

W The Windham Group



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR JUNE 26, 2007

NATURAL GAS MARKET NEWS

Unconventional natural gas resources -- coalbed methane, gas shale and tight sandstone -- have buoyed North American production, but on the downside, production per well is lower, thus raising unit costs, which means that continued higher gas prices are needed to maintain output on a flat trajectory, according to a joint study by energy consultants Cambridge Energy Research Associates (CERA) and IHS.

A federal judge in Baltimore dealt AES Corp.'s proposed liquefied natural gas (LNG) terminal another blow last Friday, upholding Baltimore County's zoning amendment that bans the construction of LNG facilities in certain Chesapeake Bay coastal areas.

Weather forecasters continue to call for quiet in the Atlantic Basin through the week, and climate forecasts for the 11-15 day period do not show any sustaining heat wave, but rather some below average temperatures for key consuming regions such as Texas and the Northeast.

Generator Problems

ECAR – First Energy's 1,260 Mw Perry nuclear unit ramped up to 60% capacity. Yesterday, the unit was operating at 20% capacity.

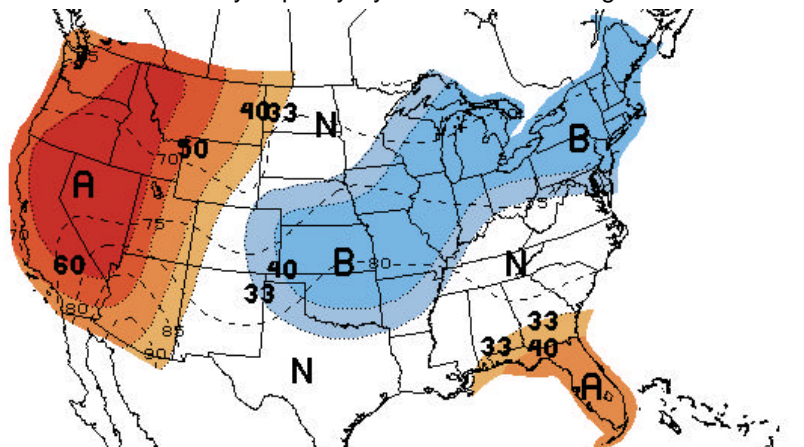
MAIN – Dominion Resources' 591 Mw Kewaunee nuclear unit has returned to full power following maintenance over the weekend.

WSCC – Energy Northwest's 1,200 Mw Columbia nuclear unit ramped up to 63% capacity today. Yesterday, the unit was operating at 20% after restarting from a refueling outage.

The NRC reported that 94,213 Mw of nuclear capacity is on line, up 1.35% from Monday, and off 1.48% from a year ago.

PIPELINE RESTRICTIONS

ANR Pipeline Company said that it will continue pipeline inspection digs along its Willow Run lateral, north of the Defiance Compressor Station, located in Michigan and Ohio in the Northern Fuel Segment, which will reduce the total Willow Run delivery capacity by 135 MMcf/d through June 29. Based on current nominations to Willow Run, it is anticipated that the above capacity reductions will have no impact to service. ANR also said that it has indefinitely postponed work on its Havensville Compressor Station located in Kansas in the Southwest Southern Fuel Segment.



8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 26 JUN 2007
VALID JUL 04 - 10, 2007
DASHED BLACK LINES ARE CLIMATOLOGY
(DEG F) SHADED AREAS ARE FCST
VALUES ABOVE (A) OR BELOW (B) NORMAL
UNSHADED AREAS ARE NEAR-NORMAL

PG&E California Gas Transmission has called a system-wide operational flow order on its California natural gas pipeline for gas flow on June 27. PG&E issued the restriction because of high inventory on the system.

