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Neptune Execs Contend For N.Y. RFP

Three principals from **Neptune Regional Transmission System** have bid for a 500 MW request for capacity being sought in New York.

See story, page 3

PacifiCorp Retools \$800M Line

Via leads **JPMorgan Chase** and **Royal Bank of Scotland**, PacifiCorp is tweaking an \$800M corporate revolver bagged just last year.

See story, page 3

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DEVELOPER TAPS RBC TO LEAD LONE STAR LNG FUNDING

RBC Capital Markets has been tapped to lead arrange funding for a \$450-500 million liquefied natural gas terminal at Port Lavaca, Texas. Construction on the Calhoun LNG project and pipeline should kick off at the beginning of 2007, and the project's sponsor, **Gulf Coast LNG Partners**, is keen on scoring non-recourse debt to support about 80% of construction costs, says **Chris Hilgert**, cfo in Houston. He says 10 banks were auditioned for the financing, but he was swayed by RBC's roles in LNG deals in Europe, where most of its LNG-focused bankers are based.

Hilgert says Gulf Coast is looking to work with suppliers and engineering and procurement contractors who are willing to invest as equity participants. That could include

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HARBERT VENTURE BAGS INTERGEN NORTH AMERICAN FLEET



Kelson Holdings LLC has inked a purchase and sale agreement to acquire InterGen's 3GW North American IPP portfolio. The holding company is a joint venture between management company **Kelson Energy** and hedge fund **Harbert Distressed Investment Master Fund**, says **Neal Cody**, partner in Baltimore, Md., declining to comment further.

The joint venture signed a share purchase agreement, as first reported on *PFR's* Web site, that allows it to purchase McLean, Va.-based **Maple Power Company LLC**, a holding company created to essentially incorporate the assets and the management and operating contracts associated with them. The portfolio comprises

(continued on page 11)

SEMPRA TRADING ARM PLOTS \$1.2-1.5B REVOLVER

Sempra Commodities is looking to refinance and upsize a \$1 billion senior secured revolving line of credit used primarily to back its energy trading operations. The loan for the Stamford, Conn.-based trading arm of **Sempra Energy** is being led by **BNP Paribas**, which arranged it last summer and the target is for a five-year, \$1.25-1.5 billion line, with proposed pricing pegged to a grid ranging from 42-70 basis points over LIBOR.

Bankers attending a bank meeting at the Yale Club last Monday say the syndication is garnering attention from lenders drawn to the performance of the trading unit, but not necessarily interested in the parent. **Doug Kline**, spokesman at Sempra Energy in San Diego, declined to comment.

Bearing commitment fees of 25 basis points, tickets for the loan are due Aug. 24. The trading operation's original revolver was priced on a similar grid with the high-end at LIBOR

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



At Press Time Golden State Shop Hunts Equity For 350 MW Farm

Orion Energy is hunting for equity investors for a planned 300-350 MW wind farm that it aims to build near Wasco, Ore. The Oakland, Calif., developer typically turns over the entire ownership and operating rights to equity investors, says **Carlos Pineda**, director of development. The \$450-500 million project is still in its early stages and should have all permits completed by the second quarter 2006, he adds.

Orion has been in mid-stage discussions with utilities and IPPs about buying the Biglow Canyon project, but Pineda declined to name names.

Contracts with new investors are typically inked any time between the end of permitting and the completion of construction, says Pineda. He declined to give details about timing for this project. Ground breaking will be kicked off in the first quarter of 2007 and construction should wrap within six to nine months.

Ariz. Plant Developer Plots Non-Recourse Financing



Robert Paladino

Dome Valley Energy Partners plans to seek project finance for a \$250 million gas-fired plant near Yuma, Ariz. The developer is shooting to secure financing by the first quarter with a 70:30 debt-to-equity structure, says **Robert Paladino**, president of **Jasper Energy** in Harrison, N.Y., a development company that owns half the 310 MW facility. The remainder is owned by **Haviland Holdings**, a private equity investor run by a wealthy individual, says Paladino.

