

# power finance & risk

The exclusive source for power financing and trading news

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A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

OCTOBER 24, 2005

VOL. VIII, NO. 42

## Nuke Owners Dip Into Cash Flow For Relaunch

Owners of Ontario-based **Bruce Power** expect to shell out C\$4.25 billion in cash on hand to finance a re-start of the plant.

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## ArcLight Leverages Generation Pool

**ArcLight Capital Partners** is aiming to leverage up some of its holdings.

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## CALPINE MULLS MEGA GEOTHERMAL AUCTION

Calpine is said to be contemplating a sale of the bulk of its West Coast geothermal facilities and is looking to get as much as \$3 billion in the auction, according to one New York private equity investor eyeing the portfolio. According to buysiders following the offering, the geothermal facilities are some of the first facilities the now cash strapped San Jose, Calif., IPP owned and they view this as an effort to stave off bankruptcy and wipe out some \$17 billion in debt coming due in 2007-2008. Calls to **Bob Kelly**, cfo,

(continued on page 12)

## JPMORGAN ANOINTS OIL & GAS CHIEF

JPMorgan Chase has tapped **Doug Petno** to head up its energy practice group in New York, which includes power and oil and gas. Petno, who was elevated to the post last week, was already running oil and gas, but now takes over the energy group as a whole. That remit was previously handled by global head of natural resources **Eric Fornell**, who is currently on indefinite leave due to a **Securities and Exchange Commission** probe into share trading related to the unsuccessful leveraged buyout of **Unisource Energy**. Media representatives at

(continued on page 12)

## IRISH WIND PLAYER LOOKS FOR \$300M U.S. CONSTRUCTION DEAL

**Airtricity**, the Dublin-based wind developer, is aiming to net some \$300 million in construction financing for three planned wind farms in Idaho, New York and Texas.

**Ciaran O'Brien**, senior v.p. and head of financing, says leads are being considered from among banks with a wind track record. The developer expects to select a lead banker by the end of November, with an eye toward completing financing by February.

"We'll only do business with banks that have done wind in the past," O'Brien notes,

(continued on page 12)

## Novelty Redux

## WILLIAMS TAPS CITI STRUCTURE FOR \$700M FUNDING

**Williams Cos.** has locked up \$700 million in unsecured financing through a novel **Citibank**-led deal that looks like a bond, but functions similar to a bank facility. In the structure, which Williams also tapped April 2004, Citi used a 144A offering and a trust and a series of swaps to provide protection on two revolvers that will be used for letters of credit, according to *PFR* sister publication *Credit Investment News*.

**Rod Sailor**, treasurer and v.p., said the company was looking for additional liquidity, but did not want secured financing as this it would not help improve its credit profile in the eyes of the ratings agencies. Williams is trying to work its way to an investment-grade rating.

(continued on page 4)

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## At Press Time

## AIG, Ontario Teachers Acquisition Debt Nears Wrap

**AIG Highstar and the Ontario Teachers' Pension Plan**

acquisition financing totaling \$1.075 billion for InterGen's international portfolio is anticipated to wrap this week. The deal is led by **Barclays Capital** and **Royal Bank of Scotland**, and around 20 banks interested in taking pieces of the loan (PFR, 5/2).

Financing consists of an \$875 million, 8-year term loan and a \$200 million, 5-year revolving credit facility. Banks are being asked to commit \$75 million upfront, with a front-end fee of 150 basis points on the term loan, and a fee of 100 basis points on the revolver. Pricing on the term loan is at 275 basis points over LIBOR for the first three years, 300 basis points for the succeeding two years and at 425 basis points for the last two years of the life of the loan. Pricing on the revolver is 175 basis points over LIBOR.

Most of the plants, located in the U.K., the Netherlands, Mexico, Australia, China and the Philippines, have long-term PPAs in place. Officials at Barclays and RBS in London declined to comment.

**Mark Miles**, principal at AIG Highstar would not comment on the syndication, nor would **Jim Leech**, senior v. p. at Ontario Teachers'. **Royal Dutch/Shell Group** and **Bechtel Corp.** sold InterGen's international portfolio earlier this year and have been shopping its North American assets.

## ArcLight Looks To Leverage Up Bag Of Generation, Transmission Assets

**ArcLight Capital Partners** is aiming to leverage up its holdings in seven power plants and a transmission project with an asset-backed loan that was launched by **GE Capital Markets** late last week. The financing deal will allow ArcLight to take some equity off the table and further juice returns by using leverage, one banker notes. Calls to **Robb Turner**, managing director at ArcLight in New York were referred to **Heidi Milne**, spokeswoman in Boston, who did not return calls. **Garry Sheffer**, spokesman at GE, also did not return calls.

