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MERGERS, ACQUISITIONS AND CONVERGENCE IN U.S. ELECTRIC INDUSTRY

SAMPLE PAGES

This InfoGrid provides information on major mergers, acquisitions and convergence in the electric utility industry. It displays the two partners, comprised of electric companies, natural gas companies, or energy service providers. Alphabetizing throughout the lead column is based on the name of the first partner shown in each row of the InfoGrid. The second column provides the new name of the merged companies or acquired company. The third column provides the type of activity (merger, acquisition, other) and the status of the activity, including the announcement date, the completion date, and a brief summary of state and federal regulatory approvals needed to complete the transaction. The fourth column presents financial information reported by the companies, including the amount of the deal (cash and/or stock), savings expected from the merger, and when available, the market capitalization value of the deal. The last column provides brief information on management and structural changes resulting from the merger or convergence activity. Complete information is provided for the years 1996 to current date in 2001. Basic merger/acquisition information only is provided for the years 1995 to 1986. Shaded information throughout the InfoGrid signifies that this information has been updated or added since the previous monthly update. An index is included at the end of the InfoGrid to help the user find mergers and acquisitions by company name and year.

Date revised 3/1/2002

Partners in Merger or Acquisition	Type of Activity and Status	Amount of Deal (Cash or Stock)	New Management/ Structure
2002			
Centrica (England) and **NewPower Holdings, Inc.** (TX)	Acquisitions Announced 2/23/02. Approved by both companies board of directors. The transaction is also subject to customary conditions, including with respect to the Hart Scott Rodino Anti-Trust Act, approvals FERC and certain other agencies, and approval of the bankruptcy court overseeing Enron's Chapter 11 bankruptcy proceedings of the settlement of certain liabilities between NewPower and Enron, the termination of inter company agreements and the issuance of an injunction restraining third parties from making claims against NewPower in respect of Enron-related liabilities.	Tender offer for all of NewPower's outstanding shares, for $1.05 per share in cash which in total amounts to approximately $130 million (87 million UK pounds, Centrica and NewPower will also pay transaction costs of $13 million and other related costs totalling approximately $65 million. These costs are expected to be largely offset by the anticipated restricted and unrestricted cash balances that will be held by NewPower on completion of the transaction.	NewPower reported a customer base of over 800,000 (including pending) customers at 31 December 2001. Further it has notified PECO Energy Company that it intends to return competitive default service customers to PECO. The prospective profitability of these customers is limited, given the necessity of load serving entities such as NewPower to purchase installed capacity (ICAP) requirements. Centrica expects to acquire 650,000 customers at completion of this transaction.
2001			
Allegheny Energy Supply Co. LLC (subsidiary of **Allegheny Energy Inc.) (MD)** and **Global Energy Markets (GEM) (NY)** (energy trading unit of **Merrill Lynch & Co.**)	Acquisition Announced 1/8/01. Completed 3/16/01. Approvals were required from FERC and FTC.	The purchase agreement amounted to $490 million. Merrill Lynch also received a 2% equity stake in Allegheny Energy Supply Co.	GEM became a subsidiary of Allegheny Energy Supply Co. and will continue to operate out of New York City under the name Allegheny Energy Global Markets. Daniel Gordon, former head of GEM, was named president of Allegheny Energy Global Markets.

