



ENERGY RISK MANAGEMENT

Howard Rennell, Pat Shigueta,
& Karen Palladino
(212) 624-1132 (888) 885-6100

www.e-windham.com

POWER MARKET REPORT FOR DECEMBER 5, 2008

NATURAL GAS MARKET NEWS

Weather forecasts, led by the widely watched EarthSat, continued to moderate today as various computer models and forecasters appeared to point to the dome of arctic air remaining bottled up in Canada after next week. The Euro model was giving a warning of the potential significant and dramatic warming in the U.S. by Christmas.

The Department of Labor reported this morning that for November some 533,000 jobs were lost, marking the highest monthly rate of jobs lost since December 1974. This pushed the unemployment rate to 6.7% the highest level since 1993. In addition the September and October job losses were revised and showed that a combined 199,000 more jobs were lost during that period.

Generator Problems

MRO – AmerGen’s 1022 Mw Clinton nuclear unit was at 88% capacity, down 9% from Thursday.

SERC – TVA’s Browns Ferry #1 nuclear unit was at 42% capacity this morning up 22% from Thursday.

FRCC – Progress Energy’s 838 Mw Crystal River #3 nuclear unit dropped to 52% capacity Friday morning. The unit had been at full power on Thursday.

The NRC reported this morning that 91,627 Mw of nuclear generation capacity was on line, down 0.3% from Thursday and 0.65% higher than the same time a year ago.

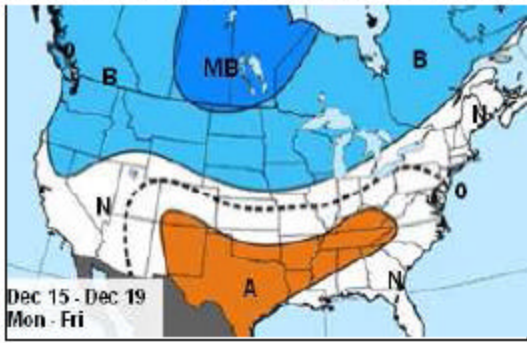
BP’s British Merchant LNG tanker is due to deliver to the Isle of Grain LNG facility today.

The Abu Dhabi National Energy Company and Gazprom said Friday that they had signed a memorandum of understanding for a partnership to build a new gas storage project in the Netherlands. Construction would start in the second quarter of next year with commercial operations beginning in the second quarter of 2013.

Natural Gas Cash Market						
ICE Next Day Cash Market						
Location	Volume Traded	Avg Price	Change	Basis	Change	Basis 5-Day
				(As of 12:30 PM)		Moving Avg
Henry Hub	796,300	\$5.991	(\$0.563)	\$0.239	(\$0.331)	(\$0.219)
Chicago City Gate	634,200	\$6.092	(\$0.538)	\$0.340	(\$0.265)	\$0.228
NGPL- TX/OK	900,800	\$5.147	(\$0.623)	(\$0.605)	(\$0.350)	(\$0.558)
SoCal	336,200	\$4.761	(\$0.731)	(\$0.991)	(\$0.458)	(\$0.877)
PG&E Citygate	418,800	\$5.827	(\$0.423)	\$0.075	(\$0.150)	(\$0.016)
Dominion-South	327,300	\$6.510	(\$0.625)	\$0.758	(\$0.352)	\$0.566
USTrade Weighted	14,905,500	\$5.574	(\$0.604)	(\$0.178)	(\$0.33)	(\$0.219)

An analysts for Drewry Maritime Service said that there data shows that this year has been the slowest year since 1998 in new LNG tanker ships being ordered, as a result of chartering rates

MDA EarthSat 11-15 Day Morning Outlook



falling by 50%. Banks, which in the past had been financing 90% of the cost of the ship, are now funding less than half if they are willing to finance at all. Six vessels were ordered this year versus 23 in 2007 and 35 in 2006 with a combined volume of 11.34 million.

Millennium Pipeline Co LLC said it began a binding open season to gauge shipper interest on its 182 mile, 30-inch natural gas pipeline in the US Northeast. The pipeline is capable of transporting up to 525,000 dekatherms/day of gas to markets in New York, New Jersey and New England.

