



ENERGY RISK MANAGEMENT

Howard Rennell, Pat Shigueta &
Zachariah Yurch

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

www.e-windham.com

POWER MARKET REPORT FOR FEBRUARY 8, 2007

NATURAL GAS MARKET NEWS

Excelerate Energy announced Thursday that it has obtained a deepwater port license from the U.S. Maritime Administration to build its proposed Northeast Gateway offshore liquefied natural gas delivery system in Massachusetts Bay, which the company says will be the first of its kind built in the Northeast.

Sen. Hillary Clinton (D-NY), in a letter to FERC Wednesday, asked the agency to reject Broadwater Energy LLC's controversial deepwater liquefied natural gas import terminal, which is proposed for Long Island Sound.

Excelerate Energy has booked to unload the first LNG to the U.K. through its new Teesside gas facility on February 12.

PIPELINE RESTRICTIONS

Columbia Gas Transmission extended through Friday an alert to natural gas shippers on its pipeline system as an arctic blast took hold of much of the eastern U.S. The company deemed Friday a critical day for natural gas shippers in its eastern U.S. market areas, extending February 2's designation of critical days for a seventh day. Based on forecasts, available facilities and capacity utilizations, the company said all available capacity would be needed in order to meet firm service obligations. Therefore, zero non-firm capacity is available.

EIA Weekly Report

	02/02/2007	01/26/2007	Net chg	Last Year
Producing Region	744	807	-63	724
Consuming East	1326	1465	-139	1323
Consuming West	277	299	-22	326
Total US	2347	2571	-224	2373

*storage figures in Bcf

Rural Retreat and Roanoke. In addition, Maximum Allowable Delivery Service will be in effect for today. The unauthorized overrun charges for exceeding MAD will remain in effect until further notice. ETNG will not assess an Unauthorized Overrun charge on a Balancing Party unless the quantity of gas by which the Balancing Party exceeds its MAD is more than the greater of 50 DTH or 2% of MAD.

Generator Problems

ERCOT – TXU Corp.'s 575 Mw Big Brown #1 coal-fired power station restarted after fixing a tube leak. The unit shut on February 6.

FRCC – FPL's 760 Mw Turkey Point #4 nuclear unit shut for pump repairs. Yesterday, the unit was operating at 30% capacity. Turkey Point #3 continues to operate at full power.

SERC – South Carolina Electric and Gas Company's 1,000 Mw Summer nuclear unit ramped up to 75% capacity today. Yesterday, the unit was operating at 52% capacity.

WSCC – Arizona Public Service's 1,270 Mw Palo Verde #2 nuclear unit decreased output to 12% capacity. Yesterday, the unit was operating at 45% capacity. Palo Verde #1 and #3 continue to operate at full power.

Ontario Power Generation's 535 Mw Lennox #3 oil- and natural gas-fired power station shut today for short-term work.

The NRC reported that 93,591 Mw of nuclear capacity is on line, down .54% from Wednesday, but 2.16% higher from a year ago.

East Tennessee Natural Gas said that it has placed restrictions on its system effective 9:00 AM ET today. ETNG will be implementing the following restrictions: no secondary receipts upstream of station 3104; no secondary receipts upstream of station 3205; no secondary deliveries downstream of station 3313 on the 8inch 3300 line between

KM Interstate Gas Transmission said that effective today and until further notice, Southern Star Central Thomas is at capacity for received volumes. Based on the current level of nominations, IT/AOR and second volumes are at risk of not being scheduled.

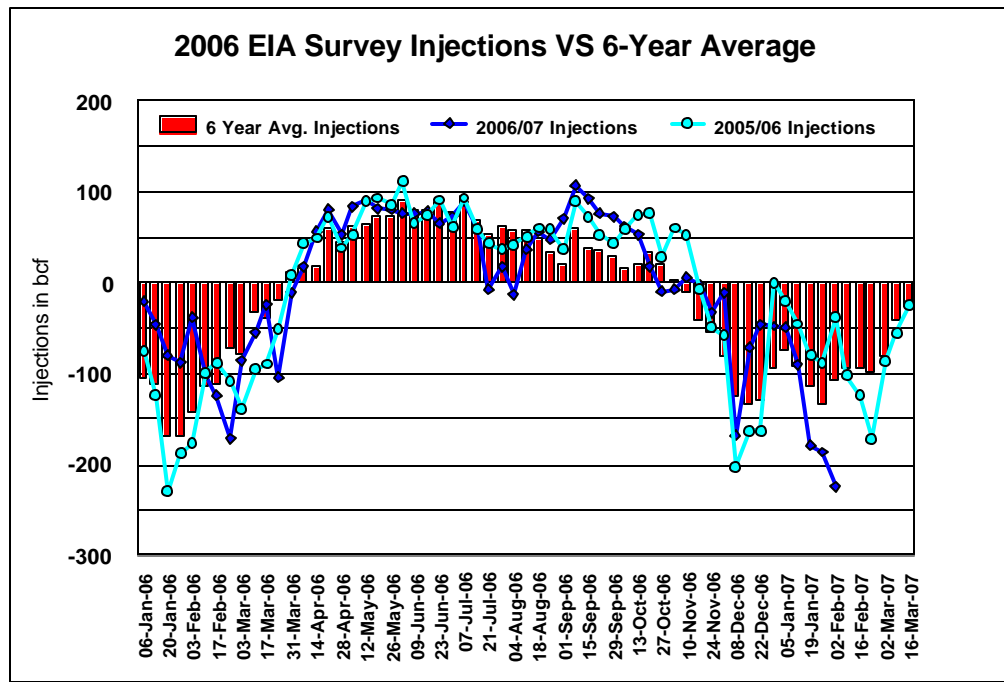
Northern Natural Gas Company said that due to single-digit system weighted forecasted temperatures and below zero low temperatures at most reporting stations in the market area, and SOL is being called for EF for today.

