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Complete Retains JPMorgan Complete Energy Holdings

has tapped JPMorgan to provide a new bridge loan that will refinance debt tied to an 837 MW plant in Batesville, Miss., and explore a merger or sale of equity in its 1.8 GW portfolio.

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(continued on page 12)

FORTRESS TO BUY SOLAR STAKES FROM CARLYLE/RIVERSTONE

Fortress Investment Group has signed a purchase and sale agreement to acquire a 50% stake in five solar electric generating projects from **Carlyle/Riverstone**. As first reported by *PFR* last Thursday, the qualifying facilities it is buying into are each 30 MW and located in the Mojave Desert near Kramer Junction, Calif.

Affiliates of the seller's **Global Energy and Power Fund II** own a 50% stake in the assets alongside **FPL Energy**, which is not selling. When closed, the \$110-120 million transaction

(continued on page 11)

PADOMA WIND SCOPES FINANCING FOR TEXAS ROLLOUT

Padoma Wind Power has begun talks to finance 50-70% of the \$683 million cost of 418 MW of wind projects it plans to bring online in Texas over the next two years with an unnamed bank. The La Jolla, Calif., shop, owned by **NRG Energy**, began construction this fall on the first farm with an undisclosed joint venture partner, says **Jan Paulin**, ceo, noting it hopes to meet financial close by Thanksgiving. Another 150



Jan Paulin

(continued on page 12)

MACQUARIE/PUGET FINANCING TO REACH \$3.6B; FOUR TRANCHES

Barclays Capital and **Dresdner Kleinwort Wasserstein** have underwritten \$3.6 billion in new debt helping fund the move by a **Macquarie Infrastructure Partners**-led consortium to take **Puget Energy** private. The five-year debt will take out existing operating company loans, ring-fencing Bellevue, Wash., utility **Puget Sound Energy** for regulatory purposes.

At the op co. will be a new, \$400 million senior facility for capital expenditures, to be drawn as needed, and a further \$750 million liquidity and hedging facility to replace an

(continued on page 11)

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



At Press Time

LS Power Lands Sugar Creek Buyer

LS Power has reached an agreement to sell its gas-fired 561 MW merchant plant in Sugar Creek, Ind., to Northern Indiana Public Service Co., a unit of NiSource.

As first reported by *PFR* last Thursday, the sale is thought to have been a response to a recent RFP for new capacity launched by the utility.

Along with Sugar Creek, Nipsco plans to purchase Whiting Clean Energy, a 525 MW combined-cycle gas turbine plant in Whiting, Ind., from its parent. The combined cost for both purchases is \$539 million, and is subject to review and approval by state and local regulators. LS bought Sugar Creek along with five others from Mirant in January for a total cost of \$1.4 billion (*PFR* 1/19).

Back To The Drawing Board?

Complete Taps JPMorgan On Bridge, Strategic Options



Hugh Tarpley

Complete Energy Holdings has hired JPMorgan to advise it on strategic options for its 1.8 GW generating portfolio, and provide a new PIK loan.

The loan will refinance debt that enabled it to buy the 837 MW gas-fired combined-cycle plant in Batesville, Miss., in March. Complete put the financing out to tender shortly after its purchase and sale agreement with KGen Power was terminated (*PFR*, 10/05).

As first reported by *PFR* last Tuesday, options under consideration include a merger or sale of equity in the assets. "A sale is very low on our priority list—even the offer from KGen was an unsolicited one," says Rhonda Hollier, a spokeswoman in Houston.

JPMorgan will underwrite the \$110-120 million bridge financing by December. Proceeds will take out \$100 million of mezzanine financing provided by Trust Company of the West that enabled Complete to buy an additional 96% stake in Batesville on top of its existing 4%. "It's basically to the advantage of the company to do that because it's the least cost basis," says Hugh Tarpley, managing director.

Complete holds its interests in Batesville via a series of wholly owned subsidiaries. Some \$265.5 million in bonds will stay in place below that at the project level. Another \$420 million in debt tied to 1,022 MW La Paloma in McKittrick, Calif., also will not change. "We are very satisfied with our current debt structure on La Paloma," says Tarpley.

Tell Us What You Think!

Do you have questions, comments or criticisms about a story that appeared in *PFR*? Should we be covering more or less of a given area? The staff of *PFR* is committed as ever to evolving with the markets and we welcome your feedback. Feel free to contact **Katy Burne**, managing editor, at 212-224-3165 or kburne@iinews.com.

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Cogentrix Tees Up Miss. Asset Sale

Cogentrix Energy is about to begin a process to sell Southaven Power, a bankrupt 810 MW gas-fired combined-cycle plant in Southaven, Miss., in the Southeastern Reliability Council. The company recently retained restructuring advisor **Houlihan Lokey Howard & Zukin** to run an auction and teasers are set to be dispatched by Nov. 15. The 363 auction in accordance with U.S. Bankruptcy Code requires that a stalking horse bidder be identified to establish a valuation floor.

The merchant plant, which came online in June 2003, defaulted on \$305 million in secured debt and fell into bankruptcy in 2005, but Cogentrix reportedly wanted to wait until market dynamics in the region improved before selling. Officials at the company in Charlotte, N.C., were unavailable for comment and a spokesman for parent **Goldman Sachs** had no immediate comment.

Energy Investors Funds' United States Power Fund III is in the process of acquiring Cogentrix's interest in 14 separate plants totaling 2,336 MW via **Calyon** (see opposite). Cogentrix will retain a 20% minority interest in the positions being sold, and three other plants: 258 MW Cedar Bay in Jacksonville, Fla., as well as twin, 120 MW cogenerating facilities in Hopewell and Portsmouth, Va.

Morgan, Barclays Launch \$700M Recap Of DTE Sub

Morgan Stanley and **Barclays Capital** launched syndication last week of \$700 million in loans to recapitalize a series of inside-the-fence energy and utility assets serving the steel and auto industries. The assets will be housed in a newly created holding company, **Energy and Industrial Utilities Co.**, which is being formed by **DTE Energy's** power and industrial arm and **GE Corporate Lending**, which is buying a 50% equity stake in the entity.

Being syndicated is a senior secured credit facility comprising a seven-year, \$375 million senior secured term loan and five-year, \$50 million revolver. Leads pitched pricing of LIBOR plus 300 basis points at a bank meeting last Tuesday at the Parker Meridian Hotel in New York, with an original issuer discount of 99. Rounding out the new debt for EUIC will be a \$275 million offering of 10-year senior notes. Morgan is left lead, having advised DTE on the sale, which will generate \$1.5 billion in after-tax proceeds that will be upstreamed to **DTE Energy Services** and used to pay the project debt on the assets.

By taking the power and industrial arm off the parent's balance sheet and selling half the equity, the value of the entity can be benchmarked, explains **Chris Brown**, ceo of **DTE Energy Services** and executive v.p. of **DTE Energy Resources** in Ann Arbor, Mich. "We're trying to get increased transparency to

get [the market] to say, 'Hey, this is what it's worth.'" Adds **David Meador**, executive v.p. and cfo of DTE in Detroit, "We hoped to do it a little earlier in the year, but with the credit markets getting stressed we had to sit on the sidelines." The deal was originally on track to close in the third quarter, but had to be pushed back due to the credit market turmoil (PFR, 8/17).

