



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 FEBRUARY 8, 2008

NATURAL GAS MARKET NEWS

Three former El Paso Corp. natural gas traders were found guilty Thursday in U.S. District Court in Houston of conspiracy, as well as some charges of wire fraud and false price reporting in an attempt to influence published price indexes from about April 2000 to about May 2002.

The LNG tanker Arctic Discoverer berthed yesterday at Norway's Melkoya gas liquefaction plant, part of the Snohvit project. This would be the first LNG tanker to take a cargo from the plant since repairs were carried out over the New Year, and the third tanker ever at the project.

FERC Friday issued a favorable draft environmental review to Midcontinent Express Pipeline LLC for a proposed 500-mile pipeline that would give producers in the various shales in Texas, Arkansas and Oklahoma greater market access.

Rockies Express Pipeline LLC's (REX) projected time frame -- early February -- for completing the remainder of its western leg known as REX-West has come and gone. The company now expects the remaining 213 miles of the REX-West project, running eastward from an ANR Pipeline interconnect in Brown County, KS, to Panhandle Eastern Pipe Line (PEPL) in Audrain County, MO, to be in service some time in March.

PIPELINE RESTRICTIONS

Northern Natural Gas Company said that an SOL with 0% allowable SMS is being called due to extremely cold wind chill factor temperatures forecasted for February 9 gas day.

NiSource's Columbia Gulf Transmission Co. said natural gas flows had increased further on its pipeline system in Tennessee after its Hartsville compressor station was struck by a tornado. Columbia Gulf said line 200 was back in service late Thursday, after line 300 had resumed flowing about 1.2 Bcf earlier in the day. Line 100 is expected to return to service later today.

ELECTRIC MARKET NEWS

Generator Problems

ECAR – Two units at Dominion Resources' 1,581 Mw Mount Storm coal-fired power station shut.

MAPP – Xcel Energy's 593 Mw Prairie Island #1 nuclear unit inched lower to 86% capacity as it readies for a refueling outage. Prairie Island #2 nuclear unit remains at full power.

MAIN – AmerGen's 1,022 Mw Clinton nuclear unit ramped up to 97% power as it returns from a refueling outage.

PJM – Exelon's 1,143 Mw Limerick #2 nuclear unit is warming up offline at 5% capacity after exiting a turbine trip outage that began February 1. Limerick #1 reduced power modestly to 97% capacity.

Exelon's 1,116 Mw Peach Bottom #3 nuclear unit reconnected to the grid and ramped up to 39% capacity. Peach Bottom #2 continues to operate at full power.

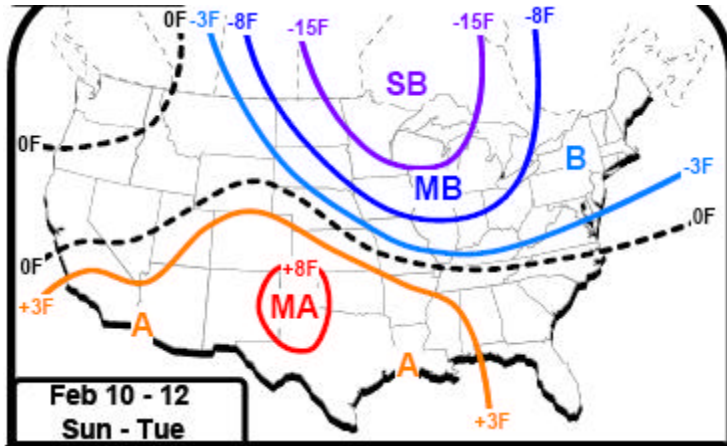
SERC – Entergy's 836 Mw Arkansas #1 nuclear unit reduced output to 28% capacity today and unit #2 reduced to 80% as a result of this week's tornados.

TVA's 1,121 Mw Watts Bar nuclear unit ramped up to full power today. Yesterday, the unit was operating at 97% capacity.

WSCC – Southern California Edison's 1,080 Mw San Onofre #3 nuclear unit ramped up to 98% power. The unit was operating at 65% power yesterday.

Canada – Bruce Power reduced two nuclear reactors today as Hydro One works on a power transmission line.

The NRC reported that 89,196 Mw of nuclear capacity is online, up 1.05% from Thursday, and down 4.90% from a year ago.

