



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR APRIL 13, 2006

NATURAL GAS MARKET NEWS

A House committee of the Rhode Island Legislature voted out a bill Wednesday that "essentially would make it impossible" for tankers laden with liquefied natural gas (LNG) to navigate the Narragansett Bay and Sakonnet River on their way to the proposed Weaver's Cove LNG import terminal in Fall River, MA, a spokeswoman for the bill's sponsor said.

Liquefied natural gas (LNG) receipt terminal development along the Mexican and California coasts has spurred the California Public Utilities Commission (CPUC) to take measures to create market diversity and stimulate LNG importation.

Canadian Ambassador Michael Wilson wrote a letter to FERC Chairman Joseph Kelliher this month expressing Canadian concerns about potential environmental, navigational and safety risks of liquefied natural gas (LNG) tanker traffic in Canadian waters in the Bay of Fundy and Passamaquoddy Bay in transit to proposed LNG import terminals in Maine.

Royal Dutch Shell told Alaska Governor Frank Murkowski that Shell is interested in marketing Alaska's royalty share of North Slope gas production if a natural gas pipeline is built. The company said it will soon submit an independent proposal to the state to market its gas.

PIPELINE RESTRICTIONS

Texas Eastern Transmission said it has scheduled and sealed M1 and M2 24-inch. No increases between Little Rock and Fagus for delivery outside that area will be accepted.

Generator Problems

ERCOT— TXU's Limestone #2 coal-fired power station will be returning to service from a maintenance outage April 13-18.

TXU's Martin Lake #1 coal-fired power station will be in start up following a scheduled maintenance.

AEP's 528 Mw Welsh #2 coal-fired power station is scheduled to shut April 13-17 for maintenance.

FRCC— FPL's 760 Mw Turkey Point #3 nuclear unit increased production to 77% capacity. Yesterday, the unit was operating at 50% power. Turkey Point #4 continues to operate at full power.

MAAC— FirstEnergy's 873 Mw Beaver Valley #2 nuclear unit returned to full power after a technical glitch was fixed. Beaver Valley #1 remains offline for a refueling outage.

Constellation Energy's 825 Mw Calvert Cliffs #1 nuclear unit increased production to 85% power today as it continues to return from a refueling outage. Calvert Cliffs #2 continues to operate at full power.

PPL's 1,115 Mw Susquehanna #1 nuclear unit increased power to 38% capacity today. Yesterday, the unit was offline at 18%. Susquehanna #2 continues to operate at full power.

MAIN— Exelon Generation's 1,120 Mw Braidwood #1 nuclear unit continues to operate at 97%, but the unit is expected to shut shortly for a refueling outage. Braidwood #2 continues to operate at full power.

NPCC— Constellation Energy's 1,120 Mw Nine Mile Point #2 nuclear unit exited a refueling outage and is warming up offline at 1%. Nine Mile Point #1 continues to operate at full power.

SERC— Dominion Resources' 925 Mw North Anna #1 increased output to full power from 93%. North Anna #2 continues to operate at full power.

Duke Power Company's 846 Mw Oconee #2 nuclear unit shut when a coolant pump failed. Oconee #1 and #3 remain at full power.

WSCC— APS's 1,335 Mw Palo Verde #2 restarted and is warming up offline at 3%.

The NRC reported that U.S. nuclear generating capacity was at 77,855 Mw up .65% from Wednesday and up .77% from a year ago.

EIA Weekly Report

	04/07/2006	03/31/2006	Net chg	Last Year
Producing Region	626	618	8	518
Consuming East	855	846	9	560
Consuming West	233	231	2	209
Total US	1714	1695	19	1287

*storage figures in Bcf

PIPELINE MAINTENANCE

Gulf South Pipeline said that it will be performing scheduled pigging maintenance on Index 198 (20-inch) from Lake Charles, Louisiana to Iowa, Louisiana beginning April 22, lasting for six days. The work was originally scheduled to begin April 20.

National Fuel Gas said that it has scheduled maintenance on units #3 and #4 at Knox Station

that will begin April 17, and will end April 21. All producers must shut in 75% of their production no later than 8:00 AM ET April 17.

Natural Gas Pipeline Company said it is in the process of performing spike pressurization testing on the Gulf Coast #3 Main Line north of Station 303 (Segment 26 of Natural's Texok Zone). The work was scheduled from March 1 through April 17. However, the project has been extended and is now expected to be completed on April 20. In addition, based on the increased level of nominations in this area, scheduling may be impacted for southbound transports. Therefore, ITS/AOR and secondary out-of-path transports may be at risk of not being fully scheduled. One receipt point is affected and will remain unavailable during the testing: Samson Resources-Lisa B #1-Nacogdoches.

