



ENERGY RISK MANAGEMENT

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

www.e-windham.com

POWER MARKET REPORT FOR APRIL 15, 2005

NATURAL GAS MARKET NEWS

The Energy Department reported that US imports of LNG rose 29% last year to 652 Bcf. The imports represent about 3% of US total natural gas consumption. The Energy Department said "the LNG numbers will increase yet again in 2005, and in the years beyond." Five companies imported LNG last year, BP Energy, BG LNG, Distrigas, Shell Group and Statoil. About one-third of all US imports in 2004 were shipped through the Cove Point, Maryland, terminal. Nearly three-fourths of the LNG imported in 2004 came from Trinidad and Tobago.

Baker Hughes reported that the number of rigs searching for oil and gas in the U.S. rose by 21 to 1,348 in the week ended April 15. During the same week last year, there were 1,150. The number of rigs exploring for oil and gas in Canada fell 48 to

Generator Problems

ERCOT— Texas Genco will start up its 750 Mw Cedar Bayou #1 natural gas and oil-fired unit on about April 18 following a long planned outage. The unit shut Dec. 24.

Texas Genco's 1,280 Mw South Texas #1 nuclear unit started to exit a refueling outage and ramped up offline to 3% of capacity by early today. South Texas #2 continues to operate at full power.

Oklunion Power Station shut its unit #1 boiler for cleaning and inspection. The unit is expected back in service April 19.

MAAC— PSEG Nuclear ramped output back to full power at its 1,100 Mw Salem #1 unit. Salem #2 remains offline for a refueling and maintenance outage.

PSEG Nuclear decreased its 1,049 Mw Hope Creek unit to 90% capacity early today.

PPL continued to ramp out put at its 1,115 Mw Susquehanna #2 nuclear unit, operating it at 91% power this morning. Yesterday, the unit was reported at 70% power. Susquehanna #1 remains at full power.

MAPP— Xcel Energy's 578 Mw Monticello nuclear unit continues to increase output, running at 54% today. The unit was at 50% yesterday.

NPCC— Constellation Energy Group's 497 Mw Ginna nuclear unit returned to full power by early today. Yesterday, the unit was operating at 75% of capacity.

SERC— Entergy increased its 858 Mw Arkansas #2 nuclear unit to 96%. Yesterday the unit was at 83%. Arkansas #1 continues to operate at full power.

Progress Energy continued ramping output at its 900 Mw Brunswick #2 nuclear unit, operating the unit at 90%. Yesterday the unit was at 81%. Brunswick #1 remains at full power.

Tennessee Valley Authority's 1,150 Mw Sequoyah #1 nuclear unit returned to full power by early today. Yesterday, the unit was operating at 40% of capacity after exiting an outage. Sequoyah #2 continues to operate at full power.

Duke Energy's 1,100 Mw McGuire #2 nuclear unit shut by early today to investigate a faulty valve. Yesterday, the unit was operating at 15% of capacity after exiting a refueling outage. McGuire #1 continues to operate at full power.

The NRC reported that U.S. nuclear generating capacity was at 78,433 Mw today up 1.52% from Thursday and down 3.28% from a year ago.

