



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR APRIL 14, 2005

NATURAL GAS MARKET NEWS

The Royal Dutch-Shell Group of Companies joined ChevronTexaco Corp. and BG Group in an accord with Nigerian National Petroleum Corp. for a LNG project. The Olokola project is expected to have a capacity of 20 million metric tons a year from four production lines. Two of the lines would be owned by Shell and the Nigerian company and the others by BG, ChevronTexaco, and the Nigerian company. Shell became involved in the project because of its six-year record in Nigeria, its reserves in the nations and its ability to get the fuel to markets. Nigeria's natural gas reserves of about 156 Tcf are among the 10 biggest in the world. The Olokola liquefaction plants may start production as early as 2009.

Sempra Pipelines & Storage launched an open season to solicit market interest in capacity on its proposed Cameron Interstate Pipeline project in Louisiana. Sempra plans to build the pipeline to interconnect Sempra LNG's Cameron LNG receipt terminal and the interstate natural gas pipeline systems in Louisiana. The 35-mile pipeline already has received approval on its design from FERC. In the open season beginning Wednesday, prospective shippers have an opportunity to indicate their interest for capacity and delivery points on the pipeline.

Mexico's state owned electric utility plans to begin seeking LNG supply bids this month for its terminal project at

Generator Problems

ERCOT— TXU will restart the 750 Mw Monticello #3 coal-fired power unit on April 15 after repairing a boiler tube leak. The unit shut on April 12-13 for the work.

American Electric Power will shut the 690 Mw Oklaunion coal-fired power station on April 15-29 for boiler cleaning and inspection. The company said it would restart the unit as soon as practicable.

MAAC— PPL Corp.'s 1,140 Mw Susquehanna #2 nuclear unit exited an outage and ramped up to 70% of capacity by early today. Yesterday, the unit was operating at 2% of capacity as it started to exit an outage. Susquehanna #1 continues to operate at full power.

MAPP— Xcel Energy's 569 Mw Monticello nuclear unit exited a refueling outage and ramped up to 50% of capacity by early today. Yesterday, the unit was operating at 12% of capacity as it started to exit the outage.

SERC— Entergy Nuclear increased output at its 858 Mw Arkansas #2, upping production to 83% capacity. The unit was at 65% capacity yesterday. Arkansas #1 continues to operate at full power.

Progress Energy's 811 Mw Brunswick #2 nuclear unit ramped up to 81% of capacity by early today. Yesterday, the unit was operating at 43% of capacity after exiting an outage earlier in the week. Brunswick #1 continues to operate at full power.

Duke Energy Corp.'s 1,100 Mw McGuire #2 nuclear unit exited a refueling outage and ramped up to 15% of capacity by early today. The unit shut on March 1 for the outage. McGuire #1 continues to operate at full power.

Tennessee Valley Authority's 1,150 Mw Sequoyah #1 nuclear unit exited an outage and ramped up to 40% of capacity by early today. On Wednesday, the unit was operating at 9% of capacity as it started to exit an outage. Sequoyah #2 continues to operate at full power.

WSCC – The 900 Mw coal fired Unit #1 at the Intermountain power plant was taken off line early Thursday due to vibration problems.

The NRC reported that U.S. nuclear generating capacity was at 77,263 Mw today up 2.50% from Wednesday and down 4.43% from a year ago.

Manzanillo on its western coast. The proposed plant would have a 500 million cubic feet per day capacity and is expected to begin construction by 2006. Meanwhile a commissioner at Mexico's Energy Regulatory Commission predicted that by 2013 LNG will be covering a significant portion of Mexico's natural gas needs. He predicted that Mexico will import some 1.6 bcf per day of natural gas in 2006-2007 as Mexico shifts more power generation to natural gas.

EIA Weekly Report

	04/08/2005	04/01/2005	Net chg	Last Year
Producing Region	521	497	24	409
Consuming East	562	546	16	474
Consuming West	210	206	4	165
Total US	1293	1249	44	1047

The CFTC today charged a former Western Gas Resources trader with providing fake natural gas prices to private publishers in 2000-01 to manipulate the market. The CFTC is seeking the court to order the trader to return his illegal profits and to fine him an unspecified amount.

