



ENERGY RISK MANAGEMENT

Howard Rennell & Pat Shigueta
(212) 624-1132 (888) 885-6100

www.e-windham.com

POWER MARKET REPORT FOR JANUARY 20, 2006

NATURAL GAS MARKET NEWS

Clean coal and natural gas-fired electric generation must be part of the energy mix in the Pacific Northwest, along with wind and hydro-electric sources, according to two regional industry executives speaking Thursday at an energy conference in Seattle. The power and natural gas sector's continuing volatility is accompanied by robust growth that is an opportunity for coal and gas both, the speakers said.

Even though local and state regulatory attitudes are positive -- particularly compared to California -- liquefied natural gas (LNG) development for the Pacific Northwest may not be able to compete against renewable and conservation alternatives, along with new western onshore natural gas supplies, according to speakers at a western energy conference Thursday.

Baker Hughes reported that for the week ended January 20, the total rig count in the United States increased by five to a total of 1,472 rigs, still 209 rigs over the 1,263 counted during the same week in 2005.

PIPELINE RESTRICTIONS

Gulf South Pipeline said that based upon its initial review of nominations, NNS demand, and other factors, Gulf South may be required to schedule available capacity and implement scheduling reductions on Sarepta to Sterlington 18-inch Index 250; Tyler 12-inch Index 8 / Palestine 8-inch Index 11 & 70 / Dallas 18-inch Index 1; Hall Summit; Koran Station; West 30 North; Barron (To Columbia Gulf); Bayou Sale to Napoleonville; Montpelier to Kosciusko, Kiln to Mobile, and Lake Charles Receipts – Capacity Area 6.

El Paso Corp. unit Tennessee Gas Pipeline said today it partially restored its compressor station 25 in Cleveland, Texas, but three units at the station remained out of service due to the unavailability of certain parts. The line had been under a force majeure outage following equipment failure at the station in late November. The problem resulted in the loss of about 150 MMcf/d, or 15% of its daily capacity. Tennessee said volumes flowing through station 25 would not be restricted based on current throughput, however, in the event of throughput changes, the company estimates that approximately 5% of volumes flowing through the station would be restricted. Tennessee said it was working diligently to remedy the force majeure, adding that the three units would be returned to service in late January, mid to late April and by early May, respectively.

Generator Problems

MAIN— Both of Exelon Corp's 864 Mw Quad Cities nuclear units continued to increase output today. Unit #1 was operating at 85% capacity, while unit #2 was up to 48%.

SERC— TVA's 1,127 Mw Sequoyah #2 nuclear unit returned to full power early today. The unit was operating at 22% early yesterday.

Canada— Ontario Power Generation's 215 Mw Atikokan coal-fired power station returned to service early today.

Ontario Power Generation's 535 Mw Lennox #2 oil- and natural gas-fired power station remained shut for a planned major overhaul despite a report by the province's Independent Electricity System Operator.

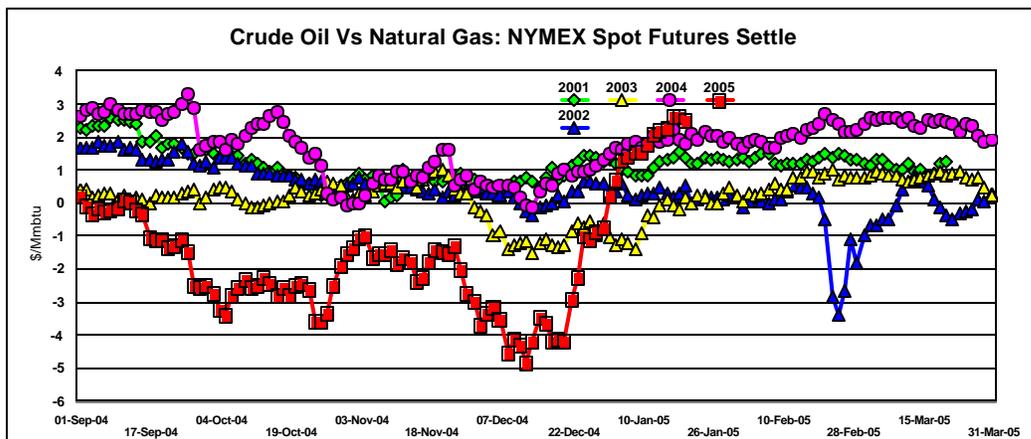
Ontario Power Generation shut the 490 Mw Nanticoke #2 coal-fired power station early today for planned maintenance.

