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The exclusive source for power financing and trading news

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Morgan Stanley Eyes La Paloma Output Deal

Morgan Stanley is hammering out a seven-year tolling agreement that would see it take 75% of the capacity of the 1 GW La Paloma Generating facility.
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Caithness Hunts For Calif. Wind Debt

Caithness Energy is on the prowl for an \$71 million credit line to support a quartet of already operational wind farms in the Golden State.
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FPL TAPS EXELON M&A STAFFER TO LINE UP TARGETS

FPL Group is on the prowl for mergers and acquisitions and has tapped **Stephan Segouin**, v.p. of corporate development and head of mergers and acquisitions for Chicago-based **Exelon**, to lead the charge. Segouin, who joined FPL as head of corporate development at the beginning of the month, will spearhead the search for a corporate-level M&A targets for FPL, according to a banker familiar with the matter. Reached on his mobile, Segouin declined to comment. **Kathy Scott**, a spokeswoman for FPL, confirmed that Segouin had joined, but declined further comment. **Jennifer Medley**, a spokesman for Exelon, did not return a call for comment.

Segouin's move to FPL signals the company is looking for corporate-level M&A

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CAITHNESS PLOTS \$300M PRIVATE GEOTHERMAL PLACEMENT

Caithness Energy is planning to privately place \$300 million in investment-grade bonds associated with a package of Golden State geothermal generation facilities. Underwriter **Citibank** is believed to be hammering out the offering, which will be shopped to institutional investors such as insurance companies and pension funds, say financiers familiar with the planned private sale. Calls to **Ross Ain**, senior v.p. at Caithness in New York, were not returned. Specifics regarding the offering could not be learned by press time. Via an assistant, **Jonathan Lindenberg**, managing director at Citi in New York, declined to comment on the offering.

The Caithness geothermal facilities, under the holding entity **Coso Operating**

(continued on page 11)

CLECO MULLS FUNDING FOR \$1B LA. PLANT

Cleco Power is considering funding options for a proposed \$1 billion coal-fired power plant in Louisiana. **Keith Crump**, treasurer in Pineville, La., says the ultimate structure will be one that allows the company to maintain a 50/50 debt to equity structure required for regulated utilities. Details about the financing will be hashed out with the **Louisiana Public Service Commission**, since a portion of the cost may go into rate-base, he explains. Calls to the LPSC at Baton Rouge, La., were directed to **Toby St. Blanc** in the Office of the Secretary, who did not return calls.

The 600 MW plant still has about a year of permitting that needs to be obtained before construction is launched. Cleco hopes to have financing in place toward the end of the permitting cycle but discussions with possible lenders have not yet begun. It is too early to give an approximate timetable for discussions with lenders. Cleco has tapped **Goldman**

(continued on page 11)

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At Press Time

LNG Developer Mulls Financing Options

Quoddy Bay LLC is considering project finance for a \$200 million LNG terminal. The developer may seek a construction financing and replace it with longer term debt, but concrete plans have not been outlined, says **Michael Smith**, manager of finance at the Oklahoma City-based developer. With permitting still being sought for the Split Rock, Maine, project, financing is a year and a half away. Quoddy Bay is a newly formed entity, partially owned by **Smith Cogeneration**, an Oklahoma City-based international developer comprised of high net worth individuals.

Quoddy Bay may bring in an equity investor to help front \$40 million- \$60 million of the development. "We can put in all or a portion of that. The doors are wide open," says Smith, noting that equity investors have not been contacted. An investor who can offer, for example, tolling arrangements in addition to equity will have a leg up on the competition, he adds. Lenders will be approached once supply contracts are in place.

Project financiers suggest that the quality of the supply contracts and the reputation of the developers will influence U.S. lenders' willingness to finance the project. The facility will not contain a storage tank. Instead tankers will offload into a regasification unit and the gas will be piped underground into the Maritimes & Northeast pipeline, Smith says, a technique employed in Europe.

Union, Gila Secondary Paper Sees Pop

Project debt in **TECO Energy** and **Panda Energy's** Union and Gila plants has seen a more than 25% pop over the past three weeks. Traders following the debt associated with the construction of the 2.2 GW Union facility in El Dorado, Ark., and the 2.3 GW Gila River plant in Gila Bend, Ariz., say demand has caused the merchant debt to jump from about the 66 context to around 84, with some paper changing hands recently. Details about the trades could not be learned, including the amount or parties involved.

