



ENERGY RISK MANAGEMENT

Howard Rennell, Pat Shigueta,
& Karen Palladino

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

www.e-windham.com

POWER MARKET REPORT FOR JANUARY 23, 2009

NATURAL GAS MARKET NEWS

Excelerate Energy said commissioning continued aboard a liquefied natural gas cargo vessel at its Northeast Gateway terminal off the coast of Massachusetts. According to a Waterborne Energy LNG report, the tanker arrived at the terminal January 14th with plans to discharge over 5 days at a rate of 500 mmcf/d of natural gas but has failed to fully discharge because of what is being rumored as a faulty safety release valve on the tanker.

Norway's StatoilHydro restarted production at its Kristin gas and condensate field on Thursday after a two week shutdown to repair faulty lifeboats on the platform. Production was around 10 million cubic meters of gas and 63,000 bpd of condensate before the field was shut on January 8.

Generator Problems

WSCC – PG&E is planning to shutdown its 1,100 Mw Diablo Canyon nuclear unit 1 this weekend to begin an extended refueling and maintenance outage, which will include a steam generator replacement project and could last over two months. The unit is currently operating at full capacity.

MAAC- Exelon Corp's 1,112 Mw Peach Bottom 3 nuclear unit remained shut since Thursday.

The NRC reported this morning that 94,277 Mw of nuclear generation capacity was on line, up 0.01% from Thursday and 1.9% higher than the same time a year ago.

A meeting of top Ukrainian leaders to discuss the agreement signed with Russia to restore gas flows has been postponed from Friday. The agreement signed by Prime Minister Yulia Tymoshenko after two negotiating session in Moscow has aggravated divisions with Ukraine's leadership. Separately, President Viktor Yushchenko's top economic aide said Ukraine should start talks with Russia by the summer to alter the agreement. His call for further talks followed the postponement of a meeting of top leaders to discuss the deal.

Russia's Gazprom will review Bulgaria's demands for compensation over the cut in Russian gas supplies. Bulgaria's Economy and Energy Minister Petar Dimitrov submitted a letter to Gazprom's deputy chief Alexander Medvedev detailing the country's demands.

The European Commission convened a meeting on Friday with Turkey, Bulgaria, Romania, Hungary and Austria with the aim to secure an agreement on tax and planning issues for the Nabucco pipeline. Nabucco is a 3,400 km pipeline between Turkey and Austria aimed at transporting up to 31 bcm of gas

each year from the Caspian Sea to western Europe, bypassing Russia and Ukraine. Meanwhile, Hungary's Prime Minister Ferenc Gyurcsany said the European Union must support the Nabucco gas pipeline project following the crisis over Russian gas imports. Energy Ministers and government leaders from

