



ENERGY RISK MANAGEMENT

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NATURAL GAS & POWER MARKET REPORT FOR APRIL 6, 2009

NATURAL GAS MARKET NEWS

ExxonMobil reported today that the Sable Island production field was shut in after an "operational incident". As a result some 400 MMcf/d of gas production has been shutdown. ExxonMobil said that the field is shut-in now and there is some maintenance work underway. The project typically produces some 400-500 million cf/d of natural gas and 20,000 barrels per day of NGL's. The company declined to say when production levels would return to normal.

Reuters reported today that its survey of 25 natural gas analysts showed an average price forecast for natural gas this year at \$4.67 per MMBtu, down 22% from last quarter's price survey and follows on the heels of a 25% reduction in the previous poll. This group of analysts now call for 2010 prices to average \$6.34 and \$7.34 per MMBtu in 2011.

The American Iron and Steel Institute reported today that raw steel production in the U.S. decreased by 4.1% for the week ending April 4th versus the prior week. The latest week's total production was less than half of the volume recorded a year ago.

Generator Problems

NPCC – OPG said it plans to shut all four nuclear reactors at the 3,524 Mw Darlington nuclear power station in the middle to late part of April. Three of the four units are expected to be off line for four to six weeks.

OPG's Nanticoke #3 coal fired unit returned to service this morning.

PJM – PPL Corp has shut down its 1140 Mw Susquehanna #2 nuclear unit for a planned refueling outage.

MAPP – FPL Energy's 615 Mw Duane Arnold Energy Center was at 99% capacity up 21% from Monday.

ERCOT- Luminant's 750 Mw coal fired Martin Lake #2 generating unit was shut Tuesday due to a tube leak.

SERC – SG&E's 714 Mw Robinson nuclear unit was at full capacity this morning, up from 90% level held on Monday.

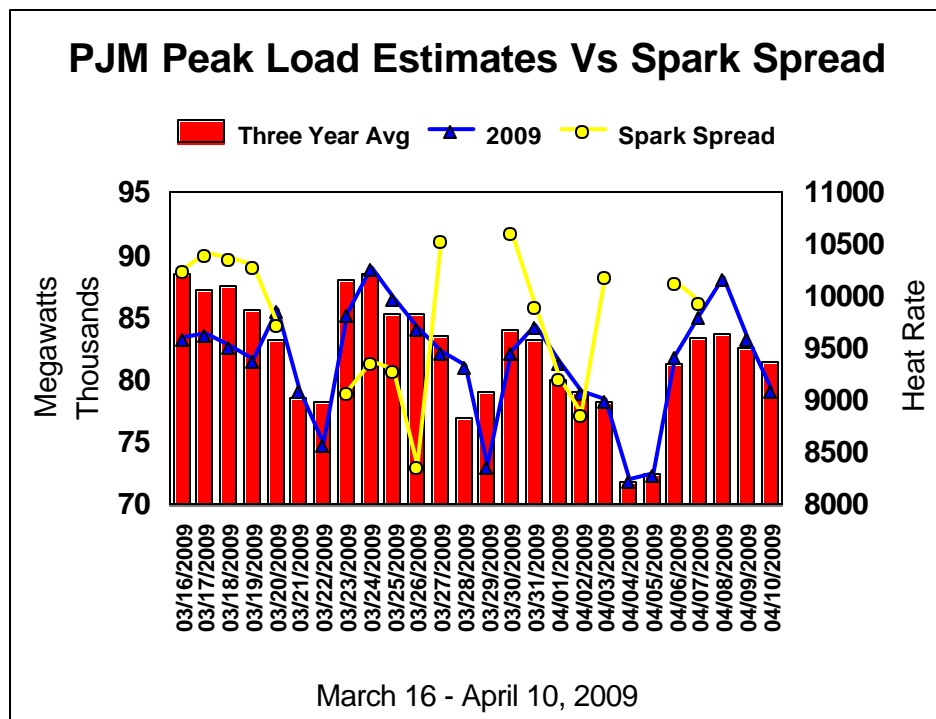
The NRC reported this morning that 80,533 Mw of nuclear generation capacity was on line, down 1% from yesterday but up 7.2% from the same time a year ago.

