

# power finance & risk

The exclusive source for power financing and trading news

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## Aussie Bank To Shut NY Project Unit

**National Australia Bank** is winding down its project finance and energy group after opting to exit the business last month.

*See story, page 3*

## Calif. Utility Plans \$300M Bonds

The **Sacramento Municipal Utility District** is planning a bond issuance of roughly \$300 million to help permanently finance the construction of Cosumnes, a 500MW gas-fired power plant in California

*See story, page 2*

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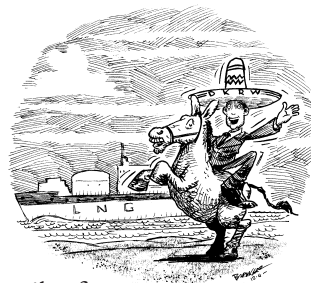
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## ¡Arriba!

## DEVELOPER CANVASSES FOR \$530M MEXICAN LNG FINANCING

DKRW Energy is gearing up to finance a \$530 million liquefied natural gas re-gasification and storage terminal in Sonora, Mexico, with a combination of project debt and private equity. The project will most likely be funded with 70% debt and 30% equity, says **Tom White**, a partner at the developer in Houston. Details of the debt portion have yet to be determined, and the company is still in the process of

*(continued on page 12)*



## HOUSTON SHOP FLIPS INTEREST IN MEGA U.K. PLANT DEBT

**Rockland Capital Energy Investments** has quietly unloaded a minority position in the roughly GBP160 million (\$310 million) of debt associated with **Teesside Power Financing**—the vehicle that controls a 1.8 GW plant in northeast England. The Houston-based investor who less than a year ago acquired the debt in partnership with **Cargill Financial Markets**, sold its interest to an undisclosed buyer. **Scott Harlan**, principal at Rockland, confirms it recently sold its holding, which is in the form of trade claims, but

*(continued on page 11)*

## Year-End Clear Out!

## LENDERS SELL PLANT PROJECT PAPER TO BEAR STEARNS, DEUTSCHE BANK

Bear Stearns reportedly snared \$25 million of project debt tied to the Lake Road generating station last week, and Deutsche Bank pocketed the same amount in a similarly troubled deal: the so-called Exelon Boston debt. According to *PFR* sister publication *Loan Money Week*, the paper is being offered up in auctions by lenders looking to cash out at levels above where they have already marked down the paper, a trader on a distressed desk says. "It's year end. A lot of

*(continued on page 12)*

## SAN DIEGO WIND PLAYER PREPS BANK FUNDING FOR 120 MW PROJECT

**SeaWest WindPower** is looking to arrange at least \$100 million in funding for a 120 MW wind farm in central Texas. **Ryan Pfaff**, executive v.p. in San Diego, says talks are ongoing with lenders to explore construction and long-term financing options for the Buffalo Gap Wind Farm in Nolan and Taylor Counties. He declined to estimate the total cost of construction, but the industry benchmark for wind is around \$1 million per megawatt.

SeaWest anticipates it will select a bank in the next couple of months, Pfaff notes. He

*(continued on page 12)*

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

## ScottishPower Ore. Unit Looks To Add Analysts

PPM Energy is seeking to expand its slate of analysts to advise parent ScottishPower on acquisitions and developments. The Portland, Ore.-based developer and asset manager has several generation projects in the West and is looking to hire analysts to evaluate new business opportunities, says an industry official. The exact tally of hires it is seeking could not be determined. **Don Winslow**, v.p. of economic analysis and structuring, and **Jan Johnson**, a spokeswoman, did not return calls for comment.

The analysts will evaluate deals and provide guidance on potential business opportunities prior to their submission to corporate governance committees and the PPM board. The hires will be based in Portland and at project sites throughout the West.

PPM has added 830 MW of wind generation projects and 800 MW of gas-fired assets to its portfolio in the past three years. It is eyeing new wind power and gas storage projects and is looking to expand its marketing services in the West, Midwest, Gulf Coast and Northeast, observers say.

## Sacramento Utility Eyeing \$300M Bond Offering

The **Sacramento Municipal Utility District** is planning to issue \$300 million in bonds to help finance a 500 MW gas-fired power plant that is currently under construction. **Jim Tracy**, cfo, says that the Sacramento utility will determine late next year, around the time the project comes on line, whether it will launch permanent debt for the Cosumnes Power Plant through a joint power authority. The facility is being constructed about 25 miles outside of Sacramento.

