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Shell, Goldman Complete Funding For Wind Trio

Shell WindEnergy and **Goldman Sachs** have obtained a 15-year loan non-recourse loan to fund three wind projects in California and Wyoming via **Fortis Capital**.

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First Born

DEVELOPER SEEKS \$750M LOAN FOR LNG DEAL

Cheniere Energy is looking for approximately \$750 million in project-level loan financing to bankroll the construction of Sabine Pass, a regasification facility in Louisiana which is widely regarded by the market as the

(continued on page 12)



Sabine Pass

EX-CITI TRADING BIGWIG JOINS HEDGE FUND

David Becker, quondam global head of commodity trading at Citigroup, has resurfaced at New York hedge fund Trivium Capital Management. As first revealed on www.iipower.com last Wednesday Becker will most likely oversee commodities trading for Trivium funds. Messages left on his voicemail were not returned.

The long/short equity hedge fund, has traditionally focused on the retail, technology and healthcare sectors. It launched in 2002 with about \$100 million but given the private

(continued on page 12)

Getting Mature

EL PASO LOOKS TO TAP B LOAN MART FOR \$1.25B

El Paso Corp. is set to launch a five-year \$1.25 billion term B loan as part of its effort to refinance a \$3 billion secured revolver which doesn't expire until next June. A raft of power players have been taking advantage of lender demands this year to extend loan maturities out to the three year and beyond mark. J.P. Morgan and Citigroup are leading the deal, and also a \$1.75 billion three-year revolving credit facility pitched in mid-October.

A J.P. Morgan spokesman declined comment and officials at Citigroup did not return

(continued on page 12)

NORTHWESTERN SET TO EXIT BANKRUPTCY WITH RECHARGED FINANCES

NorthWestern Corp. plans to emerge from bankruptcy next month with holders of a pre-petition, \$390 million term loan paid back with a \$3.9 million premium and new, cheaper financing for the company pitched to the market, according to *Loan Market Week*, a PFR sister publication. Lehman Brothers and Deutsche Bank are slated to lead a \$250 million bank facility, and Credit Suisse First Boston is sole lead on a \$200 million bond issue that

(continued on page 11)

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



At Press Time

Natexis To Join Brascan Deal

Natexis Banques Populaires plans to commit \$35 million in the secondary market to Brascan Corp.'s \$500 million non-recourse loan that recently closed. The two-year debt funds the purchase of more than 70 plants from Reliant Energy (PFR, 10/15). Anadi Jauhari, v.p., project finance at Natexis in New York, says the bank would have participated in the syndication, but its internal process took a week or two longer to complete. The French lender considers Brascan a good risk because it is investment grade and the bridge facility carries limited refinancing risk.

Cape Cod Offshore Wind Developer Targets \$800M

The developers of the planned 420 MW wind farm off the coast of Cape Cod, Mass., are looking for \$800 million in project debt, private equity and investor equity. Energy Management Inc. and its affiliate Cape Wind Associates are in

talks with potential underwriters and investors to determine the details, says Cape Wind spokesman Mark Rodgers. It hopes to have financing in place soon after it receives the necessary permits for



An Offshore Wind Farm

construction, which is expected to happen in the second half of 2005.

Rodgers declined to provide a breakdown of the possible funding or its terms, noting details are still being hammered out. Cape Wind had been considering a number of options to finance the project (PFR, 10/27).

The project has engendered some strong protests from wealthy homeowners, such as Sen. Edward Kennedy, who say the project will be an eyesore, and also from animal rights advocates. However, Rodgers says the aim is to have the wind farm online by late 2007 and the developer is expecting a draft environmental impact statement from the U.S. Army Corps of Engineers in the next few weeks.

The project will consist of 130 turbines.

Tell Us What You Think

Questions? Comments? Criticisms? Do you have something to say about a story that appeared in *PFR*? Or is there information you'd like to see published? If you have some news to dish out or have a new business strategy or hire you want to crow about, give us a call. Managing Editor **Mark DeCambre** can be reached at 212-224-3293 or mdecambre@iinews.com.

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INTELLIGENCE FIRST

Shell, Goldman Close Wind Funding

Fortis Capital closed on a 15-year, \$123.3 million non-recourse loan to finance three wind projects in California and Wyoming sponsored by **Shell WindEnergy** and joint-venture partner **Goldman Sachs**. The oversubscribed deal, which closed last week, received interest from 15 banks so commitments of \$25 million were cut back, an official says. Shell and joint-venture partner Goldman launched syndication last month (PFR, 9/17).

Paul Naumann, managing director at Fortis, says interest in the deal is based on the sponsorship from Shell and Goldman and heightened attention among lenders in the wind sector.

