



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR NOVEMBER 13, 2006

NATURAL GAS **MARKET NEWS**

El Paso Corp confirmed late Monday morning that 770 million cubic feet of natural gas supply was cut on its 36-inch Wyoming Interstate natural gas mainline. Some 770 Mmcf/d was flowing on the line prior to a construction accident that set off the pipeline blast over the weekend. Operators hoped that the replacement line would be completed within several days. The explosion occurred some 9 miles southwest of Cheyenne, on Saturday. Originally the company reported that only 246 mmcf/d of supplies were cut.

The NWS reported this morning that it expected heating demand for natural gas for the week ending November 18th will total 114 HDD, some 16.2% less than normal and 8.1% behind the same week a year ago. For the young heating season to date, some 619 HDD have been recorded, some 2.3% colder than normal and

Generator Problems

NPCC – Hydro-Quebec's 675 Mw Gentilly #2 nuclear unit returned to service in the past several days following its maintenance outage which began on September 8th.

OPG's 490 Mw Nanticoke #2 nuclear unit returned to service early Monday. The unit went off line Tuesday last week.

SERC – Progress Energy's 937 Mw Brunswick #2 nuclear unit failed to restart over the weekend due to the discovery of a condenser problem. The unit has been offline since November 1st.

Duke Power's 1129 Mw Unit #1 Catawba nuclear power station was taken offline today for a planned refueling outage.

SPP -Operators at Entergy's 968 Mw River Bend nuclear unit reduced power to facilitate repairs to a condenser water box.

MAPP – The 1166 Mw Wolf Creek nuclear unit returned to full power early Monday, completing its return from its recent refueling outage. On Friday the unit started up and was at only 4% of capacity.

Dominion Resources 560 Mw Kewaunee nuclear power unit remained shut since Friday due to necessary repairs on a turbine generator.

ERCOT – TXU operators hoped to restart the 750 Mw Unit #1 at the Martin Lake coal fired power plant today. The unit dropped off line this past weekend.

AEP's 528 mw coal fired #2 Welsh power plant is expected to be offline until November 17th for planned maintenance work.

International power's 632 Mw Coletto Creek coal fired power station was expect3d to be restarted Monday following repairs for a boiler tube leak that took the unit offline on Friday.

TXU's 545 Mw Unit #4 at the coal fired Sandow power station returned to service Monday following a five week maintenance outage.

ECAR AEP's 1016 Mw Unit #1 at the Cook nuclear power station has begun to exit its recent refueling outage and was at 9% of power this morning. The unit has been off line since mid-September.

WSCC – LS Power's 510 Mw natural gas fired Unit #2 at the Moss Landing power station was shut Sunday afternoon for planned maintenance.

Calpine's 600 Mw Metcalf natural gas fired power plant was taken off line Sunday for planned maintenance.

The NRC reported that 80,913 Mw of nuclear capacity is on line, up 1.8% from Friday, but off 1.41% from a year ago.

36% colder than the same time last year.

Raymond James reported today that U.S. natural gas production by publicly traded companies rose by 5% in the third quarter of this year, the first year on year increase in 4 years. Most of the growth though was the result returning USG natural gas production from last year's hurricane disruptions. Removing the storm impacts, the group estimated that U.S gas production actually was down 0.3% year-over-year. This they feel will point to higher prices in 2007.

