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DZ Bank Recruits Project Financier

DZ Bank has hired former **ABN AMRO** banker **Steven Bissonnette** as first v.p. in its New York project and structured finance group.

See story, page 4

LNG Offtake Contracts Going Short

Much to project financiers dismay, **Standard & Poor's** predicts a trend toward shorter-term offtake agreements in liquefied natural gas development deals.

See story, page 4

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NAPOLITANO TO SPEARHEAD NASCENT LEHMAN TRADING BIZ



Frank Napolitano

Frank Napolitano is expected to leave his post as co-head of **Lehman Brothers'** global power group in New York and take the reins of its still-to-be-formed power and energy trading firm. Hoping to join heavy-hitting trading operations such as **Morgan Stanley**, the New York-based operation will trade physical power, natural gas and oil, along with energy derivatives (PFR, 6/6). Lehman has been looking for an external rainmaker to run the unit, but asked Napolitano because he has both the cachet in the industry and experience to run it, one official comments. A message left on Napolitano's voicemail was directed to a spokeswoman at Lehman, who

(continued on page 12)

GOLDMAN, FPL, CONSTELLATION TAKE AIM AT NU TRADING BOOK

Goldman Sachs, **FPL Group** and **Constellation Energy** are frontrunners to take over a wholesale trading book being hawked by **Northeast Utilities**. Berlin, Conn.-based **Northeast Utilities** decided earlier this year to exit the wholesale business because it had become too competitive, particularly as financial sponsors such as **Goldman** have taken dead aim at energy trading. Observers say **Northeast** plans on handing over contracts for providing wholesale power, essentially paying one of the interested parties approximately \$100 million to take over the obligations, one official following the sale notes. Since the auction process began, however, commodity prices have spiked considerably and now **Northeast** will most likely need to shell out \$300-400 million.

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Katrina Aftermath

UTILITIES STRUGGLE TO BOTTOM LINE REPAIR BILL

Uncertainty looms around the ultimate financial impact Hurricane Katrina has leveled on southern utilities. **Kathleen Nolen**, cfo at **Cleco Corp.** in Pineville, La., which serves parts of the hardest hit areas of Louisiana, says it is too soon to tell how extensive the damage really is and how the company is going to pay for it. "We don't know how it'll affect our bottom line. We do have a small storm reserve, but we expect the restoration to be big," she says. **Cleco** expects it will be able to capitalize some of the restoration costs, but emphasizes the company has no real sense of how much the company's finances will be affected, **Nolen** says.

Last year, Florida utilities were able to create a mechanism in which to securitize charges related to their storm damage costs, but **John Whitlock**, an analyst at **Standard & Poor's** in

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UTILITIES STRUGGLE

(continued from page 1)

New York, estimates those numbers will pale in comparison to what the utilities in the New Orleans area are facing.

According to an S&P report, New Orleans-based **Entergy** had, as of June 30, \$615 million in cash and about \$1.3 billion available on a \$2 billion credit facility expiring May 2010. Officials at Entergy could not be reached. By the end of last week, S&P had placed its BBB credit rating on Entergy and its subsidiaries on credit watch with negative implications. **Mississippi Power**, another major utility in the area, has a storm-repair reserve of only \$3.5 million, and liquidity lines of more than \$100 million, according to the same report.

Mike Tyndall, spokesperson for **Southern Co.**, parent of Mississippi Power, speaking from Atlanta, says Mississippi Power's infrastructures have been devastated. "Eighty percent of our assets are affected by the storms," Tyndall says. "We don't know the financial impacts." Tyndall could not find an available executive to comment further.

Kim Johnson, principal at advisory firm **eBarton LLC** (see story, page 4), notes the impact on natural gas and oil prices throughout the country highlights the nation's need for more liquefied natural gas terminals and storage facilities.

Whitlock notes that the entire infrastructure of the area needs to be repaired. "Our concern is the long-term dynamics and economic activity of the affected regions," he says. "Fifteen or sixteen percent of Mississippi's economy just floated away."
—*Mari Slater & M.D.*

Project Paper Gains On Back Of Summer Heat

Project names such as **Teco-Panda**, now restructured as **Entegra Group**, and **Exelon Boston** Generating among others have experienced a strong run over the past several months aided in large part by the sweltering summer boosting demand throughout the country. No paper has changed hands and trading relatively quiet during the latter portion of the summer.

