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FPL Energy has cancelled plans to auction its 744 MW plant in Marcus Hook, Pa.

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Back On The Block!

DUKE EYES RELAUNCH OF NORTH AMERICAN AUCTION

Duke Energy is considering reigniting a plan to shed its North American merchant subsidiary **Duke Energy North America**. A sale of the IPP unit, which has over 10 GWs in capacity, was shelved when Duke initiated merger talks with **Cinergy** (PFR, 5/12), but officials familiar with the discussions between the two energy players say selling DENA could facilitate the corporate combination because proceeds could be used to cut debt. "We are always looking at alternatives, be they joint ventures or other scenarios," says spokesman **Pete Sheffield** at Duke in Charlotte, N.C., but he declined to comment further on what he referred to as rumors.

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SHELL, BECHTEL LOOK TO SELL INTERGEN NORTH AMERICA FLEET

Royal Dutch/Shell Group and **Bechtel Corp.** are trying to unload their North American IPP unit **InterGen** after auctioning off the operation's international plants earlier this year. The two had considered selling the Burlington, Mass.-based company in its entirety last year but decided to carve up the assets since some plants were contracted while others were unqualified. With the \$1.75 billion sale of its international portfolio to **AIG Highstar** and **Ontario Teachers' Pension Plan** all but completed (PFR, 5/2), **InterGen** believes its best strategy toward unloading its North American assets would be to shop everything, which would include management contracts and trade books associated with facilities **Redbud** (1.1 GW in Luther, Okla.) **Magnolia** (900 MW in Benton County, Miss.) and **Cottonwood** (1.2

(continued on page 11)

DEVELOPER SCOPES FOR 200-300 MW WIND FUNDING

Greenlight Energy is exploring its financing options for a 200-300 MW wind farm in Akron, Colo. The developer hopes to finance the \$250-350 million project with about 65% debt, says **Matthew Hantzmon**, managing director in Charlottesville, Va. Project financing will be sort in the fall when a PPA is expected to be inked and preliminary discussions with banks have started. "There are a handful of big players we are always in contact with," he says, declining to name them.

The project is being proposed as part of a request for proposal issued by **Xcel Energy**. **Mark Stutz**, spokesman for Xcel in Denver, says some 800 MW of renewable power is being sought and winning bids will be announced in the fall. He would not comment on

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

DEVELOPER SCOPES

(continued from page 1)

the bidders.

If the bid is not successful, Greenlight will try to work out a PPA with **Western Area Power Administration** and **Tri-State Generation & Power Transmission**, though no negotiations are in the works. **Lavern Kyriss**, spokeswoman for WAPA in Denver, could not comment. **Jim Van Someren**, spokesman at wholesaler Tri-State, says Greenlight has not yet been in contact with Tri-State.

Whether the developer seeks project financing or turns the project over to a buyer hinges on Greenlight's ability to secure turbines, says Hantzmon. The developer has been in contact with turbine manufacturers but will not put a deposit down until the PPA is inked.

The facility should be running by the end of 2006. Separately, the company is developing a 150 MW farm in North Dakota which is still in the permitting process (PFR, 2/14). The farm has been delayed due to constrained transmission among other factors.

—*Raquel Pichardo*

Biomass Developer Explores Financing Options

Access Energy is mulling financing options for a proposed 20 MW biomass plant in Ludlow, Vt. The company is leaning toward non-recourse project finance leveraging the project at 70%, says **Bob McClenachan**, ceo in Park City, Utah. There is about another year left in the permitting process for construction to launch for the \$45 million project, but the developer have been in preliminary discussion with financiers regarding financing options, he adds.

Access Energy will seek financing in earnest after Labor Day, once vacation schedules have eased up, McClenachan says. The company plans on announcing another similar facility in the upcoming weeks and lenders have suggested financing for both can be rolled together, but details have not been hashed out. "There's always a lot of creative financing out there. We're more than happy to listen to any suggestions," he quips. Financing should be wrapped by the beginning of the second quarter 2006. He declined to give more details about the future project. The developers will likely rope one utility to contract 100% of the power, says McClenachan.

