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Web Exclusive

CNG Reworks Revolver

Consolidated Natural Gas plans to upsize a $1.5 billion revolver and knock 20 basis points from its old line.

For story go to iipower.com

Plant Manager Eyes Equity Infusion

Tyr Energy will invest more steadily in generation facilities to land more management contracts.

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Sempra Ponders MW Expansion Funding

Sempra Energy mulls funding routes for a 600 MW expansion project in Bremond, Texas.

See story, page 3

In The News

Corporate Strategies

Departments

UBS' TRADING MAVEN HEADS TO DEUTSCHE BANK

Louise Kitchen, managing director and head of energy structured products at **UBS Warburg Energy** in Stamford, Conn., is jumping to Deutsche Bank in the Big Apple. The former COO of **Enron Americas** is said to be following ex-UBS colleague **Mark Ritter**, who left the Swiss bank to become global head of commodities at Deutsche Bank in April. Kitchen's exact role could not be ascertained. Kitchen, when reached on her

(continued on page 12)

HOUSTON DEVELOPER EYES PROJECT ARENA FOR IND. BUILD

Houston-based developer **Tondu Corp.** is in early discussions with non-recourse lenders for a 530 MW integrated gasification combined cycle plant near South Bend, Ind. Construction costs will run between $800 million and $1 billion and the development shop is hoping to land funding to cover as much as 90% of costs, says **Joe Tondu**, president. The Crossroads project will use **Shell Global Solutions** technology and should be fully permitted by spring 2006, he notes.

Tondu has spoken with several potential lenders, including **DZ Bank**, **Calyon**, **CIT**,

(continued on page 12)

LS POWER TO REFINANCE $554M LOAN

LS Power is planning to refinance a $554 million mini-perm loan it obtained to back the construction of a 1.1 GW gas-fired plant just 30 miles south of Chicago. The East Brunswick, N.J., player developed the asset and sold it to **NRG Energy** five years ago, but re-acquired it about six months ago, when NRG opted to unload it to shore up its balance sheet.

Just over $50 million of the seven-year loan has already been paid down, which means LS Power hopes to bag fresh debt of about $500 million. Longer-tenor financing of roughly 10

(continued on page 12)

PRIMARY ENERGY TEES UP $230M IPO

Primary Energy is set to raise some C$300 million ($230 million) in an initial public offering on the **Toronto Stock Exchange**. The Oak, Brook, Ill.,-based generator plans on using proceeds from the offering, which likely will be launched sometime next week, to pay down debt tied to a quintet of qualified cogeneration facilities totaling 444 MW acquired two years ago.

Last year, the shop, which was founded by veteran power financier **Bill Rockford**, pulled a planned $375 million B loan refinancing for the same group of plants, via **Credit Suisse**

(continued on page 12)

At Press Time

Sempra To Recast $2.7 Billion In Revolvers

Sempra Energy is reworking $2.7 billion in three-year revolving loans at subsidiaries **Sempra Global**, **San Diego Gas & Electric** and **Southern California Gas Co.** Sempra Global maintains some $2 billion in debt lines and plans are for the company to consolidate the facilities and upsize the total capacity to about $2.2 billion. At the same time, Sempra will combine its gas and electric utility revolvers into an approximately $500 million credit line, say watchers involved with the holding companies financing plans. **Citibank** and **JPMorgan Chase** are said to be lead arranging the debt package and are pitching a five-year revolver for Sempra Global at pricing of about LIBOR plus 55 basis points fully drawn. The utility revolver is expected to be a five-year line but additional details could not be ascertained.

Calls to **Charles McMonagle**, treasurer at Sempra in San Diego, were directed to spokesman **Doug Kline**, who declined comment. Officials at Citi and JPMorgan did not return calls requesting comment.

According to **Securities and Exchange Commission** filings, SDGE has about $233 in credit lines while SoCal Gas has approximately $300 million in lines earmarked for general corporate purposes. The new credit lines are expected to allow for letters of credit as well as support short-term obligations.

