

# MMC SECURITIES

**DOCKET**

06-IEP-1 / 03-RPS-1078

DATE Jun 27 2006

RECD. Jul 11 2006

**California Energy Commission:**  
Electricity Committee Workshop on Lowering  
the Effective Cost of Capital for Generation  
Projects

***June 27, 2006***  
***Sacramento,***  
***CA***

**Partho S. Ghosh**  
**Senior Vice-President**

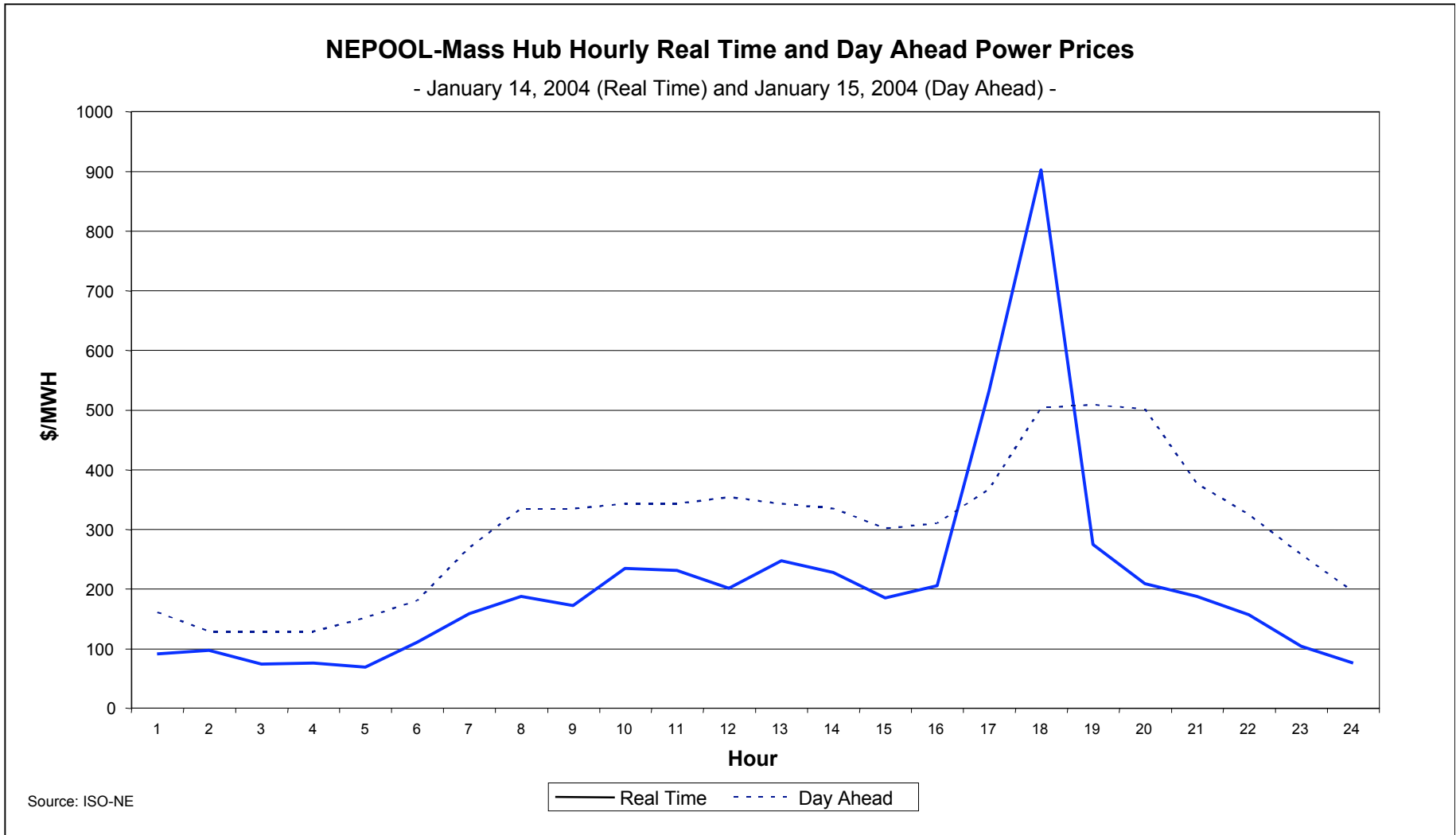
**CONFIDENTIAL**



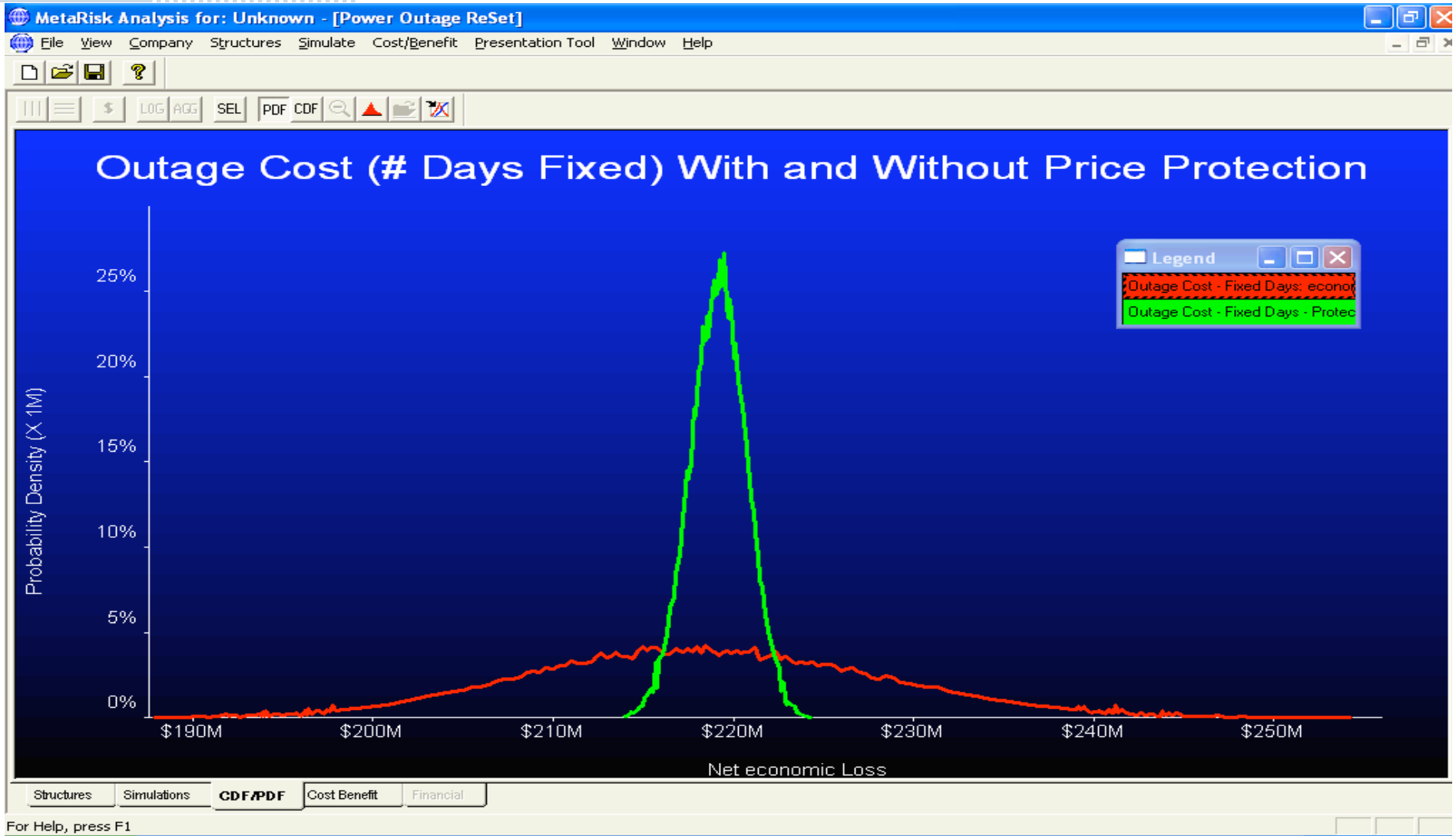
# Disclosure

*This information was prepared by MMC Securities Corp. ("MMCSC") for the use of the recipient only and is not for dissemination to any other third party. Information