



ENERGY RISK MANAGEMENT

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

www.e-windham.com

NATURAL GAS & POWER MARKET REPORT FOR APRIL 13, 2009

NATURAL GAS MARKET NEWS

Canada-Nova Scotia Offshore Petroleum Board reported that gas production from the Sable Offshore Energy Project resumed on Sunday following a shut down that began last Tuesday. ExxonMobil confirmed natural gas production had resumed but warned that normal production of 400 MMcf/d could be affected on any given day by some ongoing planned maintenance work.

Merrill Lynch energy analysts estimated in a recent report that LNG producers would accept netbacks as low as \$0.70 per Mmbtu, suggesting UK or US gas prices would have to fall to \$2.50 per Mmbtu before there was widespread price pressure to force LNG production shut ins. The analysts noted that variable LNG production costs range between \$0.50 and \$2.00 per Mmbtu, with most producers situated near the lower end of the price range. The analysts noted that they estimate some 2.4 bcf/d of LNG supply will come on stream this year with another 5.7 bcf/d in 2010.

Generator Problems

NPCC – Constellation Energy's 621 Mw Nine Mile #1 nuclear unit was ramping up and was at 40% capacity. The unit, which was at 1% on Thursday, is ramping back up from its March refueling outage.

OPG's 490 Mw Nanticoke #1 coal fired unit was shut early Monday.

MISO- Ameren's 1190 Mw Callaway nuclear unit was at 9% power on early Monday. The unit had been at full power on Thursday and went off the grid on Sunday due to a valve malfunction.

ERCOT – Xcel Energy's 360 Mw Harrington #1 coal fired power unit was shut late Sunday for a maintenance outage expected to last a little more than a week.

NRG Energy's 649 Mw WA Parish #5 coal fired unit is expected to return to service soon after being taken off line on Saturday.

AEP's 675 Mw Pirkey coal fired power unit was shut on Friday.

PJM- PSEG's 1210 Mw Hope creek nuclear unit was off line this morning as operators began refueling activities. The unit had been at 94% capacity on Thursday.

PPL's 1149 Mw Susquehanna #1 nuclear unit was at 94% power, up from 66% of capacity recorded on Thursday.

Exelon's 1134 Mw Limerick #2 nuclear unit was at 20% of capacity early Monday after exiting its recent refueling outage.

WSCC – The 1150 mw Columbia Generating Station was operating at 85% power this morning, down from the 96% level the unit was operating at prior to the Easter weekend.

The NRC reported this morning that 78,404 Mw of nuclear generation capacity was on line, down 2.3% from Thursday but up 4.1% from the same time a year ago.

The U.S. Coast Guard on Friday said it has issued letters of recommendation for 8 LNG import terminals along the US Gulf Coast that confirm that the waterways associated with the facilities are suitable for expected tanker traffic. The facilities include the Calhoun LNG terminal at Point Comfort, Texas; Freeport LNG Phase II at Freeport, Texas; the Golden Pass LNG Terminal at Sabine Pass, Texas, the Port Arthur LNG facility at Port Arthur, Texas; the Creole Trail LNG terminal at Cameron, Louisiana; the Casotte Landing LNG facility at Pascagoula, Mississippi and the Gulf LNG Clean Energy at Pascagoula.

Qatar's new LNG plant, the first of four new production plants coming on line this year, reportedly is starting up smoothly after its official opening on April 6th, according to the Qatari oil minister.

| 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 | 924,700 | \$3.461 | (\$0.127) | (\$0.121) | (\$0.024) | (\$0.185) |
| Chicago City Gate | 480,200 | \$3.376 | (\$0.080) | (\$0.206) | (\$0.082) | (\$0.104) |
| NGPL- TX/OK | 619,100 | \$3.182 | (\$0.119) | (\$0.400) | (\$0.121) | (\$0.340) |
| SoCal | 395,500 | \$2.987 | \$0.032 | (\$0.595) | \$0.030 | (\$0.552) |
| PG&E Citygate | 896,300 | \$3.403 | (\$0.103) | (\$0.179) | (\$0.104) | (\$0.075) |
| Dominion-South | 226,000 | \$3.942 | (\$0.119) | \$0.360 | (\$0.121) | \$0.491 |
| USTrade Weighted | 16,514,900 | \$3.354 | (\$0.022) | (\$0.228) | (\$0.02) | (\$0.185) |