EIA Weekly Report

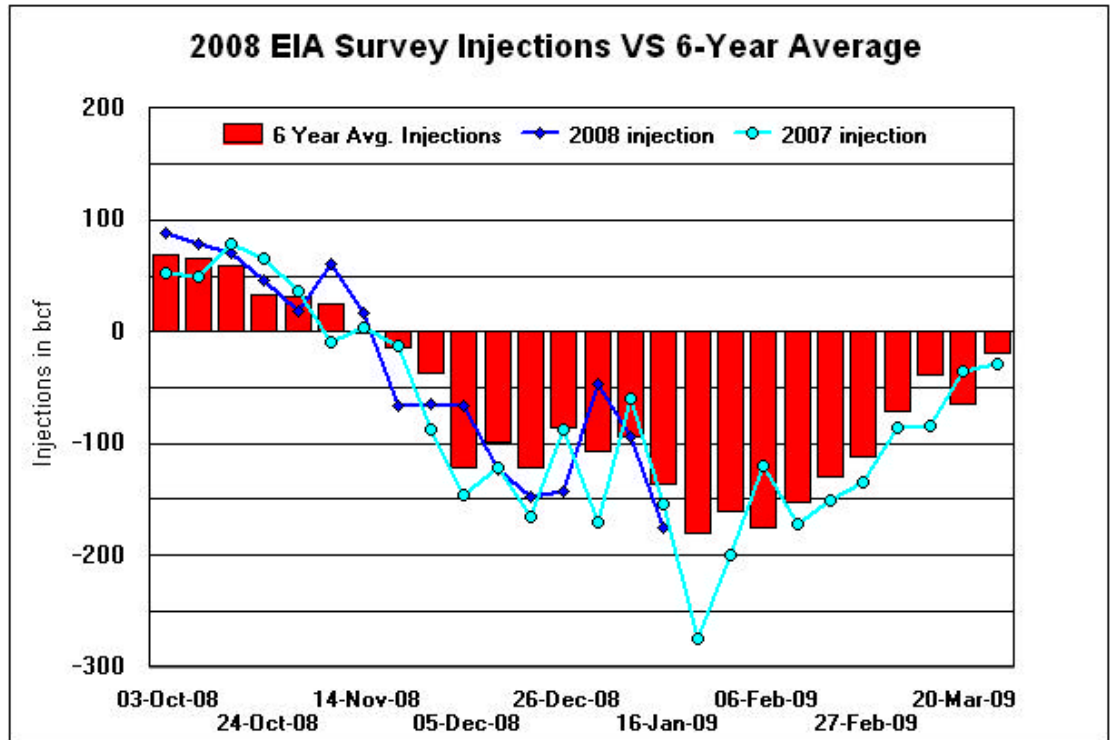
	01/16/2009	01/09/2009	Net chg	Last Year
Producing Region	856	899	-43	823
Consuming East	1343	1468	-125	1425
Consuming West	361	369	-8	332
Total US	2560	2736	-176	2580

*storage figures in Bcf

Austria, Azerbaijan, Bulgaria, Iraq, Romania and Turkey are scheduled to meet on January 26 and 27 for talks on the pipeline. Representing the EU will be Energy Commissioner Andris Pielbags and Czech Prime Minister Mirek Topolanek in his capacity of current EU President.

Uzbek President Islam Karimov said the country supports the idea of building a new gas pipeline through Russia and is content with the new pricing formula agreed with Russia.

The Korea International Trade



Association reported that South Korea's import of liquefied natural gas in December fell by 17.6% on the year to 2.44 million tons, reflecting domestic utilities' preference for fuel oil in line with wider losses in crude oil prices.

PIPELINE MAINTENANCE

Questar Pipeline Co will begin commissioning the new Greasewood compressor for delivery to White River Hub on Wednesday, January 28. It expects to have the unit available for gas day Sunday, February 1st.

