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The exclusive source for power financing and trading news

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Goldman Head Trader Exits
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See story, page 2

Mexico's CFE Nixes Hydro Bids

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See story, page 4

In The News

NAES To Run Part of Tensaka Portfolio	3
Club Syndication Planned For French Wind Loan	4
Duquesne Buyout Loan Wraps	4

Corporate Strategies

Progress Trims Debt With Asset Sales	4
Allegheny Refis Via Mortgage Notes	4
Duke Midstream Arm Places Privates	4

Departments

Financing Record	5
Weekly Recap	7
Generation Auction & Sale	8

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Texas Hold 'Em!

HOUSTON DEVELOPER OPTS TO DROP ERCOT PROJECT SALE

Navasota Holdings Texas Partners is pulling back from the anticipated auction of a pair of to-be-built plants in ERCOT totaling some 1.1 GW. Dan Hudson, cfo, says it won't be selling because with few new plant permits in the competitive ERCOT market and the fact

(continued on page 12)



LEADS READY SAUDI IWPP \$2B DEBT SYNDICATION

BayernLB is set to syndicate a roughly \$2 billion financing package supporting construction of an 850 MW IWPP in Saudi Arabia. BLB and **Gulf International Bank** committed funds to the Shuqaiq project before its sponsor—an ACWA Power-led consortium—won the rights to build, operate and own 60% of the plant. Financial close is expected by year-end.

Calls to **David Hullah**, a syndications official at BLB in London, and to **Richard Palmer**, a project finance official, were not returned. The winning consortium, led by ACWA,

(continued on page 12)

NEV. OUTFIT SOAKS UP FUNDS FOR THERMAL ROLLOUT

Acciona Solar is seeking financing for a series of large-scale solar thermal developments to be located in the southwest U.S. **Robert Misback**, general manager in Henderson, Nev., says 100-200 MW projects are in the works with Arizona and California likely locations. The plans follow detailed discussions with potential utility offtakers.

Already on the development board is an expansion of an existing 64 MW solar thermal unit near Boulder City, Nev., developed by Acciona's Raleigh, N.C.-based subsidiary

(continued on page 12)

EMIRATES ENERGY CO. PLANS BUYING BINGE

Abu Dhabi's state-run energy company Taqa is readying an acquisition spree, supported by a \$3.5 billion bond offering. CEO **Peter Barker-Homek** says acquisitions as far west as the U.K. and as far east as India are under consideration. Power and gas distribution, generation and renewable assets are possible targets, along with upstream oil and gas and pipelines.

Single investments will not exceed \$1 billion, and will most likely be in the \$200-\$400 million ballpark. "We're not going to bet the farm," Barker-Homek told *PFR*,

(continued on page 11)

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



At Press Time Head Power Trader Exits Goldman

Goldman Sachs' head power trader in New York, Steve Pruett, has left the firm. As first reported on PFR's Web site www.iipower.com, the managing director exited the bank last week, but the reason behind his departure and his destination could not be learned. Robert Mancini, managing director of fixed income and commodities, declined comment and Pruett was unavailable for comment.

Gregory Agran, head of natural gas trading in New York, was immediately asked to step in permanently and take on the additional responsibility of running power trading.

Barclays To Target Sub-Investment Grade

Barclays Capital is targeting sub-investment grade energy sponsors to expand beyond lending to investment-grade power and utilities. Reuben Daniels, co-head of U.S. investment banking in New York, says, "While in certain areas we're strong and pleased with where we are, we recognize that there are areas where we have enormous opportunity." Recently Barclays tapped a trio from WestLB (PFR, 10/16/06), though Daniels insists the move was "more of an effort to find the right individuals than a team lift."

Power Shift In Congress May Slow PTC Extension

A change of power in Congress may slow the flow of legislation next year, and potentially complicate a timely extension of production tax credits set to expire in 2008. Used to help subsidize development of renewables such as wind and solar, even a temporary lapse in the PTCs will see financing dry up. "Whoever gets projects done in the first part of the year will get financing," explains WestLB's Mike Panteloganis, director of energy and power in New York.

Randy Mann, managing director of development at Edison Mission Energy in Irvine, Calif., says an extension is likely, but politics clouds the picture. This year's pace, which should see about 3 GW built, has been a boom cycle, and he expects to see perhaps 4 GW in 2007 as developers race to lock down funding before year-end.

If an extension isn't granted, state-level renewable portfolio standards will not be enough to solve the financing problems, at least immediately. PTCs are what make financing, Mann says. Their growth has been encouraging, he says, but there would be a period of market adjustment where financing is tough to get, from either lenders or private equity.

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 Mark DeCambre, managing editor, at 212-224-3293 or mdecambre@iinews.com.

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Calpine Ontario Greenfield Project Syndication Readied

Syndication is set to kick off for \$500 million of construction financing for **Calpine** and **Mitsui & Co.** via leads **Bank of Tokyo**, **Mitsubishi** and **BMO Financial**. As first reported by *PFR* (PFR, 10/16), lenders are aiming to syndicate debt to fund development of a 1 GW gas-fired plant in Courtright, Ontario. The combined-cycle project is underpinned by a long-term PPA with **Ontario Power Authority**.

