



ENERGY RISK MANAGEMENT

Howard Rennell, Pat Shigueta,
Karen Palladino & Zachariah Yurch
(212) 624-1132 (888) 885-6100

www.e-windham.com

POWER MARKET REPORT FOR APRIL 17, 2007

NATURAL GAS MARKET NEWS

Apache Corp announced it has discovered natural gas on Australia's Northwest Shelf, and that ultimate recoverable reserves in the area could be more than 1 tcf.

The Federal Reserve Bank reported this morning that U.S. industrial production in March fell an unexpected 0.2%, due in part due to a decline in utility output which was off 7.0% in March after a 7.6% gain in February. Manufacturing output though was up 0.7% in March.

NOAA reported today that March 2007 was more than five degrees warmer than average throughout the 48 contiguous states of the country, making it the second warmest March on record. NOAA estimated that these warmer temperatures reduced residential heating needs by 11%. The scientists noted that the warmer temperatures and below normal snowfall during much of the month led to a continued deterioration of mountain snow pack conditions in California, Arizona, Nevada and Utah. At the end of March, mountain snow packs were less than 50% of average in parts of every state in the west and less than 25% of average in several states.

The head of Hess LNG said today that the company is cautiously optimistic that their proposed LNG importing terminal for Weaver's Cove, in Massachusetts, will overcome legal challenges and local protests and move forward. The proposed project has received initial approval from the FERC more than a year ago but has been bogged down by various legal challenges, and still must receive dozens of state and local permits to move forward. The company is hopeful in receiving the necessary permits within 9-12 months and construction beginning shortly afterwards which would take up to three years to complete.

PIPELINE MAINTENANCE

Enbridge Offshore Pipelines said today that its Stingray unit plans to pig the 36-inch mainline on April 23rd. The initial pig run will be from West Cameron 148 to Stingray's onshore facilities at Holly Beach. In the event the

Generator Problems

NPCC – Constellation Energy's Unit #1 565 mw Nine Mile Point nuclear plant was at 75% of capacity up 52% from Monday.

SERC – TVA has restarted its 1100 Mw Browns ferry #2 nuclear unit and was at 4% of power this morning. The unit has been off line since February 20th for refueling and maintenance.

Progress Energy's has restarted its 938 Mw Brunswick #2 nuclear unit but was still offline as it was only at 5% of power.

MAIN – Exelon's 1162 Mw Unit #2 at the LaSalle nuclear plant was back at full capacity, up 25% from Monday's operating levels.

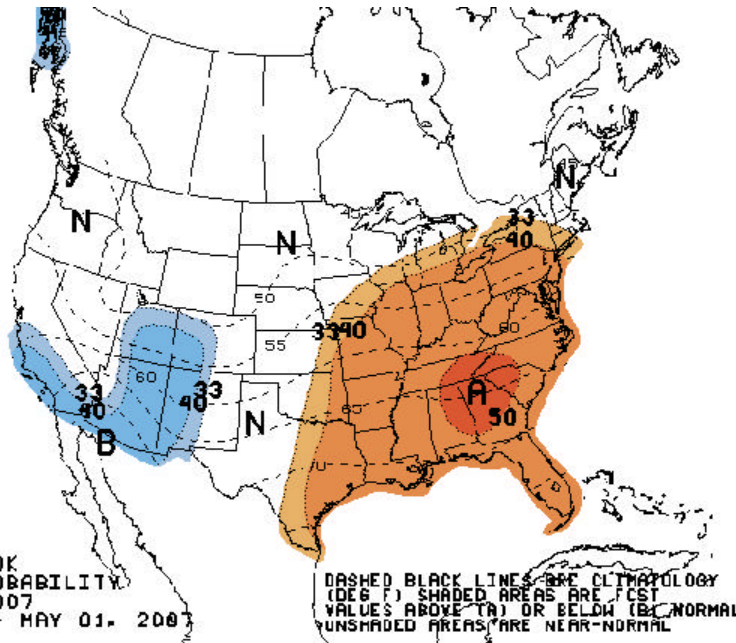
WSCC – AES Corp's 480 Mw Unit #8 at the Redondo Beach natural gas fired power plant was taken offline for planned work on Monday afternoon.

Calpine's 546 Mw Metcalf natural gas fired power plant returned to service on Monday afternoon. The unit had been off line for unscheduled maintenance since April 15th.