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	817,300	\$3.598	(\$0.139)	(\$0.012)	(\$0.101)	(\$0.193)
Chicago City Gate	476,300	\$3.514	(\$0.283)	(\$0.096)	(\$0.192)	(\$0.105)
NGPL- TX/OK	799,700	\$3.272	(\$0.112)	(\$0.338)	(\$0.021)	(\$0.367)
SoCal	251,000	\$3.143	(\$0.075)	(\$0.467)	\$0.016	(\$0.578)
PG&E Citygate	739,200	\$3.611	(\$0.090)	\$0.001	\$0.001	(\$0.063)
Dominion-South	268,600	\$4.181	(\$0.172)	\$0.571	(\$0.081)	\$0.455
USTRade Weighted	16,510,800	\$3.446	(\$0.192)	(\$0.164)	(\$0.10)	(\$0.193)

Colorado State University released their updated 2009 Atlantic Hurricane Forecast this morning. It calls for 12 named storms with 6 of them become hurricanes. The forecasters see

the possibility of a weak El Niño forming during the hurricane season. This is less than the 14 named

storms and seven hurricanes that the group was calling for in December. The Colorado State University forecasting team calls for a 32% probability for at least one Category 3 or higher storm making land fall along the Gulf Coast. This is only 1% higher than the prior 100-year average.

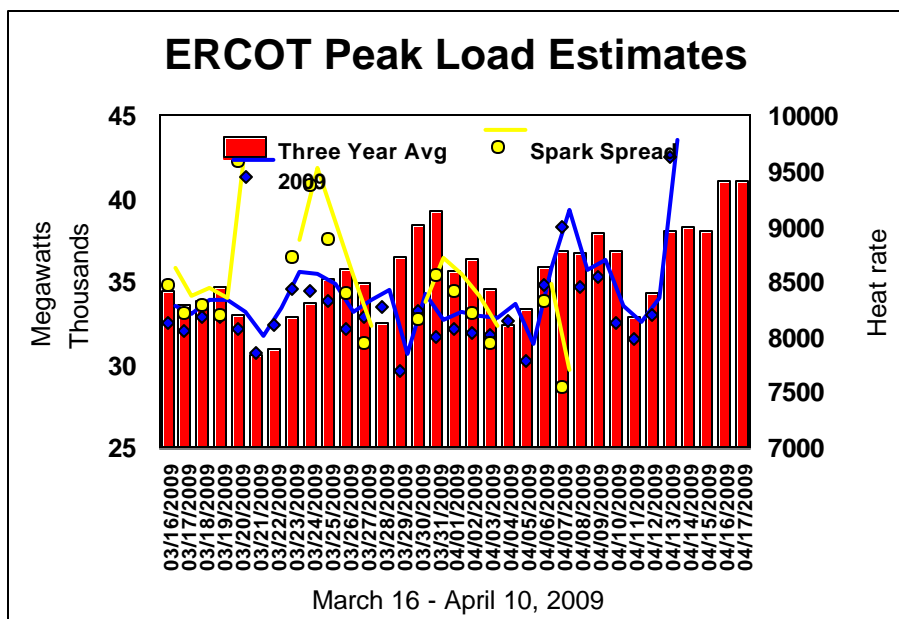


U.S. Energy Secretary Chu today said he was undecided on whether to promote natural gas as a transportation fuel, say such a move could put a strain on supplies for industrial uses. Chu rather said the use of a transportation fuel in general should be reduced through increased fuel efficiency. He also said it was important to look at alternative transportation fuels, such as advanced biofuels.

FPL said Tuesday that it has filed a proposal with the Florida Public Service Commission for construction of a new underground natural gas pipeline in Florida to meet increasing demand. The proposed Florida EnergySource pipeline would run 300 miles between Palm Beach County and Bradford county. The company would look to have the line operational by 2014.