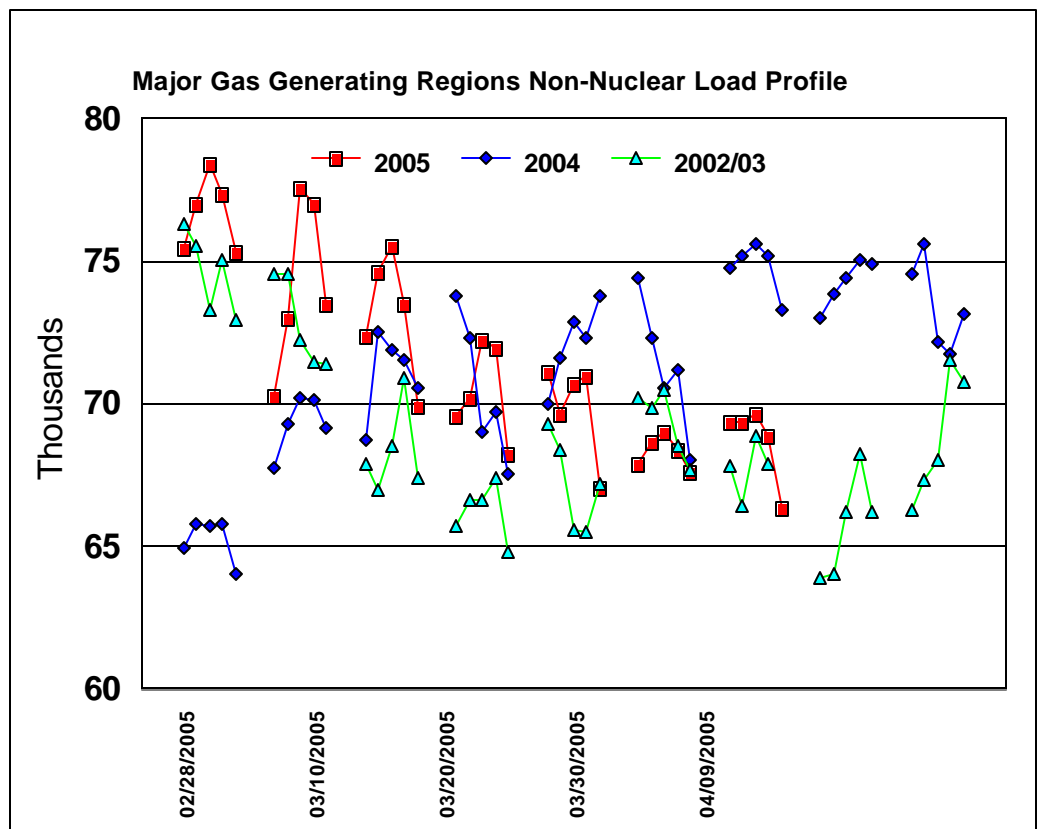
160, compared to 137 last year. The number of rigs in the U.S. Gulf of Mexico rose one to 92, while last year there were 89. There were 1,224 U.S. rigs searching on land, 96 offshore and 28 inland. The total North American rig count fell 27 to 1,508, while last year it was 1,287. The number of rigs searching for oil in the U.S. rose three to 173, while the number of rigs searching for gas rose 18 to 1,175. There were no miscellaneous rigs. There were 334 directional rigs in the U.S., 164 horizontal rigs and 850 rigs exploring vertically. Oklahoma gained seven rigs to 153, while Texas fell five to 594.

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.

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. Tetco has restricted physical receipts between Blessing and Little Rock to capacity. No physical increase in receipts sourced between Blessing and Batesville, for delivery outside that area will be accepted.

Tennessee Gas Pipeline has declared a force majeure event yesterday for meters on the CNT Line. This is the 20-inch line upstream of Eugene Island 250. The reason for this event is to repair a leak on this line.



In an update to the ongoing force majeure situation at several of its compressors, TransColorado revised its estimated completion date. The estimated in-service date for completion of repairs on all expansion compressor units has been revised from April 30 to May 23. As each unit is repaired, additional capacity may become available before May 23. Currently, Segment 220 is limited to 320 MMcf/d while Segment 240 is flowing 375 MMcf/d.

