



ENERGY RISK MANAGEMENT

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NATURAL GAS & POWER MARKET REPORT FOR NOVEMBER 29, 2011

NATURAL GAS MARKET NEWS

North America

Natural gas output in the continental US rose 1.1% to a record high 70.4% in September from August despite a 13.5% decrease in output from the Gulf from Tropical Storm Lee. September output was 6.9% higher than it was a year ago.

Quebec plans to public new regulations governing its proposed cap-and-trade scheme scheduled to start in 2013 despite opposition from oil companies and other manufactures that fear the move could cost jobs. The burden of the new regulations is expected to fall on two oil refineries in the province. Quebec is attempting to reduce emissions to 20% below 1990 levels by 2020.

Generation Outages

MRO - Xcel Energy Inc's Monticello nuclear power station shut early on Tuesday after starting an outage on Monday. The unit was shut when it discovered a rod-worth minimize control switch was out of require position during a restart. The plant was originally shut on October 19th when relays in the plant protection system were activated.

ERCOT STP Nuclear Operating Co's Unit 2 at the South Texas nuclear power plant shut on Tuesday from full power on Monday.

The NRC reported this morning that some 90,212 Mw of nuclear generation was online, down 1.28% from yesterday and down 0.23% from the same day a year ago.

International

Norway's Statoil Njord oil and gas platform has remained shut after closing for precautionary reasons on Friday ahead of a major storm. The company said production is scheduled to resume in a few days but startup production has been delayed due to technical problems. The platform has the ability to produce 2 billion cubic meters of gas a year, about 2% of the nation's output.

Due to poor regulation European gas customers pay as much as 70 billion euros more per year than their American counterparts because of a poor network of pipelines. Europe is building and planning fewer new pipelines than any other region in the world due to a poor regulatory framework that scares away entrants from the market. The lack of third party access to existing pipelines also threatens the

ability of newly discovered reserves to be shipped to customers. For example, new Polish shale gas discoveries may not have an immediate means to ship gas to other parts of Europe because Gazprom and PGNiG have little incentive to yield pipeline capacity for new market entrants.

Natural Gas Cash Market						
ICE Next Day Cash Market						
Location	Volume	Avg	Change	Basis	Change	Basis 5-Day
	Traded	Price		(As of 12:30 PM)		Moving Avg
Henry Hub	816,600	\$3.391	\$0.303	(\$0.198)	\$0.103	(\$0.236)
Chicago City Gate	453,800	\$3.656	\$0.245	\$0.067	\$0.079	(\$0.106)
NGPL- TX/OK	596,700	\$3.359	\$0.298	(\$0.230)	\$0.132	(\$0.417)
SoCal	594,300	\$3.575	\$0.178	(\$0.014)	\$0.012	(\$0.067)
PG&E Citygate	954,500	\$3.887	\$0.052	\$0.298	(\$0.114)	\$0.323
Dominion-South	672,700	\$3.513	\$0.315	(\$0.076)	\$0.149	(\$0.271)
USTRade Weighted	22,244,300	\$3.508	\$0.269	(\$0.081)	\$0.10	(\$0.236)

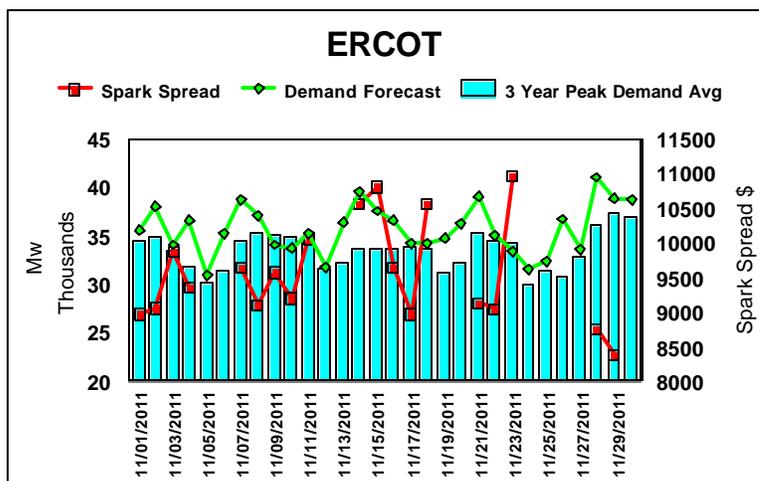
The parallel development of the White Stream and Nabucco pipelines would provide Europe with its targeted supply and transit security. The projects would diminish Russian control over gas supplies to Europe as well as avoiding a transit monopoly in Turkey.

Eni has bought a 32.5% stake in the Evans Shoal gas field in Australia from Santos. Eni plans to drill an appraisal/exploration well in the second half of 2012.