PNM Arm Seeks Seasoned Analyst

First Choice Power is hunting for a director of quantitative analysis to evaluate the **PNM Resources** subsidiary's retail pricing and wholesale energy trading. The hire will join the utility's Fort Worth, Texas headquarters, says a recruiter familiar with the matter. Calls to PNM's media line were not returned.

The director will be charged with the development of retail pricing models, wholesale deal valuation tools and structuring of complex commodity transactions, the headhunter says. Specifically, the director will be responsible for the valuation of all energy supply services for the company, as well as developing supply strategies to maximize portfolio returns. The hire will also be charged with developing generation, transmission and storage trading models and will evaluate the potential impact of changes to the market structure in the Electric Reliability Council of Texas region.

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INTELLIGENCE FIRST

Dominion Tracks For Trader, Analyst

Dominion Resources is searching for a senior forward trader and an energy trading analyst to join its Richmond, Va., desk. It could not be determined whether the positions were new or existing, and a spokesman for Dominion did not return a call. The forward trader will be charged with trading energy contracts while the analyst will evaluate fixed and indexed derivatives as well as option products, physical assets and large wholesale contracts, says a headhunter.

FPL Shelves Pa. Plant Auction

FPL Energy's planned auction of a 744 MW gas-fired plant in Marcus Hook, Pa., has been nixed. Reasons for the halted effort could not be learned but trackers speculated second round bids did not hit the Juno Beach, Fla., seller's sweet spot of approximately \$370 million. Spokesman **Steve Stengel** confirmed that the auction process, which was being handled by **Lehman Brothers**, has been terminated, declining further comment. The company took second round offers more than two weeks ago (PFR, 6/27). Officials at Lehman declined to comment.

FPL is said to have received bids about \$70 million shy of its target price, compelling Lehman to phone up prospective bidders last Tuesday urging them to pump up bids, says one watcher. Contenders for the asset included **ArcLight Capital Partners** as well as a few unidentified institutional investment shops. **Robb Turner**, senior partner at ArcLight in New York, declined to comment.

Philadelphia-based **Sunoco** also was said to be among the bidders but calls to officials there were not returned. It is unclear if FPL will look to resell the plant at some point down the road.

Biomass Developer Plots 50 MW Mass. Operation

Russell Biomass plans to look at project financing options for a \$150 million biomass facility in Russell, Mass. The 50 MW projects faces about another two years of permitting but the Pomfret Center, Conn.-based developer has been in very preliminary discussions with debt and equity investors and is hoping to have funding in place by mid-2007, falling in line with the completion of permitting, says **Jim Ramsey**, partner in Lexington, Mass. He declined to name possible backers but said it hopes to bankroll it by as much as 80%.

Early PPA discussions have been held with wholesalers, utilities and the municipal power outfits but nothing is close to being inked. The two-year construction should begin mid-2007 after the offtake is sealed. The plant will require about

450,000 tons of fuel consisting of whole tree chips and clean wood waste products, says Ramsey. Russell Biomass has identified 40-50 possible suppliers, adds **Peter Bos**, partner in Boston. The plant site is owned by **William Hull**, also a partner at Russell Biomass and ceo at **Hull Forrest Products**, a sawmill and fuel service company in Pomfret Center, Conn. While Russell has never developed a biomass projects, Bos is owner of **ARS Group**, a private power development company in Boston.

Big Apple Firm Seeks Traders

First New York Securities is hunting for energy traders for New York. The firm is searching for traders to accommodate its growing book, says a headhunter familiar with the matter, although it was not clear how many traders the firm might ultimately hire. First New York is looking for established traders with a solid profit-loss history, the recruiter explains. **Jeffrey Foose**, head of the desk, did not return a call.

