

# power finance & risk

The exclusive source for power financing and trading news

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## WestLB Goes CSFB Route

WestLB has filled out its roster of **Credit Suisse First Boston** alumni by tapping **Lou Iaconetti** to co-head its financial sponsors group. The power flavored group has been active in setting up a number of B loans recently.

See story, page 2

## Targa Finds Takers

**Targa Resources'** senior secured credit hit the secondary loan market last week and the B loan component headed north as high as 101.

See story, page 2

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## Place Your Bets, Or Cash Out?

### PRIVATE EQUITY PONDERES POWER GENERATION PLAYS

Rising natural gas prices have turned a buyer's market for power-generation facilities into a seller's market for some private equity firms which had already stocked up on the assets before the spike. Among them is **Carlyle/Riverstone** which is looking to exit its investment in the coal-fired Coletto Creek Power Station in Texas, according to *PFR* sister publication *Corporate Financing Week*. One private equity investor dubs the plant a "little **Texas Genco**," referring to the touchstone exit deal for the market: the \$8.3 billion sale of Texas Genco by a crew of private equity firms to **NRG Energy**. "They're all licking their chops and thinking 'How can I get a deal like Texas Genco?'" says **Lasan Jahong**, energy analyst at **RBC Capital Markets**.

(continued on page 8)

### MUNI PLAYERS EYE BONDS TO FUND LG&E \$1.1B EXPANSION

The **Indiana Municipal Power Agency** and the **Illinois Municipal Electric Agency** will go after about \$130 million each in tax-exempt municipal bonds next year to fund their part of the construction costs of **LG&E Energy's** planned \$1.1 billion expansion of its Trimble County plant. **LG&E** parent **E.ON** will pick up the rest of the tab.

**Bob Childers**, director of finance and business at **IMEA** in Springfield, says the agency will sell the bonds in late spring, early summer. **Gayle Mayo**, coo at **IMPA** in Carmel, couldn't pinpoint a timeframe, noting **IMPA** is waiting for the process to get a little farther along before deciding when it will go to market.

The expansion is a 750 MW coal-fired generating unit in which the two municipal power agencies own a 25% interest, according to **Laura Douglas**, spokeswoman for **LG&E**.

(continued on page 8)

### CHINA SUN CO. TEES UP SOLAR IPO

**Suntech Power** is plotting an initial public offering that could fetch as much as \$500-600 million over the next several weeks. The Hong Kong-based photovoltaic producer is looking to sell up to \$300-350 million in shares of the company on the **New York Stock Exchange** in the form of American depository receipts via lead underwriters **Credit Suisse First Boston** and **Morgan Stanley**, say bankers. The offering will allow **Suntech** to bulk up operation in mainland China, where renewable forms of energy are being pursued with vigor as the cost of fossil fuels such as natural gas and oil experience significant run-ups.

Bankers on the deal have been drumming up investor interest in the deal over the past months and are speculating demand could be heady enough to shop nearly another \$200 million in shares, noting that it would mark the first IPO of a solar company in China.

(continued on page 8)

Check [www.iipower.com](http://www.iipower.com) during the week for breaking news and updates.



## At Press Time

## Targa Resources Credit Hits Secondary Market Strong

Targa Resources' \$2.4 billion senior secured credit broke in the secondary market last week. The \$1.15 billion term B loan broke at 100 1/4 and traded as high as 101. Its \$700 million asset-sale term loan traded at 100 1/8. The deal also includes \$300 million synthetic letters of credit program. A trader said the credit, which was oversubscribed, traded well because of the company's sector. "Energy is popular because oil prices are going crazy," he said.

The credit, which backs Targa's acquisition of **Dynegy's** Midstream natural gas business (PFR, 10/17), has drawn a B+ rating from **Standard & Poor's**. It has a recovery rating of 2, which indicates an expected 80%-100% recovery of principal if it defaults. The facilities are secured by a first lien on stock and assets. Targa has a B+ corporate credit rating, which reflects its highly leveraged balance sheet, constrained cash flow and exposure to volatile commodity prices. The rating also takes into account Dynegy's good performance record on **Chevron** contracts.

