



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR APRIL 16, 2007

NATURAL GAS MARKET NEWS

The head of the Senate Energy Committee on Monday called on Congress to act to guard U.S. natural gas markets against manipulation to prevent a repeat of the Amaranth collapse had on the natural gas markets. Senator Bingham said today that in his view "... the collapse last fall of the Amaranth Advisors LLC hedge fund, with its large positions in natural gas markets, suggested Congressional oversight in this area is warranted." The Senator has not ruled out launching an official panel to probe into Amaranth's collapse or calling hearings on the subject.

AGL Resources said today that it was holding a nonbinding open season later this month for service offerings at its proposed \$180 million high-deliverability natural gas storage facility in the Spindletop salt dome in Beaumont, TX.

Williams received FERC approval to provide additional pipeline capacity to the Mid-Atlantic region that will add some 165,000 Dth/d of supply.

BP's Crown Landing LNG project proposed for the Delaware River basin was dealt a setback, when a special master appointed by the U.S. Supreme Court, ruled that Colonial era precedent resulted in Delaware's authority extends to the New Jersey bank of the Delaware River. As a result Delaware authorities would have the authority to stop a 2,000 foot long pier into the river planned as part of the project.

Gazprom was expected to announce Tuesday that it had reached agreement for a \$7.45 billion deal to buy half of the Sakhalin-2 project from Shell and its partners.

PIPELINE MAINTENANCE

Generator Problems

NPCC – Constellation Energy's reported that it has completed its scheduled refueling outage on its 565 Mw Unit #1 nuclear unit, in just 29 days, the shortest duration for a refueling event. The unit was restarted over the weekend and was at 23% of capacity.

SPP – Entergy's 1207 Mw Grand Gulf #1 nuclear unit was at 65% of capacity this morning, up 42% from Friday morning.

FRCC – FPL's 760 Mw Turkey Point #3 nuclear unit was at full power this morning up 50% from Friday.

MAIN – Exelon's 1120 Mw Unit #2 at the LaSalle nuclear power station returned to full power Monday. The unit was at 75% earlier in the day.

WSCC – Energy Northwest's 1200 Columbia Generating nuclear station was at 92% of capacity this morning, up 88% from Friday.

PJM – PPL's 1115 Mw Susquehanna #2 nuclear unit was at 36% of capacity Monday morning as operators continue to ramp the unit back up. The unit was up 18% from Friday.

Canada – Ontario Power's 515 Mw Unit #4 at the Pickering nuclear power station was taken off line repairs on Monday.

OPG's 494 Mw Unit #4 at the Lambton coal fired power was also taken off line Monday for repairs.

The NRC reported that 75,190 Mw of nuclear capacity is on line, up 2.13% from Friday, and off some 2.31% from a year ago.

Alliance Pipeline reported that it will be performing inspection and maintenance on its ANR/Guardian/Vector metering facility for at least 12 hours and will require capacity to be constrained at both ANR/Guardian and Vector. The combined capacity restriction for ANR/Guardian will be 4450,000 Dth (339, 623 Dth at ANR and 110,377 Dth at Guardian). The capacity at Vector will be lowered to 1,089,990 Dth. The company also reported maintenance will be performed on April 17th at the Albert Lea Compression Station for 24 hours, but restrictions will be determined at a later time. Maintenance will also be conducted on April 17th at the Alameda Compression Station and the Morinville Compression Station. Any restriction if needed will be determined at a later date.

Dominion Transmission said it would take a section of TL-264 out of service to install zone measurement. The outage is expected to start on April 18th and last for four days. This outage will affect gas at Tonkin Jct.

Northern Natural Gas announced it would take down the Earlville Station for compressor maintenance for four hours April 17th. The company does not expect fluctuating delivery pressures will affect firm delivery quantities. The company also noted that it will be performing periodic pigging on the 6-inch Hibbing Branch line beginning April 18th through April 30. No interruption of service at delivery locations is anticipated during this maintenance process.

Questar Pipeline reported that beginning today through April 19th it would perform maintenance at Kanda #2 compressor unit. It will also conduct pig cleaning at ML #3 starting today and running through April 27th.

PIPELINE RESTRICTIONS

Tennessee Gas Pipeline reported that at Station 17 it restricted through approximately 27% of Supply to market Secondary Out of Path nominations. The company noted it had restricted through approximately 44% of Supply to market Secondary out of Path nominations at the Carthage line and at Station 200 was restricted to 24% of supply to market Interruptible Service Nominations.