ChevronTexaco said that its planned LNG Port Pelican offshore terminal, which has all the necessary governmental approvals, will move forward into a construction phase whenever the company deems it will need that additional import capacity.

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.

**Canadian Gas Association
Weekly Storage Report**

08-Apr-05 01-Apr-05 09-Apr-04

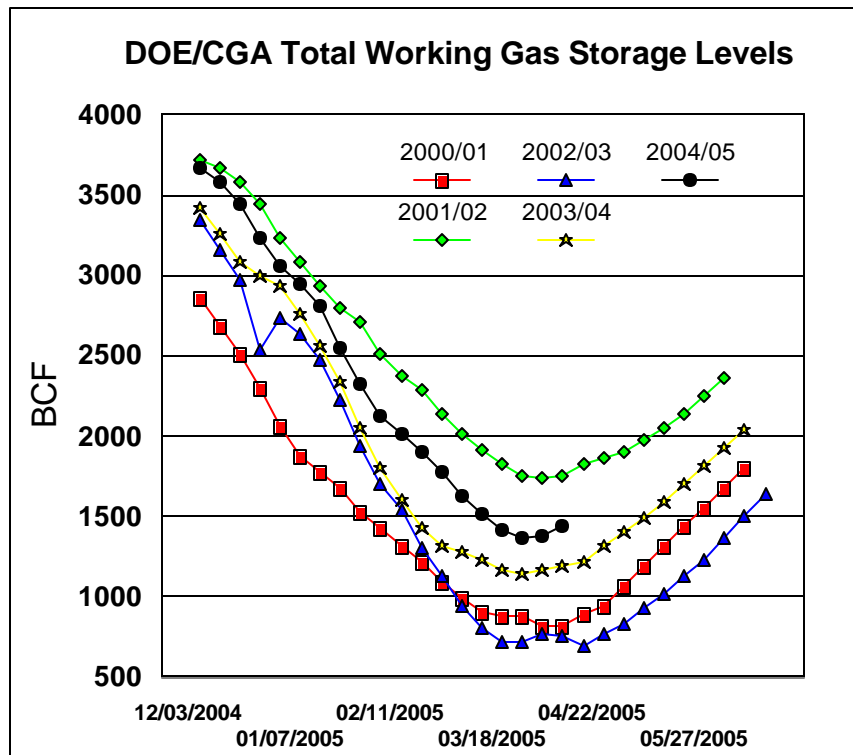
East	61.2	60.9	52.7
West	80.1	69.3	84.6
Total	141.3	130.2	137.3

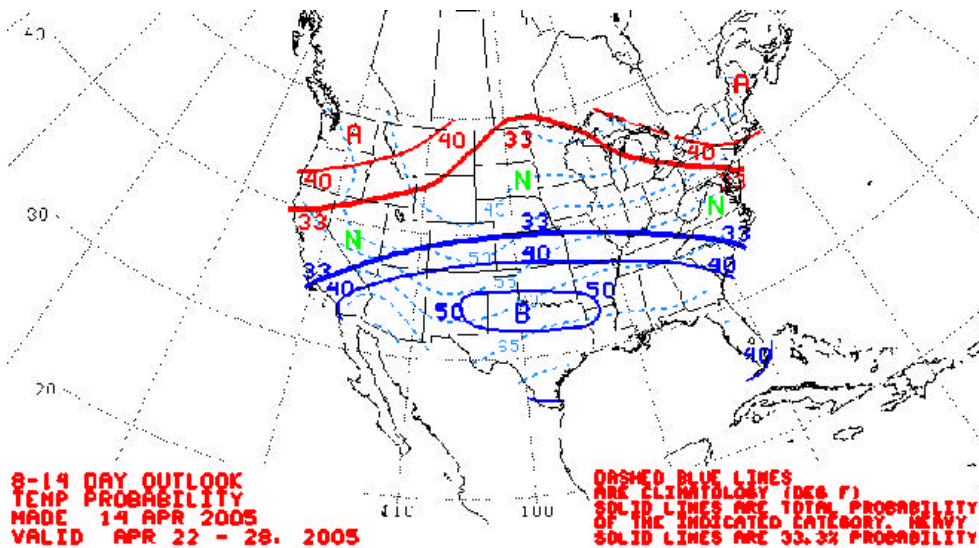
Texas Eastern Transmission Corp. said it has scheduled nominations to capacity at West Monroe. Physical increase from the following locations will not be accepted: 71000-Gulf South West Monroe; 72568-Reliant Energy West Monroe, and 72614-Duke Energy Field Services Ouachita Parish, La. In addition, Tetco has restricted nominations to capacity for nominations flowing through Batesville on the 24-inch system. Long pools in zones STX and ETX have been forced balanced. No physical increase in receipts sourced between Blessing and Batesville, for delivery outside that area will be accepted.