Traders say spark spreads around the country have started to come more in line in markets such as California. "Sparks spreads have come off their trough and the generation market is a little tighter and there are no plans for additional capacity and any incremental demand growth will be a boon," one New York-based trader notes. **Teco-Panda**, which has as its underlying assets plants known as **Union** in Arkansas and **Gila** in Arizona, has moved up since the beginning over the year to the 65-90 context. **Exelon Boston**, which is seeing a sale of the underlying plant assets to Manhattan-based **K-Road Ventures**, also has moved up from 95 early in the year to the 140 context, the trader notes.

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**Institutional
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INTELLIGENCE FIRST

Aquila Bags Mo. Plant Construction Loan

Union Bank of California has completed syndication of a \$300 million package of debt for Aquila to support the Kansas City, Mo., utility's investment in a planned generation facility in Iatan, Mo. The loan, which was wrapped late last week, was priced at a range between 87.5 basis points and 225 basis points over LIBOR. The debt was allocated to banks including **Commerzbank** and **Erste Bank**, which took early commitments about three weeks ago. Other participating lenders could not be identified nor could allocation amounts. Aquila spokesman **Al Butkus** did not return a call for comment nor did **Rick Dobson**, cfo. UBoC officials declined to comment.

The loans support the development of the 800-850 MW facility coal-fired facility, which is being proposed along with **Kansas City Power & Light**—a division of Kansas City, Mo.-based **Great Plains Energy**. The planned \$1 billion Iatan facility is being constructed primarily to address customer demands for additional power in Missouri. Additional proceeds from the offering will also be used to make improvements to a 670 MW nearby plant, which Aquila also owns with KCP&L, says a source familiar with its plans.

Cheniere Bags \$600M Gulf of Mexico LNG Funds

Cheniere Energy wrapped its term loan B construction funding, boosting what had been originally envisaged as a \$500 million loan by \$100 million and slashing pricing. Given the dearth of activity during the dog days of summer, the deal drew strong interest leading to a \$600 million term loan arranged by **Credit Suisse First Boston**. Allocated to about 40 institutional investors such as pensions and insurance companies, the loan garnered pricing of 275 basis points over LIBOR with a BB rating from **Standard & Poor's**. **David Castaneda**, investor relations manager at the LNG developer in Houston, did not return a call for comment.

Many loan deals garnering a BB rating have recently been priced about 75 basis points cheaper but observers note the higher rates reflect the fact that the to-be-constructed liquefied natural gas projects related to the debt will not see revenues for three to four years. The loan is callable at 101-102, notes one banker. Officials at CSFB declined to comment. An earlier deal for Cheniere by CSFB was scuppered by the capital market reaction to the **General Motors Corp.** rating slide (PFR, 5/1).

The loan will be used to help fund Gulf of Mexico LNG

projects including Sabine Pass in Louisiana, which is not expected to be significantly impacted by hurricane Katrina because construction has not commenced. Under construction is a LNG project in Freeport, Texas. Cheniere has filed for permission to expand both capacities at the facilities from original plans, asking that the Freeport facility be expanded from 1.5 billion cubic feet a day to 4 bcf/day and the Sabine Pass project be expanded from 2.6 bcf/day to 4 bcf/day.

RBS Project Launches Start-Up

The Royal Bank of Scotland project financier **Wendy Astell** has exited the New York infrastructure group and launched her own shop called **Astell Consulting**. Astell, a v.p., had been with the bank in the Big Apple for four years, originating debt in sectors including power and energy. Calls to her mobile phone were not returned nor was a personal e-mail message requesting comment. **Alec Montgomery**, senior v.p. in the RBS project finance group, did not return a call for comment.

Astell Consulting is based in Manhattan and will be geared toward drumming up deals and advising on financing, say officials familiar with her plans. RBS is not expected to fill her role immediately, says one official familiar with the Scottish banks plans. Her duties are expected to be divvied up among the remaining project lenders in the group, the official notes.

