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Web Exclusives

Calpine has called a halt to new generation projects, unless the schemes can be financed via the non-recourse debt markets.

El Paso Corp.'s QF auction has reached the final round.

Gamesa Energía is setting up a London office and has hired a former **National Wind Power** executive to spearhead the effort.

For the full stories go to *PFR*'s Web site (www.iipower.com)

EX-ENERGY CHIEF SUES AIG FOR BREACH OF CONTRACT

Robert Feilbogen, former co-head of Greenwich, Conn.-based **AIG Trading**'s **AIG Energy** unit, has filed a lawsuit against the firm for breach of contract. The lawsuit, which was filed with the U.S. District Court of the District of Connecticut, claims AIG terminated Feilbogen's employment contract in July and that the firm failed to honor a guarantee to pay a bonus of $1.3 million, which Feilbogen claims had been

(continued on page 11)

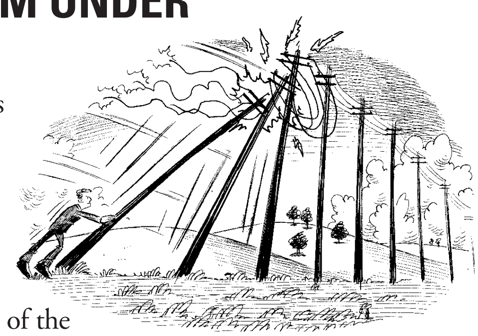
FORMER NEG IPP PREPS 12-PLANT SALE

National Energy & Gas Transmission, formerly **PG&E National Energy Group**, is set to put a portfolio of 12 qualifying facilities scattered across the U.S. up for sale. Market watchers familiar with the Bethseda, Md., power producer, say its investment banking advisor **Lazard Frères**, could launch a sales process as early as this month. **Natalie Wymer**, a spokeswoman at NEGT, did not return calls.

NEGT's QF portfolio consists of 1,043 MW of net capacity primarily situated in the

(continued on page 12)

UTILITIES PULL THE RUG FROM UNDER $4B TRANSMISSION PLAYER



TRANSLink Management Development Corp. is winding down its operations after some of utility backers who were going to transfer $4 billion of transmission networks to the new company effectively scuppered the plan.

Alliant Energy, **MidAmerican Energy** and **Xcel Energy** were the main investor-owned utility backers of the

(continued on page 12)

EDISON PLOTS BOND MARKET FORAY TO REFINANCE LOOMING LOANS

Edison Mission Energy has reportedly mandated **Credit Suisse First Boston** to lead a bond offering as part of its effort to restructure a raft of bank debt coming due shortly, say financiers tracking the debt negotiations. The IPP has a $911 million loan falling due Dec. 11 and EME's ability to repay this deal has been the focus for many lenders over the past few months. The size of the potential bond deal and its timing could not be ascertained. **Kevin Kelley**, a spokesman for EME, declined comment on the refinancing

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

At Press Time

TECO Pulls Sale Of Coal And Transport Businesses

TECO Energy has scrapped the sale of it coal and transport businesses. Wall Street bankers say the Tampa, Fla.-based energy company pulled the auction because it had trouble finding suitable buyers. "It's a legitimate source of cash for them and assets like a barge business might be a hard sell as it delivers coal to a few distinct places, such as **Tampa Electric** plants, and not many others," says one banker.

Mark Kane, director of investor relations, says TECO decided to retain the businesses, which was reportedly being sold by **Merrill Lynch**, because the company has satisfactorily improved balance sheet liquidity over the past year.

Kane adds that **TECO Transport** recently renewed a contract to supply fuel for the next five years with Tampa Electric and is awaiting approval for the deal from the Florida Public Utilities Commission on Nov. 12.

Bank One Pitches Tax-Driven Wind Farm Financing

Bank One has been pitching a financing package to wind farm developers under which it funds construction via a structured equity investment and in return takes the tax credits associated with the production of wind generation.

The structure allows small, under-capitalized developers that dot the wind farm development landscape to maintain long-term ownership in projects, rather than having to sell out to big energy players who have the funds to complete construction. "It's almost like a real estate play. You find a site, sell out to someone like **FPL Energy** and then walk away," says one banker of the traditional approach of small developers who sell projects to major players.

John Eber, an official at Bank One in Chicago, declined comment on any aspect of the firm's involvement in the wind power sector, and calls to spokesman **Tom Kelly** were not returned.

One financier familiar with the outline of the structure says it is based on the 10-year stream of production tax credits, which currently stand at $0.018 per KWh. Bank One takes an equity stake in the project of say 90% for those first 10 years, funding construction and using those tax credits against its other revenues. After the 10 years are up and the tax break expires, ownership flips so that the developer takes 90% and Bank One has the residual 10%.

It's unclear whether the bank has done any deals, though it has signed several confidentiality agreements with wind farm development companies, says one financier.

Another banker notes that small wind farm developers generally don't have a particularly long-term horizon and under this structure they'd be tied up for 10-years.

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Lazard's Meade Joins Fund Manager

Andre Meade, utilities research analyst at Lazard in New York, has joined mammoth mutual fund combine **Capital Research** in Los Angeles. Calls to Meade were not returned.

Meade has been replaced at Lazard by **Andy Smith,** an associate analyst at the bank. Smith says Meade left over the summer and took some time off before joining Capital Research within the last couple of weeks. He notes a new associate has been added to the Lazard team following his elevation and sector coverage remains the same. The team is focused primarily on utilities, with the exception of **Calpine** from the merchant end of the market.

Meade and Smith both joined Lazard last year (PFR, 6/3/02) as part of the blue-chip investment bank's move in to the power sector.

