



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR MAY 19, 2005

NATURAL GAS MARKET NEWS

Wachovia Corp and the Oklahoma based natural gas producer, Resolute Natural Resources, announced today the formation of Odyssey Energy Services LLC, a joint venture company providing energy marketing and trading services to exploration and production companies, and industrial, commercial and utility customers. The new company will initially focus on markets in the central and western United States. The firm eventually will expand geographically and into crude oil and refined products.

The FERC said today that it should take action in the next month on the issue of gas storage. The agency has been examining ways in which it could encourage storage capacity expansion and the more efficient use of existing capacity.

The path of Tropical Storm Adrian continued to move on a path that appeared to offer little or no threat to the Gulf of Mexico this weekend, after it has passed over Central America and moved into the Atlantic basin.

Generator Problems

MAAC— PSEG Nuclear ramped output 1%, returning the 1,100 Mw Salem nuclear #2 unit to full power following a refueling and maintenance outage. Salem #2 continues to operate at full power.

NPCC— Dominion Resources' 830 Mw Millstone #2 nuclear unit exited a refueling outage and ramped up to 48% of capacity by early today. The unit shut April 21 for the refuel. Millstone #3 continues to operate at full power.

SERC— Southern Nuclear Operating Company ramped output at its 888 Mw Farley #1 nuclear unit the remaining 9% to operate the unit at full power. Farley #2 continues to operate at full power.

SPP— The 1,235 Mw Wolf Creek nuclear unit started to exit a refueling outage and ramped up to 13% capacity by early today. The unit shut April 9 for the outage.

Canada— Bruce Power's 840 Mw Bruce B #6 nuclear unit shut early today for planned maintenance on some main line pipe supports for about a week.

The NRC reported that U.S. nuclear generating capacity was at 84,848 Mw today up .84% from Wednesday and down 5.21% from a year ago.

EIA Weekly Report

	05/13/2005	05/06/2005	Net chg	Last Year
Producing Region	610	587	23	514
Consuming East	739	685	54	658
Consuming West	250	237	13	203
Total US	1599	1509	90	1376

PIPELINE RESTRICTIONS

NGPL said that the affected line #3 continues to be isolated, but that lines #1 and #2 were not damaged. In other news, Segment 17 is at capacity. 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.

Gulf South Pipeline said that based upon its initial review of nominations, NNS demand, and other factors, Gulf South may be required to schedule available capacity and implement scheduling reductions for Tyler 12", Palestine 8", and Dallas 18", in Area 8.

Texas Eastern Transmission Corp. said it has restricted ETX due to the scheduled cleaning of line 11. M1-24 and M2-24 have been scheduled to capacity. Nominations increases between Huntsville and Batesville will not be accepted.

Canadian Gas Association

Weekly Storage Report

	13-May-05	06-May-05	14-May-04
East	80.3	73.3	83.3
West	123.5	113.5	119.5
Total	203.8	186.9	202.8

TransColorado Gas Transmission said that the force majeure conditions are still in effect. The estimated in-service date for completion of repairs on all expansion compressor units continues to be May 23. Segment 220 is limited to 325 MMcf/d, while Segment 240 is flowing 377 MMcf/d.

National Fuel Gas said that May 31st through June 6th it will be pigging line K. During this work NatFuel may have restrictions in capacity for secondary and interruptible transactions with receipts north of the Concord Station. Receipt points north of Concord include: Niagara, Grand Island, Pendleton, Clarence, East Aurora, Hamburg, Lewiston, Mayville, Pekin, RQ Points (DTI).

