



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 17, 2008

NATURAL GAS MARKET NEWS

According to NASA, 2007 will go in the record books as the second-warmest year recorded in a century. The global temperature equaled 1998, and was just behind 2005. The eight warmest years recorded have all occurred since 1998, and the 14 warmest years in the record have all occurred since 1990.

Houston-based Spectra Energy expects to bring into service approximately \$1.5 billion in new pipeline, gas processing, storage and distribution projects this year, the company said Thursday.

Gulf South Pipeline said that it has requested that the Federal Energy Regulatory Commission grant Gulf South Pipeline Company authority to begin service for the 36-inch Carthage Header in Panola County, the Carthage Junction Compressor Units Nos. 1 and 2 and the mainline pipeline facilities from Delhi, in DeSoto Parish, Louisiana, to Harrisville, in Simpson County, Mississippi.

Proponents of a LNG gas import terminal near Corpus Christi, Texas, asked for an extension of the start-up date. Ingleside Energy and San Patricio Pipeline, units of Occidental Petroleum Corp., asked the U.S. FERC to extend the original July 2008 start-up deadline to April 30, 2011. The cited uneven growth between supply and demand of the LNG market.

Chief Executive of TransCanada Corp. Hal Kvisle said completing the Broadwater LNG terminal in Long Island Sound will help smooth out natural gas price spikes in New York City. The regasification facility will bring badly needed natural gas to Manhattan and Long Island, relieving a supply bottleneck that pushed prices above \$21 during a cold snap last month.

Gas storage levels in Britain and Belgium stood at 75% full in the week to January 14. This is down from 99% full as of December 10.

U.K. gas prices at the National Balancing Point continued to fall as weather forecasts turned even milder and on news of the return of some production in Norway. Norway's StatoilHydro said that its Visund field had been

Generator Problems

ECAR – Cosumers Energy's 789 Mw Palisades nuclear unit remains at 70% power, unchanged on the day, after shutting down the unit over the weekend.

MAPP – FPL's 516 Mw Point Beach #1 nuclear unit shut after the loss of offsite power. Point Beach #2 continues to operate at full power.

Wolf Creek Nuclear Operating Corp.'s 1,167 Mw Wolf Creek nuclear unit ramped up to 34% capacity and reconnected to the grid. Yesterday, the unit was warming up offline at 1% power.

SERC – TVA's 1,125 Mw Sequoyah #1 nuclear unit shut when a manual reactor trip was initiated in response to a lowering steam generator level. Sequoyah #2 continues to operate at full power.

Entergy's 1,207 Mw Grand Gulf #1 nuclear unit reconnected to the grid and ramped up to 44% capacity.

WSCC – Calpine Corp.'s 811 Mw Delta natural gas-fired power station returned to service yesterday. The company shut the unit for planned and unplanned reasons on Tuesday.

Southern California Edison's 1,080 Mw San Onofre #2 nuclear unit is expected to restart soon after a refueling outage. The unit is not expected to return to the grid until late this week.

APS's 1,270 Palo Verde #3 nuclear unit remains offline at 10% capacity after completing an extended refueling and maintenance outage. Palo Verde #1 and #2 continue to operate at full power.

The NRC reported that 88,076 Mw of nuclear capacity is online, down .80% from Wednesday, and down 9.02% from a year ago.

EIA Weekly Report

	01/11/2008	01/04/2008	Net chg	Last Year
Producing Region	858	864	-6	916
Consuming East	1482	1511	-29	1667
Consuming West	351	375	-24	365
Total US	2691	2750	-59	2949

