagali (250 MW Hydro)	Southern Uganda	International France Corp., Absa Capital, EIB, Standard Chartered	Term loan	\$630M	TBA	Uganda Electricity Transmission Co. offtake.
Spanish Egyptian Gas Co.	Damietta LNG	Damietta, Egypt	TBA	Term loan Bank Facility	\$600M \$250M	15 yr	25 year tolling agreement
Solucar Energia	SolNova (100MW, Solar)	Sanlucar La Major, Spain	Caja Madrid, SocGen, Calyon Natixis, Santander	TBA	EUR450-500M		September syndication expected.
Botswana Power Corp.	Morpule (1.2GW Coal)	Palapye, Botswana	TBA	TBA			Project Financing Solutions advising.
InterGen	Rijnmond Energie Center (820MW, Cogen)	Rotterdam, Netherlands	TBA	TBA			Refi of EUR240M (\$326M) in debt and 400MW expansion.
AES	Cartagena (1.2GW, Gas) Refi	Cartagena, Spain	Calyon, Societe Generale	TBA			Terms to be set.
ACS Group	La Boga Portfolio (Wind)	Spain	Natixis, La Caixa	Term loan Tax facility	EUR 350M (\$462M) EUR 58M		Syndication slated to wrap in June.
Babcock & Brown, Eurowatt	Wind Portfolio (120MW)	Various, France	La Caixa, Natixis	Term loan	EU183M (\$234M)		Syndication timeline unclear.
Dhofar Power Co.	Salah (192 MW Gas Refi)	Salah, Oman	Calyon	TBA	\$340M	TBA	Timeline unclear.
Tanjong Broup	Port Said East (683 MW Gas Refi)	Port Said, Egypt	Calyon	TBA	\$500-675M	TBA	Timeline unclear.
Ras Laffan Power Co. (AES)	Ras Laffan A (750 MW IWPP)	Doha, Qatar	TBA	TBA	\$572M		Looking for lead banks.
AES Oasis, Mitsui & Co.	Almanakher (370MW Gas)	Almanakher, Jordan	Sumitomi Mitsui, Overseas Private Investment Corp., JBIC	Senior facility Equity tranche	\$255M \$75M		Near close. National Electric Power Co. offtake.



