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Drax Debt Pops On Fresh Bid

Drax Group debt jumped in the secondary market as a new bid launched by a private group of investors including **Texas Pacific** was placed on the table.

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DENA First Round Set To Get Under Way

First round bids are due for the **Duke Energy North America** generation facilities this week.

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DEVELOPERS HOLD BEAUTY CONTEST FOR \$300M ONTARIO FINANCING

Chicago developer **Invenergy** and Milwaukee-based **Stark Investments** are auditioning lenders for a non-recourse construction loan to bankroll the development of the \$300 million St. Clair Power station near Sarnia, Ontario. Underpinning the investment is a 20-year PPA with **Ontario Power Authority** for the full output of the planned 570 MW natural-gas fired generator.

Kevin Smith, senior v.p. at Invenergy, anticipates the development tandem will select a bank, or banks, by year-end with an eye toward kicking off ground breaking in the spring after the winter thaw. St. Clair power stations price tag rings up to a little over \$300 million with equity coming from Invenergy and Stark.

(continued on page 12)

LAKE ROAD OWNERS MULL NEW DEBT, EQUITY CONVERSION

Owners of the 780 MW Lake Road gas-fired plant in Killingly, Conn., are weighing a refinancing with new debt and a conversion of a portion of the loans linked to facility into equity. The refinancing will be completed similar to one recently executed by the owners of **Exelon Boston Generating** (PFR, 10/10). One New York-based hedge fund manager says the idea would be to rework about \$40 million (200 MW at \$200 per kw) in existing debt and convert the remainder into equity.

The project is owned in part by a hedge fund affiliate of **Cargill**, and a distressed investment arm of **Merrill Lynch**. Officials at Cargill did not return calls and a Merrill official declined to comment.

Just on the border of Rhode Island and Connecticut, the facility has three 260 MW

(continued on page 12)

Clubbin' It?

CSFB, BAYERNLB PREP FPL WIND DEAL

Credit Suisse First Boston and **BayernLB** are expected to launch a roughly \$300 million club syndication of a portfolio of wind farms for **FPL Group**. The package will include at least two existing facilities in ERCOT, but the exact makeup could not be ascertained. One twist in the planned deal is that it is expected to carry some merchant risk because the facilities do not yet have PPAs in place, bankers say. To address that issue, FPL is asking financial sponsors to put in place a short-term synthetic PPA. The institutions the energy holding company is speaking with could not be determined. Calls to **Paul Cutler**, treasurer at FPL in Juno Beach, Fla., were not returned by press time. Officials at CSFB and BayernLB declined to comment.

FPL Group has approximately seven wind projects in the ERCOT market: the 82.5 MW

(continued on page 12)

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



At Press Time

CSFB, Goldman Wrap LSP-Kendall Loan

Credit Suisse First Boston and Goldman Sachs have wrapped a \$422 million B-loan for LSP-Kendall Energy. The loan landed final pricing of LIBOR plus 200 basis points last week and has a call premium of 102, 101. The package breaks down into a term loan of about \$400 million with the remainder serving as a working capital facility. Trading of the debt was initiated in the secondary market with pieces trading slightly north of par at 100 1/2. An official at LS Power—the sponsor—declined to comment. CSFB officials also declined to comment.

WestLB, BNP Paribas, Royal Bank of Scotland, Société Générale and UBS were invited to participate, but it is unclear if those institutions took pieces: allocations for the deal could not be ascertained. Officials at the lenders either declined comment or did not return call for comment.

The Kendall Energy Plant is located in Minooka, Ill., and consists of four 300 MW combined cycle units. LS Power developed the asset and sold it to NRG Energy about five years ago, but reacquired it last December. Just prior to syndication, the loan was reworked with the pricing eked down by 75 basis points (PFR, 10/10).

Wis. Muni Supplier To Hit Bond Mart For Coal Project

Wisconsin Public Power Inc. plans on heading to the market today or tomorrow with an approximately \$240 million, 30-year bond offering via leads JPMorgan Chase and Bear Stearns. The funds will bankroll the muni-owned supplier's decision to acquire 8.33% in a \$2.3 billion coal power plant Elm Road Generating Station currently under construction in Oak Creek, Wis. The Sun Prairie-based WPPI is looking to issue \$141 million in fixed-rate bonds and \$94 million in floaters, says Paul Bourgeois, v.p. of corporate services. RBC Dain Rauscher advised WPPI on its initial investment.

