



ENERGY RISK MANAGEMENT

Howard Rennell, Pat Shigueta,
& Karen Palladino

(212) 624-1132 (888) 885-6100

www.e-windham.com

NATURAL GAS & POWER MARKET REPORT FOR AUGUST 27, 2009

NATURAL GAS MARKET NEWS

Tropical Storm Danny was located about 550 miles off the coast of North Carolina on Thursday and was expected to slowly strengthen into the season's second hurricane during the next couple of days as it heads more north to northeast on Friday. Danny was packing winds up around 60 mph. Tropical storms pack winds in excess of 39 mph and reach hurricane status when maximum sustained winds reach 74 mph. Meanwhile, the NHC is also monitoring a tropical wave over the far eastern Atlantic with less than 30% of becoming a tropical cyclone during the next 48 hours.

According to the Labor Department, initial claims for unemployment benefits fell by 10,000 to 570,000 in the week ending August 22nd, the lowest level since August 8th. The four-week average of new claims fell by 4,750 to 566,250. It was the lowest average since the week ending August 8th. The number of continuing claims fell by 119,000 to 6,133,000. The unemployment

Generator Problems

SERC – Wolf Creek's 1,116 MW reactor in Kansas ramped up to 100%, up from 92% on Wednesday. The unit was shut due to a turbine trip. At the time of the turbine trip, the unit experienced a momentary loss of offsite power.

The Tennessee Valley Authority's 1,105 MW Browns Ferry 3 nuclear power unit in AL was at 23% capacity early Thursday as it began to exit a brief outage. The unit was shut late Monday due to the loss of two of three condensate booster pumps due to low pump suction pressure.

PG&E Corp reported its 1,100 MW Diablo Canyon nuclear unit 2 in central CA was cut to 77% power on Aug. 26. The unit just resumed full power late on Aug. 25 after being shut on Aug. 13 to perform an analysis of the reactor's main electrical transformer 'A' phase 500-kv bushing.

FRCC – Progress Energy Inc's 860 MW nuclear Unit 3 at the Crystal River power station in FL was restarted on Aug. 26. The unit was manually tripped off line from full power on Aug. 24.

MAAC – Exelon's 636 MW Oyster Creek nuclear reactor in NJ was reduced to 50% capacity from 78% on Aug. 26. The unit was reduced due to a leak from a six-inch pipe penetrating the turbine building.

NPCC – Ontario Power Generation's 490 MW unit 4 at the Nanticoke coal-fired power station was shut by early Thursday while another unit returned to service. Unit 8 returned to service after a two-day outage, while unit 7 has been shut since Aug. 10 and is likely to return later this month.

Bruce Power LP's nuclear power station in Ontario was taken offline on Wednesday afternoon for maintenance on a governor valve. The outage is expected to be brief.

The NRC reported this morning that 93,732 Mw nuclear generation capacity was on line, down 0.53% from Wednesday and down 2.85% from the same time a year ago.

EIA Weekly Report

	08/21/2009	08/14/2009	Change	08/22/2008
Producing Region	1079	1074	5	773
Consuming East	1724	1681	43	1599
Consuming West	455	449	6	370
Total US	3258	3204	54	2742

*Storage figures in Bcf

rate for workers with unemployment insurance fell 0.1% to 4.6% in the week ending August 15th.

The Commerce Department released its second estimate of second quarter GDP, stating GDP fell at a seasonally adjusted

1% annual rate. It said inventories were cut by \$159.2 billion in the second quarter, revised from a previously reported \$141.1 billion cut. Its price index for personal consumption expenditures increased an unrevised 1.3% in the second quarter.

Canadian Gas Association

Weekly Storage Report

	21-Aug-09	14-Aug-09	22-Aug-08
East	217.2	217.8	189.6
West	332.4	327.4	287
Total	549.6	545.2	476.5

storage figures are in Bcf

Two LNG cargoes are expected to land in Lake Charles and Elba Island LNG terminals on Sunday. The Celestine River tanker was seen heading across the Gulf of Mexico toward Lake Charles to LA on Thursday and BG Group's Bluesky tanker was approaching Elba Island in GA. The terminal has the capacity to send out 2.1 billion cubic feet per day.

