



ENERGY RISK MANAGEMENT

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NATURAL GAS & POWER MARKET REPORT FOR NOVEMBER 30, 2009

NATURAL GAS MARKET NEWS

The Institute of Supply Management reported this morning that its business activity index increased to 56.1, the highest level since August 2008. Market expectations had been for the index to come in at 53.

The Climate Prediction Center reported this morning that for the week ending November 28th, gas home heating customer weighted degree days stood at 1298 HDD some 20% less than normal and some 30% less than the same week a year ago.

The EIA reported today that according to its Monthly Natural Gas Gross Production Report, "dry" natural gas output dropped to 56.5 bcf/d in September, down 2.3% from the upwardly revised August output of 57.8 bcf/d. All areas except Louisiana reported decreases in production because of plant maintenance; repairs and shut ins. Output in Louisiana grew by 3.5% in September as drilling in the Haynesville shale formation continued. Net imports on the month decreased by 5% to 7.6 bcf/d from August and were off 11.3% from September 2008. LNG imports on the month averaged 1.07 bcf/d, down 3.9% from August but up 1.3% from the same month a year ago. Demand in September was estimated at 51.9 bcf/d up 6.7% from a year ago. Demand was up across all major groups from a year ago, with electric power generation demand for natural gas up the most increasing by 12.3% from a year ago. Small gains were recorded by the commercial, residential and industrial sectors,

Generator Problems

SERC – Southern's 851 Mw Farley #1 nuclear unit dropped to 72% power early Monday from being at full power on Friday.

TVA's 1126 Mw Sequoyah #2 nuclear unit has exited its outage and ramped to full power by early Monday. The unit had been restarted last week.

Southern's 883 Hatch #2 nuclear unit was back at full power this morning, up 12% from last Friday.

PJM – Operators at Dominion's 799 Mw Surry #2 nuclear unit stopped the startup of the unit on Sunday. The unit was shut for refueling and maintenance by November 2nd.

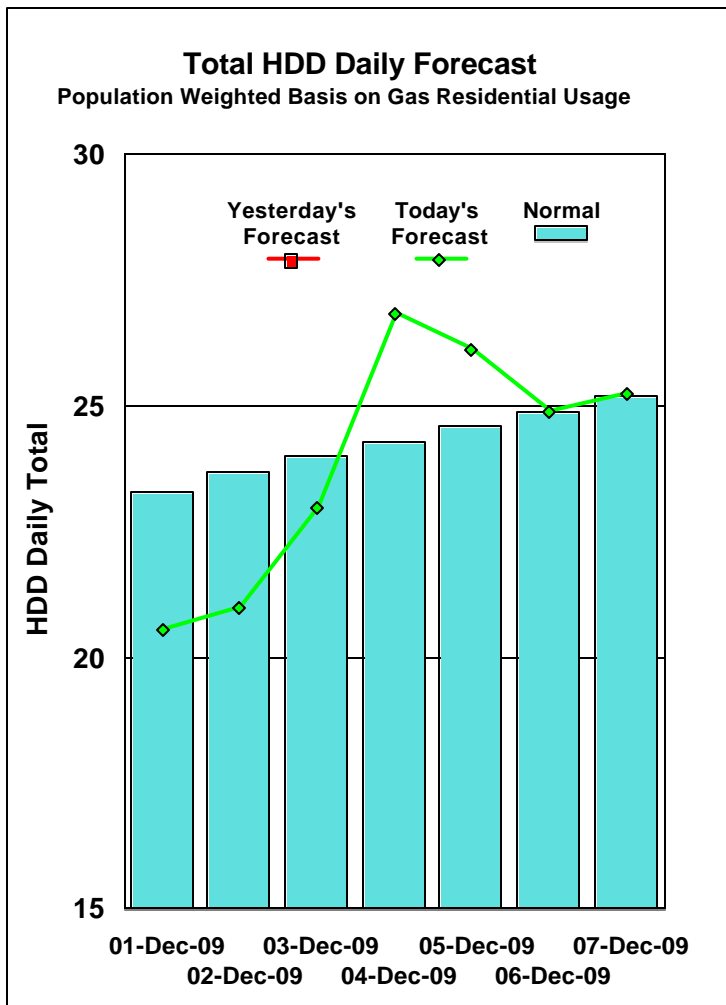
FirstEnergy's 846 Mw Beaver Valley #2 nuclear unit ramped up to 89% as it returns from its recent refueling outage.