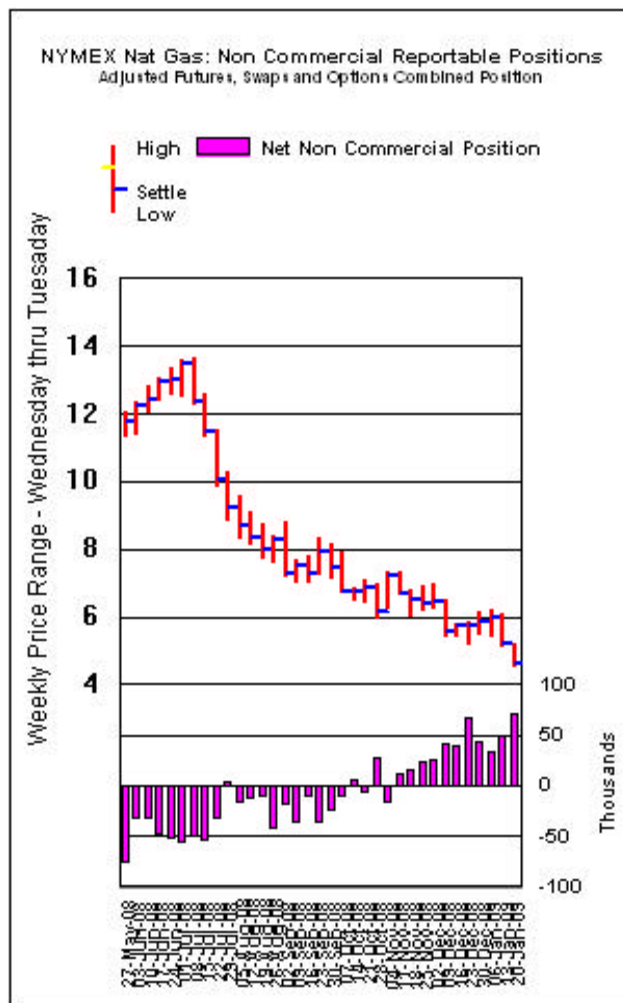
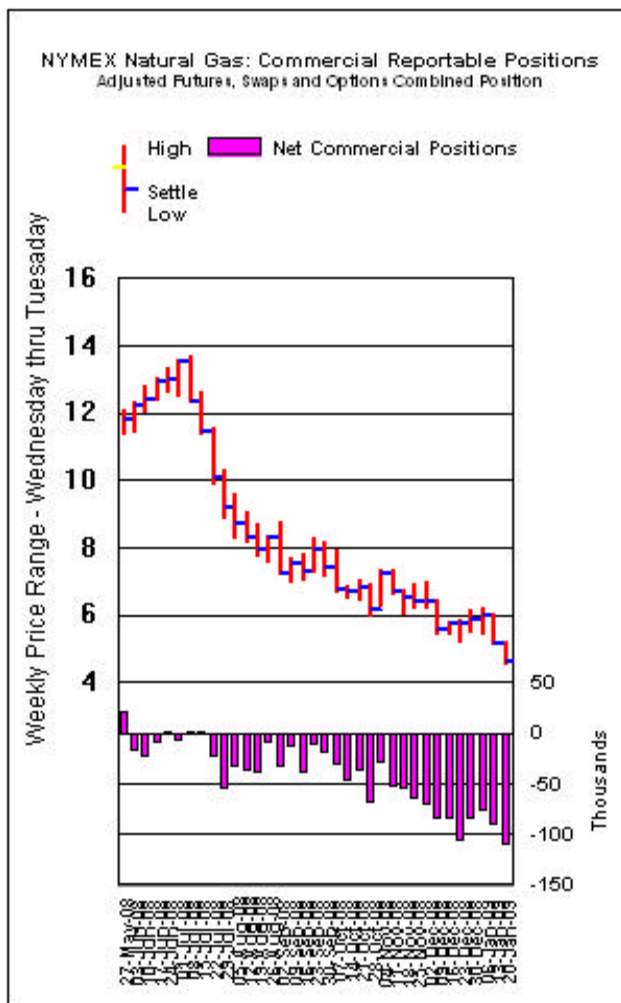
PIPELINE RESTRICTIONS

Natural Gas Pipeline Co said Columbia Gulf Chalkley is at capacity for deliveries on Friday and until further notice. ITS/AOR and Secondary Firm transports are at risk of not being fully scheduled. It is also at capacity for deliveries to Trunkline-Lakeside on Friday and until further notice. Separately, it stated that unfavorable operating conditions at its delivery point to ANR Lake Arthur continue to occur sporadically on both pipelines which has made delivery of scheduled quantities difficult. It said primary firm transport is at risk of not being fully scheduled on Saturday and until further notice.

Transco Pipeline said beginning with Sunday's gas day, it will issue an imbalance operational flow order due to below normal temperatures forecast for much of the Transco market area.

Florida Gas Transmission said that due to freezing temperatures lingering in Florida and its line pack still low, the pipeline is issuing an overage alert day for Friday at a 25% tolerance.

KM Interstate Gas Transmission said that due to colder temperatures in its Nebraska and Kansas market area, it is anticipating a corresponding increase in on-system loads east of Big Springs starting Saturday.



Southern Natural Gas Pipeline Co will allocate interruptible capacity in Group 167-Pavo to Occidental Tap, Group-168-Occidental to Florida Power, and Group 169-Jacksonville until further notice.