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 Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iineews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Airtricity	Various	North America	6,500	Wind	Credit Suisse	Seller weighing an outright sale or 50/50 joint venture. Final bids due in early August (PFR, 6/18).
ArcLight Capital Partners	Crete Energy Venture Lincoln Generating	Crete, Ill. Manhattan, Ill.	203 (50%) 656 (90%)	Gas Gas	Lehman Brothers	Took final bids July 2.
Astoria Energy	Astoria plant	Queens, N.Y.	500 MW; 1 GW permitted	Gas	N/A	Owners fielding offers. Suez Energy acquiring a 30% stake (PFR 9/29).
Atlantic Power Corp.	Various	Major U.S. markets	588	Gas, Coal, Hydro, Oil	N/A	Aquila's former merchant fleet bought by ArcLight Capital Partners affiliate Teton Power.
Boralex Power Income Fund	Kingsey Falls Senneterre Dolbeau Beauport Buckingham Forestville Rimouski Saint-Lambert Hudson South Glens	Québec Québec Québec Québec Québec Québec Québec New York New York	31 34.6 28 4.5 9.9 12.7 3.6 6 45.8 13.9	Gas Cogen Biomass Biomass Hydro Hydro Hydro Hydro Hydro Hydro	Genuity Capital Markets	First round bids due June 4. Credit Suisse is preparing a staple financing.
Calpine	Acadia Energy Center Fremont Energy Center Hillabee Energy Center	Eunice, La. Sandusky County, Ohio Alexandria City, Ala.	1,016 (50%) 512 774 MW	Gas Gas Gas	Miller Buckfire	July 30 auction. Co-owner Cleco Corp. is stalking horse. Plant 70% complete. Teasers dispatched mid June (PFR, 6/18).
Central Vermont Public Service	Various	Vermont	70 in summer, 86 in winter	Hydro	Morgan Stanley	Believed to be in advanced stages.
City of Vernon	Malburg Generating Station Palo Verde Power Hoover Upgrading	Southern Calif. Southern Calif. Southern Calif.	134 11 22	Gas Nuclear Hydro	Lehman Brothers	Two-stage auction. Assets being offered debt-free, with promise of 15-year PPA with seller and related transmission.
Conduit Capital	Various	Latin America Caribbean	939 net ownership	Diverse	BNP Paribas	Took binding bids last month on two Mexican assets, and one Jamaican asset (PFR 6/15).
Con Ed Development	CEEMI CEEMI expansion Newington Energy Ada Cogeneration Lakewood Ocean Peaking Power Rock Springs Genor Ever Power Wind	Springfield, Mass. Springfield, Mass. Newington, N.H. Ada, Mich. Lakewood, N.J. Lakewood, N.J. Rising Sun, Md. Puerto Barrios, Guatemala NEPOOL, NY, PJM	185 96 525 (99.5%) 29 (48%) 246 (80%) 339 670 (50%) 42 (49.5%) 500 planned	Gas, Oil, Hydro Gas, Oil Gas Gas Gas Gas Gas Oil Wind	Morgan Stanley	Phase-one bids are due July 10. Final bids are due late August.
Desert Power	Desert Power plant	Rowley, Utah	65 installed 100 planned	Gas	Miller Buckfire	Set for July 27 auction (PFR, 4/05).
DONG Energy	Energi E2 Removables Ibericas	Spain	265	Predominantly Wind	NM Rothschild & Sons, FIH	Company weighing sale.
Dynegy	Bluegrass Heard County Lyondell	Oldham County, Ky. Heard County, Ga. Channelview, Texas	573 539 600	Gas Gas Gas	JPMorgan Chase	Final bids were due May 10. Seller hopes to fetch between \$200-500 million in asset sales this year. To be acquired by Energy Co for \$470 million in cash.
DTE Energy	Georgetown 4 Crete Energy Venture East China River Rouge	Indianapolis, Ind. Crete, Ill. East China, Mich. Detroit, Mich.	80 304 (50%) 320 240	Gas Gas Gas Gas	N/A Lehman Brothers N/A N/A	Acquired by Indianapolis Power & Light. Took final bids July 2. Seller exploring options, including outright sale. On books at scrap value, decommissioned.
Electricite de France International unit Controladora del Golfo	Saltillo Anahuac (RB2) Lomas de Real (RB3) Valle Hermoso (RB4) Electricidad Aguila de Altamira Gasoducto del Rio	Ramos Arizpe, Coahuila Valle Hermoso, Tamaulipas Valle Hermoso, Tamaulipas Valle Hermoso, Tamaulipas Altamira 54 km pipeline	248 495 495 500 495 (51%) 330,000M Btu/D	Gas Gas Gas Gas Gas Gas	JPMorgan Chase	Second round bids are due July 14 (PFR, 6/25).
Entergy Corp.	50% stake in Top Deer Wind Ventures RS Cogen Roy S. Nelson Warren Power Harrison Independence Robert Ritchie Oftake Contract	Worth County, Iowa Carsen County, Texas Lake Charles, La. Westlake, La. Vicksburg, Miss. Marshall, Texas Newark, Ark. Helena, Ark. Sam Rayburn Power Agency	40 40 212 60 225 335 121 544 50-80	Wind Gas Gas/Oil Gas Gas Coal Gas/Oil	New Harbor	Seller wants about \$500 million for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).
Foresight Wind Energy	Various	Arizona, New Mexico	2 GW in development	Wind	CP Energy	Two bidders in the running; one domestic, one foreign (PFR, 6/25).

