

North American Power & Utilities Deals*—Q4 2013

Quarter in review

“Closing out the year with the highest levels of activity since the second quarter of 2011 is a positive sign for 2014 deal activity. Investors continue to be attracted to assets that generate strong yields, and combined with cash on the sidelines and regulatory pressures, sellers are seeing this as a good time to exit assets that aren’t driving long term growth.”

Jeremy Fago, US Power & Utilities Deals Leader

Key Trends in Q4 2013

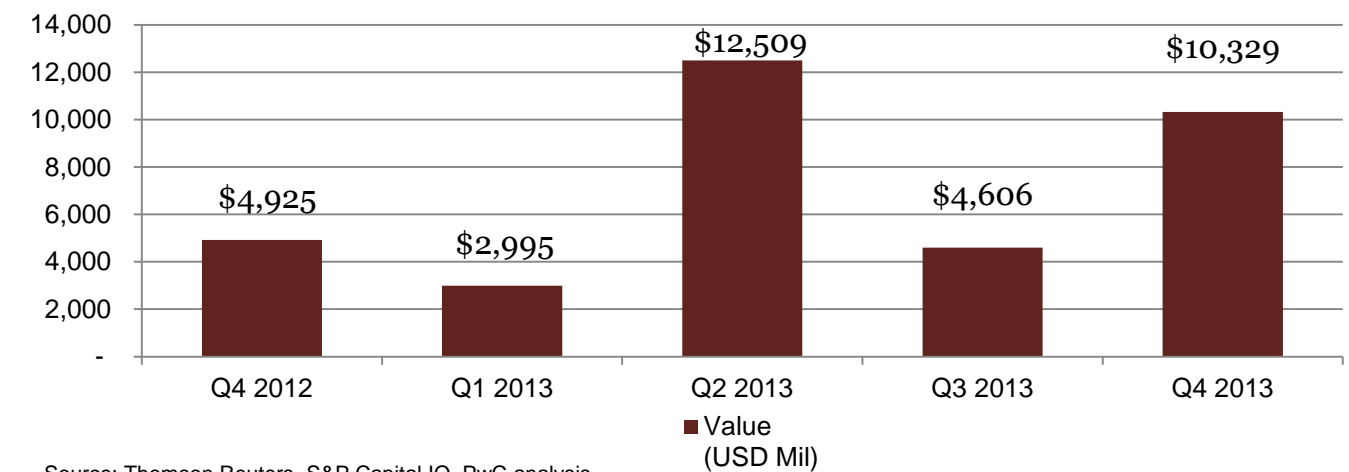
- This quarter, we saw a rise in the volume and value of deals greater than \$50 million. We had 14 deals this quarter, compared to 12 the quarter before and 7 during the second quarter of 2013.
- Total deal value grew 124% from the previous quarter from \$4.6 billion to \$10.3 billion. The average deal size, grew 92% from the previous quarter from \$384 million to \$738 million. This growth was primarily driven by two large deals this quarter by Fortis and NRG, valued at \$4.3 billion and \$3.1 billion, respectively.
- Strategic investors accounted for 93% of deals by value, up from 72% during the previous quarter.
- In terms of deal type, corporate deals rose to 74% of deals by value, up from only 44% of deals during the previous quarter. Foreign deals jumped this quarter to 46% of deals by value from 22% the previous quarter, driven largely by Fortis' (of Canada) merger with UNS Energy, valued at \$4.3 billion.

Q4 2013 vs. Q4 2012 comparison

- The number of deals valued at more than \$50 million came in at 14, close to the 13 deals from a year ago. The total value of the deals, however, grew by 110%, and the average value grew by 95%.

Period	All deals	Deals >\$50 Mil		
	Number	Number	Value (\$ Mil)	Average value (\$ Mil)
Q4 2012	36	13	4,925	379
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

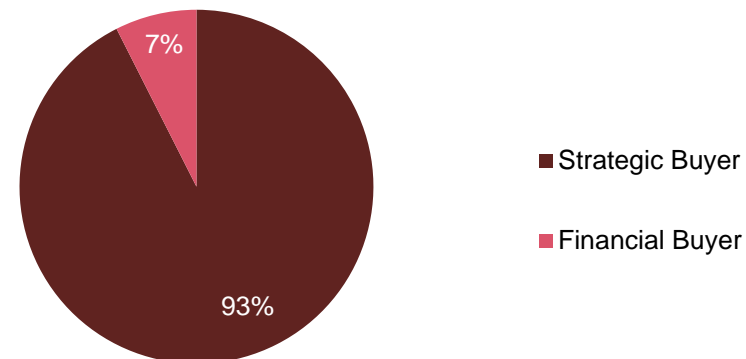
By transaction value (USD Mil)



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

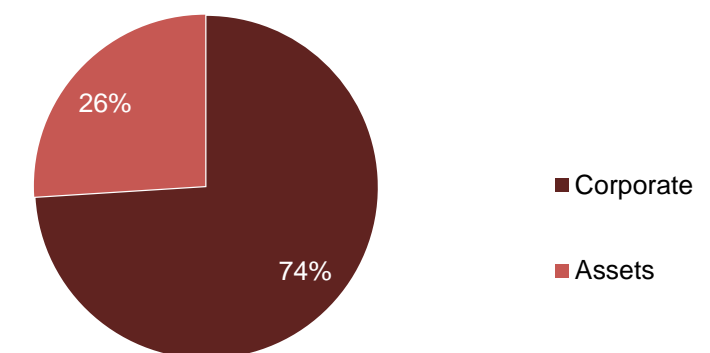
Deals > \$50 Mil

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.

