



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR NOVEMBER 30, 2006

NATURAL GAS MARKET NEWS

Bobcat said that it has received the necessary approval from the FERC to commence the construction of the key components of its gas storage facility, including the leaching plant, storage cavern wells, freshwater wells, brine disposal wells and the compressor station. This approval allows Bobcat to start construction on these long lead time facilities immediately, keeping the project ahead of its anticipated schedule. The projected is to be completed in 2008.

Former Russian Prime Minister Mikhail Kasyanov commented that Russian's leadership has created the conditions for an energy crisis by refusing to break up natural gas export monopoly Gazprom. This warning echoes concerns in Gazprom's biggest customer, the European Union, which says that without a liberalization of the Russian gas market, production growth will slow, possibly leaving the EU with an energy shortfall.

PIPELINE RESTRICTIONS

Kern River Pipeline said that linepack has returned to normal over its entire system.

Natural Gas Pipeline Company said that capacity is available for deliveries to ANR South Joliet #2. ITS/AOR and secondary firm transports are available. ANR South Joliet is located in Will County, Illinois (Segment 33) in Natural's Iowa Illinois Receipt Zone.

EIA Weekly Report

	11/24/2006	11/17/2006	Net chg	Last Year
Producing Region	1010	1015	-5	891
Consuming East	1936	1964	-28	1902
Consuming West	471	470	1	439
Total US	3417	3449	-32	3232

*storage figures in Bcf

Generator Problems

ERCOT –TXU Corp.'s 575 Mw Big Brown #2 coal-fired power station restarted following repairs to a boiler tube leak.

TXU Corp.'s 750 Mw Martin Lake #2 coal-fired power station restarted following repairs to a boiler tube leak.

FRCC – Progress Energy's 870 Mw Crystal River nuclear unit returned to full power today. The unit was operating at 88% yesterday to clean out the plant's intake structure after excessive grass had collected and needed to be removed.

MAAC – PPL's 1,115 Mw Susquehanna #1 nuclear unit reconnected to the grid and ramped up to 40% capacity. Susquehanna #2 continues to operate at full power.

MAPP – Nebraska Public Power District's 800 Mw Cooper nuclear unit returned to full power today. Yesterday, the unit was operating at 76% capacity.

NPCC – Entergy's 979 Mw Indian Point #2 nuclear unit shut for short term work today to fix a leaky pipe. Indian Point #3 continues to operate at full power.

WSCC – Pacific Gas and Electric's 1,100 Mw Diablo Canyon #1 nuclear unit remains reduced, inching output down to 56% capacity today to accommodate scheduled maintenance. Diablo Canyon #2 continues to operate at full power.

The NRC reported that 87,951 Mw of nuclear capacity is on line, up .64% from Wednesday, but 3.20% lower from a year ago.

Northwest Pipeline said that due to extended cold and low scheduled volumes at Sumas, Northwest is indefinitely extending the Stage II (8%) Overrun Entitlement for Receiving Parties on the Wenatchee Lateral. NWP also is extending indefinitely the Stage III Overrun Entitlement (13%) for all other Receiving Parties located north of the Kemmerer Compressor Station.