India's Petronet LNG expects two cargoes to arrive at its Dahej terminal in September. Four spot cargoes have already arrived during the period of April–June. They are expecting a total of 6 cargoes in the next quarter.

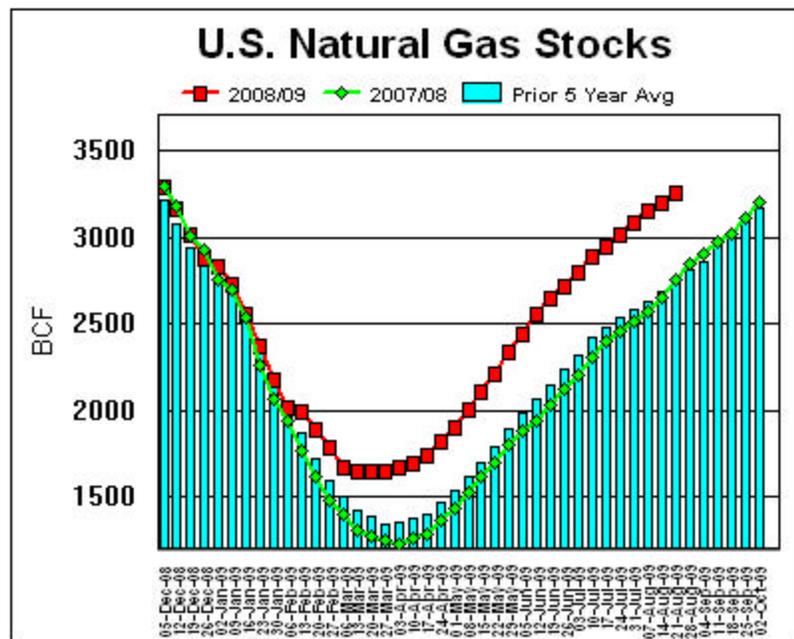
Operations have resumed at Royal Dutch Shell's Utorogu gas plant in Nigeria after repairs were completed following a pipeline attack. The Escravos–Lagos pipeline carries gas from the Niger Delta to feed power stations in the southern part of Africa's most populous nation, including the commercial hub of Lagos and feeds into the West African gas pipeline structure. Over 80 LNG cargoes have been lost since the shutdown of Royal Dutch Shell's Soku gas plant last November.

Turkmenistan is ready to provide over two billion cubic meters of natural gas per year to Bulgaria. Bulgaria, which is almost fully dependent on Russian gas as been looking for alternative supplies and routes after a gas price tow between Russia and transit country Ukraine left it without gas for two weeks.

Qatar's RasGas will raise LNG supplies to India by 50% from November. At present Petronet imports 5 million tons of LNG every year from RasGas under a long-term deal and supplies were to be raised to 7.5 million tons from the last quarter of 2009.

PIPELINE MAINTENANCE

Maintenance has been completed on Gulf South's Vixen Compression Station. The company began work on both units at the station, one at a time, on Aug. 25 with work expected to take two days. Each turbine unit was unavailable for approximately 14 hours each day

