



## ***ENERGY RISK MANAGEMENT***

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

**www.e-windham.com**

---

### **POWER MARKET REPORT FOR NOVEMBER 9, 2005**

---

#### **NATURAL GAS MARKET NEWS**

Discussions between the state of Alaska and major producers over an Alaska natural gas pipeline "continue to make progress," Lee Raymond, ExxonMobil chairman, told a Senate committee hearing Wednesday, but "it is absolutely critical from our point of view that all elements be clear and the interaction between the gas operation and the oil operation at Prudhoe Bay also be clear.

The only viable mitigation for the nation's continuing high wholesale natural gas prices over the next two or three years is stepped up conservation, and FERC is now urging industry and regulatory leaders to push for more demand-side management, according to a Federal Energy Regulatory Commission staff director speaking Tuesday at the two-day "LDC Forum -- Rockies & West" conference in Los Angeles.

The future of added liquefied natural gas (LNG) imports in the United States, including the West Coast, is not a question of "if, but when," according to a panel of industry executives speaking Tuesday at the "LDC Forum -- Rockies & West" conference in Los Angeles. What this means to price volatility and supply reliability is still unclear, however.

The Minerals Management Service reported that today's shut-in natural gas production is 4.033 Bcf/d. That is equivalent to 40.33% of the daily gas production in the Gulf of Mexico, and a slight improvement from yesterday, when 41.23% was shut-in.

#### **Generator Problems**

**ECAR**— American Electric Power's 1,077 Mw Cook #2 nuclear unit automatically tripped offline early today due to a reactor coolant pump under-voltage. Cook #1 continues to operate at full power.

**ERCOT**— TXU Corp.'s 1,084 Mw Comanche Peak #1 nuclear unit exited a refueling outage and ramped up to 40% of capacity by early today. Yesterday, the unit was offline at 14%. Comanche Peak #2 continues to operate at full power.

**MAAC**— PSEG Nuclear continued to increase its 1,100 Mw Salem #1 nuclear unit, upping output to 98% capacity. The unit was operating at 87% yesterday after restarting this past weekend. Salem #2 continues to operate at full power.

**SERC**— Progress Energy's 900 Mw Brunswick #2 nuclear unit ramped up to 83% of capacity today. The unit was reduced to 53% yesterday to fix a potential tube leak in the condenser. Brunswick #1 continues to operate at full power.

Southern Co.'s 842 Mw Farley nuclear station declared an alert due to the loss of annunciators in Unit #2's control room. The early warning system malfunctioned. Unit #2 is currently in a planned refueling outage. Unit #1 was unaffected by this event and continued to operate at full power.

South Carolina Electric & Gas Co.'s 1,000 Mw Summer nuclear unit reduced power to 91% this morning. The unit was operating at full power yesterday.

**WSCC**— Energy West's 1,200 Mw Columbia nuclear unit dipped to 75% of capacity by early today. Yesterday, the unit was at full power after the company reduced it over the weekend for some maintenance.

Arizona Public Service's 2,040 Mw Four Corners coal-fired power station shut one of its 740 Mw units.

Southern California Edison's 790 Mw Mohave #2 coal-fired power station increased output to full power today. The unit reduced power by 90 Mw yesterday.

### PIPELINE RESTRICTIONS

Algonquin Gas Transmission said that it has been absorbing large due shipper imbalances for several days. Forecasted demand and scheduled deliveries indicate that parties will continue to leave excess supply on the system. AGT does not have the operational flexibility to continue to manage these imbalances. AGT, therefore requires shippers and point operators to take immediate actions to balance receipts with scheduled deliveries and reduce their due shipper imbalance positions. All shippers and point operators must carefully review their need for gas and must tender and receive gas consistent with their confirmed nominations. Furthermore, AGT has no ability to absorb due pipe makeup imbalance gas into the system. Until further notice, AGT will not accept due-pipeline makeup nominations.