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	Books dispatched early May.
GE Energy Financial Services	Green County plant	Jenka, Okla.	795	Gas	N/A	Bids due May 2.
	Birchwood	Fredericksburg, Va.	242	Coal	N/A	Tyr said to be interested in acquiring (PFR, 2/12/07).
	Lake Benton I	Minnesota	107	Wind	N/A	To be acquired by AES.
	Storm Lake II	Iowa	80	Wind		
Globeleq	Emerging market portfolio	Asia, Africa, Americas	2,082	Mixed	Lehman Brothers	Americas assets to be sold to D.S. Constructions and Israel Corp. Asia and Africa assets to be sold to Tanjong Energy Holdings and Aljomaih in \$1 billion deal.
Goldman Sachs	Horizon	Houston, Texas		Wind	N/A	Energias de Portugal to acquire for estimated \$2.93B, of which \$2.5B will be debt led by Barclays (PFR, 3/27).
(Cogentrix Energy)	Wind Energy				Goldman Sachs	Took preliminary bids June 28. Energy Investors Funds and Perennial Power among the bidders.
	Indiantown	Martin County, Fla.	355	Coal		
	Logan	Logan Township, N.J.	218	Coal		
	Cottage Grove	Cottage Grove, Minn.	245 (35%)	Gas/Oil		
	Whitewater	Whitewater, Wis.	236.5 (35%)	Gas/Oil		
	Scrubgrass	Venango County, Pa.	85 (50%)	Coal/Waste		
	Selkirk	Selkirk, N.Y.	345 (47.2%)	Gas		
	Northampton	Northampton County, Pa.	112 (80%)	Coal/Waste		
	Quachita	Sterlington, La.	804 (80%)	Gas		
	Carneys Point	Carneys Point, N.J.	262 (60%)	Coal		
	Richmond	Richmond, Va.	209 (80%)	Coal		
	Rocky Mount	Rocky Mount, N.C.	118 (80%)	Coal		
	Morgantown	Morgantown, Va.	60 (15%)	Coal/Waste		
	Plains End I, II	Golden, Colo.	182 (80%)	Gas		
	Rathdrum	Rathdrum, Idaho	275	Gas		
Landfill Energy Systems	Various	Various	80	Landfill gass	Ewing Bemiss	Second-round bids due by end of July. Bidders include LS Power, Fortistar, First Reserve, and Citigroup's Sustainable Development Investments.
LS Power	Shady Hills	Shady Hills, Fla.	477	Gas/Oil	N/A	GE Energy Financial Services to acquire.
	Zeeland	Zeeland, Mich.	946	Gas	N/A	To be acquired by CMS Energy for \$517 million.
MDU Resources	Brush Power (1&3)	Brush, Colo.	213	Gas	Goldman Sachs	Natural Gas Partners and industry executive Paul Prager to acquire for \$636 million. Barclays Capital and Goldman Sachs launched syndication of a \$610 million acquisition package June 12.
IPP unit, Centennial	Hardin Generating	Hardin, Mont.	116	Coal		
Energy Resources	Hartwell Generating	Hartwell, Ga.	310	Gas		
	Mountain View	San Gorgonio	66.6	Wind		
	Power Partners	Pass, Calif.				
	San Joaquin Cogen	Lathrop, Calif.	48	Gas		
