



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR SEPTEMBER 22, 2005

NATURAL GAS MARKET NEWS

The National Hurricane Center reported that as of 5:00 PM ET, Hurricane Rita had weakened to a category 4 storm with sustained winds clocked at 150 mph, but it remains an extremely dangerous hurricane, with central pressure estimated at 915 millibars. The system continues in the west-northwest direction moving 9 mph, with a turn to the northwest expected in the next 24-36 hours. The center of the storm is located about 435 miles southeast of Galveston, Texas and about 430 miles southeast of Port Arthur, Texas.

Enbridge Inc. has shut down its U.S. Gulf of Mexico natural gas pipelines with Hurricane Rita slamming into the region. Enbridge, Canada's No. 2 pipeline company, has interests in lines that make up five major gas transport corridors that normally ship about 2.7 Bcf/d in total. Also, Lake Charles and Trunkline LNG facilities have been shut down due to Rita.

The U.S. natural gas market may face a "challenging situation" in coming weeks because several gas processing plants remain closed by last month's

Generator Problems

ECAR— American Electric Power Company's 1,020 Mw DC Cook #1 nuclear unit cut output to 26% for maintenance on a reactor coolant pump. The unit was at full power yesterday. DC Cook #2 continues to operate at full power.

MAIN— Exelon's 1,120 Mw Byron #1 is operating at 85% and Byron #2 is operating at full power today.

SERC— The Tennessee Valley Authority's 1,100 Mw Browns Ferry #3 nuclear unit reduced power to 80%. The unit was at 85% yesterday. Browns Ferry #2 continues to operate at full power.

Dominion Energy increased its 921 Mw North Anna #1 nuclear unit to full power this morning. The unit was operating at 81% yesterday. North Anna #2 continues to operate at full power.

The NRC reported that U.S. nuclear generating capacity was at 89,056 Mw down .74% from Wednesday and down 2.23% from a year ago.

EIA Weekly Report

	09/16/2005	09/09/2005	Net chg	Last Year
Producing Region	783	767	16	854
Consuming East	1651	1601	50	1697
Consuming West	398	390	8	382
Total US	2832	2758	74	2932

*storage figures in Bcf

Hurricane Katrina. About 5 Bcf/d of natural gas processing capacity in Louisiana was damaged and shut by Katrina.

The Minerals Management Service reported that due to Katrina and Rita, 6.594 Bcf/d remain shut-in, about 66% of total daily Gulf production.

Energy contracts on the NYMEX will start electronic

ACCESS trading at 10 AM ET on Sunday, earlier than the normal 7 PM ET Sunday start.

Wyoming needs to increase its production of natural gas, and needs more pipelines to transport that gas to the rest of the country. With Katrina disrupting production and Rita looking to do more damage, producers in Wyoming need to work immediately to make sure resources are available in case of a fuel shortage.

PIPELINE RESTRICTIONS

East Tennessee Natural Gas said that it has received notice from Tennessee Gas Pipeline that effective September 22, TGP has issued a Balancing Alert OFO requiring the ETNG system to balance its takes from TGP with its nominations, within a 2% tolerance.

