



ENERGY RISK MANAGEMENT

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

www.e-windham.com

POWER MARKET REPORT FOR AUGUST 4, 2005

NATURAL GAS MARKET NEWS

The ninth tropical storm of the Atlantic season, to be called Irene, appears to be forming southwest of the Cape Verde Islands and will likely become a hurricane, according to Jim Roullier, chief meteorologist at Planalytics. The American model is forecasting this system to become a hurricane across south central portions of the Atlantic Basin late this week into early next week. But Roullier notes that dry Saharan air and increased wind along its path may break up or weaken the storm. Forecasters at Accuweather are currently expecting this storm to be little or no threat to the U.S. mainland, as they expect the storm to curve northward before it reaches the western Atlantic.

Generator Problems

SERC— Dominion Energy resumed full power at its 921 Mw North Anna #1 nuclear unit after replacing a fan that cools electrical busses. The unit was operating at 78% yesterday. North Anna #2 continues to operate at full power.

The NRC reported that U.S. nuclear generating capacity was at 97,163 Mw up .20% from Wednesday and up 3.74% from a year ago.

KeySpan LNG and BG LNG Services today asked the FERC to reconsider its decision of rejecting the proposed conversion of a LNG peak shaving facility in Providence, Rhode Island to a full fledged import terminal.

EIA Weekly Report

	07/29/2005	07/22/2005	Net chg	Last Year
Producing Region	727	730	-3	731
Consuming East	1326	1288	38	1317
Consuming West	367	365	2	319
Total US	2420	2383	37	2368

PIPELINE RESTRICTIONS

Natural Gas Pipeline Company of America said that the force majeure is still in effect on the Gulf Coast #3 mainline. In other news, Segment 17 is at capacity. All Louisiana Line Segments (25, 23 and 24) are at capacity for eastbound transport

volumes. Deliveries to Columbia Gulf-Chalkley are at capacity. Deliveries to Florida-Jefferson are at capacity. NGPL is at capacity for gas received upstream of Compressor Station 155 in Wise County, Texas in Segment 1 going northbound. ANR South Joliet #2 is at capacity for deliveries.

Algonquin Gas Transmission said that Tennessee Gas Mahwah has been nominated to capacity today. Nomination increases for receipts sourced at Mahwah will not be accepted.

East Tennessee Natural Gas said nominations sourced upstream of the Bristol compressor station for delivery downstream of Bristol have been restricted to capacity.

Florida Gas Transmission on said that due to hot temperatures in its market area, it is issuing an Overage Alert Day at 25% tolerance.

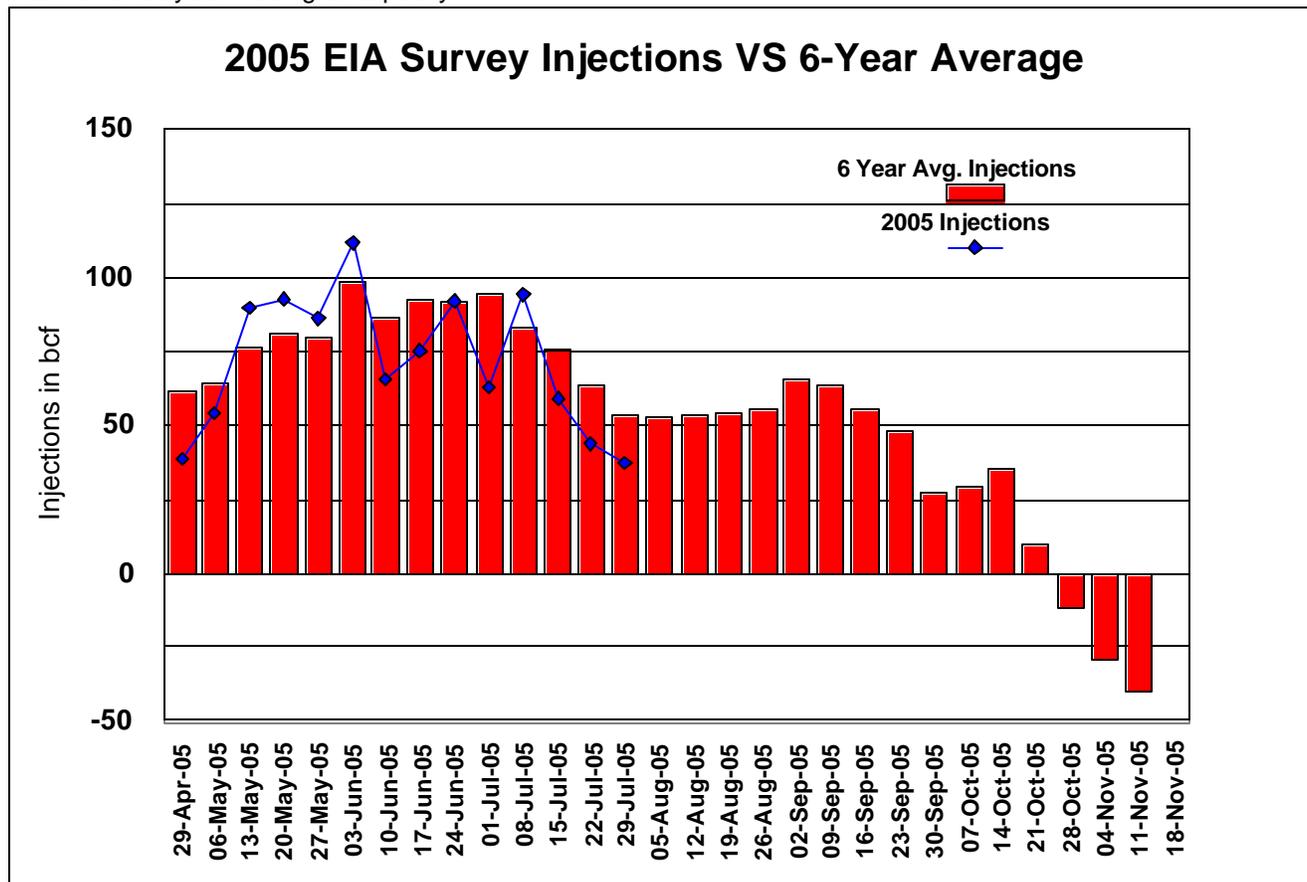
Gulf South Pipeline said that based upon its initial review of nominations, NNS demand, and other factors, Gulf South may be required to schedule available capacity and implement scheduling reductions on the Tyler 12-inch Index 8/Palestine 8-inch, Index 11 and 70/Dallas 18-inch Index 1 from Montpelier to Kosciusko.