Securing a PPA and a gas supplier for the Wellton Mohawk Generating Facility are among the top priorities for the company before searching for funds, says Paladino. "You go out when you're real and you don't want to waste people's time," he says of approaching lenders.

Discussions with **El Paso Corp.** and **TransCanada** to secure gas, from their southern mainline and North Baja pipeline systems respectively, have been held, says Paladino. Fuel supply contracts will be inked once a PPA is in place, adds **Gordon Pickering**, associate director at **Navigant Consulting's** Sacramento offices, gas consultants for Dome. To serve the project, El Paso's line will have to increase its capacity while a lateral line will need to be built if the North Baja connection is used, explains Pickering.

Joe Hollier, spokesman for El Paso in Houston, could not comment, and **Kurt Kadatz**, spokesman for TransCanada in Calgary, says the company has prepared a feasibility study for Dome. "The ball's in their court," he adds.

Arizona Public Service, which is seeking additional power, has been asked to take 100% of the capacity. **Betty Dayyo**, spokeswoman for APS in Phoenix, says the utility will announce successful bids for their 1,000 MW RFP by year-end. The developer will pursue other offtakers if its bid is unsuccessful, Paladino says.

Construction is expected to begin mid-2006 and wrap mid-2008.

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**Institutional
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INTELLIGENCE FIRST

Aquila Targets Fall Wrap For Auction

Aquila aims to complete its auction of six utilities at a price tag of approximately \$700 million this fall. The Kansas City, Mo., utility conglomerate, which has been marketing utility subsidiaries Michigan Gas, Minnesota Gas, Missouri Gas, Colorado Electric, Kansas Electric and SJL&P Electric (PFR, 6/9) as a part of its plan to trim debt, has pared down to a shortlist of unnamed buyers, **Rick Green**, ceo, said during an analyst conference call last week. "We are absolutely committed to \$700 million and the subset of six. There is no reason to move beyond those six," he said, emphasizing the aim of selling just enough assets to clean up its balance sheet. CFO **Rick Dobson**, who declined to comment on the auction process, says Aquila has reduced outstanding debt to \$1.8 billion.

Officials at **Lehman Brothers** and **The Blackstone Group**, which are jointly brokering the sale, either declined to comment or did not return a call.

Since its strategic rethink, Aquila has sold \$3.4 billion of assets, terminated \$1.2 billion of toll agreements and raised \$446 million from equity and equity-like securities. It also has cut debt obligations by \$2.5 billion and extended debt maturities, noted Dobson.

Neptune Troika Auditions For Empire State RFP

A trio of principals from **Neptune Regional Transmission System** are bidding in the **New York Power Authority's** request for some 500 MW in capacity. The group is backed by **Société Générale**, which recently arranged a \$550 million private placement to back a 660 MW undersea transmission line for Neptune (PFR, 7/18). Two of the three officials are **Edward Stern** and **Edward Krapels**, says a banker familiar with the group's activities. The third could not be identified. Stern, reached at Neptune's offices in Fairfield, Conn., declined to comment, as did officials at SocGen. Krapels could not be reached at his office at **Energy Security Analysis Inc.** in Boston and did not respond to an e-mail.

Neptune is owned by a group of private equity investors and market watchers say it is not uncommon for these players to branch off from time to time and pursue individual projects. It is possible the group has an arrangement that allows staffers to pursue other projects or that the trio did not want to associate new project risk with Neptune, speculates one banker.

NYPA issued an RFP in June 2004 requesting fresh generation and transmission in New York in the beginning of 2008. **Michael Saltzman**, spokesman for NYPA in White Plains, N.Y., says a short list has been drawn up but he declined to discuss the bidders. He also declined to provide the date a winner

would be announced, noting NYPA is going through due diligence and will disclose successful bids as soon as possible. Additional bidder's names could not be ascertained.

PacifiCorp Reaches For \$800M Recast Line

PacifiCorp is in the market, via leads **JPMorgan Chase** and **Royal Bank of Scotland**, to refinance a roughly \$800 million revolver obtained last year. The Portland, Ore., holding company is hoping to trim some 15 basis points from its existing pricing of LIBOR plus 60 basis points, note observers.