Before RBS, Astell worked in the project finance area at **Dresdner Bank** in the 1990s. Additional details about Astell Consultant could not be learned.

Dexia Wraps Invenenergy Wind Loan

Lead arranger **Dexia Crédit Local** has finished syndication of a \$390.4 million construction loan backing a trio of Invenenergy wind farms. The 15-year loan is priced at LIBOR plus 150 basis points, stepping up to 200 basis points post-construction. The financing includes a \$153.3 million bridge expected to be paid back at year-end, once construction wraps, says one banker. **Michael Polsky**, ceo at the Chicago sponsor, did not return a call and financiers at Dexia declined comment.

HSB Nordbank and **HypoVereinsbank** are co-arrangers **Manulife**. Also taking slices were **Helaba**, **Allied Irish** and **The Royal Bank of Scotland**. In all about 10 banks participated. Officials at the banks either declined to comment or did not return calls.

The debt backs the construction of the 135 MW Judith Gap wind farm in Judith Gap, Colo., the 60 MW Spring Canyon farm near Peetz, Colo., and the 64.5 MW Wolverine Creek

facility in Idaho Falls, Idaho, says the banker. All three facilities should be up and running by the end of the year, in time to take advantage of federal production tax credits.

DZ Bank Scores ABN Project Financier

DZ Bank has hired **Steven Bissonnette** as first v.p. in the New York project and structured finance group. The former **ABN AMRO** banker's purview will include handling debt deals within the power, energy and infrastructure areas, says **Bill Roos**, senior v.p. and head of the project finance group at DZ in New York. He will help originate and structure project loans in the Americas. Bissonnette replaces **Richard Grosdidier**, who departed in April to take a director of finance spot at **FPL Group**.

Bissonnette has nearly 20 years experience in the project finance arena. He served as a senior official at ABN for nine years in the project area and worked in similar posts at **Deutsche Bank**. He was unavailable for comment.

In addition to its Big Apple hire, earlier this summer, DZ opened a satellite Houston office to focus on debt deals surrounding the oil and natural gas markets, Roos notes. **Scott Lamoreaux**, v.p., runs that branch.

In the Americas, DZ's project and structured group consists of 11 staffers in New York and Houston, with one senior position vacated by **Rainer Kraft**, v.p., who left for a similar spot at **Fortis Capital Corp.** (PFR, 7/4), still to be filled, says Roos. Roos says Kraft's seat will be filled in about four weeks, but declined to identify candidates.

Energy Vet Kicks Off M&A Advisory Shop



Kim Johnson

Ex-Aquila veteran **Kim Johnson** has launched a private advisory firm **eBarton LLC.**, geared toward helping private equity and hedge fund investors identify opportunities in the energy and power sectors in the U.S. The 25-year energy pro and former Aquila trader, who left Overland Park, Kan.-based **Tyr Energy** as its COO several weeks ago, is hoping for a wave

of mergers and acquisitions resulting from the repeal of Public Utility Holding Company Act (PUHCA). "There's a tremendous amount of money from private equity challenged to find good deals and that capital base will grow as a result of PUHCA repeal and changes to PURPA [Public Utilities Regulatory Policies Act]," she comments.

Johnson expects to split her time between Manhattan and

Palm Beach, Fla. and is aiming to complete one or two deals by year-end. She declined to identify parties she is working with or talk about deal specifics. Funding for the advisory initiative will come out of her own coffers. The shop plans on operating on a relatively bare bones staff for the short term as it uses much of the resources of her private equity clients.

Once she has a few deals under her belt, the hope is to attract two or more additional staffers next year. "Utilities will be actively engaged in buying and selling plants in their service territory and looking at unregulated assets outside of their service territory," Johnson predicts. "You see a lot of banks looking to get into the group in the merchant sector to trade physical and financial assets and that's added a lot of liquidity to the market," she notes.

Although Johnson declined to talk about fees she notes that she will not be charging for deals unless they are completed. She declined to comment in detail about her departure from **Tyr Energy**. "I want to focus on this so I'm moving forward. Tyr is a good asset management company," she notes.

