



ENERGY RISK MANAGEMENT

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NATURAL GAS & POWER MARKET REPORT FOR MARCH 30, 2009

NATURAL GAS MARKET NEWS

According to shipping sources, BG Group's Methane Rita Andrea LNG tanker is set to arrive at the Elba Island terminal in Georgia on April 11th from Egypt.

ExxonMobil confirmed today that it has leases on 19,400 acres in the Macellus Shale formation. The company though declined to comment on its drilling plans.

In April customers who purchase their natural gas from Dominion East Ohio will begin to purchase their natural gas from an assigned supplier under the company's new Standard Choice Offer (SCO). The SCO service will be initially provided to fewer than 250,000 customers of the company's 1.2 million customers, who do not already buy natural gas from other suppliers under the existing Energy Choice or municipal aggregation program. As a result of an auction overseen by the state's Public Utility Commission, the retail price adjustment or

Generator Problems

NPCC – Three gas turbines at Sithe's Goreway natural gas plant returned to service.

PJM - PSEG Nuclear's 1100 Mw Salem #1 nuclear unit was running only at half its normal capacity this morning. The unit had been at full power last week.

MISO – Exelon's 1178 Mw Braidwood #1 nuclear unit was shut early Monday. The unit had been at full power on Friday.

ECAR – DTE Energy's 1122 Mw Fermi #2 nuclear unit was shut early Monday. The unit had been at 92% power on Friday.

WSCC – PG&E's 1122 Mw Unit #1 at the Diablo Canyon nuclear power station ramped up to 93% power on Monday. The unit had been at 50% power on Friday.

APS's 1311 Mw Palo Verde #1 nuclear unit has returned to service and was at 93% power on Monday morning. The unit had been at just 11% capacity on Friday.

SERC- Southern's 860 Mw Farley #2 nuclear unit has started to exit its one week outage to fix a tube leak and was at 1% power this morning.

TVA's 1126 Mw Sequoyah #2 nuclear unit has exited its outage and has ramped up to 47% of capacity this morning.

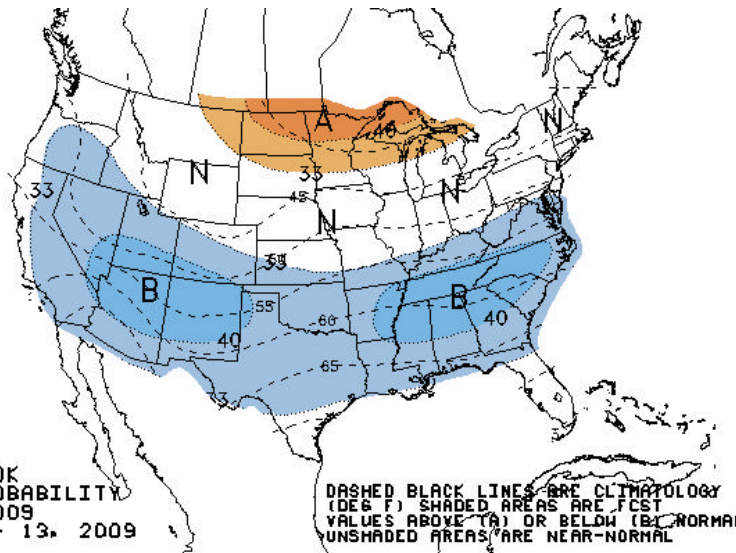
ERCOT – Luminant's 565 mw Unit #1 and the 750 Mw Unit #3 at the Monticello coal fired power station were expected to be restarted today.

The NRC reported this morning that 81,542 Mw of nuclear generation capacity was on line, down 0.3% from Friday and up 1.9% from the same time a year ago.

