

North American power deals*—Q1 2012

Quarter in review

“Many factors were responsible for the dearth of deal announcements during Q1 2012, including the continuing weak economy, lack of load growth, the regulatory process on two large deals announced in 2011, changing national environmental proposals and the price of natural gas. On the plus side, there appears to be continued progress on the regulatory approvals on regulated utility transactions. Successful approvals may lead to a revival of transactions in the regulated space.”

John McConomy, US Power and Utilities Transaction Services Leader

Key trends

- In Q1 2012, the number of announced deals greater than \$50 million remained flat with Q4 2011 at five deals. However, the total deal value decreased 92 percent from Q4 2011 due to the Kinder Morgan / El Paso Corp \$36 billion deal in the prior quarter.
- Deal volume in the first quarter of 2012 was up slightly over the previous quarter, putting the quarter-over-quarter deal volume at 31 announced deals, an increase of 3 percent.
- Strategic investors dominated investor group with 60 percent while financial buyers posted 40 percent of all acquisitions greater than \$50 million.

Q1 2012 vs. Q1 2011 comparison

- The average deal value of announced deals greater than \$50 million decreased to \$679 million from \$2.2 billion over the same period in 2011, primarily due to one large strategic deal between Progress Energy and Duke Energy Corp in Q1 2011.

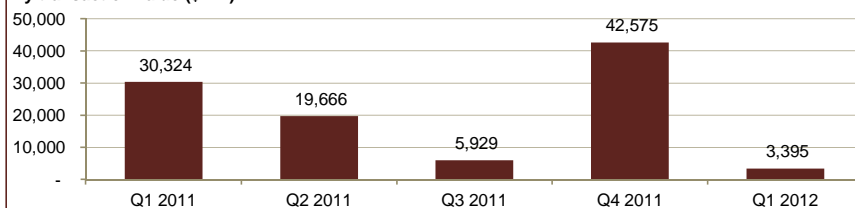
	All deals	Deals >\$50 Mil		
Period	Number	Number	Value (\$ Mil)	Average value (\$ Mil)
Q1 2011	60	14	\$30,324	\$2,166
Q2 2011	59	17	\$19,666	\$1,157
Q3 2011	34	9	\$5,929	\$659
Q4 2011	30	5	\$42,575	\$8,515
Q1 2012	31	5	\$3,395	\$679

Top 10 Deals				
Rank	Value (\$ Mil)	Acquirer name	Target name	Transaction type
1	1,469	Cascade Acquisition Sub Inc.	CH Energy Group Inc.	Corp.
2	1,135	AltaGas Ltd.	Semco Holding Corp.	Corp.
3	340	Investor Group	Enel Green Power North America Inc.	Corp.
4	304	PPL Generation LLC	AES Ironwood LLC	Assets
5	147	Energy Capital Partners	AES Red Oak LLC	Assets
6	38	Aquarion Water Co.	United Water Inc. (Regulated)	Assets
7	23	Atlantic Oklahoma Wind LLC	Canadian Hills Wind LLC	Corp.
8	13	AltaGas Pipeline Partnership	Maxim Power Corp. (26 MW Alberta)	Assets
9	.007	Teptosolar Technologies Corp.	Industrial Commercial Mechanical LLC	Corp.
10	Undisclosed	Corix Utilities, Inc.	Utilities, Inc.	Corp.

Source: Thomson Reuters, PwC analysis

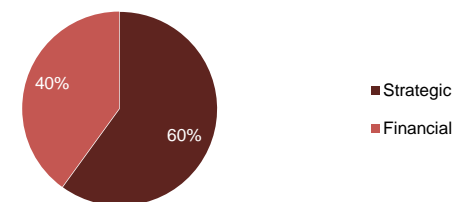
Deals > \$50 Mil

By transaction value (\$ Mil)



Source: Thomson Reuters, PwC analysis
Deals have been included as at announcement date.

