



ENERGY RISK MANAGEMENT

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

www.e-windham.com

POWER MARKET REPORT FOR NOVEMBER 2, 2004

NATURAL GAS MARKET NEWS

The U.S. Minerals Management Service reported this afternoon that gains continued to be made in returning production shut in from Hurricane Ivan. The MMS reported that as of today some 218,427 b/d of crude production remained shut in down 5,606 b/d from yesterday. Natural gas production shut in today totaled 752 MMcf/d down 152 MMcf/d from Monday.

Tennessee Gas Pipeline said today that it could be totally back in service by the end of the year. The company reported that some 310 Mmcf/d of gas remains shut in along its system. Some 71% of this shut in production is from the Viosca Knoll region the company said. Also the pipeline's Blue Water lines were returned to service over the weekend, but the 26 inch line of this system will be later taken down for maintenance at a later date, but no schedule has been set.

Duke Energy Gas Transmission said Tuesday it returned to service two of three storage caverns at its Moss Bluff natural gas storage site in Texas after a fire in August had suspended operations. The company said that customers are

Generator Problems

ECAR – The 1,139 Mw Fermi 2 nuclear unit is currently operating at full power, ramping production 38% on the day. Operators had to manually take control of the plant's two reactor recirculation pumps over the weekend after experiencing a problem when one of the plant's two reactor pumps slowed unexpectedly, causing a decrease in power.

ERCOT – The 565 Mw Monticello 2 coal-fired unit shut yesterday to repair a turbine reheat stop valve. The unit is expected to return to service on November 3.

The 560 Mw Parish coal-fired units 7 and 8 will start up on November 2-3 following unplanned boiler tube leak repairs.

The 528 Mw Welsh 1 coal-fired power unit will start up from November 2-7 following planned maintenance.

MAAC – The 650 Mw Oyster Creek nuclear unit is currently running at 58% capacity, down 39% on the day. The unit is coasting down for an early November refueling and maintenance outage expected to last about a month.

MAIN – The 800 Mw Dresden 2 nuclear unit is currently offline at 17% capacity, off 3% on the day. The unit experienced higher than normal vibrations in the turbine early yesterday morning.

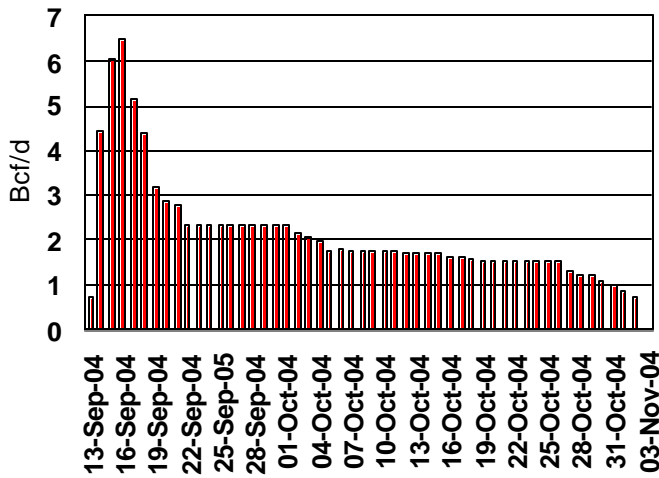
MAPP – The 565 Mw Duane Arnold is running at 77% capacity, having trimmed output 7% on the day. The unit was running at 84% capacity yesterday.

SERC – The 921 Mw North Anna 1 nuclear unit is operating at 61% power, down 39% overnight. The unit has been reduced due to excessive vibration on a fan used to cool conductors over which electricity moves to the main transformers before reaching the grid.

WSCC – The 750 Mw Ormond Beach 2 gas-fired power unit returned to service late last night. The unit shut on October 17 due to a lightning storm.

Based on the latest NRC reports, total nuclear generation output this morning reached 77,443 Mw down 267 Mw or .34% from yesterday's levels. Total generation was some 2.45% lower than the same date a year ago.

USG Natural Gas Production Shut In
Basis Reports from MMS
Combined Shut in from Ivan 111 BCF



allowed to inject up to 50% of their maximum daily injection capability to Caverns 2 and 3. Cavern 1 will return to service upon completion of some additional testing, but no estimate was given when testing would be completed.

PIPELINE RESTRICTIONS

Florida Gas Transmission said that due to high demand and warm temperatures, it is issuing an Overage Alert Day at 25% tolerance for today.

Panhandle Eastern Pipeline Company said the unscheduled outage at the Liberal Units 315 and 317 has been extended. Unit 317 is expected to be back in service on December 10. Meanwhile, Unit 315 will remain out of service through January 21, 2005. The operational capacity through Liberal is

