



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR MAY 25, 2006

NATURAL GAS MARKET NEWS

A stand-alone bill to open the coastal plain of the Arctic National Wildlife Refuge (ANWR) to oil and gas drilling passed the U.S. House Thursday on a vote of 225 to 201.

Swiss bank UBS AG and Netherlands-based global banking group ABN AMRO said Thursday they have entered into an agreement under which ABN AMRO will sell its global futures and options business to UBS for \$386 million in cash plus net tangible assets. The companies said closing is expected towards the end of the third quarter of 2006.

PIPELINE RESTRICTIONS

Algonquin Gas Transmission said it reminded shippers and meter operators that it has limited ability to absorb due shipper imbalances over the long holiday weekend. AGT requires that shippers schedule their contracts balanced, and point operators to perform according to nominated volumes. Additionally, no due-pipe nominations will be accepted on the entire AGT system during the holiday weekend.

East Tennessee Natural Gas recently reminded shippers and meter operators that it has limited ability to absorb due shipper imbalances over the long holiday weekend. ETNG requires that shippers schedule their contracts balanced, and point operators to perform according to nominated volumes. Additionally, no due-pipe nominations will be accepted on the entire ETNG system during the holiday weekend.

Kern River Pipeline said that line pack is posted as high across its entire system. Shippers are asked not to bank or draft gas from the system.

Generator Problems

ERCOT— The Harrison County Power project unit #2 coal-fired unit returned to service.

MAIN— Dominion Resources' 591 Mw Kewaunee nuclear unit increased output to 82% capacity today. Yesterday, the unit was operating at 29% capacity.

Exelon Generation's 855 Mw Quad Cities #1 nuclear unit increased output to 97% capacity. Quad Cities #2 continues to operate at full power.

MAPP— Nebraska Public Power District's 800 Mw Cooper nuclear unit restarted and is warming up offline at 20% capacity.

NPCC— Entergy's 506 Mw Vermont Yankee nuclear unit reduced power to 56% on late Wednesday due to a damaged condensate pump breaker. The unit has since increased power to 75% capacity.

SERC— TVA's 1,100 Mw Browns Ferry #2 nuclear unit restarted and is warming up offline at 1% power. Browns Ferry #3 continues to operate at full power and Browns Ferry #1 remains offline.

Southern Nuclear's 888 Farley #1 power unit reconnected to the grid and increased output to 30% capacity by early this morning. Yesterday, the unit was warming up offline at 1%.

Dominion's 810 Mw Surry #1 nuclear unit restarted following a refueling and maintenance outage and is warming up offline at 1% capacity. Surry #2 remains at full power.

WSCC— PG&E's 1,100 Mw Diablo Canyon #2 nuclear unit has restarted and is warming up offline at 9% capacity. Diablo Canyon #1 continues to operate at full power.

PG&E's 404 Mw Helms #2 pumped storage hydropower station shut yesterday for unplanned reasons. The unit had just restarted from planned work.

Canada— OPG's 490 Mw Nanticoke #2 coal-fired power unit shut for a short-term forced outage.

The NRC reported that U.S. nuclear generating capacity was at 82,426 Mw up .98% from Wednesday and down 2.98% from a year ago.

EIA Weekly Report

	05/19/2006	05/12/2006	Net chg	Last Year
Producing Region	753	733	20	626
Consuming East	1119	1068	51	790
Consuming West	291	279	12	262
Total US	2163	2080	83	1679

*storage figures in Bcf

Natural Gas Pipeline Company said that it has limited capacity for gas going southbound through Segment 26 (Compressor Station 303). Limited interruptible flow, authorized overrun and secondary out-of-path transports are at risk of not being fully scheduled.

Texas Eastern Transmission said that effective immediately, and until further notice, the interconnect between Texas Eastern and Transco at Ragley is unavailable for nominations. TETCO also said it has scheduled and sealed receipts sourced between Fagus and Little Rock. No increases in receipts sourced between Fagus and Little Rock for delivery outside that area will be accepted.

PIPELINE MAINTENANCE

Colorado Interstate Gas Company said that the meter station at Green River will be offline for maintenance from May 30 to June 6. This meter supports deliveries from Northwest Pipeline to CIG. During the maintenance period, no physical flow to or from CIG at GRN will be possible.

National Fuel Gas said that it and Tennessee Gas Pipeline have scheduled two pigging jobs on the Niagara Spur Line, which will impact the capacity available for redelivery of Niagara receipts, point 010902. The first job will entail pigging from May 31 through June 8. Potential secondary transaction restrictions may result during this period. The second job will entail pigging from June 15 through June 22. Potential secondary transaction restrictions may result during this period.