Ontario Power Generation's 515 Mw Pickering A #4 nuclear unit shut for a short forced outage early today.

The NRC reported that U.S. nuclear generating capacity was at 92,503 Mw up 2.05% from Thursday and up 2.32% from a year ago.

Texas Eastern Transmission said it has restricted STX and ETX to capacity. No increases in receipts between Mt. Belvieu and Little Rock for delivery outside that area will be accepted. Tetco has also scheduled and sealed M1 and M2 24-inch. No increases between Little Rock and Batesville for delivery outside that area will be accepted.

TransColorado Gas Transmission said that effective today and until further notice, it is at capacity for deliveries through Segment 220 (Whitewater Compressor to Olathe Compressor) and Segment 250 (Dolores Compressor to Mancos Compressor). Depending on the level of nominations, IT/AOR and secondary out-of-path volumes are at risk of not being scheduled.

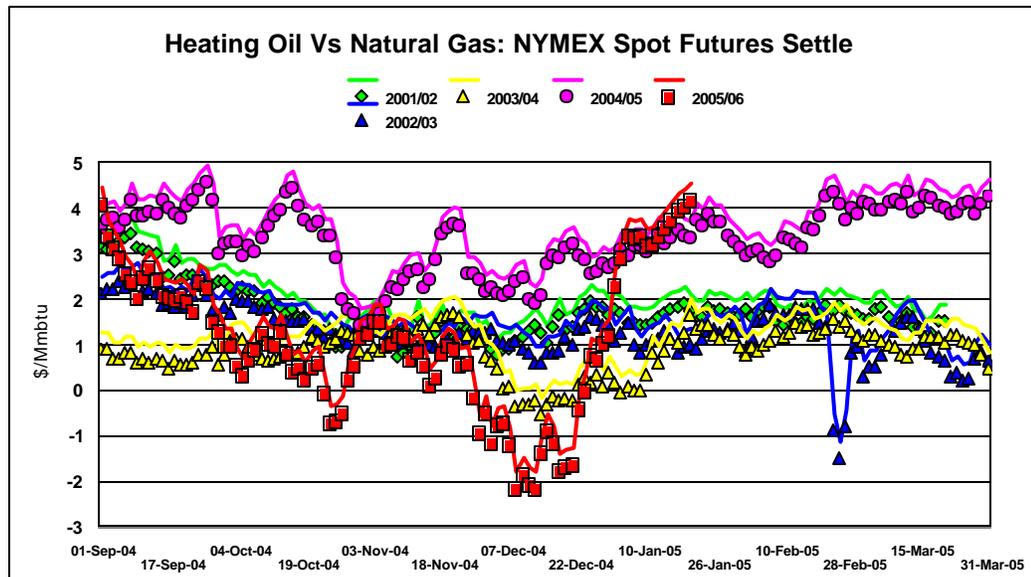


Transcontinental Gas Pipe Line Corporation said that from 8:00 AM CT today, until 5:00 PM CT March 3, Transco will receive requests for firm Part 284 transportation service on its Southeast Louisiana Lateral from Station 62 to Station 65. This capacity will become available beginning April 1, 2006.

