

ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR NOVEMBER 26, 2008

NATURAL GAS MARKET NEWS

The MMS plans to update every two weeks its survey of crude oil and natural gas production still shut in the US Gulf of Mexico following Hurricane Ike. It has previously been issuing the report every week. The next update will be on December 3rd.

Russia's Deputy Energy Minister Anatoly Yanovsky said the world's top gas exporting nations will set up a formal organization at OPEC's December meeting. However he denied that the new group will seek to copy OPEC's production quotas. Energy ministers from 16 gas exporting nations are scheduled to meet in Moscow on December 23, as planned to sign a charter for the new organization. His comments follow a meeting of experts from a more

Generator Problems

NPCC – Dominion's 1131 Mw Millstone #3 nuclear unit was online and at 55% capacity this morning.

SERC – TVA's 1127 Mw Sequoyah #2 nuclear unit is running at 75% capacity after dropping to 57% capacity on Tuesday.

Progress Energy's 938 Mw Brunswick #1 nuclear unit is back on line again running at 23% capacity. The unit had been shut on November 19th for short-term repairs.

Southern's 883 Mw Hatch #1 nuclear unit, which dropped off line on Friday, was ramping up to 80% capacity this morning.

Southern's 888 Mw Unit 2 at Farley nuclear power station ramped up to 82% power early Wednesday. The unit was operating at 50% on Tuesday.

Southern Co's 876 Mw Unit 1 at Hatch nuclear power station in Georgia ramped up to 80% by early Wednesday. On Tuesday the unit was operating at 20% of capacity after exiting an outage.

MAPP – Ontario Power Generation's 490 Mw Units 3 and 4 at the Nanticoke coal-fired power station in Ontario returned to service by early Wednesday. Unit 3 shut by Nov.24 and Unit 4 shut by Nov 21.

WSCC - Dynergy Inc's 510 Mw Units 1 and 2 at the Moss Landing natural gas-fired power station in CA shut for unplanned reasons by Tuesday afternoon.

So. CA Edison expects its 1,080 Mw unit 3 at San Onofre nuclear power station in CA to exit a refueling outage soon. No date was given for when the unit will return.

The NRC reported this morning that 89,876 Mw of nuclear generation capacity was on line, up 1.59% from Tuesday and 1.45% less than the same time a year ago.

EIA Weekly Report

	11/21/2008	11/14/2008	Net chg	Last Year
Producing Region	965	974	-9	1073
Consuming East	1990	2041	-51	1981
Consuming West	467	473	-6	477
Total US	3422	3488	-66	3531

*Storage figures in Bcf

informal gas exporters group, known as the Forum of Gas Exporting Nations that include Algeria, Bolivia, Brunei, Egypt, Indonesia, Iran, Libya, Malaysia, Nigeria, Trinidad and Tobago, UAE, Qatar, Russia, Venezuela, Equatorial Guinea and Norway.

The National Oceanic and Atmospheric

Administration said the 2008 Atlantic hurricane season officially comes to a close on Sunday, marking the end of a season that produced a record number of storms. A total of 16 named storms formed this season, including eight hurricanes, five of which were major hurricanes of category 3 strength or higher. Overall, the season is tied at the fourth most active. For the first time on record, six consecutive tropical cyclones made landfall in the US.

Canadian Gas Association			
Weekly Storage Report			
	21-Nov-08	14-Nov-08	23-Nov-07
East	227.9	237.1	243.0
West	346.2	348.2	346.3
Total	574.1	585.3	589.2

storage figures are in Bcf

Amaranth Advisors LLC has reached a deal with staff of the Federal Energy Regulatory Commission that would settle the agency's claims that the fund and two former traders manipulated the natural gas markets. If approved by full commission, the settlement would end the FERC's case against Amaranth and former traders Brian Hunter and Matthew Donohoe. Amaranth and former trader Brian Hunter filed several court cases disputing FERC's ability to investigate their activities in the futures markets. The CFTC also filed a case in federal appeals court disputing FERC's right to investigate activities in the futures market.