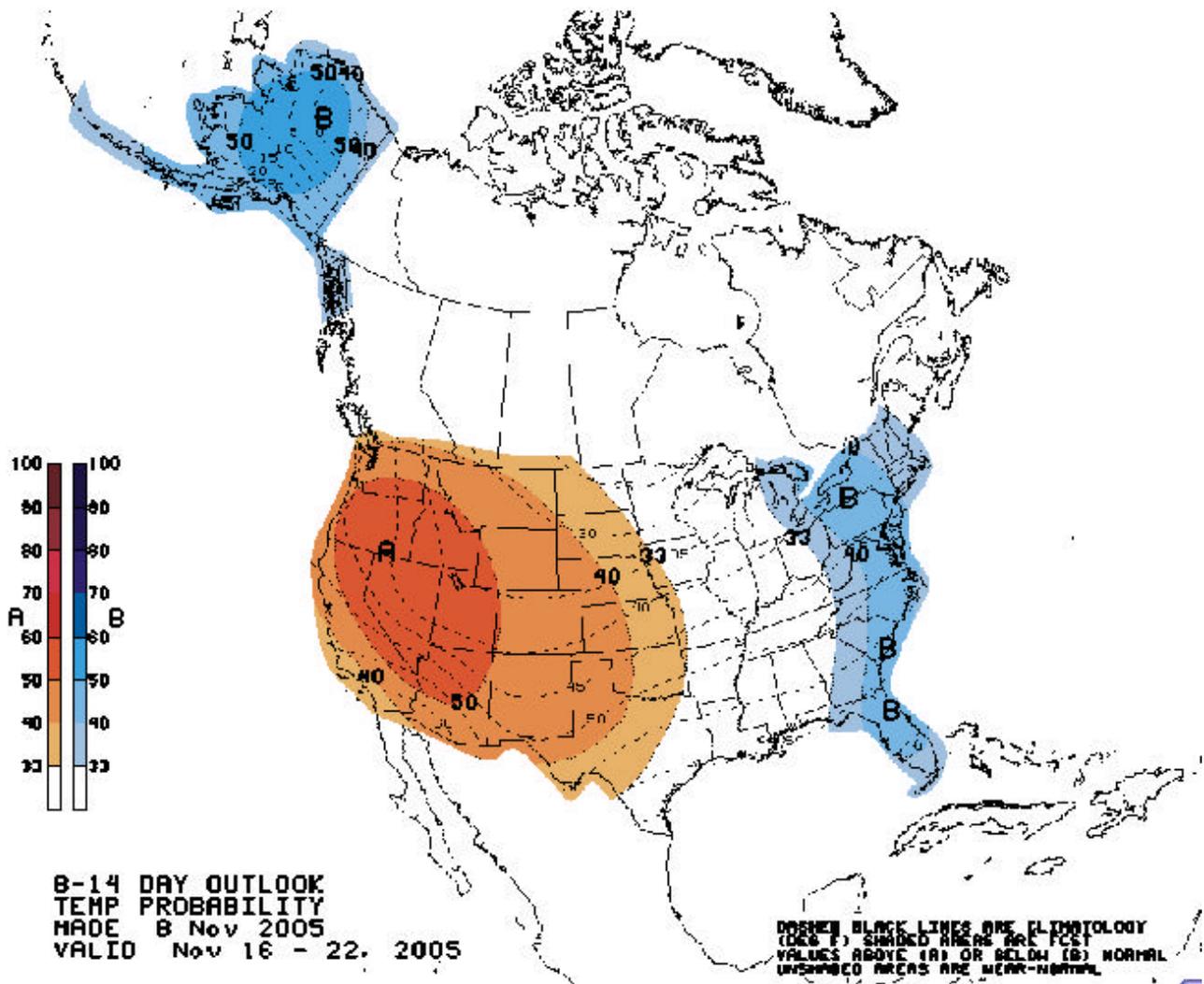
### Generator Problems

**Canada—** Ontario Power Generation's 494 Mw Lambton #1 coal-fired unit started to return to service early today. Units #3 and #4 remained available for service. Unit #2 is due to restart later this week.

Ontario Power Generation's 490 Mw Nanticoke #2 coal-fired power station shut by early today for a short-term forced outage.

Ontario Power Generation's 515 Mw Pickering B nuclear unit remained shut for maintenance.

