



ENERGY RISK MANAGEMENT

Howard Rennell, Pat Shigueta &
Zachariah Yurch

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

www.e-windham.com

POWER MARKET REPORT FOR SEPTEMBER 27, 2006

NATURAL GAS MARKET NEWS

Mariner Energy has recommenced production on its Ochre and Pluto deepwater Gulf of Mexico projects. Ochre, located in Mississippi Canyon block 66, was shut-in following Hurricane Ivan. Production has been restored to a gross rate of approximately 10.5 MMcf of gas equivalent per day. Pluto, located in Mississippi Canyon block 718, was originally shut-in for the drilling and completion of a new well. Start-up was delayed due to Hurricane Katrina. Production from Pluto has recommenced and the well is currently producing at a gross rate of approximately 40 MMcf/d.

Chesapeake Energy Corporation announced that it has elected to shut-in a portion of its unhedged near-term natural gas production in light of currently low wellhead natural gas prices. Effective October 1, 2006, the company plans to temporarily shut-in approximately 100 MMcf/d of net natural gas production in various areas of operations in the southwestern U.S. until natural gas prices recover from recently depressed levels. These shut-ins represent approximately 6% of the company's net oil and natural gas production.

Dominion Resources agreed to pay \$4.25 million to settle charges the energy company falsely reported information related to natural gas transactions. The CFTC said that from at least December 2000 through November 2002, several traders on Dominion's natural gas trading desks knowingly reported false, misleading and inaccurate gas trading information, including price and volume information, to three industry trade publications: Gas Daily, Inside FERC and Natural Gas Intelligence.

PIPELINE RESTRICTIONS

Algonquin Gas Transmission said that its ability to manage customer imbalances is based largely upon the flexibility being made available from upstream pipelines. As the upstream pipelines imbalance flexibility becomes operationally constrained due to storage fill positions, Algonquin anticipates it will limit the ability of Algonquin to leave gas on its systems if customers create due shipper imbalances.

East Tennessee Natural Gas said that its ability to manage customer imbalances is based largely upon the flexibility being made available from interconnecting pipelines. As interconnects, both upstream and

Generator Problems

ECAR – Allegheny Energy's 552 Mw Fort Martin #1 coal-fired power station shut early today to fix a tube leak. The unit is expected to restart tomorrow following repairs.

MAAC – PSEG's 1,130 Mw Salem #2 nuclear unit shut late yesterday due to a leak from a reactor coolant pump. The unit has since made repairs and is in startup. Salem #1 continues to operate at full power.

AmerGen Energy's 636 Mw Oyster Creek nuclear unit continues its slide to a refueling, operating at 95% capacity.

MAPP – Nebraska Public Power District's 800 Mw Cooper nuclear unit returned to full power as it fluctuates ahead of a refueling outage.

