



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 JANUARY 30, 2008

NATURAL GAS MARKET NEWS

British researchers say they have shown that a half-degree Celsius temperature rise in the Atlantic Ocean can fuel a 40% increase in hurricanes. The team showed ocean warming is directly linked to the frequency, strength and duration of hurricanes. The study, which did not look at whether greenhouse gases linked to global warming played a role in increasing water temperature, will help scientists better predict how warmer oceans might affect hurricanes.

British gas and power prices eased today, pulled lower by the prospect of ample supplies, even though temperatures are expected to fall into the weekend. Gas for delivery on Thursday eased by .65 pence to 53.50 pence, while day-ahead power was priced at around 53 pounds per MWh

PIPELINE MAINTENANCE

ANR Pipeline Company said that it began unplanned engine repairs at its LaGrange Compressor Station in Indiana, located in the Northern Fuel Segment (ML-7). The total Bridgman East capacity will be reduced by 170 MMcf/d through February 1. Based on current nominations along with the Michigan Legs, it is anticipated that the above reductions may result in the curtailment of IT and Firm Secondary nominations.

Tennessee Gas Pipeline said the repair of the operator valve on Unit 1A at Station 820 was completed December 17, 2007. Unit 2A at Station 820 is currently under repair and Tennessee estimates that the second unit will be available for service in late February to early/mid March. At this time, Tennessee does not anticipate

Natural Gas Cash Market						
ICE Next Day Cash Market						
	Volume	Avg	Change	Basis	Change	Basis 5-Day
Location	Traded	Price		(As of 12:30 PM)		Moving Avg
Henry Hub	910,300	\$8.168	\$0.066	\$0.166	(\$0.009)	\$0.125
Chicago City Gate	872,300	\$8.279	(\$0.117)	\$0.277	(\$0.164)	\$0.159
NGPL- TX/OK	619,100	\$7.811	(\$0.005)	(\$0.191)	(\$0.052)	(\$0.292)
SoCal	885,400	\$7.935	\$0.029	(\$0.067)	(\$0.018)	(\$0.192)
PG&E Citygate	761,700	\$8.275	\$0.123	\$0.273	\$0.076	\$0.081
Dominion-South	305,300	\$8.647	\$0.143	\$0.645	\$0.096	\$0.443
Transco Zone 6	149,300	\$9.644	\$0.565	\$1.642	\$0.518	\$2.055

restrictions at current scheduled volume levels. However, should volumes increase or conditions change, restrictions may become necessary through a pro-rata portion of Secondary nominations pathed through Station 820.

Williston Basin Interstate Pipeline said that maintenance at Williston Basin's compressor stations in the Baker Field, with the exception of Big Gumbo Station, has been completed and the facilities placed back in service.

Generator Problems

MAIN – Exelon's 1,162 Mw LaSalle #2 nuclear unit reduced output to 82% power. Yesterday, the unit was operating at full power. LaSalle #1 remains at full power.

NPCC – Entergy's 825 Mw FitzPatrick nuclear unit ramped up to full power today. Yesterday, the unit was operating at 80% power.

SERC – TVA's 2,175 Mw Paradise coal-fired power station shut one unit for unplanned reasons.

WSCC – Dynergy's 739 Mw Moss Landing #6 natural gas-fired power station returned to service today. The unit shut for planned and unplanned reasons on January 28.

The NRC reported that 91,326 Mw of nuclear capacity is online, down .57% from Tuesday, and up 1.26% from a year ago.

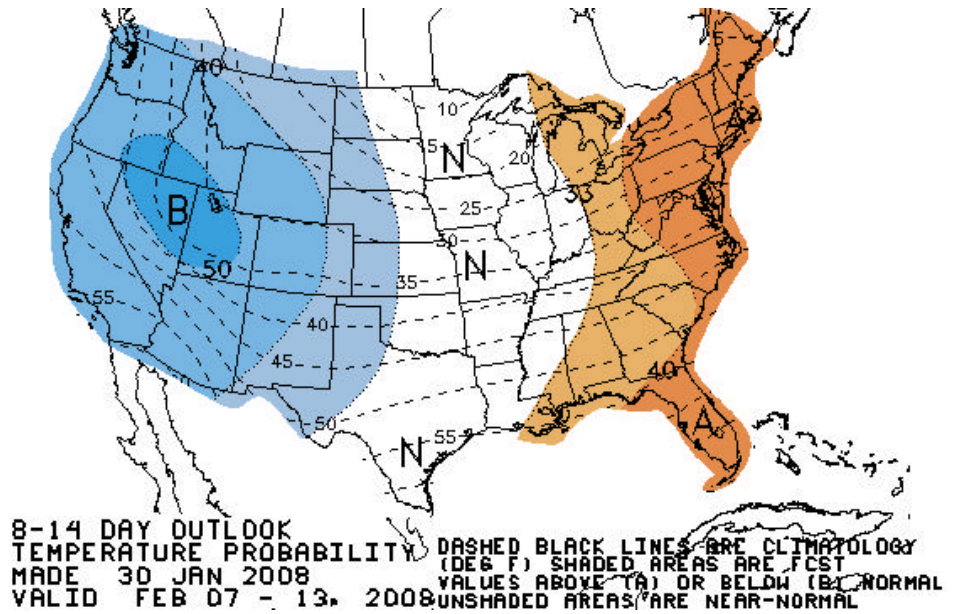
The maintenance as Big Gumbo, which is affecting receipt volumes from Baker Area Mainline is expected to last today. An electric power outage in eastern Montana and northwestern South Dakota resulted in a loss of several compressor facilities in the Baker, Montana area. Williston Basin has worked to rectify the situation.

