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The exclusive source for power financing and trading news

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Web Datafest

To cram in the news we've shunted the financing data charts to our Web site. For the full detail of this week's debt offerings and registrations head to www.iipower.com

DPL Homes In On Peaker Bids

DPL Inc. has sliced in a half a shortlist of potential acquirers for the 872 MW of gas-peaker assets it's looking to unload. It expects to decide whether to sell the assets and to whom by mid October and won't be parting with the plants if the bids are too low.

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SOUTH AFRICAN ISSUER PLOTS U.S. DEBUT

South African energy giant **Eskom** plans to tap the U.S. bond market at least once every 24 months, beginning with a benchmark-sized issue to gain critical mass next year. The state-run company plans to raise ZAR50 billion (\$6.8 billion) over the next five years to fund capital expenditures and will issue ZAR30 billion locally and ZAR20 billion in foreign denominations.

Caroline Henry, treasury manager in Johannesburg, says U.S. issuance is driven by asset managers liking to see a certain volume out in issue at any particular time.

The amount and type of bonds are not yet decided but Eskom's main criteria are price, tenor and non-restrictive covenants. The company does not have an advisor in mind, but frontrunners to lead the U.S. funding efforts are its international relationship banks, **Citibank** and **JPMorgan Chase**, which arranged a €500 million eurobond in February.

(continued on page 8)

IRISH IPP LOOKS TO HOOK LEADS FOR U.K. CCGT

ESB International, the unregulated arm of Ireland's **Electricity Supply Board**, is looking for leads for a €500-600 million (\$635-762 million) financing for an 850 MW development at Marchwood industrial park near Southampton, England—the site of a former gas-fired power station. The redevelopment is expected to cost £400 million and be financed with 80% debt and 20% equity.

Kevin MacDermott, spokesman at ESB, says the Dublin-based company has launched a beauty pageant and will decide on leads at the end of this month or early next.

A banker speculates the sponsor will likely pick a handful of lenders to lead the non-recourse financing. It tapped 10 banks three years ago to lead financing for its recently unveiled 800 MW Amorbieta plant in Bilbao, northern Spain. Expected frontrunners include **Royal Bank of Scotland**, which acted as lead arranger for syndication of the €685

(continued on page 8)

DEVELOPERS READY \$1.9B U.S. BOND FOR QATARI LNG

Ras Laffan Liquefied Natural Gas Co. 3, a unit of **RasGas Company**—a state-run joint venture owned 70% by **Qatar Petroleum** and 30% by **ExxonMobil Corp.**—are looking to raise \$1.86 billion in a U.S. bond offering. The deal, expected next week, will help bankroll the estimated \$14.1 billion expansion of its liquefied natural gas production facilities in Ras Laffan Industrial City, Qatar.

Lehman Brothers and **Goldman Sachs** are joint bookrunners on the sale. Officials at the firms did not return calls.

An affiliate of **ExxonMobil** will also loan the company \$795 million to fund ongoing construction of its liquefaction units, bringing the amount of debt raised to \$2.65 billion. **Robert Main**, treasurer of **RasGas** in Doha, declined comment and a call to **Bob Davis**,

(continued on page 8)

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



At Press Time

DPL Draws Up Final Bidder List For Peakers

DPL Inc. has sliced in half a shortlist of more than 15 potential acquirers interested in 872 MW of gas-peaker assets it has on the block. "We have gone back to them and told them to sharpen their pencils and give us final bids," says Gary Stephenson, v.p. of commercial operations in Dayton, Ohio.

Bids are being accepted on the three facilities until the month end and DPL expects to decide whether to sell the assets and to whom by mid October. "If we don't think we are getting fair value for these assets, they won't be sold," Stephenson says. The interested parties are an equal mix of financial and private equity players, traditional utilities and marketers, he adds, declining to name them or disclose details of the proposals DPL had received.

