



ENERGY RISK MANAGEMENT

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NATURAL GAS & POWER MARKET REPORT FOR NOVEMBER 12, 2009

NATURAL GAS MARKET NEWS

The U.S. Labor Department reported this morning the number of workers filing new claims for jobless benefits continued to fall by more than expected last week. The government reported that 502,000 claims were filed down 12,000. This is the lowest level since the week of January 3rd. The previous week's level was revised to 514,000 from 512,000. Total claims lasting more than one week also declined by 139,000 to 5,631,000.

The U.S. Minerals Management Service reported this afternoon that as of midday today there was only 18 companies reporting shut ins in the Gulf of Mexico today, down 12 from yesterday. The agency noted that just 28,889 b/d of crude production remained shut in down 372,231 b/d from yesterday. Natural gas production shut in was only 186 MMcf/d down 346 MMcf/d from Wednesday.

Generator Problems

NPCC – Calpine/Mitsui's 517 Mw Unit #4 and the 212 Mw Unit #3 at the Greenfield natural gas fired power plant in Ontario were shut early Thursday.

PJM – PSE&G's 1130 Mw Salem #2 nuclear unit exited its refueling outage and had ramped up to 57% power by Thursday morning. The unit was only at 5% power on Wednesday morning.

MISO – DTE Energy's 1122 Mw Fermi #2 nuclear unit has exited its outage and ramped up to 25% power. The unit had been off line for maintenance since September 30th.

NPDD's 758 Mw Cooper nuclear plant was shut yesterday due to a turbine hydraulic fluid leak and forced operators to shut the unit down just after it had been restarted earlier in the week.

WSCC – TransAlta Corp's 406 MW Sundance coal fired Unit #5 returned to service on Wednesday.

PG&E's 1118 Mw Diablo Canyon #2 nuclear unit ramped up to 48% power this morning.

The NRC reported today that 75,700 Mw of nuclear generation was on line this morning, up 0.9% from yesterday, but some 6.6% less than the same time a year ago.

The NEO Energy LNG tanker was rescheduled to arrive at the Dragon LNG terminal in Britain on November 14th, a day later than originally planned.

The economic advisor to the ruler of Qatar told Reuters today that Qatar has no plans to shut down any of its gas production despite the current gas glut globally. He noted that prices have not fallen to a place where "we cannot sell". He noted that Qatar is looking at China as a potential and important customer. Qatar currently is already diverting 10% of its LNG exports to China from U.S.

Canadian Gas Association

Weekly Storage Report

	06-Nov-09	30-Oct-09	07-Nov-08
East	237.8	236.3	232.6
West	371.1	369.8	344.8
Total	608.9	606.1	577.4

storage figures are in Bcf

EnCana Corp, Canada's largest natural gas producer reported today that it recorded a 46% drop in 3q2009 operating profit, due to lower natural gas prices and curtailed production. The company's CEO said the company has curtailed significantly natural gas production in many of its operating areas to help reserve its resource base. The company reported that it has