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Calpine Corporation (CA) and **Encal Energy Ltd. (Calgary, Alberta, Canada)**	Acquisition Announced 2/8/01. Completed 4/19/01. Shareholders and option holders of Encal and by the Court of Queen's Bench of Alberta approved the acquisition.	Transaction value is US$1.2 billion, including assumption of Encal debt. Calpine acquired all of the common shares of Encal through a stock-for-stock exchange. The share exchange ratio was calculated as 0.1493 exchangeable shares of Calpine Canada Holdings Ltd. for each existing Encal common share.	This acquisition of Calgary-based Encal Energy provides Calpine with access to firm natural gas transportation capacity from western Canada to California and the eastern U.S., as well as an accomplished management team to lead Calpine's expansion in Canada.
Duke Energy Corp. (NC) and **Westcoast Energy Inc. (British Columbia, Canada)**	Acquisition Announced 9/21/01. The transaction will be effected through a court-approved plan of arrangement in Canada. Approved by Westcoast Energy shareholders and FERC. Approved by British Columbia Utilities Commission. The British Columbia Supreme Court and two regulatory agencies have given their approval. The deal should be finalized by the end of the first quarter 2002.	Transaction in cash and stock valued at approximately US$8.5 billion. This figure includes the assumption of $5 billion in debt. Duke Energy would acquire all outstanding common shares of Westcoast Energy in exchange for a combination of cash, Duke Energy common shares and exchangeable shares of a Canadian subsidiary of Duke Energy. In 11/01, Duke Energy issued $750 million worth of equity units, consisting of the right to purchase Duke common stock and $25 in principal amount notes in a subsidiary, Duke Capital Corp. The net proceeds will be used in paying for a portion of the acquisition.	After the closing of the acquisition, Duke Energy Gas Transmission (DEGT), and its energy services would operate Westcoast Energy's natural gas assets and Duke Energy's Energy Services' business units would operate international businesses.
2000			
AES Corporation (VA) and **IPALCO Enterprises Inc. (IN)** (parent of Indianapolis Power and Light)	Acquisition Announced 7/17/00. Completed 3/27/01. Approved by IPALCO Enterprises, Inc. shareholders, FERC, SEC, and the IN PSC.	The transaction entailed a stock swap worth $2.15 billion, plus the assumption of $890 million of debt and preferred stock. Upon closing, each outstanding share of IPALCO common stock was exchanged for 0.463 share of AES common stock.	IPALCO becomes a wholly owned subsidiary of AES. Its headquarters remain in Indianapolis.
Emera Inc. (formerly N.S. Power Holdings, Inc.) **(Nova Scotia)** and **Bangor Hydro-Electric Co. (Bangor Hydro) (ME)**	Acquisition/Merger Announced 6/30/00. Completed 10/10/01. Approved by Bangor Hydro shareholders, FERC, SEC, and Maine PUC with stipulation. In 8/01 Bangor Hydro filed an alternative rate plan required pursuant to the Maine PUC's order approving the merger.	The equity market value of the transaction was about $205 million. Emera acquired all of the common shares of Bangor Hydro for US$26.806 per share in cash.	Bangor Hydro retained its named and became a wholly owned subsidiary of Emera. Mr. Carroll Lee, formerly senior vice-president and chief operating officer of Bangor Hydro, became president and chief operating officer, replacing Robert S. Briggs, who will retire and become a member of the Emera Board of Directors.

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Entergy Corp. (LA) and **FPL Group, Inc. (FL)**	Failed Merger of Equals Announced 7/31/00. Terminated 4/2/01. Approved unanimously by the boards of directors and by the shareholders of both companies. Approvals were still required from the SEC, FERC, NRC, FCC, FTC, DOJ, state regulators in AR, LA, MS, and TX, and the City of New Orleans. In 1/01 an administrative law judge of the LA PSC issued a procedural schedule calling for hearings on the merger to begin in late 10/01. On 3/19/01, the companies issued a brief statement that issues had arisen over managing the combined company and the value of some assets. On 4/2/01, the companies announced their agreement to call off the proposed merger. FPL Group said the differences between projections supplied to it and to investment bankers by Entergy Corp. led to the termination of the deal. Entergy said the merger began to look more like a takeover with no premium for Entergy's shareholders and an uncertain future for customer service.	Deal amounted to about $7 billion. The merged company would have had a total enterprise value exceeding $27 billion, composed of $16.4 billion in equity market capitalization and $10.7 billion in debt and preferred stock. Holders of FPL Group common stock would have received 1.00 share of the new holding company for each share of FPL Group common, and holders of Entergy common stock would have received 0.585 of a share of the new holding company for each share of Entergy common, in a tax-free, stock-for-stock exchange. Both companies had authorized share repurchase programs totaling $1 billion to be carried out before the merger's close.	The combined company would have created the largest U.S. power distributor, serving over 6.3 million customers in Florida, Mississippi, Louisiana, and Arkansas. James L. Broadhead, chairman and CEO of FPL Group, Inc. would have served as chairman of the combined company. J. Wayne Leonard, CEO of Entergy Corp., would have become president and CEO.