The assets are the 447 MW Darby Electric Generating Station in Mount Sterling, Ohio; the 206 MW Greenville plant in Greenville, Ohio; and the 219 MW Montpelier facility in Poneto, Ind.

Rich Straebel, a finance official at Pace Global Energy Services in Fairfax, Va., which is advising the company on its auction, did not return a call.

Favorites Emerge For Mirant Assets

Hong Kong's CLP Group, the U.K.'s International Power and Japanese corporates Mitsui & Co. and Marubeni Corp. are being tagged as strong contenders to reach the second round of Mirant's Philippines generation asset auction, according to an official tracking the sale.

Credit Suisse is running the auction, which comprises two contracted coal-fired facilities: the 1.2 GW Sual Generating Plant in Sual, Pangasinan, and 704 MW Pagbilao Generating Plant in Pagbilao, Quezon. Mirant expects final bids for the assets in late October (PFR, 8/7) and to announce a winner in November. Corry Leigh, a spokeswoman at the Atlanta-based IPP, declined comment and Jason Fisher, an official at Credit Suisse in Singapore, did not return a call by press time. Press officers at International Power, Mitsui and CLP—formerly known as China Light & Power—declined comment and a spokesman at Marubeni could not be reached.

Eagle Energy Draws In 11 For Loan

Eagle Energy Partners, the gas and power trader headed by ex-Dynegy officials, has landed 11 lenders in its BNP Paribas led syndication of a \$650 million credit facility. The deal, which is a refinancing of an original \$440 million loan BNP syndicated last September, launched Aug. 14 (PFR, 8/21).

The banks are: Fortis Capital, Bank of Tokyo-Mitsubishi UFJ, Natexis Banque Populaires, MetLife Bank, Allied Irish Bank, RZB Finance, Standard Chartered, Mizuho, Rabobank and DZ Bank—the last four of which are new lenders to the Houston-based energy marketer. Officials at BNP declined comment and officials at the other banks either did not return calls or did not provide comment ahead of press time. Eagle Energy CEO Griff Jones did not return a call.

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

GE Unit Scopes Rights To 512 MW Conn. Project

GE Energy Financial Services is looking to acquire **Towantic Energy**, the project entity for a shelved 512 MW development in Oxford, Conn., originally slated for completion in 2002.

Calpine, the ultimate parent of Towantic, has decided against pursuing the development, according to **Alan Kosloff**, an attorney in West Hartford working on behalf of the San Jose, Calif.-based energy company.

Amy Fisher, a managing director at GE EFS, spearheaded an Aug. 21 motion to extend Towantic's expiring construction permit until January 24 so as to have more time to review the asset (PFR, 9/4). Spokesman **Andrew Katell** declined to make Fisher available for comment, but said: "We are pleased that the [Connecticut Siting] Council approved our request for an extension and will immediately move to further, more detailed consideration of the project." Calpine spokesman **Rick Barraza** declined to provide additional detail.

Fred Cunliffe, an analyst at the council, believes GE EFS may be awarded a further 60 days on top of its 120-day extension to complete its acquisition, and more time still to construct the facility, but notes that citizens opposing the project could still derail a sale. It could not be ascertained how much Towantic may fetch.

The project was originally given the green light in 1999, when its construction certificate was held by Westport-based **Arena Capital**.

Developers Invited To Boost Capacity In Conn.

The **Department of Public Utility Control** for the state of Connecticut on Friday launched a request for proposal inviting IPPs and other interested parties to bid for development incentives in the state. **Don Downes**, chairman, says the department has already seen interest from a number of companies. "They are just who you think they are—large energy suppliers," he says, declining to name them.

NRG Energy has been forthright since the RFP process began in May. **Ray Long**, director of governmental affairs at the Princeton, N.J.-based company, confirms it wants to upgrade about half of its nearly 2 GW generation in Connecticut and add 630 MW of base-load generation. "We are looking to re-power four of our existing sites with new peaking base-load generators," he says. The move would boost NRG's capacity in the state by 124 MW.