According to bankers, leads are pitching pricing of 125 basis points, which is expected to ramp up to 200 by the end of the life of the 18-year loan. BMO and Bank of Tokyo are seeking commitments of about \$75 million. Parties involved either declined to comment or did not return calls.

The project was originally slated to be completed by February 2008 but Calpine's bankruptcy pushed back plans. It brought on Mitsui to help manage the development of the plant in March, with Mitsui taking a 50% interest.

Calpine and Mitsui entered into a 20-year power purchase agreement for Greenfield's output with the Ontario power authority. The facility will be built on an approximately 35 hectares of agricultural parcel owned by **Terra International**, located to the northeast of the intersection of the Bickford Line and the St. Clair Parkway.

N.H. Granite Ridge Plant Teaser Gets Fired Up

Morgan Stanley has started circulating early marketing material for the sale of Granite Ridge, a 720 MW gas-fired plant in Londonderry, N.H. Although the teaser does not indicate a date for submission of first-round bids, prospective investors expect full-blown marketing packages to be issued imminently and bids to be due a few weeks afterward. Calls to **Lyle Miller**, managing director at Morgan Stanley, and **David Whitcher**, v.p. in New York, were not returned immediately.

Morgan Stanley is pitching the asset, located in the New England Power Pool, as partly an expansion opportunity. Granite Ridge has sufficient land at its site to construct an additional 540 MW of generating capacity, according to the marketing material.

The teaser also cites the fact the operation has a long-term gas supply contract in place and could benefit from proposed improvements in forward capacity payments.

The plant was developed by **AES Corp.** five years ago and fell into hedge fund and private equity hands in 2004. AES funded the construction with a \$300 million project loan arranged by **ABN AMRO** (PFR, 6/4/01). Calls to officials at **Cargill**, which owns a substantial stake in the plant, among a number of other entities, were not returned.

Law Firm Starts Beijing Energy Office

Law firm **Fulbright & Jaworski** has opened a Beijing office to handle increasing energy project litigation needs in the country. Clients need government approval for projects of any size, says office director **Jeffrey Blount** from London, noting that the firm wanted to be closer to the central government to make it easier to get deal approval.

"China is a sweetspot for M&A and project finance activity," Blount says, noting that more firms are expected to expand from Shanghai and Hong Kong in the coming years for this reason. He also will continue to manage the Hong Kong office where he was previously based.

Most of Fulbright's work in China revolves around large construction projects, but it's getting more business from investors such as hedge funds and private equity firms. Its clients include Chinese state oil company **PetroChina** and the **World Bank's International Finance Corp.**

Club Syndication Plotted For €183M French Wind Loan

Caixa Banco de Investimento and **Natexis Banques Populaires** plan to launch syndication next quarter of a €183 million (\$234 million) loan provided to **Babcock & Brown** and Luxembourg investment group **Eurowatt** to fund development of 120 MW of French wind farms. The sponsors secured the financing in August and September respectively, each borrowing €91.5 million from the joint leads for separate 60 MW portfolios.

Daniel Amaral, managing director of project finance at Caixa in Portugal, says the leads are likely to opt for a club deal, inviting at most seven or eight banks into the syndicate, after which the deal could go into general syndication. The amount due to be sold down will depend on appetite, notes Amaral, adding that different deal structures will be created for each of the sponsors because, "it is easier to sell Babcock & Brown paper than Eurowatt paper." Syndication is expected to launch in January and close sometime that quarter.

Luxembourg-based Eurowatt and **Enersis**, the Portuguese subsidiary of Babcock & Brown, jointly obtained permits for the planned developments a year ago and are already seeking approval for more projects, details of which could not be ascertained. "They are looking for more and we intend to close additional facilities with both companies," Amaral continues.

The initial €183 million will support construction of 14 new facilities located in Pas de Calais, Nord, Somme and Aisne. Each portfolio financing was structured as a €72 million term loan, a €6 million overdraft facility, a €3 million revolver and a €10.5

million facility for value added tax. Power from the units will be bought by local merchant companies or purchased directly by the French government.

Dominique Darne, president of Eurowatt, did not respond to requests for comment, and a spokesman for Babcock & Brown in London declined to make an official available. **Laurent Colvez**, a project finance official at Natexis in Paris, declined to comment on the syndication.

CFE Says 'No' To Hydro Bidders

The **Comision Federal De Electricidad** rejected all three bids for development of the 750 MW La Yesca Hydroelectric Project in Western Mexico. The state utility will start the solicitation process over again, it announced on its Web site, but has not announced the timetable. CFE officials did not return a call for comment.

Potential developers either submitted proposals with costs that were too high or that did not conform to CFE bidding rules. A bid submitted by China's **Sinohydro**, previously estimated at \$1.25 billion, was \$413 million above the ceiling set by Mexico's legislature and an offer from Mexico's **ICA** was \$72 million above the limit, according to the CFE.