Among the assets tied to the \$72.8 million loan are a 150 MW co-generation facility in Auburndale, Fla., which it owns a 70% stake, and its stake in the Path 15 transmission line, which is a \$300 million, 84-mile stretch of electrical lines in the Central Valley connecting Southern California.

Financiers say the freed up cash also will allow the Boston-based private equity shop to make additional investments. The firm has formed a special purpose entity **Katahdin Power Holdings** as the collateral vehicle.

Four of the properties are power plants in California with PPA contracts with long-term contracts with **Public Service Electric and Gas Company**, while the rest of the assets are in Philadelphia, Illinois and Florida. GE is hoping to land a five-year deal at about 2 3/4% over LIBOR with no upfront fee. About eight to 10 banks are looking at the deal, with commitments due the second week of November. GE Capital hopes to close the deal soon thereafter.

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**Institutional  
Investor NEWS**  
INTELLIGENCE FIRST

## Idaho Energy Fund Rides Utility Stocks To Q3 Gain

**McOmber Energy Fund**, the energy hedge fund run by Boise, Idaho's **Sawtooth Investment Management**, posted solid third quarter gains on the strength of its long positions in a basket of utility stocks. The fund returned 5.4% in the quarter and is up 8.41% year-to-date.

The utility basket last quarter made up about 66% of the fund's portfolio, according to the firm's quarterly letter to shareholders. The basket includes a list of ten-20 names that portfolio manager **Roger McOmber** described as "stable companies with solid yields and safe dividends." These include **Dominion Resources**, **Consolidated Edison**, **Duke Energy** and **Southern Company**. The remaining 34% of the portfolio was split almost evenly between yield arbitrage (18%) and balanced pairs (16%).

The firm expects the bullish trend in utility stocks to continue. "Fundamentals continue to look strong for both the power and oil/gas groups," states the letter. "We expect utility earnings rise 10% in 2005 and to continue at this rate in 2006." Rising interest rates are not expected to impact the fundamental outlook, "given improved balance sheets and solid cash flow." The minimum investment is \$1 million. Fees are 1% of assets and 20% of performance with a high-water mark. There is a one-year lockup, after which investors can withdraw capital on a quarterly basis. **Banc of America Securities** is the prime broker.

## Investors Bullish On Exelon Boston Paper

Investors last week showed strong interest in **Exelon Boston Generating's** first and second lien term loans, which broke for trading well over par. The \$350 million first lien loan came out in the 102-103 range, while the \$300 million second lien loan hit 104-105. "People are bullish on the company. It is a good credit," says a trader. Another trader says he expected the loans to break high because they are well covered with a good coupon. The second lien is priced at LIBOR plus 630 basis points, while the first lien is priced at LIBOR plus 325 basis points. **William Kriegel**, ceo of K Road Power, did not return calls.

The new debt results from the restructuring of \$1.2 billion of Boston Generating's old debt. **K Road Power**, which targets acquisitions and investments in the U.S. power industry, has bought a 10% equity interest in Boston Generating and has agreed to manage its operations. As part of the deal, \$1.2 billion of old debt was satisfied by cash, new first lien and second lien debt and equity. The refinancing also includes a \$130 million new credit facility. **Credit Suisse First Boston** acted as financial advisor to K Road Power, arranged the recapitalization (PFR, 9/19) of \$1.2 billion in debt and equity and underwrote the new

\$130 million credit facility.

**Exelon Boston**, which is owned by a group of hedge funds, was originally developed by **Sithe Energies**. It was sold to Exelon, which sold the plants back to the developers in July 2003 after it failed to make a profit on its investment. **Angelo Sabatelle**, analyst at **Moody's Investors Service**, says K Road Power's ownership brings stability to the company. Moody's assigned a B2 rating to the first lien debt. The second lien is unrated.

## Merrill Analyst Cops Top Utilities Research Spot

**Steven Fleishman**, electric utilities analyst at **Merrill Lynch**, earned top billing in *Institutional Investors 2005 All-American Research Team*, named last week. Fleishman has scored high honors for nearly a decade running. The analyst predicted in December 2004 that many power utilities would see unexpected revenue and earnings gains as hedges rolled off and forward-sold power would rise from rates much lower than current market levels. Fleishman predicts that this could give **Exelon** as much as a \$1 per share earnings boost by 2007. Calls seeking comment from Fleishman were not returned.

