



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 MARCH 13, 2009

NATURAL GAS MARKET NEWS

Baker Hughes reported that the number of rigs searching for oil and natural gas in the week ending March 13th fell by 44 to 1,126. The number of rigs searching for natural gas fell by 32 to 884 on the week.

Iran officially launched on Friday two phases of its huge South Pars gas field with an estimated daily output of 50 million cubic meters of natural gas. Phases 9 and 10 of South Pars cost about \$4 billion to develop and is estimated to generate income of around \$1.3 billion per year. Iran's State Press TV said that about 60% of the projected has been carried out; stressing that most of the gas will be used domestically.

Indonesia's Donggi plant is expected to begin delivering liquefied natural gas to Japanese buyers in late 2012, a company official said. PT Medco Energi International's Operational Director Lukman Mahfoedz told reporters the consortium that owns the plant, which will be built in Central Sulawesi, signed a preliminary agreement last month to sell a total 1 million metric tons of LNG a year to Chubu Electric Power Co. and Kansai Electric Power Co. PT Medco Energi Int'l will supply 2 million tons of LNG a year.

China's CNOOC Ltd. will bring in two million tons of liquefied natural gas from Qatar in the third quarter, a top company executive said on Friday, part of a massive import deal signed a year ago. China will import 78 million tons of LNG from Qatar.

DCP Midstream, LLC and its master limited partnership DCP Midstream Partners, announced they have fully restored operations at their jointly owned natural gas processing complex and residue gas delivery system, known as the Carthage Hub, in East Texas. Production was temporarily shut in following the February 11 fire resulting from a third-party underground pipeline rupture occurring just outside DCP Midstream's property. Processing capacity is approximately 780 million cubic feet per day.

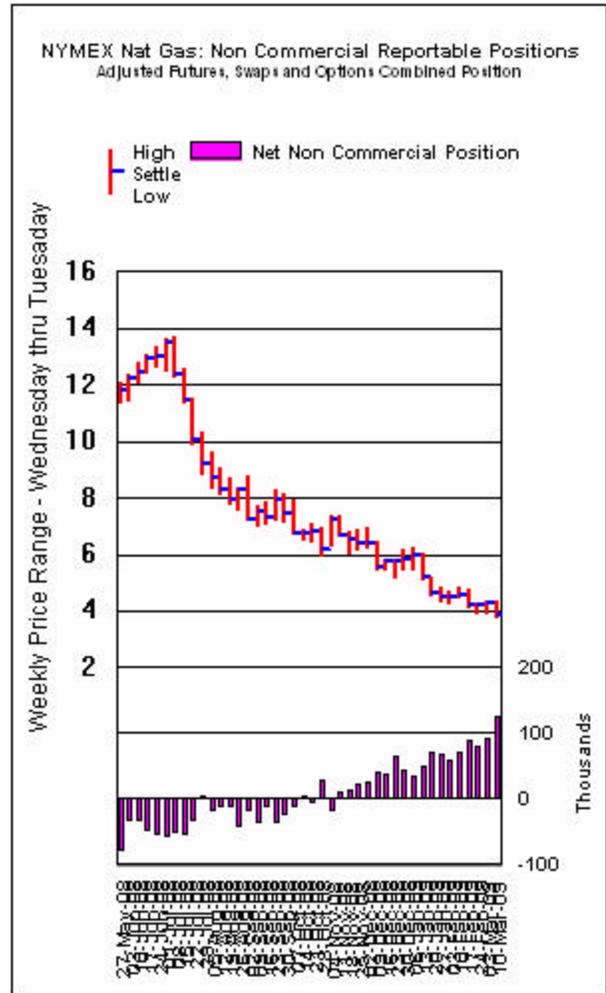
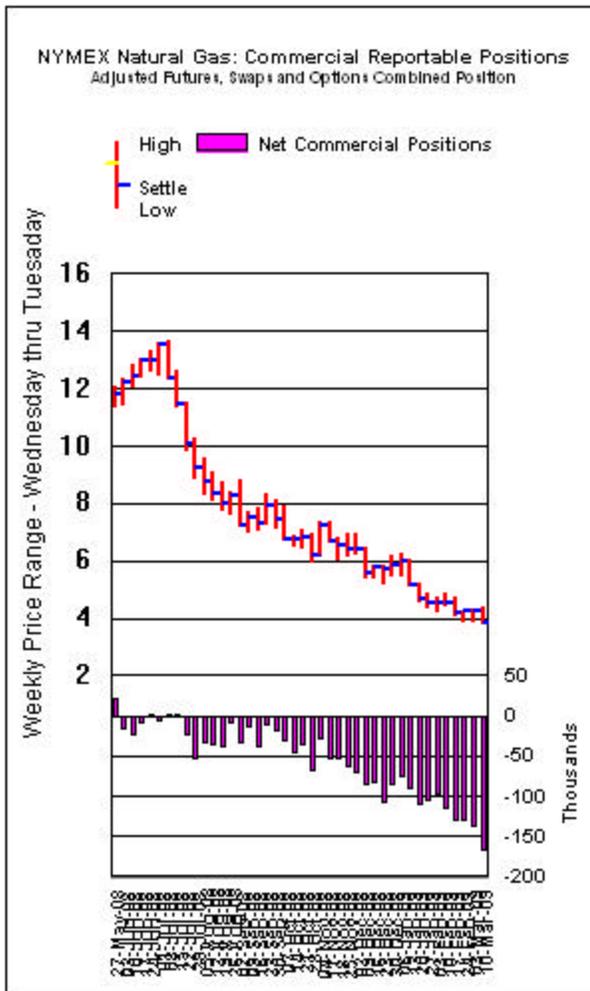
Japan's Osaka Gas Co plans to cut its 2009 LNG purchases by about 12% on the year due to a projected fall in demand. It plans to purchase a little over 7.4 million tons of LNG in the year starting April and 60,000 tons of LPG, which would be down 27% in the year ending March 31st.