Last year, via Citi and **Royal Bank of Scotland**, Sempra obtained a $1 billion unsecured revolving credit to fund construction of planned liquefied natural gas developments in Mexico and the U.S. (PFR, 11/17).

RBS Markets $383M In Notes For Freeport LNG

Royal Bank of Scotland has launched a $383 million private placement to partially finance the last two and a half years of construction for **Freeport LNG Development**'s liquefied natural gas facility in Quintana, Texas. The 20-year notes have a coupon of 6.45% and are being placed with life insurance companies and pension plans, says **Chuck Zabriskie**, managing director at RBS in Houston. The lengthy tenor matches the expected long life of the assets, adds Zabriskie.

The facility is expected to cost over $650 million and Freeport was targeting debt of about $200 million (PFR, 2/21). The additional funds are earmarked for a planned expansion of 500 million cubic feet per day, says **Charles Reimer**, president of Freeport in Houston. In May, the company applied for an expansion of the 1.5 billion cubic feet facility and it wanted to finance future costs now to take advantage of favorable interest rates. If the expansion does not receive **Federal Energy Regulatory Commission** approval, the extra $183 million will be used internally, he notes. He declined to disclose the full cost of the expansion.

ConocoPhillips, who has contracted for two thirds of the output, will front the first $460 million of development and the remainder will be split between Conoco and Freeport, adds Reimer. More details about Conoco's involvement could not be obtained. A call to Conoco in Houston was not returned. The remaining output is contracted with **Dow Chemical Company**, which owns a stake in the LNG operation as does **Cheniere Energy, Contango Energy** and individual investor **Michael Smith**, former CEO of **Basin Petroleum**.

Construction has been underway for six months and is due to wrap first quarter of 2008.

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Institutional Investor NEWS
INTELLIGENCE FIRST

K-Road Finalizes Agreement For Exelon Assets

William Kriegle

K-Road Venture has inked a purchase and sale agreement with the creditors of **Exelon Boston Generating**. Manhattan-based K-Road, which is run by **William Kriegle**, signed a contract with the debt holders a little over a week ago, says one insider. Several weeks prior, a pricing spike caused debt associated with the 3 GW facilities to pop from levels of 115 to 130 in the secondary market, causing the principal players in the deal to return to the bargaining table (PFR, 6/27) since Kriegle's initial offer, was about 14% cheaper than the market. Kriegle declined to comment.

Completion of the transfer is now pending **Federal Regulatory Energy Commission** approval, which will be obtained over the next few months. **Credit Suisse First Boston** will look to arrange $600 million in debt financing for the portfolio (PFR 5/23), which was developed by **Exelon Corp**. The Boston portfolio includes Mystic 7, 8 and 9, Fore River, all 832 MW gas-fired plants, along with Mystic 7, a 560 MW oil and gas-fired plant.

The pricing spike occurred as a result of a promising ruling announced by FERC, which is anticipated to facilitate the implementation of Locational Installed Capacity—a move that bodes well for IPPs in the New England area because it will help compensate producers more efficiently during peak demand periods.

Sempra Mulls Options For Lone Star Plant

Sempra Energy is mulling financing options for expanding the 305 MW Twin Oaks Power Plant near Bremond, Texas. Plans are still in its early stages with permitting expected to last another one or two years. If approved, it is likely that the San Diego-based holding company will use a combination of cash on hand and a revolver initially to fund the addition of about 600 MW to the coal-fired facility, at a cost of about $750-800 million. Subsequently, it could turn to non-recourse financiers for longer-term debt, says spokesman **Dennis Arriola** in San Diego. He declined to make an official available.

Sempra is comfortable with its overall debt-to-equity ratio of 50:50 so its options might also include seeking funding in the capital markets, the spokesman says. As of March 31, it had $609 million in cash on hand. Arriola declined to provide a timeline for financing.