The leads are asking existing lenders to extend the loan to a five-year maturity at pricing of 10 basis points undrawn, 45 basis points drawn with upfront fees of 7.5 basis points over LIBOR, notes one financier familiar with the structure.

PacifiCorp, which financial mogul **Warren Buffett** is aiming to acquire via **MidAmerica Corp.**, typically uses revolvers to support its short-term debt obligations. Officials at RBS declined to comment, JPMorgan bankers did not return a call nor did PacifiCorp execs. The loan is expected to be completed in a few weeks.

UBoC To Book Aquila Loan Tickets

Union Bank of California plans on taking commitments Friday for a \$300 million debt package it is arranging for Aquila. The loan comprises letter of credits and a revolver, backed by first-mortgage bonds also arranged by UBoC (PFR, 7/25) that will support the Kansas City, Mo., utility's investment in a to-be-built generation facility in Iatan, Mo. At a bank meeting in Manhattan held at the Intercontinental The Barclay New York two weeks ago, three banks took early tickets in the syndication, totaling more than \$100 million, observers say. **Commerzbank** and **Erste Bank** are said to be among those committing early, but bankers there either declined to comment or did not return calls. Pricing and terms on the debt, which will be arranged similar to a construction loan, could not be ascertained.

The loans support the development of the 800-850 MW facility coal-fired facility, which is being proposed by **Kansas City Power & Light**—a division of Kansas City, Mo.-based **Great Plains Energy**. Aquila spokesman **Al Butkus** did not return a call for comment nor did **Rick Dobson**, cfo at Aquila. UBoC officials declined to comment.

The planned \$1 billion Iatan facility is being constructed primarily to address customer demands for additional power in Missouri. 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.

Southern Co. To Button Down Gas Sale

Southern Co. will close on the sale of **Southern Company Gas** by the end of October. The retail natural gas marketing business is being sold to **Cobb Electric Membership Corporation** because it is not a major earnings driver, **David Ratcliff**, ceo in Atlanta, said during a second quarter earnings call. Ratcliff did not return a call for comment, nor did **Dwight Brown**, ceo at Cobb in Marietta, Ga.

The exact price tag for the retail gas provider has not been released, says **Glen Kundert**, spokesman at Southern Company. "We certainly don't want to lose money on a sale," he adds. Since its inception in 2002, the company has managed to break even or just barely eke a profit, said Ratcliff. Kundert says no other sales are in the pipeline.

Calpine Play Lifts Hedge Fund

LibertyView Capital Management's capital structure arbitrage fund was up 1.3% in June, partly due to a position in Calpine. The *LibertyView Credit Opportunities Fund* had been building a position in the San Jose, Calif., IPP's first-lien debt over the past few months. In April, this position helped contribute to a loss when rumors of a bankruptcy by the energy concern caused its entire capital structure to trade down. The Hoboken, N.J.-based fund hedged its bet by shorting the company's junior debt, explains **Brian MacHale**, managing director.

LibertyView bought the debt thinking that Calpine would not head into bankruptcy and may have to tender the notes. In June,

the IPP announced its intentions to sell its natural gas assets to a subsidiary, which obligated it to tender its first lien debt pursuant to bond covenants.

The roughly \$197 million fund is up 3.4% for the year through July, and was up 1.13% in July. The fund is managed by a team of three portfolio managers led by **Randy Hutton**. LibertyView, which manages roughly \$1.75 billion, is a division of **Neuberger Berman**.

La Paloma B-Loan Draws Crowd

Arranger **WestLB** is attracting strong demand for a B-loan associated with **Complete Energy's** purchase of the 1 GW La Paloma Generating Station in California. Officials say the deal is as much as four-times over subscribed with institutional investors and financial players gravitating primarily toward the first-lien slug of the two-tiered \$540 million debt package. Given the interest, watchers anticipate the loan will be completed this week—about a week earlier than anticipated.

Pricing for the roughly \$370 million first-lien is being pitched at between 1 7/8 and 200 basis points above LIBOR, while the second-lien is being marketed at pricing of about 375 basis points. Initial indications, suggested pricing would land at 225 and 500 basis points, for first and second lien respectively.

