



ENERGY RISK MANAGEMENT

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

www.e-windham.com

POWER MARKET REPORT FOR JANUARY 25, 2007

NATURAL GAS MARKET NEWS

Republicans face an uphill battle getting any bill through Congress this year that would open up more of the Outer Continental Shelf to oil and gas drilling, but Democratic Sen. Mary Landrieu has been pounding the table for an "OCS II" bill, and there also is an effort to find ways to provide an updated inventory of the potential amount of natural gas and oil that currently is inaccessible because of OCS leasing moratoria.

SG Resources Mississippi has been given the go-ahead to increase the working natural gas capacity at two storage caverns at its Southern Pines Energy Center in Greene County and build a third cavern. FERC also authorized the construction of 26 miles of dual, bi-directional pipeline to interconnect Southern Pines with the Florida Gas Transmission and Transcontinental Gas Pipe Line interstate pipelines. The initial project was for 12 Bcf of storage and the increase will double that capacity to 24 Bcf.

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. Additionally, due shipper makeup nominations, or due pipe creation will not be accepted. AGT requires shippers to schedule receipts commensurate with anticipated deliveries, and point operators to perform to the level of scheduled volumes.

EIA Weekly Report

| | 01/19/2007 | 01/12/2007 | Net chg | Last Year |
|-------------------------|------------|------------|---------|-----------|
| Producing Region | 852 | 913 | -61 | 741 |
| Consuming East | 1585 | 1660 | -75 | 1412 |
| Consuming West | 320 | 363 | -43 | 353 |
| Total US | 2757 | 2936 | -179 | 2506 |

*storage figures in Bcf

the 8-inch 3300 line between Rural Retreat and Roanoke. Also, Maximum Delivery Service will be in effect beginning today. The unauthorized overrun charges for exceeding MAD will remain in effect until further notice.

Texas Eastern Transmission said it is scheduled to capacity for nominations flowing through Perulack and Chambersburg today. No increases of nominations flowing through Perulack and Chambersburg will be

Generator Problems

ERCOT – TXU Corp.'s 565 Mw Monticello #1 coal-fired power station shut and restarted January 24-25 due to a breaker trip.

MAPP – Xcel's 600 Mw Monticello #1 nuclear unit ramped up to 79% capacity and has returned to the grid. The unit was warming up offline yesterday at 1% power.

Nebraska Public Power District's 800 Mw Cooper nuclear unit reduced output to 60% capacity. Yesterday, the unit was operating at full power.

SERC – Tennessee Valley Authority's 1,125 Mw Sequoyah #2 nuclear unit has restarted and increased output to 12%. The unit shut January 23 due to the failure of a feedwater regulating valve.

The NRC reported that 95,715 Mw of nuclear capacity is on line, up .21% from Wednesday, and 1.95% higher from a year ago.

accepted. Additionally, no due shipper imbalance resolution and no due pipe creation will be accepted until further notice. Shippers and point operators should ensure they are flowing at scheduled volumes and take immediate action to alter flow or change nominations so as to remain balanced. TE will force balance TABS-1 pools as required.