Canadian Gas Association

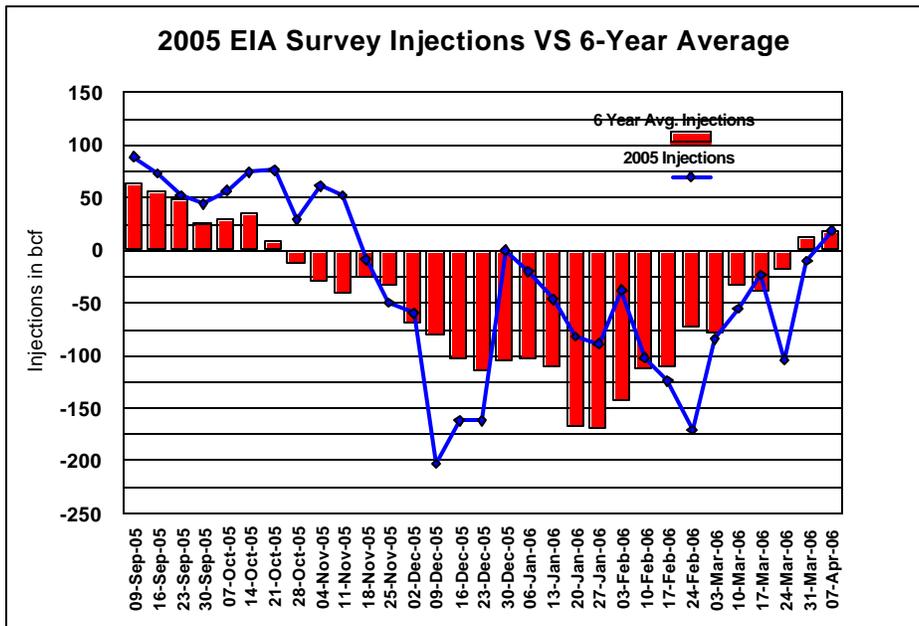
Weekly Storage Report

	07-Apr-06	31-Mar-06	08-Apr-05
East	92.9	97.2	61.2
West	127.0	121.4	80.1
Total	219.9	218.7	141.3

storage figures are in Bcf

Northwest Pipeline is reminding customers of the upcoming annual maintenance outage scheduled by Transwestern Pipeline at the LaPlata Compressor station April 19-20. The Transwestern LaPlata Compressor Station capacity will be reduced from 500 MMcf to zero for gas days April 19 and 20. No deliveries or receipts from Northwest Pipeline to Transwestern will be scheduled for both days.

Transcontinental Gas Pipe Line said it is required to lower the beach approach of the North High Island lateral due to insufficient coverage. This will require isolating all offshore production on the lateral while blow down and tie-in work is being performed. The lateral, which typically flows between 300 and 400 MMcf/d is scheduled to be out of service from June 19 through July 3, though weather, unplanned events and difficult operating conditions may impact the current schedule.

