

SE DataRoom
 HD TransGrid sale could top \$10bn
 BY Bridget Carter & Gretchen Friemann - The Australian
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LP State Grid, Macquarie Infrastructure Real Assets likely bid over \$10bn for NSW network.

State Grid and its partner, Macquarie Infrastructure Real Assets, is believed to have bid more than \$10 billion for the NSW government's transmission network.

TD The knockout price is likely to clinch the deal in the closely watched contest.

The other bidding groups most likely lobbed offers of between \$9.5bn and \$10bn, sources said.

Final bids were due yesterday.

Some believe that should one consortium offer a price far higher than others, a preferred party will be announced tomorrow or Thursday, but if bids are close, it could take a fortnight for the government to announce a buyer.

State Grid and its Macquarie backers have been under the spotlight since the Deutsche and UBS-run contest began, with some questioning whether the consortium would secure approval from the Foreign Investment Review Board for its offer.

The 99-year Trans Grid lease is said to be the most sought-after NSW government electricity asset up for sale, because it offers 100 per cent ownership and full management control.

Of all the state government assets for sale, it is thought to be the business least directly affected by the increasing threat of households using their own solar panels to generate power.

TransGrid's regulated asset base is about \$6bn, and it has been widely expected to sell for more than 1.4 times that number, which had previously placed sale price expectations at about \$9bn.

Spark Infrastructure and its bidding partners, advised by JPMorgan and Royal Bank of Canada, are understood to have secured a \$500 million bridging loan to fund its proposal.

Its backers include Hastings Funds Management, Ontario Teachers Pension Plan, Canada's Caisse de depot et placement du Quebec, the Abu Dhabi Investment Authority and Kuwait's Wren House.

Others include IFM and Queensland Investment Corporation, advised by Lazard and Barclays and Australian Super with the Canadian Pension Plan Investment Board and Borealis, all advised by Morgan Stanley and Goldman Sachs.

Meanwhile, one theory circling the market is that State Grid could eventually angle for a takeover of the \$5.3bn-listed energy provider Ausnet.

The Chinese government-backed company already owns about 20 per cent.

This would be a possibility if State Grid was unsuccessful in securing the government's \$7.4bn-plus distribution network Ausgrid.

State Grid, which is the world's largest utility operator and one of the 10 largest companies globally, is after fully owned operational expertise to run TransGrid, according to some market analysts, but the company does not have this in Australia.

Information memorandums for the asset sale are expected to be sent out around mid-December, with all of the same bidding consortium groups for TransGrid expected to line up.

Meanwhile, Macquarie's move to draft in PGGM could see the Dutch pension fund make one of its first major Australian acquisitions.

Hesta is also working with State Grid's partner, the Macquarie infrastructure arm, which is widely known as MIRA.

This article first appeared in [The Australian Business Review](#)

[\[http://www.theaustralian.com.au/business/dataroom/state-grid-in-the-box-seat-with-10bn-bid/story-fnjw8txa-1227620243190\]](http://www.theaustralian.com.au/business/dataroom/state-grid-in-the-box-seat-with-10bn-bid/story-fnjw8txa-1227620243190).

CO tastr : TransGrid

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