## NY Shop Hunts Funds For Catamount Stake

Private equity shop **Diamond Castle Holdings** is tracking down funds to support its acquisition of a 51% controlling interest in Rutland, Vt.-based wind developer **Catamount Resources Corporation**, a subsidiary of **Central Vermont Public Service**. **Mike Ranger**, senior managing director at Diamond Castle in New York, said Diamond Castle will pay \$62 million over the next three years. It is arranging a private partnership vehicle, via **Lazard Frères**, that will house its investment.

An initial payment of \$15 million is due by the end of the month, with the balance of \$47 million to be paid over the next two years, Ranger says. That values Catamount at about \$122 million, he notes, adding the fund is offering \$60 million for the remaining 49% interest. The offer is on the table until the end of March and is also contingent on Catamount's Sweetwater III in Texas wrapping because it is expected to make up the largest component of Catamount's business. Sweetwater is scheduled for completion in January.

Ranger declined to talk specifics regarding its fund raising including the total amount and investors that will be included. **James Moore**, ceo at Catamount, says the investment will allow Catamount to grow in the U.S., U.K. and Canada. "Catamount has a large pipeline of wind projects and our current owner, Central Vermont Public Service, has limited financial capacity to fund a growth business," Moore says.



## Tenaska Hawks 270MW Wash. Gas-Fired Plant

Tenaska Energy is shopping a 270MW Tenaska Ferndale Cogeneration Station in Ferndale, Wash. The natural-gas fired unit, which was developed in 1994, has a PPA with **Puget Sound Energy** and is being offered for sale via broker **Lehman Brothers**.

Details about the sales process, and the reason for the disposal, could not be ascertained. Watchers believe privately-held Tenaska is in the early phases of auctioning and may not have taken first round qualifying bids. **Tim Miller**, plant manager in Ferndale, declined to comment and directed calls to a Tenaska spokeswoman. She says the company does not make information

about any such sales public.

The Ferndale plant provides process steam to an adjacent **ConocoPhillips** oil refinery.

It is powered by clean-burning natural gas and has two **General Electric** Frame 7EA gas turbines with supplementary-fired heat recovery steam generators and an extraction/condensing steam turbine. Officials at Lehman did not return a call for call.

Tenaska developed the project and formed the limited liability entity **Tenaska Washington Partners** to construct and own the facility. Tenaska affiliates serve as managing partner and operator for the project. A bidder likely will be identified either late fourth quarter or early next.

## Corporate Strategies

### WILLIAMS TAPS

(continued from page 1)

"One way to do this is to demonstrate that we have access to unsecured credit," said Sailor. Trouble was, banks had no interest in lending on an unsecured basis. "With our single B rating we can't get an unsecured credit facility," says Sailor. "In our sector, banks want security if you are below investment grade."

Williams approached Citigroup to obtain letters of credit financing. A person familiar with the deal says the financing was too large for Citigroup to obtain protection through credit default swaps. Instead, the bank set up a trust to access credit protection from the bond market through the private placement of notes.

The trust issues credit-linked notes and deposits the proceeds with Citibank. Through an interest rate swap agreement, Citi pays a fixed rate of 4.35% to the trust, which passes that rate onto the investors. Williams' credit agreement with Citicorp allows it to borrow from two facilities—a five-year, \$500 million revolver and an unsecured, five-year, \$200 million revolver—in the form of either letters of credit or straight borrowings. Through a subparticipation agreement, Citi passes on the facility fee it gets from Williams—and the credit risk—onto the Trust.

In the event of a default, Citi is covered by the proceeds of the 144a offering, which came through the trust and are on deposit. Through the subparticipation agreement, the credit facility goes through trust to the bond investors, who get the corresponding recovery. If there is no default, investors get their \$700 million back when the facility matures and earn interest for the facility's five years' duration. "It is the closest to a bond deal as Citigroup could make it," says the person familiar with the deal. "Citigroup targets the same institutional investor market as if Williams is doing a bond deal."

The structure is uncommon, but a good way for Williams to improve its ratings, according to **Steve Wood**, v.p and senior

analyst at **Moody's Investors Service**. "This is pretty rare. It is more of a function of where Williams is. They went through restructuring and are working to improve their credit," says Wood.