Canadian Gas Association

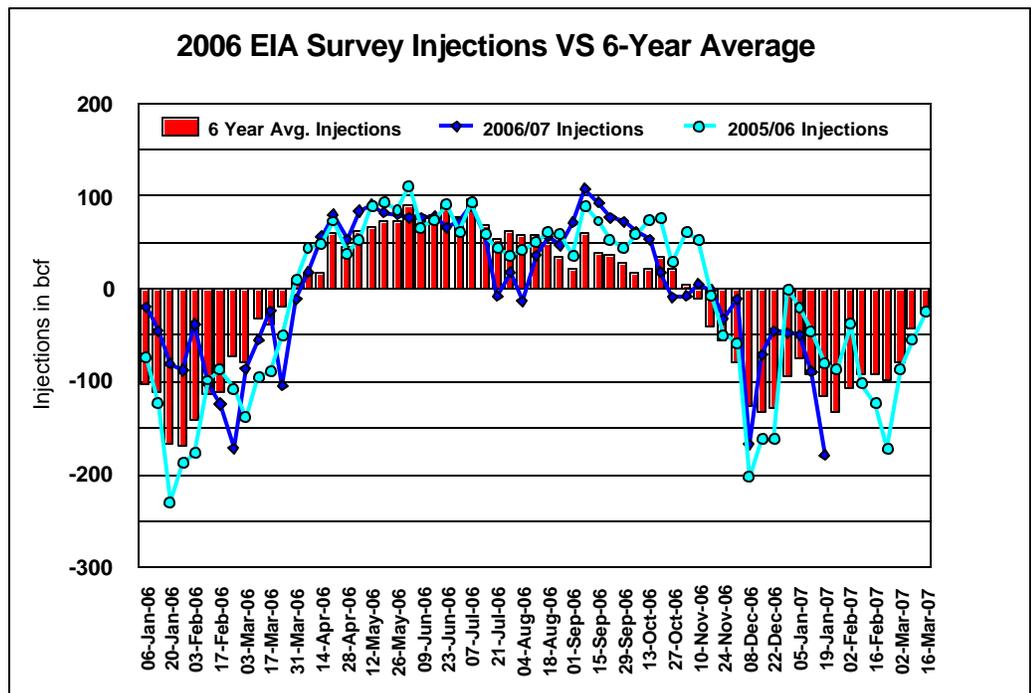
Weekly Storage Report

| | 19-Jan-07 | 12-Jan-07 | 20-Jan-06 |
|--------------|-----------|-----------|-----------|
| East | 209.0 | 223.2 | 173.8 |
| West | 167.2 | 180.7 | 171.5 |
| Total | 376.2 | 403.8 | 345.3 |

storage figures are in Bcf

Trunkline Gas Company said that there will be an outage on the Pollock 100-3 line between Gate Valve 63-3 and Gate Valve 64-3 for a Hot Tap, beginning February 3. The outage is expected to last seven days. At this time there is no anticipated impact to shipper nominations.

Williston Basin Interstate Pipeline Company said that several line sections are in pipeline capacity constraint for today's Timely Cycle. Penalties will be imposed at the following line sections: Cabin Creek-Dickinson; Dickinson-Bismarck; Bismarck-Cleveland; Cleveland-Grafton; Williston-Bismarck; Belle Fourche-Recluse; Cleveland-Mapleton; Portal-Tioga; and Belle Creek-Manning.



PIPELINE MAINTENANCE

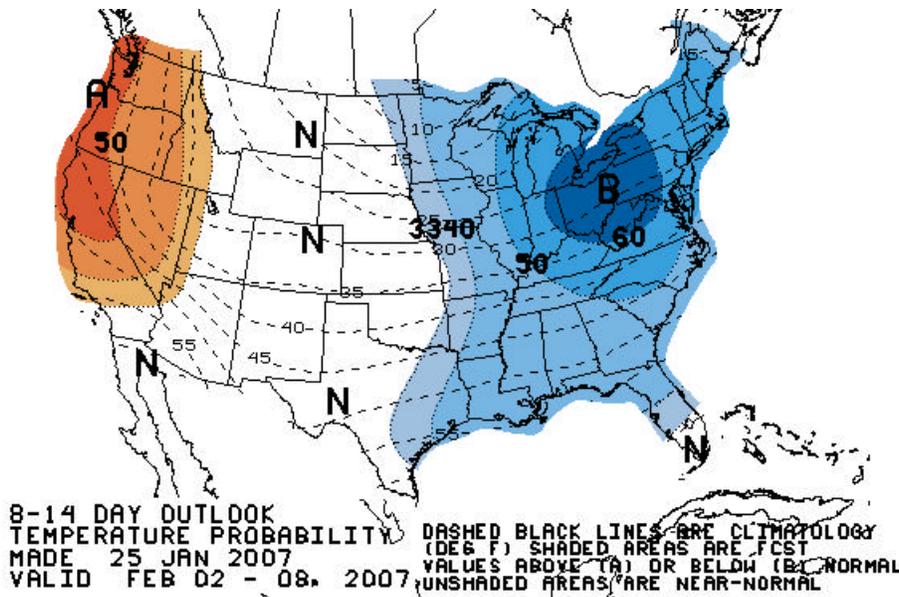
ANR Pipeline Company announced its planned maintenance schedule for February. ANR will continue engine repairs at Patterson Compressor Station, restricting the Southeast Gathering Area, Patterson to Eunice delivery capacity located in Louisiana in the Southeast Area Fuel Segment to the following: 650 MMcf/d available through

