



ENERGY RISK MANAGEMENT

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NATURAL GAS & POWER MARKET REPORT FOR APRIL 16, 2009

NATURAL GAS MARKET NEWS

The National Oceanic and Atmospheric Administration said there is no clear trend for the eastern half of the US during the May through July period, meaning there are equal chances for normal, above normal or below normal temperatures in the late spring, early summer period. Below normal temperatures are expected for southern Alaska and the Alaska panhandle, coastal areas of the Pacific Northwest and parts of the upper Midwest. Above normal temperatures are expected in May through July from Texas northward to southern and eastern Oregon.

BG Group has sent its fifth LNG tanker to Elba Island terminal in GA. It is expected to arrive on April 29 from Egypt. Together, the cargoes amount to about 14.6 billion cubic feet, up from imports of 11.7 bcf in March and 5.8 bcf in February.

Qatar's Al Oraiq liquefied natural gas tanker, which can carry 210,000 cubic meters of gas, will deliver a cargo to Britain's new South Hook import terminal on Saturday.

An agreement was signed between Germany's RWE AG and Turkmenistan allowing RWE AG to develop an offshore gas block and seek new ways to deliver Turkmen gas to Europe. RWE is a shareholder of Nabucco, a planned EU-backed pipeline designed to ease Europe's dependence on Russia for its gas needs. Russia is the main buyer of Turkmen gas and opposes the Nabucco project.

Generator Problems

NPCC – OPG shut its 881 Mw Unit 3 Darlington nuclear power station in Ontario by early Thursday. Unit 3 will undergo its triennial maintenance outage, which is expected to last about two months.

Constellation's NY Nine Mile nuclear reactor was back to full power as of early Thursday. The unit was at 75% capacity on Wednesday.

Entergy Nuclear's 1,025 Mw Indian Point 3 nuclear unit is operating at 29% on Thursday, up from 2% on Wednesday. The unit was restarted on Wednesday following a refueling and maintenance outage.

Entergy Nuclear's 685 Mw Pilgrim nuclear unit is preparing to shutdown for a regularly scheduled refueling and maintenance outage scheduled to begin on Friday.

ERCOT – Suez Energy's Wise county 746 Mw capacity, powered down early Thursday and is running near 320 Mw.

SERC – TVA's 114 Mw Browns ferry #3 nuclear unit was at 70% capacity as of early Thursday. The unit had been at 57% on Wednesday.

Ameren's 1,190 Mw Callaway nuclear power unit in MO returned to full power as of early Thursday. The unit was operating at 60% capacity on Wednesday.

Carolina Power & Light's 900 Mw Shearon Harris 1 nuclear unit is preparing to shutdown for regularly scheduled refueling and maintenance scheduled to begin on Saturday.

MAAC – Entergy's 852 Mw Fitzpatrick nuclear power station ramped up to 99% power as of early Thursday, after operating at 55% capacity on Wednesday.

FirstEnergy Nuclear's 821 Mw Beaver Valley nuclear unit 1 is preparing for a regularly scheduled refueling and maintenance outage, which is scheduled to begin during the upcoming weekend. The unit is currently operating at 96% capacity.

The NRC reported this morning that 81,052 Mw of nuclear generation capacity was on line, up 1.87% from yesterday and up 7.46% from the same time a year ago.

EIA Weekly Report

	04/10/2009	04/03/2009	Change	Year ago *
Producing Region	756	744	12	502
Consuming East	651	647	4	579
Consuming West	288	283	5	176
Total US	1695	1674	21	1257

*storage figures in bcf

A cargo of more than 50,000 tons of LNG was secured by China from Russia. The tanker is scheduled to arrive at China's first LNG terminal Dapeng in coastal Guangdong province later this month or early May.

Woodside Petroleum Ltd has moved closer to securing land rights for a LNG plant in