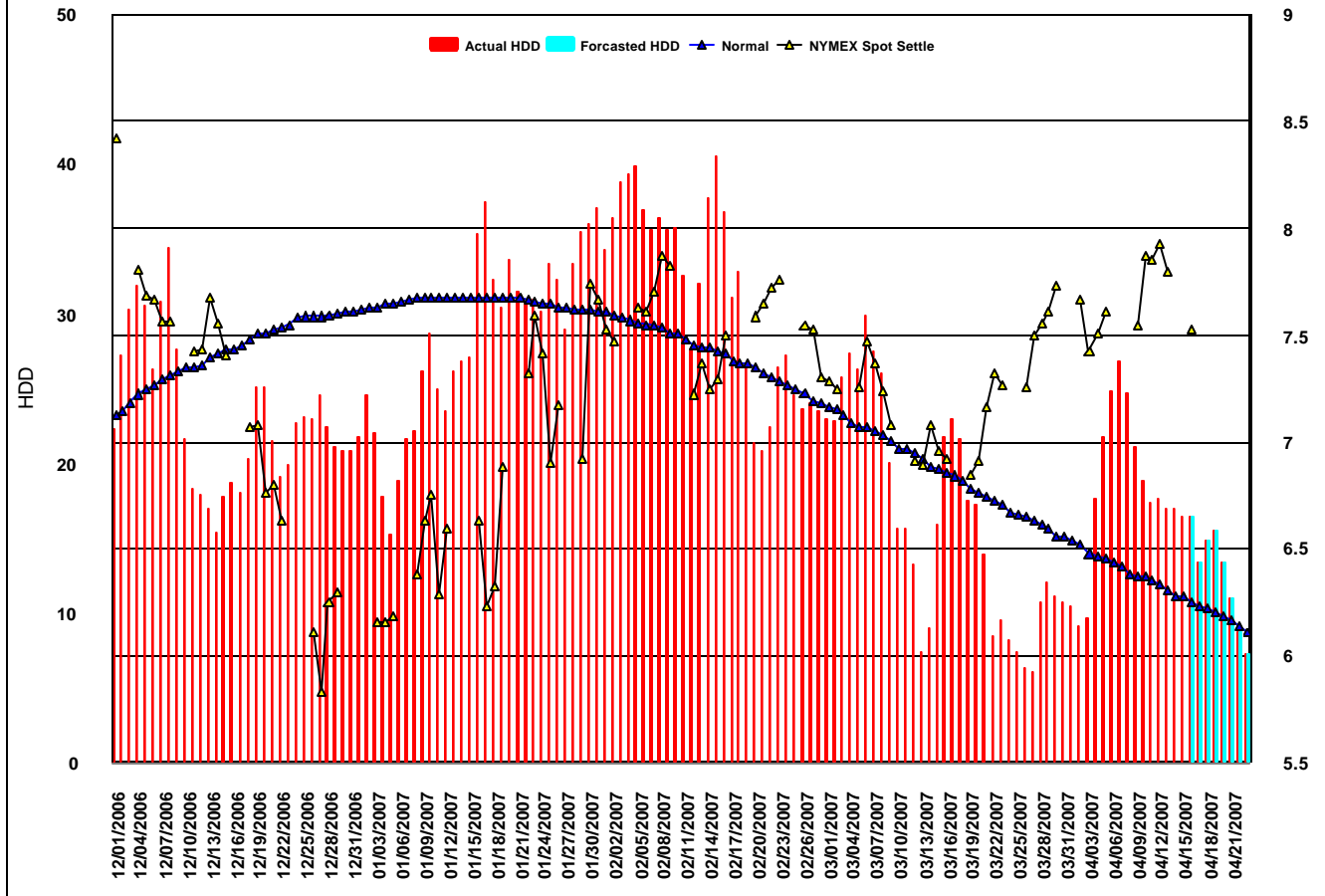
ELECTRIC MARKET NEWS

The nor'easter storm that moved through the northeast and Mid-Atlantic States over the last 24 hours has knocked out power to more than 700,000 customers in the region.

