The Windham Group
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ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR MARCH 8, 2007

NATURAL GAS MARKET NEWS

Slim premiums for U.S. natural gas prices next winter could mean a slow start when the stock building season gets under way in April, as players wait for more profitable spreads to cover costs. With current gas prices running above $7 and winter quotes hovering above $9, traders said monthly carrying costs of nearly 20 cents were not a very strong incentive for utilities and others to buy and store gas early. Traders said some buyers remember the huge $4-plus cash discounts to winter futures during last year's injection season and may be tempted to wait and see if mild spring weather or rising supplies can pressure prompt prices.

The La Nina weather anomaly may form in the equatorial Pacific in the next two to three months, possibly increasing the risks for more hurricanes later this year, according to the NOAA. The NOAA also said that the El Nino weather pattern, whose wind shear ripped apart and reduced the amount of hurricanes in the Atlantic Ocean in 2006, has disappeared.

Pacific Connector Gas Pipeline said it ended a successful open season gauging interest for natural gas capacity on its proposed Northwest U.S. pipeline. The open season, which began on February 1 and closed March 5, resulted in precedent agreements from seven shippers for 1.49 Bcf/d of firm transportation capacity, exceeding the initial design capacity of 1 Bcf/d.

Generator Problems

ECAR – Consumers Energy's 789 Mw Palisades nuclear unit returned to full capacity today. The unit was operating at 90% power yesterday.

ERCOT – American Electric Power's 528 Mw Welsh #1 coal-fired power station shut to fix a boiler tube leak. The unit is expected to return to service over the weekend.

South Texas' 1,250 Mw South Texas #2 nuclear unit is preparing for a refueling and maintenance outage. The unit is operating at 88% power. South Texas #1 continues to operate at full power.

MAPP – Xcel Energy's 593 Mw Prairie Island #2 nuclear unit restarted and is warming up offline at 1% power. Prairie Island #1 remains at full power.

PJM – Exelon's 636 Mw Oyster Creek nuclear unit increased output to 82% power. Yesterday, the unit was operating at 75% power.

Canada – Ontario Power Generation's 535 Mw Lennox oil-and natural gas-fired power station returned to service by early today.

The NRC reported that 86,081 Mw of nuclear capacity is on line, up .15% from Wednesday, and 2.25% higher from a year ago.

PIPELINE RESTRICTIONS

Algonquin Gas Transmission said that it has restricted all IT and a portion of priority 3 nominations flowing through Stony Point compressor station. No increases for nominations flowing through Stony Point, except for Firm No-Notice nominations, will be accepted.

KM Interstate Gas Transmission said that it is at capacity for deliveries through Segment 340. Depending on the level of nominations, IT/AOR and secondary out-of-path quantities are at risk of not

EIA Weekly Report

	03/02/2007	02/23/2007	Net chg	Last Year
Producing Region	586	592	-6	624
Consuming East	820	898	-78	1012
Consuming West	225	243	-18	263
Total US	1631	1733	-102	1899