PIPELINE RESTRICTIONS

Northern Natural Gas Company said that an SOL is being called due to extremely cold winter forecasted temperatures in Zone E/F for January 31 gas day.

PG&E California Gas Transmission has announced that a system-wide operational flow order is in effect on its California natural gas pipeline system for today's gas flow due to low inventory. Tolerance is set at 5%.

Southern Natural Gas Pipeline is projecting the likelihood of implementing a Type 6 OFO based on anticipated receipts and projected deliveries. For today through February 1, there is a high probability for an OFO for UL for long imbalances and TCTC for short imbalances. SoNat stressed that this is not an Operational Flow Order notice but rather its best projection of the possibility of one.



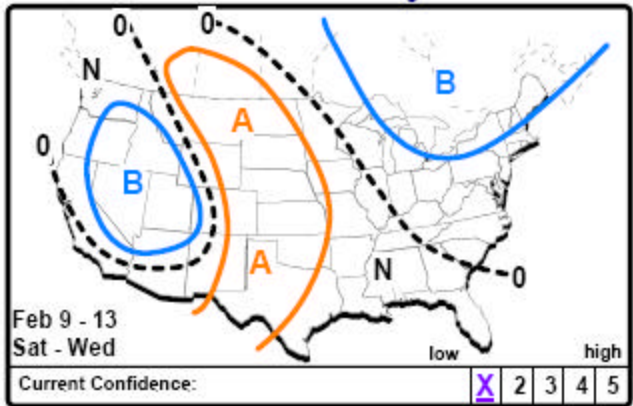
Northwest Pipeline said that effective gas day January 31, it will lift the Recall Advisory along with the Realignment and Must-flow Operational Flow Orders through the Kemmerer Compressor Station.

ELECTRIC MARKET NEWS

The Edison Electric Institute reported that electricity demand in the continental U.S. was up 6.7% in the week ended January 26 compared with the same week last year. The continental U.S. used 86,441 GWh of electricity, about a 6.3% increase from the previous week.

Southern Co. will be ready to break ground for its proposed nuclear plant as early as this year. The company is ready to begin moving dirt later this year. But any early site preparation for the new nuclear reactor is contingent on the company receiving the go-ahead from Georgia state regulators.

Latest 11 to 15 Day Outlook



Annual coal contract prices will rise more than earlier forecast because of an increase in demand from India and constraints on global exports, JPMorgan Chase said. The bank raised its estimate for 2008 contract prices for power-station coal to \$90 a metric ton, from \$70, according to a January 29 report. It boosted predictions of 2008 contract prices for coal used in steelmaking to A\$140 a ton from A\$120. Prices for thermal coal, burnt in power stations, jumped 3.9% to a record \$93.35 a ton last week at Australia's Newcastle port amid supply constraints and rising Chinese demand.

The U.S. Department of Energy has withdrawn its funding for the clean coal FutureGen power plant due to rising costs and technological advances since the project was first proposed in 2003. The DOE will likely divide some of its funding for the scrapped FutureGen power plant between a handful of carbon capture and storage projects.

MARKET COMMENTARY

The March contract started its tenure at the spot position in typical fashion, showing strength. The contract traded to a high of 8.12 supported by a slightly firmer cash market. Further warming in the 11-15 day forecast at midday dampened the early gains, and the market briefly retreated below 8.00. Following the FED's 50 basis point interest rate cut, which rallied the crude oil market, natural gas returned above 8.00. The March contract finished the session up 10.2 cents at 8.045.

Also keeping the market bid today is the anticipation of perhaps a record draw to storage. Estimates range from a draw of 240 Bcf to 280 Bcf, with most looking for a draw of 257-260 Bcf. The largest weekly stock draw ever recorded was 260 Bcf in the week ended January 17, 1997, but last year came close when 259 Bcf was pulled from storage during the February 9 week. The over all weather picture for February remains unsupportive for natural gas, however a level of uncertainty between weather models keeps the market range bound between 7.60 and 8.20. We see support at 8.00, 7.938, 7.815, 7.724, 7.62-7.60 and 7.50. We see resistance at 8.152, 8.243, 8.366, 8.48-8.50 and 8.70-8.80.