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Amaranth Blow Up

We've got all the latest skinny on the **Amaranth Advisors** trading debacle.

See section, page 5

Constellation Bids Due Friday

Credit Suisse is expected to take final bids this week for the 3.4 GW in merchant generation being sold by **Constellation Energy**.

See story, page 2

Miss. Plant Final Bids Lined Up

Complete Energy will take final bids for its 837 MW natural gas-fired plant at the end of Sept.

For the story go to www.iipower.com

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EXELON BOSTON OWNERS TO TEE UP 3 GW ASSET AUCTION



William Kriegel

William Kriegel-led K-Road Ventures and a group of hedge fund owners are set to launch a sale of the 3 GW oil- and gas-fired merchant plant portfolio known as Exelon Boston Generating.

Auctioneer **Lehman Brothers** has told prospective investors the Boston-area assets will be teed up imminently by way of a formal auction process of the holding entity **EBG Holdings**. One investor says preliminary marketing material has not yet been circulated, but he expects to receive a sale memorandum soon.

Some \$1.3 billion in debt tied to the plant has been restructured with a portion converted into equity resulting in hedge funds, including **Satellite Asset Management** and

(continued on page 12)

GOLDMAN KICKS OFF \$855M NU ASSET FINANCING

Goldman Sachs has launched syndication of an \$855 million financing for **Energy Capital Partners'** \$1.34 billion acquisition of **Northeast Utilities** merchant assets. The bank meeting was held Thursday at the St. Regis Hotel in midtown Manhattan.

The funding package—to be set up via ECP vehicle **NE Energy**—likely will comprise a two-lien term loan structure: a seven-year, \$550 million term loan and a seven- and-a-half-year, \$170 million term loan. It also includes a seven-year, \$100 million letter of credit facility and a five-year, \$35 million revolver. Pricing on the first lien is being pitched at LIBOR plus 275 basis points, and will be finalized when the debt receives a rating from credit rating agencies, expected imminently. Pricing on the second lien could not be ascertained.

The private equity shop is acquiring 15 predominantly hydro plants at 14 sites across

(continued on page 12)

PPM GOES ALL-EQUITY FOR WIND FINANCING

PPM Energy has settled on an all-equity structure for its planned monetization of circa 500 MW of wind generation. **Deborah Gronvold**, newly appointed to the role of v.p./treasurer in Portland, Ore., says the company has selected a tax equity investor, but notes the contract still needs to be hammered out. The exact dollar value of the portfolio could not be learned. Gronvold declined to disclose the identity of the equity partner, but likely candidates include **Fortis**, **Union Bank of California**, **Credit Suisse**, **Deutsche Bank** and **GE Energy Financial Services**, according to an observer. Equity holders can use the production tax credits associated with such projects to reduce their corporate tax bills, he adds. In the past year demand for such investments has soared, widening developers' options.

PPM had previously considered raising funds via a bank financing (PFR, 8/28). A banker speculates the equity partner may have been chosen to keep a tidy balance sheet in the event

(continued on page 12)

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



At Press Time

HVB Hunts For Replacement Energy Bankers

HypoVereinsbank is scouting for hires to replace four staffers in London who have left or are about to leave to join DZ Bank. Bankers specializing in power, oil and gas are being sought. "We are in the process of hiring new people but we have not made any contract signings yet," says Kai Henkel, head of project and structured finance in Munich, who notes the bank will try to land staffers over the next four to six weeks.

The departures, which reduced the HVB energy team from six to two, include Jonathan Bullock, head of project finance, who left to take on a similar post. Steven Dodd, a v.p., who reported to Bullock, also left (PFR, 8/21) along with Neil Edmonds, a director. A fourth, Victoria Richards, a team assistant, joins DZ this week.

Edmonds says DZ hired the group to boost its profile in preparation for a slew of deals about to emanate from Europe, the Middle East and Africa. "There is a large pipeline of transactions in the Middle East—namely Saudi Arabia, Qatar, Oman and Abu Dhabi—in various stages of development," he explains, adding DZ will look to hire more project bankers if the volume of deals it takes on justifies the need for further resource. He declined to talk specifics about the team's targets.

Final Countdown

Credit Suisse To Take Final Constellation Asset Offers

Credit Suisse is taking final bids Thursday or Friday for some 3.4 GW in merchant assets being sold by Constellation Energy. Deal trackers say between three to five contenders are in the running, but who is in the mix at this stage could not be ascertained. Second-round bidders included NRG Energy, KGen Energy Management, LS Power, Waypoint Energy and Energy Capital Management with offers said to be in the \$1.5 billion ballpark (PFR, 8/14).

