



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR NOVEMBER 3, 2005

NATURAL GAS MARKET NEWS

Washington Gas Light (WGL), which serves metropolitan Washington, DC, has called on FERC to reject the proposed expansion of Dominion Cove Point LP's liquefied natural gas (LNG) terminal and associated pipeline project until it can be demonstrated at a evidentiary hearing that imported LNG is fully interchangeable with traditional gas and will not negatively impact the utility's system.

The gas supply source that will have the greatest intermediate-term impact on the market will be imported liquefied natural gas (LNG), and currently it appears that 16 out of the 90 LNG regasification proposals in North America will be constructed, according to Energy Ventures Analysis Inc. (EVA) consultant Steve Thumb.

While a significant amount of Gulf of Mexico natural gas production will be offline during the winter heating season as a result of post-hurricane damage, residential customer needs will be met due to the high level of demand destruction in the industrial sector that is anticipated, says a new study that was released by a major pipeline group Wednesday.

The U.S. FERC issued a certificate approving the development of a system of underground natural gas storage tanks and gas transmission lines for the delivery of gas to areas in West Virginia, Maryland and Virginia. Hardy Storage wants to convert two partially depleted gas production fields in Hampshire and Hardy Counties, West Virginia into tow storage pools consisting of 29 storage wells and 26 miles of pipeline. The company plans to build a new 13-mile, 20-inch pipeline to connect the storage facility to Columbia Gas Transmission's main system at its Lost River Compressor Station.

Generator Problems

ERCOT— South Texas Project Nuclear Company's 1,250 Mw South Texas #2 nuclear unit ramped output to 88% as of early today. South Texas #1 continues to operate at full capacity.

American Electric Power's 528 Mw Welsh #2 coal-fired power unit will shut November 18-22 for planned maintenance on auxiliary equipment.

FRCC— FPL's 760 Mw Turkey Point #3 nuclear unit returned to full power today. Yesterday, the unit was operating at 80%. Turkey Point #4 remains shutdown.

NPCC— Entergy Nuclear reduced production to 56% power at its 670 Mw Pilgrim nuclear unit for a regularly scheduled thermal condenser backwash cleaning.

SERC— Duke Energy's 1,100 Mw McGuire #2 nuclear unit dipped to 56% of capacity by early today. Yesterday, the unit was operating at full power. McGuire #1 continues to operate at full power.

Dominion Energy's 921 Mw North Anna #1 nuclear unit returned to full power today. The unit was operating at 91% yesterday. North Anna #2 continues to operate at full power.

Duke Energy's 846 Mw Oconee #3 nuclear unit returned to full power by early today. Yesterday, the unit was operating at 50% due to a problem with a heater drain pump.

Mississippi Power still expects the 512 Mw coal-fired Jack Watson #5 unit to return to service by the end of the year.

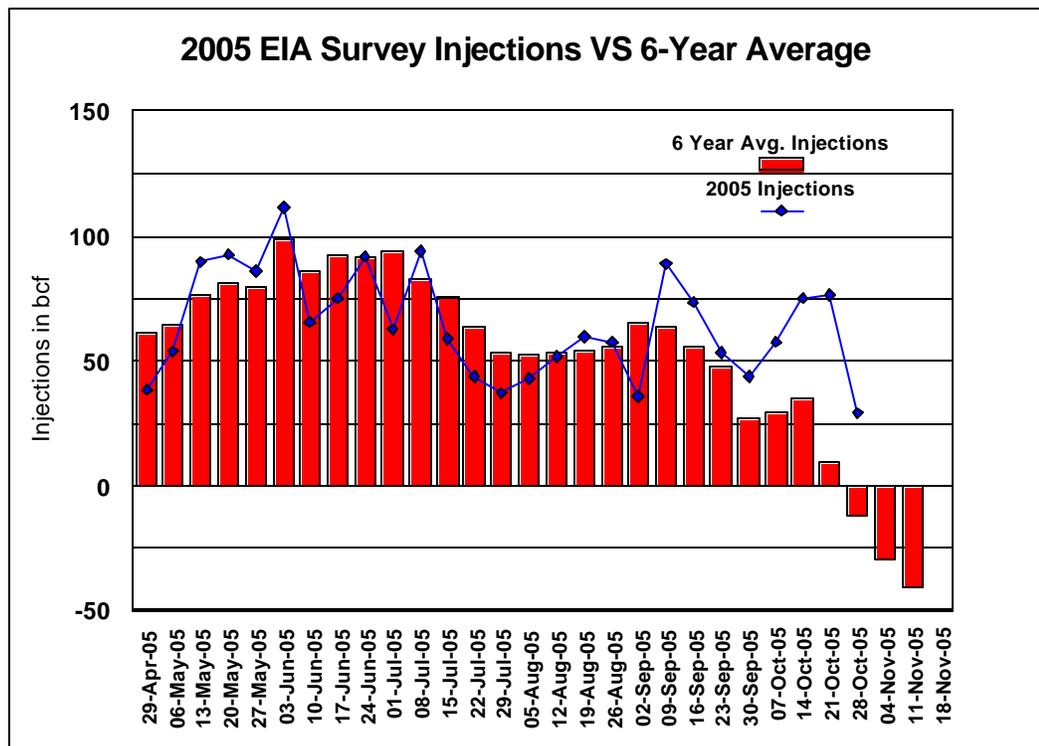
Canada— Ontario Power Generation's 881 Mw Darlington #4 nuclear returned to service by early today.