*storage figures in Bcf

Canadian Gas Association

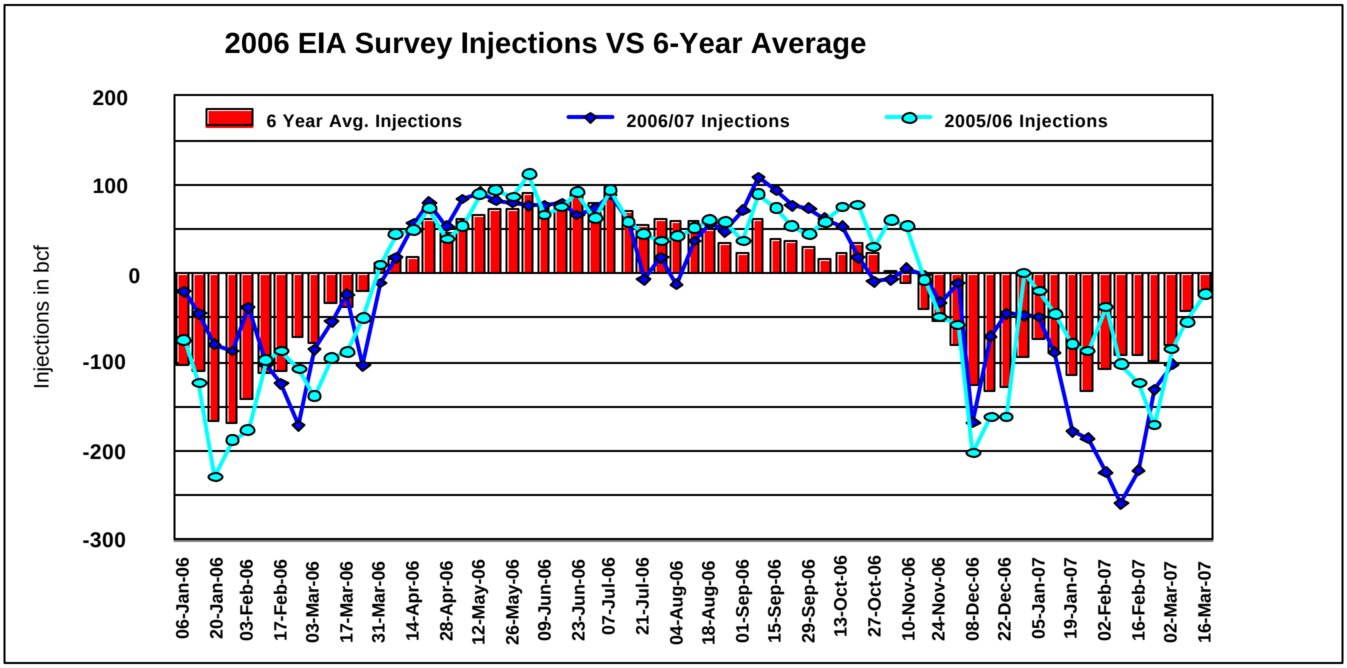
Weekly Storage Report

	02-Mar-07	23-Feb-07	03-Mar-06
East	86.9	99.6	119.5
West	109.4	114.1	133.7
Total	196.2	213.7	253.2

storage figures are in Bcf

being scheduled. KMIGT also announced that SSC Grant, CIG Weld, NNG Milligan and WIC Cottonwood were classified as AOR/IT/Secondary Risk. SSC Grant is also at Primary At Risk. The West End Segment and Segment 775 Pony Herndon were listed as AOR/IT/Secondary Risk.

Natural Gas Pipeline Company announced several points of capacity constraints. Effective today and until further notice, Natural has limited capacity available for northbound flow through and downstream of Compressor Stations 109 and 110. Limited ITS/AOR and Secondary out-of-path Firm transports are available. Also, Segment 18 has limited capacity available for gas received to be transported eastbound. Effective today and until further notice, Natural has capacity available for gas going eastbound through the end of Segment 17. Also, capacity is available for



deliveries to Texas Gas-Lowry. On the Amarillo system, NGPL said that Segment 13 and Segment 15 are at capacity while segment 14 and Segment 1 are at Limited Capacity.

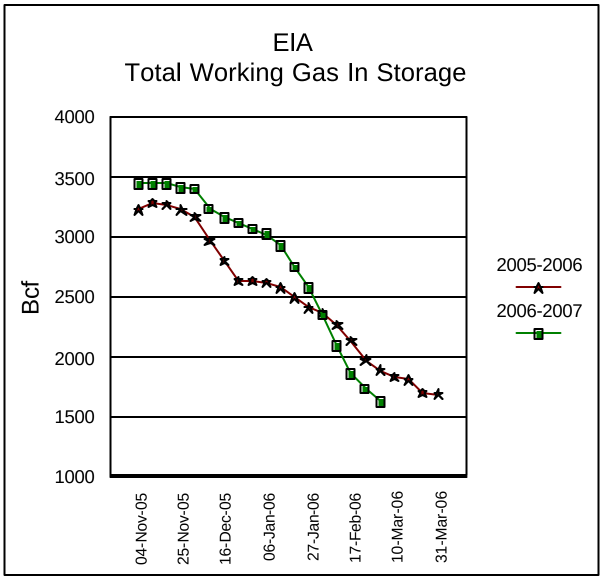
Questar Pipeline Company said that it has been informed by Northwest Pipeline that they are unable to continue to blend gas with a CHDP in excess of 15 degrees F. Questar is unable to meet this requirement at the current level of 240 Mdth/d withdrawal. As a result, Questar will reduce accepted volumes to Northwest Pipeline at Clay Basin to 185 Mdth/d effective March 9.

