



## ENERGY RISK MANAGEMENT

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

**www.e-windham.com**

### POWER MARKET REPORT FOR MAY 5, 2005

#### NATURAL GAS MARKET NEWS

El Paso Corp said portions of its natural gas pipeline in the Gulf of Mexico, damaged by Hurricane Ivan, would not return to service before late June. It said about 350 mmcf/d to 400 mmcf/d of gas output remained shut in on Southern's system due to the damage from the storm and damage to other offshore producer platforms.

#### **EIA Weekly Report**

	04/29/2005	04/22/2005	Net chg	Last Year
<b>Producing Region</b>	571	558	13	471
<b>Consuming East</b>	657	636	21	564
<b>Consuming West</b>	227	222	5	182
<b>Total US</b>	1455	1416	39	1217

The Minister of Trade and Industry for the Bahamas said today that his government should approve shortly AES Corp's proposed LNG terminal at Ocean Cay.

#### PIPELINE RESTRICTIONS

Natural Gas Pipeline Company of America said 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. Deliveries to Texas Gas-Lowry are at capacity.

Texas Eastern Transmission said that receipts between Longview and Batesville have been restricted due to the Department of Transportation hydrotest between

#### **Canadian Gas Association**

#### **Weekly Storage Report**

	29-Apr-05	22-Apr-05	30-Apr-04
<b>East</b>	72.2	70.8	65.8
<b>West</b>	106.9	98.6	108.3
<b>Total</b>	179.0	169.3	174.1

Batesville and Lebanon that is blocking the 24-inch line. Physical increase between Longview and Batesville will not be accepted.

Kern River Pipeline has warned schedulers of high line packs across its entire system. This affects Kern ML North from Muddy Creek to Elberta, Kern ML Middle from Elberta to Goodsprings and Kern ML South from Goodsprings to Common Facility and from Common Facility to End of Facilities.

#### Generator Problems

**MAIN**— Exelon Corp.'s 1,177 Mw Braidwood #2 nuclear unit ramped up to 24% power by early today. The unit has been shut since about April 18 for a planned refueling outage. Braidwood #1 continues to operate at full power.

**MAPP**— Alliant Energy Corp.'s 561 Mw Duane Arnold nuclear unit ramped up to 48% by early today as it continues to exit a refueling outage.

**NPCC**— FPL Group's 1,159 Mw Seabrook nuclear unit ramped up to 45% by early today. The unit was operating at 30% yesterday as it continues to exit a refueling outage.

**SERC**— Southern Co.'s 888 Mw Farley #1 nuclear unit was cut to 31% by early today. Yesterday, the unit was operating at 100% of capacity. Farley #2 continues to operate at full power.

**WSCC**— Edison International's 1,080 Mw San Onofre #3 nuclear unit was shut by early today. Yesterday the unit was operating at full power. San Onofre #2 continues to operate at full power.

