



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR NOVEMBER 14, 2006

NATURAL GAS MARKET NEWS

Increasing the expected value of its initial public offering on the New York Stock Exchange prior to its release Friday, Nymex Holdings Inc., through Securities and Exchange Commission filings this week, said it has increased its share expectation price from between \$48 to \$52 to between \$54 to \$57, while also expanding the offering to 6.5 million shares from 6 million shares. The frenzy over Nymex's IPO has also boosted the share prices of other exchanges.

El Paso Corp.'s Wyoming Interstate Co. (WIC) is expecting to resume normal transportation operations on Wednesday only four days after a massive explosion tore apart its 36-inch diameter mainline about 10 miles south-southeast of Cheyenne, WY, killing a bulldozer operator who was working on the Rockies Express pipeline project.

FERC has given the environmental go-ahead for a project proposed by Trunkline LNG Co. LLC that would use ambient heat to reduce the amount of fuel gas needed in the vaporization of liquefied natural gas (LNG) at its import terminal in Lake Charles, LA.

PIPELINE RESTRICTIONS

KM Interstate Gas Transmission said that until further notice, WIC Cottonwood is at capacity for delivered volumes. Based on the level of nominations, IT/AOR and secondary volumes are at risk of not being scheduled.

Texas Eastern Transmission said that it has restricted to capacity deliveries downstream of Castor on the Castor lateral. No increases of deliveries downstream of Castor on the Castor lateral will be accepted.

PIPELINE MAINTENANCE

Gulf South Pipeline said that scheduled compressor maintenance on the Jackson Unit #1 has been extended through November 17. Repairs began September 12. Capacity through Jackson Compressor Station has been reduced by 125 MMcf/d during this outage.

Generator Problems

ECAR – AEP's 1,020 Mw Cook #1 nuclear unit reconnected to the grid and ramped output to 25% capacity. Cook #2 continues to operate at full power.

ERCOT – TXU's 575 Mw Big Brown #2 coal-fired power station shut for short-term work to fix a boiler tube leak.

TXU's 750 Mw Martin Lake #1 coal-fired power station returned to service by early today. The unit shut November 10 for maintenance.

MAAC – FirstEnergy's 864 Mw Beaver Valley #2 nuclear unit increased output to 66% capacity today. The unit was operating at 30% yesterday. Beaver Valley #1 remains at full capacity.

Exelon's 619 Mw Oyster Creek nuclear unit ramped up to 95% power by early today. Yesterday, the unit was operating at 30% after exiting a refueling outage.

NPCC – Entergy's 535 Mw Vermont Yankee nuclear unit ramped output to 71% today. Yesterday, the unit was operating at 66% capacity.

SERC – Duke Power Company's 1,100 Mw McGuire #2 nuclear unit increased output to 95% capacity. Yesterday, the unit was operating at 78% capacity. McGuire #1 continues to operate at full power.

WSCC – Arizona Public Service's 1,270 Mw Palo Verde #2 nuclear unit restarted from a refueling outage and is warming up offline at 8%. Palo Verde #1 and #3 remain at full power.

All the units at Complete Energy's 861 Mw La Paloma natural gas-fired power station returned to service following planned and unplanned maintenance.

LS Power Group's 510 Mw Moss Landing #2 natural gas-fired power station returned to service following a planned outage.

The NRC reported that 82,128 Mw of nuclear capacity is on line, up 1.50% from Monday, but off 2.85% from a year ago.