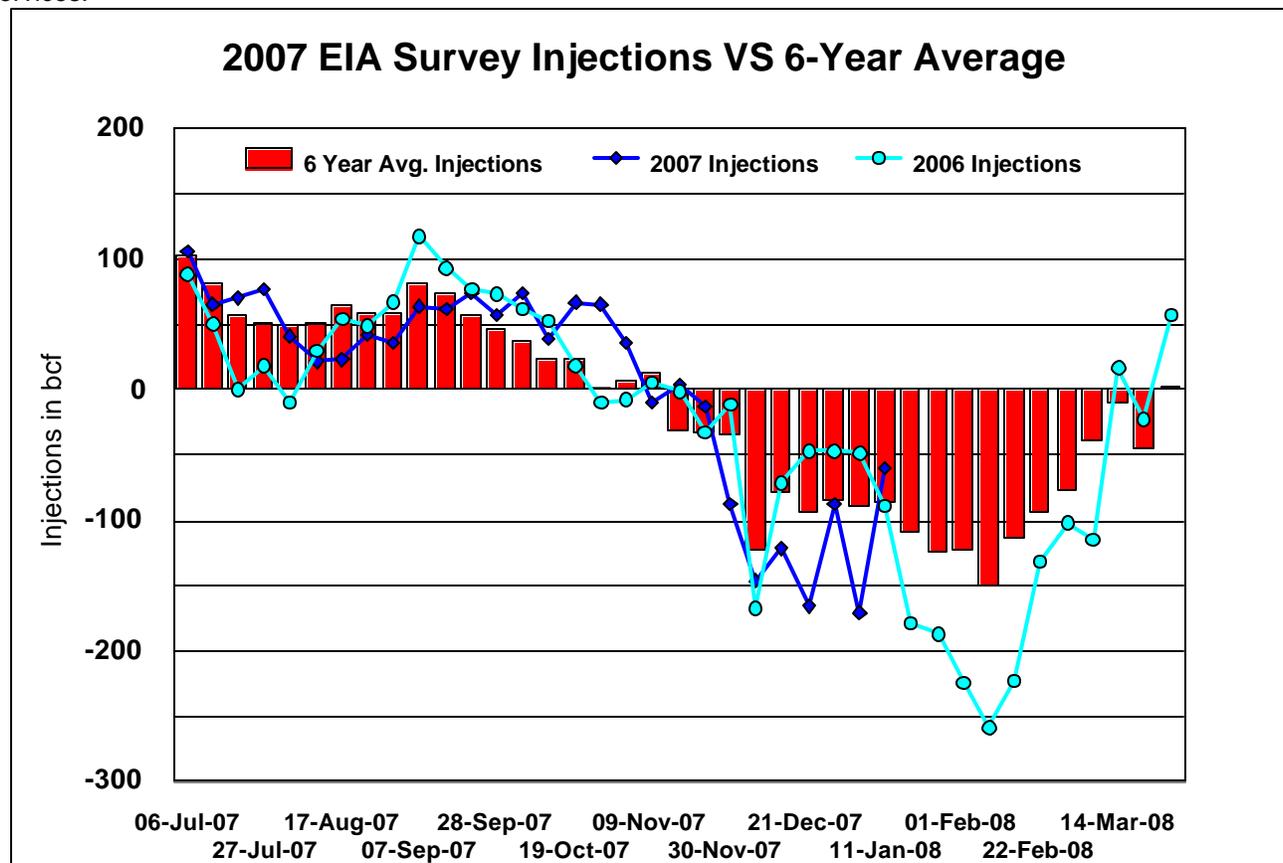
*storage figures in Bcf

restarted and that it was preparing to restart its Kvitebjorn field, both of which had been offline for several months after an unplanned outage on a pipeline.

PIPELINE MAINTENANCE

ANR Pipeline Company said that it will continue unplanned engine repairs at its Selbyville

Compressor Station along the SE Mainline located in Indiana in ANR's Southeast Central Fuel Segment (ML-3). The total SEML capacity will be reduced by 110 MMcf/d today and 70 MMcf/d from January 18-25. Based on current nominations, it is anticipated that the above reductions may result in the curtailment of interruptible services.



Florida Gas Transmission said that it will begin maintenance on the Port Barre Compressor Station #75 in St. Landry Parish, Louisiana January 22. This outage is expected to last for one day. During the project, FGT will schedule up to approximately 700,000 MMBtu/day through Compressor Station #75. During normal operations FGT schedules up to 1,000,000 MMBtu/day.