By investor group



Source: Thomson Reuters, PwC analysis



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

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Top 10 deals						
Rank	Value (\$ Mil)	Acquirer name	Target name	Transaction type	Date announced	Deal summary
1	1,469	Cascade Acquisition Sub Inc.	CH Energy Group Inc.	Corp.	2/21/12	US - Cascade Acquisition Sub Inc., a wholly-owned unit of Fortis Inc, definitively agreed to acquire the entire share capital of CH Energy Group Inc., a Poughkeepsie-based electric utility company, for \$65 in cash per share, or a total value of \$1.5 billion, including the assumption of \$500 million in liabilities.
2	1,135	AltaGas Ltd.	Semco Holding Corp.	Corp.	2/1/12	US - AltaGas Ltd. definitively agreed to acquire Semco Holding Corp., a Midland-based provider of natural gas distribution services, from Cap Rock Holding Corp, a unit of Lindsay Goldberg & Bessemer LP's Continental Energy Systems LLC, for \$1.135 billion. The consideration is to consist of an estimated \$780 million in cash and the assumption of \$355 million in liabilities.
3	340	Investor Group	Enel Green Power North America Inc.	Corp.	1/2/12	US - An investor group, comprised of JPMorgan Chase & Co, MetLife Inc and Wells Fargo & Co, acquired an undisclosed minority stake in Enel Green Power North America Inc., an Andover-based owner and operator of renewable energy plants, from Enel SpA's Enel Green Power SpA for \$340 million in a privately negotiated transaction.
4	304	PPL Generation LLC	AES Ironwood LLC	Assets	2/27/12	US - PPL Generation LLC, a unit of PPL Corp, definitively agreed to acquire Lebanon-based AES Ironwood LLC and AES Prescott LLC, which together own and operate the AES Ironwood 705 MW gas-fired combined cycle generation facility for \$304 million. The consideration consists of \$87 million in cash and the assumption of \$217 million in liabilities.
5	147	Energy Capital Partners	AES Red Oak LLC	Assets	2/10/12	US - Energy Capital Partners definitively agreed to acquire AES Red Oak LLC, a Sayreville, NJ-based 832MW combined cycle gas turbine, from AES Corp, for \$147 million in cash.
6	38	Aquarion Water Co.	United Water Inc.	Assets	2/23/12	US - Aquarion Water Co. of Bridgeport, Connecticut, a unit of Saltaire Water Ltd's Kelda Group Ltd subsidiary, agreed to acquire the regulated water operations, located in Connecticut, of United Water Inc., a Harrington Park-based provider of water and wastewater services and a unit of Suez Environment SA, for \$38 million.
7	23	Atlantic Oklahoma Wind LLC	Canadian Hills Wind LLC	Corp.	2/1/12	US - Atlantic Oklahoma Wind LLC, a wholly owned unit of Atlantic Power Corp agreed to acquire an additional 48 percent interest in Canadian Hills Wind LLC, an Oklahoma-based owner and operator of wind projects, from Apex Wind Energy Inc, for an estimated \$23 million. This investment raises Atlantic Power's total interest to 99 percent.
8	13	AltaGas Pipeline Partnership	Maxim Power Corp.	Assets	1/25/12	CA - AltaGas Pipeline Partnership acquired the 26 MW Alberta power project facilities of Calgary-based Maxim Power Corp for \$12.9 million.
9	.007	Teposolar Technologies Corp.	Industrial Commercial Mechanical LLC	Corp.	3/19/12	US - Teposolar Technologies Corp., a wholly-owned unit of LCTI Low Carbon Technologies International Inc (LCTI), acquired a 49% stake in Industrial Commercial Mechanical LLC, a provider of energy solutions services, in exchange for 0.2 mil LCTI shares, valued at USD 0.007 mil, in a privately negotiated transaction.
10	Undisclosed	Corix Utilities, Inc.	Utilities, Inc.	Corp.	2/20/12	US - Corix Utilities, Inc., a Canada based water system owner, operator and developer and portfolio company of CAI Private Equity and British Columbia Investment Management Corporation, has agreed to acquire Utilities Inc., the US based water and wastewater utilities service company from Highstar Capital for an undisclosed amount.

Source: Thomson Reuters, PwC analysis.