Fortis is the administration agent and **Royal Bank of Scotland** acts as syndication agent, while **WestLB**, **HypoVereinsbank** and **Natexis Banque** serve as documentation agents, says an official close to the deal.

LENDER	ALLOCATION IN MILLIONS
Fortis Capital	8.509
Royal Bank of Scotland	8.5
West LB	8.25
HypoVereinsbank	8.25
NordLB	8.25
Sumitomo Mitsui	8.25
Calyon	8.25
Bank of Scotland	8.25
Dexia	8.25
Bank Of Tokyo-Mitsubishi	8.25
ANZ	8.25
Manulife	8.25
CIT	8.25
Natexis Banque	8.25
HSB NordBank	7.25

Canadian Wind Developer Plans Public Financing

Sea Breeze Power Corp., a Vancouver-based wind farm developer, is planning to issue \$3-5 million of public equity in the second quarter for general corporate development purposes. It has not yet selected banks to lead a potential offering and is still determining the terms of the issue, says **Paul Manson**, president. "We don't have any firm plans," Manson says. "As our business progresses, we'll be in a stronger position to issue equity." The company has about \$2 million of debt outstanding.

Among the projects on the horizon for Sea Breeze is the Knob Hill Wind Farm, the largest single wind farm proposal in the world to receive planning approval, according to Manson. Sea Breeze plans to finance the project, which carries an estimated \$550 million price tag, by tapping the project debt market (PFR, 7/4). It has yet to determine the details of the financing but is talking with several unnamed banks to settle on a structure, he says, declining to provide further details. It hopes to secure financing for Knob Hill shortly after a power purchase agreement is secured, which the company hopes will be within the next six months.

The 450 MW Knob Hill project, located on Northern Vancouver Island, represents only 8% of the total land holdings

on which Sea Breeze is planning to build wind generation. The company is looking achieve between 2,000 and 3,000 MW of capacity overall, says Manson.

Euro Hedge Fund Pockets Analyst

GLG Partners, one of Europe's largest hedge funds, has hired **Rick Shobin** from New York-based hedge fund **Duquesne Capital Management**. He was a utilities analyst for **Duquesne Capital Management** and will hold a similar slot in GLG's London office. Messages left on his voicemail at GLG were not returned. Calls to **Stanley Druckenmiller**, Duquesne's high-profile founder, also were not returned.

Lehman Brothers, which has a 20% stake in GLG, is reportedly in negotiations to buy the hedge fund outright. It has \$12.5 billion in assets under management and 16 funds. Published reports quote a possible purchase price in the \$1.5 billion range.

New England Merchant Plants Face Tough Hurdles

The sale of gas-fired merchant plants in New England have been stymied and market watchers says the difficulties of selling in the region are greater than other parts of the U.S. The merchant overbuild is intensified because New England is at the end of the supply line, and with so few coal plants the regional price of gas is skewed higher. "New England is naturally at the end of the transportation line, and liquefied natural gas is not on the margin," says **John Dingle**, senior managing director for financial advisory services at **Navigant Consulting**.

While other regions of the country have a greater reliance on coal-fired plants, New England is saturated with gas plants. "The New England market has been flooded with gas," says Dingle. "Very few gas-fired plants in New England have transacted any value. Now we have gas plants that are nearly worthless."

The unattractive economics have caused deals to linger including separate plants formerly owned by **Exelon** near Boston and a plant in Milford, Conn., once owned by **El Paso**. Bidders have eschewed these offerings also because of the debt the facilities have incurred over the past several months. The Exelon plants, for example, which were originally put up for auction by **Lehman Brothers** last year, faltered for this reason (PFR, 11/24/03).

Currently led by **Lazard Frères**, the sale of Exelon's assets is faring no better, bankers say. Bankers say the El Paso sale, also being led by Lazard, has similarly languished since its launch in July. **Peter Marquis**, a director at Lazard, did not return a call for comment. The amount of the debt associated with those deals could not immediately be determined.

UBS To Boost Energy Derivatives, Bags SocGen Staffer

UBS is attempting to beef up energy trading and as part of its initiative has hired **Josh Sadler**, a gas and oil marketer at **Société Générale** in Houston, to assume a similar role at UBS in New York. **Louise Kitchen**, managing director and head of energy and structured product sales for UBS, says the bank is expanding the derivatives side of its energy desk in an effort to build on trading capabilities in the underlying physical markets. "UBS has established a good business," she says.

The Swiss bank may also add additional traders for the physical market, including power and crude oil. Kitchen declined to provide specifics on its staffing plans.

Sadler, who reports to **Chris Lang**, head of energy derivatives sales, says he joined UBS because of its ability to trade a wide array of products. He is responsible for derivatives sales to most sectors, including E&P industrials, corporates and utilities. "We will continue to hire additional top level salespeople to effectively cover our global client base," says Lang. A spokesman for SocGen did not return a call for comment.