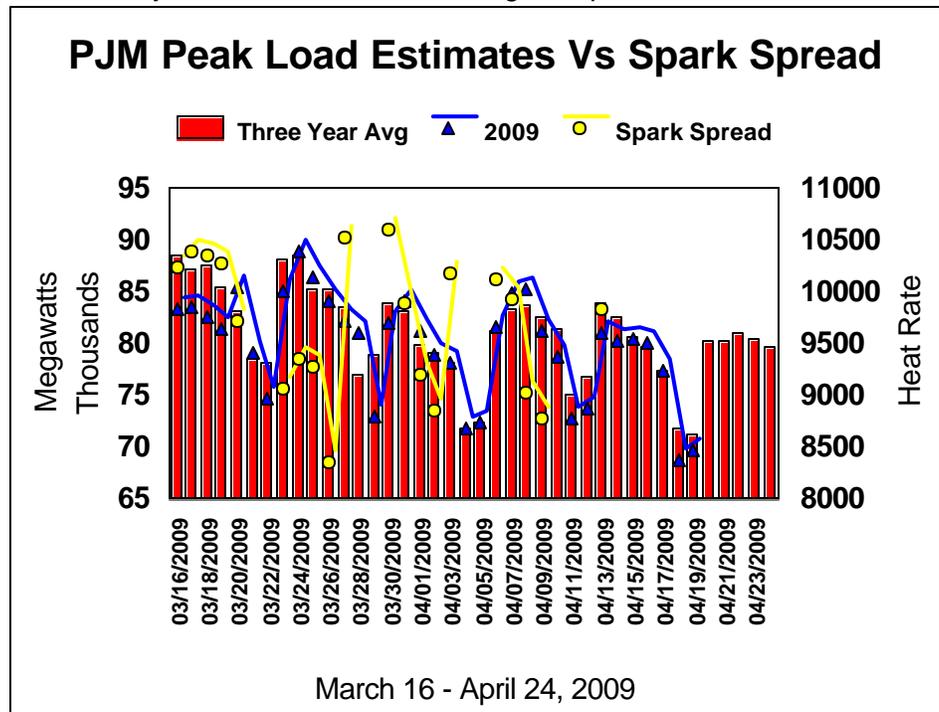
A senior Iranian oil official said today that Iran has given Royal Dutch Shell and

Repsol a deadline of May 20th to clarify their involvement in the major gas project, the Persian LNG project. If the two western energy companies do not meet the deadline, Iran is ready to proceed with talks with Chinese companies. Iran holds the worlds second largest gas reserves but has yet to export any LNG. Iran claims it could produce 77 million tones a year by 2014.

Turkmenistan may seek financial damages from Gazprom if it is found it was responsible for the pipeline blast that occurred in that country last week that shut down gas exports.

Investor Jim Rodgers said today that he prefers to be investing in commodities rather than equities and in particular he prefers oil to gold, as he believes the IMF will steal its gold reserves following the recent rally in gold prices.

Moody's Investor Service warned in a research report that some independent natural gas producers that are heavily leveraged will most likely face liquidity problems and "survival risks" without additional support from their lenders this autumn.



The London-based weather forecaster Tropical Storm Risk said today that they see the upcoming Atlantic basin hurricane season will be active. The forecaster sees tropical storm activity this year and U.S. landfall potential are forecasted to be about 35% above the 1958-2008 norm. The group sees 4.8 named storms making landfall including 2.1 hurricanes.

