



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 12, 2007

NATURAL GAS MARKET NEWS

Alaska's two U.S. Senators yesterday introduced legislation that would give more power to the Office of Federal Pipeline Coordinator in an effort to jumpstart consideration of the proposed Alaskan natural gas pipeline. The bill would give the agency more flexibility in hiring staff by waiving the provision that requires the pipeline coordinator to follow time-consuming procedures of employing workers. The bill would also let the office establish filing and service fees, which would be identical to those charged by the U.S. Bureau of Land Management, and it would specify that any legal challenges related to the pipeline to be filed in the DC Court of Appeals. Congress established the Office of Federal Pipeline Coordinator in 2004 in an effort to oversee the 15 federal agencies that would play a role in the potential construction of the gas pipeline.

The Long Island Association, the largest business and civic organization on Long Island, New York, said yesterday it would support the Broadwater Energy's proposed plan to build a floating LNG terminal in Long Island Sound. The group said there was an increasing need for the region to diversify and increase its natural gas supplies.

Mexico's Federal Electricity Commission said it is considering the possibility of postponing the date on which a new LNG import terminal is due to come on stream at the Pacific port of Manzanillo. Under terms of a tender last year the facility was scheduled to begin to supply 500,000 Mcf/d of natural gas by April 2011. But some fear that without postponing the deadline the only supplier that would serve the facility would be Repsol from its Camisea project in Peru.

EIA Weekly Report

	04/06/2007	03/30/2007	Net chg	Last Year
Producing Region	642	629	13	625
Consuming East	706	702	4	854
Consuming West	244	238	6	233
Total US	1592	1569	23	1711

Generator Problems

NPCC – Entergy's 535 mw Vermont Yankee nuclear unit saw production drop by 12% to 88% of capacity this morning.

SPP Entergy's 1266 Grand Gulf nuclear unit was ramping up from its recent refueling outage and was at 8% of power this morning.

ERCOT – NRG was planning to restart its 749 Mw Unit #1 at the Cedar Bayou natural gas fired power plant today.

WSCC – PPL's reportedly had three units at its 2094 Mw Colstrip coal fired power plant trip off line on April 10th due to a transmission line trip. While units #1, #3 and #4 tripped off line for a total of 1648 mw, Unit #2 remained on line.

PJM – PPL's 1140 Mw Unit #2 nuclear unit at the Susquehanna power plant began its return to service from its recent refueling outage and was at 3% of power this morning. The plant had been off line since February 26th.

Exelon's 1134 Mw Unit #2 at the Limerick nuclear power plant also has exited its refueling outage and was at 30% of power this morning.

The NRC reported that 73,619 Mw of nuclear capacity is on line, up 0.56% from Tuesday, and off some 5.44% from a year ago.

The FERC today gave the green light to CenterPoint Energy Gas Transmission to move ahead and place into service the remaining portion of its new pipeline that runs between the Carthage Hub in East Texas and the Perryville Hub in northeast Louisiana.

The InterContinental Exchange and Intelligence Press, publisher of the *Natural Gas Intelligence* newsletters, said that they have entered into a purchase and leaseback agreement giving ICE ownership of the NGI natural gas price indexes and the exclusive right to license them for exchange settlement and clearing. The Intelligence

Press will continue to collect and aggregate transactions from wholesale natural gas market as well as determine and publish the indexes.

Canadian Gas Association

Weekly Storage Report

	06-Apr-07	30-Mar-07	07-Apr-06
East	66.1	66.3	92.9
West	42.7	42.2	127.0
Total	108.8	108.6	219.9

storage figures are in Bcf

WeatherBug, the owner of 8,000 weather-monitoring stations in the U.S. said that it expects an above average number of hurricanes this year. The forecasters see 13-15 named tropical storms, including 7-9 named storms that will grow into hurricanes. Three of the hurricanes should reach major hurricane status. The group also saw the chances of having a hurricane in the Gulf of Mexico was at a 70% probability, the same as they saw in 2005, while last year they saw the risk at the start of the season at only 50%.