Southern Natural Gas Pipeline said that there was a possibility that the company would implement a Type 6 OFO for today, tomorrow and Saturday based on current receipts and projected deliveries.

**Canadian Gas Association
Weekly Storage Report**

	02-Feb-07	26-Jan-07	03-Feb-06
East	167.7	190.9	165.0
West	145.5	156.9	159.5
Total	313.3	347.8	324.5

storage figures are in Bcf

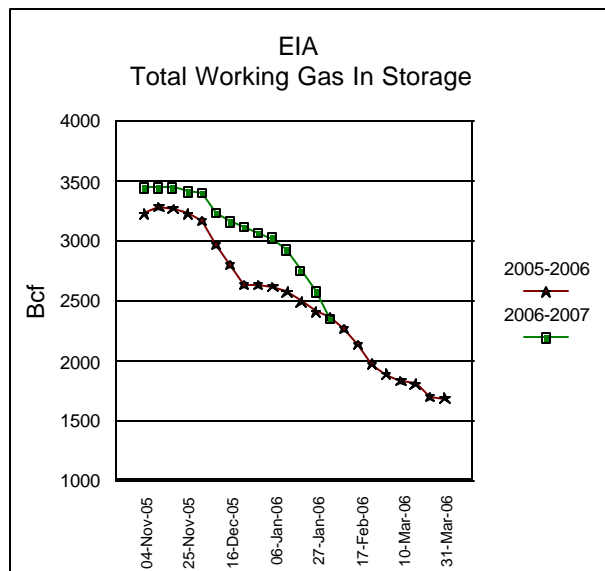


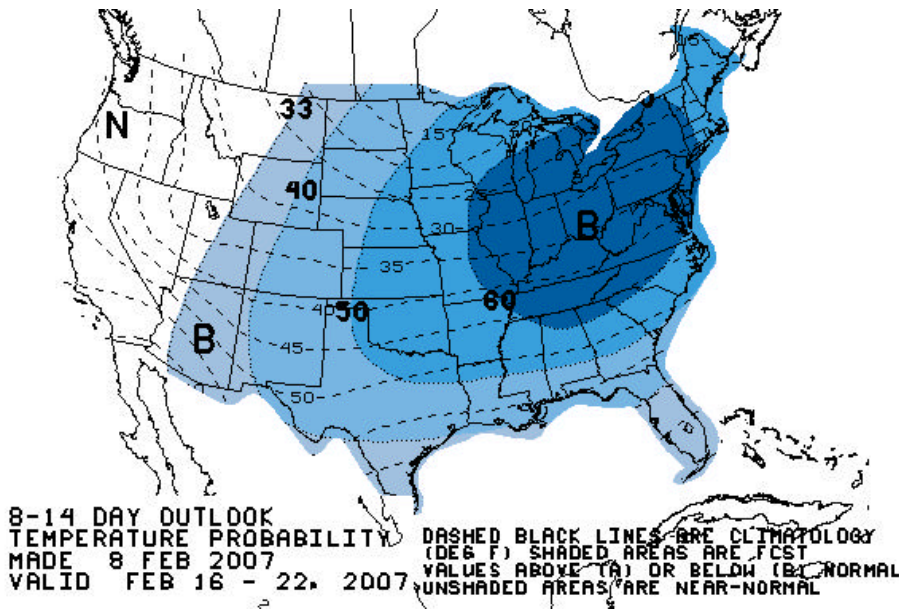
Tennessee Gas Pipeline is anticipating numerous restrictions effective Timely Cycle 9:00 AM CT for today, due to nominations in excess of the available capacity. At MLV 3, Tennessee anticipates restricting approximately 20% of Supply to Market Secondary Out of the Path nominations. At Station 40, 100% is restricted; at Station 47, 29%; At Sabsinsville Meter, 100% of Supply to Market Interruptible Service nominations are restricted. At Station 245, 100% of Supply to Market Secondary Out of the Path nominations are

restricted. At Station 321, 71% is restricted, at station 355, 29% and finally at Muskrat 500 Line, Tennessee will not accept any supply to market increases pathed from meters located on the Muskrat 500 Line.

