



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR FEBRUARY 24, 2009

NATURAL GAS MARKET NEWS

Bill Barrett Corp officials said today that due to the swift drop in gas prices and what it sees the future decline in drilling service costs it would defer well completions until it sees a rebound in spot prices and/or a significant drop in drill service costs.

Woodside Petroleum said it has found additional gas near its key Pluto export project and as a result it could support the project's swift expansion. The company has in recent months been seeking additional gas resources to feed proposed second production train at Pluto.

Federal Reserve Chairman Bernanke warned today that the "severe" U.S. recession may drag into 2010 unless the government succeeds in stabilizing the banking system and the financial markets with strong action. Meanwhile The Conference Board reported that its U.S. consumer confidence index collapsed this month falling to 25, much lower than most market watchers had been expecting. This was the lowest level since data began being collected in 1967.

National Grid reported that supply via the Langeland pipeline dropped below 50 million cmd from earlier levels of 70 million cmd. StatoilHydro declined to comment on the lower export levels to Britain.

Nigeria and Shell announced a \$1.6 billion gas production project to be developed in the volatile Niger River Delta.

Oil Search Ltd, Papua New Guinea's biggest oil and gas producer, said it would cut spending and defer drilling this year to conserve cash and support its share of the \$11 billion LNG project. The LNG venture partners, led by ExxonMobil, are due to give the go-ahead by the end of the year for the project

PIPELINE RESTRICTIONS

Generator Problems

MAIN – Exelon's 912 Mw Quad Cities #2 nuclear unit was at 97% capacity this morning up 20% from yesterday.

ECAR – FirstEnergy confirmed its Perry nuclear plant began its scheduled refueling outage on Monday.

SERC- Duke Power's 1100 Mw McGuire #1 nuclear unit was back to full power this morning, up 12% from yesterday.

TVA's 1100 Browns ferry #2 nuclear unit was at 86% power down 10% from yesterday.

ERCOT – Luminant's Martin Lake 750 Mw coal fired Unit #1 was shut on February 23rd.

NPCC – OPG's 490 Mw Nanticoke coal fired Unit #5 was shut early Tuesday.

The NRC reported this morning that 90,098 Mw of nuclear generation capacity was on line, up 0.2% from yesterday and 0.2% lower than the same time a year ago.

TransColorado Gas Transmission said it has been advised by Transwestern Pipeline that effective February 25th and until further notice, TW will schedule up to 10,000 Dth for deliveries at the Transwestern Blanco interconnect

Natural Gas Cash Market						
ICE Next Day Cash Market						
Location	Volume Traded	Avg Price	Change	Basis (As of 12:30 PM)	Change	Basis 5-Day Moving Avg
Henry Hub	521,400	\$4.205	(\$0.029)	\$0.105	(\$0.409)	(\$0.154)
Chicago City Gate	917,000	\$4.031	(\$0.160)	(\$0.069)	(\$0.209)	\$0.146
NGPL- TX/OK	1,153,400	\$3.274	(\$0.116)	(\$0.826)	(\$0.165)	(\$0.630)
SoCal	263,800	\$3.408	(\$0.019)	(\$0.692)	(\$0.068)	(\$0.626)
PG&E Citygate	441,500	\$4.188	(\$0.074)	\$0.088	(\$0.123)	\$0.189
Dominion-South	307,200	\$4.573	(\$0.125)	\$0.473	(\$0.174)	\$0.589
USTrade Weighted	15,429,500	\$3.597	(\$0.360)	(\$0.503)	(\$0.41)	(\$0.154)

NGPL reported that effective today and until further notice, Texas Eastern Transmission Cameron is at capacity for deliveries. The company also noted that it is at

capacity for deliveries to Centerpoint-MRT Harrison. ITS/AOR and Secondary Firm transports are at risk of not being fully scheduled.

Northern Natural Gas said effective today and until further notice it has issued an OFO for Carlton Resolution Obligation. Carlton Resolution will be at 50%. The company also reported that effective for today and until further notice, NR South Joliet #2 is at capacity for deliveries. ITS/AOR and Secondary Firm transports are at risk of not being fully scheduled.