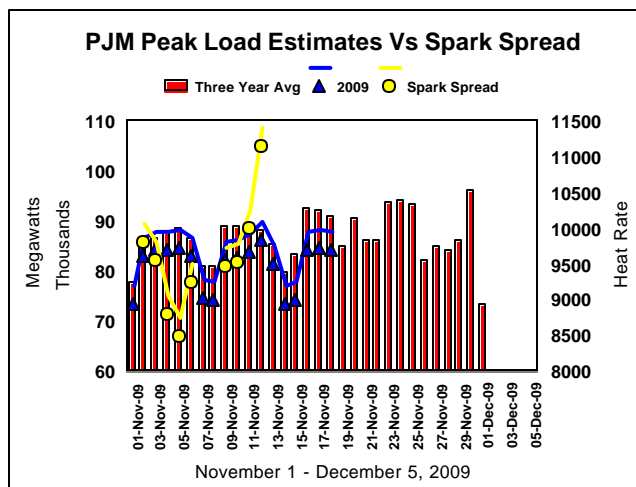
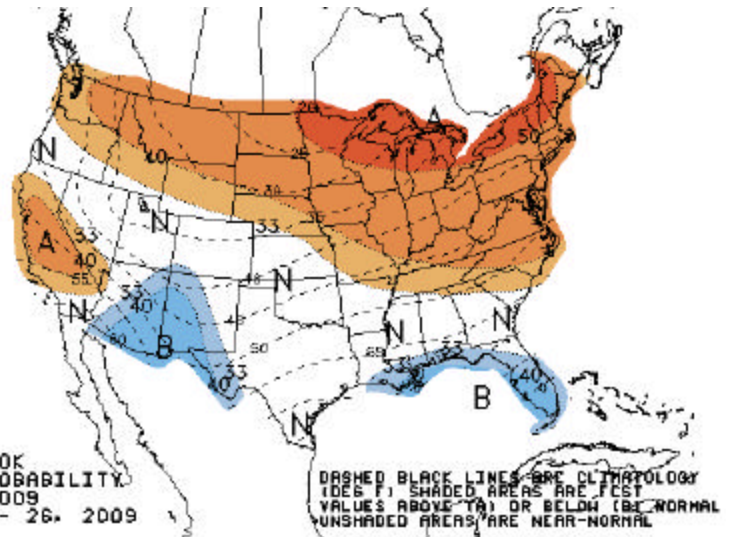
curtailed or shut in about 500 million cf/d in the third quarter but are expected to be brought back on

Natural Gas Cash Market						
ICE Next Day Cash Market						
Location	Volume Traded	Avg Price	Change	Basis (As of 12:30 PM)	Change	Basis 5-Day Moving Avg
Henry Hub	1,183,300	\$3.236	(\$0.357)	(\$1.228)	(\$0.266)	(\$0.883)
Chicago City Gate	807,200	\$3.307	(\$0.286)	(\$1.157)	(\$0.241)	(\$0.861)
NGPL- TX/OK	516,400	\$3.112	(\$0.325)	(\$1.352)	(\$0.280)	(\$1.023)
SoCal	461,200	\$3.353	(\$0.218)	(\$1.112)	(\$0.173)	(\$0.916)
PG&E Citygate	417,000	\$4.094	(\$0.184)	(\$0.370)	(\$0.139)	(\$0.271)
Dominion-South	248,600	\$3.306	(\$0.437)	(\$1.158)	(\$0.392)	(\$0.739)
USTRade Weighted	19,519,500	\$3.288	(\$0.311)	(\$1.176)	(\$0.27)	(\$0.883)

stream during this coming winter, Total third quarter production was 3.551bcf/d down 9% from the same time a year ago. For the first nine months of this year natural gas production

averaged 3.735 bcf/d down 2.5% from a year ago. The company plans to see its production in 2010 to average between 3.2-3.3 bcfe/d. The company reported that its commodity price risk management resulted in realized gains of approximately \$913 million after tax gains from natural gas and basis hedges. As of September 30th the company had about 2 bcf/d of expected natural gas production in 2010 hedged at an average NYME X equivalent price of 6.08 per Mcf.

Reuters is reporting that supply to the 2.8 bcf/d Nigeria LNG plant in Nigeria which was cut in half from November 2008 until last month, due to repairs to the Shell Soku feed gas plant in the Niger Delta, should be ramping back up and that this plant could become a key spot supplier of LNG into the U.S. market in the coming weeks, given that European stocks are full. Nigerian exports of LNG to Europe in November are expected to reach 50 bcf, a 46% increase over the prior two months.