SMUD has discussed its plans to issue notes with its underwriting team, **Goldman Sachs**, **Bear Stearns** and **Morgan Stanley**, Tracy says, adding it is likely to tap one of the three as a lead. The plant carries a \$380 million construction price tag. The company has already issued commercial paper to fund a portion of the project (PFR, 7/29/02). Tracy says SMUD is considering selling to a joint power authority, with which it would subsequently enter into a purchase power agreement.

Separately, the utility is set to begin reviewing requests for proposals for a contractor to provide operation and maintenance guarantees for an 85 MW wind farm that is developing in Solano County. SMUD hopes to make its selection in first quarter next year, he adds.

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Do you have questions, comments or criticisms about a story that appeared in *PFR*? Should we be covering more or less of a given area? As we enter our 24<sup>th</sup> year of providing breaking news to the fixed income community, the staff of *PFR* is committed as ever to evolving with the markets and we welcome your feedback. Feel free to contact **Mark DeCambre**, managing editor, at 212-224-3293 or [mdecambre@iineews.com](mailto:mdecambre@iineews.com).

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**Institutional  
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INTELLIGENCE FIRST

## Constellation Readies Commodities Research Team

**Constellation Energy** is looking to establish a team of three-five persons to carry out research and analysis for the Baltimore-based company's energy commodities group. The team will analyze supply and demand in areas including oil, natural gas and coal, says a recruiter familiar with its plans. In addition, the team will research supply chains such as pipelines and LNG storage.

The staffers are expected to complement commodity trading activities, although it is not immediately clear why Constellation wants to form the team at this time. **Larry McDonnell**, spokesman for the commodities group, declined to comment.

## Avista Readies Revolver For Wrap

A \$350 million **Avista** bank revolver co-led by **Bank of New York** and **Union Bank of California** was expected to close by the end of last week. Commitments were still being submitted last Tuesday, says a banker close to the transaction. The refinancing was initiated because Avista believed market conditions would afford it attractive pricing and a longer tenor, the banker says, declining to disclose terms.

A call to **Malyn Malquist**, cfo in Spokane, Wash., was not returned and an Avista spokeswoman declined to comment. The deal was expected to be completed as *PFR* went to press on Friday.

BoNY and UBoC served as administrative and syndication agent, respectively. The financier declined to disclose pricing of the five-year facility, saying only that it was being syndicated to the same group of banks that participated on its previous loan. That revolver carried a 12-month maturity. A UBoC official declined comment and a BoNY spokesman was unable to provide comment by press time.

## FortisAlberta Lays Out Long-Term Refinancing

**FortisAlberta** plans to visit the bond markets in 2006 to refinance between \$100 and \$150 million of short-term debt. The Calgary-based electricity distribution subsidiary of **Fortis Inc.**, currently has a \$100 million, 364-day facility in place to fund operating expenses and proposed improvements. Those include upgrades to its electrical network, says **James Harbilas**, cfo. It also may expand the facility to \$150 million in 2005 to fund immediate capital expenditure needs, he adds.

The company will look to refinance the existing 364-day line with debt that matures between 2016 and 2036, says Harbilas. Other details of the refinancing have yet to be determined. **FortisAlberta** will most likely tap small to mid-sized Canadian banks it has relationships with to underwrite the offering, he says. **FortisAlberta** has previously worked with banks including **CIBC World Markets**, **Scotiabank Group**, **Bank of Montreal**

and **Royal Bank of Canada**.

**FortisAlberta** filed an application with the **Alberta Energy and Utilities Board** in late November to spend \$126.6 million in capital improvements to its electrical system and \$104.4 million in operating expenses in order to meet customer growth and improve reliability. The existing credit facility and cash flow from operations likely will be sufficient to cover those expenses, says Harbilas.

## G'day!

## Aussie Bank Shuttters Big Apple Project Group

**National Australia Bank** is winding down its project finance and energy group after opting to exit the business last month.

**Michael Lorusso**, senior v.p. and head of the energy and project finance the group in New York, says it is refocusing its strategy on clients active in Australia and wanted to shut down the operation because it strictly targeted the U.S. Moreover, it has seen deal flow peter out since Lorusso was hired about four years ago to build the group. "It's been slim pickings," he comments.