A PPA for the additional capacity has not been inked but unnamed offtakers have expressed some appetite, says Arriola. An agreement would be critical to the company obtaining an attractive construction package from non-recourse lenders since those financiers prefer deals with PPAs in place. The existing plant has been running since 1991

Alliant Looks To Renew $650M In Revolving Lines

Alliant Energy is refinancing $650 million of revolvers: $100 million for the parent, $300 million for **Interstate Power and Light** and the balance for **Wisconsin Power and Light**, says a banker. Spokeswoman **Becky Johnson** in Madison, Wis., could not make an official available and declined to comment.

Lead arrangers **Barclays Capital** and **Wachovia Capital Markets**, are pitching the five-year lines with pricing of 55 basis points over LIBOR at the parent and a 12.5 basis point facility fee; 45 basis points over LIBOR on IP&L; and LIBOR plus 35 on WP&L. Those subsidiary lines carry facility fees of 10 and 7.5 basis points. Fully drawn, all of the credit facilities carry an additional fee of roughly 10 basis points. Officials at Barclays declined to comment and calls to financiers at Wachovia were not returned.

Scott Solomon, analyst at **Moody's Investor Services** in Jersey City, N.J., says Alliant has trimmed debt sufficiently enough to garner an increase of an additional year on the existing lines which had a four year tenor. The existing line closed in July 2004 and replaced a troika of expiring 364-day facilities (PFR, 8/2).

The deal is being pitched to the 18 existing lenders. Commitments are due on Wednesday with closing expected next week.

Pentium Eyes Commodity Fund

Swiss hedge fund firm **Pentium Fund**, which manages approximately €400 million, is planning a commodity fund for the fall. This would be the firm's sixth offering. The commodity fund will invest in exchange-traded funds linked to a wide range of commodities including oil, energy and precious metals, said **Vicente-Andres Zaragoza**, ceo in Paris. "It's very much in my mind and I'm already talking to some managers," he adds.

"At the moment, we think [commodities] are the investment instrument for the next few years. Equity markets have no volatility and bonds are going to be very stable…while commodities are hot," he continues. Pentium is back-testing the strategy but might be ready to launch the fund in October. It is likely to charge a 1.5% management fee with a 15% performance fee, and have a €100,000 investment minimum.

Aquila To Offer $300M Bonds To Fund Plant

Aquila plans on issuing about $300 million in first-mortgage bonds to support a roughly 20-25% stake it hopes to invest in a yet-to-be-built Iatan, Mo., coal-fired plant. The 800-850 MW facility is being proposed by **Kansas City Power & Light**—a division of Kansas City, Mo.-based **Great Plains Energy**. Aquila plans on using proceeds to help fund construction but an observer following the deal, says that even if the plant is never built, the debt holders will still get paid out since the bonds are tied to Aquila's electric assets in Missouri. Aquila spokesman **Al Butkus**, in Kansas City, says the company is waiting for final approvals from the **Missouri Public Service Commission** to proceed with its financing plans. He declined to provide additional details. A call to **Rick Dobson**, cfo at Aquila, was not returned.

The mortgage offering is expected to bear a non-investment grade rating. Aquila's corporate rating is B minus/B2 by **Standard & Poor's** and **Moody's Investors Services**. Details have not been worked out, including pricing. But the tenor of the debt likely will be in the vicinity of five years.

Union Bank of California has been tapped as lead underwriter but the financial institution is seeking additional parties to assist. An investment bank meeting will be held either today or tomorrow to draw additional participants, one financier notes.

The planned $1 billion Iatan facility is being constructed primarily to address Aquila customer demands for additional capacity in the Missouri region. Additional proceeds from the offering could also be used to make improvements to a 670 MW nearby plant, which Aquila also owns jointly with KCP&L, says a source familiar with its plans.

Mgmt. Shop Looks To Pump In Equity

Asset manager **Tyr Energy** plans on investing equity more consistently in generation facilities as a part of a strategy to win more management contracts. In line with the effort, it has hired **Thomas Wertz**, as an executive managing director in Overland Park, Kan. The former **Aquila** executive will be responsible for the operations including its capital investments in projects, says **Brad Nordholm**, ceo. "We are continuing to grow our services business and are placing a greater emphasis on our capital investments," he comments.