A senior official at RasGas, an LNG producer in Qatar, said that it expects to increase its production capacity to 77 million tonnes a year by 2012. Qatar is the largest exporter of liquefied natural gas in the world. Qatar has previously said it expects to increase its production capacity from around 38 million tonnes in 2008 to 77 million tonnes in 2010.

Gateway Storage Co. has won approval to build a gas storage facility in the east Irish Sea, which will have capacity to meet five days of Britain's average demand for the fuel. Capacity is said to be 1.5 billion cubic meters of gas. The target date to start commercial operation is 2014.

Russian gas export monopoly Gazprom said it will try its best not to switch off gas supplies to Ukraine over gas debts. Gazprom spokesman Sergei Kupriyanov said the company did not want a repeat of a brief switch-off in late 2006, also over debts.

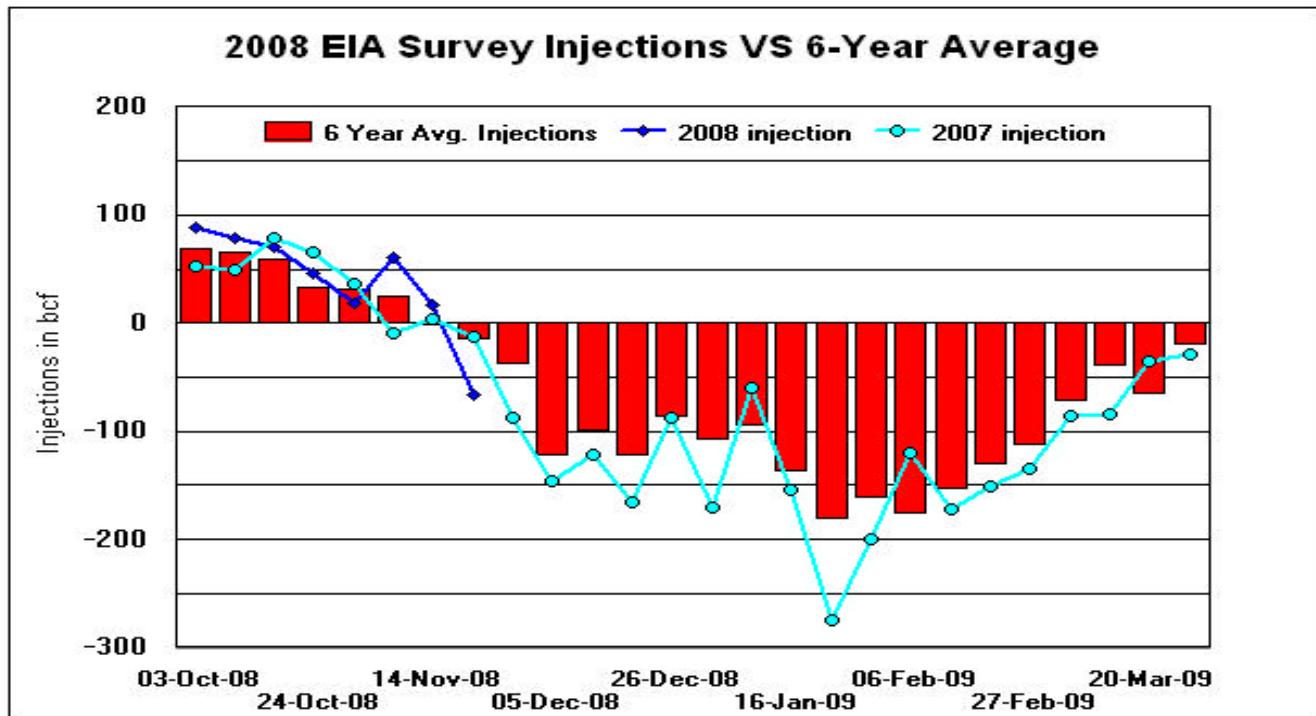
Korea Gas Corp, South Korea's state-run LNG buyer, said that it is considering bringing in natural gas from Russia via an undersea pipeline. The idea follows the country's \$90-billion tentative deal with Moscow in September to import 10 billion cubic meters of natural gas per year for 30 years from 2015 via a pipeline from eastern Siberia.

