



ENERGY RISK MANAGEMENT

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NATURAL GAS & POWER MARKET REPORT FOR JULY 14, 2010

NATURAL GAS MARKET NEWS

Norway's natural gas pipeline operator, Gassco AS announced that it will suspend exports from its Kollsnes gas processing plant in September to allow for maintenance. The plant is set to shut for two weeks from September 12. Norway is the world's second largest gas exporter and the U.K.'s number one supplier of the fuel. Kollsnes has the capability of processing up to 143 million cubic meters of gas and 69,000 barrels of natural gas liquids a day. Gassco said in March that it plans to shut the Kaarstoe gas processing facility on Norway's west coast, capable of handling 88 million cubic meters per day, from August 18 to September 7.

Generator Problems

The NRC reported this morning that some 94,634 Mw of nuclear generation was operating today, up 0.4% from yesterday and up 0.44% from the same day a year ago.

Qatargas Operating Co Ltd said it resumed production from three liquefaction facilities that had been closed for maintenance. It said planned maintenance shutdown of Qatargas train 3, train 4 and train 5 has successfully been completed.

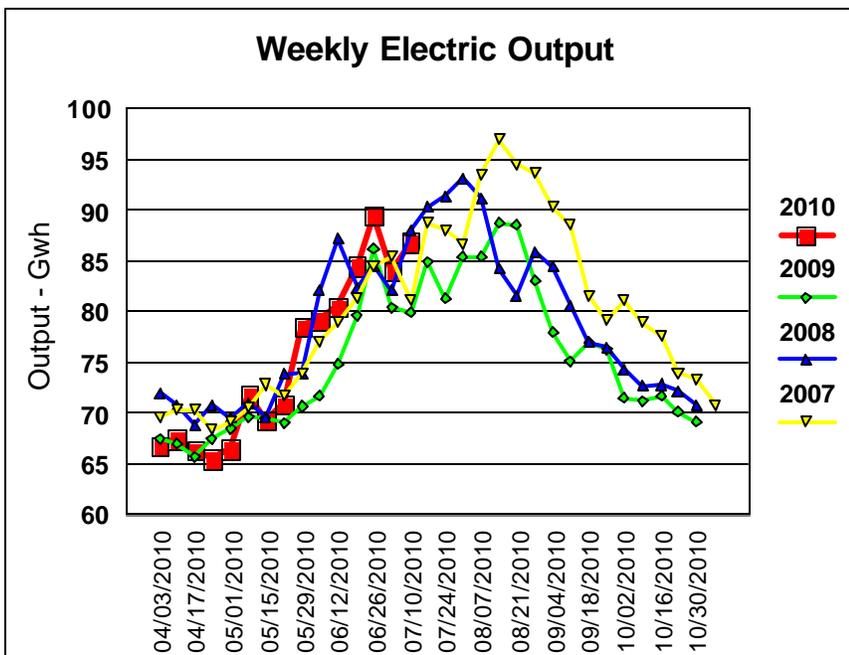
PIPELINE MAINTENANCE

Southern Natural Gas has begun repairs at the Ocmulgee Compressor Station on the south main line system in central Georgia. The station was unexpectedly shut July 12. The company anticipates the

unit to return to service by the afternoon of July 15. Due to the outage, the company has implemented a capacity allocation for all points downstream of the compressor station effective July 13 and until further notice.

PIPELINE RESTRICTIONS

Northern Natural Gas has shut-in all liquids production in the Matagorda Offshore Pipeline System for gas day July 14 due to a pigging operation being conducted by the operator. Flow will still continue from Matagorda Island blocks 681JA, 632 and Mustang Island block 782. Provided that it meets Northern's gas quality tariff specifications, gas



will be accepted, however the liquids must be handled at the platform and cannot enter the system.

Tennessee Gas Pipeline has lifted its July 14 restriction and will be accepting nomination increases of 30,000 Dth estimated available capacity at the Rivervale delivery meter, 4,000 Dth estimated available capacity at the Leidy delivery meters and 45,000 estimated available capacity at Station 321. Previously restricted nominations must be retriggered for any subsequent intraday cycle once a restriction has been lifted in order for increased volumes to be scheduled.

ELECTRIC MARKET NEWS

The Edison Electric Institute reported that electricity output in the US in the week ending July 10th increased by 8.7% on the year and by 3.51% on the week to 86,927 Kwh.

MARKET COMMENTARY

Natural gas settled slightly lower today, uninspired by the lack of outside influences such as extreme hot weather and high cooling demand. So far this year's hurricane season has been uneventful, with only one hurricane materializing in the Gulf, which left little impact on production. Traders remain cautious ahead of the July 15th EIA storage report, which has a wide expected range calling for builds anywhere from 43 Bcf to 90 Bcf. The August futures contract has traded below the top of an old congestion area on a spot continuation chart. This range began back in the beginning of April and is set between \$4.4130 and \$3.8100. Currently there is support set at \$4.195. We would look for a test at this level and would re-evaluate the market upon obtaining a move there.