

# power finance & risk

The exclusive source for power financing and trading news

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## Trinidad LNG Sponsor Launches Debt

The **Natural Gas Company of Trinidad and Tobago** has tapped four banks to arrange \$200 million of non-recourse debt to fund the construction of a liquefied natural gas pipeline in Trinidad.

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## EX-CALPINE VETS READY POWER HEDGE FUND

**Thomas McAndrew**, a former head of portfolio risk management at **Calpine**, is launching a macro-energy hedge fund in Houston with two other alumni of the IPP: **Jeffrey Fox**, a director of trading and **Corey Amthor**, v.p. of trading. **Enchanted Rock Capital Management** will be kicked off sometime next year.

The trio, which left Calpine in 2002, has been hashing out their investment plan for the last 12 months. The fund will be geared toward making directional/relative value investments in the energy sector targeting investments via derivatives. Calls to McAndrew were fielded by an administrative assistant, who declined to comment on his behalf. Fox and Amthor could not be reached.

McAndrew decided to originate the fund to take advantage of the persisting volatility in

*(continued on page 12)*

## Power Redux

## CSFB PLANS ENERGY TRADING INITIATIVE

**Credit Suisse First Boston** is once again looking to ramp up an energy trading operation. The firm, which has stopped and started such plans over the past year, has hired a New York-based headhunter to lure high-profile traders, says a source familiar with its plans. Calls to **John Stinebaugh**, a New York-based banker in CSFB's power group, who has been charged with evaluating strategies for developing the desk, were referred to spokesman **Pen Pendleton**, who declined to comment.

In late September, CSFB and **TXU Corp.** pulled the plug on a planned trading joint venture. The reason for that move could not be determined. However, one official says CSFB probably thought a solo venture would be more profitable than teaming up with another player.

*(continued on page 12)*

## Up For Grabs

## DEVELOPERS PREP \$300M DEBT FOR DEBUT CANADIAN LNG

**Irving Oil** and **Repsol** are planning to hit the project financing market for roughly \$300 million in debt to fund what would be the first liquefied natural gas import facility in Canada. Financing for Canaport LNG, which will be built by the partners in Saint John, New Brunswick, likely will kick off early next year, according to a banker vying for the mandate. Construction should cost roughly \$600 million dollars with an anticipated completion date in 2007, says **Jennifer Parker**, spokeswoman for Irving Oil in Saint John. She was unable to immediately provide comment on the financing.

The developers plan to construct three tanks with a throughput of one billion cubic feet

*(continued on page 12)*

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

## At Press Time

### Poll Position

## Polish Wind Venture Scouts For Funding

US Wind Farming is hunting for \$140 million in debt and private equity to fund a 100 MW wind development in Poland. **Bank Austria Creditanstalt**, which has offices in New York, has been tapped to lead the financing, says **William Telander**, president and ceo of Chicago-based US Wind. About \$75



*A Polish Wind Farm*

million of the funding will come in the form of project debt, but details have not been solidified, he says.

US Wind will own 75% of the project, with minority partners including Hillsboro Beach, Fla., venture capital

firm U.S. Global and Northfield, Ill.-based **Cambridge Energy Group**, will hold about a 25% stake. The Polish government will contribute \$10 million in funding, Telander says.

A PPA with state-owned utility **Poludniowy Koncern Energetyczny** has been secured for the project, which will be built on the Baltic Coast. Construction won't commence until after winter. "We have to wait for the ground to thaw there to begin construction," Telander explains. All the necessary permits also have been arranged, he notes.

## Project Paper Draws Interest

Buzz around project names continued last week as **CoBank** reportedly put up a \$60 million piece of **Teco Energy**. CoBank officials did not return repeated calls. A trader said the paper was offered at 65 on a net-back basis. He explained this is equivalent to 71, whereas the market is 66-68. A sale had not gone through by press time.

The name traded around the 65 range two weeks ago. There was some speculation that **Carl Icahn's High River Limited Partners** could be acquiring pieces of the debt (PFR, 12/6).

**Boston Generating** (Exelon Boston) also traded actively in the 99-101 context. Two weeks ago a \$75 million block traded through **Bear Stearns** in the 98 1/2 level. Officials at Bear Stearns did not return calls. "All this project finance [paper] is starting to trade now that it's almost year-end, so as the buzz goes around that it's trading the bids start to go up," a trader said.