The gas pipeline connecting the British and Belgian networks is in the process of being switched to UK import mode, the link operator said on Wednesday. The pipeline which runs between Zeebrugge in Belgium and Bacton in England was switched back to UK export mode on Tuesday evening after turning to UK import mode Tuesday morning.

Powernext, France's energy exchange announced today that it had successfully launched its gas market for spot and futures contracts. Eleven firms have already signed up and between 25 and 30 new members are expected in the coming months. The launch of this market comes prior to the pooling of the French northern, eastern and western gas balancing zones on January 1, 2009, Andre Conil – Lacoste, Powernext's chief executive said. This will leave three balancing instead of five.

PIPELINE MAINTENANCE

Puget Sound Energy this week is completing the installation of new natural gas lines in West Cle Elum, completing the latest expansion of PSE's natural gas grid in the Upper Kittitas County.



El Paso Natural Gas Co will replace a regenerator at its Hackberry #2 starting December 1-15. Hackberry capacity will be cut by 70 mmcf/d while the work is completed. Meanwhile, the Rio Vista #3 component exchange has been moved back to December 7-11 from its previous date of December 2-5. Base capacity will be reduced from 150 mmcf/d to 50 mmcf/d during the work. Eunice A bypass tie in for new C Plant will take place on December 9-10. Eunice A flow will be shut in during the work. EPNG will also conduct regenerator replacement at White Rock from December 1-12. Base capacity at San Juan Basin and San Juan Mainline will fall by 215 mmcf/d to 2665 mmcf/d. On the Northline, EPNG will conduct limit switch wiring at Williams B units 1-5 from December 1-9; mechanical inspection at Leupp #2B from December 1-3; and corrective maintenance at Window Rock 1B from December 1-4. Capacity on the Northline will be reduced by 60 mmcf/d to 2291 mmcf/d during the work on December 1-9.

Natural Gas Pipeline Co said it will install t-sections near station 342 in Jefferson Parish, Louisiana Segment 23 of its Louisiana receipt and delivery zone from December 2-17. The work will require a change in the reduced capacity in Segment 23 for the duration of the work. Separately, NGPL said it completed its unplanned maintenance at the Centerpoint Energy Transmission interconnect.

Tennessee Gas Pipeline continues to conduct repairs to a unit that failed on October 23 at Compressor Station 32 in Jasper, Texas. It anticipates the unit will be repaired by December 6.

Wyoming Interstate Co said the shut unit at the Douglas Compressor Station will be offline through December 5 for repairs.

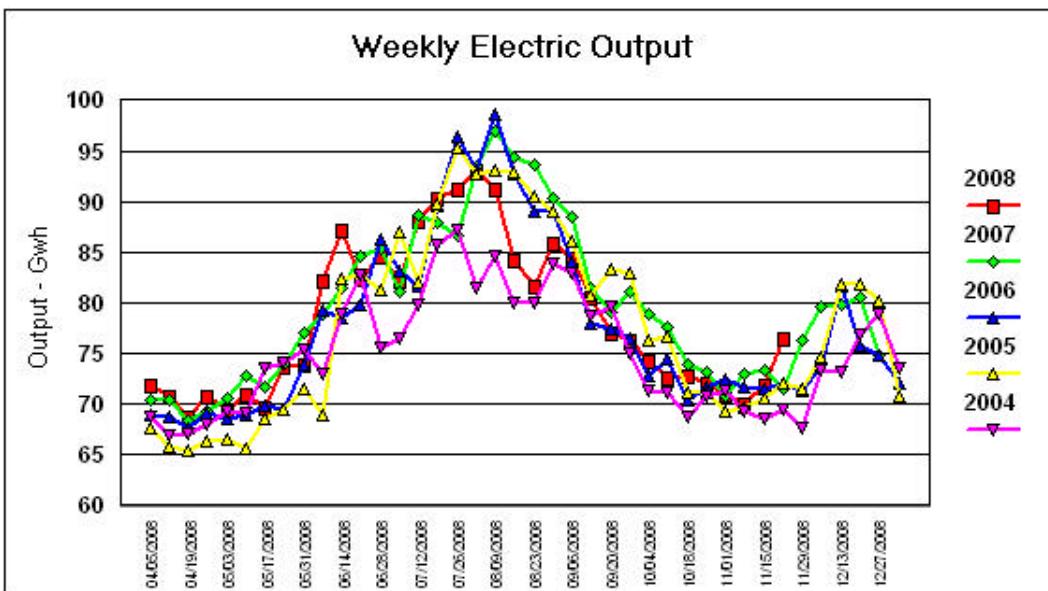
Gulf South will perform its annual Emergency Shut Down test at the Carthage Junction Turbine Station starting on December 3 at 10 am CT for about 1 hour. Gulf South also said it will conduct scheduled maintenance at the Vixen Compressor Station starting December 3 at 900 am CT for about eight hours. Its capacity could be reduced by as much as 200,000 Dth during the maintenance period. Gulf South will also perform scheduled maintenance on Montpelier Compressor Station Unit #2 starting Wednesday and continuing for about five days. Capacity through the station could be reduced by as much as 75,000 mcf/d during the maintenance period.

