The Windham Group
Energy Futures Brokerage

ENERGY RISK MANAGEMENT

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

www.e-windham.com

POWER MARKET REPORT FOR DECEMBER 15, 2005

NATURAL GAS MARKET NEWS

In an action designed to promote the expansion of natural gas storage capacity and mitigate natural gas price volatility, the FERC proposed to modify its rules for determining the rates charged for interstate natural gas storage services. The Commission's proposed rules reflect provisions of the recently enacted Energy Policy Act of 2005. These proposed rules are intended to provide further incentives for the development of new natural gas storage capacity to ensure access to storage services at just and reasonable rates while at the same time ensuring that adequate storage capacity will be available to meet anticipated market demand.

Williams Cos. announced an open season for an addition to its Northwest Pipeline system that would provide additional natural gas transportation capacity for expected Piceance Basin supply in the Parachute, Colorado area. This open season supplements a prior open season that extended from October 28 through November 18. As currently proposed, the Prachute Lateral Project would include approximately 38 miles of 30-inch diameter pipeline between Parachute and the Greasewood Hub at a cost of approximately $55.2 million.

The Minerals Management Service reported that 2.23 Bcf/d of natural gas production in the Gulf of Mexico remains shut-in. That is equivalent to 22.3% of total gas production in the Gulf.

Generator Problems

ECAR— Consumers Energy's 730 Mw Palisades nuclear unit is operating at 90% today, down from full capacity.

WSCC— Southern California Edison's 1,080 Mw San Onofre #3 nuclear unit increased output to 99% early this morning. Yesterday, the unit was operating at 80% to investigate and repair a small salt-water leak on its condenser tube. San Onofre #2 continues to operate at full capacity.

Canada— Ontario Power Generation's 535 Mw Lennox #3 oil- and natural gas-fired power unit shut early today for short-term unplanned reasons.

Ontario Power Generation's 490 Mw Nanticoke #7 coal-fired power unit shut by early today for short-term unplanned work.

The NRC reported that U.S. nuclear generating capacity was at 91,943 Mw up .092% from Wednesday and up 1.29% from a year ago.

PIPELINE RESTRICTIONS

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.

Kern River Pipeline said that capacity on the Eagle Mountain Delivery meter will increase effective December 16 from 1.9 MMcf/d to 6.498 MMcf/d.

EIA Weekly Report

	12/09/2005	12/02/2005	Net chg	Last Year
Producing Region	823	878	-55	922
Consuming East	1744	1862	-118	1875
Consuming West	397	426	-29	417
Total US	2964	3166	-202	3214

*storage figures in Bcf

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.