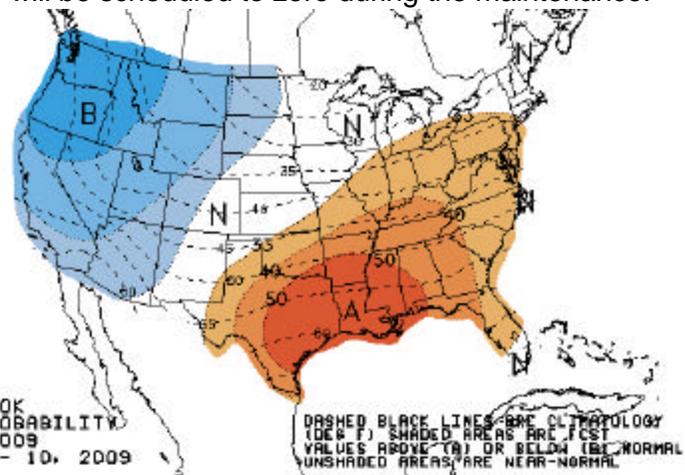
Rockies Express Pipeline said that effective today and until further notice it is at capacity for delivered quantities to NGPL Jefferson. Based on the current level of nominations, IT/AOR and secondary quantities are at risk of not being fully scheduled.

PIPELINE MAINTENANCE

The Rockies Express Pipeline said that it has been informed by Questar Overthrust Pipeline that it will be performing required maintenance at its Rock Springs compressor station on march 18th. This work will have a direct impact on REX’s lease on Overthrust since REX shippers nominating supplies on the lease portion (Segment 650) through Wamsutter will be scheduled to zero during the maintenance.

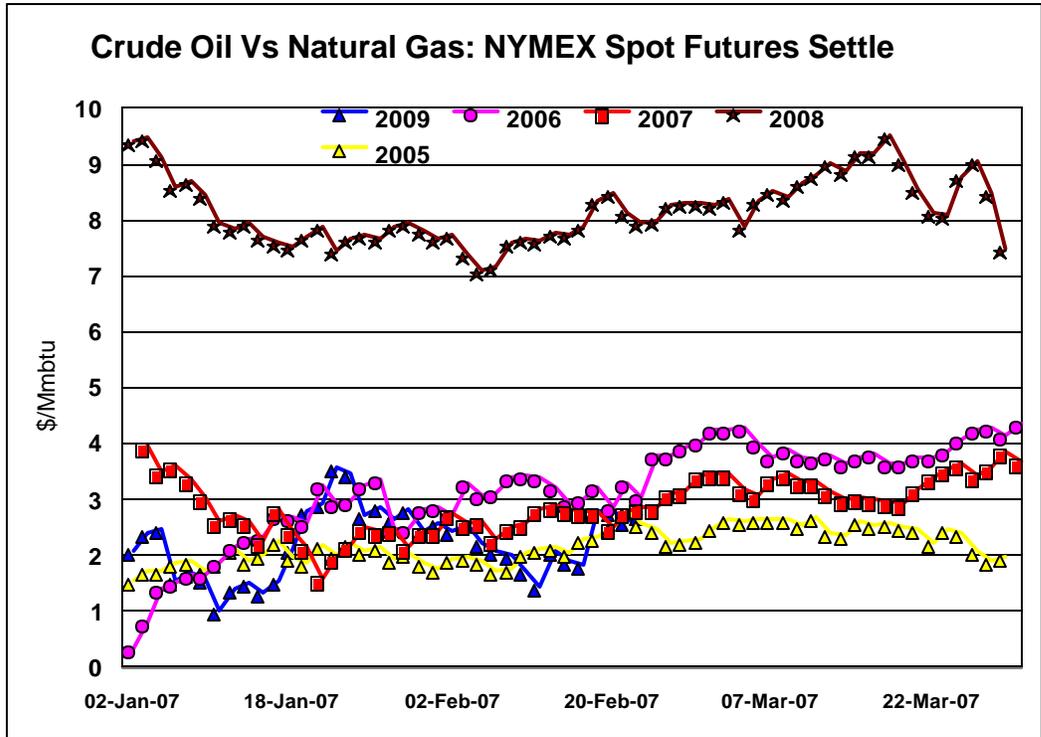
NGPL said that from February 26 through March 4th, Booster Station #64 will be unavailable due to scheduled maintenance. As a result, the McFarland #1 Beaver and McFarland #1-33 Beaver locations will be shut-in during this period of maintenance.