Houston-based Complete Energy, run by **Milton Scott** and **Hugh Tarpley**, both former **Dynegy** executives, is paying more than \$600 million for the gas-fired generating facility including potential adjustments of \$50 million (PFR, 5/23).

Corporatate Strategies

DPL Outlines Balance Sheet Upkeep

DPL Inc. will buy back some \$400 million in stock and redeem up to \$500 million in debt in an attempt to reach investment grade status, CFO **John Gillen** said in a second quarter conference call. Timing for the equity buyback was not provided. "It'll be over time, that's all I can say right now," he added. As of June 30, DPL's long-term debt was just over \$2 billion.

Dayton, Ohio-based DPL will redeem \$200 million in 8.25% notes due March 2007, of which there is \$425 million outstanding, at the end of the month. It will also pay down \$246 million in debt by repaying a portion of three series of bonds: 8.125% capital securities due September 2031 with \$300 million outstanding; 6.875% senior notes due September 2011 with \$400 million outstanding; and 8%

senior notes due March 2009 with \$175 million outstanding, says Gillen.

Two months ago, DPL redeemed \$39 million in 7.83% senior notes due July 2007. Calls to Gillen were directed to spokesman **Arthur Meyer**, who says the debt will not be replaced. He declined to give a target debt to equity ratio but after the reduction, the company's debt will sit at 60%. He also declined to discuss the company's equity buyback.

The debt reduction is being funded with \$1 billion in cash generated from the sale of the company's stake in 46 private equity portfolios, said Gillen. DPL had to sell the diversified portfolios in order to comply with **Securities and Exchange Commission** regulations (PFR, 2/25). While Gillen did not say if or when the redeemed securities would be replaced, he did say the increased cash flow gives DPL the flexibility to wait for favorable rates before accessing the capital markets. DPL is rated BBB- by **Fitch Ratings**.

Devon Energy Readies \$400M Redemption

Devon Energy plans on redeeming \$400 million in 10-year notes set to mature in 2011. The Oklahoma City energy outfit is retiring the 6.75% notes because it wants to tidy its balance sheet, explains **Jeff Ritenour**, manager of corporate finance, underscoring a public statement in which Devon outlined several value enhancement initiatives, including a planned share repurchase. Cash on hand will be used to pay down the notes, he says, adding that Devon's improving performance due to high commodity prices allows it to fund the redemption effort.

The notes, which were assumed by Devon four years ago when it acquired **Anderson Exploration**, were originally underwritten by **Deutsche Bank**, with **Bank of America** and **Merrill Lynch** taking participating roles.

In line with plans to shore up finances, Devon has divested over \$2 billion of non-core oil and gas properties and repurchased more than 10% of its common stock. It plans on paying down \$930 million of debt maturing in 2005 and recently announced plans for a share repurchase of up to 50 million. The energy company, which has midstream operations, works in regions including the Permian Basin area of West Texas and onshore and offshore in the Gulf Coast.

Acquirer To Fund Dynegy Assets With Debt, Equity

Targa Resources will fund its approximately \$2.4-2.5 billion acquisition of Dynegy's midstream business partially with equity from backer **Warburg Pincus** but mostly with debt. "We've lined up financing and will be working with several lenders," says **Rene Joyce**, ceo at Targa in Houston. Joyce would discuss acquisition financing, but intimated that **Credit Suisse First Boston**, which helped broker the acquisition, could be involved. Officials at CSFB declined to comment.

The boutique agreed to buy the natural gas operation because it complemented existing businesses, especially in regions such as the Permian Basin in Texas, where the two maintain facilities, explains Joyce. Although Joyce declined to confirm financials, the acquisition is expected to boost Targa Resources' EBITDA by \$300 million from \$100 million to \$400 million and increases its staff from 120 to 920. The deal is expected to close sometime in the fourth quarter.

Joyce and President **Joe Bob Perkins** were able to outlast more well-recognized bidders (PFR, 6/13) because it had a negotiating edge: the company occupies the same offices as Houston-based Dynegy at 1000 Louisiana downtown. "CEO to CEO discussions have never been easier, when you can just get in an elevator and go to [Dynegy's executive suite on] the 67th

floor," Perkins quips, noting that Targa occupies the 47th floor.

