



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 JUNE 7, 2007

NATURAL GAS MARKET NEWS

Woodside Petroleum reportedly is carrying out a cost review of the Phase Five expansion at Australia's North West Shelf LNG project, as it faces skyrocketing materials and construction costs. The project which involves the construction of a fifth LNG train which would add up to 4.4 million mt/year to the current capacity of the facility which stands at 11.9 mt/year. Construction of the fifth train though is well underway and is expected to be operational by the 4Q08.

NYMEX's president said today that the exchange is considering the consolidation of its two trading floors, NYMEX and COMEX, sometime this year. Rumors have been circulating that the exchange would move COMEX to the NYMEX floor and possibly to another building. The president of the exchange said today that floor consolidation would not make sense without considering the future of the building. Thus market observers took this as an indication that the exchange building could be put up for sale. Under terms of the NYMEX's IPO, if 80% or more of the trading volume takes place electronically for three consecutive months, the exchange has the option of closing the trading floors. The exchange president though noted that the NYMEX has a need at this time for larger pits to handle option-trading activities. He noted that only 10% of the current option trading volume occurs electronically on the Clearport system. NYMEX is launching options trading on the GLOBEX platform June 24th.

Canadian Gas Association

Weekly Storage Report

	01-Jun-07	25-May-07	02-Jun-06
East	108.2	96.8	139.5
West	265.6	254.2	151.5
Total	373.9	351.0	291.0

storage figures are in Bcf

Generator Problems

NPCC – OPG's 535 Mw Lennox #3 oil and natural gas fired power station was off line this morning for short term maintenance work.

Constellation Energy's 497 Mw Ginna nuclear unit was back at full power this morning. The unit was at 64% of power on Wednesday.

Entergy's 535 Mw Vermont Yankee nuclear plant was at 22% of power as operators prepared to reconnect the unit to the grid.

FRCC – FPL Group 693 Mw Turkey Point #3 nuclear unit was taken off line due to a problem with the control rods on June 6th. The unit had been at full power.

SERC – Duke Power's 1100 Mw McGuire #2 nuclear unit was back at full power this morning up 7% from yesterday.

TVA's 1155 MW Brown Ferry #1 nuclear unit was at 75% of capacity this morning.

The NRC reported that 93,299 Mw of nuclear capacity is on line, down 0.26% from Wednesday, and up .81% from a year ago.

Meanwhile the NYMEX today announced that it has signed a non-binding letter of intent with ConfrmHub LLC to join Amerex, GFI, ICAP Energy, Tullett & Prebon Energy, Spectron and TFS Energy in support of ConfrmHub LLC technology standard. ConfrmHub allows energy traders and back offices to receive their NYMEX-brokered and bilateral OTC cleared trades as well as their futures trades on a single confirmation platform.