PIPELINE MAINTENANCE

Alliance Pipeline said that routine maintenance will require AB21 Teepee Creek Lateral Meter/Compressor Station to be unavailable for five hours on January 25. Station capacity will be reduced to 44.5 MMcf for gas day January 25. The Teepee Creek Compressor is located in Alberta. Alliance also said that the Estlin Compression Station will be offline for four hours on January 24 to perform minor inspections. System throughput may be affected but will be determined closer to the outage date. The Estlin Compressor is located in Saskatchewan.

Kern River Pipeline said that on February 27-March 3 it will complete the required annual test of the Emergency Shut Down system and the annual maintenance at the

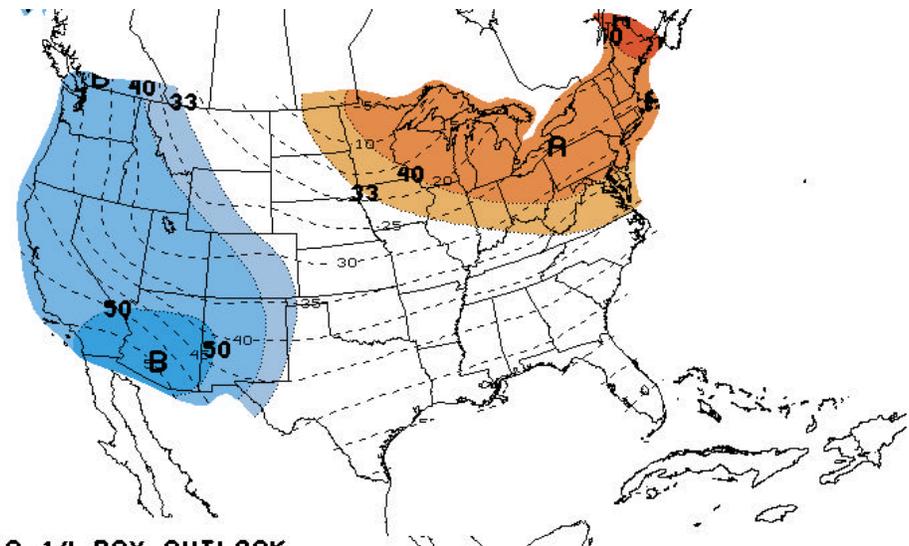


Goodsprings Compressor Station. The ESD test will require a complete station outage for up to four hours on gas day February 27. The remainder of the maintenance will be completed with two of the three units available at all times. Kern River anticipates that there will be no impact to firm transportation.

Westcoast Energy said it has experienced a leak on Train 6 at the McMahon Gas Plant, necessitating taking the train down for repairs this morning at 8:00 AM MT for approximately 24 hours.

Williston Basin Interstate Pipeline Company said that maintenance to replace approximately 13.25 miles of mainline on the Cabin Creek to Williston Line will be performed during one day in March.

Receipts in Line Section 6 may potentially be affected depending on quantities nominated. Willisto also said that due to unplanned maintenance at the Fort Peck Compressor Station, receipts in Line Section 8 may potentially be affected today. At this time, Williston does not anticipate any restrictions to the system. Finally Williston said that the maintenance on the Little Beaver Compressor Station Unit #10 has been extended from January 20 to January 23. At current conditions, Williston does not anticipate any restrictions to the system.



**8-14 DAY OUTLOOK
TEMP PROBABILITY
MADE 20 Jan 2006
VALID Jan 28 - Feb 03, 2006**
DASHED BLACK LINES ARE CLIMATOLOGY (DEG F) SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL UNSHADED AREAS ARE NEAR-NORMAL

ELECTRIC MARKET NEWS

A unit of FirstEnergy Corp. will pay a \$28 million penalty to the U.S. Department of Justice under an agreement that calls for the agency to refrain from seeking an indictment for conduct related to safety violations at an Ohio nuclear plant. The Davis-Besse plant, which can produce electricity for about 900,000 homes, was forced to close in February 2002 when it was discovered that leaking boric acid had chewed holes nearly all the way through the reactor vessel's carbon steel lid, a serious safety violation. FirstEnergy admitted that some of its employees made false statements to U.S. regulators about safety violations at the Davis-Besse plant.