Veteran energy players Perkins and Joyce, which formed Targa two years ago, hail from **Tejas Gas Corp.**—a midstream company the duo grew and sold to Chevron in the late 1990s.

Calls to officials at Dynegy were not returned.

Alliant Wipes Out Chunk Of Non-Utility Notes



Enrique Bacalao

Alliant Energy Resources has paid down \$150 million in debt associated with its non-regulated assets. The 7.35%, 10-year notes mature in 2009 and were callable at 112. The reduction is part of parent **Alliant Energy's** plan to refocus on its core utility operations and weed out some \$900 million worth of non-regulated business, says **Enrique**

Bacalao, assistant treasurer at the parent in Madison, Wis.

The notes were issued originally by **Merrill Lynch** to replace short-term debt used to build up Alliant's non-regulated businesses.

Proceeds from the sale of the company's non-regulated business will be used to pay down the notes, says Bacalao. "As we are reversing, we are shrinking down those funds," he adds. Alliant had planned to erase some \$1 billion in debt associated with these investments, but Bacalao declines to comment on how much has been sold to date or give details on future redemptions. In 2003, Alliant shed its stake in the Australian **Southern Hydro** for \$310 million and the company has hired advisors to explore the sale and joint venture opportunities for its overseas assets in China, Mexico and Brazil (PFR, 5/27).

Alliant hopes to exit its Chinese investments within a year but a timeline for the complete divestiture is difficult to pinpoint because of regulatory drags, says Bacalao, noting that the timing for the exit is anyone's guess. "If I knew the timing, I'd be a genius," he quips.

The company also is aiming to pay down \$258 million in 7% notes and \$275 million in 9 3/4% notes, says **Becky Johnson**, spokeswoman. Declining to provide additional details on that effort.

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Learning Curve
A team from **Cleary Gottlieb Steen & Hamilton** set out bankruptcy court restrictions on trading debt in Chapter 11.
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ING SHOPS \$350 MLN PORTFOLIO AS AUCTION PROVES TOUGH
ING Capital Advisors (ICA) was seen shopping a \$350 million portfolio of loans last week with bids expected as *Credit Investment News* went to press. The move occurs against the backdrop of an auction for the whole business that byside sources said has been a tough sell. An ING spokeswoman declined comment and Michael Hatley, portfolio manager, did not return calls.
ING announced in December it is considering selling the overall business, which has
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CREDIT TRADING DRIES UP AS INVESTORS STOCKPILE CASH
High-grade credit trading volumes have plummeted in recent weeks, with sell-siders at several fixed-income desks estimating daily trading activity is down more than 30% so far this month from levels at the start of the year. The conventional wisdom is investors are less willing to take risk given spreads have been widening and as a

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CDS TIED TO BANK LOANS SET FOR TAKEOFF
Credit default swaps that reference bank loans appear to be set to take off after several years of idling. Morgan Stanley in Europe has launched a product that will enable banks and investors to either gain exposure or hedge the risk of senior secured bank debt on both agent and non-agent names without owning the cash product. The firm is expected to start sending runs for U.S. names in coming weeks. Meanwhile, a portfolio manager explained that his shop is working with institutions to create a CDS portfolio for investors that will be referenced to loans and anticipates launching it within the
(continued on page 16)

ROSS BENEFITS FROM STEEL UPTURN, EYES AUTO SECTOR
Parlaying a \$400 million investment in the steel industry into a \$4.5 billion return in a three-year period far exceeded Wilbur Ross' expectations. Now, fresh off the sale of International Steel Group to Mittal Steel Co., Ross, chairman and coo of W.L. Ross & Co., has high hopes for the coal and textile industries. He is also considering the auto and auto-parts industries. "We haven't yet made any investments in it. But it's certainly something we've been looking at," said Ross. For the full interview, see pages 11-12.