FRCC – Fpl's 693 Mw Turkey Point #4 nuclear unit was in hot standby since November 26th. The unit was shut back on October 26th for a refueling and maintenance outage.

MISO – Xcel Energy's 538 Mw Prairie Island #1 nuclear unit was back at full power this morning, up 9% from Friday.

The NRC reported today that 85,449 Mw of nuclear generation was on line this morning, up 1.2% from yesterday, and off some 6% less than the same time a year ago.

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	497,300	\$4.409	\$1.089	(\$0.460)	\$1.320	(\$0.885)
Chicago City Gate	516,600	\$4.551	\$0.992	(\$0.318)	\$1.240	(\$0.850)
NGPL- TXOK	638,400	\$4.367	\$1.024	(\$0.502)	\$1.272	(\$1.055)
SoCal	559,100	\$4.775	\$1.331	(\$0.094)	\$1.579	(\$0.825)
PG&E Citygate	602,500	\$5.301	\$0.977	\$0.432	\$1.225	(\$0.100)
Dominion-South	268,800	\$4.575	\$0.865	(\$0.295)	\$1.113	(\$0.781)
USTrade Weighted	19,322,000	\$4.559	\$1.072	(\$0.310)	\$1.32	(\$0.885)



which saw gains of 2.3%, 1.7% and 0.6% respectively over September 2008 levels.

Reuters reported today that Repsol's Bilbao Knutsen LNG is due to arrive at the Canaport LNG terminal in New Brunswick on December 3rd. Meanwhile Excelerate Energy's Express LNG tanker was anchored near its Northeast Gateway Terminal. Qatar's Umm Bab LNG tanker reportedly is expected to arrive at the Cove Point terminal on December 10th.

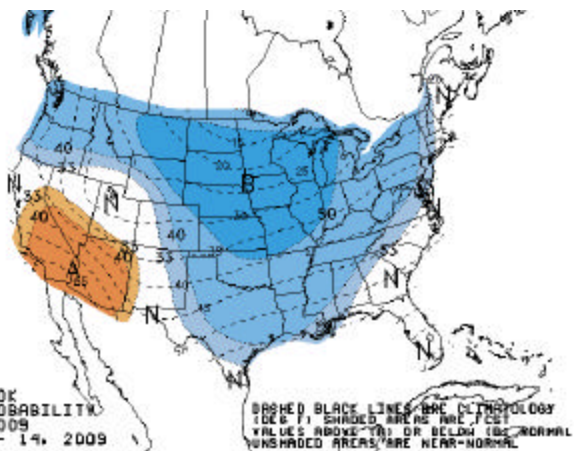
Port officials in Britain noted that they expect the arrival of three LNG tankers this week. The Al Kharaitiyat from Qatar due in at South Hook on December 1st; the Mourad Didoune due in at the Isle of Grain terminal on December 2nd and the Seri Ayu is set to arrive from Trinidad at the Dragon terminal on December 4th. Port officials at Zeebrugge in Belgium expect the Simaisma will arrive from Qatar on December 1st.

BG Group's Methane Princess which had been expected to deliver a LNG cargo from Trinidad into Briatin at the end of November is now scheduled to arrive in South Korea on December 9th.

CNOOC said it expects to begin construction of three LNG tanks at its Zhejiang LNG receiving terminal over the next three weeks. The project is set for operation in 2012. The terminal will have a capacity of 3 million tones and could be tripled in size if a planned second phase of expansion is approved.

The Algerian news agency reported that completion of Algeria's Gassi Touil gas production and LNG project has been delayed until 2012 or 2013 due to legal issues between Sonatrach and its former partners, Repsol and Gas Natural. The project had originally been slated to open this year.

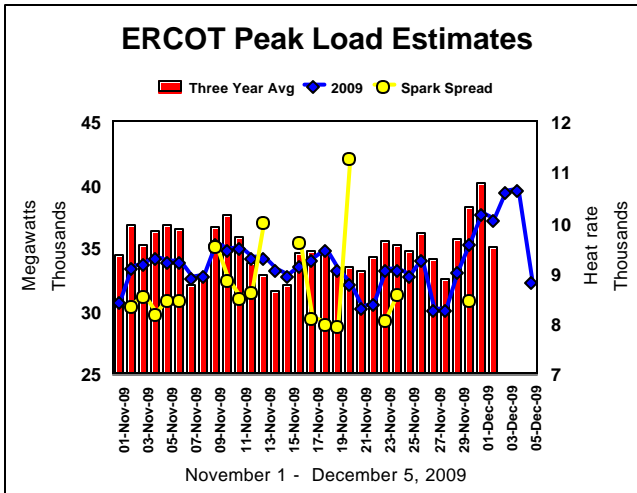
BP announced today that its joint venture with Eni SpA, signed a production sharing contract with the Indonesian government to extract coal bed methane from the Sanga-Sanga block in East Kalimantan that will be used for LNG production at the Bontang LNG plant.



