



ENERGY RISK MANAGEMENT

Howard Rennell & Pat Shigueta
(212) 624-1132 (888) 885-6100

www.e-windham.com

POWER MARKET REPORT FOR NOVEMBER 11, 2005

NATURAL GAS MARKET NEWS

Transwestern Pipeline Company has asked the FERC to begin a Pre-Filing Review of the company's proposed Phoenix Expansion Project that will provide additional natural gas to the Phoenix market and surrounding areas. This review would be done in advance of the project certificate filing to the FERC, which is expected mid-2006. The Phoenix Expansion Project would expand Transwestern's pipeline system approximately 260 miles from its mainline in Yavapai County, Arizona, to provide an additional 500 Mmcf/d of capacity to delivery points in the growing Phoenix market. As part of the overall project, Transwestern also proposes to build approximately 25 miles of pipeline looping on its existing San Juan Lateral. Transwestern estimates the Phoenix Expansion Project will be in service by early 2008. The project also would provide Transwestern's existing shippers, many of who are marketers and producers, with access to additional markets for natural gas.

Generator Problems

ECAR— American Electric Power's 1,077 Mw Cook #2 nuclear unit started to exit an outage and ramped up to 7% of capacity by early today. Cook #1 continues to operate at full power.

ERCOT— TXU Corp.'s 1,084 Mw Comanche Peak #1 nuclear unit ramped up to 77% of capacity by early today. Yesterday, the unit was operating at 43% of capacity after exiting a refueling outage earlier in the week. Comanche Peak #2 continues to operate at full power.

SERC— Tennessee Valley Authority's 1,114 Mw Browns Ferry #3 nuclear unit exited an outage and ramped up to 70% by early today. Yesterday, the unit started to exit the outage and ramped up to 6% of capacity. Browns Ferry #2 continues to operate at full power.

Canada— Ontario Power Generation's 535 Mw Lennox #1 oil- and natural gas-fired unit returned to service by early today following a short-term forced outage. The unit shut yesterday.

Ontario Power Generation's 490 Mw Nanticoke #2 coal-fired power unit returned to service by early today following a short-term forced outage. The unit shut November 9.

The NYMEX president this week noted that the exchange is working hard to block legislation currently under review in the House Agricultural Committee that is looking to impose tighter price and position limits on futures exchanges. The legislation would seek to limit price fluctuations to more than 8% of the settlement price of the prior day's trading and would proscribe reporting of large positions. The bill would also seek regulation of OTC markets as well, including the NYMEX Clearport System.

A member of the negotiating team for the proposed Mackenzie Valley Pipeline noted that a "positive announcement" maybe close on the horizon, according to *Natural Gas Intelligence*.

Provincial regulators in Alberta announced that some 917 natural gas wells, with a combined production capacity of 120 Mmcf/d must be closed, due to the wells threatening future oilsands development.

NY State Public Service Commission is scheduled to hold three days of public hearings in Steuben County to explain recent actions regarding Corning Natural Gas Corporation's inadequate preparations for the winter heating season. Some two weeks ago the PSC called on other state gas utilities to provide supply to Corning on

a mutual-aid assistance basis, as well as demanding the utility to show cause why state regulators should not impose a temporary operator to oversee its operations.