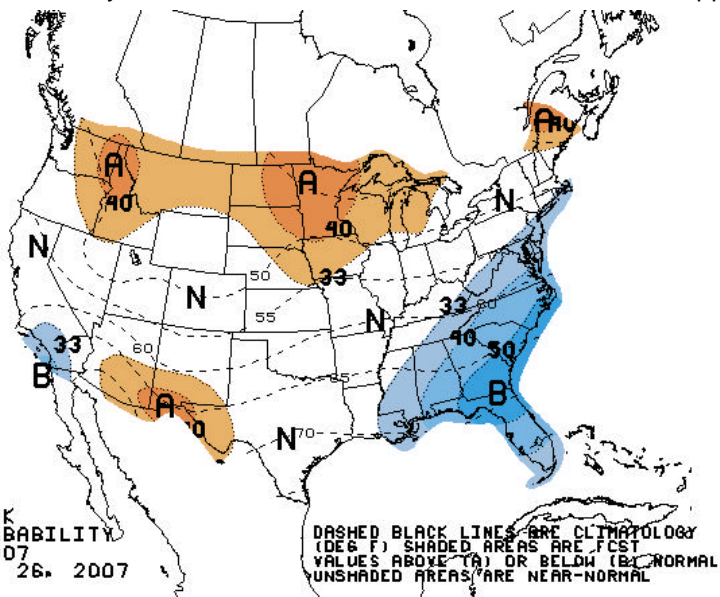
The U.S. Department of Labor reported today that U.S. imports of natural gas last month increased by 4.7%, after a 4% gain in February.

Secure Energy announced today that it has received an air permit from Illinois regulators to build a gasification plant that will use state of the art gasification and coal conversion technologies. The plant planned for a site in Decatur, Illinois, will convert up to 1.4 million tons per year of high sulfur Illinois coal into pipeline quality natural gas. It is projected that the plant would have an average initial gas production of 45,000 mmbtu/d and the capability of producing up to 67,000 mmbtu/d. Price tag for the project is estimated at over \$250 million

Natural Gas Cash Market						
ICE Next Day Cash Market						
Location	Volume Traded	Avg Price	Change	Basis	Change	Basis 5-Day
				(As of 12:30 PM)		Moving Avg
Henry Hub	939,100	\$7.945	(\$0.020)	(\$0.098)	\$0.080	(\$0.316)
Chicago City Gate	41,800	\$7.829	(\$0.151)	(\$0.013)	(\$0.043)	(\$0.032)
NGPL- TX/OK	525,100	\$7.437	\$0.050	(\$0.405)	\$0.158	(\$0.567)
SoCal	793,600	\$7.505	\$0.017	(\$0.337)	\$0.125	(\$0.552)
PG&E Citygate	682,000	\$7.721	(\$0.046)	(\$0.121)	\$0.062	(\$0.241)
Dominion-South	381,600	\$8.636	(\$0.072)	\$0.794	\$0.036	\$0.803
Transco Zone 6	102,300	\$8.779	(\$0.207)	\$0.937	(\$0.099)	\$1.175

PIPELINE RESTRICTIONS

Colorado Interstate Gas said that as a result of winter storm moving through its service area on April 12 and 13th it has issued a cold weather warning. The pipeline warned that continued high firm transportation load factors combined with the anticipated increase in market requirements related to the low temperatures during this period may limit the pipeline's ability to absorb imbalances related to short falls in supplies and or market requirements in excess of scheduled deliveries.



Tennessee Gas Pipeline announced today that along its Carthage Line Lateral, it has restricted through approximately 50% of Supply to Market Secondary Out of Path nominations, pathed from meters located along the lateral. At the Niagara River Meter Tennessee restricted through approximately 39% of Supply to Market Secondary Out of Path nominations sourced from the Niagara River Meter.

FGT again issued an overage alert day today at 25% tolerance, due to warm temperatures forecasted in FGT's Market Area.

ELECTRIC MARKET NEWS

Allegheny Power has submitted a request to the Virginia State Corporation Commission to raise electricity rates beginning July 1, 2007. The utility said its proposal seeks to raise residential rates by approximately 16%.

ConocoPhillips CEO said today that the cost associated with capping global greenhouse gas emissions will be a significant cost to be borne by energy companies.

PacifiCorp late Wednesday reached agreement with California state regulators and utilities to settle claims that the utility overcharged for its power during the state's energy crisis in 2000 and 2001. The FERC still must give final approval to the settlement. The agreement would have PacifiCorp refund \$28 million to SoCal, Pacific Gas & Electric and others.

