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The exclusive source for power financing and trading news

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## U.K. Firm Plans Energy Push

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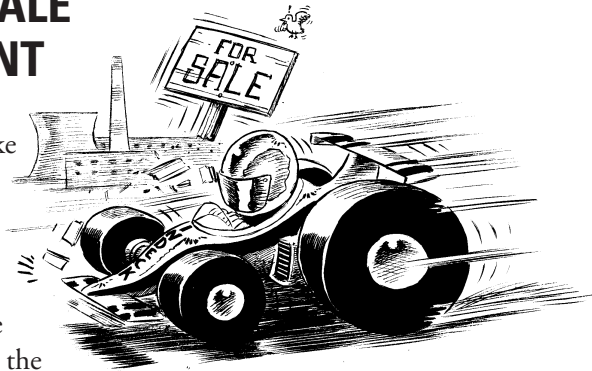
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## EL PASO, NRG LAUNCH SALE OF LONDON POWER PLANT

El Paso Corp. and NRG Energy have launched a sale of their combined 50% stake in London IPP Enfield Power, a move that should finally allow the U.S. merchant energy outfits to draw a line under their short-lived forays in the U.K.'s power generation market. Market watchers say the pair released an asset-sale memorandum on the 378 MW combined-cycle gas turbine plant earlier this month, but add the two companies have yet to set a firm deadline for when bids must be submitted. **Lesa Bader,**

*(continued on page 8)*



## DOMINION EYES BOND MART FOR USGEN FINANCING

**Dominion Resources** plans to issue some \$650 million in bonds early next year to finance its acquisition of three electric generation facilities from **USGen New England** and a nuclear power plant from **Wisconsin Public Service** and **Wisconsin Power & Light**. Proceeds could also be used to buy out above-market power supply contracts at the company's **Dominion Virginia Power** utility subsidiary. Dominion has yet to determine the details and structure of the offering, but it will most likely take place when the USGen acquisition, scheduled to close next March, is completed, says **Scott Hetzer**, treasurer. He adds Dominion has yet to select banks to underwrite the debt offering. The acquisition is subject

*(continued on page 8)*



*Scott Hetzer*

## OMAN SEEKS ADVISORS FOR GREENFIELD PROJECT, POWER PLANT SALE

Oman's **Ministry of National Economy** last week launched plans to divest a 687 MW state-owned power station and also to develop a 450 MW/200 million gallons per day independent power and water desalination plant adjacent to an existing IWPP at Barka. Market watchers say the government initiated a tender on Sept. 5 to find technical, legal and financial advisors to assist in the power plant auction and is seeking binding bids by Oct. 4. **Robert Bryniak**, managing director of power and water procurement in Muscat, could not be reached late last week during the Islamic weekend.

The Barka II project is the latest in a long line of greenfield developments put out to tender by the Omani government in recent years. Earlier this summer a **Tractebel**-led consortium won a tender to build a \$400 million, 500 MW facility at Sohar (PFR, 6/6).

*(continued on page 8)*

Check [www.iipower.com](http://www.iipower.com) during the week for breaking news and updates.

## At Press Time

### U.K. Firm Plans Energy Push

**Millennium Asset Management**, a London-based hedge fund firm with over \$2.7 billion under management, is planning to launch a private equity fund focused on the northern European energy markets, with a particular emphasis on Norway. The firm has spent the past few months readying a fund focused on Latin America, which launches this week, says **Joe Strubel**, executive director. The decision to develop the energy strategy is largely due to a recovery in the oil service markets, explains Strubel. The fund is likely to launch in the first quarter.

As with the Latin American fund, the vehicle will charge a 2% management fee coupled with a 20% performance fee, said Strubel. It will have a \$1 million investment minimum.

### PacifiCorp Reverse Flex On Strong Demand

Portland, Ore.-based **PacifiCorp** has received north of \$900 million in commitments in a heavily oversubscribed three-year loan sole-led by **Barclays Capital** and took the highly unusual step of flexing the margin downwards because of the strong demand. "It's the first time that that this has happened to an investment-grade loan," claims an official close to the deal. He notes the pricing on the facility was pared down to 75 basis points over LIBOR from an initial 87.5 basis point spread.

Syndication of the \$296 million loan closed last week and comprises 22 banks. BNP was the co-syndication agent, while the co-documentation agents included **Bank of Nova Scotia**, **Bank of Tokyo-Mitsubishi** and **Sumitomo-Mitsui Banking Corp.**

The \$296 million LC facility is being used to backstop pollution-control bonds (PFR, 8/6). The refinancing carries a BBB plus/Baa1 rating.