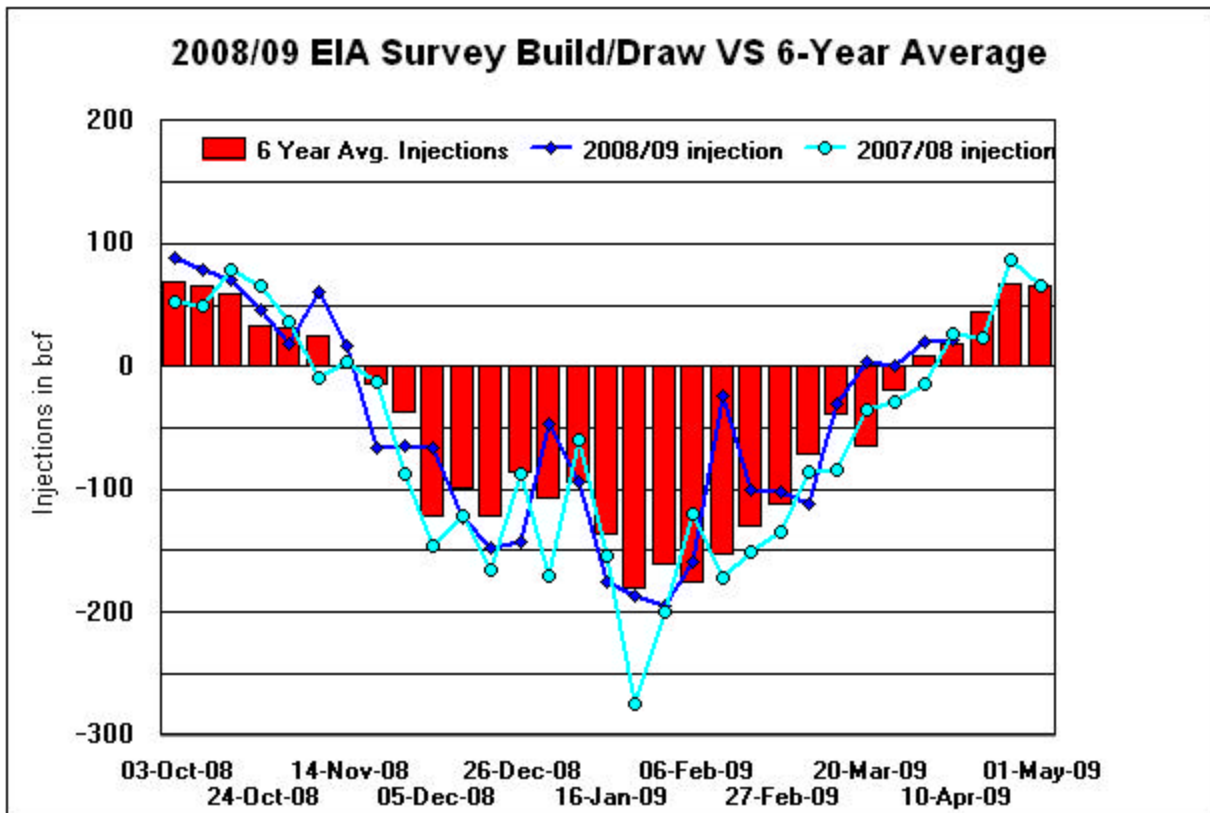
Australia. A verbal agreement took place between Woodside and the Western Australia state government and aboriginal landowners, which have opposed the plan. Woodside hopes to build a large LNG plant could process LNG from the offshore Browse Basin gas fields.

Iraq's parliamentary oil and gas committee is seeking to revoke a multi-billion dollar gas deal signed by the Oil Ministry and Royal Dutch Shell last year. Shell signed an agreement last September to capture gas, which Iraq wastes through burning. The Shell deal and another contract between Iraq and China's CNPC were illegal because they had not been approved by parliament as required under Iraqi law. Iraqi MP Jabir Khalifa said any new deals Iraq signs in bidding rounds underway would also be subject to revocation. The Oil Ministry has stated that it does not need parliament's approval to sign new deals.

PIPELINE RESTRICTIONS

Tennessee Gas Pipeline Co restricted the Carthage Line Lateral (Pipeline Point P00080) through about 56% of Supply to Market Secondary Out of the Path nominations, (Park/Loan Payback, It-X, IT, AOT, Payback to Tennessee, EDS/ERS, SOP) pathed from meters located on the Carthage Line Lateral for Thursday.

Kinder Morgan Texas Pipeline said effective Thursday and until further notice, Texas Eastern Transmission Cameron has limited capacity available for deliveries. Limited ITS/AOR and Secondary



Firm transports are available.

El Paso Natural Gas Co warned of the possibility of declaring a Strained Operating Condition or Critical Operating Condition for Thursday due to a High Linepack condition.

Questar Pipeline Co said due to inclement weather within the Rockies and at the request of customers, Questar will end its Clay Basin test one day ahead of schedule. As a result, Clay Basin will be available for service beginning Thursday.

Canadian Gas Association			
Weekly Storage Report			
	10-Apr-09	03-Apr-09	11-Apr-08
East	60	64.7	39.4
West	141.9	133.7	115.2
Total	201.9	198.4	154.6

storage figures are in Bcf

PIPELINE MAINTENANCE

Alliance Pipeline will perform minor maintenance on its Manchester Compression Station on Thursday for four hours. System throughput will not be impacted. Also, its Towner Compression Station will be offline for 4 hours on Thursday to perform minor maintenance. Meanwhile, the company's Morinville Compression Station will be offline for 120 hours starting April 18th for inspections and maintenance. System throughput will be affected but will be determined closer to the outage date.

ELECTRIC MARKET NEWS

In an effort to reduce pollution, more than half of U.S. states have mandated that a percentage of future electric supply come from less-polluting resources, such as wind and solar power. This will however force changes in the way the power grid operates to keep electricity flowing reliably. Many types of renewable power are much different from power plants that burn coal or natural gas, plants that can be turned off and on as needed to meet power demand. This lack of control presents integration concerns for operators of the bulk-power network - the large power lines that move electricity from plants to neighborhoods. Of further concern is the tendency for wind generation to be strongest at night when electric demand is low and weak during the day when power use escalates.