PIPELINE MAINTENANCE

Alliance Pipeline said that maintenance originally scheduled at the Wimbledon Compression Station in North Dakota for April 13 has been delayed and now will be performed on April 14. The station will be offline for 12 hours on April 14 and AOS will be impacted as a result.

Gulf South Pipeline said it will be performing scheduled maintenance at the Longview, Texas Compressor Station #2 beginning Monday, April 25. It is anticipated that this maintenance will take 5 days to complete. Based upon projected nominations for the affected Scheduling Group - Palestine 8-inch/Tyler 12-inch/Dallas 18-inch. Gulf South will only schedule primary firm capacity during this maintenance period.





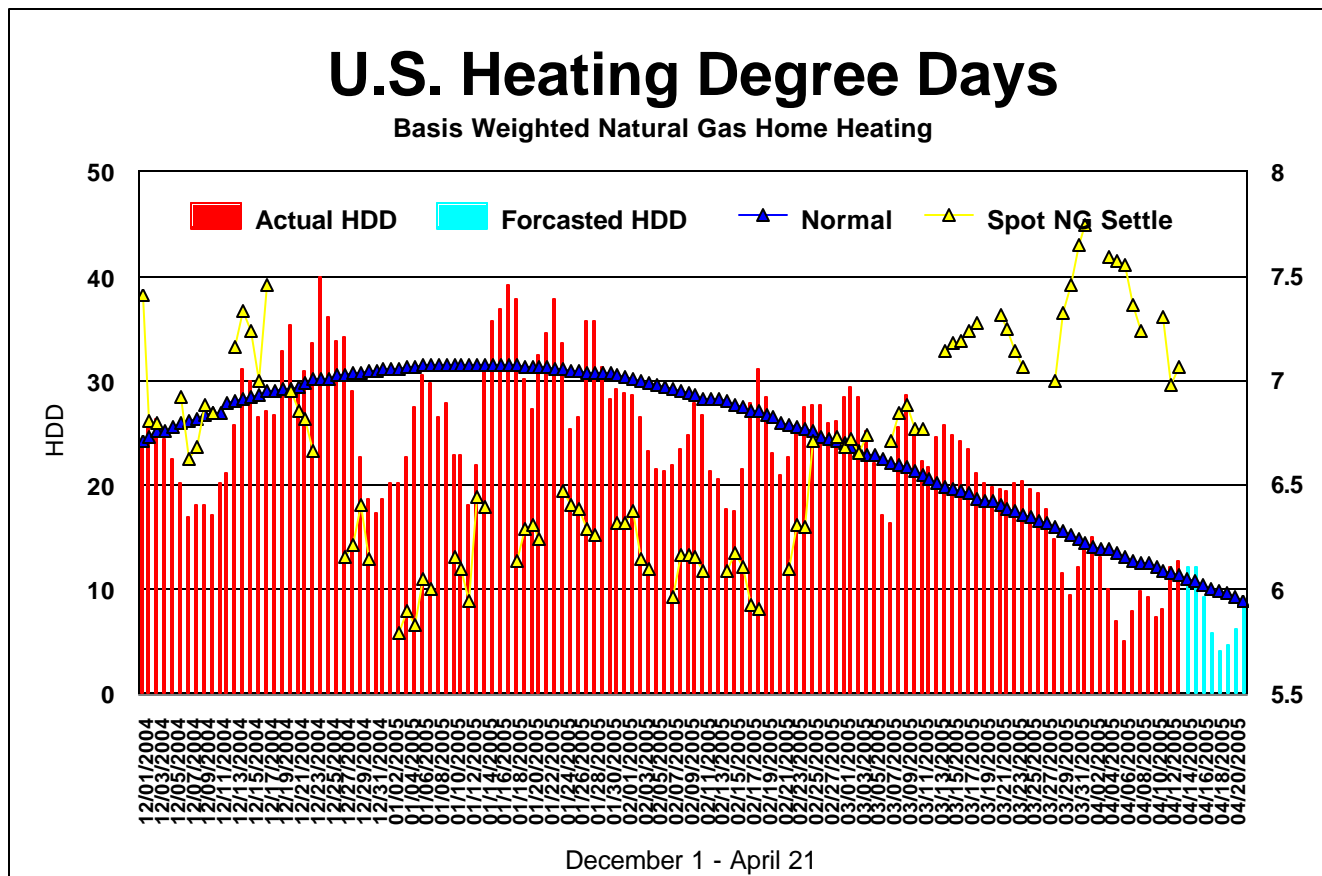
Trunkline Gas Company said that due to unscheduled maintenance on the Terrebonne system 319B-1900 line, Trunkline will not be accepting nominations at the following points beginning Friday, April 15: ST 187 LLOG Exploration, ST 185-Offshore Energy II, and ST 179B-Devon Energy. Expected duration of the work is 3 days.