A floating-for-fixed rate swap for the variable bonds is expected to be executed once pricing is set. Bourgeois says the market conditions are at a unique point that allows the company to borrow this money right up front and to lock in the interest rates. "Ten years from now, nobody's going to be calling WPPI crazy for locking in a 4.5% interest rate for 30 years."

Construction on Elm Road Generating is led by Wisconsin Energy Corp., through subsidiary of We Energies. In addition to WPPI, Madison Gas & Electric will also own an 8.33% stake in the plants, and WEC is picking up the rest of the tab. The first part of the two-phase project is expected to be completed late 2009, with stage two set for the following year.

For its part, We Energies is planning on issuing construction loans later this year, with a term loan to follow in around 2009 or 2010, when the plant comes online. According to Jim Schubilske, assistant treasurer of the holding company, state regulators require the utility to fund the project with 55% equity and 45% debt. Lead banks being considered include, Citigroup, Goldman Sachs, JP Morgan Securities and Lehman Brothers (PFR, 3/14).

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

DENA Sale Heads To First Round Qualifiers

First round bids are due for the **Duke Energy North America** generation facilities this week. Market players, fresh off the heated bidding war for **Reliant Resources'** New York plants, are chomping at the bit for the **Duke Energy** IPP operation. The energy concern is unloading merchant plants—excluding its Midwest holdings—and an associated trading book (PFR, 9/19). **Goldman Sachs** and **Credit Suisse First Boston** are handling the process, and Duke hopes to complete the sales within 12 months. Duke's Midwest merchant assets will be merged with **Cinergy's** unregulated plants. Officials at Goldman and Cinergy declined to comment. Calls to Duke officials were not returned.

Early bidding is expected to separate the true players, with enough bank and resources to legitimately pocket the plants, from the pretenders. **AIG Highstar** has suggested it will take a look at the properties but did not commit to throwing its hat in the ring (PFR, 10/10). Other bidders are likely to include the usual private equity suspects including **Carlyle/Riverstone**. Officials at Carlyle/Riverstone did not return a call.

It is unclear if **US Power Generating/Madison Dearborn** has enough steam left to make a play for DENA, just coming off its successful run for **Orion Power** (PFR, 10/10). Completion of Orion, slated for sometime in the first quarter, might limit the equity shops from tackling other assets at this time, observers speculate. Calls to officials at the energy investment outfits were not returned.

Lenders Pitch Calpine On Refi Of Colo. Plant

Lenders are aggressively pushing a refinancing of a \$140 million non-recourse loan obtained by Calpine about two years ago. Financiers are suggesting to Calpine officials that it push to refinance construction debt tied to natural-gas fired peaker **Blue Spruce Energy Center** in Aurora, Colo., before low interest rates move out of favor. The San Jose, Calif., IPP scored the loan from **CSG Investments**, a division of Dallas-based **Beal Bank**, at a time when more lenders were eschewing merchant developers and many had already banked a lot of Calpine paper, followers say.

Calls to officials at CSG Investments in New York were not returned and officials at Calpine directed calls to spokes representatives, who did not return a call for comment.

Beal Bank provided a 15-year loan without general syndication. Rates and terms of the debt could not be learned. Bankers in talks

with Calpine include **Fortis Capital**. Officials there declined to comment. Other prospective lenders could not be identified.

CIT Aims To Beef Up Energy Group

CIT Group is planning to increase its energy team by about 10%. **Dan Morash**, head of the energy group in New York, is looking to add to its most recent hires, **Mike Lorusso** (PFR, 9/26) and **Harry Schroeder**, both of whom started last month. Morash says CIT's growth plans are based in part on the arrival of CEO **Jeff Peek** and Vice Chairman **Rick Wolfert**, who were brought on about a year ago and are encouraging growth among all its business lines.

Morash says the energy market is especially attractive because CIT sees opportunities to put capital to work as the need for energy infrastructure expands. That coupled with an energy policy that is expected to facilitate the emergence of new entrants supports the company's push to build its group out, he notes. CIT has about 40 energy and infrastructure bankers currently on its payroll in New York, London and Toronto. Morash declined to offer an exact number of hires or provide a timeframe, but notes the hires will likely be in New York.

Schroeder joined as a chief credit officer for the group, and came to CIT from **XL Capital**.