One advantage of the 144A offering is that it has less restrictive covenants than a traditional bank deal. The \$500 million unsecured credit facility that Citigroup did for Williams in April last year included both investment-grade and high-yield covenants. The most recent credit facility includes only investment-grade covenants. "We spent a lot of time stripping out covenants on high-grade paper that we did earlier. This doesn't have the same financial tests," said Sailor.

—Kim Moore

## Reliant Snares \$300M Liquidity Loan



Dan Hannon

**Reliant Energy** has obtained a \$299 million five-year term loan via lead **Deutsche Bank**. **Dan Hannon**, treasurer in Houston, says the loan provides additional liquidity, especially in the face of lofty gas prices. Reliant had considered ramping up its revolver, offering equity or increasing current term loans, but decided that bagging a new term loan to push up its liquidity was the best option.

Hannon says the loan does not come with a pre-payment penalty, which allows Reliant to have the flexibility to retire the debt if it's not required. Deutsche Bank led the effort because it has been a long-term lender to the company, and because the bank is in Reliant's existing revolving credit facility. The funds will help the company maintain prudent liquidity reserves. As of June 30, Reliant had \$927 million in liquidity reserves. The term loan carries pricing of LIBOR plus 2 3/8%.

Taking out this term loan does not change the net debt to

adjusted EBITDA, according to Hannon. At the end of the second quarter this ratio was 5.2, and Hannon explains the company hopes to reduce it to 3.0 by the end of next year through asset sales and cash generation. The company has a goal of \$340 million of realized cost reductions by the end of 2006, he notes.

The sale of three New York power plants closes, valued at \$975 million is expected to close next quarter with proceeds going toward retiring current term loans, totaling more than \$600 million. **Morgan Stanley** won the lead slot to arrange the debt bankrolling Reliant's New York assets and is currently structuring loan packages for **Madison Dearborn** and **US Power Generating** (PFR, 10/10).

## Pinnacle Retires \$500M Short-Term Floaters

**Pinnacle West Energy Corp.** has wiped out \$500 million in two-year, floating-rate notes, issued about six months ago. The notes became callable Oct. 1 and were retired at par. In April, the debt was privately placed as part of Pinnacle West's plan to retire an inter-company loan with subsidiary **Arizona Public Service**, according to **Lisa Malagon**, manager in investor relations at Pinnacle West in Phoenix. Calls to **Donald Brandt**,

cfo, were not returned. Pricing on the notes is LIBOR plus 50 basis points.

The inter-company loan was provided from APS to holding entity **Pinnacle West** about two years ago with the approval of the utility's regulator, the **Arizona Corporation Commission**. APS received authorization to funnel the loan up to its parent. Funds from that loan allowed Pinnacle to complete construction of a power plant it was unable to finance otherwise, according to **Anne Selting**, an analyst at **Standard & Poor's** in San Francisco. The plant has since been transferred to APS and placed into the utility's rate-base.

Selting explains once final approval came through on the generation asset transfer, from both state and federal regulatory bodies, APS was allowed to use the cash proceeds from the inter-company loan that Pinnacle repaid in part to purchase plants from its parent. In turn, Pinnacle West would use the cash from APS to retire the floating rate notes.

The notes were only meant to be transitional, Malagon adds, and were issued as a temporary financing means. **Lehman Brothers** and **Bank of America** worked as underwriters on the deal, and were chosen out of a group of banks the company deals with regularly, according to Malagon, adding that Pinnacle West rotates banks from its existing lender group.

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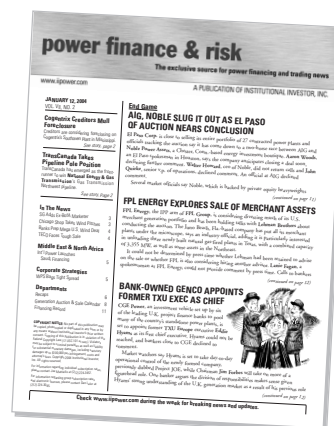
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## Weekly Recap

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

### The Americas

- Conservation groups have joined boaters and sport fishermen in a campaign against an LNG terminal proposed by **AES Corp.** on an island at the mouth of Boston Harbor, saying the plan would be bad for the environment and erode public access to parkland (*Associated Press*, 10/17).

**Calpine**, the embattled energy giant, has hired a high-profile restructuring team from **Kirkland & Ellis** to advise its board. The team, led by partners **Richard Cieri** and **Jamie Sprayregan**, is considered to be one of the best in the bankruptcy and restructuring business, according to rival lawyers (*New York Post*, 10/18).

