



ENERGY RISK MANAGEMENT

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NATURAL GAS & POWER MARKET REPORT FOR APRIL 13, 2010

NATURAL GAS MARKET NEWS

Normal operations have resumed at Norway's Kaarstoe's gas processing plant, which suffered a partial shutdown over the weekend. The plant, which normally runs at 88 million cubic feet per day, was down to about 40-50 mcm per day since the weekend.

Three LNG tankers are expected to arrive at Mexico's Altamira terminal over the next few weeks. These tankers are arriving from Nigeria and are expected between the period of April 18th – May 2nd. Meanwhile the Mejillones LNG terminal in northern Chile is set to receive its first LNG cargoes in the coming days, now that initial tests are complete. The GDF Suez Brussels tanker arrived at the terminal in February but under went tests before offloading could begin, which is expected to begin in the next couple of days. The first commercial delivery is expected in the first week of May.

Anadarko is conducting maintenance at its' 1 Bcf/d Independence Hub located in the Gulf of Mexico. Due to this maintenance, production will be

reduced for the next few days. Work is expected to be complete within the next three to four days with production volumes returning to pre-maintenance levels. A spokesman for the firm declined to comment on a Citi Futures Perspective Energy's analyst statement that the Independence Hub would

Generator Problems

NPCC – Entergy's 1020 Mw Indian Point #2 nuclear unit has started to exit its recent refueling outage and was at 50% power this morning. The unit was shut on March 9th.

OPG's 515 Mw Pickering #1 nuclear power station in Ontario shut early Tuesday as part of a planned 6-week test of the vacuum building. This is unit is the first of 6 units that are planned to be shut over the next day or so.

ERCOT – Luminant's 750 Mw Martin Lake #3 coal fired unit was taken off line on Sunday and was expected to be down until April 13th or 14th for repairs.

MAIN – American Electric Power's 1,020 Mw Cook 1 nuclear unit has restarted and is operating at 99%, up from 93% on April 12. The unit was shut in early March for about 40 days of maintenance and refueling.

Exelon Corp's 1,128 Mw Byron 1 nuclear unit cut its output to 93%, down from 95% held since April 12th. The unit is scheduled to shutdown on April 19th for routine refueling and maintenance.

Xcel Energy's 538 Mw Prairie Island 2 nuclear unit cut its power to 92% early Tuesday down 98% power on Monday. The unit has started coasting down for a regularly scheduled refueling and maintenance outage.

The 1,100 Mw Browns Ferry nuclear unit 3 slipped back to 74% capacity, down from 100% on Monday. The unit was restarted on April 9th after being shut on March 1.

WSCC- SCE's 1070 Mw San Onofre #2 nuclear unit has exited its refueling outage on Sunday and has ramped up to 57% power on Tuesday, up from 29% on Monday. The unit has been shut since September 27th.

MAPP- OPPD's Fort Calhoun 478 Mw nuclear power station in Nebraska exited an outage and ramped up to 98% capacity early Tuesday. The unit shut April 9th.

SERC- TVA's 1105 Mw Browns Ferry #3 nuclear unit was reduced to 70% power on Monday evening to allow operators to adjust control rods in the reactor. The unit was expected to return to full power shortly.

MAAC- Exelon Corp's 1,134 Mw #1 nuclear-powered plant in PA, exited a refueling outage, ramping up to 19% power early Tuesday. The unit is on a 24-month refueling cycle.

The NRC reported that there was some 76,792 Mw of nuclear power generated today, up 1.72% from Friday and off 3.91% from a year ago.

experience at 300 mmcf/day output cut and that the platform had been running at a 600 mmcf/day reduced rate during the fourth quarter.

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	1,164,600	\$3.966	(\$0.069)	(\$0.156)	(\$0.215)	(\$0.042)
Chicago City Gate	605,800	\$4.000	(\$0.061)	(\$0.122)	(\$0.207)	\$0.002
NGPL- TX/OK	815,000	\$3.862	(\$0.072)	(\$0.260)	(\$0.218)	(\$0.152)
SoCal	416,700	\$3.941	(\$0.112)	(\$0.181)	(\$0.258)	(\$0.025)
PG&E Citygate	802,700	\$4.469	(\$0.121)	\$0.347	(\$0.267)	\$0.473
Dominion-South	386,100	\$4.249	(\$0.017)	\$0.127	(\$0.163)	\$0.170
USTrade Weighted	22,211,700	\$3.970	(\$0.069)	(\$0.152)	(\$0.21)	(\$0.042)

A spokesman for Kinder Morgan Energy Partners has said that the acquisition of a 50% stake in Petrohawk Energy Corp's gathering and processing business in the

Haynesville shale will increase Kinder Morgan's exposure to booming natural gas shale plays. Kinder has access to several of the most important shale areas in the U.S. These areas include Ford and Barnett shales in TX and now Haynesville, which is located in LA.

