



ENERGY RISK MANAGEMENT

Howard Rennell, Pat Shigueta,
& Karen Palladino

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

www.e-windham.com

POWER MARKET REPORT FOR APRIL 30, 2008

NATURAL GAS MARKET NEWS

The EIA reported this afternoon that in February it estimates U.S. domestic natural gas production reached a new high of 56 bcf/d. This was a gain of 1.15% over January and 9.7% higher than February 2007. Net imports of natural gas in February though fell to its lowest level in over a decade dropping to 7.8 bcf/d off 4.1% from January and 31% less than the same month a year ago. Consumption was estimated at 85.9 bcf/d in February off 6% from the same month a year ago. The sectors that posted declines were the residential and commercial sectors off by 9% and 4.8% respectively. The industrial and utility sectors though saw gains of 3.5% and 1.6% respectively. The EIA also estimated that working gas stocks stood at 1.465 tcf some 19 bcf less than its week storage report estimated for the same time period.

The FERC Enforcement Staff said yesterday that its use of basis price quotes, as part of its evidence that ETP manipulated the physical gas market to create an artificial gas price, that ultimately benefited the company's financial position was not flawed, despite charges to the contrary by ETP. ETP accused the regulators as using "junk science". ETP is facing up to \$200 million in potential fines in the agency's enforcement case.

The CEO of Questar noted that while the Rockies Express Pipeline will allow producers a new avenue to move their production into eastern markets, the company remains "cautious" about basis prices in the region being firmer over the next five years or at least until another pipeline is built to move gas out of the region.

National Grid confirmed today that the first LNG tanker in three months had docked at the Isle of Grain LNG terminal in southeast England on Wednesday. The 126,000 cubic meter Algerian tanker made the first delivery

Generator Problems

ERCOT – Luminant reported to regulators today that it plans to carry out maintenance on its 575 Mw coal fired Unit #1 at the Big Brown power station on April 30 through May 2nd.

The 1250 Mw South Texas #1 nuclear unit was back to full power this morning up 10% from yesterday.

ECAR – AEP's 1029 Mw Cook #1 nuclear unit has exited from its refueling outage and was up to 28% capacity this morning.

NPCC – OPG's Lennox #1 oil and gas generating unit was shut for maintenance this morning. Market expectations are that the unit would be off line for up to a month.

OPG's 490 Mw Nanticoke coal fired Unit #8 was also shut for maintenance today.

PJM - Exelon's 619 Mw Oyster Creek nuclear unit returned to full power on Wednesday, following a weekend outage.

MAIN – Exelon's 1162 Mw LaSalle #2 nuclear unit was back to full power this morning, up 17% from yesterday's operating level.

SERC – Entergy's 1266 Mw Grand Gulf nuclear unit dropped to 48% capacity this morning, after being at full power yesterday. Operators were forced to cut power when a raccoon had crawled into a switchgear.

Progress Energy's 938 Mw Brunswick #1 nuclear unit continued to ramp higher from its recent refueling outage and was up to 37% of capacity, up 20% from yesterday.

The NRC reported that 80,679 Mw of nuclear capacity is online, up 2.4% from Tuesday and up 1.01% from a year ago.