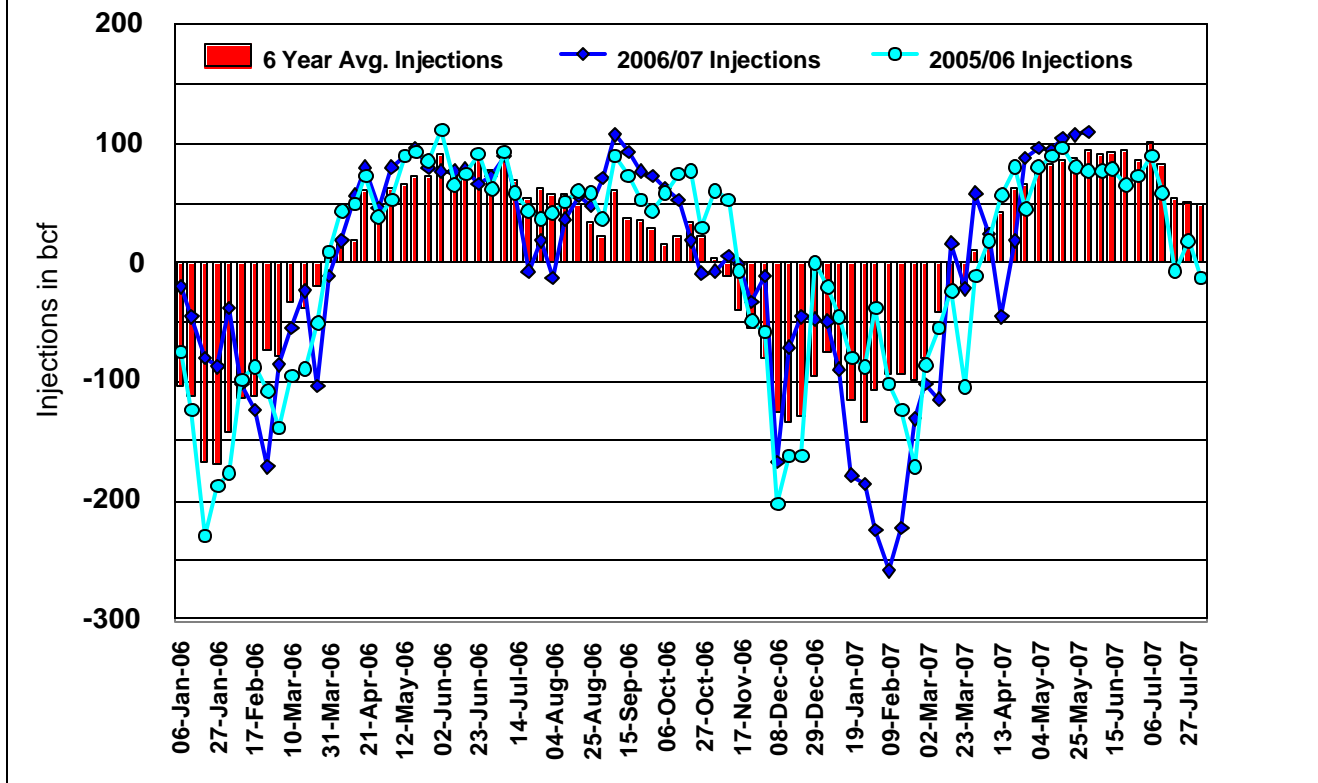
EIA Weekly Report

	06/01/2007	05/25/2007	Net chg	Last Year
Producing Region	796	768	28	783
Consuming East	1036	970	66	1207
Consuming West	331	315	16	319
Total US	2163	2053	110	2309

*storage figures in Bcf

AccuWeather's Joe Bastardi this week noted that the tropics should be quiet and tranquil through

2006/07 EIA Survey Injections VS 6-Year Average



June 25th as not much convection is expected during the timer period.

Falcon Gas Storage Company announced today that it has received the final permit needed from the Army Corps of Engineers to authorize the construction of the company's proposed 50 bcf MoBay gas storage facility located in Mobile County, AL. The facility will interconnect with up to eight interstate pipelines and natural gas processing facilities. Construction is expected to be completed by October 2008.

Alberta regulators noted that natural gas production in the province peaked in 2001 and will continue to decline over the coming years no matter how much drilling producers attempt to do.

PIPELINE MAINTENANCE

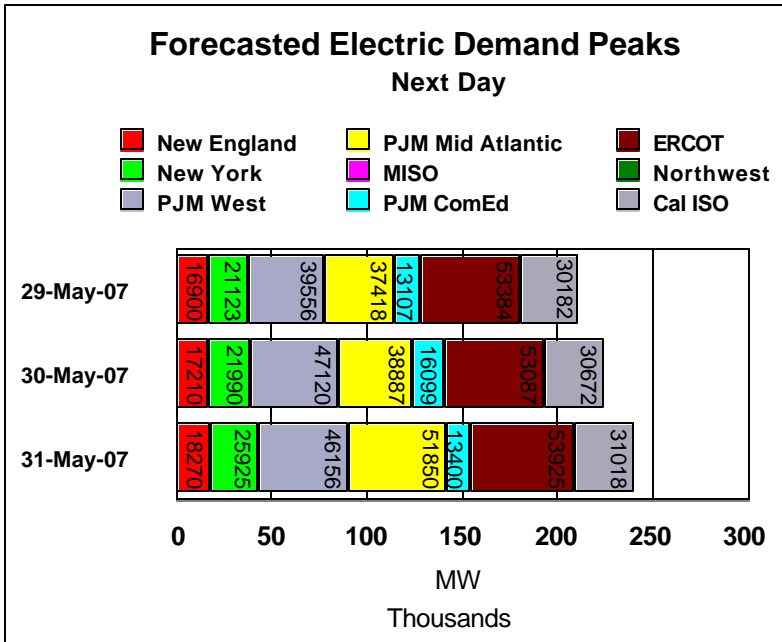
Questar Pipeline said that the company will be pigging ML 68 on a weekly basis. To facilitate the pigging process, no nominations will be accepted to both the Rifle generation plant and delivery to RMNG on Wednesdays starting June 13th.