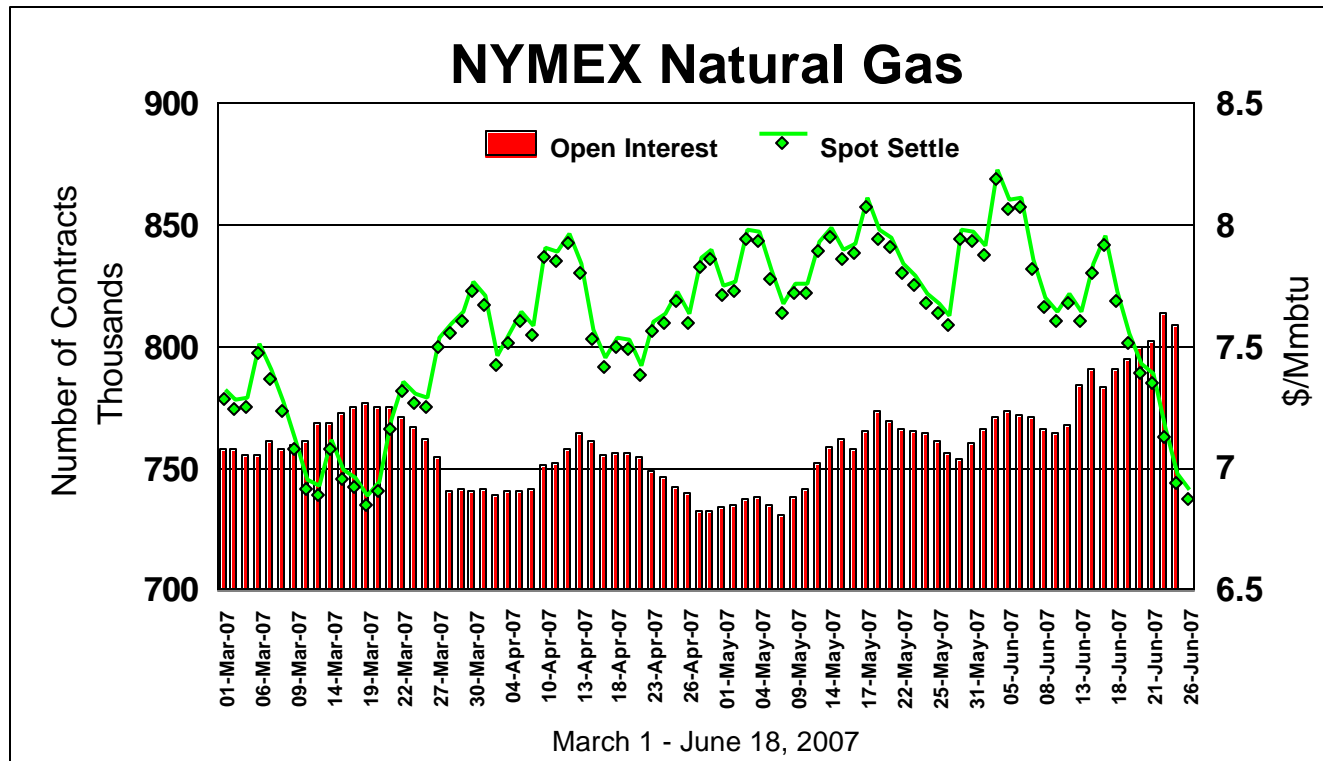
PIPELINE MAINTENANCE

Gulf South Pipeline said on Index 266-17 Bistineau Storage Mainline,

pipeline capacity not to exceed 200,000 Dth/d flow rate beginning today and lasting approximately 12 hours. Capacity at Montpelier Compressor Station Unit #6 will be affected by as much as 75,000 Mcf/d beginning July 4 and lasting approximately 90 days. Both units at the Olla Compressor Station will undergo maintenance – one unit at a time – with capacity affected by as much as 250,000 Dth/d July 9 through July 20. Maintenance at the Goodrich Compressor Station Unit #4 will affect capacity by as much as 50,000 Dth through July 9. Gulf South also said that on the Allentown 8-inch in Angelina County, Texas, maintenance began June 18 and is expected to end June 28. The Bistineau Compressor Station Unit #4 maintenance will affect capacity by as much as 150,000 Dth and is expected to be complete by the end of July.