Calyon Readies EIF Syndication

Calyon is expected to launch wholesale syndication within two weeks of a \$900 million package to partially fund **Energy Investors Fund's** purchase of an 80% interest in a 2,336 MW **Cogentrix Energy** generating portfolio. A retail syndication round will follow once sub-underwriters have been appointed. **Royal Bank of Scotland** was approached for a role, according to one observer, but reportedly declined for reasons that could not be determined.

The deal features a \$700 million term loan split into a roughly one-third tranche over seven years, priced at LIBOR plus 262.5 basis points, and a two-thirds tranche over 12 years, priced at 225. They are expected to amortize within four and eight years respectively. Rounding out the debt is a \$200 million revolver intended to support future letters of credit. Tickets of \$100-\$150 million will be pitched at the wholesale level to institutions that have relationships with EIF. Ticket sizes at the retail level could not be determined.

The debt will be placed at a newly created holding company for the assets, **EIF Calypso**, which bankers say is more risky because they are reliant on dividends from the project entities to service the debt. But they note that 90% of all cash flow to the holdco will be supported by contractual agreements with investment-grade counterparties. Calls to EIF and Calyon were not returned.

Babcock, BP Go All Equity On Cedar Creek

Babcock & Brown and **BP Alternative Energy North America** have opted to finance their co-owned \$480 million, 301 MW Cedar Creek wind farm in Weld County, Colo., by selling a 60% stake in tax equity investment in the project, says **Hunter Armistead**, head of the North American energy development group at Babcock in San Francisco. The investors are reportedly **JPMorgan Capital**, **Wells Fargo**, **ABN Amro** and **Prudential Insurance Co.**, who will commit \$314 million by purchasing shares in a new holding company for the asset, **CCWE Holdings**. But Armistead declined to confirm the line-up.

Cedar Creek is a joint venture between Babcock, which holds two thirds of the active equity, and BP, which holds the balance. The tax equity investor will hold a passive stake, with Babcock

continuing to operate the farm, says **David Giordano**, director of project development for Babcock in Philadelphia.

Babcock was one of first developers to implement a so-called partnership flip structure, under which the passive interest is transferred back to the developers once revenues from the project reach a pre-determined yield. Its four-farm, 504.8 MW Sweetwater project in Nolan County, Texas, was financed the same way. Babcock co-owns the project with **Catamount Energy** (PFR, 8/31) and has a fifth, 80.5 MW phase in development.

Bids Due on Calpine SERC Plant

Bids were due last Monday in the **Miller Buckfire**-run auction of **Calpine's** 774 MW merchant plant in Alexander City, 75 miles south of Birmingham, Ala., in the Southeastern Electric Reliability Council. The San Jose, Calif., IPP put the partially completed asset on the block in the summer (PFR, 6/15), noting it would cost about \$89.8 million to complete. It is unclear how much it hopes to fetch for the Hillabee Energy Center.

Contenders for the asset could not be learned. Construction of Hillabee began in September 2001, and is 80% complete with Calpine having spent \$365 million net of interest on the project. It also has transmission rights into Georgia. **Mel Scott**, a spokesman for Calpine, had no immediate comment and an official at Miller Buckfire declined to comment.

TXU B3 Loan Breaks Into Secondary At Par

All \$6 billion of the B3 tranche of the loan for **Energy Future Holdings Corp.**—formerly TXU—allocated and broke into secondary trading around 3 o'clock last Wednesday at par. **Citigroup** had initially offered \$3 billion of the B3 tranche and told some investors that unless the tranche was significantly oversubscribed, it was not going to bring the full \$6 billion. The loan was trading at par 1/8, and par 1/4 after it broke.

Investors were hearing last Tuesday that Citi already had \$5 billion in the book and when it was closed one portfolio manager said it had \$7 billion in orders. The loan is priced at LIBOR plus 3 1/2% with a soft call protection of 103, 102 and 101 (PFR, 10/26).

The leads had already closed the \$7 billion B2 term loan at 99 3/4, up from its launch Oct. 15 with an OID of 99 1/2. The financing also has a \$3.45 billion B1 tranche, pre-payable at any time, but it is unclear when the loan will come to market.

Citi, **JPMorgan**, **Goldman Sachs**, **Morgan Stanley**, **Credit Suisse** and **Lehman Brothers** are leads on the deal. The financing backs the leveraged buyout of the company by **Kohlberg Kravis Roberts & Co.**, **TPG** and **Goldman Sachs Capital Partners**.

Fortis Reshuffles At Energy Marketing, Trading

Amid a restructuring within **Fortis Energy Marketing and Trading**, **Jim Fallon** will step down at the end of the year as president and **Didier Gible**, current global head of energy and commodities, will temporarily fill a newly created position of U.S. head of energy and commodities, while a search is conducted to fill the position permanently. **Russell Reynolds Associates** has been retained to conduct the search. Fallon's reasons for stepping down are unclear and **Alan Bozian**, managing director and head of global markets in the U.S., declined to comment on them.

"We're having a change of management and that is a part of life, but we are still committed to the platform," he says.

FEMT, a division of **Fortis Merchant and Private Banking**, acquired **Cinergy Marketing & Trading** from **Duke Energy** in June last year and has hired around 50 people since, according to a spokeswoman. Fallon's destination could not be learned, but he joined Fortis through the merger with CMT.

Canadian Wind Co. Seeks Expansion Capital

Canadian developer **Sequoia Energy** is in talks to land additional equity investors after recently obtaining a C\$16 million (\$16.85 million) funding commitment from **Good Energies** to accelerate the development of its wind projects across Midwestern North America. "We've got enough of a portfolio that we realized we needed increased financing to be able to deliver," says **Ron Diduch**, ceo of Sequoia in Winnipeg, Manitoba, declining to reveal the names of the investors. He says previous projects were funded organically, but future ones will need non-recourse financing.

The C\$16 million funds will be drawn as needed, according to **Jean-Louis Brenninkmeijer**, managing director at Good Energies in Oakville, Ontario, noting that two things drew the firm to Sequoia. "We feel that the geographic regions that they are active in are very good resources [for wind]. We also feel strongly that the management team at Sequoia is the best team for expanding our activities in those jurisdictions." Good Energies is a subsidiary of Swiss **COFRA Group**.

Construction could begin as early as next year on a series of projects in Sequoia's pipeline, on farms in Manitoba, Saskatchewan, and South Dakota, and within the next five years on farms in Wisconsin, Minnesota, South Dakota and Montana. Its pipeline is about 1 GW. "For us it means an ability to aggressively expand in the Midwest, and for Good Energies it gives them a platform for future project

investments in the Midwest,” says Diduch. The company also bid four, 100 MW projects into the **Manitoba Hydro RFP** last summer.

Gas Natural Plots FX Hedge For Mexico Acquisition Financing

Spain's Gas Natural is looking to structure a hedge that will cover the foreign exchange risk associated with financing its \$1.448 billion purchase of 1,984 MW assets in Mexico from **Électricité de France International**, while most of its earnings are in euros. It is unclear which banks it is in talks with, but **UBS** was its transaction advisor.