The North American Electric Reliability Corp said in a report that reliably integrating larger amounts of wind, solar and other variable generation into the bulk power system will require changes to the way the system is planned and operated. The report notes that transmission additions and reinforcements, better forecasting of variable generation output and access to flexible grid resources as contributors to reliably integrating variable resources into the system.

LS Power unit, Great Basin Transmission, has announced a second Open Season for the purchase of long-term point-to-point transmission rights on the Southwest Intertie Project. Successful bidders in the second Open Season will secure firm transmission rights to deliver energy to attractive liquid power markets in the west. The SWIP is an above-ground 500 kilovolt alternating current transmission project stretching over 500 miles between southern Idaho and southern Nevada. It will provide renewable resources with direct and or viable access to major load centers and attractive energy markets in Nevada, Arizona and California. The SWIP can begin construction as early as summer 2009.

MARKET COMMENTARY

The natural gas market continued to trade within its recent trading range and ended in negative territory following three consecutive days of gains. The market, which posted a high of \$3.714 in overnight trading, retraced its gains ahead of the open outcry session opening and held support just below \$3.60 ahead of the release of the EIA natural gas inventory report. The market quickly rallied to \$3.672 following the release of the report, which showed a neutral build of 21 bcf. However the market just as quickly retraced its gains and sold off to its low of \$3.534 before settling in a sideways trading range from \$3.56 to \$3.61 during the remainder of the session. The natural gas market settled down 9.4 cents at \$3.599.

Following today's mostly neutral inventory report, the market is seen continuing to trade within its recent trading range. Support is seen at its low of \$3.534, \$3.517, \$3.504, \$3.436, \$3.375, basis its downward trendline and \$3.337. Resistance is seen at \$3.61, \$3.697, \$3.714 followed by \$3.796 and \$3.877.

		Contract		TODAY'S	PREVIOUS	ESTIMATED		DAILY
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LN	6	9 P	3	0.0528	0.0481	7761	0.05	0.05
LN	10	9 P	2	0.0265	0.0253	3750	0	0
LN	5	9 P	3.25	0.0322	0.0313	3050	0.04	0.0275
LN	6	9 P	2.5	0.0076	0.0072	2850	0	0
LN	5	9 C	4	0.0307	0.0649	2550	0	0
LN	10	9 P	2.5	0.0816	0.0777	2050	0	0
LN	6	9 C	6	0.0038	0.0068	1900	0	0
LN	10	9 P	3.5	0.3483	0.332	1750	0	0
LN	6	9 C	4	0.1906	0.2419	1750	0	0
LN	5	9 P	3.5	0.1012	0.0894	1735	0.11	0.1075
LN	8	9 P	3	0.1198	0.1102	1651	0	0
LN	6	9 C	5.25	0.0175	0.0277	1500	0	0
LN	6	9 C	5	0.0292	0.0441	1500	0	0
LN	5	9 C	3.75	0.0859	0.144	1475	0.09	0.09
LN	12	9 P	4	0.1684	0.1713	1450	0.1725	0.1725
LN	10	9 C	7	0.1405	0.1587	1400	0	0
LN	6	9 P	3.25	0.1071	0.0968	1400	0	0
LN	6	9 C	4.5	0.0778	0.1073	1300	0	0
LN	8	9 C	4	0.5225	0.5818	1300	0	0
LN	8	9 C	6.5	0.0549	0.0662	1150	0	0
LN	12	9 P	3.5	0.083	0.0854	1100	0	0
LN	8	9 C	6	0.0857	0.1018	1000	0	0
LN	8	9 P	2.5	0.0382	0.0354	1000	0	0
LN	7	9 C	6	0.0303	0.0418	950	0	0
LN	6	9 P	3.5	0.1888	0.1711	920	0	0
LN	7	9 C	5	0.1081	0.1378	900	0	0
LN	8	9 C	4.75	0.2715	0.3097	900	0	0
LN	5	9 P	3	0.0073	0.0086	860	0	0
LN	5	9 C	4.15	0.0156	0.0378	850	0	0
LN	9	9 P	3	0.1508	0.1429	820	0	0
LN	5	9 C	3.6	0.1452	0.2197	810	0	0
LN	9	9 C	6.25	0.1295	0.1487	800	0	0
LN	4	10 C	7	0.4472	0.4675	790	0	0
LN	5	10 P	4.75	0.4498		750	0	0
LN	5	10 C	6.75	0.541	0.56	750	0	0
LN	10	9 P	4	0.5765	0.5525	750	0	0
LN	12	9 C	5.5	0.8	0.8316	700	0	0
LN	7	9 C	5.5	0.0568	0.0757	700	0	0
LN	10	9 P	3	0.1846	0.1761	700	0	0

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