Although no specific impetus for the demand is known, watchers believe the power markets for the two troubled facilities, now known as **Entegra Power Group**, are beginning to turnaround, says **Stephen Moyer**, director of research at Beverly Hills boutique investment firm **Imperial Capital**. At this point, he estimates that the Gila plant, in the Entergy market, is worth approximately 400 per Kw, while the Union facility is worth half that given that demand for power in it Palo Verde energy region provides few opportunities for the station to be dispatched. Calls to **Mike Schuyler**, Entegra's senior v.p. of energy management, were not returned.

The Entegra paper is a part of larger bank financing put in place during the summer of 2001 to support the \$2.8 billion construction and operation of the two stations. The effort was a joint venture between **TECO Wholesale Generation**, known at the time as **TECO Power Services Corp.**, and **Panda Energy International**. The original financing included \$1.675 billion of non-recourse debt and \$500 million in equity bridge loans.

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**Institutional
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INTELLIGENCE FIRST

Invenergy Wind Pricing Emerges



Judith Gap

Dexia Crédit Local is set to pitch a 15-year loan non-recourse deal for Invenergy at initial pricing of 150 basis points over LIBOR, stepping up by 12.5

basis points every three years, says a banker. The \$390.4 million facility is for a trio of wind farms developed by the Chicago shop (PFR, 7/11). **Michael Polsky**, ceo at the sponsor, did not return a call and bankers at Dexia declined to comment. The loan was set to launch as *PFR* went to press.

HSH Nordbank and HypoVereinsbank are co arrangers. Calls to officials at both went unreturned. The debt finances the 135 MW Judith Gap facility 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.

It Tolls For Thee

La Paloma Acquirer Talks Output Deal With Morgan Stanley

Morgan Stanley is hammering out a seven-year tolling agreement to cover 75% of the capacity of the 1 GW La Paloma Generating facility from **Complete Energy**. The Houston-based shop is in the process of acquiring the Golden State gas-fired plant (PFR, 5/16). The remainder of the facility is expected to remain merchant, says one observer. Additional details regarding the contract could not be learned. Calls to **Milton Scott**, managing director of Complete, were not returned, nor were calls to **Simon Greenshields**, head of natural gas and electricity at Morgan Stanley in Purchase, N.Y.

With the tolling agreement in place, Morgan Stanley also is expected to act as a joint bookrunner with **WestLB** to bankroll the purchase. Plans are for the banks to arrange a roughly \$550 million B-loan with at least a two-lien structure. That finance package could be launched by the end of the month once PPA agreements are done and dusted, the watcher says.

It is believed that financial institutions including **Lehman Brothers**, **Credit Suisse First Boston** and **Goldman Sachs** were considered as prospects to ink a similar toll agreement. Officials at the firms, including **WestLB**, either declined to comment or did not return calls. At this point, two of La Paloma's four units are contracted to **Southern California Edison** under an agreement that will expire in two years.

New Conn. Fund Raises \$75-100M For Energy

Greenwich, Conn.-based **Aremet Capital Management** has raised some \$75-\$100 million to invest in oil and gas-related equities. The boutique investment shop was launched recently by founder **Matthew Epstein**, a former energy analyst for **Lehman Brothers** and **Citadel Investment Group**, says a marketer familiar with the matter. Epstein was also a portfolio manager for New York hedge fund giant **Millennium Partners** and an analyst for **Morgan Stanley**. He did not return a call for comment. Details about the operation, including its investor base, could not be ascertained.

Canadian Player Eyes Finance For Wind Facility

Canadian energy distribution and supply player **Enmax Corp.** will look to refinance a 80 MW wind farm in Alberta in the non-recourse market once the facility is up and running. The Calgary company will use C\$140 million of cash on hand to fund construction and then plans on obtaining project level debt to cover at least half of the project, says CFO **Brad Thompson**. It likely will not seek a higher leverage ratio since the company earns about 2/3 of its profits from unregulated activities such as retail sales of electricity and natural gas.

