



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR NOVEMBER 22, 2005

NATURAL GAS MARKET NEWS

Separating the country along mostly North/South lines, WSI Corporation, a private weather forecaster, said in its latest outlook that it expects the December-through-February period to average cooler-than-normal across the northern tier of states and along the Pacific Coast with warmer-than-normal temperatures in most southern areas.

U.S. Energy Secretary, Bodman expressed concerns about U.S. natural gas supplies if the winter is colder than normal. He noted that the Department of Energy is mulling over a plan to build a strategic natural gas reserve, which could be part of a major energy policy initiative he expects to be proposed soon.

Fertilizer trade sources said that anhydrous ammonia values at the U.S. Gulf were steady with a week ago as no new business was reported in the barge market. But high natural gas feedstock costs continued to underpin ammonia prices. Demand slowed last week as rain and snow in parts of the Midwest halted post-harvest ammonia application. Diammonium phosphate (DAP) values at the Gulf and in central Florida were flat this week amid reduced production and slow domestic demand. The high cost of ammonia, a key DAP feedstock, kept a floor under DAP prices. Some farmers may increase soybean acreage and reduce corn acreage next spring due to the high cost of fertilizer necessary for planting corn.

The Minerals Management Service reported that 3.219 Bcf/d of natural gas production in the Gulf of Mexico is shut-in. That is equivalent to 32.19% of the daily natural gas production in the Gulf of Mexico.

PIPELINE RESTRICTIONS

Florida Gas Transmission said that due to cold temperatures and low linepack, 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 Sarepta to Sterlington 18-inch Index 250; 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, Kiln to Mobile, and Lake Charles Receipts – Capacity Area 6.

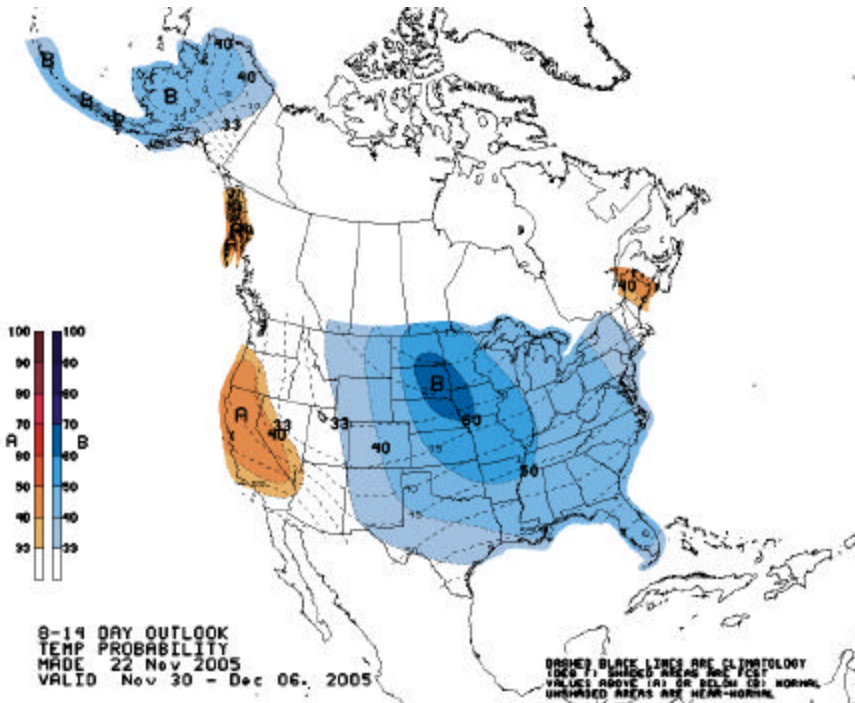
Generator Problems

ERCOT— Texas Genco's 646 Mw WA Parish #5 coal- and natural gas-fired power unit shut today for unplanned maintenance.

MAIN— Wisconsin Public Service's 539 Mw Kewaunee nuclear unit was shut last night after operators discovered moisture on the main electric generator. Yesterday, the unit was operating at full power.

Ameren Corp.'s 1,137 Mw Callaway nuclear unit ramped up to 96% of capacity by early today. Yesterday, the unit was operating at 60% as it continues to exit a refueling outage that began September 17.

The NRC reported that U.S. nuclear generating capacity was at 88,079 Mw up .014% from Monday and up 9.77% from a year ago.



Northwest Pipeline Corp. said that for the Timely cycle of gas day November 22, north-flow volumes through the Kemmerer and Vernal compressors are both currently scheduled at approximately 10 MMcf above design capacity. Storage flexibility will only be used to offset OFOs as long as Northwest's Jackson Prairie firm balancing account exceeds 1.2 Bcf. Northwest's current account balance is below 1 Bcf. Therefore, Northwest is requesting assistance from its customers to voluntarily reduce their nominations so that scheduled volumes do not exceed the design capacity of 653 MMcf/d north through the Kemmerer compressor and 333 MMcf/d north through the Vernal

compressor. Therefore, if northbound primary firm nominations through the Kemmerer or Vernal compressor stations exceed their design capacity in the Timely cycle, Northwest will invoke OFO provisions until further notice.

Texas Eastern Transmission said that Zones STX and ETX have been sealed to capacity. No increases in receipts between Vidor and Little Rock for delivery outside that area will be accepted. Tetco has scheduled the M1 24-inch system to capacity. No increases in receipts between Little Rock and Fagus for delivery outside that area will be accepted. Also, Tetco has scheduled and sealed receipts sourced at Monroe station. No increases in receipts sourced at Monroe will be accepted.

