



ENERGY RISK MANAGEMENT

Howard Rennell, Pat Shigueta,
& Karen Palladino

(212) 624-1132 (888) 885-6100

www.e-windham.com

NATURAL GAS & POWER MARKET REPORT FOR APRIL 20, 2010

NATURAL GAS MARKET NEWS

Private weather forecasting service WSI said on Tuesday that it has raised its forecast for the number of storms this 2010 Atlantic hurricane to 16 named storms, nine hurricanes and five hurricanes of Category 3 or higher. Their model calls for the threat to the Northeast coast this season is on par with that in Florida and the Gulf coastal states. The forecasting service said that its current forecast numbers are more likely to be adjusted upwards rather than downwards as season approaches. This season's forecast is well above average number of named storms as a result of most seasons following an El Nino season tend to be more active. In addition they see the fact that the eastern and central tropical Atlantic sea surface temperatures are currently at record warm levels for April, which should help support active tropical development.

The Ejan LNG tanker is scheduled to arrive at the Zeebrugge terminal on May 4th.

A shipping executive at Qatargas said today that the first cargo from Qatargas train 6 should be loaded by November, with the first shipment from train 7 possible by year-end.

The Spanish gas grid operator said today that Spanish demand for natural gas rose for the fourth month in a row. Enagas said that demand rose by 7.9% in March from a year ago, driven by domestic and business consumption, which offset a drop in deliveries to power plants, as wind, hydropower and nuclear generation displaced gas generation demand.

Kuwait has chartered a LNG tanker to serve as an offshore terminal to help the country meet rising demand for natural gas from its power plants during the summer months. The ship, Explorer, owned by Excelerate Energy, arrived in Kuwait on March 28th with a cargo of LNG from Trinidad. The ship is scheduled to remain anchored in Kuwaiti waters until autumn, to receive LNG ship to ship and to regasify the LNG. Kuwait bought 11 cargoes of LNG last year.

The head of global LNG consulting for Wood Mackenzie said he expects in the coming years that unconventional gas will play a small part in the future of the LNG industry, possibly reaching just 5% of

Generator Problems

NPCC- OPG's 490 Mw Nanticoke #7 coal fired power plant returned to service early Tuesday.

Entergy Nuclear's 620 Mw Vermont Yankee nuclear unit remains at a reduced 94% level. The unit is expected to shut on April 24th for a refueling and maintenance outage.

PJM - PPL Corp's 1,149 Mw Susquehanna 1 nuclear unit continued to ramp up its output to 3% early Tuesday, up from 1% on Monday when the unit restarted.

MISO - Exelon's 867 Mw Quad Cities #2 nuclear unit has ramped up to 65% power as of early Tuesday, up 48% from Monday.

SERC - Southern's 883 Mw Hatch #2 nuclear unit ramped up to 90% of capacity by Tuesday morning, up 45% from yesterday.

Duke Energy's 1100 Mw McGuire #1 nuclear unit has exited its refueling outage and has ramped up to 30% power as of Tuesday morning.

Entergy Corp's 1,207 Mw Grand Gulf nuclear unit cut its power to 85% of capacity early Tuesday, down from 86% on Monday. The unit is scheduled to shut on April 25th for a refueling and maintenance outage.

The NRC reported that there was some 76,531 Mw of nuclear power generated today, up 0.97% from yesterday and off 4.9% from a year ago.

the total LNG supply by 2020, while unconventional gas could account for 15% of total global gas supplies by 2020. He looked for unconventional gas impact to be more significant in displacing LNG supplies in the market place.