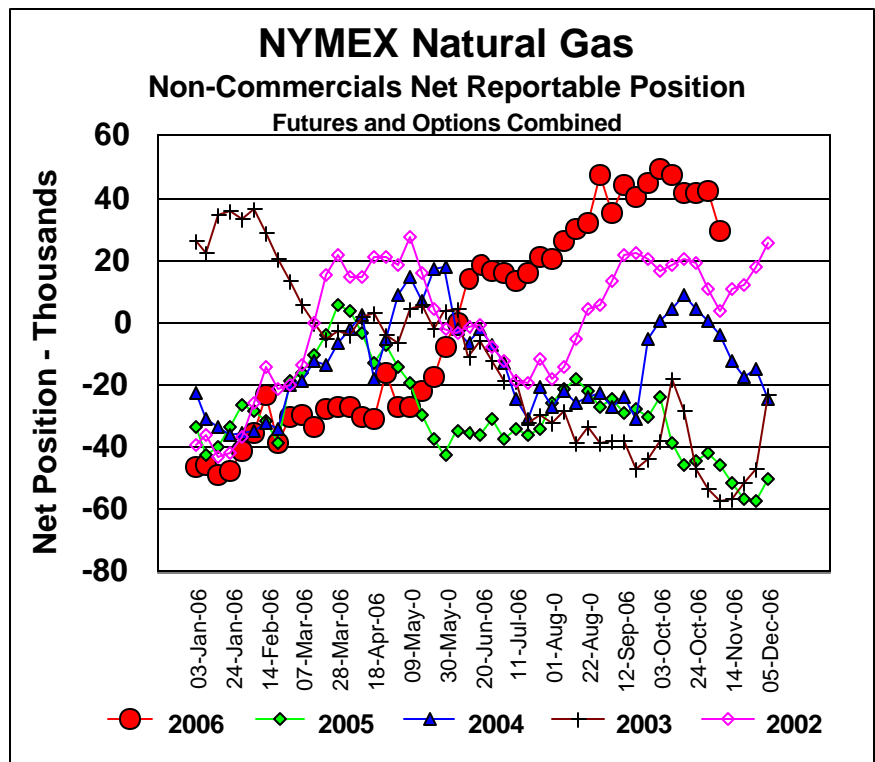
PIPELINE RESTRICTIONS

Williston Basin Interstate Pipeline Company reported that several line sections were at capacity constraint for delivery in the timely cycle in today's gas day, These areas include Dickinson-Bismarck;

Bismarck-Cleveland; Cleveland-Grafton; Williston- Bismarck; Cleveland – Mapleton; portal – Tioga.

Texas Eastern Transmission again noted that it has scheduled to capacity all receipts sourced between Little Rock and Batesville for delivery downstream of Batesville. No increase of receipts between Little Rock and Batesville for delivery downstream of Batesville will be accepted. The company also announced it continues to have restricted receipts sourced between Mt. Belvieu and Little Rock for delivery outside of that area. Also deliveries downstream of Castor on the Castor lateral remain restricted.

Natural Gas Cash Market						
ICE Next Day Cash Market						
	Volume	Avg Price	Change	Basis	Change	Basis 5-Day
Location	Traded	Price		(As of 12:30 PM)		Moving Avg
Henry Hub	824,600	\$7.262	\$0.103	(\$0.632)	\$0.003	(\$0.695)
Chicago City Gate	615,200	\$7.344	\$0.177	(\$0.526)	\$0.102	(\$0.730)
NGPL- TX/OK	447,400	\$6.690	\$0.278	(\$1.180)	\$0.202	(\$1.374)
SoCal	932,200	\$6.224	\$0.485	(\$1.646)	\$0.410	(\$1.736)
PG&E Citygate	443,800	\$7.302	\$0.709	(\$0.568)	\$0.634	(\$0.888)
Dominion-South	707,400	\$7.638	\$0.155	(\$0.232)	\$0.080	(\$0.318)
Transco Zone 6	367,200	\$7.778	\$0.163	(\$0.092)	\$0.088	(\$0.205)



PIPELINE MAINTENANCE

Alliance Pipeline said that mechanical difficulties encountered during a scheduled outage at Tampico on November 7th will require further corrective measures. As a result the station will be unavailable for 36 hours starting at 9 PM MST on November 14th. At this time system throughput (AOS) is only anticipated to be impacted on November 15th but will be determined closer to the outage date.