contained herein is believed to be reliable, but MMCSC does not warrant its completeness or accuracy. Opinions or estimates constitute MMCSC's judgment and are subject to change without notice. Results from simulations are for illustrative purposes only and certain assumptions have been made regarding simulations because some models are proprietary to their respective owners and cannot be replicated. Therefore, recipient should not place undue reliance on these results. All statistical tables, charts, graphs or other illustrations contained herein were prepared by MMCSC unless otherwise noted. This material is not intended as an offer, recommendation, or solicitation for the purchase or sale of any financial instrument. MMCSC, or any of its affiliates, may have an independent business relationship with any of the companies described herein. Trademarks and service marks are the property of their respective owners. Securities are offered in the United States through MMC Securities Corp., Member NASD/SIPC, Main office: 1166 Avenue of the Americas, New York, NY 10036; Phone 212 345 5000.*

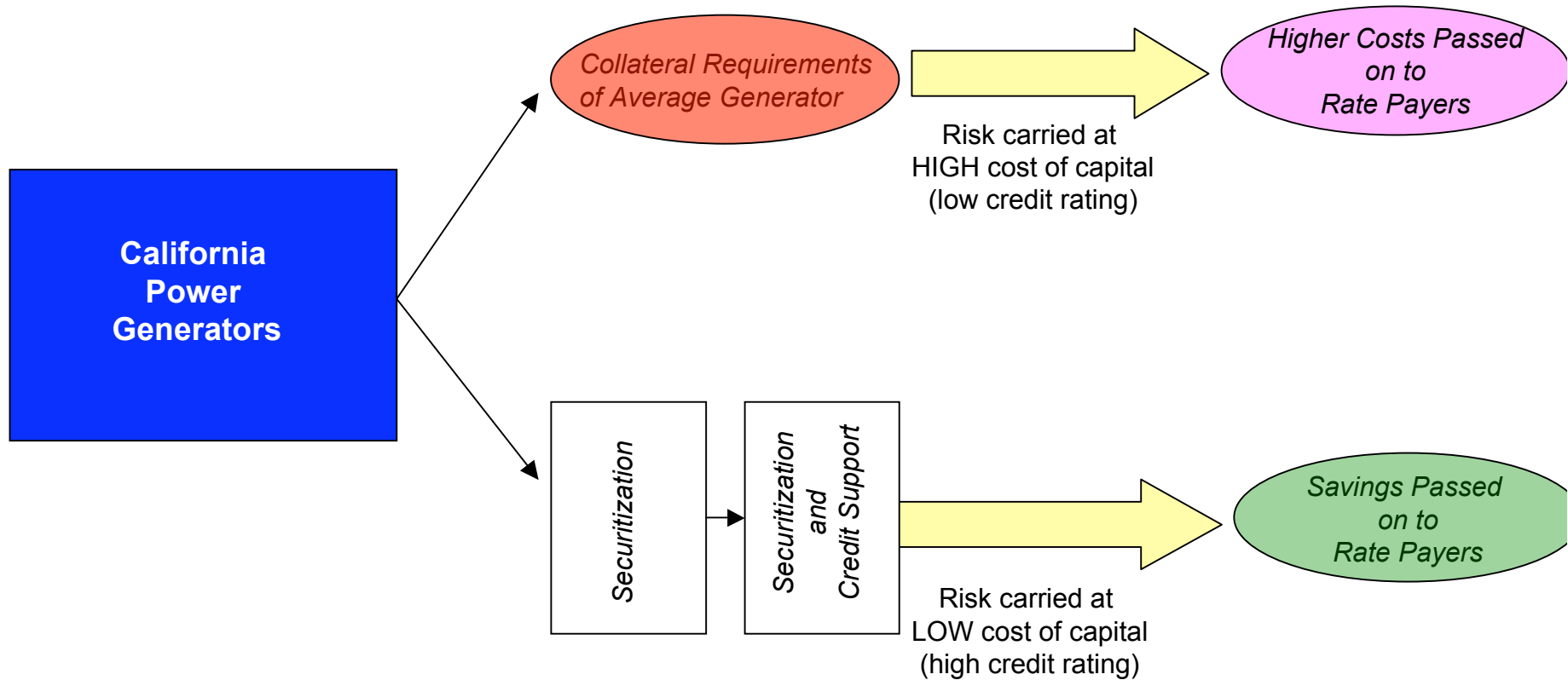
# Power is the Most Volatile Commodity in the World, Creating Large Collateral Requirements



