



ENERGY RISK MANAGEMENT

Howard Rennell, Pat Shigueta &
Zachariah Yurch

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

www.e-windham.com

POWER MARKET REPORT FOR MARCH 5, 2007

NATURAL GAS MARKET NEWS

U.S. heating demand is expected to be just over 8% above normal in the week ending March 10 as a blast of cold weather returns to the northern U.S. Heating demand for natural gas is expected to average 8.5% above normal.

A U.S. Senate bill aimed at increasing government scrutiny of over-the-counter energy markets has a better chance of passing in 2007 because it is narrower in scope than previous versions. Christine Tezak of the Stanford Group said in a report that a bill introduced February 14 by Senator Dianne Feinstein probably will be adopted as an amendment to energy policy legislation rather than as a stand-alone bill.

EnCana Corp. brought a delayed and downsized C\$700 million proposal for a gas project off the Nova Scotia coast before regulators, but had still not decided on a crucial aspect, how to get the gas to shore. EnCana said it wants to keep its shipping options open as it seeks ways to keep costs down at the Deep Panuke field, where recoverable gas reserves are pegged at 632 Bcf. The field is located 155 miles southeast of Halifax and about 2.2 miles under the seafloor.

PIPELINE RESTRICTIONS

Algonquin Gas Transmission said that due to the weather forecasts and anticipated demand beginning today, AGT urges all shippers and point operators to review gas demands and schedule gas consistent with daily needs. AGT believes that if shippers and point operators limit due pipe imbalances to 2% or less of scheduled deliveries to actual deliveries, the necessity of enforcing restrictions contemplated by the AGT tariff to maintain service to firm customers will be avoided. Furthermore, beginning today and until further notice, imbalance gas will not be allowed to be taken off AGT. More specifically, due shipper make-up and/or due pipe creation will not be allowed.

Columbia Gas Transmission issued an alert to natural gas shippers on its pipeline system amid a burst of cold weather over the eastern U.S. The company deemed Tuesday a "critical day" for natural gas shippers in its eastern market areas, therefore zero non-firm capacity is available.

Generator Problems

FRCC – FPL Group's 693 Mw Turkey Point #3 nuclear unit returned to full power by early today following turbine valve testing. Turkey Point #4 continues to operate at full power.

MAIN – Exelon's 855 Mw Quad Cities #2 nuclear unit returned to 96% capacity today. On Friday, the unit was operating at 71% capacity. Quad Cities #1 continues to operate at 97% power.

PJM – PPL's 1,115 Mw Susquehanna #2 nuclear unit shut for a scheduled refueling and maintenance outage. Susquehanna #1 continues to operate at full power.

SERC – Progress Energy's 938 Mw Brunswick #2 nuclear unit shut for a scheduled refueling and maintenance outage. Brunswick #1 continues to operate at full power.

Southern Co.'s 1,215 Mw Vogtle #2 nuclear unit shut over the weekend for a planned refueling and maintenance outage. Vogtle #1 remains at full power.

Canada – Ontario Power Generation's 494 Mw Lambton #1 coal-fired power station shut for maintenance by early today. The unit is expected to remain shut for at least a month.

EPCOR Utilities' 495 Mw Genesee #3 coal-fired power station shut.

The NRC reported that 86,245 Mw of nuclear capacity is on line, down 3.12% from Friday, but 3.09% higher from a year ago.

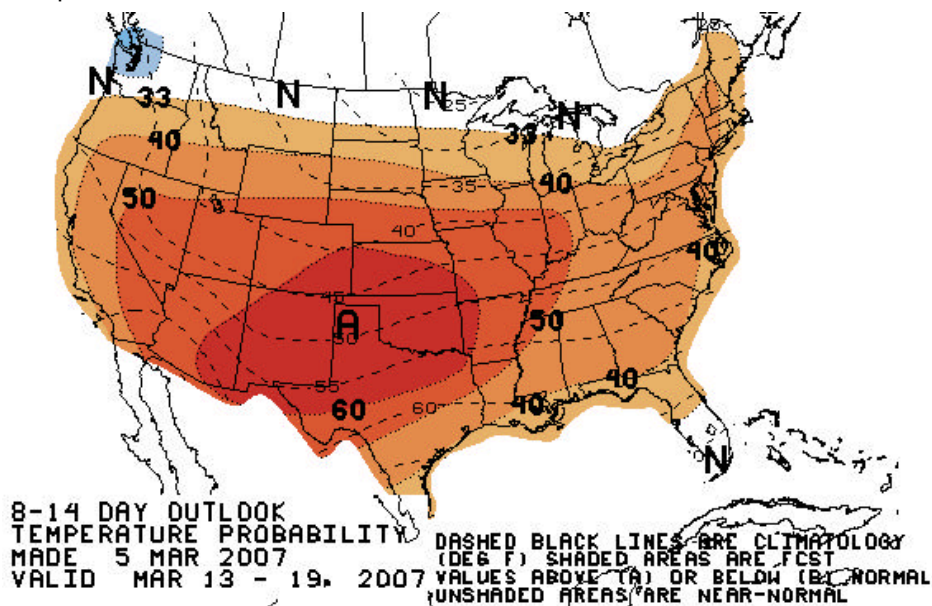
Florida Gas Transmission issued an alert to natural gas shippers as near-freezing temperatures forecast for the northern and central parts of the state were expected to boost demand on its pipeline system. To maintain system integrity, the company issued an overage alert at 25% tolerance.

