



ENERGY RISK MANAGEMENT

Howard Rennell, Pat Shigueta &
Zachariah Yurch

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

www.e-windham.com

POWER MARKET REPORT FOR FEBRUARY 9, 2006

NATURAL GAS MARKET NEWS

DCP Midstream Partners announced today it plans to construct a new 37-mile NGL pipeline in Texas to connect a Duke Energy Field Services gas processing plant to the Seabreeze Pipeling for a cost of approximately \$12 million. The project is estimated to be completed during the fourth quarter of 2006 and is supported by a 10-year NGL product dedication by Duke Energy Field Services, the owner of the general partner of DCP Midstream Partners.

TransCanada Corporation announced the filing by its subsidiary, North Baja Pipeline, of an application with the FERC for a certificate for a two-phase expansion of its existing natural gas pipeline in southern California and the construction of a new pipeline lateral in California's Imperial Valley. The expansion project envisions substantially increasing the capacity of the existing pipeline and allowing for bi-directional flow of natural gas. Gas currently flows on North Baja Pipeline southward from its interconnection with El Paso Natural Gas Company at Ehrenberg, Arizona. The proposed North Baja Pipeline expansion links to a corresponding expansion of the Gasoducto Bajanorte line in Mexico owned by Sempra Energy. Together, the expansions will allow for import into the United States of up to 2.7 Bcf/d of natural gas supplied from several potential LNG terminals near Baja California, Mexico, including the Costa Azul terminal that is currently under construction.

PIPELINE RESTRICTIONS

Algonquin Gas Transmission said it has restricted 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.

Alliance Pipeline said that due to increased supply demand from the receipt points upstream of CP01A, it is experiencing extremely tight operating conditions. Alliance said that it has reviewed the operation and as a result have lowered the target capacity to 312.7 MMcf effective Cycle 1 today.

East Tennessee Natural Gas said that for today there will be: no secondary out of path receipts upstream of station 3104; no

Generator Problems

ERCOT— TXU's 1,150 Mw Comanche Peak #1 nuclear unit returned to full power this morning following repairs to a feedwater pump on the non-nuclear side of the unit. The unit was operating at 88% yesterday. Comanche Peak #2 continues to operate at full power.

MAAC— Constellation Energy's 825 Mw Calvert Cliffs #1 is coasting down for a standard refueling and maintenance outage. The unit is operating at 99% capacity. Calvert Cliffs #2 continues to operate at full power.

PSEG's 1,100 Mw Salem #1 nuclear unit reduced power overnight to 50% to repair a steam generator feedpump. The unit has since returned to full power. Salem #2 continues to operate at full power.

WSCC— AES Corp.'s 1,997 Mw Alamitos natural gas-fired power station shut units #3, #5 and #6 for unplanned reasons.

Arizona Public Service expects to shut the 1,243 Mw Palo Verde #1 nuclear unit in a week or so to install equipment to stop a pipe from vibrating. The unit is currently operating at 25% capacity. Palo Verde #2 and #3 continue to operate at full power.

Arizona Public Service's 740 Mw Four Corners #5 coal-fired power unit will return to service over the weekend following tube leak repairs.

Portland General Electric Co.'s 556 Mw Boardman coal-fired power plant remained shut for a repair outage. The unit is expected to return in a week or so.

The NRC reported that U.S. nuclear generating capacity was at 91,614 Mw down .054% from Wednesday and up 2.82% from a year ago.

EIA Weekly Report

	02/03/2006	01/27/2006	Net chg	Last Year
Producing Region	724	722	2	606
Consuming East	1319	1349	-30	1059
Consuming West	325	335	-10	266
Total US	2368	2406	-38	1931

*storage figures in Bcf

secondary out of path receipts upstream of station 3205; and not secondary deliveries downstream of station 3313 on the 8-inch 3300 line between Rural Retreat and Roanoke.

Florida Gas Transmission said that its linepack is low, and currently there continues to be cold weather in Florida. Therefore, it is issuing an

Overage Alert Day at 20% tolerance for today.

Kern River Pipeline said that line pack has returned to normal.