NYMEX Nat Gas Options Most Active Strikes for April 16, 2007									
Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Volume	IV	
LN	5	7	P	7	04/25/2007	0.0257	6,493	39.91	
LN	6	7	P	7	05/25/2007	0.126	2,200	40.55	
LN	11	7	C	12	10/26/2007	0.3867	2,150	45.79	
LN	5	7	P	7.25	04/25/2007	0.0752	2,060	40.36	
LN	11	7	C	9	10/26/2007	1.018	1,700	37.72	
LN	5	7	C	8	04/25/2007	0.0469	1,615	40.26	
LN	10	7	C	13	09/25/2007	0.1779	1,500	52.67	
LN	4	8	C	10	03/26/2008	0.5105	1,450	29.24	
LN	5	8	C	10	04/25/2008	0.4476	1,450	26.95	
LN	5	7	P	7.5	04/25/2007	0.171	1,375	40.95	
LN	6	7	C	9	05/25/2007	0.0668	1,250	40.16	
LN	6	8	C	10	05/27/2008	0.4958	1,250	26.04	
LN	1	8	P	8	12/26/2007	0.5545	1,050	48.24	
LN	2	8	P	8	01/28/2008	0.6384	1,050	49.46	
LN	3	8	P	8	02/26/2008	0.7649	1,050	50.60	
LN	7	8	C	10	06/25/2008	0.5634	1,050	25.75	
LN	8	8	C	10	07/28/2008	0.6421	1,050	25.64	
LN	9	8	C	10	08/26/2008	0.7282	1,050	26.08	
LN	10	8	C	10	09/25/2008	0.848	1,050	26.64	
LN	12	7	P	8	11/27/2007	0.5539	1,050	47.28	
LN	1	8	C	10	12/26/2007	1.2722	1,000	35.70	
LN	1	8	P	9.5	12/26/2007	1.2438	1,000	51.34	
LN	2	8	P	9.5	01/28/2008	1.3655	1,000	53.09	
LN	3	8	P	9.5	02/26/2008	1.5548	1,000	54.76	
LN	7	7	P	6	06/26/2007	0.0327	1,000	41.45	
LN	10	8	P	5.75	09/25/2008	0.2674	1,000	41.04	
LN	12	7	P	9.5	11/27/2007	1.2787	1,000	50.52	
ON	5	7	C	8	04/25/2007	0.047	953	41.18	
LN	8	7	C	10	07/26/2007	0.1904	950	42.63	
ON	6	7	C	7.8	05/25/2007	0.332	865	39.38	
LN	7	7	C	8	06/26/2007	0.4649	865	35.04	
LN	2	8	C	10	01/28/2008	1.3928	850	36.40	
LN	7	7	C	9.5	06/26/2007	0.1219	850	39.64	
LN	8	7	P	7	07/26/2007	0.2671	850	44.17	
ON	6	7	C	8	05/25/2007	0.26	848	39.82	
LN	4	8	C	15	03/26/2008	0.1123	800	37.05	
LN	5	8	C	15	04/25/2008	0.0949	800	34.76	
LN	6	8	C	15	05/27/2008	0.1003	800	33.00	
LN	10	7	C	10	09/25/2007	0.4811	800	46.32	

U.S. Heating Degree Days

Basis Weighted Natural Gas Home Heating



The NYMEX officially said today that it would launch a futures contract on uranium. The new contract would be for U308, the concentrated uranium dioxide, known as yellowcake. The contract will be for 250 pounds and will be listed for 36 consecutive months and will settle for cash at the spot month end price published by Ux Consulting. Trading is scheduled to start on the evening of May 6th for the trade date of May 7th. The NYMEX reached a 10 year agreement with Ux Consulting to utilizing its price indexes. The exchange also said off-exchange futures will be offered.

MARKET COMMENTARY

The natural gas market posted its largest daily decline since February 12th, as traders digested the twin barrel news of rebounding nuclear generation coupled with moderating weather forecasts. To further the bearish pressure on prices was the fact that the May contract breached its three-week-old upward trend line at \$7.65 shortly after the opening of the floor session. Volume was good on the day with 126,832 lots traded in natural gas but with just 29,500 booked via open outcry. The exchange also reported at midday that open interest in natural gas on Friday increased by 6862. We expect that these new longs that were added last week will see increasing pressure to liquidate these positions especially if today's low of \$7.46 is breached.

We see support tomorrow to be found initially at \$7.46 followed by \$7.39, \$7.34 and \$7.29. More distant support we see at \$7.11 and \$6.94. Resistance we see at \$7.665-\$7.67, followed by \$7.728, \$7.79, \$7.84 and \$7.95.

Market expectations for this week's EIA Storage Report appear to be running between a 25-50 bcf draw down. Based on our estimate of heating degree demand for the period we see a preliminary draw of 58-68 bcf.