Natural Gas Pipeline Company announced several points of capacity constraints and pipeline conditions for today. On the Amarillo system, NGPL said that Segment 13 and Segment 15 are at capacity while Segment 14 and Segment 1 are at limited capacity. On the Gulf Coast system, Segment 26 Back-Haul and Segment 17 have limited capacity, while Segment 27, 25, 23 and 24 are At Capacity, as are Col Chalkley and MRT Harris. TGT Lowry, Fla Jefferson, Fla Vermilion, CnPt Hot Sp and ANR Joliet #2 all have limited capacity.

Natural Gas Cash Market						
ICE Next Day Cash Market						
Location	Volume	Avg	Change	Basis	Change	Basis 5-Day
	Traded	Price		(As of 12:30 PM)		Moving Avg
Henry Hub	1,192,800	\$7.360	\$0.138	\$0.172	\$0.456	(\$0.257)
Chicago City Gate	564,300	\$7.332	\$0.088	\$0.098	\$0.135	(\$0.094)
NGPL- TX/OK	451,200	\$6.877	\$0.013	(\$0.357)	\$0.059	(\$0.531)
SoCal	824,500	\$6.789	(\$0.005)	(\$0.446)	\$0.041	(\$0.473)
PG&E Citygate	735,900	\$7.242	(\$0.034)	\$0.008	\$0.012	\$0.018
Dominion-South	485,700	\$8.417	\$0.804	\$1.183	\$0.850	\$0.395
Transco Zone 6	310,000	\$12.145	\$4.261	\$4.911	\$4.307	\$1.385

Tennessee Gas Pipeline said that effective Timely Cycle, 9:00 AM CT today, due to nominations in excess of the available capacity Tennessee restricted the following points, Carthage Lateral, Station 47, Station 245, Harrison Storage Meter and Grand Chenier 507-A Line.

Texas Eastern Transmission Corp. said that it has scheduled and sealed all nominations flowing through Batesville. Increases in nominations for receipts sourced between Little Rock and Batesville for delivery downstream of Batesville will not be accepted. Tetco has also restricted nominations sourced in zones STX and ETX for delivery outside that area. No increases in receipts between Little Rock and Mt. Belvieu for delivery outside that area will be accepted. Tetco also said that weather forecasts show cold temperatures this week across the system. Effective immediately, no due shipper imbalance resolution and no due pipe creation will be accepted until further notice.