The bank debt for **Liberty Electric PA**, sponsor of **Reliant Energy's** Pennsylvania power station, also was active around the high 90s. A piece was sold around 98 1/4. The name was later quoted around 101, another trader stated. A spokeswoman said Reliant acquired the Liberty plant in February 2002 as part of its **Orion Power Holdings**. Liberty began operations in May 2002 and committed its output to a subsidiary of **PG&E Corp.** Last year, after PG&E filed for bankruptcy, Liberty defaulted under its \$262 million project financing debt. "We are working with the lenders right now and expect to transfer the ownership to the lenders by the end of this year," she said.

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## Developers Seek \$150M For Puget Transmission Line

**Sea Breeze Power Corp.** and **Boundless Energy** will seek \$150 million largely in private equity to finance a proposed 1,100 MW transmission line across the Strait of Juan de Fuca, which connects the Puget Sound to the Pacific Ocean. The project is a 50/50 joint venture between Sea Breeze, a Vancouver-based renewable energy developer, and Boundless Energy, a transmission engineering firm based in York Harbor, Maine, says **Anthony Duggleby**, coo for Sea Breeze.

The transmission line, which likely will be laid down by fall 2007, will help alleviate congestion in the region, says Duggleby. There is very little transmission infrastructure along the U.S./Canadian border, he notes. "Utilities don't necessarily address transmission needs across international borders," he adds.

The partnership hopes to fund the project with about 70% private equity and 30% project debt, says Duggleby, noting that the group is still penciling in structures. "Ideally, we'd like to finance the project at 80/20, but we don't know if there will be enough of an appetite among equity investors for that to happen," he says. Officials with Boundless Energy could not immediately be reached for comment.

The project is currently in its preliminary stages, with technical interconnection and environmental studies underway. Once the permits are obtained, the venture will seek financing and subsequently will hold an auction for those wanting access to the line.

## Caribbean LNG Sponsor Launches \$200M Project Loan

**Natural Gas Company of Trinidad and Tobago** has launched a \$200 million project financing to help fund a liquefied natural gas pipeline that will feed a soon-to-be-expanded LNG facility in Trinidad owned by **Atlantic LNG Co.** The sponsor was eyeing a limited syndication of the loan, and it was preparing to launch this summer (PFR, 8/23). However, an unexpectedly lengthy approval process for the Beechfield to Port Fortin pipe caused the deal to drag, say officials.

The senior secured financing carries a tenor of 15 years plus the time it takes to build the 76.5-kilometer (nearly 50-mile) pipeline, says a financier familiar with the deal. Construction should wrap by June 2006, at which point the debt converts into a term loan. The deal is priced at 150 basis points over LIBOR and has a 50 basis point commitment fee. Pricing increases every few years, reaching a 250 basis point maximum, the banker adds.

The loan is jointly led by administrative agent **Calyon**, **ING**, **Mizuho** and **Sumitomo Mitsui Banking Corp.**, with Calyon and

**ING** acting as co-bookrunners. **ING** and **Mizuho** are co-syndication agents and **Sumitomo** is documentation agent, the banker says. Thursday is the target closing for the deal. Lending officials either declined to comment or did not return phone calls.

Debt represents roughly 75% of the cost to build the \$268 million pipeline. The balance will be financed, in part, with a \$15 million subordinate shareholder loan provided by the LNG shippers, which include affiliates of **BP**, **Repsol** and **British Gas**. The sponsor will pony up the remaining equity costs.

## Sempra Parceling \$1B LNG Credit Line

**Sempra Energy LNG** last Thursday was set to allocate the \$1 billion revolving credit recently launched to finance liquefied natural gas projects in Mexico and the U.S. The deal, which would fund development of **Energía Costa Azul** in Mexico, **Cameron** in Lake George, La., and **Port Arthur** in Texas (PFR 11/22) was oversubscribed, says a banker. The banker declined to specify how many lenders have committed thus far. The loan is expected to close this week.

Bookrunners **Royal Bank of Scotland** and **Citibank** are co-leading the credit line, which the San Diego-based company is arranging as a bridge to more permanent financing. Pricing on the deal has not changed and remains at 5/8 % over LIBOR for up to 50% drawn, escalating to 3/4% if more than half is drawn.