Wilbur Ross

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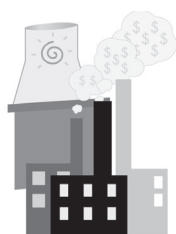
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Generation Auction & Sale Calendar

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

A black and white advertisement featuring a computer monitor and mouse. The monitor displays the text "Information is power." in a bold, white, sans-serif font. The background is a complex, dark gray composition of large, interlocking gears and a grid of binary code (0s and 1s). The monitor and mouse are positioned in the center, with the mouse in front of the monitor. The overall aesthetic is high-tech and digital.

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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 sale BNP 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

- **El Paso Corp.** is selling several Asian power plants in an effort to reduce debt. In a deal totaling 109 million the power plants are being sold to a unit of privately held **Globelec**. Proceeds will be about \$463 million and include plants in Indonesia, Pakistan, Bangladesh and the Philippines. The deal should be completed by the end of the fourth quarter (*Associated Press*, 8/1).

- **Sempra Energy** says it will begin construction of a liquefied natural gas receiving terminal near Lake Charles, La., making the plant the second North American plant of its kind the company has slated for construction. The project, set to begin in two months, will cost Sempra \$700 million and includes a deal that pre-sold about 40 % of the facility's potential natural gas output to **Eni**, an Italian energy company (*San Diego Union-Tribune*, 8/2).

- The Bush administration told 28 states it plans to order specific pollution cuts from their power plants if state officials don't have their own plan by the fall of next year for making the air cleaner for people downwind. States in the East, South and Midwest, plus the District of Columbia are targets of the **Environmental Protection Agency's** new program (*Associated Press*, 8/2).

- **Calpine** and the energy unit of **General Electric** will start construction of a 800 MW plant in Riverside County, Calif., to help boost power supplies in the region. The Inland Empire Energy Center should come on-line by the summer of 2008, in time to help offset state-forecasted energy shortfalls in Southern California. Calpine said it will buy the plant and become sole owner and operator after an extended period of GE ownership (*Reuters*, 8/2).

- **Exxon Mobil**, **BP** and **ConocoPhillips**, sponsors of a huge natural gas pipeline in Alaska, want the Bush administration to provide conditional loan guarantees to make project financing easier to obtain. Congress authorized the federal government to guarantee repayment of up \$18 billion in commercial loans for the pipeline as long as the guaranteed debt does not exceed 80% of the project's total capital costs (*Reuters*, 8/2).

- **Orion Energy** plans to build the largest wind farm in Oregon. The 450 MW Biglow Canyon project will be sited near Rufus and Wasco. The company hopes to begin construction in 2007 but first needs state approval. It has submitted a notice of intent with the **Oregon Department of Energy** (*The Seattle Times*, 8/2).

- **Cheniere Energy** plans to expand the Sabine Pass liquefied natural gas terminal by adding 1.4 billion cubic feet per day of capacity. Cheniere has filed an application with the **Federal Energy Regulatory Commission** to expand the terminal to 4 bcf (*Bloomberg*, 7/29).

- **Calpine Corp.** has sold its stake in the 156 MW Morris Station for \$84.5 million to **Diamond Generating Corp.**, a subsidiary of **Mitsubishi Corp.** The purchase marks Mitsubishi's tenth power plant investment in the U.S. San Jose, Calif.-based Calpine will record a \$106.2 million loss on the sale in the quarter ended June 30 (*Market Watch*, 8/2).

Asia and Russia

- **Nippon Paper** will introduce biomass generation facilities to its Fuji Plant and Iwakuni Plant, investing ¥15.4 billion (\$137 million) in deployment. The facilities are scheduled to be commissioned in October 2007 and in February 2008, respectively, and are expected to help reduce heavy oil consumption by 190,000 liters annually, as well as reduce carbon dioxide emissions by 480,000 tons per year (*JCN Network*, 7/29).

- Vietnam plans to invite foreign and domestic companies to construct 15 power plants with the total capacity of 11,776 MW. The state-owned **Electricity of Vietnam** has just proposed the Industry Ministry encourage investors to pour money into building the plants in the form of independent power producers. EVN currently needs some VND45 trillion, or over US\$2.8 billion, to complete 14 power projects which are under construction (*Thanh Nien Daily*, 8/3).

