



ENERGY RISK MANAGEMENT

Howard Rennell, Pat Shigueta &
Zachariah Yurch

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

www.e-windham.com

POWER MARKET REPORT FOR JANUARY 4, 2007

NATURAL GAS MARKET NEWS

The U.K. government's weather forecasting division said the world is likely to experience its warmest recorded year in 2007 because of the effects of the El Nino weather pattern and global warming. The Met office reported that there is a 60% chance that this year will be hotter than 1998, the current warmest year.

Canadian natural gas exports have tapered off in a gentle decline expected to foreshadow deeper drops through 2007, when reduced drilling and increased domestic industrial consumption are forecast to keep eroding supplies.

Enterprise Products Partners confirmed Thursday that about 110 MMcf/d of associated natural gas production has not been flowing into the High Island Offshore System (HIOS) since Christmas when a rupture was discovered on a pipeline operated upstream of HIOS by Plains All American Pipeline LP.

McMoRan Exploration Co. said Thursday that it received final approval for its proposed liquefied natural gas (LNG) deepwater project -- the Main Pass Energy Hub (MPEH) -- to be located offshore Louisiana.

PIPELINE RESTRICTIONS

Natural Gas Pipeline Company announced a cap restraint today effective for January 6 through January 8. NGPL will not schedule any IBS Banks or Take Paybacks or LPS Parks or Loan Paybacks in the Market Delivery Zone. For the same time period, overrun nominations will not be allowed on IBS Banks or Take Paybacks or LPS (including SRO) Parks or Loan Paybacks system-wide. Balances on SRO Park contracts will not be allowed to exceed the Maximum Aggregate Quantity of 10 MMcf.

Transco announced pool tolerance and makeup restrictions until further notice. The company said that market area temperatures along the Transco system for December were much warmer than normal and this pattern has continued into January. In order to maintain operational flexibility, manage day-to-day operations and within-the-day market volatility, the move is effective with gas day tomorrow and continuing until further notice, Transco will not allow any due-from-shipper imbalance nominations and encourages shippers with due-to-shipper imbalances to resolve those imbalances as quickly as possible. Additionally, pool tolerances will be reduced to 1% beginning with the ID1 Nominations Cycle for today.

PIPELINE MAINTENANCE

California Gas Transmission announced today two scheduled maintenance projects. On January 16, the Tionesta compressor will go down to 97% capacity and receive general maintenance. On

Generator Problems

ERCOT – TXU Corp.'s 750 Mw Martin Lake #3 coal-fired power station restarted following repairs to a tube leak.

SERC – Dominion Resources' 925 Mw North Anna #1 nuclear unit shut late yesterday due to a card failure. The unit should be back in a few days. North Anna #2 continues to operate at full power.

Canada – Ontario Power Generation's 535 Mw Lennox #1 and #2 oil- and natural gas-fired power stations returned to service by early today.

The NRC reported that 97,045 Mw of nuclear capacity is on line, down .12% from Wednesday, but 4.06% higher from a year ago.