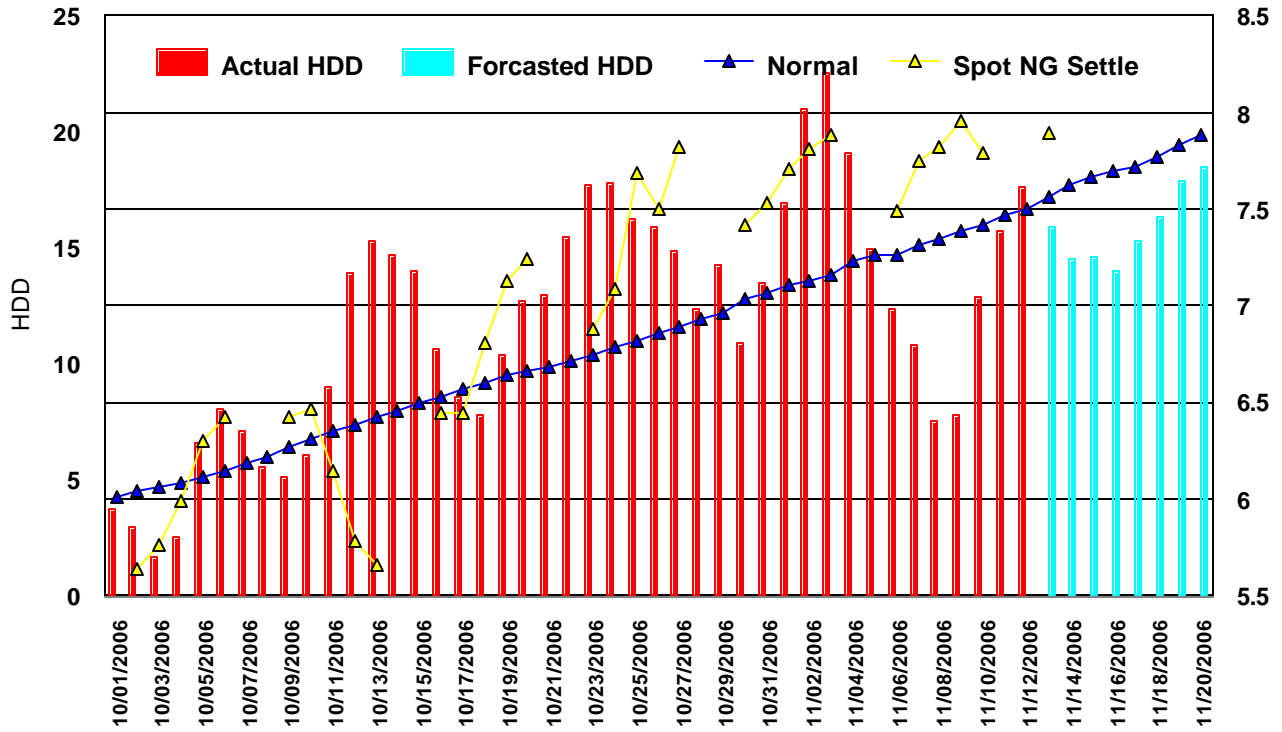
NGPL said that from November 16-17th, it will be remedying smart pig anomalies on sections of the Wise County Lateral.

MARKET COMMENTARY

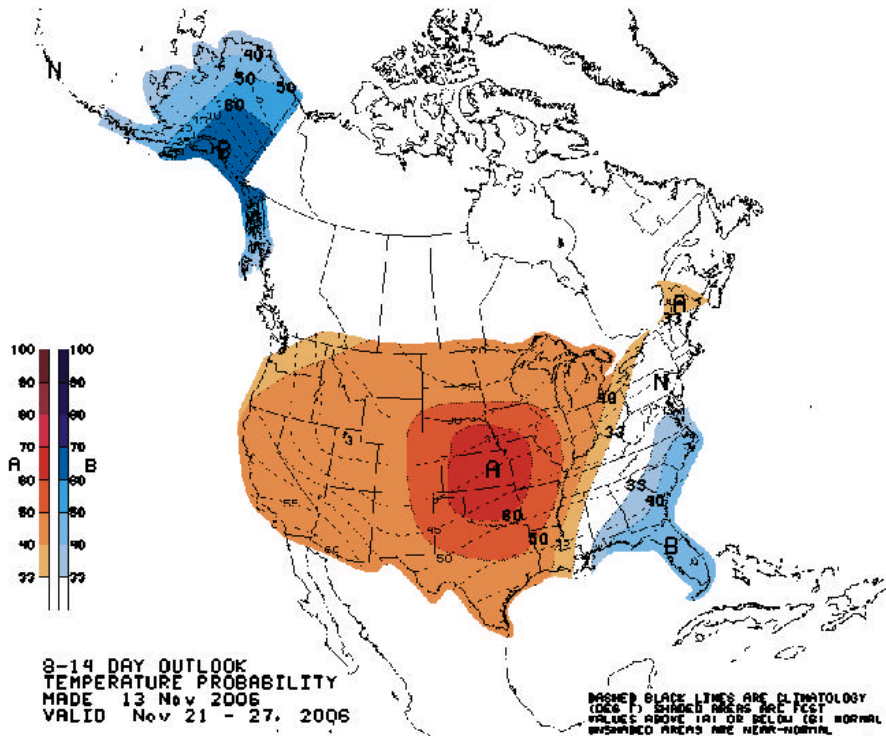
The natural gas market opened lower this morning as traders started the week confronted with weather forecasts for the next two to three weeks that were pointing toward either normal to possibly slightly warmer than normal for the period. This coupled with rebounding nuclear generation and declining oil prices seemed to weigh on natural gas futures early on. But as news spread through the market of the supply disruption along the Wyoming Pipeline and its loss of up to 770