CSFB Targets Month-End Close For \$2B Targa Package

Credit Suisse First Boston is hoping to wrap a \$2.45 billion acquisition debt package for **Targa Resources** next week. The funding supports the Houston-based midstream operator's investment in assets acquired from **Dynegy** several months ago for about \$2.3 billion and provides it with additional operating capacity (PFR, 10/3). Final commitments are due Wednesday and with the early subscriptions lenders are circling about \$1.9 billion of the debt. A call to **Joe Bob Perkins**, president at Targa, was not returned and an official at CSFB declined to comment.

The debt package, launched three weeks ago (PFR, 10/3), consists of a six-year \$250 million working capital loan bearing pricing of LIBOR plus 225 basis points, a seven-year \$1.150 billion term loan and a \$350 million synthetic loan both priced at LIBOR plus 250, and a two-year \$700-million asset-based loan priced at LIBOR plus 250. A bit of shifting might occur as the deal nears completion, bankers note.

The debt package also includes a \$350 million auction of bonds by CSFB. The firm and Targa executives were pounding the pavement marketing the bonds to prospective investors on its roadshow last week. Bond terms will be finalized as the deal heads to market, and that offering also is expected to be tied up by next week.

Dexia Adds To Project Team

Dexia Crédit Local has added to its project finance unit, hiring **Dominique Schillio** to help originate deals in Latin America alongside **Eric Bidaux**, v.p. and manager of Latin America. Schillio, who joins as an assistant v.p., was previously at **Calyon**. He declined to comment when reached at Dexia.

Schillio was in the Calyon project finance team for five years. **Jim Guidera**, head of project finance in New York, did not return calls for comment.

FRM Preps Commodities Oriented Vehicle

London-based fund of funds giant **Financial Risk Management** is planning to launch a pair of strategy-specific funds of funds focused on commodities, including power and natural gas trading, and credit hedge funds in the next few months. The move is a response to investor interest, says **John Capaldi**, managing director, head of product management.

The first to launch will be the commodities-centred fund of funds, probably in December, Capaldi added. It will invest in 10-12 managers, although this might grow over time. The market environment has been quite range-bound recently, but "if there's an increase in volatility and momentum, that's an environment where

CTAs [Commodity Trading Advisors] tend to thrive," he explains.

Both funds of funds are likely to be seeded with \$50-100 million of client money and will likely carry the firm's standard fees; 1.25% of assets and 10% of performance. The investment minimum is likely to be \$1 million.

High Energy Titanium Commodities Fund Rebounds

A commodities fund managed by London-based **Titanium Capital** gained an estimated 3.5% in September, after dropping 1.99% in August. The strong September was largely due to profits including natural gas among other commodities, according to an investor document. The fund has a new manager; **Damien Bombell**, who previously worked for **Goldman Sachs**, **Merrill Lynch** and **UBS's** commodities divisions. Bombell plans to increase the fund's volatility and subsequently its returns.

The fund holds energy positions. "We still like long positions in natural gas and oil sector equities in light of the damage caused by [hurricanes] Katrina and Rita," the document says. The fund is down an estimated 37 basis points for the year through the end of September. Bombell and **Philip Manduca**, managing director, were traveling and unavailable to comment.

Financing Record (OCTOBER 5-OCTOBER 13)

Debt

144A	Date Issued	Issuer	Description	Principal(\$M)	Coupon (%)	Security	Maturity	Offer Price	YTM (%)	Spread	S&P	Moody's	Fitch
	10/6/05	Puget Energy Inc	Electric utility	150	5.197	Senior Notes	10/1/15	100	5.197	83	BBB	Baa2	NR
	10/11/05	Columbus Southern Power Co	Electric utility	250	5.85	Senior Notes	10/1/35	98.874	5.931	133	BBB	A3	A-
Yes	10/11/05	Monongahela Power Co	Electric utility	70	5.375	Fst Mtg Bonds	10/15/15	99.893	5.389	100	BBB-	Baa3	NR
No	10/13/05	KOGAS	Gas utility	262.4	1.23	Fxd/Straight Bd	10/25/10	100	1.23	30	NR	NR	NR