Williston Basin Interstate Pipeline Company said a mainline valve will be replaced near Ray, North

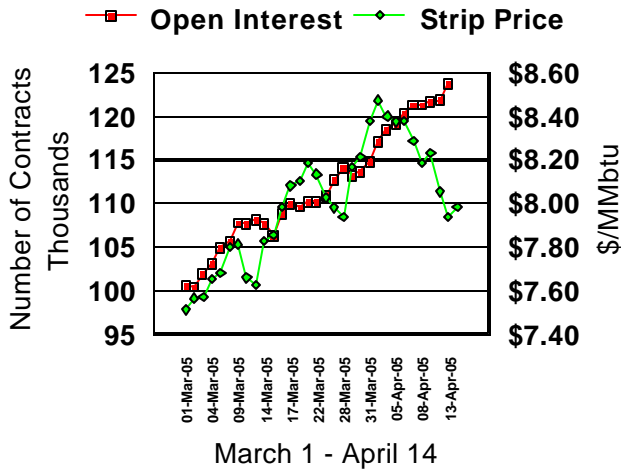
Dakota in Line Section 7, taking 67 hours on April 21. The company said there may be potential delivery restrictions in East Mon-Dak and Sheyenne Sub-Systems depending on quantities nominated.

ELECTRICITY MARKET NEWS

FERC asked the Midwest ISO's independent market monitor to begin making publicly available information on the number of generators the grid operator suspects of offering power at prices above their costs and whether the behavior is affecting the market. David Patton, MISO market monitor, told the agency that between Apr 1, when the ISO launched its day-ahead market, and Apr 8, it determined that a small number of generators have



NYMEX Natural Gas Winter 2005/06 Strip



growing community support and favorable wind resources would contribute to a successful wind project.

If successful, the project would positively contribute to the Renewable Portfolio Standard (RPS) goals as supported by Governor Pataki.

The New York Power Authority expects the new 500 Mw Poletti natural gas fired power plant in Queens, New York to enter service by this autumn, several months behind schedule. The plant is running some \$90 million over budget. After the unit enters service, NYPA is scheduled to retire the existing 847 Mw oil and gas fired unit at the same location between 2008 and 2010.

Alliant Energy said today that it expects a new transformer for its Ottumwa coal fired 730 Mw power station, to arrive at the facility in a few days and hoped to have the unit back in service by this summer. The unit has been off line since February 24th.