UBS has been aggressive in its attempts to lure trading and marketing talent from competing banks (PFR, 5/10).

DTE Wraps Upsized Loan

DTE Energy and subsidiaries **Detroit Edison** and **Michigan Consolidated Gas** have closed \$975 million in credit facilities. Demand for the transaction allowed DTE to increase the loans by \$325 million, says an official close to the deal. Lead arrangers and book runners **Barclays Capital**, **Citibank** and **J.P. Morgan** initially pitched \$650 million in bank debt for the trio to refinance loans due to expire last week (PFR, 9/20). A Barclays official declined to comment, and calls to officials at Citibank and J.P. Morgan were not immediately returned. Calls to **David Meador**, cfo at DTE Energy, also were not returned.

Syndication closed with funding from 24 lenders, including the lead banks, says the official. The roster comprises six co-documentation agents, four senior managing agents, three managing agents and eight other participants, the official says, declining to identify participants. The original 364-day, \$650 million in debt was extended to five-year financing.

Pricing on the refinancing, which was based on a credit ratings matrix, was unchanged from the time the deal was originally launched. The Detroit Edison and Michigan Consolidate Gas transactions offer fees of 15 basis points and pricing of 87.5 basis points over LIBOR if the loan is fully drawn, while DTE Energy offers a 17.5 basis point facility fee and a margin of 100 basis

points if fully drawn (PFR, 9/20). As a result of the increase, DTE decreased its existing three-year \$650 million credit facility by \$325 million, the official adds.

Shell Set To Start Up Another Wind Facility Deal

Shell WindEnergy and joint venture partner **Entergy Corp.** are planning to meet with several banks this week to discuss arranging debt for undisclosed wind farms in Texas and Iowa. Calls to **Leo Denault**, executive v.p. and cfo at Entergy, and **Tim O'Leary**, Shell spokesman, declined to comment.

The assets, which have an estimated book value of \$80-90 million, may include the 80 MW White Deer project near Amarillo, Texas, and 80 MW Top of Iowa Wind Farm in Bristol and Fertile Townships, officials say. However, the partners have not yet revealed which facilities will be financed, say market watchers.

Top of Iowa, which was Entergy's first investment in wind power, has 89 NEG Micon turbines, and White Deer consists of 80 Mitsubishi MWT -1,000 turbines, according to the companies' web sites.

What's My Line?

Neptune Eyes Q1 For Cable Debt

Neptune Regional Electric Transmission expects to head to the debt market in early 2005 in order to finance the construction of a 600 MW undersea transmission cable between New Jersey and Long Island. **Roger Bredder**, head of project finance at financial advisor **Société Générale**, says the deal should come to market by late first

quarter, but notes the form of debt has not yet been determined. Earlier this year, officials were saying the debt may have been placed before year-end (PFR, 5/31).

The project is estimated to run to around \$300 million. Calls to **Chuck Hewitt**, Neptune, ceo, were not returned.

The Pittsfield, Maine, company was seeking equity participation in the spring. It wound up selecting **Energy Investors Funds** and **Starwood Capital Group**, says Bredder. He declined to comment on how much was raised or the total construction price tag on the 67-mile line.



N.Y./L.I. Cable Transmission Line

Wis. Public Service Homes In On 500MW Financing



Joe O'Leary

Wisconsin Public Service will likely finance the development of the 500 MW Weston 4 plant near Wausau, Wis., with a combination of debt and equity. Ed Newman, director of environmental services for the company, said the price tag is estimated to be \$752 million. Newman was unable to provide additional details on the financing.

Calls to Joe O'Leary, senior v.p. of finance in Green Bay, were not immediately returned, but he told *PFR* in 2002 that the bulk of the financing needs would fall between 2004-2008 (*PFR*, 10/8/02).

Rather than issuing at the WPS Resources parent level, he said long-term bonds and equity made sense for issuance at the Wisconsin Public Service utility level. WPS typically uses non-recourse financing for its non-regulated WPS Power Development unit.

The coal-fired Weston 4 plant is adjacent to three existing units that total 510 MW. Weston 4 is needed to meet growing power generation needs in central Wisconsin, company officials have said. The plant is expected to come on line in 2008.

Nevada Power Completes \$325M Revolver

Nevada Power and sister company Sierra Pacific Power Company have closed syndication on a Union Bank of California-led \$425 bank loan that was increased by \$100 million due to oversubscription. UBoC originally pitched \$325 million in revolving credit facilities to help Nevada Power fund the Moapa Valley purchase and complete its construction (*PFR*, 10/4).