Credit Suisse officials declined to comment, as did Constellation, and officials at the contending firms either did not return calls for comment or declined comment. Although interested buyers expect to submit bids late in the week, one deal tracker notes that Credit Suisse has warned bidders that the bid date could be pushed back to the following week. The reason could not be learned.

Credit Suisse and Deutsche Bank are readying a \$1.1+ billion staple financing package for the sale (PFR, 7/24). Details on the financing package will be hammered out when the winning party is identified, a banker notes.

The assets are three gas-fired peaker plants: Wolf Hills, a 250 MW facility in Bristol, Va.; Big Sandy, a 300 MW plant in Wayne County, W. Va.; and University Park, a 300 MW plant in Chicago. Also up for grabs are combined-cycle merchant plants: Holland Energy, a 665 MW facility in Shelby County, Ill.; Rio Nogales, an 800 MW operation in Texas; and High Desert, an 830 MW plant in California.

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Institutional Investor NEWS
INTELLIGENCE FIRST

Six Reach Second Round For Mirant Assets

AES Corp., Hong Kong's CLP Group, International Power, and Japanese corporates Sumitomo Corp., Mitsui & Co. and Marubeni Corp. have reached the second round of Mirant's Philippines generation asset auction, according to an official tracking the sale. On the block are 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 plans to announce a winner in November (PFR, 9/18).

Jason Fisher, a Singapore-based official at Credit Suisse, which is running the auction, declined comment, as did Corry Leigh, a spokeswoman at the Atlanta-based IPP. Press officers at AES, CLP—formerly China Light & Power—International Power, Sumitomo and Marubeni did not return requests for comment, and a spokesman for Mitsui declined comment.

Iaconetti Returns To Ambac

Ambac has hired WestLB's Lou Iaconetti, a former co-head of the financial sponsors and power & utilities groups in New York. The banker is being hired in a newly created position focusing on structured energy finance credits, says Mike Pepe, who joined Ambac from Financial Guaranty Insurance Co. to launch a concerted project finance push at the firm (PFR, 5/22). "He is a guy with a lot of skill and a lot of experience and we are delighted to have him back," Pepe notes.

Iaconetti is expected to begin his duties in October at Ambac, which offers guarantees on debt offerings. He could not be reached for comment. Both officials report to Iain Bruce, managing director in New York.

The reason for Iaconetti's departure, who joined WestLB less than a year ago (PFR, 11/7), could not be learned, but his exit comes on the heels of several departures over the past several months including Santino Basile—the other co-head of the financial sponsors and utilities group at WestLB (PFR, 7/31).

IP Clinches \$900M U.K. Loan

International Power has wrapped £485 million (\$915 million) in non-recourse financing enabling it to re-leverage and upgrade its 1,050 MW merchant coal-fired Rugeley plant near Birmingham, U.K.

HypoVereinsbank, ING Bank, Calyon and Royal Bank of Scotland are joint bookrunners and Commonwealth Bank of Australia and Mizuho Corporate Bank are joint lead arrangers and underwriters (PFR, 8/28). The banks have taken equal slices of the loan but pricing and terms could not be learned.

The package includes an eight-year, £145 million term loan,

of which £100 million will be used to install Flue Gas Desulphurization equipment—to be operational in the second half of 2008—and £45 million will be put towards new transformers and a new chimney, according to a spokeswoman for the sponsor. Accompanying this is a £125 million letter of credit to back trading contracts; a £145 million facility to facilitate a cash dividend back to International Power; and a further £70 million of working capital to buy coal.

WestLB Looks To Replenish Energy

WestLB has hired seven bankers, who are expected to start by the end of the month to assist in power and energy. The hires, who will report to, Manish Taneja and Tom Murray, managing directors in New York, will be situated in New York and Houston, according to a spokeswoman who declined to provide names or other specifics. The moves come on the heels of a number of departures at the firm including Lou Iaconetti, former head of the financial sponsors and power and utilities groups who left for Ambac.

The spokeswoman said the firm is considering adding a senior level origination official to assist Taneja and Murray who have taken on global co-head titles. She says the firm will add three to five additional junior bankers over the near term but could not provide a timetable. WestLB executives were unavailable for comment.

"WestLB looks forward to working with Lou at Ambac," the spokeswoman says, noting that his departure was amicable but declining to talk about other departures that have occurred at the bank over the past several months (PFR, 7/31).