A proposal submitted by Italy's **Impregilo**, estimated at \$805 million, was nullified for not conforming to CFE rules. **Impregilo** plans to contest the ruling, says a person familiar with the process. Calls to **Impregilo**, **Sinohydro** and **ICA** were not returned.

NAES Tapped To Run Part Of Tenaska Portfolio

North American Energy Services has been hired to operate and manage four of the six plants being acquired by **Tenaska Power Fund** from **Constellation Energy**. The Issaquah, Wash., operation and maintenance services firm will run the three peakers being acquired and one of the merchant facilities. **Tenaska** is acquiring a 3.4 GW portfolio for \$1.54 billion (PFR, 10/16). Calls to **Tenaska** were not returned nor were calls to **NAES**.

Typically the Omaha, Neb.-based **Tenaska** fund, which is managed by **Tenaska Capital Management**, operates its own facilities, but the size of its investment portfolio prompted it to seek a third-party manager, one observer notes. **Credit Suisse** and **Deutsche Bank** are underwriting a more than \$1.1 billion staple financing package for the purchase.

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

Duquesne Buyout Acquisition Loan Wraps

Syndication of **Macquarie Infrastructure Partners** and **Diversified Utility and Energy Trusts'** \$1.125 billion acquisition loan for the buyout of **Duquesne Light Holdings** has wrapped.

Leads **Barclays Capital** and **Dresdner Kleinwort** drew in **Bayerische Landesbank**, **JPMorgan Chase**, **Union Bank of California**, **Scotia Capital** and **Mizuho** to take \$150 million slices, and **CoBank**, **Commonwealth Bank of Australia** and **Western Pacific** signed up at the \$125 million level, according to an official. Banks involved did not immediately return requests for comment.

Pricing is 80 points over LIBOR on a ratings-based grid. If **Duquesne's** ratings go up to BB+ from BBB-, the pricing will increase to 125 over LIBOR.

Corporate Strategies

Complete Aims To Bag Batesville, Miss., Plant Buyer

Complete Energy hopes to make an announcement within the fortnight of a winning bidder for its Batesville, Miss., generation facility, according to **Rhonda Hollier**, spokeswoman in Houston. She declined to disclose the identity of any parties involved in negotiations for the asset.

The 837 MW gas-fired plant was put in play this summer (PFR, 7/11) and final bids were due Sep. 29. The level of interest and how much the asset might fetch could not be learned. **Ed Ludwig**, an official at auctioneer **Dexia Crédit Local**, did not return a call.

Progress To Trim Borrowings Via Asset Sales

Progress Energy plans on redeeming some \$750 million in borrowings using cash on hand from recent asset sales. The company has been offloading properties as a part of a strategy to trim \$1.3 billion in parent debt by year-end. "It has to do with having proceeds from the last divestiture in place and us being ready to do it," notes **Sherri Daughtridge**, assistant treasurer in Raleigh, N.C., noting that the company has completed about \$1.7 billion in asset sales, including the offloading of its exploration and production business **Winchester Energy**, for \$1.16 billion in cash.

The energy company anticipates retiring the notes by the end of November. Debt to be retired includes \$350 million of 6.05% senior notes maturing in six months and \$400 million in 5.85% notes maturing Oct. 30 2008. Much of the debt was taken on to

Corporate Strategies

support the growth of the Progress' unregulated business and to help finance its electric utility subsidiary **Carolina Power & Light's** acquisition of **Florida Progress** in 2000.

Dagthridge declined to talk specifics on the interest rate savings generated by the redemption. She says there were no prepayment penalties for redeeming the debt under its original indenture with trustee **Bank of New York** and declined to say when Progress plans on issuing additional debt to replace the notes.

Progress has total company debt of \$10.3 billion and \$3.9 billion at the parent-level as of June 30.

Duke Midstream Unit Places Private Long Bonds

Duke Energy Field Services, the midstream natural gas arm of **Duke Energy**, has privately placed \$300 million in 30-year 6.45% notes to pay off an equal amount in 5.7% five-year notes set to expire Nov. 15. "We decided we could extend our overall maturity schedule with the attractive rates we're seeing on 30-year notes," says Treasurer **Irene Lofland** in Denver, Colo.

A private, unregistered offering was chosen because the private market was strong enough to support the issuance, says Lofland declining to comment further. She also declined to identify investors.

JP Morgan and **RBS Greenwich Capital** were joint bookrunners, with **Scotia Capital** and **SunTrust** co-managers.

All the underwriters have worked on other offerings with Duke in the past, Lofland notes.

The offering was rated BBB by **Fitch Ratings** and **Standard & Poor's** and Baa2 by **Moody's Investors Service**. Duke Energy Field Services currently has \$1.84 billion in outstanding debt, and won't see another maturity date until 2010.

