



ENERGY RISK MANAGEMENT

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NATURAL GAS & POWER MARKET REPORT FOR APRIL 14, 2010

NATURAL GAS MARKET NEWS

Anadarko Petroleum said Wednesday work on the Independence Hub was completed and the platform and production volumes were restored to pre-maintenance levels.

Gassco reported that the compressor at the Kaarstoe gas processing plant, which has been out of operation since February, is still on track to return to service in Mid May. An electrical fault on the compressor, which is one of eight at the facility, has resulted in reducing capacity at the plant by some 5-14 mcm for the last two months.

Statoil said today that it is seeing signs that industrial demand for gas was picking up following the recent global economic slowdown. The company noted that Asia showed the most potential for additional demand for LNG in 2010.

Port officials are reporting that the 266,000 cubic meter LNG tanker, the Al Ghuwairiya from Qatar is scheduled to arrive at the South Hook terminal on April 18th.

Pakistan's government has delayed the signing of an energy deal with GDF Suez for LNG supplies while its Supreme Court looks into suspected irregularities. The court became involved once media reports showed the Petroleum Ministry in awarding the contract ignored the lowest bid by Fauji

Generator Problems

NPCC- OPG reported it will shut all six of its 515 Mw Pickering nuclear units over the next day or so for planned building inspections. It planned to restart 4 of the units within 6-8 weeks and two other units will remain out of service for an extended period of time.

OPG's 494 Mw Lambton #3 coal fired power plant returned to service early Wednesday. The unit had been shut since April 12th.

OPG's 490 Mw Nanticoke 490 Mw Nanticoke coal fired power plant was shut early Wednesday.

Entergy Nuclear's 838 Mw Fitzpatrick nuclear unit returned to 100% power on Wednesday, up from 94% on Tuesday. The unit had reduced its power on April 8th to replace a seal on the reactor feed pump.

Entergy Nuclear's 1,030 Mw Indian Point 2 nuclear unit ramped up its power to 72% of power on Wednesday, up from 50% on Tuesday. The unit was restarted on April 11th after completing a planned maintenance and refueling outage that started about a month ago.

PJM - Exelon Corp's 1,179 Mw Limerick 1 nuclear unit ramped up its output to 30% on Wednesday, up from 19% on Tuesday. The unit was restarted on Monday after it was shut on March 21st for a scheduled refueling outage.

MISO - Xcel Energy's 538 Mw Prairie Island 2 nuclear unit cut its power to 86% on Wednesday, down from 92% of capacity on Tuesday. The unit is coasting down for a regularly scheduled refueling and maintenance outage, which is expected to start on April 17th.

Exelon Corp's 1,128 Mw Byron 1 nuclear unit cut its production to 80% of capacity on Wednesday, down from 93% on Tuesday. The unit is scheduled to shutdown on April 19th for routine refueling and maintenance.

WSCC- SCE's 1,172 Mw San Onofre 2 nuclear unit ramped up its power to 80% of capacity as early Wednesday, up from 57% on Tuesday. The unit is ramping up power following a refueling and maintenance outage that started on September 27th.

SERC- TVA's 1105 Mw Browns ferry #3 nuclear unit returned to full power Wednesday, up 30% from yesterday.

The NRC reported that there was some 78,705 Mw of nuclear power generated today, up 0.98% from yesterday and off 1.08% from a year ago.

Foundation, an investment group lead by former Pakistani military officers and Vitol that was \$1 billion lower.

Iran reported that production at its South Pas natural gas field rose by nearly 30% during the 2009-2010 year.

Natural Gas Cash Market						
ICE Next Day Cash Market						
	Volume	Avg	Change	Basis	Change	Basis 5-Day
<u>Location</u>	<u>Traded</u>	<u>Price</u>		(As of 12:30 PM)		<u>Moving Avg</u>
Henry Hub	1,055,200	\$4.151	\$0.185	(\$0.092)	\$0.059	(\$0.074)
Chicago City Gate	421,200	\$4.165	\$0.165	(\$0.078)	\$0.044	(\$0.040)
NGPL- TX/OK	748,400	\$4.035	\$0.172	(\$0.209)	\$0.051	(\$0.182)
SoCal	543,200	\$4.140	\$0.198	(\$0.103)	\$0.077	(\$0.078)
PG&E Citygate	711,600	\$4.618	\$0.149	\$0.375	\$0.028	\$0.435
Dominion-South	461,400	\$4.348	\$0.099	\$0.105	(\$0.022)	\$0.144
USTrade Weighted	22,434,900	\$4.151	\$0.180	(\$0.092)	\$0.06	(\$0.074)

