



ENERGY RISK MANAGEMENT

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

www.e-windham.com

POWER MARKET REPORT FOR JULY 14, 2005

NATURAL GAS MARKET NEWS

Trinidad's Atlantic LNG said today that it did not experience any disruptions to its operations as Hurricane Emily passed through the islands. The company did say though that due to heavy street flooding only critical staff were reporting for duty today.

BP said today that it had restored power to its Thunder Horse platform and was beginning to pump out water from flooded portions of the platform in an attempt to stabilize the platform and then return it to an upright position. The platform had been expected to begin operations before the end of the year. Full production capacity is expected to eventually reach 250,000 b/d of oil and 200 million cf/d of natural gas.

EIA Weekly Report

	07/08/2005	07/01/2005	Net chg	Last Year
Producing Region	736	717	19	688
Consuming East	1200	1136	64	1144
Consuming West	344	333	11	307
Total US	2280	2186	94	2140

Shell said today that it had delayed the first shipments of LNG from its Sakhalin-2 project in Russia's Far East. The company also warned that project costs there could double to \$20 billion. The project had been expected to ship its first LNG cargoes by the end of 2007. The new estimate is for shipments to begin by the summer of 2008. The facility has a current planned output of 9.6 million tones per year. The company also reported that LNG deliveries to the Costa Azul terminal in Baja California Norte have been delayed until the summer of 2008. The facility had been expected to start November 2007.

Hurricane Emily continued to strengthen during the day today as it moved into the relatively warm waters of the Caribbean. By this evening the storm had strengthened to winds of 115 mph as it continued on its west-northwesterly

Generator Problems

NPCC – Entergy's 825 Mw FitzPatrick nuclear unit returned to service after being off line since the start of the month. The unit this morning was back to 87% of capacity.

MACC – Exelon's 1112 MW Peach Bottom #2 nuclear unit dropped off by 28% to 67% of capacity this morning as operators reduced power for a fuel rod adjustment.

SERC – Progress Energy's 872 Mw Brunswick #1 nuclear unit was off line this morning, due to a turbine trip. The unit had been at full power yesterday. Operators reportedly were planning to put the unit in cold shutdown.

MAIN – Nuclear Management's Point Beach # 2 nuclear unit increased power output by 20% to 48% of capacity this morning.

WSCC – APS 1247 Palo Verde #3 nuclear unit continued to ramp up and was at 76% capacity this morning up 64% from yesterday.

Duke Energy's 739 Mw Unit #7 at the Moss Landing natural gas fired power station returned to service early Thursday

ERCOT – AEP's Pirkey Power plant was expected to undergo maintenance work today on its Unit #1. The work was expected to take 8 hours.

AEP's 690 Mw Oklaunion coal fired power unit was taken off line Wednesday and remained off line today due to a lightning strike.

CANADA – OPG expects its 515 Mw Pickering A nuclear unit to return to service within the next week. The unit has been shut since April 2 for inspections.

The NRC reported that U.S. nuclear generating capacity was at 93,929 Mw up .59% from Wednesday and up 0.66% from a year ago.

track. Global models suggest that there will not be any appreciable increase in shear over the next few days.

The MMS reported this afternoon that U.S. offshore oil and gas operations in the Gulf of Mexico are nearly back to normal following the recent shut ins from Hurricane Dennis. All of the platforms and drilling rigs evacuated in front of the storm are once again manned. The MMS reported that as of midday only 54,431 b/d of crude production remained off line with 268 mmcf/d of gas production shut in.