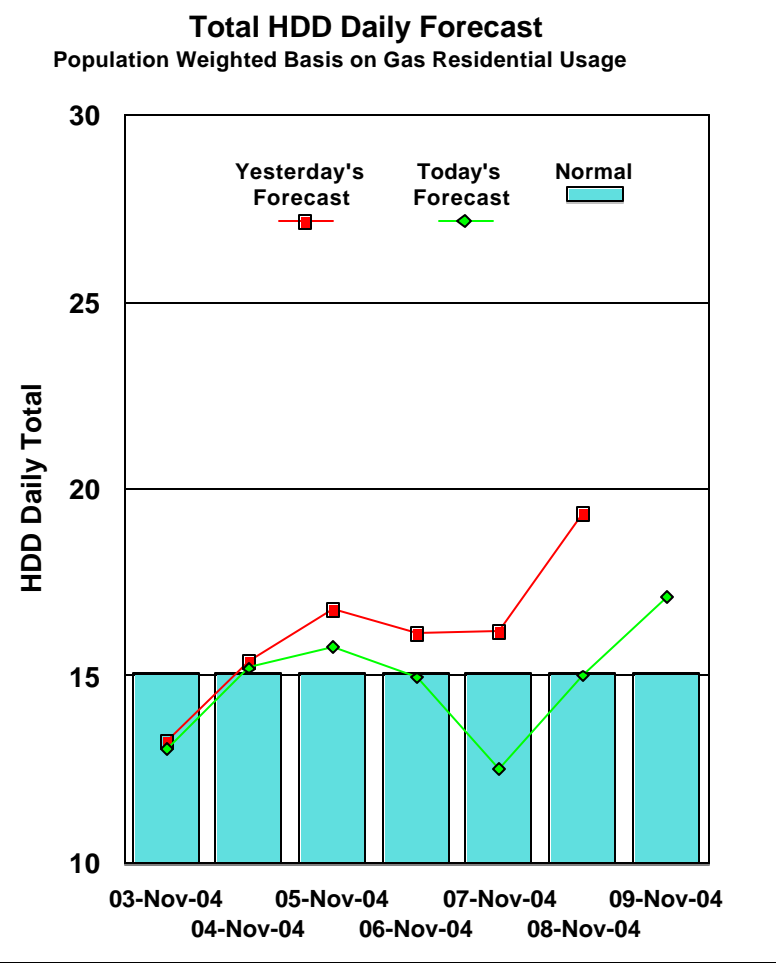
currently 800 MMcf/d.

PIPELINE MAINTENANCE

Alliance Pipeline has postponed maintenance at the Teepee Creek Compressor Station to 9:00 AM MT, November 8. These repairs were originally scheduled for November 3. Capacity at the station will be lowered to 30.14 MMcf/d during the 8-hour repairs.

ELECTRIC MARKET NEWS

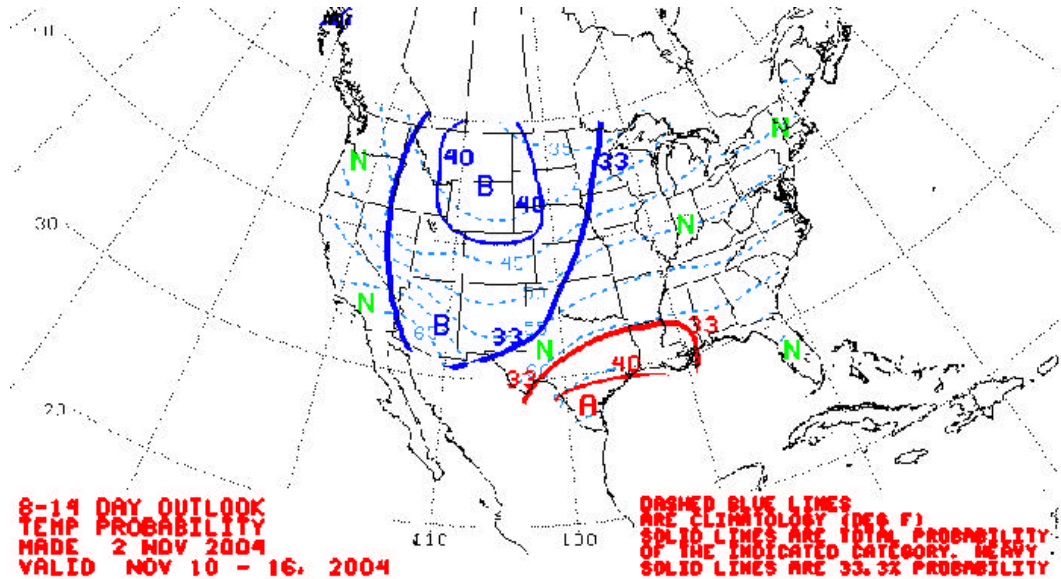
Exelon Corp. announced today it would sell some of its Sithe power generation assets to Dynegy Inc. for \$135 million in cash. Included in the sale are Sithe Energies and Sithe Independence LP and include a 1,042 Mw combined cycle power plant in upstate New York, four natural-gas fired merchant facilities in New York, and four hydroelectric generation plants in Pennsylvania. With the Sithe Independence LP purchase, Dynegy will get a 750 Mw firm capacity sales agreement to supply Consolidated Edison with power through 2014. The company says this will provide annual cash receipts of \$100 million. The sale will not include Sithe International, which was sold to a subsidiary of Exelon Generation.



Fluor Corporation today announced it has been selected by Nevada Power Company to complete construction of a partially built 1,200 Mw natural gas-fired, combined-cycle power generation facility in Clark County, Nevada. Fluor will provide engineering, procurement, construction commissioning and start-up services for the facility. The contract value to Fluor was not disclosed. The facility is located in the Moapa Valley, 20 miles northeast of Las Vegas. Nevada Power acquired the facility earlier this month. It is expected to be fully operational by early 2006.

MARKET COMMENTARY

The natural gas market this morning opened lower and remained on the



defensive throughout the day, as reports of returning natural gas production from the USG coupled with moderating weather forecasts kept the bulls on the sidelines yet again today. With oil prices also remaining on the defensive today, bulls found little solace. Volume remained light to moderate again today with just 43,000 futures traded.

Given tonight's 8-14 day temperature forecast from the National Weather Service, we feel that weather could remain a non-issue for this market and as a result with significant storage levels overhanging this market we continue to look for prices to erode slowly. We continue to look at the gap in the daily charts at the \$8.38-\$8.35 as our downside target. Resistance we see at \$8.73 followed by \$8.842, \$8.96, \$9.026 and \$9.078.