### RUS Extends Deadline On S.C. Nuclear Sale

The U.S. Department of Agriculture's **Rural Utilities Service** has extended its RFP deadline to bid for a stake in a 2,258 MW South Carolina nuclear power plant to Oct. 6, to allow more time to answer potential acquirers' questions.

**Steven Slovikosky**, RUS point person for the sale, says a great deal of information has been requested of **Saluda River Electric Coop**, the regional non-profit utility that's put its stake up for sale, and this is causing the delay. The RUS issued an RFP earlier this summer covering the sale of a 210 MW, 18.75% stake in Unit 1 of the Catawba Nuclear Station in York, S.C., as well as a 9.375% interest in shared support facilities for the plant (PFR, 6/28). The final bids were originally due last month. The RUS hopes to select a buyer by January, says Slovikosky.

There are now 14 qualified, potential bidders from a diverse pool of investor-owned utilities, municipal power companies and power marketers involved in the bidding process, says Slovikosky, noting that the RUS initially disseminated hundreds of RFPs.

Slovikosky says the RUS has received more interest in the nuclear station now than during its last sales effort over five years ago, adding that nuclear values have risen in the meantime. "It's a sign of the times," he says.

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## Stranded Costs

### Allegheny Taps CSFB For ABS Deal

Allegheny Power, the utility arm of Allegheny Energy, is petitioning the Pennsylvania Public Utility Commission for permission to issue \$115 million of stranded-cost bonds and has tapped Credit Suisse First Boston to arrange the financing if it gets the go-ahead.

Joseph Fichera, CEO of New York-based banking boutique Saber Partners, which has advised on several stranded-cost securitization programs, says Allegheny's plans will most likely be approved by the state commission. "So long as they can demonstrate tangible and quantifiable ratepayer benefits as in the past, I don't think it will be controversial," he says.

Janice Lantz, spokeswoman for Allegheny, says the utility hopes to secure approval from the commission by the end of the year. She declined further comment. A CSFB spokesman did not immediately return a call for comment.

## London-Bound

### Vega Looks to Spread Its Wings

New York hedge fund manager Vega Asset Management is planning to set up a London arm of its newly launched energy and commodity trading fund, Anglian Commodity Fund. The move is part of its push to develop a global presence in the commodity market, says Toly Spheeris, an energy trader at Vega, adding that no timeframe has been set for the trans-Atlantic move.

As part of its push into commodities Vega also is looking to hire five traders and/or analysts over the next six months to work with the energy fund, says Spheeris. Recruits could be based in either London or New York, depending on where the fund manager finds the right talent, says Spheeris.

Anglian launched on July 1 and is managed by three officials including Spheeris and fund managing director Julian Barrowcliffe, who joined this spring.

The Anglian Commodity Fund has received some \$300 million from its parent Vega as well as some external capital, says Spheeris. He adds that the fund is currently running at close to \$200 million, of which roughly 20% is external capital. "By the end of the year external capital could account for close to half of the fund," he predicts, adding that the fund is targeting a minimum capital base of \$500 million.

There's a huge interest in the fund because of its relative value focus, says Spheeris. Most hedge funds make longer term macro bets, whereas Vegas's approach will be a "different philosophy than what is traditionally offered."

In the energy market, the Anglian Commodity Fund will trade "anything that flares," including power, oil, natural gas and coal, says Spheeris.

## AES Makes Push Into Renewable Energy

Arlington, Va.-based AES's recently announced acquisition of an equity stake in U.S. renewable energy developer US Wind Force marks its first foray into wind power and should facilitate a rapid push into the sector.

Scott Cunningham, v.p. of investor relationships, says that wind power is the logical extension of the independent power producer's core business lines, namely, fossil fuel and hydroelectric generation. AES felt it could move faster by partnering with US Wind Force, a privately held developer of wind projects in the Eastern U.S., he adds.

Cunningham says AES would like to develop its first wind farm project this year, but the exact timing will depend on permitting approvals. At present it is not targeting any particular project size. "The criteria will be the return expectations."

Construction funding for each wind farm may be arranged at the project level, says Cunningham, though ultimately each project's financing will need to be determined on a case-by-case basis, he adds.