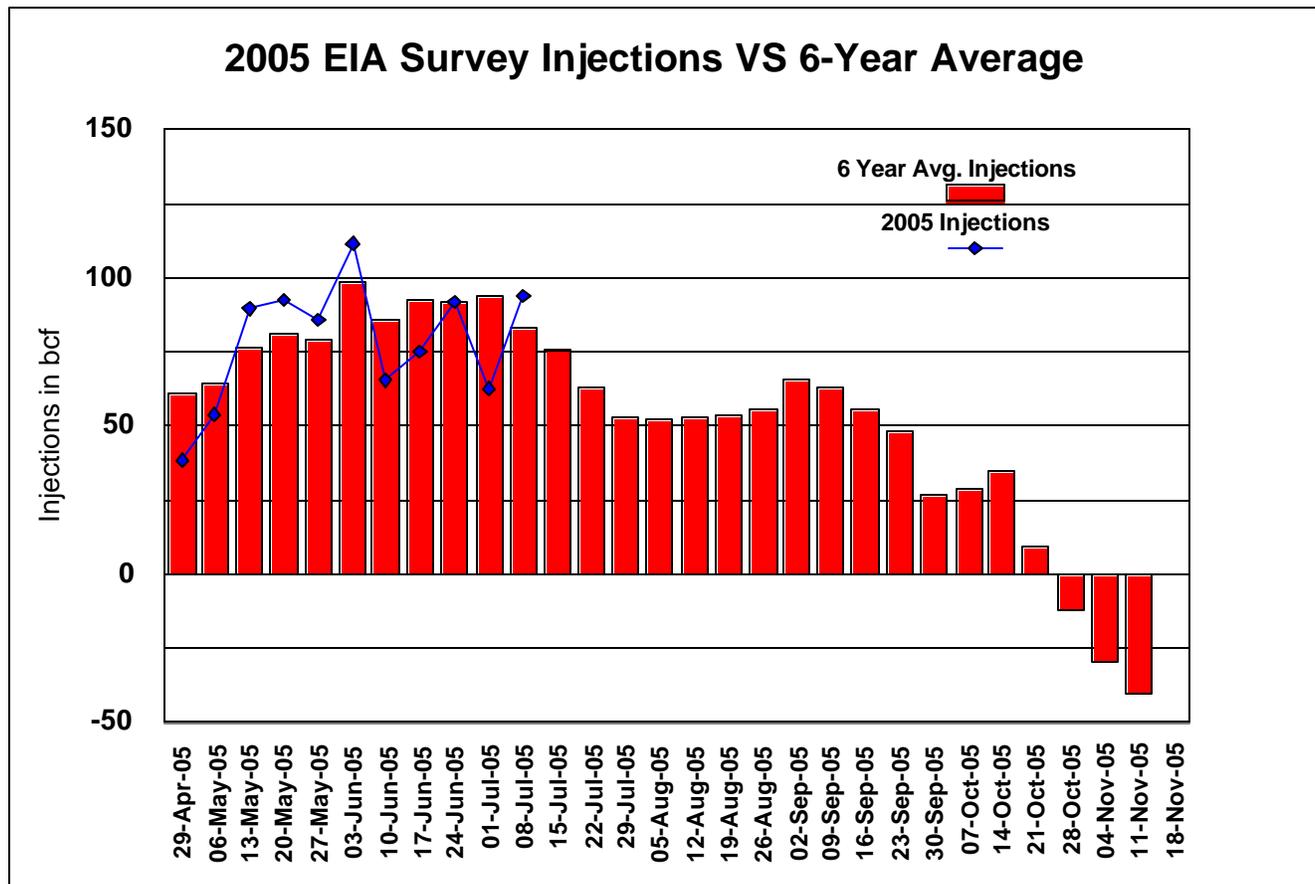
**Canadian Gas Association
Weekly Storage Report**

	08-Jul-05	01-Jul-05	09-Jul-04
East	145.5	135.7	177.0
West	185.0	179.1	172.2
Total	330.5	314.7	349.2

Imperial Oil said today that they and their partners in the \$5.6 billion Artic pipeline have asked that public hearings on the proposed Mackenzie Valley gas pipeline in the Northwest Territories be delayed by two months as the partners attempt to resolve outstanding issues with native groups and regulators. Hearings had been scheduled to begin in early September.

PIPELINE RESTRICTIONS

PG&E California Gas Transmission has called a system wide OFO for the second day in a row due to high gas supplies on its system. The pipeline restriction has a 5% tolerance, with shippers who violate the OFO subject to a \$1.00 per Mcf monetary penalty.

