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CSFB, BLB Launch FPL Wind Funding

Credit Suisse First Boston and **BayernLB** are in the mart with a \$300 million deal for a **FPL Group**.

See story, page 3

Barclays Sees Boost In DENA Buy

Barclays Capital's acquisition of **Duke Energy North America's** trading book will be used to help juice the firm's energy derivatives presence.

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CITI, ABN TO SHOP \$550M HYDRO BONDS

Leads Citigroup and ABN AMRO plan on hitting the market with a \$550 million private offering to refinance a fleet of hydro-electric assets in upstate New York acquired from **Reliant Energy** by **Brookfield Asset Management** (formerly known as **Brascan Corp.**). The original non-recourse debt, which is backed by 71 hydroelectric plants totaling 674 MW and one 95 MW co-generation facility (PFR, 9/6/2004) was a bridge loan that needed to be reworked 18-24 months from the time it was obtained. Three additional hydro-electric plants have been bundled into the note offering, which will be completed in two parts—a \$175 million, 12-year slug and a \$375 million offering of 20-year bonds.

Kelly Marshall, senior v.p. at Brookfield subsidiary **Brascan Power** in Toronto, did not return a call for comment. Officials at Citi and ABN also did not return calls.

(continued on page 11)

MIRANT PREPS \$1.5B EXIT PACKAGE

A \$1.5 billion bankruptcy exit financing package for Mirant is being readied for syndication by **JPMorgan Chase**, **Goldman Sachs** and **Deutsche Bank**. Expected to take the form of a six-year \$1 billion revolver and seven-year \$500 million term loan, the funds will pave the way for the re-emergence of the Atlanta-based IPP from bankruptcy, say bankers tracking the deal.

The financing comes on the heels of overwhelming approval of the company reorganization plan last



(continued on page 12)

ITALY DEBUTS €1B GREEN ENERGY SECURITIZATION

Electricity bill tariffs in Italy which fund green-friendly energy are set to be securitized in a deal reckoned to be worth €1 billion (\$1.2 billion). The transaction, currently being structured, is being jointly arranged by **Nomura Securities**, **Lehman Brothers** and **Banca IMI** and is expected to come to market in the first quarter of 2006, according to *PFR* sister publication *Securitization News*.

GRTN, the government-owned energy supplier, is required by law to buy power generated by environmentally-friendly CIP-6 plants. The difference between the costs and revenues resulting from the sale of CIP-6 energy is covered by a tariff, known as A3, which is placed on all electricity bills. One official believes GRTN will use the money raised from the securitization of these receivables to reduce the cost of electricity bills by advancing a

(continued on page 12)

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

Goldman Sounds Out Lenders For Eagle Rock Loan

Goldman Sachs is aiming to draw interest this week for a \$475 million acquisition financing it is syndicating for **Eagle Rock Energy's** purchase of six gas processing plants and about 3,700 miles of gas-gathering lines located in the Texas Panhandle from Tulsa, Okla.-based **ONEOK**. Debt represents roughly 90% of the \$528 million price tag, with the remainder of the deal being funded via equity from Eagle Rock and **Natural Gas Partners**, an Irving, Texas-based private equity fund.

Alfredo Garcia, cfo at Houston-based Eagle Rock, says the company bought the assets because it thought it would be a good platform for growth. He adds Eagle Rock plans on acquiring more assets in the future, but would not provide details. **David Leischer**, v.p. at Goldman in New York, did not return a call nor did **John Weinzierl**, managing director at Natural Gas.

The facility includes a seven-year \$400 million term loan and a five-year \$75 million revolver and letter of credit facility. Financing is expected to be completed in the first week of December, a banker looking at the deal. Pricing is still being determined.

Megan Whalen, spokeswoman at ONEOK, says the company will use the proceeds from the sale to reduce debt or purchase more assets. She would not provide details.

Ohio Valley Utility Pitches \$445M In Emission Notes

Ohio Valley Electric Corp. is placing privately, via a trio of underwriters, \$445 million in 20-year notes to pay down existing debt and fund a power plant upgrade. The offering, targeted at institutional investors, was launched last Wednesday by leads **KeyBanc**, **LaSalle Bank** and **WestLB** and is expected to be tied up over the next several days. Formed in 1952 by 15 sponsoring electric companies in the Ohio Valley, including **American Electric Power** and **FirstEnergy**, the company's unsecured debt is rated BBB- by **Standard & Poor's**. **John Brodt**, OVEC treasurer in Piketon, Ohio, did not return a call for comment. Officials at lead underwriters did not return calls.