Gas Natural plans to fund the acquisition initially with credit lines it obtained when it launched a hostile takeover bid for **Endesa**. The sale, which featured **JPMorgan** as sell-side advisor, is slated to close by the year-end. It involves the transfer of ownership in five combined-cycle plants and a 54-km, 330,000 million Btu per day pipeline, **Gasoducto del Rio**, making Gas Natural the second largest privately owned power generator in Mexico with 2,233 MW of capacity installed.

Calls to **Enrique Berenguer**, finance manager at Gas Natural in Madrid, were referred to a spokeswoman, who was unable to comment. *PFR* first unveiled the sale process in the spring (*PFR*, 3/16).

Citi Unfurls Caithness Acquisition Financing

Citigroup is syndicating a five-year, \$210 million bank loan supporting **ArcLight Capital Partners'** acquisition of an 824 MW renewable portfolio from New York IPP **Caithness Energy**. There will be a complementary \$225 million bond offering, but this will be launched later because it takes less time to wrap, according to an observer.

ArcLight is acquiring interests in:

- Three geothermal plants: 240 MW Coso, 66 MW Dixie Valley and 18 MW Beowawe in Nevada;
- Two solar facilities: 80 MW SEGS VIII and 80 MW SEGS IX in Harper Lake, Calif.; as well as
- Several wind facilities: 60 MW Cameron Ridge, 23 MW Oak Creek, 47 MW Pacific Crest, 31 MW Ridgetop and 18 MW 251 in Tehachapi, Calif., 43 MW San Geronio in Palm Springs, Calif., 34 MW Foote Creek II, II and IV in Carbon County, Wyo., 34 MW Texas Big Springs, 30 MW Peetz Table in Peetz, Colo. and 2 MW VG Repo Chandler in Buffalo Ridge, Minn.

Citi advised ArcLight on the purchase, which is slated to close this quarter. Permanent financing will involve a leverage lease transaction, under which ArcLight will sell the assets to a lessor,

which will lease them back to the Boston private equity shop. “It’s cheaper financing it that way,” says an observer. “That way ArcLight can capture the tax equity.”

The financing also accounts for ArcLight's planned assumption of the outstanding debt on the geothermal units. Citi launched a consent solicitation and tender offer Sept. 17 for that debt. ArcLight has offered to buy \$90 million in 6.263% subordinated secured notes, due 2014, and \$375 million in 5.489% senior secured notes, due 2019. Consent is needed from 51% of the holders of each series. **Daniel Revers**, principal at ArcLight, and **Anthony Licata**, an official running the deal at Citi, declined to comment.

U.K. Gas/Wind Developer To Start Financing Process

Eclipse Energy is set to dispatch information memoranda on the planned club financing for its 250 MW Ormonde offshore gas/wind hybrid project off the coast of Barrow-in-Furness, England, in about two weeks. **Kathleen Morris**, cfo in Grantham, Lincolnshire, says the aim is to close on the funds within three months.

Among those lenders that have shown interest are **Calyon**, **Fortis**, **Bank of Scotland**, **HypoundVereinsbank**, **Dexia Crédit Local** and **Lloyds TSB**. “The regulatory push in the U.K. for renewable energy has created additional demand for this project,” says Morris, referring to the government's stipulation that 10% of energy be produced by renewable energy by 2010 and 20% by 2020.

The project is anticipated to cost GBP400 million (\$827 million): GBP300 million for the 150 MW offshore wind component and GBP100 million for the 100 MW gas-fired plant. Morris says Eclipse is targeting a 75:25 debt-to-equity ratio. Construction is slated to begin in 2009 (*PFR*, 4/13).

JPMorgan Lands UBS, Sempra Execs

JPMorgan has tapped the power and gas trading desks at UBS and **Sempra Energy** for three staffers. From UBS in Stamford, Conn., comes **Robert Benson**, executive director of eastern power trading, and **Frank Ermis**, a western natural gas trader. **Matt Motley**, a natural gas trader at Sempra, will also join the firm, which has added nearly 50 people to its global commodities business this year.

Benson will become executive director of power trading and Ermis will be executive director of western natural gas trading. Motley will be managing director and head of power trading. All three will be based in New York from December, after gardening leave, reporting to **Foster Smith**, head of U.S. power and natural gas trading. Calls to JPMorgan were not returned. UBS and Sempra declined to comment.

Ewing Bemiss Shops Gas Processing Plant

Ewing Bemiss is trying to offload a large landfill gas processing plant in the Midwest for an unnamed operator. The boutique bank sent out teasers two weeks ago to potential acquirers. Preliminary bids are due in the middle of this month, with a view to taking final offers by the year-end.

The plant processes in excess of 4,000 standard cubic feet per minute into high-Btu gas that is fed into the nearby pipeline, but is capable of generating up to 12,000 cfm. The asset is about five years old. Officials at the Richmond, Va.-based auctioneer declined to comment on the auction.

Lending Trio Emerges In Dutch IPP Financing

The sponsors of a EUR600 million (\$865.4 million), 870 MW combined-cycle gas-turbine greenfield plant in the Sloe district in Vlissingen, The Netherlands, are in final discussions to mandate **Fortis**, **Royal Bank of Scotland** and **HSBC** on a limited-recourse financing of the project, to be drawn post construction in July 2009.

"These banks had good pricing and reasonably good commercial terms," says **Nigel Slater**, director at **Project Financing Solutions** in Hampshire, England, which is advising sponsors **Électricité de France** and **Delta**. The EUR 535 million debt package will consist of a 19.5-year, EUR 510 million (\$736 million) loan and EUR 25 million (\$36 million) facility for debt service reserve. The sponsors took expressions of interest from lenders this summer (PFR, 6/15).

Barclays, UBoC Near Wrap On Empire State Brownfield

Barclays Capital and **Union Bank of California** will wrap syndication this week of \$705 million in construction financing for **Energy Capital Partners'** 635 MW project in Rensselaer, N.Y. The combined-cycle, gas-fired **Empire Generating** brownfield plant was formerly known as **Besicorp-Empire Power Co.**

The debt includes a seven and a half-year, \$400 million construction loan at the operating company level, priced at LIBOR plus 275 for what is drawn, stepping up 12.5 basis points three years after commercial operation is reached. Anything left undrawn is priced at 62.5 over. Rounding out the deal is a \$35 million letter of credit facility and a \$100 million revolver, both with five-year tenors and priced at 275, as well as a \$170 million holding company loan priced at

35 basis points, supported by a letter of credit. The revolver also has an undrawn fixed spread of 62.5. Commercial banks were targeted in syndication (PFR, 10/5), but the identity of those that came in could not be learned.

ECP bought the project this summer (PFR, 7/19) and has retained **FirstLight Power Resources** to manage and operate it. Leads banks either declined to comment or did not return calls. **Tyler Reeder** at ECP in Short Hills, N.J., declined comment.

Corporate Strategies

Southern Union Sub Sells \$300M To Pay Parent

Panhandle Eastern Pipe Line Co. plans to use proceeds from its issuance of \$300 million in 6.2%, 10-year senior unsecured notes to repay parent **Southern Union Co.**, which will return funds to **Panhandle** for capital expenditures.