Generator Problems

ECAR - Exelon's 1,116 Mw Peach Bottom 3 nuclear unit was trimmed to 85% capacity today, down from full power a day ago, the Nuclear Regulatory Commission shows. A reason for the reduction in power was not provided to the NRC by the operating utility.

MAPP - Nebraska Public Power District's 791 MW Cooper Nuclear Station increased its operations to 52% capacity on Friday, up from 37% capacity on Thursday.

The NRC reported this morning that 87,912 Mw of nuclear generation capacity was on line, down 0.12% from Thursday and up 1.05% from the same time a year ago.



PIPELINE RESTRICTIONS

Interim service on a 683-mile eastern portion of the huge Rockies Express natural gas pipeline will be delayed slightly from April 1 to the first half April. "REX is experiencing very wet conditions across the entire project including severe flooding in certain areas. Based on a projection of reasonable weather and effective construction progress over the next several weeks, REX expects to be able to commence interim in-service no later than mid-April.

Trailblazer Pipeline Company, a unit of Kinder Morgan, said that effective for today's gas day and until further notice, Trailblazer is at capacity for gas going eastbound through Compressor Station 602. ITS/AOR and Secondary out-of-path Firm transports are at risk.

Colorado Interstate Gas said the operationally available capacity on the Wind River Lateral/Big Horn North Constraint will be reduced from 100 mmcf/d to 90 mmcf/d beginning March 14th and continuing through the end of Gas Day March 16th due to operational conditions. The reduction in operating capacity will not affect firm primary nominations.

Natural Gas Pipeline Co is at capacity for deliveries at ANR-South Joliet#2 effective Friday and until further notice. ITS/AOR and Secondary Firm transports are at risk of not being fully scheduled. It is also at capacity for deliveries at Gulf South-Goodrich effective Friday and until further notice. ITS/AOR

and Secondary Firm transports are at risk of not being fully scheduled. Also, Florida-Vermillion has limited capacity available for deliveries effective Friday and until further notice.

PIPELINE MAINTENANCE

Tennessee Gas Pipeline, a unit of El Paso Corp., said emergent repairs at Station 32 continue. Assessments are continuing on an ongoing basis. An estimated completion date for the repairs will be provided when further assessments have been made. The emergent issues are not currently requiring any scheduled volume restrictions through the station.

Alliance Pipeline said a routine inspection would require the Gold Creek compressor station to be off-line for four hours on March 19. Station capacity will be lowered to 1000 e3m3 for that gas day.

Trunkline Gas Co, LLC said the outage on the 100-3 Line downstream of Joppa Station between Gas Valve 107-3 and 108-3 has been completed. Normal operations will resume starting Friday.

ELECTRIC MARKET NEWS

Genscape reported that its US coal burn index in the week ending March 12th was down 9% on the week and 8% less than a year ago.

National Wind, LLC has formed Little Rock Wind, LLC its 7th Minnesota-based, community-owned wind energy company. The company is formed in partnership with several Big Stone County community members. These members created a local advisory board to work with National Wind to develop up to 150 megawatts of wind energy generation within the county.

MARKET COMMENTARY

The natural gas market posted an inside trading day on Friday after failing to find the momentum to breach its previous high. The market bounced off a low of \$3.901 early in the session and traded higher amid the strength in the oil markets. It rallied to a high of \$4.03 late in the morning and settled in a sideways pattern after failing to test Thursday's high of \$4.04. The market however sold off sharply and traded back towards its low in a late bout of selling ahead of the weekend amid forecasts of milder weather in the coming days. The natural gas market settled down 6.3 cents at \$3.932.

While the market may retrace some of its recent losses and settle above the \$4 level, its gains are still seen limited. The market will remain pressured as lower industrial demand continues to weigh on sentiment. The weather forecasts will also continue to limit any gains as the winter's end is approaching. The latest National Weather Service is calling for normal to above normal temperatures for much of the country, cutting into demand even further. Technically, the market remains in its downward trend. The market is seen finding support at its low of \$3.901, \$3.823, \$3.759, \$3.65 and \$3.542. Resistance is seen at \$4.00, \$4.03-\$4.04, \$4.104, \$4.212, and \$4.385.

The latest Commitment of Traders report showed that commercials in the natural gas market, on a combined and adjusted basis, increased their net short position by 29,140 contracts to 167,083 contracts in the week ending March 10th. It also showed that non-commercials increased their net long position by 34,878 contracts to 126,704 contracts on the week as the market found its support around the \$3.80 level.