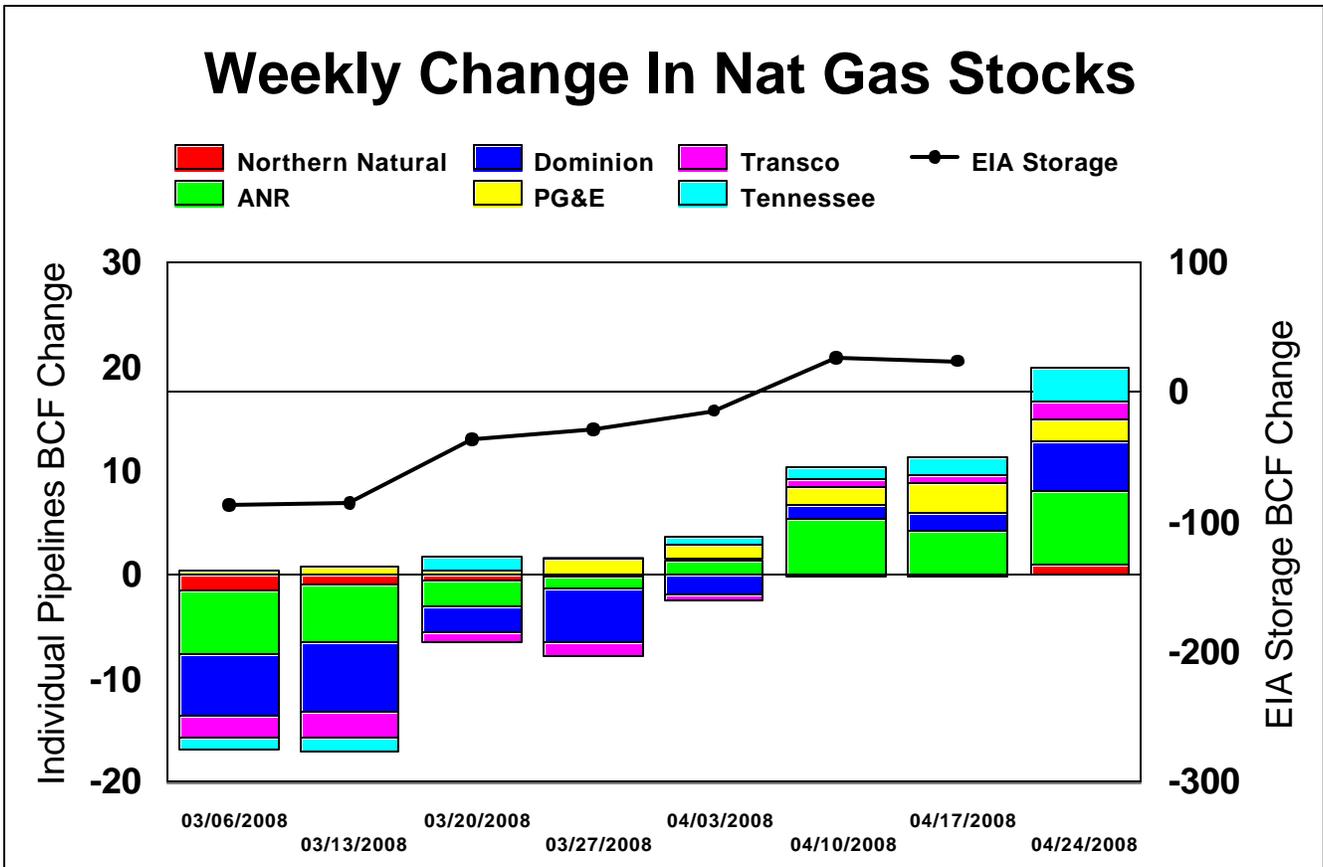
into the British market since January 29th. Meanwhile the return of British North Sea natural gas production was partially offset by the drop in Norwegian import earlier today.

Algonquin Gas Transmission said late today that it had filed an application with the FERC on a \$35 million expansion that will enhance and extend its current pipeline system.

The EIA said today that the current climate change legislation that the Senate is set to begin debate on in June would cut dramatically cut domestic greenhouse gas emissions and potentially be a large impact on the economy, with the potential to drive up natural gas prices.