Canadian Gas Association

Weekly Storage Report

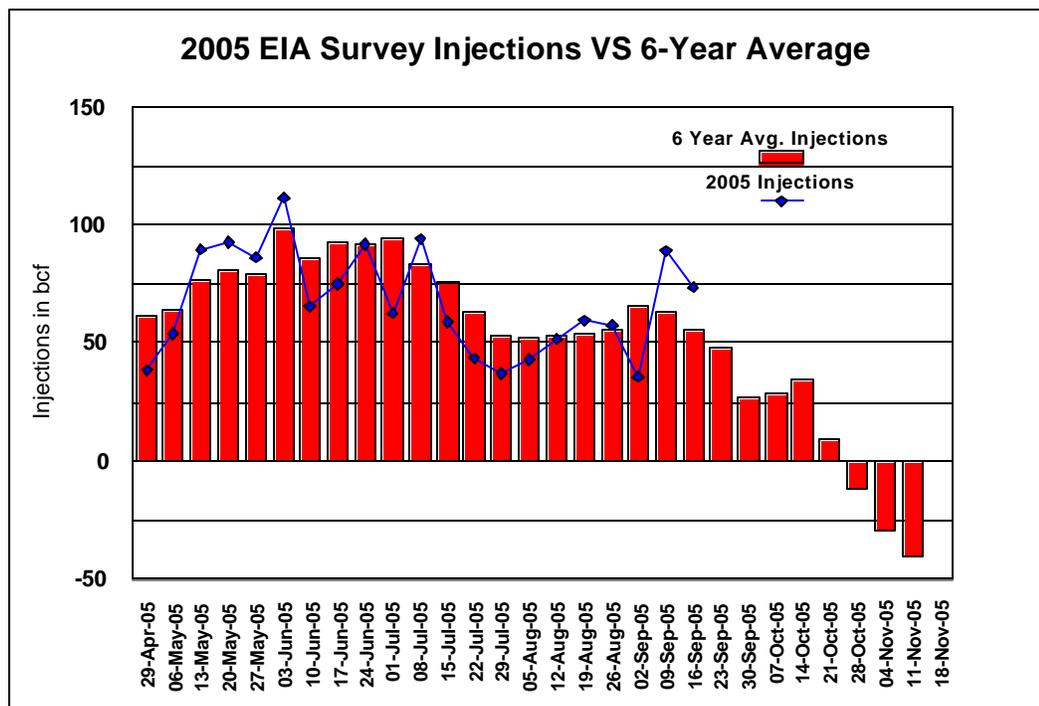
	16-Sep-05	09-Sep-05	17-Sep-04
East	218.9	211.0	261.7
West	238.6	234.5	211.1
Total	457.4	445.5	472.8

storage figures are in Bcf

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 from Hall Summit, East Texas – Koran Area; Tyler 12-inch Index 8 / Palestine 8-inch Index 11&70 / Dallas 18-inch Index 1; West 30 North; Montpelier to Kosciusko; Kiln to Mobile; East Texas; and Bayou Sale to Napoleonville.

Florida Gas Transmission said that due to hot temperatures and Hurricane Rita shutting in receipt volumes, it is issuing an Overage Alert Day at 15% tolerance.

Gulfstream Natural Gas System said that as a result of Hurricane Rita, Gulfstream is experiencing low line pack levels with receipts into the system being less than deliveries out of the system. Based on these operating conditions, Gulfstream must issue this Action Alert to protect the integrity of its system.



KM Interstate Gas Transmission said it is at capacity for deliveries through the Ulysses Lateral. Depending on the level of nominations, IT/AOR and secondary out-of-path volumes are at risk of not being scheduled.

Natural Gas Pipeline Company of America said that due to Rita, it anticipates several of its compressor stations not being available or not having full service. These stations will either lose electrical power or be under

evacuation orders. Impacted stations are: Station 302, located in Montgomery County, Texas; Station 343 located in Liberty County, Texas; and Station 342 located in Cameron Parish, Louisiana. The unavailability of these compressors is a force majeure event due to personnel evacuations or other public safety concerns.

Texas Eastern Transmission Corp. said that due to Rita and certain mandatory evacuations which have been issued, it will be restricting and/or discontinuing operation of certain facilities in its South Texas Zone which includes those facilities upstream of the suction side of Huntsville, Texas and those facilities upstream of the suction side of Vidor, Texas. Shippers may experience a loss of supply in the South Texas Zone. Accordingly, Texas Eastern is in the process of implementing restrictions on its system, which will impact service.

Transcontinental Gas Pipeline Corp. said it will institute the Emergency Gas Supply Procedures for the ID1 and ID2 cycles of gas day September 22, and for all cycles of gas day September 23.