Pricing on the debt has not been yet been set. The offering is intended to replace \$305 million in 5.94% notes led by **ABN AMRO** and **McDonald Investments**, which are set to mature in February. A \$60 million revolver also will be a part of the refinance but details on that portion could not be learned.

OVEC's two plants are Kyger Creek Plant in Cheshire, Ohio, and Clifty Creek near Madison, Ind., which began operations in 1955 and, are connected by a network of 776 miles of 345-kilovolt transmission lines. Environmental upgrades were launched to put in place scrubbers to reduce the emission of pollutants.

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Big Apple Hedge Fund Sees Spark On Back Of Drax

John A. Levin & Co.'s *Levco Debt Opportunity Fund* was up 151 basis points in September, partly on the back of its position in a U.K. merchant coal power plant. **AES Drax** received an unsolicited bid from **Perry Capital** and **Constellation Energy**. "That bid caused both our AES Drax and **Eggborough** (another U.K. coal plant) positions to trade higher," says a letter to investors.

The fund is up 8.25% for the year through September, yet the firm has opted to liquidate it and other event-driven funds after Levin was unable to reach an agreement with the teams managing the funds. **Stuart Kovensky**, portfolio manager, was out of the office, and did not return a call by press time.

Carlson Analyst Preps Fund

Christopher Floyd, an energy and utilities analyst with **Carlson Capital**, is preparing to launch an energy-focused hedge fund Jan. 1. Floyd, who left **Clint Carlson's** \$4 billion multi-strategy hedge fund firm earlier this year, is currently raising capital for his startup, called **Opsis Capital Management**. The new offering will invest in equities, commodity futures and derivatives that focus on energy and commodities, says a prime broker.

The fund is currently being pitched to high-net-worth individuals, family offices and fund of funds. Floyd will probably launch the fund with about \$75 million. The minimum investment is \$1 million. Floyd, who is said to be setting up shop in Dallas, could not be reached for comment.

Alternative Energy Is Hot Spot For Hedges

With oil prices hovering around \$57 a barrel, hedge funds are looking at alternative energy sources as attractive investments. **Peter Fusaro**, chairman of **Global Change Associates** and the **Energy Hedge Fund Center**, says he is seeing increased hedge fund investment in companies involved in alternative energies such as wind, solar, and hydrogen fuel cells. "These areas are blossoming because of high fuel costs," Fusaro adds. "I think this is going to be the next wave of interest in the energy market."

Some notable hedge funds, such as **Ritchie Capital Management**, **Kingdon Capital Management** and **Perry Capital Management**, have added alternative energy components to their portfolios. Fund of funds are also getting in on the act, adding hedge funds that invest in alternative energy sources to their portfolios.

Sol Waksman, president and ceo of **The Barclay Group**, a Fairfield, Iowa-based firm that tracks commodity trading

advisors, says because alternative energy sources are becoming cheaper than traditional fuel products, there is an increased interest in these commodities. "These alternative energies were uneconomical in the past, with fuel prices being so low. Now, with higher fuel costs and improved technologies for these alternatives, this sector is suddenly a more economical choice for investors," Waksman adds.

GE Nears Wrap Of ArcLight Asset-Backed Loan

GE Capital Markets, in conjunction with **GE Commercial Finance Energy Financial Services**, is expected to complete a refinancing of seven power plants and a transmission project with an asset-backed loan for private equity shop **ArcLight Capital Partners** some time this week. The Stamford, Conn.-based energy financial services company is talking to a handful of banks to take on \$15-20 million tickets in the \$72.8 million loan, one banker says. As PFR was going to press, at least one bank group made a firm commitment to participate in the deal, which GE has already fully funded. The financing will allow ArcLight to take some equity off the table and boost its returns. Calls to **Heidi Milne**, ArcLight spokeswoman in Boston, were not returned and press officials at GE were unable to comment.

Although a relatively small loan for GE, market players believe the deal is relationship driven. ArcLight and GE jointly own the 240 MW **Crockett Cogeneration** facility near San Francisco in **Crockett, Calif.**

Four of the properties being packaged in the loan are power plants in California with PPA contracts with long-term contracts with **Public Service Electric and Gas Company**, while the rest of the assets are in Philadelphia, Illinois and Florida. GE is hoping to land a five-year deal at about 2 3/4% over LIBOR with no upfront fee. A special purpose entity **Katahdin Power Holdings** will be used as the collateral vehicle for the package loan.