In the past, Tyr took stakes in facilities of anywhere from a couple of percentage points to 10%. But it now senses that prime buyers of auctioned plants—private equity firms and hedge funds—will be more inclined to award coveted management contracts to bidders offering to put up as much as 10-25% in the projects. "Owners want to feel that your interest are aligned with theirs," say Nordholm

Japanese utilities **CHUBU Electric Power** and **ITOCHU Corp**. are the main backers for Tyr but Nordholm declined to say how much buying power the entities provide. Projects including Granite Ridge, Liberty, MachGen and assets owned by **InterGen**, might fit Tyr's investment and management profile, he notes. "Any of the projects where hedge funds are the intermediate owners," he says. Tyr is also actively looking at projects that aren't distressed and selectively taking aim at some pre-construction.

Wertz is expected to begin his duties in earnest next week. He replaces **Ed Mills**, who stepped down several weeks ago, taking an advisory post. Nordholm declined to discuss the rationale behind Mills move, nor would he discuss the recent departure of **Kim Johnson**, who served as partner at the firm. Presently on vacation, Johnson declined to comment when reached on her mobile phone. Mills and Wertz did not return a call for comment.

Corporate Strategies

Alliant Unit Snags 5.5% Coupon

Interstate Power and Light Company, a Cedar Rapids, Iowa, unit of **Alliant Energy**, tapped the public unsecured bond market for $50 million last week by issuing 20-year 5.5% senior debentures (BBB). The proceeds will be used to call the same amount in secured bonds which carried a 7% coupon and were set to mature 2023. The new rate will result in annual savings of $750,000.

The main objective of the deal was to lock in a better long-term coupon, says **Becky Johnson**, head of investor relations at Alliant. The company chose the 20-year note in part because of where it fit in Alliant's maturity schedule. Another advantage was the ability to take out the secured debt in exchange for unsecured notes. Last week and the week before, at least three other power companies chose to issue longer-termed notes because of favorable rates at the longer end of the yield curve.

Alliant has been focusing on its domestic utility business and shedding its non-core assets, such as its nuclear and water facilities. It is currently in the process of getting approval for a $387 million sale of an Iowa nuclear plant to **FPL Group**, a Juno Beach, Fla.-based company. Over the last two years, asset sales combined with a general plan to lower the company's leverage have resulted in over $1 billion in debt reduction. **Barclays Capital** led the offering, assisted by **Banc of America Securities**. **Lazard Capital Markets** co-managed the deal. Johnson said Barclays was better suited for this type of deal, which is why it was chosen as a lead, but declined to comment further.

Corporate Strategies (cont'd)

Alabama Gas Calls Debt

Alabama Gas has redeemed $18 million in several tranches of medium-term notes as the debt became callable and the utility had the cash on hand to call the debt, says **Walt McMahon**, director of treasury at parent **Energen** in Birmingham, Ala.

The existing debt consisted of $7 million in 6.83% notes due 2007, $5 million in 6.99% notes due 2008 and $6 million in 7.67% notes due 2022. All were issued in 1995 and were callable after 10 years. McMahon says Alabama Gas has no plans on refinancing the debt since it has a healthy cash position. "We're not actively looking to raise any debt at the moment," he adds.

Jeanny Silva, associate director in the energy group at **Standard & Poor's** in New York, says the company had $4.5 million in cash at the end of 2004 and $2.1 million at the end of 2003. Silva says an $80 million bond issuance in January of this year boosted the cash position. The notes were evenly split between a 5.2% paper maturing in 2020 and 5.7% debt maturing in 2035.

Garden State Utility Takes Down 30-Year Notes

South Jersey Gas has redeemed $10 million in 7.9% bonds in preparation for less expensive offering. The 30-year debt was issued in July 2000 and will be replaced within the next two months with notes of an identical tenor, says **Stephen Clark**, treasurer at parent **South Jersey Industries** in Folsom, N.J. "It's very easy to replace higher priced debt these days," he says, referring to the relatively flat yield curve available on 30-year debt. Furthermore, the notes had no call premiums, he adds.