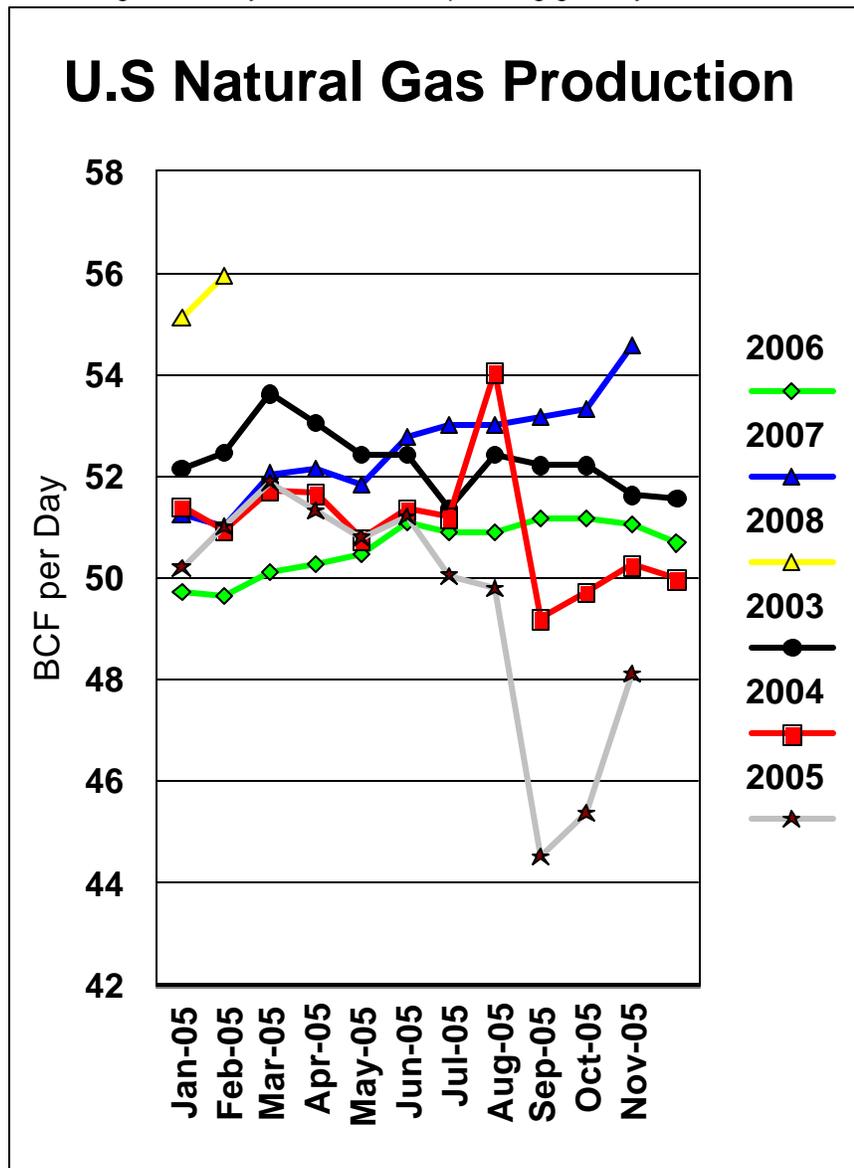
| Natural Gas Cash Market | | | | | | |
|--------------------------|-----------|----------|-----------|------------------|-----------|-------------|
| ICE Next Day Cash Market | | | | | | |
| | Volume | Avg | Change | Basis | Change | Basis 5-Day |
| Location | Traded | Price | | (As of 12:30 PM) | | Moving Avg |
| Henry Hub | 1,260,300 | \$10.807 | (\$0.128) | (\$0.054) | (\$0.153) | (\$0.392) |
| Chicago City Gate | 643,400 | \$10.787 | (\$0.232) | (\$0.074) | (\$0.181) | (\$0.167) |
| NGPL- TX/OK | 1,105,800 | \$10.457 | (\$0.115) | (\$0.404) | (\$0.064) | (\$0.546) |
| SoCal | 713,300 | \$10.350 | (\$0.065) | (\$0.511) | (\$0.014) | (\$0.599) |
| PG&E Citygate | 447,000 | \$10.809 | (\$0.127) | (\$0.052) | (\$0.076) | (\$0.088) |
| Dominion-South | 234,900 | \$11.398 | (\$0.161) | \$0.537 | (\$0.110) | \$0.468 |
| Transco Zone 6 | 296,800 | \$11.728 | (\$0.119) | \$0.867 | (\$0.068) | \$0.673 |