Allegheny Utility Refis Via Mortgage Notes

Allegheny Energy utility **The Potomac Edison Co.** has refinanced \$100 million in long-term 5.0%-coupon debt which would have matured Nov. 1 with funds from a similarly sized first-mortgage bond issue. The mortgage bond sale—completed late last month—consisted of 10-year, 5.8% coupon notes. An Allegheny spokesman did not make an official available and declined to comment.

Banc of America Securities and **Barclays Capital** were co-managers, while **Bear Sterns** and **Goldman Sachs** also participated. The bonds are secured by a first-priority lien on Potomac Edison's real estate, including property, generation assets, transmission and distribution systems and franchises.

Fitch Ratings gave the offering a BBB+, with a stable outlook. It considers Potomac Edison's credit metrics strong, explains analyst **Sharon Bonelli** in New York. Rising costs in Maryland and uncertainty in the state's residential market structure, however, are a concern.

Potomac currently has \$420 million in outstanding debt.

Financing Record (OCTOBER 26-NOVEMBER 1)

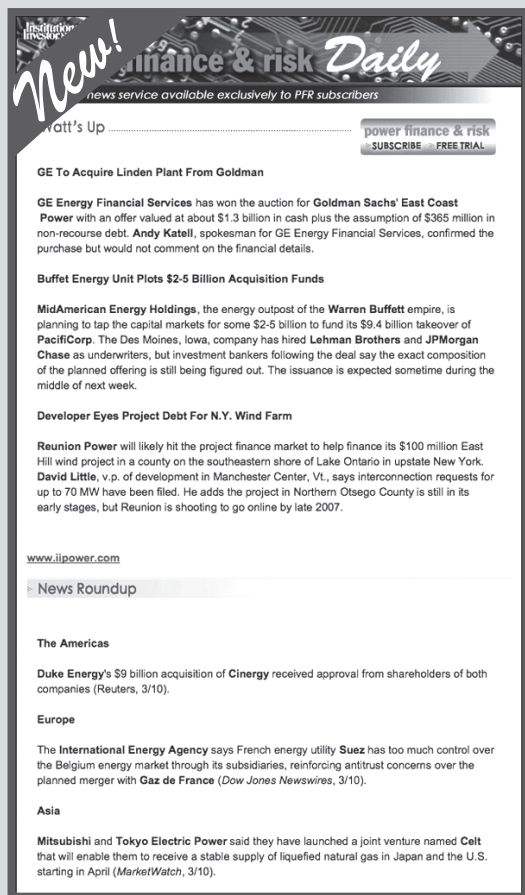
Debt

Issued	Issuer	Business Description	Principal(\$M)	Coupon (%)	Security	Maturity	Offered	YTM(%)
10/26/06	Cemig	Electric utility	117.5	10.5	Debentures	6/2/14	Market	10.5
10/30/06	Taipower	Electric utility	72.3	2.07	Fxd/Straight Bd	10/30/11	100	2.07
10/30/06	Taipower	Electric utility	180.7	2.17	Fxd/Straight Bd	10/30/13	100	2.17
10/30/06	Taipower	Electric utility	180.7	2.3	Fxd/Straight Bd	10/30/16	100	2.3
10/30/06	Taipower	Electric utility	108.4	2.38	Fxd/Straight Bd	10/30/21	100	2.38

M&A

Announced	Effective	Target Name	Target Advisors	Target Nation	Acquiror Name	Acquiror Advisors	Acquiror Nation	Value (\$M)
10/26/06		Guangdong Yuedian Jinghai Co	-	China	Guangdong Elec Power Dvlp Co	-	China	
10/26/06	10/26/06	Valero Refining-Texas LP-	-	United States	ONEOK Partners LP	-	United States	
10/27/06		ENACO GmbH	-	Germany	Bohlen & Doyen GmbH	-	Germany	
10/27/06	10/27/06	Vertesi Eromu Rt	-	Hungary	PRO-NIX Kft	-	Hungary	
10/30/06	10/30/06	Ayyappa Hydro Power Ltd	-	India	Energy Development Co Ltd	-	India	
10/30/06		Gwelan Supply Ltd	-	Canada	mBase.com Inc	-	Canada	22.202
10/30/06	10/30/06	Kviinge El Energi AB	-	Sweden	Lunds Energi AB	-	Sweden	1.242
10/30/06	10/30/06	Wanganui Gas Ltd	-	New Zealand	Wanganui District Council	-	New Zealand	
10/31/06	10/31/06	Wholesale Generating Co 5	-	Russian Fed	EBRD	-	United Kingdom	
11/1/06	11/1/06	Akenerji Elektrik Ihracat	-	Turkey	Akenerji Elektrik Uretim AS	-	Turkey	0.069
11/1/06		Bulgaria-Heating Utility,	-	Bulgaria	Dalkia International	-	France	8.651
11/1/06	11/1/06	Christofferson-Wind Farm	Credit Suisse Group	Germany	International Power PLC	-	United Kingdom	721.108

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



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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.