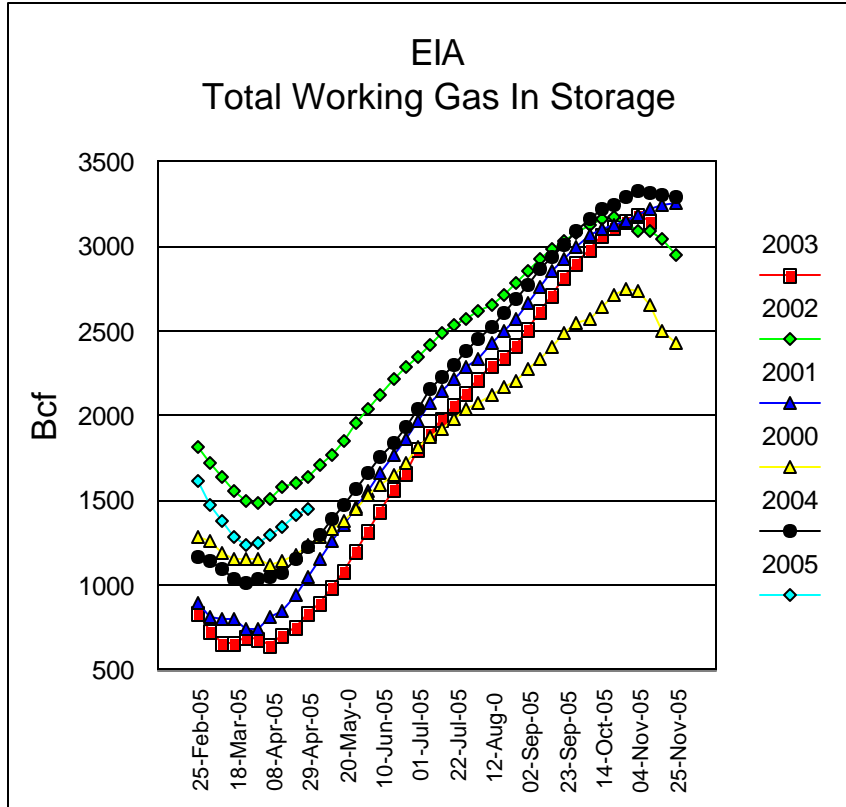
**The NRC reported that U.S. nuclear generating capacity was at 79,299 Mw today down 1.33% from Wednesday and down 3.49% from a year ago.**

TransColorado's force majeure situation is still in effect and the estimated in-service date for completion of repairs on all expansion compressor units continues to be May 23. Segment 220 is limited to 320 MMcf/d while Segment 240 is flowing 375 MMcf/d.

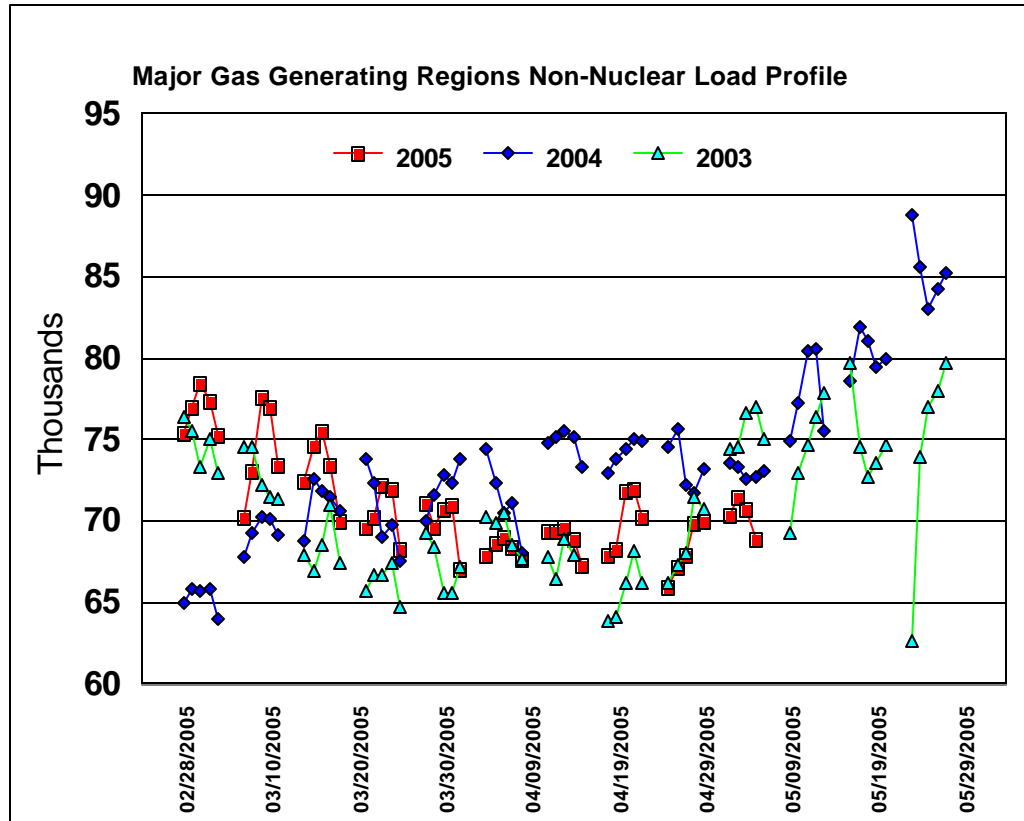
Westcoast Energy said residue gas treatment availability at Pine River Gas Plant will be 335 MMcf/d, or 86% of the current Firm Contract Demand for Residue Gas Treatment Service. Raw gas treatment availability at Pine River Gas Plant will be 419 MMcf/d. On May 6, residue gas treatment availability at Pine River Gas Plant will be 271 MMcf/d, or 70% of the current Firm Contract. This is equivalent to 339 MMcf/d RAW. There will be no constraint in place for May 8.