Construction of the LNG facilities will cost nearly \$2 billion, including three storage facilities. A call to officials at Sempra was not returned, nor were those to Citi executives and an RBS official declined to comment.

## Primary Energy To Wrap \$165M Acquisition Funding

**Primary Energy Holdings** anticipates closing a \$165 million second-lien acquisition loan on Wednesday, after allocations were set to be made late last week. The loan, led by co-underwriters **CIT Group** and **Lehman Brothers**, will partly finance Primary Energy's acquisition of a 270 MW portfolio of gas-fired power plants (PFR, 11/29).

Pricing has not yet been finalized, but is expected to offer a yield of LIBOR plus 650 basis points and the deal will fund before year-end. A CIT official declined comment and calls to a Lehman official and **Mark Hall**, senior v.p. at Primary Energy, were not returned.

Earlier this year, Primary Energy pulled a planned \$375 million B loan led by **Credit Suisse First Boston** intended to refinance some 444 MW of co-generation assets tied to steel mills (PFR, 7/19).

## Calif. Muni Readies Bonds

Roseville Electric is prepping a bond offering to finance a proposed 160 MW gas-fired power plant in Roseville, Calif. **Russ Branson**, treasurer, says it will likely issue the bonds in late spring, pending approval from the **California Energy Commission**. The muni is currently looking at how it will

structure the notes, he says, adding **Citigroup** will lead the deal. Roseville Electric expects to break ground on the project after the bond issuance, likely sometime this spring or summer, he notes.

Construction of the facility will cost about \$165 million, Branson says, adding the bond issuance will cover a significant portion of it. The capital market offering will likely involve a mix of variable-rate and fixed-rate bonds, he says.

## Debt Calendar

Rule 144A Private Placement													Gross Spread as % of Prncpl Amt in this Mkt
Issue Date	Issuer	Description	Business Amount (\$ mil)	Principal Coupon (%)	Type of Security	Maturity	Offer Price	Spread to Benchmark	Standard & Poor's	Moody's Rating	Fitch Rating		
12/2/04	Savannah Electric and Power Co	Electric utility	35	5.75	Senior Notes	12/1/44	100	—	AAA	Aaa	NR	3.15	
12/6/04	Southern California Edison Co	Electric utility	150	Floats	Fst Mtg Bonds	12/13/07	99.854	—	BBB	A3	NR	0.61	
12/6/04	Union Light, Heat and Power	Electric and gas utility	40	5	Debentures	12/15/14	99.052	87	BBB	Baa1	BBB+	na	
12/7/04	Southern CA Gas(Pacific Entp)	Gas utility	100	Floats	Float Rate Nts	12/1/09	100	—	A+	A1	AA-	na	
12/8/04	CMS Energy Corp	Electric,gas utility	250	2.875	Sr Unsecurd Nts	12/1/11	100	—	NR	NR	NR	2.75	
12/8/04	EDF	Electric utility	97.3	5.75	Fxd/Straight Bd	3/8/24	103.391	—	A	A2	NR	na	

## Financing Record (DECEMBER 8-DECEMBER 15)

### Debt

Expected Date	Maturity	Filing Date	Rule 144A Private Placement	Issuer	Bookrunner(s)	Proceeds Amt - in this Mkt (\$ mil)	Moody's Rating	Poor's Rating	Standard & Senior or Subord.Debt	Offer Yield to Maturity (%)
Mid. Dec.		11/5/04		Star Gas Partners LP	JPM	300	Caa3	B-	Senior	
12/8/04		11/23/04		Texas Genco Holdings Inc	GS DEUTSCHE-BK-SEC MORGAN-STANLEY CITIGROUP	1,125.00	B1	B+	Senior	
12/15/04		12/2/04		Reliant Energy Inc	GS BA-SEC-LLC - BARCLAYSCAP DEUTSCHE-BK-SEC MERRILL	550	B1	B	Senior	
12/15/04		12/2/04		Reliant Energy Inc	GS BA-SEC-LLC BARCLAYS-CAP DEUTSCHE-BK-SEC MERRILL	550	B1	B	Senior	