CSFB, BLB Kick Off Clubby FPL Wind Funding

Credit Suisse First Boston and **BayernLB** are in the market with a roughly \$300 million deals for a portfolio of wind farms for **FPL Group**. Details of the financing package were closely held by the members of the clubby unit as its sponsor FPL issued the gag order to participants. The financing will carry some merchant risk because the facilities do not yet have PPAs in place. It comprises existing wind farms in the ERCOT market but the exact makeup could not be learned. Calls to **Paul Cutler**, treasurer at FPL in Juno Beach, Fla., were not returned. **Ray Wood**, managing director at CSFB, did not return calls nor did bankers at BLB. The deal is expected to be completed over the

next few weeks.

A few extra bells and whistles could be included in the financing to address its merchant nature, including having its financial sponsors put in place a short-term synthetic PPA, observers say.

FPL Group has approximately seven wind projects in ERCOT: the 82.5 MW Indian Mesa wind farm, a 75 MW Southwest Mesa wind facility, a wind farm totaling 160 MW known as Woodward Mountain. It also has a 66% stake in Windpower Partners 94 facility, totaling 27 MW and owns wind farms Callahan Divide totaling 116 MW, and the 29 MW Delaware Mountain project as well as King Mountain, which has a capacity of 281 MW. All the plants serve as base-load facilities.

Corporate Strategies

Ohio Power To Go Retro On Plants

Ohio Power Co. has sold \$200 million of 5.3% five-year senior unsecured notes to help fund environmental retrofitting plants and some infrastructure projects, says **Pamela Sutton-Hall**, managing director of corporate finance at parent **American Electric Power** in Columbus.

The five-year notes, which have a spread of 80 basis points over Treasuries, were issued because higher demand for debt at that tenor was anticipated. The lead managers of the sale were **Merrill Lynch** and **Morgan Stanley**. Sutton-Hall says the firms have been involved in other Ohio Power debt offerings.

Denise Furey, an analyst with **Fitch Ratings** in New York, notes Ohio Power's debt to EBITDA is three times. Because AEP frequently funnels cash to subsidiaries through inter-company loans, its credit, from a rating agency perspective, supports the deal. According to **AEP Securities and Exchange Commission**

filings, Ohio Power has \$15.4 million in short-term, non-affiliated debt and \$12.4 million in long-term, non-affiliated obligations coming due this year.

El Paso Loads \$400M Revolver Ahead Of Winter

El Paso Corp. has inked a \$400 million, six-month secured revolver with **Fortis Capital** as it gears up for winter and potential short-term spikes in natural-gas prices. The additional capacity is needed to write letters of credit that act as collateral for gas hedges, says **Ben Tsocanos**, analyst at **Standard & Poor's**. The revolver is collateralized by El Paso's natural gas reserves, and it was executed as a private placement since El Paso does not have a shelf registration and the private placement market offered a quick turnaround, says **Bill Baerg**, investor relations manager.

Pricing on the revolver varies based on the level of borrowings; if less than 50% of the capacity is tapped, the rate is LIBOR plus 175 basis points. The rate increases by 25 basis points if 50% is used. If 75% is used, the rate inches up another 25 basis points and will settle at 250 basis points if 90% is used.

In addition to this revolver, El Paso has \$3 billion in revolving credit, of which \$1.2 billion has been borrowed and \$1.6 billion has been tapped for letters of credit, says Baerg.

Avista Taps Long-End For Construction, Revolver Trimming

Avista Corp. issued \$100 million of 6.25%, 30-year first mortgage bonds last week to help pay down a portion of a credit facility and to fund construction. Spokane, Wash.-based energy company has an ongoing construction program that includes rebuilding and replacing transmission and distribution systems, says **Diane Thoren**, assistant treasurer. She explains the bonds were issued from a shelf registration it had established about a year ago. About \$150 million of the shelf remains. The company has about \$350 million in corporate credit facilities with about \$157 million outstanding.

The bonds were priced at 150 basis points off comparable Treasuries. **Goldman Sachs** and **Lehman Brothers** were the leads on the offering, with **AG Edwards** and **BNY Capital Markets** taking co-manger slots. Thoren says Avista has worked with those firms before, so it was comfortable with the institutions' capabilities.

At the end of September, Avista had a debt to capital ratio of 60:40. Thoren says the company would like to get that down to about 50:50 and is working toward that goal by improving its operating cash flows.