Mirant Corp.	Diverse U.S. assets	PJM, NEPOOL, Calif.	10,650	Various	JPMorgan	JP Morgan took first-round bids June 12 from bidders including US Power Generating Co. (PFR 4/5).
Mirant	Curacao Utilities (25%)	Curacao	133	Asphalt	JPMorgan	Marubeni to acquire for \$1.082 billion, including \$350 million in debt, and power purchase obligations of about \$153 million. Mizuho to lead acquisition financing.
	Grand Bahama	Grand Bahama Island	151	Oil		
	Power Co. (55%)					
	Jamaica Public Service Co. (80%)	Jamaica	621	Oil/Hydro		
	PowerGen (39%)	Trinidad & Tobago	1.2 GW	Gas		
Noble Environmental Power	Various	NY, Mich	385	Wind	Goldman Sachs	Timeline unclear.
Progress Ventures	Walton	Walton, Ga.	450	Gas	JPMorgan	Seller will fetch \$480 million in sale of generation to ArcLight Capital Partners and contract portfolio to Constellation Energy Commodities Group. Lehman Brothers and Citigroup launched acquisition financing May 21.
	Monroe Power	Monroe, Ga.	350	Gas		
	Washington County	Washington County, Ga.	600	Gas		
	Effingham County	Effingham County, Ga.	500	Gas		
PSEG Global	Electroandes	Andean region, Peru	180	Hydro	JPMorgan	Seller has received reverse enquiries and is determining wider interest.
			437 miles	Transmission		
Reliant Energy	IndianRiver	Titusville, Fla.	587	Oil/Gas	JPMorgan	Indicative bids were taken April 10. JP Morgan is doing a staple financing, said to be in the \$1 billion range (PFR, 2/26).
	Osceola Generating Station	Holopaw, Fla.	470	Gas (peaker)		
	Bighorn Generating Station	Las Vegas, Nev.	598	Gas		
	Choctaw Generating Station	French Camp, Miss.	804	Gas (mothballed)		
	Channelview	Lyondell, Texas	830	Gas		
Ridgeline Energy	Various	Idaho, Oregon, Washington	3,700 in development	Wind	Marathon Capital	Status unclear.
Temasek Holdings	PowerSeraya	Singapore	3,100	Gas	Credit Suisse, Morgan Stanley	Teasers to go out in September (PFR, 6/25).
	Senoko Power		3,300	Oil		
	Tuas Power		2,670	Steam		
TransAlta	Western Canada, Ontario	Diverse U.S.	404	Gas, Coal	BMO Capital Markets	Teasers already out.
Trinergy	Various	Italy, Germany, Ireland, U.K. Spain	648	Wind	RBC Capital Markets	Took preliminary, non-binding bids on June 28.
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	Credit Suisse	Two-stage auction (PFR, 6/18).
UPC Wind	Various	North America	3GW in development	Wind	JPMorgan	UPC reportedly shopping itself (PFR, 6/8).
Zephyr Investments	Various	Europe	391	Wind	Lexicon Partners	Englefield Capital agreed to sell one-third interest to Infracapital Partners and JPMorgan Asset Management, for GBP 145 million (\$288.8 million).