### M&A

Date Announced	Acquiror Name	Acquiror Nation	Target Name	Target Nation	Rank Value of Deal (\$mil)
12/2/04	YNN Pacific Consortium Inc	Australia	NAPOCOR-Masinloc Power Plant	Philippines	561.74
12/2/04	Centrica US Holdings Inc	United States	Frontera Generation LP	United States	134
12/3/04	Smart Orient Investments Ltd	Hong Kong	Enerchina Holdings Ltd	Hong Kong	93.859
12/3/04	Smart Orient Investments Ltd	Hong Kong	Enerchina Holdings Ltd	Hong Kong	24.208
12/2/04	Innergex Power Income Fund	Canada	Horseshoe Bend Hydroelectric	United States	14.2
12/2/04	Enel Union Fenosa Renovables	Spain	Sistemas Energeticos Manon	Spain	11.944
12/2/04	Energy Savings Income Fund	Canada	Epcor Utilities-Natural Gas	Canada	9.177
12/3/04	Raetia Energie AG	Switzerland	AG Elektrizitaetswerk Tamins	Switzerland	2.866
12/2/04	Gas and Power Investment Co	Japan	Hayama Fuyoku Hatsudensho	Japan	1.163
12/1/04	Puget Sound Energy	United States	BlueSkyWind LLC-Hokins Ridge	United States	
12/2/04	Fiorentina Gas SpA	Italy	Toscana Gas SpA	Italy	

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



## Corporate Strategies

### Qué Liquid

## AES Colombian Unit Lands \$253M Hydro Loan

**Chivor S.A. E.S.P.**, an indirect subsidiary of **AES Corp.**, has obtained \$253 million of debt to refinance a 1,000 MW hydro plant in Colombia. **Ernesto Gonzales**, project director for integrated utilities in Arlington, Va., says the new debt replaces a \$260 million loan set to expire next year. The decision to refinance at this time was prompted also by Colombia's improved macroeconomic environment, he says.

The transaction is composed of a \$170 million international offering of senior secured notes and an \$83 million seven-year Colombian peso-denominated bank loan. The notes carry a 9.75% coupon and a 9.8% yield against comparable treasuries, Gonzales says. **Deutsche Bank** was the sole bookrunner on the deal and **Banc of America Securities** served as co-manager. Deutsche Bank also handled its past four refinancings, Gonzales adds. Seven other undisclosed banks participated in the syndication, he says.

The bank loan was co-led by Colombia-based **Corfinsura** and **Colcorp** and was priced at a 5.5% spread over Columbia's local prime rate. The previous \$260 million loan was led by BofA and included 14 to 18 additional lenders.

The Chivor hydro plant, roughly 100 miles east of Bogota, generated about 11% of Colombia's electricity between January and September this year.

## CenterPoint Steps Toward \$2.3B Stranded Asset Offering

**CenterPoint Energy** is planning to issue some \$2.3 billion in bonds to recover stranded costs associated with deregulation. The Houston-based player is awaiting approval from the **Public Utility Commission of Texas**, with which it recently filed an application. It wants to issue the bonds soon to take advantage of

low rates, says **Marc Kilbride**, v.p. and treasurer. He adds that the aim is to securitize expected consumer surcharges over the next several years into a bond paying a sub 5% coupon.

The exact rate and maturity of the bonds will be determined pending the commission's approval, which is expected in early February. If CenterPoint's application is approved, the bonds will be issued in the first half next year. Criteria for selecting the lead banks will be determined in conjunction with the commission, Kilbride says. He declined to comment on any additional near-term financing plans or provide more details on the planned bond offering.

The Public Utility Commission decided late last month that CenterPoint could pass on \$2.3 billion in costs to its customers primarily to refund investments in generation and pollution control equipment that were made prior to deregulation, says Kilbride.

## CMS To Retire Maturing Debt Via Converts

**CMS Energy** plans to issue \$200 million of convertible senior notes in the next couple of weeks to refinance a similar amount of maturing debt. The notes will retire \$180 million of outstanding 7% extendable tenor rate adjusted securities that were set to mature Jan 15. It is unclear why the company waited until now to refinance the securities.

Calls to company officials, including **Laura Mountcastle**, treasurer and v.p. of investor relations, were not returned and spokesman **Dan Bishop** declined to comment, directing inquiries to the Jackson, Mich., company's public filings.