Trunkline Gas Company said that it will not accept nominations at NGPL Lakeside Meter #81718 due to operational conditions.

PIPELINE MAINTENANCE

PG&E California Gas Transmission said it will be performing general maintenance at the Delevan K-2 Compressor on December 5/4. Capacity on the Redwood Line will be reduced to 2,115 MMcf/d, 99% of capacity.

ELECTRIC MARKET NEWS

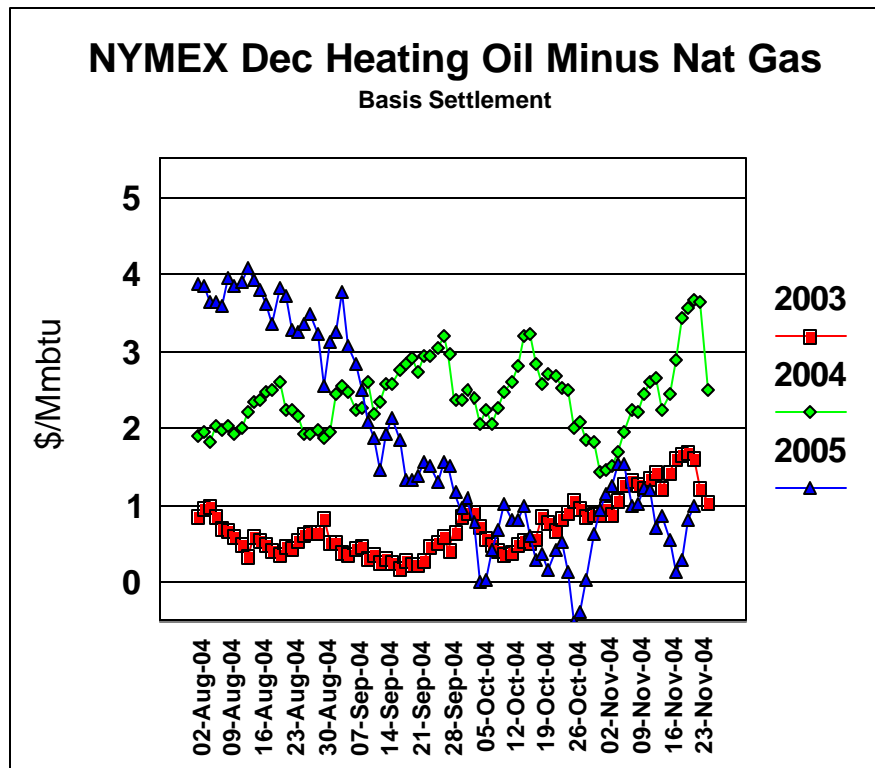
The chairman of PPL Corporation said that deregulation has resulted in significant benefits for American electricity users and that policymakers should continue to encourage the use of market forces to reduce electricity prices and to promote construction of new generating facilities. Electricity deregulation in the U.S. has been highly successful, saving consumers more than \$30 billion compared to what they would have paid under a regulated system. To ensure reliable electricity supplies for the future, it is imperative that we finish what we have started. Under a competitive wholesale framework, the risks associated with investments in new generation are borne by generation companies' shareholders, rather than by ratepayers, as was the case under a regulated model.

Energy and Power company, Dominion Resources, said it plants to spend about \$500 million to install additional emissions controls on coal-fired power stations in Virginia. The installation of equipment to reduce sulfur dioxide, nitrogen oxide and mercury emissions are to meet stringent new emissions reductions required by the federal Clean Air Interstate and Mercury rules. The new equipment will be installed between 2008 and 2015.

Following an extensive public involvement process Idaho Power has finalized the route for the new line that will supply additional electricity for Valley and Adams counties. The company will build a new 138-kV line from Cambridge to Starkey, just north of Council, and then upgrade an existing 69-kV power line to 138-kV from Starkey through McCall to Donnelly.

MARKET COMMENTARY

The natural gas market opened up 19 cents as cold weather enters the Northeast and near term temperature outlooks swung back toward some nearly 8% colder than forecasted just yesterday. Rumors of OPEC cutting supply lifted the oil complex also helped to support natural gas. The bulls, unable to muster any more buying momentum failed to break through yesterday's highs at 11.65 early in the session and fell back to find support near yesterday's close at 11.35. The market chopped back to the 11.50 level and traded on either side of that before pushing once again for the highs at the close of the session. The December contract settled up 28.3 cents at 11.614.



The December January spread saw further strengthening today as it narrowed another 9 cents to 44.5 cents. The choppy activity the last two sessions has seen local traders influencing the spreads, while keeping the outright prices in their comfortable yet awkward range. Looking ahead to tomorrow's EIA storage report, which will be released tomorrow at 12:00 pm due to the Thanksgiving holiday, shows estimates ranging from a build of 30 Bcf to a draw of 17 Bcf for the week ended November 18. We continue to look for injections to come in on the high end of expectations. Most estimates are centering around a build of 8 Bcf. The five-year average for this report shows inventories declining about 24 Bcf in this report. If the report surprises traders and analysts with a draw, given the increase in heating degree days last week over the previous week, we

can expect to see these prices get a bit of a lift to the upper part of the range. We continue to see support at \$11.00, \$10.88, and \$10.10. We see resistance initially at \$11.65, followed by \$12.00 and \$12.40.