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Southern Co. Shops 10-Year Notes To Tackle CP

Southern Co. has sold \$250 million of 5.75%, 10-year senior notes in order to pay down commercial paper used for general corporate purposes. **Earl Long**, assistant treasurer in Atlanta, says the refinancing has been under consideration for a few months and the trigger was pulled because it took the view rates weren't going to get much lower than present levels. Rates on 10-year Treasuries were at 4.53% last Wednesday.

The offering, which is callable after five years at par, was co-led by **Lehman Brothers**, and **Wachovia Securities**. **ABN AMRO**, **Blaylock & Partners**, **Morgan Keegan**, and **SunTrust Robinson Humphrey** also serve as participants. Southern has put call provisions in place on all notes issued this year even though rates are at historical lows. Long says call premiums are currently

priced lower than the value Southern put on them in its own analysis. He also notes while rates are predicted to rise, no one can accurately project where rates will end up in 10 years. Southern has longstanding relationships with both of the leads.

Kimberley Greene, senior v.p. of finance, says there was strong interest in the offering and the usual fixed-income investors, such as insurers, were among the buyers. Southern has \$10.89 billion in long-term debt, excluding \$919 million in securities due within one year.

Long says Southern has \$750 million of revolving credit capacity. Upon completion of the offering, about \$200 million of that will be used to back up commercial paper. Including subsidiary entities, Southern has approximately \$3.3 billion in revolving credit. About \$700 million of its credit capacity is currently being used to back up short-term variable tax-exempt debt and \$775 million supports commercial paper.

Financing Record (NOVEMBER 4-NOVEMBER 15)

Debt

Rule 144A	Issue Date	Issuer	Business Description	Amount (\$ mil)	Coupon (%)	Type of Security	Maturity	Offer Price	YTM(%)	Spread	S&P	Moody's	Fitch
	11/4/05	Termopernambuco SA	Electric utility	180.1	Floats	Debentures	12/6/11	Market	na		NR	NR	NR
	11/4/05	Termopernambuco SA	Electric utility	22.5	Floats	Debentures	5/6/13	Market	na		NR	NR	NR
	11/8/05	Eesti Energia(Estonia)	Electric,gas utility	353.6	4.5	Fxd/Straight Bd	11/18/20	99.412	4.554	73	A-	A3	NR
Yes	11/9/05	Kewespo	Cogeneration plant	300	5.25	Fxd/Straight Bd	11/15/12	98.729	5.471	95	A-	A2	A-
	11/10/05	ONEOK Inc	Pvd gas purchasing svcs	402.4	5.51	Sr Unsecurd Nts	2/16/08	100.582	5.235		BBB	Baa2	NR

M&A

Announced	Date Effective	Target Name	Target Advisors	Target Industry Sector	Target Nation	Acquiror Name	Acquiror Advisors	Acquiror Industry Sector	Acquiror Nation	Value(\$Mil)
11/9/05	11/9/05	Krasnoyarskaya Generatsiya		Electric, Gas, and Water Distribution	Russian Fed	MMC Norilsk Nickel Group OAO		Metal and Metal Products	Russian Fed	
11/9/05		Undisclosed Natural Gas		Electric, Gas, and Water Distribution	United States	Maxim Power (USA) Inc		Electric, Gas, and Water Distribution	United States	3.25
11/9/05		Zhuhai Zhua Energy Dvlp Co Ltd		Electric, Gas, and Water Distribution	China	Zhuhai Gowin Holding Corp		Investment & Commodity Firms,Dealers,Exchanges	China	21.326
11/10/05	11/10/05	Apatity Heat Power Plant		Electric, Gas, and Water Distribution	Russian Fed	MMC Norilsk Nickel Group OAO		Metal and Metal Products	Russian Fed	
11/10/05	11/10/05	Murmansk Heat Power Co		Electric, Gas, and Water Distribution	Russian Fed	MMC Norilsk Nickel Group OAO		Metal and Metal Products	Russian Fed	
11/11/05		Guangxi Beiliu Gas Co Ltd		Electric, Gas, and Water Distribution	China	Tianjin Deyili Thermal		Measuring, Medical, Photo Equipment; Clocks	China	0.186
11/11/05		Tianjin Tianlian Public-Beiliu		Electric, Gas, and Water Distribution	China	Tianjin Deyili Thermal		Measuring, Medical, Photo Equipment; Clocks	China	3.199
11/14/05	11/14/05	Renexus-Weida Sdn Bhd		Electric, Gas, and Water Distribution	Malaysia	Undisclosed Acquiror		Investment & Commodity Firms, Dealers,Exchanges	Unknown	0.003
11/15/05		Atlantic City Electric Co-Elec		Electric, Gas, and Water Distribution	United States	Duquesne Light Holdings		Electric, Gas, and Water Distribution	United States	173

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.