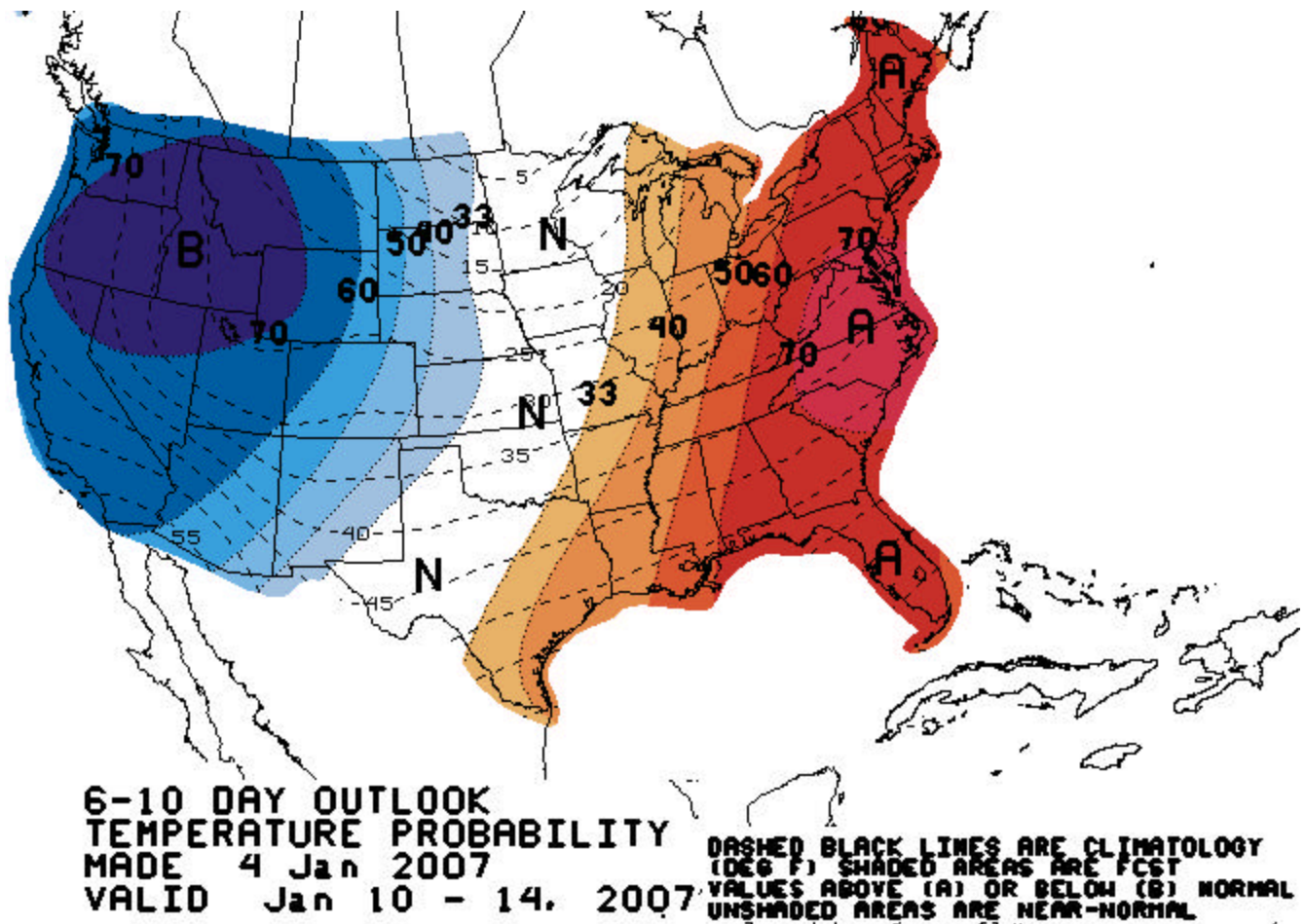
Canadian Gas Association

Weekly Storage Report

	29-Dec-06	22-Dec-06	30-Dec-05
East	229.3	229.5	196.6
West	187.9	189.9	189.8
Total	417.2	419.4	386.5

storage figures are in Bcf

January 17, the Burney will undergo maintenance and also be brought down to 97%.



ELECTRIC MARKET NEWS

The board of Calpine Power Income Fund, a Canadian electricity generator once affiliated with bankrupt Calpine Corp., urged unitholders to reject a hostile C\$756.3 million takeover bid from Harbinger Capital Partners and said it's soliciting rival offers. Calpine Power owns the 240 Mw Island cogeneration plant in Duncan Bay, BC; the 300 Mw Calgary Energy Center; and the 120 Mw King City plant in California.

In an effort to reduce power outages caused by storms, AmerenUE proposed that all new distribution power lines be built underground and that the utility start burying existing overhead lines. The Missouri Public Service Commission called for the St. Louis-based utility to recommend

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	669,200	\$5.605	\$0.136	(\$0.543)	\$0.013	(\$0.653)
Chicago City Gate	692,300	\$5.891	\$0.119	(\$0.399)	\$0.004	(\$0.545)
NGPL- TX/OK	795,200	\$5.501	\$0.109	(\$0.789)	(\$0.006)	(\$0.919)
SoCal	782,400	\$6.046	\$0.038	(\$0.244)	(\$0.077)	(\$0.345)
PG&E Citygate	546,800	\$6.490	\$0.042	\$0.200	(\$0.073)	\$0.117
Dominion-South	494,700	\$5.780	\$0.131	(\$0.510)	\$0.016	(\$0.564)
Transco Zone 6	276,400	\$6.086	(\$0.036)	(\$0.204)	(\$0.151)	(\$0.166)

steps that could be taken to prevent storm outages. In early December, about 504,000 Ameren customers in Illinois and Missouri lost power, some for up to a week, and in July about 720,000 customers lost power following two powerful storms.