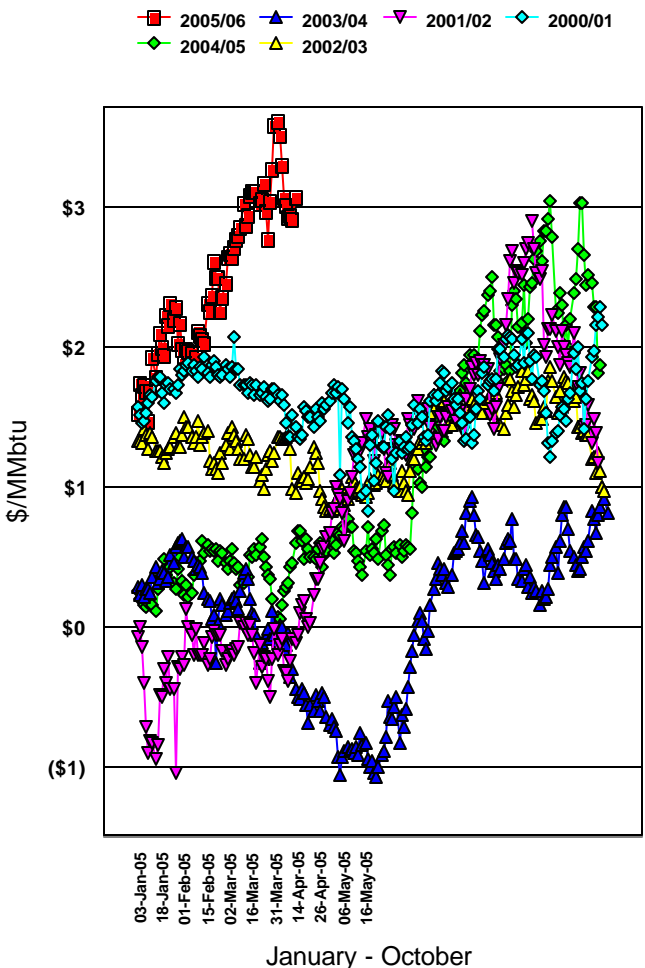
Neptune Regional Transmission System LLC said it expects to start laying the 67 mile undersea electricity cable from New Jersey to Long Island in the next few months. The line is expected to allow the LIPA to import up to 660 Mw of power from PJM area. The line is expected to come into service by July 1, 2007.

The Pacific DC Intertie was off line today, but Cal ISO said it hoped to have the unit back in service by the end of the day.

offered power at prices in excess of their costs. FERC, in approving the RTO's day-ahead market, ordered generators to offer power at cost plus a small adder for the first 60 days the markets are in operation. Patton, however, said his office had not concluded that any of the violations have affected the market and believes most are "prosaic violations of the tariff." Pat Wood, Chairman of FERC, urged Patton to begin making more information publicly available.

EverPower Wind announced that it was developing a wind energy project in Steuben County, New York, The Howard Project. The 70 Mw project is the second project under active development by the company, having previously announced that it was developing a 50 Mw wind project in Cattaraugus County, New York. EverPower Wind, a division of EverPower Renewables, is developing six wind sites in the Northeast U.S., three in New York State. EverPower pursued the Howard site for wind development due to their belief that the

