



ENERGY RISK MANAGEMENT

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

www.e-windham.com

POWER MARKET REPORT FOR DECEMBER 14, 2005

NATURAL GAS MARKET NEWS

Sempra Pipelines & Storage has received authorization from FERC to construct and operate its Liberty Gas Storage natural gas storage facility in Calcasieu Parish, Louisiana. Liberty Gas Storage will provide firm storage and related services to customers transporting natural gas on various interstate pipelines in the region. The facility, which will provide 17 Bcf of working gas capacity for storage, is expected to be in service in mid to late 2006. The project also will include surface facilities to allow for a maximum injection of 500 MMcf/d and maximum withdrawals of 1 Bcf/d.

It's going to be a liquefied natural gas (LNG) suppliers' market for years to come, according to a new report by Tristone Capital. Global liquefaction capacity will fall well short of regasification capacity over the next decade and likely well beyond that.

PIPELINE RESTRICTIONS

Algonquin Gas Transmission said it has restricted all AIT-1 nominations for gas flowing through Stony Point compressor station. No increases for transportation flowing through Stony Point except for primary no notice nominations will be accepted. In addition, no due-shipper nominations will be accepted.

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.

Texas Eastern Transmission said it has restricted STX and ETX to capacity. No increases in receipts between Mt. Belvieu and Little Rock for delivery outside that area will be accepted. Tetco has force balanced long pools in zone ETX. Tetco has also scheduled and sealed M1 and M2 24-inch. No increases between Little Rock and Batesville 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.

Generator Problems

MAIN— Wisconsin Energy Corp.'s 512 Mw Point Beach #1 nuclear unit shut early today after discovering the loss of a condenser vacuum caused by a mechanical failure of the running circulating water pump. Yesterday, the unit was operating at full power. Point Beach #2 continues to operate at full power.

SERC— Progress Energy's 900 Mw Brunswick #2 nuclear unit dipped to 40% of capacity early today to perform work on the reactor's condenser and recirculating water pump. Yesterday, the unit was operating at full power. Brunswick #1 continues to operate at full power.

Canada— Bruce Power's 822 Mw Bruce B #6 nuclear unit shut today to inspect and perform maintenance on equipment that loads and unloads fuel into the reactor.

Ontario Power Generation's 494 Mw Lambton #3 coal-fired power unit shut by early today for a short-term forced outage. The other three units at the station remains available for service.

The NRC reported that U.S. nuclear generating capacity was at 91,858 Mw down 1.04% from Tuesday and up 2.26% from a year ago.

Williston Basin Interstate Pipeline Company said that 014 Belle Fourche – Recluse and 026 Belle Creek – Manning are in pipeline capacity constraint for today's timely cycle. Penalties will be imposed at the two points.

PIPELINE MAINTENANCE

PG&E California Gas Transmission said it will be performing PLC work at the Tionesta K-1 Compressor on December 20. Capacity on the Redwood Line will be reduced to 2,055 MMcf/d, or 96% of capacity.

Williston Basin Interstate Pipeline Company said maintenance will be performed at the Bismarck Compressor Station and one unit will be down for a four-hour period today. This schedule was changed from December 13 to December 14. At this time, Williston does not anticipate any restrictions to the system.

