



## ***ENERGY RISK MANAGEMENT***

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### **POWER MARKET REPORT FOR MARCH 21, 2006**

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

A warmer-than-normal April weather forecast released by WSI Corp. on Tuesday should have a bearish gas market impact because warm April temperatures will decrease the likelihood of any late-season withdrawals from storage, which already is 60% higher than the five-year average, according to consulting firm Energy Security Analysis Inc.

#### **PIPELINE RESTRICTIONS**

El Paso Natural Gas Co. said it declared force majeure on a portion of its natural gas pipeline system in southeastern New Mexico due to equipment failure at its Monument 1B. The unavailability of the Monument 1B compressor will result in the loss of about 35 MMcf/d of capacity.

Florida Gas Transmission said that due to warm temperatures in central Florida and low line pack, it is issuing an Overage Alert Day at 10% tolerance.

Kern River Pipeline said that line pack is listed as low on the north end of the system. It is imperative that shippers and operators stay on rate.

Texas Eastern Transmission 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 between Mt. Belvieu and Little Rock. No increases in receipts sourced between Mt. Belvieu and Little Rock for delivery outside that area will be accepted.

#### **PIPELINE MAINTENANCE**

Gulf South Pipeline said that it will be performing scheduled maintenance on Hall Summit Unit #3 beginning April 4, and continuing for approximately 45 days. Capacity through the Hall Summit Compressor Station could be reduced as much as 100 MMcf/d. Gulf South also said that scheduled pigging maintenance on Index 198 has been suspended until further notice. Gulf South was scheduled to perform pigging maintenance on Index 198 from Lake Charles, Louisiana to Iowa, Louisiana beginning March 14 and continuing for approximately one week.

Natural Gas Pipeline Company has delayed Compressor 801 pipe revisions for one day. The repairs are now scheduled to begin March 22 and be completed on March 28. During this outage, Natural will be making manifold piping revisions at Compressor Station 801 in Carter County, Oklahoma. This project was originally scheduled to begin March 21, and continue through March 27. Shippers will be affected while this work is in progress. Interruptible flow, authorized overrun and secondary out-of-path transports will not be available and primary transports may be at risk of not getting fully scheduled.

#### **Generator Problems**

**MAIN**— Exelon's 1,022 Mw Clinton nuclear unit shut after a main turbine trip resulted in a reactor scram. The unit was operating at 96% capacity yesterday.

**MAPP**— Nebraska Public Power's 800 Mw Cooper nuclear unit increased output to full capacity today. Yesterday, the unit was operating at 90% capacity.

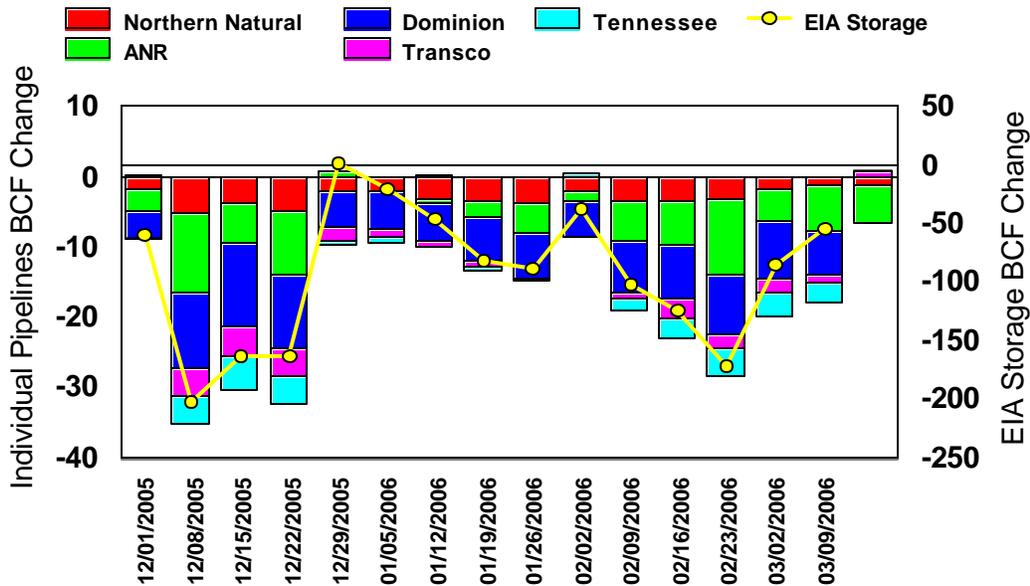
**NPCC**— Astoria Generating Co.'s 370 Mw Astoria #4 oil/natural gas-fired power unit is expected to exit a short maintenance outage over the next few days. Unit #5 is expected to shut for planned work in the near future.

**SERC**— Southern Co.'s 1,149 Mw Vogtle #2 nuclear unit shut due to a reactor coolant system leak. Vogtle #1 continues to operate at full power.

**Canada**— Bruce Power's 750 Mw Bruce A #2 nuclear unit prepared to restart following a maintenance and inspection outage.