North America

- **FPL Group's** third-quarter net income jumped 55%, driven by results of its **FPL Energy** subsidiary. Quarterly earnings totaled \$524 million, or \$1.32 per share, compared with \$339 million, or 87 cents per share, during the same period last year. Revenue climbed 34% to \$4.69 billion, from \$3.5 billion last year (*Associated Press*, 10/30).
- **Duke Energy's** natural gas business will be called **Spectra Energy Corp.** when the operation is spun off as a stand-alone, publicly traded company, targeted for Jan. 1 (*Bloomberg*, 10/30).
- **TXU** has temporarily shut down its Comanche Peak 2 nuclear reactor in Glen Rose, Texas because of a feedwater system problem. The unit was coming off 19 days of scheduled maintenance, and will take several days to become fully operational (*Dallas Business Journal*, 10/27).
- **US Energy Biogas**, a subsidiary of **US Energy Systems**, is in discussions about restructuring a loan agreement after lender **Countryside Canada Power** claimed the company is in default (*Associated Press*, 11/2).
- **Northeast Utilities** completed the sale of 15 power plants to a private equity firm **Energy Capital Partners** for \$1.34 billion. The sale includes plants at 14 sites in Connecticut and Massachusetts with a total output of 1,442 MW. Energy Capital Partners also assumes \$320 million in debt (*Associated Press*, 11/1).
- **Duke Energy** has criticized what it called arbitrary changes in government pollution-control rules over the past quarter century, in a case argued before the Supreme Court. The justices appeared divided over whether Duke should be punished for ignoring a federal enforcement program when it sought to modernize more than two dozen of its coal-powered generating units (*CNN*, 11/1).
- **Dominion Resources** plans to sell most of its natural gas and exploration assets to focus on generation and energy distribution. Sale proceeds will repay debt (*Associated Press*, 11/1).
- Alabama is among 11 states that filed a brief with the U.S. Supreme Court, as the court takes up the long-awaited case that could impact pollution levels from plants across the country. The state supports the defendant, North Carolina's **Duke Energy**,

which was sued for upgrading plants without improving emissions controls (*Associated Press*, 10/31).

- **Reliant Energy** customers would have paid less over the last 10 months if the electric market was still regulated, according to a study by consumer group **Public Citizen**. The Houston company responded that the report was flawed, citing inaccurate figures. The report also said North Texas customers of **TXU** paid more, a finding TXU also disputes (*Houston Chronicle*, 11/1).
- **Constellation Energy's** Nine Mile Point nuclear power station received renewed operating licenses from the **Nuclear Regulatory Commission**, permitting both of its generating units to operate for an additional 20 years (*Dow Jones Newswires*, 10/31). **American Electric Power** posted lower third-quarter earnings, hurt by a \$136 million charge from the sale of its Plaquemine Cogeneration plant in Louisiana to **Dow Chemical**. Net income fell to \$265 million, or 67 cents per share, from \$376 million, or 99 cents per share a year earlier (*Reuters*, 10/31).
- **PPL** third-quarter earnings rose 15%, due to stronger utility and wholesale energy marketing sales. The company posted net income of \$226 million, compared with \$197 million last year (*Associated Press*, 10/31).
- **Entergy's** Mississippi unit received a federal grant for \$81.4 million that will help pay the cost of restoring customers' power after Hurricane Katrina (*Associated Press*, 10/31).
- New Jersey reached a tentative agreement with **Public Service Electric & Gas** to settle outstanding utility rate cases, allowing it to collect \$87 million more in revenue from its customers (*Newark Star-Ledger*, 10/31).
- **Jim Stanley**, **Duke Energy Indiana** v.p. of Midwest field operations, will become president on Nov. 6. He replaces **Kay Pashos**, who was named coordinator state regulatory strategy for Duke's electric and gas business systemwide (*Cincinnati Business Courier*, 10/30).

Latin America

Venezuela's Supreme Court will hear a suit by **Electricidad de Caracas** that challenges **AES Corp.'s** 2000 acquisition of a 71.3 % stake in the company and questioned the legality of a foreign company controlling a public utility (*Reuters*, 10/31).

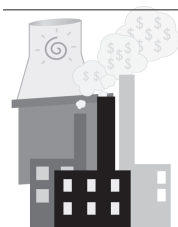
Weekly Recap (cont'd)

Europe

- Bulgaria's plans to slash its electricity exports next year due to the E.U.-required closure of two nuclear units, could threaten energy stability in the Balkans, officials said Thursday. Bulgaria is the biggest power exporter in the Balkans (*Associated Press*, 11/2).
- Former German Chancellor **Gerhard Schroeder** defended Russia's record as an energy supplier and insisted that a planned German-Russian pipeline under the Baltic Sea will not compete with existing supply routes. The project has infuriated Poland, which it will bypass, and comes amid concern in Europe over the continent's dependence on Russian gas (*Associated Press*, 11/1).
- Russia's **Atomstroyexport** landed a E4 billion (US\$5.1 billion) deal to build two reactors at Bulgaria's second nuclear power plant in Belene. The nuclear plant is to be completed in 7.5 years, with French nuclear company **Areva** and Germany's **Siemens**

participating in the construction (*Associated Press*, 10/31).