Noble is exploring the possibility of building a floating LNG terminal off the coast of Israel in the Tamar and Dalit fields. Noble and its partners have an agreement with Daewoo Shipbuilding & Marine Engineering and D&H Solutions to evaluate the project.

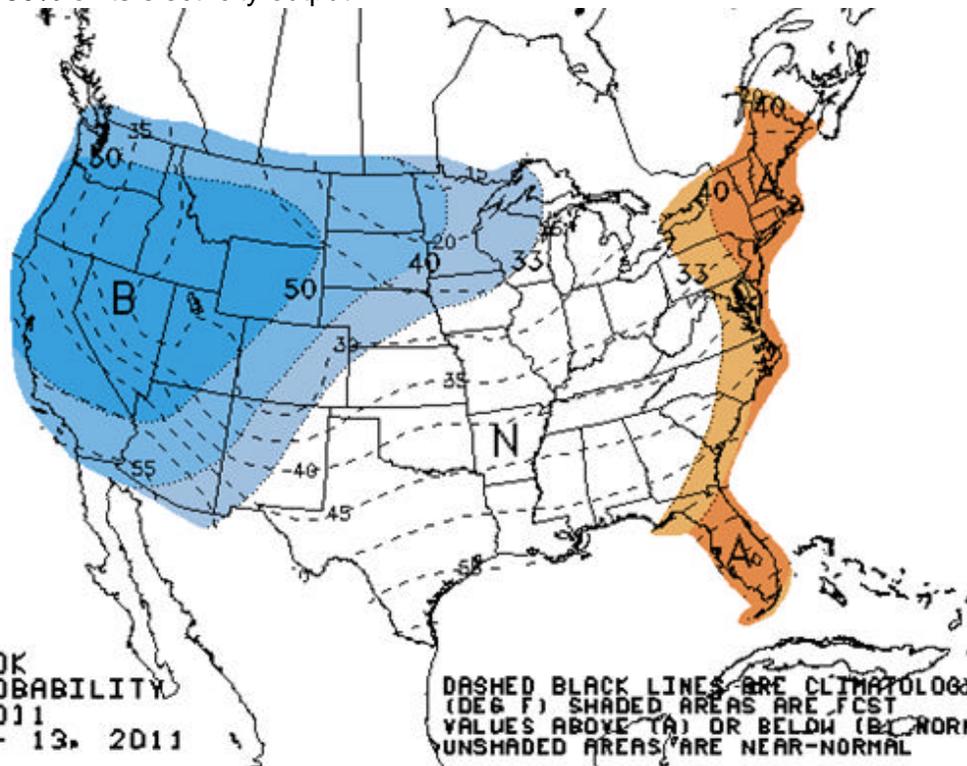
Electric Market News

Massachusetts attempt to stop the relicensing of Entergy's Pilgrim nuclear power plant was denied by a three-judge panel at the NRC. Entergy wants to extend Pilgrim's operating license that is scheduled to expire in 2012 for 20 years.



The US Northwest River Forecast Center said projected water runoff at The Dalles Dam on the Columbia River in Oregon increased to 95 percent of normal for January-July on Nov. 29 up 1 percent of normal from their previous estimate on Nov. 28.

Coal Stocks at China's major power plants were at a record high of 80.15 million tones on November 21st. The stocks have the ability to generate electricity for 21 days. China uses coal-fired plants to generate approximately 80% of its electricity output.



Economic News

US single family home prices fell in September. The S&P/Case Shiller composite index of 20 metropolitan areas fell 0.6% from August on a seasonally adjusted basis. Prices in August were revised to show a decline of 0.3% after originally being reported as unchanged.

The Conference Board's US consumer confidence index increased in November to 56 from an upwardly revised 40.9 in October. Its present situation index in November increased to 38.3 from 27.1 in October and its expectations index increased to 67.8 in November from 50 in October.

Market Commentary

The natural gas market bounced higher on Tuesday as the January contract became the spot contract. It however remained range bound and posted an inside trading day. The market traded sideways overnight and posted a low of \$3.525 in early morning trading before bouncing higher on opening of the open outcry session. The market traded to \$3.622 and once again settled in a range ahead of a late rally to \$3.64 on the close. The January natural gas contract settled up 10.8 cents at \$3.633 amid the higher cash prices. The market traded higher as traders focused on the winter months ahead.

While the natural gas market traded higher, it is still seen remaining on the defensive. The market will continue to look for a change in weather forecasts. The forecast continue to show a mixed picture, with cooler temperatures in the South and Southwest and warmer temperatures in the East Coast and Northeast. The market is seen finding support at \$3.569, \$3.559, \$3.521, \$3.484, \$3.461 and \$3.444. Resistance is seen at \$3.64, \$3.674, \$3.714, \$3.72, \$3.789 and \$3.80.

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