Commodities Honcho Bails Credit Suisse

George Zivic is the latest member of Jim Vos' former hedge fund of funds team to depart Credit Suisse. He is said to be mulling his options, including his own commodity fund of funds, which includes energy, that would launch early next year. Zivic declined to comment. A Credit Suisse spokeswoman declined to comment.

At Credit Suisse, Zivic was tasked with building a commodities portfolio. The project never got off the ground, however, as Vos and Boris Arabadjiev, the second-in-charge who headed the group's risk management efforts, resigned this spring. Before joining the Swiss bank in New York, Zivic worked at Takara Capital Management, a commodities hedge fund in Houston that was set up by Mark Tawney and Bill Windle, former heads of Swiss Re's New York-based weather desk.

Corporate Strategies

LIPA Fuels Up On Cheaper Debt

The Long Island Power Authority plans to use the proceeds from its recent \$515 million revenue bond offering to pay down more expensive outstanding debt, says **Steve Clark**, director of financial administration in Uniondale, N.Y.

Lehman Brothers was tapped to lead manage and underwrite the sale on account of its ideas about which bonds to refund and how to structure the issuance, says Clark. The bank was supported by four co-leads: **Citigroup**, **Morgan Stanley**, **Goldman Sachs** and **UBS**, as well as 12 co-managers. **Bear Stearns** served as financial advisor.

The bulk of the notes, which mature between 2017 and 2022, carry a coupon of 5% and were priced slightly below par, says Clark. The debt is rated A3 by **Moody's Investors Service**, A- by **Standard & Poor's** and A- by **Fitch Ratings**. "[LIPA] has high fixed costs but a strong revenue stream and a captive customer base," notes **David Bodek**, director in the utilities

group at S&P in New York.

The issuance is LIPA's fifth this year. In March it placed \$950 million partly in new debt and partly in refinancing via **Goldman Sachs**; while in July it offered a further \$532 million with a similar make-up via **Morgan Stanley**, saving about \$20 million and \$40 million respectively.

On Aug. 1, LIPA had about \$6 billion of second-lien electric system general revenue bonds outstanding and \$1 billion of subordinate-lien revenue bonds.

Ga. Coop To Place \$300M Private CapEx Bonds

Oglethorpe Power Corp. plans on placing \$300 million of fixed-rate mortgage bonds, due 2035, privately to restructure long-term debt and help fund a roughly \$1.2 billion capital expenditure program through 2010, says **Tom Brendiar**, manager of banking

Financing Record (AUGUST 22-SEPTEMBER 19)

Debt

144A	Issued	Issuer	Principal (\$M)	Coupon (%)	Type	Maturity	Offer Price	YTM(%)	Spread	S&P	Moody's	Fitch
Yes	9/13/06	Monongahela Power Co	150	5.7	Fst Mtg Bonds	3/15/17	99.635	5.747	100	BBB-	Baa3	NR
	9/13/06	Puget Energy Inc	300	6.274	Fst Mtg Bonds	3/15/37	100	6.274	140	BBB	Baa2	NR
No	9/13/06	RTE	1,269.30	4.125	Fxd/Straight Bd	9/27/16	99.23	4.22	20	AA-	NR	NR
No	9/18/06	National Grid PLC	381.1	Floater	Mdm-Trm Fl Nts	9/25/09	100	Floater		A-	Baa1	A-
	9/18/06	PECO Energy Co	300	5.95	F&R Mtg Notes	10/1/36	99.693	5.972	103	A	A1	A

Debt In Registration

Expected	Maturity	Filed	Issuer	Bookrunner(s)	Proceeds(\$M)	Moody's	S&P	Type
2007	n/a	8/22/06	Kinder Morgan Inc	GS		NR	NR	Senior
3Q2006	n/a	9/12/06	Cie Generale de Geophysique SA	CREDIT-SUISSE		Ba2	NR	Senior
3Q2006	n/a	9/12/06	Riata Energy Inc	BA-SEC-LLC		NR	NR	Senior
9/19/06	n/a	9/19/06	Oglethorpe Power Corp	TO-BE-ANNOUNCED	300	NR	NR	Senior