- **E.ON** plans to build a E600 million (\$766 million) coal-fired power plant with an efficiency of more than 50%. The 400-800MW plant will be located somewhere in Germany. E.On intends to begin construction in 2010 and plans to start generating in 2014 (*MarketWatch*, 10/31) . . . It also got approval from the U.K. government to build a 350 million pound (\$664 million) natural gas-fueled power plant as part of the company's efforts to replace aging generation capacity. The 1,200MW power plant will be located in southeastern England (*Bloomberg*, 10/31).
- **EDP-Energias de Portugal** and its partners, including **Endesa** and **Electricite de France**, were awarded the first of two wind-power permits by Portugal's government, to install 1,200 MW of production capacity at Viana do Castelo in northern Portugal (*Bloomberg*, 10/30).



Generation Auction & Sale Calendar

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

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Alloy Power/West Virginia Alloy	Hawk's Nest Glen Ferris	Fayette, W.Va. Fayette, W.Va.	102 4.6	Hydro Hydro	JPMorgan	Brookfield Power agreed to acquire both facilities. Terms not disclosed. Deal expected to close by year-end 2006.
American Electric Power	Plaquemine Cogeneration Facility	Plaquemine, La.	880	Gas/Steam	N/A	Dow Chemical Co. will pay AEP \$64 million at closing, which is expected in December.
American Securities Capital Investments (Primary Energy Ventures)	Naval Station North Island NTC Oxnard Kenilworth Greeley Roxboro Southport North Lake (15.4%) Cokenergy (15.4%) Ironsides (15.4%) Portside (15.4%) Harbor Coal (15.4%)	San Diego, Calif. San Diego, Calif. San Diego, Calif. Oxnard, Calif. Kenilworth, N.J. Greeley, Colo. Roxboro, N.C. Southport, N.C. East Chicago, Ind. East Chicago, Ind. East Chicago, Ind. Portage, Ind. East Chicago, Ind.	47 41 25 49 30 82 60 120 75 95 50 64 N/A	Gas Gas natural gas natural gas natural gas natural gas solid fuel fired solid fuel fire waste energy waste energy waste energy natural gas pulverized coal	Lehman Brothers	Epcor Power is acquiring the operation for \$380 million. Deal slated to close in the 4th quarter
Astoria Energy	Astoria Plant	Queens, N.Y.	500	Gas	N/A	The partnership that owns the plant is said to be fielding offers from interested parties.
Atlantic City Electric Co.	B.L. England	Upper Township, N.J.	447	Coal/oil	Concentric Energy Advisors	Rockland Capital Energy Investments offered to buy for \$12.2 million so long as necessary approvals made by March 31, 2007.
BayCorp Holdings	Benton Falls	Benton, Maine	4.3	Hydro	Concentric Energy Advisors	N/A

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Calpine	Dighton Power Plant	Dighton, Mass.	170	Gas	N/A	BG North America agreed to acquire for \$90.2 million. Deal approved by the court and expected to close by mid-November
	Fox Energy Center	Kaukauna, Wis.	560	Gas	N/A	GE Energy Financial Services acquired leasehold interest. Calpine receives \$16.3m in cash and eliminates \$352.3m under sale and leaseback with GE.
	Russell City Energy Center	Hayward, Calif.	600 (proposed)	Gas	N/A	Bankruptcy Court approved the sale of a 35% equity interest to GE Energy Financial Services for \$44 million.
Cargill-led investor group	Granite Ridge	Londonderry, N.H.	720	Gas	Morgan Stanley	See story, page 3.
Complete Energy	Batesville	Batesville, Miss.	837	Gas	Dexia	A deal is expected in two weeks.
Constellation Energy	Big Sandy	Wayne County, W.Va.	300	Gas (peaker)	Credit Suisse	Tenaska Power Fund to purchase for \$1.635 billion in cash. Deal slated to close year-end/early 2007 (PFR, 10/16).
	High Desert	Victorville, Calif.	830	Gas		
	Holland Energy	Holland Township, Ill.	665	Gas		
	Rio Nogales	Seguin, Texas	800	Gas		
	University Park	Chicago, Ill.	300	Gas (peaker)		
Desert Power L.P.	Wolf Hills	Bristol, Va.	250	Gas (peaker)	N/A	MMC Energy signed non-binding letter of intent to acquire for \$3.5 million cash and assumption of \$28.7 million in debt. Facility needs repowering.
	Desert Power Plant	Rowley, Utah	100	Gas		
Dominion Resources	Armstrong Energy	Elderton, Pa.	600	Gas	Credit Suisse	Second round bidding underway (PFR, 10/9).
	Pleasants Energy	Pleasants, W.Va.	300 (peaker)	Gas		
	Troy Energy	Troy Township, Ohio	600 (peaker)	Gas		
DPL Inc.	State Line	Hammond, Ind.	515	Coal	Pace Global Energy Services Pace Global Energy Services Pace Global Energy Services	DPL is negotiating with lead bidder and expects to announce deal late this month.
	Darby Electric Generating Station	Mount Sterling, Ohio	447	Gas		
	Greenville Electric Generating Station	Greenville, Ohio	206	Gas		
	Montpelier Electric Generating Station	Poneto, Ind.	219	Gas		
EBG Holdings	Mystic 7	Everett, Mass.	560	Gas/Oil	Lehman Brothers	Preliminary non-binding bids are pointing to a \$2.5-2.7 billion price tag. Second round bids due over the next few weeks (PFR, 10/9).
	Mystic 8	Everett, Mass.	832	Gas		
	Mystic 9	Everett, Mass.	832	Gas		
	Fore River	Weymouth, Mass.	832	Gas/Oil		
El Paso Corp.	Capitol District Energy Center Cogeneration Associates (CDECCA)	Hartford, Conn.	67	Gas	N/A	Maxim Power acquired 100% interest in CDECCA and existing project partner Energy Investors Fund acquired El Paso's 56% interest in Berkshire Power. Terms not disclosed.
	Berkshire Power Co	Agawam, Mass.	243	Gas		
Invenergy	Hardee Power	Bowling Green, Fla.	370	Gas	Morgan Stanley	Sale effort may be halted.
Lake Road	Lake Road Power Plant	Killingly, Conn.	840	Gas	Credit Suisse	Non-binding bids have been submitted.
LEP Holdings	Liberty	Eddystone, Pa.	568	Gas	JPMorgan	Non-binding 1st round bids are due soon (PFR, 8/17).
Mirant	Curacao Utilities Co. (25.5%)	Curacao	133	Asphalt/Refinery Gas	JPMorgan	First-round bids expected this month.
	Grand Bahama Power Co. (55%)	Grand Bahama Island	151	Oil		
	Jamaica Public Service Co. (80%)	Jamaica	621	Oil/Hydro		
	PowerGen (39%)	Trinidad & Tobago	1.2 GW	Gas		