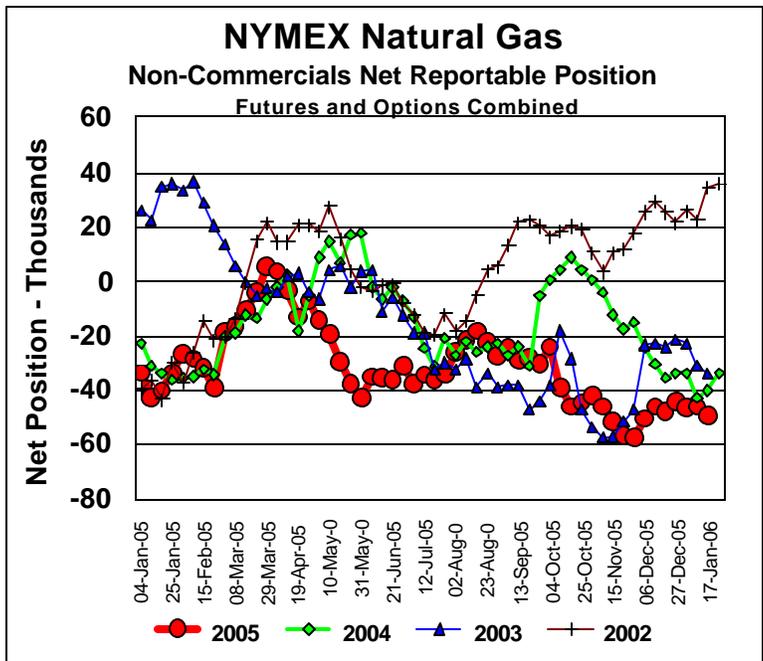
The U.S. Nuclear Regulatory Commission will talk with Constellation Energy Group about a license renewal inspection at the company's 1,755 Mw Nine Mile Point nuclear power plant in New York on January 26. In a release, the NRC said the meeting, which would be open to the public would take place near the plant site in Scriba, New York. Constellation, of Baltimore, applied to the NRC in May 2004 for a 20-year extension of the operating licenses for units 1 and 2 at the Nine Mile Point station.

ECONOMIC NEWS

The University of Michigan's preliminary reading of its consumer sentiment index for January rose to 93.4 from 91.5. The one-year consumer inflation outlook fell to 3.0% from 3.1%.