M&A

Date Announced	Date Effective	Target Name	Target Nation	Acquiror Name	Acquiror Advisors	Acquiror Nation	Value (\$M)
9/13/06		Dalmine Energie	Italy	E ON Sales & Trading GmbH	-	Germany	49.502
9/13/06	9/13/06	Dominion Resources Inc-Natural	United States	Investor Group	-	United States	-
9/14/06		Estgas SpA	Italy	Edison SpA	-	Italy	-
9/14/06	9/14/06	Hudson Energy Services	United States	Lake Capital	-	United States	-
9/15/06	9/15/06	QAO Bryansk Generation Co	Russian Fed	QAO Territorial Generating Co-	-	Russian Fed	-
9/15/06		Benjin	China	Enel SpA	-	Italy	50.676
9/15/06	9/15/06	Heating & Power Co	Russian Fed	QAO Territorial Generating Co-	-	Russian Fed	-
9/15/06	9/15/06	QAO Kaluga Generation Co	Russian Fed	QAO Territorial Generating Co-	-	Russian Fed	-
9/15/06	9/15/06	QAO Kursk Generating Co	Russian Fed	QAO Territorial Generating Co-	-	Russian Fed	-
9/15/06	9/15/06	QAO Voronezh Generation Co	Russian Fed	QAO Territorial Generating Co-	-	Russian Fed	-
9/15/06	9/15/06	QAO Smolensk Generating Co	Russian Fed	QAO Territorial Generating Co-	-	Russian Fed	-
9/15/06	9/15/06	OKA Territorial Generating Co	Russian Fed	QAO Territorial Generating Co-	-	Russian Fed	-
9/15/06	9/15/06	QAO Oryol Generating Co	Russian Fed	QAO Territorial Generating Co-	-	Russian Fed	-
9/15/06	9/15/06	QAO Ryazan Heat Supply Co	Russian Fed	QAO Territorial Generating Co-	-	Russian Fed	-
9/15/06	9/15/06	QAO Tambov Generating Co	Russian Fed	QAO Territorial Generating Co-	-	Russian Fed	-
9/15/06		Transwestern Pipeline Co LLC	United States	Energy Transfer Partners LP	Credit Suisse Group	United States	1,465.00
9/18/06		BCH Energy - Brazil	Brazil	Cheq-It Ltd	-	Canada	-
9/18/06	9/18/06	Gestion Integral de Aguas SL	Spain	Eptisa	-	Spain	-
9/18/06	9/18/06	AES Indian Queens Power Ltd	United Kingdom	International Power IQ Ltd	-	United Kingdom	60.008
9/19/06		Enbridge Inc-Magrath Project	Canada	Enbridge Income Fund	-	Canada	-
9/19/06		Enbridge Inc-Sunbridge Project	Canada	Enbridge Income Fund	-	Canada	37.244

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

and investor relations at the Tucker, Ga.,-based generation and transmission cooperative. Pricing on the notes should emerge the week of Oct. 2, according to a report by **Fitch Ratings**.

Goldman Sachs, which has underwritten several of Oglethorpe's offerings in the past, will lead the sale. The co-manager is **JPMorgan Chase**, which participates on the coop's three-year, \$300 million commercial paper program.

Anne Selting, director at **Standard & Poor's**, says the coop is leveraged at about 88% so it wants to lower principal payments over the next two years to make debt servicing more manageable and avoid rate hikes. It also needs to install scrubbers at Scherer

2, an 817 MW coal-fired facility in which owns a 60% stake.

The new notes have been assigned a rating of A by S&P and Fitch, and A3 by **Moody's Investors Service**. They are expected to be upgraded to AAA when insurance wrappers are put on prior to closing. Long-term debt outstanding at Oglethorpe was \$3.5 billion at June 30.

Additionally, Oglethorpe plans to refinance about half of its debt and push tenors out an extra 25 years to match newly signed power contracts with its 38 members, says Brendiar. It wants to extend the bullet maturities to 2036 and 2050 instead of between 2018 and 2024.

Amaranth Blow-Up

Monthly Loss Hits -65%

Following the sale of its energy portfolio last week, **Amaranth Advisors** month-to-date performance through Sept. 19 was -65%, worse than had been earlier reported. This brings the multi-strategy fund's year to date return to -55%. The firm was planning a conference call with investors last Friday as *PFR* went to press, and was slated to have one-on-one investor meetings this week, according to an investor e-mail.

By selling the energy portfolio, and other investments to generate liquidity, the firm has managed to stave off its counterparties. "We have continued to meet all margin calls. Our major financial counterparties have confirmed that they are now comfortable with our portfolio and overall liquidity position," the communiqué says. "We expect that, once all of the trades associated with these actions have been settled, our leverage will be approximately 1.3:1." Calls to Amaranth were referred to a spokesman who did not comment by press time.

