



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 MAY 21, 2007

NATURAL GAS MARKET NEWS

Shell confirmed today that there has been a significant drop in UK gas flows into the company's St. Fergus terminal in Scotland due to planned maintenance at the St. Fergus Gas Plant and the Fife Natural Gas Liquid Plant at Mossmorran. Both plants were taken down today for an expected 24 hour maintenance period. During the shutdown the company confirmed it cease the import of gas from onshore and cease the export of natural gas and NGL. Some offshore production will continue and gas will be stored in FLAGS and FGL pipelines, while others may re-inject into their reservoirs. Flows into ExxonMobil's SAGE North Sea gas terminal also dropped from about 27 million cubic meters per day to almost zero today. But flows through the Langeled pipeline from Norway jumped from 16 million cubic meters to about 36 million cubic meters mitigating some of the effect of the loss of flows from elsewhere.

Algonquin Gas transmission received approval from the FERC to begin construction of its proposed 16 mile

Generator Problems

NPCC – Entergy's 852 Mw FitzPatrick nuclear power plant dropped to 60% early Monday. The unit had been at full power on Friday.

Dominion's 1,131 Mw Millstone #3 nuclear unit restarted and ramped up to 75% capacity over the weekend. Millstone #2 remains at full capacity.

Bruce Power took off line the 790 Mw Nuclear unit #7 at the Bruce nuclear power plant for short term maintenance.

OPG's 494 Mw Unit #3 at the Lambton coal fired power station was taken off line Monday.

SERC – Southern's 860 Mw Farley #2 nuclear unit has been restarted and was at 12% of power early Monday Morning. The unit has been off line for a refueling outage since April 9th.

Progress Energy's 710 Mw Robinson #2 nuclear unit returned to full power after refueling outage.

Xcel's 538 Mw Prairie Island #1 nuclear unit is back online and operating at full capacity following planned maintenance. Unit #2 remains at full power.

ECAR – FirstEnergy's 946 Mw Davis-Besse nuclear unit shut over the weekend but has since returned to 80% capacity. The unit was operating at full power on Friday.

FirstEnergy's 1,260 Mw Perry nuclear unit increased output to 55% over the weekend. The unit restarted on Friday following a refueling outage and was operating at 30% capacity ahead of the weekend.

WECC - Reliant Energy's 775 Mw natural gas fired Ormond Beach #2 unit returned to service back on Friday after being off line for 4 days for unplanned work.

APS' 1314 Mw Palo Verde #1 nuclear unit was taken offline early this morning from planned maintenance. The unit was ta full power on Friday.

ERCOT – TXU's 565 Mw coal fired Monticello Unit #1 which had been off line since May 13th was restarted Sunday.

The coal fired Big Brown Steam Electric station was taken off line today for maintenance for 12 hours.

SPP – Entergy's 1266 Mw Grand Gulf nuclear power station was taken off line Saturday due to the loss of condenser vacuum.

MAPP – NPPD's 760 Mw Cooper nuclear plant was taken off Line on May 19th for planned maintenance. The unit had been at full power on Friday.

The NRC reported that 85,123 Mw of nuclear capacity is on line, down 2.18% from Friday, and up 4.52% from a year ago.

Northeast Gateway pipeline that would provide deliveries of regasified natural gas from the proposed Northeast gateway deepwater LNG port into the Northeast market.

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	1,202,500	\$7.664	(\$0.209)	(\$0.476)	(\$0.024)	(\$0.461)
Chicago City Gate	529,200	\$7.488	(\$0.137)	(\$0.455)	(\$0.048)	(\$0.307)
NGPL- TX/OK	879,000	\$7.240	(\$0.157)	(\$0.703)	(\$0.068)	(\$0.573)
SoCal	1,214,200	\$7.421	\$0.179	(\$0.522)	\$0.268	(\$0.614)
PG&E Citygate	781,100	\$7.669	(\$0.147)	(\$0.274)	(\$0.058)	(\$0.251)
Dominion-South	626,700	\$8.185	(\$0.319)	\$0.242	(\$0.230)	\$0.311
Transco Zone 6	27,400	\$8.233	(\$0.221)	\$0.290	(\$0.132)	\$0.354

The FERC today approved a settlement in which Columbia Gulf Transmission agreed to pay a \$2 million civil penalty to resolve an investigation into whether the company violated FERC orders by failing to allow Tennessee Gas pipeline to construct a

receipt point interconnection on a natural gas complex in Egan, Louisiana. In October 2003, Tennessee proposed to Columbia Gulf a plan to construct an interconnection at the Western Shore line so that Tennessee could deliver gas to the Blue Water Project (which it co-owns with CGT) from its Muskrat Line. When GCT refused, Tennessee filed a formal complaint with the FERC.

