



ENERGY RISK MANAGEMENT

Howard Rennell, Pat Shigueta,
Karen Palladino & Zachariah Yurch
(212) 624-1132 (888) 885-6100

www.e-windham.com

POWER MARKET REPORT FOR DECEMBER 6, 2007

NATURAL GAS MARKET NEWS

According to the latest U.S. government forecast, temperatures in New England are expected to moderate from below normal to normal by mid-month, in line with the entire Northeastern U.S. The NOAA said in its 6-10 day outlook, covering December 12-16, that temperatures will be below normal in Maine, Vermont, New Hampshire and New York. In the 8-14 day forecast, running from December 14-20, temperatures in the entire Northeast are expected to be in line with 30-year averages.

The House Thursday voted out Democrat-crafted energy legislation (HR 6) that is expected to face a Republican filibuster in the Senate and a potential veto by President Bush.

Monroe Gas Storage Co. LLC, a joint venture of Foothills Energy Ventures LLC and High Sierra Energy LP, is holding a binding open season for up to 5.3 Bcf of firm, high-deliverability storage capacity at its proposed Monroe Gas Storage facility being developed near the city of Amory, MS.

Algonquin Gas Transmission LLC Wednesday received authorization from FERC to begin service on its 16-mile pipeline connecting the company's New England-area natural gas pipeline system to Excelerate Energy's Northeast Gateway deepwater liquefied natural gas (LNG) port.

EIA Weekly Report

	11/30/2007	11/23/2007	Net chg	Last Year
Producing Region	1045	1074	-29	1010
Consuming East	1932	1977	-45	1945
Consuming West	463	477	-14	453
Total US	3440	3528	-88	3408

*storage figures in Bcf

pay the highest prices.

Britain needs much more room to store gas if it is to make the most of its new LNG terminals by buying the fuel when prices are lower in summer and stashing it away for winter. Britain is building plenty of import capacity, but

Generator Problems

ERCOT – Luminant's 575 Mw Big Brown #2 coal-fired power station is expected to restart today. The unit tripped shut yesterday.

PJM – Exelon's 636 Mw Oyster Creek nuclear unit reduced production to 83% power today. Yesterday, the unit was operating at full power.

WSCC – Arizona Public Service's 1,311 Mw Palo Verde #1 nuclear unit dipped to 73% power today. Yesterday, the unit was operating at full power. Palo Verde #2 continues to operate at full power, while #3 is shut for a refueling.

PG&E's 1,120 Mw Diablo Canyon #1 and #2 ramped up today after storms passed. #1 is back to full power, while #2 is up to 55% power.

Canada – Ontario Power Generation's 494 Mw Lambton #3 coal-fired power station returned to full power. The unit shut October 3.

Ontario Power Generation's 490 Mw Nanticoke #8 coal-fired power station shut for short term work today.

The NRC reported that 90,360 Mw of nuclear capacity is online, up .79% from Wednesday, and up 1.01% from a year ago.

CEO of Sempra LNG said regional differences in the price of LNG will disappear and become a global market when the U.S.'s own gas production is no longer enough to meet demand. Currently the global market in LNG is split into three regions, Asia, North America and Europe, and the pricing in each varies, with Asian buyers like Japan that depend on imported fuel historically most willing to

is lacking in storage that it needs to not only ensure winter supplies but also for importers to snap up cheap cargoes. Added storage will also help calm the market and reduce volatility.