## Mezzanine Fund Eyes Generation Foray

Hutton Collins & Co., a London-based mezzanine finance boutique run by two former Morgan Grenfell LBO financiers, is set to make its investment debut in the European generation market. The company is expected to part finance London-based Oxenbridge's acquisition of Italian IPP Elettra from Germany's RWE, says a banker close to the deal. BNP Paribas is providing senior non-recourse financing for the roughly EUR250 million acquisition, while Hutton Collins will provide mezzanine debt, he adds. Calls to Hutton Collins were not returned and officials at BNP declined to comment.

Hutton Collins was formed in 2002 by Graham Hutton, chief executive of Morgan Grenfell Private Equity and prior to that head of leveraged lending at the U.K. bank, and Matthew Collins, head of global leveraged finance at Merrill Lynch. Since launching in 2002 Hutton Collins has focused on investments in the retail and media markets, including its part financing of Charterhouse Development Capital's EUR1.9 billion acquisition of Télédiffusion de France from France Telecom.

Elettra owns a variety of CHP plants and hydroelectric facilities with 250 MW of generation capacity in Italy. It also holds 2 GW of projects in early stage development. The acquisition is expected to close in the next few weeks.



## Tyr Seals \$40M Investment Funding

**Tyr Energy**, a power plant management company, is set to acquire stakes in three U.S. power plants by yearend after securing \$40 million in equity commitments for its funding and investment affiliate, **Tyr Capital**. Japanese utilities **CHUBU Electric Power** and **ITOCHU Corp.**, the main backers of Tyr, are committing the additional capital.

**Brad Nordholm**, ceo, says its pending investments reflect the emergence of market opportunities for financial investors to acquire distressed generation assets. "There is a rapid emergence of financial individuals providing liquidity to this market." And these investors are looking for the type of asset management service that Tyr Energy offers, he adds. Nordholm declined to disclose which plants it is buying stakes in.

## Rothschild Veteran Joins Deutsche Bank

**Kamal Murari**, former head of energy sales and structuring at **NM Rothschild** in London, has joined **Deutsche Bank** in London as a director and senior originator/structurer. A Rothschild official says Murari left the investment bank this summer as part of a move to scale back its energy trading operations. A Deutsche Bank spokeswoman says Murari joined earlier this month.

Murari, a veteran of the oil and gas industry, joined Rothschild in 2003 after a seven-year stint at JP Morgan, latterly as head of energy marketing for Europe, the Middle East and Africa. He was previously an energy marketer at **Credit Suisse First Boston**.

Murari is one of several Rothschild traders to recently resurface at rival banks. Last month **Dresdner Kleinwort Wasserstein** hired two Rothschild energy traders, **Mark Rogers** and **Franck-Eric Fischer** as it looked to build a London-based energy trading operation (PFR, 8/28).

## Former Goldman Analyst Launches MLP Investment Fund

**Alerian Capital Management**, a New York hedge fund start-up launched by former **Goldman Sachs** power and energy analyst **Gabriel Hammond**, has launched an investment fund focusing on mid-stream energy companies.

The *MLP Total Returns Fund* was launched recently with \$6 million and will focus on acquiring stakes in energy-orientated master limited partnerships. The core of the portfolio will be concentrated in 8-15 MLP equity positions that offer long-term growth value, says Hammond. The core portfolio is expected to comprise some 50-70% of the fund's

total assets. The fund will also have a secondary strategy of purchasing MLP stock that is substantially undervalued. The relative-value segment is expected to comprise of 20-30% of the fund's total assets, he adds.

The fund has a \$1 million minimum investment and will close at \$750 million to \$1 billion. Alerian is primarily targeting fund of funds and high-net-worth clients.

Alerian is also putting together an offshore investment vehicle that could be ready for launch in three months.

## Corporate Strategy

### PrimeWest Taps Equity, Convertible Marts To Fund Calpine Acquisition

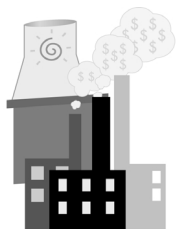
Calgary-based **PrimeWest Energy Trust** has issued CAD525 million (\$408 million) of equity units and convertibles to acquire CAD806 million of petroleum and natural gas assets from **Calpine Energy Holdings** and **Calpine Canada Natural Gas**. The bought deals closed on Sept. 2 and were co-led by **Scotia Capital** and **CIBC World Markets**. Bought deals are the most common approach to making an equity offering in Canada, says **George Kesteven**, manager, investor relations, adding that "pretty much every bank and major brokerage house in Canada is in the syndicate."