FPL, Bluewater Vie For Wind Contract

Bluewater Wind, a New York-based wind power developer, and Florida wind energy giant **FPL Energy** are competing to land a **Long Island Power Authority**-sponsored 20-25 year green energy off-take contract that requires the winner to build a 140 MW wind farm off Long Island's south shore.

LIPA originally intended to award the contract on Sept. 30, but has put back the selection date until year-end, says **Bert Cunningham**, spokesman at LIPA. "There are some lingering issues regarding the placement of a substation that will connect the project to the grid, [such as] where it should be located, who builds it, and who pays for it," explains Cunningham.

Peter Mandelstam

If Bluewater lands the LIPA contract it intends to spend some $250-400 million building the wind farm, says **Peter Mandelstam**, president of Bluewater. He notes the Bluewater's wind farm would consist of 39 3.6 MW **General Electric** turbines installed several miles off the coast of Jones Beach, Long Island. All of the wind farm's output would be sold to LIPA under the long-term contract.

The involvement of LIPA should make the project easy to finance in the loan market. "Once we get that contract, we can go to any bank on the planet and get financing," enthuses Mandelstam, adding that the developer submitted a detailed financing proposal to LIPA, including letters of support from banks and equity investors. "It's a great project," says Mandelstam. "Equity investors will get an after-tax unleveraged return of 8-12% annually for the life of contract." If Bluewater wins, he expects financing to close in the third quarter 2005.

Michael O'Sullivan, senior v.p. of development, at FPL Energy did not return calls.

IPPs Looks To Develop Navajo Nation Power Plant…

Houston IPP **Steag Power** and **Diné Power Authority** (DPA), a Navajo Nation energy development company based in Window Rock, Ariz., are looking to build a 1.3-1.5 GW power plant at Shiprock, N.M. in the Navajo Nation. DPA has invested some $20 million in the project so far and will take a 25-49% interest in the plant, with Steag Power, the U.S. arm of Essen, Germany-based Steag, owning the rest.

Steve Begay, general manager at the DPA, says the joint venture is presently seeking the necessary environmental permits before forging ahead with the $1.4 billion coal-fired generation project. He adds the scheme should be ready for financing in 16 months and the plant should be on line by early 2009.

"The idea is that we mine our coal, burn our coal and consume our coal and get returns for the tribe," says Begay of the Navajo tribe's involvement in the project.

No off-take contracts have yet been signed for the plant, but the **Navajo Tribal Utility Authority** likely will take between 30-60 MW of power, says Begay. The remainder of the output will be sold into neighboring states.

A banker familiar with the deal says the new plant will help offset the closure of **Southern California Edison**'s 1,580 MW Mojave plant, in Laughlin, Nev., which the Rosemead, Calif.-based utility may mothball at the end of 2005 because it requires over $1 billion in environmental upgrades. **Marlon Walker**, a spokesman at SCE, says the utility is still reviewing whether to close the plant.

Dirk Straussfeld, president of Steag Power, did not return calls.

…As Trans-Elect Retains Macquarie

Reston, Va.-based **Trans-Elect** has hired **Macquarie Bank** to advise on the financing of a 470 mile, $600 million transmission line that will link a new Navajo Nation coal-fired plant in New Mexico to a distribution hub in Nevada.

Tom Capasse, a banker at Macquarie, confirmed that the Australian bank has been retained and says the wires project is in initial planning stages.

The above-ground line will run from Shiprock, N.M., across Navajo land to a distribution hub just south of Las Vegas.

Robert Mitchell, coo at Trans-Elect, says the new plant's developers, **Steag Power** and **Diné Power Authority**, are developing the transmission line and plant in conjunction, but the sources of financing will be separate. "The transmission line and the plant are symbiotic," says Mitchell, "And we will look to coordinate the line and plant financing at the same time, but the plant will take twice as long to build."

The transmission line should be completed by the end of 2007.

Lead Banks Sell Down Spanish Loan

Retail syndication of **AES'** EUR659 million Cartagena non-recourse loan is set to close oversubscribed later this month, say project financier involved in the deal. A 10-strong group of lead banks had been looking to sell down at least EUR40 million during retail syndication, but already have received commitments in excess of EUR80 million and are still awaiting several responses from some regional Spanish creditors, says one banker.

The lead banks are offering tickets of EUR30 million, EUR20 million and EUR10 million for commitment fees of 110, 100 and 90 basis points, respectively (PFR, 10/13).

AES is using proceeds of the loan to fund the construction of the 1.2 GW AES Energia Cartagena power plant in Spain.

Calpine Looks To Speed Up Calif. Plant Construction

Calpine is aiming to speed up construction on a 750 MW combined-cycle gas-fired facility located south of Bakersfield, Calif., because it sees improving spark spreads rebuilding power plant valuations in the Golden State. The move is a quick about-face for the San Jose-based power plant developer. Earlier this year Calpine won creditor approval to slow down construction of the project that is being financed by its $2.5 billion CCFC2 construction loan (PFR, 4/14). "With the refinancing of CCFC1, Calpine has seen that the market value of Californian assets is higher than other regions," says one lender, referring to the IPP's other mega-construction loan which was repaid this summer (PFR, 8/11).

Pastoria Energy Center, Calif.

Bankers expect Calpine to get the green light for the move within the next few weeks. Under the terms of CCFC2, lender approval is required for an explicit slowdown or speeding up of construction at any project, as the former impacts the value of collateral at the loan's maturity and the latter diverts cash flow that otherwise would pay down the loan's principal.