Texas Eastern Transmission Corp. has announced several restrictions due to anticipated weather conditions and forecasted load. The company has scheduled to capacity receipts sourced between Little Rock and Batesville for delivery downstream of Batesville. No increase of receipts between Little Rock and Batesville for delivery downstream of Batesville will be accepted. Texas Eastern has restricted receipts sourced between Mt. Belvieu and Little Rock for delivery outside of that area. No increase of receipts between Mt. Belvieu and Little Rock for delivery outside of that area will be accepted.

TransColorado Gas Transmission said that effective today and until further notice, TransColorado has limited capacity available for deliveries through Segment 220. Depending on the level of nominations, IT/AOR and secondary out-of-path volumes by be scheduled.





Williston Basin Interstate said that several line sections remain in pipeline Capacity Constraint for today's timely cycle. The following line sections are constrained: Dickinson-Bismarck; Bismarck-Cleveland; Cleveland-Grafton; Williston-Bismarck; Cleveland-Mapleton; and Portal-Tioga.

PIPELINE MAINTENANCE

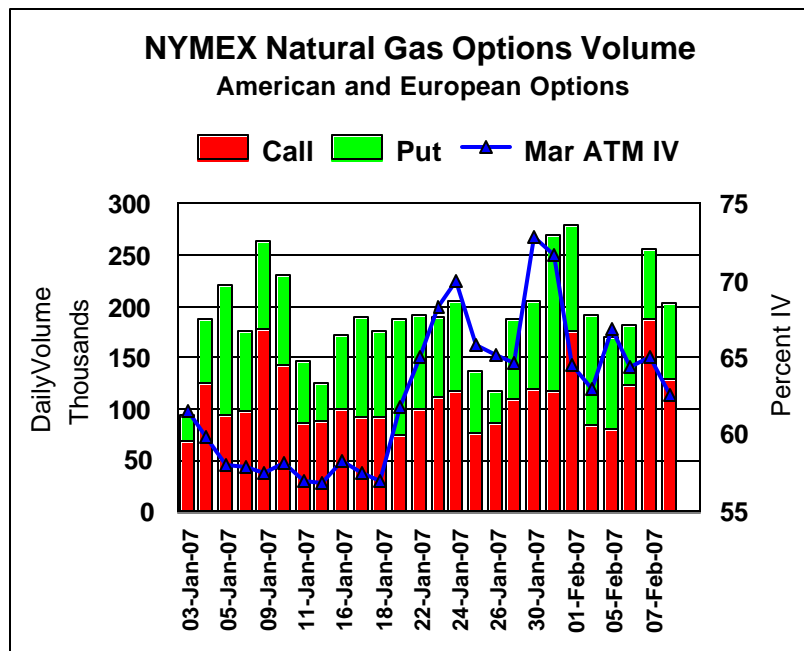
National Fuel Gas Supply Corp. said that Strattanville station remains out of service requiring repair. The unit is expected to be back in service on February 23. The producers behind the unit will be shut in until the unit is back in service.

TransCanada Corp. has warned natural gas shippers that it may restrict interruptible transport service on its pipeline system at the Alberta-Saskatchewan border due to required maintenance. TransCanada did not say when restrictions might begin. It said all efforts are being taken to maximize the capacity and minimize outage durations.

ELECTRIC MARKET NEWS

U.S. Speaker Nancy Pelosi reiterated her call for mandatory caps on US emissions of greenhouse gases, saying the country needs to cut carbon emissions 50% from current levels by 2050.

U.S. Energy Secretary Sam Bodman told Congress today the Bush administration would continue to oppose a mandatory cap on the total amount of greenhouse gas emissions spewed by the United States, the world's top polluter. Bodman however said he would work with Congress to craft a bill to fight global warming.



MARKET COMMENTARY

The natural gas market opened 6.1 cents higher in anticipation of the EIA report showing the largest draw from stocks of the winter. The report was higher-than-expected showing that 224 Bcf was taken from storage, resulting in total inventories slipping below year-ago levels for the first time in over a year. The natural gas market however, failed to break above the key 8.00 level, even as crude oil rallied into the close nearing in on \$60.00. The March contract finished the session up 16.2 cents at 7.871.

