



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR APRIL 22, 2005

NATURAL GAS MARKET NEWS

Honda announced it will sell Civics in California that use natural gas and come with a leased device that allows overnight refueling from residential gas lines.

Baker Hughes reported this afternoon that on the week ending April 22nd. The number of natural gas drilling rigs search for gas in the U.S. stood at 1170 rigs, down 5 rigs from the prior week and the first weekly decline in eight weeks. Current drill rates though are still some 174 rigs higher than a year ago.

PIPELINE RESTRICTIONS

Natural Gas Pipeline Company of America said that Segment 17 is at capacity today. Deliveries to Columbia Gulf-Chalkley are at capacity today. NGPL is at capacity for gas received upstream of Compressor Station 155 in Wise County, Texas in Segment 1 going northbound. All Louisiana Line Segments (25, 23 and 24) are at capacity for eastbound transport volumes.

Kern River Pipeline has warned schedulers of high line packs across its entire system. This affects Kern ML North from Muddy Creek to Elberta, Kern ML Middle from Elberta to Goodsprings and Kern ML South from Goodsprings to Common Facility and from Common Facility to End of Facilities.

In an update to the ongoing force majeure situation at several of its compressors, TransColorado said that there is no new information. The estimated in-service date for completion of repairs an all expansion compressor units continues to be May 23. As each unit is repaired, additional capacity may become available before May 23. Currently,

Generator Problems

ERCOT— TXU Corp. will restart the 553 Mw Sandow #4 coal-fired power unit on April 23, following an outage to fix a boiler tube leak.

AEP will shut its 690 Mw Oklaunion coal-fired power station on April 23-29 for boiler cleaning and inspection.

MAAC— Public Service Enterprise Group's 1,111 Mw Salem #1 nuclear unit exited an outage and ramped up to 30% of capacity by early today. The unit shut on April 19 to fix a pinhole leak in the primary system. Salem #2 has remained shut since April 5 for a planned five-week refueling and maintenance outage.

MAIN— Exelon's 855 Mw Quad Cities #1 ramped output to 85% today. Yesterday the unit was operating at 70%. Quad Cities #2 is also operating at 85%.

SERC— Duke Energy Corp.'s 1,100 Mw McGuire #2 nuclear unit ramped up to 71% of capacity by early today. Yesterday, the unit was operating at 22% of capacity after exiting an outage. McGuire #1 continues to operate at full power.

Tennessee Valley Authority's 1,118 Mw Browns Ferry #2 nuclear unit dipped to 70% of capacity early today for some tests, but is back at full power. Yesterday, the unit was operating at 95% capacity. Browns Ferry #3 continues to run at full power.

SCANA Corp. will shut the 966 Mw Summer nuclear unit at midnight today for a planned refueling outage. The unit is operating at 80% capacity today, off 5%. The company said the outage would likely last until late May.

Canada— Two 535 Mw units at Ontario Power Generation's Lennox oil- and natural gas- fired power station shut by early today.

The NRC reported that U.S. nuclear generating capacity was at 75,702 Mw today up 1.44% from Thursday and down 4.52% from a year ago.

Segment 220 is limited to 320 MMcf/d while Segment 240 is flowing 375 MMcf/d. Meanwhile, force majeure conditions are still in effect.

PIPELINE MAINTENANCE

Questar Pipeline Company said that while Northwest Pipeline is installing a filter/separator on April 27-28 in Clay Basin, Questar will be cleaning the injection and withdrawal meter tubes. In addition to the scheduled cleaning, Questar will complete an extended meter calibration, including all cleaning transducers to ensure accurate volume calculation, which will extend the service outage two additional days. Due to safety concerns, no physical injection or withdrawal volumes will flow for gas days Friday, April 29 and Saturday, April 30.

Trailblazer Pipeline Company recently released its maintenance plan for the month of May. On May 3, Trailblazer will perform maintenance on Unit #1 at Station 601 in Logan County, Colorado. Trailblazer does not anticipate any scheduling impact. On May 3, Trailblazer will also test the Emergency Shut Down at Station 602 in Lincoln County, Nebraska. On May 10, Trailblazer will perform maintenance on Unit #1 at Station 602, but no scheduling impact is expected.

El Paso Natural Gas Company recently detailed its expected maintenance projects for the month of May. The Gallup B turbine will be down for overhaul May 8 through June 12. The San Juan Basin capacity will be reduced by the following approximate amounts from a base capacity of 2,820 MMcf/d: May 8-15 – 135 MMcf/d; May 16 – 500 MMcf/d; May 17 – 375 MMcf/d; May 18 – 510 MMcf/d; May 19-23 – 135 MMcf/d; May 24-25 – 300 MMcf/d; May 26-June 2 – 135 MMcf/d. Rio Vista 1 and 2 turbines will be down for annual DOT inspections one at a time May 9 and 10. Rio Vista 3 and 4 turbines will be down for inspection May 11 and 12 one at a time. Capacity will be curtailed by the following amounts through Rio Vista from a base of 150 Mmcf/d: May 9-10 – 25 MMcf/d; May 11 – 100 MMcf/d; May 12 – 150 MMcf/d. The North Mainline capacity will be reduced by the following approximate amounts from a base capacity of 2,238 MMcf/d: May 1 – 60 MMcf/d; May 2-8 – 140 MMcf/d; May 18 – 180 MMcf/d; May 19 – 60 MMcf/d; May 20 – 400 Mmcf/d; May 21-23 – 60 MMcf/d; May 24 – 20 MMcf/d; May 25 – 240 MMcf/d; May 26 – 45 MMcf/d.