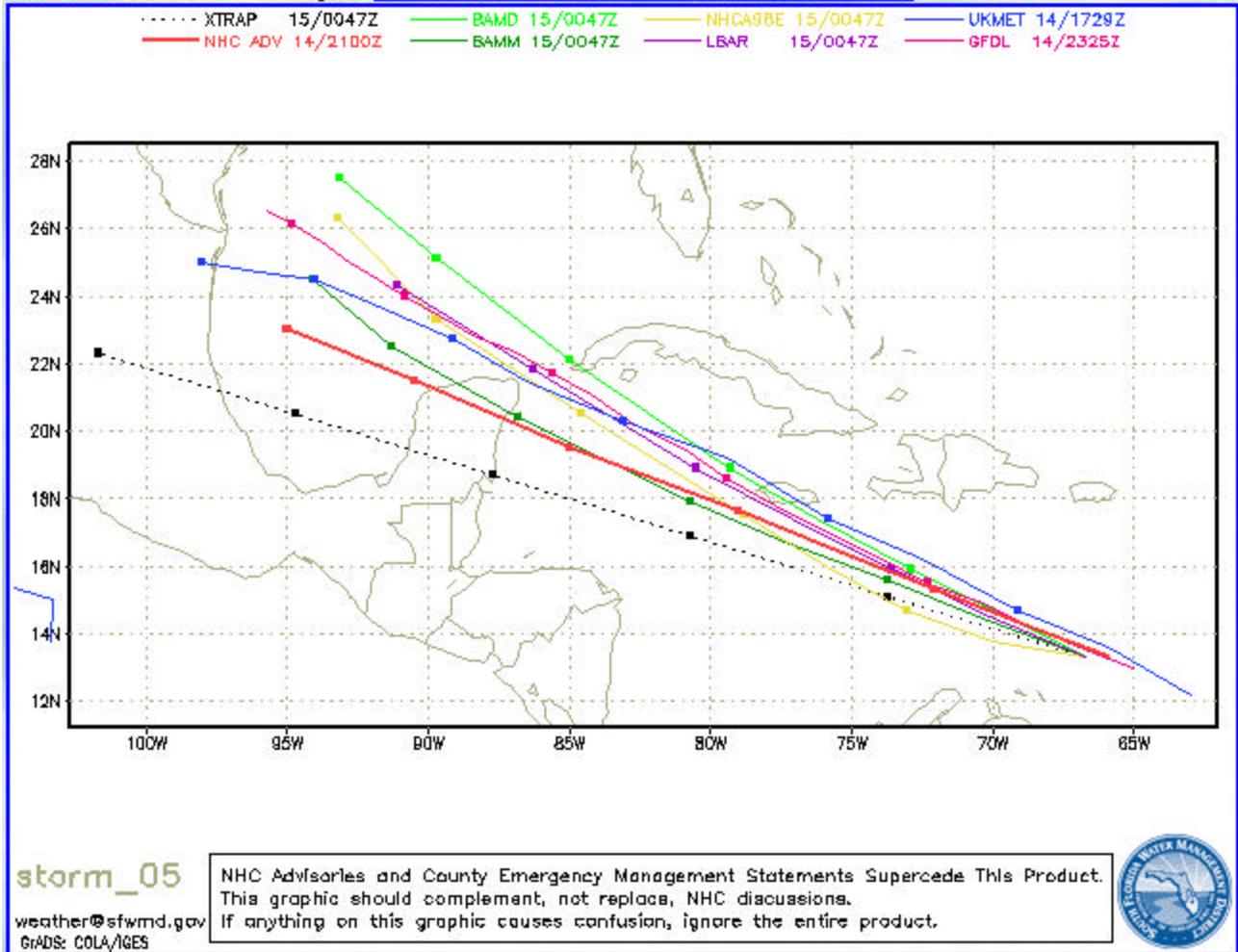


Texas Eastern Transmission said that the M1 24-inch and M2 24 inch lines have been scheduled to capacity. Nomination increases sourced between Little Rock and Batesville for delivery outside of that area will not be accepted.

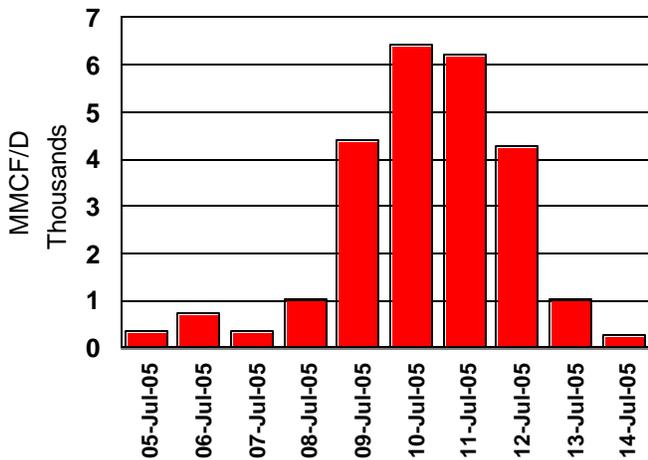
NGPL said that force Majeure is still in effect due to the failure that occurred on May 13th on the Gulf Coast #3 mainline in Harrison County, TX. The company also noted that Segment 17 is at capacity therefore increases to interruptible flow, authorized overrun and secondary out of path firm transportation may not be available. All

Louisiana Line Segments 25, 23 and 24 are at capacity for eastbound transport volumes. ANR South Joliet #2 is at capacity for deliveries as well.