The company has some C\$300 million in cash on hand and it makes more sense to invest in a project with an expected internal rate of return of 10-12% than to keep it in the bank where it is earning 2-3% in interest, comments Thompson. The developer will not contact banks until the end of next year once the farm is expected to be completed. A 20-year PPA is in place with **The City Of Calgary**. Construction on the Taber Wind Power facility should begin at year-end once permits are in place.

Duquesne Light To Retool \$275M In Credit

Duquesne Light Holdings is refinancing and upsizing \$275 million in three-year revolving debt at the holding and subsidiary level. The Pittsburgh-based entity is aiming to recast a \$175 million revolver priced at LIBOR plus 112 basis points, boosting it by \$25 million, while at subsidiary **Duquesne Light Co.**, a \$100 million credit line priced at 100 basis points also is being refinanced, says **Bill Fields**, treasurer.

Fields notes the opportunity to snare more attractive terms drove the move to refinance. "We got these revolvers last year and pricing in the market has gone down substantially since then.

And if [financiers] come up with better pricing next year, we'll refinance again," he comments. He declined to disclose the new terms Duquesne is seeking.

Bankers tracking the deal say Duquesne, via lead arranger **Union Bank of California**, is seeking five-year lines at 12.5 basis points undrawn and 60 basis points drawn at the operating company. At the holding company, pricing is being pitched at about 70 basis points. Duquesne also is hoping to eliminate an additional fee for using more than 50% of the credit facility, which would ramp up pricing by an 1/8 on both revolvers.

Because Duquesne plans on actively deploying its facility for letters of credit among other uses it does not want to be penalized if it taps into more than half of its available debt. "Bankers want you to use the facility and they penalize you for drawing more than a certain percentage," says one observer. The deal is presently in the market and is expected to be completed in the next several weeks.

SG To Reel In Undersea Cable Financing

Société Générale has booked 15 life insurance companies to take a piece of the \$550 million in 22-year notes it's placing to fund the 660 MW undersea transmission being developed by **Neptune Regional Electric Transmission**. The firm is placing the paper privately and it's priced around 6%, says a banker familiar with the deal. The deal was expected to close July 15, as *PFR* went to press.

Allied Irish and **DZ Bank** were also brought on to provide a \$50 million letter of credit priced at 125 basis points (PFR, 5/16). Calls to bankers involved in the transaction were not returned. Completion of construction is scheduled for June 2007.

Caithness Searches For Golden State Wind Debt

Caithness Energy is seeking an approximately \$71 million credit line to support operations of a quartet of already operational Californian wind farms. The Big Apple-based IPP is pitching a 10-year loan via arranger **WestLB** at LIBOR plus 125 basis points, escalating to 150 basis points over the life of the 10-year debt. The loan package breaks down into a roughly \$60 million term loan and about a \$5 million letter of credit for debt service. The remainder will be earmarked for working capital purposes, says a banker following the deal. **WestLB** has approached a handful of banks including **NordLB** to participate in the financing, say watchers. Other prospective participants could not be identified.

A message left with a receptionist at Caithness requesting comment was not returned. Officials at **WestLB** declined to comment.

The wind projects, which have been up and running for the past

six or more years includes three in Tehachapi. Those plants include a 23 MW facility known as Oak Creek, a 6.75 MW wind farm called Victory Garden Repower and an 18.4 MW plant dubbed 251. A 43 MW plant, San Geronio, is located in Palm Springs, Calif. The plants have some risks related to short-run avoided costs—essentially costs that cannot be avoided in the short run such as the price of gas. SRACs are typical to California power facilities.

Corporate Strategies

Kan. Utility Places \$320M Privately

Kansas Gas & Electric has placed \$320 million privately to rework higher-rate debt associated with a lease agreement on the 674 MW LaCygne Unit II. The new notes were placed with unidentified institutional investors and were used to refinance \$152 million in 8.29% notes due 2016 and \$86.2 million in 7.625% notes due 2007, says **Greg Greenwood**, treasurer at parent company **Westar Energy** in Topeka, Kan. Refinancing now allows the company to take advantage of lower interest rates available in the market, says Greenwood.