## WestLB Adds Co-Head To Fin Sponsors Group

WestLB's financial sponsors group has hired **Lou Iaconetti**, a v.p. in **AMBAC Financial's** global utilities group, as the new co-head and managing director of its financial sponsors group. He starts Monday at the team which has been responsible for putting together the La Paloma deal, as an arranger of the B-loan package (PFR, 8/8) and the Wolf Hollow deal, in the same role (PFR, 10/31). Iaconetti will report to **Jim McPartlan**, the head of investment banking. McPartlan and **Santino Basile**, the other co-head and managing director of the group, did not return calls for comment. **Peter Poillon**, spokesman at AMBAC, and **Connie Kain**, spokeswoman at WestLB, also did not return calls.

Before AMBAC, Iaconetti was at **Credit Suisse First Boston**. He joins other new recruits of the newly formed group, **Juan Kreutz**, director, and **Jimmy Anderson**, a senior associate, who are also CSFB alums (PFR, 8/22).

## Nuke Construction Poses Financing Question

Southern utilities **Progress Energy** and **Duke Power** recently revealed they are preparing to file the necessary paperwork with the **United States Nuclear Regulatory Commission**, the first step in the arduous process of making a nuclear facility a reality. While the financing is some way down the track, financiers doubt non-recourse debt will be in the mix. Since both companies have just filed the preliminary paperwork, beginning construction is still about five years off, with operation another five years in the future. Duke Power estimates the cost for its project will be about \$4-\$6 billion.

**Tom Sullivan**, treasurer at Progress in Raleigh, N.C., says the company has not even considered its financing options, as it is in the very preliminary stages. He adds the last time the company built a nuclear facility, the Harris Nuclear Plant, the company ultimately put the costs into its rate base. **Tom Williams**, spokesman for Charlotte, N.C.-based Duke, echoes Sullivan's statements. Williams says the company has not determined the recovery mechanism for the costs.

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**Institutional  
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INTELLIGENCE FIRST

## Hedge Fund Money Bolts On 'No News' From TXU

A build up of hedge fund positions in anticipation of a TXU Corp. announcement of a major deal this week eroded quickly when the Dallas-based company announced there would be no news. "As soon as [ceo John Wilder] muttered those words, the stock dropped," says an analyst.

TXU stock dropped from a high of \$98.90 to a low of \$88.42 last week, before climbing back to \$90.44. The seesaw followed a statement that it would not be announcing a major deal during its presentation at the Edison Electric Institute Financial Conference in Florida this week, as had been anticipated by analysts and bankers. According to financiers, Wilder has been hinting for months the company was going to spin-off its distribution assets.

According to the analyst, a lot of hedge fund money had been building up in anticipation of this announcement. He did not know what options the company was looking at, but adds there still might be some sort of action on the table, including a nuclear asset swap that would diversify TXU's risks. A call to Chris Schein, spokesman for TXU, was not returned.

### Port In A Storm?

## Swiss Fund Eyes Weather To Pick-Up Performance

A natural resources fund of hedge funds managed by USD3.1 billion Swiss firm Harcourt Investment Consulting has performed poorly since it launched earlier this year, prompting the fund to reassess its allocation strategies and it may increase weather derivatives exposure. The Belmont Natural Resources fund, with just under USD100 under management, is down between 2.47% and 3.06% across its U.S. dollar, euro and Swiss franc share classes.

"We're certainly lagging others," acknowledges Stephen Williams, analyst. But the firm is still bullish about the strategy and will make concerted efforts to improve performance, adds Martin Zulauf, business development. Specifically, the firm plans to increase the fund's diversification across all commodities. For example, its minimal exposure to weather derivatives could be increased, says Williams.

The fund has made gains in crude oil and natural gas and has seen "steady, if not stellar" returns from exposure to the metals sector, says Williams. It suffered more in electricity and problems of liquidity and increased volatility have adversely affected returns, he continues.

## Reliant Set For B Loan Paydown With Orion Proceeds

Reliant Energy expects to use proceeds from the \$975 million sale of its Orion New York assets to pay off \$638 million of a B loan. "My sense is that probably most of the proceeds are going to end up going against the term loan B," Mark Jacobs, cfo, said on a third-quarter conference call last week. He added the company has to pay off the loan, which carries a 6% interest rate, before it can pay off \$550 million of callable 9.5% notes that mature July 2013 because of requirements in its financing agreements.

Jacobs also said Reliant would have opportunities in mid 2007 and mid 2008 to call the 9.5% notes and could refinance if rates were still lower at that point. Calls to Jacobs were not returned.