Europe

- **Enel** is looking to invest through its Spanish unit **Viesgo** about EUR350 to build a 800 MW power plant in the Zaragoza region, daily MF said without citing sources. Enel requests a **European Investment Bank** credit line for up to 44% of the cost, the newspaper added. According to financial sources cited by MF, Enel is also considering small acquisitions in Spain (*AFX News Limited*, 8/2).

- Czech company **Skoda JS** is in the second round of a tender to build two 1,000 MW units of a nuclear power station in Bulgaria's Belene. The contract is worth CZK 70-80 billion. Another bidder in the second round of the tender is the Russian

80 billion. Another bidder in the second round of the tender is the Russian company **Atomstroyexport**. "We have to submit a detailed technical and commercial bid by 15 December," says Skoda JS director **Radek Bencik** (*Prague Daily Monitor*, 8/2).

HARBERT VENTURE

(continued from page 1)

Redbud, a 1.1 GW plant in Luther Okla.; Magnolia, a 900 MW plant in Benton County, Miss. and Cottonwood, a 1.2 MW plant in Newton County, Texas.

Sale of the assets, which were owned by sponsors **Royal Dutch/Shell Group** and **Bechtel Corp.**, should close mid-September, says **Jeff Leichtman**, an external spokesman in New Haven, Conn., hired by Maple Power. Market watchers say Harbert is serving as a passive investor while Kelson Energy will manage the assets. More details regarding financing could not be learned.

Royal Dutch/Shell Group and Bechtel injected some \$250-300 million in letter of credit loans into the plants to ensure that interest payments on \$1.5 billion of non-recourse construction debt could be made (PFR, 9/1). The price tag for the deal could not be determined, but the operating and management contracts associated with the plants total some \$3.5 million per plant annually (PFR, 7/8), which watchers say is the big draw since

● **Italy's Authority for Electric Energy and Gas** is laying down a code of conduct to guarantee access to LNG regasification terminals for gas imported via ships. Italy has only one 3.5 billion cubic meters annual capacity owned by **Eni**, which dominates the gas market. (*AFX News Limited*, 8/2).

the plants themselves retain almost zero equity value since being fired up a few years ago.

InterGen, which has been trying to sell itself since auctioning its international assets, has mulled a slew of options regarding the divestiture of the facilities. Earlier, InterGen sold its international assets for \$1.75 billion to **AIG Highstar** and **Ontario Teachers' Pension Plan**.
—R.P. & Mark DeCambre

SEMPRA TRADING

(continued from page 1)

plus 95 basis points. Pricing now stands at about 87.5 basis points. Officials at BNP Paribas did not return calls for comment.

As a facility for one of the five largest trading operations in North America, the revolver is expected to be tapped frequently to post letters of credit backing trades. Such credits can include documentary LCs, financial LCs and stand-by credits. "They're

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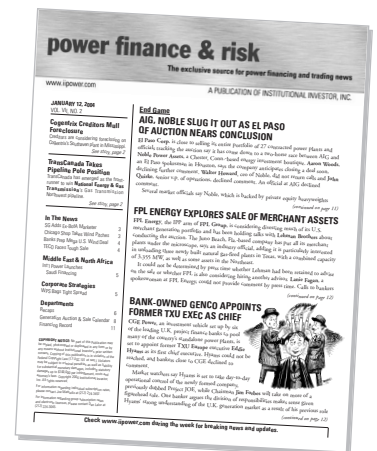
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expected to utilize around 50% of the line,” notes one banker.

Parent Sempra will guarantee approximately 20% of the revolver. Sempra is rated BBB+, Baa1 by **Standard & Poor's** and **Moody's Investors Service**, respectively.

Formerly known as **Sempra Trading Corp.**, the unit trades power, natural gas and coal emissions.

—M.D.