Williston Basin Interstate Pipeline said that due to heavy rains in the area overnight, the maintenance work scheduled for today at Elk Basin Station has been postponed until next week. The work will result in a reduction of flow at receipt point #3255 South Elk Basin

Natural Gas Cash Market						
ICE Next Day Cash Market						
	Volume	Avg	Change	Basis	Change	Basis 5-Day
<u>Location</u>	<u>Traded</u>	<u>Price</u>		(As of 12:30 PM)		<u>Moving Avg</u>
Henry Hub	1,891,000	\$7.887	\$0.054	(\$0.448)	\$0.135	(\$0.627)
Chicago City Gate	449,300	\$7.591	(\$0.184)	(\$0.293)	\$0.031	(\$0.381)
NGPL- TX/OK	601,200	\$7.368	(\$0.094)	(\$0.517)	\$0.121	(\$0.655)
SoCal	1,260,100	\$7.000	(\$0.234)	(\$0.884)	(\$0.019)	(\$0.909)
PG&E Citygate	828,900	\$7.288	(\$0.216)	(\$0.596)	(\$0.001)	(\$0.594)
Dominion-South	365,500	\$8.443	\$0.084	\$0.559	\$0.299	\$0.294
Transco Zone 6	257,000	\$8.641	\$0.184	\$0.757	\$0.399	\$0.408

to go to zero Dth/d

Texas Eastern reported that the maintenance outage originally scheduled this month at the Gillis Compressor Station has been deferred to later this year. The company also announced another delay this one being the Bedford Discharge, originally scheduled for June 16-22 has been delayed until the start of July. Also delayed was the outage at Uniontown Discharge, originally scheduled for June 21-24th will be deferred until later this year. The company also said the Wilcox Plant in zone STX will be taken down for plant maintenance on June 18th through June 20th. Receipt points upstream of the the plant with deliveries to Texas Eastern will be required to shut in for the duration of this outage. The outage at the Longview Discharge originally scheduled for June 21-24 has also been deferred until later in the year.



PIPELINE RESTRICTIONS

TransColorado Gas Transmission said that effective today and until further notice Segment 220 and 240 are listed as IT/AOR/Secondary At Risk, as is PIN 36100 Questar Greasewood.

Tennessee Gas Pipeline said that its Niagara River Meter it has restricted through 100% of Supply to Market Secondary Out of Path nominations. The company said it would accept increase for nominations pathed from meters along the Carthage Line

KMIGT said that effective today through further notice, Segment 340 Ulysses, Segment 620-790 Rockport, Segment 773 Herndon and Segment 775 Soloman River are at AOR/IT/Secondary at Risk. The company also noted that SSC Grant, CIG

Weld net deliveries and receipts, NNG Milligan, WBI Bridger and Petr Dev Newton are at IT/AOR/Secondary at Risk. SSC Grant is also at Primary Risk

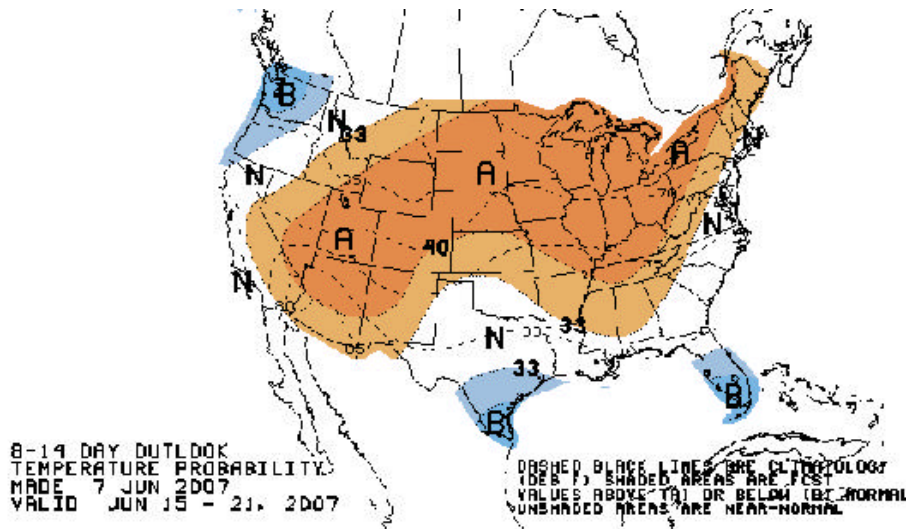
Texas Eastern said it has scheduled and sealed nominations sourced between STX and ETX for delivery outside of the area. No increases in receipts between Little Rock and Mt. Belvieu for delivery outside that area will be accepted. It has also scheduled and sealed nominations for receipts sourced between Little Rock and Batesville

for delivery downstream of Batesville will not be accepted.