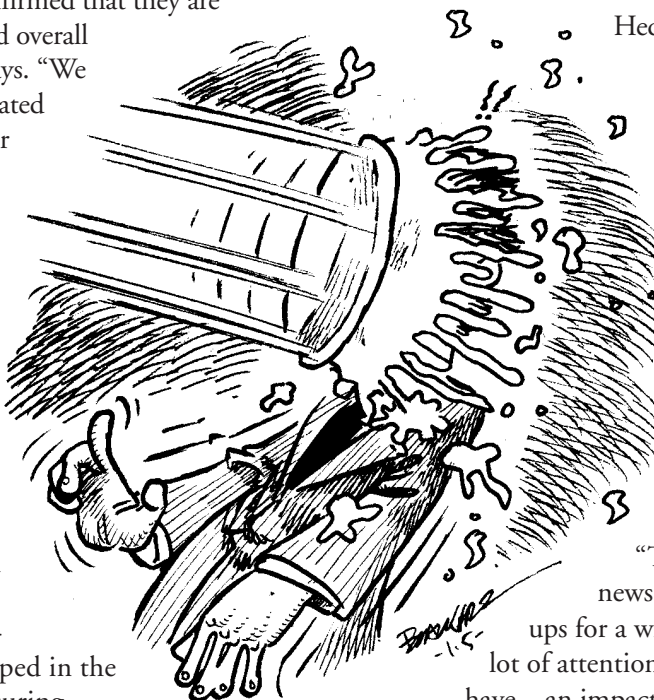
FoFs To Investors: No Amaranth Here

Swiss fund of funds firm **Gottex Fund Management** and Paris-based **HDF Finance** are taking a proactive approach to distance themselves from the latest hedge fund hiccup. With news reports widespread about multi-billion dollar Amaranth getting walloped in the natural gas market, the firms are reassuring investors they had no exposure. "We would like to assure our clients that the Gottex funds do not currently have or have had in the past, any investment in a fund managed by Amaranth Advisors," the firm said in an e-mail to investors. "We confirm that none of the HDF funds of funds are

invested with Amaranth," the HDF communiqué read.

Richard Leibovitch, senior managing director at Gottex, says the firm sent the e-mail as a response to investor inquiries. It received about 30 inquiries from investors Monday when the news broke. Given the large amount of inquiries and the fact that Amaranth is a large player in the market, Gottex felt investors should know there was no exposure, he says. Calls to HDF were not returned by press time.

Managers Gauge Fallout From Blow-Up



Hedge fund firms are trying to anticipate what impact Amaranth's losses will have on their industry.

The news that Amaranth has lost upwards of 65% of its roughly \$9 billion on bad natural gas trades has become a major talking-point, and some managers fear it could scare off potential investors.

"News like this is unfavorable to investing in that kind of fund," observed an official at a fund of hedge funds.

"The first news is always the worst news; we've had no significant blow-ups for a while and [Amaranth's] had quite a lot of attention. I must admit I think it will have...an impact." Others agree, but are a little

more optimistic: "I personally think it may slow things down a bit for asset growth," says an official at a London-based hedge fund firm, "[but] I don't think it will cause collateral damage to the industry."

Amaranth is a multi-strategy firm but lost big in one asset class.

"At first blush, it has a Long Term Capital Management look about it," says one hedge fund official. "But the impact on the price of natural gas doesn't seem to have reflected that," he adds. Amaranth is the most publicised blow-up since LTCM in the late 1990s, but really the similarities end at risky bets gone awry.

Nicholas White, founder of French firm Fitrol Investment Management, said press coverage of Amaranth's woes could run and run. "I think...it'll be headline news for some time because energy is such a big issue at the moment," he said. "It's the new horror story in the press."

Not everyone believes comparisons with LTCM hold up. "I think that's seriously overstating it, because the energy markets are quite liquid," countered Sol Waksman, president of Fairfield, Iowa-based The Barclay Group. "This is not a tidal wave; I don't think it's in the same class [as LTCM]." The fund of funds official noted that LTCM's losses were highly leveraged, so Amaranth is unlikely to cause such widespread turmoil in the markets.

Smell Of Success?

Energy Shops Scope Gas Traders

JPMorgan, Citadel Investment Group and other hedge funds are circling Amaranth natural gas traders. According to headhunters, a number of funds are interested in hiring traders who worked for head trader Brian Hunter, the man behind risky gas trades gone awry. JPMorgan, which cleared trades for Amaranth, and Citadel are taking over positions in Amaranth's book. An Amaranth spokesman declined to comment and calls to officials at JPMorgan and Citadel were not returned.

A Manhattan headhunter says rivals are not skittish about hiring Hunter's underlings. The natural gas team, which worked out of Calgary, is said to consist of about three or four gas traders including Matt Calhoun, a natural gas basis trader covering the western U.S. and Shane Lee, who covered the Northeast. Lee worked at Citadel last year.