The utility leases about half of the plant's output and the issuance backs its obligations, which include a debt payment and as well as a payment to owner, **Comcast MO Financial Services Inc.**, says Greenwood. The notes were issued via a trust set up in 1987 when Kansas Gas sold its stake in the plant to Comcast and set up a lease agreement, he adds. The utility met with four banks but settled on **Credit Suisse First Boston** because of its expertise in issuing debt associated with lease payments, says Greenwood. He declined to name the other banks with which it held discussions.

The utility has also amended the terms of the lease extending the maturity by 13 years to 2029, reducing annual lease payments. Greenwood would not comment on the financial savings. The notes are rated Baa3 by **Moody's Investors Service**, BB- by **Standard & Poor's** and BBB- by **Fitch Ratings**.

Northwest Issues \$50M In Long-Dates

Northwest Natural Gas has issued \$50 million in 10- and 30-year notes. The Portland, Ore.-based natural gas distributor issued \$40 million in 4.7% notes due 2015 and \$10 million 5.25% notes due 2035 that will replace maturing debt and fund an ongoing construction project, says **Steven Feltz**, treasurer in Portland. The company favored long-tenured debt because of the relatively flat yield curve available, he says. Furthermore, the long-term debt falls in line with the life of Northwest's assets.

About \$15 million in proceeds from the note sale were used to wipe out outstanding short-term debt, says Feltz.

Pricing on that debt could not be obtained. Another \$15 million, will replace a similar amount in maturing notes issued in 1993, split evenly between a 6.34%, a 6.38% and a 6.45% tranche. That debt was used for construction and working capital purposes, he explains.

The remaining proceeds have been slated for the ongoing expansion of the Mist storage facility outside of Portland, Ore. The company has been incrementally expanding the facility as its customer base grows, says **Hugh Welton**, analyst at **Fitch Ratings** in New York. According to Northwest's most recent 10K, the company's customer base totaled 584,862 at yearend 2004 versus 510,684 at the end of 2000.

Merrill Lynch, **UBS** and **JPMorgan Chase** led the new offering part of its bank group. Along with **Piper Jaffray**, the lenders make up the company's bank group. The offering was the first out of a \$160 million shelf registration but Feltz would not comment on future issuances.

Cleco Pays Down Revolver Via 4.9% Notes



Kathleen Nolen

Cleco Corp. has sold \$50 million in 4.95% notes to pay down its revolving credit line. The Pineville, La., holding company used its \$150 million facility to retire about \$50 million in maturing 9.5% first-mortgage bonds in March, with an eye toward wiping out that debt with longer-term obligations, explains **Kathleen Nolen**, cfo. She says an

interest rate environment that has allowed numerous utilities and energy outfits to chop pricing on outstanding debt and stretch tenors proved a good point at which to retool its mortgage bonds. "We saw an opportunity to refinance our debt and we took it. [4.95%] is not so bad," she comments. Cleco has some additional near-term maturities but she declined to provide a timeframe for its refinancing plans.

The 10-year notes, which mature July 2015, were handled by underwriters **Wedbush Morgan Securities** and **KeyBank Capital Markets**. KeyBank has participated as an agent in Cleco's revolving five-year credit lines, including its \$150 million and its \$125 million facility for utility subsidiary **Cleco Power**, which were refinanced about three months ago (PFR, 4/15). Cleco was introduced to Wedbush Morgan by its relationship lender **Union Bank of California**, which recommended the institution, Nolen says.

Cleco last completed a note offering in 2003, selling \$175 million in five-year 7% senior unsecured bonds via **BNY Capital Markets**, **Banc One Capital Markets**. "We like to use the abilities of our various relationship lenders," she notes.

Miss. Power Tackles Mortgage Bonds

Mississippi Power has taken advantage of an early call option so that it can take out \$30 million of 6 7/8% notes and replace the bonds with lower-rate debt. Although the 6 7/8% notes cannot be redeemed until Dec. 1, the Gulfport, Miss.-based utility subsidiary of **Southern Co.** decided to issue now to take advantage of prevailing low interest rates, says **Vicki Pierce**, assistant treasurer.

The utility has a capital markets team that evaluates the bond markets and determines whether the company should refinance outstanding notes, Pierce says. "Based on what rates were today, and not knowing what rates will be down the line, we decided to refinance," she comments. The 6 7/8% notes were the company's only remaining first-mortgage bonds, according to Pierce.