The Intercontinental Exchange in a letter to the CFTC released today said a plan by the CFTC to curb speculation in the energy markets could hurt new or smaller exchanges trying to compete with larger exchanges like the ICE or CME. The ICE said the proposed changes would be anticompetitive because it would limit positions not only across all exchanges, but also at individual exchanges, based on open interest seen in the previous year. The ICE warns that the CFTC plan could end up creating new barriers to transparency in energy markets. The exchange said that if the CFTC is seeking to impose limits it should only look at the front portion of the curve, such as the first 18 months, otherwise it would "sap vital speculative liquidity from long dated positions of the pricing curve." The exchange also criticized rules that would force big players to exit speculative trading positions if they want an exemption from regulatory limits on their hedging positions. The exchange said that the exemption measure is a "radical and unsupported departure from the current agricultural position limit regime and past Commission practice."

PIPELINE MAINTENANCE

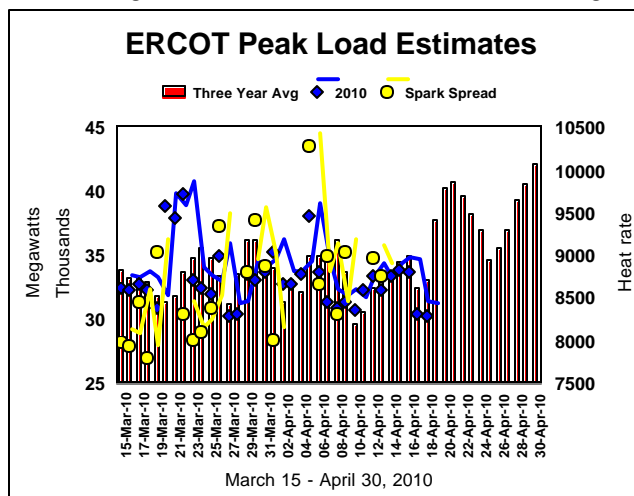
Gulf South said it will perform meter facility maintenance at its Opelousas interconnect with Texas Eastern Transmission Co. in LA, beginning early on April 14, and continuing for approximately 8 hours. Flow will be shut-in for the duration of the maintenance.

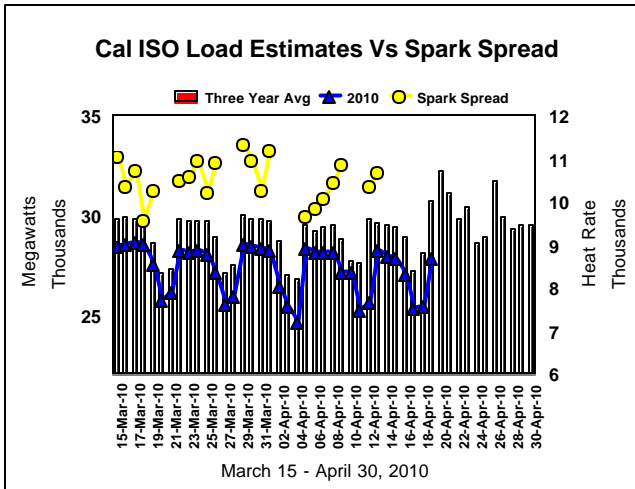
PIPELINE RESTRICTIONS

TGPC is accepting nomination increases at Niagara Spur Backhaul effective Intraday Cycle 1 for gas day April 13. The estimated available capacity is 40,000 Dth. Imbalance warnings have been lifted across the system.

Questar Pipeline announced that it would hike injection/withdrawal capacities at the Clay Basin reservoir testing on April 15. Injection capacity is said to be 325,000 Dth/d plus 25,000 Dth/d Park and Loan for a total of 350,000 Dth/d. Withdrawal capacity will be 590,000 Dth/d.

Rockies Express said that it has capacity available for deliveries at Segment 650, for gas day April 13, and until further notice.