The Americas

- **Advent Solar**, a manufacturer of solar cells and modules, has secured \$30 million in Series C funding (*EETimes*, 11/11).
- **Sempra Energy** is scaling back its 1,450 MW power plant by 250 MW because there's not enough water nearby to support it (*Reno Gazette-Journal*, 11/11).
- **Sumas Energy 2** will not be allowed to build a 660 MW power plant near the Canadian border under a ruling by a Canadian appeals court. The proposal ran into opposition in the province's Fraser Valley, where communities contend air quality already is bad because of pollution drifting from the Vancouver area (*Seattle Times*, 11/11).
- A deal to build a \$10 million biomass power plant in Central Oregon has won approval from the **La Pine Industrial Group**, and now moves to the Deschutes County commissioners for consideration (*Associated Press*, 11/14).
- **Progress Energy** said **Geoffrey S. Chatas**, cfo, is stepping down to "pursue other interests" (*Associated Press*, 11/15).
- **ICF Consulting**, a Fairfax, Va.-based firm, was selected to review a Gainesville Regional Utilities plan to meet the area's future energy needs by building a new coal-fired power plant (*Gainesville Sun*, 11/15).
- **LS Power** began a months-long legal battle with environmental groups over permitting a coal-fired power plant in Riesel, Texas, as an administrative law court in Austin accepted oral and written testimony from both sides (*Waco Tribune-Herald*, 11/15).
- **San Diego Gas & Electric** officials unveiled a wide, triple-headed corridor Monday inside of which they hope to build a new energy superhighway — a 120-mile string of high-power lines from Imperial Valley into North County (*North County Times*, 11/15).
- **EnCana Corp.** has agreed to use a proposed Rockies Express pipeline to transport 500 million cubic feet of gas per day (*Rocky Mountain News*, 11/15).
- **Bill Lockyer**, attorney general of California, sued **Sempra Energy Trading**, accusing the San Diego company of using **Enron Corp.**-style schemes to manipulate electricity prices during the state's energy crisis (*Los Angeles Times*, 11/16).
- Federal regulators have approved an agreement valued at about \$250 million that lets **Enron Corp.** settle civil claims of price gouging and energy-market manipulation stemming from the rolling blackouts of 2000-2001 in Western states (*Associated*

Press, 11/16).

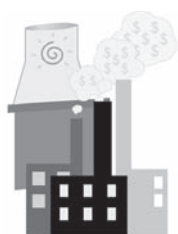
- **Duquesne Light Holdings** has an agreement to buy a minority interest in two coal-fired power stations owned by a consortium of utility affiliates for about \$173 million (*Pittsburgh Tribune-Review*, 11/16).

Europe

- **ScottishPower** outlined its case for attracting a high takeover price from German predator E.ON but refused to confirm talks or comment directly about the possibility of a deal (*The Guardian*, 11/11).
- Italian electricity company **Enel SpA**, which is due to buy a 66% stake in Slovakia's power producer **Slovenske Elektrarne**, plans to build three power plants in Slovakia for a total of €822 million (\$961 million), the news agency SITA reported, citing Enel's investment plan (*AFX*, 11/14).
- **Drax Group**, which runs Britain's largest coal power plant, said that an offer of \$4.1 billion from a consortium led by Baltimore-based **Constellation Energy Group** was too low, but it was continuing to talk to the consortium (*Associated Press*, 11/15).
- **Suez** says it has acquired 97.16% of **Electrabel**, allowing the company to become one of Europe's major energy providers and to capture the Belgian utility's cash flow (*Dow Jones Newswires*, 11/16).
- **Neelie Kroes**, Europe's top antitrust official, proposed expanding her powers to keep Europe's largest mergers and acquisitions under her control. The move came after Kroes ceded antitrust authority to Spain in **Gas Natural SDG's** €21.6 billion (\$25.3 billion) bid for **Endesa** (*Dow Jones Newswires*, 11/16).

Asia

- A \$360 million contract for building the 750 MW Ca Mau Power Plant was signed between the **Viet Nam Oil and Gas Corporation** and the **Viet Nam Machinery Erection Corporation** (*Vietnam Economic Times*, 11/14).
- **EGAT Pcl**, Thailand's largest power company, was ordered by a court to suspend indefinitely a plan to raise as much as 34.86 billion baht (\$854 million) in what would be the country's biggest initial public share sale (*Bloomberg*, 11/15).
- **Australian Gas Light**, the country's biggest energy utility, said it might build a \$200 million Australian (\$147 million) gas-fired power plant near Sydney to meet rising demand (*Sydney Morning Herald*, 11/16).