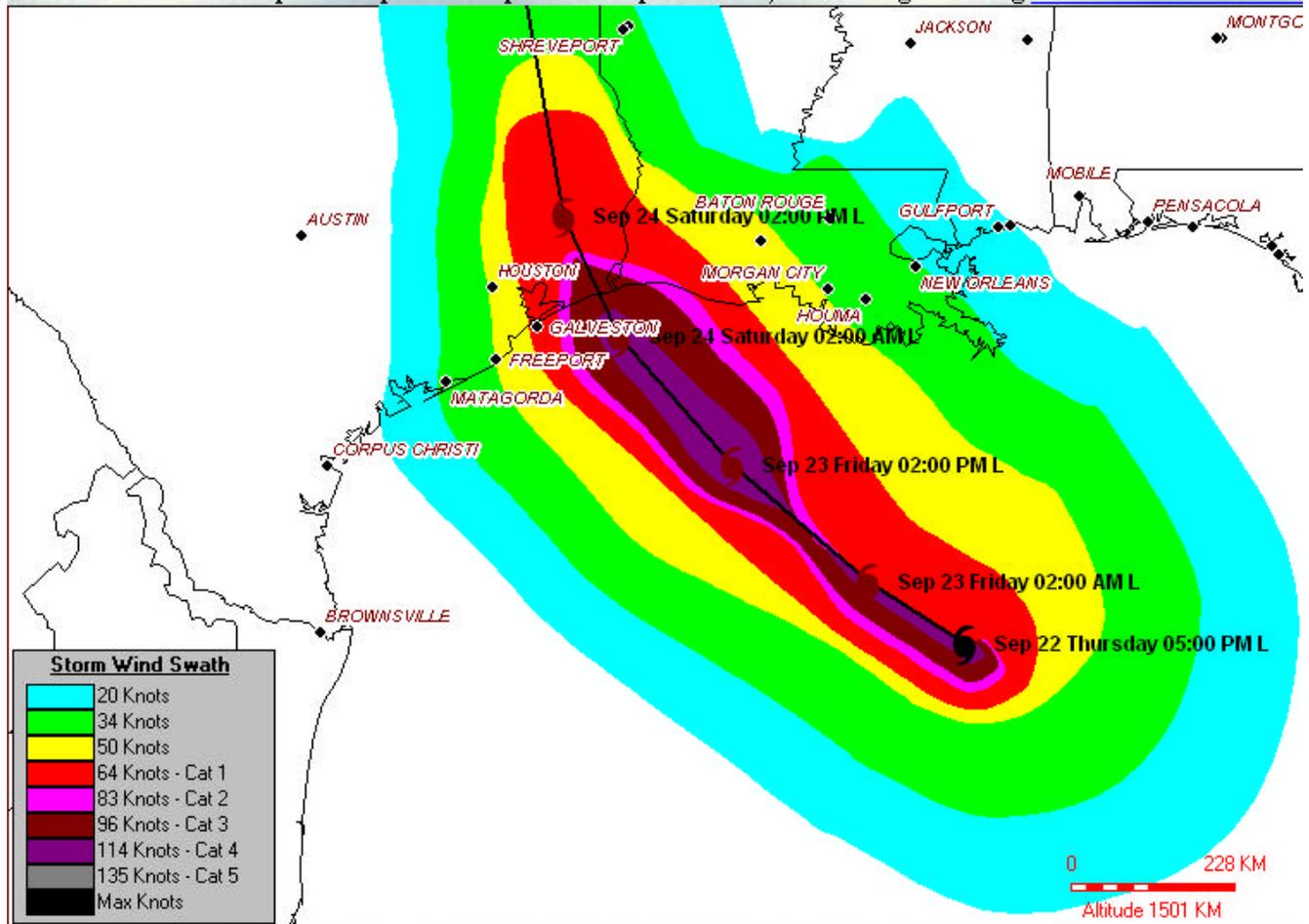
PIPELINE MAINTENANCE

Alliance Pipeline said that inspections that were undertaken at the Alameda Compression station on September 20 have revealed a mechanical issue that needs to be corrected. Alliance is currently working to resolve this issue but cannot give an exact time frame on how long it will take. This issue will impact AOS for today.