Bridgett Neely, managing consultant with Boston, Mass.-based **London Economics International**, which designed and is

advising on the all-source RFP process, says bids will be evaluated on the basis of how far plans are projected to reduce energy prices. "We will be procuring mainly on an economic basis to see what the net benefit to Connecticut ratepayers will be," she says, adding that a diverse mix of respondents and fuel types will be solicited. Bidders have a registration deadline of Sep. 29; there is a pre-bid conference tabled for Oct. 10 in Hartford; and final bids are due Dec. 13.

Analysts forecast that Connecticut will need 629 MW of new or incremental capacity as early as next year. They further predict that by 2018 the need could be as high as 1.54 GW, which could jump to as much as 2.4 GW by 2021.

Hartford-based **Connecticut Light & Power Company** and New Haven-based **United Illuminating Company** will act as counterparties on the contracts awarded, buying the new capacity and passing the cost onto ratepayers. Each will sign contracts going out as far as 15 years.

Emirates IWPP Deal Draws Some Grousing

Barclays Capital and **Société Générale** are getting a lukewarm reception from some lenders for a \$1.5 billion non-recourse financing to support the acquisition of a 535 MW independent water and power project in Fujairah, United Arab Emirates. A fortnight ago the leads were seeing interest from more than 20 banks, and commitments were believed to be trickling in (PFR, 9/4).

One banker says the terms are too tight and another says the word is the leads are "struggling heavily" to complete the book. Spreads on the deal begin at 65 basis points over LIBOR, stepping up to the 90s and the deal tenor is around 22 years. Officials at Barclays declined comment and officials at SocGen did not return calls.

It could not be determined how many banks have been invited to participate and how many have recommended the deal to their credit committees. Syndication is scheduled to close within weeks.

The funding is being arranged for acquiring entity **Emirates SembCorp Water & Power Company**, a joint venture owned 40% by an affiliate of Singapore-based **SembCorp Industries** and 60% by **Taqva**, a unit of the **Abu Dhabi Water and Electricity Authority** (Adwea). Adwea owns the existing gas-fired facility onsite and its neighboring 100-million-imperial-gallons-per-day desalination plant, both of which are on the block.

Some 85%, or \$1.275 billion, of the roughly 20-year package comes in the form of senior term loans, broken up into three portions. The remaining 15% is a \$225 million equity bridge

loan to fund a 225 MW expansion of generating capacity onsite, expected to be operational in the first quarter of 2009. Financing is supported by a 22-year PPWA with **Abu Dhabi Water & Electricity Company**.

BNP, Lehman Wrap O&M Star Loan

BNP Paribas has wrapped syndication of a \$278 million acquisition financing for **O&M Star Generation**, the holding entity owned by **AIG Highstar Capital** and **Ontario Teachers' Pension Fund**. **Lehman Brothers** acted as joint bookrunner on the deal, which bankrolls the bulk of a 50% stake in a pair of natural gas-fired plants known as Mulberry and Orange in Bartow, Fla. (PFR, 8/28).

A banker says the deal was nearly one and a half times oversubscribed because the qualifying facilities underpinning the financing are fully contracted, and therefore constitute minimal risk. About 30 lenders participated in the syndicate, a third of which were banks. Allocations could not be learned.

Pricing on the unrated loan is LIBOR plus 300 basis points until the borrower secures a rating later this month, at which

point pricing will be tied to a ratings-based grid, details of which could not be ascertained.

O&M Star's 50% stake, already acquired from **Arroyo Energy Investors**, the energy private equity venture of **Bear Stearns**, complements **AIG/Ontario's** existing 50% stake via related subsidiary **Northern Star Generation**.

Officials at BNP declined comment, while calls to **Chris Lee** at **AIG**, **Jim Leach** at **Ontario Teachers'** and an official at **Lehman** were not returned.