All totaled, 19 banks committed \$610 million to the secured loan, which breaks down into a \$350 million revolving credit for Nevada Power and a \$75 million revolver for Sierra Pacific, according to a banker close to the deal. The bank debt offers a 50 basis point facility fee and is priced at a spread of 200 basis points over LIBOR if it is drawn.

Along with UBoC, Scotia Capital, WestLB, Bank of New York and J.P. Morgan each committed \$50 million, and CIT Structured Finance, GE Capital Corporation, Harris Nesbitt Corp. all contributed \$35 million.

Allied Irish Bank, Commerzbank, Credit Suisse First Boston, LaSalle National Bank, Lehman Brothers, Merrill Lynch, Wells Fargo, Deutsche Bank and U.S. Bank each committed \$25 million. Rounding out the syndicate are Erste Bank and Citigroup, which each took a \$15 million piece of the loan.

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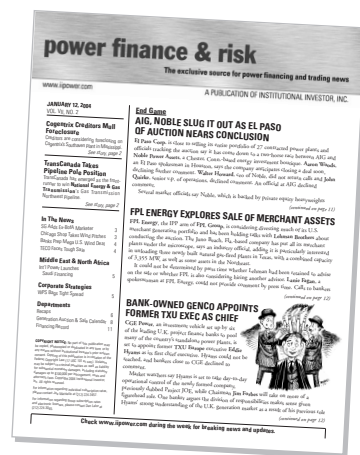
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Aquila Lowers Funding With Unsecured Loans

Aquila has completed two 364-day unsecured financings, including a \$110 million revolver and a \$220 million term loan, to refinance old debt and lower its interest rate payments. Both the total amount of debt and interest payments were reduced, says spokesman **Al Butkus**. He could not provide details on the original debt.

The loans are priced on a grid tied to the Kansas City-based utility holding company's credit rating and are presently at LIBOR plus 5.75%. **Credit Suisse First Boston** served as sole book runner and joint lead arranger with **Citibank** and **Lehman Brothers**. Aquila chose the lead banks based on its previous dealing with them, says Butkus.

The company has a 65/35 debt-to-equity ratio and is looking to reduce it further in the coming months to about 55/45, says Butkus. It could possibly reduce debt by using proceeds from common stock and convertible bond offerings made in September (PFR, 9/3).

Aquila took the full amount under the term loan but did not immediately draw on the revolving credit facility. Proceeds will be used for working capital and other general corporate purposes, including retiring older debt.

Entergy Utility Retools Debt Via Bond Offering

Entergy Arkansas has issued \$60 million of 6.38%, 30-year first-mortgage bonds to refinance existing debt. The utility arm of **Entergy Corp.** decided to issue the notes now to take advantage of low interest rates, says **Frank Williford**, assistant treasurer. The company most likely will refinance additional debt in the next few months, but has no specific plans to do so. "We're constantly assessing rates." Sister company **Entergy Louisiana** completed a similar transaction two weeks ago (PFR, 10/18).

The issue was led by **Citigroup** and **Calyon Securities**, which were chosen based on Entergy's past experience with them and their expertise in the marketplace, Williford says. "We're just comfortable with them," he explains. The notes had a 146 basis points spread over comparable 30-year Treasuries and institutional investors were targeted in the offering, Williford says.

The bonds replaced \$60 million of Quarterly Income Preferred Securities, a type of preferred stock, which carried an 8.5% coupon. Those notes were issued Aug. 14, 1996, and were set to mature Sept. 30, 2045. Entergy did not incur a

call penalty in redeeming the bonds. The securities were redeemed at \$25 per QUIPS plus accumulated and unpaid distributions to the redemption date of Nov. 12. The QUIPS originally were issued to refund higher-cost traditional preferred stock.

Fla. Coop Lands Guarantee For Plant Finance

Seminole Electric Cooperative has obtained a **Rural Utilities Service** green light for a guarantee on a 30-year, \$136.5 million loan commitment from **Federal Financing Bank**. The loan finances construction of the Payne Creek Generating Station peaking project, which adds 310 MW of capacity to its existing 500 MW southern Florida power plant, says, **John Geeraerts**, v.p. of financial services at the generation and transmission cooperative in Tampa.

The loan is priced at 12.5 basis points over comparable Treasuries and draw down can start after various federal, state and local permits are obtained by mid-2005, Geeraerts says. Seminole will start building in early 2006 with the aim of finishing the project by year-end. "It's a relatively short, intense construction project," he notes.

The cooperative chose to arrange a deal via its primary lender RUS because it offers the cheapest source of financing, says Geeraerts. "It's essentially borrowing at a triple-A credit standing," he notes. He adds that RUS, which is rural development agency of the **United States Department of Agriculture**, holds the mortgage on all of its assets.

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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.