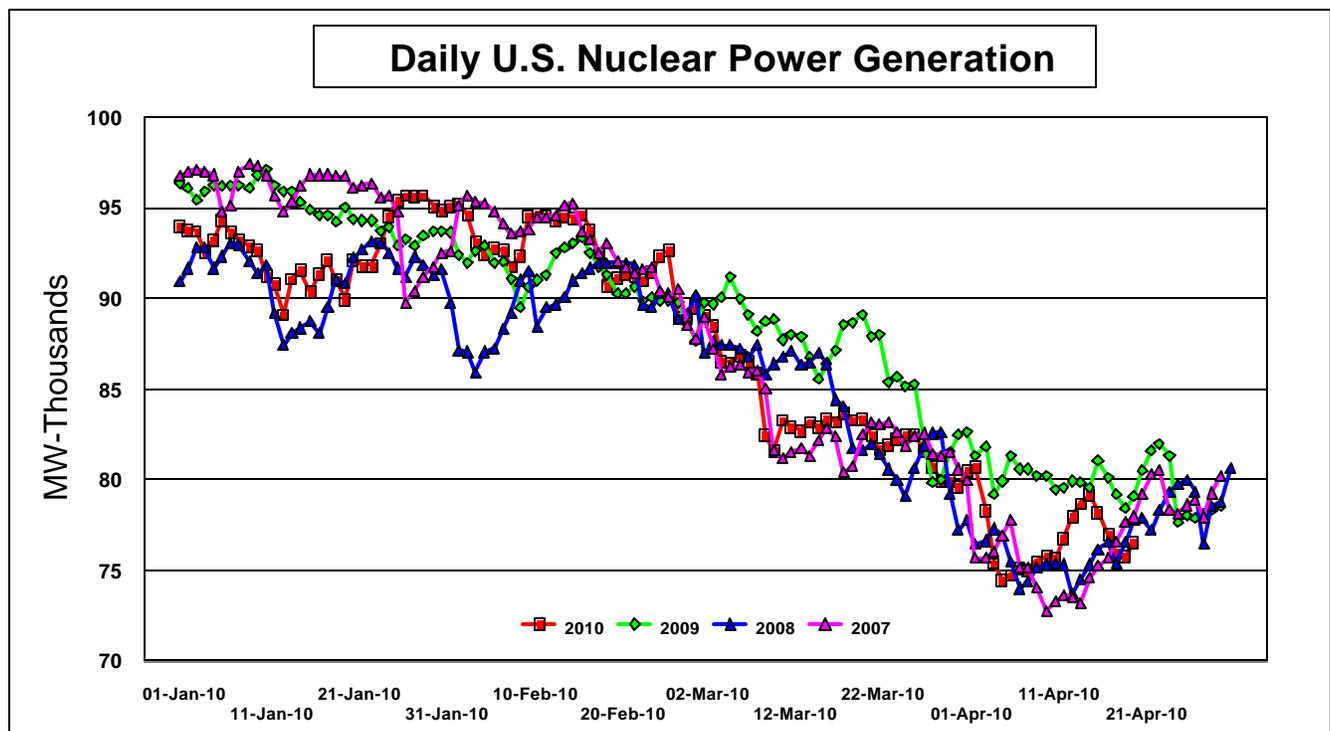
PIPELINE MAINTENANCE

Midcontinent Express Pipeline said it will perform tie-ins of station piping for three days at the Lamar Compressor Station in Lamar County, Texas.

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	996,500	\$3.925	(\$0.098)	\$0.018	(\$0.056)	\$0.001
Chicago City Gate	757,700	\$3.992	(\$0.088)	\$0.085	(\$0.058)	\$0.055
NGPL- TX/OK	675,000	\$3.839	(\$0.069)	(\$0.068)	(\$0.039)	(\$0.096)
SoCal	469,800	\$3.881	(\$0.094)	(\$0.026)	(\$0.064)	(\$0.036)
PG&E Citygate	882,300	\$4.367	(\$0.131)	\$0.460	(\$0.101)	\$0.470
Dominion-South	371,000	\$4.164	(\$0.074)	\$0.257	(\$0.044)	\$0.224
USTrade Weighted	22,053,400	\$3.914	(\$0.086)	\$0.007	(\$0.06)	\$0.001

Effective gas days April 27th through April 29th, MEP will schedule primary firm and secondary in-path firm transports to a reduced level in Segment 120 and Segment 200.

Rockies Express Pipeline has identified a power cylinder head requiring replacement on one of its compressor units at its Echo Springs Booster Station. It is making arrangements to perform the replacement on April 21st, prompting REX to issue a force majeure. It will schedule down receipt quantities at PIN 42760 to 100,000 Dth/d on the timely cycle on April 21st.



PIPELINE RESTRICTIONS

Natural Gas Pipeline Co of America has limited capacity available for northbound flow through Segment 13 in Mills County, Iowa on April 20th and until further notice.

Tennessee Gas Pipeline Co has restricted the Niagara Spur Backhaul Point for gas day April 20th. It restricted about 37% of market-to-supply secondary out-of-the path nominations pathed through the Niagara Spur Backhaul point.

TransColorado is at capacity for delivered quantities through Segment 220 (Whitewater Compressor Station to Olathe Compressor Station, effective gas day April 20th and until further notice.

ELECTRIC MARKET NEWS

Calpine Corp reportedly is nearing an agreement to buy Pepco Holding's Conectiv Energy unit for more than \$1.5 billion. Bloomberg reported that an agreement may be reached within days and would help Calpine benefit from higher electricity prices that are typically found in the Mid-Atlantic states markets.

The NRC said it will increase inspections at both the St Lucie and the Browns Ferry nuclear plants as a result of recent substantial safety violations have been recorded at both locations.

The U.S. Northwest River Forecast Center said today that it looks for water runoff at the Dalles Dam on the Columbia River to be only 63% of normal for the April-September period, down 3% from last week. Water flow at the Grand Coulee Dam was seen to be 2% lower than the prior forecast at 66% of normal.

Xcel Energy, the largest utility in the state said it will retire, retrofit or repower about 900 Mw of coal fired generation to reduce air pollution under a new state law signed in law this week. The sites being reviewed are the 186 Mw coal fired unit at the Valmont plant, four units totaling 717 Mw at the Cherokee station and a 505 Mw coal unit at the Pawnee station.

MARKET COMMENTARY

While the natural gas market was on the defensive throughout the morning, due in part to weaker cash market values, the bears were unable to build any momentum to the downside as trading interest in the futures market remained relatively light. But in the afternoon as a bullish hurricane forecast appeared to circulate in the market, buying returned to the market especially in the back months, allowing the market to settle in positive territory.

At midday the exchange reported that open interest in the Henry Hub futures and swaps on a combined and adjusted basis increased by 9,496 lots marking the three consecutive session in which open interest in the natural gas has increased. Over this period open interest has grown by 46,080 in what has to be seen as new shorts coming into this market.

It appears to us that this market will probably be satisfied to continue to trade in a sideways fashion until after Thursday's storage report, with the potential for some upside drift in values as some further short covering takes place in front of the release of the report. We see major support at \$3.857 and \$3.81, with more distant support at \$3.66. Resistance we see at \$4.11 followed by \$4.215, \$4.269 and \$4.334.

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