Shorter LNG Offtake Contracts Predicted

The deals underpinning planned liquefied natural gas projects are expected to experience changes including a shift toward shorter-term offtake contracts with multiple counterparties. **Peter Rigby**, a **Standard & Poor's** analyst in New York, says short-term contracts will be the new flavor in the LNG market because utilities are experiencing much more volatility and price fluctuation and do not want to be cemented into contracts as commodity prices such as natural gas is threatening a \$12 high-water mark.

According to a report penned by Rigby last week, such changes are expected to have a direct impact on non-recourse financing deals tied to new LNG construction. One banker says the shift will not be popular with lenders because long term contracts translate into less risk. Rigby concurs, saying project finance banks prefer to tie everything up by ensuring the contract ends when the debt is paid, but with a short-term contract, there are no guarantees.

Rigby says local and state regulators are generally restricting utilities from signing long-term agreements. "In the U.S. it's going to be very difficult for any utility to sign a long-term contract because the regulators would go nuts," he says.

Increased natural gas prices also means developers will need to fork over less collateral in securing financing for their deals, Rigby notes, adding the increasing profitability of the projects is offsetting the risks of less collateral being placed into deals.

Corporate Strategies

Duke Wraps Va. Gas Storage Consolidation

Duke Energy Gas Transmission, a **Duke Energy** arm, completed its acquisition of the remaining 50% share in **Saltville Gas Storage** from **AGL Resources** in late August for \$62 million. **Pat Gibson**, v.p. of strategic development and risk management in Houston, says the motivation behind the acquisition was a consolidation opportunity, since Duke had already owned 50% of Saltville, a natural gas storage and pipeline asset in southwest Virginia. "From a gas perspective, storage is very key to our strategic view looking forward," he says, adding the company is looking at acquiring properties in which to build new storage space, or acquire ready built facilities, in the U.S. and Canada.

The Charlotte, N.C.-based transmission unit had announced its intent to acquire the remaining 50% in April, according to **Danny Gibbs**, spokesman. Duke acquired the first 50% interest in Saltville in August 2001 with Saltville beginning commercial operations in summer 2003.

Along with the storage facility, Duke acquired other ancillary assets in the deal including a deplete reservoir storage and a 77-mile long, 8-inch diameter natural gas pipeline that Gibson says runs parallel to Duke's current pipelines, which allows Duke to better serve their customers along Duke's East Tennessee Natural Gas system, Gibson explains.

Since the acquisition was relatively small, Gibson says it was funded internal. He declined to specify. Officials at AGL Resources did not return a call for comment.

Idaho Utility Hawks 5.3% Mortgage Bonds

Idaho Power has placed \$60 million in 5.3% first-mortgage, refinancing a similar amount in maturing debt. **Dennis Gribble**, treasurer in Boise, says the utility will retire seven-year, 5.83% notes coming due Friday. "We wanted to take advantage of where the market was at this time and try to get ahead of everybody before the Labor Day weekend," he says. The bonds were first issued in 1998 and were offered as part of a larger refinancing strategy. The maturing bonds are being redeemed at a make-whole provision of comparable Treasuries plus 20 basis points. "We were able to take advantage of much lower interest rates at that time."

Bank of America was lead on the deal with **JP Morgan Chase** and **Wachovia Securities** taking participating roles. Gribble says Idaho Power has worked with BofA on past issuances and was satisfied with the outcome of the deal. Idaho Power also has longstanding relationships with Wachovia and **Bank One**, which it has maintained since the bank was incorporated into JPMorgan.

Gribble expects this most recent long-term retooling is likely the last for the utility, which maintains a 48:52 debt to equity ratio. "For this year, this is probably it," he notes.

Idaho Power is a regulated utility serving customers in southern Idaho and eastern Oregon. It owns and operates 17 hydroelectric plants on the Snake River and its tributaries, as well as two natural gas-fired power plants and has partial interest in three coal-fired generating stations.