The new notes carry a 5.4% coupon and will mature in 2035. The deal was led by **Banc of America Securities**, which Pierce says was hired because it offered competitive pricing among other attractive terms, although she could not offer specifics. The outstanding 6 7/8% notes were issued in 1995 and will be redeemed at a 2.97% premium over par. Original underwriters include **Salomon Brothers**, **First Union Capital Markets**, **PaineWebber** and **Prudential Securities**. Officials with the banks or their successors did not return calls or declined to comment.

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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. Ongoing.
	Termomamonal	Colombia	90	Gas	None	
	Ottana	Italy	140	Gas	None	
Aquila	Racoon Creek	Ill.	340	Gas	Not chosen	Intention To Sell.
	Goose Creek	Ill.	340	Gas		
	Crossroads	Miss.	340	Gas		
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention To Sell.
Black Hills Energy	Pepperell	Mass.	40	Gas	-	Intention To Sell.
BNP -led bank group (Exelon developed plants)	Mystic River 7	Mass.	560	Oil/Gas	Lazard	Ongoing.
	Mystic River 8	Mass.	832	Gas		
	Mystic River 9	Mass.	832	Gas		
	Fore River	Mass.	832	Gas		
Calpine	Ontelaunee Energy	Ontelaunee Township Center, Penn.				Tenaska Power Fund in talks to acquire for \$231 million Tenaska in talks to acquire 50% interest for \$37 million Tenaska in talks to acquire 8% interest for \$7 million
	Grays Ferry	Philidelphia	175 MW,	gas-fired,		
	Philadelpha Water	Philidelphia	23 MW	gas-fired diesel and biogas		
	Morris Power Plant,	Morris, Ill.	156 MW,	gas-fired		Diamond Generating in talks to acquire for \$82 million International Power and Mitsui & Co. have agreed to acquire for \$906 million
	Saltend Energy Centre	Hull, England	1,200 MW,	gas-fired		
Citi & SocGen-led creditor group (TECO Energy developed plants)	Union	Ark.	2,200	Gas	Goldman	Ongoing.
	Gila River	Ariz.	2,300	Gas		
CMS Energy	Ensenada	Argentina	128	Gas	Not chosen	Announced Intention To Sell.
	CT Mendoza	Argentina	520	Gas	J.P. Morgan	
	El Chocon	Argentina	1,320	Hydro	J.P. Morgan	
Citi-led bank group (NEG developed plants)	Lake Road	Conn.	840	Gas	Lehman Bros.	Cargill Bought Debt Portion. (PFR, 12/27) Complete Energy Has Won The Bidding. Actively Pursuing A Sale.
	La Paloma	Calif.	1,121	Gas	Lehman Bros.	
	Lowell Power	Mass.	82	Gas	None	
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	Glennonville, 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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Investor NEWS

Generation Auction & Sale Auction (cont'd)

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

Weekly Recap

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

The Americas

- **Sierra Pacific Industries** is abandoning plans for a \$100 million sawmill and power facility in Everett, Wash. in part because of permit conditions set by the city. Company officials say they now plan to take the project to another city in Washington. The decision was announced after a private meeting between Port of Everett officials and the company on Thursday (*Associated Press*, 7/10).

- **Downeast LNG** announced plans to build an LNG terminal in the Washington County town of Robbinston. The proposed facility will consist of LNG storage tankage, processing equipment, a new pier and several small support buildings. The project would be built on an 80-acre site on the south side of Mill Cove, near where the St. Croix River meets the Passamaquoddy Bay (*Maine Today*, 7/12).

- **AIG Highstar Capital** said last week that it agreed to sell the **Southern Star Central** gas pipeline system for \$362 million to **General Electric** and Canada's largest institutional investor. The transaction, which also includes \$467 million in debt and preferred stock, is expected to close in the third quarter of this year, subject to customary closing conditions and regulatory approvals (*Associated Press*, 7/11).

- **Inergy** has agreed to buy the **eCORP**-developed Stagecoach natural gas storage facility in Tioga County, N.Y., for about \$205 million and expansion rights for an additional \$25 million. Stagecoach has about 13.6 billion cubic feet of working gas capacity, Kansas City-based Inergy said. (*Associated Press*, 7/11)

- A judge gave final approval to a previously announced \$474 million settlement between **Dynegy** and shareholders this week, clearing the way for possible payments by year's end. Dynegy will pay \$400 million in cash and \$68 million in stock to settle the class action shareholder lawsuit. The lawsuit alleged that the company misled investors about the financial status of the company when it sold new stock in 2001 (*Houston Chronicle*, 7/9).