Natural Gas Pipeline Company of America recently listed its slate of maintenance projects for the month of May. From May 3-20, NGPL will be lowering the Gulf Coast Main Line #1 and #2 at Mason Road in Fort Bend County, Texas. This is in Segment 22 of Natural's South Texas Zone. Although only of these lines will be out of service at a time, the overall Segment 22 capacity will be reduced during this work. From May 10-12, NGPL will be performing station maintenance and test the Emergency Shut Down at Station 343 in Liberty County, Texas segment 25. ITS/AOR and secondary out-of-path transports in Segments 25,23, and 24 will be unavailable for this work. On May 17, NGPL will replace the meter tubes at PIN 3817 TPC-Moss Bluff in Liberty County, Texas. Receipts and deliveries at this point will be unavailable for up to 12 hours on this date. However, NGPL has made arrangements with the point operator to avoid any scheduling impact. From May 25-26, NGPL's delivery to Texas Gas-Lowry in Cameron Parish, Louisiana will be unavailable. This point is in Segment 23 of the Louisiana Zone and will be unavailable during this two day outage to tie-in the new upgraded meter facilities.

ELECTRICITY MARKET NEWS

The Northwest River Forecast Center raised slightly its outlook for water runoff during the 2004-2005 season, although it remained below normal. The agency forecasts that flows through The Dalles dam would average 70% of normal from January through July, up from a previous projection of 69%.

The Energy Information Administration reported that U.S. coal production for the week ended April 16 totaled 22.081 million short tons, up from the prior week's production.

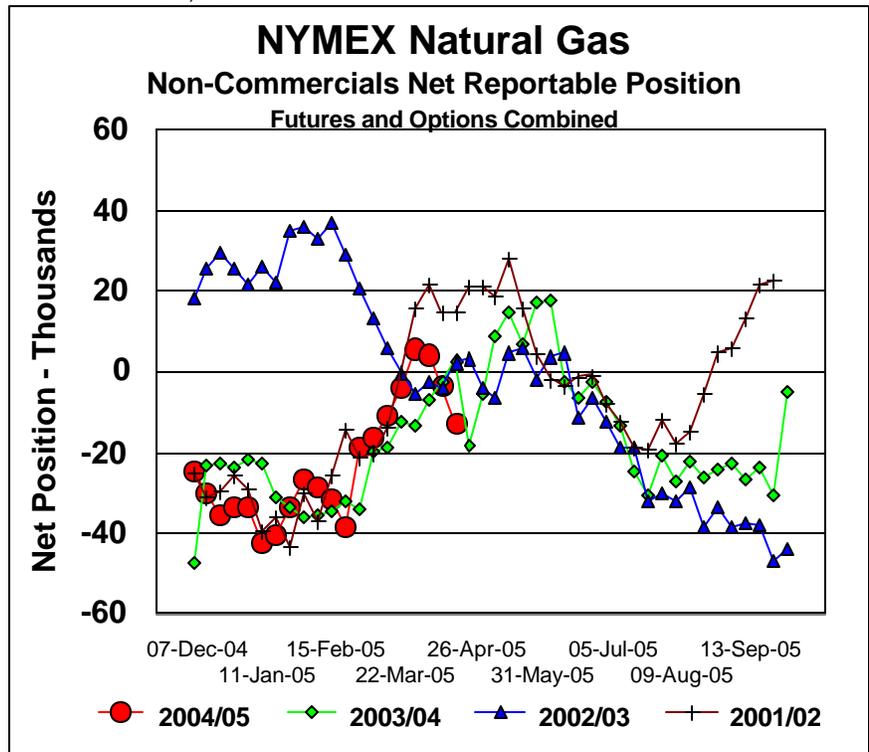
Kansas City Power & Light announced the Missouri Department of Natural Resources has signed the agreement recommending the approval and implementation of a long-term energy plan with the Missouri Public Service Commission. Citing energy efficiency and renewable energy components, and the likelihood of a net decrease in air pollution, the Missouri DNR has joined other parties in signing an agreement regarding KCPL's long-term energy plan.

The Midwest Independent System Operator reported Friday that real time prices in the region spiked to more than \$100 per Mwh for the second day in a row, as demand projects fell well short of actual load. In the day

ahead market, demand was forecasted to peak at 63,937 Mw between noon and 1 PM, only to see actual demand reach 69,041 Mw by 10 AM.

MARKET COMMENTARY

The natural gas market gapped higher this morning and never looked back. Support for natural gas prices came from two areas; one a stronger cash market boosted by a late season snow storm and cold front that was moving across the northern U.S; the second bullish factor was the technical breakout of oil prices. The bulls appeared to remain in control of this market until midday when prices appeared to run out steam once values reached the 38% retracement of the April bear move. Final volume was moderate but not unexpected for a Friday trading session with 66,000 futures traded.



While this market may come back and attempt to backfill this morning's gap in the daily charts in the May contract at \$7.04-\$7.08, it appears that there is a growing comfort in the market that the this contract has put in a near term bottom at just below \$6.87-\$6.89, especially for the May contract which is set to expire on Wednesday April 27th. Resistance we see again Monday at \$7.247 followed by \$7.368-\$7.39. Additional resistance we see at \$7.478.

Tonight's Commitment of Traders showed an interesting development in this market through Tuesday April 19th. It noted that while both commercials and non-commercial large traders increased their net short positions modestly through new selling, it was the small traders that offset this selling pressure keep ing the market in balance during the

period.