Gulf Coast Connector LLC announced today an extension of an ongoing non-binding open season for service offerings at the company's proposed natural gas storage and transportation hub in northeastern Louisiana. The facility would have 16 Bcf of storage as well as firm transportation and wheeling services independent of storage. The open season, which opened on March 27th, has been extended until May 23rd.



PIPELINE RESTRICTIONS

FGT said today that its total line pack is lower and coupled with warmer weather which is forecasted for Florida the next two days, it was notifying its customers in the Market Area that there is the potential that FGT may issue an Overage Alert Day on one of the upcoming gas days.



PIPELINE MAINTENANCE

Gulf South Pipeline said that the pipeline maintenance on Index 293 has been delayed due to equipment issues and is now scheduled for May 1st.

Colorado Interstate Gas Company said that although it expected the repair work related to the Force Majeure outage affecting Niobrara, could be completed by the end of April based on the current pace of repairs, it officially is looking for repairs will not be completed until May 9th. Through that date all nominations at Niobrara will be scheduled to zero.

ELECTRIC MARKET NEWS

The FERC earlier this week approved the NYISO's tariff that will allow the grid operator to increase credit requirements for participants in its financial transmission rights market. The order took effect April 29th, increases collateral requirements for all negative, zero and low positive value transmission congestion contracts.

The Los Angeles Department of Water and Power reported that peak energy demand reached a record setting high for a Sunday in April last weekend as demand reached 4,168 Mw. This record was some 11.6% above the prior peak demand set

earlier in the month. The utility reported that demand on Monday reached 4,817 Mw, the second highest April weekday demand ever recorded. The utility said that these demand levels indicated the need for customers to reduce their electric usage. The utility said that its pending electric rate restructuring, due to be reviewed next week by the Board of Water and Power Commissioners, is designed to encourage customers to reduce their energy usage through a tiered pricing structure, which will charge a premium for high energy use and reward energy efficient customers.