The Pastoria Energy Center is a two phase development with 250 MW set to come online initially. One lender says the first phase will be completed by the time CCFC2 matures late next year if the banks approve the move. From Calpine's point of view having the plant up and running improves the asset profile of its plant portfolio when it looks to refinance the loan, and that is a high priority for the company. "CCFC2 represents about a third of the company's assets," says one financier, underscoring how motivated the company is to execute a successful refinancing.

Black Hills Looks To Divest New England Plant

Black Hills Energy, a Denver-based unregulated power wholesaler, is putting Pepperell Plant, a 40 MW gas-fired merchant facilty in Massachusetts, up for sale. **Dale Jahr**, director of investor relations, says the sale reflects Black Hills' desire to refocus its efforts in the western states. "With the sale of our hydro assets, the Massachusetts plant really sticks out like a sore thumb," he explains. Black Hills has not hired a bank to conduct the sale, and is reviewing whether it needs do so.

At the end of September, Black Hills sold its ownership interest in seven hydroelectric power plants located in upstate New York. The purchasers were affiliates of **Boralex**, a Canadian industrial conglomerate. "This leaves us with a whole bunch of assets out west, and nothing else out east," says Jahr. "We have a growth strategy, but intend to stay focused on the west."

Black Hill used the roughly $186 million of proceeds from the Empire State sale to reduce debt.

LIPA Breaches Deadline For Awarding Offtake Contract

The **Long Island Power Authority** is still evaluating 15 competing bidders' proposals to land a long-term power supply contract linked to the development of a 600 MW power plant. LIPA was set to announce a winner Nov. 1, but bidders have yet to hear anything from the Long Island utility.

After the initial deadline for submissions this summer (PFR, 9/1) LIPA had some minor follow up questions, says **Guy Marchmont**, an development official at **American National Power**, which has made a joint pitch with **KeySpan Corp.** He adds there has been no word emanating from LIPA on when the decision will be made. Calls to **Bert Cunningham**, a spokesman for LIPA, were not returned.

Landing the contract is seen as key prerequisite for the development of any new generation project on the capacity constrained island. Both ANP and KeySpan are at advanced permitting stages for their respective 250 MW facilities in Brookhaven and Melville. The winning company will be required to supply power by early summer 2007.

Corporate Strategies

NiSource Adds Financing Flexibility

NiSource Finance Corp. incorporated a six-month call into a new $250 million offering of 18-month floating-rate notes to give the gas utility the option to take down the debt ahead of time if it doesn't need the cash next year.

The bond offering is earmarked to provide working capital for NiSource's gas storage operations, says **David Vajda**, v.p. and treasurer in Merrillville, Ind., adding the flexibility of the callable deal is well suited to the fluctuating cash demands of gas storage. Annual gas storage needs at NiSource's utility operations are expected to peak this month.

David Vajda

Next year, NiSource expects to generate $200-300 million of free cash flow and also has only around $120 million of debt maturing. So the call feature will allow the utility to take out the paper if it has sufficient capital without it, Vadja explains.

The floating-rate notes were issued alongside a $250 million fixed-rate tranche of 3.2% three-year bonds. Vajda says the funds raised will also be used to refinance $750 million of bonds that mature Nov. 15. Those bonds, which formed part of the financing for NiSource's acquisition of **Columbia Energy Group**, had a three-year maturity and carried a coupon just north of 7%. The tighter pricing on the new fixed-income tranche primarily reflects better bond market conditions, he adds.

The bond offerings were led by **Credit Suisse First Boston** and **McDonald Investments**. With a small universe of U.S. investors looking at floating-rate debt, Vajda says the ability to place debt in that market was the main consideration in selecting CSFB and McDonald. Some 20 investors signed up for the floating paper and that leg of the deal was upsized from a planned $150 million to the $250 million mark.

NiSource Finance is the primary financing subsidiary for **NiSource Inc.**, the parent company of **Northern Indiana Public Service Co.** and Columbia Energy.

Missouri Utility Issues Low-Cost Debt

Midwest investor owned utility **Empire District Electric** issued $62 million in senior unsecured notes Oct. 30 to retire a little over $60 million in mortgage bonds. "We're taking advantage of interest rates," explains **Janet Watson**, treasurer at the Joplin, Mo., utility, noting that the new bonds' 6.7% coupon was lower than the existing debt, despite shifting out of secured into unsecured notes.

Watson says Empire District Electric chose to issue unsecured bonds in part because the **Missouri Public Service Commission** did not approve it offering more first-mortgage bonds. "That's the only kind of bond you need approval for, and we didn't get it incorporated into our shelf," she explains. Attractive pricing also prompted the utility to issue unsecured debt, she adds.

The bond offering was underwritten by **UBS**, which is the utility's investment bank of choice for capital market forays. "We have other lenders, but UBS is really where we go to do this sort of thing."

Empire District serves 154,000 customers in Missouri, Arkansas, Oklahoma and Kansas.

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 & Australasia

• Talk is brewing that U.S. power producer **Edison Mission Energy** may dump its 51% stake in New Zealand power generator and retailer, **Contact Energy**, the *Australian Financial Review* reported (*Dow Jones*, 11/2).

Europe & Middle East

• Four international companies and a consortium are interested in buying up to 73% of **Karachi Electric Supply Corp.**, a utility supplying Pakistan's largest city, according to Pakistan's Privatization Commission. The interested companies are Swiss developer **ABB**, U.S. firm **Cornerstone Partners**, the U.K.'s **Independent Power** and Saudi Arabia's **Kanooz Al Watan**. Another application came from a consortium of three companies—Pakistan's **Hasan Associates**, Kuwait-based **Al Bayarak Al Baida Co**. and Turkey's **IOSKOM**. KESC has an installed capacity of 1,750 MW, and provides electricity to a population in excess of 12 million (*Dow Jones*, 11/6).