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

Canadian Gas Association

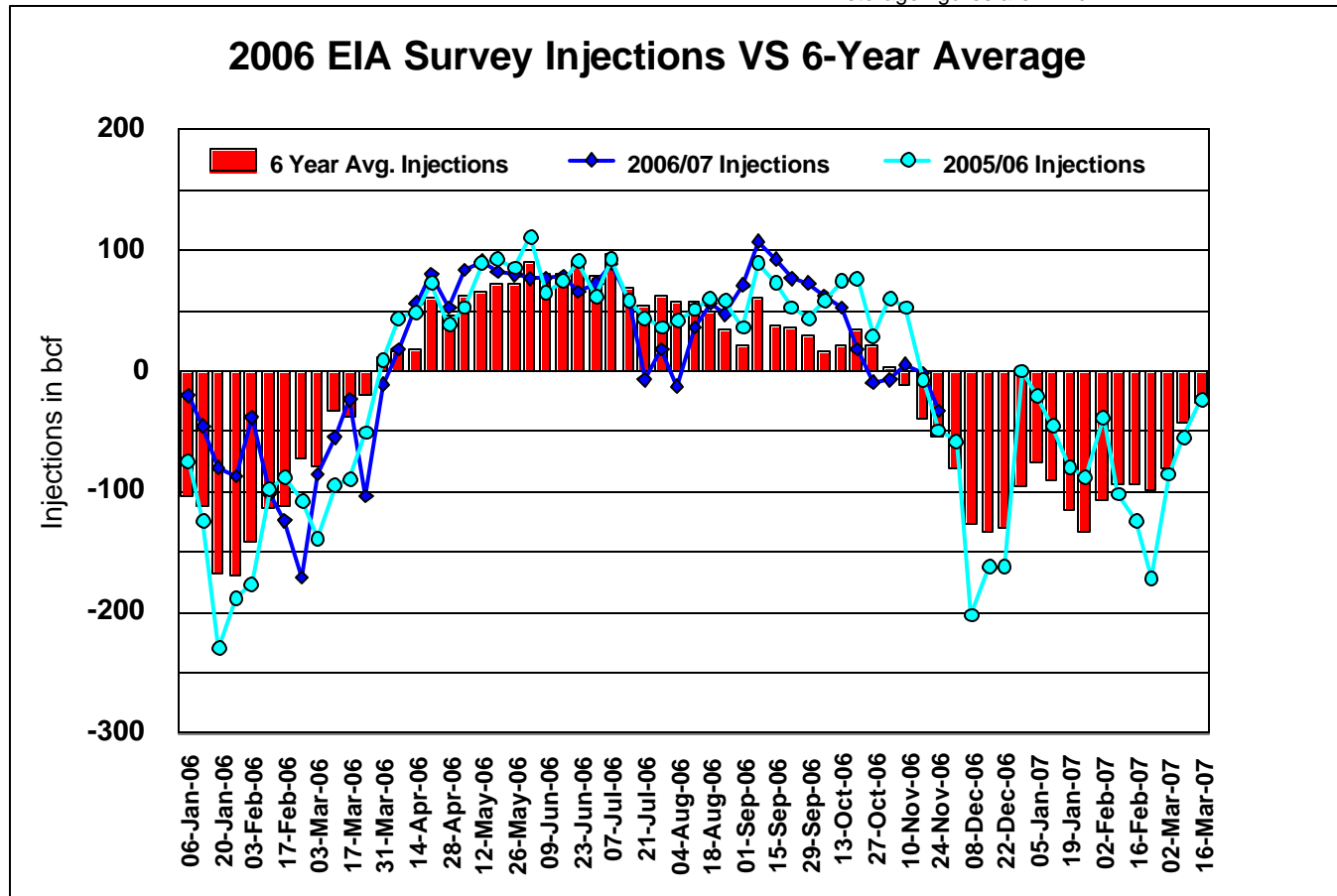
Weekly Storage Report

24-Nov-06 17-Nov-06 25-Nov-05

East	241.8	242.4	242.9
West	211.1	213.2	244.7
Total	452.8	455.6	487.7

Williston Basin Interstate Pipeline Company said that one point and several line sections are in pipeline Capacity Constraint. Penalties

storage figures are in Bcf



will be imposed for the timely cycle for delivery at the following line sections: Cabin Creek-Dickinson; Dickinson-Bismarck; Bismarck-Cleveland; Cleveland-Grafton; Williston-Bismarck; Belle Fourche-Recluse; Cleveland-Mapleton; Portal-Tioga; Belle Creek-Manning. Penalties will also be imposed at the Northern Border-Manning.