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. New items are in bold. 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@iineews.com.*

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Atlantic City Electric Company	B.L.England	New Jersey	447	Coal	Concentric Advisors	In Second Rounds.
	Key Stone	Pa.	-	Coal		
	Conenaugh	Pa.	-	Coal		
Aquila	Raccoon Creek	Ill.	340	Gas	Not chosen	Intention To Sell.
	Goose Creek	Ill.	340	Gas		
	Crossroads	Miss.	340	Gas		
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention To Sell.
BNP -led bank group (Exelon developed plants)	Mystic River 7	Mass.	560	Oil/Gas	Lazard	Ongoing.
	Mystic River 8	Mass.	832	Gas		
	Mystic River 9	Mass.	832	Gas		
	Fore River	Mass.	832	Gas		
Citi & SocGen-led creditor group (TECO Energy developed plants)	Union	Ark.	2,200	Gas	Goldman	Ongoing.
	Gila River	Ariz.	2,300	Gas		
CMS Energy	Ensenada	Argentina	128	Gas	Not chosen	Announced Intention To Sell.
	CT Mendoza	Argentina	520	Gas	J.P. Morgan	
	El Chocon	Argentina	1,320	Hydro	J.P. Morgan	
Citi-led bank group (NEG developed plants)	Lake Road	Conn.	840	Gas	Lehman Bros.	Cargill Bought Debt Portion (PFR, 12/27).
	Lowell Power	Mass.	82	Gas	None	Actively Pursuing A Sale.
Delta Power						
Duke Energy North America	Bridgeport Energy Project	Bridgeport, Conn.	490 MW	Gas	CSFB	In Play Save For The Midwest Facilities.
	Maine Independence Station	Penobscot County, Maine	520 MW	Gas	Goldman Sachs	
	Bayside Power Project	St. John, New Brunswick	260 MW	Gas		
	Fort Frances Cogeneration Project	Fort Frances, Ontario	110 MW	Gas		
	Lee Energy Facility	Lee County, Ill.	640 MW	Gas		
	Vermillion Energy Facility	Vermillion County, Ind.	640 MW			
	St. Francis Energy Facility	Glennonville, Mo.	500 MW	Gas		
	Washington Energy Facility	Washington County, Ohio	620 MW	Gas		
	Fayette Energy Facility	Fayette County, Pa.	620 MW	Gas		
	Hanging Rock Energy Facility	Lawrence County, Ohio	1,240 MW	Gas		
	Oakland Power Plant	Oakland, Calif.	165 MW	Gas		
	Moss Landing Power Plant	Monterey County, Calif.	2,538 MW	Gas		
	Morro Bay Power Plant	Morro Bay, Calif.	1,002 MW	Gas		
	South Bay Power Plant	Chula Vista, Calif.	700 MW	Gas		
	Griffith Energy Facility	Mohave County, Ariz.	600 MW	Gas		
	Arlington Valley Energy Facility	Maricopa County, Ariz.	570 MW	Gas		
	McMahon Cogeneration Plant	Taylor, British Columbia	117 MW	Gas		
El Paso Europe	EMA Power	Hungary	70	Coal		
El Paso North America (Merchant assets)	Berkshire	Mass.	261 (56.41%)	Gas		Final Bids Due.
	CDECCA	Conn.	62	Gas		Negotiations Are Taking Place With