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

Canadian Gas Association

Weekly Storage Report

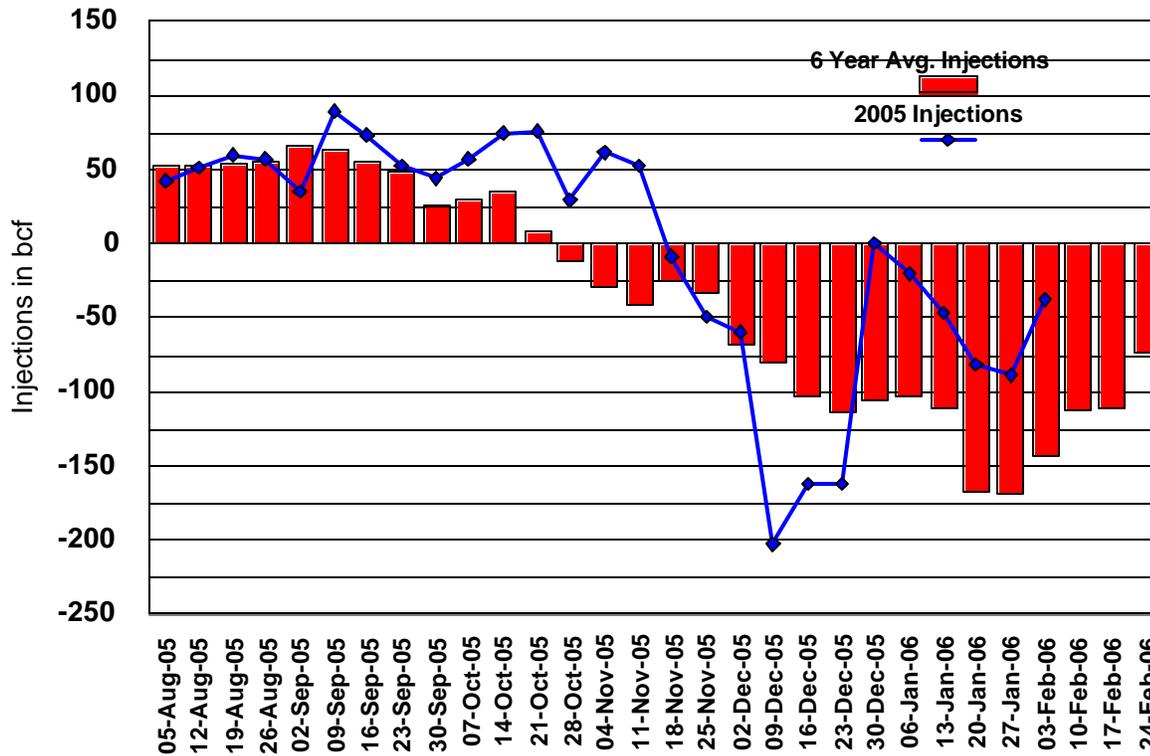
	03-Feb-06	27-Jan-06	04-Feb-05
East	165.0	167.2	122.6
West	159.5	165.4	97.2
Total	324.5	332.6	219.8

storage figures are in Bcf

ELECTRIC MARKET NEWS

The New York Power Authority and MTA New York City Transit have agreed on a \$2 million project to power an expanded subway and bus maintenance facility in Corona, Queens with a clean energy 200-Kw fuel cell. It is the first major maintenance facility with sustainable Green design. Integrated into the design are photovoltaic roof cells, natural light and ventilation, motion detector light switches and a storm water retention system to wash the 7 subway car fleet. Fueled by natural gas, the 200 kW fuel cell will be a continuous source of power. Its residual heat, approximately 700,000 Btu per hour, will be used for the shop's domestic hot water system. In case of a