Con Edison Inc will reduce service to some customers with interruptible natural gas contracts beginning Saturday morning. The planned supply interruptions to customers in its New York City service territory are weather driven.

ELECTRIC MARKET NEWS

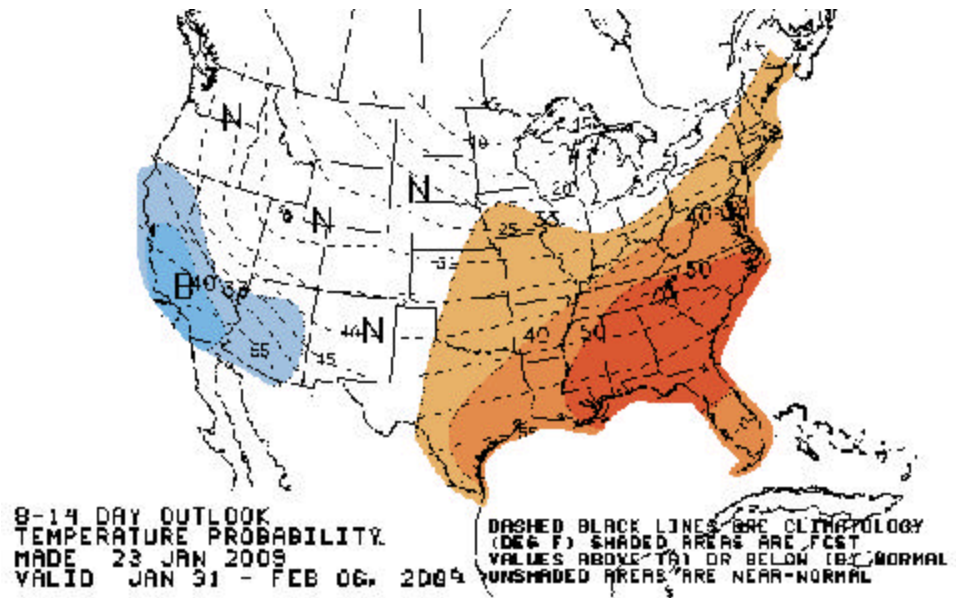
The EIA reported that US coal production totaled about 22.6 million short tons during the week ending January 17th. It is down 1% on the week but up 1% on the year.

Dominion and BP Wind Energy North America Inc announced they are evaluating wind energy projects in Tazewell and Wise Counties in Virginia. The exact size of each project and scope of economic benefits have not been determined.

MARKET COMMENTARY

Unlike the oil complex, the natural gas market settled in negative territory for the second consecutive day and the seventh of the last eight trading sessions. The market rallied to a high of \$4.681 in anticipation that the EIA Storage Report would show a large draw following the recent increase in heating demand. However the market quickly sold off to \$4.432, a low not seen since September 26, 2006 when the market posted a low of \$4.06, following the release of the EIA report. The report showed a slightly lower than expected draw of 176 bcf on the week, compared with market

expectations of a draw of 180 bcf. The market later bounced off its low and retraced some of its losses after a rebound in the equities market spilled over into the energy complex. The markets were well supported by news the Senate Finance Panel unveiled an economic stimulus package. The natural gas market however erased some of its gains ahead of the close and settled down 16.3 cents at \$4.518.



The latest Commitment of Traders Report continued to show that commercials in the natural gas market added to their short position, with an increase of 19,317 to 108,893 contracts in the week ending January 20th. Meanwhile, non-commercials increased their net long position by 20,468 to 70,927 contracts on the week.

The natural gas market, which was unable to sustain its gains, is still seen trending lower. Any gains should still be seen as selling opportunities, given the lack of supportive weather forecasts. The market is eventually seen testing its support at \$4.00. Immediate support is seen at its low of \$4.432 followed by \$4.406, \$4.295 and \$4.157. Resistance is seen at \$4.60, \$4.655, \$4.681, \$4.793 and \$4.904.