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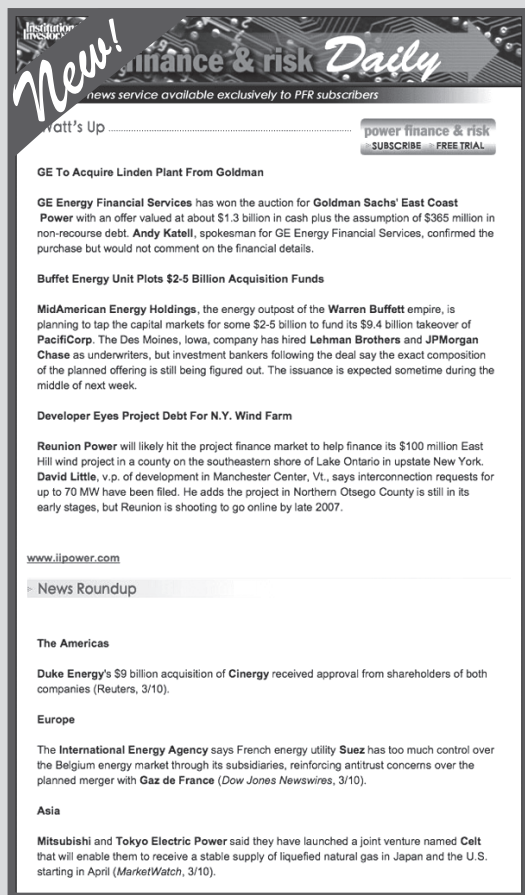
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Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. 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)		
	Wolf Hills	Bristol, Va.	250	Gas (peaker)		
Delta Power	Lowell Power	Lowell, Mass.	82	Gas	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 on making a decision to sell the plants in mid October.
	Greenville Electric Generating Station	Greenville, Ohio	206	Gas		
	Montpelier Electric Generating Station	Poneto, Ind.	219	Gas		



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Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
EBG Holdings	Mystic 7	Everett, Mass.	560	Gas/Oil	Lehman Brothers	Sale by hedge fund owners of the Boston area assets expected to start imminently.
	Mystic 8	Everett, Mass.	832	Gas		
	Mystic 9	Everett, Mass.	832	Gas		
	Fore River	Weymouth, Mass.	832	Gas/Oil		
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	The sale has been pulled due to LS Power's tie up with Dynegy.
Mirant	Curacao Utilities Co. (25.5%)	Curacao	133	Asphalt/Refinery Gas	JPMorgan	Initial marketing material distributed (PFR, 8/9).
	Grand Bahama Power Co. (55%)	Grand Bahama Island	151	Oil		
	Jamaica Public Service Co. (80%)	Jamaica	621	Oil/Hydro		
	PowerGen (39%)	Trinidad & Tobago	1.2 GW	Gas	Credit Suisse	Six have reached the second round.
	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. Loan financing syndication launched last week.
	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).



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Entry Date	Fund Name	Assignment	Mandate Size (millions)	Consultant	Comments
6/21/2005	Stanford Management Company	Asia/Multi Asset	N/A	None	SMC has sent its managing directors to Asia for three months to scout out investment opportunities. The managing directors focus on different asset classes. They will return in late August or early September.
6/14/05	Dairy Crest Group Pension Fund	Global/Active Equity	130 GBP	Mercer Investment Consulting	Fund is searching for a global (ex-U.K.) active equity manager. Decisions by autumn.
6/14/05	New York City Board of Education	US/Alternatives/Private Equity	60 USD	Mellon, Human Resources & Investor Solutions	Seeking exposure to a diversified pool of private equity funds across various strategies and vintage years. RFQ will be available at (http://www.comptroller.nyc.gov) on or about June 17. Deadline is July 1, 2005.
6/13/05	Massachusetts Pension Reserves Investment Management Board	Global/Active Fixed-Income/Inflation-Linked Bonds	720 USD	Cliffwater, LLC	Seeking active global inflation-linked bond manager. RFPs are available at (http://www.mapension.com). Proposals are due July 1 with selection in Sept. 1, 2005.

Weekly Recap

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

Asia

- Electric utilities stocks including **Korea Electric Power Corp.** and **Chubu Electric Power Co.**, dropped after oil prices rose, renewing concern that higher fuel costs will erode profits (*Bloomberg*, 9/19).