EnCana Corp today announced it had completed its transaction to split into two energy companies; Cenovus Energy, an integrated oil company, and Encana Corp, a natural gas company.

PIPELINE RESTRICTIONS

Midcontinent Express Pipeline said that effective for December 1st and continuing until further notice, Destin Clarke is available for deliveries. The point is in Clarke County, Mississippi.



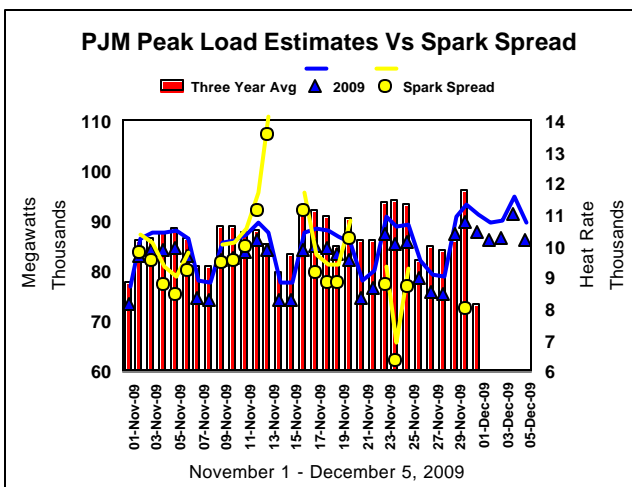
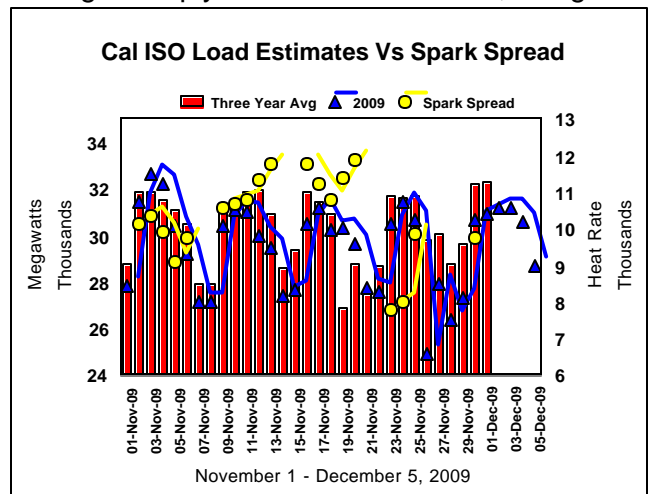
Questar Pipeline has notified Rockies Express Pipeline said that it would be accepting nominations for deliveries to REX at Wamsutter effective December 1st.

ELECTRIC MARKET NEWS

Genscape reported that for the week ending November 26th, saw power generation in the United States fall 3.2% from the prior week and was down 11.6% from the same week a year ago.

Point Carbon said today that with trading activity declining sharply since mid-October, Regional

Greenhouse Gas Initiative allowance prices should continue to fall in the near term. The consultants noted that 2009 emissions will run 135-145 million short tons, down from an earlier 145-155 million tons from its earlier September estimate. They noted that average daily traded volumes regularly exceeded 4,000 tons between mid-September and mid-October, but over the past six weeks, there have been few days were more than 1000 tons have traded. Point Carbon said with 159 million tons of allowances “already in market participants hands”, the RGGI market is 18 million tons long even before the upcoming December auction takes place. As a result Point Carbon anticipates the December 2nd auction will be under subscribed. Current price levels are at \$2.16 per ton and Point Carbon estimated prices could fall to \$1.86 per ton