Tennessee Gas Pipeline said that effective Cycle 1 today, due to reduced nominations, Tennessee has lifted restrictions and will accept increases for nominations on the Carthage Lateral. Tennessee Gas also said that effective Cycle 1 today, due to reduced nominations, Tennessee has lifted restrictions and will accept increases for nominations pathed for delivery at the Leidy

Natural Gas Cash Market

ICE Next Day Cash Market

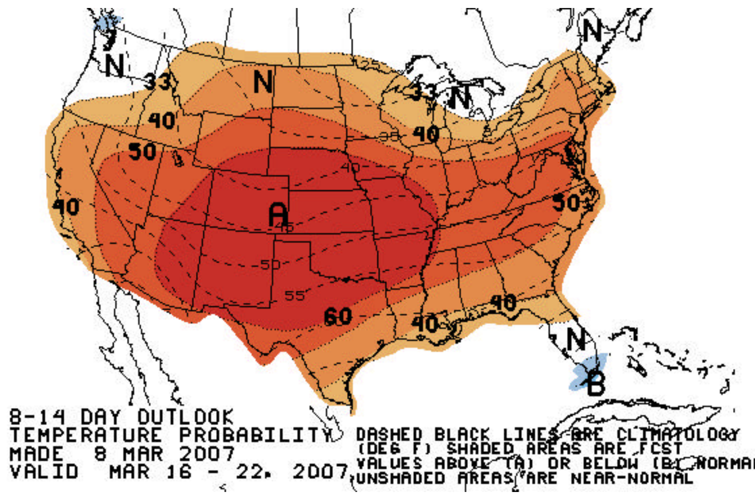
Location	Volume Traded	Avg Price	Change	Basis (As of 12:30 PM)	Change	Basis 5-Day Moving Avg
Henry Hub	1,121,500	$7.143	($0.362)	($0.430)	($0.391)	($0.080)
Chicago City Gate	507,800	$7.105	($0.282)	($0.130)	($0.162)	($0.008)
NGPL- TX/OK	856,700	$6.706	($0.248)	($0.529)	($0.128)	($0.443)
SoCal	795,500	$6.414	($0.433)	($0.821)	($0.313)	($0.565)
PG&E Citygate	454,500	$6.997	($0.339)	($0.238)	($0.218)	($0.073)
Dominion-South	388,700	$7.709	($1.313)	$0.474	($1.193)	$1.069
Transco Zone 6	322,500	$8.933	($2.916)	$1.698	($2.796)	$4.369



Delivery meters.

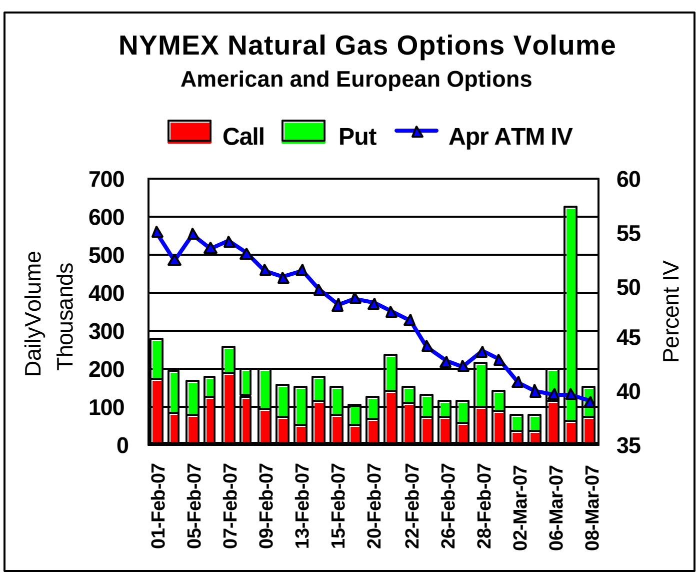
Texas Eastern Transmission Corp. said that it has restricted nominations flowing through Perulack and Chambersburg. No increase of nominations flowing through Perulack and Chambersburg except to comply with NAESB bump guidelines will be accepted. Texas Eastern has scheduled and sealed nominations sourced on the Leidy Line. No increase in receipts sourced on the Leidy Line except to comply with NAESB bump guidelines will be accepted. Nominated deliveries downstream of Castor on the Castor Lateral have put the pipeline at capacity in that area. No increases in deliveries downstream of Castor except to comply with NAESB bump guidelines will be accepted.