M&A

Announced	Effective	Target Name	Target Advisors	Target Industry Sector	Target Nation	Acquiror Name	Acquiror Nation	Value (\$M)
10/5/05		EMA-Power Kft		Electric, Gas, and Water Distribution	Hungary	Dunaffer Corp	Hungary	39
10/5/05		Gwynt Cymru Ltd		Electric, Gas, and Water Distribution	United Kingdom	REH Landfill Gas (Whales) Ltd	United Kingdom	2.819
10/5/05		Stehmann New Energy AG		Electric, Gas, and Water Distribution	Germany	Cobracrest AG & Co KGaA	United Kingdom	
10/5/05	10/5/05	Sithe Global Power LLC		Electric, Gas, and Water Distribution	United States	Investor Group	United States	
10/7/05		NedPower Mount Storm LLC		Electric, Gas, and Water Distribution	United States	Shell WindEnergy Inc	United States	
10/7/05	10/7/05	SK-Enron Co Ltd	Lazard	Electric, Gas, and Water Distribution	South Korea	SK Corp	South Korea	
10/7/05		VA TECH CNI		Electric, Gas, and Water Distribution	Austria	PSI AG	Germany	
10/11/05		Accuread		Electric, Gas, and Water Distribution	United Kingdom	GSL Utility Services Ltd	Netherlands	19.212
10/11/05	10/11/05	Gasfelagid		Electric, Gas, and Water Distribution	Iceland	Ismyndir ehf	Iceland	
10/11/05		ONEOK-Certain Natl Gas Asts	UBS Investment Bank	Electric, Gas, and Water Distribution	United States	Eagle Rock Energy Inc	United States	528
10/12/05	10/12/05	Bottle Rock Power Corp		Electric, Gas, and Water Distribution	United States	US Renewables Group	United States	
10/12/05	10/12/05	Enviromech Industries Inc		Electric, Gas, and Water Distribution	Canada	EPD International Inc	Canada	
10/13/05		Power Energy Svcs Eastern Ltd		Electric, Gas, and Water Distribution	New Zealand	Tenix Alliance New Zealand	New Zealand	
10/13/05		Powerco Energy Services Ltd		Electric, Gas, and Water Distribution	New Zealand	Tenix Alliance New Zealand	New Zealand	

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

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Corporate Strategies

Puget Sound Rolls Out Bonds To Fund Wind

Puget Sound Energy has sold \$150 million of 5.197% 10-year first-mortgage bonds last week to help fund construction of two wind projects in Washington. About \$31 million of the total also will be used to pay down long-term debt, with the balance pegged to finance the wind projects, explains **Don Gaines**, treasurer at parent **Puget Energy** in Bellevue, Wash. "We needed some money for funding a couple of wind projects, and the interest rates seemed at a good point," he adds. Structured as 10-year bullet bonds, the debt is non-callable with a spread of 83 basis points over Treasuries and a make-whole provision of Treasury plus 15 points.

Out of about 20 banks auditioning to lead the offering, **Morgan Stanley** and **UBS** were tapped. Gaines says the investment banks have a longstanding relationship with the energy outfit, adding he wanted to reward Morgan Stanley for its execution on past deals. UBS got the nod because the company likes to pick a few leads from its lending cadre and it wanted to throw the firm a bone. The offering is rated BBB by **Standard & Poor's**.

PSE's Hopkins Ridge Wind Project will provide southeastern Washington with 150 MW, and will be online by year-end. The most recently announced project, the Wild Horse Wind Power Project, will provide 230 MW of power in Kittitas County. That project is not scheduled for completion until the end of next year. Gaines says the projects will give the utility ratebase more energy resources. He notes the wind projects will allow PSE to replace some expiring contracts with more renewable, environmentally friendly means.

Duke Gas Unit Takes Down Bridge

Duke Energy Field Services has privately placed \$200 million in 10-year, 5.375% first-mortgage bonds in order to pay off a \$200 million bridge loan obtained in August. The Denver-based midstream arm of **Duke Energy**, has been trimming debt resulting from the formation of a venture between Duke Energy and **ConocoPhillips** several years ago. Borrowings to capitalize the joint venture total \$600 million, all of which has been refinanced or retired, explains **Rose Robeson**, cfo. "It's really a debt refinancing," she says of the debt offering.

The first-mortgage notes were co-led by **Greenwich Capital Markets** and **Barclays Capital**. Other participating firms included **Scotia Capital** and **SunTrust Capital Markets**. Robeson says the managers were selected because they have longstanding relationships with the Duke Energy unit. **Moody's Investors Service** rates the company's first-mortgage debt Baa2

Robeson says the natural gas company has no remaining

maturities this year, and it has not yet made a decision on how it will address \$300 million in debt maturing next year. **Duke Energy Field Services** also has a \$450 million revolver led by the **Bank of Nova Scotia** and **Wachovia Securities** which is priced at LIBOR plus 50 basis points. The company has approximately \$1.65 billion in outstanding debt, excluding this latest deal.