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.

North America

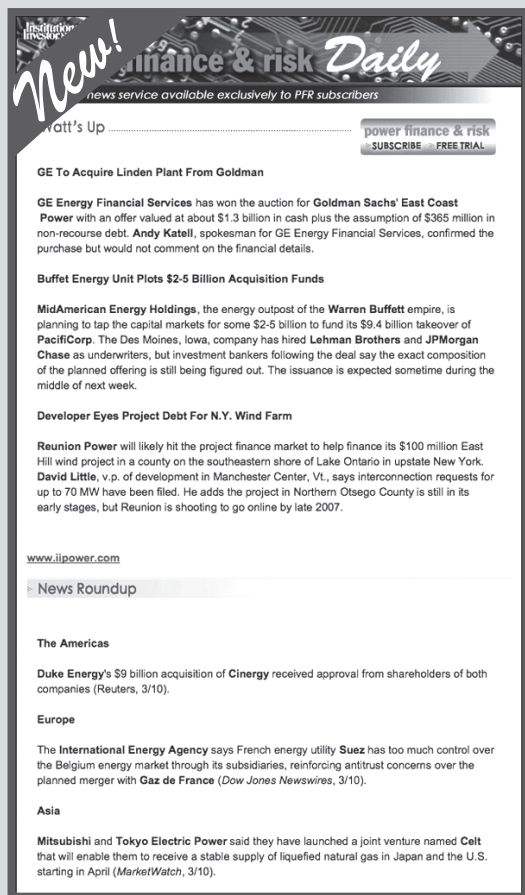
- **Southern Co.** is seeking a \$406.7 million rate increase for its **Georgia Power** unit (*Reuters*, 6/29).
- **Jim Rogers**, president and CEO of **Duke Energy**, repeated his call for a cap and trade system to reduce emissions at a U.S. Senate committee hearing (*Cincinnati Business Courier*, 6/28).
- **Exelon** said it has chosen two sites in Texas where it may build a new nuclear power plant (*Associated Press*, 6/28).
- Shares of **OGE Energy** rose more than 7% Thursday after the Oklahoma company said it is becoming a master limited partnership (*Associated Press*, 6/28).
- The Oregon state legislature approved a fee increase for customers of **Portland General Electric** and **PacifiCorp** to subsidize a low-income energy assistance program (*Associated Press*, 6/28).
- **ONEOK Partners** agreed to acquire a natural gas liquids and refined petroleum products pipeline system from a unit of **Kinder Morgan Energy Partners** for about \$300 million (*Reuters*, 7/2).
- **Dominion Resources** plans to sell oil and natural gas operations located mostly in Oklahoma to **Linn Energy** for \$2.05 billion, as it focuses on power generation, transmission and storage. The sale should close in the third quarter (*Associated Press*, 7/2).
- **Alliant Energy Corp.**'s **Wisconsin Power and Light** utility has purchased 41 wind turbines from **Vestas Wind Systems** for construction of the Cedar Ridge Wind Farm in Fond du Lac County (*Milwaukee Business Journal*, 7/2).
- **Edison International**'s utility **Southern California Edison** signed six new renewable energy contracts for 483.6 MW of low-carbon generation (*Dow Jones*, 7/2).
- **Avista Corp.** closed the sale of its energy trading subsidiary to **Shell** subsidiary **Coral Energy** (*Associated Press*, 7/2).
- **Dominion Resources'** \$970 million agreement to sell its Pennsylvania and West Virginia natural gas utilities **Dominion Peoples Gas** and **Dominion Hope** to **Equitable Resources** has been extended at least until September 1 to give the parties more time. Before the extension, both companies had the option to end the agreement as of June 30 (*Associated Press*, 7/5).
- Four local utilities that planned to build the 800 MW Taylor Energy Center in Taylor County, Fla., have shelved their plans (*Orlando Sentinel*, 7/4).
- The **Omaha Public Power District** is considering building a

third coal plant by 2016 at Nebraska City, where a second unit already is under construction (*Omaha World-Herald*, 7/4).

- **Duke Energy Carolinas** wants to build a 600-to-800 MW gas-fired plant in Rockingham County, N.C. that would begin producing power in 2011. The company also plans to expand the size of an already-proposed gas plant in Rowan County, N.C., boosting it to as much as 800 MW from 60 MW (*Charlotte Business Journal*, 7/5).

Europe

- **Suez** said it is looking at the possibility of buying a stake in Brazilian utility holding **Companhia Brasileira de Energia** through its **Suez Energy International** unit (*Dow Jones*, 6/28).
- Fire broke out in a transformer at the Kruemmel nuclear plant near Hamburg, Germany, but was brought under control with no injuries and no damage to the reactor (*Associated Press*, 6/28).
- The French anti-trust body on Thursday gave France's **Électricité de France** two months to offer new wholesale electricity prices to competitors to allow fair competition once power markets open fully on July 1 (*Reuters*, 6/28).
- **IBM** plans to open its first nuclear consultancy centre in July, in France (*Reuters*, 7/1).
- **Royal Dutch Shell** and Norway's **Statoil** have dropped plans for a demonstration project to capture carbon dioxide emitted by a power station and inject it under the sea, finding it commercially unviable (*Financial Times*, 6/30).
- Russia's parliament handed gas giant **Gazprom** and oil-pipeline monopoly **Transneft** the right to form their own security units, exempting them from regulations applied to private businesses (*Wall Street Journal*, 7/5).
- French president **Nicolas Sarkozy** will host a meeting with the nation's prime minister and finance minister to help settle the fate of the planned EUR90 billion (\$123 billion) merger between **Gaz de France** and **Suez**. Three options will be considered: a merger between GDF and **Électricité de France**, a merger between GDF and a foreigner, or a merger between GDF and **Suez** (*Reuters*, 7/4)...Separately, he plans to entertain an alliance between **Gaz de France** and Algeria's **Groupe Sonatrach** (*Wall Street Journal*, 6/29).
- Spain's energy watchdog **CNE** approved a joint bid for electricity firm **Endesa** by **Enel** and **Acciona**, applying conditions that include keeping Endesa as a separate brand, managed and run from Spain (*Reuters*, 7/4).