U.S. & Canada

- The **New York Mercantile Exchange** said last week it will waive its fees for trading and clearing electricity futures contracts through the end of 2005. The waivers will begin with the Nov. 1 trading session, the exchange said in a statement (*Dow Jones*, 10/19).

- Regulatory commissions in New Mexico and Texas have set schedules for consideration of the proposed acquisition of **TNP Enterprises** by **PNM Resources** in 2005. The **Public Utility Commission of Texas** calendar calls for testimony in the case to be filed in January 2005, followed by a public hearing Jan. 26 and final briefs to be filed by Feb. 8 (*Business Wire*, 10/20).

FPL Energy, a subsidiary of **FPL Group**, announced it will build, own and operate a new wind farm in Texas, the Callahan Divide Wind Energy Center, to be located in Taylor County, Texas. The 114-MW facility will be comprised of 76 1.5-MW wind turbines spread over a 6,000 acre site approximately 12 miles southwest of Abilene. (*Business Wire*, 10/20).

- Former **Enron** chairman **Ken Lay** will have to face a trial alongside his former colleagues **Jeffrey Skilling** and **Richard Causey** for conspiracy, fraud, money laundering and insider trading, rather than separately, as he had hoped. U.S. federal court said that the trio, who presided over the spectacular collapse of the energy trading giant, would not see their rights infringed by a joint trial (*Evening Standard*, 10/20).

- **ExxonMobil Corp.** is confident of a mid-2005 target for regulatory approval of two receiving terminals for liquified natural gas, a time frame that would allow imports by 2008, company officials said last week. The Irving, Texas-based oil giant has been holding public hearings in Texas and recently sent the government thousands of pages of permitting materials for the sites in Corpus Christi and Port Arthur, Tex. (*Dow Jones*, 10/20).

- The shareholders of utility concern **NUI Corporation** approved the sale of the company to Atlanta-based **AGL Resources** for \$13.70 per share. Completion of the sale is pending state regulatory approvals in New Jersey, Maryland and Virginia. State regulatory reviews are expected to be completed by mid-November and will be followed by the Securities and Exchange Commission review under the **Public Utility Holding Company Act**.

- **Avista Corp.** plans on buying the remaining half interest in the Coyote Springs 2 generating station from energy company **Mirant Corp.** for \$62.5 million. The electric and gas energy provider will own the entire 280 MW, natural gas-powered, combined-cycle combustion turbine plant, plus an additional 140 MW of generating capacity.

- **General Electric** subsidiary **GE Energy** announced last week that it has secured wind power contracts worth about \$1.3 billion. The contracts include commitments to supply more than 750 MW of wind turbines for new wind projects in the U.S. in 2004 and 2005 (*CBS MarketWatch*, 10/18).

Europe & Middle East

- German utilities are seeking to buy more stakes in Russian energy companies to secure access to raw material, says **Bernd Pfaffenbach**, Chancellor **Gerhard Schroeder's** chief economic adviser (*Bloomberg*, Oct. 21).

- **Catamount Energy Corp.** announced that its subsidiary, **Catamount Thetford**, has completed the sale of its 44.8-percent interest in the Fibrothetford power plant located in the United Kingdom to **Fibrowatt Limited**. Fibrowatt is the majority owner of the Fibrothetford facility. The sale price was not disclosed (*Business Wire*, 10/21).

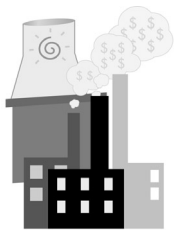
- **BP Plc**, announced plans to sell its stake in the Ormen Lange facility in Norway, which is valued at about \$10 billion. According to reports the company wants to obtain a sale of the natural-gas facility by yearend (*Bloomberg*, 10/19).

Ofer Brothers subsidiary **OPC Co.** plans on building Israel's first privately owned power plant after winning a contract last week to build the 381 MW gas-fired power station (*Bloomberg*, 10/19).

Australia and Asia

- **Origin Energy** has plans to build two natural-gas fired power stations in Victoria and Queensland, Australia. The company is attempting to obtain approvals for the first project, which will have about 1,000 MW of capacity (*Australian Financial Review*, 10/20).

- **El Paso Corporation** completed the sale of a 46.2% ownership interest in the MASSPOWER power plant. The stake was sold to **Northern Star Generation** and **United States Power Fund**. Northern paid \$34 million for a 12.5% interest while United States Power paid 13 million of the remainder. (*PR Newswire*, 10/21).