The notes were issued as part of the natural gas utility's $100 million medium-term note shelf registration set up in 1998, which allowed for tenors of up to 40 years. Proceeds were used for capital expenditures such as pipeline expansions, says Clark. South Jersey Gas' customer rate grew some 3% in 2004 and infrastructure needs to be expanded to meet those needs, he underscores.

South Jersey Gas is in the process of establishing another $150 million program, which should be filed with the **Security and Exchange Commission** in the next two months. The new notes will come from its new debt shelf. The gas distributor may issue more than $10 million in 30-year notes depending on current interest rates, Clark adds. The long-dated debt falls in line with the company's long-lived assets and South Jersey Gas has no other maturities in 2035.

Edward Jones, **AG Edwards**, **UBS** and **Wachovia Capital Markets** are part of the company's bank group and will be tapped to lead the new offering.

Neb. Utility Sets $300M Capex Shelf

Omaha Public Power District has obtained an approximately $300 million shelf to finance upgrades to its operations. The debt program, approved last week by the Nebraska public utility's board, will allow Omaha to issue long-tenor notes over the next three years when favorable rates arise, says **Aaron Feldman**, associate v.p. at **Moody's Investors Service** in New York, who tracks the public utility. Omaha spokesman **Mike Jones** says the shelf allows for a more rapid-fire offering process since the company will not have to register for each offering. Calls to **John Thurber**, manager of finance at OPPD, were directed to the spokesman.

JP Morgan Chase and its affiliates were hired to set up the debt shelf but Omaha plans on using as-yet-undetermined investment banks to act as issuers when it is ready to offer bonds. The spokesman could not outline the utilities plans to issue from the shelf, including the offering amounts or timing. **Lehman Brothers** also acted as advisor in arranging the debt shelf.

Earlier this year, Omaha announced a plan to invest some $1.6 billion in capital improvements, notes Feldman. Those plans include developing Nebraska City #2 coal-fired generating station with venture partner **Black & Veatch**. The utility plans on purchasing about 50% of the capacity from the facility in order to serve its customer load. It also intends on spending $340 million to upgrade the 476 MW Ft. Calhoun Nuclear Station.

Going Long

Players Feast On Flattened Yield

Dominion Resources, **Northern States** and **Union Electric** are taking advantage of a flat yield curve and locking in long-term rates. In total, Dominion and its peers have raised a combined $1.1 billion in bonds with maturities ranging from 18-32 years over the past few weeks. Long-term debt is preferable to most generation companies because it matches the long-life of assets, such as power plants and pipelines, notes one debt capital markets banker who worked on two of the offerings.

The flat yield curve results in a smaller pricing differential between 10-year and 30-year paper, which for issuers translates into a cheaper funding. "If you have a long bond around 145 basis points over Treasuries, which are at 4.45%, that's a coupon of 5.90%. Compare that to a 10-year bond at 105-110 basis points over 4.20% and you get 5.30%—which is only 60 basis points cheaper than the 30," explains the banker.

Last week, Dominion raised $500 million in 30-year notes and Northern States sold $250 million in 30-year notes. This week, Union Electric auctioned $300 million in 32-year notes. Calls to officials at the companies were not returned.

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@iinews.com.*

Seller	Plants	Location	MW	Plant Type	Advisor	Status
AES	Wolf Hollow	Texas	730	Gas	N/A	Transferred to KBC-led creditor group.
	Termomamonal	Colombia	90	Gas	None	Ongoing.
	Ottana	Italy	140	Gas		
Aquila	Racoon Creek	Ill.	340	Gas	Not chosen	Intention To Sell.
	Goose Creek	Ill.	340	Gas		
	Crossroads	Miss.	340	Gas		
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention To Sell.
Black Hills Energy	Pepperell	Mass.	40	Gas	-	Intention To Sell.
BNP -led bank group (Exelon developed plants)	Mystic River 7	Mass.	560	Oil/Gas	Lazard	Ongoing.
	Mystic River 8	Mass.	832	Gas		
	Mystic River 9	Mass.	832	Gas		
	Fore River	Mass.	832	Gas		
Calpine	Ontelaunee Energy	Ontelaunee Township Center, Penn.				Tenaska Power Fund in talks to acquire for $231 million
	Grays Ferry	Philidelphia	175 MW,	gas-fired,		Tenaska in talks to acquire 50% interest for $37 million
	Philadelphia Water	Philidelphia	23 MW	gas-fired 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			
	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.
	CDECCA	Conn.	62	Gas		Negotiations Are Taking Place With BroadStreet Resources.
	Eagle Point	N.J.	233	Gas		
	Pawtucket	R.I.	67	Gas		
	San Joaquin	Calif	48	Gas		Being Shopped To North American Power Group.
EnCana	Cavalier	Alberta	106	Gas	HSBC	Launched Sale In April.
	Balzac	Alberta	106	Gas	HSBC	
	Kingston	Ontario	110 (25%)	Gas	HSBC	