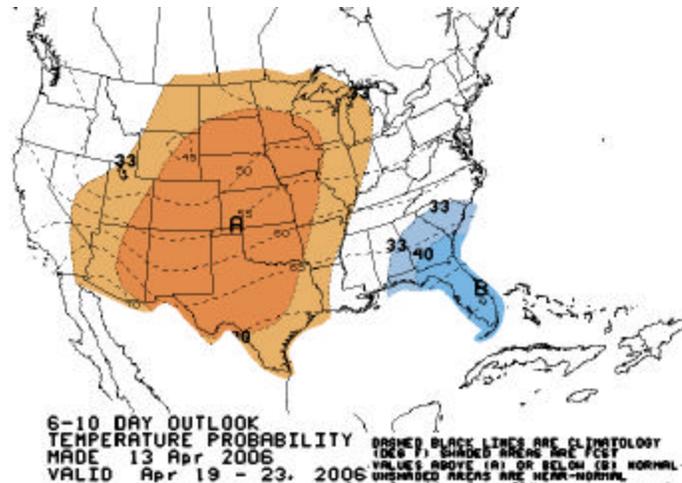


ELECTRIC MARKET NEWS

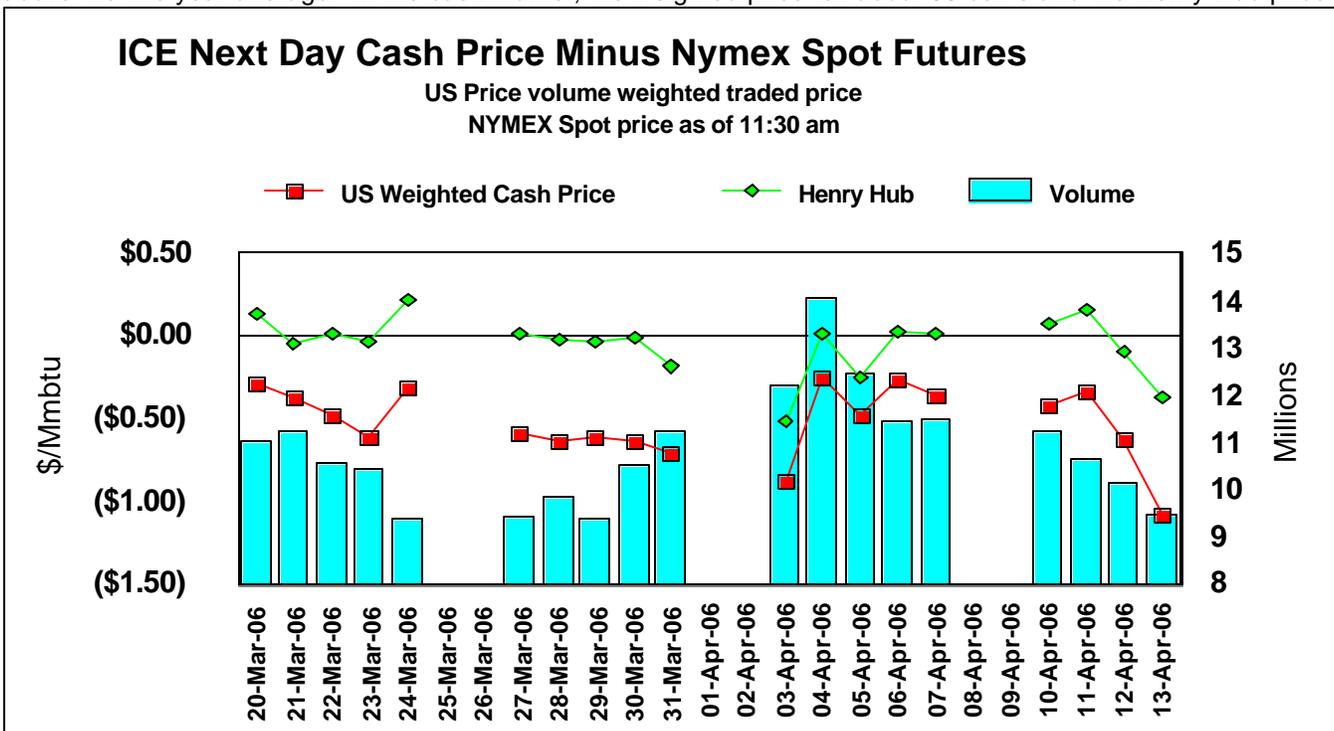
The Perryman Group reported that its newly completed study shows wholesale and retail electric competition in the Electric Reliability Council of Texas region are providing significant benefits both to retail customers and to Texas' economy as a whole. Among other things, the study said retail electric rates under competition are lower than they would have been under traditional regulation, and wholesale and retail competition have spurred \$11 billion in new plant development, resulting an average of almost 50,000 jobs a year. The new capacity includes about 1,900 Mw of renewable power, mostly through wind farms.

MARKET COMMENTARY

The natural gas market opened 15.8 cents lower as a bearish build to stocks was expected from the EIA. The actual figure showed that stocks increased by 19 Bcf, smaller than the expected 26 to 31 Bcf build the street was looking for. Immediately following the release of the report, May natural gas bounded as high as \$7.15, though it pulled back near \$7.00. As crude oil rallied at the end of the session, natural gas easily followed, returning to its highs on the day before settling up 32.7 cents at 7.135.



Today's large move upward was further exacerbated by pre-weekend book squaring and overall illiquidity due to Passover and Easter. To maintain these levels, the market is going to have to come up with some further bullish fundamental developments, or prices will fall right back down given the nation's total storage surplus, which now stands at 1,714 Bcf, 427 Bcf over last year at this time and 665 Bcf above the five-year average. In the cash market, the weighted price fell about 33 cents and the Henry Hub price



fell over 14 cents today, while the futures rose 32.7 cents. With such wide basis, we expect it narrow and given no real fundamental news, we expect the futures to retrace much of this pre-weekend rally. We continue to see support at \$6.66-\$6.65, \$6.62, and \$6.50-\$6.45. Further support we see at \$6.13 and \$5.68. We see resistance at \$7.25, \$7.562 and \$7.62. We see further resistance at \$7.85 and \$8.00.