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
AEP	El Bajio	Mexico	600 (50%)	Gas	WestLB	
AES	Wolf Hollow	Texas	730	Gas	N/A	Ongoing.
	Granite Ridge	N.H.	720	Gas		
	Termomamonal	Colombia	90	Gas		
	Ottana	Italy	140	Gas	None	Ongoing.
Allegheny Energy Supply	Armstrong	Penn.	356	Coal	J.P. Morgan	Ongoing.
	Hatfield	Penn.	1,600 (75%)	Coal	Citibank	
	Mitchell	Penn.	442	Coal	J.P. Morgan	
Aquila	Raccoon Creek	Ill.	340	Gas	Not chosen	Intention to sell.
	Goose Creek	Ill.	340	Gas		
	Crossroads	Miss.	340	Gas		
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention to sell.
Black Hills Energy	Pepperell	Mass.	40	Gas	-	Intention to sell.
BNP -led bank group (Exelon developed plants)	Mystic River 7	Mass.	560	Oil/Gas	Lazard	Ongoing.
	Mystic River 8	Mass.	832	Gas		
	Mystic River 9	Mass.	832	Gas		
	Fore River	Mass.	832	Gas		
Citi & SocGen-led creditor group (TECO Energy developed plants)	Union	Ark.	2,200	Gas	Goldman	Ongoing.
	Gila River	Ariz.	2,300	Gas		
CMS Energy	Ensenada	Argentina	128	Gas	Not chosen	Announced intention to sell.
	CT Mendoza	Argentina	520	Gas	J.P. Morgan	
	El Chocon	Argentina	1,320	Hydro	J.P. Morgan	
Citi-led bank group (NEG developed plants)	Lake Road	Conn.	840	Gas	Lehman Bros.	Seperate auction for each plant.
	La Paloma	Calif.	1,121	Gas	Lehman Bros.	
ConocoPhillips	Ingleside	Texas	440 (50%)	Gas	None	Looking to sell stake by June.
Damhead Power	Damhead	U.K.	800	Gas	E&Y	Has agreed sale to ScottishPower.
Delta Power	Lowell Power	Mass.	82	Gas	None	Actively pursuing a sale.
Duke Energy North America	Lee Energy	Ill.	640	Gas	J.P. Morgan	Ongoing.
	Bridgeport Energy	Conn.	480 (67%)	Gas		
	Grays Harbor (in construction)	Wash.	650	Gas		
	Deming Energy (in construction)	N.M.	570	Gas		
	Griffith Energy (50%)	Ariz.	600	Gas		
	Maine Independence	Maine	520	Gas		
El Paso Europe	Enfield	U.K.	396 (25%)	Gas	No Advisor	Looking to exit Europe.
	EMA Power	Hungary	70	Coal		
	Kladna	Czech Rep.	350	Coal		
El Paso North America (Merchant assets)	Berkshire	Mass.	261 (56.41%)	Gas		Final bids due.
	CDECCA	Conn.	62	Gas		
	Eagle Point	N.J.	233	Gas		
	Fulton	N.Y.	45	Gas		
	Pawtucket	R.I.	67	Gas		
	Rensselaer	N.Y.	79	Gas		
	San Joaquin	Calif.	48	Gas		
El Paso North America (Contracted assets)	Midland Cogen	Miss.	1,500 (44%)	Gas	Citigroup	Has sold majority of QF portfolio to ArcLight.
	Prime	N.J.	66 (50%)	Gas		
Endesa	Conatillor	Chile	172	Hydro	N/A	Ongoing.
EnCana	Cavalier	Alberta	106	Gas	HSBC	Launched sale in April. Looking to exit generation business.
	Balzac	Alberta	106	Gas	HSBC	
	Kingston	Ontario	110 (25%)	Gas	HSBC	
Energy Investors Fund	Multitrade	Va.	79.5 (60%)	Biomass	None	Intention to sell.
	Crockett	Calif.	240 (24%)	Gas	None	