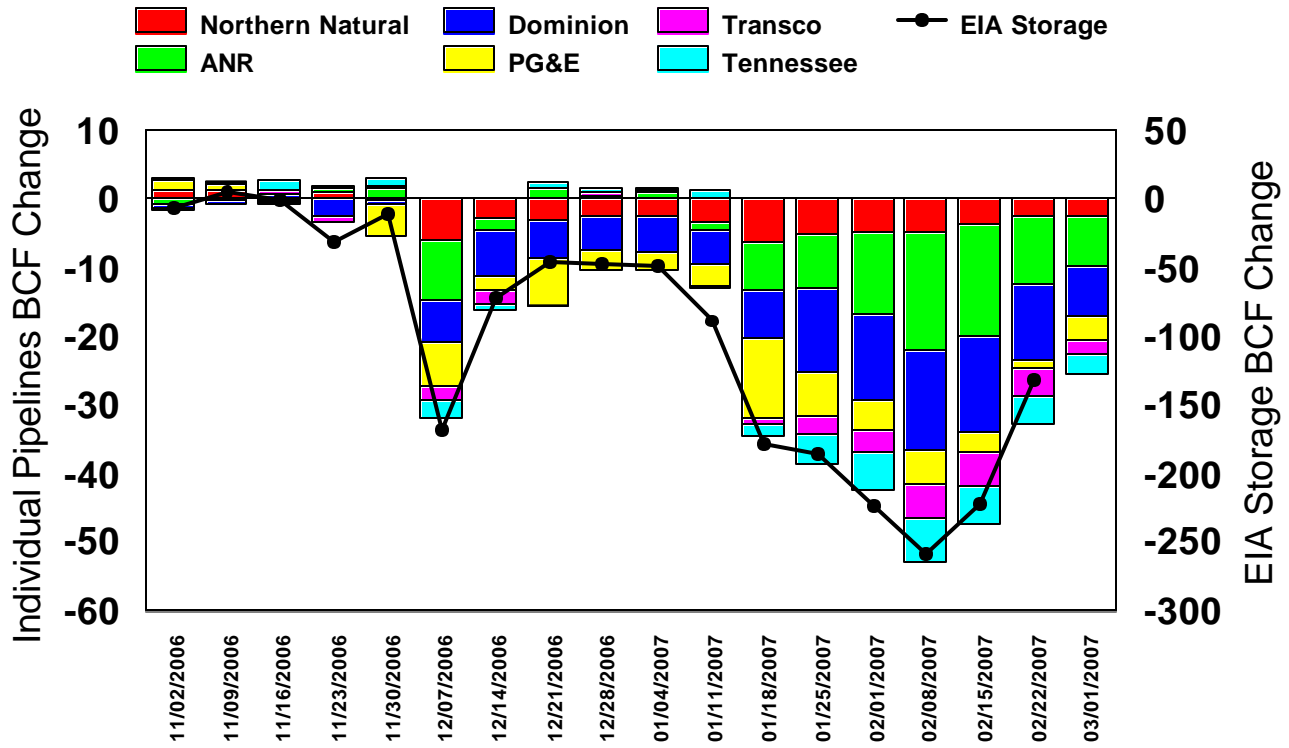


PIPELINE MAINTENANCE

Alliance Pipeline announced several maintenance and inspection plans for the week. A routine inspection will require the Carson Creek Unit #1 compressor to be offline for six hours on March 8. Station capacity will be lowered to 385 MMcf/d. Also, routine inspections will require the Gold Creek compressor station to be offline for five hours on March 8. Station capacity will be lowered to 950 MMcf/d. Inspections and maintenance require the Fairmount Compression Station to be offline for 36 hours starting tomorrow.

System Throughput (AOS) will be impacted but will be determined closer to the outage date. Also, inspections and maintenance require the Loreburn Compression Station to be offline for 24 hours starting tomorrow. System throughput (AOS) will be impacted but will be determined closer to the outage date. The Towner Compression Station will be offline for six hours on March 8. This outage is to perform routine maintenance. AOS may be impacted but will be determined closer to the outage date. Also, the Irma

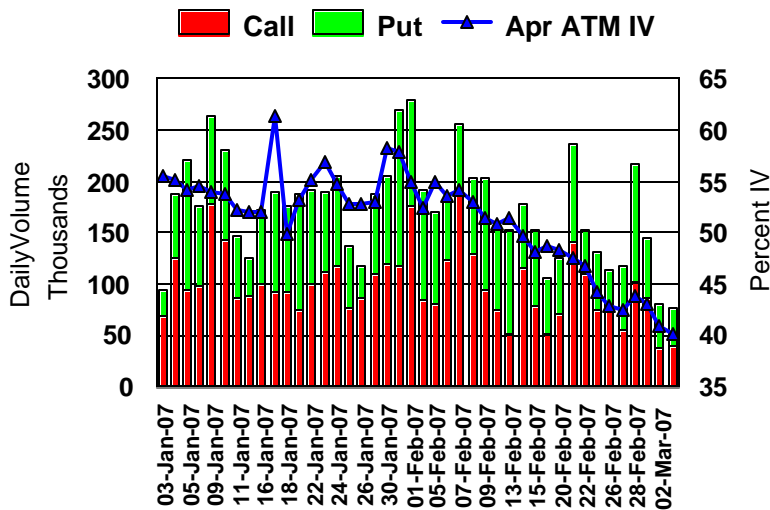
Weekly Change In Nat Gas Stocks



Compression Station will be offline for six hours March 8. This outage is to perform routine maintenance. AOS may be impacted but will be determined closer to the outage date.

Kern River Pipeline said that today it will complete the required annual test of the Emergency Shut Down system,

NYMEX Natural Gas Options Volume American and European Options



annual maintenance on the compressor and an engine exchange of Unit #2 at the Veyo compressor station. The ESD test will require a complete station outage of approximately four hours. The remainder of the maintenance and engine exchange will be completed with two of the three units available at all times.

PG&E California Gas Transmission said that there would be two maintenance projects this week. On March 7, there will be an unscheduled outage at Delevan compressor station. Capacity will be reduced to 1,950 MMcf/d (91%). On March 8, general maintenance will be performed at Tionesta compressor K-1, reducing capacity to 2,085 MMcf/d (97%).

ELECTRIC MARKET NEWS

A U.S. renewable portfolio standard of 15% would drive down natural gas and

electricity prices, but would not lead to a reduction of greenhouse gas emissions compared with current levels, according to a new report from consulting firm Wood Mackenzie. If Congress adopted a national RPS requiring 15% of power supplies to be from renewable sources over the next 20 years, a flood of new renewable power projects would lead to a 500% increase in renewable capacity by 2026, at a cost of \$134 billion, the report said, adding that the extra capacity would drive down demand for fossil fuels as well as dragging wholesale power costs lower.