PIPELINE MAINTENANCE

National Fuel Gas Supply Corporation said that it would be shutting down the Lamont Station on May 23 starting at 8:00 AM ET to accommodate maintenance to the Kane Elkhorn Plant. The shutdown is expected to last one day and the facilities should be up and running on May 24. All production coming into Lamont Station must be curtailed. Production can be turned back on at 8:00 ET on May 24.

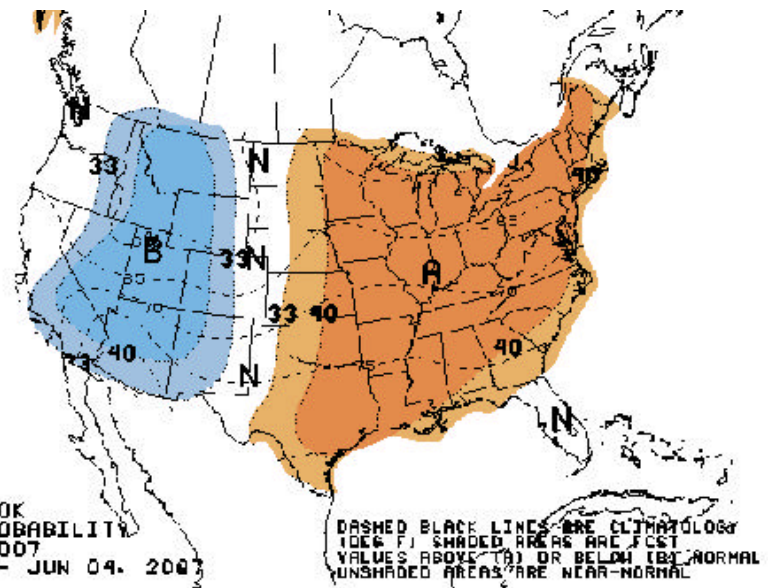
Williston Basin Interstate Pipeline Company said that unplanned maintenance will be performed at the Manning Compressor Station. Maximum capacity at the Manning Compressor Station will be approximately 100,000 Dkt/d.

PIPELINE RESTRICTIONS

Tennessee Gas Pipeline said that effective Cycle 1 today, due to reduced nominations, Tennessee will accept increases for nominations pathed from meters located on the Carthage Line Lateral.

Texas Eastern Transmission Corp. has restricted and sealed nominations flowing through Fagus. Increases in nominations for receipts sourced between Little Rock and Fagus for delivery downstream of Fagus will not be accepted. Tetco has also

restricted and sealed nominations sourced in the ETX zone for delivery outside that area. No increases in receipts between Huntsville and Little Rock for delivery outside that area will be accepted. Additionally, Tetco has forced balanced all long TABS-1 pools in ETX and M1 24-inch.



ELECTRIC MARKET NEWS

Bear Sterns, subsidiary Bear Energy LP agreed Monday to buy most of Williams power assets for \$512 million. The deal would include 7700 Mw of gas fired tolling capacity, 1800 Mw of full requirements power supply contracts and Williams power trading book. Williams said that it was working to increase its focus on its natural gas businesses and that the deal would reduce its risk and improve its access to lower cost capital. The company said that it expects to sell its remaining power assets this year as it exits the business entirely. It estimates the remaining assets to be worth approximately \$50 million.

MARKET COMMENTARY

The natural gas market opened 3.4 cents lower amid weaker cash prices across the nation as seasonal temperatures dominate most of the country. Weak fundamentals have failed to support the market following Thursday's rally that finished at a five-and-a-half month high. Since then, June natural gas has given back 16.2 cents and is heading back to its tired and familiar range. The front month traded to a low of 7.82 early in the session but received support from a firming crude market to trade to a high of 7.96 before settling down 3.1 cents at 7.913.

With another bearish set of data expected this week, we feel this market will chop in its familiar range with a downside bias. Although Friday's Commitment of Traders report showed a reduced but still large net short position for the funds, leaving the market vulnerable to a short covering frenzy, lack of fundamental support will keep new bulls at bay. We see support at \$7.70, \$7.665, \$7.54, \$7.48 and \$7.387. We see resistance at \$8.00, \$8.07, \$8.13 and \$8.20.