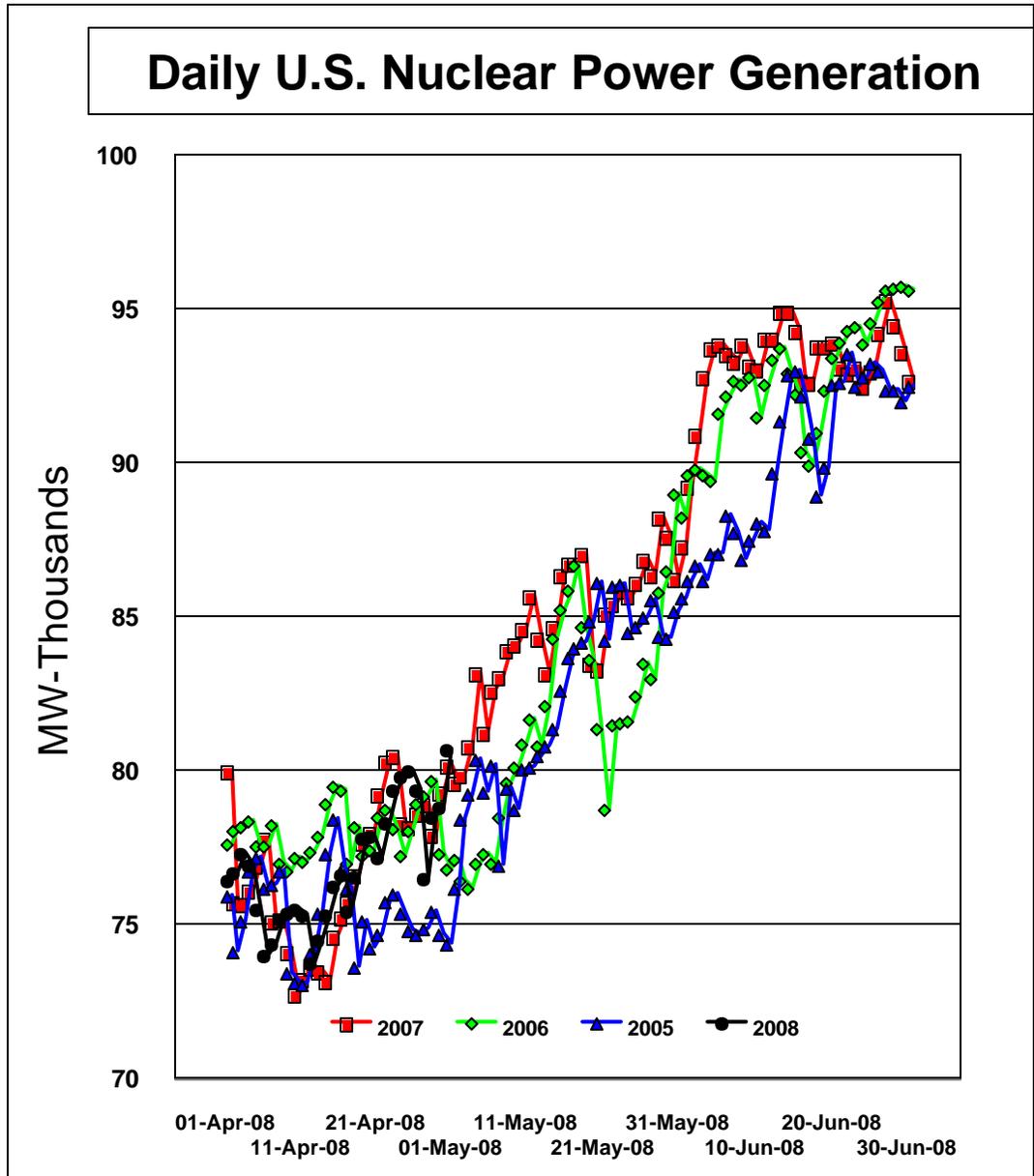
The Montana Public Service Commission said today that the regulator was considering court action to block the potential sale of the 740 Mw Colstrip 4 coal fired electric generating unit.

MARKET COMMENTARY

The natural gas market basically took a breather today as it posted its smallest trading range since April 22nd. While the natural gas market followed crude oil lower following the release of the oil inventory report, it found

support at midday just above a key support number of \$10.657. The market basically retraced the morning's losses and basically finished back near unchanged levels. Basis settlements spot natural gas values have recaptured some \$1.25 per Mmbtu in value relative to crude oil, posting the smallest crude premium over natural gas since the start of April.

Market expectations for tomorrow's EIA Storage Report appear to be running between a 65-95 bcf build with the consensus centered around a 75 bcf build. Our estimates are looking for the build to fall within the range of 60-68 bcf. The same week a year ago saw an adjusted 67 bcf build in inventories and the five-year season average is a 64 bcf build.



Obviously oil prices and the relative value of the U.S. dollar will continue to overhang this market tomorrow as will the EIA Storage Report. We continue to look for further retracement in the natural gas market before looking to add to a long position. We feel the relative expectations for limited heating and cooling needs coupled with a relatively robust nuclear generation levels should help to push prices lower. We see initial support tomorrow \$10.684-\$10.662, \$10.524, \$10.441 and \$10.387-\$10.35. More distant support we see at \$10.199. Resistance we see at \$10.969-\$10.981, \$11.064, \$11.118, \$11.158 and \$11.278. More distant resistance we see at \$11.465.