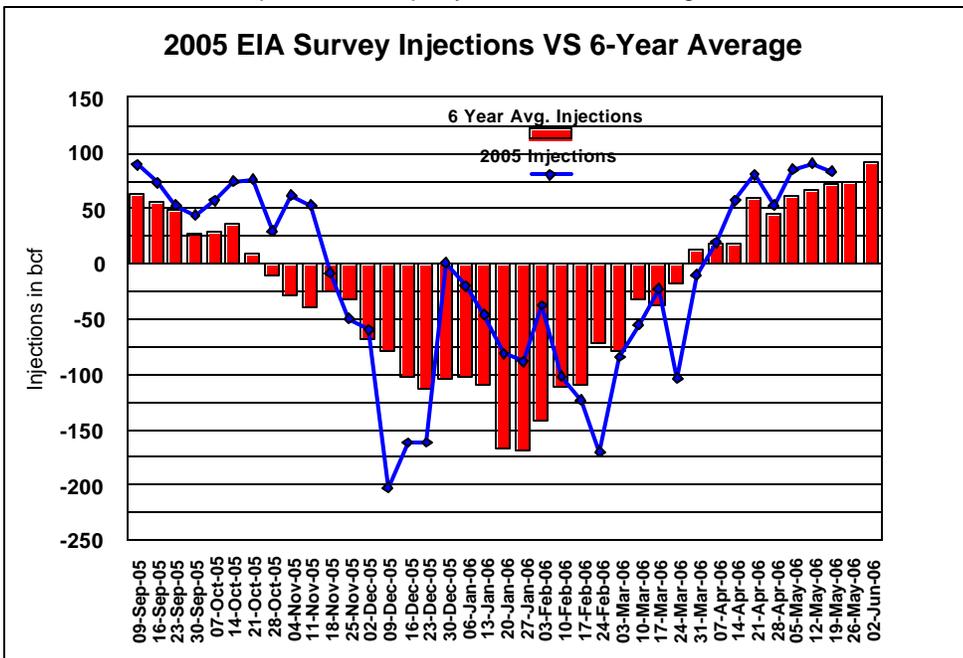
Canadian Gas Association

Weekly Storage Report

	19-May-06	12-May-06	20-May-05
East	121.1	114.1	85.5
West	137.8	137.9	133.0
Total	252.0	252.0	218.4

storage figures are in Bcf

Panhandle Eastern Pipe Line Company said that the outage on the Houstonia 400 line from Houstonia Station to



Gate Valve 402 for anomaly repairs that began May 19 has been extended again to May 26. During this outage, the capacity through Houstonia will be limited to 1,155 MMcf/d. This scheduled project is part of an ongoing integrity program conducted by Panhandle.

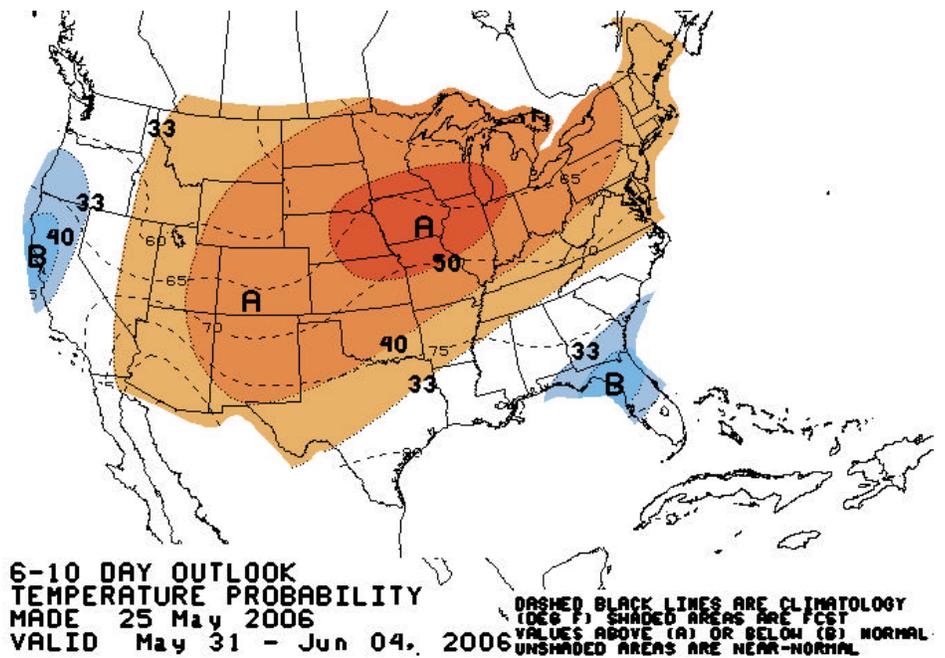
Westcoast Energy said it has encountered problems with the Acid Gas flare system at the Sikanni Gas Plant. Effective immediately, the plant has been taken offline to allow repairs to be undertaken and will not be available to process gas until further

notice. We anticipated that repairs can be completed and the plant can be brought back up to full processing rates by 8:00 AM MT on Friday, May 26.

Williston Basin Interstate Pipeline Company said that due to maintenance at the Elk Basin Compressor Station, Receipt Point ID 03391 CIG – Elk Basin will be zero for a two-hour period between 9:00 AM and 1:00 PM on June 14. The maximum capacity at CIG – Elk Basin will be approximately 92 MMcf for gas day June 14.