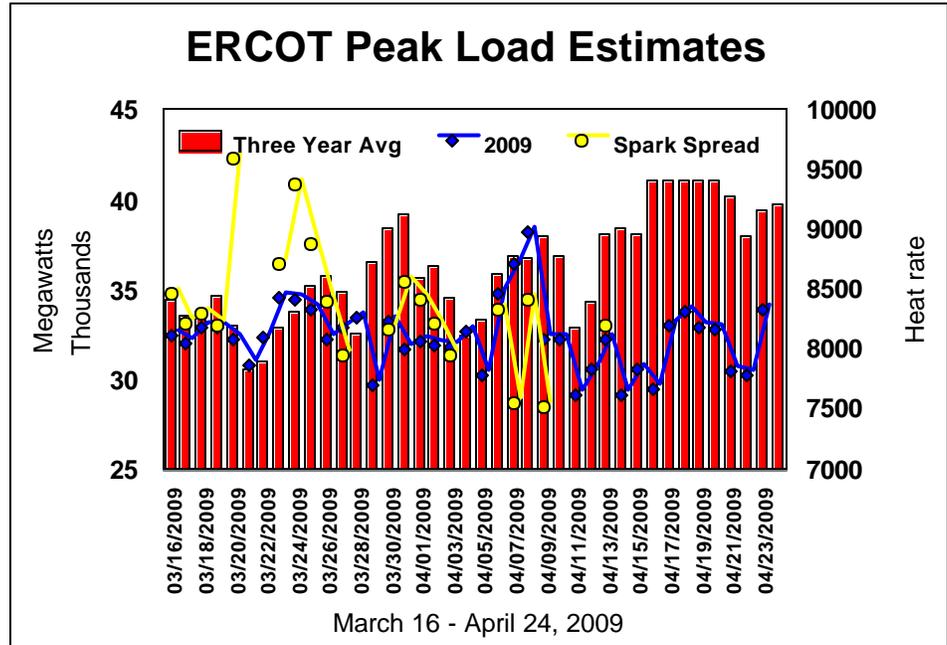
The U.S. Department of Commerce today upheld New York State's rejection of the proposed Broadwater LNG import terminal slated for Long Island Sound. The proposed 1 bcf/d receiving terminal was seen as having more adverse coastal impacts than what it would provide in its benefits to the national interest.

PIPELINE MAINTENANCE

PG&E California Gas Transmission said for April 13th, capacity will be set at a maximum of 99% at the Bethany compressor station on the company's Redwood Path due to controls work.

Cheyenne Plains Gas Pipeline has changed scheduled maintenance that will impact nominated activities at the Wyoming Interstate Company Cheyenne Compressor Station on April 14th. This work will result in WIC deliveries to Cheyenne Plains at Thunder Chief will be unavailable.

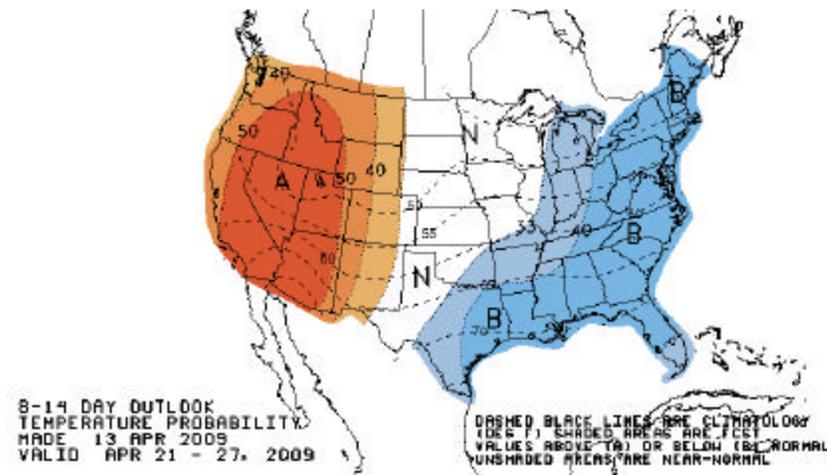
Alliance Pipeline will perform maintenance at several compressor stations this week. Routine inspection will require Unit #1 at the Whitecourt Lateral Meter/Compressor Station to be unavailable for 10 hours on April 14th. Station capacity will be released to 627 e3m3. The company also said the Wimbledon Compression Station will be offline for 6 hours on April 14th. System throughput (AOS) will not be impacted. The company also said on April 16th it will perform minor maintenance for 4 hours at the Manchester Compression Station and Tower Compression Station. System throughput (AOSS) will not be impacted.



Southwest Gas Corporation it has extended pipeline maintenance to April 16th on the interconnect with Transwestern Pipeline and El Paso Natural Gas. The maintenance work has been progressing slower than anticipated. As this maintenance work continues, deliveries into Las Vegas from El Paso and Transwestern Pipeline are not available.