Natural Gas Cash Market						
ICE Next Day Cash Market						
Location	Volume Traded	Avg Price	Change	Basis (As of 12:30 PM)	Change	Basis 5-Day Moving Avg
Henry Hub	649,800	\$3.630	(\$0.102)	(\$0.121)	(\$0.139)	(\$0.414)
Chicago City Gate	618,000	\$3.186	\$0.037	(\$0.565)	(\$0.019)	(\$0.753)
NGPL- TX/OK	715,900	\$2.809	(\$0.031)	(\$0.942)	(\$0.087)	(\$1.099)
SoCal	208,900	\$3.010	(\$0.037)	(\$0.741)	(\$0.093)	(\$0.883)
PG&E Citygate	386,200	\$3.529	(\$0.249)	(\$0.222)	(\$0.305)	(\$0.100)
Dominion-South	197,400	\$3.854	(\$0.082)	\$0.103	(\$0.138)	\$0.171
UStTrade Weighted	14,272,300	\$3.344	(\$0.083)	(\$0.407)	(\$0.14)	(\$0.414)

adder was determined to be \$1.40 per Mcf. That adjustment will be added to the NYMEX settlement price for the month.

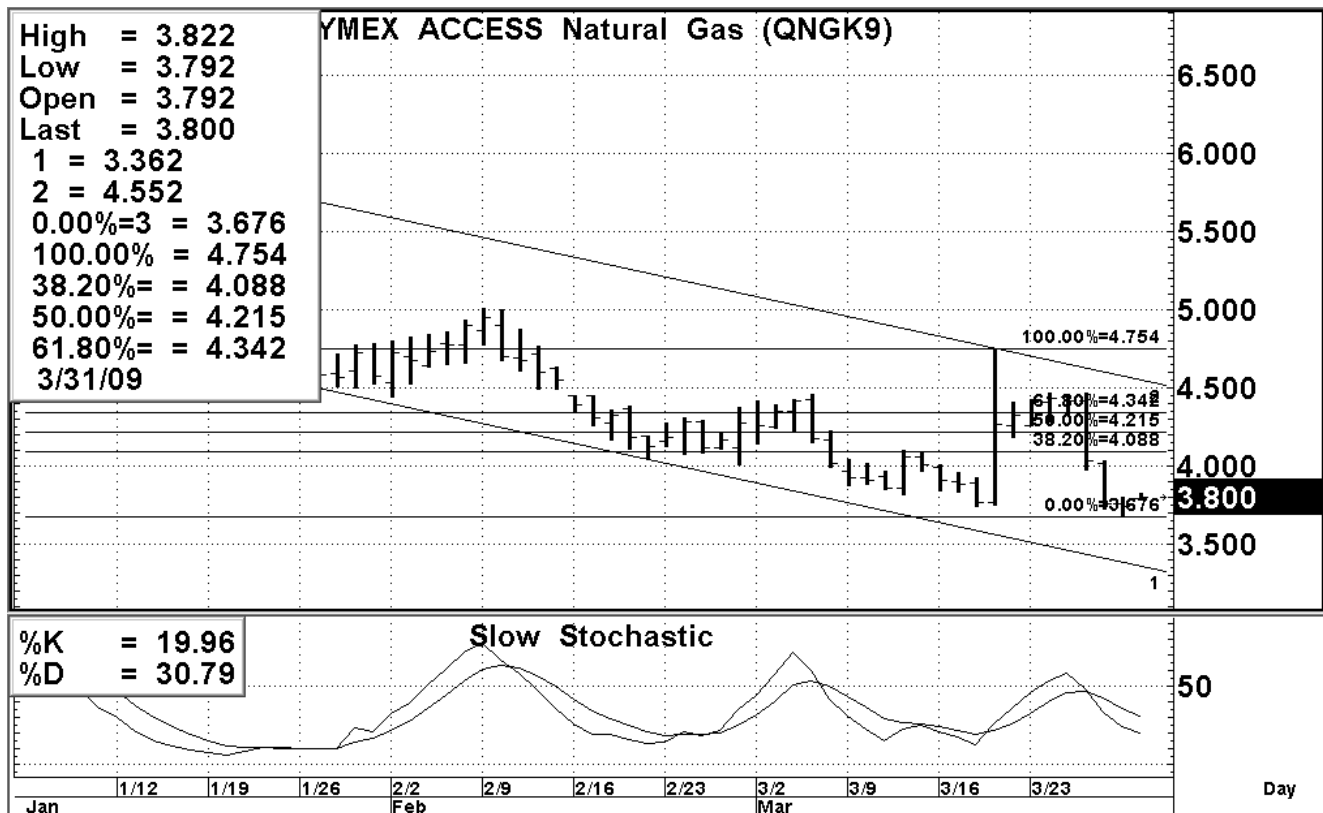
Constellation Energy reported today that it has