Financing Record (AUGUST 24 - AUGUST 31)

M&A

Date	Target Name	Target Advisors	Target Industry Sector	Target Nation	Acquiror Name	Acquiror Advisors	Acquiror Industry Sector	Acquiror Nation	Value (\$M)
8/24/05	Austrian Power Vertriebs GmbH	-	Electric, Gas, and Water Distribution	Austria	Verbund	-	Electric, Gas, and Water Distribution	Austria	-
8/24/05	Yongning Boneng Natural Gas	-	Electric, Gas, and Water Distribution	China	Beijing Zhong Min Gas Co Ltd	-	Business Services	China	0.371
8/29/05	Vertesi Eromu Rt	-	Electric, Gas, and Water Distribution	Hungary	Hungarian Electricity Works Rt	-	Electric, Gas, and Water Distribution	Hungary	-
8/30/05	Energy Development Co Ltd	-	Electric, Gas, and Water Distribution	India	Investor Group	-	Investment & Commodity Firms, Dealers,Exchanges	India	6.145
8/30/05	Tricaftan Enterprise Pte Ltd	-	Electric, Gas, and Water Distribution	Singapore	Pan Asian Water Solutions	-	Electric, Gas, and Water Distribution	Singapore	0.495
8/30/05	United Fuels International Inc	-	Electric, Gas, and Water Distribution	United States	ICAP PLC	-	Investment & Commodity Firms, Dealers,Exchanges	United Kingdom	-
8/31/05	Energy Development Co Ltd	-	Electric, Gas, and Water Distribution	India	Investor Group	-	Investment & Commodity Firms, Dealers,Exchanges	India	3.414

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



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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

- **SunPower Corp.**, a solar power equipment maker, may raise up to \$115 million in an initial public offering, led by underwriters **Credit Suisse First Boston** and **Lehman Brothers** (*Reuters*, 8/25).
- **Brian Schweitzer**, governor of Montana, wants to solve America's rising energy costs using a technology discovered in Germany 80 years ago that converts coal into gasoline, diesel and aviation fuel. The technology was discovered in 1923, and was not economical as long as oil cost less than \$30 a barrel, but with prices at twice that the governor's plan is getting more attention across the country (*Reuters*, 8/25).
- Former **El Paso Corp.** energy trader **Donald Burwell** faces more charges of reporting to industry publications bogus trade data that is used to calculate natural gas index prices. Burwell, initially indicted in November on one count each of conspiracy, false reporting and wire fraud for allegedly reporting fake trades in August 2000, has also been served a revised indictment by a grand jury in Houston charging him with additional counts of wire fraud and reporting fake trades (*Associated Press*, 8/26).
- The **U.S. Nuclear Regulatory Commission** sent extra staff to three nuclear power plants owned by **Entergy Corp.** in Louisiana and Mississippi, including the Waterford plant that was temporarily shut down earlier, because of hurricane Katrina. The Waterford plant is located about 30 miles west of New Orleans (*Reuters*, 8/29).
- **Calpine's NewSouth Energy** will supply electricity to **Tampa Electric Co.** in Florida under a five-year power supply agreement. NewSouth said affiliate Calpine Energy Services will deliver up to 170 MW of peaking power from the Osprey and Auburndale Peaker Energy Center in Florida under a call option from May 2006 through 2011 (*Reuters*, 8/29).
- The **Federal Energy Regulatory Commission** recommended agency approval of **Sempra Energy's** proposed Port Arthur liquefied natural gas import terminal and pipeline project. The \$700 million project would eventually be able to import, store and vaporize an average of 3 billion cubic feet of natural gas a day along the Port Arthur ship channel in Texas, located about 85 miles east of Houston (*Reuters*, 8/29).

- **James Turner** has been appointed president of **Cinergy**, taking over the title from **James Rogers**, who remains chairman and chief executive officer. Taking over Turner's job is **Lynn J. Good**, named executive v.p. and chief financial officer. Good was most recently v.p. of finance and controller (*The Wall Street Journal*, 8/30).