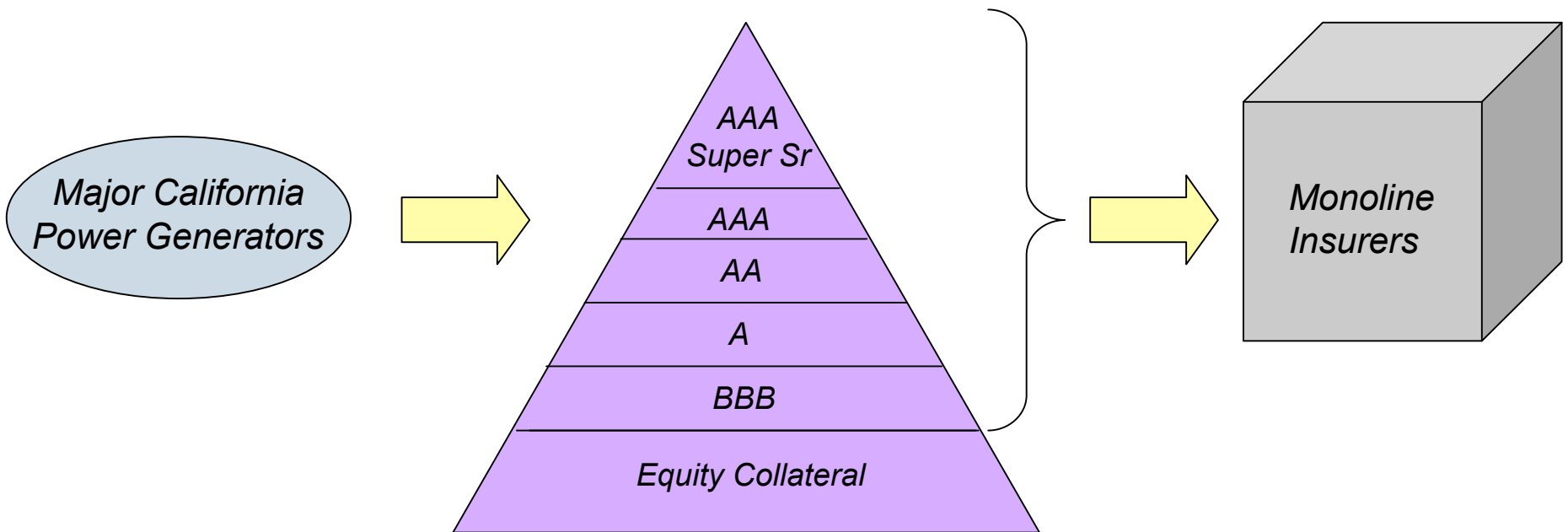
# Risk Management Products Increase Kurtosis and Thereby Decrease Volatility and Risk