ELECTRIC MARKET NEWS

NRG Energy agreed to sell two natural gas-fired plants in California to Wayzata California Power Holdings to concentrate on its power plants along the coast. The stations for sale are the 16 3.1 Mw peaking units at the 49 Mw Chowchilla II plant, and the 16 2.8 Mw peaking units at the 45

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	754,800	\$8.317	\$0.582	(\$0.527)	\$0.609	(\$0.617)
Chicago City Gate	695,300	\$8.369	\$0.416	(\$0.406)	\$0.501	(\$0.705)
NGPL- TX/OK	689,300	\$7.838	\$0.408	(\$0.937)	\$0.493	(\$1.429)
SoCal	799,800	\$7.942	\$0.409	(\$0.833)	\$0.494	(\$1.402)
PG&E Citygate	757,300	\$8.274	\$0.298	(\$0.501)	\$0.383	(\$0.455)
Dominion-South	464,400	\$8.403	\$0.553	(\$0.372)	\$0.638	(\$0.385)
Transco Zone 6	190,300	\$8.872	\$0.883	\$0.097	\$0.968	(\$0.159)

Mw Red Bluff plant.

Southern Co.'s Georgia Power subsidiary proposed to replace two coal-fired units at the 581 Mw Jack McDonough power plant in the metro Atlanta area with a natural gas-fired unit. Georgia Power said replacing the coal units with an 800 Mw combined cycle gas plant would be "more cost effective" than retrofitting the coal units with expensive environmental controls.

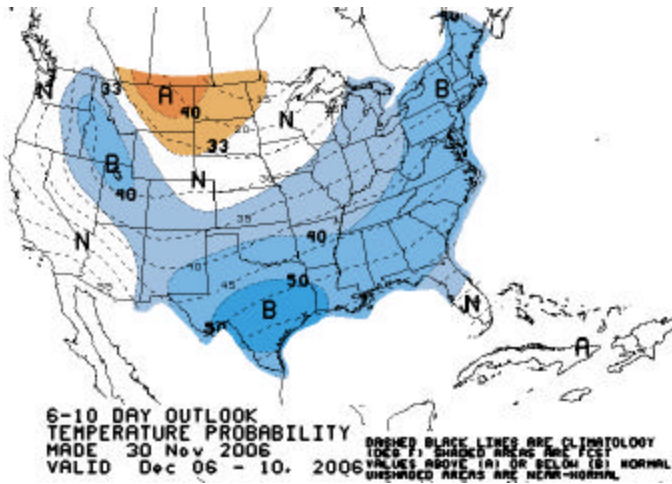
Energy regulators from California, Oregon, Washington and New Mexico are expected to approve on Friday a plan that aims to reduce greenhouse gas emissions from fossil fuel-fired power plants and promote energy efficiency in the four western states. Called a "Joint Action Framework on Climate Change," the plan outlines broad steps for the states to work together to make emissions cuts greater than any state could achieve on its own. The plan urges "integrated resource plans" requiring utilities to do long-range planning to develop renewable energy supplies and to offer energy efficiency and conservation programs to customers to lower emissions from electric generation fired by coal or natural gas.

MARKET COMMENTARY

The natural gas market opened 6 cents lower as the market awaited the release of the EIA's inventory report. The report showed