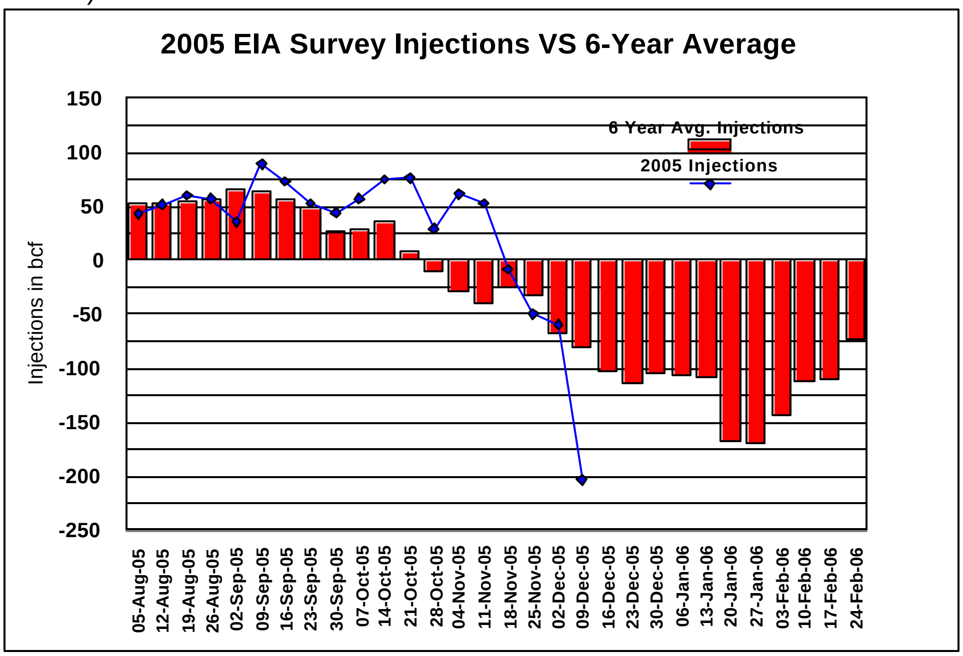
Canadian Gas Association

Weekly Storage Report

	09-Dec-05	02-Dec-05	10-Dec-04
East	213.8	238.2	238.2
West	217.0	234.8	200.7
Total	430.8	473.0	438.9

storage figures are in Bcf

Transcontinental Gas Pipe Line Corporation said that a number of physical constraints on the Transco system will become effective on December 15, and continue until further notice. The following physical constraints will become effective today and continue until further notice: Compressor Station 90-Tier I and Tier II (200 MMcf/d); South Virginia Lateral through station 167 (144 MMcf/d); Compressor Station 180-Tier III (0 MMcf/d); Compressor Station 190-Tier III (200 MMcf/d); Leidy Line Station 505 (100 MMcf/d); Leidy at Station 520 (Open MMcf/d); Linden Regulator Station in Union County, New Jersey (200 MMcf/d); and Mobile Bay Lateral (400 MMcf/d).



Williston Basin Interstate Pipeline Company said that a unit went down at the Dickinson Compressor Station, so there is a potential for East Mon-Dak and Sheyenne delivery restriction of approximately 6 MMcf for today.