The bank's existing portfolio is being rolled into its corporate group, Lorusso says. A bank official has moved to New York to unwind the book of business. A call to a corporate finance official in the bank's New York office was not immediately returned.

Lorusso says he will now be eyeing similar project finance roles. About four other unidentified bankers, on his team, also left the bank.

## PG&E Lands Fresh Credit Line

**PG&E Corp.** has closed a \$200 million revolving credit facility, taking advantage of favorable bank market conditions. "We don't have any current plans to draw on it," says **Leroy Barnes**, treasurer of the San Francisco holding company. The revolver offers facility fee of 17.5 basis points on undrawn portions and a drawn margin of 70 basis points over LIBOR, he says.

**BNP Paribas** and **Deutsche Bank** co-led the senior unsecured credit line with **Union Bank of California**, **Goldman Sachs** and **ABN AMRO** acting as co-agents. A total of 14 banks participated in the deal, which closed Dec. 10, he adds, noting it was oversubscribed by about double. The co-agent obtained an upfront fee of 30 basis points, and participants received 25 basis points.

The company has been trying to smooth out its financing since its subsidiary utility, **Pacific Gas & Electric Company**, emerged from bankruptcy this spring. "We're back to a more normal profile," Barnes says of the move to reduce its high cash level and return to a more typical liquidity structure.

**Deutsche Bank** and **BNP** were selected as leads because they offered competitive pricing and they have handled a bevy of similar revolvers, Barnes says. A call to a Deutsche Bank official was not returned and a BNP spokeswoman could not immediately provide comment.

## Cinergy Doubles, Extends Credit Line

Cinergy has closed on a \$1 billion five-year revolver, doubling its original capacity. The tenor of the facility was also extended by two years, says a financier, noting healthy market conditions and receptiveness of lenders encouraged the company to refinance. The previous 12-month, \$500 million facility was part of a \$1.5 billion package debt arrangement (PFR, 5/3).

The oversubscribed revolver was jointly led by **Barclays**

and **JPMorgan Chase**. It has a facility fee of 15 basis points, and is priced at LIBOR plus 75 basis points to 87.5 basis points depending on the level of draw down. The loan closed on Dec. 9 and was syndicated to a 27-bank group, which also participated in the last revolver, the banker notes.

The debt is rated BBB/Baa2 by **Standard and Poor's** and **Moody's Investor Services**, respectively. A call to **Jim Turner**, cfo at Cinergy in Cincinnati, was not returned. A Barclays official declined comment and a call to JPMorgan officials also went unreturned.

## Debt Calendar

Expected Date	Maturity	Filing Date	Rule 144A Private Placement	Issuer	Bookrunner(s)	Proceed Amt In This Mkt (\$ mil)	Moody's Rating	Standard & Poor's Rating	Senio/Subord.Debt
Wk. 12/12	-	11/5/04	-	Inergy LP	JPM/LEH	400	Caa3	B-	Senior
Wk. 12/12	-	12/8/04	-	Venoco Inc	LEH/NOMURA	150	Caa1	CCC+	Senior

## Financing Record (DECEMBER 8-DECEMBER 14)

### Debt

Rule 144A Private									Offer					Gross Rating
Description	Issue	Business	Amount						Yield To		Standard &			Spread As %
Placement	Date	Issuer	(\$ mil)	Principal	Coupon	Type of (%)	Maturity	Offer	Maturity	Spread To	Poor's	Moody	Fitch	of Prncpl Amt
-	12/8/04	CMS Energy Corp	Electric,gas utility	250	2.875	Cvt Senior Nts	12/1/11	100	2.875	-	NR	NR	NR	2.75
-	12/8/04	Consumers Energy (CMS Energy)	Electric and gas utility	225	5	Fst Mtg Bonds	3/15/15	99.833	5.021	85	BBB-	Baa3	BB	na
No	12/8/04	EDF	Electric utility	97.3	5.75	Fxd/Straight Bd	3/8/24	103.391	5.463	-	A	A2	NR	na
Yes	12/8/04	Texas Genco Holdings Inc	Electric utility	1,125.00	6.875	Senior Notes	12/15/14	100	6.875	273	B+	B1	NR	na
No	12/10/04	KEPCO	Electric utility	194.3	0.51	Fxd/Straight Bd	12/21/07	100	0.51	20	A-	A3	NR	0.3
No	12/10/04	Nuon Finance B.V	invest svcs	671	4.125	Fxd/Straight Bd	12/17/14	99.839	4.145	52	A+	A2	NR	na
No	12/10/04	Nuon Finance B.V	invest svcs	402.6	4.5	Fxd/Straight Bd	12/17/19	99.071	4.586	96	A+	A2	NR	na
Yes	12/13/04	Juniper Generation LLC	pvd electric svcs	206	5.04	Sr Secured Nts	12/30/14	100	5.04	-	BBB-	Baa3	BBB-	na
Yes	12/13/04	Juniper Generation LLC	pvd electric svcs	60	6.79	Sub Notes	12/30/14	100	6.79	-	NR	NR	NR	na
Yes	12/14/04	Empresa Electrica de Guatemala	Electric utility	100	8.5	Notes	12/21/14	100	8.5	437	BB-	Ba2	NR	na
-	12/14/04	Reliant Energy Inc	Pvd electricity, energy svcs	750	6.75	Sr Secured Nts	12/15/14	100	6.75	262	B	B1	B	na