PJM – PPL's 1115 Mw Susquehanna #2 nuclear unit was at 40% of capacity this morning, as operators continued to ramp the unit higher. The unit was at 36% of power on Monday.

Exelon's 1116 Mw Peach Bottom #3 nuclear unit saw production cut to 82% of power this morning. The unit had been at full power yesterday. No reason was given for the cutback.

The NRC reported that 75,724 Mw of nuclear capacity is on line, up 0.7% from Monday, and off some 3.11% from a year ago.



liquids received are in excess of the slug catcher capacity, there will be a probable service interruption. On April 25th upon completion of the West Cameron 148 pig run to Holly Beach, a second pig will be run from West Cameron 509 to West Cameron 148. The initial pig run will be from West Cameron 148 to Stingray's onshore facilities at Holly Beach. In the event the liquids received are in excess of the slug catcher capacity, there will be a probable service interruption.

Dominion Transmission reported that it has scheduled maintenance work for the following points: The L-31 facility will be down through April 20th for pigging operations; The Woodhall and Ellisburg facility will be out of service for eight days through April 23rd for spring shut in testing; The TL-400 facility is set to be down until April 27th, with the TL-264 facility will be out until April 20th and TL-264 will be out of service April 18th to repair a leak.

PIPELINE RESTRICTIONS

KMIGT reported that effective today and until further notice it is at capacity for deliveries through Segment 773 (CO/KS Border to Herndon CS) and Segment 775 (Herndon CS to Solomon River). Depending on the level of nominations, AOR/IT and secondary out of path quantities are at risk of not being scheduled. The company also noted it is at capacity at CIG Weld, NNG Milligan and PEPL Grant.

Texas Eastern continues to restrict and has sealed deliveries downstream of Castor on the Castor lateral. No increases in deliveries downstream of Castor will be accepted. Tetco has forced balanced all long TABS-1 pools in STX.

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	893,600	\$7.495	(\$0.167)	(\$0.229)	(\$0.095)	(\$0.173)
Chicago City Gate	573,700	\$7.241	\$0.050	(\$0.259)	\$0.124	(\$0.190)
NGPL- TX/OK	412,400	\$6.913	(\$0.018)	(\$0.587)	\$0.056	(\$0.551)
SoCal	1,075,100	\$6.876	(\$0.265)	(\$0.624)	(\$0.191)	(\$0.502)
PG&E Citygate	544,900	\$7.361	(\$0.148)	(\$0.139)	(\$0.074)	(\$0.145)
Dominion-South	641,300	\$8.457	(\$0.318)	\$0.957	(\$0.244)	\$0.901
Transco Zone 6	128,200	\$8.733	(\$0.189)	\$1.233	(\$0.115)	\$1.084

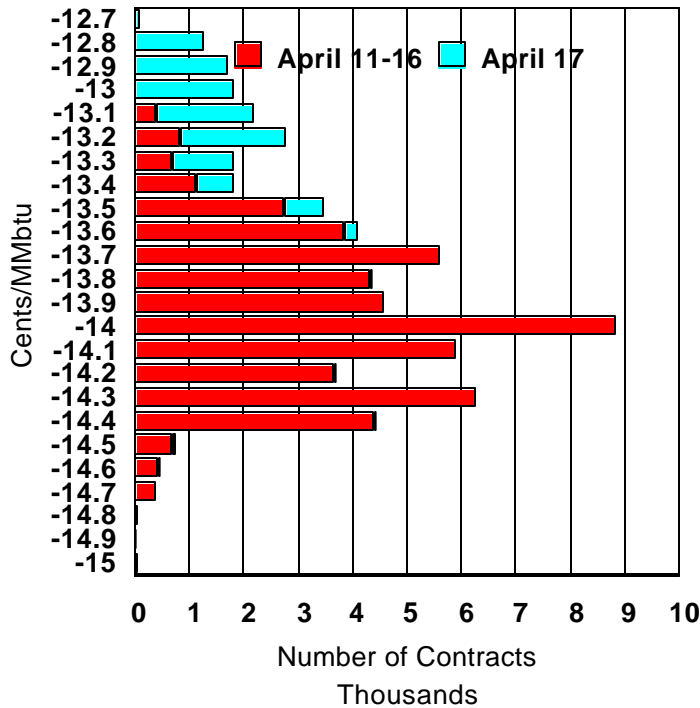
Tennessee Gas Pipeline said that due to reduced nominations it will accept increases for nominations along the Carthage Line lateral; Leidy Meters and the Niagara River meter.

