



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 APRIL 3, 2008

NATURAL GAS MARKET NEWS

Forecasts for a weakening La Nina weather anomaly this spring and summer point toward a mild summer for most of the U.S. Corn Belt. That would be good news for U.S. farmers who are hoping for bumper crops of corn and soybeans this year after soaring global demand for grains drove prices to historic highs. However, some regions will be drier than normal.

T. Boone Pickens commented on the U.S. energy situation during a recent webcast hosted by NeoFirma, the leader in well information management services for the energy industry. He said that cheap oil is gone forever, and that to help reduce America's dependence on foreign oil, we should use our country's abundance of natural resources, particularly natural gas. Specifically, using natural gas as a transportation fuel to reduce the import of foreign oil by 30% and help towards cleaning up the environment. Pickens further noted that the price of natural gas may be poised to go as high as \$14.

The North American natural gas sector remains solid, and the economic problems cutting across the United States are unlikely to have much of an effect on the sector in the near term, according to Moody's Investors Service.

Due to increasing shipper interest, Texas Gas Transmission LLC pipeline Thursday said it will seek FERC approval to increase the planned capacity of its proposed Fayetteville and Greenville laterals to 1.2 Bcf/d from 800 MMcf/d. The lateral projects would provide takeaway capacity for natural gas from the Fayetteville Shale play area in north-central Arkansas.

The weekly LNG berthing slot at the U.K's Isle of Grain import terminal will not be used on April 10.

PIPELINE RESTRICTIONS

Florida Gas Transmission said that mid-80 degree weather is forecasted in Florida for the next few days, and FGT linepack is lower; therefore, FGT has notified customers in FGT's Market Area that it has issued an Overage Alert Day at 25% tolerance.

Generator Problems

ECAR – AEP's 1,107 Mw Cook #2 nuclear unit ramped up to full power today. Yesterday, the unit was operating at 85% power. Cook #1 remains offline for a refueling.

MAIN – Exelon's 855 Mw Quad Cities #2 nuclear unit ramped up to 84% power today. Yesterday, the unit was operating at 78% power. Quad Cities #1 remains at 97% power.

FPL's 516 Mw Point Beach #1 nuclear unit is scheduled to shut on Saturday for a planned refueling outage. Unit #1 and #2 were operating at full power today.

NPCC – Entergy's 535 Mw Vermont Yankee nuclear unit slipped to 41% capacity today, down marginally on the day as work is done on condenser leaks.

Dominion's 866 Mw Millstone #2 nuclear unit is scheduled to shut for a planned refueling on Saturday. Unit #2 and #3 were operating at full power today.

SERC – Duke Power's Oconee #2 nuclear unit ramped up to 58% capacity today. Yesterday, the unit was operating at 10% power. Oconee #1 remains at 73% and #3 is at full power.

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

The NRC reported that 77,265 Mw of nuclear capacity is online, up .79% from Wednesday and up .49% from a year ago.

PIPELINE MAINTENANCE

Transcontinental Gas Pipe Line said that it has been notified that the North Terrebonne Plant will be down for four days starting today due to work along their pipeline. Transco does not expect this short-term increase in system-wide Btu and C5+ mol percent to have a significant impact on its operations.

EIA Weekly Report

	03/28/2008	03/21/2008	Net chg	Last Year
Producing Region	498	494	4	620
Consuming East	575	607	-32	695
Consuming West	175	176	-1	238
Total US	1248	1277	-29	1552

*storage figures in Bcf

ELECTRIC MARKET NEWS

The IMF reported that climate change will create a “supply-side shock” that needs a harmonized global carbon price to reduce abatement costs. To reduce emissions, carbon pricing should be global and engage all major greenhouse gas emitters to start pricing their emissions. Any carbon price should be equalized across countries to maximize the efficiency of abatement, resulting in emissions reductions occurring where it is cheaper to do so. A cap-and-trade system over a carbon tax was not a clear-cut choice. A carbon tax would provide more transparent price stability and allow revenues to be collected and recycled, but a tax may also be politically more difficult to implement. A cap-and-trade scheme would offer better forward prices for carbon, and would be quicker in providing the relevant price signal, the IMF suggested, pointing to speculation over a tighter emissions cap in the future due to accelerated evidence of global warming. Conversely, price volatility is also a downside risk of cap-and-trade, particularly with emissions allowance over-allocations.