- Martin County Commissioners **Susan Valliere** and **Sarah Heard** raised concerns about **Florida Power & Light's** proposal to build a coal-burning power plant in southwestern St. Lucie County (*Florida Sun-Sentinel*, 10/19).

- **Duke Energy** told the **South Carolina Public Service Commission** that its proposed merger with **Cinergy Corp.** will have a negligible impact. **Ellen Ruff**, a Duke executive, said few job cuts are expected in South Carolina, where most Duke employees in the state work at the Catawba and Oconee nuclear plants (*Charlotte Business Journal*, 10/19).

- Despite the battering **Entergy** took from hurricanes Katrina and Rita, the New Orleans utility said it expects to report a 34% rise in third-quarter earnings—a sign that many power generators are poised to post strong results (*Wall Street Journal*, 10/20).

- Philadelphia City Councilman **Frank DiCicco** has raised major doubts about the future of a plan to ship hazardous liquefied natural gas through Philadelphia, telling residents flatly that the most likely developer has pulled out of a deal (*Philadelphia Daily News*, 10/20).

- The chairman of the House Energy and Commerce Committee, **Rep. Joe Barton**, R-Texas, lambasted the mayor of Fall River, Mass., **Edward Lambert Jr.**, saying his opposition to a liquefied natural gas terminal in the city runs counter to the energy needs of the Northeast (*Associated Press*, 10/20).

### Europe and Middle East

- **Suez LNG Trading**, a subsidiary of **Suez Energy International**, said it has signed two liquefied natural gas charter

agreements with Norwegian company **Bergesen Worldwide Gas** for a period of 20 years (*AFX*, 10/17).

- Britain's biggest coal-fired power station, **Drax Group Limited**, is now at the center of a three-way battle after **International Power** and Japan's **Mitsui & Co.** said they were considering a joint £2 billion bid (*The Guardian*, 10/20).

- Italy's **Enel**, Europe's second largest utility, is planning to invest millions, if not billions, in Russian power plants (*UPI*, 10/20).

### Asia

- India's **National Thermal Power Corporation** invited bids for appointing consultants to advise the firm in making investments in the entire LNG value chain including gas exploration and liquefaction terminals (*India Times*, 10/14).

- **Taiwan Power**, which generates about 75% of Taiwan's electricity, said it will complete a nuclear plant three years later than planned because of a construction halt that occurred in 2000 (*Taipei Times*, 10/14).

- The Ministry of Industry of Vietnam has submitted a feasibility study for the **Huoi Quang** hydroelectric power plant in the northern province of Lai Chau. If approved by the government, the 520MW project would be developed at an estimated cost of \$500 million (*International Water Power & Dam Construction*, 10/14).

- China is readying a multi-billion dollar listing of the state-run electricity distribution grid in the south - a move that would help fund a planned \$2.5 billion, 30-year investment program to provide power in the fast-growing region (*Financial Times*, 10/18).

- Vietnam is planning to build its first nuclear power plant. **Tran Thanh Lien**, the chief of the **Vietnam Atomic Energy Institute's** International Cooperation Department, says he submitted to the government a pre-feasibility study for building a 2,000MW nuclear plant, estimated to cost \$3.5 billion (*Thanh Nien*, 10/20).

- Pakistan's **Sui Southern Gas** has signed an agreement with a consortium led by **ABN Amro** and **Poten & Partners** consultants, who would prepare a concept report on an LNG import project (*Daily Times*, 10/18).

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Deutsche Bank  
JPMorgan  
Morgan Stanley  
UBS

**ASIAN CREDIT DERIVATIVES HOUSE OF THE YEAR**

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Deutsche Bank  
Goldman Sachs  
JPMorgan  
Morgan Stanley

**U.S. EQUITY DERIVATIVES HOUSE OF THE YEAR**

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Citigroup  
Goldman Sachs  
Lehman Brothers  
Merrill Lynch

**EUROPEAN EQUITY DERIVATIVES HOUSE OF THE YEAR**

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Deutsche Bank  
JPMorgan  
SG Corporate & Investment Banking  
Morgan Stanley

**ASIAN EQUITY DERIVATIVES HOUSE OF THE YEAR**

Citigroup  
Credit Suisse First Boston  
Merrill Lynch  
SG Corporate & Investment Banking  
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**FUND-LINKED HOUSE OF THE YEAR**