**Deutsche Bank**, **J.P. Morgan** and **Wachovia Capital Markets**, which have worked with CMS Energy on previous deals, are leading the offering. The underwriters have a 30-day option to purchase up to an additional \$30 million in notes. Calls to the lead firms were not returned by press time.

The interest and conversion rates have not yet been determined. The convertibles likely will be set to expire in 2024.



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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.*

### U.S. & Canada

- **KeySpan Corp.** said last week it could potentially boost gross profit margins from its natural gas distribution business by more than \$1 billion in the years ahead through a more targeted marketing approach in its service territory. The Brooklyn utility has more than one million residential prospects who haven't yet converted to gas from oil heating, says **Wally Parker**, ceo of **KeySpan Services** (*Dow Jones*, 12/6).
- **NorthWestern Corp.** says it is close to completing a sale of its mothballed gas-fired plant in Great Falls, Mont. The deal is expected to close before the end of the year, with some of the proceeds going to the parent company this year or early next, says CEO **Gary Drook** (*Billings Gazette*, 12/6). Separately, the company has received state approval from the **Department of Environmental Quality** to begin building a \$12.5 million, 161,000-volt electric transmission line to serve the Gallatin Valley in Montana (*Billings Gazette*, 12/8).
- **Questar Corp.** has named **R. Allan Bradley** president and ceo of its **Questar Pipeline Co.** unit, effective Jan. 1. The company says Bradley, who was most recently a senior v.p. at **El Paso Corp.**, will work on improving returns on invested capital in the pipeline business (*Dow Jones*, 12/6).
- The **Federal Energy Regulatory Commission** has approved an offer from **Duke Energy Corp.** to pay \$207.5 million to settle charges that it overcharged customers during California's energy crisis in 2000 to 2001. The settlement resolves claims against Duke for improperly selling electricity and natural gas into the California market from January 2000 through June 2001 (*Reuters*, 12/7).
- **NJR Energy Services**, the unregulated wholesale energy services subsidiary of **New Jersey Resources**, has entered into a natural gas portfolio management agreement with **Niagara Mohawk**, based in Syracuse, N.Y. Niagara Mohawk provides natural gas to nearly 560,000 customers in upstate New York (*Dow Jones*, 12/7).
- **Dynegy** has sharply reduced its earnings forecast for this year to reflect a November transaction that rid the company of debt stemming from a power purchase agreement. The energy marketer's shares dropped 13% (*Associate Press*, 12/8).
- **Progress Energy** says it has eliminated 12 of its 67 senior

management positions and its board has approved an early retirement program to be offered early next year (*Associated Press*, 12/8)

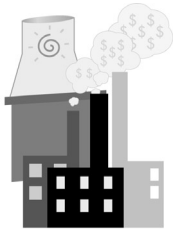
- **FirstEnergy** announced that about 1,350 unioned workers have gone on strike at **Jersey Central Power & Light Utility** after contracts for those employees expired at midnight last Wednesday. Non-unioned workers will take over duties indefinitely until the Morristown, N.J.-based company resolves the matter (*Bloomberg*, 12/8).

### Russia & Asia

- Russian Gas monopoly **OAO Gazprom** has asked six international banks to raise EUR10 billion or \$13 billion for a proposed purchase of **Yugansknefte-gaz**, the largest production unit of **OAO Yukos** (*Wall Street Journal*, 12/8).
- The Slovak government has approved plans to sell a 66% stake in a power generation company to Italian firm **Enel SpA** (*AP*, 12/8).
- The government of the Philippines is contemplating the sale of a 225 MW oil-fired facility in Bataan, just west of Manila. The government has been attempting to auction some 6 GW in generation plants. It unloaded a 600 MW plant in the Zambales province two weeks ago (*Bloomberg*, 12/8).

### Europe

- **Alstom SA** has been awarded a contract to construct a 1,400 MW plant in the Saraburi province in Thailand. The contract from **Mitsui & Co. of Japan** and **Gulf Power Generation Co.** is worth about EUR700 million or \$931 million (*Bloomberg*, 12/8).
- **HSBC** is the first major bank in the world to commit to going carbon neutral, which involves reducing energy use, buying green electricity and offsetting the remaining carbon dioxide emission. The program may cost up to GBP3.6 million in the first year (*Datamonitor*, 12/7).
- Walkouts at **Electricite de France SA** this year have caused Europe's largest power company to cut production by about 15% after it announced plans to sell some \$14.6 billion in stock to reduce debt and fund a nuclear plant. A 24-hour strike begun last Wednesday caused a 4% drop in output. (*Bloomberg*, 12/8).