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CON ED BIDDERS

(continued from page 1)

\$1.2 billion to make it into the next round. Morgan Stanley is arranging a staple financing understood to be at least \$850 million. Individual or portfolio sales will be considered, as well as a joint venture arrangements under which ConEd would keep a minority interest.

Consolidated Edison Development CEO **Charles Weliky** declined to comment on the auction and officials at Morgan Stanley did not return calls. —*K.B.*

RUSSIAN PROJECT

(continued from page 1)

a role. Officials at these firms either did not return calls or declined to comment. A TNK spokesman did not could not be reached and OGG-1 spokespeople did not return calls.

Up to 75% of the estimated \$800 million project will be project financed, according to a banker that had received an RFP from the company earlier this month. Submissions are due July 15 and bankers are buzzing about the deal's potential to open Russia up to a slew of power project financings. OGG-1 plans to implement a number of large projects over the next five years, one of which is a separate 800 MW unit at the Permskaya state regional plant.

The fact TNK-BP will buy power from Nizhnevartovskaya, as well as supply the gas, should provide significant comfort to lenders, notes the source. Last year the **European Bank for Reconstruction and Development** struggled to syndicate a \$70 million corporate loan for generating company **AO Mosenergo**. Russia has an A2 sovereign credit rating by **Moody's Investors Service**.

A number of project financings in oil and gas have caused pricing to become more aggressive and lenders to be less

conservative. "There is significant interest in Russian corporates because they are very strong, have almost no debt and generate lots of cash," says the banker. "You see more attractive pricing with those borrowers than what you see in Eastern Europe." —*K.B.*

US POWER GEN

(continued from page 1)

advised by Credit Suisse, and **EBG Holdings**, advised by Lehman (PFR, 2/28). **Jay Worenklein**, ceo of US Power Gen in New York, declined comment.

Specifics of the planned IPO—first revealed by *PFR* (PFR, 3/02, 4/20)—still need to be hammered out in advance of a regulatory filing, but is targeted at a minimum of 20% of the outstanding shares, or more if the market will support it. Also in flux is the precise timeline—which will depend on the company having audited financials ready—and how much will be a primary issue to raise new capital versus a secondary component from existing equity. The largest shareholder is Chicago private equity firm **Madison Dearborn Partners**. A principal there declined comment.

Taking US Power Gen public has been the game plan since the combination was announced (*PFR*, 2/28). The company has 5 GW of Northeast generation, but needs capital to expand via development and negotiated acquisitions across the Northeast and Mid-Atlantic states. —*Katy Burne*

Calendar

- **Institutional Investor** presents the *US Carbon Finance Forum*, September 10-11 at The Metropolitan Club in New York. Visit www.uscarbonfinance.com to register.
- **Active Communications International** presents the *3rd Annual Energy Risk Management Symposium*, September 28-29 in San Antonio. Visit www.acius.net to register.

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Quote Of The Week

"For those of our accounts that like the very high-grade deals, it's been a stunningly strong period with three deals coming to market all at once." —**John Anderson**, head of power and project finance at **John Hancock Financial Services**, reflecting on the volume of AAA-rated bond offerings in recent weeks (see story, page 5).

One Year Ago In Power Finance & Risk

Aquila put itself up for sale via financial advisor **The Blackstone Group**, looking to fetch a price of \$5-5.50 per share, valuing the utility at over \$2 billion. [Great Plains Energy agreed to buy Aquila for \$1.7 billion in February, excluding its Colorado electric utility and gas utilities in Colorado, Kansas, Nebraska and Iowa, which were sold to **Black Hills Corp.** for \$940 million.]