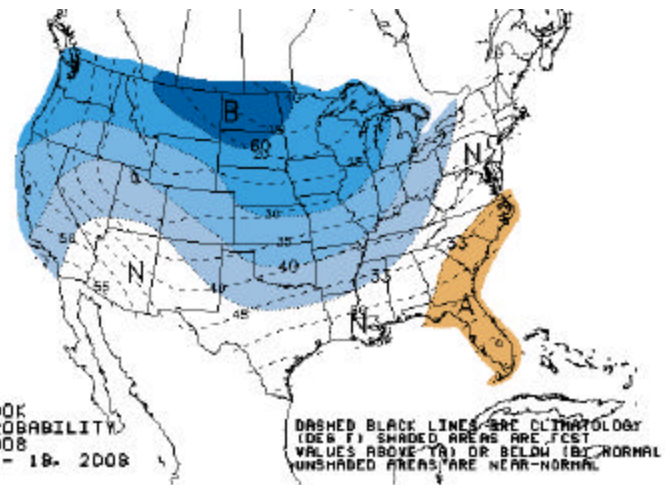
PIPELINE RESTRICTIONS

Questar Pipeline said that while it has been meeting customer injection requests at its Clay Basin Storage during the withdrawal period, on going physical injection coupled with unseasonably low withdrawal requests resulted in the working gas inventory nearing the reservoir capacity. Therefore the company will limit injection capacity to 125 MDth/d effective December 5th. Capacity will be scheduled via the priority of service. Based on the current level of nominations no impact is expected on customers.

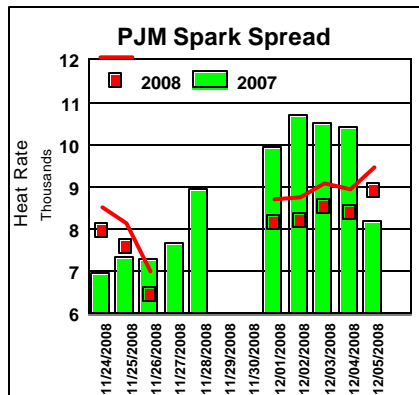
NGPL said effective for today's gas day and until further notice, TGP-Chalkley is at capacity for deliveries. ITS/AOR and secondary firm transports are at risk of not being fully scheduled. The company also reported that today and until further notice, Columbia-Gulf-Pecan Lake has limited capacity for deliveries.

Northern Natural Gas said that effective today and through December 6th it has issued an OFO at Carlton Resolution location.

Canadian regulators on Friday noted that a long awaited study on the viability of the proposed Mackenzie Valley natural gas pipeline will not be completed for another year.

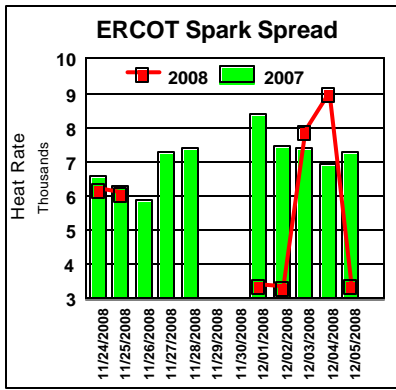


The FERC staff on Friday gave tentative approval to the proposed AES Sparrows Point LNG import terminal in Maryland. Assuming implementation of several mitigation measures the 1.5 bcf/d facility would have limited adverse environmental impacts the agency staff noted.



PIPELINE MAINTENANCE

Gulf South said it will be performing scheduled meter maintenance at Pascagoula on December 9^h and last for two days. The receipt location will be unavailable for service for the duration of the maintenance.



