



ENERGY RISK MANAGEMENT

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

www.e-windham.com

POWER MARKET REPORT FOR MARCH 20, 2008

NATURAL GAS MARKET NEWS

U.S. FERC chairman said that U.S. natural gas markets are functioning well, as infrastructure additions have met demand for the fuel, in contrast with the need for transmission infrastructure on the power side where projects are taking years to build. Chairman Kelliher said a 3.3% growth in natural gas production in 2007 stemmed from tapping new resources in East Texas and the Rocky Mountain region and that pipeline additions the commission approved have moved supplies to areas of demand. FERC noted that the separation of U.S. gas prices from global oil prices is a product of the market handling increased demand with increased supply.

Gulf Coast Connector, a wholly owned subsidiary of NGS Energy announced the start of an open season for service offerings at the company's proposed natural gas storage and transportation hub in northeastern Louisiana. The company is soliciting non-binding proposals for up to 16 Bcf of storage capacity as well as firm transportation.

More than two months after receiving a favorable environmental review from the Commission, FERC Thursday gave the go-ahead for Iroquois Gas Transmission System LP's proposed system expansion that would provide increased natural gas supplies to Long Island and New York City. The 200 MMcf/d

Generator Problems

ECAR – FirstEnergy's 1,260 Mw Perry nuclear unit increased output to 95% power. The unit was operating at 88% capacity yesterday.

PJM – Exelon's 1,143 Mw Limerick #1 nuclear unit restarted and is warming up offline at 1% capacity following a refueling and maintenance outage.

Constellation Energy's Calvert Cliffs #1 nuclear unit completed its scheduled refueling outage in 19 days and 15 hours. That is the shortest duration ever for a Calvert Cliffs unit.

SERC – Southern Nuclear's 883 Mw Hatch #1 nuclear unit ramped up to 19% power and reconnected to the grid. The unit was warming up offline at 1% power yesterday. Hatch #2 continues to operate at full power.

Entergy's 1,207 Mw Grand Gulf #1 nuclear unit ramped up to 65% power. Yesterday, the unit was operating at 55% power.

Canada – Ontario Power Generation's 535 Mw Lennox #4 oil and natural gas fired power station shut today.

The NRC reported that 82,003 Mw of nuclear capacity is online, up 0.44% from Wednesday and off 1.20% from a year ago.

EIA Weekly Report

	03/14/2008	03/07/2008	Net chg	Last Year
Producing Region	490	512	-22	578
Consuming East	640	706	-66	721
Consuming West	183	180	3	229
Total US	1313	1398	-85	1528

*storage figures in Bcf

expansion is expected to be in service by November 1.

FERC Thursday approved Colorado Interstate Gas Co.'s (CIG) proposed expansion of its system to serve growing natural gas demand along the Colorado Front Range, particularly in the Denver metropolitan area.

FERC approved the construction of the Broadwater Energy LNG terminal in Long Island Sound. It will be the first floating terminal in the U.S. for storing and delivering super-cooled LNG. The project would be able to deliver up to 1.25 Bcf of natural gas a day to fuel electric generating plants and heat homes. Bowing in part to the concerns of Connecticut's governor, attorney general, other state officials and congressional delegation, FERC on

Thursday imposed more than 80 environmental, security and safety conditions in its order approving Broadwater Energy LLC's controversial floating liquefied natural gas (LNG) project and associated pipeline to be located in Long Island Sound.