NYMEX Nat Gas Options Most Active Strikes for November 30, 2006								
Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Volume	IV
ON	1	7	C	15	12/26/2006	0.005	3,187	79.52
ON	2	7	C	15	01/26/2007	0.055	3,050	75.67
LN	3	7	C	15	02/23/2007	0.1012	2,900	70.06
LN	1	7	P	7.5	12/26/2006	0.1048	2,335	61.89
LN	4	7	P	6	03/27/2007	0.1291	1,950	53.68
LN	1	7	P	8	12/26/2006	0.224	1,510	62.74
ON	1	7	P	8	12/26/2006	0.224	1,454	61.09
LN	1	7	P	8.5	12/26/2006	0.4105	1,370	63.72
LN	4	7	P	7.5	03/27/2007	0.5456	1,300	54.94
LN	1	7	P	6.5	12/26/2006	0.0137	1,253	61.75
LN	1	7	P	7	12/26/2006	0.0419	1,250	61.72
LN	1	7	C	12	12/26/2006	0.0506	1,100	72.06
LN	3	7	P	5	02/23/2007	0.0185	1,100	61.29
LN	5	7	P	5	04/25/2007	0.0514	1,100	53.62
ON	4	7	C	8.25	03/27/2007	0.974	1,000	52.03
ON	5	7	C	8.25	04/25/2007	1.042	1,000	50.98
LN	3	7	C	11	02/23/2007	0.4553	950	65.15
LN	3	7	C	10	02/23/2007	0.6503	850	62.11
LN	4	7	C	8.5	03/27/2007	0.87	850	45.90
ON	1	7	P	8.5	12/26/2006	0.411	808	61.68
LN	1	8	C	14	12/26/2007	0.7652	800	41.92
LN	2	8	C	14	01/28/2008	0.8379	800	41.64
LN	3	8	C	14	02/26/2008	0.8422	800	42.03
LN	4	7	C	10	03/27/2007	0.4514	800	49.90
LN	4	8	C	20	03/26/2008	0.0751	800	38.04
LN	5	8	C	20	04/25/2008	0.0601	800	35.90
LN	6	8	C	20	05/27/2008	0.0716	800	35.40
LN	7	8	C	20	06/25/2008	0.0914	800	35.48
LN	8	8	C	20	07/28/2008	0.1172	800	35.72
LN	9	8	C	20	08/26/2008	0.1514	800	36.35
LN	10	8	C	20	09/25/2008	0.2415	800	39.01
LN	1	7	C	10	12/26/2006	0.2354	750	64.19
ON	3	7	P	6	02/23/2007	0.081	701	57.89
LN	4	7	P	6.25	03/27/2007	0.1706	700	53.56
LN	10	7	C	12	09/25/2007	0.7211	700	48.48
LN	1	7	C	11	12/26/2006	0.107	665	68.18
LN	1	7	C	10.5	12/26/2006	0.1581	600	66.18
ON	3	7	C	12	02/23/2007	0.322	600	70.51
LN	4	7	P	8	03/27/2007	0.7791	600	56.02
LN	3	7	C	8.75	02/23/2007	1.0383	522	57.64
LN	4	7	C	8.3	03/27/2007	0.9489	522	45.20
LN	1	8	C	17	12/26/2007	0.4782	500	45.47
LN	2	8	C	17	01/28/2008	0.5419	500	45.26
LN	3	8	C	17	02/26/2008	0.556	500	45.52
LN	10	7	C	15	09/25/2007	0.3946	500	51.82
LN	11	7	C	17	10/26/2007	0.3378	500	49.90
LN	11	7	C	14	10/26/2007	0.5612	500	46.50
LN	12	7	C	14	11/27/2007	0.6858	500	43.92
LN	12	7	C	17	11/27/2007	0.4159	500	47.18

that 32 Bcf was drawn from storage, at the higher end of expectations, which initially sent the market higher to a new 10-month spot high of 9.05. However, when you adjust for mild weather and the holiday last week, it was



not that impressive of a draw down, and prices returned back below the 9.00 level. January natural gas traded to a low of 8.70 before settling down 2.7 cents at 8.844.

The market is reluctant to maintain itself over 9.00 without confirmation of more weather. Cold temperatures are coming in but it is unclear how long it will last. To move higher, the market needs more sustained cold. Today's report was lower than last year's 43 Bcf figure but higher than the 22 Bcf five-year average draw, leaving the nation's total storage at 3,417 Bcf, 185 Bcf over last year at this time and 230 Bcf above the five-year average. Early expectations for next week call for a similar 15-25 Bcf withdraw, but the following week, which will take into

account the full brunt of the current expanding cold front should easily eclipse triple digits. Though the front month failed to make a sustained run this morning, the impending cold across the majority of the country should make it equally difficult to sink significantly. Any small adjustment in the near term can be seen as a buying opportunity, as competitive fuels are breaking out and the tone of the market is to buy now and then figure out what winter really has to bring later. We see support at \$8.60, \$8.56, \$8.46, \$8.14 and \$8.00. We see resistance at \$9.00, \$9.05, \$9.12, \$9.25 and \$9.65.

U.S. Heating Degree Days

Basis Weighted Natural Gas Home Heating