- Wisconsin regulators last week approved plans by Chicago-based **Invenergy** to build the largest wind farm in Wisconsin. The 200 MW project across 50 square miles would be located just east of the Horicon Marsh, a state and federal wildlife refuge (*Milwaukee Journal Sentinel*, 7/8).

- **Cinergy Corp.** and **Duke Energy** have filed an application with the **Federal Energy Regulatory Commission** seeking approval of their merger agreement by early 2006. The combined company expects to share savings between customers and shareholders, according to the application. And the two companies claim the merger raises no competition issues (*Associated Press*, 7/13).

Europe and Asia

- **Tata Power** plans to build a 1,000 MW thermal power plant in Delhi. This will be in addition to the 1,000 MW plant in Mumbai and a 600 MW hydro power project that the firm will build at Shrinagar in Uttaranchal. **Ashok Uppal**, senior general manager of Tata Power, said the Delhi plant is under consideration and is yet to be approved by the board (*The Telegraph*, 7/11).

- **Petroliaam Nasional Bhd** subsidiary **Malaysia LNG Tiga Sdn Bhd** has been contracted to supply up to two million tons per year of liquefied natural gas to **Korea Gas Corporation** for 20 years starting 2008. Under a sale and purchase agreement signed with KOGAS on July 12, MLNG Tiga will have the option to extend the contract for another five years. Twelve bidders participated in last year's tender offer (*The Edge Daily*, 7/12).

- **Iberdrola** said it has reached an agreement with German wind farm promoter **Eternenergy** to acquire wind farms producing 201 MW in Germany and France. Iberdrola said 107 MW of the capacity acquired is located in Germany, with the remaining 94 MW located in France (*AFX*, 7/11).

- The Vietnamese government has approved a preliminary study for an electricity transmission and distribution project that is estimated to cost nearly US\$323.8 million. The study suggests that Vietnam should borrow US\$200 million of the proposed investment from the World Bank and the remainder from commercial banks and funds to support development (*Asia Pulse*, 7/11).

- **AEM SpA** said it, **Mediobanca SpA** and other investors have reached an agreement regarding their shareholdings in **Delmi**, a vehicle set up by AEM to take part in the takeover of **Edison SpA** along with **Electricite de France**. Under the agreement, AEM will have a 60% in Delmi, Mediobanca 10%, **Societa Elettrica Altoatesina SpA** 10%, **Dolomiti Energia SpA** 10%, **Banca**

Popolare di Milano 5% and the **CRT foundation** 5% (*AFX*, 7/8).

● **Malaysia's Mudajaya Group Bhd.** has agreed to enter into a joint venture with **R.K. Powergen Pte.** to build a coal-fired power plant in India worth MYR869 million. Mudajaya will hold 26% of the company. Mudajaya will raise the MYR27.8 million it is investing in the 300 MW plant via internal funds or borrowings from financial institutions. About 80% of the financing for the power plant will be raised in India, said Mudajaya (*Dow Jones*, 7/13).

● **Power Corporation Limited** at Karaikal, India has drawn up a plan to expand its power plant's production capacity by 100 MW at an estimated cost of Rs 400 crore, a top official said. The plant is now producing 32.5 MW (*Chennai Online News*, 7/13).

● **El Paso Corp.** has closed the sale of its stake in **Korean Independent Energy Corp.** to **Korea Power Investments Co.** in its latest step to divest its Asian power plant portfolio. The sale of the 50 percent stake in the 1,800 megawatt liquefied natural gas-fired power plant raked in \$284 million, up from the \$276 estimated in May. El Paso said it will record a pretax gain of \$111 million (*Reuters*, 7/11).

● Plans to extend Scotland's most powerful wind farm have been approved by the Scottish Executive. Fifty-two turbines will be built on the £90m Crystal Rig site near Dunbar in East Lothian. The site will be operated by the Norwegian owner **Fred Olsen Renewables** and its Dumfriesshire-based subsidiary **Natural Power Consultants**. After the two-year construction, the farm will generate 227 MW (*BBC News*, 7/12).