Bentek Energy said this week that natural gas spot prices between \$4.00 and \$6.00 is not a short term market aberration but rather could last for up to five years.

A Ukrainian official said today that expanding the Ukraine's gas transit system by a further 60 billion cubic meters will cost \$5-\$6 billion. Meanwhile Gazprom said it is studying whether to fine the Ukraine for lower than agreed gas imports during the first quarter. Gazprom contracts with customers are typically based on a take-or-pay condition where importers are fined when they buy less gas than agreed. Gazprom previously had said it would not fine the Ukraine given its strained financial condition.



Germany's Economic Minister said today that the recent deal between the EU and the Ukraine to overhaul the Ukraine's pipeline network should be studied to take into account Russian interest.

Indonesian officials said that Indonesia is ready to sell six cargoes of LNG on the spot market and has already sold one spot cargo to India. Indonesian officials said that buyers had asked Indonesia last month for the delay, diversion or cancellation of around 15 cargoes in 2009. Meanwhile the government has decided to convert some LNG cargoes into LPG for the domestic market and also for a fertilizer firm. Indonesia had been projecting that natural gas output would grow by 2% this year to 7.56 bcf/d, with 37% directed toward export via pipelines or in the form of LNG.

Eni's CEO said today that Italy and Russia will discuss the South Stream gas pipeline project in the next few weeks at a bilateral summit

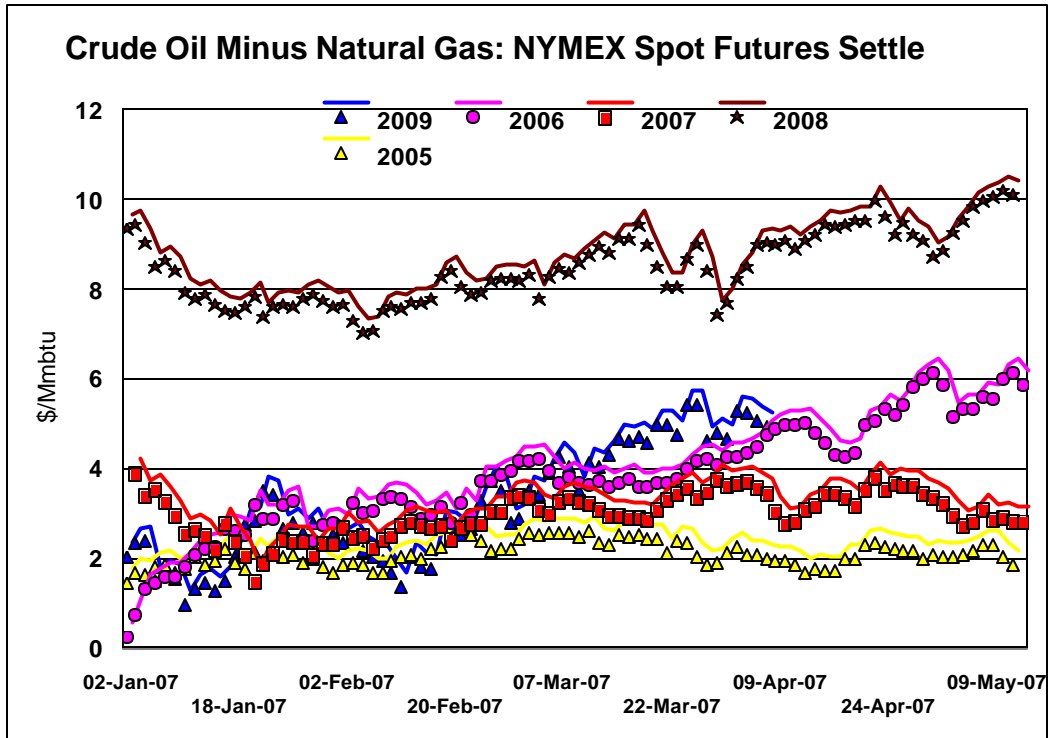
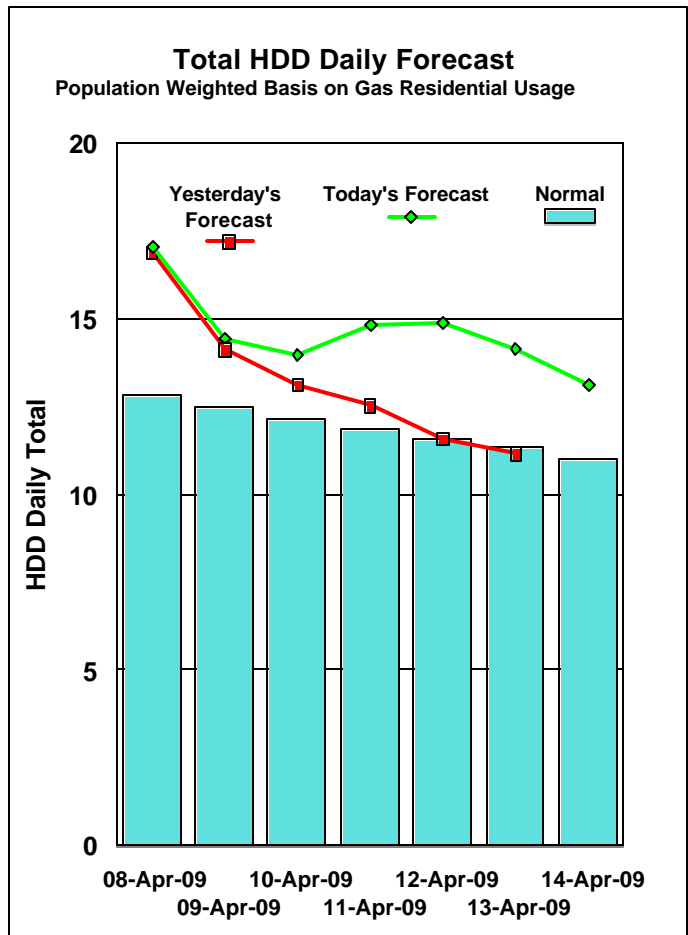
PIPELINE RESTRICTIONS