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Rank	Value (Mil)	Acquirer Name	Target Name	Corp or Asset	Strategic or Financial	Announced Date	Deal Summary
1	4,269	Fortis Inc	UNS Energy Corp	Corp	Strategic	12/11/13	US - Fortis Inc of Canada definitively agreed to merge with UNS Energy Corp, a Tucson-based provider of electric services, for USD 60.25 in cash per share, or a total value of USD 4.315 bil, including the assumption of USD 1.8 bil in liabilities.
2	3,121	NRG Energy Inc	Edison Mission Energy Co	Corp	Strategic	10/18/13	US - NRG Energy Inc (NRG) agreed to acquire bankrupt Edison Mission Energy (Edison), a Santa Ana-based owner and operator of electric facilities, from Mission Energy Holding Corp (Mission), for USD 3.121 bil. The consideration was to consist of USD 1.222 bil in cash, the assumption of USD 1.545 bil in liabilities, and the issuance of 12.672 mil new NRG common shares valued at USD 354.308 mil. The shares were valued based on NRG's closing stock price of USD 27.96 on 17 October 2013, the last full trading day prior to the announcement. Originally, in June 2013, Mission announced that it was seeking a buyer for its Edison unit.
3	685	Blackstone Group LP	Bastrop,Frontera,Paris Station	Asset	Financial	12/18/13	US - Blackstone Group LP agreed to acquire Bastrop Energy Partners LP, Frontera Generation LP, and Paris Generation LP, owners and operators of gas-fired power stations, from Direct Energy Power Holdings Inc, and a unit of Centrica PLC, for USD 685 mil in cash, in a leveraged buyout transaction.
4	625	Calpine Corp	MinnTex Power-Power Plant	Asset	Strategic	12/2/13	US - Calpine Corp agreed to acquire the Guadalupe natural gas-fired power plant of MinnTex Power Holdings Inc, an electric utility company, and a unit of Wayzata Investment Partners LLC, for USD 625 mil.
5	455	Lower Mount Bethel Energy, LLC	LMB Energy Power Project	Asset	Strategic	12/20/13	Lower Mount Bethel Energy LLC has acquired the LMB Energy Power Project for \$455 million. The power plant is an approximately 600-MW net combined-cycle, natural gas-fired electricity generating facility located in Lower Mount Bethel, Pa.
6	219	Tucson Electric Power Company; UNS Electric, Inc.	Gila River Power, LLC, Unit 3 & Interests in Associated Common Facilities	Asset	Strategic	12/27/13	TEP and UNS Electric, Inc. (UNS Electric) entered into an agreement with Gila River Power LLC, the subsidiary of Entegra which holds title to Gila River Unit 3, to purchase Gila River Unit 3 for \$219 million. Gila River Unit 3 is a 550 MW gas-fired combined cycle power plant.
7	207	Pattern Energy Group Inc.	2 Wind Power Plants	Asset	Strategic	12/24/13	Pattern Energy Group Inc. announced the purchase of two wind power projects from its majority shareholder, Pattern Energy Group LP, for \$202.4 million. The purchase will add 214 MW in net capacity, increasing Pattern Energy’s portfolio to 1,255 MW.
8	170	Avista Corp	Alaska Energy & Resources Co	Corp	Strategic	11/4/13	US - Avista Corp definitively agreed to merge with Alaska Energy & Resources Co, a Juneau-based provider of electric services, for USD 170 mil.
9	120	NRG Yield Inc	Energy Systems Co	Corp	Strategic	12/3/13	US - NRG Yield Inc, a unit of NRG Energy Inc acquired NRG Energy Inc, an Omaha-based provider of steam and chilled water thermal energy services, for USD 120 mil in cash.
10	117	Algonquin Power Co	Gamesa Energy-Power Portfolio	Asset	Strategic	11/28/13	US - Algonquin Power Co of Canada, a unit of Algonquin Power & Utilities Corp, agreed to acquire the remaining 40% interest, which it did not already own, in portfolio of 400 MW wind power projects of Gamesa Energy USA LLC, a Philadelphia-based developer of wind farms, and a unit of Gamesa Corporacion Tecnologica SA, for an estimated USD 117 mil. The portfolio was comprised of Minonk, Senate and Sandy Ridge wind projects.
Source: Thomson Reuters, S&P Capital IQ, PwC analysis							