ANR Pipeline said it began yesterday engine maintenance on its Sulfur Springs Compressor Station on its Southeast Central Fuel Segment. This will reduce the total ANR Glen Karn capacity into the Lebanon System to 343 MMcf/d through February 27th. Based on the current level of nominations this work may impact Firm, Secondary and IT nominations. The company also reported that it will be performing unplanned pipeline maintenance at its EI 30 location in the Southeast Area Fuel Segment. Effective immediately, EI 30 will be shut in until further notice.

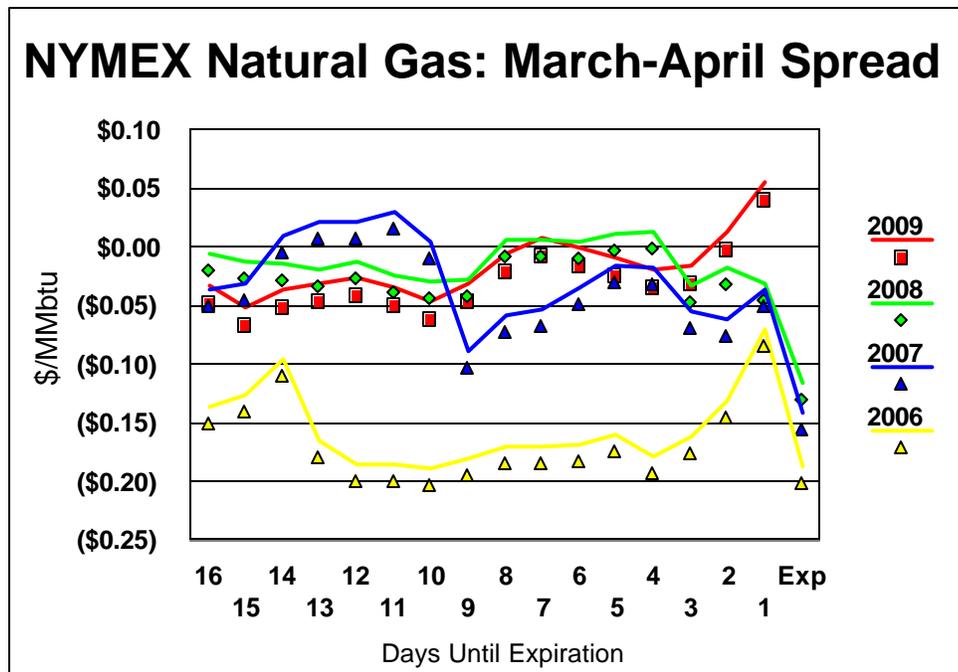


Questar Pipeline said it has received notice from a vendor that delivery of the replacement engine for Unit #2 at Oak Spring Compressor Station has been postponed until late March. The work had been scheduled prior for March 3-5.

Gulf South Pipeline said it will be performing maintenance at the Kiln Compressor Station beginning March 3rd and continuing for two days. Compression at the facility will not be available during the work. As a result capacity through the station could be reduced by as much as 125,000 Dth/d during the work. The company also said that based on preliminary results of recent pigging activities,



maintenance on its Gulf South 42 inch expansion pipeline will continue through the month of March. Thus it anticipates capacity on the line, or a portion thereof, may be shut-in for periods of time to facilitate required maintenance.