**The NRC reported that U.S. nuclear generating capacity was at 79,599 Mw up .27% from Tuesday and up 4.97% from a year ago.**



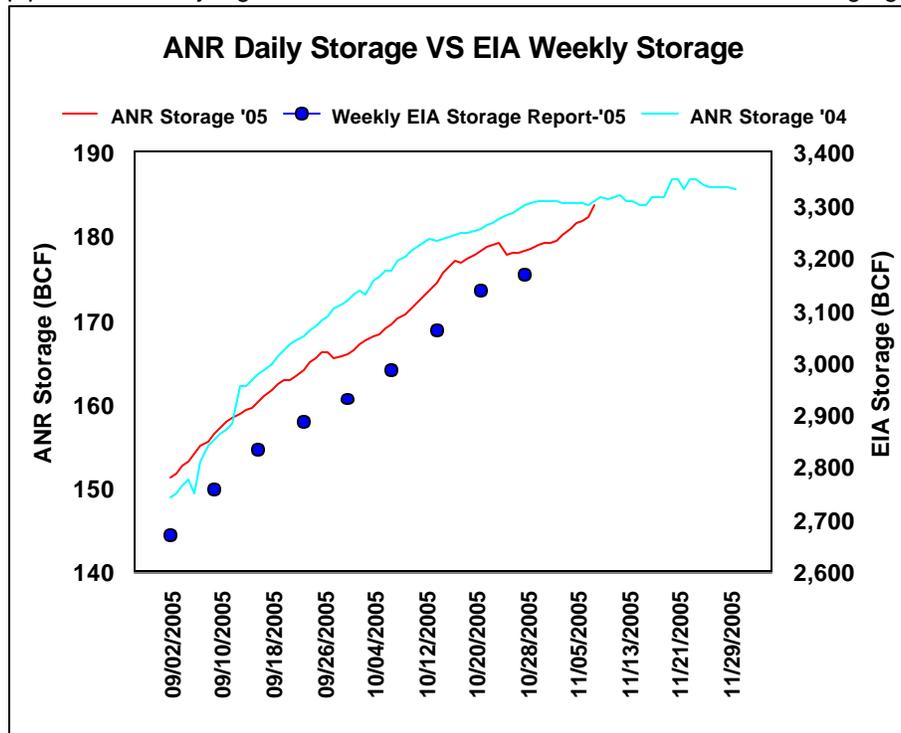
Colorado Interstate Gas Company said that it is declaring a Strained Operating Condition for the transmission system to be effective today and remaining in effect until further notice. Because of the continuing warm weather

trend being experienced in CIG's market area, CIG does not have the ability to absorb significant imbalances caused by mismatches between scheduled receipts and deliveries or imbalances arising from actual gas flows different than what was scheduled. Further, because of high storage inventory levels, CIG will have limited ability to handle storage injections in excess of each storage shippers available daily injection quantity or inventory levels above maximum available capacity.

East Tennessee Natural Gas said that it has been absorbing large due shipper imbalances for several days. Forecasted demand and scheduled deliveries indicate that parties will continue to leave excess supply on the system. ETNG does not have the operational flexibility to continue to manage these imbalances. ETNG, therefore requires shippers take immediate action to balance receipts with scheduled deliveries and reduce their due shipper imbalance positions. All shippers must carefully review their need for gas and must tender and receive gas consistent with their confirmed nominations.

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: Index 250; 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, and Lake Charles Receipts – Capacity Area 6.

PG&E California Gas Transmission has called a system-wide operational flow order on its California natural gas pipeline for today's gas flow. PG&E issued the restriction because of high gas supplies on its system.



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. Tetco has force balanced long TABS pools in Zones STX and ETX.

**PIPELINE MAINTENANCE**

Trailblazer Pipeline Company said that on November 17, it will perform maintenance on Unit #1 at Station 601. On November 22 Trailblazer will perform maintenance on Unit #2 at Station 601. Based on the expected level of nominations and the duration of these outages, Trailblazer does not anticipate any impact to scheduling on either of these days.

Williston Basin Interstate Pipeline Company said maintenance at the Worland Compressor Station may potentially affect receipts on Line Section 19 through November 21. Also, due to maintenance on Unit 2 at the Worland Compressor Station, receipts on Line Section 19 may potentially be affected November 21-25. Due to maintenance on Unit 4 at the Worland Compressor Station, receipts on Line Section 19 may potentially be affected November 29-December 2. At current conditions, Williston doesn't expect restrictions to the system.