Canadian Gas Association

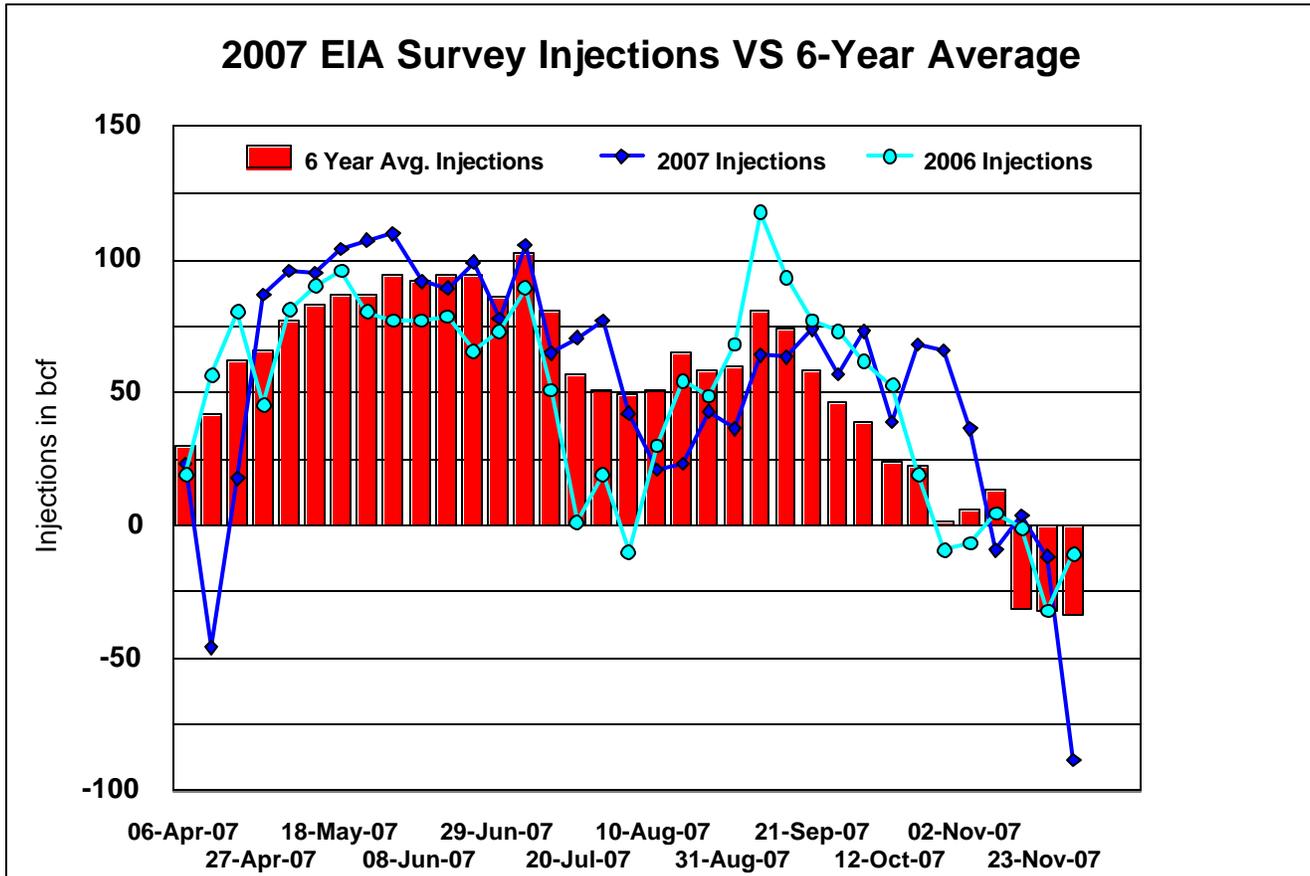
Weekly Storage Report

30-Nov-07 23-Nov-07 01-Dec-06

Shell said that its Ormen Lange gas field in the Norwegian Sea is still down after it was closed down November 30 due to leaks.

East	233.4	243.0	244.2
West	334.1	346.3	202.3
Total	567.4	589.2	446.4

Russia wants to raise gas prices for Belarus by 60% in 2008, which storage figures are in Bcf



Minsk considers too high. Gazprom is seeking to increase the price to \$160 per 1,000 cubic meters following an increase in global energy prices, up from \$100 now, the lowest price Gazprom charges its foreign customers.

ELECTRIC MARKET NEWS

The U.S. Department of Energy and the IRS will evaluate whether five advanced coal power projects qualify for more than \$600 million in requested federal tax credits under the Energy Policy Act of 2005.