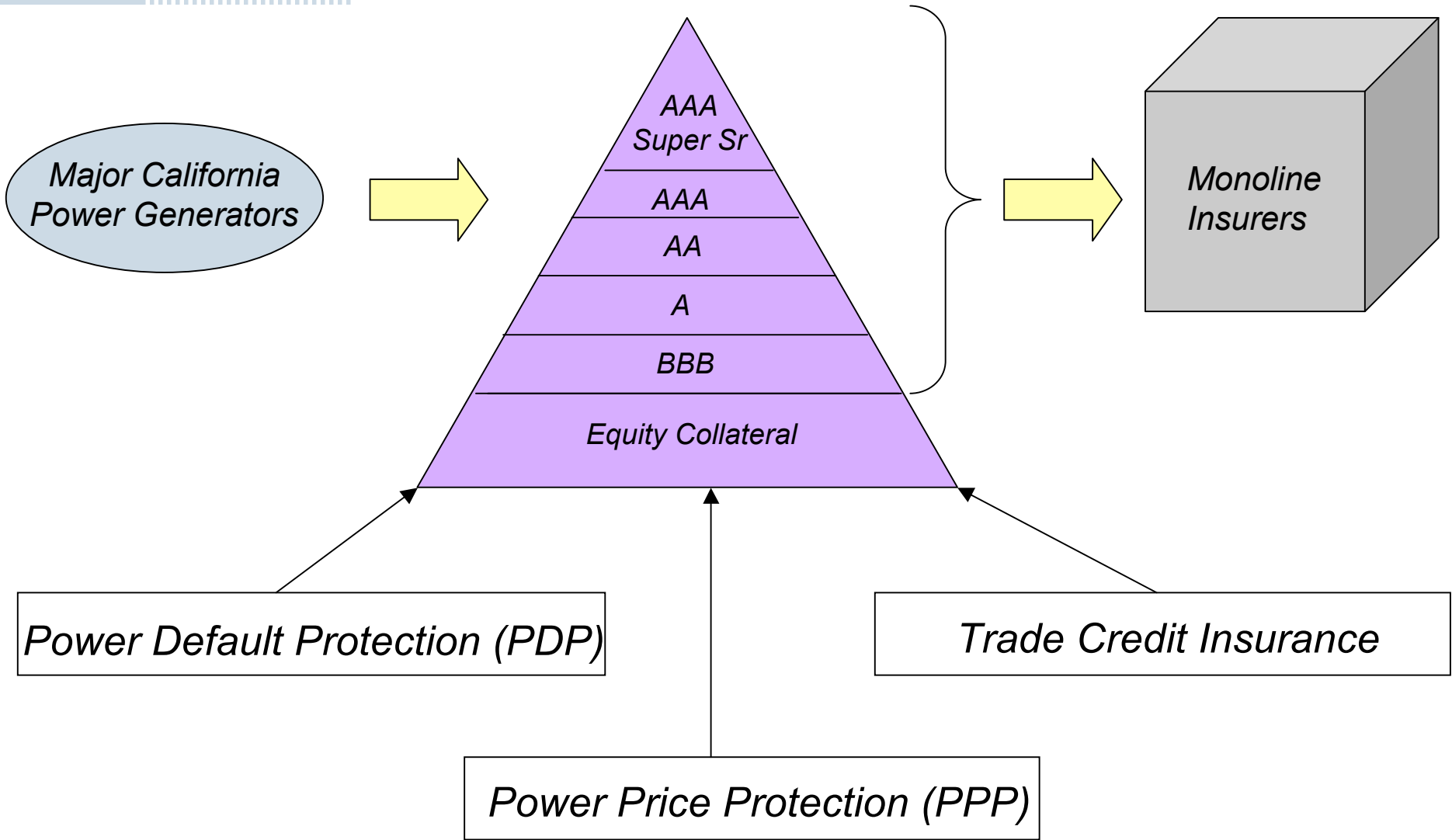
# Cost of Carry on Risk Should Be Minimized