As first revealed on PFR's Web site (www.iipower.com, 9/30) Madison Dearborn and US Power Generating won the bidding contest for the generation portfolio, which includes the 1.2 GW Astoria complex as well as a 281 MW gas-fired plant in Narrows and a 549 MW facility in Gowanus.

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## Strategies

### Puget Energy Taps Equity To Capture Wind

Puget Energy, the parent company of Seattle-area utility **Puget Sound Energy**, recently sold 15 million shares, netting \$309.75 million to pay down short-term debt and help finance two wind farm projects. **Lehman Brothers** bought the shares at \$20.67 and sold them to the public at \$20.80, a \$0.51 discount to the previous day's close.

**Durga Waite**, director of investor relations, says Puget Energy has yet to determine how much of the proceeds will be used to pay down short-term debt and how much will help finance the estimated \$250 million cost to the company for the two wind generation projects: the Hopkins Ridge Wind Project and the Wild Horse Wind Project. At the end of the second quarter, the utility had more than \$159 million in a revolving credit facility. Much of this debt came from acquiring Hopkins in March and Wild Horse in September.

Waite says Puget Energy picked Lehman to handle the deal because its analyst **Daniel Ford** and the equity capital markets team are known and understand the company well.

### Empire District Sets Shelf For Aquila Deal, Investments

**Empire District Electric Co.** has obtained a \$400 million universal shelf earmarked to help support its acquisition of a natural gas utility from **Aquila** as well as to fund future developments.

A treasury official at the Joplin, Mo.-based investor-owned utility, declining to be identified, says the energy outfit wants to have a fresh shelf in place because just around \$50 million remains from an earlier one. The older shelf has been rolled into the new one, which allows the utility to issue debt or equity securities and direct proceeds toward investments such as financing its \$84 million Missouri Gas acquisition. Empire could look to issue long-term mortgage bonds with 10- or 30-year tenors.

**Gregory Knapp**, cfo, confirmed the official's comments via spokeswoman **Amy Bass**, but did not provide information on the types of securities it might issue. The utility expects to complete its gas utility acquisition sometime next year upon receiving regulatory approval. **UBS** advised the Empire District in arranging the shelf as it did on the previous one, the official says.

Funds from planned offerings are also expected to finance Empire District's 12% investment stake in the construction of Iatan II in Iatan, Mo. The 800-850 MW, coal-fired plant, which will cost \$1 billion to construct, is being developed primarily to

address customer demands for additional power in Missouri. **Aquila** and **Kansas City Power & Light** also own interests in the planned facility.

### MidAmerican Lines Up Construction Funding

**MidAmerican Energy Co.**, the Des Moines, Iowa-based subsidiary of **MidAmerican Energy Holdings**, issued \$300 million of 5.75% unsecured medium-term notes last week to fund its construction efforts. The notes will mature in 30 years.

**Karen Anderson**, an analyst at **Fitch Ratings** in Chicago, says the proceeds will be used to help fund the construction of two projects in Iowa: a wind farm and a coal plant, which are scheduled to go online by year-end and the summer of 2007, respectively. She did not know the final pricing on the notes. **Brian Hankel**, treasurer at MidAmerican Energy Holdings would not comment on the transaction. Anderson says MidAmerican has a 43.5/57.5 debt to total capital ratio. The offering is rated A- by Fitch.

**J.P. Morgan**, **LaSalle Capital Markets** and **Lehman Brothers** managed the offering, but it could not be determined why those banks were chosen. MidAmerican is expanding its generation program at a cost of \$1.4 billion. The company is adding about 1,667 MW of capacity, including a 517 MW natural gas combined cycle unit, a 790 MW coal fired plant and a 360 MW wind power facility.

### El Paso Unit To Fund Acquisition Via \$400M Placement

**Colorado Interstate Gas**, a subsidiary of **El Paso Corp.**, will use a recent \$400 million private placement partly to fund the acquisition of sister **Wyoming Interstate Co.** **Mihoko Manabe**, an analyst at **Moody's Investors Service** in New York, says El Paso has done this sort of transaction before, back in February 2003. The transactions raise liquidity and also simplify organizational structure, something El Paso has been working on for awhile, she adds.

The 6.8% 10-year deal was co-managed by **Credit Suisse First Boston** and **Citigroup** and priced at 225 basis points over Treasuries. **Bill Baerg**, manager of investor relations at El Paso in Houston, says the deal closed last week, but declined to comment further on the private deal.