ELECTRIC MARKET NEWS

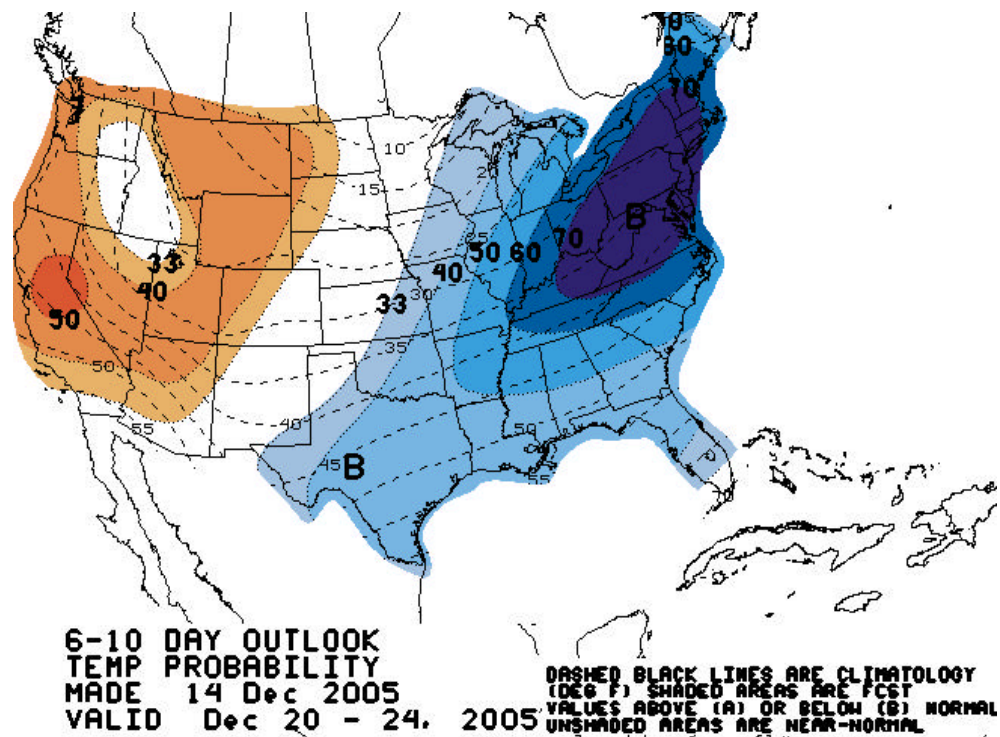
A ruptured reservoir that feeds an Ameren Corp. hydroelectric plant unleashed 1.5 billion gallons of water into the Black River in Missouri's Ozark Mountains today. There were no immediate reports of deaths or injuries downstream from the 440 Mw plant near Lesterville in southeastern Missouri, but an Ameren spokeswoman said an emergency plan calling for evacuations was activated. The lower reservoir remains intact.

Utility operator Sempra Energy said it may sell or refinance all of its generation assets in Texas due to the rising market value of coal-fired power plants. The assets include the wholly owned 305 Mw Twin Oaks Power plant in Robertson County and the 632 Mw Coletto Creek Power plant in Goliad County, co-owned in a joint venture with Carlyle/Roverstone.

FPL Group is in advanced talks to acquire Constellation Energy Group for more than \$11 billion. The deal would create a top-tier nuclear generator with more than 30,000 Mw of power generation, as well as adding strength to Constellation's unregulated generations business and helping to diversify FPL away from its reliance on Florida.

KeySpan Corp. and the state-owned Long Island Power Authority negotiated a five-year contract extension that will allow KeySpan to continue managing LIPA's transmission and distribution system until 2013. Under the agreement, called the management services agreement, KeySpan will receive a minimum of \$224 million annually to manage the LIPA system and a variable component based on electric sales exceeding a base threshold. A spokesman at KeySpan said the deal guarantees the company revenue through 2013 and the potential for growth as the electric system on Long Island expands.