CAITHNESS PLOTS

(continued from page 1)

Company, are comprised of series of three plants, Navy I-II and BLM, totaling 270 MW plant that are underpinned by a PPA with **Southern California Edison**. Navy I's contract expires in 2010, Navy II Contract expires in 2011, and the BLM Contract expires in 2019.

—*Mark DeCambre*

CLECO MULLS

(continued from page 1)

Sachs as its financial advisor, says **Crump**. **Michael Duvally**, spokesman at Goldman in New York, could not make an official available before press time.

The infrastructure needed for the facility at Boyce, La., already exists since the site was built for future development. Moreover,

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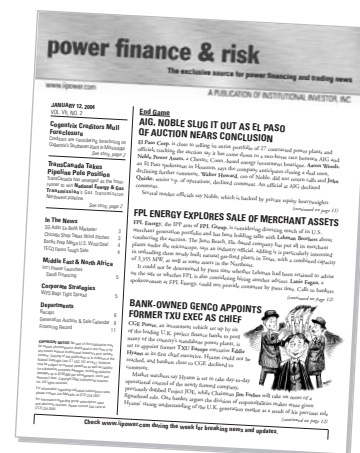
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Financing Record (JUNE 29 - JULY 11)

Debt

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

M&A

Date Announced	Aquiror Name	Aquiror Nation	Target Name	Target Nation	Value(\$M)
7/11/05	Investor Group	United States	Southern Star Pipeline	United States	838
7/11/05	Inergy LP	United States	Stagecoach Natural Gas Storage	United States	205
7/13/05	Ecofin Ltd	United Kingdom	Sechillienne-Sidec SA	France	125.426
7/7/05	AMGA SpA	Italy	Acqua Italia SpA	Italy	84.746
7/7/05	Genova Acque SpA	Italy	Acquedotto de Ferrari Galliera	Italy	47.604
7/7/05	TransMontaigne Inc	United States	Radcliff/Economy Marine Svcs	United States	40
7/13/05	Oresundskraft AB	Sweden	Angelholms Energi AB	Sweden	27.42
7/12/05	ACEA SpA	Italy	Sigesa SpA	Italy	23.269
7/7/05	Wilmington Investments	United States	Ivanovo Power Generating Co	Russian Fed	
7/7/05	Wilmington Investments	United States	Ivenergo	Russian Fed	
7/7/05	Wilmington Investments	United States	Ivanovo Power Trading Co	Russian Fed	
7/8/05	Cobb Electric Membership Corp	United States	Southern Co GAS-Georgia Assets	United States	
7/11/05	Iberdrola SA	Spain	Eternegy GmbH-Wind Power Asset	Germany	

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

the plant will be on the same site as the Rodemacher Power Station, which consists of a 440 MW gas-fired plant and a 525 MW solid-fuel plant. The plant should be up and running by year-end 2009.

—*Raquel Pichardo*

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FPL TAPS

(continued from page 1)

opportunities in earnest, market watchers say. Segouin, who joined Exelon in 2003, was instrumental in the company's \$12 billion acquisition of **Public Service Enterprise Group** and is hoping to make a comparable tie-up happen for FPL, bankers say.

Prior to his stint with Exelon, Segouin was a banker with the global power group at **Lehman Brothers** in New York, where he led the attempted sale of Exelon's 3.4 GW merchant generation portfolio.

At FPL, Segouin will report to CEO **Lewis Hay** and **James Robo**, president of IPP arm **FPL Energy**. Calls to Hay and Robo were referred to Scott.

—*Chritine Buurma*

Quote Of The Week

"Based on what rates were today, and not knowing what rates will be down the line, we decided to refinance." —**Vicki Pierce**, assistant treasurer for Gulfport, Miss.-based **Mississippi Power**, on the utility's strategy for refinancing debt (see story, page 5).

One Year Ago In Power Finance & Risk

Consolidated Natural Gas, a **Dominion**, subsidiary, was looking to replace a 364-day, \$1 billion letter of credit loan facility with a three-year deal. [The company lured 35 banks for a \$1.5 billion revolver (PFR, 8/16). It was priced at LIBOR plus 67.5 basis points.]