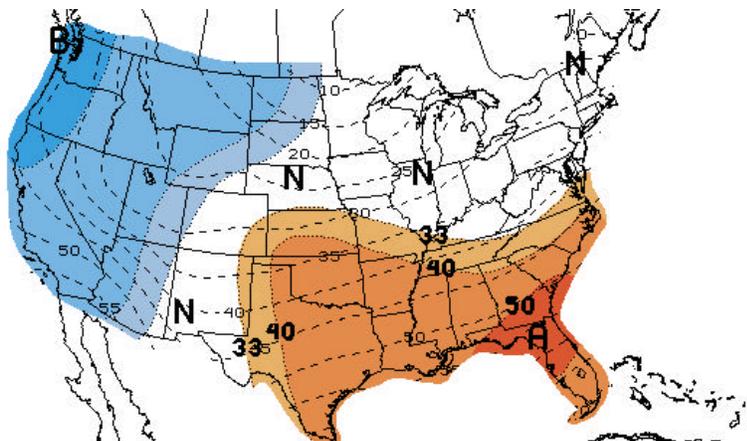
Natural Gas Cash Market

ICE Next Day Cash Market

	Volume	Avg	Change	Basis	Change	Basis 5-Day
<u>Location</u>	<u>Traded</u>	<u>Price</u>		(As of 12:30 PM)		<u>Moving Avg</u>
Henry Hub	1,690,500	\$7.290	\$0.250	(\$0.103)	(\$0.031)	(\$0.084)
Chicago City Gate	990,900	\$7.487	\$0.223	\$0.094	\$0.050	\$0.159
NGPL- TX/OK	980,500	\$6.671	\$0.197	(\$0.722)	\$0.024	(\$0.624)
SoCal	945,600	\$6.912	\$0.153	(\$0.481)	(\$0.020)	(\$0.411)
PG&E Citygate	488,500	\$7.292	\$0.169	(\$0.101)	(\$0.004)	(\$0.055)
Dominion-South	542,200	\$7.778	\$0.080	\$0.385	(\$0.093)	\$0.561
Transco Zone 6	152,600	\$12.826	(\$1.209)	\$5.433	(\$1.382)	\$6.106

The DOE said it received five applications for projects in five different states before the October 31 deadline.

After extensive public consultation, ATCO Electric has received all regulatory approvals to proceed with construction of a new 226 kilometer transmission line required to support increasing power needs in fast-growing northwest Alberta. The 240-kV line, which will extend from the Wabasca area to the Peace River region, is expected to be completed by March 31, 2010 at an estimated cost of \$210 million.



8-14 DAY OUTLOOK TEMPERATURE PROBABILITY (DEG F) SHADED AREAS ARE FCST MADE 6 DEC 2007 VALID DEC 14 - 20, 2007. DASHED BLACK LINES ARE CLIMATOLOGY VALUES ABOVE (A) OR BELOW (B) NORMAL UNSHADED AREAS ARE NEAR-NORMAL

stands at 3,440 Bcf, 32 Bcf above last year's levels for the same week and 273 Bcf above the five-year average of 3,408 Bcf. With crude oil posting and upside reversal day, and some near term cold weather supporting natural gas, we feel the market will experience further short covering and be supported above the 7.00 level. Long-term forecasts however loom over the market, calling for average to above average temperatures during the peak winter months, therefore limiting natural gas' upside. The market is establishing its new range and has been the situation all year; we feel that we will see more sideways action in natural gas. We see support at 7.30, 7.195, 7.05, 6.925 and 6.80. We see resistance at 7.465, 7.50, 7.59, 7.644 and 7.735. We see further resistance at 8.00.

MARKET COMMENTARY

The natural gas market reacted to weather models trending colder in the Eastern portion of the country and expectations for a winter-esque EIA report by short covering above the 7.30 level. The EIA reported that a slightly larger than expected 88 Bcf was drawn from storage, resulting in a spike up to 7.445. The market could not hold onto its upside momentum, despite the impressive rally in crude oil. January natural gas traded sideways to lower, but held the recently broken 7.30 level, to settle up 14.5 cents at 7.33.

Total storage in the lower 48 states now