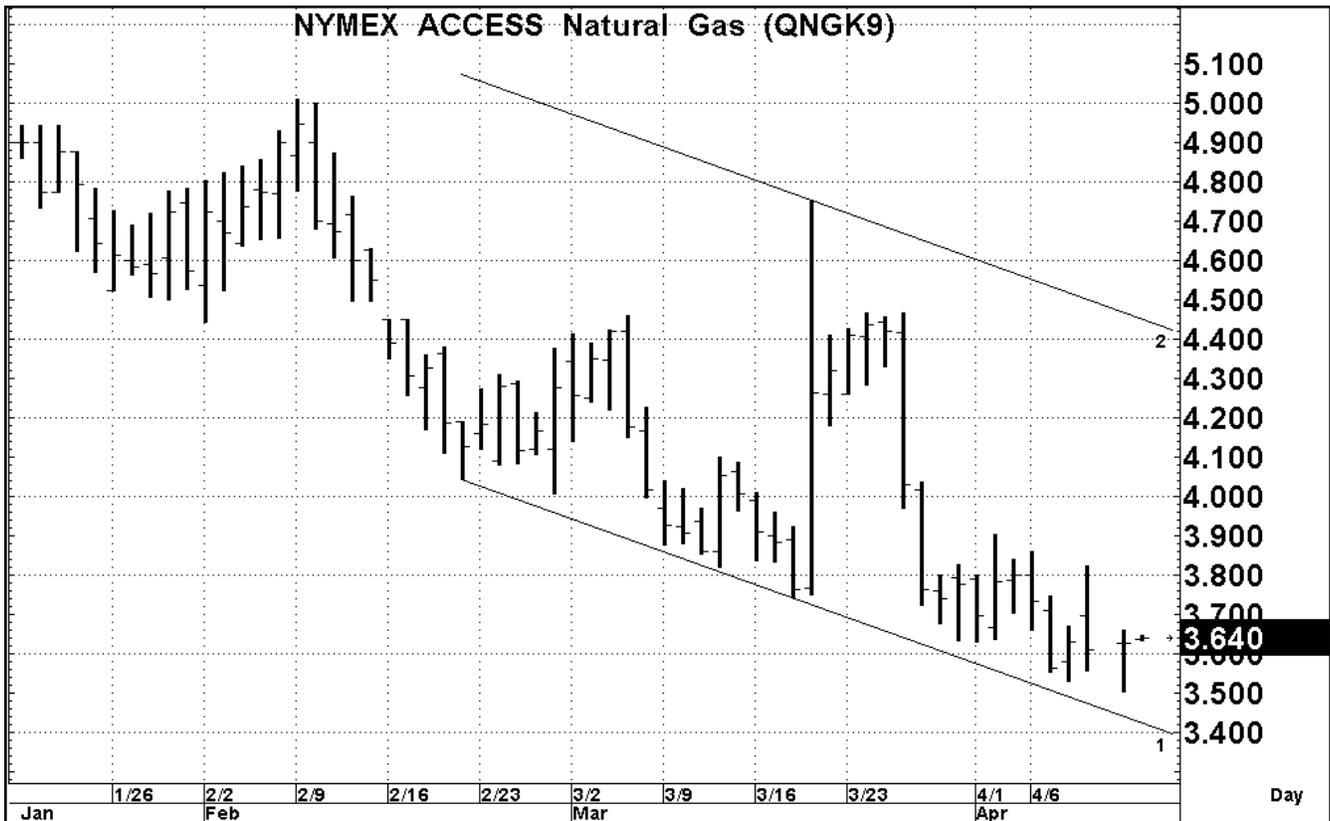
ELECTRIC MARKET NEWS

Genscape estimated that U.S. power output for the week ending April 9th was up 1.12% from the prior week but was off 7.06% from the same time a year ago. Genscape also reported that it's U.S. coal burn index was unchanged from the previous week but was 8% less than the same week a year ago.



The FERC on Monday approved financial incentives for ITC Holdings Green Power Express power line project that will move wind generated electricity from North Dakota, South Dakota, Minnesota and Iowa. The FERC approved a 12.38% return on investment for the project, which will transmit up to 12,000 Mw of wind-generated

power some 3,000 miles to the Chicago market. The project is expected to cost between \$10-\$12 billion.



The U.S. EPA on Friday published a proposed rule requiring reporting of greenhouse gas emissions from all sectors of the economy, including suppliers of fossil fuels. The proposed regulation would require the control of the GHG but only that sources of the emissions above a certain threshold level monitor and report the emissions. It appears the proposed rule would go in effect in 2010 for facilities that emit 25,000 metric tons of CO2 equivalent annually.

Energy Savings Income Fund, a trust that owns and markets with almost 1 million electricity and natural gas accounts in North America, said it has signed a preliminary agreement to buy its competitor, Universal Energy Group for more than \$208.3 million.

