

# North American Power & Utilities Deals\*—Q1 2014

## Quarter in review

"During Q1 2014 we saw a range of deals activity, spanning the industry landscape, including regulated utility, power generation, and retail deals. As we've stated in prior quarters, hybrid utilities have continued to evaluate their portfolios and the potential for bringing their merchant assets to market. While we saw a decline in deal volume and value this quarter, as compared to the previous quarter, we expect the deal environment to pick up through a combination of regulated and merchant transactions."

*Jeremy Fago, US Power & Utilities Deals Leader*

## Key trends in Q1 2014

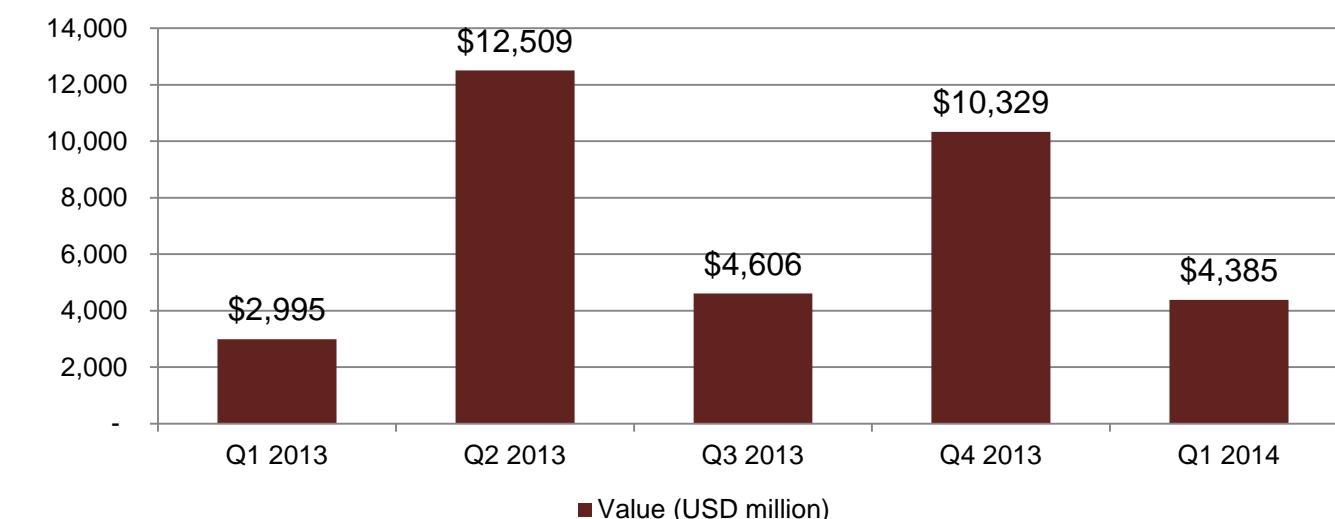
- This quarter, we saw a decrease in the volume and value of deals greater than USD 50 million. There were 7 deals this quarter, compared to 14 during the fourth quarter of 2013 and 12 during the third quarter of 2013. Total deal value decreased by 58% from the previous quarter from USD 10.3 billion to USD 4.4 billion. The average deal size decreased 15% from the previous quarter from USD 738 million to USD 626 million.
- In Q4 2013 there were two larger deals each greater than USD 3 billion, while this quarter the largest and only deal over USD 1 billion was UIL's acquisition of Philadelphia Gas Works for USD 2.9 billion. Financial investors accounted for 23% of deals by value, up from 7% during the previous quarter.
- In terms of deal type, corporate vs. asset deals remained close to the same percentages of deal value as compared to last quarter. Corporate deals accounted for 76% of deal value and asset deals accounted for 24%. Foreign deals declined this quarter to 13% of deals by value from 44% the previous quarter. Alternative deals continued to represent a small portion of total deal value, at 4% of total deal value this quarter.

## Q1 2014 vs. Q1 2013 comparison

- The number of deals valued at more than USD 50 million came in at 7, down slightly from the 9 deals from a year ago. Total deal value, however, grew by 46% from USD 2,995 million to USD 4,385 million, and the average deal value grew by 88% from USD 333 million to USD 626 million.

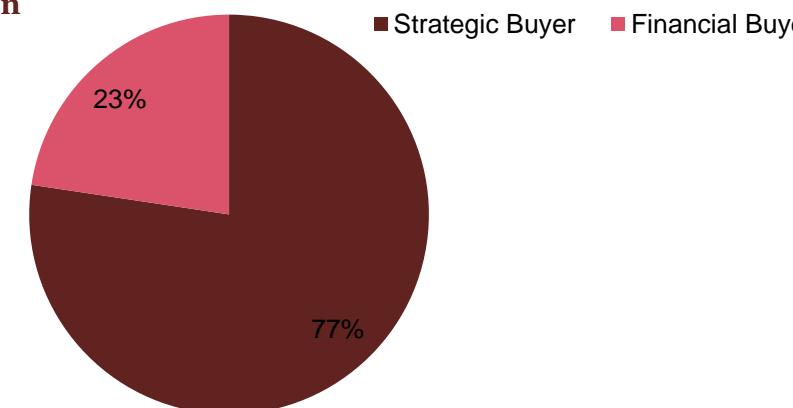
Period	All deals		Deals >USD 50 Million	
	Number	Number	Value (USD million)	Average value (USD million)
Q1 2013	29	9	2,995	333
Q2 2013	42	7	12,509	1,787
Q3 2013	42	12	4,606	384
Q4 2013	44	14	10,329	738
<b>Q1 2014</b>	<b>34</b>	<b>7</b>	<b>4,385</b>	<b>626</b>