**ELECTRICITY MARKET NEWS**

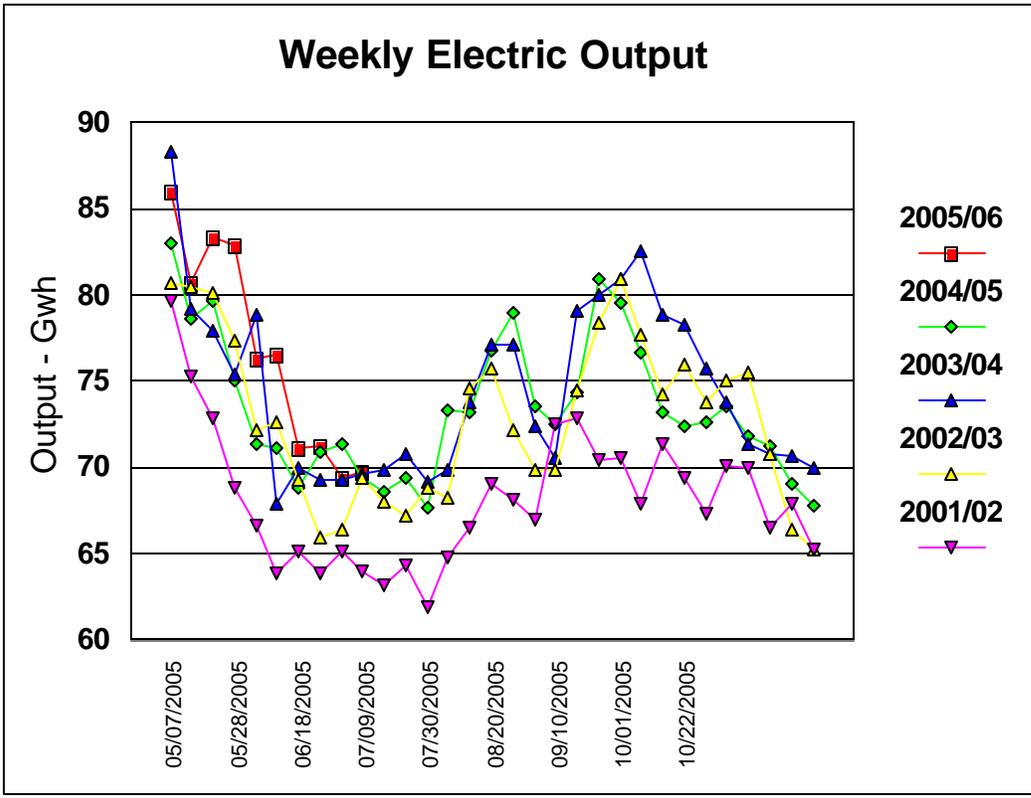
Florida Power & Light Company and assisting crews are pressing on with their commitment to bring back power to each remaining customer as quickly and safely as they had worked at the outset of this massive restoration

effort two weeks ago. Only 48,900 FPL customers now remain without electric service. FPL has already restored power to 3,192,500 or more than 98% of the 3.2 million customers of FPL left without electric service by Hurricane Wilma.

The Edison Electric Institute reported today that for the week ending November 5<sup>th</sup>, U.S. electrical production stood at 69,726 Gwh. Some 0.55% higher than the previous week and 0.48% higher than the same week a year ago.

**MARKET COMMENTARY**

The natural gas market opened relatively unchanged, as market players continue to digest the current weather situation, and awaited the oil complex's inventory report. In a volatile inside trading day, natural gas reacted with oil and sold off following the larger than expected increases in crude oil inventories to a day's low of 11.52. Mirroring the oil complex, natural gas then rallied off its day's lows to the day's high of 11.93, and then slumped for the remainder of the afternoon to finish down 12.4 cents at 11.669.



Tomorrow's EIA storage report is expected to show a much stronger injection than usual for this report given the unseasonable warm temperatures throughout the country last week. Injection estimates ranged from 20 Bcf to 60 Bcf with an average expected is an injection of 43 Bcf. On average over the last five years, inventories have gained about 17 Bcf in this report. The National Weather Service is beginning to forecast cold temperatures entering the eastern portion of the country in its 8-14 day outlook. As colder weather sets in, we expect the market to move significantly off its lows. We continue to see support at \$11.50, followed by \$11.00 and \$10.84. We see resistance at \$12.00, \$12.06, \$12.34 and \$12.87.