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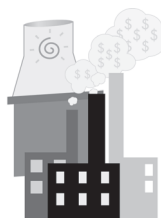
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## Generation Auction & Sale Calendar

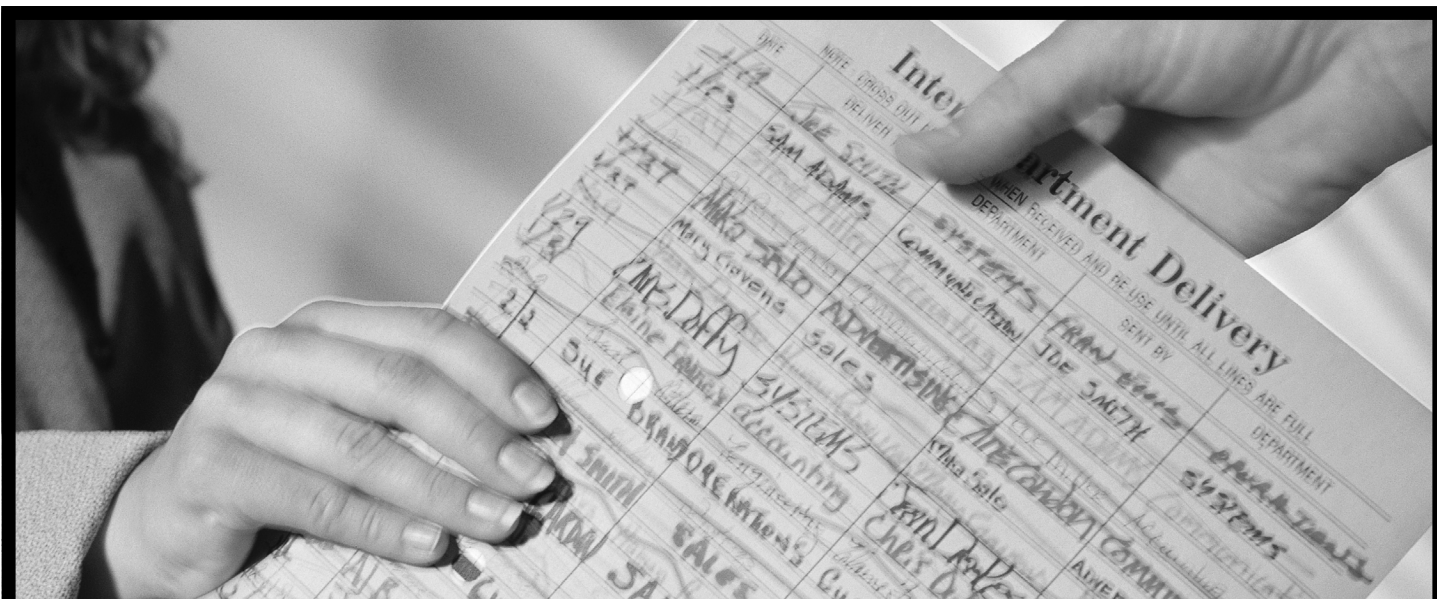
Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. New items are in bold. To report new auctions or changes in the status of a sale, please call **Mark DeCambre**, managing editor,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



## 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.



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## Financing Record (OCTOBER 12-OCTOBER 18)

### M&A

Announced	Effective	Target Name	Target Advisors	Target Industry Sector	Target Nation	Acquiror Name	Acquiror Advisors	Acquiror Industry Sector	Acquiror Nation	Deal Value (\$M)
10/12/05	10/12/05	Bottle Rock Power Corp	-	Electric, Gas, and Water Distribution	United States	US Renewables Group	-	Investment & Commodity Firms,Dealers,Exchanges	United States	-
10/12/05	10/12/05	Enviromech Industries Inc	-	Electric, Gas, and Water Distribution	Canada	EPOD International Inc	-	Electric, Gas, and Water Distribution	Canada	-
10/13/05		Drax Group Ltd	Deutsche Bank AG	Electric, Gas, and Water Distribution	United Kingdom	Investor Group	Lehman Brothers UBS Investment Bank	Investment & Commodity Firms,Dealers,Exchanges Business Services	United Kingdom	3,644.74
10/13/05		Power Energy Svcs Eastern Ltd		Electric, Gas, and Water Distribution	New Zealand	Tenix Alliance New Zealand Pty	-	Business Services	New Zealand	-
10/13/05		Powerco Energy Services Ltd		Electric, Gas, and Water Distribution	New Zealand	Tenix Alliance New Zealand Pty	-	Business Services	New Zealand	-
10/14/05		EDP Producao Bioelectrica SA		Electric, Gas, and Water Distribution	Portugal	Cia de Celulose do Caima SA	-	Paper and Allied Products	Portugal	9.057
10/17/05		East Surrey Holdings PLC	Hawkpoint Partners	Electric, Gas, and Water Distribution	United Kingdom	Kellen Acquisitions Ltd	Citigroup	Investment & Commodity Firms,Dealers,Exchanges	United Kingdom	1,447.63
10/17/05		Professional Technical Sys Inc		Electric, Gas, and Water Distribution	United States	Advanced 3-D Ultrasound Svcs	-	Business Services	United States	-