## Generation Auction & Sale Calendar

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

Seller	Plants	Location	MW	Plant Type	Advisor	Status
AEP	El Bajio	Mexico	600 (50%)	Gas	WestLB	
AES	Wolf Hollow	Texas	730	Gas	N/A	Ongoing.
	Granite Ridge	N.H.	720	Gas		
	Termomamonal	Colombia	90	Gas	None	Ongoing.
	Ottana	Italy	140	Gas		
Allegheny Energy Supply	Armstrong	Penn.	356	Coal	J.P. Morgan Citibank J.P. Morgan	Ongoing.
	Hatfield	Penn.	1,600 (75%)	Coal		
	Mitchell	Penn.	442	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.
Black Hills Energy	Pepperell	Mass.	40	Gas	-	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 J.P. Morgan J.P. Morgan	Announced Intention To Sell.
	CT Mendoza	Argentina	520	Gas		
	El Chocon	Argentina	1,320	Hydro		
Citi-led bank group (NEG developed plants)	Lake Road	Conn.	840	Gas	Lehman Bros. Lehman Bros.	Tied up by Worenklein Group.
	La Paloma	Calif.	1,121	Gas		
ConocoPhillips	Ingleside	Texas	440 (50%)	Gas	None	Looking To Sell Stake.
Damhead Power	Damhead	U.K.	800	Gas	E&Y	Has Agreed Sale To ScottishPower.
Delta Power	Lowell Power	Mass.	82	Gas	None	Actively Pursuing A Sale.
Duke Energy North America	Grays Harbor (in construction)	Wash.	650	Gas	Ongoing.	
	Deming Energy (in construction)	N.M.	570	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 (Merchant assets)	Berkshire	Mass.	261 (56.41%)	Gas		Final Bids Due.
	CDECCA	Conn.	62	Gas		
	Eagle Point	N.J.	233	Gas		
	Fulton	N.Y.	45	Gas		
	Pawtucket	R.I.	67	Gas		
	Rensselaer	N.Y.	79	Gas		
	San Joaquin	Calif.	48	Gas		
El Paso North America (Contracted assets)	Midland Cogen	Miss.	1,500 (44%)	Gas	Citigroup	Has Sold Majority Of QF Portfolio To ArcLight.
	Prime	N.J.	66 (50%)	Gas		
Endesa	Conatillor	Chile	172	Hydro	Dresdner Kleinworth Wasserstein	Sold To Hidroelectrica Guardia Vieja For \$174 Million.
EnCana	Cavalier	Alberta	106	Gas	HSBC HSBC HSBC	Launched Sale In April. Looking To Exit Generation Business.
	Balzac	Alberta	106	Gas		
	Kingston	Ontario	110 (25%)	Gas		
Energy Investors Fund	Multitrade	Va.	79.5 (60%)	Biomass	None None	Intention To Sell.
	Crockett	Calif.	240 (24%)	Gas		
Entergy Asset Management	Robert Ritchie	Ark.	544	Gas/oil		Ongoing.
	Warren Power	Miss.	314	Gas		



