



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR APRIL 16, 2008

NATURAL GAS MARKET NEWS

MDA EarthSat Energy Weather said this summer will be the coolest in the United States since 2004, and 8% cooler than last year. EarthSat forecasts that this summer will be 3% cooler than the 10-year average but 4% higher than the 30-year normal.

U.S. industrial production unexpectedly rebounded in March as utilities increased output to cope with colder weather, making up for weak manufacturing growth hobbled by a major auto parts strike. Total industrial output rose 0.3% in March after a downwardly revised drop of 0.7% in February. Wall Street was looking for a drop of .1% for March.

The initial tanker shipment of liquefied natural gas (LNG) to Excelerate Energy's Northeast Gateway offshore system in Massachusetts Bay has been delayed until May, according a company spokesman. The shipment will be sent first to South America for the heating season. Two-thirds of the 138,000 cubic meter cargo will go to South America, and a third will then go to Massachusetts in May.

Enogex said it would provide natural gas gathering, processing and transportation services for Chesapeake Energy in the Colony Granite Wash play in Custer and Washita counties in the Andarko Basin of western Oklahoma. Enogex said it would invest more than \$55 million in a combination of additional gathering and transportation pipeline infrastructure and a natural gas processing plant near Clinton, Oklahoma. The plant is expected to be in service in 2009 and will process up to 120,000 Mcf/d.

Natural gas producer and pipeline company El Paso Corp slightly trimmed its 2008 production forecast. It had trimmed its expected daily production for 2008 to between 860 million and 920 million cubic feet equivalent. This is about 1% lower than its January forecast for output of 870 million to 930 million cfe/d.

Iran is serious in its threat to use gas it planned to sell to Crescent Petroleum domestically if a long-running dispute with the UAE firm over price is not resolved. Iran and privately-owned Crescent have been locked in negotiations about the price of gas exports from the Iranian offshore Salman field to the UAE since 2006.

Generator Problems

ERCOT – Luminant's Martin Lake #2 coal-fired power station shut for maintenance.

AEP's Monticello #1 coal-fired power station restarted following maintenance.

MAPP – The Omaha Public Power District's 492 Mw Fort Calhoun nuclear unit reduced power to 50% capacity. The unit was operating at full power.

MAIN – Exelon's 1,252 Mw Byron #1 nuclear unit increased output to 73% capacity. Yesterday, the unit was operating at 48% power. Byron #2 continues to operate at full power.

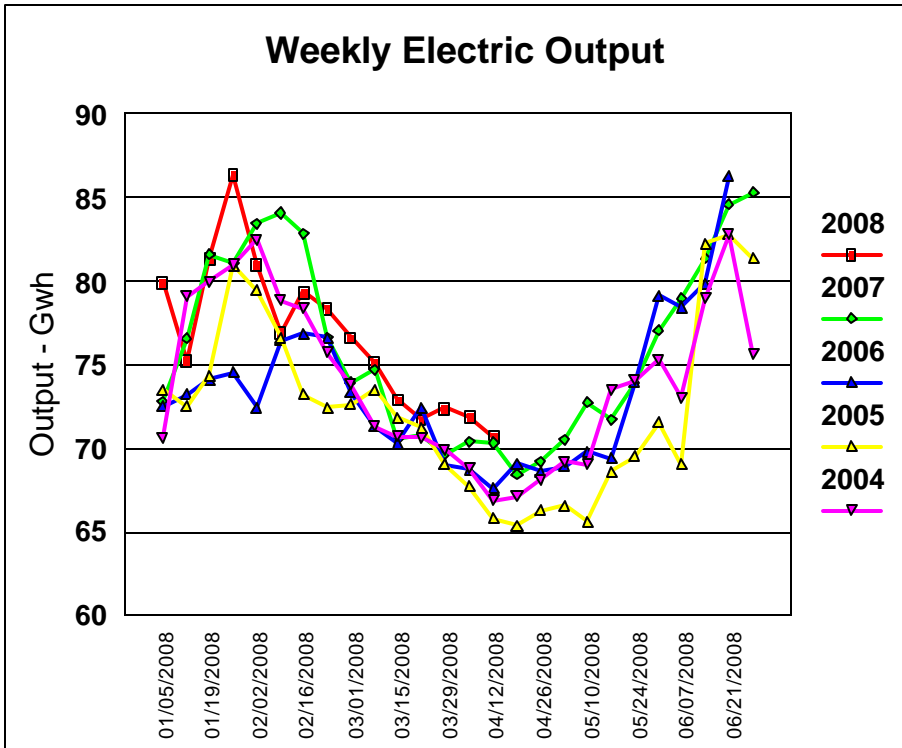
Exelon's 855 Mw Quad Cities #1 nuclear unit increased output to 97% power. The unit was operating at 85% capacity yesterday. Quad Cities #2 remains at 97% capacity.