Dexia To Syndicate \$390M Invenergy Wind Loan



Judith Gap Wind Project

Dexia Crédit Local is set to launch retail syndication of a \$390.4 million construction loan backing a portfolio of Invenergy wind farms. The 15-year loan includes a bridge expected to be paid back at year-end, once construction of

the wind farms is complete, says a banker. **Michael Polsky**, ceo at the Chicago sponsor, did not return a call and financiers at Dexia declined comment. Pricing, which should begin syndication this week, is said to be over 100 basis points. Exact figures could not be obtained.

The size of the bridge portion loan could not be determined. **HSH Nordbank** and **HypoVereinsbank** are co-arrangers. Bankers at both declined to comment. **Manulife** is also participating, says the banker. **Tom Nunn**, spokesman at Manulife in Ontario, did not respond to an e-mail requesting comment. Market watchers say **Allied Irish** has also shown interest. **Rob Moyle**, a banker at Allied in New York, declined to comment.

The debt backs the construction of the 135 MW Judith Gap wind farm in Judith Gap, Colo., the 60 MW Spring Canyon farm near Peetz, Colo. and the 64.5 MW Wolverine Creek facility in Idaho Falls, Idaho, says the banker. All three facilities should be up and running by the end of the year, in time to take advantage of the production tax credits.

Potato Power Idaho Firm Launches Offshore Energy Fund

Sawtooth Investment Management, a hedge fund firm in Boise, Idaho, is launching an offshore version of its *McOmber Energy Fund* on Aug. 1, domiciled in the Bahamas. The domestic version launched in June, 2004 and has returned nearly 7% since then. The fund follows three strategies; relative yield arbitrage, pairs trading and basket trades, says **Doug Bates**, principal.

Roger McOmber, a principal at the firm's Dallas office, manages both funds. Prior to joining Sawtooth in 2003, McOmber was an energy/utility hedge fund manager at **Carlson Capital** in Dallas and **Nomura Asset Management** in New York. Previously, he was an analyst on the sell-side at **Lehman Brothers** and **Salomon Brothers**, among others.

The fund currently has assets of \$50 million with a capacity for \$1 billion. The minimum investment is \$1 million. Fees are 1% of assets and 20% of gross performance with a high-water mark. There is a one-year lockup, after which time investors can withdraw capital on a quarterly basis. **Banc of America Securities** is the prime broker.

MachGen Creditors Mull Management Shift

An asset management contract with an affiliate of **LS Power Development** to run MachGen is set to expire and the hedge fund creditors that control the generation fleet are weighing a switch. The East Rutherford, N.J., management shop known as **LS Power Services** has been operating the plants for the past two years but its owners are unhappy with incentive fees it is pushing for in the renewal of its management agreement, which expires at the end of September, according to one debt holder. Informal talks with alternates have been held but the names of those entities and the nature of the discussions could not be determined. Calls to officials at LS Power went unreturned.

Owners of debt associated with the **PG&E National Energy Group**-developed fleet, which was handed back to a creditor group led by **Société Générale**, argue that, while LS Power has been a good operator during its tenure, any improved performance at the facilities can be attributed largely to improving market conditions, explains one debt holder. "We don't want to pay a manager fees above and beyond what a babysitter could obtain for running the plants," the creditor comments.

On average, asset manager's contracts tend to include operating fees of \$75,000-100,000 per generating facility (assuming a plant of 580-900 MW) annually and can include a performance hurdle, granting the manager a percentage of the value it creates. Specifics on LS Power's existing or proposed

management contract could not be obtained. It also could not be determined how much the plant has improved. The generation portfolio is laden with approximately \$1.4 billion in debt.

LS Power Development, which was aiming to buy the underlying plants, owns some 20-30% of the debt in the portfolio (PFR, 5/30), which consists of Athens (1,080 MW) in New York, Millennium (360 MW) in Massachusetts, Covert (1,170 MW) in Michigan and Harquahala (1,092 MW) in Arizona. LS Power's ownership, via its affiliate, is viewed as a boon rather than a conflict of interest since its ownership is expected to align its interest in juicing performance with that of the other debt holders, one market player notes.