• **First Calgary Petroleums** has signed an agreement with Algerian national oil company, **Sonatrach**, to jointly develop a natural gas field in the North African nation. **Richard Anderson**, ceo of the Calgary, Alberta-based energy concern, said the agreement likely includes the construction of a 650 million cubic feet per day plant for processing the natural gas and natural gas liquids. The development is estimated to cost $700 million (*Reuters*, 11/3).

• Spanish utility **Iberdrola**, gas company **Gas Natural** and to a lesser extent Spanish power company **Endesa** are interested in buying 75% of the Tapada combined-cycle power plant in Portugal, owned by German power giant **RWE**. The 990 MW plant supplies 16% of Portugal's demand. RWE's 75% stake is valued at EUR550 million. Offers are due in this Tuesday (*Expansion*, 11/3).

• Russia's Prime Minister, **Mikhail Kasyanov**, has approved the creation of the country's first wholesale market for electricity since 1917. Energy trades set at unregulated prices started on Nov. 1. The first stage will allow a few Russian power companies to sell a limited amount of electricity via an unregulated marketplace over the next three years, a trial period before the sector is fully deregulated in 2006 (*London Sunday Business*, 11/4).

• **Vattenfall** has appointed **Hans von Uthmann**, a former **Shell** executive, to a new position heading its Nordic operations. He will take up the post at the Swedish utility on Nov. 17. "In the present stage of Vattenfall's development, in which we are consolidating on an increasingly integrated European market, it is natural to coordinate the Nordic countries under a joint management," explained CEO **Lars Josefsson** (*Dow Jones*, 11/5).

• **ScottishPower** plans to spend more than GBP1 billion ($1.67 billion) over the next 18 months expanding its U.S. and U.K. operations. Some 70% of the new investments are expected in the U.S. where ScottishPower's West Coast division **PacifiCorp** is profiting from soaring power demand in Utah. To meet this demand ScottishPower is looking to build a $350 million 525 MW power plant at Current Creek, Utah (*Financial Times*, 11/5).

Latin America

• Brazil's **Eletrobras** is considering intervening in a 400 MW power plant owned by **El Paso Corp.**, if the U.S. company cuts power supplied from the plant to Manaus city, in the northern Brazilian state of Amazonas. "If they switch off the plant we'll occupy it, and we'll do it by force if we have to," says Eletrobras CEO **Luiz Pinguelli**. Since January Eletrobras and El Paso have been involved in a dispute over the price of electricity delivered by El Paso (*Dow Jones*, 11/3).

U.S. & Canada

• **Reliant Resources** is taking a $1 billion charge against third-quarter earnings to write down the value of its wholesale power plant portfolio. Houston-based Reliant began a review to determine the market value of its plants earlier this year after reaching a deal to sell an Arizona plant at a loss. Reliant is studying whether it wants to sell, retire or mothball various plants (*Houston Chronicle*, 10/31).

• **Dynegy** has agreed to sell its **Illinois Power** utility to Chicago-based **Exelon Corp.** for $425 million in cash. The deal sees the Houston merchant energy player divest its smallest and only regulated business segment, leaving the company with unregulated power generation and natural gas liquids businesses. Exelon will also take on $1.8 billion of debt in the deal (*Associated Press*, 11/3).

• **Duke Energy**, **Dynegy**, **Enron** and **Coral Power** have failed to reach settlements with the **Federal Energy Regulatory Commission** and now face a formal agency hearing on charges of manipulating electricity prices during the California energy crisis (*Reuters*, 11/3).

• New England's power grid operator and the region's power transmission owners have filed a proposal with federal regulators to create a regional transmission organization, according to system operator **ISO New England**. ISO New England operates the $4.5 billion wholesale marketplace for more than 14 million people in Massachusetts, Maine, Connecticut, Vermont, New Hampshire and Rhode Island (*Reuters*, 11/3).

• Lawyers for ex-**Dynegy** executive **Jamie Olis** told jurors in his trial's opening arguments that auditors from **Arthur Andersen** engaged in "tricks" that they brought to the Houston energy giant and its board. Prosecutors told jurors in their opening arguments that Olis and others withheld information about Dynegy's Project Alpha deal from Andersen. Olis is facing conspiracy and fraud charges at his trial in Houston (*Houston Chronicle*, 11/4).

• **Andrew Fastow**, Enron's former cfo, wants his trial moved out of Texas, in part because a survey shows most Texans who are aware of his criminal case think he's guilty, but fewer people outside Texas may know about the case. In court papers filed Oct. 31, Fastow, who faces nearly 100 charges in connection with the energy trader's collapse, asked a U.S. district judge to stay with the case but try it in a different state. Fastow has pleaded not guilty to charges including fraud, money laundering, conspiracy to commit securities fraud and insider trading (*Houston Chronicle*, 11/4).

• Bankrupt power producer **Mirant** has finalized the sale of its stake in the 242 MW Birchwood power plant in Fredricksburg, Va., to **General Electric** for $71 million. The deal, announced in May, closed Oct. 31 after delays caused by Mirant's Chapter 11 filing in July. Mirant will retain a 0.5 % stake. **Cogentrix** owns the remaining 50% of the facility (*Reuters*, 11/4).

• The White House, in its boldest step yet to salvage the faltering energy bill, has urged House Republicans to accept a Senate plan to modify tax breaks for corn-based ethanol, say administration officials. Rewriting the nation's energy policy, which involves $16 billion in tax breaks to boost oil drilling, coal production, nuclear power plant development and the use of ethanol as a gasoline additive, is a priority of the Bush administration (*Reuters*, 11/5).

