



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR MARCH 1, 2006

NATURAL GAS MARKET NEWS

Former El Paso Corp natural gas trader Donald Burwell, whose trial on charges that he provided false trading data to a Platts publication was scheduled to begin March 6, pleaded guilty Tuesday in a federal court in Houston. Burwell, who agreed to cooperate with the government in similar cases, pleaded guilty to violating a provision of the Commodity Exchange Act. The government alleged that Burwell knowingly transmitted inaccurate reports concerning market information about natural gas trades that affected or tended to affect the price of natural gas. Burwell faces a maximum sentence of 5 years in federal prison without parole and a \$500,000 fine. Sentencing is scheduled for June 5.

In issuing its updated March-April weather outlook Wednesday morning, MDA EarthSat Energy Weather said temperatures will vary fairly widely over different regions of the United States.

PIPELINE RESTRICTIONS

Algonquin Gas Transmission said it has restricted a portion of priority 3 nominations flowing through Stony Point compressor station. No increases for nominations flowing through Stony Point, except for Firm No-Notice nominations, will be accepted.

Gulf South Pipeline said that based upon its initial review of nominations, NNS demand, and other factors, Gulf South may be required to schedule available capacity and implement scheduling reductions on: East Texas, Capacity Allocation Area 8; and West 30 South, including Capacity Allocation Area 9.

Kern River Pipeline said that its system is experiencing high pack due to significant banking. Therefore, it is imperative that operators do take the gas that is scheduled.

Texas Eastern Transmission Corp. said it has scheduled and sealed M1 and M2 24-inch. No increases between Little Rock and Batesville for delivery outside that area will be accepted. Tetco has also scheduled and sealed receipts sourced at Monroe station. No increases in receipts will be accepted from the following meter stations at Monroe: Gulf South Pipeline; CenterPoint Energy Gas Transmission, and Duke Energy Field Services.

Generator Problems

ERCOT— AEP's Martin Lake #2 coal-fired unit shut to repair fans that cool the boiler and improve visibility.

MAIN— Exelon Generation's 1,022 Mw Clinton nuclear unit increased power to 50% capacity today. Yesterday, the unit was operating at 27%.

MAPP— Nebraska Public Power District's 800 Mw Cooper nuclear unit exited an outage and ramped up to 60% of capacity by early today. Yesterday the unit was in warming up offline.

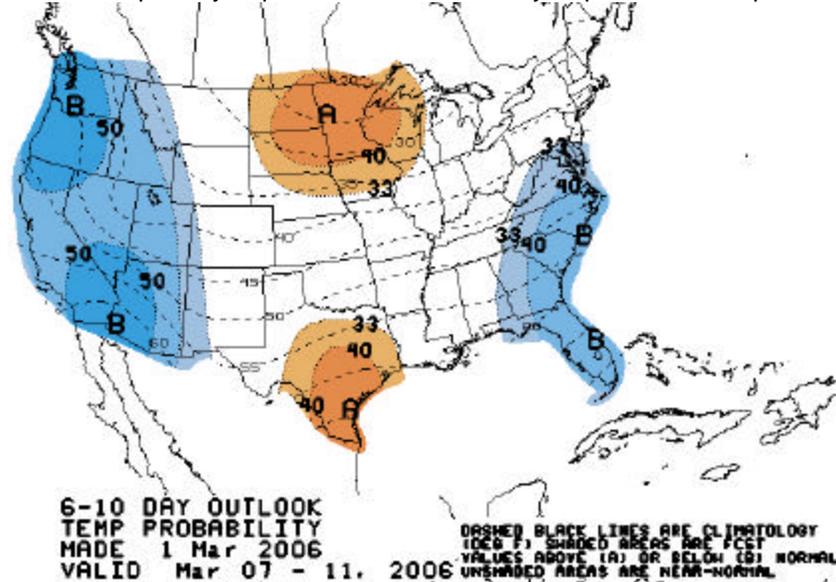
SERC— Southern Co.'s 851 Mw Farley #1 nuclear unit dipped to 60% of capacity by early today to add oil to a reactor coolant pump. Farley #2 continues to operate at full power.