Williston Basin Interstate Pipeline Company said that several line sections remain in pipeline Capacity Constraint for today's timely cycle. The following line sections are Dickinson-Bismarck; Bismarck-Cleveland; Cleveland-Grafton; Williston-Bismarck; Cleveland-Mapleton and Portal-Tioga.



PIPELINE MAINTENANCE

Gulf South Pipeline said that two maintenance projects are about to commence. Gulf South will perform scheduled maintenance on the Montpelier Compressor station Unit #1 beginning March 12 and continuing for approximately eight hours. Ongoing unscheduled maintenance being performed on the Montpelier Compressor Unit #4 has reduced existing capacity by 75,000 DTH. Total capacity through the Montpelier Compressor Station for the duration of the March 7 maintenance, could be reduced by as much as 125,000 DTH. Gulf South also said that it will be performing scheduled maintenance on Kiln Compressor Station Units #1 and #2 beginning 7:00 AM CT March 13 and continuing for approximately 12 hours. Capacity through Kiln Compressor Station during this maintenance could be reduced by as much as 100,000 Dth.



Northern Natural Gas Company announced maintenance projects for the next several weeks. The Palmyra unit 26 9100 HP turbine requires unexpected unit maintenance and the unit will be down beginning this morning and lasting through tomorrow night. The Oakland, Iowa Compressor Station will be impacted by this work by approximately 200,000 MMBtu throughout the Palmyra outage. NNG also said that the Earlville Station will be down from April 2-6 for compressor maintenance and inspections. Deliveries east of Earlville may be impacted depending on quantities nominated.

Trunkline Gas Company said that there will be a planned outage on the Kaplan 300-1 line from Gate Valve 304-1 to Gate Valve 303A-1 for the US 165 Highway crossing project beginning today. Expected duration is 13 days.

Williston Basin Interstate Pipeline Company said that during the month of March, planned, unplanned and preventive maintenance will be performed at several compressor stations in the Baker Gathering Field: Baker Booster Compressor Station, Baker South Compressor Station, and Baker East Compressor Station.

ELECTRIC MARKET NEWS

Nevada Power announced that the third and final phase of its Centennial Project is now energized and supplying power to southern Nevada. The new 48-mile 500 kV transmission line from Harry Allen to Mead substations was energized earlier this week culminating a project that began in 2000.

MARKET COMMENTARY

The natural gas market opened almost 20 cents lower in anticipation of a bearish storage report and weather forecasts that call for the end of winter. The EIA reported that as expected, 102 Bcf was taken from storage. The market showed a minor reaction before continuing in a tight range. April traded between 7.26 and 7.15 before settling down 12.7 cents at 7.239.