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

**Institutional
Investor NEWS**

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Mirant (cont'd)	Sual Generating Plant	Pangasinan, Philippines	1.2GW	Coal	Credit Suisse	Six bidders reportedly made the second round. Winner planned to be unveiled this month (PFR,9/25).
	Pagbilao Generating Plant	Quezon, Philippines	704	Coal		
	Apex plant	Las Vegas, Nev.	518	Gas	JPMorgan	Credit Suisse of JPMorgan are prepping staple financing (PFR, 10/2).
	Bosque	Clifton, Texas	537	Gas		
	Shady Hills	Pascoe County, Fla.	469	Gas/Oil		
	Sugar Creek	W. Terre Haute, Ind.	535	Gas		
	Zeeland	Zeeland, Mich.	840	Gas		
	West Georgia	Thomaston, Ga.	605	Gas/Oil		
Northeast Utilities	Northfield Mountain	Northfield & Irving, Mass.	1.1 GW	Pumped Hydro	JPMorgan	Energy Capital Partners' \$1.34 billion acquisition was completed Nov. 2.
	Mt. Tom Station	Holyoke, Mass.	146	Coal		
	Cabot	Turners Falls, Mass.	61.8	Conventional Hydro		
	Turners Falls	Turners Falls, Mass.	6.4	Conventional Hydro		
	Bantam	Bantam, Conn.	0.3	Conventional Hydro		
	Bulls Bridge	New Milford, Conn.	8.4	Conventional Hydro		
	Falls Village	Falls Village, Conn.	11	Conventional Hydro		
	Rocky River (Candlewood Lake)	New Milford, Conn.	29	Pumped Hydro		
	Shepaug (Lake Lillinonah)	Southbury, Conn.	42.6	Conventional Hydro		
	Stevenson (Lake Zoar)	Monroe, Conn.	28.9	Conventional Hydro		
	Robertsville	Colebrook, Conn.	0.6	Conventional Hydro		
	Scotland	Windham, Conn.	2.2	Conventional Hydro		
	Taftville	Taftville, Conn.	2	Conventional Hydro		
	Tunnel – Preston	Preston, Conn.	2.1	Conventional Hydro		
	Tunnel Jet – Preston	Preston, Conn.	20.8	Internal Combustion		
Progress Ventures	Walton	Walton, Ga.	450	Gas		JPMorgan Chase has launched a sale of the unregulated assets
	Monroe Power	Monroe, Ga.	350	Gas		
	Washington County	Washington County, Ga.	600	Gas		
	Effingham County	Effingham County, Ga.	500	Gas		

EMIRATES ENERGY

(continued from page 1)

speaking from New York's Four Seasons hotel.

In addition to building its war chest, the offering will be used as part of an effort to refinance \$6.1 billion in debt currently held at project subsidiaries. That refinancing is expected to take 12-18 months and will involve issuing at the holding company—formed in October last year—and also taking on commercial bank loans. Goldman is not necessarily a frontrunner to lead any subsequent offerings tied to this effort, says Barker-Homek, adding the company will audition other banks this quarter and next.