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National Grid Group plc (UK) and **Niagara Mohawk Holdings, Inc. (NY)** (parent of Niagara Mohawk Power Corp.)	Acquisition/Merger Announced 9/5/00. Completed 1/31/02. Approved by National Grid Group and Niagara Mohawk shareholders, FERC, DOJ, NH PUC, and NY Dept. of Public Service. Approved by the SEC on Jan. 16 clearing the last regulatory hurdle for creation of the nation's ninth-largest utility. A merger and rate-plan settlement agreement was reached with the NY Dept. of Public Service staff and other parties on 10/12/01. The DPS gave its final approval in 11/01.	Deal amounts to $3 billion in cash and stock. National Grid is also assuming Niagara Mohawk debt of about $5.9 billion. National Grid will acquire all outstanding shares of Niagara Mohawk for a combination of American Depositary Shares (ADS) and cash, valuing each Niagara Mohawk share at US $19. Under the agreement, Niagara Mohawk shareholders will receive $18.89 for each share of Niagara Mohawk common stock held, valuing the equity of Niagara Mohawk at $3 billion. The per-share consideration was determined on the average U.S. dollar price of five National Grid ordinary shares being $32.22 as calculated from 20 trading days randomly selected from the 40 consecutive trading-day period from Nov. 13 to Jan. 10. National Grid said it expects to complete its acquisition of Niagara by Jan. 31, 2002.	Under the merger agreement, a new National Grid holding company, New National Grid, will be formed. Upon completion of the transaction, Niagara Mohawk's operating company will keep the Niagara Mohawk name with the tagline "a National Grid Company." Operating headquarters will remain in Syracuse, NY. This would be National Grid's third electric utility acquisition in the U.S. It would make National Grid one of the biggest stand-alone transmission owners in the U.S.
1999			
AES Corporation (VA) and **New Energy Ventures, Inc. (CA)** (name changed to NewEnergy, Inc. in 7/99)	Acquisition Announced 6/18/99. Completed 7/26/99.	The transaction was valued at approximately $90 million and was financed through a combination of cash, debt and AES common stock. All outstanding NEV shares were acquired by AES from NEV owners, which were UniSource Energy Inc. and New Energy Holding Inc. (senior management of NEV).	NEV (changed 7/19/99 to NewEnergy, Inc.) operates under its own identity as a stand-alone subsidiary of AES. It is the largest energy service provider in the United States.
Allegheny Power (MD) (subsidiary of Allegheny Energy, Inc.) and **Mountaineer Gas Company (WV)** (wholly owned subsidiary of Energy Corporation of America)	Acquisition Announced 12/20/99. Completed 8/24/00. Approvals were received from the SEC, FTC, DOJ, and WV PSC.	Purchase price amounts to $323 million, which includes the assumption of $100 million in debt.	Mountaineer Gas is West Virginia's largest natural gas provider. Its service territory is contiguous to Allegheny's and adjoins the service territory of West Virginia Power.

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Allegheny Power (MD) (subsidiary of Allegheny Energy, Inc.) and **West Virginia Power (WV)** (subsidiary of UtiliCorp United Inc.)	Acquisition Announced 9/9/99. Completed 1/4/00. Approvals were obtained from FERC, DOJ, FTC, SEC, FCC, and IA and WV PSCs.	Purchase price amounted to $75 million.	West Virginia Power will do business as Allegheny Power. Allegheny agreed to purchase UtiliCorp's HVAC business located in West Virginia for $3.45 million, and Allegheny also signed a 20-year gas supply agreement with Aquila Energy.
Calpine Corporation (CA) and **Cogeneration Corporation of America (MN)** (CogenAmerica)	Acquisition Announced 8/27/99. Completed 12/17/99. CogenAmerica shareholders approved.	The transaction's estimated worth was $225 million, comprising about $146 million in cash and $80 million of CogenAmerica debt. Calpine acquired 80% of Cogen's common shares, paying Cogen shareholders $25 per share.	Northern States Power Company's subsidiary NRG Energy Inc. will retain a 20% interest in CogenAmerica. It originally had a 45% interest.