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## Generation Auction & Sale Auction (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
EPRL	RS Cogen	La.	425 (49%)	CHP	Rothschild	Ongoing.
	Harrison County	Texas	550 (70%)	Gas		
	Glanford	U.K.	14	Poultry Litter		
	Thetford	U.K.	39	Poultry Litter		
	Ely	U.K.	13	Poultry Litter		
	Westfield	U.K.	10	Poultry Litter		
	Elean	U.K.	38	Straw		
Ernst & Young Corporate Finance (representing secured creditors)	Bear Swamp	Mass.	599	Hydro	E&Y	Exploring Sale.
HSBC-led creditor group	Attala	Miss.	526	Gas	HSBC	Ongoing.
InterGen	Larkspur Energy	Calif.	90	Gas	Citi	Ongoing.
	Indigo	Calif.	135	Gas	Citi	
	El Bajio	Mexico	600 (50%)	Gas	N/A	Ongoing.
KBC-led creditor group	Milford	Conn	542	Gas	Lazard	Ongoing.
LG&E Power	Roanoke Valley	N.C.	178 (50%)	Coal	N/A	Ongoing.
	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	
	West Georgia	Ga.	640	Gas		
	Bosque County	Texas	538	Gas		
	Wichita Falls	Texas	77	Gas		
Morrow Power	Boardman	Ore.	28	Gas	Marathon Capital	Is 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 Res. Has It Tied Up.
	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	Ongoing.
	Astoria	N.Y.	1,276	Gas		
	Gowanus	N.Y.	549	Gas		
	Narrows	N.Y.	281	Gas		
Royal Dutch /Shell Group	La Rosita	Mexico	1,100		Citigroup	Exploring Sale
	Redbud	Okla	1,220			
	Cottonwood	Texas	1,235			
	Magnolia	Miss.	900			
	Bajio	Mexico	600			
	Termocali	Columbia	235			
	Rocksavage	U.K.	748			
	Spalding	U.K.	860			
	Coryton	U.K.	732			
	Rjinmond	Netherlands	820			
	Knapsack	Germany	790			
	Catadau	Spain	1,200			
	Meizhou	China	724			
	Island Power	Singapore	750			
	Quezon	Philippines	460			
	Callide C	Australia	920			
	Millmerran	Australia	880			
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		

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## CONTACT

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## Generation Auction & Sale Auction (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
	Millennium	Mass.	360	Gas		
STEAG	Iskenderun	Turkey	1,320	Gas	Morgan Stanley	Ongoing.
	Termopaipa IV	Philippines	185	Gas		Set To Sell Guadalupe And Odessa To PSEG.
TECO Energy	Frontera Power Station	Texas	477	Gas		
	Dell Power Station	Ark.	540	Gas		
	McAdams Power Station	La.	599	Gas		
	Commonwealth Chesapeake	Va.	315	Gas	Goldman	
Tractebel North America	Chehalis	Wash.	520	Gas	N/A	Looking To Sell Or Swap.
United Utilities	Landfill Generation Portfolio	U.K.	50 MW	Landfill	RBC Capital Markets	Set To Launch Sale In May.

## Texas Genco Acquisition Debt Hits The Mart

The \$1.125 billion of high-yield bonds, which were issued as the second round of a two-part acquisition financing for **Texas Genco Holdings**, priced last Wednesday. The 10-year senior unsecured notes carry a coupon of 6 7/8 %, and a 273 basis point spread over comparable Treasuries, says an official familiar with the transaction. Co-lead arrangers are **Goldman Sachs** and **Morgan Stanley** (PFR, 11/29). Texas Genco is being acquired by a group of private equity players through a vehicle called **GC Power Acquisition**.

Deutsche Bank and CIT Group are joint bookrunners on the

deal. The bonds were rated B1/B by **Moody's Investor Service** and **Standard & Poor's**, respectively.

The note issuance is part of a larger deal that includes multi-tranche bank debt comprising a revolving credit, a term loan B, a delayed-draw loan and two letter of credit facilities. The seven-year B piece was upsized by \$250 million to \$1.115 billion, which resulted in a reduction in the planned size of the note issuance, the official explains, adding the shift was made because pricing on the term loan was lowered by 50 basis points to 200 basis points over LIBOR.

One financier says buyers were willing to pay a premium for the oversubscribed term loan in the secondary market. Indeed,

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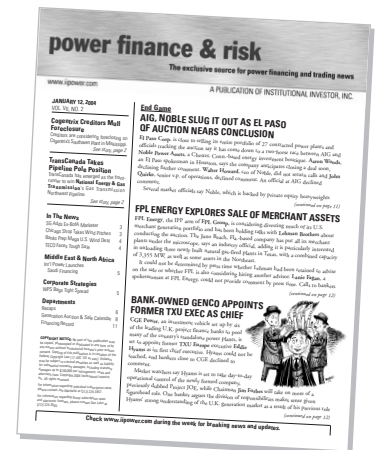
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the debt was trading at 101 1/4 to 101 3/8, the banker notes.

**CIT Group** and **GE Commercial Finance's** energy financial services unit served as co-documentation agents a five-year \$325 million revolver and \$200 million letter of credit facility which also formed part of the package, the banker says. The oversubscribed loans were syndicated to 19 banks and are expected to close on Wednesday. The revolver is priced at 225 basis points over LIBOR and carries a Ba2/BB rating.