Asia and Australia

- **Hu Jintao**, China's president, will urge President Bush to let companies from both their nations pursue energy acquisitions without politics getting in the way during his Sept. 7 visit to the U.S. (*The Wall Street Journal*, 8/26).
- Australian industry and resources minister, **Ian Macfarlane**, in the U.S. to meet with California's Lieutenant Governor **Cruz Bustamante** to discuss a slow-moving approvals process for **BHP Billiton's** plan to import LNG into the west coast via its Cabrillo Port venture, said Australia should be able to help satisfy some of the expected strong demand growth for liquefied natural gas in the U.S., Mexico and Chile. Australian LNG exports will grow to 12.4 million tons this fiscal year from 10.7 million tons in the year ended June 30, according to the government's Australian Bureau of Agricultural and Resource Economics (*Dow Jones Newswires*, 8/26).

Europe and the Middle East

- French energy company **Total** announced that the government of Yemen has approved the development plan for the \$2.5 billion Yemen liquefied natural gas project. The plant is scheduled to start operating in 2009, and Yemen LNG has signed 20-year contracts to supply 2.5 million tons per year of liquefied natural gas to the Suez unit **Suez LNG Trading**, 2 million tons per year to South Korea's **Kogas** and 2 million tons per year to Total's own unit **Total Gas & Power Ltd.** (*AFX News*, 8/29).
- Companies hoping to build liquid natural gas terminals in the U.S. will need to meet with regulators six months before filing project proposals, according to a new policy unveiled by the **Federal Energy Regulatory Commission**. The rule would mandate early contact between developers and regulators, requiring companies to submit conceptual designs and engineering features of the projects and information on potential environmental, safety and security impacts. The commission expects to issue a final draft of the rules by Oct. 7 (*MarketWatch*, 8/30).



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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	Under contract with Stark Investment venture.
	Termomamonal	Colombia	90	Gas	None	
	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.				Sold to LS Power for \$225M. 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,		
	Philadelphia 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.	
	Delta Power	Lowell Power	Mass.	82	Gas	
Duke Energy North America	Bridgeport Energy Project	Bridgeport, Conn.	490 MW	Gas	CSFB	May Be Back On The Block.
	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	HSBC	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 HSBC	Being Shopped To North American Power Group. Launched Sale In April.
	Balzac	Alberta	106	Gas		

Generation Auction & Sale Auction (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Energy Investors Fund	Kingston Multitrade Crockett	Ontario Va. Calif.	110 (25%) 79.5 (60%) 240 (24%)	Gas Biomass Gas	HSBC 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.
EPRI	Glanford Thetford Ely Westfield Elean	U.K. U.K. U.K. U.K. U.K.	14 39 13 10 38	Poultry Litter Poultry Litter Poultry Litter Poultry Litter Straw	Rothschild	Ongoing.
Exelon/PSEG	Eddystone Generating Station Linden Generating Station	Delaware County, Pa. Linden, N.J.	1,510 MW 775 MW	Coal and Gas Gas		Interviewing Banks To Advise On Sales.
HSBC-led creditor group	Attala	Miss.	526	Gas	HSBC	Sold To Entergy.
KBC-led creditor group	Milford	Conn	542	Gas	Lazard	Ongoing.
Mirant	Shady Hills West Georgia Bosque County Wichita Falls	Fla. Ga. Texas Texas	474 640 538 77	Gas Gas Gas Gas	BofA	Ongoing.
Morrow Power	Boardman	Ore.	28	Gas	Marathon Capital	Evaluating Bids.
Nations Energy	Bayport Mungo Junction Southbridge	Texas Ohio Mass.	80 32 7	N/A		Considering Liquidation.
National Energy Gas & Transmission (USGen New England)	Salem Harbor Brayton Point Manchester St. Connecticut River Deerfield River	Mass. Mass. R.I. N.H. Mass.	745 1,599 495 479 89	Coal/Oil Coal Gas Hydro Hydro	Lazard	Dominion Has It Under Contract.
Oman (Ministry of Housing, Electricity & Water)	Rusail Ghubratt Wad AlJazzi	Oman Oman Oman	730 507 350	Gas CHP Gas	CSFB	-
Reliant Energy	Carr Street Astoria Gowanus Narrows	N.Y. N.Y. N.Y. N.Y.	95 1,276 549 281	Oil Gas Gas Gas	Goldman	Ongoing.
InterGen	La Rosita Redbud Cottonwood Magnolia El Bajio Termocali Rocksavage Spalding Coryton Rjinmond Knapsack Catadau Meizhou Island Power Quezon Callide C Millmerran	Mexico Okla Texas Miss. Mexico Columbia U.K. U.K. U.K. Netherlands Germany Spain China Singapore Philippines Australia Australia	1,100 1,220 1,235 900 600 235 748 860 732 820 790 1,200 724 750 460 920 880		Citigroup	AIG And Ontario Has Won The Bidding War.
SG-led bank group (NEG developed plants)	Athens Covert Harquahala Millennium Iskenderun	N.Y. Mich. Ariz. Mass. Turkey	1,080 1,170 1,092 360 1,320	Gas Gas Gas Gas Gas	Blackstone	Assessing Bids.
STEAG Teco Energy	Dell Power Station McAdams Power Station	Ark. La.	540 599	Gas Gas	Morgan Stanley	Ongoing. Reviewing Options.
Tractebel North America	Chehalis	Wash.	520	Gas	N/A	Looking To Sell Or Swap.
United Utilities	Landfill Generation Portfolio	U.K.	50 MW	Landfill	RBC Capital Markets	Set To Launch Sale In May.