BoTM Looks To Replenish London Project Finance

Bank of Tokyo-Mitsubishi UFJ has lined up new hires who will be starting over the next few weeks, says a BoTM official. The official declined to name them, but notes they restock the team which saw departure three weeks ago of senior director **Laurence Fumagalli**, who joined European advisory firm **Climate Change Capital**, and **Catherine Parker**, another project finance official, who recently went on maternity leave.

Stephen Crane, head of structured finance at BoTM in charge of new hires, did not return a call.

Corporate Strategies

National Grid Continues To Tap EMTNs

National Grid returned to the European bond market last week, selling €750 million (\$952 million) of floating-rate notes via its €12 billion medium-term notes program. **Kwok Liu**, assistant manager of capital markets in London, says proceeds will mainly be used to help fund the impending \$11.8 billion acquisition of **KeySpan Corp.**, expected to close in the first quarter.

The five-year, four-month notes were priced at a discount to yield 38 basis points over three-month EURIBOR. Managing the sale were joint bookrunners **Banc of America Securities**, **Dresdner Kleinwort Wasserstein** and **WestLB**, who **Kwok** says are on rotation among scores of banks that lend to the U.K. power grid operator. **WestLB** led the company's most recent European issuance in July, when it sold €300 million of floating-rate notes due 2008, with a coupon of 12.5 basis points over EURIBOR.

National Grid has a funding target of \$10 billion over the next two years and has already raised about half of that amount through a variety of euro-, sterling-, Canadian- and U.S. dollar-denominated offerings (PFR, 9/4). Market conditions will determine the location and size of the next

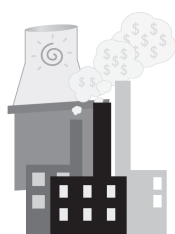
bond offering, says **Kwok**. Net debt at the company was £10.9 billion at March 31.

Energy East Saves \$4M Via Redemptions

Energy East redeemed \$250 million of 5.75%, five-year notes, maturing Nov. 15, two months early by issuing \$250 million of 30-year, 6.75% notes via **Citibank** and **JPMorgan Chase**. The Portland, Maine, energy services and delivery company has now saved about \$4 million in interest, says **Howard Coon**, director of corporate finance, after recent refinancings: the redemption complements a July 17 issuance of \$250 million of 6.75%, 30-year notes led by **Banc of America Securities** and **Wachovia**, which was put towards the redemption of \$345 million of 8.25%, 30-year trust preferred securities callable after five years. All four banks that worked on the offerings are leads in the company's revolving credit agreements.

Coon says the funds will be allocated to working capital, but declined to detail specific projects in need of immediate investment.

Energy East has \$1.3 billion in long-term debt outstanding at the corporate level—or \$3.9 billion factoring in debt at its operating utility subsidiaries.