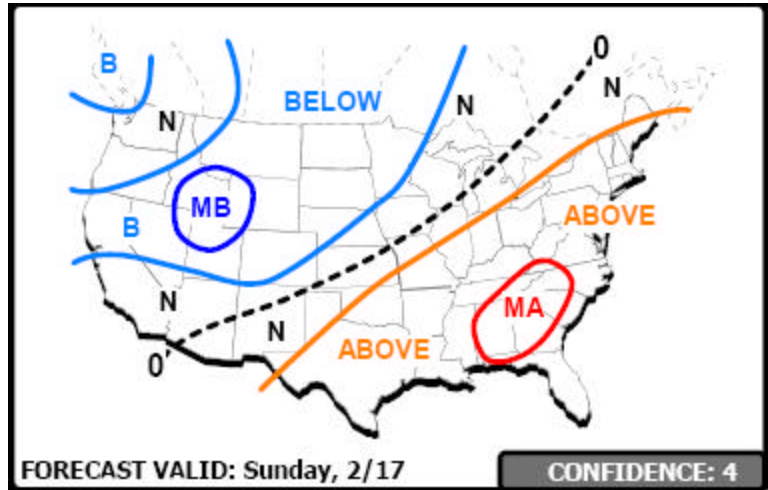


As estimated by the EIA from data on railroad car loadings, U.S. coal production totaled approximately 22.4 mmst during the week ended February 2. This production estimate is about the same as last week's estimate, and also about the same as the estimate reported for the comparable week in 2007. Production east of the Mississippi River totaled 9.6 mmst, while production west of the Mississippi totaled 12.9 mmst. Coal production for January 2008 totaled 100.7 mmst, this was about the same as the production for January 2007.

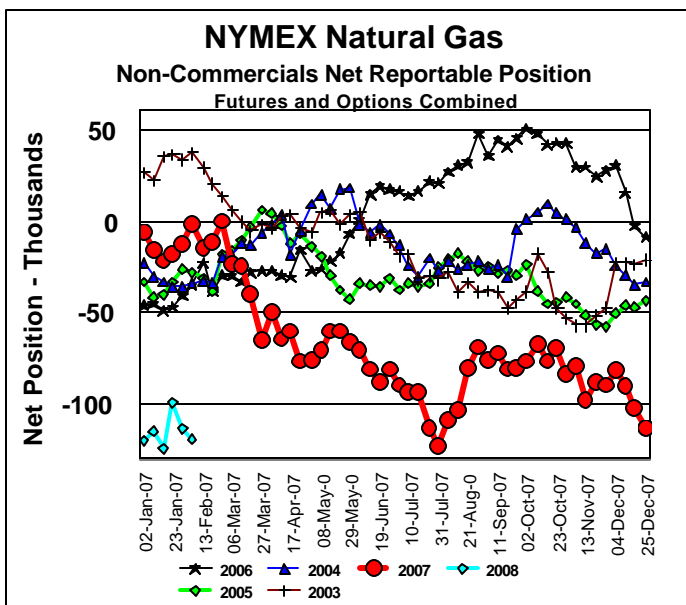
Genscape's U.S. coal burn index slipped 0.04% in the week ended February 7. The index, a gauge of power plant demand for coal, was

down 0.03% from the same week last year.

Canada's Maritime provinces and New England would provide a potential market for electricity from a proposed merchant nuclear plant at New Brunswick Power's Point Lepreau nuclear station. A study said about half of the output of the 1,085 Mw nuclear unit proposed by the Team CANDU New Brunswick joint venture would likely be used in New Brunswick, Nova Scotia and Prince Edward Island, with the other half exported to New England. The report, however, warned that issues associated with the inability of the New England market to enter into long-term supply contracts and limitations with transmission could make it difficult to secure commitments necessary to proceed with the plant.



MARKET COMMENTARY



The natural gas market exhibited tremendous volatility today. After trading to an overnight high of 8.229, the market was unchanged by the open of today's session. However, strength across the energy complex and commodities as a whole, prompted a return of the bulls, the market quickly eclipsed the overnight high, and the March contract saw strength to a high of 8.329. The front month finished the session up 19.9 cents at 8.301.

The underlying bullish themes supporting this market include record coal prices, above average nuclear outages and an impressive short interest. The cold snap that is expected for early next week prompted more short covering, however by the end of next week, temperatures are expected to return to above normal, and as we move through winter, temperature highs will be getting higher and therefore reducing the demand effect they have on natural gas. With this moderation in the weather outlook, much smaller

withdrawals are expected to stocks in the next two weeks, where each could show draws of below 150 Bcf. We see resistance at 8.35, 8.397, 8.436, 8.48, 8.518 and 8.70-8.80. We see support at 8.166, 8.10, 7.978, 7.896, 7.80, 7.62-7.60 and 7.50.