Generation Auction & Sale Auction (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Entergy Asset Management	Robert Ritchie	Ark.	544	Gas/oil		Ongoing.
	Warren Power	Miss.	314	Gas		
	RS Cogen	La.	425 (49%)	CHP		
	Harrison County	Texas	550 (70%)	Gas		
EPRL	Glanford	U.K.	14	Poultry Litter	Rothschild	Ongoing.
	Thetford	U.K.	39	Poultry Litter		
	Ely	U.K.	13	Poultry Litter		
	Westfield	U.K.	10	Poultry Litter		
	Elean	U.K.	38	Straw		
Ernst & Young Corporate Finance (representing secured creditors)	Bear Swamp	Mass.	599	Hydro	E&Y	Exploring sale.
HSBC-led creditor group	Attala	Miss.	526	Gas	HSBC	Ongoing.
InterGen	Larkspur Energy	Calif.	90	Gas	Citi	Ongoing.
	Indigo	Calif.	135	Gas	Citi	
	El Bajio	Mexico	600 (50%)	Gas	N/A	Ongoing.
KBC-led creditor group	Milford	Conn	542	Gas	Lazard	Ongoing.
LG&E Power	Roanoke Valley	N.C.	178 (50%)	Coal	N/A	Ongoing.
	Gregory Power	Texas	550 (50%)	Gas		
	Palm Springs	Calif.	42 (50%)	Wind		
	Tyler	Minn.	27 (50%)	Wind	N/A	Sent out RFP in April.
	Van Horn	Texas	41 (33%)	Wind		
	Tarifa	Spain	30 (46%)	Wind		
Mirant	Kendall	Mass.	270	Oil	CSFB BofA	Ongoing.
	Shady Hills	Fla.	474	Gas		
	West Georgia	Ga.	640	Gas		
	Bosque County	Texas	538	Gas		
	Wichita Falls	Texas	77	Gas		
Morrow Power	Boardman	Ore.	28	Gas	Marathon Capital	Is evaluating bids.
Nations Energy	Bayport	Texas	80	N/A		Considering liquidating the company.
	Mungo Junction	Ohio	32			
	Southbridge	Mass.	7			
National Energy Gas & Transmission (USGen New England)	Salem Harbor	Mass.	745	Coal/Oil	Lazard	Ongoing.
	Brayton Point	Mass.	1,599	Coal		
	Manchester St.	R.I.	495	Gas		
	Connecticut River	N.H.	479	Hydro		
	Deerfield River	Mass.	89	Hydro		
Oman (Ministry of Housing, Electricity & Water)	Rusail	Oman	730	Gas	CSFB	-
	Ghubratt	Oman	507	CHP		
	Wad AlJazzi	Oman	350	Gas		
Reliant Energy	Carr Street	N.Y.	95	Oil	Goldman	Ongoing.
	Astoria	N.Y.	1,276	Gas		
	Gowanus	N.Y.	549	Gas		
	Narrows	N.Y.	281	Gas		
Royal Dutch /Shell Group	La Rosita	Mexico	1,100		Citigroup	Exploring Sale
	Redbud	Okla	1,220			
	Cottonwood	Texas	1,235			
	Magnolia	Miss.	900			
	Bajio	Mexico	600			
	Termocali	Columbia	235			
	Rocksavage	U.K.	748			
	Spalding	U.K.	860			
	Coryton	U.K.	732			
	Rijnmond	Netherlands	820			
	Knapsack	Germany	790			
	Catadau	Spain	1,200			
	Meizhou	China	724			
	Island Power	Singapore	750			
	Quezon	Philippines	460			
	Callide C	Australia	920			
	Millmerran	Australia	880			

Generation Auction & Sale Auction (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
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.
	Termopaipa IV	Philippines	185	Gas		Set to sell Guadalupe and Odessa to PSEG.
TECO Energy	Frontera Power Station	Texas	477	Gas	Goldman	
	Dell Power Station	Ark.	540	Gas		
	McAdams Power Station	La.	599	Gas		
	Commonwealth Chesapeake	Va.	315	Gas		
Tractebel North America	Chehalis	Wash.	520	Gas	N/A	Looking to sell or swap.
United Utilities	Landfill Generation Portfolio	U.K.	50 MW	Landfill	RBC Capital Markets	Set to launch sale in May.

NORTHWESTERN SET

(continued from page 1)

will repay old bank debt, according to **Roger Schrum**, head of investor relations at the electric and natural gas provider.

Pricing on the loans and bonds is improved, Schrum stated. The proposed bank facility consists of a \$125 million, five-year revolver and a \$125 million, seven-year B loan. Price talk on the revolver and term loan is LIBOR plus 1 3/4% and LIBOR plus 2%, respectively. "We are eliminating a substantial amount of debt, which improves our credit profile," he noted. NorthWestern filed for bankruptcy September 2003 and has reduced debt from \$2.2 billion to \$900 million through a debt-for-equity swap and asset sales. The holders of the company's senior unsecured notes will receive 92% of the reorganized company.

The new financing will take out the \$390 million term loan led by CSFB and a **Bank One**-led \$50 million debtor-in-possession facility. The \$390 million term loan was completed in February 2003 when banks were shying away from lending to utility companies. Hedge funds and institutional lenders stepped in, providing a loan that was priced at LIBOR plus 5 1/2% with a 3% LIBOR floor. It also was non-callable for four years and had call protection of 103, 101 in years four and five.

Call protection of \$3.9 million will be paid to the lenders, said Schrum, noting that the original provisions, including the premiums, were changed when the company was in bankruptcy. NorthWestern had the opportunity to take that facility out by extending the DIP to \$400 million, he noted. Instead, "We renegotiated, reducing interest rates and changing some of the terms." In October 2003 the terms of the loan were amended so that the spread was reduced to

LIBOR plus 3 1/2% with the LIBOR floor removed. This resulted in projected savings of \$6-8 million a year in interest costs. A CSFB spokesman confirmed the call protection had been dropped as part of the post-bankruptcy reorganization plan. He added the repayment at 101 was consistent with the financing agreement that went along with this bankruptcy plan.