February 28. The company also said it will continue engine maintenance at its St. John Compressor Station located in Indiana in the Northern Fuel Segment, which will reduce the total St. John W&E capacity by the following: MLS-St. John 115 MMcf/d from now through February 28.

Gulf South Pipeline said it will perform scheduled pigging maintenance on Index 291 beginning January 30 and continuing through February 8. Due to the possibility of low demand in the New Orleans area, capacity on Index 291 could be affected requiring the shut-in of production during pigging maintenance.

Natural Gas Pipeline Company has revised the schedules for two maintenance projects. Natural said that from January 27-31, it will isolate a different section of the Amarillo #2 Main Line north of Station 102 that will cause Carrere-Camrick Plant-Beaver to be unavailable during this remediation work. Originally set to begin today and run through January 27, Natural will now isolate a section of the Amarillo #2 Main Line north of Station 102 (Segment 10 of Natural's MidContinent Zone) to remediate anomalies found during an earlier smart pig run sometime in February.

PG&E California Gas Transmission announced several maintenance projects for the coming weeks. On the Redwood Path, the Tionesta compressor K1 will undergo an unplanned outage at 89% of maximum through January 31, as well the Delevan compressor K-3. The same compressors will undergo a similar outage 1,915



MMcf/d February 13-28 for an unplanned outage. On the Baja Path, no maintenance is planned and capacity is scheduled to be at 100%.

Transcontinental Gas Pipe Line has updated its Southeast Louisiana Lateral Repair on Eugene Island 135. On January 16, Transco began making repairs to a section of pipeline that was damaged during hurricane Katrina/Rita. The work is taking place in Eugene Island Block 135. However, unfavorable weather conditions have delayed the progress of the repair work. Transco anticipates completion of this work on

February 15.

Williston Basin Interstate Pipeline Company said that planned maintenance will be performed at the Cabin Creek Compressor Station through January 30. At this time, the company does not anticipate any restriction to the system.

ELECTRIC MARKET NEWS

The president of the National Association of Regulatory Utility Commissioners stated that with new power plant investments reaching into the billions of dollars, there are concerns that traditional utility ratemaking may not be the best way to have companies pursue new advanced coal-fired or nuclear power plants.

MARKET COMMENTARY

The natural gas market opened 18 cents lower continuing its consolidation from its recent rally but after the release of the EIA storage report, which was in line with expectations showing that 179 Bcf was taken from the ground, the market immediately came under pressure. The soon to expire February contract shot down the charts to the 7.00 level, where support held initially, but as pressure built up over the entire energy complex, natural gas broke back below 7.00 to trade down to a low of 6.86 before settling down 51.6 cents at 6.905.

With February options expiring tomorrow and the futures tomorrow, the bearish sentiments remain the driving force in this market. The weather has been built into the market and even with another couple large draws still to come as temperatures remain cold through the first week of February, longer term forecasts are leaning towards a more seasonal outlook for the remainder of winter, keeping pressure on the market. Total stocks stand at 2,757 Bcf, 251 Bcf over last year's levels for the same week and 472 Bcf above the five-year average. We see this market maintaining a bearish bias with sensitivity to weather forecasts as winter winds down. We see support at \$6.90, \$6.20, \$6.00, \$5.75, \$5.35, \$5.00 and \$4.07. We see resistance at \$7.62, \$7.70, \$8.00 and \$8.45.