Tennessee Valley Authority's 1,100 Mw Browns Ferry #3 nuclear unit shut yesterday for a refueling and maintenance outage. The unit was operating at 34% yesterday. Browns Ferry #2 continues to operate at full power.

Canada— Ontario Power Generation shut its 494 Mw Lambton #1 and #2 coal-fired units for short-term planned maintenance.

The NRC reported that U.S. nuclear generating capacity was at 88,644 Mw down .06% from Tuesday and up 8.90% from a year ago.

Trailblazer Pipeline said that effective March 1, it has limited capacity available. Limited capacity for interruptible flow, authorized overrun and secondary out-of path firm transportation is available going eastbound through Compressor Station 602. ITS/AOR and secondary out-of-path firm transportation will only be available to the extent that primary in-path firm and secondary in-path firm transportation are not fully utilized.



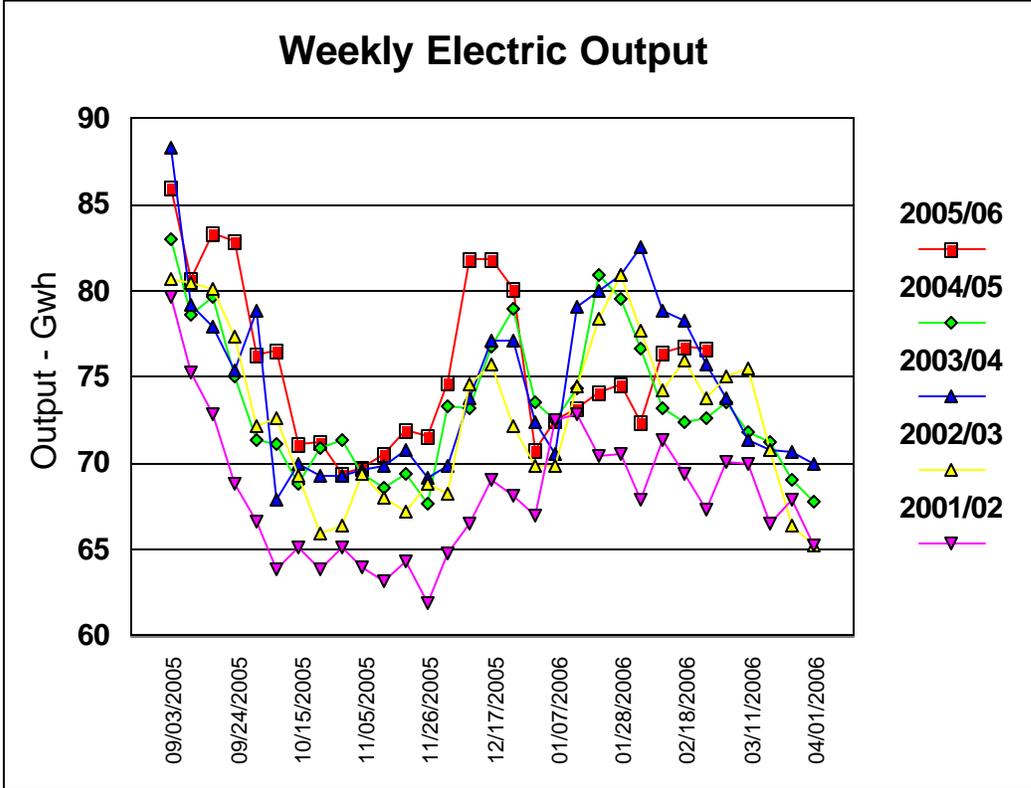
PIPELINE MAINTENANCE

El Paso Natural Gas said that the Bondad maintenance schedule for March 1 and 2 has been canceled. Scheduled volumes through Bondad this week have allowed one turbine to be taken offline, and the repairs are being done at this time. Bondad Station capacity will not be reduced March 1 and 2.