NYMEX Nat Gas Options Most Active Strikes for March 5, 2007								
Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Volume	IV
LN	8	7	C	15	07/26/2007	0.025	4,500	49.85
LN	4	7	P	6.5	03/27/2007	0.0394	2,875	39.72
LN	6	7	P	6.5	05/25/2007	0.1658	2,850	42.29
ON	4	7	C	7.5	03/27/2007	0.188	2,024	40.95
LN	4	7	P	6	03/27/2007	0.0057	1,900	39.99
LN	6	7	P	7.5	05/25/2007	0.5651	1,674	44.64
ON	4	7	C	8	03/27/2007	0.075	1,549	42.72
LN	5	7	C	10	04/25/2007	0.0231	1,500	44.91
LN	5	7	P	5.5	04/25/2007	0.012	1,500	43.30
LN	4	7	C	10	03/27/2007	0.0013	1,350	48.60
LN	4	7	P	7	03/27/2007	0.1669	1,325	41.41
LN	7	7	P	6.5	06/26/2007	0.2128	1,300	42.86
ON	12	8	C	15	11/21/2008	0.404	1,250	39.57
LN	7	7	C	15	06/26/2007	0.0134	1,200	52.60
LN	7	7	C	14	06/26/2007	0.019	1,200	50.45
LN	10	7	C	8	09/25/2007	0.951	1,200	36.90
LN	4	7	C	8	03/27/2007	0.075	1,100	41.34
LN	5	7	P	7	04/25/2007	0.2598	1,000	42.15
LN	10	7	C	8.5	09/25/2007	0.7755	1,000	38.34
LN	10	7	C	9.5	09/25/2007	0.5128	1,000	40.40
LN	8	7	C	9	07/26/2007	0.3682	850	38.00
LN	4	7	P	6.25	03/27/2007	0.0147	837	38.99
ON	4	7	P	5.5	03/27/2007	0.001	800	43.68
LN	5	7	P	6	04/25/2007	0.0381	800	41.61
LN	4	7	P	6.75	03/27/2007	0.0875	725	40.51
LN	4	7	C	7.75	03/27/2007	0.1203	705	40.22
LN	4	8	C	10	03/26/2008	0.3883	700	27.69
LN	4	8	P	7.5	03/26/2008	0.8391	700	40.35
LN	5	8	C	10	04/25/2008	0.3451	700	26.05
LN	5	8	P	7.5	04/25/2008	0.883	700	39.74
LN	6	8	C	10	05/27/2008	0.3867	700	25.53
LN	6	8	P	7.5	05/27/2008	0.8929	700	39.93
LN	7	8	C	10	06/25/2008	0.4404	700	25.33
LN	7	8	P	7.5	06/25/2008	0.9066	700	40.47
LN	8	8	P	7.5	07/28/2008	0.9261	700	41.06
LN	8	8	C	10	07/28/2008	0.4994	700	25.11
LN	9	8	P	7.5	08/26/2008	0.9661	700	42.25
LN	9	8	C	10	08/26/2008	0.5725	700	25.50
LN	10	8	C	10	09/25/2008	0.6844	700	26.28
LN	10	8	P	7.5	09/25/2008	0.9993	700	43.57

Biofuels Power Corp. announced today that it has begun producing and selling electricity into the ERCOT power grid from its biodiesel powdered generating plant in Oak Ridge North, Texas. The Oak Ridge North facility is the first power plant in the country to run entirely on biodiesel, a renewable carbon neutral fuel produced from vegetable oil and animal fat.

MARKET COMMENTARY

The natural gas market opened 2.3 cents lower on a lack of fresh fundamental news. The market waffled through positive and negative territory today, as the crude oil market traded on either side of \$60. April natural gas was initially supported by the small cold snap across the northern part of the country, but futures could not move much higher, as the overall weather outlook calls for warmer temperatures to run through the official end of winter. The spot month settled up 1.1 cents at 7.254.

Natural gas is currently stuck in a narrow range, being supported by some short-term heating demand, but we feel that as the weather warms up in the longer term, the market will break lower through 7.10, to test the 7.00 level. As we enter the shoulder season, a lack of demand will keep pressure on the market. The

bulls will have to rely on talk of a significant La Nina Cycle and above normal hurricane forecasts. We see resistance at \$7.40, \$7.60, \$7.85-\$7.87 and \$8.00. We see support at \$7.13, \$7.10, \$7.05, \$7.00, \$6.90 and \$6.80.

U.S. Heating Degree Days

Basis Weighted Natural Gas Home Heating