### M&A

Date Announced	Acquiror Name	Acquiror Nation	Target Name	Target Nation	Rank Value of Deal (\$mil)
12/8/04	Thai Oil PCL	Thailand	Independent Power (Thailand)	Thailand	12.75
12/8/04	DKLS Energy Sdn Bhd	Malaysia	Puge Ypnyu Hydropower Dvlp Co	China	5.709
12/10/04	Environmental Infrastructure	Australia	Supergas Pty Ltd	Australia	0.271
12/13/04	Plains LPG Services LP	United States	Rymes Heating-Claremont	United States	-

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



## Corporate Strategies

### **No Small Potatoes**

## **IDACORP Shrinks Debt Via \$100M+ Equity Move**

IDACORP has issued 3.5 million shares of common stock raising about \$105 million as part of its plan to reduce short-term debt and fund a portion of its capital requirements. The Boise company priced the offering at around \$30 on Dec. 10. **Darrell Anderson**, cfo, had announced plans to issue equity at its third-quarter earnings conference. Calls to Anderson were referred to spokesman **Jeff Beaman**, who declined to comment.

The company has \$119 million of short-term debt outstanding. IDACORP's 12-month trading range was \$32.95 to \$25.30, with a closing price last Monday of \$30.87.

**Morgan Stanley** is leading the deal, with **Wachovia Capital Markets**, **KeyBanc Capital Markets**, **A.G. Edwards & Sons** and **D.A. Davidson & Co.** acting as co-underwriters. If the banks exercise an over-allotment option, the total amount of equity issued will be \$123 million.

## **Enbridge Energy Retires Old Debt**

**Enbridge Energy Partners** has issued \$300 million in bonds to refinance existing debt, fund capital expenditures and increase liquidity. **Leigh Cruess**, treasurer of the Houston-based pipeline owner and operator, says it decided to issue the bonds to fund several impending projects, including a pipeline expansion in east Texas and the Midwest and an acquisition of natural gas assets in north Texas from **Devon Energy Corp.** The bond offering was plotted earlier this year, says Cruess, noting Enbridge draws up its financing plans at the beginning of the year.

Enbridge priced \$200 million of the offering at 99.959 as 10-year paper carrying a 5.35% coupon. The remaining bonds, due 2034, were priced at 99.742 and carry a 6.32% coupon. A portion of the proceeds will go toward repaying a \$600 million

revolver issued in 2002, the details of which were not immediately available.

**Wachovia Capital Markets** and **ABN AMRO** acted as joint bookrunners and lead managers for the offering, with **Banc of America Securities**, **Citigroup Global Markets**, **Deutsche Bank Securities**, **SunTrust Capital Markets**, **Stifel Nicolaus & Co.** and **HSBC Securities** acting as co-managers.

The firms were chosen based on their coverage across a variety of sectors, experience and accuracy of previous pricing. Enbridge also prefers to rotate business among a number of banks. "We like to ensure that all of our relationship banks are adequately compensated," Cruess says. It has not yet determined its financing plan for 2005, but has a number of projects in the pipeline that may require permanent debt, he says.