Total storage now stands at 1,631 Bcf, 268 Bcf below last year's levels for the same week and 194 Bcf above the five-year average of 1,437 Bcf. A weaker cash market and moderating weather forecasts are maintaining the downward bias

NYMEX Nat Gas Options Most Active Strikes for March 8, 2007

Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Volume	IV
LN	7	7	C	12	06/26/2007	0.0364	6,650	44.39
LN	6	7	P	6	05/25/2007	0.0596	5,450	40.74
LN	5	7	P	7	04/25/2007	0.2339	4,600	40.61
LN	7	7	C	13	06/26/2007	0.0219	4,200	46.57
LN	4	7	C	10	03/27/2007	0.0011	3,850	51.99
LN	5	7	C	10	04/25/2007	0.0163	3,850	43.53
LN	10	7	C	10	09/25/2007	0.4736	3,750	43.61
LN	8	7	P	5	07/26/2007	0.026	3,500	42.99
LN	5	7	P	5	04/25/2007	0.002	3,300	43.99
ON	4	7	C	7.5	03/27/2007	0.159	3,201	40.32
LN	6	7	C	13	05/25/2007	0.0061	3,150	48.22
LN	6	7	C	12	05/25/2007	0.0114	3,050	45.68
LN	7	7	P	6.5	06/26/2007	0.1924	2,975	42.09
LN	4	7	P	7	03/27/2007	0.1473	2,875	40.16
LN	6	7	P	7	05/25/2007	0.2994	2,600	42.00
ON	4	7	C	7.6	03/27/2007	0.131	2,500	40.78
LN	6	7	P	5	05/25/2007	0.005	2,500	40.91
LN	7	7	C	20	06/26/2007	0.0031	2,500	61.22
LN	4	7	C	8.5	03/27/2007	0.0211	2,450	44.45
LN	8	7	C	15	07/26/2007	0.0247	2,200	49.99
LN	8	7	C	14	07/26/2007	0.0349	2,200	48.24
LN	8	7	P	6	07/26/2007	0.1359	2,150	43.62
LN	4	7	C	7.5	03/27/2007	0.1589	2,102	38.51
LN	7	7	C	9	06/26/2007	0.249	2,100	37.62
LN	7	7	P	5	06/26/2007	0.0131	2,000	41.57
LN	4	7	C	8	03/27/2007	0.0591	1,975	41.64
LN	9	7	C	15	08/28/2007	0.0578	1,850	50.97
LN	10	7	C	8	09/25/2007	0.9864	1,675	37.70
LN	4	7	P	6.5	03/27/2007	0.0289	1,660	38.49
LN	2	8	P	5	01/28/2008	0.06	1,650	45.43
LN	3	8	P	5	02/26/2008	0.0807	1,650	45.59
LN	6	7	C	10	05/25/2007	0.0561	1,650	40.97
LN	1	8	C	20	12/26/2007	0.153	1,600	49.87
LN	1	8	P	5	12/26/2007	0.0408	1,600	44.09
LN	2	8	C	20	01/28/2008	0.1987	1,600	49.87
LN	3	8	C	20	02/26/2008	0.2023	1,600	49.18
LN	11	7	C	20	10/26/2007	0.0436	1,600	50.64
LN	11	7	P	5	10/26/2007	0.0503	1,600	45.09
LN	12	7	P	5	11/27/2007	0.0365	1,600	43.53
LN	12	7	C	20	11/27/2007	0.0795	1,600	48.22
LN	4	7	C	18	03/27/2007	0.0001	1,500	108.28
LN	5	7	C	18	04/25/2007	0.0001	1,500	68.91
LN	6	7	P	6.5	05/25/2007	0.1443	1,500	40.97
LN	6	7	C	18	05/25/2007	0.001	1,500	60.91
LN	7	7	C	18	06/26/2007	0.0043	1,500	57.06
LN	8	7	C	18	07/26/2007	0.011	1,500	55.06
LN	9	7	C	18	08/28/2007	0.0267	1,500	54.91
LN	10	7	C	18	09/25/2007	0.0503	1,500	55.05

and we feel that the market will challenge the 7.00-7.10 level. This week's cold will be reflected in next week's inventory report, but with next week's temperatures expected to reach 55-60 degrees F, any upside move in the market is an opportunity to establish a short position as we head into the shoulder season and injections start. We see support at $7.15, $7.10, $7.05, $7.00, $6.90 and $6.80. We see resistance at $7.33, $7.55-$7.60, $7.85-$7.87 and $8.00,