DEVELOPER TAPS

(continued from page 1)

players such as **Shell**, **Tractebel** and **Total**, but Gulf Coast also is open to smaller suppliers. “We’ve talked to anybody and everybody who we think will get access to supply and who need the capacity,” says Hilgert. **Susan Shannon**, spokeswoman at Shell in London, declined to comment, while officials at Tractebel did not return calls. **Paul Floren**, spokesman for Total in Paris, says the company receives proposals hourly and could not confirm any involvement with Gulf Coast LNG. It is anticipated that project will be fully permitted by the end of 2006.

Hilgart says RBC does not expect to launch the loan until the middle of next year. **Uwa Igiehon**, financier at RBC in London, declined to speculate on precise pricing but suggested it could be

thinner than **Sabine Pass LNG**, which was pitched at the LIBOR plus 150 basis point-range (PFR, 2/7), because lenders are now more familiar with LNG.

Gulf Coast LNG is backed by Houston-based private equity shop **Haddington Ventures**, which has \$150 million under management, invested largely in midstream operations.

—Raquel Pichardo

Quote Of The Week

“CEO to CEO discussions have never been easier, when you can just get in an elevator and got to [Dynegey’s executive suite] on the 67th floor.” — **Joe Bob Perkins**, president of **Targa Resources**, on its negotiating edge during the bidding process for Dynegey’s midstream assets (see story, page 5).

One Year Ago In Power Finance & Risk

Head of quantitative analysis at **Citigroup’s** energy trading desk, **Alex Eydeland**, had exited the firm and was reportedly headed to **Morgan Stanley**. [Eydeland joined Morgan Stanley last August as an executive director and head of the commodities analytics group.]

Financing Record (JULY 27-AUGUST 2)

Debt

Rule 144A	Issue Date	Issuer	Business Description	Principal Amount (\$ mil)	Coupon (%)	Type of Security	Maturity	Offer Price	YTM(%)	S&P	Moody's	Fitch
No	7/29/05	Xiniao Gas Holdings Ltd	Pvd gas transmission svcs	200	7.375	Fxd/Straight Bd	8/5/12	100	7.375	BB+	Baa1	NR
Yes	8/2/05	Caithness Corp	Electric utility	375	5.489	Sr Secured Nts	6/15/19	100	5.489	NR	Baa3	BBB-
Yes	8/2/05	Caithness Corp	Electric utility	90	6.263	Sub Sec Notes	6/15/14	100	6.263	NR	Ba2	BB-

M&A

Date Announced	Date Effective	Target Name	Target Advisors	Industry Sector	Target Nation	Acquiror Name	Acquiror Advisors	Value (\$mil)
7/27/05	7/27/05	Holford Gas Storage Ltd	Houlihan Lokey Howard & Zukin	Electric, Gas, and Water Distribution	United Kingdom	E.ON UK PLC		167.443
7/27/05		PPC Trmice(Dalkia/Vivendia SA)		Electric, Gas, and Water Distribution	Czech Republic	Dalkia Ceska Republika AS		
7/27/05		Uniboss Corp		Electric, Gas, and Water Distribution	South Korea	Ahn Sun-hye		1.93
7/28/05	7/28/05	Gateway Energy Corp-Pipeline		Electric, Gas, and Water Distribution	United States	Undisclosed Acquiror		2.725
7/29/05		EasyGas Srl		Electric, Gas, and Water Distribution	Italy	Enel Gas SpA	Lazard	
7/29/05		Metanodotti Padani SpA		Electric, Gas, and Water Distribution	Italy	Enel Gas SpA	Lazard	26.446
7/29/05		Metanodotti Trentini Srl		Electric, Gas, and Water Distribution	Italy	Enel Gas SpA	Lazard	
7/29/05		Mountaineer Gas Co		Electric, Gas, and Water Distribution	United States	Mountaineer Gas Holdings Ltd		217
7/29/05		Terasen Inc	Royal Bank of Canada	Electric, Gas, and Water Distribution	Canada	Kinder Morgan Inc	UBS Investment Bank	5,537.25
8/1/05		El Paso Corp-Asian Assets	PricewaterhouseCoopers	Electric, Gas, and Water Distribution	Philippines	Globeleq Ltd		109
8/2/05		Monongahela Power Co-Ohio Op		Electric, Gas, and Water Distribution	United States	Columbus Southern Power Co		55

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