## **Houston Energy Investment Operation Goes Public**

**NGP Capital Resources**, a Houston-based energy investment firm, has tapped the public market for \$261million in an initial public offering. Spurred by investor demand for energy-related investments and further emboldened by the success of a \$930 million **Apollo Investment Corp.** IPO in April, it issued 17.4 million shares and priced them at \$15 per share, says **Steve Gardner**, partner.

**Raymond James & Associates** was tapped as the sole bookrunner based on its experience with master-limited partnerships such as NGP, says Gardner. NGP initially issued 16 million shares, but Raymond James was able to place the additional shares due to an increased appetite.

NGP invests primarily in the debt of small and mid-sized energy companies, including midstream companies that own and operate pipelines and other transmission and distribution infrastructure. It may ultimately invest in power generation, although it does not currently have the capital and the expertise to do so, Gardner says.

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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

- **Reliant Energy** has completed the transfer of ownership of the 530-megawatt Liberty generating station in Pennsylvania, including the related project-finance debt, to Liberty's lenders. Reliant acquired the gas-fired plant in 2002 as part of its purchase of **Orion Power Holdings** (*Houston Business Journal*, 12/15).

Separately, it priced \$750 million of senior secure notes via **Goldman Sachs, Banc of America Securities, Barclays, Deutsche Bank Securities** and **Merrill Lynch & Co.** The note offering has a 6.75% coupon and had a spread of 262 basis points over Treasuries (*Dow Jones*, 12/14).

- **Canadian Superior Energy** has reduced the issue price for its previously announced private placement of flow-through common shares to C\$2.50. The oil and gas company had planned to issue up to 5 million of the shares at C\$3.00 each (*Dow Jones*, 12/14).

- **CenterPoint Energy** said it will pocket \$2.9 billion from the sale of its stake in the **Texas Genco Holdings** unit and from the sale of Texas Genco's fossil-generation assets in a two-part deal. Texas Genco is equally owned by affiliates of **The Blackstone Group, Hellman & Friedman, Kohlberg Kravis Roberts & Co.** and **Texas Pacific Group** (*Houston Business Journal* 12/15).

- A Texas-based private equity firm wants to purchase **Portland General Electric** from bankrupt **Enron Corp.** **Texas Pacific** has offered a \$43 million rate cut to customers as part of the deal, but opponents say the rate cut should be much higher (*Miami Herald*, 12/15).

- **Dominion Resources** recently told the **Federal Energy Regulatory Commission** that it will not be able to transfer control of its high-voltage power lines to regional grid operator **PJM Interconnection** until at least March 1. The company was expected to integrate its transmission system into PJM by Jan. 1, but Dominion said it still needs to win approval from North Carolina state regulators (*Dow Jones*, 12/14).

- An **Ameren Corporation** executive who directed the St. Louis-based utility's generation operations has been promoted to chief operating officer. The company said **Thomas Voss** will assume his new titles on Jan. 1 (*Associated Press*, 12/13).

- The **Texas Public Utility Commission** launched a formal investigation last week into price surges in the state's wholesale

electricity market, focusing on bids from **TXU Corp.** that have been 10 times greater than normal levels. In recent weeks, prices in the spot market have regularly shot up during non-peak periods to more than \$400 per MW hour, the highest consistent levels in several years (*The Dallas Morning News*, 12/13).

- **NRG Energy** has reached an agreement for the sale of its 1,160 MW plant in Minooka, Ill., to an affiliate of **LS Power Associates**. NRG has the right to reacquire a 40% interest in the project with 10 years for a nominal amount (*Power Engineering*, 12/13).

- **Cheniere Energy** has won approval from the **Federal Energy Regulatory Commission** to develop its liquefied natural gas terminal in Sabine Pass, Louisiana, making way for what would be the largest LNG terminal in the U.S. It will receive a about 2.6 billion cubic feet of gas per day (*Bloomberg*, 12/15)

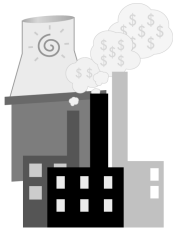
- San Francisco-based **PG&E** promoted CFO **Peter Darbee** to ceo. Darbee replaces the retiring **Robert Glynn** who will remain as chairman until yearend. Controller **Christopher Johns** will be lifted to replace Darbee's spot (*Bloomberg*, 12/15).