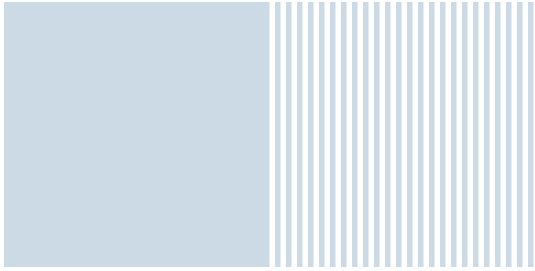


# Securitization



# Securitization and Credit Support





## **Biography – Speaker**

### **Partho S. Ghosh, Senior Vice President**

Global Practice Leader – Weather & Energy Specialty Products (WESP)

Marsh & McLennan Securities, Inc. / Marsh's Alternative Risk Solutions Practice

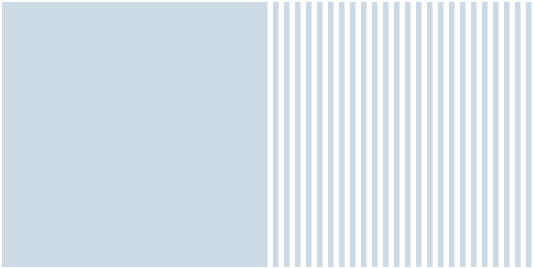
Tel: (212) 948-2506. E-mail: [partho.s.ghosh@mmc.com](mailto:partho.s.ghosh@mmc.com)

Mr. Ghosh leads Financial Risk Products' Weather & Energy Specialty Products (WESP) group within Marsh & McLennan Securities, Inc. and Marsh's Alternative Risk Solutions Practice. He has been with Marsh since 2002, and specializes in index based insurance and Over the Counter (OTC) derivative solutions for clients in the energy sector. His group originates risk from corporate and governmental entities, structures this risk, and places the risk with insurance and financial capital.

Prior to joining Marsh, Mr. Ghosh was with Enron Corporation where he originated, structured, and executed OTC derivatives linked to weather, power, and gas. Mr. Ghosh had similar responsibilities related to OTC equity derivatives at Donaldson, Lufkin & Jenrette (DLJ), Credit Suisse Financial Products (CSFP/CS First Boston), and Salomon Brothers, all in New York City.

Mr. Ghosh holds an MBA degree with a concentration in Finance from Cornell University, a Master of Philosophy degree with a thesis specializing in International Monetary Economics from Cambridge University (England) and a BA (Joint Honors) in Economics and Political Science from McGill University (Canada).





*Statements concerning tax, accounting, and legal matters should be understood to be general observations and should not be relied upon as tax, accounting, or legal advice, which we are not authorized to provide. All such matters should be reviewed with the client's own qualified tax, accounting, and legal advisors in these areas.*

*Depending upon an organization's facts and circumstances, certain tax or accounting benefits may be associated with this product. Organizations should consult with their tax, accounting, and legal advisors to determine whether such benefits would be applicable.*

*MMSC is part of the family of MMC companies, including Kroll, Guy Carpenter, Putnam Investments, Mercer Human Resource Consulting (including Mercer Health & Benefits, Mercer HR Services, Mercer Investment Consulting, and Mercer Global Investments), and Mercer specialty consulting businesses (including Mercer Management Consulting, Mercer Oliver Wyman, Mercer Delta Organizational Consulting, NERA Economic Consulting, and Lippincott Mercer).*

*This document or any portion of the information it contains may not be copied or reproduced in any form without the permission of MMSC, except that clients of any of the companies of MMC need not obtain such permission when using this report for their internal purposes, so long as this page is included with all such copies or reproductions.*

*Copyright 2006 Marsh Inc. All rights reserved.*