NGPL said that on its Amarillo system, Segment 14 and 15 are at capacity while Segment 1 has limited capacity. All Louisiana Line Segments are at capacity.

ELECTRIC MARKET NEWS

The Senate Committee on Environment and Public Works today passed legislation today that would award a \$3 million grant for a two year pilot project to capture carbon dioxide at the Capitol Power Plant in

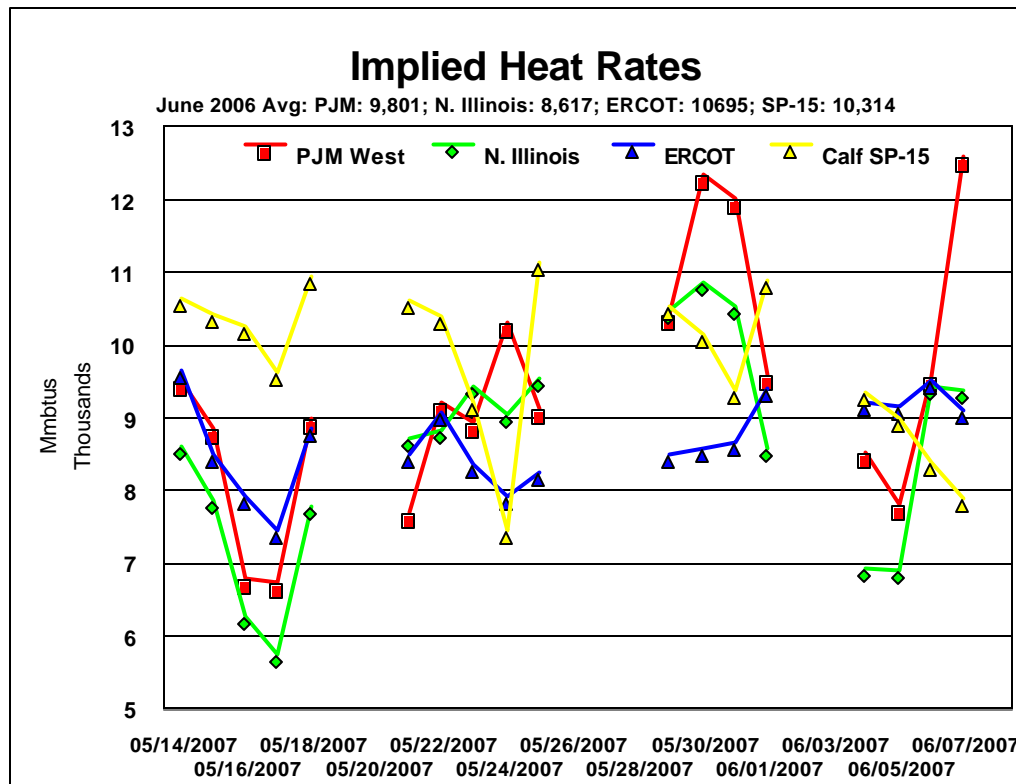


Washington, D.C.. The plant burns coal for 48% of its power output and is the only coal plant in Washington, DC.

Quebec's natural resource minister said yesterday that Quebec will become the first Canadian province to introduce a carbon tax. The government expects the tax will generate \$188 million a year.

MARKET COMMENTARY

The natural gas market this morning open a few pennies better as oil prices firmed on fears of delays to oil loadings in the Persian Gulf from the affects of Tropical Cyclone Gonu. The natural gas market though some 90 minutes later headed south as the EIA Storage Report for natural gas showed a 110 bcf build in inventories. This was third consecutive week of 100+bcf gains and the largest weekly injection since June 3, 2005. This report sent prices down to breach the last two-week trendline support which today was at \$8.027. Over 60% of the day's volume was booked at price levels below this prior support level. By the end of the day prices settled down over 25 cents, near the lows of the day.



With the return of strong air conditioning loads next week we feel that the downside target for natural gas prices will be limited. The over the past 10 weeks the July contract has been mired basically in a sideways market with good support down at the \$7.55-\$7.60 level which we feel will continue for the near term. Tomorrow we would look for support at \$7.654-\$7.63, followed by \$7.55 and \$7.312. Resistance we see at \$7.932, \$7.985-\$7.996 followed by \$8.208, \$8.235 and \$8.338.