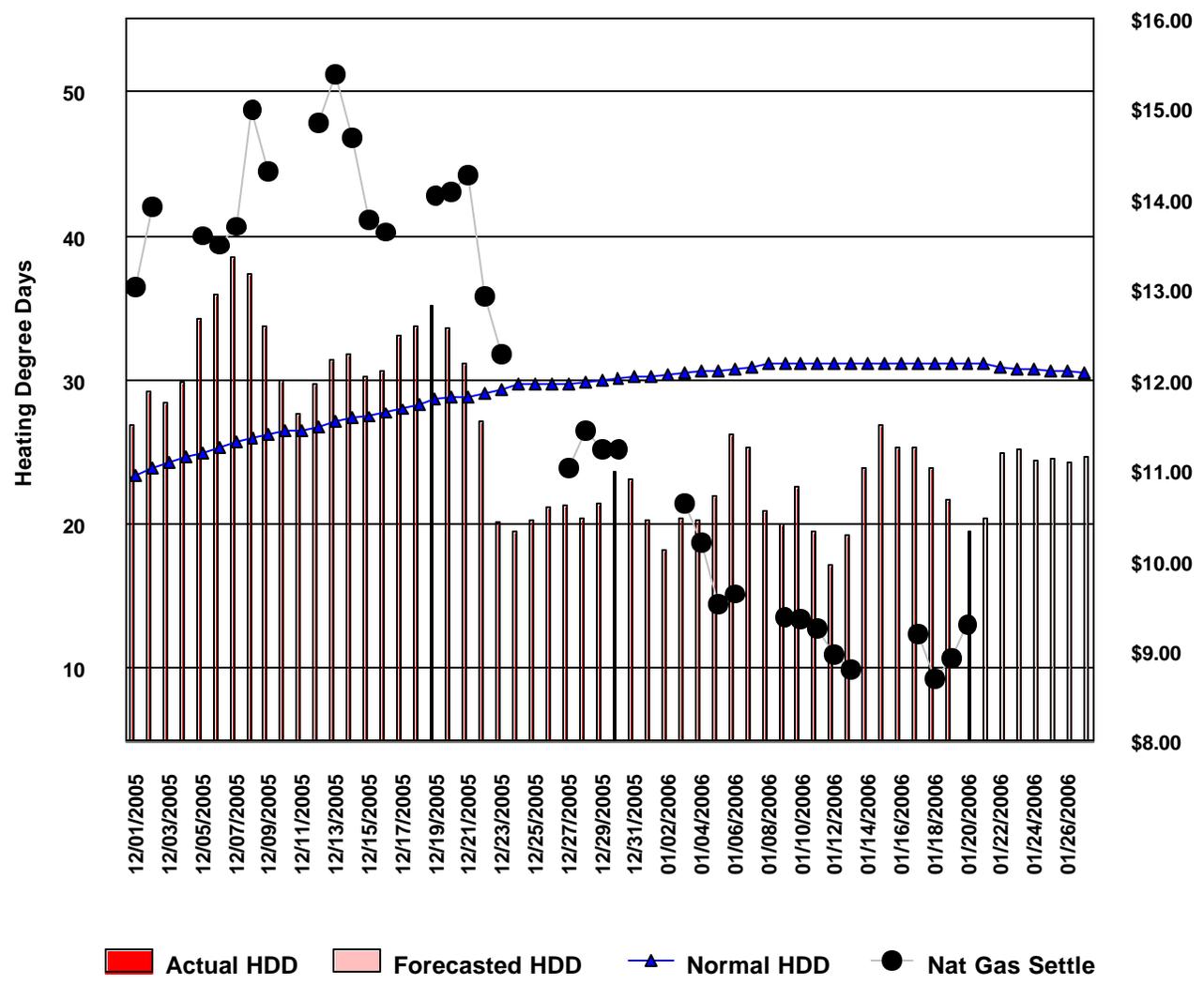
MARKET COMMENTARY

The natural gas market opened 18.5 cents higher today supported again by strength in the oil complex due to geopolitical concerns.



The rallying crude and products markets boosted natural gas to a high of 9.44, yet it was unable to hang on to this level as mild weather and ample stocks continue to provide pressure to this market. Crude oil and heating oil continue to extend their premiums to natural gas, with heating oil some \$4.18 /Mmbtu higher than natural gas. February natural gas lacked the volatility of the expiring crude contract today and settled off its highs up 37.5 cents on the day at 9.28.

U.S. Daily Heating Degree Days Basis Gas Customer Weighted Basis



The bearish weather throughout the Midwest and Northeast has been factored in these past few weeks of consistent selling. This leaves the market in a grossly oversold technical condition and very vulnerable to a sharp bullish reversal, especially if the weather on the outer fringe of the forecast in early February shifts back to even more seasonable cold weather. So as these outer forecasts make their way to the 6 to 10 day forecasts, that should provide some supportive weather fundamentals to the market. The Commitments of Traders Report showed that non-commercial traders increased their net short position by 3,730 lots to a total of 50,677 contracts. In the combined futures and options report, non-commercial traders added 3,270 contracts to their net short position totaling 48,947 contracts. We see support at \$9.00, \$8.46 and \$8.25. Further support we see at \$8.12,

\$8.00 and \$7.85. We see resistance at \$9.40, \$10.00-\$10.10 and 10.50. Further resistance we see at \$11.00 and \$11.38.