Europe

- **AES Corp.** has completed the \$60 million sale of a British power plant to **International Power**. The Indian Queens Power facility is located in Cornwall and was purchased in 1997 by AES, which expects a cash return of about \$28 million after paying down project debt (*Associated Press*, 9/19).
- **Endesa** has acquired a controlling interest in two, 150 MW combined cycle plants in Italy by buying a 58% stake in two project entities—**Centro Energia Teverola** and **Centro Energia Ferrara**—from local energy companies **Merloni Invest**, **MPE** and **Fineldo**. The company said the value of the assets is about €200 million but precise terms of the deal were not disclosed. **Foster Wheeler Italiana** holds the remaining 42% stake in the facilities. Endesa already has 6,590 MW of capacity in Italy (*AFX News*, 9/18).

North America

- A report released by the **Carbon Disclosure Project**, a coalition of global investors with more than \$31.5 trillion in assets, suggests U.S. utilities could be greatly affected by the regulation of emission changes. The report notes some utilities, namely those who rely on coal, could see a cut in profits of up to 25% due to the cost of complying with any new regulations (*Manufacturing.net*, 9/18).
- **Exelon Corp.** utility subsidiary **PECO**, plans on selling \$300 million of 5.95% first-mortgage bonds maturing on Oct. 1, 2036. The offering is being led by **Barclays Capital**, **BNP Paribas**, and **Scotia Capital** (*Associated Press*, 9/19).
- **Constellation Energy Group's** subsidiary **Constellation NewEnergy**, a competitive supplier of electricity and natural gas, signed a five-year extension of its power supply contract with the municipality of Jasper in Alberta, Canada (*Associated Press*, 9/21).
- **Entergy Corp.**'s board has elected independent director **Gary Edwards** as presiding director, following the election of **J. Wayne Leonard** as chairman and ceo. Edwards, 64, formerly worked at **Conoco** as its senior executive v.p. of corporate strategy and development. He retired from Conoco in December 2001, and currently serves as a consultant in the

energy field (*Associated Press*, 9/21).

- **Duke Energy** has begun to install technology to reduce 95% of the sulfur dioxide emissions at its Allen Steam Station, a 1,140 MW coal-fired power plant at Lake Wylie in North Carolina. The cost of the installation is expected to be about \$425 million (*Charlotte Business Journal*, 9/21).
- The **Federal Energy Regulatory Commission** conditionally approved **ITC Holdings Corp.**'s acquisition of **Michigan Electric Transmission Co.** In May, ITC Holdings agreed to acquire all the outstanding equity of Michigan Electric, a private Michigan transmission system company, for \$866 million in cash stock and assumed debt (*Associated Press*, 9/21).
- **Peoples Energy Corp.** has agreed to sell its interest in a pair of plants to **J-Power USA Development Co** for \$110 million. The Chicago-based holding company is selling its 50% stake (**Dominion Resources** owns the other half) in the 1,350 MW gas peaker **Elwood Energy** in Joliet, Ill., and a 100% interest in a to-be-built 1,160 MW plant known as **COB Energy Facility** in Klamath County, Ore. The deal is pending regulatory approval and approval from the board of J-Power parent company **Electric Power Development** (*Reuters*, 9/21).
- **Citadel Investment Group** and **JPMorgan Chase** are taking over some energy trades from **Amaranth Advisors**, the hedge fund whose trading positions lost about \$4.6 billion this month through natural-gas trades (*Wall Street Journal*, 9/21).
- A nonprofit environmental group has launched a Web site opposing **TXU's** plan to build 11 new coal-fired power plants. The Texas office of **Environmental Defense** launched the site, www.StopTXU.com, which contains downloadable fact sheets, information on risks the group says the proposed plants pose and a forum for people to voice opposition to the TXU proposal (*Dallas Business Journal*, 9/19).
- **Moody's Investors Service** on Tuesday reaffirmed its rating of B1 for **Dynegy Holdings Inc.** in the wake of its plan to link up with **LS Power Group**. The ratings include a corporate family rating and a B2 rating for its senior unsecured debt. Subsidiary **Dynegy Inc.** has a Caa1 rating for a shelf registration for issuance of senior unsecured debt (*Associated Press*, 9/20).
- **Warren Buffett**, via his investment vehicle **Berkshire Hathaway**, is on the lookout to buy two or three sizeable utilities in the near future, he told reporters on a visit to Israel. In March, Berkshire unit **MidAmerican Energy Holdings Co.** bought **PacifiCorp** from **Scottish Power** for \$5.1 billion in cash (*Reuters*, 9/18).