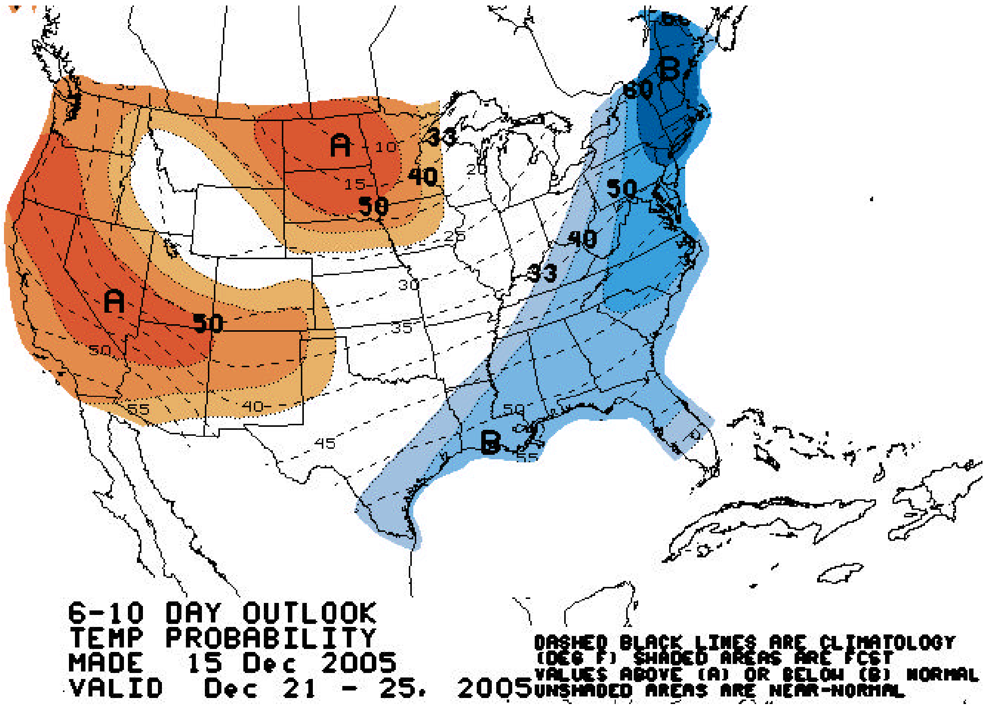
PIPELINE MAINTENANCE

Northwest Pipeline provided an update on its plan for restoring delivery capacity to Colorado Interstate Gas Company at its Green River, Wyoming interconnect. Service at the Green River interconnect has been temporarily interrupted as a result of the failure of Northwest's 22-inch CIG interconnect line that occurred December 8. Based on the current project plan, Northwest estimates it will be able to return approximately 170 MMcf/d of Green River delivery point capacity to service by December 21. Basec on the nomination requests prior to the line failure, Northwest anticipates that this capacity should meet customers' primary firm nominations requests, so the declared deficiency period will end at that time. Northwest is working with CIG to develop a project plan for restoring the full design delivery capacity of 271.400 MMcf/d.

Williston Basin Interstate Pipeline Company said it has again rescheduled maintenance on the discharge line at South Baker Compressor Station, originally scheduled for December 8 and rescheduled to December 14 and now planned to start tentatively on December 19. Williston said it does not expect any impact to customers during the maintenance.

ELECTRIC MARKET NEWS

The Federal Energy Regulatory Commission approved the proposed merger of Duke Energy Corp. and Cinergy Corp., and separately approved MidAmerican Energy Holdings Co.'s acquisition of PacifiCorp. FERC also affirmed a prior decision authorizing Exelon Corp.'s proposed merger with Public Service Enterprise Group Inc. Under the transaction approved by the commission today, Charlotte-based Duke Energy and Cinergy, headquartered in Cincinnati, will combine to create a company with more than $70 billion in assets and



operations in two-thirds of the United States and parts of Canada. The merged companies will have retail electric and gas customers in Kentucky, Indiana, North Carolina, Ohio, South Carolina and Canada, and own more than 45,000 Mw of electric generation and 17,500 miles of natural gas transmission pipeline. The MidAmerican Energy Holdings $5.1 billion acquisition of PacifiCorp will combine MidAmerican's 698,000 customers in Illinois, Iowa and South Dakota with PacifiCorp's customers in parts of California, Idaho, Oregon, Utah, Washington, and Wyoming.

The FERC approved the installation of nine advanced turbines at the 932 Mw Priest Raids hydropower project on the Columbia River in Washington State. FERC said the new turbines would increase the project's capacity while improving the survival of downstream migrating salmon.

MARKET COMMENTARY

The natural gas market opened 50 cents lower on new weather forecasts that were 2% warmer than yesterday's forecasts. Expectations for today's EIA storage report centered around a 172 Bcf draw, and the actual figure today showed a draw of 202 Bcf, a bullish figure. The market spiked to a day's high of 14.92, but the market could not muster enough momentum to climb back over 15.00. Instead, the front month succumbed to a second consecutive session of heavy profit taking, which saw the January contract trade as low as 13.75 today. The market finished down 89.8 cents at 13.781 on light volume.

Market players continue to look at total storage figures, which remain 107 Bcf above the 5-year average at this time of year and with slightly milder temperatures, that little surplus above the 5-year average seems like it is going to remain. The market's inability to turn a 202 Bcf draw into a sustained upward move suggests that this market is overbought and needs to consolidate. With weather still the driving factor behind this market, we expect the market to consolidate above the 14.00 level and challenge lower prices until the next sustained cold forecast is made. We see resistance at $14.57, $14.90, $15.60 and $15.78. We see support at $13.75, $13.30 and $13.00 We see further support at $12.78 and $12.25.