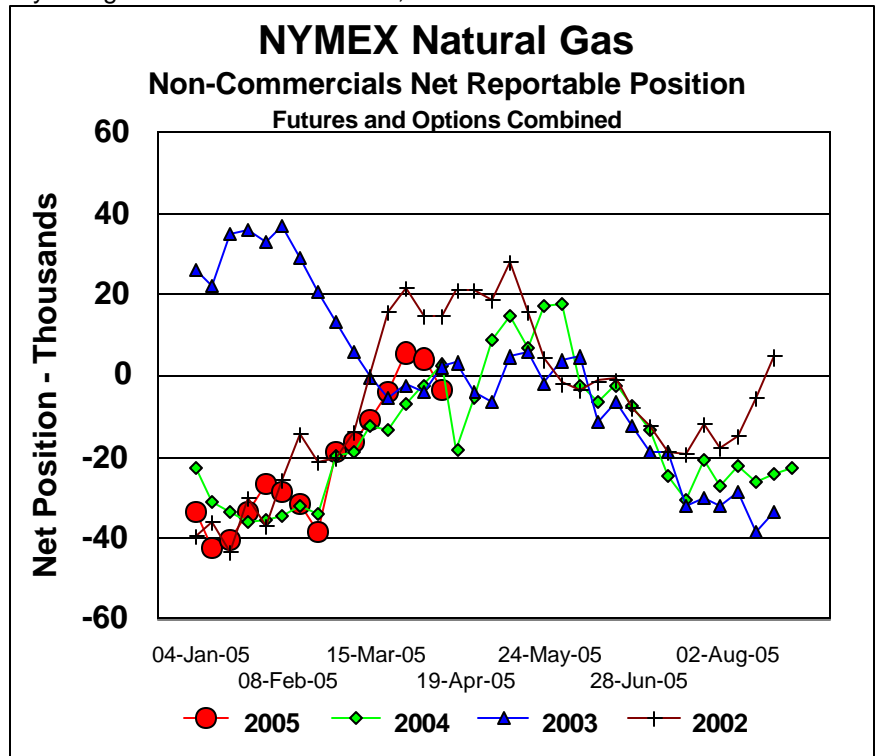
Meanwhile force majeure conditions are still in effect.

PIPELINE MAINTENANCE

El Paso Natural Gas Company said that the Wenden Station controls replacement project will extent by one day, with the #1 turbine remaining down one more day beyond the station outage. The capacity of the Havasu Crossover will be reduced by 120 MMcf/d to 550 MMcf/d through April 16, increasing to 60 MMcf/d to 610 MMcf/d, effective Cycle 1, April 17 and returning to full capacity of 670 MMcf/d effective Cycle 1, April 18.

ELECTRICITY MARKET NEWS

FERC will hold a special conference next week to discuss ratemaking incentives and other ways to attract investment in the nation's electricity grid. The technical conference, which will be attended by FERC commissioners, will be April 22 at the agency's Washington headquarters. Executives with PJM Interconnection, Xcel Energy, Calpine, TransEnergy, the Long Island Power Authority, and Kohlberg, Kravis & Roberts are among the speakers scheduled to address the conference. One panel will also discuss the proposed Frontier Line, a multibillion-dollar project that would connect up to 12,000 Mw of new wind and coal generation in Wyoming to markets in California, Nevada and Utah.



TXU Energy said Friday that it requested a fuel factor adjustment for its Price to Beat electricity rate with the Public Utility Commission of Texas in response to a sustained increase in natural gas prices. The company is seeking a 9.9% increase in the average monthly residential electric bill.

MARKET COMMENTARY

Rebounding nuclear generation output coupled with moderate spring like temperatures over much of the nation, appeared to keep the bulls penned up today. The natural gas market opened lower this morning with the May contract back below the \$7.00 once again. Lower oil prices also helped to depress the gains by the natural gas market from yesterday. But following the opening the natural gas market failed to find much traction in either direction and

as a result the market basically drifted in a sideways fashion for much of the day, and finished the day near its opening levels, as it posted its first inside trading session since March 30th. Final volume was commensurate of an inside trading session with just 54,000 futures traded, with spreads accounting for nearly 63% of the day's activity.

Tonight's Commitment of Traders Report shows that the non-commercial sector and the small trader sectors of this market during the week ending Tuesday April 12th, reduced their gross long positions on the week and as a result saw their minor net long position reverse and become a net short position once again, both in just the futures market and the futures and option combined position. With the price erosion of the past several days this appears to most likely have continued. But we continue to look for the this market to find support in the back months, and that could keep this market from collapsing even if oil prices move significantly lower. As a result we would move more into a neutral position for this market, and look to be a short term buyer if demand for gas as a generating fuel suddenly spikes higher. We see support at \$6.93-\$6.89 followed by \$6.80-\$6.78. Additional support we see at \$6.615 and \$6.55. Resistance we see at \$7.03, \$7.19 and \$7.14. Additional resistance we see at \$7.257, \$7.37 and \$7.485.