"They're doing a lot of investment in infrastructure development and they are taking the proceeds and sending them upstream to pay off debt under their revolving credit agreement, knowing the money will come back as they need to expand," says **Ralph Pellicchia**, analyst at **Fitch Ratings** in New York, which gave the issue a BBB rating.

Banc of America Securities, **JPMorgan** and **Wachovia Securities** were the joint bookrunning managers for the sale, which closed Oct. 23. Calls to **Richard Marshall**, cfo at **Southern Union** in Houston, were not returned.

Panhandle's capital expenditure program includes a \$230 million field zone expansion by subsidiary **Trunkline Gas Co.** designed to add capacity to its pipeline in Louisiana and Texas by early next year. The company is also building new facilities at its Lake Charles, La., LNG terminal at a projected cost of \$280 million, which are slated to be complete by late next year.

Canadian Utility Issues Debentures To Trim Debt

CU Inc., a wholly-owned subsidiary of **Canadian Utilities Limited**, issued C\$255 million (\$267 million) in debentures last Monday to repay outstanding debt and help finance its three-year capital expenditure program. The sale consisted of C\$220 million in 5.556% debentures maturing in 2037, and C\$35 million in 4.883% five-year debentures, maturing in 2012, each priced at \$100.

Proceeds will specifically refinance C\$50 million (\$52.5 million) in 4.801%, five-year debentures falling due later this month. **BMO Capital Markets**, **RBC Capital Markets** and **TD Securities** were the joint bookrunners. "The banks have been part of our syndicate for years and we are confident in their

abilities," says **Paul Wright**, v.p. of finance and comptroller in Calgary. "We historically do our financings in the fourth quarter and we wanted to address some short-term debt."

Included in Canadian Utilities' C\$2.1 billion capex plan through 2009 is a 235-km transmission line in northwest Alberta scheduled for completion in 2010 at an estimated cost of C\$210 million. The company is a member of the **ATCO Group**, which also owns power generation and services companies. CU's total debt is C\$2.255 billion.

Westar Sub Goes Long to Fund Capex

Kansas Gas and Electric Co., a subsidiary of **Westar Energy**, placed privately \$175 million in 30-year, 6.53% first mortgage bonds to help fund its \$2 billion capital expenditure program over the next three years and repay short-term debt. "We liked the price at the time [of launch in August]," says **Susan North**, director of corporate finance in Topeka. Market conditions were not the company's primary concern, she adds. "It was more of a

function of paying down the revolver as we do periodically with either debt or equity." The \$500 million revolver is led by **JP Morgan** and **Bank of New York** and is priced at 45 basis points over LIBOR.

The bond sale launched Aug. 14 and closed Oct. 15—the first day of its available closing period between then and Dec. 31. **Banc of America Securities** acted as sole lead on the deal. **Bruce Burns**, director of investor relations, says the firm has assisted its parent on previous deals this year. Westar sold \$100 million in common stock in July and \$144 million in first mortgage bonds in May.

Among **Kansas Gas and Electric's** priorities is construction of the planned 600 MW **Emporia Energy Center**, which began last spring and is slated to finish in 2009 at a cost \$318 million. Also on deck is construction of an \$80-100 million, 90-mile 345 kV transmission line connecting **Wichita** and **Salina**, which should be complete in 2010. Westar is also installing scrubbers at the 2.4 GW coal-fired **Jeffrey Energy Center** at a cost of \$350 million and rebuilding scrubbers at 711 MW **La Cygne**, which is co-owned by **Great Plains Energy**, at a cost of \$232 million.

power finance & risk

Exclusive News...

OCTOBER 29, 2007

BLACK HILLS PUTS UP SEVEN PROPERTIES

Black Hills Corp. is looking to sell seven generating plants in its Credit Suisse-led auction, according to teasers dispatched last Monday. The unregulated assets, which are under medium- and

OCTOBER 15, 2007

CMS MIDWEST AUCTION KICKS OFF

CMS Energy is looking to offload more than 900 MW of gas-fired generation from its unregulated subsidiaries.

OCTOBER 8, 2007

KGEN PLAYING HARBALL WITH COMPLETE

KGen Power Corp. has told **Complete Energy Holdings** it is not likely to buy the Houston shop's 1.8 GW generation portfolio for the agreed upon price of \$1.3 billion. "We have met all the conditions of closing and KGen did not pay the

OCTOBER 1, 2007

CREDIT SUISSE READIES RECAP FOR LIBERTY

Credit Suisse will hold a bank meeting Tuesday to launch a \$410 million leveraged recapitalization of **LEP Holdings**, the entity that owns the 568 MW **Liberty Electric Power** project in Eddystone, Pa. The meeting will be held

SEPTEMBER 24, 2007

CALPINE PRO TO HEAD SOLAR START-UP

Robert Fishman, executive v.p. at **Calpine Corp.**, is to become ceo of solar start-up **Ausra**. As first reported by

SEPTEMBER 10, 2007

INTERNATIONAL POWER EYES REFINANCING

International Power is considering refinancing its larger domestic assets at a holding company level. The company is entering its new partnership with **Mitsui** 25% gas-fired plant, 500 MW gas-oil-fired **Indian Queens**

AUGUST 20, 2007

AEP TO DIVEST IDLE ERCOT PLANTS

American Electric Power is aiming to offload three retired gas-fired plants held at its **AEP Texas** subsidiary, along with four it previously announced plans to auction. They are being marketed separately because of a buyback clause in the deeds of

AUGUST 13, 2007

IS RELIANT'S 2.5 GW AUCTION ON THE ROCKS?

Radio silence out of auctioneer **JP Morgan** has market watchers suggesting the auction of 2,488 MW in **Reliant Energy** generation is off the table. Asset acquirers and investment bankers tracking the deal were unable to point to potential

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Project Finance Deal Book

Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report updates or provide additional information on the status of financings, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iineews.com.