### Europe & Asia

- China's cabinet will reportedly extend macroeconomic controls to rein in the country's fast-growing power sector, and has called for a halt to the construction of unauthorized power plants. The **National Development and Reform Commission** has ordered a halt to bank loans and coal supply to unauthorized plants, in a bid to check growth in the power sector (*AFP*, 12/13).

- **British Energy** said yesterday its losses had ballooned over the past six months and warned that its future prospects remained uncertain. The company said the unexpected closure of two of its nuclear power stations, which were forced to halt production while safety inspections were carried out, helped push half-year pre-tax losses at the company to \$451 million (*The Independent*, 12/13).

- **OAo Yukos Oil Co.** is seeking Chapter 11 bankruptcy in Houston in order to stymie the Russian government's attempt to auction its biggest subsidiary **OAo Yuganskneftegaz**. The company which has assets in the U.S. is seeking an unprecedented ruling that would have the U.S. bankruptcy court trying to impede the activities of the Russian state (*Bloomberg*, 12/15).



## Generation Auction & Sale Calendar

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

Seller	Plants	Location	MW	Plant Type	Advisor	Status
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		
	Ottana	Italy	140	Gas	None	Ongoing.
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	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	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.	Tied up by Worenklein Group.
	La Paloma	Calif.	1,121	Gas	Lehman Bros.	
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 Kleinwortsh Wasserstein	Sold To Hidroelectrica Guardia Vieja For \$174 Million.
EnCana	Cavalier	Alberta	106	Gas	HSBC	Launched Sale In April. Looking To
	Balzac	Alberta	106	Gas	HSBC	Exit Generation Business.
	Kingston	Ontario	110 (25%)	Gas	HSBC	
Energy Investors Fund	Multitrade	Va.	79.5 (60%)	Biomass	None	Intention To Sell.
	Crockett	Calif.	240 (24%)	Gas	None	



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

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Entergy Asset Management	Robert Ritchie	Ark.	544	Gas/oil		Ongoing.
	Warren Power	Miss.	314	Gas		
	RS Cogen	La.	425 (49%)	CHP		
	Harrison County	Texas	550 (70%)	Gas		
EPRL	Glanford	U.K.	14	Poultry Litter	Rothschild	Ongoing.
	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	N/A	Sent Out RFP In April.
	Van Horn	Texas	41 (33%)	Wind		
	Tarifa	Spain	30 (46%)	Wind		
Mirant	Kendall	Mass.	270	Oil	CSFB BofA	Ongoing.
	Shady Hills	Fla.	474	Gas		
	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			
	Rijnmond	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			

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

Seller	Plants	Location	MW	Plant Type	Advisor	Status
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. Set To Sell Guadalupe And Odessa To PSEG.
	Termopaipa IV	Philippines	185	Gas		
TECO Energy	Frontera Power Station	Texas	477	Gas	Goldman	
	Dell Power Station	Ark.	540	Gas		
	McAdams Power Station	La.	599	Gas		
	Commonwealth Chesapeake	Va.	315	Gas		
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.

## HOUSTON SHOP

(continued from page 1)

declined to comment further.

The size of Rockland's stake could not be determined and it is unclear if Cargill retained its interest. Terms of Rockland's sale also could not be ascertained. Calls to Cargill in London were not returned by press time.

The gas-fired power station in northeast England has claims against former owner **Enron** and offtaker **BritishEnergy**. The Rockland purchase initially was believed to have been an attempt to acquire the underlying plant because the claims are secured

against Enron's and British Energy's equity stake in Teesside. Given debt on Teesside in the secondary loan market has been improving steadily over the past several months, observers believe that Rockland was profit taking. Price talk is floating around the 84-87 range. The specific trading range of the trade claims could not be determined.

Since the summer, a number of banks including, **Abbey National**, **HypoVereinsbank**, **Bayerische Landesbank**, **HBOS** and **WestLB**, have shed more than GBP115 million in Teesside's project loan paper at prices that were believed to be below par. The bulk of Teesside's GBP655 million non-recourse debt is owned by investment banks and hedge funds.