The NRC reported that U.S. nuclear generating capacity was at 79,538 Mw up .08% from Wednesday and up 3.27% from a year ago.

The Minerals Management Service reported that today's Gulf of Mexico natural gas shut-in production is 4.726 Bcf/d. That is equivalent to 47.3% of the daily gas production in the Gulf of Mexico.

PIPELINE RESTRICTIONS

ANR Pipeline Company said that due to the discovery of potential third party damage to its pipeline, ANR will need to inspect the pipeline segment just west of Gageby Compressor Station. ANR said it will need to isolate the line segment, requiring all gas between Gageby Creek Compressor and Custer Compressor Station to move



east through the Custer Station from November 3-5. During this period, the total receipt capacity into ANR from all interconnects between Gageby Creek Compressor Station and Custer Compressor Station, will be limited to 120 MMcf/d.

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 & 70 / Dallas 18-inch Index 1; Hall Summit; Koran Station; West 30 North; Barron (To Columbia Gulf); Bayou Sale to Napoleonville; Montpelier to Kosciusko, and Kiln to Mobile.

EIA Weekly Report

	10/28/2005	10/21/2005	Net chg	Last Year
Producing Region	850	839	11	922
Consuming East	1882	1868	14	1875
Consuming West	436	432	4	417
Total US	3168	3139	29	3214

*storage figures in Bcf

Km Interstate Gas Transmission said effective today and until further notice, capacity is available for deliveries to Northern Natural Milligan.

Natural Gas Pipeline Company of America said that limited capacity is available for deliveries to

Louisiana Resources-Vermilion. Limited ITS/AOR and secondary firm transport volumes are available. Louisiana Resources-Vermilion is located in Vermilion Parish, Louisiana in Segment 24 of Natural's Louisiana Zone.

Texas Eastern Transmission said that Zones M1 24-inch and M2 24-inch have been restricted to capacity flowing through Batesville. Receipts between Little Rock and Batesville for delivery outside that area will not be accepted. Zones STX and ETX have been restricted to capacity. No increases in receipts between Mt. Belvieu and Little Rock for delivery outside that area will be accepted. Also, receipts sourced at Monroe Station have been sealed to capacity.

Canadian Gas Association

Weekly Storage Report

	28-Oct-05	21-Oct-05	29-Oct-04
East	243.4	244.6	246.4
West	254.1	253.3	225.3
Total	497.5	497.8	471.7