Generation Auction & Sale Auction (cont'd)

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

Weekly Recap

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

Asia

• Korea has finalized a long-term import contract for 5 million metric tons of liquefied natural gas for about 38 percent less than what previous deals cost. In 2008, the Ministry of Commerce, Industry and Energy said Korea will begin buying two million tons of LNG annually from **Yemen LNG Co.**, 1.5 million tons from **Malaysia LNG** and 1.5 million tons from **Sakhalin Energy** (*The Korea Herald*, 7/18).

• Indian state-run gas transporter **GAIL** said the contractors who abandoned the Dabhol power plant's liquefied natural gas terminal in 2001 had agreed to complete it by July 2006. Norway's **Kvaerner** and Britain's **Whessoe**, along with local construction firm **Punj Lyod**, will complete the 5 million tonnes a year terminal (*Reuters*, 7/18).

Europe and the Middle East

• German engineering group **Siemens** has won deals worth a total of around $724 million to build power plants in Germany and Norway. **Naturkraft**, a joint venture between Norwegian energy and metals group **Norsk Hydro** and state-owned power firm **Statkraft**, commissioned Siemens to build a 420 MW plant at Kårstø on Norway's west coast. The Norwegian plant is due to go into operation in autumn 2007 (*Reuters*, 7/18).

• A plan to put 19 wind turbines on a pair of mountain ridges in Monterey, Va., won initial county approval. The 2-1 vote Thursday by the Highland County Board of Supervisors followed about three years of debate about whether to welcome the wind farm, which would be the state's first. The 200-acre Highland New Wind Development would be set up by retired poultry businessman **Henry McBride** (*Associated Press*, 7/15).

• Ireland looks set to miss its **European Union** target of generating at least 13.2% of its electricity from renewable sources by 2010, according to industry figures. A number of sources in the renewable energy sector said that the government had failed to support their work. They called for tax breaks and other incentives to help people convert to renewable energy sources (*The Sunday Business Post*, 7/17).

• Britain's ministry of defense has lifted a ban on several wind farm projects in southern Scotland after easing fears that they could interfere with a seismic station monitoring a ban on nuclear tests. The ministry of defense had blocked all wind farms planned within 50 miles of the Eskdalemuir seismic array site which monitors the Comprehensive Nuclear Test Ban Treaty (*Reuters*, 7/18).

• The government of Bahrain has taken a major step toward privatizing the 1,000 MW Hidd power and water station. It plans to sell the project to an international group, which has successfully developed at least two independent power projects. The company bidding for the project will also be responsible for the construction of a new 60 MIGD desalination unit, said Finance Ministry Assistant Under-Secretary for Economic Affairs **Mahmood Al Kooheji** (*Gulf Daily News, 7/20).*

The Americas

• A **U.S. Army Corps of Engineers** repair project at the Qudas electric power generating station 25 kilometers north of Baghdad is 85% complete. Engineers predict the work will be finished within a month. The plant's output capacity is 492 MW (*Portal Iraq*, 7/18).