ELECTRIC MARKET NEWS

Coral Energy Holding, a subsidiary of Shell, announced today that it had signed a definitive agreement to acquire substantially all the operating assets of Avista Energy, the energy marketing and trading subsidiary of Avista Corporation. The agreement also includes the operating assets of Avista Energy Canada. The transaction is expected to close by late second quarter or early third quarter of this year.

PPL Electric said it will invest \$15 million to upgrade a major regional power line upgrade along the Susquehanna River corridor between Lock Haven and Williamsport, PA. The project, which is expected to start shortly is expected to be completed in late August.

NYMEX Nat Gas: May Jun Spread
Price Vs Volume Traded
Trade Wighted Settle: -13.148



PJM Interconnection said it has reached a significant milestone in its development of a forward electricity market with the completion last week of the first annual capacity auction under its Reliability Pricing Model. Officials noted that the results of the auction has sent effective pricing signals that will attract investment in new capacity resources where they are most needed. Resource clearing prices were \$49.80 per MW-day for most of the market area; \$197.67 per Mw-day in Eastern MAAC (New Jersey, PECO and Delmarva Power); and \$188.54 per MW-day in Southwestern MAAC (Baltimore Gas & Electric and Pepco). The RPM allows for higher prices for capacity where supplies are short. Actual prices paid by utilities and other load serving entities will be slightly lower. \$177 per MW-day in Eastern MAAC and \$140 per Mw-day Southwestern MAAC, after taking into account the benefits of existing transmission lines to import capacity. As part of the phase in to the RPM, two more auctions will be conducted this year. After that, annual auctions will procure capacity three years prior to the required need to provide opportunity for planned resources to compete to supply the needed capacity service.

Some 250,000 customers in the eastern U.S. and Canada remained without power Tuesday morning as a result of the storm moving through the area. While most customers were expected to

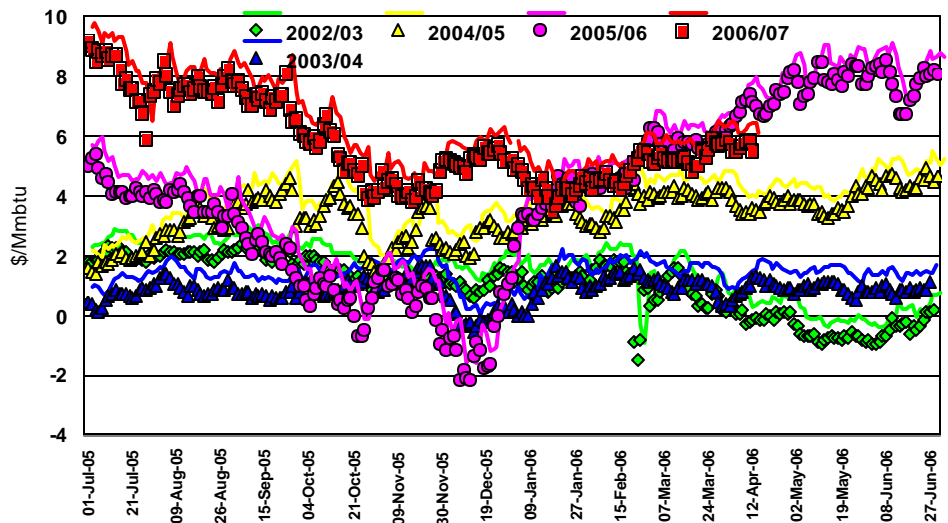
have service restored in the next 24 hours, some may not see service restored until later in the week.

A California state Assembly committee rejected a bill that would have removed an existing ban on new nuclear power plants in the state, but the bill's author vowed to re-introduce the legislation again next January. California in 1976 banned any new development of nuclear power facilities in the state.