completed the divestiture of its Houston based down stream gas unit as well as the majority of its London based coal, freight and international commodities business. Macquarie Cook Energy in Houston said it would integrate the Constellation business into its trading book starting April 1st.

Qatar oil minister said Monday, that he sees high global demand for

natural gas despite the global economic downturn. In fact he sees the world facing a shortage of gas. He noted that buying interest for Qatari gas remains high particularly from India, China, and Germany. He also noted that he hopes Qatar will conclude talks over gas supplies with Kuwait shortly in order to meet Kuwait's summer demand for air conditioning.



Reuters reported today that the Bahia Blanca LNG terminal in Argentina will receive a cargo of LNG at the beginning of May, its first since August of last year. The terminal has an import capacity of of 290 MMcf/d.

Japan's Ministry of Finance reported today that In February, Japan imported 5.25 million tons of LNG, down 11% from January. The price in February was at \$10.87 per Mmbtu down 14.4% from the price it paid in January. Malaysia, Australia and Indonesia accounted for 61% of the total imports.

Indonesia's energy minister said Monday that it plans to build a LNG floating receiving terminal in North Sumatra in order to receive gas to fuel a power plant in the area, as the country seeks to diversify its generating fuel sources. The energy minister noted that building a floating LNG receiving terminal is quicker than building a gas pipeline to the area.

PIPELINE MAINTENANCE

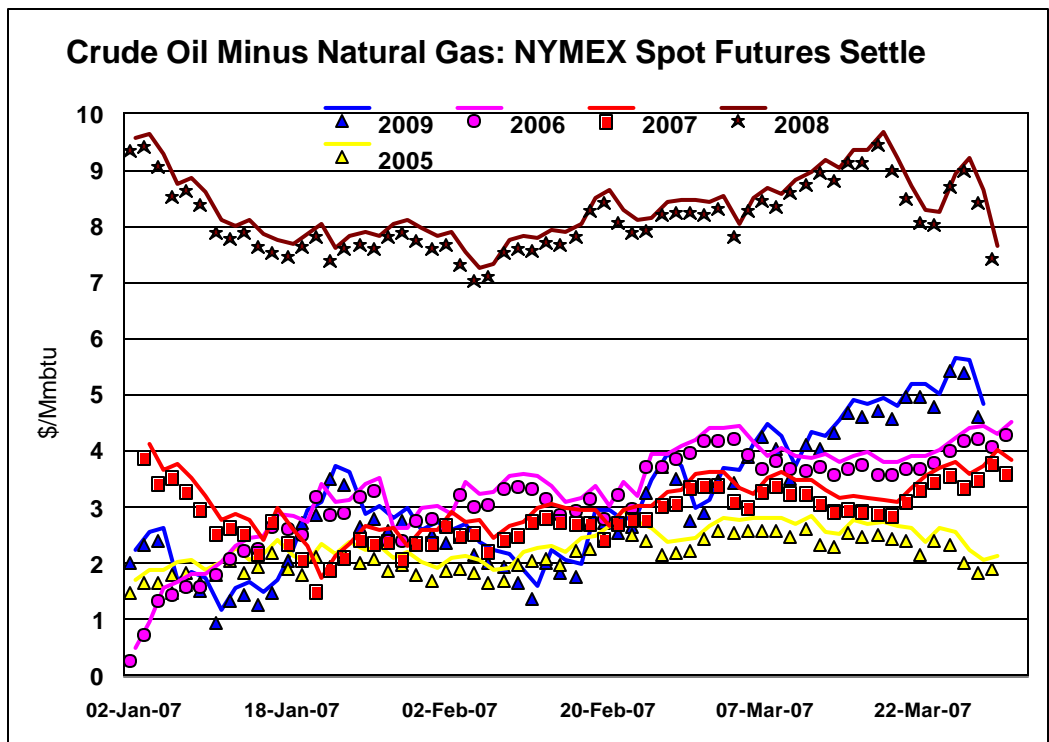
Alliance Pipeline said it will shut the AB 21 Teepee Creek Lateral Meter/Compression Station for eight hours on April 1st for routine inspections. Station capacity will be reduced to 984 e3m3/day. The company also reported that minor maintenance will require the Morinville compression station to be offline for four hours on March 31st. System throughput is not likely to be impacted. The company also reported it will perform minor maintenance on the Albert Lea Compression station, which will take the unit off line for four hours on March 31st.