Exelon's 1,120 Mw Braidwood #2 nuclear unit will shut this weekend for a scheduled refueling outage. Braidwood #1 remains at full power.

NPCC – Constellation's 600 Mw Ginna nuclear unit will shut over the weekend for a planned refueling outage.

WSCC – PG&E's 1,100 Mw Diable Canyon #2 nuclear unit ramped up to 93% power today. Yesterday, the unit was operating at 67% capacity.

The NRC reported that 76,571 Mw of nuclear capacity is online, up .48% from Tuesday and up .01% from a year ago.



PIPELINE MAINTENANCE

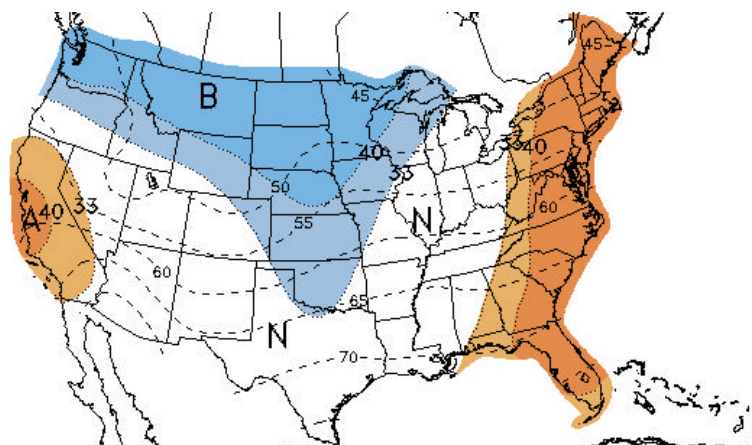
ANR Pipeline company said that it will begin engine repairs at its Sardis Compressor Station along the SE Mainline located in Mississippi in ANR's Southeast Southern Fuel Segment (ML-2). The total SEML capacity will be reduced by 180 MMcf/d from April 21-24. Based on current nominations, it is anticipated that the above will have no impact to service.

Northern Natural Gas said that the Oakland unit 20 Marrs Turbine will be down from April 21-25 for bi-annual compressor maintenance and inspections. Deliveries east of Oakland may be impacted depending on quantities nominated. Delivery pressures could be lower than normal and inlet pressure fluctuations at delivery points

may be experienced. The Oakland station will be impacted by approximately 200,000 MMBTU throughput capacity due to the Oakland unit 20 Turbine outage.

Gulf South Pipeline said that scheduled maintenance on Jackson Compressor Station Unit #2 will be performed at 7:00 AM April 22. Capacity through the Jackson Compressor Station could be reduced by as much as 100 MMCf during this maintenance. Also, Gulf South said that scheduled pipeline maintenance at the Refugio Compressor Station is complete.

Northwest Pipeline said that it would conduct an engine exchange at Pegram Compressor Station from April 22-24, reducing capacity by 44 MDth/d from 654 to 610 MDth/d. Also on April 22, Northwest will run pigs between Plymouth Compressor Station to Roosevelt Compressor Station, dropping capacity from 553 MDth/d to 453 MDth/d.



8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 16 APR 2008
VALID APR 24 - 30, 2008
DASHED BLACK LINES ARE CLIMATOLOGY (DEG F). SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL. UNSHADED AREAS ARE NEAR-NORMAL.

ELECTRIC MARKET NEWS

The Edison Electric Institute reported that electricity demand in the continental U.S. rose .6% in the week ended April 12, compared with the same week last year. The U.S. electric utility industry last week distributed about 70,761 GWh of available power, about 1.6% less than the previous week.

MARKET COMMENTARY

The natural gas market rallied to two year highs with the oil complex, in choppy and volatile trading. A weak U.S. dollar and further draws in oil stocks boosted crude oil to new record highs, and natural gas was keen to follow,

breaking key resistance and trading to a high of 10.489. Once the May contract broke above the 10.31 level, a combination of short covering and fresh buying helped to lift prices to its highest level since January of 2006. The May contract settled up 22.8 cents at 10.443.

Tomorrow's EIA inventory date is expected to show the season's first injection. Expectations range from a build of 7 Bcf to 40 Bcf, with most calling for around 22 Bcf. There is a contingent of analysts who feel the build will be closer to 30 Bcf if not more. Our models looking for a 36-40- bcf build. Current temperature forecasts also lend a level of pressure on the market, as it will serve to reduce demand for the fuel and increase injections in the coming weeks. The many non-energy related influences to the market, such as index funds who use the market as a hedge against the depreciating dollar are adding unnecessary volatility and disrupting traditional supply and demand relationships. Though we remain bullish natural gas in the longer term given its supply shortage, near term shoulder season reduced demand will play a factor as we start seeing gas injected into the ground. We see support at 10.354, 10.31, 10.219, 9.925, 9.79 and 9.36. We see resistance at 10.50, 10.648, 10.70, 10.783 and 11.00.