Generation Auction & Sale Auction (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Energy Investors Fund	EnCana	Cavalier	Alberta	106	Gas	HSBC Launched Sale In April.
	Balzac	Alberta	106	Gas	HSBC	
	Kingston	Ontario	110 (25%)	Gas	HSBC	
	Multitrade	Va.	79.5 (60%)	Biomass	None	Stake Sold To GE
	Crockett	Calif.	240 (24%)	Gas		
Entergy Asset Management	Robert Ritchie	Ark.	544	Gas/oil	None	Ongoing.
	Warren Power	Miss.	314	Gas		
	RS Cogen	La.	425 (49%)	CHP		
	Harrison County	Texas	550 (70%)	Gas		
Exelon/PSEG	Eddystone Generating Station	Delaware County, Pa.	1,510 MW	Coal and Gas		Interviewing Banks To Advise On Sales.
	Linden Generating Station	Linden, N.J.	775 MW	Gas		
KBC-led creditor group	Milford	Conn	542	Gas	Lazard	Ongoing.
Mirant	Shady Hills	Fla.	474	Gas	BofA	Ongoing.
	West Georgia	Ga.	640	Gas		
	Bosque County	Texas	538	Gas		
	Wichita Falls	Texas	77	Gas		
Morrow Power	Boardman	Ore.	28	Gas	Marathon Capital	Evaluating Bids.
Nations Energy	Bayport	Texas	80	N/A		Considering Liquidation.
	Mungo Junction	Ohio	32			
	Southbridge	Mass.	7			
National Energy Gas & Transmission (USGen New England)	Salem Harbor	Mass.	745	Coal/Oil	Lazard	Dominion Has It Under Contract.
	Brayton Point	Mass.	1,599	Coal		
	Manchester St.	R.I.	495	Gas		
	Connecticut River	N.H.	479	Hydro		
	Deerfield River	Mass.	89	Hydro		
Oman (Ministry of Housing, Electricity & Water)	Rusail	Oman	730	Gas	CSFB	-
	Ghubratt	Oman	507	CHP		
	Wad AlJazzi	Oman	350	Gas		
Reliant Energy	Carr Street	N.Y.	95	Oil	Goldman	Madison Dearborn And US Power Gen. Have Won A Bid To Acquire The Assets.
	Astoria	N.Y.	1,276	Gas		
	Gowanus	N.Y.	549	Gas		
	Narrows	N.Y.	281	Gas		
InterGen	Redbud	Okla.	1,220		Citigroup	Harbert Venture Acquired The Assets.
	Cottonwood	Texas	1,235			
	Magnolia	Miss.	900			
SG-led bank group (NEG developed plants)	Athens	N.Y.	1,080	Gas	Blackstone	Assessing Bids.
	Covert	Mich.	1,170	Gas		
	Harquahala	Ariz.	1,092	Gas		
	Millennium	Mass.	360	Gas		
STEAG	Iskenderun	Turkey	1,320	Gas	Morgan Stanley	Ongoing.
Teco Energy	Dell Power Station	Ark.	540	Gas		Reviewing Options.
	McAdams Power Station	La.	599	Gas		
Tractebel North America	Chehalis	Wash.	520	Gas	N/A	Looking To Sell Or Swap.
WPS Resources	Sunbury Generating Station	Shamokin Dam, Pa.	450 MW	Coal	Lazard	Buyers Are Stalling Over Fuel Contracts.



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Barclays Eyes Trading Fillip From DENA Book

Barclays Capital's acquisition of Duke Energy North America's trading book, including power and natural gas contracts, will be used to help juice the firm's energy derivatives presence.

Jonathan Taylor, global head of commodity sales, reached in New York, says the transaction boosts Barclays scope in trading natural gas and power. He adds the aim to acquire additional trading assets in order to build up the business, declining to be more specific. "Anything we can do to add value, we are happy to do," he says.

In the Duke deal, Barclays will receive approximately \$700 million in consideration for its assumption of Duke's liabilities. Calls to a Duke Energy spokesman were not immediately returned. Calls to Goldman Sachs and Credit Suisse First Boston, which brokered the transaction, were also not returned.

Duke Energy, which is merging with Cinergy, is also selling the physical assets tied to the contracts (PFR, 10/31) in a sale kicked off at the beginning of the year (PFR, 1/31). Market players expected an announcement of the sale of those assets soon.

Barclays began trading physical power and gas in North

America in late 2004 and now executes physical transactions with clients in several natural gas pipelines in the U.S. and Canada, and across power pools in the Eastern U.S. In 2004 the firm also added coal, freight, petrochemicals and emissions to its line.

CITI, ABN

(continued from page 1)

The fact the plants are mostly merchant is offset by the nearly zero cost of producing electricity, bankers say. Brookfield, which owns the 74-plant portfolio via its Brookfield Power New York L.P., plans on obtaining short-term PPAs of two or three years, but would look to maximize returns by selling the bulk of the capacity in the spot market, trackers say.

Pricing will take shape over the next few days as the bonds are being marketed today. Expected pricing is 120 basis points over 10-year Treasuries for the 12-year notes and 140-150 basis points over 30-treasuries for the 20-year notes. The offering will be non-amortizing bullet bonds, which means one large principal payment needs to be paid upon maturity.