FPL Eyes Midwest Contracted Assets

FPL Group will consider acquiring additional long-term contracted generation assets in the Midwest but will not look at merchant plants in the region, CEO **Lewis Hay** said last week during an investor conference call from the company's Juno Beach, Fla. headquarters. Hay did not offer additional details on acquisition criteria, and the CEO did not return a call for comment. FPL last week announced the acquisition of a 70% stake in the Duane Arnold Energy Center, a 598 MW plant in Cedar Rapids, Iowa, from **Alliant Energy** for \$387 million.

FPL saw the nuclear plant as attractive because it is a low-cost baseload project that will improve the company's fuel mix and earnings stability, Hay said. The acquisition will also allow FPL to leverage its nuclear expertise, he said. The Central Iowa Power Cooperative and the Corn Belt Power Cooperative own the remaining 30% stake.

The company hopes to close the acquisition by early 2006. It plans to finance the purchase using a 50:50 debt-to-equity ratio, Hay said.

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Corporate Strategies

NorthWestern Recasts Credit Line

NorthWestern has retooled an outstanding revolving credit facility. The Sioux Falls, S.D.-based energy holding company decided to rework the debt now to take advantage of low interest rates, says **Brian Bird**, cfo. It also slimmed down the facility by about \$25 million to \$200 million, and flipped the loan from secured debt to unsecured. Refinancing is part of an effort to tidy the balance sheet, with an eye toward obtaining an investment-grade credit rating, he says.

The new debt is priced at LIBOR plus 112.5 basis points, or 62.5 bps below the old debt. The facility, which matures in November 2009, was led by **Deutsche Bank Securities** and **Lehman Brothers**, which also led the previous facility. The original \$225 million line, which was secured by first-mortgage bonds, was due to mature in 2009 and carried a rate of LIBOR plus 175 basis points.

NorthWestern plans on using the facility for working capital and to pay down debt coming due later this year, including \$60 million of 7.1% notes due in August, Bird says. The company had \$757 million of debt outstanding as of March 31 and has shrunk that debt by \$115 million since November 2004, he says. NorthWestern's debt is rated Ba2 by **Moody's Investors Service** and BB+ by **Fitch Ratings**.

KeySpan Pumps Up Revolving Credit

KeySpan has wrapped a five-year, \$920 million credit facility, extending its tenor and increasing the amount of its previous three-year \$660 million line. The longer-dated line reduces exposure to market vagaries, says **Mike Taunton**, senior v.p. of treasury in Brooklyn, N.Y. The new revolver is priced at LIBOR plus seven basis points undrawn and LIBOR plus 25 fully drawn, according to one market watcher, and carries an upfront fee of three basis points. Officials at lead underwriter **JPMorgan Chase** did not return calls.

Arranged in June 2003, the old line was priced at LIBOR plus 50 basis points and was untapped. The new revolver will support KeySpan's commercial paper program, says Taunton. The company can issue some \$900 million and its total issuance sat at \$400 million at the end of the first quarter, he comments. The increased dollar amount on the line will help the company prepare for future increases in oil and gas prices, says Taunton, noting both commodities have increased by about 10% since last year.

KeySpan sold a chunk of non-core assets over the last two years reducing its debt levels by \$2 billion, says Taunton. It is now leveraged at 50% with debt totaling some \$4 billion, he adds. JPMorgan has been a traditional lead banker for the company, he comments, adding the bank also led its previous facility. He would not verify pricing.