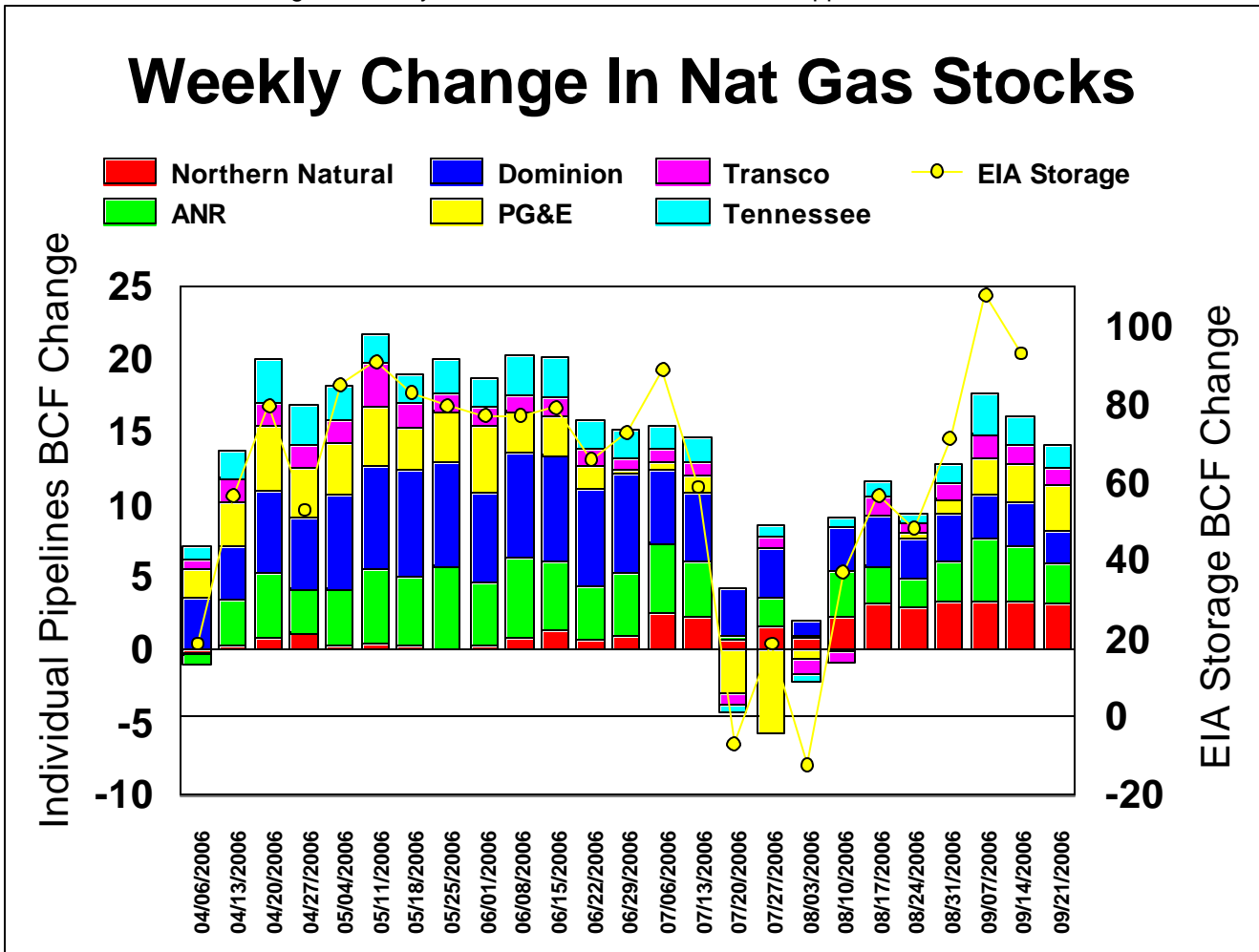
NPCC – Entergy's 825 FitzPatrick nuclear unit is operating at 92% this morning, down from the 93% level yesterday as the unit coasts down for a refueling outage.

SERC – Southern Nuclear's 862 Mw Hatch #1 nuclear unit returned to full capacity after dropping to 61% yesterday for maintenance. Hatch #2 continues to operate at full power.

Duke's 846 Mw Oconee #1 reduced output to 94% as it continues to coast down for a refueling outage. Oconee #2 and #3 continue to operate at full power.

The NRC reported this morning that 85,724 Mw of nuclear generating capacity were on line, .81% lower than Tuesday and 3.06% lower than a year ago.

downstream, lose operational flexibility due to filling storage, East Tennessee anticipates it will limit the ability of East Tennessee to leave gas on its systems if customers create due shipper imbalances.



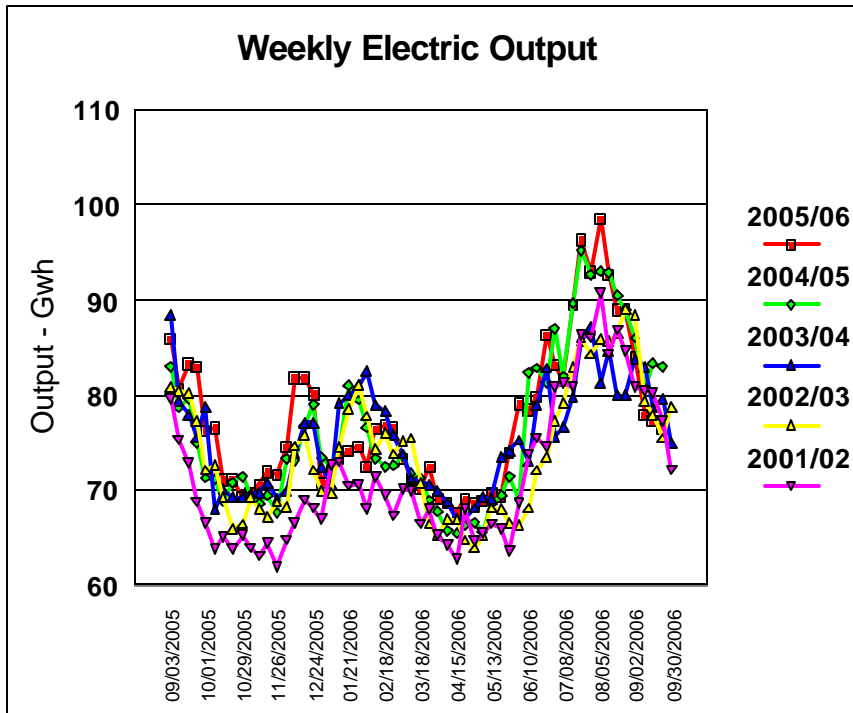
Texas Eastern Transmission said that the restriction prohibiting the acceptance of due pipe resolution nominations is still in effect. All parties with a due shipper imbalance are requested to resolve them as soon as practicable. TETCO requires that shippers and TABS parties schedule their contracts balanced except for the scheduling of Due Shipper payback, and point operators to perform according to nominated volumes. The pipeline operator will force balance TABS-1 pools or restrict the system as required. TETCO also said that as a result of data obtained from in-line inspection tool runs, TETCO has determined that the pipeline section on the discharge of the Longview compressor station on the 24-inch system will require further investigation and remediation. TETCO must take the line out of service for two days, October 3-4. During this time period all receipts sourced between Longview and Atlanta must be reduced to zero. Additionally, gas sourced between Joaquin and Longview may require a partial restriction.