**The NRC reported that U.S. nuclear generating capacity was at 80,061 Mw down 2.49% from Friday and up 1.25% from a year ago.**

## Weekly Change In Nat Gas Stocks



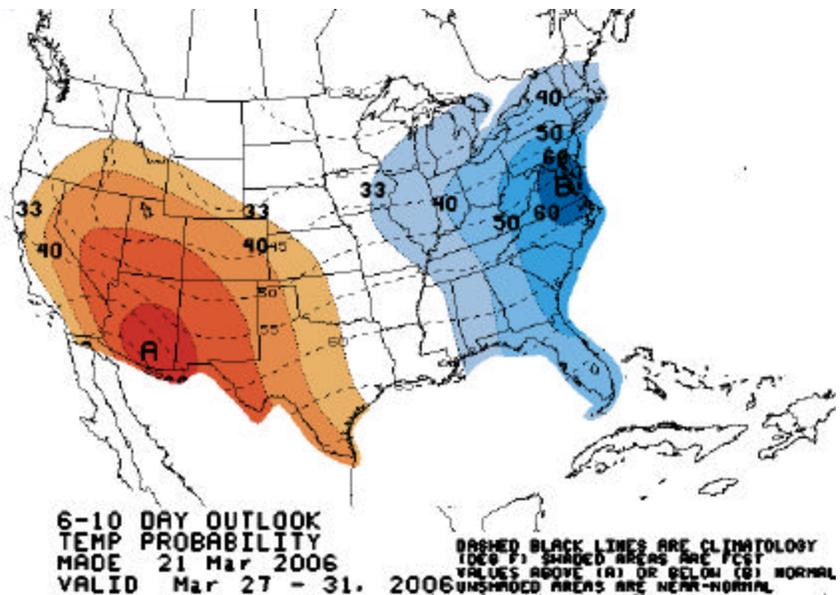
TransColorado Gas Transmission said it will be performing maintenance at its Dolores Compressor Station on April 4-5. Capacity through Segment 240 (Red Vale Compressor to Dolores Compressor) will be limited to 400 MMcf/d. Based on the current level of nominations, AOR/IT, secondary and primary FT quantities are at risk of not being scheduled.

Williston Basin

Interstate Pipeline said that maintenance at the Baker Compressor Station, originally scheduled for March 21, has been changed to March 22. The work will affect Receipt Point ID 04018 Baker Area Mainline by approximately 500 Mcf/d. Williston also said that the unplanned maintenance at the Cabin Creek Compressor Station, originally scheduled for March 22-23, has been rescheduled for March 28-29. Under current operating conditions, Williston is not anticipating any effect on the system.

### ELECTRIC MARKET NEWS

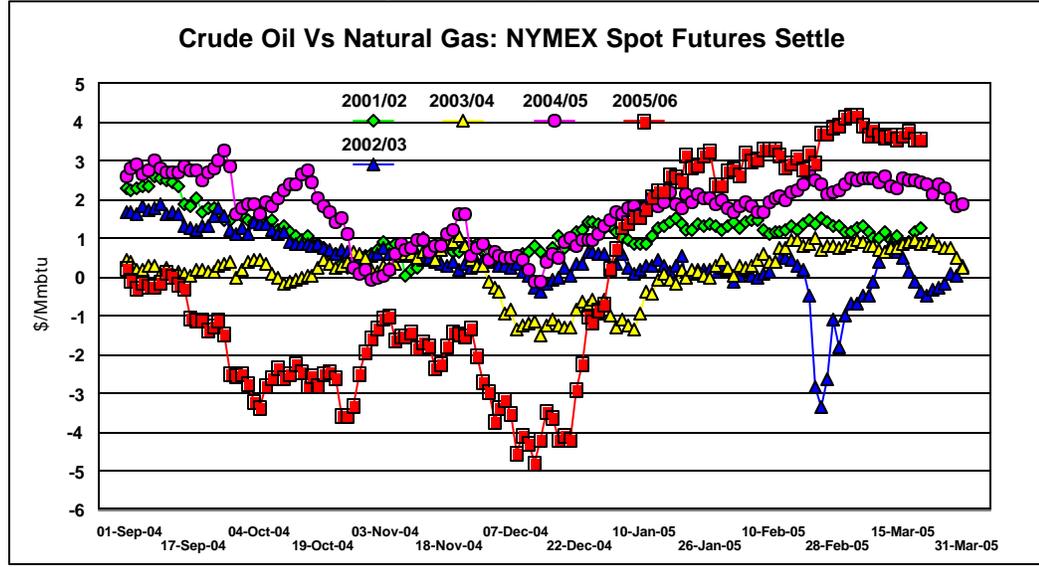
The EIA reported in its Electric Power Data Monthly Flash Estimates report that with January being the warmest on record and heating degree days some 22.2% lower than in January 2005, total electric power generation in January decreased by 6.1% from December 2005, and 5.3% from January 2005. Retail sales of electricity were down 1.7% from December 2005, and 1.0% from the January of a year ago. Retail sales of electricity in the last twelve-month period were up 2.9% from prior year. In January 2006, the average retail price of electricity was up 1.7% from the previous month, and was 11.6% higher than in January 2005, largely as the result of higher fuel costs.



### MARKET COMMENTARY

The natural gas market opened 10.5 cents softer today as continued concerns about over supply weigh on this market. The opening price of 6.73 was the lowest level of the day, as the

market back filled the gap from the open and traded to a high of 6.95. The crude oil market lent some support today, as it retraced some of yesterday's decline. April natural gas traded sideways between 6.85 and 6.90 for the end of the session. Natural gas settled up 3.3 cents at 6.868 as it finds comfort in this familiar range.



The market mirrored the expiring April crude oil contract today bouncing back and forth between positive and negative territory. Generating momentum at these levels remains difficult, where many market players are looking to consolidate their positions. Natural gas seems like it is waiting to see what the storage situation looks like before making a

move. Though the market is still fundamentally and technically bearish, the bears remain cautious given how the 6.45-6.50 level held two weeks ago. Additionally, cooler than normal temperatures have crept into the 6-10 day forecast for the eastern third of the nation, a key-consuming region. We see support at \$6.65-\$6.70, \$6.45-\$6.50, \$6.13 and \$6.00. We see resistance at \$7.00-\$7.03, \$7.27, \$7.40 and \$8.00.