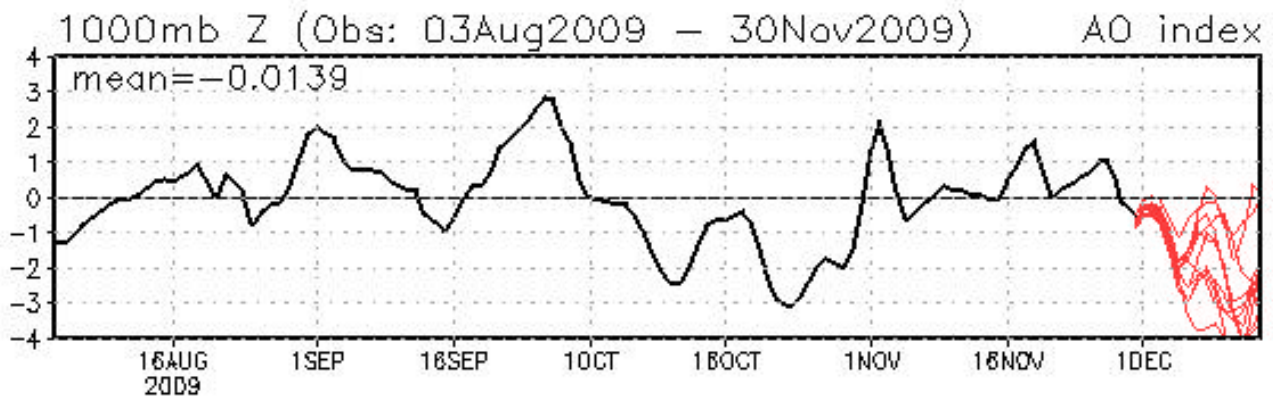


MARKET COMMENTARY

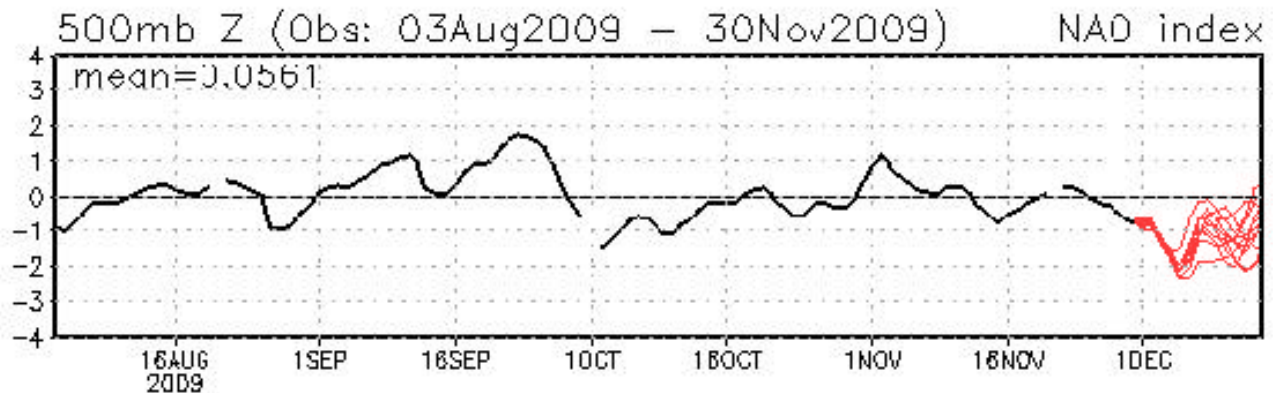
Weather continues to act as the dominating force on this market. This past weekend turned out to be not as cold as originally forecast. In fact today saw Chicago post its 27th record setting consecutive day with above normal temperatures, and these above normal temperatures were expected to last through Tuesday, before a cold front was expected to finally pass through the region to push temperatures back below normal. Despite the outlook for temperatures to finally move towards more normal levels nationally this week and actually move to below normal temperatures on the 8-14 day period, the futures market settled down on the day basically erasing the gains of the prior

two trading sessions following the technical breakout last week of the prior downward trading channel. This sell off in futures though seems to run counter to the cash market, which saw values rebound strongly from last week, and reach levels not seen at many trading point since the start of November.