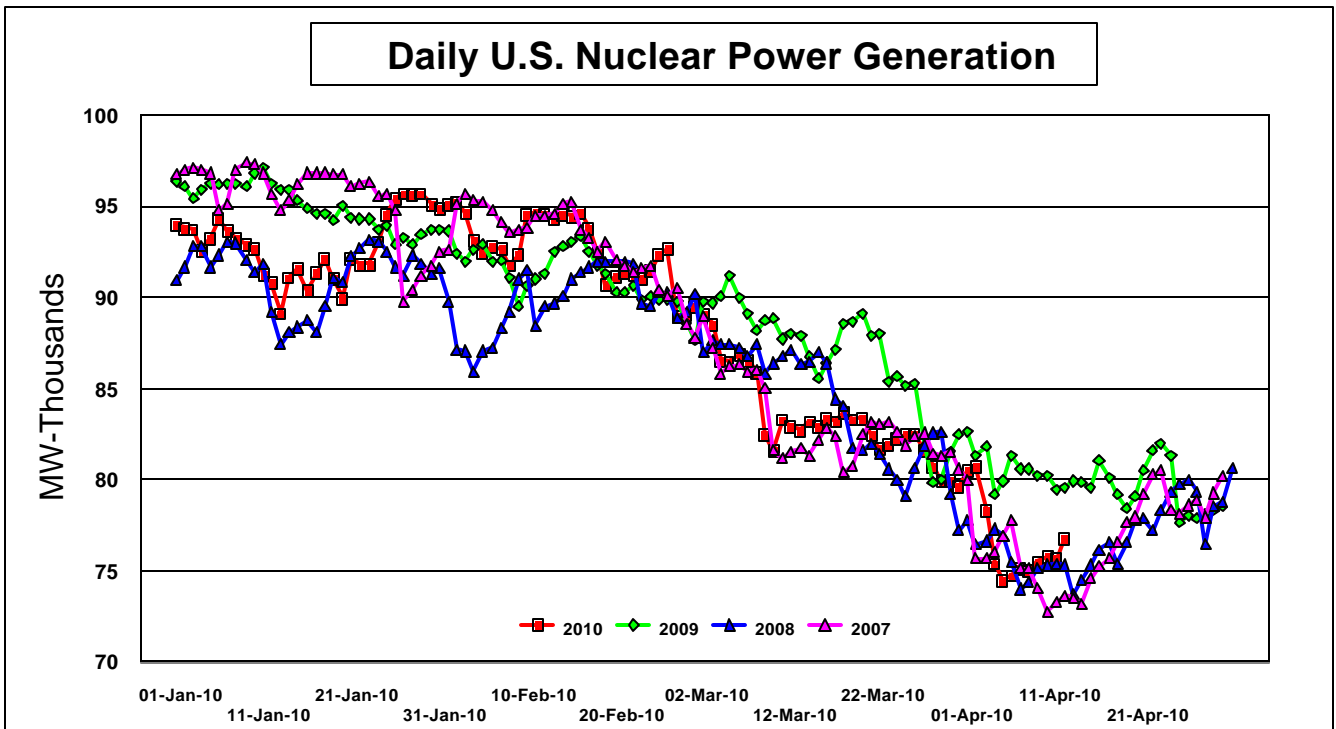
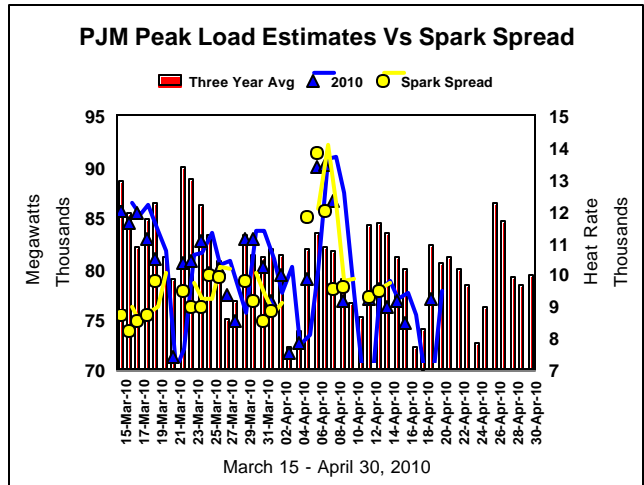
ELECTRIC MARKET NEWS

The U.S. Northwest River Forecast Center said on Tuesday that its outlook for water runoff at The Dalles Dam on the Columbia River in Oregon is 66 percent of normal for April-September. This is unchanged from earlier forecasts. This average is based on a 30-year period. The Dalles Dam is the next to last on the lower Columbia River, making it a key point to measure the volume of water available for power generation in the Northwest, which receives about 65 percent of its power from hydroelectric dams.

