

North American Power & Utilities Deals*—Q3 2013

Quarter in review

“We saw a notable rise in deal activity in the third quarter and expect that activity to continue in future quarters as the hunt for yield and rebalancing of portfolios continues.”

Jeremy Fago, US Power & Utilities Deals Leader

Key Trends in Q3 2013

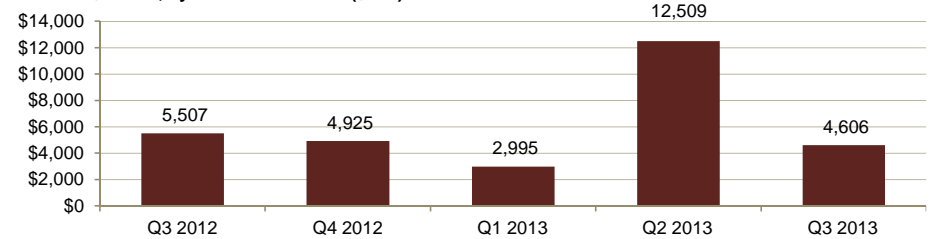
- This quarter, we saw a notable rise in the volume of deals greater than \$50 million – both in quarter-to-quarter and year-over-year terms. There were twelve deals this quarter, compared to seven the prior quarter and eight during the third quarter of 2012.
- The average deal size, however, has fallen sharply to \$384 million from \$1.8 billion during the previous quarter. However, when excluding the MidAmerican acquisition of NV Energy from the prior quarter results, the average deal value decreases to approximately \$350 million for the prior quarter, as compared to \$384 million this quarter.
- Strategic investors accounted for 72% of deals by value, down from 100% during the previous quarter. In terms of deal type, asset deals rose to 56% of deals by value, up from only 9% of deals during the previous quarter.

Q3 2013 vs. Q3 2012 comparison

- The number of deals valued at more than \$50 million was twelve, significantly more than the eight deals from a year ago. The total value of the deals, however, dropped by 16%, while the average value dropped by 44%.

Period	All deals	Deals >\$50 Mil		
	Number	Number	Value (\$ Mil)	Average value (\$ Mil)
Q3 2012	32	8	5,507	688
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

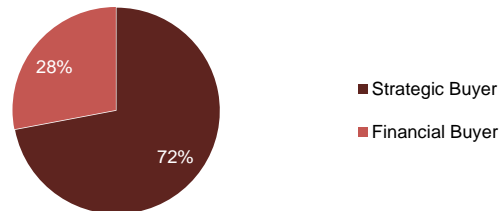
Deals > \$50 Mil., by transaction value (\$ Mil)



Source: Thomson Reuters, S&P Capital IQ, PwC analysis. Deals have been included as at announcement date.

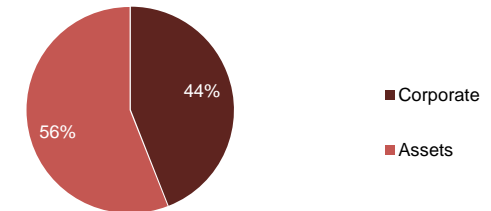
■ Value (USD Mil)

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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Top 10 deals							
Rank	Value (\$ Mil)	Acquirer name	Target name	Transaction type	Investor group	Date announced	Deal summary
1	902	Tenaska Capital Management LLC	US Power Generating Co. LLC	Corp	Financial	9/10/13	US - TPF II USPG Holdings LLC, a unit of Tenaska Inc's Tenaska Capital Management LLC unit, definitively agreed to merge with US Power Generating Co, a Stamford-based electric utility company, for an estimated USD 901.6 mil.
2	900	NorthWestern Corp	PPL Montana-Hydroelectric	Asset	Strategic	9/26/13	US - NorthWestern Corp agreed to acquire the 11 hydroelectric power plants of PPL Montana LLC, a Billings-based electric utility company, and a unit of PPL Corp, for USD 900 mil in cash.
3	731	Direct Energy Business LLC	Hess Corporation, Energy Marketing Business	Corp	Strategic	7/30/13	Direct Energy Business LLC, the Pittsburgh-based subsidiary of Centrica plc, has agreed to acquire Hess Corp's Energy Marketing business for USD 731 mil. The deal will add a large gas supply business to Direct Energy on the East Coast.
4	541	Emera Inc.	Bridgeport Energy LLC and Tiverton Power, Inc. and Rumford Power, Inc.	Asset	Strategic	8/28/13	Emera Inc. has agreed to purchase three gas-fired electricity generating facilities from Capital Power Corporation: Bridgeport Energy (Connecticut), Tiverton Power (Rhode Island), and Rumford Power (Maine). The agreement represents a total investment of USD 541 mil.
5	400	Tennessee Valley Authority	Stake in Southaven Power LLC	Asset	Strategic	8/6/13	The Tennessee Valley Authority has announced a lease-purchase agreement to acquire Southaven Combined Cycle Plant in Desoto County, Mississippi for USD 400 mil.
6	279	Concord Green Energy Inc.	Canadian Solar Solutions Inc., Five Utility-Scale Solar Power Plants	Asset	Strategic	8/5/13	Canadian Solar Solutions Inc., has entered into a sales agreement with Concord Green Energy to sell five utility-scale solar power plants to Concord for USD 279 mil.
7	271	PPL Montana, LLC	Colstrip Coal-Fired Facility	Asset	Strategic	9/26/13	PPL Montana, LLC announced the purchase of a stake in the Colstrip Coal-Fired Power Plant for USD 271 mil.
8	197	Capstone Infrastructure Corporation	Renewable Energy Developers Inc.	Corp	Financial	7/3/13	Capstone Infrastructure Corporation has announced that it will acquire all of the outstanding shares of Renewable Energy Developers Inc. by way of a share exchange. The deal is valued at USD 197 mil.
9	130	District Energy Corporation	Entergy Solutions District Energy	Corp	Financial	8/9/13	District Energy Corporation planned to acquire Entergy Solutions District Energy LLC, a Houston-based provider of electric utility services, from Entergy Corporation, for USD 130 mil.
10	128	Southern Minnesota Energy Cooperative	Alliant Energy-Electric Distribution Business	Asset	Strategic	9/3/13	US - Southern Minnesota Energy Cooperative agreed to acquire the electric distribution business of Alliant Energy Corp (Alliant), a Madison-based electric and gas utility company, for an estimated USD 128 mil. Concurrently, Alliant agreed to divest its natural gas distribution business to Minnesota Energy Resources Corp.

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