A GE spokesman confirmed GE's role on the deal and a CIT official declined to comment. Calls to Deutsche Bank and Goldman were not immediately returned. A Morgan Stanley spokesman declined comment.

## DEVELOPERS PREP

*(continued from page 1)*

of gas per day, says **Bill Luthern**, executive analyst with **Levitan & Associates** in Boston, who he is tracking the deal. It could not be determined which companies it has arranged capacity contracts. The receiving terminals would be situated close to a Maritimes & Northeast pipeline, which extends from the Canadian Maritimes to Massachusetts, and would serve markets in eastern Canada and New England.

Repsol is also a participant in an LNG project being developed in concert with the **Natural Gas Company of Trinidad and Tobago** (see story, page 3). **Fernando Jimenez**, a Repsol spokesman in Madrid, declined to comment on the financing.

The Canaport project obtained federal and provincial government approval in August, Parker says. She notes that its location is ideal for shipments because the deep water port is ice-free year-round.

—*Christine Idzelis*

## CSFB PLANS

*(continued from page 1)*

CSFB has not determined how many hires it will make, which energy commodities to trade or where to headquarter the operations, says one observer. Moreover, the bank will need to shell out significant capital to realize the initiative, comments one consultant, who is not working with CSFB.

**Oswald Gruebel**, ceo of CSFB parent **Credit Suisse Group**, said during an investor conference in October that building the commodities trading business was a priority for CSFB. Last week, Gruebel and other Credit Suisse executives said it would shift strategies and place more emphasis on profitable pursuits.

Early this year, CSFB prioritized launching a power trading operation, tapping Stinebaugh to review models and options for the initiative (PFR, 1/5). After the joint venture with TXU was announced in May, former NYMEX president **Robert Collins** reportedly emerged as the frontrunner to head the desk (PFR, 6/20). Collins did not answer a message left on his cell phone by

press time, so his current position could not be determined.

Previously, CSFB had a small oil-trading effort that was shut down a few years ago. The firm's next foray into energy trading came in early 2001, when it hired **Mansoor Sheikh**, a former Enron trader, to head up a London power trading desk. The effort wound down in 2002 (PFR, 3/11/02).

—*Christine Buurma*

## EX-CALPINE

*(continued from page 1)*

the energy sector, particularly as natural gas prices escalate, says one insider. "It will look more across the supply chain rather than at a specific commodity," he adds.

A number of entrants in the power arena, including private equity players and other hedge funds, have been homing in on the energy markets over the past year. In late October, global head of **Citigroup** trading **David Becker** joined New York-based **Trivium Capital Management** after a brief hiatus (PFR, 10/25).

Previously, Fox and Amthor co-founded **ConAgra Energy Services**, trading natural gas derivatives for the eastern U.S. Before that, the duo built up a proprietary trading operation, along with McAndrew, at a unit of Norwegian energy company **Statoil ASA** in the late 1990s.

—*Mark DeCambre*

## Calendar

- **The American Council on Renewable Energy** is holding a policy conference and summit, Renewable Energy in America: Phase II, today and tomorrow in the Cannon Caucus Room, U.S. House of Representatives, Washington. Separately, **ACORE** is having its annual Power-Gen Renewable Energy conference on March 1-3, 2005 at the Las Vegas Hilton. For information call **Brian Schimmoller** at (918)-831-9866.
- **The Edison Electric Institute** is holding its Electric Industry Utility conference at the London Hilton on Feb.20-23, 2005. For more information contact **Debra Henry** or **Mari Smallwood** at (202)-508-5496 and (202)-508-5501, respectively.

## Quote Of The Week

"We have to wait for the ground to thaw there to begin construction."  
—**William Telander**, president and ceo of **U.S. Wind Farming**, explaining why the company is waiting until after winter to kick off development of a Polish wind farm (see story, page 2).

## One Year Ago In Power Finance & Risk

**National Energy & Gas Transmission** was looking to execute a quick divestiture of its stakes in 12 qualifying facilities across the U.S., prequalifying only a handful of bidders. [**Goldman Sachs** acquired the plants and one natural gas pipeline for \$656 million in September.]