• **Allegheny Energy** is forced to fork over $115 million to **Merrill Lynch** after a federal judge rejected the utility's claim that the New York-based investment firm had defrauded it in the sale of Merrill's energy unit in 2001. Judge **Harold Baer Jr.** noted that while Merrill initially submitted inaccurate financial information for the trading unit, it submitted accurate results just before the sale closed (*Wall Street Journal*, 7/19).

• A legislative hearing on a first-in-the-nation ocean zoning plan turned into another showdown yesterday over **Cape Wind Associates**' proposal to build a wind farm on Nantucket Sound. The Legislature is considering wide-ranging regulations on ocean uses such as wind turbines, offshore LNG terminals, dredging and utility lines. The regulations would only apply to state waters within three miles of shore (*Cape Cod Times*, 7/19).

• Canada's government says it has reached an agreement with five northern aboriginal bands to help solve social problems that are holding up development of a planned C$7 billion Arctic gas pipeline. Ottawa said it was ready to provide C$500 million over the next 10 years to help the groups deal with the impact of the pipeline. **Imperial Oil** and its partners the Mackenzie project halted most work on the 840 mile line in April, in part because of spiraling cash demands from native groups (*Reuters*, 7/19).

• **Maritimes and Northeast Pipeline** has won the right to transport liquefied natural gas to communities around the region and into the Northeastern U.S. and has signed an agreement with the two international energy companies that are building LNG terminals in Cape Breton and New Brunswick. The company plans to expand the pipeline which should be ready by 2008 (*CBC News*, 7/18).

- South Carolina state lawmakers are calling for the resignation of **Santee Cooper** director **Richard Coen** and **John Molnar** for a seat on the state-owned utility's board. The Senate Judiciary subcommittee gives its formal backing to several accusations that individual lawmakers leveled at Santee Cooper directors during spring hearings. Santee Cooper is a state-owned utility that supplies power to 40% of state residents, directly or indirectly (*The State*, 7/19).

- Last Monday, the **United Illuminating Co**. applied to state regulators for a 10% increase, its first request in a decade to increase its distribution rates. The increase would be used to help the company replace its aging distribution system and cover increasing operating costs. The Illuminating Co. said in June it planned to file for the increase (*Republican-American*, 7/19).

- State efforts to bring the $1 billion FutureGen project, nation's first zero-pollution power plant, to Texas will be led by the Bureau of Economic Geology in conjunction with **Eastman Chemical Co**. working to help the state secure that plant Texas. The facility would use coal and capture carbon dioxide emissions for use in enhanced oil recovery and hydrogen gas for use in the chemical, refining and transportation fuel industries (*News Journal*\, 7/19).

- **Clipper Wind Power** will develop 150 MW of wind energy to be sold through a PPA agreement with Interstate Power and Light, **Alliant Energy Corp.**'s Cedar Rapids, Iowa-based utility. The project, known as "Endeavor," is expected to be completed by the end of 2006 (*Milwaukee Business Journal*, 7/18).

Russia and Australia

- Russia's president used a meeting with the Turkish head of state to urge completion of an ambitious gas pipeline. We should bring the Blue Stream pipeline to full capacity, President **Vladimir Putin** said after talks with Turkish Prime Minister **Recep Tayyip Erdogan**. That pipeline passes under the Black Sea to link Dzhugba and Samsun. Putin also said more such projects could be pursued between Russia and Turkey (*WebIndia123*, 7/18).

- **Kon Vatskalis**, the Australian Northern Territory Mines Minister, has given official approval for **Conoco Philips** to operate the pipeline between the Bayu-Undan gas field and Darwin. The approval allows Conoco to begin testing the pipeline in the first step to moving gas onshore from the Timor Sea (*ABC News Online*, 7/18).

UBS' TRADING

(continued from page 1)

cell phone, declined to comment. Her start date at Deutsche Bank could not be ascertained.

Calls to Ritter and Deutsche Bank spokeswoman **Michele Agostinho** in New York were not returned and UBS spokesman **Mark Hengel** in New York declined to comment.

Despite making efforts to expand its trading platform over the past two years (PFR, 5/15/03, 10/12/04) UBS has seen the departure of several high-level trading execs including Ritter and **John Broyles**, who jumped over to hedge fund **Alpha Energy Partners** in Columbus, Ohio (PFR, 4/8). Broyles declined to comment.