TransColorado Gas Transmission said that Wyoming Interstate Yellow Jacket Pass (PIN 42223) has capacity available for delivered volumes. Based on the level of nominations, IT/AOR and secondary volumes may be scheduled.

Westcoast Energy said that as of early this morning its McMahon Gas Plant has returned to full operation.

Williston Basin Interstate Pipeline said that several points and line sections are in pipeline capacity constraint and that penalties will be imposed. Line sections in constraint for receipts in the timely cycle include 019 Madden-

Worland and 020 Worland-Lovell. In addition, planned maintenance will be performed today at the Marmarth Town Border Station. At this time, Williston Basin does not anticipate any restrictions to the system.



PIPELINE MAINTENANCE

Florida Gas Transmission will be performing maintenance on one of the compressors located at Compressor Station #4 in Matagorda County, Texas starting on October 16. This outage is expected to last through the end of October. During this work FGT will schedule up to approximately 150 MMcf/d through Compressor Station #4. During normal operations FGT schedules up to 225 MMcf/d. FGT will be performing maintenance on one of the compressors located at Compressor Station #6 in Orange County, Texas starting October 16. This outage is expected to last through the end of October. During this work FGT will schedule up to approximately 225 MMcf/d through Compressor Station #6. During normal operations FGT schedules up to 300 MMcf/d. Finally, FGT will be

performing maintenance on one of the compressors located at Compressor Station #8 in East Baton Rouge Parish, Louisiana starting October 16 through the end of the month. During this work FGT will schedule up to approximately 1,075 MMcf/d through Compressor Station #8. During normal operations FGT schedules up to 1,150 MMcf/d.

Gulf South Pipeline said that it will be performing scheduled pipeline maintenance on Index 301 Jackson 18-inch North pipeline beginning at 7:00 AM CT, September 30, and continuing for approximately 8 hours. Service to LOC 2532-Rex Brown Power Plant will be unavailable for the duration of the maintenance.

Northwest Pipeline will be performing mainline pipe replacements between the Rangely and Cisco Compressor stations on October 3, but has revised the anticipated duration of this outage from 36 hours to 24 hours. During this outage, Northwest has established a mainline cut point just north of the Dragon Trail Receipt Point. All nomination requests through this point will be cut to a net zero.

ELECTRIC MARKET NEWS

The Edison Electric Institute reported that electricity production in the continental U.S. for the week ended September 23 fell for the sixth time in seven weeks. Total weekly power output dropped 7.7% from the same 2005 week to 76,523 GWh.

Coal will remain king of fuels used for U.S. electricity production as its costs are expected to remain relatively low while natural gas prices rise in the next two decades, said a Merrill Lynch analysis. According to Merrill, electricity from coal-fired power plants will increase to 57% of U.S. power generation by 2030, up from the current rate of about 50%.

NRG Energy President David Crane attacked the U.S. electric utility industry for advocating a voluntary approach to reducing carbon dioxide emissions. Crane said that the companies that are doing something now will have a seat at the table when carbon controls are debated, others will be isolated and ignored.

California Governor Arnold Schwarzenegger signed landmark legislation that makes California the first U.S. state to cap greenhouse gas emissions from industrial sources and allows regulators to create an allowance trading program. The greenhouse cap law will require the state's major industries to reduce their GHG emissions by 25% by 2020, codifying GHG reductions targets set by Schwarzenegger in 2005.