PIPELINE MAINTENANCE

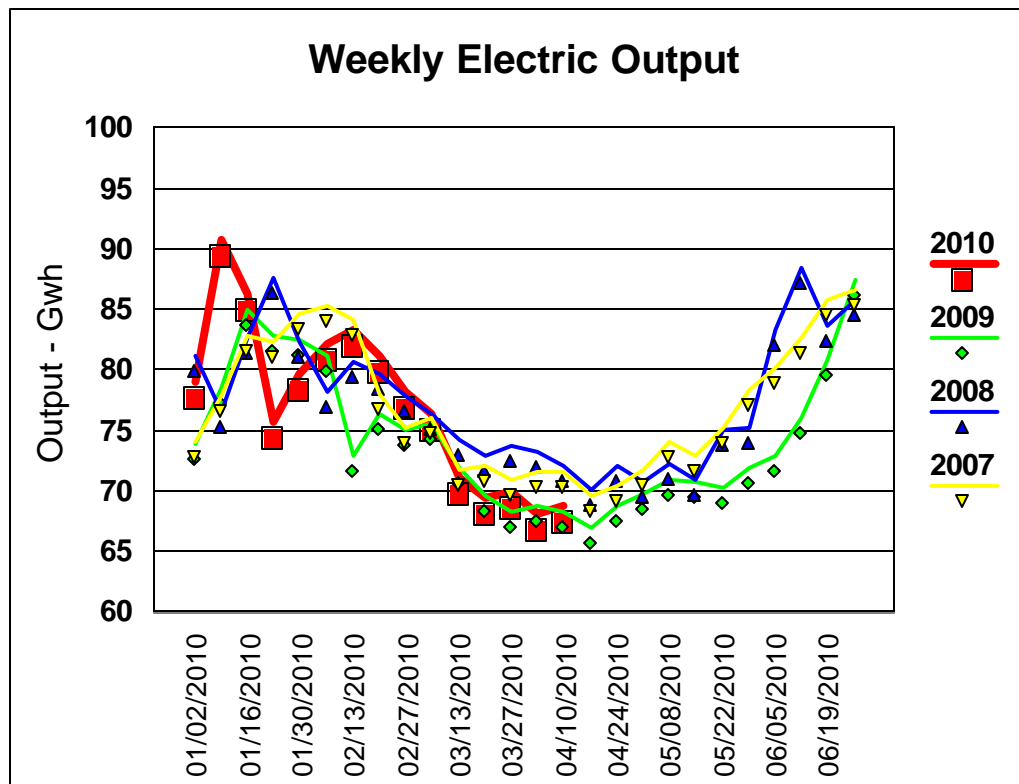
Southern Natural Gas Co has completed the shut-in test at the Muldon Storage Field and has cancelled the force majeure. However the company will begin a shut-in test at Bear Creek on April 20th constituting another force majeure. The work is expected to continue through April 26th.

Rockies Express Pipeline Co discovered a damaged cable on one of the variable frequency drive transformers at its Cheyenne Compressor Station in Weld County, Colorado during scheduled maintenance on April 13th and as a result called force majeure at the station. REX is currently estimating that the repairs may be completed on or about April 15th.

Gulf South will perform unplanned pipeline maintenance on Index 130 in Lawrence County, Mississippi starting Wednesday morning and continuing for about three days. It does not anticipate any impact to customers.

PIPELINE RESTRICTIONS

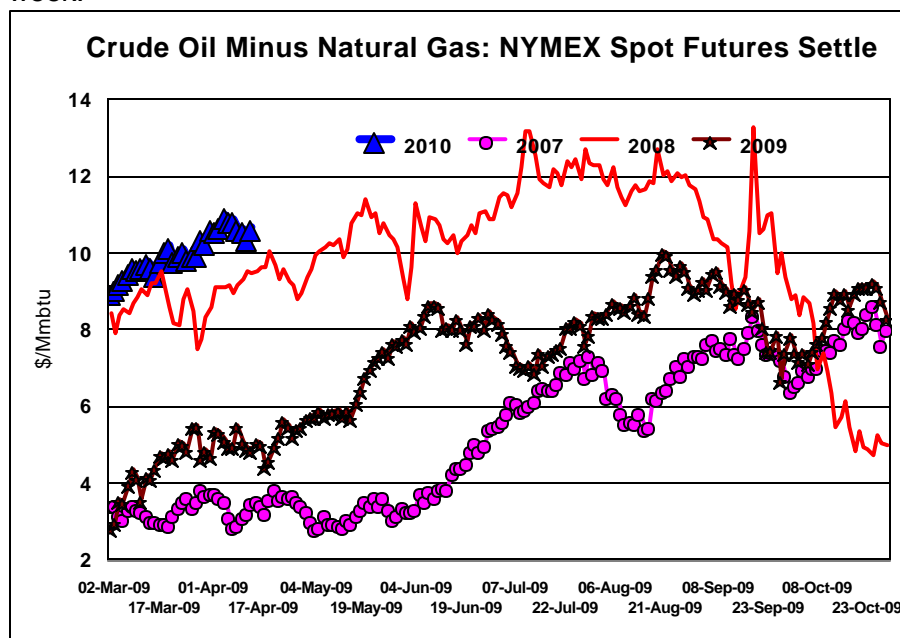
Midcontinent Express Pipeline said Destin Clarke and Sonat-Smith in Mississippi will not be available for deliveries due to current pipeline conditions effective for gas day April 15th and continuing until further notice.



Tennessee Gas Pipeline Co has restricted the Niagara Spur Backhaul Point, Mainline Valve 223 and Station 307 for gas day April 14th. Tennessee restricted about 68% of market to supply secondary out of path nominations, pathed through the Niagara Spur Backhaul point. At Mainline Valve 223 and Station 307, Tennessee restricted through 100% of supply to market interruptible service nominations, pathed through the valve.

ELECTRIC MARKET NEWS

The Edison Electric Institute reported that power production in the continental United States for the week ending April 10th rose 0.6% from the same week a year ago and was 1% higher than the prior week.



MARKET COMMENTARY

The natural gas market today spent nearly the entire day in positive territory as it appeared nervous shorts were exiting the market in front of tomorrow's storage report. The market also appears to have received a boost from a stronger cash market as well as an oil market that rallied following the release of supportive inventory numbers.

Market expectations for tomorrow's storage report are running between a 75- 80 bcf build in inventories. Stocks

rose an adjusted 19 bcf for the same week a year ago and the five year average posted a 21 bcf gain.

We continue to feel though that this market fundamentally has limited upside potential, given that this market still lacks news of any true reduction in production, and today even the temporary reduction in production at the Independence field appears to be over. Thus we still continue to look to be a scale up seller on break up to the \$4.50-\$4.60 area. We see initial resistance at \$4.334, \$4.483 and \$4.691. Support we see at \$4.086 followed by \$4.00, \$3.904 and \$3.81.

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