## By transaction value (USD million)



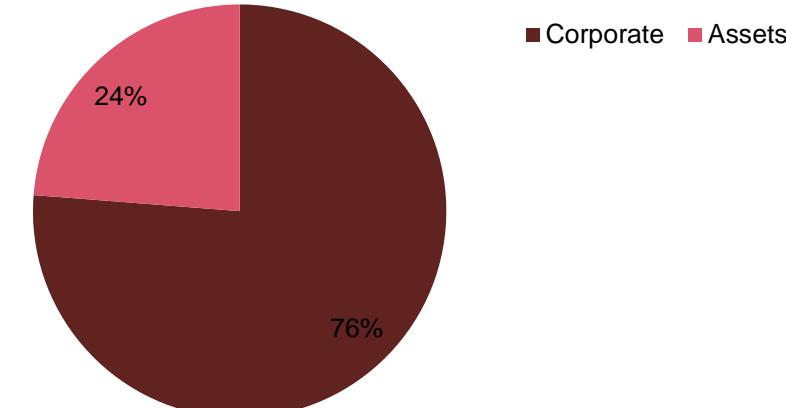
## Deals > USD 50 Million

### By investor group



Source: Thomson Reuters, S&P Capital IQ, PwC analysis

### By transaction type



Source: Thomson Reuters, S&P Capital IQ, PwC analysis

\* North American power deals provides a summary of the most recent unregulated power generation and regulated utility (electric, gas and water) transaction activity.

# North American Power & Utilities Deals—Q1 2014

Rank	Value (USD million)	Acquirer Name	Target Name	Corp or Asset	Strategic or Financial	Announced Date	Deal Summary
1	2,879	UIL Holdings Corporation	Philadelphia Gas Works	Corp	Strategic	2/28/14	US - UIL Holdings Corporation definitively agreed to acquire Philadelphia Gas Works (Philadelphia Gas), a Philadelphia-based natural gas utility, from the City of Philadelphia for USD 1.9 billion in cash. In November 2012, the City of Philadelphia announced that it was seeking a buyer of Philadelphia Gas.
2	404	Borealis Infrastructure Management Inc.	Bruce Power Corporation	Asset	Financial	1/31/14	CANADA - Borealis Infrastructure Management Inc., a unit of Ontario Municipal Employees Retirement System, increased its interest to 56.1% from 24.5%, by acquiring a further 31.6% stake in Bruce Power Corporation, a Tiverton-based owner and operator of nuclear power plants, from Cameco Corp, for CAD 450 million (USD 404 million).
3	299	Balfour Beatty Infrastructure Partners LLP	Upper Peninsula Power Company	Corp	Financial	1/20/14	US - Balfour Beatty Infrastructure Partners LLP of the UK, a unit of Balfour Beatty PLC, definitively agreed to acquire the entire share capital of Upper Peninsula Power Company, a Green Bay-based electric utility company, from Integrys Energy Group Inc., for an estimated USD 299 million.
4	289	Brookfield Renewable Energy Partners LP	LS Power Group-Safe Harbor	Asset	Financial	2/6/14	US - Brookfield Renewable Energy Partners LP of Bermuda acquired a 33% stake in the Safe Harbor hydroelectric power facility from LS Power Group for an estimated USD 289 million.
5	194	MidAmerican Renewables LLC	CE Generation LLC	Asset	Strategic	2/20/14	US - MidAmerican Renewables LLC, a 75%-owned unit of Berkshire Hathaway Inc.'s MidAmerican Energy Holdings Company subsidiary agreed to acquire the remaining 50% interest in CE Generation LLC, an Omaha-based owner and operator of geothermal power facilities, from TransAlta Corp, for USD 194 million.
6	165	NRG Energy, Inc.	Dominion Resources, Inc., Retail Electric Business	Corp	Strategic	3/11/14	US - NRG Energy, Inc. agreed to acquire the retail electric business of Dominion Resources, Inc., a Richmond-based electricity and gas utility holding company, for USD 165 million.
7	155	Consumers Energy Company	DPC Juniper Power Plant	Asset	Strategic	1/30/14	US - Consumers Energy Company, a unit of CMS Energy Corp, agreed to acquire DPC Juniper Power Plant, a Jackson-based gas power facility, for USD 155 million.
8	35	RET Holdings LLC	Ormat Nevada Inc.-Solar Project	Asset	Financial	3/26/14	US - RET Holdings LLC agreed to acquire Heber Solar Photovoltaic Project from Ormat Nevada Inc. for USD 35 million.
9	2	SunVault Energy Inc.	CleanGen Inc.	Corp	Strategic	3/3/14	CANADA - SunVault Energy Inc. (SunVault) of the US agreed to acquire a 50% interest in CleanGen Inc., an Edmonton-based provider of alternative energy services, in exchange for 19.5 million SunVault common shares valued at CAD 2 million (USD 0.2 million). The shares were valued based on SunVault's closing stock price of CAD 0.111 (USD 0.1) on February 28, 2014, the last full trading day prior to the deal announcement.
10	1	Questor Technology Inc.	ClearPower Systems Inc.	Corp	Strategic	2/5/14	US - Questor Technology Inc. of Canada acquired the entire share capital of CleanPower Systems Inc. for USD 1 million in cash.