**Ben Tsocanos**, an analyst at **Standard & Poor's** in New York, says \$212 million will go towards buying the Wyoming Interstate interest, and the remaining balance, about \$188 million, will be loaned up to the parent. El Paso will then keep the cash on hand

for extra liquidity. Tsochanos says El Paso wanted to have the liquidity there as an extra cushion.

As natural gas prices go up, Tsochanos says the price hedges El Paso has created would likely require more collateral postings—a good reason to have extra cash around. Baerg would not elaborate on the deal, or why the company chose to work with

Citigroup and CSFB.

Colorado Interstate Gas is a transporter of natural gas in the Rocky Mountain region. Its system is connected to supply basins in the Rocky Mountains as well as production areas in the Texas Panhandle, western Oklahoma, western Kansas and Wyoming.

## 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.*

### Asia-Pacific

- **Australian Gas Light Company**, the nation's biggest energy utility, will spin off its transmission unit to focus on expanding generation after agreeing to buy power producer **Southern Hydro** for AUD1.43 billion (\$1.1 billion) (*Bloomberg News*, 10/31).
- **Chevron** snared a long-term supply contract for part of its share of production from the proposed Gorgon project off Western Australia's north-west coast. The agreement with **Tokyo Gas** covers the supply of 1.2 million tons a year of LNG for 25 years, with marketing activities in Japan, South Korea and the U.S. (*Sydney Morning Herald*, 10/28).
- Pressure is increasing on **China National Offshore Oil Corp.** to find new sources of liquefied natural gas following last week's announcement of a long-term contract between **Chevron Corp.** and Japan's **Tokyo Gas**, according to the *Financial Times*. The *FT* said CNOOC and Chevron have been disputing the price to be paid by CNOOC for LNG gas from the U.S. group's Gorgon field (*AFX*, 11/01).

### Europe

- The European Commission rejected Italy and Portugal's request for Brussels to review the impact of **Gas Natural SDG's** hostile bid for fellow Spanish utility **Endesa** on the Italian and Portuguese markets (*The Daily Deal*, 10/28).
- **Electricite de France**, Europe's largest utility, plans to raise as much as €7 billion (\$8.5 billion) in the largest initial public offering globally for five years (*Bloomberg News*, 10/28).
- **Drax Group**, the owner of Europe's biggest coal-fired power station, said on Friday it planned to list in London Dec. 15, but was continuing talks over a possible sale of the company (*Reuters*, 10/28).

- The chief executives of Russia's **Gazprom** and Canada's **Petro-Canada** met to discuss the possibility of supplying liquefied natural gas from Russia to markets in North America. Gazprom plans to launch swap supplies of LNG to North America before the end of the year. It will continue such supplies on the basis of mid-term contracts with American companies in 2006-2009, after which it will begin direct supplies to the U.S. under long-term contracts (*RIA Novosti*, 11/1).

### North America

- **Sempra Energy** was accused in a class-action trial that began Wednesday of sparking California's energy crisis by conspiring to limit the state's gas supplies (*Bloomberg News*, 10/27).
- **Duke Power** plans to ask federal regulators for a license to build and operate a new nuclear plant in the Carolinas (*Associated Press*, 10/27).
- **Calpine**, the debt-laden U.S. independent power producer, is in talks to lease the Geysers, its 19 geothermal power plants in northern California, to avoid restrictions on its use of the proceeds if it sold the plants, according to people familiar with the discussions (*Financial Times*, 10/31).
- **Dynegy Inc.** has closed the sale of its midstream natural gas business to **Targa Resources Inc.** of Houston for \$2.4 billion (*Houston Business Journal*, 10/31).
- **Progress Energy** said it could seek approval to build two nuclear power plants - not just one, as it had earlier stated (*Triangle Business Journal*, 11/1).
- A federal judge indefinitely delayed jury selection in the criminal trial of **Reliant Resources** and four of its employees on charges of driving up electricity prices during California's 2000-2001 energy crisis (*Associated Press*, 11/1).

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● Premiers of Canada's western provinces and Alaska's governor have agreed to push forward with plans for the Alaska Highway natural gas pipeline project (*Associated Press*, 11/1).