Nymex Nat Gas Options Most Active Strikes for January 4, 2006

Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Volume	IV
LN	5	8	C	20	04/25/2008	0.0307	6,000	37.28
LN	7	7	C	13	06/26/2007	0.0686	4,150	54.06
LN	4	7	C	8	03/27/2007	0.2275	4,050	54.34
LN	5	7	C	8	04/25/2007	0.3161	3,975	50.61
LN	7	7	C	10	06/26/2007	0.2257	2,675	50.71
ON	3	7	C	7	02/23/2007	0.325	2,494	61.72
LN	4	7	C	10	03/27/2007	0.0581	2,400	58.04
ON	2	7	C	8	01/26/2007	0.023	2,264	64.60
LN	3	7	P	5	02/23/2007	0.0712	2,100	57.26
LN	5	7	P	4.5	04/25/2007	0.0777	2,100	56.26
LN	6	7	C	8.5	05/25/2007	0.3241	1,600	49.56
LN	4	7	P	5	03/27/2007	0.1223	1,550	56.37
LN	8	7	C	15	07/26/2007	0.0622	1,550	55.83
LN	1	8	C	20	12/26/2007	0.1851	1,500	50.70
LN	9	7	C	15	08/28/2007	0.0997	1,450	55.68
LN	8	7	P	6.5	07/26/2007	0.8085	1,350	57.03
LN	10	7	P	6	09/25/2007	0.6562	1,350	58.09
LN	6	7	P	5.5	05/25/2007	0.3171	1,302	55.02
LN	6	7	C	8	05/25/2007	0.4138	1,275	48.30
LN	4	7	C	7.35	03/27/2007	0.3548	1,250	52.70
LN	5	7	C	7.35	04/25/2007	0.4652	1,250	49.18
LN	6	7	C	7.35	05/25/2007	0.5779	1,250	46.78
ON	2	7	P	6.3	01/26/2007	0.428	1,197	58.52
ON	3	7	C	6.5	02/23/2007	0.484	1,170	60.34
ON	2	7	C	6.3	01/26/2007	0.292	1,145	58.75
LN	2	7	P	6	01/26/2007	0.277	1,125	61.41
ON	2	7	C	7	01/26/2007	0.111	1,124	61.85
LN	10	7	C	9	09/25/2007	0.6669	1,098	47.71
LN	3	7	C	11	02/23/2007	0.0139	1,000	69.83
LN	4	8	C	20	03/26/2008	0.0445	1,000	40.40
LN	12	7	C	20	11/27/2007	0.1185	1,000	50.51
LN	3	7	C	7	02/23/2007	0.3247	992	58.75
LN	4	7	C	7	03/27/2007	0.4496	975	51.67
ON	7	7	P	7	06/26/2007	1.064	925	52.04
ON	10	7	P	7	09/25/2007	1.159	925	53.53
LN	1	8	P	6	12/26/2007	0.3256	900	50.04
LN	4	7	P	6	03/27/2007	0.4395	900	58.09
LN	8	7	C	7	07/26/2007	0.9485	900	43.02
LN	3	7	P	6	02/23/2007	0.3799	875	61.48
LN	5	7	P	6.5	04/25/2007	0.725	875	58.06
LN	5	7	C	6.5	04/25/2007	0.7643	875	46.82
LN	4	7	C	18	03/27/2007	0.0018	850	72.91
LN	5	7	C	18	04/25/2007	0.0058	850	68.83
LN	6	7	C	18	05/25/2007	0.0081	850	62.06
LN	7	7	C	18	06/26/2007	0.0144	850	58.72
LN	8	7	C	18	07/26/2007	0.0296	850	58.56
LN	9	7	C	18	08/28/2007	0.0528	850	58.49
LN	10	7	C	18	09/25/2007	0.0879	850	58.97
LN	4	7	C	9.5	03/27/2007	0.0817	800	57.31

The Edison Electric Institute reported that weekly power output, which has fallen the last five weeks edged up 1.8% to 72,033 GWh in the week ended December 30 from the same week in 2005.

ECONOMIC NEWS

New orders at U.S. factories rose 0.9% in November, slightly less than forecast, while inventories inched up slightly in a possible sign of economic slack.

MARKET COMMENTARY

The natural gas market opened 6 cents higher as some cold temperatures are on the forecasts for next week. Despite continued weakness in the oil complex, natural gas charged up the charts to a high of 6.45 following the noon weather updates, which hinted at some cold temperatures coming into the Midwest in the 11-15 day period. Natural gas could not hang onto its gains however, as crude oil continued its slide, trading near another 3.00 lower. February natural gas retreated to unchanged, stepping into negative territory with a low of 6.13 before settling down just one-tenth of a penny at 6.162.

With the large over hang of stocks and a bearish report expected tomorrow it is hard for upside momentum to gain any traction. Expectations call for an average draw of 56 Bcf and if expectations prove accurate the market will maintain its current levels as it awaits confirmation of upcoming cold weather. We see support to continue at \$6.05 followed by \$6.00, \$5.95, \$5.75, \$5.58, \$5.35, \$5.20, \$5.00 and \$4.07. We see resistance at \$6.50, \$6.87, \$7.00, \$7.00, \$7.20 and \$7.40.