PrimeWest, an oil and gas investment trust, also drew CAD281 million from its CAD625 million of senior credit facilities to help finance the acquisition, Kesteven says, adding that roughly \$125 million of the loans were privately borrowed in U.S. dollars from U.S. insurance companies. He declined to name which insurers participated in the syndicate, saying only that the deal proves a natural hedge for the borrower as oil and gas assets are traded in U.S. dollars.

PrimeWest's capital market offering breaks down into an offering of 12.3 million equity units at CAD24.40 each and CAD250 million of convertible bonds. The convertibles comprise CAD150 million of five-year debentures with a coupon of 7.5%, and CAD100 million of seven-year 7.75% debentures. Both are convertible at CAD26.50 per trust unit.

Additionally, PrimeWest increased its senior debt facility to CAD625 million from CAD400 million. It directed \$281 million toward funding the Calpine acquisition and used a further \$199 to pay down prior debt.

The move to acquire the petroleum and gas assets is part of PrimeWest's ongoing strategy to expand, says Kesteven, adding "We're continually shopping for assets." The trust began eyeing the assets in June when Calpine announced it was reviewing its strategic options, he says, taking that as a "major clue that they were likely interested in selling their assets."



## 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. To report new auctions or changes in the status of a sale, please call Will Ainger, managing editor, at (44-20) 7303-1735 or e-mail [wainger@euromoneyplc.com](mailto:wainger@euromoneyplc.com).*

Seller	Plants	Location	MW	Plant Type	Advisor	Status
AEP	El Bajio	Mexico	600 (50%)	Gas	WestLB	
AES	Wolf Hollow	Texas	730	Gas	N/A	Ongoing.
	Granite Ridge	N.H.	720	Gas		
	Termomamonal	Colombia	90	Gas		
	Ottana	Italy	140	Gas	None	Ongoing.
Allegheny Energy Supply	Armstrong	Penn.	356	Coal	J.P. Morgan	Ongoing.
	Hatfield	Penn.	1,600 (75%)	Coal	Citibank	
	Mitchell	Penn.	442	Coal	J.P. Morgan	
Aquila	Raccoon 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		
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 Chocón	Argentina	1,320	Hydro	J.P. Morgan	
Citi-led bank group (NEG developed plants)	Lake Road	Conn.	840	Gas	Lehman Bros.	Seperate auction for each plant.
	La Paloma	Calif.	1,121	Gas	Lehman Bros.	
ConocoPhillips	Ingleside	Texas	440 (50%)	Gas	None	Looking to sell stake by June.
Damhead Power	Damhead	U.K.	800	Gas	E&Y	Has agreed sale to ScottishPower.
Delta Power	Lowell Power	Mass.	82	Gas	None	Actively pursuing a sale.
Duke Energy North America	Lee Energy	Ill.	640	Gas	J.P. Morgan	Ongoing.
	Bridgeport Energy	Conn.	480 (67%)	Gas		
	Grays Harbor (in construction)	Wash.	650	Gas		
	Deming Energy (in construction)	N.M.	570	Gas		
	Griffith Energy (50%)	Ariz.	600	Gas		
	Maine Independence	Maine	520	Gas		
El Paso Europe	Enfield	U.K.	396 (25%)	Gas	No Advisor	Looking to exit Europe.
	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		
	Eagle Point	N.J.	233	Gas		
	Fulton	N.Y.	45	Gas		
	Pawtucket	R.I.	67	Gas		
	Rensselaer	N.Y.	79	Gas		
	San Joaquin	Calif	48	Gas		
El Paso North America (Contracted assets)	Midland Cogen	Miss.	1,500 (44%)	Gas	Citigroup	Has sold majority of QF portfolio to ArcLight.
	Prime	N.J.	66 (50%)	Gas		
Endesa	Conatillor	Chile	172	Hydro	N/A	Ongoing.
EnCana	Cavalier	Alberta	106	Gas	HSBC	Launched sale in April. Looking to exit generation business.
	Balzac	Alberta	106	Gas	HSBC	
	Kingston	Ontario	110 (25%)	Gas	HSBC	
Energy Investors Fund	Multitrade	Va.	79.5 (60%)	Biomass	None	Intention to sell.
	Crockett	Calif.	240 (24%)	Gas	None	

## Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Entergy Asset Management	Robert Ritchie	Ark.	544	Gas/oil		Ongoing.
	Warren Power	Miss.	314	Gas		
	Top of Iowa	Iowa	80	Wind		
	RS Cogen	La.	425 (49%)	CHP		
	Roy S. Nelson	La.	550 (20%)	Coal		
	Harrison County	Texas	550 (70%)	Gas		
	Independence	Ark.	842 (15%)	Coal		
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		
Ernst & Young Corporate Finance (representing secured creditors)	Bear Swamp	Mass.	599	Hydro	E&Y	Exploring sale.
HSBC-led creditor group	Attala	Miss.	526	Gas	HSBC	Ongoing.
InterGen	Larkspur Energy	Calif.	90	Gas	Citi	Ongoing.
	Indigo	Calif.	135	Gas	Citi	
	El Bajio	Mexico	600 (50%)	Gas	N/A	Ongoing.
KBC-led creditor group	Milford	Conn	542	Gas	Lazard	Ongoing.
LG&E Power	Roanoke Valley	N.C.	178 (50%)	Coal	N/A	Ongoing.
	Gregory Power	Texas	550 (50%)	Gas		
	Palm Springs	Calif.	42 (50%)	Wind		
	Tyler	Minn.	27 (50%)	Wind		
	Van Horn	Texas	41 (33%)	Wind		
	Tarifa	Spain	30 (46%)	Wind		
Mirant	Kendall	Mass.	270	Oil	CSFB BofA	Ongoing.
	Shady Hills	Fla.	474	Gas		
	West Georgia	Ga.	640	Gas		
	Bosque County	Texas	538	Gas		
	Wichita Falls	Texas	77	Gas		
Morrow Power	Boardman	Ore.	28	Gas	Marathon Capital	Looking to select bidder by June.
Nations Energy	Bayport	Texas	80	N/A		Considering liquidating the company.
	Mungo Junction	Ohio	32			
	Southbridge	Mass.	7			
National Energy Gas & Transmission (USGen New England)	Salem Harbor	Mass.	745	Coal/Oil	Lazard	Ongoing.
	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		
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. Set to sell Guadalupe and Odessa to PSEG.
	Termopaipa IV	Philippines	185	Gas		
TECO Energy	Frontera Power Station	Texas	477	Gas	Goldman	
	Dell Power Station	Ark.	540	Gas		
	McAdams Power Station	La.	599	Gas		
	Commonwealth Chesapeake	Va.	315	Gas		
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.

# Financing Record (AUGUST 19 - SEPTEMBER 7)

## Bonds

Issue Date	Maturity	Issuer	Amount (\$ mil)	Offer Price	Type of Security	Coupon (%)	Spread to Benchmark	Moody's	S&P	Bookrunner(s)
8/19/04	8/25/09	Alabama Power (Southern Co)	250	100	Float Rate Nts	Floats	-	A2	A	Goldman/BoNY/Wachovia
8/19/04	6/1/08	Cosern (Iberdrola)	40.2	Market	Debentures	Floats	-	NR	NR	BSBRA
8/19/04	8/26/07	EGAT	19.3	100	Fxd/Straight Bd	3.295	-	NR	NR	HSBC
8/19/04	8/15/14	PacifiCorp (Scottish Power )	200	99.636	Fst Mtg Bonds	4.95	77	A3	A-	Citi/Deutsche Bank
8/19/04	8/15/34	PacifiCorp (Scottish Power )	200	99.639	Fst Mtg Bonds	5.9	90	A3	A-	Citi/Deutsche Bank
8/25/04	8/25/07	Samchully Co	26	100	Fxd/Straight Bd	4.04	-	-	-	Dongwon
9/3/04	1/27/12	Cia Energetica de Pernambuco	43.5	Market	Debentures	11.3	-	NR	NR	Votorantim
9/7/04	9/24/09	Nederlandse Waterschapsbank	120.6	99.88	Fxd/Straight Bd	3.25	-	Aaa	AAA	CSFB