NGPL said effective today and until further notice Florida Vermillion is at limited capacity for

deliveries.

PIPELINE MAINTENANCE

El Paso Natural Gas Company said its annual ESD/DOT checks and quarterly maintenance at Flagstaff will begin on April 7th and last through April 9th. The company also said the Dutch Flat #1 and #2 units have been slated for inspections for April 6-April 8th have been postponed until later in the month.



NEW YORK MERCANTILE EXCHANGE(r)									
NYMEX OPTIONS CONTRACT LISTING FOR 04/07/2009									
				TODAY'S	PREVIOUS	ESTIMATED	DAILY	DAILY	
-----CONTRACT-----				SETTLE	SETTLE	VOLUME	HIGH	LOW	
LN	5	9	P	3	0.035	0.0251	9652	0	0
LN	5	9	P	3.5	0.1774	0.1278	7052	0	0
LN	6	9	P	3	0.0819	0.0613	5200	0.0725	0.07
LN	7	9	P	3.25	0.1851	0.154	4650	0	0
LN	5	9	C	4	0.0666	0.1295	3574	0.095	0.095
LN	6	9	C	4	0.215	0.2873	2500	0.215	0.2125
LN	10	9	P	3	0.2155	0.1876	2200	0	0
LN	5	9	P	3.25	0.0856	0.0607	2104	0	0
LN	6	9	P	3.25	0.1478	0.1143	2100	0	0
LN	1	10	C	10	0.1193	0.1291	1950	0	0
LN	7	9	C	4	0.3749	0.4524	1900	0	0
LN	6	9	P	3.75	0.3625	0.2939	1485	0	0
LN	5	9	C	4.5	0.0167	0.0418	1475	0.02	0.02
LN	5	9	C	3.75	0.1319	0.2179	1365	0	0
LN	7	9	P	3	0.1171	0.0958	1350	0	0
LN	6	9	C	3.75	0.3066		1235	0	0
LN	7	9	P	3.9	0.4654	0.4006	1135	0	0
LN	7	9	C	3.9	0.4156		1135	0	0
LN	11	9	P	4	0.391	0.3542	1100	0	0
LN	12	9	C	12.5	0.0207	0.0228	1100	0	0
LN	6	9	C	4.5	0.0999	0.1419	1000	0	0
LN	7	9	C	4.75	0.164	0.2071	950	0	0
LN	12	9	P	4	0.2122	0.1914	925	0	0
LN	10	9	P	4	0.6277	0.5666	900	0	0
LN	5	9	C	5	0.0063	0.013	810	0.007	0.007
LN	5	9	C	3.8	0.1159	0.1971	750	0.16	0.13
LN	6	9	C	4.25	0.1477	0.2036	700	0	0
LN	1	10	P	4	0.1876	0.1709	650	0	0
LN	5	9	C	4.25	0.0309	0.0743	619	0	0
LN	6	9	P	3.5	0.2397	0.191	576	0.235	0.235
LN	10	9	C	6	0.2419	0.2693	550	0	0
LN	10	9	C	7	0.1392	0.1529	550	0	0
LN	12	9	C	12	0.0261	0.0287	500	0	0
LN	7	9	C	6.5	0.0218	0.0292	500	0	0
LN	10	9	C	4.5	0.5845	0.6452	500	0	0

Gulf South Pipeline said its 42-inch expansion line between Tallulah and Rock Springs (Transco 85) is anticipated to be shut in for maintenance beginning May 1st and lasting for 31 days.

ELECTRIC MARKET NEWS

New York State regulators on Tuesday approved the second phase of the 1240 Mw Astoria natural gas fired energy project. The company hopes to have the second phase completed by the summer of 2011, which will add 240 Mw of generating capacity.

The U.S. Northwest River Forecast Center today released their updated water flow forecast. For the April-September period the forecasters are now looking for water flows at the Dalles Dam to be 88% of normal up 4% from last week's report but still 11% below year ago levels. Expected water flows at the Grand Coulee Dam are now seen at 92% of normal, a 4% improvement from last week's forecast.

Genscape reported that it estimates coal stocks at U.S. power plants rose 1.2% for the week ending April 7th from the prior week and currently are some 16.9% higher than last year's levels.

The New York State Public Service Commission on Tuesday denied both NYSEG and RG&E request for rate relief hikes as per the recommendation of the commission's staff.

Exelon said Tuesday that in 2008 it cut its greenhouse gas emissions by more than 35% from 2001 level by retiring less efficient fossil fuel plants.

MARKET COMMENTARY

The natural gas market was placed on the defensive this morning by weaker oil and equity prices along with the bearish news that Colorado State forecasters had revised downward their outlook for hurricanes this summer due to the possible development of a El Nino weather pattern. The bears this morning were finally successful in breaching the support area that built up over the past couple weeks at \$3.63-\$3.60 allowing prices to drop down \$3.565 initially with another late day push down to \$3.554 a new contract low and the lowest level the spot contract has been in 6 ½ years. In the option market this breakdown seemed to spark active option interest in the \$3.50, \$3.25 and \$3.00 puts as traders

are again raising the possibility that this market could see a sub \$3.00 number before the shoulder season draws to a close.

Tonight's bearish API inventory stats may be confirmed by the EIA oil stats tomorrow and this should help keep oil prices on the defensive and to a lesser degree natural gas values. But we feel that the decline in gas will be lagging oil as short term heating demand should help provide a little support to this market. We see support starting at \$3.55 followed by \$3.49 \$3.428 and \$3.302. Resistance we see at \$3.65 followed by \$3.814, \$3.994 with more significant resistance at \$4.01. \$4.154 \$4.296 and \$4.468. While we are bearish on the supply/demand situation in this market we feel that there is limited downside potential at these levels and rather would not look to sell this market unless prices spike above \$4.00 again

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