TransCanada said that it is close to having agreements in place with utilities in the U.S. Southwest that would allow it to move ahead with detailed permitting and siting for two 500 Kv power lines that would move power from Montana and Wyoming to southern Nevada.

The EIA reported today that coal production for the week ending April 7th in the U.S. resulted in some 21,043,000 tons being produced nation wide up 7.4% from the previous week. Year to date, U.S. coal production is some 1.8% less that the same period a year ago.

MARKET COMMENTARY

The natural gas market posted a rather uneventful day, as for the second time out of the last four trading sessions an inside trading day was recorded. Despite the significant price moves in the oil markets today, the natural gas market failed to build any traction in either direction, even on a day when the EIA Storage Report was released. This market is also paralyzed by colder than expected temperatures for the next 5-7 days offset by the expectations for the following week to see a significant moderation in temperatures.

NYMEX Nat Gas Options Most Active Strikes for April 12, 2007									
Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Volume	IV	
LN	10	7	C	8.75	09/25/2007	0.9323	5,450	40.82	
LN	10	7	P	8	09/25/2007	0.8018	5,200	52.41	
LN	5	7	C	9	04/25/2007	0.0212	4,325	44.30	
LN	5	7	P	7	04/25/2007	0.0123	3,850	41.07	
LN	11	7	C	10	10/26/2007	0.8759	3,500	40.22	
LN	6	7	P	7	05/25/2007	0.077	3,400	41.12	
LN	9	7	C	12	08/28/2007	0.2058	2,750	49.30	
LN	11	7	C	20	10/26/2007	0.0699	2,500	55.33	
LN	12	7	C	20	11/27/2007	0.1041	2,500	50.63	
LN	5	8	C	15	04/25/2008	0.1117	2,300	34.42	
LN	10	7	P	4	09/25/2007	0.008	2,275	51.45	
ON	8	7	P	6	07/26/2007	0.048	2,000	41.41	
LN	9	8	P	6	08/26/2008	0.2725	2,000	39.85	
LN	10	7	C	17	09/25/2007	0.0822	2,000	57.70	
LN	10	7	C	20	09/25/2007	0.046	2,000	61.60	
LN	11	7	C	9.05	10/26/2007	1.1894	2,000	36.83	
LN	11	7	C	17	10/26/2007	0.1339	2,000	52.54	
LN	12	7	C	17	11/27/2007	0.1924	2,000	47.74	
ON	7	7	P	6	06/26/2007	0.022	1,792	40.41	
LN	10	7	C	10	09/25/2007	0.599	1,700	45.11	
LN	6	8	C	15	05/27/2008	0.118	1,500	32.73	
LN	7	8	C	15	06/25/2008	0.1497	1,500	32.70	
LN	10	8	P	8.5	09/25/2008	1.2861	1,500	45.38	
LN	10	7	P	5.25	09/25/2007	0.0645	1,500	50.62	
LN	5	7	C	8	04/25/2007	0.2106	1,488	39.47	
LN	4	8	C	8.5	03/26/2008	0.976	1,400	23.05	
LN	5	8	C	8.5	04/25/2008	0.8933	1,400	21.21	
LN	6	8	C	8.5	05/27/2008	0.9517	1,400	19.95	
LN	7	8	C	8.5	06/25/2008	1.0345	1,400	19.29	
LN	8	8	C	8.5	07/28/2008	1.1252	1,400	18.84	
LN	9	8	C	8.5	08/26/2008	1.2174	1,400	19.05	
LN	10	8	C	8.5	09/25/2008	1.3397	1,400	19.10	
LN	11	7	P	8.5	10/26/2007	0.8405	1,400	50.35	
LN	12	7	P	8.5	11/27/2007	0.6732	1,400	47.80	
LN	12	7	C	10	11/27/2007	1.1694	1,400	35.18	
LN	7	7	P	6.5	06/26/2007	0.0583	1,350	41.70	
LN	9	7	C	10	08/28/2007	0.4384	1,300	43.84	

We continue to feel that the inability of this market to push higher here over the last couple of days given the springtime snow storms moving across the nation and the rebound in oil prices will set this market up for selling pressure come next week. We look for this market to challenge the recent support at \$7.80. If this area is broken we would look for additional support at \$7.76-\$7.74, followed by \$7.68 and \$7.61. More distant support we see at \$7.38. Resistance we see at \$8.01 followed by \$8.07 and \$8.17. Additional resistance we still see at \$8.35.