## M&A

Date Announced	Date Effective	Target	Target Advisors	Target Country	Acquiror Name	Acquiror Advisors	Acquiror Country	Deal Value (\$mil)
8/19/04	-	Hanchuan Jiaxu Gas	-	China	Central Asia Natural Gas	-	China	0.451
8/19/04	-	Xiaogan Jiaxu Gas	-	China	Central Asia Natural Gas	-	China	0.645
8/19/04	-	Yingcheng Jiaxu Gas	-	China	Central Asia Natural Gas	-	China	0.645
8/19/04	-	Yumeng Jiaxu Gas	-	China	Central Asia Natural Gas	-	China	0.4
8/20/04	8/20/04	Eagle Rock Energy	-	U.S.	Celero Energy	-	U.S.	-
8/23/04	-	Undisclosed Biomass Plant	-	U.S.	World Wise Technologies Inc	-	Canada	7
8/23/04	-	Marsica Gas	-	Italy	Edison	-	Italy	-
8/23/04	-	HubCo	-	Germany	Gas Transport Services	-	Netherlands	-
8/23/04	-	TECO-100 MW Gas Fired Plants	-	U.S.	PSEG	-	U.S.	-
8/23/04	8/23/04	Transmetano	-	Colombia	Promigas	-	Colombia	17
8/24/04	-	iQ2 Power Corp	-	Canada	QCC Technologies Inc	-	Canada	10.764
8/24/04	-	Watt Deutschland	-	Germany	Energie Baden-Wuerttemberg	-	Germany	-
8/26/04	8/26/04	Building Services Training	-	U.K.	Connaught	-	U.K.	-
8/26/04	8/26/04	Elsam	-	Denmark	EnergiGruppen Jylland	-	Denmark	651.508
8/26/04	-	Jiangxi Ganneng Baozishi Power	-	China	Ganneng Co	-	China	0.75
8/26/04	8/26/04	Gas Care Central Heating	-	U.K.	Connaught	-	U.K.	4.313
8/27/04	-	Changchun Gas Holding	-	China	Investor Group	-	China	47.782
8/27/04	-	Roanoke Valley Energy Facility	-	U.S.	Westmoreland Coal	-	U.S.	125
8/27/04	8/27/04	Tynagh Gas-Fired Power Plant	-	Ireland-Rep	Gama Endustri Tesilerie	-	Turkey	-
8/30/04	-	Hengshui Hengxing Power	-	China	China Resources Power	-	Hong Kong	7.863
8/30/04	-	Overgas Rahovets	-	Bulgaria	Undisclosed Acquiror	-	Unknown	-
8/31/04	-	National-North of England	Rothschild/Morgan Stanley/Cazenove/JPM/CSFB	U.K.	Gas Network	Deutsche Bank	U.K.	2,514.12
8/31/04	-	National-Wales & West Gas	Rothschild/Morgan Stanley/Cazenove/JPM/CSFB	U.K.	Investor Group	Macquarie Bank	Australia	2,154.96
8/31/04	-	National-Scotland & South	Rothschild/Morgan Stanley/Cazenove/JPM/CSFB	U.K.	Investor Group	Citi/DrKW	U.K.	5,980.01
9/2/04	-	Enerji Uertim ve Ticaret	-	Turkey	Oyak	-	Turkey	-
9/3/04	9/3/04	National Energy Research Corp-	-	U.S.	Undisclosed Acquiror	-	Unknown	-
9/6/04	-	Australian Power & Energy Ltd	-	Australia	Anglo Coal	-	Australia	-
9/6/04	-	Australian Power & Energy Ltd	-	Australia	Anglo Coal	-	Australia	0.125
9/6/04	-	USGen-Electric Generation(3)	Lazard	U.S.	Dominion Energy	Morgan Stanley	U.S.	656
9/7/04	-	AEP-South Texas Project	-	U.S.	City Public Svc of San Antonio	-	U.S.	158
9/7/04	-	AEP-South Texas Project	-	U.S.	Texas Genco Holdings Inc	-	U.S.	174
9/7/04	-	Distrigaz	-	Belgium	Suez-Tractebel	-	Belgium	38.769
9/7/04	-	Intergen-Wildflower Project	-	U.S.	Diamond Generating Corp	Dexia	U.S.	-
9/7/04	-	Sarawak Electricity Supply	-	Malaysia	Sarawak Enterprise	Ammermerchant Bank/ Newfields/Southern Investment Bank	Malaysia	17.869
9/7/04	-	Fluxy	-	Belgium	Suez-Tractebel	-	Belgium	37.638
9/8/04	9/8/04	Westcoast Energy-Pipeline	-	U.S.	KeySpan Energy	-	U.S.	-

Source: **Thomson Financial Securities Data Company**. For more information, call **Rich Peterson** at (973) 645-9701.