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 Mark DeCambre, managing editor, at (212) 224-3293 or e-mail mdecambre@iinews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Alloy Power/West Virginia Alloy	Hawk's Nest Glen Ferris	Fayette, W.Va. Fayette, W.Va.	102 4.6	Hydro Hydro	JPMorgan	Brookfield Power agreed to acquire both facilities. Terms not disclosed. Deal expected to close by year-end 2006.
American Electric Power	Plaquemine Cogeneration Facility	Plaquemine, La.	880	Gas/Steam	N/A	Dow Chemical Co. will pay AEP \$64 million at closing, which is expected in December.
American Securities Capital Investments (Primary Energy Ventures)	Naval Station	San Diego, Calif.	47	Gas	Lehman Brothers	Epcor Power is acquiring the assets for \$380 million. Deal slated to close in the 4th quarter
	North Island	San Diego, Calif.	41	Gas		
	NTC	San Diego, Calif.	25	natural gas		
	Oxnard	Oxnard, Calif.	49	natural gas		
	Kenilworth	Kenilworth, N.J.	30	natural gas		
	Greeley	Greeley, Colo.	82	natural gas		
	Roxboro	Roxboro, N.C.	60	solid fuel fired		
	Southport	Southport, N.C.	120	solid fuel fire		
	North Lake (15.4%)	East Chicago, Ind.	75	waste energy		
	Cokenergy (15.4%)	East Chicago, Ind.	95	waste energy		
	Ironside (15.4%)	East Chicago, Ind.	50	waste energy		
Atlantic City Electric Co.	Portside (15.4%)	Portage, Ind.	64	natural gas	Concentric Energy Advisors	Rockland Capital Energy Investments offered to buy for \$12.2 million so long as necessary approvals made by March 31.
	Harbor Coal (15.4%)	East Chicago, Ind.	N/A	pulverized coal		
BayCorp Holdings	Benton Falls	Benton, Maine	4.3	Hydro	Concentric Energy Advisors	N/A
Calpine	Dighton Power Plant	Dighton, Mass.	170	Gas	N/A	BG North America agreed to acquire for \$90.2 million. Deal approved by the court and expected to close by mid-November
	Russell City Energy Center	Hayward, Calif.	600 (proposed)	Gas	N/A	GE Energy Financial Services has agreed to acquire a 35% stake. Auction set for Sept 19 to see if higher bids emerge (PFR, 9/11).
	Westbrook Energy Center	Westbrook, Maine	528	Gas	N/A	Potential sale being discussed internally at the IPP (PFR, 8/14).
CMS Energy	Palisades	South Haven, Mich.	798	Nuclear	Concentric Energy	Entergy agreed to acquire for \$380 million (PFR, 7/17).
Complete Energy	Batesville	Batesville, Miss.	837	Gas	Dexia	First round bidding is underway (PFR, 7/10).
Constellation Energy	Big Sandy	Wayne County, W.Va.	300	Gas (peaker)	Credit Suisse	Winner expected to be picked next month (PFR, 8/21).
	High Desert	Victorville, Calif.	830	Gas		
	Holland Energy	Holland Township, Ill.	665	Gas		
	Rio Nogales	Seguin, Texas	800	Gas		
	University Park	Chicago, Ill.	300	Gas (peaker)		
Delta Power	Wolf Hills	Bristol, Va.	250	Gas (peaker)	None	Active. Exact status uncertain.
Desert Power L.P.	Desert Power Plant	Rowley, Utah	100	Gas	N/A	MMC Energy signed non-binding letter of intent to acquire for \$3.5 million cash and assumption of \$28.7 million in debt. Facility needs repowering.
DPL Inc.	Darby Electric Generating Station	Mount Sterling, Ohio	447	Gas	Pace Global Energy Services	DPL plans to evaluate bids this month.
	Greenville Electric Generating Station	Greenville, Ohio	206	Gas		
	Montpelier Electric Generating Station	Poneto, Ind.	219	Gas		