AEP Unit Times Refinancing Deal

Southwestern Electric Power, a unit of **American Electric Power**, raised \$150 million in 10-year 4.9% notes (BBB/Baa1) on June 29 so it could pay down \$200 million in three-year notes that came due July 1. The Columbus, Ohio holding company chose to issue the bonds on a day when there were no other power issuers, which required careful attention to the new issue calendar since other companies in the power sector including **Mississippi Power** and **Empire District Electric** were also looking to raise funds. "We definitely try to understand what deals are in the market," says **Renee Hawkins**, a managing director of corporate finance at AEP.

The bonds were well oversubscribed, says Hawkins, adding the deal was launched in the morning and was priced by lunch time. Since AEP and its subsidiaries are constantly in the market, there was no need for any major marketing for the deal. **ABN Amro** and **Credit Suisse First Boston** were the underwriters. Both firms have longstanding relationships with AEP. Southwestern has \$340 million remaining on its shelf registration and **David Hagelin**, a spokesman for AEP, says the company has no plans in the near future to renew it.

Calpine Wraps \$123M Long Island Loan

Calpine has closed a \$123 million non-recourse secured revolver to fund the last phase of construction for an 80 MW gas-fired plant on Long Island, N.Y. The fixed-rate line is structured as a \$108.5 million, 20-year senior loan priced at 6.13% and a \$14.6 million, 15-year junior loan priced at 7.94%. The revolver also allows for the issuance of letters of credit in connection with the plant, says **Jason Slago**, v.p. of regional finance for Calpine in Boston. He declined to disclose details on its loan package or reveal other lenders with which Calpine has had discussions.

The facility for the San Jose, Calif.-based IPP was divided into two tranches to maximize the amount of debt the company could obtain, Slago says. The senior tranche has a lower coupon and was sized to meet higher minimum and average coverage ratios, while the junior tranche bears a higher coupon and was sized to meet lower minimum and average coverage ratios, he notes.

Located in Bethpage, the plant was fired up about two weeks ago and has a long-term power purchase agreement with the **Long Island Power Authority**. Slago declined to disclose the overall cost of the plant or the debt-to-equity ratio of its financing. **Calyon** was chosen to lead the deal because it offered lower underwriting fees relative to other project financiers. **Martin Livingstone**, a banker with Calyon in New York, did not return a call.



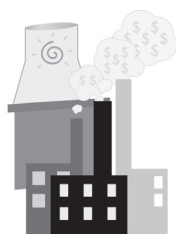
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Generation Auction & Sale Calendar

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

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



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Generation Auction & Sale Auction (cont'd)

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

Weekly Recap

The Weekly Recap is a summary of publicly reported power news stories. The information has been obtained from sources believed to be reliable, but PFR does not guarantee its completeness or accuracy.

The Americas

- Senate Majority Leader **Bill Frist** (R-Tenn.) and Democratic Leader **Harry Reid** (D-Nev.) last week selected 14 senators to participate in upcoming negotiations to work out a compromise on a broad energy bill with the House. Referred to as conferees, the eight Republican and six Democratic senators were selected by seniority from those committees with jurisdiction over the energy legislation (*AFX*, 7/1).
- U.S. Bankruptcy Judge **Michael Lynn** gave holders of **Mirant Corp.** common stock some hope that they can share in the distribution of assets of the bankrupt Atlanta energy company. In a ruling, Lynn said financial models of the reorganized company should be changed to reflect values greater than the range of \$7 billion to \$8.3 billion (*Fort Worth Star-Telegram*, 7/2).
- **Xcel Energy** will give outgoing chairman and chief executive **Wayne Brunetti** a one-time \$4 million payment, according to a regulatory filing. Brunetti announced last week that he is stepping down as chief executive, and said he will retire as chairman at the end of the year (*Associated Press*, 7/3).
- **Invenergy Wind** has filed a post-hearing brief with the **Public Service Commission of Wisconsin**, stating that the evidence it presented clearly supports a decision to grant the requested Certificate of Public Convenience and Necessity. The CPCN would allow Invenergy to begin constructing the proposed \$250 million Forward Wind Energy Center (*Daily Citizen*, 7/6).
- A deteriorating bridge could prevent the FERC approved **Hess LNG** project planned at Falls River, Mass., from coming into fruition. A replacement for the Brightman Street Bridge is in the works but Hess LNG has said its project can't become operational until the new bridge is built and the old bridge is torn down. But Sen. **Phil Travis** said the old bridge "should stay open for several years thereafter to make sure the (new) bridge is structurally sound" (*Falls River Herald News*, 7/6).