PIPELINE RESTRICTIONS

Northwest Pipeline said that with colder temperatures forecasted for the coming days, the company is declaring a Stage II (8%) Overrun Entitlement for all Receiving Parties north of the Kemmerer compressor station beginning January 18. The stage II entitlement will continue through the Martin Luther King Day Holiday weekend. The need for an ongoing entitlement will be re-evaluated on January 22.

Canadian Gas Association

Weekly Storage Report

	11-Jan-08	04-Jan-08	12-Jan-07
East	187.9	188.4	223.2
West	255.5	263.2	180.7
Total	443.4	451.6	403.8

storage figures are in Bcf

ELECTRIC MARKET NEWS

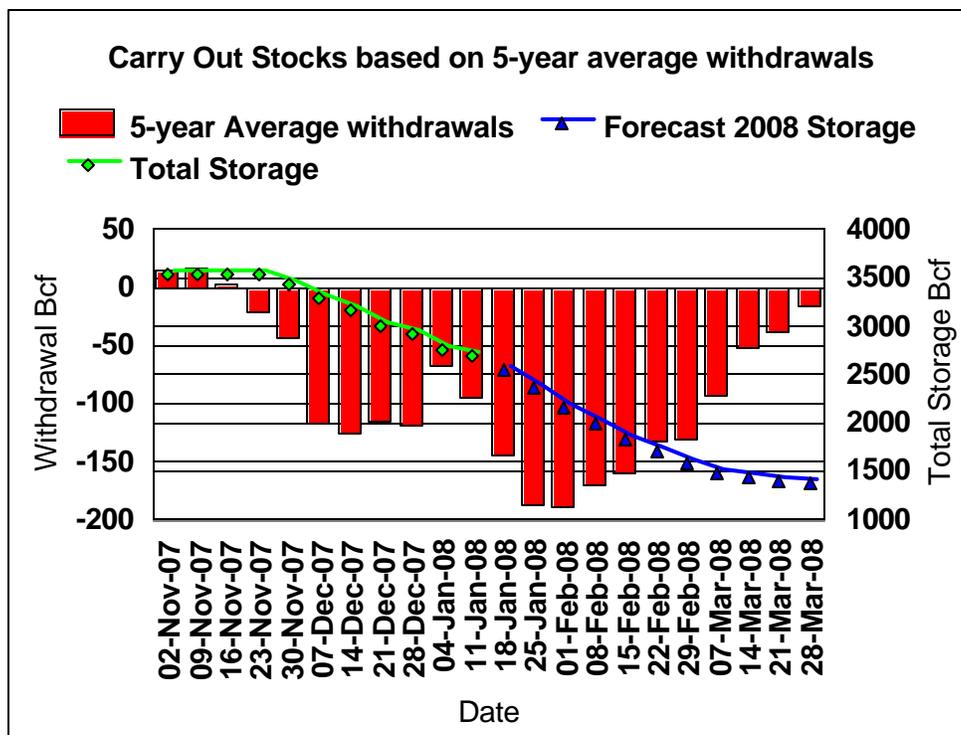
The NRC has approved a plan to boost power at the Unit 3 reactor at the Millstone nuclear power complex in Waterford, Connecticut. Dominion Resources' proposed amendment to its license calls for an extra 80 Mw of power over the 1,165 Mw unit 3 currently produces.

MARKET COMMENTARY

The natural gas market was weaker this morning ahead of the expected bearish EIA inventory number as well as further moderating in the 11-15 day forecast, which now predicts that normal temperatures will dominate the country east of the Rockies. The market sank to the 8.00 level ahead of the stat, and after the EIA reported that 59 Bcf was taken from the ground, as expected, the market extended below 8.00 to a low of 7.933. The market could not maintain the downside momentum, as cold temperatures expected this weekend and through the early part of next week propped up prices. The February contract clawed

back above 8.00 and was able to muscle itself back to positive territory and a high of 8.172. The market finished the session in negative territory however, down 5.2 cents at 8.081.