Canadian Gas Association

Weekly Storage Report

	29-Jul-05	22-Jul-05	30-Jul-04
East	163.8	158.0	204.1
West	192.4	190.7	183.1
Total	356.2	348.7	387.2

Iroquois Gas Transmission System said that due to the system being at capacity through the Athens Compressor Station, current loans, I.T. and ER/ED downstream of Athens are subject to allocation through August 4. Receipts at Brookfield are available, however no additional nominations (including firm) will be allowed. In addition, Iroquois said that due to the system being at capacity through Waddington, loans and I.T. downstream of Waddington are subject to allocation through today. Receipts at Canajoharie, Wright and Brookfield are available. In addition, point operators are requested to operate on or below rate if possible due to the warmer weather and system being at capacity.



Texas Eastern Transmission Corp. said that STX and ETX have been restricted to capacity. Nomination increases sourced between Mont Belvieu and Little Rock will not be accepted. In addition, M1 24-inch has been restricted to capacity. Nomination increases sourced between Little Rock and Fagus will not be accepted

PIPELINE MAINTENANCE

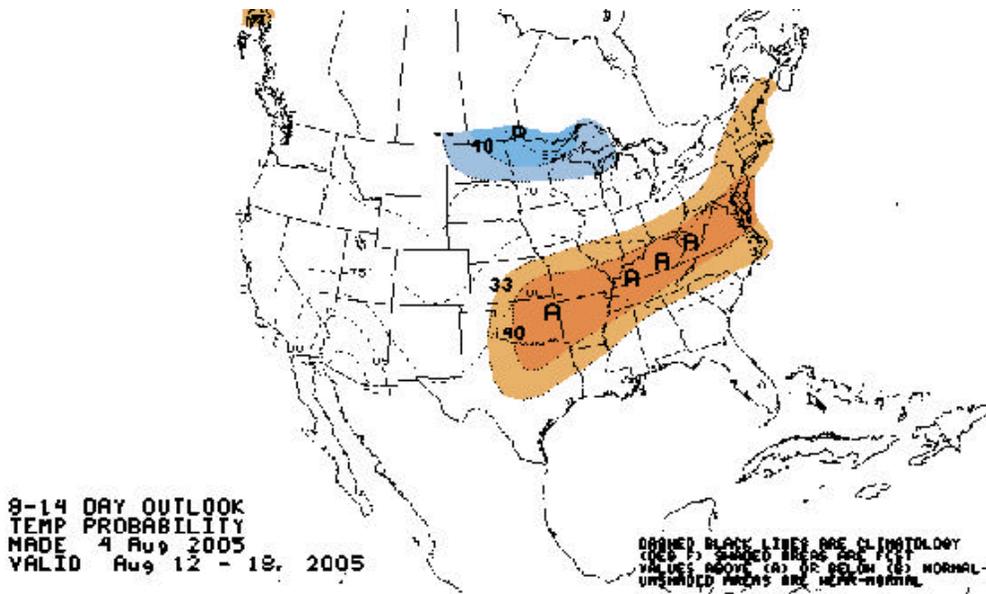
Southern Natural Gas Pipeline said it is performing maintenance at the Transco-Frost Meter Station in Livingston Parish Louisiana; therefore, Southern will not be accepting nominations until the maintenance has been completed. Based on the best information available the company anticipates that the station will return to service around August 25.

ELECTRICITY MARKET NEWS

MARKET COMMENTARY

The natural gas market opened down 2.5 cents in anticipation of the weekly EIA storage report, which showed a gain well under expectations. The street expectations had been centered around a 48 Bcf injection and the EIA reported that the actual injection rate was 38 Bcf. This report sent the market higher to another nine-month high of \$8.685. The remainder of the morning, natural gas chopped around above the \$8.60 level until finally breaking

down to \$8.50, a 50% retracement from the run up, around midday. Natural gas experienced further price erosion just before the close, as the oil complex came under pressure. The market, which is up 7.4% for the week, closed up 12 cents at \$8.471, its highest closing price since November 3rd.



Weather forecasters are calling for above-normal temperatures over the east to ease coming into this weekend, and that should give the bulls some rest. Relative to crude oil this week, natural gas has appreciated about 5% signaling its heat driven demand. Resistance we see at \$8.60 followed by the upward trending trading channel at \$8.73. Support we see at \$8.30 followed by \$8.00 and more distant support we see at

\$7.876 and \$7.736.