

Sep 03, 2013 - - **Holly Fletcher**

## Longview Files For Ch. 11

**Longview Power, LLC**, the independent power producer backed by **First Reserve**, has filed for Chapter 11 protection in the U.S. **Bankruptcy Court District of Delaware**.

It filed Aug. 30, the same day it had an interest payment. Longview has \$1.03 billion in debt, not including payments to third parties, according to first day motions.

Longview filed along with affiliates **Longview Intermediate Holdings** and other companies associated with the coal mine that feeds fuel to the 700 MW super critical pulverized coal-fired facility in Maidsville, W.Va. The company had reached an amendment with creditors in the second quarter that waived financial covenants for two quarters, making Friday's filing earlier than expected ([PI, 6/13](#)).

Longview and its creditors have talked about arriving at a consensual restructuring plan and those negotiations are still on-going, according to the first day motion. The company is considering a variety of alternatives to bring the assets out of bankruptcy, including a sale, observers say, noting that a consensual agreement is preferred.

The plant has had technical and operational problems since it came online in December 2011 that have limited its capacity to 68% or 476 MW. Additionally, the power market is more muted than projections in 2007: the plant has sold power into PJM year-to-date on an average day-head price of \$33 per MWh, about half of price forecast for 2013.

**Lazard** has been working with the First Reserve for over a year and will continue as Longview Power's investment bank during the court process. Boutique restructuring advisor **Alvarez & Marsal North America** has also been hired as well as law firm **Kirkland & Ellis**.

**KKR, Sankaty Advisors, Knighthead Capital Management, Oaktree Capital Management** and original lenders **Natixis** and **CIT Group** are among the creditors on the steering committee, which has been in talks with Longview since October 2012 ([PI, 4/5](#)). Creditors are working with **Houlihan Lokey**.



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