• **Bertrand Valdman**, a former **J.P. Morgan** managing director is set to become senior v.p. and cfo of **Puget Energy** in January when incumbent **Steve McKeon** retires. Valdman also becomes cfo at **Puget Sound Energy**, Puget Energy's utility arm (*Dow Jones*, 11/4).

• Trade groups representing commercial and investment banks are urging Senate leaders to oppose a bill to strengthen oversight of energy trading and derivatives. The proposal aims to beef up anti-fraud and anti-price manipulation laws, but the bank lobbyists argue the change undermines the legal certainties established under the Commodity Exchange Act (*Dow Jones*, 11/4).

• The **Environmental Protection Agency** is dropping investigations into 50 power plants for past violations of the Clean Air Act because of a change in enforcement policy. Cases will be judged under new, less stringent rules set to take effect next month, rather than the stricter rules in effect at the time the investigations began. Those rules grew out of a recommendation by Vice President **Dick Cheney**'s energy task force. The change could mean that the utility industry could avoid making as much as $10 billion to $20 billion in pollution-control upgrades (*New York Times*, 11/6).

• The **Electric Reliability Council of Texas** is planning an expansion that includes doubling the size of its 24-hour operations center and adding 100 more staffers by late next year. The Texas grid operator will also break ground by January on a 75,000-square-foot expansion of its control center in Taylor, allowing 150 other employees at rented offices and trailers to move to one central location (*Associated Press*, 11/6).

• A U.S.-Canadian task force's pending report on the Aug. 14 blackout is likely to highlight several causes that caused grid problems to spiral out of control rather than any single trigger. U.S. Energy Secretary **Spencer Abraham**, who is heading up the U.S. side of the task force, said the investigation is unlikely to point to a single cause (*Dow Jones*, 11/5).

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 **Will Ainger**, managing editor, at (44-20) 7303-1735 or e-mail wainger@euromoneyplc.com.*

Seller	Plants	Location	MW	Plant Type	Advisor	Status
AEP	Fiddler's Ferry	U.K.	2,000	Coal	Citi	Intention to sell.
	Ferry Bridge	U.K.	2,000	Coal	Citi	
	El Bajio	Mexico	600 (50%)	Gas	WestLB	
	Mulberry	Fla.	120 (45%)	Gas	CSFB	Seeking non-binding bids by end of October.
	Orange	Fla.	103 (50%)	Gas		
	Brush II	Colo.	68 (50%)	Gas		
	Thermo Cogen	Colo.	272 (50%)	Gas		
American Electric Power	Barney M. Davis	Texas	697	Gas/oil	CSFB	Launched sale process in June as part of deregulation of Texas market.
	E.S. Joslin	Texas	254	Gas/oil		
	J.L. Bates	Texas	182	Gas/oil		
	Laredo	Texas	178	Gas/oil		
	Lon C. Hill	Texas	559	Gas/oil		
	Victoria	Texas	491	Gas/oil		
	La Palma	Texas	255	Gas/oil		
	Nueces Bay	Texas	559	Gas/oil		
	Coleto Creek	Texas	632	Coal		
	Oklaunion	Texas	54 (7.8%)	Coal		
	Eagle Pass	Texas	6	Hydro		
	South Texas	Texas	630 (25%)	Nuclear		
AES Fifoots Point	Fifoots Point	U.K.	363	Coal	KPMG (Administrator)	Looking to sell plant.
Allegheny Energy Supply	Armstrong	Penn.	356	Coal	J.P. Morgan	Ongoing.
	Hatfield	Penn.	1,600 (75%)	Coal	Citibank	
	Mitchell	Penn.	442	Coal	J.P. Morgan	
Aquila	Koma Kulshan	Wash.	14 (49.9%)	Hydro	Lehman Bros.	Launched sale in June.
	Stockton Cogen	Calif.	60 (50%)	Coal		
	BAF Energy	Calif.	120 (23%)	Gas		
	Badger Creek	Calif.	50 (48.8%)	Gas		
	Lake Cogen	Fla.	110 (99.9%)	Gas		
	Pasco Cogen	Fla.	108 (49.9%)	Gas		
	Orlando Cogen	Fla.	126 (50%)	Gas		
	Rumford Cogen	Maine	85 (24.3)	Coal		
	Topsham	Maine	14 (50%)	Hydro		
	Selkirk Cogen	N.Y.	345 (19.9)	Gas		
	Onondaga Copgen	N.Y.	91	Gas		
	Mid-Georgia Cogen	Ga.	306 (50%)	Gas		
	Jamaica Private Power	Jamaica	65 (21.4%)	Diesel		
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention to sell.
Black Hills Energy	Pepperell	Mass.	40	Gas	-	Intention to sell.
CenterPointEnergy	Texas Genco portfolio (12 plants)	Texas	14,175	Variety	-	Reliant Resources has option to purchase portfolio in early 2004
CMS Energy	Ensenada	Argentina	128	Gas-fired	Not chosen	Announced intention to sell.
	CT Mendoza	Argentina	520	Gas-fired	J.P. Morgan	
	El Chocon	Argentina	1,320	Hydroelectric	J.P. Morgan	
Citi-led bank group (NEG developed plants)	Lake Road	Conn.	840	Gas	Lehman Bros.	Seperate auction for each plant.
	La Paloma	Calif.	1,121	Gas	Lehman Bros.	
Covanta Energy	Heber	Calif.	52	Geothermal	None	Caithness/ArcLight have bid $170m for the three plants
	SIGC	Calif.	48	Geothermal	None	
	Mammoth	Calif.	40	Geothermal	None	
Duke Energy North America	Lee Energy	Ill.	640	Gas	J.P. Morgan	
	Bridgeport Energy	Conn.	480 (67%)	Gas		
	Grays Harbor (in construction)	Wash.	650	Gas		
	Deming Energy (in construction)	N.M.	570	Gas		