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Amount	Tenor	Notes
Airtricity	2008 Turbine Supply	Various	HVB, Mizuho	\$325M			Timeline unclear.
Empresas ICA	Champion (126.5 MW Wind)	Central New York	HVB, NordLB, BayernLB	Construction Loan			Syndication launched 10/22.
	La Yesca (750 MW Hydro)	Nayarit, Mexico	WestLB, Citibank/Banamex, HSBC, BBVA Bancomer, Grupo Santander, NordLB	Construction Loan	\$910M	4-yr, 9m	Syndication to launch at end of Oct.
Econergy International-led consortium	La Gloria (50 MW Wind)	Guanacaste Province, Costa Rica	NordLB	Term Loan, Letter of Credit	\$125M	TBA	4Q syndication expected.
Energy Investors Fund	Panoche (400 MW Gas)	Fresno, Calif.	TBA	TBA	TBA	TBA	Timeline unclear
ENMAX Energy	Calgary (1.2 GW Gas)	Calgary, Alberta					Timeline unclear.
EverPower Renewables	2009 Turbine Supply	Various	KeyBanc Capital Markets	Turbine supply	\$130M		Set to fund by 10/30.
Third Planet Windpower	Name unknown (325 MW Wind)	Loraine, Texas	TBA	TBA	TBA	TBA	Selecting lenders.
Northland Power	Thorold CoGen (265 MW Gas)	Thorold, Ontario	BMO, Manulife, Sun Life	Construction Loan	C\$451M	20-yr	Syndication Wrapped 10/25.
SUEZ Energy International	Central Termoeléctrica	Northern Chile	TBA	TBA			Looking for banks for \$500M.
LS Power	Sandy Creek (800 MW Coal)	Riesel, Texas	Credit Suisse, RBS	Term Loan	\$1.2B	8-yr	Mid-Nov. close expected.
Carlyle/Riverstone	Portfolio (1.5 GW Gas)	Various, Texas	TBA	TBA	\$900M		RFP sent out 7/23.
Granite Ridge	Granite Ridge (720 MW Gas)	Londonderry, N.H.	TBA	TBA	\$500-\$600M		Choosing lead banks.
AES	Termoeléctrico de Penoles (230 MW Petcoke)	Tamuin, Mexico	TBA	TBA	TBA	TBA	Timeline unclear.
RES	Hackberry Wind (165 MW Wind)	Shackelford Co., Texas	WestLB	Construction Loan	\$352M	17-yr	Syndication launched 9/19.
Borealis Infrastructure	Bruce Power (4.6 GW)	Tiverton, Ontario	Scotia, Dexia	TBA	C\$750M (\$710M)	TBA	Retail syndication to begin in 4Q.
LEP Holdings	Liberty Electric Power (568 MW Gas)	Eddystone, Pa.	Credit Suisse, JPMorgan, Deutsche Bank	OpCo Loan Revolver HoldCo Loan	\$325M \$35M \$100M	7-yr	Syndication launched 10/2. Tranches upsized mid-Oct.
Nacogdoches Power	Nacogdoches (100 MW Biomass, 300 MW Gas)	Sacul, Texas	TBA	TBA			Looking for debt/equity for \$600M project.
J-Power USA	Pala (86.5 MW Gas)	San Diego Co., Calif.	TBA	TBA			Looking for lead bank.
	Orange Grove (95 MN Gas)	Orange Grove, Calif.	Royal Bank of Scotland	Construction Loan LC Facility Equity Bridge Loan	\$70M \$25M \$30M	25-yr	Syndication launched 9/25.
MACH Gen	Portfolio (800 MW Coal)	Various	Credit Suisse	TBA	\$850M	TBA	Refinancing of \$850M second lien.
Acciona Solar Power	Nevada Solar One (64 MW)	Boulder City, Nev.	Santander, BBVA, La Caixa	Term Loan	\$140M		Syndication launched early Oct.
Shell, Dominion	Mt.Storm (264 MW, Wind)	Grant Co., W.Va.	TBA	Construction Loan	\$288M	TBA	Fortis tipped as sole lead.
Invenergy	St. Clair Power Station (570 MW Gas)	Sarnia, Ontario, Canada	RBC	Construction Loan LC facility	\$383M \$96M	5-yr	Syndication re-launched 7/2.
	Forward Energy (99 MW Wind)	Dodge and Fond du Lac counties, Wisconsin	Dexia Credit Local, NordLB	Construction Loan Equity Bridge Loan Letter of Credit	\$116.4M TBA TBA	17-year	4Q syndication expected.
Perennial Power	Hermiston (474 MW Gas)	Hermiston, Ore.	TBA	TBA	\$130M	10-yr	Status unclear.
Noble Environmental	Altona, Ellenberg, Clinton and Bliss (339 MW Wind)	Altona, Ellenberg, Clinton and Bliss, N.Y.	HSH Nordbank, Dexia	Non-recourse loan	\$445M	10-year	Commitments due 9/27.
Guacolda	Maitencillo (152 MW Thermo)	Maitencillo, Chile	Calyon	Construction Loan	\$260M	15-year	Status unclear.
Energy Capital Partners	Rensselaer (535 MW Gas)	Rensselaer, N.Y.	Barclays, UBoC	Construction Loan HoldCo Loan Revolver Letter of Credit	\$400M \$170M \$100M \$35M	8-yr	Syndication launched 10/3.
Terrawinds Resources	Riviere-Du-loop (201 MW Wind)	Riviere-Du-loop, Quebec	HSH Nordbank	Construction and term loan	C\$300M (\$300M)		Syndication Launched 9/18.
Plutonic Power, GE Energy Financial	Toba Montrose (196 MW Hydro)	British Columbia	Manulife, Standard Life, Canada Life, SunLife, Industrial Alliance	Construction Loan	\$500M		Wrapped mid-Oct.
Harbinger Capital Partners	Calgary Energy (300 MW Gas)	Alberta, Canada	UBoC	Refinancing	C\$319M (\$319M)		Commitments due 9/26.

Live Deals: Europe/Middle East/Africa

Sponsor	Project	Location	Lead(s)	Loan	Amount	Tenor	Notes
EdF Energies Nouvelles	C-Power (30 MW Wind)	Zeebrugge, Belgium	Dexia, Rabobank	Construction Loan	EUR126M	15-year	Preparing retail syndication.
Eolicas de Portugal	(1.2 GW Wind)	Porto, Portugal	TBA	TBA			Selecting lenders.
Cobra, ACS Group	La Boga II (355 MW Wind)	Andalucia, Spain	Natixis, La Caixa	Term loan	EUR205M (\$283M)		Debt slated to close 7/20.
Abaste	El Bonillo (20 MW Solar)	El Bonillo, Spain	Deutsche Bank	Bond Offering	\$207M	24.5 yr	Iberdrola offtake.
Industrial Promotion Services, Sithe Global	Bujagali (250 MW Hydro)	Southern Uganda	International France Corp., Absa Capital, EIB, Standard Chartered	Term loan	\$630M	TBA	Uganda Electricity Transmission Co. offtake.
Spanish Egyptian Gas Co.	Damietta LNG	Damietta, Egypt	TBA	Term loan Bank Facility	\$600M \$250M	15 yr	25-year tolling agreement.
Solucar Energia	SolNova (100 MW, Solar)	Sanlucar La Major, Spain	Caja Madrid, SocGen, Calyon Natixis, Santander	TBA	EUR450-500M	(-)	Sept. syndication expected.
Botswana Power Corp.	Morpule (1.2 GW Coal)	Palapye, Botswana	TBA	TBA			Project Financing Solutions advising.
InterGen	Rijnmond Energie Center (820 MW, Cogen)	Rotterdam, Netherlands	TBA	TBA			Accepting financing options. Advizorum is advising.
Dhofar Power Co.	Salalah (192 MW Gas Refi)	Salalah, Oman	Calyon	TBA	\$340M	TBA	Timeline unclear.
Tanjong Broup	Port Said East (683 MW Gas)	Port Said, Egypt	Calyon	TBA	\$500-675M	TBA	Timeline unclear.