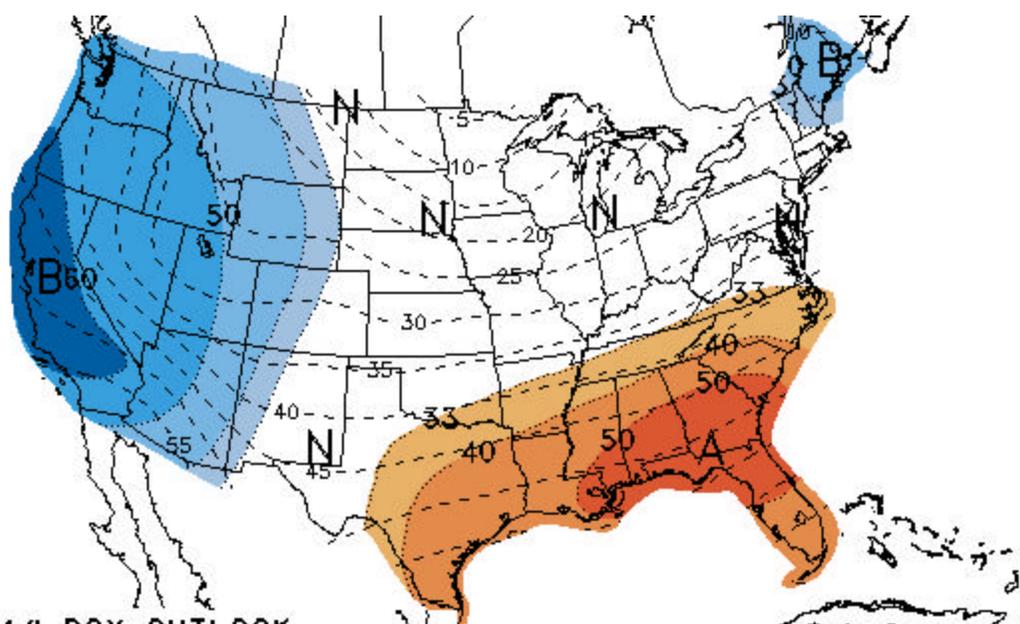
Total storage now stands at 2,691 Bcf, 258 Bcf below last year's levels for the same week and 168 Bcf above the five-year average, an improvement from last week's 122 Bcf five-year surplus. The mixed weather outlook has added a level of uncertainty where near term forecasts see a bout of cold temperatures, while longer term forecasts see more normal temperatures. The net-short market continues to cover short positions rather than get into longer ones, based on storage, weather and the oil complex. Since the last few years winter has shown up



Natural Gas Cash Market						
ICE Next Day Cash Market						
	Volume	Avg Price	Change	Basis	Change	Basis 5-Day
Location	Traded	Price		(As of 12:30 PM)		Moving Avg
Henry Hub	1,354,700	\$8.106	(\$0.128)	\$0.035	(\$0.021)	\$0.016
Chicago City Gate	795,900	\$8.334	\$0.021	\$0.263	\$0.095	\$0.138
NGPL- TX/OK	1,218,500	\$7.822	(\$0.017)	(\$0.249)	\$0.057	(\$0.314)
SoCal	882,100	\$7.858	(\$0.023)	(\$0.213)	\$0.051	(\$0.340)
PG&E Citygate	717,800	\$8.033	(\$0.064)	(\$0.038)	\$0.010	(\$0.044)
Dominion-South	293,000	\$8.429	(\$0.153)	\$0.358	(\$0.079)	\$0.435
Transco Zone 6	185,400	\$9.157	(\$1.321)	\$1.086	(\$1.247)	\$2.174

8.00, 7.962, 7.828 and 7.723. We see further support at 7.50 and 7.25.

late that is keeping the net-short market players from really selling this market off now. We therefore maintain a downside bias and look to sell this market on rallies. We see resistance at 8.142, 8.20-8.207, 8.272, 8.306, 8.44-8.48 and 8.70-8.80. We see support at



8-14 DAY OUTLOOK
 TEMPERATURE PROBABILITY
 MADE 17 JAN 2008
 VALID JAN 25 - 31, 2008

DASHED BLACK LINES ARE CLIMATOLOGY
 (DEG F) SHADED AREAS ARE FCST
 VALUES ABOVE (A) OR BELOW (B) NORMAL
 UNSHADED AREAS ARE NEAR-NORMAL