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Duke Energy North America	Moapa Energy	Nev.	1,200	Gas		
	Griffith Energy (50%)	Ariz.	600	Gas		
	Maine Independence	Maine	520	Gas		
El Paso Europe	Enfield	U.K.	396 (25%)	Gas	No Advisor	Looking to exit Europe.
	EMA Power	Hungary	70	Coal		
	Kladna	Czech Rep.	350	Coal		
El Paso North America	Barstrop	Texas	543 (50%)	Gas	Citigroup	Final bids due.
(Merchant assets)	Bayonne	N.J.	171	Gas		
	Camden	N.J.	150	Gas		
	CDECCA	Conn.	58	Gas		
	Fulton	N.Y.	45	Gas		
	Newark Bay	N.J.	123	Gas		
	Pawtucket	R.I.	67	Gas		
	Rensselaer	N.Y.	79	Gas		
	San Joaquin	Calif	48	Gas		
El Paso North America	Ace	Calif.	100 (48%)	Coal	Banc of America	Launched sale in June.
(Contracted assets)	Mt Poso	Calif.	50 (16%)	Coal		
	NCA 1	Nev.	86 (50%)	Gas		
	Front Range	Colo.	480 (50%)	Gas		
	Badger Creek*	Calif.	46 (26%)	Gas		
	Bear Mt*	Calif.	45 (51%)	Gas		
	Chalk Cliff*	Calif.	45 (51%)	Gas		
	Corona*	Calif.	50 (20%)	Gas		
	Crockett*	Calif.	240 (5%)	Gas		
	Double C*	Calif.	46 (26%)	Gas		
	High Sierra*	Calif.	46 (26%)	Gas		
	Kern Front*	Calif.	46 (26%)	Gas		
	Live Oak*	Calif.	45 (51%)	Gas		
	McKittrick*	Calif.	45 (51%)	Gas		
	Cambria	Penn.	85	Coal		
	Colver	Penn.	100 (28%)	Coal		
	Gilberton	Penn.	80 (10%)	Coal		
	Panther Creek	Penn.	82 (50%)	Coal		
	Dartmouth	Mass	68	Gas		
	MassPower	Mass	252 (50%)	Gas		
	Midland Cogen	Miss.	1,500 (44%)	Gas		
	Prime	N.J.	66 (50%)	Gas		
	Mid-Georgia	Ga.	300 (50%)	Gas		
	Mulberry	Fla.	115 (46%)	Gas		
	Orange	Fla.	96 (50%)	Gas		
	Orlando	Fla.	114 (50%)	Gas		
	Vandola	Fla.	680 (50%)	Gas		
Endesa	Conatillor	Chile	172	Hydro	N/A	Ongoing.
Energy East	Ginna	N.Y.	470	Nuclear	J.P. Morgan	Looking to sell by year-end.
Entergy Asset Management	Crete	Ill.	320	Gas	Deutsche Bank	Launched sale in September.
	Robert Ritchie	Ark.	544	Gas/oil		
	Warren Power	Miss.	314	Gas		
	Top of Iowa	Iowa	80	Wind		
	RS Cogen	La.	425 (49%)	CHP		
	Roy S. Nelson	La.	550 (20%)	Coal		
	Harrison County	Texas	550 (70%)	Gas		
	Independence	Ark.	842 (15%)	Coal		
Exelon	Mystic 8	Mass.	800	Gas	Lehman Bros.	Has shortlisted bidders. Looking to execute a quick sale.
	Mystic 9	Mass.	800	Gas		
	Fore River	Mass.	800	Gas		
Fife Power	Fife	U.K.	115	Coal	KPMG (Administrator)	El Paso placed plant in administration.