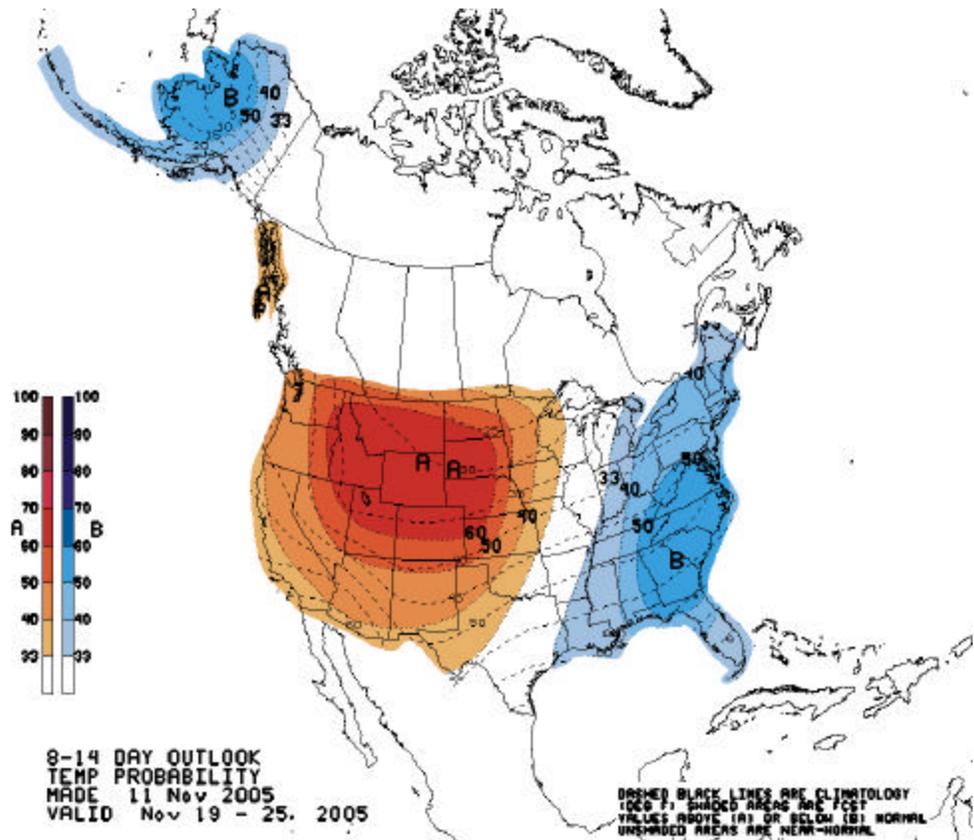
PIPELINE RESTRICTIONS

El Paso Natural Gas Company said that the Amarillo Station is unavailable pending resolution of control problems, reducing the capacity through Amarillo by 80 MMcf/d from a base capacity of 345 MMcf/d. The reduction will be effective Cycle 3, November 10 and continue until further notice.

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 Sarepta to Sterlington 18-inch Index 250; Lake Charles Receipts Capacity Allocation Area 6; Tyler 12-inch Index 8 / Palestine 8-inch Index 11 & 70 / Dallas 18-inch Index 1; Hall Summit; Koran Station; West 30 North; Barron (To Columbia Gulf); Bayou Sale to Napoleonville; Montpelier to Kosciusko, and Kiln to Mobile.

KM Interstate Gas Transmission said effective today and until further notice, deliveries to Burlington Resources Lost Cabin are at capacity.

Northwest Pipeline said that for the Timely 1 cycle of gas day November 11, north-flow volumes through the Kemmerer compressor are currently scheduled at approximately 691 MMcf. This is beyond the system design capacity. Therefore, Northwest is requesting assistance from its customers to voluntarily reduce their nominations so that scheduled volumes do not exceed the design capacity of 653 MMcf/d north through the Kemmerer compressor. At this level, approximately 88% of contracted primary rights will flow. In an effort to avoid declaration of an OFO, Northwest will cut alternate north-flow gas at the Muddy Creek South constraint point beginning gas day November 11, until



further notice. A system analysis shows that cutting this alternate gas should reduce Kemmerer throughput to its operational capacity. If voluntary reductions and alternate cuts do not reduce the north-flow volumes scheduled through Kemmerer to 653 MMcf/d, Northwest will have no choice but to issue a notice of recall and declare an operational flow order. Therefore, if in the Timely cycle for gas day November 12, firm nominations north-bound through Kemmerer exceed the design capacity of 653 MMcf, Northwest will invoke the OFO provisions for Gas Day November 12 until further notice.