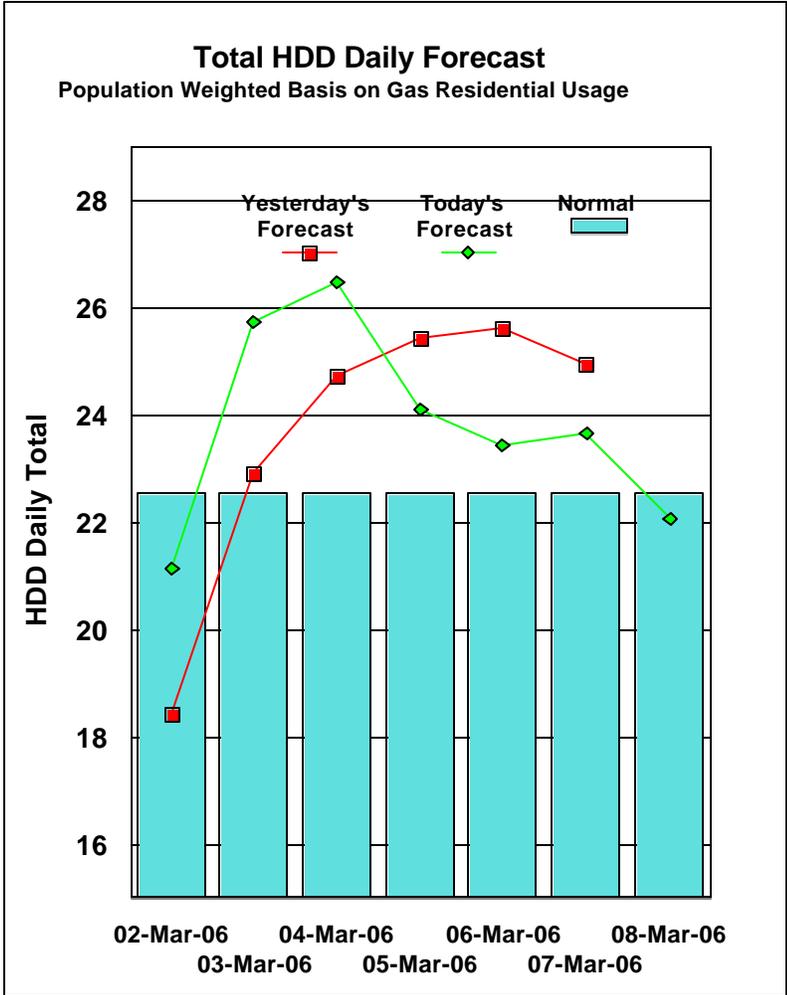
KM Interstate Gas Transmission said that it will be performing maintenance at its Huntsman Storage facility from March 6 – July 7. KMIGT does not anticipate scheduling reductions to any storage services. KMIGT will be performing maintenance at its Casper Compressor Station from gas day

March 7 – March 17. Capacity through segments 45 and 730 will be limited to 205 MMcf/day. Based on the current level of nominations, AOR/IT and secondary FT quantities are at risk of not being scheduled. All primary FT quantities will be scheduled. KMIGT will be performing maintenance at its Herndon Compressor Station from March 7-9. Capacity through segment 775 will be limited to 220 MMcf/d. AOR/IT, secondary and primary FT quantities are at risk of not being scheduled. However, based on the current level of nominations, KMIGT does not anticipate any scheduling reductions.

TransColorado Gas Transmission said it will be performing maintenance at its Olathe Compressor Station from March 15-16. Capacity through Segment 220 (White Water Compressor to Olathe Compressor) will be limited to 340 MMcf/d. Based on the current level of nominations, AOR/IT, secondary and primary FT quantities are at risk of not being scheduled.



Williston Basin Interstate Pipeline Company said that maintenance at the Baker East



Compressor Station will affect receipt points 04018 Baker Area Mainline and 04015 Baker Area Grasslands Mainline by approximately 2.6 MMcf/d on March 7.

ELECTRIC MARKET NEWS

Alliant Energy Corp. announced it closed on the sale of three of the four power facilities in China the company previously announced it would sell to Banpu PLC of Thailand. The company sold the facilities for a purchase price of approximately \$74 million. In addition, the stock sale released Alliant Energy from all debt associated with these facilities, totaling approximately \$15 million. Alliant Energy expects to close the sale of the fourth facility to Banpu during the second quarter.