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
InterGen	El Bajio	Mexico	600 (50%)	Gas	No Advisor	Ongoing
LG&E Power	Roanoke Valley	N.C.	178 (50%)	Coal	N/A	Sent out RFP in April.
	Gregory Power	Texas	550 (50%)	Gas		
	Palm Springs	Calif.	42 (50%)	Wind		
	Tyler	Minn.	27 (50%)	Wind		
	Van Horn	Texas	41 (33%)	Wind		
	Tarifa	Spain	30 (46%)	Wind		
Mirant	Kendall	Mass.	270	Oil	CSFB	Ongoing.
	Shady Hills	Fla.	474	Gas	BofA	Ongoing.
	West Georgia	Ga.	640	Gas		
	Bosque County	Texas	538	Gas		Looking for advisor to assist with sale.
	Wichita Falls	Texas	77	Gas		Looking for advisor to assist with sale.
NRG	Gladstone Power	Australia	1,500 (37.5% stake)	Coal	ABN AMRO	Awaiting bids.
(Asia)	Flinders	Australia	760	Coal		
	Hsinchu	Taiwan	400 (60% stake)	Gasfired		
	Lanco Kondapalli	India	340 (30% stake)	Gas/Oil		
	Collinsville	Australia	192 (50% stake)	Coal		
NRG	TermoRio	Brazil	1040 (50% sake)	Gas	Deutsche Bank	Awaiting bids.
(Latin America)	COBEE	Boliva	220 (98% stake)	Hydro/Gas		
	Itiquira Energetica	Brazil	160 (98% stake)	Hydro		
	Cementos Pacasmayo	Peru	66	Hydro/Oil		
	Bulo Bulo	Bolivia	90 (60% stake)	Gas-fired		
	Cahua	Peru	45	Hydro		
NRG	CEEP	Poland	10 (10% stake)	-	Goldman Sachs	Ongoing.
(Europe)	Enfield	U.K.	380 (25%)	Gas-fired		
	MIBRAG	Germany	238 (50% stake)	Coal		
NRG	Big Cajun II	La.	2,400 (90%)	Coal	-	Ongoing.
(U.S.)	Pike	Miss.	1,192	Gas		
	Batesville	Miss.	1,129	Gas		
	Brazos Valley	Texas	633	Gas		
	Kaufman	Texas	545	Gas		
	Big Cajun	La.	458	Gas		
	Bayou Cove	La.	320	Gas		
	Sabine River	Texas	420 (50%)	Gas		
	Sterlington	La.	202	Gas		
	Mustang	Texas	485 (25%)	Gas		
	Pryor Cogen	Okla.	88 (20%)	Gas		
	Timber	Fla.	13.8	Biomass		
	Power Smith	Okla.	80 (9.6%)	Gas		
Oman (Ministry of Housing,	Rusail	Oman	730	Gas	CSFB	-
Electricity & Water)	Ghubratt	Oman	507	CHP		
	Wad AlJazzi	Oman	350	Gas		
Ontario Power Generation	Lennox	Ontario	2,140	Oil, gas	Merrill Lynch &	Ongoing.
	Lakeview	Ontario	1,140	Coal	Scotia Capital	
	Atikokan	Ontario	215	Coal		
	Thunder Bay	Ontario	310	Coal		
PG&E National Energy Group	Bear Swamp	Mass.	599	Hydro	Lazard Frères	Ongoing.
	Masspower	Mass.	267	Gas		
	Salem Harbor	Mass.	745	Coal & Oil		
	Pittsfield	Mass.	173	Gas		
	Brayton Point Station	Mass.	1,599	Coal		
	Manchester Street Station	R.I.	495	Gas		
Reliant Resources	Argener	Argentina	160	CHP	-	-
SG-led bank group	Athens	N.Y.	1,080	Gas	Blackstone	Assessing bids.
(NEG developed plants)	Covert	Mich.	1,170	Gas		
	Harquahala	Ariz.	1,092	Gas		
	Millennium	Mass.	360	Gas		
Tractebel North America	Ripon Cogeneration	Calif.	49	Gas	Navigant	Launched sale in May.
	San Gabriel	Calif.	41	Gas		

* Looking to sell the California-located Jupiter portfolio as a single block

Financing Record (OCTOBER 29 - NOVEMBER 6)

Bonds

Issue Date	Maturity	Issuer	Amount ($ mil)	Offer Price	Type of Security	Coupon (%)	Spread to Treasuries	Moody's	S&P	Bookrunner(s)
10/29/03	01/15/14	CenterPoint Energy	160	99.508	Notes	5.95	178	Ba1	BBB	Barclays/CSFB
10/29/03	11/15/33	Empire District Electric	62	99.611	Notes	6.7	157	Baa2	BBB-	UBS

M&A

Date Announced	Date Effective	Target Name	Target Country	Acquiror	Acquiror Country	Deal Value ($mil)
10/30/03	10/30/03	FELS Energy(Zinhua)	China	Dragon Rich Intl Invest	China	-
10/30/03	10/30/03	Zunhua Xinli	China	Hua Kong Enterprise Invest	China	17.6
10/31/03	-	Graninge	Sweden	Sydkraft	Sweden	465.811
10/31/03	10/31/03	Hidroelectrica San	Spain	Cooperativa Electrica San	Spain	0.696
10/31/03	-	OAO Yakutskenergo	Russian Fed	Unified Energy	Russian Fed	-
11/02/03	-	Shijiazhuang Dongfang	China	Harper & Harper	Canada	80
11/04/03	-	SmVAK	Czech Republic	Penta Group	Slovak Rep	63.806
11/04/03	-	Vodovody A Kanalizace Beroun	Czech Republic	Energie AG Oberoesterreich	Austria	-
11/04/03	-	Vodovody a Kanalizace Jizni	Czech Republic	Energie AG Oberoesterreich	Austria	21.828

Source: **Thomson Financial Securities Data Company**. For more information, call **Rich Peterson** at (973) 645-9701.

EX-ENERGY

(continued from page 1)

promised for this year. In the lawsuit, a copy of which was obtained by *PFR* sister publication *Derivatives Week*, Feilbogen is seeking lost remuneration in addition to legal costs.

Anne Vladeck, attorney at **Vladeck, Waldman, Elias & Engelhard** in New York, which is representing Feilbogen, declined to comment further than what is stated in the suit. Feilbogen could not be reached for comment. **Joe Norton**, spokesman at AIG Trading's parent, **American International Group,** in New York, declined comment.

The dispute follows AIG's decision early this summer to merge AIG Trading with **AIG Financial Products** (PFR, 6/2). The lawsuit claims **Marty Wayne**, managing director at AIG FP, sent Feilbogen a letter in June informing him that his employment was moving to AIG FP, and that he would work as a managing director, reporting to Wayne. In the letter Feilbogen was promised a base salary of $250,000 and told he would be eligible for additional discretionary compensation, it added.

The lawsuit continues that the letter also stated that it "superseded all prior discussions, agreements and understandings of any kind and nature between [Feilbogen] and AIG-TG or AIG-FP regarding the terms of [his] employment." Wayne was on vacation last week and could not be reached for comment.

Feilbogen then wrote to **Joseph Cassano**, president of AIG FP, stating that he would sign the letter if the "superceded" quote were removed and AIG agreed to honor the previously promised $1.3 million bonus for 2003, according to the lawsuit. It said that Cassano replied on July 9 that Feilbogen could choose to sign the letter as written, or resign from his post. Feilbogen did not sign the letter and was informed by **Douglas Poling**, general counsel at AIG FP, on the same day that his employment with the firm had been terminated "as a result of his decision to resign."