Rockies Express Pipeline said a force majeure event occurred at its interconnect WFS Echo Springs in Sweetwater County, Wyoming yesterday. Exact repair time is unknown at this time. While quantities were not impacted yesterday, volumes today and until further notice REX has scheduled to a lower capacity of 73,500 Dth/d. AOR/IT, secondary and primary FT quantities are at risk of not being fully scheduled.

NGPL said effective today it was beginning unplanned maintenance on its Louisiana #1 Line located in Liberty County, Texas. The work is anticipated to last two days and will require a temporary reduction in operating pressure resulting in a capacity reduction in Segment 25 of the Louisiana Line for the duration of the work. ITS/AOR, Firm Secondary out-of-path transports will not be available.

PIPELINE RESTRICTIONS

NGPL said until further notice it is at capacity for gas going northbound through Segment 27, ITS/AOR and Secondary out of path Firm transports are at risk of not being fully scheduled. The company also reported that it has limited capacity for deliveries at Midwestern Herscher Kankakee. Limited ITS/AOR and Secondary Firm transports are available.



ELECTRIC MARKET NEWS

The FERC has approved PPL Montana's request to nearly double the capacity at its Rainbow hydroelectric plant on the Missouri River. The expansion project set to begin next year will include the

construction of a new powerhouse with a 60 Mw turbine. This will eventually replace eight smaller units, which have a combined capacity of 35 MW. The project is slated to be completed by 2012.

Dominion Virginia Power received approval from the Virginia state regulators for its proposed 580 Mw power station. The \$619 million, combined cycle power station will be fueled primarily by natural gas and be backed up by oil. The facility is scheduled to begin operation in 2011.

MARKET COMMENTARY

The natural gas market early this morning saw a quick burst of selling as the market tried to immediately test yesterday's lows in the expired April contract at \$3.608. While natural gas prices were able to move below the \$3.70 level, prices still fell well short of yesterday's lows and this appeared to prompt short covering which allowed prices to rebound throughout the day and settle unchanged, with prices working even higher late in the afternoon after the close. This price move came despite oil prices basically trending in the opposite direction, lower throughout the day and thus allowed natural gas to recapture over 80 cents per Mmbtu in value back from crude oil.

While we remain bearish on this market we feel that short term utility buying of natural gas for generation needs could prevent this market from breaking significantly lower but remaining in its current downward sloping trading channel of the past several months. We feel it will take a significantly bearish/bullish storage report later this month to break this out of its current trading paradigm. We see support at \$3.676 followed by \$3.608 and \$3.362. Resistance we see at \$4.088, \$4.215 and \$4.34. Additional key resistance points we see at \$4.468 and \$4.55.