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 Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iineews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Airtricity North America	Various	North America	6,500	Wind	Credit Suisse	E.ON agreed to buy for \$1.4 billion (PFR, 10/8).
American Electric Power	Fort Phantom	Abilene, Texas	362	Gas	N/A	Took indicative bids Sept. 7 (PFR, 9/7).
	Abilene Power Station	Abilene, Texas	18			
	Lake Pauline	Quanah, Texas	35			
	Rio Pecos	Girvin, Texas	136			
	Oak Creek	Bronte, Texas	75			
	Paint Creek	Stamford, Texas	218			
	San Angelo	San Angelo, Texas	110			
Astoria Energy	Astoria plant	Queens, N.Y.	500 MW; 1 GW permitted	Gas	N/A	Owners fielding offers. Suez Energy acquiring a 30% stake (PFR 9/29).
Barry Bates and Michael Underwood	Thompson River Cogen	Montana	16	Coal, Waste Wood	Energy Advisory	Teasers went out late June. Plant has a 20-year PPA with Avista Utilities.
Bicent Power	Mountain View	Palm Springs, Calif.	67	Wind	Goldman Sachs	Teasers dispatched early Sept. (PFR, 9/17).
Black Hills Corp.	Arapahoe	Denver, Colo.	130	Gas	Credit Suisse	Teasers dispatched last week (PFR, 10/29).
	Valmont	Valmont, Colo.	80	Gas		
	Fountain Valley	Colorado Springs, Colo.	240	Gas		
	Las Vegas I	Las Vegas, Nev.	53	Gas		
	Las Vegas II	Las Vegas, Nev.	224	Gas		
	Harbor	Long Beach, Calif.	98	Gas		
	Valencia	Albuquerque, N.M.	149	Gas		
Bluff Power Partners E/S Solutions	McCommas Bluff	Dallas, Texas		Landfill Gas	CRG Partners	Cambrian Energy Development named stalking horse, replacing Montauk Energy Capital (PFR, 10/12).
Calpine	Acadia Energy Center	Eunice, La.	1,016 (50%)	Gas	Miller Buckfire	Sold to Cajun Gas Energy for \$189 million (PFR, 8/6).
	Fremont Energy Center	Sandusky County, Ohio	512	Gas		Plant 70% complete.
	Hillabee Energy Center	Alexandra City, Ala.	774 MW	Gas		Bids due Oct. 29 (PFR, 10/29).
Catamount Energy	Sweetwater	Nolan County, Texas	505 (50%)	Wind	Goldman Sachs	Unsolicited approaches have been made to backer Diamond Castle Holdings (PFR, 8/31).
	Ryegate Power	Vermont	20	Wood waste		
	Rumford	Rumford, Me.	85	Cogen		
CIT Group	RockGen Energy Center	Cambridge, Wis.	460	Gas	Bear Stearns	Status unclear.
Central Vermont Public Service	Various	Vermont	70 in summer, 86 in winter	Hydro	Morgan Stanley	Believed to be in advanced stages.
City of Vernon	Malburg Generating Station	Southern Calif.	134	Gas	Lehman Brothers	Beowulf Energy and Natural Gas Partners agreed to buy for \$342 million. Lehman Brothers to lead debt financing (PFR, 10/22).
	Palo Verde Power	Southern Calif.	11	Nuclear		
	Hoover Upgrading	Southern Calif.	22	Hydro		
CMS Enterprises	Dearborn Industrial Generation	Dearborn, Mich.	710	Gas	JPMorgan	Teasers dispatched 10/9 (PFR, 10/9). Bids due Nov. 6
	Kalamazoo	Comstock, Mich.	68	Gas		
	Livingston	Gaylord, Mich.	150	Gas		
Conduit Capital	Various	Latin America Caribbean	939 net ownership	Diverse	BNP Paribas	Agreed to sell 155 MW Colombian coal plant 10/5 (PFR, 10/10).
Con Ed Development	CEEMI	Springfield, Mass.	185	Gas, Oil, Hydro	Morgan Stanley	Final bids are due Nov. 7. In the running are American National Power, AllCapital, Energy Capital Partners, Marubeni Power and Tenaska Power Fund (PFR, 10/17).
	CEEMI expansion	Springfield, Mass.	96	Gas, Oil		
	Newington Energy	Newington, N.H.	525 (99.5%)	Gas		
	Ada Cogeneration	Ada, Mich.	29 (48%)	Gas		
	Lakewood	Lakewood, N.J.	246 (80%)	Gas		
	Ocean Peaking Power	Lakewood, N.J.	339	Gas		
	Rock Springs	Rising Sun, Md.	670 (50%)	Gas		
	Genor	Puerto Barrios, Guatemala	42 (49.5%)	Oil		
	Ever Power Wind	NEPOOL, NY, PJM	500 planned	Wind		
Complete Energy Holdings	La Paloma	McKittrick, Calif.	1,022	Gas	JPMorgan	Company exploring merger or equity sale of plants (PFR, 10/30).
	Batesville	Batesville, Mis.	837	Gas		
Desert Power	Desert Power plant	Rowley, Utah	65 installed	Gas	Miller Buckfire	Lender of record, Morgan Stanley, to acquire.
Dominion Resources	Dresden Energy	Muskingum County, Ohio	580	Gas	N/A	American Electric Power agreed to buy for \$85 million.
DTE Energy	East China	East China, Mich.	320	Gas	N/A	Seller exploring options, including outright sale.
	River Rouge	Detroit, Mich.	240	Gas	N/A	On books at scrap value, decommissioned.
Dynegy	Plum Point	Osceola, Ark.	665 MW	Coal	N/A	John Hancock Life Insurance to acquire a 57% stake for \$82 million.
Electricite de France International unit Controladora del Golfo	Saltillo	Ramos Arizpe, Coahuila	248	Gas	JPMorgan Chase	Gas Natural to buy for \$1.448 billion in cash on hand.
	Anahuac (RB2)	Valle Hermoso, Tamaulipas	495	Gas		
	Lomas de Real (RB3)	Valle Hermoso, Tamaulipas	495	Gas		
	Valle Hermoso (RB4)	Valle Hermoso, Tamaulipas	500	Gas		
	Electricidad Aguila de Altamira	Altamira	495 (51%)	Gas		
	Gasoducto del Rio	54 km pipeline	330,000M Btu/D			
Entergy Corp.	50% stake in Top	Worth County, Iowa	40	Wind	New Harbor	Seller wants about \$500 million for the assets.
	Deer Wind Ventures	Carson County, Texas	40			Bidders shortlisted to four players: two financial;