PIPELINE MAINTENANCE

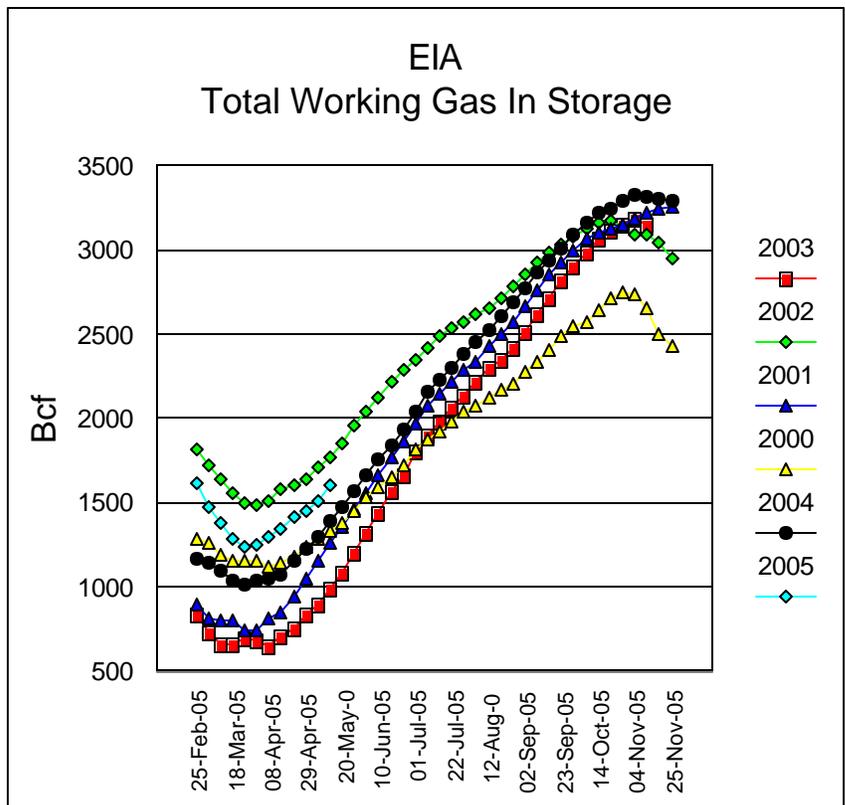
Alliance Pipeline said that scheduled maintenance at the Kerrobert Compression Station in Saskatchewan, which was intended to be completed May 15 will have to be extended due to unexpected complications. AOS capacity for May 19th will be impacted as a result.

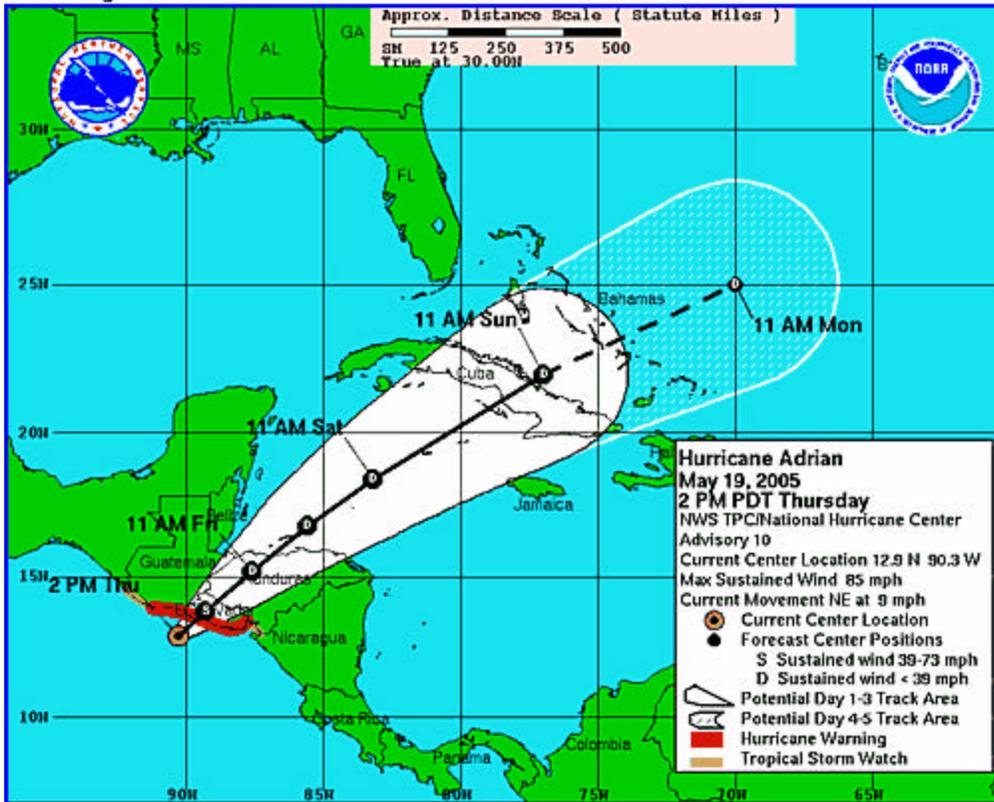
El Paso Natural Gas Company said that Lincoln Station maintenance has been completed early. The capacity of the San Juan Crossover will be raised to 645 MMcf/d effective Cycle 2, May 19.

Mississippi River Transmission Pipeline said that based on results from its in-line inspections (smart pigging) of Main Line No. 2 between Fountain Hill station and Perryville station last month, effective 9:00 AM ET May 21 through 9:00 AM ET May 23 and from 9:00 AM May 27, MRT will take a section of ML2 out of service and begin performing necessary inspections and/or repairs. During this period, MRT anticipates that it will have to reduce firm delivery capacity to the Perryville Hub by 70 MMcf/d. Effective May 24, MRT will set a tolerance of zero for long imbalances on a daily basis during the Perryville Hub maintenance. Such long imbalances can exacerbate any operational problems that might arise and may result in the future assessment of Excess Contract Quantities penalties. The Perryville Hub maintenance will last for approximately three days.