—Mark DeCambre

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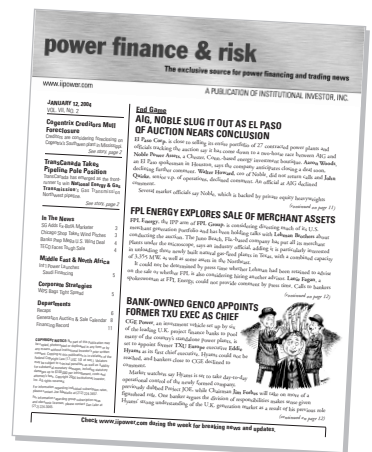
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## DEVELOPER CANVASSES

(continued from page 1)

pinpointing equity investors, he says. **Royal Bank of Scotland** has been tapped to lead the financing because it has worked on LNG facilities in the past, he says.

The hunt for equity investors will be far-reaching, says White. "We're basically talking to everyone who has gas supplies in the Pacific Rim," he says. When negotiating with suppliers, DKRW will invite them to become equity investors.

Aside from its proximity to the Gulf of Mexico, the Sonora site was chosen because there is an existing power station and port facility at the location. Converting the 1,200 MW fuel oil fired plant to gas will also result in a significant reduction in emissions, says White. The planned LNG facility's location, about 200 miles south of downtown Phoenix, also makes Arizona a potential market for gas converted at the facility.

About one third of the gas converted at the facility will go to generation facilities in Sonora under an agreement with the local government, and the rest will be brought into western gas markets in the U.S.

DKRW estimates the project will be completed by mid-2008, with construction beginning around the second half of next year. The facility will produce 1.3 billion cubic feet of gas per day.

—Christine Buurma

## LENDERS SELL

(continued from page 1)

banks have this stuff on their books at lower levels and this is a good time to sell out," said a trader on a distressed desk.

Traders said Bear Stearns paid around 82 for the Lake Road paper. The project's bank debt was quoted in the mid 50s in July. The 780 MW plant has \$490 million of bank debt. Bear Stearns officials declined comment. **National Energy & Gas Transmission** transferred ownership of the plant to lenders last fall and the asset itself looks to be heading toward a sale; **Jay Worenklein**, principal of **US Power Generating Company**, is nearing a deal to acquire the facility (PFR, 11/29).

Exelon Boston was sold by one of the original lenders of the \$1.25 billion credit, said a trader. The purchase price was around 101 1/2. This was only basis points away from the cover bid, a second trader said. Three weeks ago, Deutsche Bank traded a total of \$57 million of Exelon Boston at 95-97. Deutsche Bank officials declined comment.

The sale of Exelon Boston's 3000 MW merchant portfolio was initiated last July and is currently ongoing. The process started after parent **Exelon Corp.** transferred ownership of its wholly owned subsidiary to its lenders.

The **BNP Paribas**-led Exelon Boston deal has climbed from the 70s this year. "The bids are higher than the actual value of the plants," a different trader noted. Two weeks ago, traders said

agent bank **BNP Paribas** was holding up trades on the name, fearing the presence of new lenders would disrupt the sale process. **Kate Quinn**, a director at the bank, disagreed strongly and explained that Exelon Boston's debt is stapled to the equity and can only be traded under circumstances that are consistent with the **Federal Energy Regulatory Commission** (PFR, 12/6). A spokeswoman for NEGTC. An Exelon spokesman referred calls to the creditors.

—Michelle Sierra-Laffitte

## SAN DIEGO

(continued from page 1)

would not say if it had an off-take contract, but a banker tracking the deal says an agreement is being arranged. He would not provide further details. It is unclear SeaWest will partner with another entity to take advantage of production tax credits, which expire at the end of next year.

Texas is good market for wind farm development because it has a lot of open space and a favorable regulatory environment. "Utilities are eager to enter into power purchase agreements there," a banker says. SeaWest WindPower has installed more than 3,200 turbines and nearly 830 MW of electricity in the U.S. and Europe. Buffalo Gap is anticipated to be completed by the end of next year.

—Christine Idzelis

## 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

"It's been slim pickings." —**Michael Lorusso**, senior v.p. and head of **National Australia Bank's** energy and project finance group in New York, on the bank's plans to shutter the group after four years of flagging deal flow (see story, page 3).

## One Year Ago In Power Finance & Risk

A joint venture between former **Enron** Vice Chairman **Joe Sutton** and **ArcLight Capital Partners** was reportedly set to acquire a **Duke Energy International** power plant in France. [The plant was subsequently sold to **Courant CTR Holdings**, an affiliate of **ArcLight**, for \$79.7 million.]