Model Forecast Courtesy of South Florida Water Management District:



U.S. Natural Gas Daily Production Shut In From Tropical Storm Cindy/Hurricane Dennis Cumulative Shut In Gas Production- 24.918 bcf



TransColorado Gas Transmission said that it is at capacity for deliveries through Segment 310. As a result depending on the level of nominations, interruptible flow, authorized overrun and secondary volumes are at risk of not being scheduled.

PIPELINE MAINTENANCE

El Paso Natural Gas said that the Rio Vista 3 turbine, the largest of three units, suffered a compressor failure on Monday night. It is not known how long the unit will be down. Capacity through Rio Vista will be reduced by a total of 50 Mmcf/d until further notice.

Colorado Interstate Gas reported that it plans to take its Unit #1 at the Elk Basin Compressor Station in Wyoming out of service for the month of August and capacity through the station will be reduced to 90 mmcf/d. It also reported that its Cheyenne

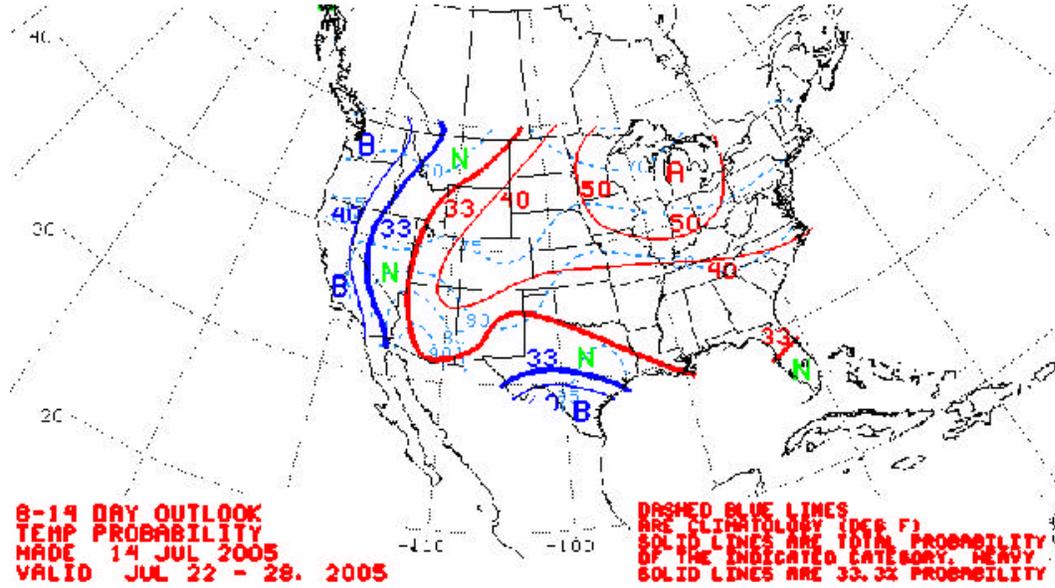
Compressor Station will see one unit out of service from August 1 through 8th and as a result capacity will be reduced to 550 mmcf/d.

ELECTRICITY
MARKET NEWS

Cal Iso warned that it might be forced to declare a Stage 1 emergency either today or Friday due to expected high power demand.

MARKET
COMMENTARY

The natural gas market today settled off a little more than a nickel, but for the bulls it must seem a large moral victory. This



market overcame a bearish EIA storage report, that came in some 10 bcf more than expected, and a collapse in oil prices that saw crude oil and heating oil prices fall over \$2.00 per barrel and 6 cents per gallon respectively. It appears that despite the continued expectation that Hurricane Emily will miss the major U.S. offshore production areas, the risk of a major storm in the area can not be ruled out. But more importantly the prospects of the hottest summer since 1995 from the Rockies across the northern half of the nation, continuing for the next two weeks, will keep electric generation demand for natural gas brisk and as a result help limit injections over the coming few weeks. As a result even if oil prices return to the defensive tomorrow we feel that there is limited downside risk for natural gas, possibly looking for the gap created from Tuesday trading being closed. We see support initially in this market at \$7.70 followed by \$7.66, \$7.645, \$7.505 and \$7.365. Resistance we see at \$7.88 followed by \$7.932, \$7.965 and \$8.01. Additional resistance we see at \$8.07, \$8.10, \$8.15 and \$8.28.