**PIPELINE MAINTENANCE**

Gulf South Pipeline said that maintenance on the #2 Unit at the Longview Texas #2 Compressor, previously scheduled for today, has



been postponed until further notice.

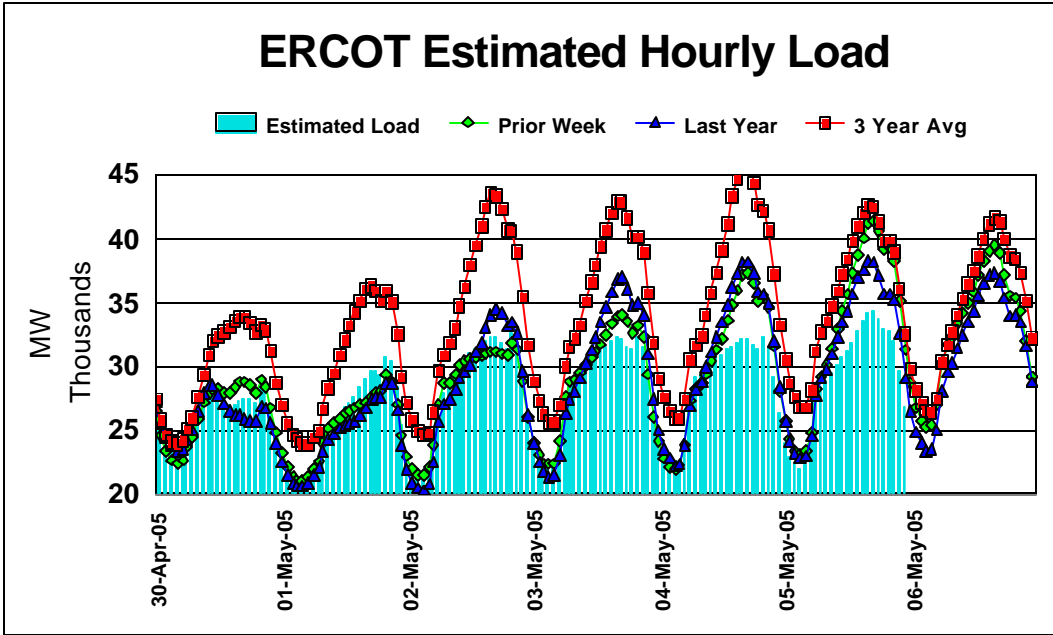


Tennessee Gas Pipeline said that weather is delaying the repairs on the South Pass 77 527A-700 line. This is in Zone L on Tennessee's 500 Leg. The first portion of the repairs is now expected to be completed on May 7. Physical flow will remain shut in for the following meter until these initial repairs are complete on May 7: 011294 South Pass 77A. Additional work will be required which is scheduled to take place September 19-26. The above meter will also be required to be shut in at that time. Tennessee will provide