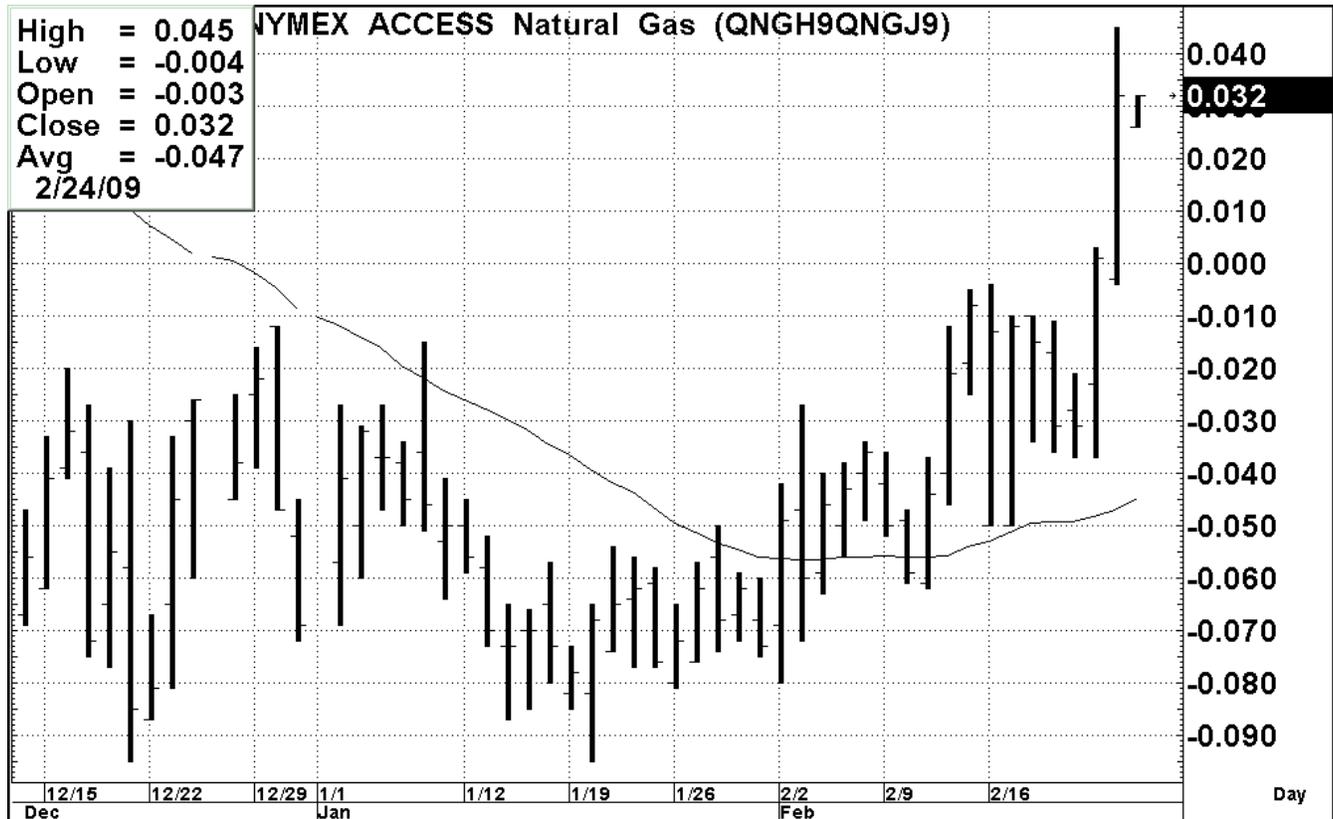


TransColorado Gas Transmission said it will be performing maintenance at its Dolores Compressor Station on February 25th. Capacity through Segment 230 will be limited to 355,000 Dth and capacity through Segment 240 will be limited to 405,000 Dth. Based on the current level of nominations, AOR/IT, secondary and primary FT quantities are at risk of not being fully scheduled.

Tennessee Gas Pipeline

said that repairs at Compressor Station 32 in Jasper, Texas that began on December 8th are expected to be completed by March 15th.

FGT said it is extending ongoing maintenance at Station 7 through the end of March. The work began on February 9th. During the work FGT will schedule up to approximately 375,000 Mmbtu/day through Station 7, down 20% from normal levels.



ELECTRIC MARKET NEWS

Genscape reported that coal supplies at U.S. power plants rose 0.4% last week from the previous week and are some 8.4% higher than the same week a year ago.

The Omaha Public Power District said it is in the testing phase of its new 663 Mw coal unit in Nebraska City. The unit is scheduled to begin commercial operations on May 1st.

MARKET COMMENTARY

Despite the overall cash markets backing off from yesterday's higher values, with the NY cash price falling to its lowest level in more than two years, the futures market closed higher for the second straight session. The March contract which expires tomorrow led the market higher for the second trading session in a row as shorts appeared scrambling to cover their positions both outright and in the March-April spread. The NYMEX reported at midday that open interest in the March contract basis Monday's close stood at 57,580 contracts. This is substantially higher than last year when at the same time in the trading month open interest in the March contract was just 48,411 lots despite overall open interest being some 41% higher than the current total level of open interest in the natural gas futures market. As a result we would look for tomorrow to potentially be a volatile trading session as positions continued to be closed out. We feel that given the relative high storage overhang of natural gas and the poor relative prospects for any significant uptick in heating demand over the next two weeks, we

feel that the March contract though should move back into negative territory by the close tomorrow possibly settling some 10-15 cents lower than today's settlement.

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