U.S. Heating Degree Days

Basis Weighted Natural Gas Home Heating

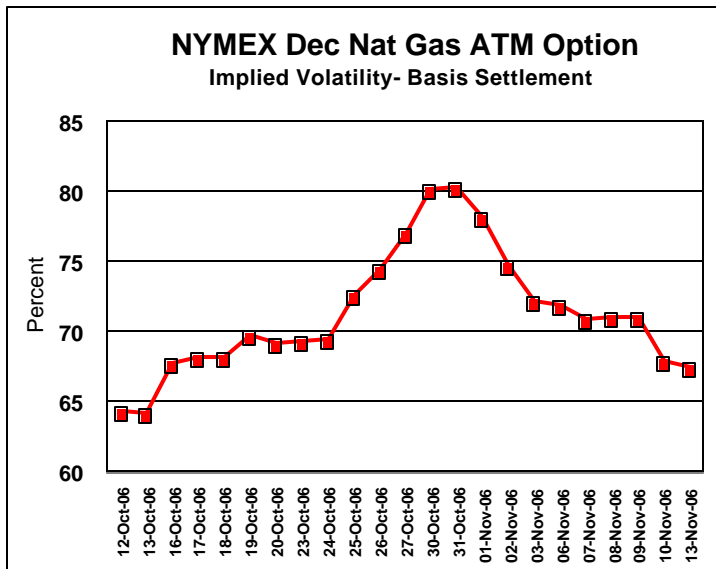


Mmc/d seemed to push values higher, especially in the cash markets. Final volume on the day while up over Friday, still saw the floor with limited activity with just over 35,000 lots traded or just 40% of the total activity booked on the day.



Tonight's NWS 8-14 day forecast does little to change or perception that this market should work lower and that the December contract which rebounded today should again lead the way lower. We look for resistance again to be found at \$8.00 followed by \$8.20, \$8.26 with more distant resistance at \$8.415, \$8.46, \$8.50 and \$8.619. Support we see at \$7.59 followed by \$7.50, \$7.40, \$7.28. More distant support we see at \$7.00.

Tonight's Commitment of Traders Report for the period ending November 7th, showed that non-commercial reportable positions declined by 7,735 futures positions or 12,834 in a combined futures and options



position. The period ending September 5th saw a similar decline in the combined futures and options positions by this group.

Natural gas options saw implied volatilities continue to contract for the seventh session out of the last nine trading days, as values fell to their lowest level since mid October.

NYMEX Nat Gas Options Most Active Strikes for November 13, 2006								
Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Volume	IV
LN	2	7	C	20	01/26/2007	0.0055	4,200	71.98
LN	12	6	P	6.75	11/27/2006	0.0486	3,275	65.83
LN	12	6	P	6.5	11/27/2006	0.024	2,925	65.14
LN	4	7	P	5	03/27/2007	0.0553	2,500	51.58
LN	12	6	P	7.5	11/27/2006	0.2323	2,200	67.89
LN	1	8	P	7	12/26/2007	0.5425	2,200	49.20
LN	2	7	C	15	01/26/2007	0.0556	2,100	71.17
LN	3	7	P	5	02/23/2007	0.0386	2,000	59.18
LN	2	8	P	8.9	01/28/2008	1.456	2,000	53.72
LN	12	6	P	6	11/27/2006	0.0044	1,630	64.75
LN	12	8	P	6	11/21/2008	0.3487	1,200	40.41
LN	12	8	P	8	11/21/2008	1.1017	1,200	44.57
LN	1	8	C	10.7	12/26/2007	1.2363	1,000	36.40
ON	12	6	C	8	11/27/2006	0.368	972	67.70
LN	1	7	C	12	12/26/2006	0.0767	950	70.75
LN	1	7	P	6.5	12/26/2006	0.1062	950	66.23
LN	12	6	C	8	11/27/2006	0.3677	860	65.71
LN	2	7	C	12	01/26/2007	0.1978	700	67.58
LN	12	6	C	9.75	11/27/2006	0.0386	680	72.17
LN	11	7	P	8.5	10/26/2007	1.4366	650	55.92
ON	12	6	P	8	11/27/2006	0.474	646	67.74
LN	1	7	C	14	12/26/2006	0.0249	600	75.06
LN	3	7	C	15.2	02/23/2007	0.0957	600	69.95
LN	2	7	P	6	01/26/2007	0.0979	600	62.23
LN	2	7	P	8	01/26/2007	0.7242	600	66.19
ON	1	7	C	8.6	12/26/2006	0.627	550	65.57
LN	6	7	P	6	05/25/2007	0.2905	525	51.63