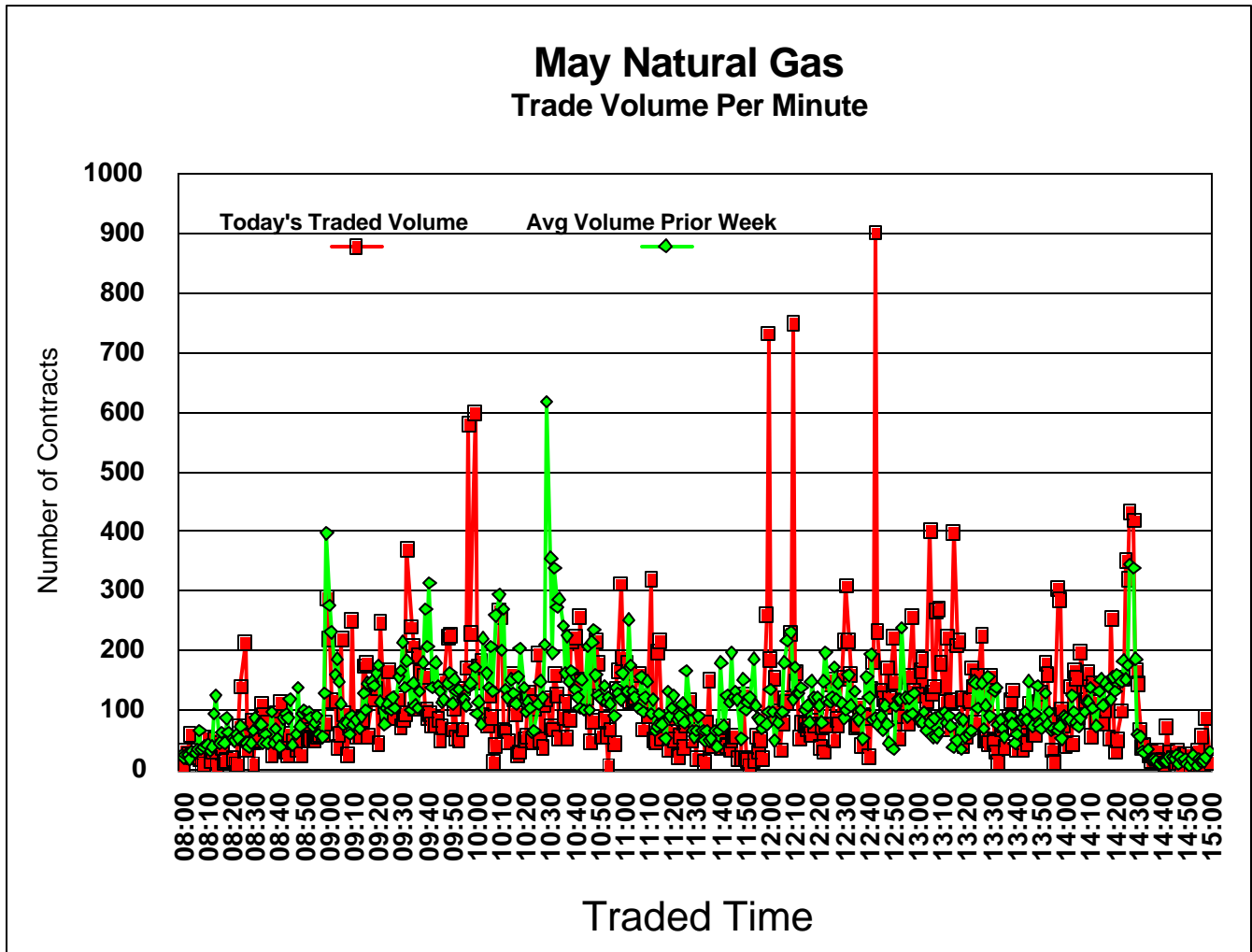
Regional Greenhouse Gas Initiative announced that it would hold its eighth CO2 auction on June 9th. This is the sixth auction held since compliance obligations too effect Jan. 1, 2009. The auction will offer more than 40.6 million allowances for current control period (2009-2011) and more than 2.1 million CO2 allowances for the future control period, or 2013 vintage. RBBI said that it will continue to use a reserve price of \$1.86 for all allowances in the June auction.

MARKET COMMENTARY

The natural gas market today posted an inside trading session, which could signal a volatile and potentially breakout session tomorrow. The market once again failed to show any traction to the downside despite challenging yesterday's lows overnight



and into this morning. Volume during this morning was below average but as prices began to rally this afternoon the volume was higher than normal which could point to follow through buying again tomorrow.



Fundamentally it does not appear that poor electric loads or heating demand expected over the next week or rebounding nuclear generation levels can support a significant rally in prices. But technically this market has been extremely oversold and could easily make a move towards \$4.334 area and if that is breached move upward towards \$4.483 and \$4.691. We continue to look for a rally towards the \$4.50 area before we would look to jump back in on the short side of this market. Support we see at \$3.94-\$3.93, \$3.895 and \$3.81. Additional support we see at \$3.66 and \$3.458.

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