PIPELINE RESTRICTIONS

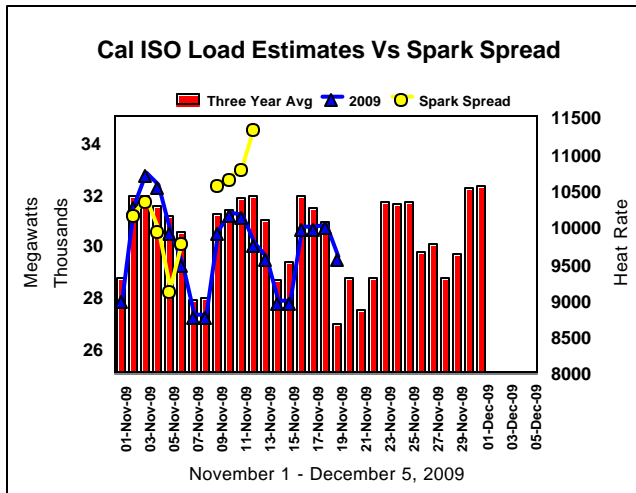
The Rockies Express Pipeline said today that it officially began service on the final 195 miles of its REX East system, which extends from the Lebanon hub to Clarington., in Monroe County, Ohio.

ELECTRIC MARKET NEWS

The New York ISO said New York State has sufficient resources to meet the anticipated electricity needs of the 2009-2010 winter season. The NYISO estimates the state's peak winter demand will reach 24,998 Mw. The forecast is 325 Mw or 1%, higher than the winter 2008-2009 peak of 24,673 that was recorded last December 22nd.

The NYISO estimates that with a total available supply of 41,055 Mw, New York has a capacity margin of 16,057 Mw or 64.2%.

The EIA reported that U.S. coal production for the week ending November 6th stood at 20.6 million short tons, some 1.9% higher than the prior week and some 10.9% less than the same week a year ago.



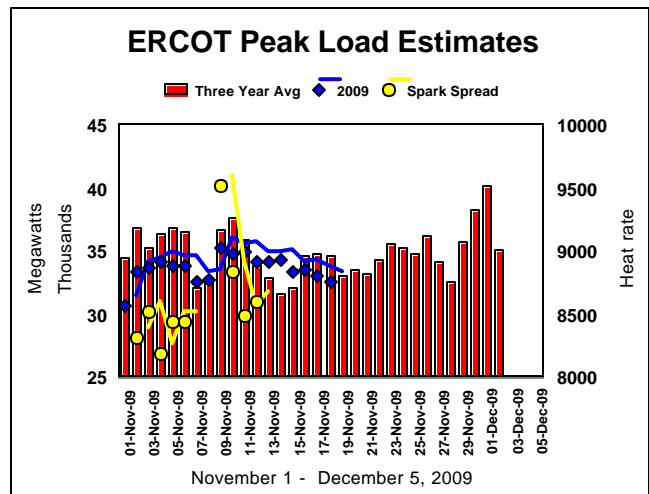
Tonbridge Power has confirmed it has started construction on the MATL project, providing the first direct transmission interconnection between the province of Alberta and U.S. jurisdictions and has secured a \$161 million federal economic stimulus loan from the U.S. Department of Energy for the U.S. portion of the line. Some capacity on the MATL line has already been acquired by wind energy developers. Power producers are already seeking a 100-mile extension of the line in central Montana to interconnect with the 500 kV Colstrip transmission line.

The New York Public Service Commission today

approved the New York portion of a power line under the Hudson River from a planned power plant in Bayonne, New Jersey. The 345 Kv power line will connect the new 512 Mw natural gas fired power plant with ConEd's existing Gowanus substation in Brooklyn.

MARKET COMMENTARY

The natural gas futures market resumed its downward path today, as the continued bearish weather outlook coupled with rebounding nuclear generation kept the pressure on the cash market. Most cash trading points saw their sixth consecutive lower settlement today. While initially the futures market bounced off the morning lows on some short covering the recovery in values back to within pennies of yesterday's close, could not be maintained as oil prices remained under pressure. As a result natural gas values eroded going into the close and finished the day back near its lows.



We would look for a test of the December contract lows from September 4th at \$4.34. Additional points of support we see at \$4.241 and \$4.035. Resistance we see starting at \$4.435 tomorrow followed by \$4.472, \$4.575 and \$4.632. More significant resistance point we see at \$4.98, \$5.172 and \$5.366.

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