The Caribbean

- American advisers, **Taylor de Jongh**, are beginning talks in Kingston, Jamaica today with administration officials on the possible structure of financing for a proposed liquefied natural gas facility at Port Esquivel. Ambassador **Anthony Hylton**, who was charged by prime minister **P J Patterson** with pulling the 1.2-million ton a year LNG storage and re-gasification project together (*Jamaica Observer*, 7/6).

Australia and New Zealand

- Electricity generator and retailer **TrustPower** has been granted resource consent for 31 of 40 turbines it wants to erect for the third stage of its Tararua wind farm. If stage three went ahead, and was not held up by an appeal to the Environment Court, it should be producing at full capacity in time for winter 2007. With the full 40 turbines, the project was estimated to cost \$220 million (*New Zealand Herald*, 7/7).
- **Pacific Hydro's** plan to build a A\$150 million wind farm in Australia's Victoria state was rejected because it threatened a colony of rare wedge-tailed eagles. The proposed 70-turbine Yaloak project poses an unacceptably high risk to the bird species because "significant numbers" could collide with the turbine blades, Victoria's State Planning Minister **Rob Hulls** said yesterday (*New Zealand Herald*, 7/7).

Europe and Asia

- South Korea's ministry of science and technology announced yesterday that it has given permission for two new nuclear power plants to be built in the town of Gijang, near Pusan. The plants will be built by **Korea Hydro and Nuclear Power Co.**, a state-run agency (*BBC Monitoring*, 7/1).
- Russia's power grid operator **Unified Energy Systems** has bought a controlling stake in a hydro power plant based in Moldova's breakaway Dniester region from Russian-Belgian joint venture **Saint Gidon Invest**. The company paid \$50 million for the plant (*BBC Monitoring*, 7/4).
- The Turkish and Greek prime ministers met last week to launch a joint construction project to connect rich natural gas fields in the Caspian Sea area and Central Asia to energy-hungry markets in Europe. The 186-mile pipeline from Bursa in Turkey to Komotini in Greece is expected to go into operation in 2006, and will later be extended to Italy as part of the Southern Europe Gas Ring Project (*Associated Press*, 7/3).
- The **Economic and Investment Bank of Bulgaria** will pony up BGN 11 M for the construction of a combined water and power station near the town of Kresna, Southeastern Bulgaria. According to the Chairman of the bank's Supervisory Board **Tsvetelina Borislavova**, the small 3.2 MW plant will be the first of a series of water/power utilities to be built on the river Struma.

Financing Record (JUNE 29 - JULY 5)

Debt

Debt	Issuer	Business Description	Principal Amount (\$ Mil)	Coupon (%)	Security	Maturity	Offer Price	Offer YTM (%)	Spread	S&P	Moody's	Fitch
6/29/05	CLECO Power LLC	Pvds electric svc	50	4.95	Senior Notes	7/15/15	99.701	4.988	100	BBB	Baa1	NR
6/29/05	Eletropaulo Metropolitana	Electric utility	201.3	19.125	Fxd/Straight Bd	6/28/10	100	19.125		NR	NR	NR
6/30/05	Union Fenosa SA	Elec,gas utility	908	Floats	Float Rate Nts	Perpet.	100	Floats		NR	NR	NR