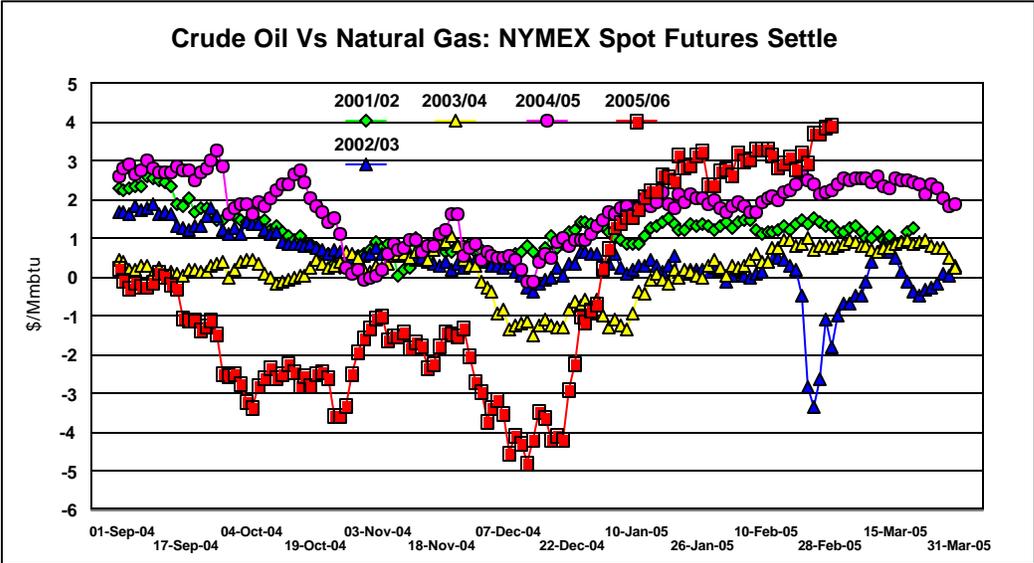
Long Island Power Authority Chairman Richard M. Kessel today issued a statement pertaining to the recent announcement that London-based National Grid would acquire Brooklyn-based KeySpan Corp., which operates the power grid for LIPA. Kessel said LIPA has no intention of selling its Transmission and Distribution system to National Grid or any private entity at this time.

The Edison Electric Institute reported that Electricity production in the continental U.S. for the week ended February 25 rose 5.6%

from the same 2005 week to 76,633 GWh. For the first eight weeks of the year, production totaled 596,767 GWh, down 0.9% from last year. For the 52 weeks ended February 25, production rose 3.6% from the corresponding period in 2005.

MARKET COMMENTARY

The natural gas market opened 2.6 cents stronger, mirroring the strength in the petroleum market, though market players are still quite bearish and waiting for the next piece of fundamental bearish news. The colder revision to the nation's near term temperature outlook also helped to boost prices to start the day. April natural gas



traded to a high of 6.88 ahead of the oil complex's inventory figures, and then basically mirrored crude oil for the remainder of the session, finding marginal support after three days of selling down to new levels. Spurts of short covering ahead of tomorrow's EIA storage report also helped support the market today. Natural gas traded to its low of 6.69 just before the close, and finished the day at 6.733, up 1.9 cents.

Tomorrow's EIA storage report is expected to finally be one in line with winter norms, and could provide another minor boost to the market. Expectations on the street are ranging from 125-175 Bcf draws with most centering on a withdraw of 151 Bcf. Our model is in line with these expectations, calling for a 153 – 159 Bcf withdrawal. This will compare bullishly to last year's 105 Bcf pull for the same week and the five-year average withdrawal of 118 Bcf. But will tomorrow's report be enough to stop the selling? NO. A report over 150 Bcf could see short covering up to the 7.00 level, but with our proximity to Spring and the overall storage surplus, any pop in the market is an opportunity to sell. In addition next week's storage report will probably see a much smaller draw down of possibly just 80 bcf. We see support at \$6.54, \$6.50, and \$6.03. Further support we see at \$5.94 and \$5.71. We see resistance at \$7.70, \$8.00 and \$8.30. Further resistance we see at \$8.84 and \$9.03.