Texas Eastern Transmission said that Zones STX and ETX have been sealed to capacity. No increases in receipts between Mt. Belvieu and Little Rock for delivery outside that area will be accepted. Zones M1 24-inch

and M2 24-inch have been scheduled to capacity flowing through Batesville. Receipts between Little Rock and Batesville for delivery outside that area will not be accepted. Also, receipts sourced at Monroe station have been sealed to capacity.

Williston Basin Interstate Pipeline Company said that due to a system enhancement at the Elk Basin Compressor Station, Receipts at Point ID 03255 South Elk Basin will be zero for a five hour period on November 16. Deliveries at Point ID 03680 Energy West WY-Elk will be zero for November 16 and 17.

PIPELINE MAINTENANCE

Alliance Pipeline said that scheduled maintenance will require Unit #2 at the Carson Creek Meter/Compressor Station to be unavailable for eight straight hours on November 17. Station Capacity will be reduced to 17.44 MMcf for this gas day. The Carson Creek Station is located in Alberta. Scheduled maintenance will require Unit #2 at the Whitecourt Meter/Compressor Station to be unavailable for eight hours on November 15. Station capacity will be reduced to 29.1 MMcf/d for this gas day. The Whitecourt Station is located in Alberta. Inspection will require the Irma Compression Station to be offline for five hours on November 17. This work may impact AOS levels but will be determined closer to the outage date. The Irma Compressor is located in Saskatchewan.

Iroquois Gas Transmission System said on November 2, it issued a notice announcing that there was a possibility that its Boonville Compressor Station could be offline for a period of up to 10 days in late November and/or early December. Iroquois said that it has been working aggressively with Siemens, the compressor manufacturer, to accelerate the schedule of the Boonville Compressor Station overhaul. At this point in time, Iroquois is planning to take the Boonville Compressor Station offline beginning 5:00AM ET on November 14, and lasting for a period of up to 10 days. If Iroquois is able to begin the installation next week as currently planned, based on current nomination, it may be possible to complete the outage with little or no restriction of firm service. Such restrictions, if implemented, would only affect volumes flowing through the Boonville Compressor Station. Nominations with receipt points south of Boonville would be unaffected.

PG&E California Gas Transmission said it will be performing general maintenance at the Kettleman Compressor on November 17-18. Capacity on the Baja Line will be reduced to 1,065 MMcf/d, 93% of capacity.

ELECTRIC MARKET NEWS

Florida Power & Light Company said it is nearly completed with the largest service restoration operation in its history. The company reports that it will essentially complete the restoration by end of day Friday. FPL said there are still 5,400 customers remaining without electric service due to Hurricane Wilma. FPL and assisting crews have restored power to nearly 99.8% of the 3,241,400 customers impacted. While the restoration of those customers will essentially be completed Friday, crews will continue working throughout the weekend to restore service to any customer whose damage may be more localized and severe.

MARKET COMMENTARY

The natural gas market opened 28 cents higher today as some cooler weather entered the medium-term forecasts. The market was able to make it as high as 11.84 before slumping on light volume, given that it is Veteran's Day, found support at 11.52. Natural Gas was able to stay above 11.60 for the remainder of the afternoon, and ultimately finished up 33.2 cents at 11.712 on a lack luster 59,000 contracts changing hands.

The December-January spread narrowed another 5 cents, as the December contract got a boost from the cold weather. This market has showed strength on cool temperatures and its performance in the face of extremely bearish storage data for last week suggests that this market is somehow undervalued. The market has consistently tested the 11.00 level and has found significant buying interest, further showing that a near term bottom has been reached. Selling some out of the money puts, or perhaps looking at a call spread above the market would be a way to take advantage of the weather induced upside move. We see support at \$11.37, \$11.00 and \$10.84. We see further support at \$10.65. We see resistance at \$11.80, \$12.00 and \$12.06.

Please note that the release of the CFTC Commitment of Traders Report has been delayed until Monday due to the Veteran's Day holiday.