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Invenergy	Hardee Power Station	Bowling Green, Fla.	370	Gas	Morgan Stanley	Asset is up for sale. Timeline unclear (PFR, 7/3).
Lake Road	Lake Road Power Plant	Killingly, Conn.	840	Gas	Credit Suisse	Financial players who control the NEG-developed plant have recently put the asset up for sale (PFR, 9/11).
LEP Holdings	Liberty	Eddystone, Pa.	568	Gas	JPMorgan	Non-binding 1st round bids due next month (PFR, 8/17).
LS Power	LSP-Kendall Energy	Kendall, Ill.	1.2 GW	Gas	Goldman Sachs	Goldman selected to ready an auction (PFR, 7/17).
Mirant	Curacao Utilities Co. (25.5%)	Curacao	133	Asphalt/Refinery Gas Oil	JPMorgan	Initial marketing material distributed (PFR, 8/9).
	Grand Bahama Power Co. (55%)	Grand Bahama Island	151			
	Jamaica Public Service Co. (80%)	Jamaica	621	Oil/Hydro		First round bids are in.
	PowerGen (39%)	Trinidad & Tobago	1.2 GW	Gas	Credit Suisse	
	Sual Generating Plant	Pangasinan, Philippines	1.2GW	Coal		
	Pagbilao Generating Plant	Quezon, Philippines	704	Coal		
	Apex plant	Las Vegas, Nev.	518	Gas	JPMorgan	Initial marketing material distributed (PFR, 8/17).
	Bosque	Clifton, Texas	537	Gas		
	Shady Hills	Pascoe County, Fla.	469	Gas/Oil		
	Sugar Creek	W. Terre Haute, Ind.	535	Gas		
	Zeeland	Zeeland, Mich.	840	Gas		
West Georgia	Thomaston, Ga.	605	Gas/Oil			
Northeast Utilities	Northfield Mountain	Northfield & Irving, Mass.	1.1 GW	Pumped Hydro	JPMorgan	Energy Capital Partners is acquiring in a \$1.34 billion deal. Debt financing is close to launch (PFR, 8/21).
	Mt. Tom Station	Holyoke, Mass.	146	Coal		
	Cabot	Turners Falls, Mass.	61.8	Conventional Hydro		
	Turners Falls	Turners Falls, Mass.	6.4	Conventional Hydro		
	Bantam	Bantam, Conn.	0.3	Conventional Hydro		
	Bulls Bridge	New Milford, Conn.	8.4	Conventional Hydro		
	Falls Village	Falls Village, Conn.	11	Conventional Hydro		
	Rocky River (Candlewood Lake)	New Milford, Conn.	29	Pumped Hydro		
	Shepaug (Lake Lillinonah)	Southbury, Conn.	42.6	Conventional Hydro		
	Stevenson (Lake Zoar)	Monroe, Conn.	28.9	Conventional Hydro		
	Robertsville	Colebrook, Conn.	0.6	Conventional Hydro		
	Scotland	Windham, Conn.	2.2	Conventional Hydro		
	Taftville	Taftville, Conn.	2	Conventional Hydro		
	Tunnel – Preston	Preston, Conn.	2.1	Conventional Hydro		
Tunnel Jet – Preston	Preston, Conn.	20.8	Internal Combustion			
NRG Energy (NRG Flinders)	Northern Power Station	Port Augusta, South Australia	520	coal	N/A	Babcock & Brown agreed to acquire plants, related contracts, staff and coal assets. Expected to close third quarter for a cash consideration of A\$317 million (enterprise value A\$513 million).
	Playford Power Station	Port Augusta, South Australia	240	coal		
TXU	45 peakers at 17 locations	Texas	10.3 GW	Gas	Bank of America	Sale is on hold as TXU reviews whether to dispose of assets (PFR, 8/7).

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.

Europe

- **Scottish Power** and **Scottish & Southern Energy** have held talks about a £20 billion merger to create Britain's biggest utility. Preliminary negotiations took place earlier this summer at a series of meetings between **Philip Bowman**, chief executive of Scottish Power, his opposite number at SSE, **Ian Marchant**, and their advisors. Although this summer's talks were aborted without the two sides reaching agreement, they could be revived (*Daily Telegraph*, 9/11).
- Drax power station, the biggest producer of greenhouse gases in the U.K., has reduced the amount of biomass fuel it has been burning by 90% since April. Last year the company cut carbon dioxide output by burning crops but this strategy has been all but abandoned because there are insufficient incentives. The mainly coal-fired plant in north Yorkshire has been buying carbon credits instead. Drax today reported a first-half pre-tax profit rise from £13 million to £317million (*The Guardian*, 9/12).