The coalition of Northeastern states, RGGI said it plans to sell 33.1 million carbon dioxide permits at the group's

| NEW YORK MERCANTILE EXCHANGE(r) | | | | | | | | |
|---|----|---|---|---------|----------|-----------|-------|--------|
| NYMEX OPTIONS CONTRACT LISTING FOR 04/13/2009 | | | | | | | | |
| | | | | TODAY'S | PREVIOUS | ESTIMATED | DAILY | |
| -----CONTRACT----- | | | | SETTLE | SETTLE | VOLUME | HIGH | |
| LN | 5 | 9 | C | 4 | 0.0611 | 0.0693 | 2853 | 0.0425 |
| LN | 8 | 9 | C | 6 | 0.0994 | 0.0991 | 2400 | 0 |
| LN | 6 | 9 | C | 3.75 | 0.324 | 0.3217 | 2275 | 0 |
| LN | 10 | 9 | C | 10 | 0.0335 | 0.0333 | 2050 | 0.0375 |
| LN | 10 | 9 | P | 4 | 0.5774 | 0.5912 | 1700 | 0 |
| LN | 7 | 9 | C | 4.5 | 0.2345 | 0.2335 | 1650 | 0 |
| LN | 5 | 9 | P | 3.5 | 0.1245 | 0.1453 | 1650 | 0 |
| LN | 7 | 9 | C | 5.5 | 0.0738 | 0.0752 | 1550 | 0 |
| LN | 5 | 9 | P | 3.25 | 0.0503 | 0.0645 | 1525 | 0 |
| LN | 10 | 9 | C | 4.25 | 0.7128 | 0.7004 | 1500 | 0 |
| LN | 6 | 9 | P | 3 | 0.06 | 0.0678 | 1313 | 0.07 |
| LN | 5 | 9 | P | 3 | 0.0166 | 0.024 | 1003 | 0 |
| LN | 6 | 9 | P | 3.5 | 0.1974 | 0.2122 | 1000 | 0 |
| LN | 7 | 9 | C | 4.75 | 0.177 | 0.1772 | 1000 | 0 |
| LN | 5 | 9 | C | 4.5 | 0.0119 | 0.0166 | 950 | 0.011 |
| LN | 10 | 9 | P | 3.5 | 0.3529 | 0.3633 | 800 | 0 |
| LN | 10 | 9 | C | 5 | 0.4593 | 0.4511 | 800 | 0 |
| LN | 5 | 9 | C | 3.8 | 0.1132 | 0.1215 | 800 | 0.0825 |
| LN | 9 | 9 | C | 6.5 | 0.117 | 0.1162 | 750 | 0.12 |
| LN | 11 | 9 | C | 6.5 | 0.2973 | 0.2923 | 750 | 0 |

fourth auction on June 17th. The reserve price has been set at \$1.86 a permit, unchanged from earlier auctions. Of the total to be auctioned in June, 30.9 million in 2009 permits and 2.17 million will be 2012 permits. The RGGI program aims to cut power plant emissions by 10% by the end of 2018. In the secondary market, contracts for December-delivered 2009 RGGI permits have traded for as much as \$3.89 per ton and currently valued around \$3.64.

MARKET COMMENTARY

The natural gas market moved initially lower this morning following on the heels of a sell off in the oil market as a result of a bearish demand report from the IEA for the coming year. While the sell off in natural gas did not match the decline in oil prices, likewise when oil prices rallied at mid morning into the early afternoon the lift in oil futures values was not fully translated to natural gas prices. But as some profit taking appeared to retrace about half of the oil market's intraday bounce, natural gas values held firm.

Natural gas values appear to remain mired in its nearly two-month-old downward trading channel as limited demand still cannot absorb plentiful supplies in the market. As a result without a signal of a weather forecast change and upswing in generating needs, especially in ERCOT and SPP this market appears will grind lower in the current trading channel. We would look for support tomorrow at \$3.504 followed by \$3.425 and \$3.38. Resistance we see at \$3.691, \$3.75, \$3.847 with more significant resistance at \$3.872, \$3.986 and \$4.10.

The information contained in this letter is taken from sources, which we believe to be reliable, but is not guaranteed by us as to accuracy or completeness and is sent to you for information purposes only. The Windham Group bases its market recommendations solely on the judgment of its personnel. Reproduction in whole or part or other use without written permission is prohibited.