MARKET COMMENTARY

October natural gas opened 8 cents lower to start its final trading session. In a fitting end to its run as the front month contract, October natural gas went off the board with yet another tumble to a fresh low. October traded to a low of 4.07, a level not seen since November 2002. After a choppy closing range, October finished at 4.201, 32.5 cents down on the day. Meanwhile, the new spot November contract returned 13.6 cents to settle at 5.669.

NYMEX Nat Gas Options Most Active Strikes for September 27, 2006										
Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Prev Settle	Volume	IV	
LN	3	8	P	4	02/26/2008	0.0923	0.0877	25,000	49.77	
LN	5	8	P	4	04/25/2008	0.0776	0.0736	25,000	38.49	
ON	1	7	P	7	12/26/2006	0.69	0.615	6,385	68.81	
LN	3	7	C		11 02/23/2007	0.5766	0.6299	5,427	73.90	
LN	3	7	C		13 02/23/2007	0.3782	0.4091	4,600	77.55	
LN	11	6	P	5	10/26/2006	0.2731	0.2564	4,400	93.11	
ON	3	7	C		11 02/23/2007	0.58	0.633	3,900	78.61	
LN	11	6	P	4	10/26/2006	0.051	0.0492	3,700	93.40	
ON	1	7	P	8	12/26/2006	1.235	1.164	3,490	69.56	
ON	1	7	P	9	12/26/2006	1.937	1.854	2,965	71.83	
ON	3	7	C		15 02/23/2007	0.256	0.27	2,550	83.56	
ON	11	6	P	5	10/26/2006	0.273	0.257	2,304	91.27	
LN	3	7	P	6	02/23/2007	0.507	0.4821	2,250	70.68	
ON	1	7	C		12 12/26/2006	0.208	0.242	2,140	77.06	
LN	1	7	P	6	12/26/2006	0.2958	0.2661	2,125	69.44	
LN	2	7	P	6	01/26/2007	0.3891	0.3558	2,125	69.99	
LN	1	7	P	5	12/26/2006	0.0909	0.0777	2,050	68.16	
LN	3	7	P	7	02/23/2007	0.9786	0.9384	1,975	74.15	
ON	11	6	C	7	10/26/2006	0.2	0.263	1,922	94.05	
LN	1	7	C		12 12/26/2006	0.2074	0.2412	1,750	74.37	
LN	1	7	C		10 12/26/2006	0.4208	0.476	1,710	70.46	
LN	11	6	C	7	10/26/2006	0.205	0.2631	1,650	93.23	
LN	11	6	C	8.5	10/26/2006	0.0688	0.0934	1,600	100.01	
LN	2	7	P	7	01/26/2007	0.8059	0.747	1,500	72.62	
LN	1	7	P	7	12/26/2006	0.688	0.613	1,500	72.25	
ON	11	6	P	3	10/26/2006	0.007	0.003	1,390	105.51	
LN	3	7	C		16 02/23/2007	0.2056	0.2254	1,300	80.62	
LN	4	7	C		10 03/27/2007	0.3623	0.3535	1,250	53.35	
ON	12	6	P	5	11/27/2006	0.078	0.071	1,201	69.48	
LN	11	6	P	5.5	10/26/2006	0.4852	0.4542	1,130	93.15	
LN	4	7	C	8	03/27/2007	0.7305	0.7245	1,125	48.53	
LN	2	7	P	5	01/26/2007	0.1482	0.1324	1,100	69.20	
LN	1	7	C		13 12/26/2006	0.1473	0.1731	1,100	75.79	
ON	11	6	C	6.5	10/26/2006	0.307	0.374	1,093	94.03	
LN	2	7	C		12 01/26/2007	0.3773	0.4063	1,050	76.14	
ON	1	7	C		10 12/26/2006	0.422	0.477	1,032	73.94	
LN	12	6	P	7	11/27/2006	0.7234	0.6815	1,000	75.55	
LN	11	6	P	4.5	10/26/2006	0.1314	0.1244	1,000	93.21	
LN	12	6	P	5.5	11/27/2006	0.1594	0.1468	1,000	71.44	
LN	12	6	P	6	11/27/2006	0.2915	0.2694	1,000	72.45	

Expectations for tomorrow's EIA inventory report call for another large build of between 75-95 Bcf, with an average expected build of 83 to 86 Bcf. We are looking for 69-74 bcf build. With the news of Chesapeake Energy being the first producer to shut-in production, the storage situation is beginning to reflect a glut of gas that could result in a further collapse of prices. The November contract carries some early winter premium, but with a mild start to the heating season expected and the current mild temperatures, the over supply of natural gas will let the November contract take over where the October left off, exploring new lows. We see support initially at \$5.50, \$5.43, \$5.32 and \$5.00. We see resistance at \$5.85 and \$6.00.