ANR Pipeline Company said that due to an unexpected engine outage, it will begin repairs at its St. John Compressor Station located in Indiana in the Northern Fuel Segment, which will reduce the total St. John W-E capacity. Capacity will be lower by 115 MMcf/d today. Based on current nomination levels through St. John, it is anticipated that the above reductions may result in the curtailment of firm secondary and IT nominations.

Centerpoint Gas Transmission said it will be performing scheduled maintenance on the #2 Unit at Chandler Station beginning October 3. The duration of this work is expected to last through the end of the month, October 31. CEGT does not plan to interrupt services at this time.

Wind Swath Forecast Updated 5 pm EDT/4 pm CDT September 22, 2005 Designed Using [Global Tracks Software](#)



Kern River Pipeline said that on October 12, it will complete the required semi-annual maintenance at Elberta Compressor Station. The maintenance will require a 24-hour station outage. The date of this maintenance has changed to coincide with maintenance in the Jonah Gathering Field. Kern River may attempt to complete other scheduled maintenance at this time. Kern River anticipates the coordination with Jonah Gathering Field will result in no impact to firm or interruptible transportation. Kern River anticipates an estimated system capacity of 1,886 MMcf/d for gas day October 12.

Trunkline Gas Company said that during the rest of September, there will be ongoing maintenance and D.O.T. mandated pipe replacement that will require outages of the Texas System. The final stage of this outage has been postponed to September 27 through September 29. Effective immediately the limits through Cypress will

be lifted and nominations through Longview will at 320 MMcf/d. Nominations through Longview will be limited to 320 MMcf/d and nominations through Cypress will be limited to 150 MMcf/d.

Williston Basin Interstate Pipeline Company said that due to unscheduled maintenance in the Lovell Compressor Station area on September 23, Receipts in line Sections 19 and 20 may potentially be affected depending on quantities nominated. At this time, Williston does not anticipate any restrictions to the system. Meanwhile, due to maintenance in Line Section 19, receipts may be affected on gas day September 27. At this time, Williston is not anticipating any restrictions to the system.

ELECTRIC MARKET NEWS

Utility operator FirstEnergy Corp. said it will install an emission-control system on one unit of its Bay Shore plant in Oregon, Ohio. The company said design engineering would start in the first quarter and estimated the total cost of the system at \$100 million.

The 2,560 Mw South Texas nuclear station continued to operate as Hurricane Rita approaches the Texas coast. The plant has a plan in place to shut the reactors if hurricane conditions will reach the plant site.

MARKET COMMENTARY

The natural gas market opened 38.6 cents stronger as Hurricane Rita, a then category 5 storm took aim a bit more northeast of Galveston. The market chopped higher on the open to a high of 13.15, but was calmed down when the EIA storage figure beat expectation of a 72 Bcf injection, with an actual injection of 74 Bcf. The market backfilled some of the gap from the open down to 12.85 and then chopped sideways in a 15 cent range for the remainder of the afternoon. The market came under pressure toward the close as Hurricane Rita was downgraded to a category 4 storm, and natural gas posted the day's low at 12.65. The market settled up 19.6 cents at 12.79, the second day in a row with a close lower than the opening level.

The market will not make a decisive move until Rita's path and damage are better understood. The 66% of daily Gulf production shut in has the market well bid, but should the Gulf escape with minor damage from Rita, the injection figures on the past two weeks could help pressure natural gas prices from their all time highs. We see resistance at \$13.15, \$13.45 and \$14.00. We see support at \$12.30, \$12.21 and \$11.95, followed by \$11.63. Further support we see at \$10.69.