ELECTRIC MARKET NEWS

American Transmission Company is proposing a new 345 kV electrical transmission line between Middleton and the town of Christiana in southern Wisconsin to meet the increasing electrical usage resulting from the tremendous growth in the country. Three route options have been identified – including a northern route that generally follows the Beltline, a middle route that parallels existing transmission lines through the towns of Pleasant Springs and Dunn and the City of Fitchburg, and a southern route that uses mostly rural areas following County Highway A – and will be the topic of a series of public open houses next month to gather feedback and input. Depending on the route that is approved by the Public Service Commission of Wisconsin, the estimated cost of the project is \$131 to \$163 million (including substation work). The proposed transmission line is scheduled to be in service by summer 2011.

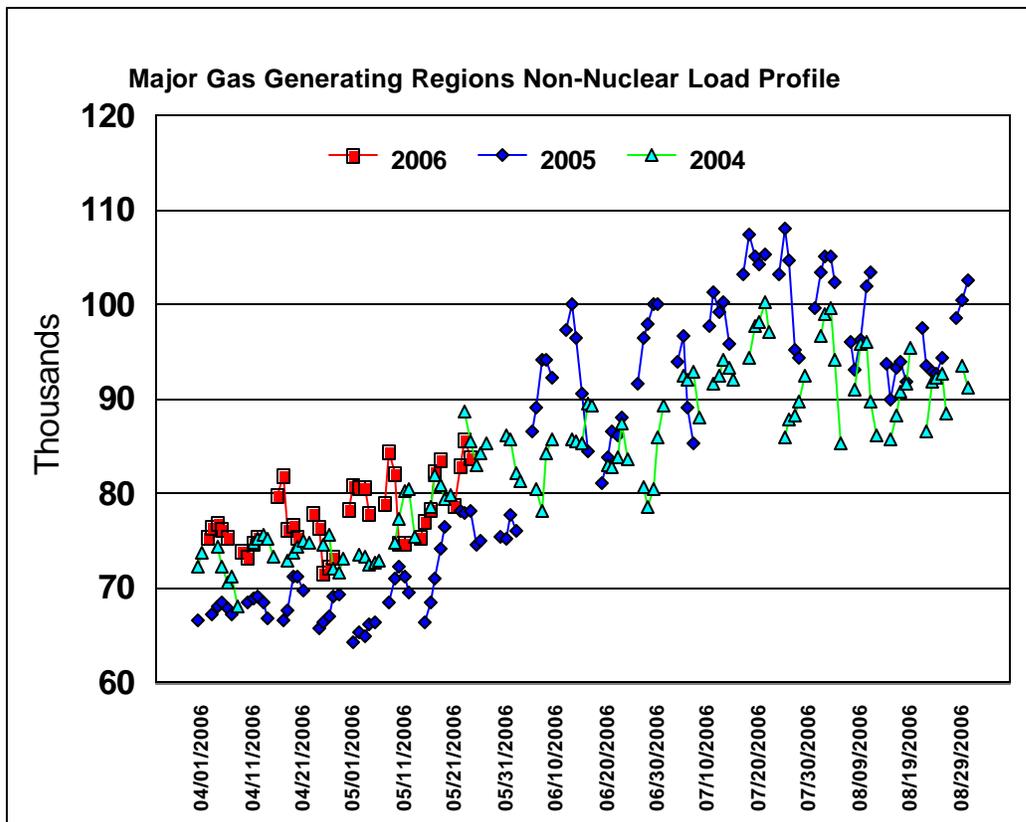


The Clean and Diversified Electricity Advisory Committee reported that Western states should offer incentives to encourage

development of coal-fired power plants with a total capacity of 2,000 Mw and those facilities should sequester at least 60% of their emissions. The report recommends that Western States add 30,000 Mw of clean energy capacity by 2015.

MARKET COMMENTARY

The natural gas market opened 5.4 cents lower as it anticipated the release of the EIA storage report. The report said that 83 Bcf of natural gas was injected into storage, slightly lower than expectations. The



market initially spiked to a high of 6.05, but at 2.163 Tcf of gas is already in the ground, the market could not maintain any upside traction. The soon to expire June contract slumped to familiar support at 5.90, but with a midday rally in the oil complex, natural gas returned to its highs on the day, with the July contract reaching 6.27. However, with options expiring today, the close was a bit sloppy, as prices tumbled back below 6.00. The June contract finished its second last trading day at 5.975, up 1.1 cents, and the July contract settled down 5.6 cents at 6.114.

With a half-day of trading tomorrow ahead of the Memorial Day holiday we don't expect to see much action one way or another. Warm temperatures that are entering key consuming regions between Texas and the Northeast will support the expiring June contract, but upside traction north of 6.00 will be curtailed due to the pre-holiday session. When the market returns to action on Tuesday with the July contract out front, market players will be looking for sustained warmer temperatures to work their way through the country, as the summer demand season begins. We see support at \$5.90, \$5.86, \$5.76 and \$5.71. We see resistance at \$6.25, \$6.40, \$6.70 and \$7.00. We see further resistance at \$7.12, \$7.20, \$7.47-\$7.52 and \$8.00.