



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR APRIL 18, 2005

NATURAL GAS MARKET NEWS

The Climate Prediction Center this morning reported that for the week ending April 16th, it estimated that the nation saw some 80 heating degree days on a gas home heating customer weighted basis. This was some 15% less than normal and more than 19% less heating demand than the same week a year ago. For the current week ending April 23rd, the CPC estimates that the nation should see only 49 HDD, which would be 39% less than normal.

The FERC has given final environmental clearance to ExxonMobil for its Vista del Sol LNG terminal and associated pipeline facilities near Corpus Christi.

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.

PIPELINE MAINTENANCE

Centerpoint Gas Transmission said it has scheduled the #2 Unit at Delhi Station for annual maintenance on April 25 at 9:00 AM CT. The estimated duration for this work is one week. As a result of this maintenance, the delivery capacity at Columbia Gulf/Perryville (South) will be limited to between 250 and 270 Mmcfd, depending on the downstream pressure. CEGT anticipates that no capacity will be available for IT service during this time and to the extent necessary, firm delivery nominations will be reduced.

Generator Problems

ERCOT— Texas Genco Cedar Bayou Electric Generating Station has been on a planned outage since Dec. 24, and today, as part of the startup activities, it is planned to test run the new forced draft fan.

Texas Genco's 1,280 Mw South Texas #1 nuclear unit exited a refueling outage and ramped up to 98% of capacity by early today. On Friday, the unit was operating at 3% of capacity as it started to exit the outage. South Texas #2 continues to operate at full power.

AEP shut its 528 Mw Welsh #1 coal-fired power station April 16-23 to repair a boiler tube leak.

MAIN— Exelon Corp.'s 1,177 Mw Braidwood #2 nuclear unit shut yesterday for a planned refueling outage, estimated to last about a month. On Friday, the unit was operating at full power. Braidwood #1 continues to operate at full power.

Exelon Corp.'s 864 Mw Quad Cities #1 nuclear unit started to exit a refueling outage and ramped up to 2% of capacity. Quad Cities #2 continues to operate at 85% capacity.

MAPP— Nebraska Public Power's 756 Mw Cooper nuclear unit exited an outage and ramped up to 47% of capacity by early today. On Friday, the unit automatically shut when the water level in the reactor started to decline.

Xcel Energy's 522 Mw Prairie Island #2 nuclear unit shut due to an inoperable backup diesel generator. On Friday, the unit was operating at full power. Prairie Island #1 continues to operate at full power.

NPCC— Entergy Corp. shut its 684 Mw Pilgrim nuclear unit today for a planned refueling expected to last about a month. On Friday, the unit was operating at 87% of capacity.

Dominion Resources issued an alert after its 1,130 Mw Millstone #3 nuclear unit automatically shut because of indication of low steam pressure in the secondary piping system.

El Paso Natural Gas Company said that Laguna 1 maintenance that was postponed last week due to unscheduled maintenance on Roswell 3 compressor has been rescheduled for the week of April 25. The capacity of the San Juan Crossover will be reduced by 20 MMcf/d from a base capacity of 635 MMcf/d on April 25-28.

Questar Pipeline Company said that Northwest Pipeline has scheduled the installation of their filter/separator on April 27 and 28. Physical injections or withdrawals from/to Northwest Pipeline will not be possible for these gas days. Customers can expect normal operation from April 19 to April 27.

ELECTRICITY MARKET NEWS

Arizona Public Service announced today that it has concluded new long-term agreements to supply about 75 Mw of power to ten electrical and irrigation districts located throughout the state of Arizona. Effective January 1, 2006, the new 15-year contracts will replace an existing 10-year pact that expires at the end of 2005. The company estimates the new contracts will increase future year revenues \$5 million annually compared with the previous contract.

The House Energy and Commerce Committee last week made key changes to the House energy bill which included the creation of an electric reliability organization to enforce standards on users of the grid, would repeal the Public Utility Holding Company Act and would authorize the FERC to site transmission facilities in certain cases. These provisions are expected to be debated by the House as early as Wednesday.

MARKET COMMENTARY

The natural gas market goes from an inside trading session on Friday to an outside trading session today, only to see prices basically end the day back in the same area where they opened at today. Despite the significant fall off in nuclear generation over the weekend, the mild weather continues offset the potential demand for natural gas as a spot generating fuel. This poor demand was also confirmed by linepacks on the TransCanada pipeline reaching their highest levels since the spring of 2003. As a result the gas market turned to the oil market again for price direction. But with uncertainty in the oil markets, traders were left with little to go on and as a result prices drifted throughout the day. Final estimated futures volume was relatively modest today with just 64,000 contracts changing hands.