Generation Auction & Sale Calendar

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
	RS Cogen	Lake Charles, La.	212	Gas		two infrastructure (PFR, 6/18).
	Roy S. Nelson	Westlake, La.	60	Gas/Oil		
	Warren Power	Vicksburg, Miss.	225	Gas		
	Harrison	Marshall, Texas	335	Gas		
	Independence	Newark, Ark.	121	Coal		
	Robert Ritchie	Helena, Ark.	544	Gas/Oil		
	Offtake Contract	Sam Rayburn Power Agency	50-80			
Fluor	Greater Gabbard	Thames Estuary, U.K.	500	Wind	RBC Capital Markets	Specs went out in late Aug. for Fluor's 40% stake (PFR, 8/20).
Foresight Wind Energy	Various	Arizona, New Mexico	2 GW pipeline	Wind	CP Energy	Transaction delayed (PFR, 10/8).
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	GE deferred sale. Carron Energy interested.
Globeleq	Emerging market portfolio	Asia, Africa, Americas	2,082	Mixed	Lehman Brothers	Americas assets sold to D.S. Constructions and Israel Corp. Asia and Africa assets to be sold to Tanjong Energy Holdings and Aljomaih in \$1 billion deal.
Goldman Sachs (Cogentrix Energy)	Indiantown	Martin County, Fla.	355	Coal	Goldman Sachs	Energy Investors Funds agreed to buy portfolio through United States Power III affiliate (PFR, 9/19). Calyon to lead acquisition financing (PFR, 10/22).
	Logan	Logan Township, N.J.	218	Coal		
	Cottage Grove	Cottage Grove, Minn.	245 (35%)	Gas/Oil		
	Whitewater	Whitewater, Wis.	236.5 (35%)	Gas/Oil		
	Scrubgrass	Venango County, Pa.	85 (50%)	Coal/Waste		
	Selkirk	Selkirk, N.Y.	345 (47.2%)	Gas		
	Northampton	Northampton County, Pa.	112 (80%)	Coal/Waste		
	Quachita	Sterlington, La.	804 (80%)	Gas		
	Carneys Point	Carneys Point, N.J.	262 (60%)	Coal		
	Richmond	Richmond, Va.	209 (80%)	Coal		
	Rocky Mount	Rocky Mount, N.C.	118 (80%)	Coal		
	Morgantown	Morgantown, Va.	60 (15%)	Coal/Waste		
	Plains End I, II	Golden, Colo.	182 (80%)	Gas		
	Rathdrum	Rathdrum, Idaho	275	Gas		
	Southaven Power	Southaven, Miss.	810	Gas		
Kelson Holdings	Dogwood	Pleasant Hill, Mo.	620	Gas	Goldman Sachs	Teasers are set to be dispatched by Nov. 15 (PFR, 10/31). Weighing strategic options, including sale or merger (PFR, 10/9). First round bids due in early November with a view to signing a deal in December.
	Redbud	Luther, Okla.	1,230	Gas		
	Cottonwood	Deweyville, Texas	1,230	Gas		
	Magnolia	Benton County, Miss.	922	Gas		
La Compagnie du Vent	Various	France	98 MW installed	Wind	Calyon	Preliminary bids were taken 8/10 (PFR, 8/20).
Landfill Energy Systems	Various	Various	80	Landfill gas	Ewing Bemiss	Energy Investors Funds and Enpower to acquire for north of \$300 million.
LS Power	Bosque	Laguna Park, Texas	805 (570)	Gas	N/A	In second round (PFR, 9/19). GE Energy Financial Services acquired with a \$160 million loan from WestLB. (PFR, 7/16). To be acquired by CMS Energy for \$517 million.
	Shady Hills	Shady Hills, Fla.	477	Gas/Oil	N/A	
	Zeeland	Zeeland, Mich.	946	Gas	N/A	
Mirant Corp.	Diverse U.S. assets	PJM, NEPOOL, Calif.	10,650	Various	JPMorgan	JP Morgan took first-round bids June 12 from bidders including US Power Generating Co. (PFR 4/5).
National Grid	Ravenswood Station	Queens, N.Y.	2,450	Gas	Merrill Lynch	Teasers to go out later this month (PFR, 10/8).
Noble Environmental Power	Various	NY, Mich.	385	Wind	Goldman Sachs	Indicative bids reportedly taken August 13 (PFR, 8/21).
PSEG Global	Electroandes	Andean region, Peru	180	Hydro	JPMorgan	Statkraft Power Invest to buy for circa \$390 million.
	Chilquinta Energia (50%)	Chile			Citigroup	AEI to buy for \$685 million.
	Luz del Sur (38%)	Peru				
Reliant Energy	Channelview	Lyondell, Texas	830	Gas	Houlihan Lokey	In second round.
Ridgeline Energy	Various	Idaho, Oregon, Washington	3,700 in development	Wind	Marathon Capital	Back in play after talks were nixed with a southern U.S. utility (PFR, 10/8).
Sempra Generation	Catoctin	Frederick Co, Md.	development	Gas	N/A	Development reportedly for sale.
Temasek Holdings	PowerSeraya	Singapore	3,100	Gas	Credit Suisse	Teasers dispatched 10/15. Tuas to be sold first (PFR, 10/22).
	Senoko Power		3,300	Oil	Morgan Stanley	
	Tuas Power		2,670	Steam		
Tenaska Power Fund	Commonwealth Chesapeake	New Church, Va.	315	Oil	JP Morgan	Teasers reportedly dispatched (PFR, 10/29).
TransAlta	Western Canada, Ontario	Diverse U.S.	404	Gas, Coal	BMO Capital Markets	Cheung Kong Infrastructure Holdings to buy for \$8.38 per unit. Company weighing sale.
	Campeche	Mexico	252	Gas/Diesel	N/A	
	Chihuahua	Mexico	259	Gas		
Trinergy	Various	Italy, Germany, Ireland, U.K. Spain	648	Wind	RBC Capital Markets	International Power agreed to buy portfolio for EUR1.8 billion (\$2.5 billion).
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	Credit Suisse	Temporarily iced due to credit crunch.
UPC Wind	Various	North America	3GW in development	Wind	JPMorgan	Market test did not lead to a sale, so company is reportedly weighing an IPO (PFR, 6/8).
Waterbury Generation	Waterbury Generation	Waterbury, Conn.	96	Gas	N/A	Energy Capital Partners in negotiations to buy development rights (PFR, 8/29)
Wheelabrator Technologies	Shasta	Anderson, Calif.	49	Biomass	ABN Amro	Seller evaluating strategic options, including a sale (PFR, 7/23)

Financing Readied For Miss. Natural Gas Acquisition



Ben Reese

EnergySouth Midstream will unveil within a week the banks involved in financing its share of a \$140 million acquisition of natural gas storage company **Mississippi Hub**. **Ben Reese**, president and coo of EnergySouth in Houston, said **Regions Capital Markets** would likely be a part of it, having been the sole lead arranger and bookrunner on a \$100 million revolving credit facility issued in August by the company. He declined to name the other contenders or discuss other aspects of the financing, such as size and tenor.

EnergySouth will own a 60% in Mississippi Hub and partner **Fortress Investment Strategies**, 40%. Fortress is reportedly planning to do its financing on balance sheet. **Adrian Ortlieb**, a Mississippi Hub business development associate in Lafayette, La., declined to comment on the sale, while officials at Fortress did not answer calls by press time.

"Our plan is not to stop here," says Reese, adding the Gulf Coast remains a preferred target area. "In the long-term, we see the need

for more storage as LNG use goes up in the country, as we want to be strategically positioned in the region where it's going to come in." Mississippi Hub received approval for a 12 turns per year natural gas salt cavern storage facility in February and construction began in April at the Bond Sale Dome in Simpson County, Miss. The company was auctioned by **Merrill Lynch** (PFR, 5/18).

Trio Wraps Noble Turbine Loan

Noble Environmental Power has closed a \$460 million turbine supply loan via **HSH Nordbank** and co-underwriters **KeyBanc Capital Markets** and **Dexia Crédit Local**, who have invited a select group of wind-focused banks to take tickets of undetermined proportions. The loan matures in 2010 and will be used for Noble's master purchase program for turbine deliveries through 2009, according to one banker.