AES Adds Extra Powder To Revolver

AES Corp. has upsized its revolver by \$200 million to \$650 million, with pricing maintained at LIBOR plus 175 basis points. Led by **Citigroup** and **Bank of America**, the line primarily will be utilized for letters of credit, says **Ahmed Pasha**, director of corporate finance in Arlington, Va.

AES tends to use the revolver to support short-term debt obligations as well as to help fund construction for fresh generation facilities and subsidiary operations. AES does not expect that it will use more than \$450 million of the revolver, but wants to have extra powder just in case. "We wanted to get flexibility," Pasha notes.

In June, AES amended its credit line, adding the accordion feature which allows it to expand. At that time it also renegotiated pricing from LIBOR plus 250 basis points to its present level. AES can add an additional \$300 million in capacity according to its loan terms, Pasha adds. **Moody's Investors Service** rates AES's senior unsecured debt Baa3.

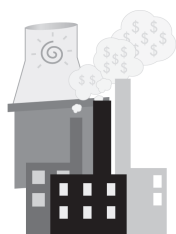
AES works with more than 10 banks on a regular basis including **Union Bank of California** and **Deutsche Bank**. Typically, AES doles out lead roles for the revolver from its pool as part of a general effort to keep its bankers happy, Pasha comments.

Pasha adds that AES currently has approximately \$5 billion of debt at the holding company level and \$12 billion at the subsidiary level. AES has no meaningful maturities coming due in the near future.

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Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. New items are in bold. To report new auctions or changes in the status of a sale, please call **Mark DeCambre**, managing editor, at (212) 224-3293 or e-mail mdecambre@iineews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Atlantic City Electric Company	B.L.England	New Jersey	447	Coal	Concentric Advisors	In Second Rounds.
	Key Stone	Pa.	-	Coal		
	Conenaugh	Pa.	-	Coal		
Aquila	Racoon Creek	Ill.	340	Gas	Not chosen	Intention To Sell.
	Goose Creek	Ill.	340	Gas		
	Crossroads	Miss.	340	Gas		
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention To Sell.
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 Chocon	Argentina	1,320	Hydro	J.P. Morgan	
Citi-led bank group (NEG developed plants)	Lake Road	Conn.	840	Gas	Lehman Bros.	Cargill Bought Debt Portion (PFR, 12/27).
	Lowell Power	Mass.	82	Gas	None	Actively Pursuing A Sale.
Delta Power						
Duke Energy North America	Bridgeport Energy Project	Bridgeport, Conn.	490 MW	Gas	CSFB	The Auction Does Not Include Duke's Midwest Assets.
	Maine Independence Station	Penobscot County, Maine	520 MW	Gas	Goldman Sachs	
	Bayside Power Project	St. John, New Brunswick	260 MW	Gas		
	Fort Frances Cogeneration Project	Fort Frances, Ontario	110 MW	Gas		
	Lee Energy Facility	Lee County, Ill.	640 MW	Gas		
	Vermillion Energy Facility	Vermillion County, Ind.	640 MW			
	St. Francis Energy Facility	Glennonville, Mo.	500 MW	Gas		
	Washington Energy Facility	Washington County, Ohio	620 MW	Gas		
	Fayette Energy Facility	Fayette County, Pa.	620 MW	Gas		
	Hanging Rock Energy Facility	Lawrence County, Ohio	1,240 MW	Gas		
	Oakland Power Plant	Oakland, Calif.	165 MW	Gas		
	Moss Landing Power Plant	Monterey County, Calif.	2,538 MW	Gas		
	Morro Bay Power Plant	Morro Bay, Calif.	1,002 MW	Gas		
	South Bay Power Plant	Chula Vista, Calif.	700 MW	Gas		
	Griffith Energy Facility	Mohave County, Ariz.	600 MW	Gas		
	Arlington Valley Energy Facility	Maricopa County, Ariz.	570 MW	Gas		
	McMahon Cogeneration Plant	Taylor, British Columbia	117 MW	Gas		
El Paso Europe	Enfield	U.K.	396 (25%)	Gas	None	Ongoing.
	EMA Power	Hungary	70	Coal		
	Kladna	Czech Rep.	350	Coal		
El Paso North America (Merchant assets)	Berkshire	Mass.	261 (56.41%)	Gas		Final Bids Due.
	CDECCA	Conn.	62	Gas		Negotiations Are Taking Place With
	Eagle Point	N.J.	233	Gas		BroadStreet Resources.
	Pawtucket	R.I.	67	Gas		
	San Joaquin	Calif	48	Gas		Being Shopped To North American Power Group.

