



## ***ENERGY RISK MANAGEMENT***

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### **POWER MARKET REPORT FOR APRIL 27, 2006**

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

Independent oil and gas producer Apache Corp. reported that 40 MMcf of daily gas production remains off line in the U.S. Gulf Coast region.

CenterPoint Energy Gas Transmission Company announced the start of a non-binding 30-day open season to gauge market interest in an expansion of its planned 172-mile 42-inch pipeline from Carthage, Texas to its Perryville Hub in Northeast Louisiana. CEGT could increase capacity in a third phase of construction by adding compression and/or pipeline looping.

#### **PIPELINE RESTRICTIONS**

Natural Gas Pipeline Company said that it has limited capacity available for gas received in Segment 16 (Arkoma Line). Limited interruptible flow, authorized overrun and secondary out-of-path transports are available.

#### **PIPELINE MAINTENANCE**

Gulf South Pipeline said that it will be performing scheduled maintenance on three units at the Jackson Compressor Station, individually for approximately six weeks per unit, beginning May 10. Capacity through the Jackson Compressor Station could be reduced by as much as 100 MMcf/d for the duration of the maintenance.

Questar Pipeline Company said that repairs have been completed at the Greasewood facility. As a result, capacity to TransColorado will increase to 550 MMcf/d.

#### **ELECTRIC MARKET NEWS**

The U.S. Nuclear Regulatory Commission continued to review three applications for new nuclear power plant sites as it prepares for a filing by Southern Co. Exelon Corp., Entergy Corp. and Dominion Resources each filed Early Site Permit applications in 2003 for sites in Clinton, Illinois, Grand Gulf, Mississippi, and North Anna, Virginia, respectively. The NRC expects Southern, of Atlanta, to submit the agency's fourth Early Site Permit application for the Vogtle site in

#### **Generator Problems**

**ECAR**— FirstEnergy's 946 Mw Davis-Besse nuclear unit remains offline at 18% following an outage that refueled the reactor and increased generating capacity by 11 Mw.

**ERCOT**— Topaz Power Group's 632 Mw Coletto Creek coal-fired power station returned to service April 27-28 following a planned maintenance outage.

Harrison County Power Project unit #2 will return its turbine to service prior to re-certification of new CEMS.

The Limestone Electric Generating Station #2 is returning to service following maintenance and repairs.

The Sandow Steam Electric Station #4 is starting up following a water quality cleanup.

AEP's Welsh #1 coal fired power unit shut today to repair auxiliary equipment.

**MAIN**— Dominion Resources shut its 591 Mw Kewaunee nuclear unit yesterday after a series of events starting with a minor leak repair escalated to a manual reactor trip.

**SERC**— Duke Energy's 1,129 Mw Catawba #2 nuclear unit ramped up to 65% of capacity. Yesterday, the unit was operating at 18% after exiting a refueling outage earlier in the week. Catawba #1 continues to operate at full power.

**WSCC**— Southern California Edison's 1,070 Mw San Onofre #2 ramped output to 95% capacity as of this morning. Yesterday, the unit was operating at 82%. Unit #3 remains offline.

**Canada**— Ontario Power Generation's 535 Mw Lennox #2 oil- and natural gas-fired power station returned to service after planned maintenance. The unit shut April 20 for the work.

**The NRC reported that U.S. nuclear generating capacity was at 79,132 Mw up .31% from Wednesday and up 4.95% from a year ago.**

### EIA Weekly Report

	04/21/2006	04/14/2006	Net chg	Last Year
<b>Producing Region</b>	674	650	24	555
<b>Consuming East</b>	930	881	49	630
<b>Consuming West</b>	247	240	7	221
<b>Total US</b>	1851	1771	80	1406

\*storage figures in Bcf

Georgia later this year. I approved, an Early Site Permit, which takes the NRC staff about 33 months to process, gives the applicant up to 20 years to decide whether to build a nuclear plant on the site. The permit does not grant permission to build anything. To build a reactor, a utility must first apply for a Construction and Operating License. No one has filed for a combined license but several utilities

have said they intend to submit one in late 2007 or early 2008. No company has firm plans to build a new reactor in the U.S. The utilities have said they are seeking the licenses and permits to keep their options open until they determine that future economic and political conditions justify the construction of a new reactor.