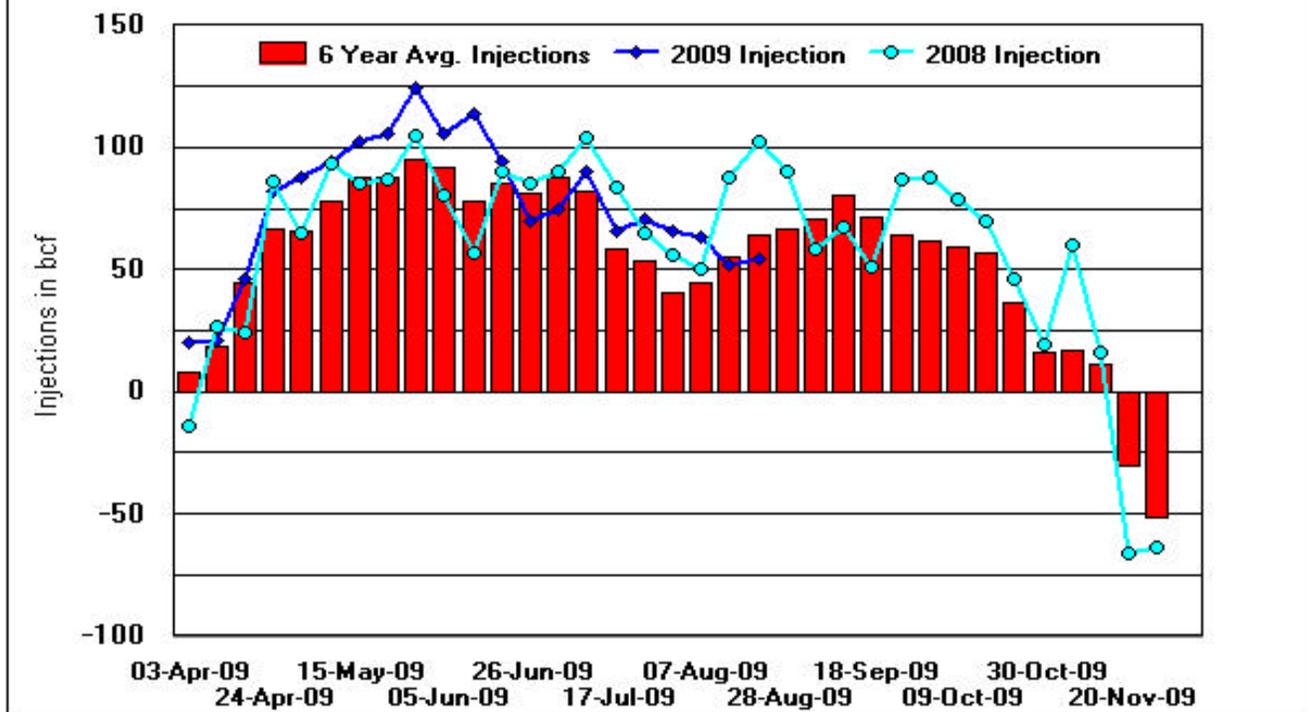


The pipeline maintenance impacting the PanEnergy receipt point has been completed and Southern Natural Gas will begin accepting nominations on the evening cycle for the gas day of Aug 27.

The Bacton SEAL pipeline resumed flowing gas into the British network on Thursday after maintenance work. National Grid data showed gas flows rose up to 12 million cubic meters on Thursday.

MARKET COMMENTARY

2009 EIA Survey Build/Draw VS 6-Year Average



Natural gas shed 7% after the release of the EIA storage number showed a slightly larger than expected inventory build. The EIA report indicated that net injections into natural gas storage totaled 54 Bcf for the week ended Aug. 21, lifting working gas levels to 3,258 Bcf. Working gas levels are now 516 Bcf above year-ago levels and 500 Bcf above the five-year average for the same week. The expiring September contract reached a seven-year low on expectations of milder weather and ever growing inventories as it sold off to a low of \$2.692. Meanwhile, the October contract sold off to a low of \$3.086 following the EIA storage report and remained range bound before it retraced some of its earlier losses and traded back towards its highs. It settled down 8.8 cents at \$3.206. With no influential fundamentals to support demand such as extreme heat or hurricanes, pressure on prices should continue.

The natural gas market is seen finding support at \$3.165, its low of \$3.086, followed by \$2.977 and \$2.867. Meanwhile, resistance is seen at \$3.209, \$3.26, \$3.31 and \$3.375. More distant resistance is seen at \$3.425 and \$3.539.