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Generation Auction & Sale Auction (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
EnCana	Cavalier	Alberta	106	Gas	HSBC	Launched Sale In April.
	Balzac	Alberta	106	Gas	HSBC	
	Kingston	Ontario	110 (25%)	Gas	HSBC	
Energy Investors Fund	Multitrade	Va.	79.5 (60%)	Biomass	None	BNP Paribas Is Advising On The Sale BNP Paribas Is Advising On The Sale.
	Crockett	Calif.	240 (24%)	Gas		
Entergy Asset Management	Robert Ritchie	Ark.	544	Gas/oil	None	Ongoing.
	Warren Power	Miss.	314	Gas		
	RS Cogen	La.	425 (49%)	CHP		
	Harrison County	Texas	550 (70%)	Gas		
Exelon/PSEG	Eddystone Generating Station	Delaware County, Pa.	1,510 MW	Coal and Gas		Interviewing Banks To Advise On Sales.
	Linden Generating Station	Linden, N.J.	775 MW	Gas		
KBC-led creditor group	Milford	Conn	542	Gas	Lazard	Ongoing.
Mirant	Shady Hills	Fla.	474	Gas	BofA	Ongoing.
	West Georgia	Ga.	640	Gas		
	Bosque County	Texas	538	Gas		
	Wichita Falls	Texas	77	Gas		
Morrow Power	Boardman	Ore.	28	Gas	Marathon Capital	Evaluating Bids.
Nations Energy	Bayport	Texas	80	N/A		Considering Liquidation.
	Mungo Junction	Ohio	32			
	Southbridge	Mass.	7			
National Energy Gas & Transmission (USGen New England)	Salem Harbor	Mass.	745	Coal/Oil	Lazard	Dominion Has It Under Contract.
	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	Madison Dearborn And US Power Gen. Have Won A Bid To Acquire The Assets.
	Astoria	N.Y.	1,276	Gas		
	Gowanus	N.Y.	549	Gas		
	Narrows	N.Y.	281	Gas		
InterGen	Redbud	Okla	1,220		Citigroup	Harbert Venture Acquired The Assets.
	Cottonwood	Texas	1,235			
	Magnolia	Miss.	900			
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.
Teco Energy	Dell Power Station	Ark.	540	Gas		Reviewing Options.
	McAdams Power Station	La.	599	Gas		
Tractebel North America	Chehalis	Wash.	520	Gas	N/A	Looking To Sell Or Swap.
WPS Resources	Sunbury Generating Station	Shamokin Dam, Pa.	450 MW	Coal	Lazard	Buyers Are Stalling Over Fuel Contracts.