### Debt

Date	Issuer	Business Description	Amount (\$M)	Coupon (%)	Security	Maturity	Offer Price	YTM (%)	Spread	S&P	Moody's	Fitch
10/13/05	KOGAS	Gas utility	262	1.23	Fxd/Straight Bd	10/25/10	100	1.23	30	NR	NR	NR
10/15/05	Taipower	Electric utility	6.6	2.19	Fxd/Straight Bd	10/15/12	100	2.19	-	NR	NR	-
10/15/05	Taipower	Electric utility	96.7	2.3	Fxd/Straight Bd	10/15/15	100	2.3	-	NR	NR	-
10/15/05	Taipower	Electric utility	15	2.3	Fxd/Straight Bd	10/15/15	100	2.3	-	NR	NR	-
10/15/05	Taipower	Electric utility	13.2	2.3	Fxd/Straight Bd	10/15/15	100	2.3	-	NR	NR	-
10/15/05	Taipower	Electric utility	10.5	2.3	Fxd/Straight Bd	10/15/15	100	2.3	-	NR	NR	-
10/15/05	Taipower	Electric utility	10.2	2.3	Fxd/Straight Bd	10/15/15	100	2.3	-	NR	NR	-
10/15/05	Taipower	Electric utility	2.1	2.3	Fxd/Straight Bd	10/15/15	100	2.3	-	NR	NR	-
10/15/05	Taipower	Electric utility	2.1	2.3	Fxd/Straight Bd	10/15/15	100	2.3	-	NR	NR	-
10/15/05	Taipower	Electric utility	15	2.19	Fxd/Straight Bd	10/15/12	100	2.19	-	NR	NR	-
10/15/05	Taipower	Electric utility	15	2.19	Fxd/Straight Bd	10/15/12	100	2.19	-	NR	NR	-
10/15/05	Taipower	Electric utility	15	1.98	Fxd/Straight Bd	10/15/10	100	1.98	-	NR	NR	-
10/15/05	Taipower	Electric utility	15	1.98	Fxd/Straight Bd	10/15/10	100	1.98	-	NR	NR	-
10/15/05	Taipower	Electric utility	15	1.98	Fxd/Straight Bd	10/15/10	100	1.98	-	NR	NR	-
10/15/05	Taipower	Electric utility	6	1.98	Fxd/Straight Bd	10/15/10	100	1.98	-	NR	NR	-
10/15/05	Taipower	Electric utility	30.2	2.19	Fxd/Straight Bd	10/15/12	100	2.19	-	NR	NR	-
10/15/05	Taipower	Electric utility	29.9	2.19	Fxd/Straight Bd	10/15/12	100	2.19	-	NR	NR	-
10/15/05	Taipower	Electric utility	20.1	2.19	Fxd/Straight Bd	10/15/12	100	2.19	-	NR	NR	-
10/15/05	Taipower	Electric utility	18	2.19	Fxd/Straight Bd	10/15/12	100	2.19	-	NR	NR	-
10/15/05	Taipower	Electric utility	89.8	1.98	Fxd/Straight Bd	10/15/10	100	1.98	-	NR	NR	-
10/18/05	Entergy Louisiana Inc	Electric utility	150	5.83	Fst Mtg Bonds	11/1/10	99.985	5.834	150	A-	Baa1	BBB+
10/18/05	PSI Energy Inc	Electric utility	350	6.12	Sr Unsecurd Nts	10/15/35	99.947	6.124	142	BBB	Baa1	BBB+

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

### Oslo, Texas?

## Enron Vet Preps Commodities Push At Norwegian I-Bank

Oslo-based investment banking house **Pareto** is making a push into commodities funds, an effort spearheaded by **Thor Lien**, formerly head of **Enron's** Nordic unit. According to *PFR* sister publication *Alternative Investment News*, the firm has just started trading a Nordic power strategy and is planning to launch a Cayman Islands-domiciled fund shortly, says Lien.