Latin America

- Brazil's **National Electric Energy Agency**, or Aneel, has rewritten the regulations for a postponed auction of transmission line concessions, which will now take place on Nov. 24. Rights to build and operate 14 transmission lines, covering 2,250 kilometers, were due to be auctioned Aug. 18 but the sale was suspended after two potential bidders, **Isolux Wat** and **Elecnor**, obtained injunctions stopping the sale. The bidders questioned rate calculations (*Dow Jones*, 9/12).
- **BG Group** is interested in bidding on constructing two liquefied natural gas regasification terminals in Brazil. Brazil's state-run oil company **Petrobras** unveiled plans in August to import up to 20 million cubic meters of LNG a day via two floating LNG regasification and storage vessels. BG already is investing in the construction of a regasification plant in Chile (*Dow Jones*, 9/13).
- **Enron** is trying to sell a \$165 million claim its water subsidiary **Azurix** won against the Argentine government in July. The sale could be tough, however, since the **International Center for the Settlement of Investment Disputes** has no enforcement power and Argentine officials have demonstrated an unwillingness to pay out rulings against the nation. **Blackstone Group** has the mandate to sell the assets (*Dow Jones*, 9/14).

North America

- The **Nuclear Regulatory Commission** said a contractor at **FirstEnergy's** Beaver Valley nuclear power plant failed to perform required reviews on a repair project and covered it up. *The Pittsburgh Post-Gazette* reported the cover-up was caught, before work began, when a Beaver Valley clerk noticed supporting documentation for the reviews was missing (*Dow Jones*, 9/14).
- **Duke Energy** needs \$2 billion from ratepayers to build two coal-fired plants, according to CEO **John Rogers**. The company is looking for regulatory approval of the plants from the North Carolina Utilities Commission. The commission must judge whether the costs to customers would be justified. Duke has not built a big, around-the-clock coal-fired power plant since 1975 (*AP*, 9/12).
- Ex-Dynegy accountant **Jamie Olis** appeared in a federal district court in Houston to argue for a reduction in his sentence. At issue is how much Dynegy lost because of Project Alpha, which Olis helped run. Losses are a key component in calculating the length of a jail sentence. Prosecutors say the transaction led to more than \$100 million in shareholder losses, so Olis' current 24-year sentence should stand, but they would consider a 12 1/2-year sentence based on an analysis of how much Dynegy profited from the deal. The defense team says a loss figure can't be calculated accurately, however, and the judge should reduce his current sentence to five years, based on his low level at the company and lack of a prior record (*Houston Chronicle*, 9/12).
- **Xcel Energy** spent \$23 million on its efforts to ship nuclear waste to an Indian reservation in Utah, a project that may well be dead. The Interior Department scuttled the project last week by rejecting the lease that Xcel and other utilities had signed with the Skull Valley Band of Goshutes. The Goshute Band has not decided whether to appeal the decision (*AP*, 9/13).
- **Florida Power & Light** received local approval for the proposed Glades Power Park 1,960 MW coal-fired power plant in southern central Florida. Commissioners in mostly rural Glades County approved the plan but FP&L expects opposition from environmentalists as the plant goes through the approval process of local, regional, state and federal agencies. The two unit facility will cost \$2-3 billion (*Reuters*, 9/12).

IRISH IPP

(continued from page 1)

million Amorbieta deal, **HSBC**, **Calyon** and **ING Bank**.

The Marchwood deal is expected to be pitched aggressively, adds the banker, because the greenfield plant will use cutting-edge, combined cycle gas turbine technology. Moreover, it benefits from a 15-year PPA with **Scottish and Southern Energy**, which recently agreed to acquire a 50% equity stake in the project for £40 million and to supply all fuel.

The redevelopment is expected to start early in 2007 with a view to bringing the new facility online by 2009. ESBI acquired the original plant when it bought project entity **Marchwood Power** from the U.K. arm of **Aquila Energy Corp.** in 2004. The company also co-owns and operates 350 MW Corby Power Station, in Northamptonshire.

—K.B.