GOLDMAN KICKS

(continued from page 1)

New England, with a combined output of 1,442 MW (PFR, 8/21). PPA and hedging contracts for the facilities are still being worked out and details could not be obtained.

The sale, which is expected to close by year-end following regulatory approval, will include the assumption of \$320 million in debt. **Rahul Advani**, v.p. at ECP in Short Hills, N.J., declined comment.

JPMorgan Chase served as auctioneer and is participating on the transaction. —*Katy Burne*

PPM GOES

(continued from page 1)

its U.K. parent **ScottishPower** decides to shop the unit. PPM is ScottishPower's only U.S. asset, following the sale of former affiliate **PacifiCorp** to **MidAmerican Energy Holdings Co.** for \$5.1 billion in March. A spokesman at ScottishPower was unable to comment.

The deal will cover a portfolio comprising four sites: 150 MW Elk River in Butler County, Kan., 150 MW Shiloh in Solano County, Calif., 100 MW Trimont in Southwest Minnesota—all of which have long term PPA contracts in place—and 99 MW Maple Ridge, formerly Flat Rock Wind Power Project, in Lewis County, power from which is sold into the New York market.

Capstar Partners, a tax equity specialist majority owned by **BNP Paribas**, is advising PPM. Officials there declined to comment. —*K.B.*

EXELON BOSTON

(continued from page 1)

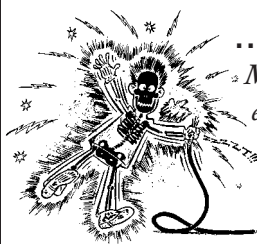
Sandell Asset Management, owning 90% stake in the plants and Kriegel's entity holding the remainder. Officials at the hedge funds either did not return calls or declined to comment.

Kriegel, who took hold of the plants along with the hedge funds last year (PFR, 7/25/2005), declined comment and Lehman officials did not return a call.

A run-up in equity tied to the plants and a favorable regulatory ruling in ISO New England and the **Federal Energy Regulatory Commission**, which calls for independent power producers such as Exelon Boston (PFR, 4/13) to receive more attractive capacity payments, encouraged ownership to shop the plants, says one investor in Boston Exelon. How much the assets might fetch could not be ascertained.

The mix of gas- and oil-fired plants include Fore River, Mystic 8, 9, all 832 MW and the 560 MW Mystic 7. **Exelon Corp.** handed over the plants to creditors three years ago when its investment floundered. —*Mark DeCambre*

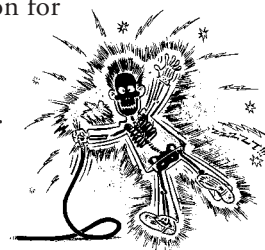
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It would be **Larry Bird**-lay-up easy for me to take cheap shots at **Amaranth Advisors'** 32-year-old natural gas trader **Brian Hunter**, but I'm not gonna do it. Why? Because last year Hunter made somewhere in the order of \$800 million for Amaranth when Hurricane Katrina upended much of the Gulf Coast, sending natural gas prices in a tailspin. The Calgary native pocketed about \$75-100 million when much of The Street and the hedge fund universe (Yes, you **Citadel**) were blindsided.



Hunter's no gunslinger—this is the same guy that pushed Amaranth to move his offices from the Big Apple to Calgary. But you know what? There's a fine line between energy trading goat and hero. **MotherRock's** founder "**Bo**" **Collins**, who imploded last month on similar bets, walked that line. And how close was **Stevie Cohen's** hedge fund **SAC Capital** from blowing up on gas trades? Cohen offered Hunter about \$10 million last year to leave Amaranth. Sometimes you kick and sometimes you get kicked (ask **Michael Hutchence**).

Quote Of The Week

"He's a guy with a lot of skill and a lot of experience and we are delighted to have him back." —**Mike Pepe**, managing director at **Ambac** referring to the return of ex-**WestLB** finance pro **Lou laconetti** to the financial guaranty company (see story, page 3).

One Year Ago In Power Finance & Risk

LS Power was considering backing away from its pursuit of a 3.7 GW merchant generation fleet—now known as **MachGen**—and dumping its 17-18% share of some \$1.2 billion in related project paper after the ouster of its management subsidiary as the plants' manager. Silver Spring, Md.-based **Competitive Power Ventures** was appointed the new manager of the plants: Millennium (360 MW) in Massachusetts, Athens (1.080 GW) in New York, Covert (1.2 GW) in Michigan and Harquahala (1.1 GW) in Arizona. [MachGen's owners have since restructured the debt tied to the plant portfolio but LS Power's involvement in the deal is unclear at this point.]