AO: Observed & ENSM forecasts



NAO: Observed & ENSM forecasts



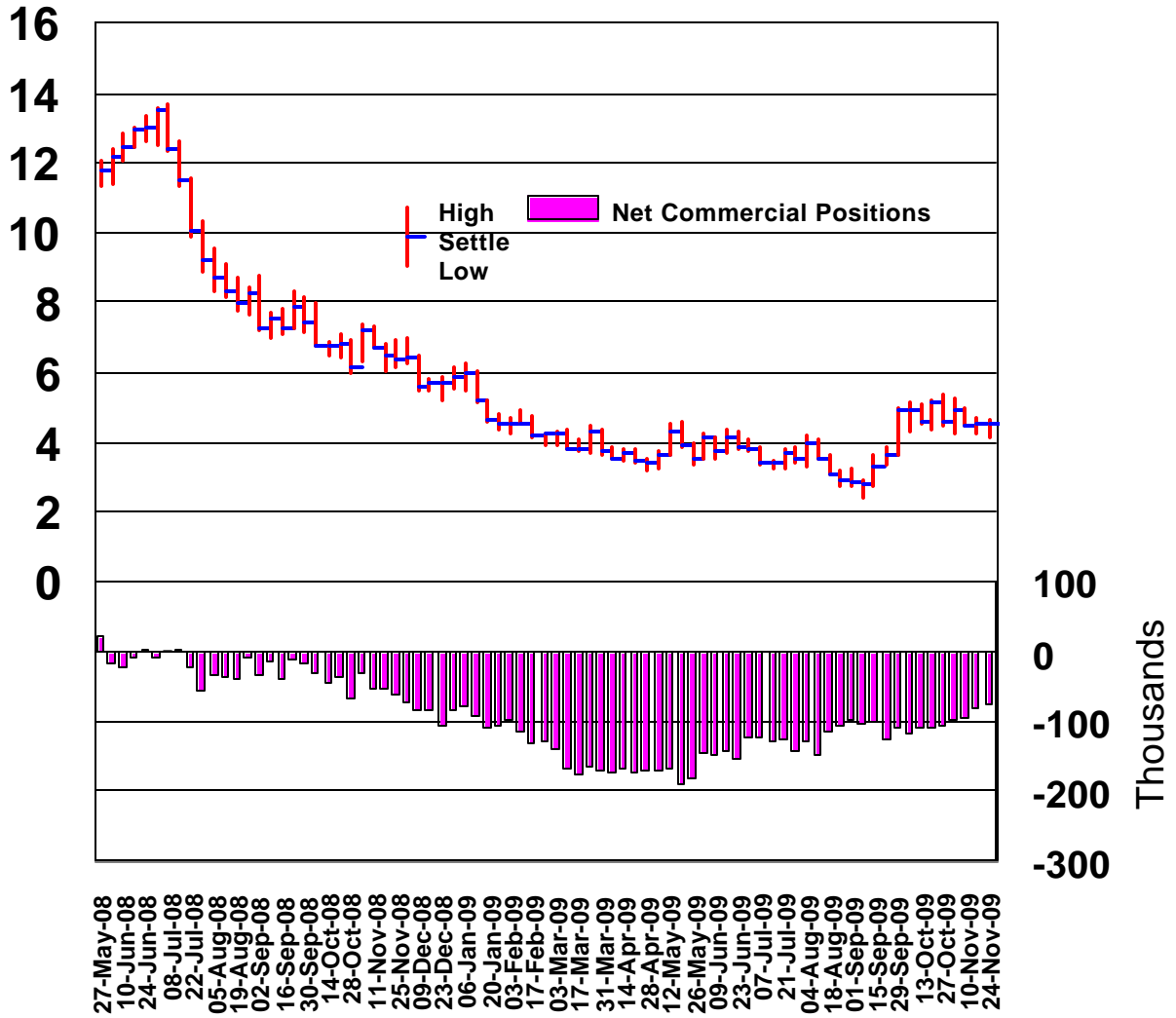
But with the prospects of the potential for the season's first snow storm risk to the south and East Coast, and the significant colder temperatures headed this way over the next 8-14 days and possibly longer given the AO and NOA indicators, we would look for the natural gas market to stabilize and begin to work a bit higher, but upside potential will be extremely limited by the significant supply overhang of natural gas supplies in the United States domestic market.

We would look for support at \$4.80 followed by key support at \$4.632 and \$4.584. Resistance we see at \$5.29, \$5.413 and \$5.614.

This evening's Commitment of Traders Report released today due to the Thanksgiving holiday, showed that for the week ending November 24th, commercial reportable traders decreased their net short position on the week by 5615 lots, on a combined and adjusted basis for Henry Hub futures, swaps and options. Non-commercials decreased their net long position by 3842 lots and the non-reportable sector saw a decline in their net length by 1771 as well.

NYMEX Natural Gas: Commercial Reportable Positions
Adjusted Futures, Swaps and Options Combined Position

Weekly Price Range - Wednesday thru Tuesday



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