National Fuel Gas Supply Corporation said that it is awaiting results from previous pigging work on Line X that will be available today. The results and subsequent direct assessment may result in lower operating pressure on Line X and reduced capacity through the Concord Station. These events may result in curtailment up to and including primary transportation through the Concord Station beginning today.

Northwest Pipeline said that it is continuing to perform anomaly investigations near the Muddy Creek Compressor Station beginning today. This work is scheduled to last through June 29. Primary firm nomination requests through the Muddy Creek North Constraint Point currently exceed the available capacity of 615,000 Dth/d.



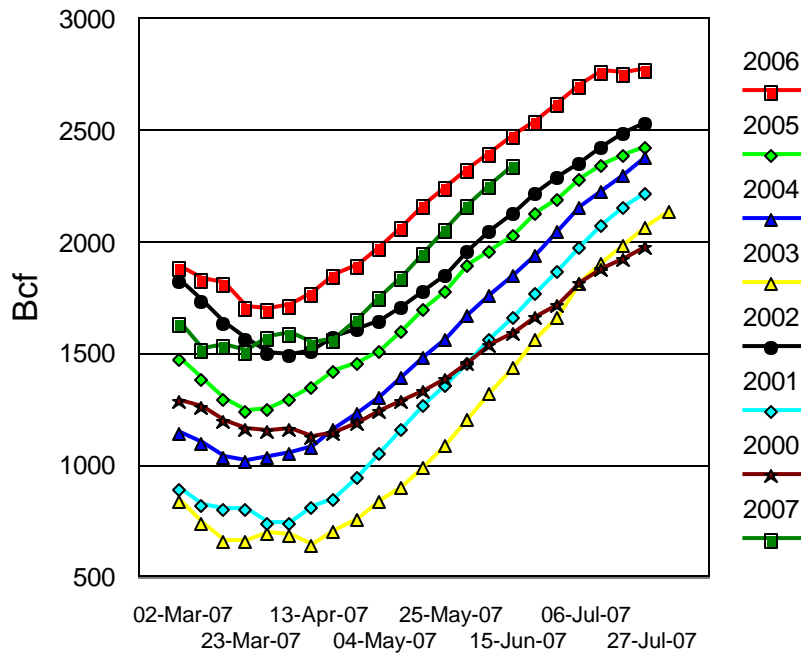
ELECTRIC MARKET NEWS

GE Energy Financial Services will help boost wind energy capacity in New York State by more than 70% with an investment in three Noble Environmental Power windparks that will generate 282 Mw in Clinton and Wyoming Counties.

MARKET COMMENTARY

The natural gas market opened unchanged and vacillated between 6.92 and 6.98 for most of the session, but as the noon weather model was digested and showed continued moderation in the 11-15 day period, July natural gas broke through support at the 7.90 level on its way to a three month low of 6.834. The July contract, which falls off the board tomorrow settled down 6.3 cents at 6.877 and the August contract settled down 7.7 cents at 7.002.

EIA Total Working Gas In Storage



The July contract appears ready to limp into expiration with only some current heat, modest waves of short covering and long-range tropical forecasts acting as supportive elements. Inventory data will continue to weigh on the market as the current year-over-five-year surplus of 365 Bcf and the year-on-year deficit of 121 Bcf suggest that supplies are in good shape for this time of year and if injections continue at their five year average rate, inventories will be near 3.6 Tcf come November. We see support in the July contract at 6.80, 6.73, 6.63 and 6.40. We see support in the August contract at 6.92, 6.85, 6.75, 6.50 and 6.40. We see resistance for July at 6.961, 7.065, 7.13 and 7.20. We see resistance for August at 7.088, 7.196 and 7.259.