Poling did not return calls. *—Karen Brettell*

EDISON PLOTS

(continued from page 1)

talks, and **John Gallagher**, a spokesman at CSFB, did not respond to questions by press time.

One lender says the bond refinancing route was floated a few months back, and now appears to be back in the frame. He was unsure why the idea has resurfaced, but notes that the lack of time appears to point to some form of refinancing that doesn't involve protracted loan restructuring talks. With the Thanksgiving holiday falling before the Dec. 11 cut off, the company is cutting it fine to get even a loan extension approved by its lending group's credit committees, let alone a full scale restructuring, says another banker in the deal.

Another lender adds that the talks between EME and its lead banks seem to be running at such a leisurely pace that a bond market refinancing seems the most likely outcome. Without some form of restructuring EME, the unregulated generation arm of **Edison International**, will likely end up in Chapter 11 (PFR, 8/11).

The loans holding center stage are at EME's **Edison Mission Midwest Holdings** unit. Because of ratings downgrades, cash is now being trapped at the unit and is being used to pay off the debt. The $911m loan has amortized down to $780.7 million. Edison Mission Midwest also has an $808 million loan falling due next year. The size of this loan currently stands at $692.7 million.

Calls to **J.P. Morgan**, agent on the loans, were not returned by press time. *—P.T.*

FORMER NEG

(continued from page 1)

Northeast and Florida. NEGT also partly owns two QFs in Oregon and California. It's largest position is a 65% stake in the 258 MW Cedars Bay coal-fired combined heat and power plant in Jacksonville, Fla.

Intriguingly, says market watchers, all the plants, bar those on the West Coast, are partly owned by Charlotte, N.C.-based **Cogentrix**, a rival IPP that's being acquired by **Goldman Sachs** for some $2.4 billion (PFR, 10/27). They argue Goldman will likely bid on the NEGT portfolio so it can take full control of the QF portfolio. "I can't see Goldman wanting a rival financial bidder getting control of these plants," reasons one banker. Calls to **Doug Kimmelman**, managing director in Goldman's commodities group, were not returned.

NEGT is selling its QF business to raise cash and help pay back creditors. The embattled IPP filed for Chapter 11 bankruptcy protection in July to better able it to restructure and meet its debt obligations.

The QF portfolio is probably worth $300-500 million, says one market watcher, adding it's one of NEGT's few remaining investments that could fetch substantial amounts of money.

—Will Ainger

UTILITIES PULL

(continued from page 1)

plan that would have created the largest independent transmission company (ITC) in the U.S. **Kirk Edelman**, cfo, says the transmission owners decided not to proceed in the face of regulatory uncertainty at both the state and federal level. "They're just not going to go forward with it," he says.

Industry officials say the plan turned sour late last month when Xcel decided against pressing ahead. With the Minneapolis player set to contribute around 45% of the new company's transmission assets, the other backers decided the plan wasn't viable and pulled out as well.

Dave Sparby, an Xcel official responsible for government and regulatory affairs, says the company is currently taking another look at whether the specifics of the TRANSLink model make sense given the changes in the market over the last year. He says the review will take 30 days and ahead of its conclusion it's premature to talk about what Xcel may do with its nearly $2 billion transmission business.

It's unclear what Xcel's precise motives are, says one market watcher, who argues Xcel is unlikely to look to sell off its wires business. The TRANSLink structure would have allowed Xcel to sell its wire assets at book value and also receive an equity stake in the new ITC company. If Xcel sells the assets in the open market it will be taxed on the above book gain and also will probably be forced by state regulators to give back some of that premium to rate payers. The company may simply want to keep its options open while there is such uncertainty surrounding the passage of the Energy Bill, he argues.

Ryan Stensland, a spokesman at Alliant, says the Madison, Wis., player is still behind the project, but is looking at its options for transmission. That could mean just keeping the assets or possibly linking up in another industry group.

TRANSLink's failure surprises some industry observers, not least because the ITC had landed a deal to secure external private equity backing. **First Reserve Corp.**, one of the largest private equity firms in the energy sphere, was lined up in September to invest up to $200 million in TRANSLink for transmission investments or acquisitions. Though some states had blocked TRANSLink from taking control of transmission assets (PFR, 7/28), the post-blackout pressure for transmission reform was expected to ease that process.

TRANSLink has only spent some $15 million to date, as the ITC has not made any capital investments. A permanent staff of around half a dozen was working alongside staffers from its backers and TRANSLink would have had 100-200 staff if it had gone operational.

Edelman, a former banker who joined the ITC early this year (PFR, 3/6), says he is looking to stay in the energy sector either as a finance official at an energy player or return to the banking community.

—Peter Thompson

Quote Of The Week

"The Massachusetts plant really sticks out like a sore thumb."—**Dale Jahr**, *director of investor relations, explaining* ***Black Hills Energy****'s decision to divest the 40 MW Pepperell plant, its only asset on the East Coast (see story, page 4).*

One Year Ago In Power Finance & Risk

Calpine was sounding out banks on refinancing its mammoth $1 billion CCFC1 construction facility. The IPP was considering tapping the bond market to refinance a portion of the deal and then using the project finance mart to soak up the balance. [Calpine used a $750 million package of first- and second-lien term loans and floating-rate notes placed by **Goldman Sachs** in the institutional market to take out the loan and soaked up the balance from a string of successful refinancings and asset sales (PFR, 8/11). The CCFC1 facility was fully paid down.]