Lien helped start Enron's efforts in the Nordic market and ran **Enron Nordic Energy** until the Houston-based parent company's highly-publicized demise. **American Electric Power** subsequently took over the unit, but after a little over a year it wanted to exit the Nordic market. Lien led a management buyout and then management sold the unit to Pareto in May.

The strategy, which so far has consisted solely of proprietary capital, was up 2.59% in September. Pareto trades electricity on **Nord Pool**, a multi-national exchange for trading electric power in the Nordic region. The Nordic market is unique among power strategies because it is hydro electric, which is driven by weather-related pricing, says Lien. Additional funds that will necessitate the hiring of additional managers, are possible. One such possibility would be to a European or Nordic carbon dioxide trading fund that would launch next year, he adds.

For the maiden commodities play, Pareto is seeking to raise \$150-200 million and plans to start taking in outside money in November or December, says Lien. It is seeking a broad investor base, but initially will target funds of funds and large institutions. The fund will carry a EUR500,000 investment minimum with a 2% management fee and a 20% performance fee.

## IRISH WIND

(continued from page 1)

adding that financiers such as HSH Nordbank, Dexia Cr dit Local and HypoVereinsbank would be in the running. Officials at the banks either declined comment or did not return calls.

The troika of plants are in the planning stages and Airtricity is still working on PPAs. O'Brien declined to disclose the identity of the possible offtakers. Airtricity set up a Dallas office last year, and has eight projects in various stages of development across the Lone Star state totaling over 700 MW. In New York, the company is looking at sites in Hartsville and it has set a spot in northern Idaho for its Northwestern wind facility.

Approvals and permits for the wind farms have been nearly wrapped with an anticipated construction to start soon. Ground breaking likely will kick off on the Texas operation first, O'Brien says.

Airtricity plans on investing \$1.5 billion in U.S. wind and further down the track has its eye on an IPO (PFR, 6/27).

—Mari Slater & M.D.

## JPMORGAN ANOINTS

(continued from page 1)

the firm declined comment and did not make officials available for comment.

Petno reports to Doug Braunstein, head of investment banking coverage and mergers and acquisition, while Fornell is away. Petno continues to lead the oil & gas team in addition to his new role, and Francois Poirier will run the power team, reporting to Petno. Followers say Petno's promotion is not an interim designation.

While Fornell retains his head of natural resources designation, it is unclear when or if the veteran energy banker will return, or if his post will be flipped to another executive either inside or outside the firm. Observers say it is not unheard of for an official go on leave for an extended period and resurface. Fornell has been on hiatus for roughly four months.

—Peter Roth

## CALPINE MULLS

(continued from page 1)

were not returned.

"We are evaluating many sales, but no announced plans of those assets are moving forward," says spokeswoman Katherine Potter. "We've been very open about asset sales and we think it's too premature to talk about a sale of these assets."

One New York credit analyst, declining to be identified, believes the sale would go a long way toward cleaning up the company's debt-laden balance sheet and allowing Calpine to acquire much-needed natural gas. "If this sale goes through for

[Calpine] it's a whole new ballgame," he notes.

Many prospective investors heard word of the sale late last week from bankers who are hoping to land advisor roles for potential acquirers. A formal auction process has not yet been initiated. Credit Suisse First Boston and Merrill Lynch are said to be advising Calpine. Calls to bankers there were not returned.

Sources also suggested that Manhattan-based advisory firm Miller Buckfire was aiding the energy producer. Calls to Miller were not returned.

Calpine's geothermal portfolio includes plants in Sonoma and Lake County, Calif. For a complete list of its geothermal plants, go to [www.iipower.com](http://www.iipower.com).

—Mark DeCambre

## Quote Of The Week

"This is pretty rare. It is more of a function of where Williams is. They went through restructuring and are working to improve their credit." —Steve Wood, v.p. and senior analyst at Moody's Investors Service in New York, about Williams Cos.' unique financing deal (see story, page 1).

## One Year Ago In Power Finance & Risk

• **Cheniere Energy** was looking for approximately \$750 million in project-level loan financing to bankroll the construction of Sabine Pass, an LNG facility in Louisiana. [In late January, lead arrangers HSBC and Soci t  G n rale kicked off syndication. Some 50 banks were invited to attend, with only about half of those banks expected to participate (PFR, 1/24).]

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