Taqa owns a 60% stake in six independent power and water projects via majority shareholder **Abu Dhabi Water & Electric Authority**. The remaining 40% stake of those units is held

privately by a group of sponsors including **International Power**, **Total** and **Suez**. **Moody's Investors Service** assigns Abu Dhabi a sovereign rating of Aa3, a notch lower than Italy.

The \$3.5 billion senior unsecured notes, via sole bookrunner **Goldman Sachs**, consisted of a seven-year, €750 million (\$957 million) tranche, priced at 45 basis points over swaps—equating to 66 basis points over seven-year German government bonds; a 10-year, \$1 billion tranche, priced 110 over comparable Treasuries, and a 30-year, \$1.5 billion tranche, priced 160 over Treasuries.

Orders were in excess of \$10 billion and the issue was priced at the tight end of initial guidance, according to **Aedan Macgreevy**, managing director at Goldman. **Abu Dhabi Commercial Bank** and the **National Bank of Abu Dhabi** served as joint lead managers. —K.B.

LEADS READY

(continued from page 1)

includes **Mitsubishi Corp.** and **Gulf Investment Corp.** Officials at ACWA could not be reached

Deal watchers say the package likely will mirror one structured for the 900 MW Saudi IWPP Shuaibah, which had \$2.5 billion in debt from multilateral financing institutions and commercial banks. Pricing on the Shuqaiq debt—expected to mature in more than 20 years' time—could be pitched around 100-110 basis points for the portion used to finance construction; and 100 basis points, stepping up to 170 basis points, for the portion used to finance operations.

Underpinning Shuqaiq is a 20-year offtake arrangement with the local **Water and Electricity Company**. WEC opened bids July 31 to three qualifying bidding consortia. One submission was led by **Marubeni/National Power Company** and featured banking support by **Japan Bank for International Cooperation**. Another was led by **Pendekar Power**, and was backed by **Arab Bank**, **Saudi Hollandi Bank** and **Standard Chartered**.

—Katy Burne

HOUSTON DEVELOPER

(continued from page 1)

the pair will be completed shortly make them too valuable to relinquish now. "Since reserve margins have gotten so low, and there are no new plants in Texas, there's greater return in holding onto these assets and continuing to build [in ERCOT]."

The holding entity for Houston-based energy developer **Navasota Energy Partners** had been fielding unsolicited offers to divest Colorado Bend Energy Center project in Wharton County and Quail Run Energy Center in Ector County near Odessa (PFR, 9/12).

A study released in September by ERCOT predicts that generation reserves are expected to drop well below a target minimum reserve of 12.5% by 2008.

Hudson balked at disclosing the identity of expressed interest buyers or the value of the unsolicited offers. He also declined to discuss the construction costs. Market observers, however, say the plants, which are being built in two phases, are worth approximately \$350-425 million, including the value of the land site—a price that could move significantly higher given the high demand for generation in prime locations.

At this point construction is well ahead of schedule. Phase two began Nov. 1 with a target completion within the next 12 months, Hudson notes, adding most developments

take up to two years. Funds for development, including debt and equity, have been derived from a trio of hedge funds, he notes, declining to name names or provide an investment breakdown.

Navasota expects to name a management firm to help manage the facilities in the next several days but Hudson declined to disclose the identity of the firm.

—Mark DeCambre

NEV. OUTFIT

(continued from page 1)

Solargenix Energy. Initial construction of the Nevada Solar One plant was financed on balance sheet with a €220 million (\$280 million) injection from Spanish parent **Acciona Energy**, but a non-recourse loan is being sought to complete the project. "We are lining up short-term financing for the balance of construction and a long-term loan," notes Misback, declining to disclose how much is being sought. The \$250-300 million project will become operational this spring.

Southern California Edison, **Pacific Gas and Electric Co.** and **San Diego Gas & Electric** all have ongoing solicitations for renewable power. State regulators have set a 2010 deadline by which 20% of the state's power must come from renewable sources.

An offering memorandum for commercial bank loans tied to the construction of Nevada Solar One was circulated a few months back and several submissions were made, both from domestic and international lenders. **Credit Suisse** and **HSBC** were believed to have expressed an interest (PFR 8/4), but no selection has yet been made, Misback says.

—K.B.

Quote Of The Week

"It's easier to sell Babcock & Brown paper than Eurowatt paper." —**Daniel Amaral** managing director at **Caixa Banco de Investimentos** in Portugal, on why different deal structures will be created for each of the sponsors in his bank's syndication of a loan to Babcock and Eurowatt for construction of 120 MW of French wind farms (see story, page 4).

One Year Ago In Power Finance & Risk

Carlyle/Riverstone was looking to exit its investment in the coal-fired Coletto Creek Power Station in Texas. [Carlyle/Riverstone and **Sempra Energy Partners**, who jointly acquired the 632 MW plant in a 50-50 venture for \$430 sold it July 10 to **International Power's** unit **American National Power**, for a cash consideration of \$1.14 billion.]