TransColorado Gas Transmission Co LLC said repairs have been completed at its Mancos Compressor Station. It said the force majeure issued earlier has been lifted.

ELECTRIC MARKET NEWS

The Edison Electric Institute reported that for the week ending November 22nd, electric

production in the US totaled 76,406, up 6.7% on the year and up 6.2% on the week. In the 52 weeks ended November 22nd power production was down 0.5% from the corresponding period in 2007.

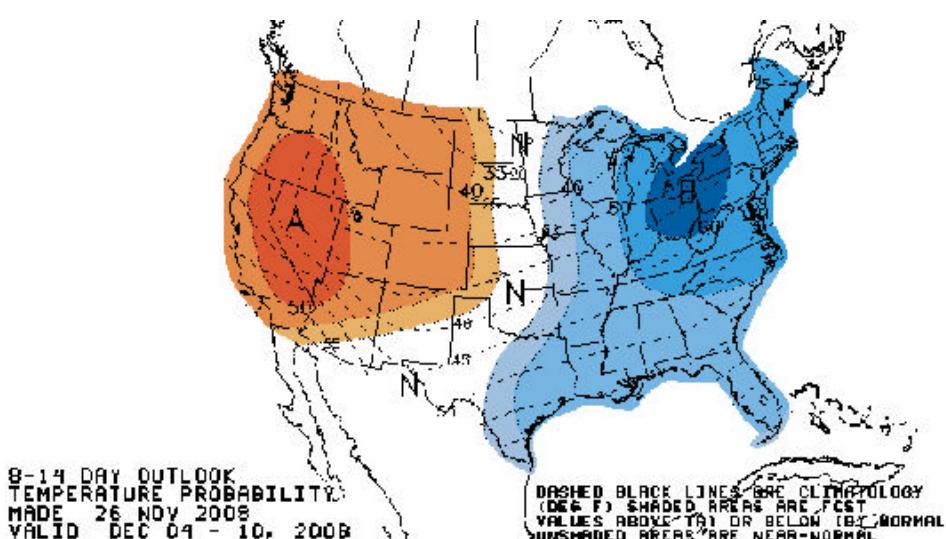


MARKET COMMENTARY

Early in the session, the natural gas market continued to trade within its recent trading range amid the light volume ahead of the Thanksgiving holiday. The market posted a low of \$6.343, as traders awaited the release of the EIA's natural gas report. The natural gas market quickly bounced off its lows and rallied over 59 cents to a high of \$6.978, breaching its 4-month trendline at \$6.95, in light of the supportive natural gas report. The EIA reported a larger than expected draw of 66 bcf on the week, compared with market expectations of a draw of 40 bcf. The market however gave up some of its gains during the remainder of the session and settled up 49.2 cents at \$6.878 on softer cash prices ahead of the Thanksgiving holiday.

The natural gas market, which retraced more than 50% of its recent move from a high of \$7.586 to a

low of \$6.225 and breached its 4-month trendline, is seen holding support at its recent lows. The market is seen finding resistance at \$7.038, its 40-day moving average, \$7.123 followed by more distant resistance at \$7.368 and \$7.758. Meanwhile support is seen at \$6.60, \$6.488, \$6.343, \$6.275, \$6.225 followed by \$6.098 and \$5.853.



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