● **Halliburton** subsidiary **KBR** is part of an international joint venture that has been awarded a contract to construct a \$2 billion liquefied natural gas plant in Yemen. The other two partners are **JGC Corp.** of Japan and the **Technip**, a French engineering and construction company. The partnership will build two LNG production lines with a capacity to deliver 6.7 million metric tons of LNG a year. The first unit is scheduled to start up by the end of 2008, with the second coming online five months later (*Houston Business Journal*, 11/1).

● The former head of **El Paso's** natural gas trading desk, **Jim Brooks**, has been indicted as part of an ongoing investigation of alleged manipulation of natural gas prices. His attorney said prosecutors informed him of the indictment last Monday, and that he must turn himself in by Wednesday for booking. The charges are not known, and have been added to existing charges against **James Pat Phillips**, a former El Paso gas trader who was indicted last November on two counts of false reporting, one count of conspiracy and one count of wire fraud. Phillips pleaded not guilty (*Houston Chronicle*, 11/01).

● Six members of the Passamaquoddy Tribe at Pleasant Point said they will file a federal lawsuit involving liquefied natural gas development issues against the **Bureau of Indian Affairs** and the **United States Secretary of Interior** at U.S. District Court in Bangor. The lawsuit is focused on the Bureau and Department's approval of a ground lease to **Quoddy Bay** to allow construction of an LNG terminal at Split Rock on the Pleasant Point reservation (*Bangor Daily News*, 11/2).

● A federal appellate court threw out the 24-year prison sentence of **Jamie Olis**, a former **Dynegy** executive convicted in 2003 for his role in an accounting fraud scheme (*Wall Street Journal*, 11/2).

● **TXU** said it doesn't currently plan to spin off its energy-delivery business, as some investors had anticipated, sending its shares down (*Wall Street Journal*, 11/2).

● The Army Corps of Engineers has scheduled two public hearings to discuss **Weaver's Cove Energy's** proposal to dredge the Mount Hope Bay shipping Channel in Rhode Island. To allow passage of LNG supertankers, Weaver's Cove must remove roughly 2.5 million cubic yards of sediment across seven miles (*The Providence Journal*, 11/2).

## Financing Record (OCT. 26-NOV. 2)

### Debt

Date	Issuer	Business Description	Amount (\$M)	Coupon (%)	Type	Maturity	Offer Price	YTM (%)	Spread	S&P	Moody's	Fitch
10/26/05	Southern Connecticut Gas	Gas utility	25	5.778	Medium-Term Nts	11/1/25	100	5.778	102	BBB+	A3	NR
10/27/05	Transportadora Gasene SA	Own,op natural gas pipeline	131.1	na	Promissory Nts	4/27/06	Market	na		NR	NR	NR

### M&A

Date Announced	Date Effective	Target Name	Target Advisors	Target Industry Sector	Target Nation	Acquiror Name	Acquiror Advisors	Acquiror Industry Sector	Acquiror Nation	Deal Value (\$mil)
10/26/05	-	MPEC Wroclaw SA	-	Electric, Gas, and Water Distribution	Poland	Fortum Oyj	Citigroup	Electric, Gas, and Water Distribution	Finland	73.067
10/26/05	-	MPEC Wroclaw SA	-	Electric, Gas, and Water Distribution	Poland	Fortum Oyj	Citigroup	Electric, Gas, and Water Distribution	Finland	56.401
10/27/05	-	Shijiazhuang Xinao Gas Co Ltd	-	Electric, Gas, and Water Distribution	China	Shijiazhuang Gas Group Co Ltd	-	Electric, Gas, and Water Distribution	China	10.037
10/28/05	-	Aare-Tessin fuer Elektrizitaet	-	Electric, Gas, and Water Distribution	Switzerland	AEM SpA	-	Electric, Gas, and Water Distribution	Italy	
10/28/05	10/28/05	Legend Era-Flor Sdn Bhd	-	Electric, Gas, and Water Distribution	Malaysia	Time Era Sdn Bhd	-	Electronic and Electrical Equipment	Malaysia	
10/31/05	-	Australian-Ret, Whl Energy Asts	Goldman Sachs JBWere Pty Ltd	Electric, Gas, and Water Distribution	Australia	Shareholders	-	Investment & Commodity Firms, Dealers,Exchanges	Australia	
10/31/05	-	Konsortium Abass Sdn Bhd	-	Electric, Gas, and Water Distribution	Malaysia	Titisan Modal(M) Sdn Bhd	-	Investment & Commodity Firms, Dealers,Exchanges	Malaysia	34.949
10/31/05	-	Southern Hydro Ltd	Credit Suisse First Boston First NZ Capital	Electric, Gas, and Water Distribution	Australia	Australian Gas Light Co	Macquarie Bank	Electric, Gas, and Water Distribution	Australia	1,066.04
11/1/05	-	Gaspart	-	Electric, Gas, and Water Distribution	Brazil	Mitsui & Co Ltd	JP Morgan	Wholesale Trade-Durable Goods	Japan	250