Canadian Gas Association

Weekly Storage Report

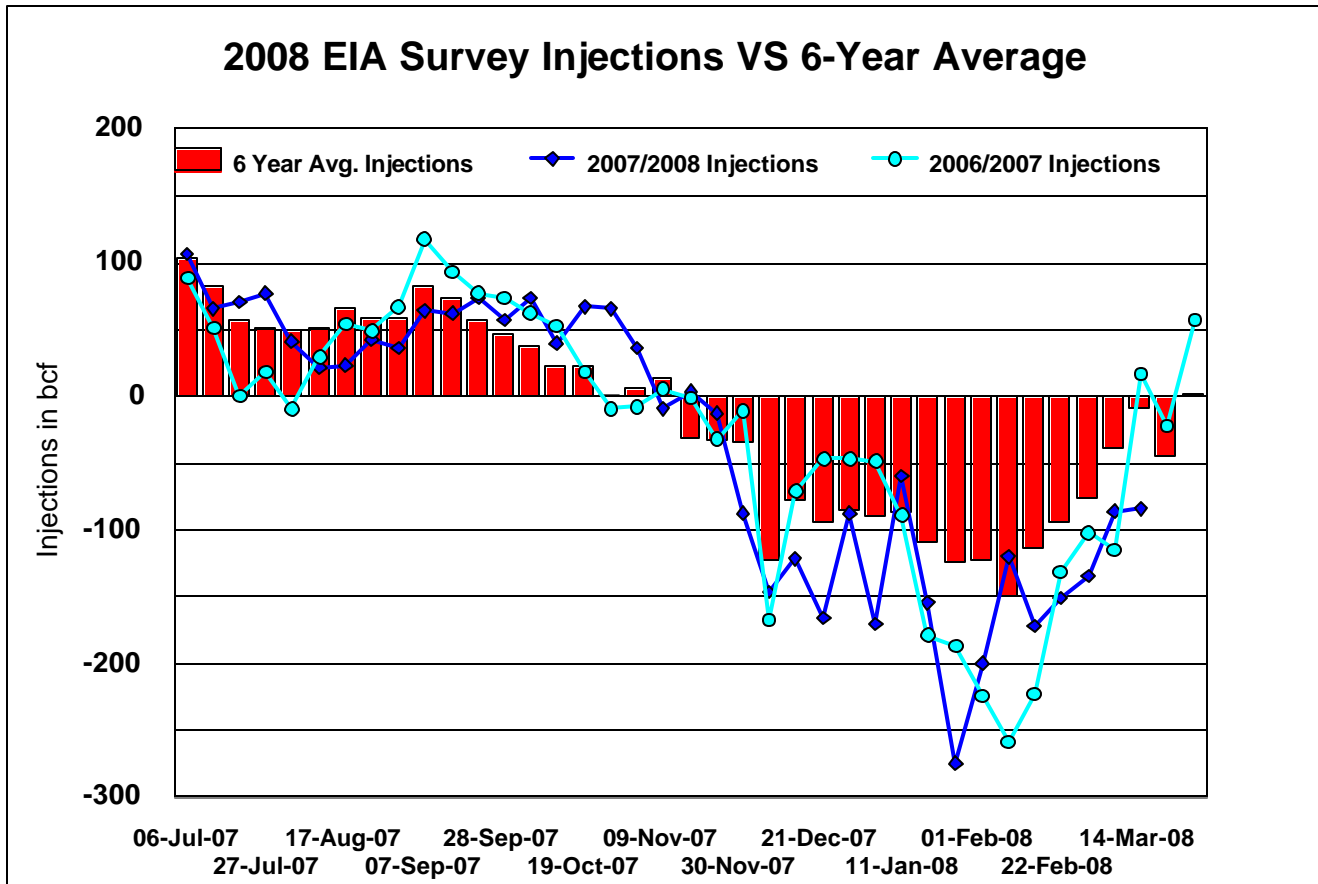
14-Mar-08 07-Mar-08 16-Mar-07

East	59.1	69.1	69.5
West	125.8	130.5	38.9
Total	184.9	199.6	108.4

storage figures are in Bcf

PIPELINE MAINTENANCE

Florida Gas Transmission said that it will perform maintenance at Compressor Station #6, which will require all three units to be offline today. This outage is expected to continue into the month of April. During this work FGT will schedule up to approximately 150,000 MMBtu/day through Compressor Station #6. During normal operations FGT schedules up to 300,000 MMBtu/day.



Gulf South Pipeline said that the scheduled maintenance at Carthage Junction #2 and Vixen Compressor Station has been completed and that Gulf South has resumed nominations.

Trunkline Gas Company said that the scheduled maintenance work for the Premont 100-1 line Hydrotest has been completed. All affected meters are back in service: Jalapeno Compressor Station Fuel – DCP Midstream; Falfurrias Interconnect – El Paso Field Services, LaGloria Outlet – DCP Midstream.

MARKET COMMENTARY

The natural gas market started the day much weaker as its connection to the overall commodity slump continues. The April contract traded to a low of 8.664, a 62% retracement of the February bull run. With indexes and fund money pulling length out of the commodity sector, gold traded roughly \$80 lower on the week and crude oil spent some time below the \$100 level this morning as macro uncertainty plagues the markets. Natural gas began its recovery when the EIA reported that 85 Bcf was withdrawn from underground natural gas storage for the week ended March 14. While the number was well within industry expectations, it was much larger than historical

comparisons, which further contracted the year-over-five-year average surplus. The remainder of the session saw the market see saw on either side of unchanged. The April contracted managed to trade to a high of 9.23 before settling up 4.1 cents at 9.065.

In the medium to long term we are still bullish on natural gas, especially considering the relative value to crude and products and debatable LNG imports. But in the short run, we might be in for further retracement. The March 09, April 09 spread held support at 1.40 and managed to push out as wide as 1.561 and finishing on its highs suggesting the longer term bullish tone in the market. Total storage now stands at 1,313 Bcf, 215 Bcf below last year's levels for the same week and 29 Bcf above the five-year average. While below-average temperatures are seen in the coming weeks, overall heating demand is expected to moderate as winter gives way to spring. With the year-on-year deficit ballooning the surplus to the five-year average dwindling, the end of season final storage total is slipping below the 1.3 Tcf mark, with some as low as 1.23 Tcf, compared to the pre-winter outlooks of near 1.5 Tcf. We see support at 8.782, 8.64, 8.44 and 8.216. We see resistance at 9.25, 9.348, 9.572 and 9.914.