Kitchen is widely credited with the creation of *EnronOnline*, which UBS acquired, along with its energy trading business, following the collapse of **Enron**. *—Mark DeCambre*

HOUSTON DEVELOPER

(continued from page 1)

Prudential and **Royal Bank of Scotland**. **Mary Power**, v.p. of project and structured finance for DZ in New York, says Tondu is an experienced developer and DZ hopes to be considered. **Chuck Zabriskie**, managing director at RBS, says the bank is interested in IGCC, but it is too early to comment on the Tondu project. **Jimmy Anderson**, senior associate in the project finance group at Calyon, and **Dan Morash**, head of the power, energy and infrastructure group at CIT did not return calls, nor did **Bob DeFillipo**, spokesman at Prudential.

Demand for power from local municipalities is strong but PPAs have not yet been inked, notes Tondu. He declined to name counterparties with which it has held discussions or disclose the nature of its talks. Engineering, procurement contracts, as well as other permits, still need to be obtained. Talks with contractors will not begin until third or fourth quarter of this year once permits have been filed, says Tondu. *—Raquel Pichardo*

LS POWER

(continued from page 1)

to 15 years, matching the Minooka, Ill., plant's expected life, would be a target for LS Power, notes one banker. Financing likely will kick off sometime around Labor Day. An LS Power official, refused comment.

The refinancing effort is being led by **Credit Suisse First Boston**, which originally arranged the debt in 1999 along with **Société Générale**. **Lehman Brothers** also is acting in a joint-lead capacity with a cadre of other lenders including **Goldman Sachs** scoring participating roles. It is unclear if SocGen still has a role. Officials at the firms either declined to comment or did not return calls.

The original mini-perm package broke down into five components: a $505 million-term loan priced at LIBOR plus 125 basis points; a $25 million letter of credit priced at LIBOR plus 137 basis points; $15 million and $4 million LOCs at around 135 basis points and a $5 million revolver with similar pricing to the LOCs.

The facility has long-term offtake contracts in place from **Dynegy** and **Constellation Energy**. They signed up to purchase power for about 10 or 15 years at the plant, which was fired up in 2002. It is unclear how much capacity the contracts cover but originally LS Power was aiming to keep about 25% of the facility merchant. *—M.D.*

PRIMARY ENERGY

(continued from page 1)

First Boston, after failing to land the pricing and structure it wanted (PFR, 7/21/04). It appears now to favor an IPO in Canada because the terms and appetite for the deal are strong, one deal tracker comments. Calls to **Mark Hall**, senior v.p. at Primary, were not returned.

In conjunction with the public offering, Primary also plans on issuing privately subordinated debt of about $140 million. Both offerings will be underwritten by **RBC Capital Markets** and **CIBC World Markets**. Specific terms have not been finalized. Financiers at CIBC and RBC declined comment.

The facilities are under contracts with **United States Steel**, **Ispat Inland** and **International Steel Group** go out as far as 2018. Four of the operations--Northlake, Cokenergy, Harbor Coal and Ironside are in East Chicago, Ind., while a fifth, Portside, is sited in Portage, Ind.

Primary Energy, formerly called **Private Power**, took on the Primary Energy name after acquiring the steel manufacturing-related power plants from **NiSource**. *—M.D.*

Quote Of The Week

"At the moment, we think [commodities] are the investment instrument for the next few years. Equity markets have no volatility and bonds are going to be very stable…while commodities are hot."—**Vincente-Andres Zaragoza**, *ceo at* ***Pentium Fund****, on why a commodity fund is in the works (see story, page 3).*

One Year Ago In Power Finance & Risk

CenterPoint Energy's auction of its 81% stake in **Texas Genco** was underway. [A consortium including **Kohlberg Kravis Roberts**, **Texas Pacific Group**, **The Blackstone Group** and **Hellman & Friedman** acquired the IPP for $3.65 billion and are seeking to take the operation public (PFR, 4/11).]