## DOMINION EYES

(continued from page 1)

to bankruptcy court approval.

Dominion generally likes to finance acquisitions through 50/50 debt-to-equity mix, says Hetzer. As part of the USGen financing Dominion last week issued 10 million shares of common stock to **J.P. Morgan** at \$65.12 in a forward sale agreement, under which **Merrill Lynch International** agreed to borrow and sell the shares plus one million additional shares if J.P. Morgan exercises its over-allotment option. The agreement will settle by May 17, 2005. Dominion decided on a forward sale agreement because it minimizes share dilution until the equity capital is needed and avoids market uncertainty, Hetzer explains. "It's equity on demand," he adds. Dominion's share price closed at \$65.25 last Wednesday and has a 12-month trading range of \$65.85 to \$59.27.

Dominion last week announced it had agreed to acquire three plants from USGen for \$656 million in an effort to expand its New England generation portfolio. Under the agreement, Dominion will purchase the 1,599 MW coal- and oil-fired Brayton Point Station and the 74 MW coal- and oil-fired Salem Harbor Station, both in Massachusetts. Dominion will also acquire the 495 MW natural gas-fired Manchester Street Station in Rhode Island. Dominion purchased the 545 MW Kewaunee Nuclear Power Plant in Wisconsin in 2003.

—Christine Buurma

## EL PASO

(continued from page 1)

a spokeswoman at NRG, declined to comment and calls to spokeswoman **Kim Wallace** at El Paso were not returned.

Uncertainty, however, surrounds whether Enfield's original developer, privately owned **Indeck Energy Services**, is also looking to divest its 50% stake in the two-year old plant. The Buffalo Grove, Ind., company, which is owned by high-profile CART-racing team proprietor and race track owner **Gerald Forsythe**, has blown hot and cold on its plans for Enfield, says an El Paso official. "Forsythe seems very proud of his ownership of Enfield, and it's unclear what he plans to do now. As a privately owned company Indeck can have very different objectives from [publicly listed] El Paso and NRG," says the official. Officials at Indeck could not be reached for comment.

Indeck's plans should become clearer at the end of this month when Enfield's owners hold their quarterly board meeting in Buffalo Grove, says another official.

There is also confusion over whether Indeck has a right of first refusal to acquire Enfield's two minority stakes. "It's a matter of interpretation," says one official of Indeck's legal

rights in a plant auction. "There's more than one way to sell a plant. And the method of sale could impact Indeck's rights," says the El Paso official.

Enfield is widely regarded as an attractive power plant, not least because of its proximity to London and its high efficiency rate. It also has a deeply in-the-money gas supply contract with **BG Group** that could be monetized.

Enfield was financed in the project finance loan market in 1998 and has less than GBP100 (\$179 million) outstanding on the loan. A sale should easily make whole the 13-bank syndicate, say officials.

—Will Ainger

## OMAN SEEKS

(continued from page 1)

International power plant developers **PSEG Global**, **International Power** and **AES** also have landed long-term offtake contracts to develop IWPPs at Salalah, Al Kamil and Barka, respectively. "The Omani government is looking at a wide range of ways to monetize its abundance of natural gas resources," explains a market official.

As with the earlier tenders the Omani government is looking to develop the Barka II project on a build-own-operate basis, and will underpin the financing of the project through the signing of a 15-year tolling contract. However, this latest advisory mandate differs in one significant manner. The Omani government is also asking advisors to evaluate whether it should include the sale of an operational state-owned plant in the auction process. The government plans to divest **Al-Rusail**, a 687 MW gas-fired facility, located in the capital city, Muscat, and is considering including the sale in the Barka II package, explains a project financier.

—W.A.

## Quote Of The Week

"Anything that flares." —**Toly Spheeris**, a trader at **Vega Asset Management** in New York, describing the energy markets that its newly launched **Anglian Commodity Fund** will trade (see story, page 3).

## One Year Ago In Power Finance & Risk

**Duke Energy** had reportedly whittled down the list of suitors looking to acquire its European operation to three companies. The shortlist was drawn from a nine-strong roster, including German gas utility **WINGAS**, **TotalFinaElf**, **BHP Billiton**, **ENECO Energie**, **Gaz de France** and **Centrica**, all of whom had made indicative bids earlier that summer. [Last November Duke Energy agreed to sell the business, predominantly consisting of Dutch gas contracts, to **Norsk Hydro Energy** for roughly \$80 million.]