The two leads wrapped syndication last month of \$561.5 million in funding for three Noble wind projects in upstate New York with 11 banks joining the deal and two sub-underwriters, **Royal Bank of Scotland** and **Scotia Capital** (PFR, 10/19). HSH and Dexia declined comment and KeyBanc did not return calls.

MACQUARIE/PUGET

(continued from page 1)



Steve Reynolds

existing facility that is partially drawn. Already at the op co. are \$2.3 billion in senior bonds, \$250 million in hybrid securities and \$1.9 million of preferred securities.

At the hold co. will be \$2.4 billion in new, non-recourse debt, split between a \$1.425 billion senior term loan to be drawn at close and a separate \$1 billion to be drawn as desired. As first reported by *PFR*, **Bank of America**, **Calyon**, **RBC Capital Markets**, and **Royal Bank of Scotland** are lining up to take pieces of the loans in syndication, which is expected to launch by the year-end (PFR, 10/27).

The \$7.4 billion transaction announced Friday incurs a \$40 million break-up fee during the **Morgan Stanley**-led go-shop period, rising to \$50 million when that expires. **Alex Doughty**, a spokesman for Macquarie in New York, declined to comment.

This month the investor group will buy 12.5 million shares in Puget Energy, raising an interim \$300 million regardless of whether the deal closes. It will then buy the remaining 117 million shares outstanding at closing next year. "We made certain commitments to the rating agencies with regard to what we will do to our capital structure and we needed additional equity," **Stephen Reynolds**, chairman, president and ceo of Puget Energy and PSE, told *PFR*. "With the additional tranche we'll be fairly

close to the equity level authorized." The company's capital structure is 44% equity and 56% debt. —K.B.

FORTRESS TO

(continued from page 1)

would constitute Fortress's first equity investment in renewables.

Fortress began looking at energy last November and pocketed a team of energy financiers from **GE Commercial Finance** to invest across the capital structure through hedge fund arm **Drawbridge** (PFR, 9/14). So far it has reportedly executed in excess of \$200 million in other debt and equity deals in power, oil and gas, but including last week's acquisition of Mississippi Hub (see above). Calls to **Jeff Taufield**, a spokesman for Carlyle/Riverstone, were not returned by press time and **Tony Shizari**, managing director at Fortress, declined to comment.

The projects, known as SEGS III through VII, span a 1,300-acre solar field and use parabolic trough technology as well as gas as a supplementary fuel. They primarily operate during peak periods and their output is contracted under five separate offtake agreements with **Southern California Edison**, a subsidiary of **Edison International**. Capacity payments range from \$155/kWyr to \$175/kW/yr.

FPL and Carlyle/Riverstone acquired their interests in January 2005 from **Solel Solar Systems** for \$140 million.

—K.B.

PADOMA WIND

(continued from page 1)

MW and 118 MW, also in ERCOT, will follow.

The single-tranche financing, which will feature a construction loan supported by a hedge on the output rather than a PPA (PFR, 8/15), is pending approval from the bank's credit committee because of a last-minute hurdle in executing the interconnection agreement with **Texas-New Mexico Power**. But Paulin is not worried. "There comes a point when everyone can see that all of the outstanding issues will be resolved," he says.

NRG will provide \$273 million in equity to cap off the total cost of the developments, in addition to undisclosed funding from Padoma's to-be-announced partner in farm one. Paulin declined to identify the partner, but **Shell WindEnergy**, **BP Alternative Energy**, **Babcock & Brown** and **Edison Mission Group** are likely JV suspects.

Previously, Padoma worked with **Dexia Crédit Local** to finance its 160 MW Brazos Wind Ranch in Snyder, Texas, and **BayernLB** for its 42 MW Cabazon project in Palm Springs, Calif. Prior to creating Padoma in 2001, Paulin and co-founders **Jeffery Marks** and **Gary Dodak** worked with **Barclays Capital** and **Banco Santander** in Europe and **Fortis** and **Manulife Financial** in the U.S. on projects developed by **SeaWest WindPower**, now **AES Wind Generation**.

Tax equity will not be sought for farm one, but may be for the others. Construction on the next two farms will begin in late spring next year and in 2009, respectively. —**Thomas Rains**

ASHMORE ENERGY

(continued from page 1)

is left lead on the \$500 million offering, supported by **Deutsche Bank**, **Goldman Sachs** and **Lehman Brothers** on the right.

The IPO is expected next week at a price of \$15-17, implying an equity value of \$3.5-3.9 billion. Proceeds will help it pay down debt from previous acquisitions and fund future expansion, as well as allow existing shareholders to take money off the table. **John Fulton**, cfo of AEI in Houston, declined to comment via a spokesman.

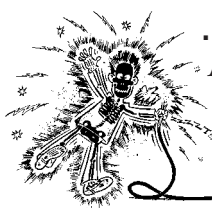
The leads reportedly planned to do a registered transaction on the **New York Stock Exchange** but wanted to avoid delays in **Securities and Exchange Commission** procedure. They also were attracted to the potential of Opus-5 to be an industry standard for broker dealers, where indicative bids and offers on the unregistered securities can be viewed electronically on a self-contained system.

In addition to the leads, **Morgan Stanley**, **UBS**, **Citigroup**, **JPMorgan** and **Merrill Lynch** belong to Opus-5. **Bank of New York Mellon Corp.**, its developer, serves as independent

administrator. **Goldman Sachs** created its own private exchange, **GS TRuE**, short for **Goldman Sachs Tradable Unregistered Equity**, on which **Oak Tree Capital Management** and **Apollo Management** were listed, but can still be a market maker in Opus-5. One source said even banks not handling the IPO want to make the platform a success and have committed to actively marketing AEI's securities to create immediate liquidity.

—**Katy Burne**

Alternating Current



...with Mark Spark

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

Complete-ly Confusing!

The **Complete Energy Holdings** saga continued this week with the generation shop hiring **JPMorgan** to run a fresh auction and help it clear some debt. Quite a palaver...or should that be Paloma?

Luckily, the only good outcome from the **KGen** episode was the \$50 million break-up fee, which will at least help pay JPM's fees. If anyone knows how to put lipstick on a pig, it's them—the hairier, the better. Even the **Reliant** bundle could have sold if the credit markets hadn't taken a nosedive.

Speaking of snouts, there must be a few noses out of joint at **Morgan Stanley**, which knows the assets back to front after advising KGen, and **Goldman Sachs**, which has also been tight with Complete.

If only KGen didn't have them over a barrel, they would have been rolling in \$1.3 billion. So clear your inboxes for those teasers, folks. Let's help Complete actually completes this time!

Quote Of The Week

*"For us it means an ability to aggressively expand in the Midwest, and for **Good Energies** it gives them a platform for future project investments in the Midwest."* —**Ron Diduch**, ceo of **Sequoia Energy**, on **Good Energies'** \$16 million funding commitment, (see story, page 4).

One Year Ago in Power Finance & Risk

Acciona Solar Power was seeking financing for expansion of the 64 MW Nevada Solar One project near Boulder City, Nev.—the largest solar thermal plant to be built worldwide in the last 16 years. [**Banco Santander**, **BBVA** and **La Caixa** are syndicating 60-80% of a fully-funded, \$140 million term loan refinancing a construction loan for the solar plant (PFR, 10/19).]