M&A

Date Announced	Target Name	Target Industry Sector	Target Nation	Acquiror Name	Acquiror Industry Sector	Acquiror Nation	Value (\$mil)
6/29/05	Edenor	Electric, Gas, and Water Distribution	Argentina	Dolphin Fund Management	Investment & Commodity Firms,Dealers, Exchanges	Argentina	650.044
6/29/05	NESA A/S-Heat Operations	Electric, Gas, and Water Distribution	Denmark	Sydskraft AB	Commodity Firms, Dealers,Exchanges	Sweden	
6/29/05	Paiton Energy Co PT	Electric, Gas, and Water Distribution	Indonesia	Tokyo Electric Power Co Inc	Electric, Gas, and Water Distribution	Japan	137
6/29/05	Paiton Energy Co PT	Electric, Gas, and Water Distribution	Indonesia	Tokyo Electric Power Co Inc	Electric, Gas, and Water Distribution	Japan	
6/29/05	United Energy A/S	Electric, Gas, and Water Distribution	Czech Republic	Czech Energy Holding	Electric, Gas, and Water Distribution	Czech Republic	116.3
6/30/05	Hydro-Electric Power Hldgs Ltd	Electric, Gas, and Water Distribution	Hong Kong	CLP Hydro Power Ltd	Electric, Gas, and Water Distribution	Hong Kong	6.766
6/30/05	Master Tek International Inc	Electric, Gas, and Water Distribution	United States	Minol USA	Business Services	United States	12
6/30/05	Natl Transmission-Subic Asset	Electric, Gas, and Water Distribution	Philippines	Subic Enerzone Corp	Electric, Gas, and Water Distribution	Philippines	1.819
6/30/05	NorthWestern-Non-Montana Asts	Electric, Gas, and Water Distribution	United States	South Dakota Power Co	Investment & Commodity Firms,Dealers,Exchanges	United States	
6/30/05	NorthWestern Corp	Electric, Gas, and Water Distribution	United States	Montana Public Power Inc	Electric, Gas, and Water Distribution	United States	1,904.11
6/30/05	Ripon Cogeneration LLC	Electric, Gas, and Water Distribution	United States	Countryside Power Income Fund	Investment & Commodity Firms,Dealers,Exchanges	Canada	95.3
7/1/05	Enfield Energy Centre Ltd	Electric, Gas, and Water Distribution	United Kingdom	E.ON UK PLC	Electric, Gas, and Water Distribution	United Kingdom	
7/4/05	Gasnet Australia Group	Electric, Gas, and Water Distribution	Australia	Australian Pipeline Trust	Investment & Commodity Firms,Dealers,Exchanges	Australia	
7/5/05	Duane Arnold Energy Ctr	Electric, Gas, and Water Distribution	United States	FPL Group Inc	Electric, Gas, and Water Distribution	United States	387

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

SHELL, BECHTEL

(continued from page 1)

GW in Newton County, Texas).

Calls to officials at InterGen, were directed to spokeswoman **Sarah Webster**, who did not return a call. Officials at **Pace Global Energy Services**, which was hired to advise InterGen, declined to comment.

InterGen is also still mulling a transfer of its North American facilities to its lenders (PFR, 3/4), who bankrolled construction of the facilities with some \$1.6 billion in project finance debt. But the thinking is a sale of the operation would offer a more appealing pitch to prospective buyers since it would consolidate the individual assets and offer economies of scale.

At this point there is little to no equity value in the actual facilities, which have been hobbled since their construction and any buyer would be taking a bet that markets in which the plants are located would improve significantly over the

next several years. Observers would not speculate on the price an investor might pay but say that it would be pennies on the dollar. The only value would be the operating and management contracts associated with the plants, which can be worth about \$3.5 million per plant annually, observers say.

—M.D.

DUKE EYES

(continued from page 1)

Calls to **Michael Cyrus**, ceo at Cinergy's merchant unit in Cincinnati, Ohio and **Paul Anderson**, ceo at Duke in Charlotte, N.C., were directed to media representatives. **Steve Brash** at Cinergy declined to comment.