This market appears content to drift along aimlessly this week possibly looking for a new storage report to offer a clear signal for this market. But we feel if oil prices fail to gain any traction here in the next couple days and given the weather outlook which should yield poor near term demand for natural gas this market could take quiet little steps lower, possibly moving back into a \$6.80-\$6.60 trading range before bulls feel comfortable in returning to

Generator Problems

SERC— Tennessee Valley Authority's 1,118 Mw Browns Ferry #2 nuclear unit exited a refueling outage and ramped up to 23% of capacity by early today. The unit shut March 21 for the outage. Browns Ferry #3 continues to operate at full power.

Progress Energy shut its 872 Mw Brunswick #1 nuclear unit on Friday for planned maintenance on some valves and other equipment. The outage is expected to last about a week to two weeks. Brunswick #2 returned to full power by early today.

Entergy Corp. shut the 1,089 Mw Waterford #3 nuclear unit on Sunday for a planned refueling expected to last about a month. On Friday the unit was operating at full power.

WSCC— Edison International's 1,070 Mw San Onofre #2 nuclear unit is expected to return to service late Monday. The unit was taken offline early Sunday for unplanned maintenance on a pump. San Onofre #3 continues to operate at full power.

Canada— Bruce Power's 840 Mw Bruce B #6 nuclear unit shut on Friday after a transformer fire occurred outside the generating station.

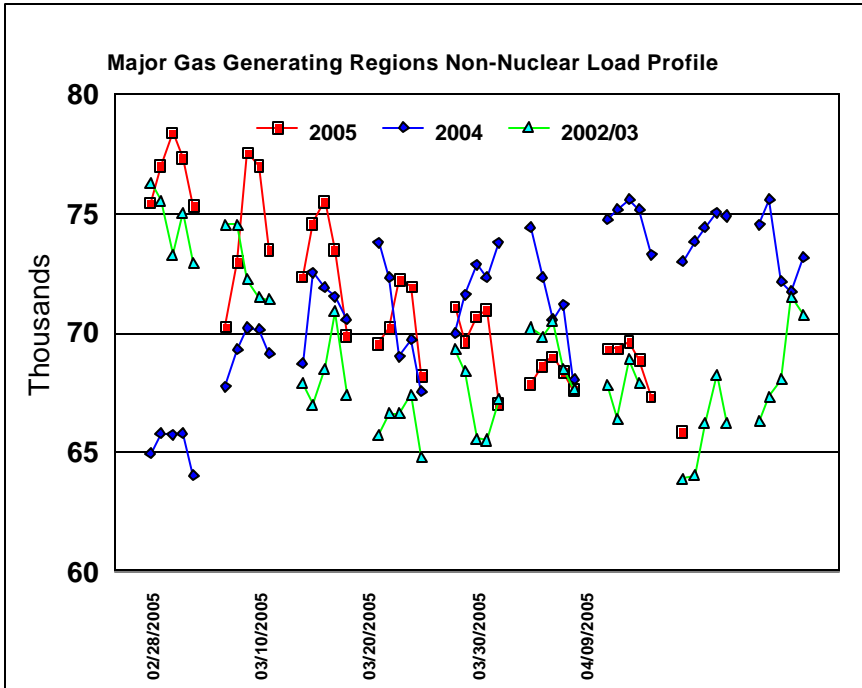
Ontario Power Generation's 881 Mw Darlington #4 nuclear unit shut by early today for a short maintenance outage, expected to last about a week. On Friday, the unit was operating at high power. Darlington #1 and #3 continue to operate at full power.

Ontario Power Generation's 535 Mw Lennox #4 oil- and natural gas-fired power unit returned to service by early today. The unit shut around March 3 for a planned maintenance outage. All other units are available for service.

Ontario Power Generation shut its 515 Mw Pickering B #8 nuclear unit April 14 for a short maintenance outage to work on a valve associated with the heat transport system.

Sempra Energy's 600 Mw Termoelectrics de Mexicali natural gas-fired power station in Mexico shut for planned reasons by late Sunday.

The NRC reported that U.S. nuclear generating capacity was at 73,586 Mw today down 6.18% from Friday and down 7.54% from a year ago.



this market. We see initial support tomorrow at \$6.875, \$6.80 and \$6.55. Resistance we see at a three week trend line tomorrow at \$7.025 followed by \$7.09, \$7.247, \$7.363 and \$7.478. More distant resistance is at \$7.85