Total stocks now stand at 2,347 Bcf Bcf, 26 Bcf below last year's levels and 378 Bcf above the five-year average of 1,969 Bcf. With perhaps the largest draw of the season expected next week, of about 245 Bcf, and cold temperatures still lingering, total stocks are on pace to end winter at an estimated 1.5 Tcf, lower than the 1.7 Tcf expectation heard earlier in the winter. If draws for the rest of the heating season just match the five-year average, storage will begin the stock building season in April at 1.61 Tcf, below last year's record high of 1.695 Tcf but still 30% above the 1.23 Tcf average for end-winter inventories. We feel this market will maintain an upside bias and test the 8.00 again. We see support at \$7.60, \$7.40, \$6.90, \$6.20 and \$6.00. We see resistance at \$7.97-\$8.00, \$8.28-\$8.35, \$8.45 and \$9.00.

NYMEX Nat Gas Options Most Active Strikes for February 8, 2007

Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Volume	IV
LN	4	7	C	20	03/27/2007	0.0001	16,000	68.91
ON	4	7	C	12	03/27/2007	0.019	5,071	59.99
LN	4	7	P	6.75	03/27/2007	0.1557	4,350	53.69
LN	5	7	P	6.75	04/25/2007	0.2054	4,350	49.75
LN	5	7	P	5	04/25/2007	0.0083	4,170	49.06
LN	3	7	C	9	02/23/2007	0.0983	3,925	66.16
LN	6	7	P	6	05/25/2007	0.0928	3,300	47.10
LN	6	7	P	5.5	05/25/2007	0.0424	3,075	47.26
LN	9	7	C	13	08/28/2007	0.2003	3,000	46.83
LN	3	7	P	6	02/23/2007	0.0045	2,950	62.29
LN	3	7	P	5.5	02/23/2007	0.0008	2,750	65.21
LN	3	7	P	6.5	02/23/2007	0.0209	2,680	60.45
ON	3	7	P	6.5	02/23/2007	0.021	2,492	59.75
LN	4	7	C	9	03/27/2007	0.2428	2,465	53.08
LN	3	7	P	7	02/23/2007	0.083	2,280	61.81
LN	4	7	C	15	03/27/2007	0.0021	2,200	63.98
ON	3	7	P	7	02/23/2007	0.083	2,162	60.75
LN	3	7	C	10	02/23/2007	0.0247	2,050	69.83
ON	5	7	C	12	04/25/2007	0.032	2,020	50.78
ON	6	7	C	8	05/25/2007	0.734	2,001	44.00
LN	6	7	P	6.75	05/25/2007	0.2406	2,000	47.36
ON	9	7	C	9	08/28/2007	0.794	2,000	46.26
LN	6	7	P	7	05/25/2007	0.3353	1,900	49.18
LN	6	7	C	12	05/25/2007	0.0813	1,900	48.74
LN	4	7	C	8	03/27/2007	0.5292	1,850	49.68
LN	6	7	C	10	05/25/2007	0.2397	1,850	44.67
LN	7	7	C	15	06/26/2007	0.0389	1,850	50.72
LN	4	7	C	10	03/27/2007	0.1087	1,750	55.85
LN	5	7	C	15	04/25/2007	0.0081	1,750	57.29
LN	6	7	C	15	05/25/2007	0.0213	1,750	54.06
LN	8	7	C	15	07/26/2007	0.0694	1,750	49.85
LN	9	7	C	15	08/28/2007	0.1107	1,750	49.35
LN	10	7	C	15	09/25/2007	0.1632	1,750	49.26
LN	7	7	C	8	06/26/2007	0.8791	1,675	36.13
LN	3	7	P	7.5	02/23/2007	0.2257	1,654	63.25
LN	4	7	C	11	03/27/2007	0.049	1,500	58.26
LN	9	7	C	11	08/28/2007	0.3859	1,500	43.60
LN	3	7	C	8.5	02/23/2007	0.187	1,485	63.79
LN	4	7	P	5	03/27/2007	0.0043	1,450	55.52
LN	10	7	P	7	09/25/2007	0.5293	1,450	50.66
LN	3	7	P	7.25	02/23/2007	0.1424	1,275	62.52
LN	5	7	C	9	04/25/2007	0.3275	1,250	45.80
LN	5	7	C	8	04/25/2007	0.6374	1,200	42.66
LN	9	7	P	7	08/28/2007	0.4742	1,150	48.91
LN	3	7	P	6.25	02/23/2007	0.0095	1,100	60.68
ON	5	7	P	6	04/25/2007	0.067	1,100	47.03
LN	6	7	C	8	05/25/2007	0.7316	1,100	37.69
LN	7	7	C	10	06/26/2007	0.325	1,100	42.05
ON	3	7	P	7.5	02/23/2007	0.226	1,037	61.85