Natural Gas Cash Market						
ICE Next Day Cash Market						
	Volume	Avg	Change	Basis	Change	Basis 5-Day
Location	Traded	Price		(As of 12:30 PM)		Moving Avg
Henry Hub	1,445,900	\$8.063	\$0.069	(\$0.232)	(\$0.206)	(\$0.164)
Chicago City Gate	1,073,100	\$8.359	\$0.196	\$0.064	(\$0.084)	\$0.069
NGPL- TX/OK	1,260,500	\$7.767	(\$0.001)	(\$0.528)	(\$0.281)	(\$0.372)
SoCal	1,010,000	\$7.840	(\$0.022)	(\$0.455)	(\$0.302)	(\$0.231)
PG&E Citygate	57,520	\$8.069	(\$0.008)	(\$0.226)	(\$0.288)	\$0.025
Dominion-South	308,700	\$8.602	\$0.153	\$0.307	(\$0.127)	\$0.332
Transco Zone 6	69,100	\$9.759	\$0.728	\$1.464	\$0.448	\$0.948

NYMEX Natural Gas Options Most Active Strikes for February 8, 2008

Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Volume	IV
ON	4	8	C	10	03/26/2008	0.065	7,554	40.49
LN	3	8	P	8	02/26/2008	0.1262	6,465	35.99
LN	3	8	C	8.5	02/26/2008	0.1841	4,670	34.81
LN	5	8	C	9	04/25/2008	0.295	3,975	31.30
LN	4	8	P	7	03/26/2008	0.0386	3,800	37.11
LN	6	8	P	7	05/27/2008	0.1067	3,325	36.14
LN	3	8	C	9.5	02/26/2008	0.0219	3,225	39.03
LN	6	8	C	9	05/27/2008	0.4282	3,085	30.74
LN	5	8	P	7	04/25/2008	0.0677	3,075	35.44
LN	12	8	P	7	11/21/2008	0.2486	3,000	40.33
LN	12	8	C	15	11/21/2008	0.2232	2,700	39.47
LN	2	9	P	7	01/27/2009	0.2736	2,700	40.18
LN	3	9	P	7	02/24/2009	0.3218	2,700	40.07
LN	1	9	P	7	12/24/2008	0.2312	2,700	39.24
LN	3	8	P	7.5	02/26/2008	0.0189	2,610	32.76
LN	12	8	C	11	11/21/2008	0.6739	2,600	32.69
LN	3	8	C	8.25	02/26/2008	0.2875	2,472	33.28
LN	3	8	C	9	02/26/2008	0.0669	2,412	37.07
LN	3	8	C	8.75	02/26/2008	0.1129	2,385	36.01
LN	8	8	C	10	07/28/2008	0.4191	2,200	33.72
LN	4	8	P	8	03/26/2008	0.258	2,010	37.22
LN	5	8	C	10	04/25/2008	0.1218	1,900	34.87
LN	4	8	C	9	03/26/2008	0.1875	1,600	33.63
LN	6	8	C	10	05/27/2008	0.2099	1,550	33.80
LN	3	8	C	8	02/26/2008	0.4267	1,500	30.80
LN	3	8	P	7.75	02/26/2008	0.0556	1,390	34.34
LN	3	9	P	8	02/24/2009	0.6724	1,380	42.57
LN	2	9	P	8	01/27/2009	0.5821	1,380	42.11
LN	1	9	P	8	12/24/2008	0.5078	1,380	40.60
LN	8	9	C	10	07/28/2009	0.6949	1,233	21.28
LN	4	8	P	7.25	03/26/2008	0.0612	1,210	35.93
LN	3	8	P	7.7	02/26/2008	0.0459	1,185	34.03
LN	4	8	C	8.5	03/26/2008	0.3382	1,060	31.66
LN	10	8	P	8	09/25/2008	0.7468	1,050	47.05
LN	3	8	C	9.25	02/26/2008	0.0386	1,025	38.05
LN	8	8	P	8.3	07/28/2008	0.6749	1,000	41.92

The Commitment of Traders report showed that non-commercial traders as of February 5 increased their net short futures only position by 3,128 lots to 103,195 contracts. Non-commercial traders also increased their net short combined futures and options position by 5,777 lots to 118,770 contracts.