2005 EIA Survey Injections VS 6-Year Average



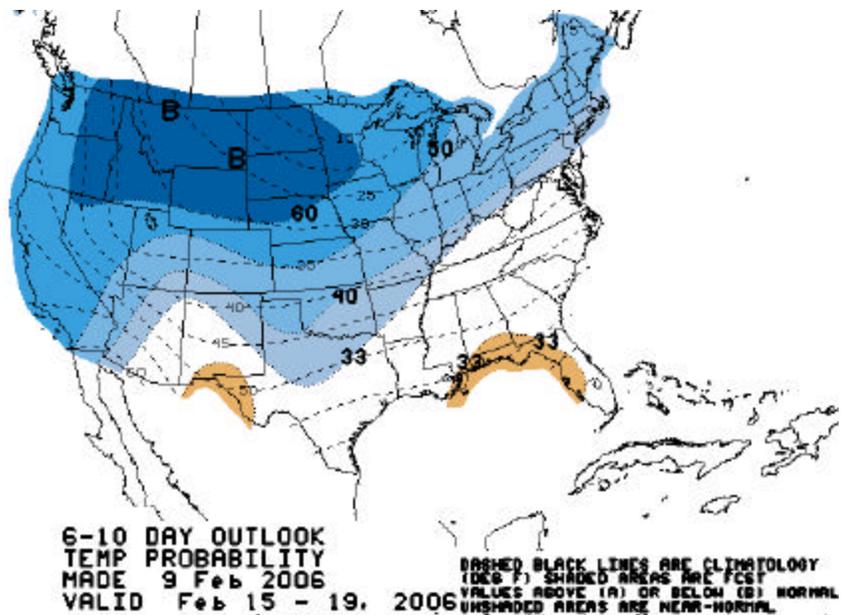
power disruption, the fuel cell will automatically supply electricity to the building's non-emergency lights. Combined with other sustainable green design elements, NYC Transit expects to use 36% less energy over the life of the new facility.

U.S. power company executives said that they expect a series of rules and taxes will be imposed, possibly within five years, on carbon pollution. Those regulations will challenge electric power providers using coal for fuel and may contribute to further reliance on natural gas plants and increased acceptance of nuclear power. Power companies that ignore the coming rules are likely to be on the losing end of the requirements.

High-technology companies in California's Silicon Valley are looking at an old resource, coal, to help shave their electricity costs. The Silicon Valley Leadership Group, whose 200 members include technology leaders such as Intel Corp., Oracle Corp. and Stanford University, is studying building a "clean" coal-fired power plant that would be owned by local tech businesses. A project consultant said a plant could be built outside Silicon Valley or in a neighboring state. Plans for new coal power plants are popping up across the United States amid ample supplies of the fossil fuel and higher prices for natural gas. Clean coal is based on a technology that extracts burnable gases, removing most of the pollutants like mercury, sulfur dioxide, and nitrogen oxide through a process called integrated gasification combined cycle (IGCC). IGCC costs can run 20% more than conventional coal-fired plants, but new federal investment tax credits and other incentives could help spur development.

The Ontario government will maintain its cap on electricity prices for large manufacturers, offering relief to a sector hammered by high-energy costs and the strong Canadian currency. This announcement by the province's energy minister, will affect about 55,000 large industrial and commercial electricity consumers across Ontario, who use more than 250,000 kilowatt-hours a year. The move is aimed at helping steelmaker, pulp and paper mills and other manufacturers at a time when many companies blame soaring energy prices for plant closings and job cuts.

The revenue cap on Ontario Power Generation's unregulated facilities will drop to 4.6 cents per kWh from the present 4.7 cents. The cap will go back up to 4.7 cents/kWh next year and be increased to 4.8 cents on April 1, 2008.



MARKET COMMENTARY

The natural gas market opened 13.5 cents lower in anticipation of yet another bearish inventory report given the lack of heating demand that the nation has seen this past January. Most market players came into the day with an average range of projections from 50 to 57 Bcf coming out of the ground, but the EIA surprised the trading floor with an atypically tiny 38 Bcf draw. The front month did not slide as much as it could have, trading to a low of 7.30 right after the release of the figure, and then recovering to trade on either side of the 7.40 level for the remainder of the session. Supporting the market from further losses today was the cold weather that is creeping into the country from Canada, and a firm crude market. March natural gas settled down 25.6 cents at 7.479.

The nation's total storage now stands at 2,368 Bcf, 437 Bcf over last year at this time and a whopping 649 Bcf above the five-year average. Spot natural gas prices also slid with futures today despite cold temperatures in New York and Chicago, two key consuming regions. Delivery on the Transco pipeline at the New York City gate fell 55 cents to average \$8.43, while Chicago gas was 29 cents lower at \$7.28. We look for tomorrow's activity to be somewhat sideways and expect to see some players take a bit off the table by short covering ahead of the

weekend's storm. But with all the gas in storage this market will creep lower testing last year's levels. We see support at \$7.22-\$7.25, \$7.03 and \$6.62. Further support we see at \$6.02 and \$5.938. We see resistance at \$8.00, \$8.12 and \$8.17-\$8.26. Further resistance we see at \$8.745 and \$9.82.

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