MARKET COMMENTARY

The natural gas market this morning opened lower for the fifth consecutive session. While prices rallied over a dime following the opening of the open out cry session, prices failed to breach the \$7.60 level and spent the afternoon giving back the morning's gains as well as moving into negative

Heating Oil Vs Natural Gas: NYMEX Spot Futures Settle



NYMEX Nat Gas Options Most Active Strikes for April 17, 2007								
Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Volume	IV
LN	6	7	P	6.5	05/25/2007	0.0472	5,750	39.68
LN	9	7	P	5	08/28/2007	0.0288	4,700	46.22
LN	7	7	P	7	06/26/2007	0.2177	4,350	41.63
LN	5	7	P	7	04/25/2007	0.0357	4,075	40.34
LN	7	7	P	6	06/26/2007	0.038	3,875	41.36
LN	6	7	P	6	05/25/2007	0.0135	3,750	41.41
LN	7	7	P	7.5	06/26/2007	0.4133	3,705	42.69
LN	5	7	P	6.5	04/25/2007	0.0016	3,300	39.68
LN	9	7	C	10	08/28/2007	0.3089	2,550	45.57
LN	6	7	P	7	05/25/2007	0.1488	2,400	40.34
LN	8	7	P	5	07/26/2007	0.01	2,400	43.60
LN	10	7	P	5	09/25/2007	0.0589	2,400	50.24
LN	3	8	C	20	02/26/2008	0.2428	2,250	53.47
LN	5	7	C	8	04/25/2007	0.0273	2,110	41.87
LN	9	7	P	4.5	08/28/2007	0.01	2,000	46.14
LN	8	7	P	7.2	07/26/2007	0.3678	1,800	44.71
LN	8	7	C	9	07/26/2007	0.3076	1,800	39.64
LN	10	7	P	7	09/25/2007	0.4975	1,800	51.19
LN	6	7	C	10	05/25/2007	0.0109	1,700	42.95
LN	5	7	P	7.5	04/25/2007	0.221	1,589	41.91
LN	3	8	C	15	02/26/2008	0.5029	1,550	47.90
LN	10	7	P	6	09/25/2007	0.2015	1,550	50.25
LN	1	8	C	10	12/26/2007	1.2104	1,500	35.68
LN	1	8	C	13	12/26/2007	0.5781	1,500	43.44
LN	3	8	C	12	02/26/2008	0.8595	1,500	42.63
LN	8	7	P	6	07/26/2007	0.0751	1,500	43.53
LN	8	7	C	10	07/26/2007	0.1676	1,450	43.01
LN	5	7	P	7.25	04/25/2007	0.1006	1,425	40.78
LN	10	7	P	6.5	09/25/2007	0.3272	1,400	50.57
LN	10	7	C	11.5	09/25/2007	0.27	1,400	50.54
ON	3	8	C	10	02/26/2008	1.317	1,350	47.93
ON	3	8	C	11	02/26/2008	1.057	1,350	49.05
LN	3	8	P	7	02/26/2008	0.4193	1,300	48.64
LN	1	8	C	20	12/26/2007	0.1631	1,200	53.28
LN	9	7	P	6	08/28/2007	0.1375	1,200	46.66
LN	7	7	C	8	06/26/2007	0.407	1,100	35.63
LN	8	7	P	7	07/26/2007	0.2953	1,050	44.34
LN	7	7	P	6.5	06/26/2007	0.0984	1,025	41.16
LN	6	7	C	9	05/25/2007	0.0485	950	40.14
LN	11	7	C	12	10/26/2007	0.3492	850	45.48
ON	5	7	C	7.75	04/25/2007	0.065	801	41.49
LN	9	7	C	8	08/28/2007	0.7738	750	38.10
LN	10	7	C	12	09/25/2007	0.2267	750	51.34
LN	6	7	P	7.5	05/25/2007	0.3496	730	41.57
LN	8	7	C	9.5	07/26/2007	0.2257	700	41.38
LN	9	7	C	11.5	08/28/2007	0.1668	700	49.48
LN	10	7	C	20	09/25/2007	0.0294	700	62.22

territory and settling down near the lows of the day. This selling appeared to us as probable continued long liquidation from positions established last week. Basis this afternoon's open interest report from the NYMEX, it showed that Monday was the start of this long liquidation as the natural gas market saw its first contraction in open interest levels in six trading sessions.

We continue to look for this market to see additional selling pressure initially tomorrow given the evolving long term weather forecasts which definitively show that the late season heating demand will be a distant memory come next week. While we feel that there is a good possibility that the \$7.378 low from earlier this month will be challenged tomorrow, we think the bears late tomorrow will move to the sidelines given the potential for a sizeable draw Thursday in the EIA Storage Report. We see additional support at \$7.35-\$7.334, followed by \$7.29, \$7.256, \$7.175 with further sub \$7.00 support at \$6.95-\$6.937. Resistance we see at \$7.59, \$7.634, \$7.704, \$7.74 and \$7.773. More distant resistance we see at \$8.00.