Using a bullet structure would be a problem if the portfolio value was expected to depreciate significantly over the next 10 or 20 years but since the shelf life of hydro plants is about 100 years or better, refinancing should not be difficult because the plants—

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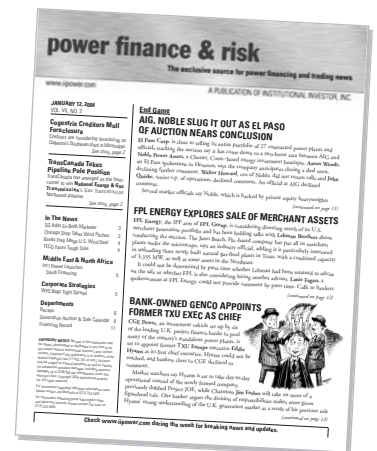
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the collateral backing the debt—will retain their value, explains **Matthew Kolodzie**, analyst at **Dominion Bond Rating Services** in Toronto. The average age of the facilities in the portfolio is about 50 years.

Funds from the offering also will be used to finance upkeep and maintenance. Capital expenditures will run Brookfield \$10.3 million annually, or about \$206 million over 20 years. The offering will be marketed primarily to institutional investors, with better than 80% of the prospective buyers likely coming from the U.S.

—*Mark DeCambre*

ITALY DEBUTS

(continued from page 1)

portion of the revenues to CIP-6 plant owners. The revenues could also be used to fund a stabilization of the A3 tariff, which currently floats according to subsidy requirements. Market sources view the transaction as much a political move by the state as much as an economic one.

Market officials suggested this may be part of a program, not just a stand alone issuance. They also predicted other utilities in Italy may follow up with similar securitizations.

—*Hugh Leask*

MIRANT PREPS

(continued from page 1)

Wednesday, which 97% of creditors and shareholders approved. The energy giant collapsed nearly two years ago in the aftermath of **Enron**. Syndication is expected to be launched at the end of November, but a handful of banks have received preliminary documents. **Michele Burns**, chief restructuring officer at Mirant, and spokesman **Lloyd Avram**, did not return calls. Bank officials either declined to comment or did not return calls.

Watchers say the package could still be tweaked before being kicked off for syndication. But pricing for the revolver is expected to be around 200-225 basis points over LIBOR and 175-200 basis points for the term loan B portion. Some bankers say those levels appear thin, especially given the IPP represents merchant risk which many of the lenders have sworn off post-Enron. Still, one West Coast-based analyst at a boutique investment bank says pricing translates into rates of about 6% with three-month LIBOR at about 4.3%.

IPP **NRG Energy** issued a \$1.45 billion exit financing package last year in emerging from Chapter 11 with a spread of LIBOR plus 400 before seeking a reduction of 2-2 1/2% (PFR, 11/15/2004), citing increased revenues from a spike in the natural gas prices.

Under the reorganization plan, Mirant Americas Generation's (MAG) debt will be repaid in full, while MAG's \$1.7 billion of long-term debt will be reinstated. The company will repay MAG's \$1.5 billion of short-term debt and other obligations with common stock in the reorganized parent company for 10% of the amount owed. Shareholders will receive 3.75% of new common shares in the reorganized company, with warrants to buy a further 10% of the common stock.

Mirant plans to raise \$1.35 billion in capital to repay the debtholders when it exits Chapter 11. But it also reserves the right to issue new notes directly to the creditors for this portion of their claims. About \$6.5 billion of unsecured debt and obligations at Mirant's parent company will be exchanged for 96% of the remaining common stock. Mirant's subordinated trust preferred securities will receive 3.5% of the common stock with rights to buy 5% of the new common stock issued under its plan of reorganization.

—*M.D.*

Calendar

- **Edison Electric Institute** is hosting its *International Utility Conference* Feb. 19-22 at the London Hilton. For registration information please go to www.eei.org/meetings-intl
- **POWER-GEN Renewable Energy** is hosting its second annual renewables conference on April 10-12 at the Mandalay Bay Resort in Las Vegas. For additional info go to www.power-gengree.com.

Quote Of The Week

"These areas are blossoming because of high fuel costs. I think this is going to be the next wave of interest in the energy market." —**Peter Fusaro**, chairman of **Global Change Associates** and the **Energy Hedge Fund Center**, on increased hedge fund interest in companies involved in alternative energies (see story, page 3).

One Year Ago In Power Finance & Risk

Tri-State Generation and Transmission Association was considering its generation expansion options. **Jim Van Someren**, spokesman for the Westminster, Colo., cooperative said the coop was investigating the viability of constructing its own 600-700 MW coal-fired plant it had projected to cost in the neighborhood of \$1 billion. [In August, Tri-State's board adopted a development plan that includes the acquisition of a current plant, and the development of three other units.]