SOUTH AFRICAN

(continued from page 1)

Earlier this month Eskom sold ZAR881 million of bonds in the South African market. The 7.5% bonds, maturing in 2033, were priced to yield 8.88% and benchmarked off a recent 30-year government bond issuance yielding 8.55%. **Standard Bank** and **Rand Merchant Bank** advised on the company-led issue, rated A1 by **Moody's Investors Service** and BBB+ by **Standard & Poor's**.

The debt complements some ZAR2.1 billion in 7.48% bonds, also maturing in 2033, Eskom offered on March 15. Henry says the new, 27-year debt was intended to be 30-year debt when approved, but Eskom was not ready to seek funding three years ago. "It made more sense now because the South African yield curve is inverted, meaning long-bond rates are cheaper than nearer-term rates," she says.

Priority projects at the company include the construction of 1 GW in open-cycle peaking generation at Atlantis and Mossel Bay in the Western Cape, due to be operational by winter next year.

—Katy Burne

DEVELOPERS READY

(continued from page 1)

spokesman at Exxon in Irving, Texas, was not returned.

Pricing and terms on senior-secured debt, which bears maturities of up to 2027, could not be ascertained. It is the second tranche to be issued under Ras Laffan 3's \$10 billion debt program, guaranteed by sister company **Ras Laffan II**. The company raised \$4.6 million in August last year, some \$2.25 billion of which was via another U.S. bond offering led by Lehman and Goldman. The balance was met with \$970 million in commercial bank loans and a \$1.38 billion loan from Exxon, according to **Andrew Davison**, v.p. and senior analyst at

Moody's Investors Service in London.

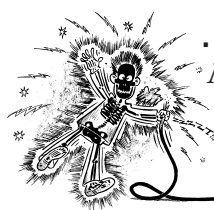
Moody's has assigned a rating of A1 to the new debt, while **Standard & Poor's** rates it A and **Fitch** rates it A+.

The company will likely raise the remaining \$2.75 billion permitted under its program in 2008 once construction of Ras Laffan's sixth LNG processing train is complete, adds Davison.

Estimates suggest that Ras Laffan II-3, viewed as one entity because they guarantee each other, will have an 11% share of global LNG production by 2011. **Chris Hilgert**, cfo of Houston-based developer **Gulf Coast LNG Partners**, speculates state-run energy companies such as Ras Laffan will soon have enough influence to consider contracting capacity themselves.

—K.B.

Alternating Current



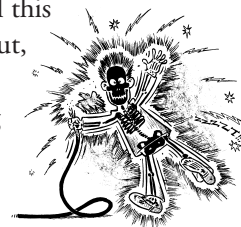
...with Mark Spark

Mark Spark is a switched-on, power-suited exec with the inside track on all things energy. E-mail him at mspark@iinews.com. He will bite.

What do **Constellation Energy's Mayo Shattuck III** (don't forget the three sticks) and **Crosstex's Barry Davis** have in common—apart from being CEOs of leading energy companies? Time's up. Both ranked in the top 10 CEO golfers in a recent **GolfDigest.com** league: Davis in eighth position and Shattuck tied for tenth.

Ever competitive, Shattuck is reportedly disappointed with his performance. He moaned that he would have played better if he hadn't been chipping away at his in-tray in an effort to expedite his company's long awaited merger with **FPL Group**, headed by **Lewis Hay III** (what's with all this thirds business?), tied for 112th place. But, looked at another way, if the two hadn't whiled away so many afternoons playing Tin Cup they may never have agreed to tie the knot. There's links and there's *the* links. The fate of their marriage now depends on whether they can tee up approval from regulators.

As for Davis, he's shown himself to be natural capable of steering clear of the rough. Some of us clearly need to sharpen our game. E-mail me your handicap and we'll commiserate.



Quote Of The Week

"If we don't think we are getting fair value for these assets, they won't be sold."—**Gary Stephenson**, v.p. of commercial operations at **DPL Inc.** in Dayton, Ohio, underscoring that an auction of three gas-fired peakers is not a fire sale (see story, page 2).