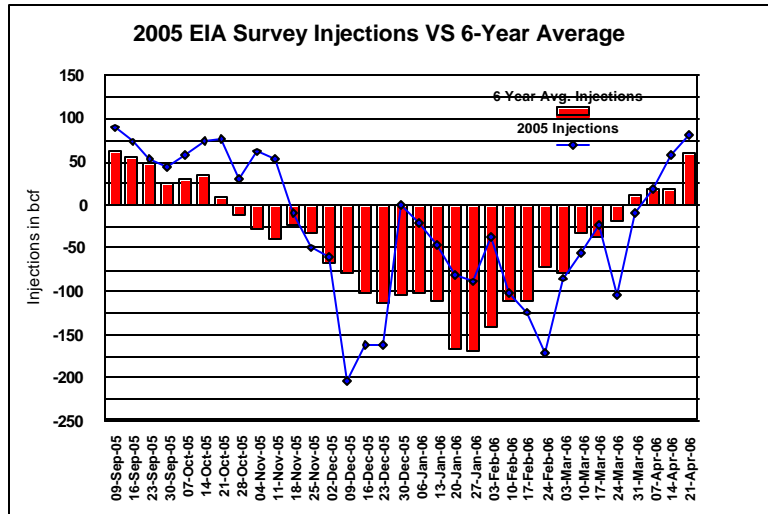
### Canadian Gas Association

#### Weekly Storage Report

	21-Apr-06	14-Apr-06	22-Apr-05
<b>East</b>	98.4	93.6	70.8
<b>West</b>	139.5	133.2	98.6
<b>Total</b>	237.8	226.8	169.3

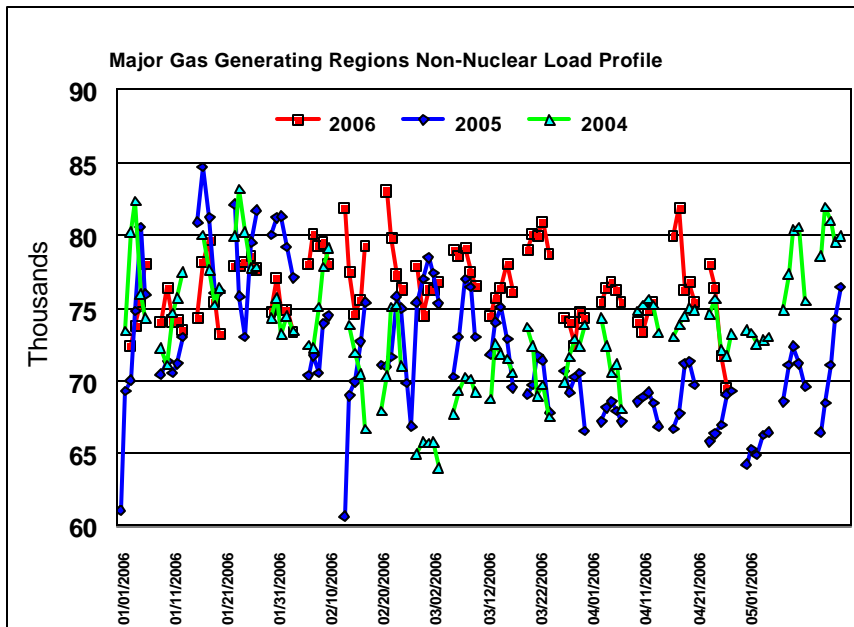
storage figures are in Bcf

New Mexico utility PNM Resources said a U.S. federal court judge dismissed a lawsuit by the California attorney general accusing a PNM unit and other power sellers of manipulating California energy prices. In a separate case, PNM Resources also said the Federal Energy Regulatory Commission agreed in a recent decision that the utility can continue to charge market-based rates for electricity in New Mexico.



### ECONOMIC NEWS

The Federal Reserve Bank of Kansas City released its monthly manufacturing index, which showed that though production slowed from a reading of 26 in February to a reading of 17 in March, new orders increased from 21 to 25. Also, the six month expectation for production is 37, showing confidence in the regions manufacturing plants.



### MARKET COMMENTARY

The natural gas market opened 22.1 cents lower in anticipation of a bearish storage report. With the street expecting a build of about 70 Bcf, the actual build of 80 Bcf and the upward revision of last week's report by 10 Bcf pressured this market below the 7.00 support level. The June contract, in its first trading session as the spot contract traded to a low of 6.78, as the nation's total storage now stands at 1,851 Bcf – 445 Bcf over last year at this time and 710 Bcf above the five-year average. June finished the day down 46.6 cents at 6.805.

The front month will continue to remain under pressure, as current weather conditions are not generating enough

shoulder season demand to keep the market supported. Spot cash prices continued to slide for the third straight session as there is no load to support prices. The next major support level of 6.65 had put in a triple bottom earlier in the month and will continue to serve as a barrier to the bears as geopolitical tensions, summer temperatures and hurricane hype linger on the back of traders minds. We see support at \$6.65, \$6.45-\$6.50, \$6.13 and \$6.00. We see resistance at \$7.12, \$7.47, \$7.52, \$7.85 and \$8.00. Further resistance we see at \$8.28, \$8.31, \$8.65 and \$9.00.