Fees and expenses for initially arranging the \$390 million loan were \$24 million, according to a **Securities and Exchange Commission** filing. The lenders assembled by CSFB included **Ableco Finance**, **AIG Global Investments**, **American Express Asset Management**, **Anchorage Capital Partners**, **Angelo Gordon & Co.**, **Black Diamond Asset Management**, **Farallon Capital**, **Fidelity Advisors** and **Highland Capital Management**.

—Michelle Sierra-Laffitte

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EX-CITI TRADING

(continued from page 1)

nature of the hedge fund universe, its total size could not be ascertained. **Michael Meyers**, a managing director at Trivium, did not return a call for comment.

Becker, a veteran Citi trader, was responsible for hiring **Joe Toussaint** last year to build a power trading team (PFR, 12/3). The firm is one of many on Wall Street building energy trading operations at least partly because of significant exposure to distressed merchant power plants. The reason for Becker's departure was unclear.

Becker was replaced at Citigroup by **Stuart Staley**, managing director of **AEP Energy Services** in London (PFR, 5/2). Staley's hire reportedly was an attempt to stabilize Citi's commodity trading operation on the back of widespread rumors it had discovered positions in its oil trading book that had been mismarked (PFR, 5/2).

—*Christina Buurma*

DEVELOPER SEEKS

(continued from page 1)

closest LNG project to fruition.

As a result, the developer and its advisor **HSBC** are asking for very tightly priced pitches from prospective lenders, according to one banker tracking the deal.

David Castaneda, spokesman at Cheniere in Houston, said the company is in a quiet period and declined further comment. Spokespeople at HSBC did not return calls.

The Houston-based gas developer is looking for a floating-rate, roughly 10-year loan with pricing in the LIBOR plus 150-basis-point range and decreasing to LIBOR plus 125 over the life of the debt. "It is getting very competitive on these [lending] proposals and it is likely that [Cheniere] will get even better terms and conditions than it's asking for," one observer predicts.

Underpinning the project is the fact that Paris-based **Total SA** has inked a 20-year offtake contract for 1 billion cubic feet per day of capacity. The facility is designed to process 2.6 billion cubic feet of gas per day.

The debt represents about 75% of the value of the nearly \$1 billion project. Cheniere expects to break ground in the first quarter.

Speculation is that fees and allocations for participants will be low given the dearth of deals in the market and the interest in the deal. As a result some lenders may see fees of only around 50 basis points and allocations under \$200 million.

Citigroup, **Calyon**, **HypoVereinsbank**, **Bank of Tokyo-Mitsubishi**, **Société Générale**, **Credit Suisse First Boston** and

Mizuho are rumored to be among the lenders that have been invited to participate in the deal. Bank officials either did not return calls or declined to comment.

It is expected that the structure of the funding will be hammered out in the next several weeks.

—*Mark DeCambre & C.I.*

EL PASO LOOKS

(continued from page 1)

phone calls by press time.

Both loans are being talked at LIBOR plus 350 basis points with a 75 basis point commitment fee, an official says. The previous \$3 billion debt also offered a 350 basis point spread and 75 basis point commitment fee. The B loan will launch on Oct. 25.

So far, J.P. Morgan and Citigroup have each committed \$200 million to the revolver, while **Bank of America**, **Credit Suisse First Boston**, **Royal Bank of Scotland** and **Goldman Sachs** have all committed \$175 million, the official says. Calls to RBS and Goldman were not immediately returned. A CSFB spokesman and a BoA official declined comment.

Kim Wallace, an El Paso spokeswoman in Houston, says the company expects to complete the financing by year-end. The company selected J.P. Morgan and Citigroup as leads because it has a long standing relationship with them, she notes.

—*Christine Idzelis*

Calendar

The **Edison Electric Institute** will hold its 39th annual Financial Conference Oct. 24th-27th at **Sheraton San Diego Hotel & Marina** in San Diego. Visit www.eei.org for further information.

Quote Of The Week

"New England is naturally at the end of the transportation line, and liquefied natural gas is not on the margin." —**John Dingle**, senior managing director for financial advisory services at **Navigant Consulting**, explaining why sales of power facilities in New England are facing challenges (see story, page 3).

One Year Ago In Power Finance & Risk

J.P. Morgan was set to launch an electricity trading unit, with **David Puth**, head of foreign exchange commodity and commodity derivatives leading the endeavor. [Such endeavors for most banks jumping into the electricity trading arena have been checked].