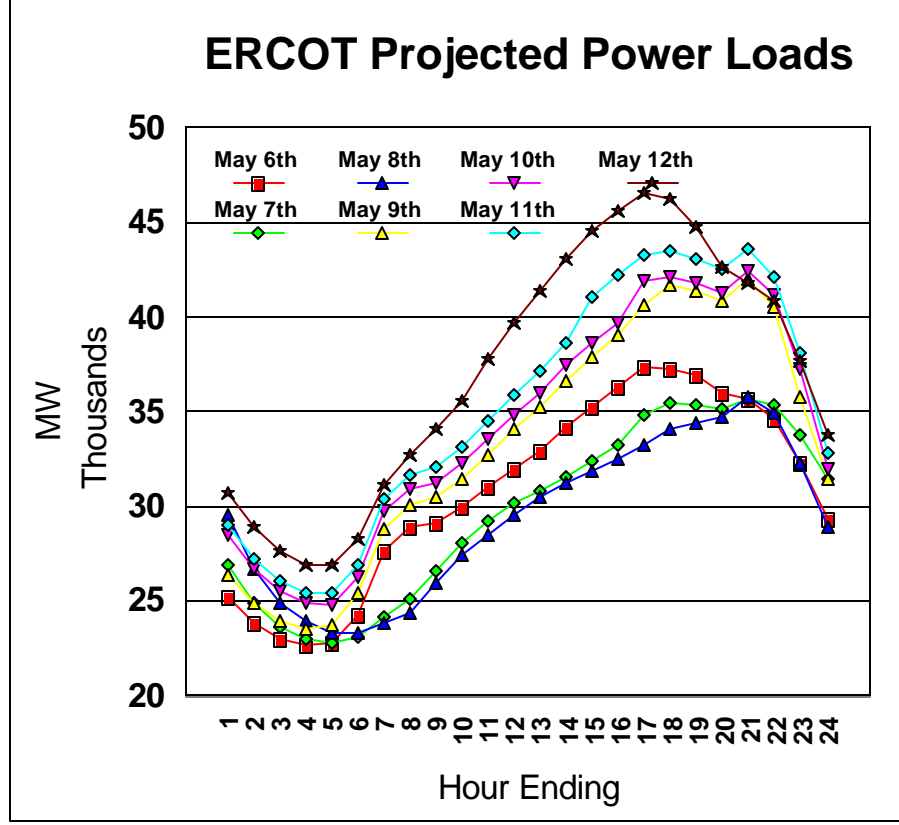
further updates as additional information becomes available. Currently, production impacted from the above outage is approximately 40 MMcf.

**ELECTRICITY MARKET NEWS**

An official at the Electricity Consumers Resource Council voiced concern today the use of peaking units by the Midwest Independent Transmission System Operator during its first month of operation has some industry participants worried the units will not be available during the hot summer months. Generators could be forced to pay millions of dollars to upgrade



units if their peaking units run out of hours allowed by physical or environmental limitations and regulations. One market source claimed that peaking units had been forced into service recently due to base load and intermediate units were failing to answer calls to dispatch power to the grid.



**MARKET COMMENTARY**

The natural gas storage report coming in basically at market expectations, offered traders little or no fresh news to trade on. As a result natural gas remained mired in its consolidated trading range of the past six sessions of \$6.77-\$6.45. The spot contract has not demonstrated such an apathetic price movement since the beginning of March when prices were contained within a 25-cent sideways trading range before eventually breakout and moving up some 60 cents over the following week. Volume today was moderate for a storage report day, with 74,000 futures trading of which spread activity accounted for 54% of the day's activity.

This market continues to await the start of the cooling season. This past week has seen non-nuclear generating loads in key natural gas generating regions falling

significantly behind power demand from the prior two years. Nowhere has this limited demand been more evident

than in the ERCOT region. Since Sunday, ERCOT overall electrical load has been averaging some 17% less than the previous three-year average, as cooling demand remains near non-existent. With the forecasted load finally beginning to rebound next week, this could finally help provide some additional support to the spot and futures market for natural gas. We see support in this market tomorrow at \$6.58-\$6.57 followed by \$6.45, \$6.40, \$6.20 and \$6.11. Resistance we see at \$6.78 followed by \$7.023, \$7.047, \$7.20 and \$7.377.