ELECTRICITY MARKET NEWS

Attorneys general from ten states and the Pennsylvania Environmental Protection secretary on Wednesday filed suit to block the US EPA's rule to control power plant emissions of mercury through an allowance-trading program. EPA's final rule, published in Wednesday's Federal Register, sets up national caps of 30 tons of mercury per year in 2010 and 15 tons/year in 2018. Coal-fired plants nationwide emit about 48 tons of the neurotoxin a year at present. New Jersey AG Peter Harvey claims the rule will delay actual reductions of mercury that can harm the health of unborn and young children.





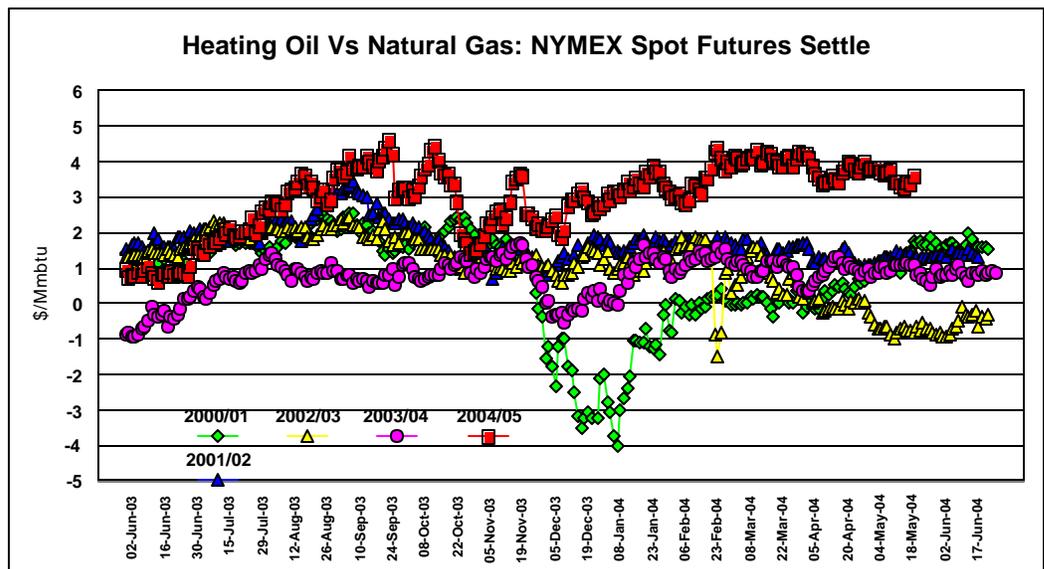
The outage along the 500 Kv transmission line in Maryland between Brighton and Doubs, which began on Monday was expected to end today, allowing cheaper power from West Virginia and Virginia to flow into the PJM area.

California Attorney General Bill Lockyer filed a lawsuit against PowerEx and Public Service Company of New Mexico in which the state alleges that Enron-devised trading schemes used to inflate prices during the energy crisis constituted a conspiracy to restrain trade. Such a charge violates California antitrust laws. The complaint filed in Sacramento County

Superior Court seeks treble damages that could total billions of dollars. PowerEx, a wholly owned subsidiary of BC Hydro headquartered in Vancouver, British Columbia, and PNM sold more than 800,000 MWh of power through illegal ricochet transactions during the Energy Crisis. Ricochet refers to the tactic of buying power in the state, "exporting" it outside ISO's control area, then "importing it back into ISO's area and selling it at inflated prices as OOM transactions.

WorldWater & Power Corp., maker of proprietary high-power solar systems, announced the signing of a contract for \$7.8 million with Farm ACW of Fallbrook, California, to install solar electric systems to power the avocado ranch operations. The new contract brings the total of projects signed in 2005 to \$12.2 million, compared to total revenues in 2004 of \$5.8 million.

Complete Energy Holdings announced that one of its wholly owned subsidiaries has signed a definitive agreement to purchase a 100% interest in La Paloma Generating Co. The 1,022 Mw gas-fired, four-unit combined-cycle facility is located in Kern County, California. The purchase price is approximately \$560 million in cash plus



potential adjustments for working capital and other items. The transaction is expected close during the third quarter of this year.