Weekly Recap

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

The Americas

- **Calpine Corp.** completed the sale of the 550 MW Ontelaunee Energy Center last week, for \$225 million to **LS Power Equity Partners**. The company put the plant up for sale in May as part of a turnaround plan. Calpine will record a loss of \$129 million for the sale (*Reuters*, 10/07).
- **Chevron Corp.** announced Bayou Casotte Energy LLC has applied for its application to build a liquefied natural gas terminal at Jackson County, Mississippi's Casotte Landing. Getting to the application phase has taken a while because of debate over what effect the terminal would have in South Mississippi. The terminal is expected to increase the delivery of natural gas supplies throughout the United States (*The Sun Herald*, 10/07).
- **Interstate Power & Light**, the Iowa division of Madison, Wis.-based **Alliant Energy**, announced it would sell three hydroelectric plants to Schofield, Wis.-based **North American Hydro** for about \$500,000. The three plants are located in Anamosa, Iowa Falls and Maquoketa (*Associated Press*, 10/07).
- A subsidiary of **Suez Energy North America** has completed its application process with the U.S. Coast Guard to create a liquefied natural gas terminal off the coast of Gloucester, Mass. **Neptune LNG** plans to moor specially designed ships offshore capable of storing and vaporizing LNG shipments, then pump fuel ashore along a sub-sea pipeline (*Boston Business Journal*, 10/07).
- **Great Plains Energy Inc.**, holding company for utility **Kansas City Power & Light** has restarted one of its coal-fired power plants after a 32-day outage due to a failed transformer. The company used a back-up transformer temporarily which will limit the plant's capacity to 500 MW versus its normal 565 MW output. A new transformer is expected to be installed in June 2006 (*Business Week*, 10/10).
- The state of Alaska has offered **ConocoPhillips**, **BP**, and **Exxon Mobil** a contract to build and operate a 3,400-mile pipeline that would ship the region's vast natural gas supplies to the Lower 48 states. The contract has not been approved by the state legislature or the three companies (*Reuters*, 10/06).
- Perry, a small town in Washington County, Maine, is trying to lure storage tanks for a liquefied natural gas facility to its town, away from neighboring Robbinston. The \$210 million LNG project has been proposed by Oklahoma developer **Quoddy Bay**, and **Brian Smith**, project manager, says the company has no firm commitments to build in Robbinston, and will meet with townspeople in Perry about developing the project there, instead (*Bangor Daily News*, 10/11).
- **American Electric Power Co.** shut the 528 MW unit 3 at the Welsh coal-fired power station in Texas last week to repair a boiler tube leak. The 1,584 MW Welsh plant is located in Cason, in Titus County, about 130 miles east of Dallas. There are three 528 MW units at the station (*Reuters*, 10/11).
- The U.S. Department of Energy has awarded a \$500,000 contract to **Science Applications International Corp.** to take a more detailed look at future natural gas demand in Southcentral Alaska. The study will consider imports of liquefied natural gas as an alternative in meeting the regional gas demand if a spur pipeline bringing North Slope gas to the region is uneconomic, or if discoveries of new gas in the region can't keep up with demand (*Peninsula Clarion*, 10/12).
- **National Fuel Gas Co.** has made a request to federal regulators to construct a 78-mile pipeline stretching from near Rochester, N.Y. to Corning that would cost about \$144 million. The pipeline would be operated by National Fuel's **Empire State Pipeline** subsidiary and would provide an upstream link for the proposed Millennium Phase I Pipeline which will transport natural gas to downstream customers (*Bizjournals.com*, 10/12).
- **ONEOK Inc.**, the parent company of Austin-based **Texas Gas Service Co.**, is selling some of its natural gas assets in Texas to **Eagle Rock Energy** for \$528 million. The Texas Panhandle properties comprise six gas-processing plants with a capacity of 150 million cubic feet a day, about 3,700 miles of gas-gathering lines and an estimated natural gas liquid production of 13,500 barrels a day (*Austin Business Journal*, 10/11).
- The **Federal Energy Regulatory Commission** has recommended approval of a proposal to build a liquefied natural gas import terminal at the Port of Long Beach, in California. According to the report, the facility would be an environmentally acceptable project to help California meet its growing demand for natural gas (*Chemical & Engineering News*, 10/13).

Asia

● The **Ratnagiri Gas and Power Private Ltd.**, the new avatar of the defunct Dabhol Power Project, began operations last week. Phase one of the project is expected to become operational by May-June 2006, with the rest of the project expected to be completed by next year. The new company is located in Maharashtra, but belongs to the state-owned **NTPC, GAIL**, and institutional shareholders (*The Hindu*, 10/10).

● The Ministry of Industry in Vietnam has submitted the feasibility study of the \$500 million Huoi Quang hydro-electric power plant in the northern province of Lai Chau to the government for approval. If built, the 520 MW project would be the 4th largest hydro-electric power plant after the 2,400 MW Son La plant, the 1,900 MW Hoa Binh plant and the 1,200 MW Lai Chau plant (*Vietnam News Agency*, 10/10).

● Indonesia, the world's largest exporters of liquefied natural gas, is understood to have proposed to buy LNG from Oman. The government wants to pick more than 100,000 cubic meters of LNG from Oman, if possible, by the end of 2005, and another consignment early 2006. There was no confirmation

from authorities (*Middle East North Africa Financial Network*, 10/11).

● **MPC Holdings Ltd.**, a Hong Kong-based independent power producer formerly known as **Meiya Power**, plans to use all of its IPO proceeds to expand generating capacity in North Asia, according to its preliminary report. The report did not disclose the size of the planned IPO, but sources say the offer would raise around \$150 million and will be launched in Singapore within weeks (*Reuters*, 10/11).

● South Korea's **Samsung Heavy Industries Co.** has received an order for two LNG carriers from a European client. The company also secured two extra orders worth a total of \$1.4 billion from Europe, one from Norway's **Mosvold Drilling** (*AFX*, 10/12).