The exact form and timing of Duke's plans could not be determined, but a sale of a trade book associated with DENA already is underway, watchers say. One market player believes plans to sell DENA could involve a piecemeal auction or a sell-off broken up by region since its facilities are located in

the Northeast, Midwest and West. DENA could fetch more than \$4 billion, they say, but increased coal and natural gas prices since the original sale initiative could mean a richer price tag. **Goldman Sachs** and **Credit Suisse First Boston** are jointly handling the process. Officials at CSFB declined to comment and Goldman officials did not return calls for comment.

Duke has long been unhappy with the performance of its merchant facilities and believed that a merger with Cinergy would allow it to retain the troubled unit. But although the corporate-level merger adds fuel and geographic diversity to the combined merchant businesses, pocketing cash for even some portion of its merchant business might prove too attractive to dismiss, speculates one banker. Cinergy itself owns another 5-6 GW in merchant plants, but it is unclear if those would be sold as well.

The usual suspects likely to make a run at all or part of the portfolio include Chicago-based investment entity **Invenergy** and **US Power Generating Company** as well as private funds affiliated with **Cargill**, **The Blackstone Group**, **Bear Stearns**, **CSFB** and **Morgan Stanley**.

Merchant plants such as La Paloma (PFR, 5/16) and Exelon Boston Generating (PFR, 5/16) have received strong interest

from well-heeled private investors as of late, demonstrating that demand exists for such assets.

Last year, CSFB and Morgan Stanley bid on a smaller package of DENA plants in the southeastern U.S. (PFR, 3/22), which was ultimately won by **MatlinPatterson** subsidiary **KGen Partners** for \$500 million.

—Mark DeCambre

Quote Of The Week

"There's always a lot of creative financing out there. We're more than happy to listen to any suggestions." — **Bob McClenachan**, ceo of biomass developers **Access Energy**, on the company's search for financing of a 20 MW plant (see story, page 2).

One Year Ago In Power Finance & Risk

Ameren Corp. was close to wrapping a \$500 million corporate facility split equally between a three and five-year loan. The line carried a 12.5 basis point undrawn fee and a fully drawn fee of 62.5 basis points. [The utility holding company was able to upsize the loan to \$700 million and drew 17 banks into the deal (PFR, 7/20).]

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APRIL 11, 2005

PRIVATE EQUITY GIANTS PLOT IPO FOR TEXAS GENCO

The private equity group that acquired Texas Genco from CenterPoint Energy plans to take the IPP public. GC Power Acquisition, the vehicle for Kohlberg Kravis Roberts, Texas Pacific Group, The Blackstone Group and Hellman & Friedman, acquired the 14 GW generation player less than a year ago for \$3.65 billion (PFR, 7/24), taking the publicly-listed entity private.

As part of the move—first reported on PFR's Web site (www.iipower.com) last Wednesday—market officials say buyout firms have been asked to value the portfolio and suggest how much of the Houston-based operation could be public. The predominantly oil and gas-fired fleet has benefited significantly from the run-up in commodities prices over the last several months, bankers note. "[The venture] needs to know how much of that value they can monetize now," explains one banker.

The original purchasers include Morgan Stanley, Goldman Sachs, Deutsche Bank, and others.

Bloomberg

JUNE 6, 2005

Texas Genco to Sell as Much as \$600 Million of Stock

Texas Genco Inc., the second-largest electricity producer in Texas, will sell as much as 600 million of stock in an initial offering, raising cash for Texas Pacific Group and three other investment firms that bought the company for \$3.65 billion last year.

The firms, which also include Blackstone Group, Kohlberg Kravis Roberts & Co. and Hellman & Friedman LLC, will maintain majority control of the company's voting stock, according to a filing today with the U.S. Securities and Exchange Commission. All proceeds from the offering will be distributed among the firms, which own 25 percent each.

The purpose of Texas Genco last July marked the largest acquisition of U.S. power-generating assets by financial companies since they were allowed to enter the market.

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