



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR APRIL 17, 2008

NATURAL GAS MARKET NEWS

Gas Storage levels in Britain and Belgium were 31% full in the week to April 14, down 1% from the previous week.

The NYMEX reported that natural gas margins will increase effective at the close of business tomorrow. Margins for the first month will increase to \$8,438 from \$8,100. The margins for the second month will increase to \$8,438 from \$7,763. The margins for the third to fifth months will increase to \$8,775 from \$7,763 for customers.

PIPELINE MAINTENANCE

ANR Pipeline Company said that it will continue engine maintenance at its St. John Compressor Station located in Indiana in the Northern Fuel Segment (ML-7), which will reduce the total St. John W-E capacity by 115-125 MMcf/d between April 21 and May 9. Based on current nominations, it is anticipated the above capacity reductions may result in the curtailment of IT and Firm Secondary nominations.

Gulf South Pipeline said that scheduled maintenance on Montpelier Compressor Station Unit #4 has been postponed and will begin April 23. The project, originally slated to begin April 21, could reduce capacity through Montpelier Compressor station by as much as 75,000 Mcf/d.

PIPELINE RESTRICTIONS

Northwest Pipeline said that for today's gas day, primary nominations north through the Kemmerer compressor station are approximately 700 MMcf in the Timely cycle. Northwest has requested that customers who may be subject to a

Generator Problems

ECAR – FirstEnergy's 1,260 Mw nuclear unit reduced output to 82% power. Yesterday, the unit was operating at 91% power.

ERCOT – Luminant's 575 Mw Big Brown #2 coal-fired power station shut April 17-18 for planned work.

American Electric Power's 528 Mw Welsh #1 and #3 coal-fired power units are expected to restart over the next few days following short maintenance work.

MAPP – The Omaha Public Power District's 492 Mw Fort Calhoun nuclear unit is operating at 99% power today, but will shut over the weekend for a refueling outage.

MAIN – Exelon's 1,120 Mw Braidwood #2 nuclear unit will shut over the weekend for a refueling outage.

Exelon's 1,252 Mw Byron #1 nuclear unit ramped up to 83% power as it comes back from a refueling outage. Byron #2 continues to operate at full power.

NPCC – Constellation Energy's 1,140 Mw Nine Mile Point #2 nuclear unit, which recently exited an outage, tripped shut. The unit is operating at 14% capacity but is not connected to the grid.

PJM – PPL's 1,115 Mw Susquehanna #1 nuclear unit restarted after completing a refueling outage. The unit is warming up offline at 16% power. Susquehanna #2 continues to operate at full power.

SERC – Dominion's 799 Mw Surry #1 nuclear unit shut from full power for short work to repair a water leak in the heat exchanger. Surry #2 continues to operate at full power.

Duke Power's 1,100 Mw McGuire #2 nuclear unit is warming up offline at 15% power as it returns from a refueling outage. McGuire #1 continues to operate at full power.

WSCC – Southern California Edison's 1,080 Mw San Onofre #3 nuclear unit shut from 99% power. The unit is expected to be shut for 30-days. San Onofre #2 remains at 99% power.

Canada – OPG's 494 Mw Lambton #3 coal-fired power station returned to service today. The unit shut April 11.

The NRC reported that 75,423 Mw of nuclear capacity is online, down 1.50% from Wednesday and down 2.87% from a year ago.

EIA Weekly Report

	04/11/2008	04/04/2008	Net chg	Last Year
Producing Region	503	498	5	638
Consuming East	582	563	19	675
Consuming West	176	173	3	246
Total US	1261	1234	27	1559