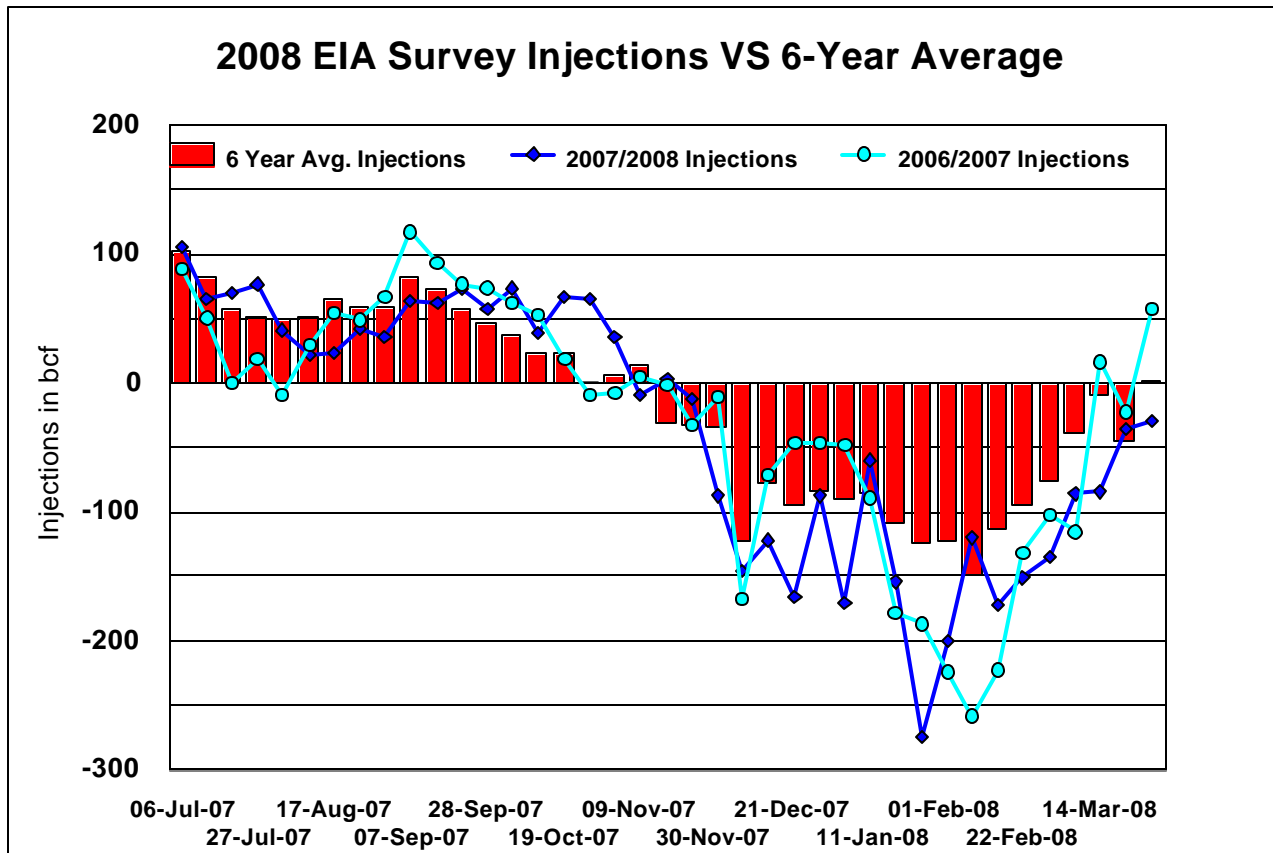
Canadian Gas Association

Weekly Storage Report

	28-Mar-08	21-Mar-08	30-Mar-07
East	42.5	47.1	66.3
West	117.7	124.8	42.2
Total	160.3	171.9	108.6

storage figures are in Bcf

The U.K. government put before parliament a draft of its long-awaited marine bill, which will include planning rules for offshore wind farms. It could also have implications for planning of offshore oil and gas facilities. The bill will simplify the consenting of wind, wave and tidal projects by ensuring only one administrative process is used to consider all the elements of an application.



MARKET COMMENTARY

The natural gas market lost footing today and stumbled lower amid choppy trading. The EIA reported that 29 Bcf was taken from storage, on the lower end of estimates, and prices spiked lower, but held the 9.50 level. A strong rally in the crude oil market help support natural gas, and the May contract rallied up to 9.80, but as crude oil could not hold onto its gains, natural gas focused on bearish data and moved lower. The front month succumbed to spring fundamentals and longs liquidating. The market dropped to yesterday's lows below 9.40 and ultimately settled down 41.5 cents at 9.417. However, the contract was seen testing low-end support in the 9.30s after open outcry ended and traded to a low of 9.333.

For the week ending March 28, total storage inventories in the lower 48 states were 1,248 Bcf, 304 Bcf below last year's levels, or 205, and just 6 Bcf above the five-year average of 1,242 Bcf. The 29 Bcf draw was bearish, below the Reuters poll estimate of 35 Bcf. It was also the second straight week the inventory withdrawal fell short of expectations after a winter of mostly bullish storage surprises. Technically, the market has broken its upward trend and we feel the market can consolidate and perhaps test lower support at the 9.00 level. In the longer term, we still like the market and with the lower storage level, especially compared to last year, higher prices will be necessary to fill storage. We see support at 9.144, 9.00, 8.965, 8.664, 8.597 and 8.00. We see resistance at 9.691, 9.80, 9.95, 10.00 and 10.238.