storage figures are in Bcf

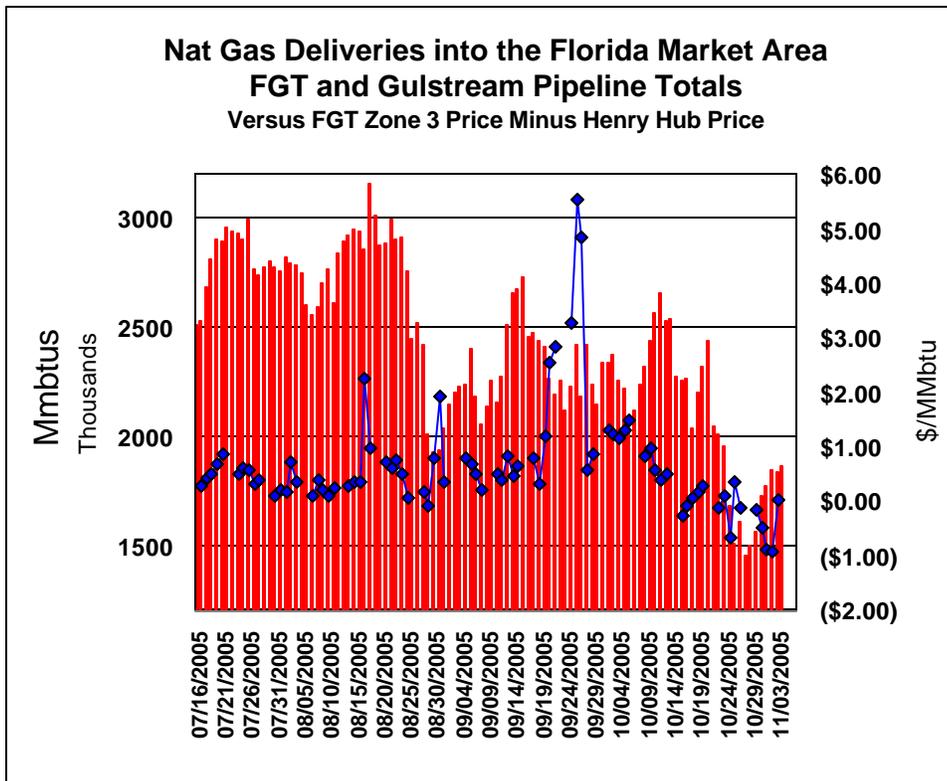
PIPELINE MAINTENANCE

El Paso Natural Gas Company said that the Leupp C turbine will be

down for repairs November 8 reducing the capacity of the North Mainline by 20 MMcf/d from a base capacity of 2,313 MMcf/d. Also, El Paso has postponed work on Gallop C facility, originally scheduled for today, until November 14 and 15. The capacity of the San Juan Basin will be returned to normal effective Cycle 2, today.

Gulf South Pipeline said that it will be performing scheduled maintenance on Index 391-1 upstream of the Longview #2 Compressor Station beginning November 4 and lasting for two days and then again beginning November 10 for two days. Capacity through the Longview Compressor Station #2 could be affected by as much as 50 MMcf/d during these maintenance periods. Due to this maintenance Gulf South said that Force Majeure conditions exist on Index 391-1 and will affect Gulf South's ability to provide service during the scheduled maintenance. Also, Gulf South said that it will be performing pigging maintenance on Index 266 24-inch from Loggy Bayou to Sterlington, Louisiana beginning November 15 and continuing through December 2. Capacities in the following areas could be affected during the duration of this pigging maintenance. In East Texas, as much as 125 MMcf/d could be affected. In North Louisiana as much as 150 MMcf/d. In Olla South as much as 150 MMcf/d.

Northwest Pipeline Corp. said that after completing the excavation work to relieve stress on the pipe due to the land movement near Centralia, Washington, Northwest will be returning the pipe back into service for gas day November 3.



ELECTRICITY MARKET NEWS

Florida Power & Light's 18,000 workers have brought power back to more than 2.7 million customers of the 3.2 million impacted by the major storm. FPL is now focused on the 532,300 customers remaining out of service.

The US Army Corps of Engineers closed the Ohio River at the Hanibal locks November 2 following the failure of a key lock on the nation's busiest coal waterway. The miter gates on the main lock chamber failed unexpectedly while the Corps was maintaining the auxiliary lock. The auxiliary is expected to reopen 11:00 Pm on November 6, but the

lock's capacity will be sharply reduced. No firm date has been set for reopening the main lock and nothing has moved through the lock since the accident. More than 3 million tons of coal moved through the lock last month. The US Army Corps of Engineers expects the lock to be out of service for at least two weeks.

MARKET COMMENTARY

The natural gas market opened 7 cents higher today in anticipation today's EIA storage figure. The market received only a very brief boost following the smaller-than-expected build in storage for the last week of the official injection season. December natural gas rallied to a session high of 11.86 following the report, which showed a 29 Bcf. The market traded sideways on either side of positive and negative territory, finding the day's low at 11.55. Natural gas settled up 8.5 cents at 11.689.

Today's quiet session signaled a pause in the recent downward trend, which as seen the market sell off some 19% in the past six sessions. Natural gas resisted the oil complex's afternoon rally, perhaps as the MMS reported that shut-in production had fallen below 50% to 47.3%. We see support at \$11.45, \$11.10 and \$10.75. Further support we see at \$10.415. We see resistance at \$12.34, \$12.87 and \$13.20. Further resistance we see at \$13.60.