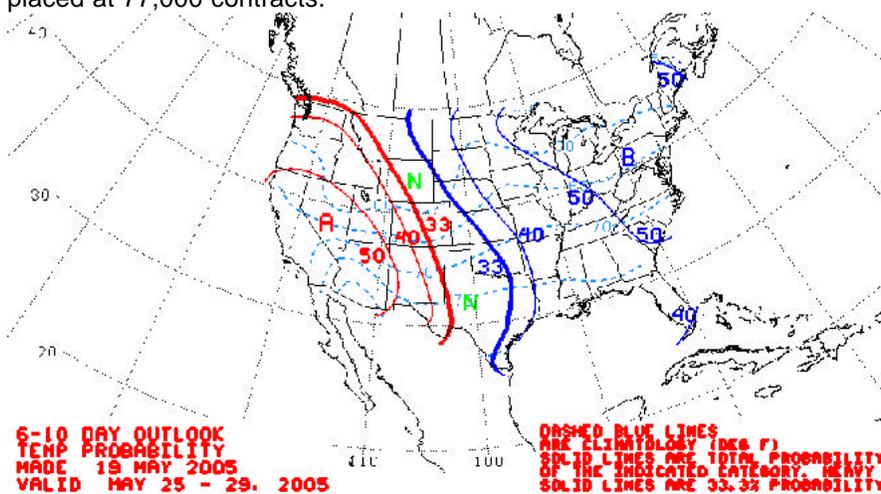
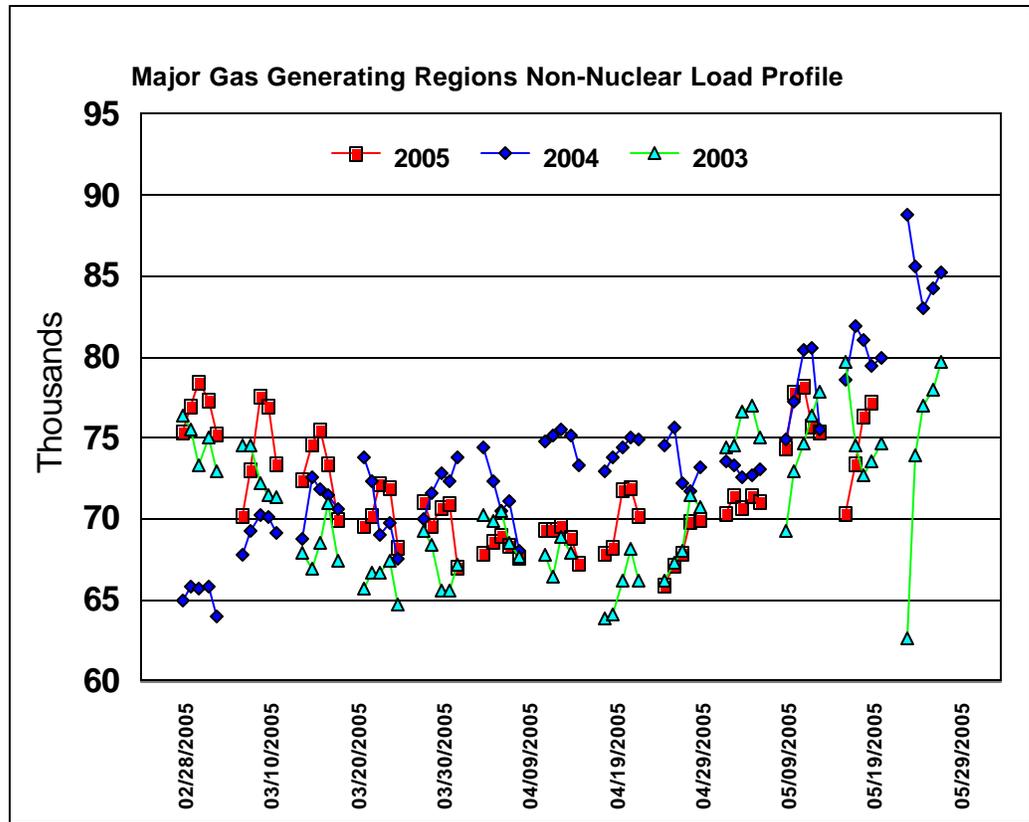
ECONOMIC NEWS

The U.S. leading economic indicators index fell 0.2% in April to 114.5 after a downwardly revised 0.6% decline in March.

MARKET COMMENTARY

The natural gas market opened a couple pennies weaker this morning in sympathy with weaker oil prices. But as oil prices began to rally higher this morning natural gas prices returned to positive territory. But with the release of the EIA storage report, prices once again were back on the defensive and remained so for the remainder of the day as a larger than expected injection rate placed stocks of working gas some 223 bcf above last year and the highest seasonal level in five out of the last six years. But a complete

collapse in natural gas prices was prevented given the strength in the heating oil market, which today at one point was up over 5 cents and finished the day still up over 2 cents. Estimated volume in natural gas futures was placed at 77,000 contracts.



The improving call on natural gas by generators, especially in ERCOT and the southwest during the latter half of this week has helped to lend some modest support to this market but given the current outlook for temperatures to cool off again next week should limit upside potential for natural gas for the near term. We look for support at \$6.30 followed by \$6.20, \$6.13-\$6.11, and \$6.00. Resistance we see at \$6.42 followed by \$6.512, \$6.575 and \$6.64-\$6.67

