



ENERGY RISK MANAGEMENT

Howard Rennell, Pat Shigueta &
Zachariah Yurch

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

www.e-windham.com

POWER MARKET REPORT FOR JUNE 15, 2006

NATURAL GAS MARKET NEWS

The FERC approved rules to encourage the construction of more U.S. natural gas storage facilities. FERC Chairman Joseph Kelliher said U.S. natural gas storage has increased just 1.4% since 1988, while gas demand has jumped 24% during the same period. The new FERC rules will provide incentives for new storage facilities by mitigating gas price swings and ensuring just and reasonable rates for storage. The rules change the way FERC looks at the rates charged for interstate natural gas storage services, and gives storage owners two methods to seek such rates.

Dominion welcomed today's announcement that the FERC has approved the expansion of the Dominion Cove Point LNG terminal in Maryland. With the expansion, the station's throughput capacity will almost double, increasing to 1.8 million dekatherms per day from 1 MMdt/d. Commercial operations are expected to begin sometime during the second half of 2008. Dominion will build two storage tanks, increasing storage capacity at the terminal to approximately 14.6 Bcf from 7.8 Bcf. The expansion includes additional vaporizers at the plant and two pipelines.

PIPELINE RESTRICTIONS

Algonquin Gas Transmission said Tennessee Gas Mahwah has been scheduled to capacity on its system.

Natural Gas Pipeline Company said that on July 22-24, it will lower the Permian Main Line north of Station 169 in Deaf Smith County, Texas (Segment 8 of Natural's Permian Zone). During this outage Natural will not be able to schedule any northbound transportation services through Station 169 in Segment 8. Any gas sourced south of Station 169 will need to be pathed and scheduled to deliveries south of Station 169. Likewise, Natural will not be able to schedule any southbound transportation services (backhaul) through Station 169.

EIA Weekly Report

	06/09/2006	06/02/2006	Net chg	Last Year
Producing Region	795	786	9	677
Consuming East	1268	1213	55	969
Consuming West	334	321	13	299
Total US	2397	2320	77	1946

*storage figures in Bcf

Generator Problems

ERCOT— TXU's 450 Mw Sandow #4 coal fired power station will be in startup following repairs to clear a bottom ash bridge.

MAAC— PPL's 1,115 Mw Susquehanna #1 nuclear unit scrambled shut early this morning due to an apparent neutron monitoring trip. The company reported that they plan to restart the unit in a couple days. Susquehanna #2 continues to operate at full power.

NPCC— Constellation's 565 Mw Nine Mile Point #1 nuclear unit increased output to 82% capacity. Yesterday, the unit was operating at 45%. Nine Mile Point #2 continues to operate at full power.

SERC— Entergy's 966 Mw River Bend nuclear unit returned to full power today. Yesterday the unit was operating at 80%.

The NRC reported that U.S. nuclear generating capacity was at 92,223 Mw down .71% from Wednesday and up .10% from a year ago.

PG&E California Gas Transmission has called a system-wide operational flow order on its California natural gas pipeline for today's gas flow. PG&E issued the restriction because of high gas supplies on its system. Tolerance was set at 5%.

Questar Pipeline Company said ongoing hydrocarbon dewpoint analysis of Southern System receipt volumes indicates that the level of volume curtailment needs to be increased from 15 MMcf/d to 40 MMcf/d. As a result, effective today, Questar will increase receipt volume cuts between Fidlar Station and Price Station with a hydrocarbon dew point over 80 F to a total of 40 MMcf/d on a pro-rata basis.