Natural Gas Cash Market						
ICE Next Day Cash Market						
	Volume	Avg	Change	Basis	Change	Basis 5-Day
Location	Traded	Price		(As of 12:30 PM)		Moving Avg
Henry Hub	1,117,000	\$7.419	\$0.156	(\$0.558)	\$0.073	(\$0.574)
Chicago City Gate	580,700	\$7.440	\$0.095	(\$0.636)	(\$0.110)	(\$0.616)
NGPL- TX/OK	641,000	\$6.907	\$0.217	(\$1.168)	\$0.012	(\$1.228)
SoCal	1,162,500	\$6.307	\$0.084	(\$1.768)	(\$0.121)	(\$1.655)
PG&E Citygate	358,600	\$7.270	(\$0.032)	(\$0.805)	(\$0.237)	(\$0.801)
Dominion-South	437,700	\$7.776	\$0.138	(\$0.299)	(\$0.067)	(\$0.229)
Transco Zone 6	298,400	\$7.903	\$0.125	(\$0.172)	(\$0.080)	(\$0.110)

ELECTRIC MARKET NEWS

Progress Energy submitted a license-renewal application to the NRC, requesting a 20 additional years of operation for its Harris Nuclear Plant. Progress Energy said its Harris Plant is essential to meet the needs of its 1.4 million

customers in the Carolinas reliability.

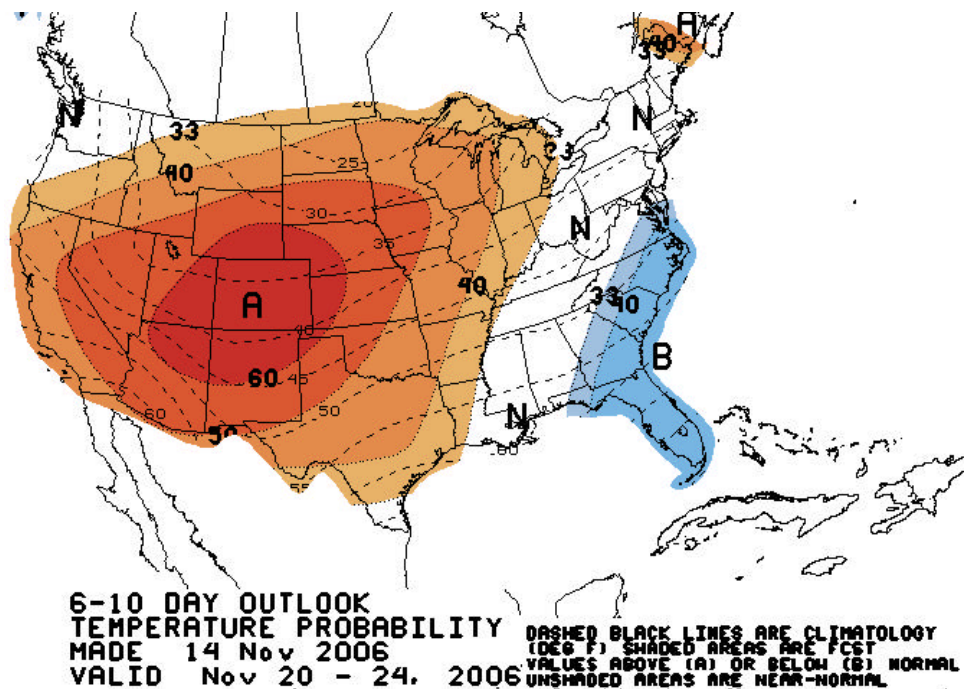
Total U.S. greenhouse gas emissions were 7,147.2 million metric tons carbon dioxide equivalent in 2005, an increase of 0.6% from the 2004 level according to Emissions of Greenhouse Gases in the United States 2005, a report released today by the EIA. Since 1990, GHG emissions have grown at an average annual rate of 1.0%. The slow growth in carbon dioxide emissions from 2004-2005 can be attributed mainly to higher energy prices that suppressed energy demand, low or negative growth in several energy-intensive industries, and weather-related disruptions in the energy infrastructure along the Gulf Coast that shut down both petroleum and natural gas operations.

Ontario and Quebec said they will build a 1,250 Mw transmission line linking their power networks. The first 900 Mw segment, in the region near Canada's capital Ottawa, would be available for service in May 2009, with the balance coming by spring 2010, officials from the two provinces said at a press conference in Toronto. The first phase would cost come C\$448 million (\$392 million).