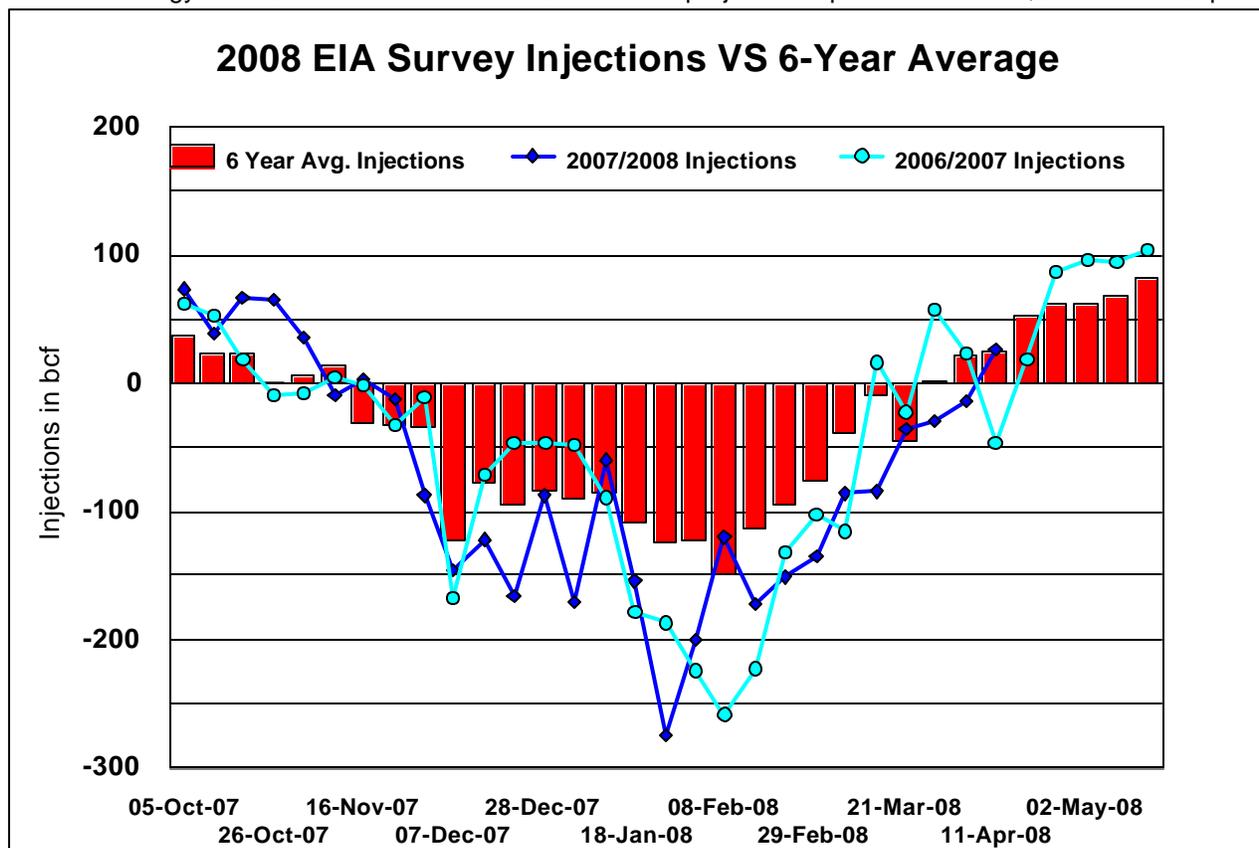
*storage figures in Bcf

Kemmerer Realignment OFO voluntarily realign supplies from points south of Kemmerer to points north of Kemmerer in order to reduce primary nominations below the operational capacity of 680 MMcf. If nominations in the Timely cycle for the April 18 gas day are above 600 MMcf through the Kemmerer compressor station, Northwest may issue a Notice of Recall and declare an Operational

Flow Order effective beginning gas day April 19.

ELECTRIC MARKET NEWS

FERC granted financial incentives to three utilities to advance two large power-line projects. The regulators partially approved a request from PG&E to recover early costs for a 1,000-mile transmission line that will bring renewable energy from Canada to California. Cost for the project is expected to reach \$3.2 billion. Separately,



FERC granted certain rate incentives to two utilities for a proposed \$1 billion transmission project that will help relieve congestion in the Mid-Atlantic region. The Susquehanna Line, proposed by PPL Corp utilities and Public Service Electric and Gas Co., will cross 130 miles across northeastern Pennsylvania to northern New Jersey.

As estimated by the EIA from data on railroad car loadings, U.S. coal production totaled approximately 22.4 million short tons during the week ended April 12. This production estimate is about the same as in last week's estimate, and 3% lower than in the estimate reported for the comparable week in 2007. Production east of the Mississippi River totaled 9.7 mmst and production west of the Mississippi River totaled 12.7 mmst.

Canadian Gas Association

Weekly Storage Report

	11-Apr-08	04-Apr-08	13-Apr-07
East	39.4	39.4	59.5
West	115.2	114.1	44.2
Total	154.6	153.4	103.7

storage figures are in Bcf

MARKET COMMENTARY

The natural gas market was about 10 cents weaker to start the session, as it awaited the release of the EIA's weekly inventory report. The report showed the first injection of the season, a build of 27 Bcf, which was toward the higher end of expectations. The market's initial reaction was to spike to new 2-year highs of 10.536, but momentum waned quickly as a firmer dollar pressured crude oil. The May natural gas contract spent the rest of the session chopping violently between 10.40 and 10.50 before ending the session by breaking below the intra support. The may contract dipped as low as 10.322 before settling down 5 cents at 10.383.

For the week ended April 11, total inventories in the lower 48 states were 1,261 Bcf, 298 Bcf below last year's levels and 3 Bcf below the five-year average. The irrational movements continue and we maintain that with the softened demand during shoulder season, a pull of the highs is the appropriate fundamental position to take. However, the markets connection to macro situation, such as the dismal strength of the dollar, keeps the upside risk in place and the market subject to volatile price action, as non-energy traders use the market. We see support at 10.30, 10.192, 10.062, 10.00, 9.95, 9.36 and 9.00. We see resistance at 10.49, 10.62, 10.70 and 11.00.