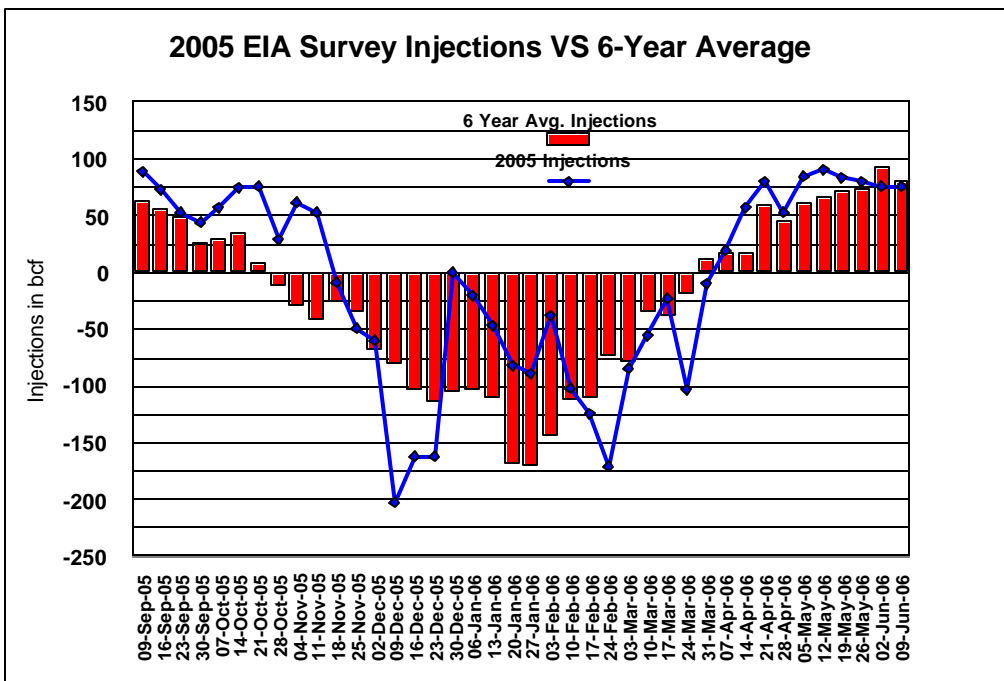
Texas Eastern Transmission said that it has scheduled and sealed M1 and M2 24-inch to capacity. No increases between Little Rock and Circleville for delivery outside that area will be accepted. Tetco has also restricted and sealed receipts between Longview and Little Rock in zone ETX. No increases in receipts between Longview and Little Rock for delivery outside that area will be accepted. Tetco has restricted and sealed zone ETX. No increases in receipts between Huntsville and Longview for delivery outside that area will be accepted.

Canadian Gas Association
Weekly Storage Report

	09-Jun-06	02-Jun-06	10-Jun-05
East	149.3	139.5	110.4
West	157.8	151.5	155.0
Total	307.2	291.0	265.4

storage figures are in Bcf

Westcoast Energy said that it has successfully brought Train 3 back on at the Pine River Gas Plant and the inlet pressure is decreasing. Effective immediately, the RGT constraint is removed.



PIPELINE MAINTENANCE

Northwest Pipeline said that maintenance at the Stanfield compressor is scheduled for June 16-17. During this maintenance, Gas Transmission Northwest is restating its physical receipt capability to 0 MMcf/d at the Williams-NWP Stanfield receipt point. GTN will schedule receipts to the extent that they are offset by deliveries into NWP, effectively creating a net zero.

Westcoast Energy said that the 16-inch Oak Pipeline MFL Tool run that took place on June

13 yielded bad data and as a result of tool speed, will be re-run on June 16. The eight-hour tool run will start at 10:00 AM MT Friday and finish at 6:00 PM MT. Various points could be affected along the Oak Pipeline route.

Williston Basin Interstate Pipeline Company said that planned maintenance will be performed at the Williston Compressor Station through today to perform annual DOT panel calibrations. The project, which began June 14, will end today at 3:00 PM MT. There is a potential for restrictions in Line Section 6.

ELECTRIC MARKET NEWS

The EIA reported a decline in oil-fired power generation in the first three months of 2006 because of high oil prices and the relative moderation of natural gas prices, has resulted in an 18% increase in petroleum stocks at power plants since March 2005. In its Electric Power Monthly Summary for March, EIA petroleum stocks held by the electric power sector totaled 53.5 million barrels at the end of March, 8.3 million, or 18%, above stocks held at the end of March 2005. Oil-fired generation in March 2006 was 2.37 million MWh, the lowest amount in the agency's monthly records that date back to January 1973. Coal-fired generation fell 2.1% from March 2005, while natural gas-fired generation rose 4.7% compared with March 2005.

MARKET COMMENTARY

The natural gas market opened unchanged in anticipation of the EIA's storage report. The report showed that 77 Bcf was injected into storage last week, a number that was smaller than expectations. A combination of short covering and technical buying rallied the market through 7.00. The July contract trended higher through the afternoon, trading between 6.95 and 7.20. A spike at the close brought the day's high to 7.28, before settling up 61.7 cents at 7.207.

In addition to the storage figure, market players also pointed to incoming summer temperatures in the Northeast and Midwest and a strong day in the petroleum sector aiding the uptick. The incoming heat however will likely need to stick around for a significant amount of time to sustain prices over 7.00. With the market up over a dollar the past two sessions, we expect some consolidation as the market waits to see the actual affects of the heat. Working gas in storage now stands at 2,397 Bcf, 451 Bcf higher than last year at this time and 659 Bcf above the 5-year average of 1,738 Bcf. The supply situation remains overwhelmingly bearish, as storage facilities are reaching peak capacity. We see support at \$6.80, \$6.58, \$6.35 and \$6.00. We see further support at \$5.94, \$5.90, \$5.86, \$5.75 and \$5.70-\$5.71. We see resistance at \$7.28, \$7.37 and \$7.50.