MARKET COMMENTARY

The natural gas market opened 4 cents higher as it lulled through familiar territory, trading to a low of 7.84 early in the session. Market bulls again showed enthusiasm for pushing the December contract above 8.00, reaching a high of 8.22 late in the session. But again the rally fizzled and the market pulled back below 8.00 to settle up 8.3 cents at 7.977.

There's certainly nothing fundamental behind natural gas' rally today, storage is full and there isn't any weather suggesting higher demand. After two weeks of small draws in total storage, this week is looking like we will see a build to stocks as moderate temperatures have dominated the majority of the country over the past week. Also keeping a lid on prices is the return of cheap nuclear generation following seasonal refueling outages. The market is at the upper end of a larger range and we feel that with the bearish pressures, this market will



pull back and maintain its sideways action as it awaits a clearer sense of the heating season. We see support at \$7.66, \$7.38, \$7.27, \$7.10, \$7.06 and \$7.00. We see resistance at \$8.00, \$8.25-\$8.26, \$8.45, \$8.54 and \$9.25.

NYMEX Nat Gas Options Most Active Strikes for November 14, 2006								
Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Volume	IV
ON	1	7	P	7	12/26/2006	0.181	8,626	63.92
LN	4	7	P	7	03/27/2007	0.5098	3,900	53.43
LN	4	7	C	9	03/27/2007	0.5476	3,300	47.05
LN	3	7	P	5	02/23/2007	0.0354	3,250	59.22
LN	12	6	P	8	11/27/2006	0.4137	3,250	68.92
LN	12	6	P	7	11/27/2006	0.067	2,650	65.89
LN	5	7	P	4.5	04/25/2007	0.0388	2,500	52.29
LN	3	7	P	8	02/23/2007	0.8844	2,000	66.19
LN	12	6	C	8	11/27/2006	0.3907	1,950	65.12
LN	5	7	P	7	04/25/2007	0.5941	1,750	53.59
LN	5	7	C	9	04/25/2007	0.5821	1,700	44.32
LN	2	7	C	12	01/26/2007	0.2106	1,450	68.02
ON	12	6	C	9	11/27/2006	0.11	1,443	70.18
ON	12	6	C	8	11/27/2006	0.391	1,434	67.14
ON	12	6	P	7	11/27/2006	0.067	1,355	64.96
LN	2	7	C	9	01/26/2007	0.7564	1,300	60.77
LN	12	6	P	7.25	11/27/2006	0.118	1,300	66.58
ON	12	6	C	8.5	11/27/2006	0.213	1,257	68.57
LN	3	7	C	20	02/23/2007	0.0273	1,250	75.25
LN	12	6	P	8.25	11/27/2006	0.5635	1,175	70.10
LN	12	6	P	7.75	11/27/2006	0.2898	1,175	68.08
LN	12	6	P	7.5	11/27/2006	0.1915	1,150	67.29
ON	1	7	P	5	12/26/2006	0.004	1,110	64.29
LN	3	7	C	10	02/23/2007	0.5964	1,100	62.85
LN	1	7	C	12	12/26/2006	0.0778	1,025	70.27
LN	12	6	C	8.5	11/27/2006	0.2133	1,000	67.23
LN	3	7	C	12	02/23/2007	0.3055	900	67.36
ON	1	7	C	8.5	12/26/2006	0.693	880	64.89
ON	12	6	P	6.5	11/27/2006	0.016	876	63.98
ON	1	7	C	10	12/26/2006	0.273	842	67.80
LN	1	7	C	15	12/26/2006	0.0145	800	76.60
LN	3	7	C	15	02/23/2007	0.1066	800	69.87
LN	2	7	C	15	01/26/2007	0.0598	800	71.64
LN	4	7	C	14	03/27/2007	0.0677	775	55.01
LN	1	7	C	10	12/26/2006	0.2728	700	65.58
LN	3	7	P	5.5	02/23/2007	0.0782	700	59.70