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## MUNI PLAYERS

(continued from page 1)

in Louisville, Ky., adding both IMPA and IMEA already own 25% in the first unit.

Childers says the agency considered other investment options to increase its generation options, but this was the lowest cost option. He noted muni bonds were used by the agency to fund its investment in the first unit at Trimble County.

Douglas says the air permit for the project is imminent, with other details of the project, including permitting and negotiations of the engineering contracts, following shortly after, with scheduled completion in 2010.

—*Mari Slater*

## PRIVATE EQUITY

(continued from page 1)

While some generation assets appear to be commanding fat premiums, some think that may only last as long as natural gas prices stay inflated. So whether to sell or hold is a reflection on where investors think natural gas prices are heading.

In March, Carlyle/Riverstone teamed up with **Sempra Energy Partners** to buy 50-50 stakes in the 632 MW Coletto plant for \$430 million. The partners could sell Coletto for a significant profit, said Jahong, as natural gas sold for \$7-\$8 when the duo bought the plant and is now selling around \$11.70. Gas is a key determinant of the profitability of coal-fired generation because most states allow prices to be set by the most expensive producer. Nuclear and coal-fired plants have low costs but are able to piggyback on rising gas prices and sell at the price now set by gas-fired plants.

**Michael Hoffman**, managing director at Carlyle/Riverstone, declined to comment on Coletto, citing his firm's current fund-raising efforts. The duo is planning to raise its largest fund—a \$2.5 billion *Carlyle/Riverstone Global Energy & Power Fund III*—focused on power and energy infrastructural investments (PFR, 9/26). "If you own coal or nuclear you're doing well," Hoffman said, speaking about the market generally.

A successful seller's market requires willing buyers. Hoffman says a lot of companies were hunting for capacity, though he declined to name any. Another observer points to **Dynegy**, which is sitting on \$1.7 billion in cash and whose CEO, **Bruce Williamson**, has said he might buy assets. —*Matthew Craft*

## CHINA SUN

(continued from page 1)

Additional details about the offering could not be ascertained. A call to Suntech's offices in Hong Kong were not returned, nor were calls to officials at Morgan Stanley. CSFB officials declined comment.

Suntech makes crystalline silicon photovoltaic cells, which are the most widely used for solar power production in China. Last year the company produced 50 MW in power and is targeting production of 120 MW this year. One of the main drivers of the company's relatively rapid growth is the fact that China's solar markets, one of the most developed in the world with some 12 GW of solar power, has seen growth of 60% per year, says one banker tracking the deal.

Proceeds will specifically be used to fund expansion plans including buying materials, one banker says. Those plans could also include acquiring another corporation here or abroad, the financier notes. Also listed as underwriters is **SG Cowen** and **CLSA Asia-Pacific Markets**. Calls to those firms were not immediately returned.

—*Mark DeCambre*

## Amplification

**Duquesne Light Holdings** will use the issuance of its \$400 million mixed shelf registration to funnel funds to its subsidiary **Duquesne Light Co.** for an overhaul of the subsidiary's infrastructure. Due to a reporting and editing error *PFR* mischaracterized the situation in a story last week.

## Quote Of The Week

"My sense is that probably most of the proceeds are going to end up going against the term loan B." —**Mark Jacobs**, CFO at **Reliant Energy**, on the planned use of proceeds from its sale of the Orion generating assets (see story, page 3).

## One Year Ago In Power Finance & Risk

The retail syndication launch of the \$2.2 billion **Texas Genco Holdings** deal had been postponed, for some extra tweaking. The deal was being arranged to finance the \$3.65 billion acquisition of Texas Genco by **The Blackstone Group**, **Hellman & Friedman**, **Kohlberg Kravis Roberts & Co.** and **Texas Pacific Group**. [The private equity firms are selling up to **NRG Energy** in an \$8.3 billion deal.]

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