NYMEX Nov-March Strip: Heat Minus NG



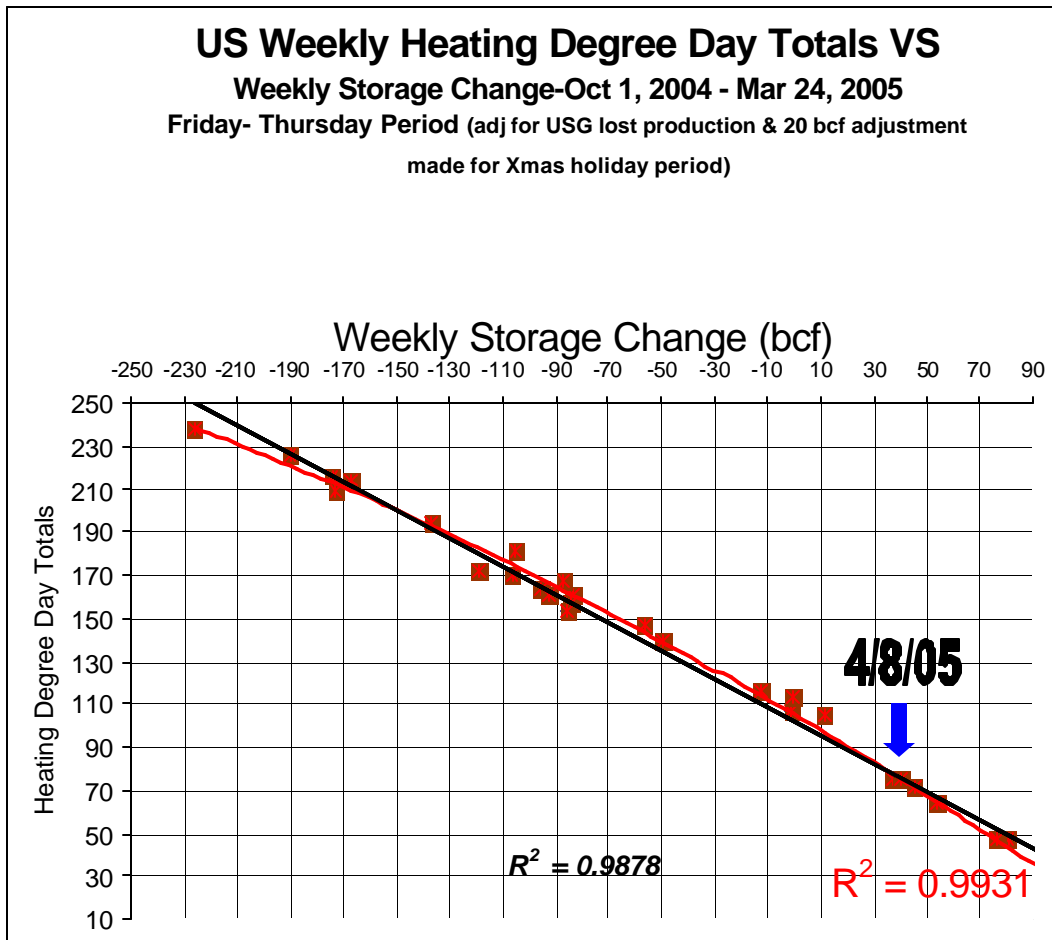
MARKET COMMENTARY

The natural gas market this morning opened basically just a penny lower as traders awaited the release of the EIA storage report. While the report showed a sizeable build of 44 bcf, this appeared to come in close to most market expectations and as a result seemed to release the buyers into the market and helped to allow natural gas prices to move back over \$7.00 and then back into the \$7.05-\$7.10 trading range for most of the late morning and afternoon. Prices settled up for only the second time out of the last nine trading sessions. Trading interest though for a storage report day was moderate at best with just 72,000 futures booked on the day.

This market had seen a halt to new buyers coming into the market over the past week, especially for next winter's contracts, which in part seemed to allow the strip price to fall off noticeably. But these buyers appear to

have returned yesterday as open interest again posted significant gains in this strip, and today probably as well. As a result we feel that without a significant decline in oil prices we feel that natural gas prices will most likely find support in this area and will resist moving significantly lower, as natural gas prices continue to look reasonably priced for next winter when viewed next to oil prices, and in particular against heating oil.

We see support again found at \$7.05-\$7.00 followed by \$6.89, \$6.80 and \$6.55.



Resistance we see at \$7.11-\$7.14, \$7.325, \$7.38-\$7.39 and \$7.465.

Our preliminary estimate for next week's EIA storage report would be for a much larger build, possibly a 65 bcf injection. A year ago for the same week saw a 28 bcf build and the five year seasonal build is 39 bcf.