South America

● **Waertsilae Corp** won a \$54 million RFP to supply a power plant to Brazilian energy company **Geradora de Energias do Amazonas**. The heavy fuel oil plant, which will be converted to run on natural gas, is due to come on steam in summer 2006 (*AFX*, 10/10).

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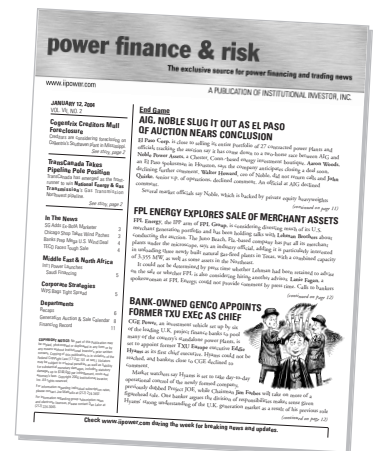
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LAKE ROAD

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units which were developed by **PG&E National Energy Group**. NEG subsequently filed for Chapter 11 bankruptcy protection and lead loan arranger **Citigroup** took possession of the facility. The holders of the original bank paper that funded construction of the facility hold a claim against the NEG Group that will allow them to get \$239 million.

US Power Generating, led by industry vet **Jay Workenklein**, attempted to acquire the plant late last year in a deal that was upended by **Cargill**, which swooped in to acquire secondary debt tied to the plant at much higher valuations than **Workenklein's** offer (PFR, 12/25). **Lehman Brothers** has served as advisor to the creditor group. **Jim Metcalfe**, managing director at **Lehman** in New York, did not return call for comment. —M.D.

CSFB, BAYERNLB

(continued from page 1)

Indian Mesa wind farm, a 75 MW Southwest Mesa wind facility, a wind farm totaling 160 MW known as Woodward Mountain. It also has a 66% stake in **Windpower Partners** 94 facility, totaling 27 MW and owns wind farms **Callahan Divide** totaling 116 MW, and the 29 MW **Delaware Mountain** project as well as **King Mountain**, which has a capacity of 281 MW. All the plants serve as base-load facilities.

In the past, **FPL** has also worked with wind specialists such as

Fortis Capital and **Dexia Global Structured Finance**. Officials at **Dexia** were unavailable for comment and **Fortis** officials declined to comment. —M.D.

DEVELOPERS HOLD

(continued from page 1)

Construction of the natural-gas operation is being sparked by a push by the Ontario government to replace its fleet of coal plants with cleaner burning natural gas facilities.

Completion is slated for 2008 and the operation will be fired up soon thereafter. **Smith** says the PPA contract bears no dispatch risk, meaning the group gets paid for assumed dispatch at a specified rate even if the unit is not running. Ontario's coal fired units likely will be shuttered in the next two years.

WestLB, which advised the **Invenergy** and **Stark** bid to develop generators for the Ontario government, is expected to play some role in the loan. The usual group of lead lenders likely will be in the running to arrange the loan including **Credit Suisse**, **First Boston** and **BNP Paribas**. Officials at the banks either did not return calls or did not comment.

With natural gas prices courting deep double digits the transition from much cheaper coal to natural gas is an expensive option for the Ontario government but they have indicated in public statements that they are committed to promoting a more environmental-friendly form of generation over the next several years. Observers suggested that Ontario might not dispatch its new natural gas plants until prices eke down from its spot market highs of \$13 to \$14. Calls to Ontario officials were not immediately returned.

—Mark DeCambre

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Quote Of The Week

"Ten years from now, nobody's going to be calling WPPI crazy for locking in a 4.5% interest rate for 30 years." —**Paul Bourgeois**, v.p. of corporate services at **Wisconsin Public Power Inc.** in Sun Prairie, Wis., on the projected interest rate for the utility's bond offering for plant funding (see story, page 2).

One Year Ago In Power Finance & Risk

Texas Genco Holdings was being acquired by **The Blackstone Group**, **Hellman & Friedman**, **Kohlberg Kravis Roberts & Co.** and **Texas Pacific Group** in a deal worth \$3.65 billion. [**NRG Energy** is buying **Texas Genco** in a deal worth more about \$5.8 billion, according to **NRG's** spokesman. The deal is comprised of about \$4 billion in cash and \$1.8 billion in common and preferred stock, with **NRG** assuming about \$2.5 billion of **Texas Genco** debt.]