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GOLDMAN, FPL,

(continued from page 1)

An official at FPL Group declined to comment while calls to Goldman commodities trading subsidiary J. Aron & Co. and Constellation were not returned.

A Northeast Utilities spokesman Joel Weinberg declined to comment.

A sale of the business was expected to be completed over the next few weeks, but observers speculate that a reevaluation of deal terms due to the constant ascent of energy prices is possibly holding up any finalized deal. Morgan Stanley has also been looking at the trading book but officials at the firm would not comment. Officials at Lazard Frères, which is assisting with the disposition, did not return calls.

Northeast Utilities wholesale operation, which includes wholesale businesses within its Select Energy unit, generated about \$1.28 billion in revenue last year. But market players say the energy company has not been effective at hedging the business, hence its desire to offload the unit. —M.D.

NAPOLITANO TO

(continued from page 1)

declined to comment.

According to an official who spoke with Lehman executives, Hugh "Skip" McGee, global head of investment banking at the firm, approached Napolitano asking him to run the group and develop the trading operation. Co-head Joe Savage will become the sole head of the global power group, the official notes. Within the firm no announcements have been made, but the internal move is expected to take effect in the next several weeks. Calls to McGee and Savage were not returned.

One market player, who has spoken to Lehman officials, believes that the trading operation could be structured as a joint venture with investment banking, which would leverage Napolitano's existing relationships.

Lackluster returns in equities at many investment banks have

caused them to rethink their overall approach to banking, notes one trader, who speculates that Lehman believes it can eke out additional profits out of the new unit by leveraging from its existing activities in energy and power. Observers also note that Lehman wants to be able to provide energy and power trading to its clients. "A part of the strategy is a bit client driven," the observer notes. Mainly it hopes to leverage of its expertise in fixed-income, derivatives and energy investment banking.

—Mark DeCambre

Calendar

- The Sustainable Energy Finance Initiative will hold its 2nd Sustainable Energy Finance Roundtable in New York on October 27th at the Park Central Hotel. For additional information please contact Nadim Chaudhry, via email at nadim.chaudhry@greenpowerconferences.com

Quote Of The Week

"There's a tremendous amount of money from private equity challenged to find good deals and that capital base will grow as a result of PUHCA repeal and changes to PURPA [Public Utilities Regulatory Policies Act]." —Kim Johnson, principal at eBarton LLC., on her launching a private advisory firm geared toward helping private equity and hedge fund investors identify opportunities in the energy and power sectors (see story, page 4).

One Year Ago In Power Finance & Risk

Citigroup and ABN AMRO were sounding out a limited group of lenders for a \$500 million non-recourse bridge loan to fund Brascan Corp.'s acquisition of upstate New York generation assets from Reliant Energy. [The syndication included seven banks that committed \$471 million with Brascan taking \$29 million of its own deal (PFR, 10/15).]

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