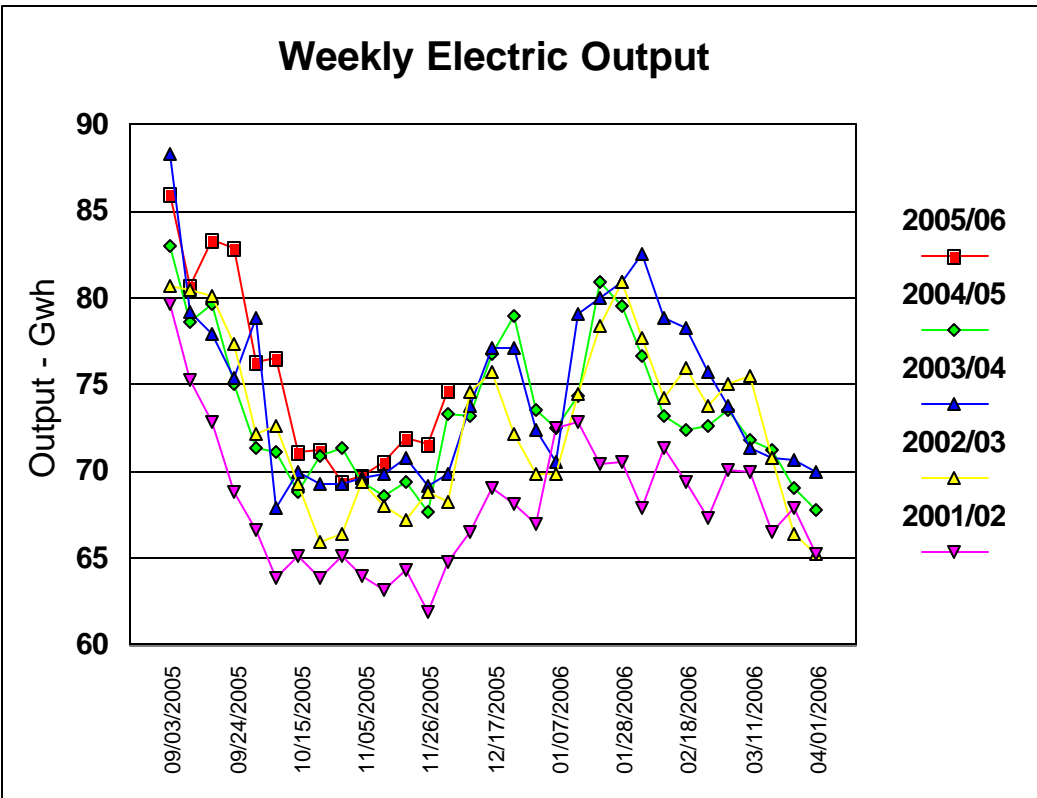
Utility Cinergy Corp. said its PSI Energy operating company in Indiana reached a settlement with the Indiana Office of Utility Consumer Counselor and the PSI Industrial Group on an environmental compliance plan. The plan will reduce PSI Energy's power plant emissions to improve air quality. The first phase of the plan totals \$1.07 billion.



The Edison Electric Institute said electricity production in the continental U.S. for the week ended December 10 rose 11.9% from the same 2004 week to 81,875 GWh. For the first 50 weeks of the year, production increased 3.8% from last year. For the 52 weeks ended December 10, production rose 3.9% from the corresponding period in 2004.

MARKET COMMENTARY

The natural gas market opened 53 cents softer today as the market was overbought yesterday, and traders reevaluated ahead of the oil complex's inventory report. Slightly bearish figures pressured the oil complex, and natural gas followed trading to the day's low of 14.57, but the markets bounced and traded to their highs on the day, with natural gas reaching as high as 15.08 on the day. The market settled down to a range for the remainder of the session, trading between 15.00 and 15.60. The market settled at the lower part of the range, down 69.9 cents at 14.679.



With the market at all time highs, continuous bullish news is needed to sustain prices, especially at the top end. Profit taking from yesterday's high kept a bit of a lid on things today as well as the softer crude market, which lost 52 cents today. Expectations for tomorrow's EIA storage report range between a 140 Bcf draw to a 200 Bcf draw, with the average expectation looking for a withdrawal of 172 Bcf. That is well above last year's 65 Bcf draw and the five-year average withdrawal of 104 Bcf. Obviously the market is looking for a big number tomorrow, but will that number be big enough to spark another run? The market remains on a very steep upward trend for the past two and a half weeks, and continued widespread cold forecasts are needed to sustain this trend. We see resistance at \$15.20, \$15.60 and \$15.78. We see support at \$14.20, \$14.10 and \$13.30. Further support we see at \$12.78 and \$12.25.