ELECTRIC MARKET NEWS

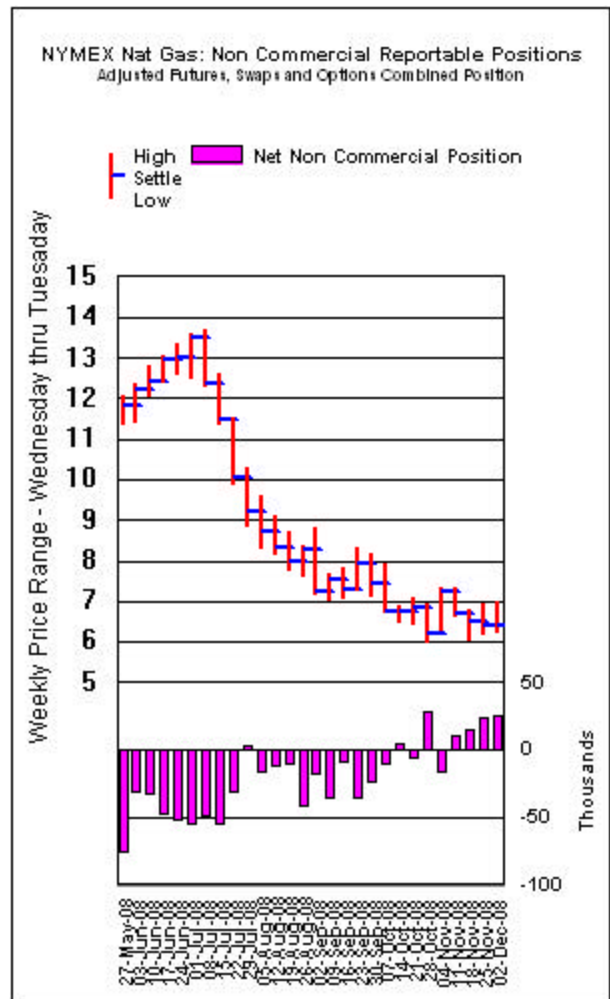
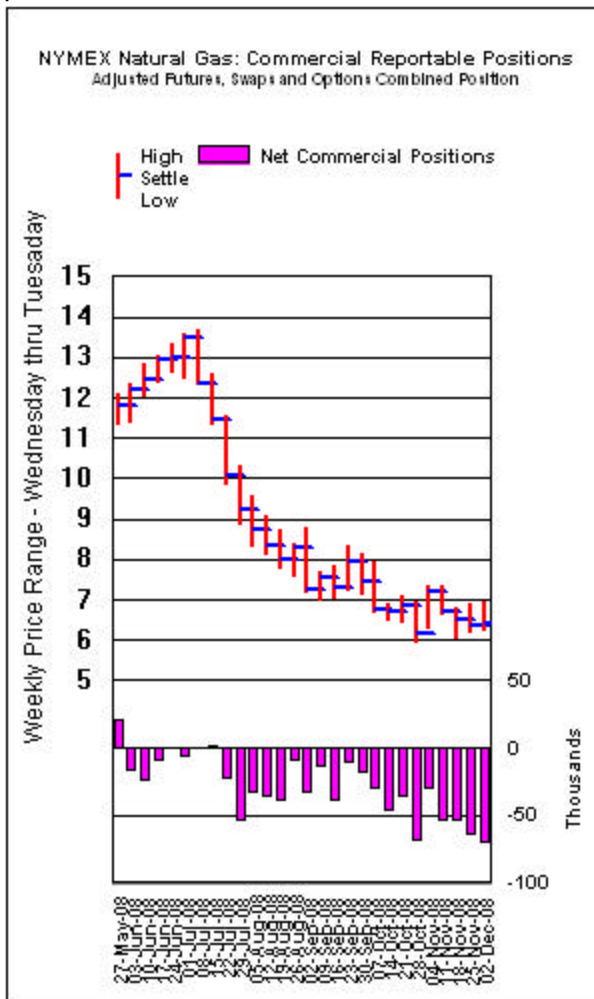
EIA reported that U.S. coal production during the week ending November 29th stood at 22.106 million tons down 5.5% from the prior week, and off 5% from the same week a year ago, due for the most part by the Thanksgiving holiday. Year to date coal production is up 1.7% over a year ago.

Genscape's U.S. coal burn index during the week ending December 4 fell by 2% on the week and by 5% on the year.

FirstEnergy announced it has revised its construction schedule for its Freemont Energy center to better reflect current and projected power supply needs. Under the revised schedule, construction will continue

until 2012, when the plant will be brought online, tow years later than originally schedule. The natural gas fueled facility will have a 544 Mw of load following capacity with 163 mw of peaking capacity.

Arkansas regulators allowed construction to resume at AEP's coal fired 600 Mw John Turk power plant.



MARKET COMMENTARY

The natural gas market received the double knock out punch today. The weather forecasts continued to look to be moderating and the Labor Department smacked the markets with not only a larger than expected job loss report for November but went onto revise upward the job losses in September and

October as well. This twin punch sent prices tumbling throughout the day and allowed the contract to settle down for the fourth day in a row, off 25 cents. While activity in the cash and futures markets were relatively light as expected for a Friday, the natural gas market failed to show any life late in the day despite the rebound in the equities market and to a lesser extent in the oil markets. Open interest reported at midday showed that this sell off appears to be new shorts coming to the market as between Tuesday and Thursday nearly 9,000 new positions were added to the market on a combined adjusted basis in the swaps and futures Henry Hub contracts.

We are quickly running out of support areas for this market. A break below \$5.50 next week and we fear we have to throw in the towel on the March April spread. We continue to look for the \$5.66 area to be a support area to start next week followed by \$5.63, \$5.52 \$5.43 \$5.336 and \$5.25. Resistance we see at \$5.93, \$6.11 and \$6.22.

The latest Commitment of Traders report for the week ending December 2nd offered little insight to the market once again. It reported that non-commercials increased their net long position by 1,351 contracts while the commercials continued to increase their net short position by 6,859 contracts in the latest week.