The Windham Group
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ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR APRIL 18, 2006

NATURAL GAS MARKET NEWS

Kinder Morgan Energy Partners said it entered into a long-term transportation and storage agreement with a unit of CenterPoint Energy. Kinder Morgan said CenterPoint has contracted for 1 Bcf/d of transportation capacity and 16 Bcf of storage capacity, effective April 1, 2007.

The NYMEX announced that it is tentatively scheduled to launch on April 30th for the May 1st trade date 16 new natural gas basis, swing and index contracts for trading/clearing on its Clearport system. The location of the contracts are as follows: Center Point East, Dawn Ontario, ANR Oklahoma, NGPL Mid Continent, NGPL Tex Oklahoma, Demarc and Ventura.

The FERC Monday afternoon rejected requests by New England interests to reopen the case on the proposed Weaver's Cove LNG import terminal. The agency said that parties had failed to demonstrate that the company's new plan to use smaller tankers to navigate the Taunton River, near Fall River, MA, amounted to "extraordinary circumstances".

Analysts at Raymond James noted that natural gas markets worldwide are showing signs of increasing convergence, particularly among OECD countries and that trend is expected to continue as LNG trade continues to grow.

Mexico's Pemex reported that natural gas output was a touch higher at an average of 5.160 Bcf/d, up from 5.056 Bcf/d in February, while natural gas imports jumped to 450.6 MMcf/d from 378.9 MMcf/d in February.

Generator Problems

ERCOT— City Public Service's 405 Mw JT Deely #2 coal-fired power unit returned to service after a maintenance outage.

SERC— Duke Power Company's 846 Mw Oconee #2 nuclear unit restarted and has returned to full power. Oconee #1 and #3 continue to operate at full power.

Entergy's 966 Mw River Bend nuclear unit ramped output to 24% capacity following a short outage.

WSCC— Southern California Edison's 1,070 Mw San Onofre #2 nuclear unit will not connect to the power grid for at least a couple more days. The unit has been offline since a refueling of the reactor began January 3.

Canada— Ontario Power Generation's 535 Mw Lennox #1 and #4 oil- and natural gas- fired units shut for short-term planned work by early today.

Ontario Power Generation's 490 Mw Nanticoke #4 coal-fired power station returned to service by early today.

The NRC reported that U.S. nuclear generating capacity was at 78,155 Mw up 1.54% from Monday and up 4.06% from a year ago.

PIPELINE RESTRICTIONS

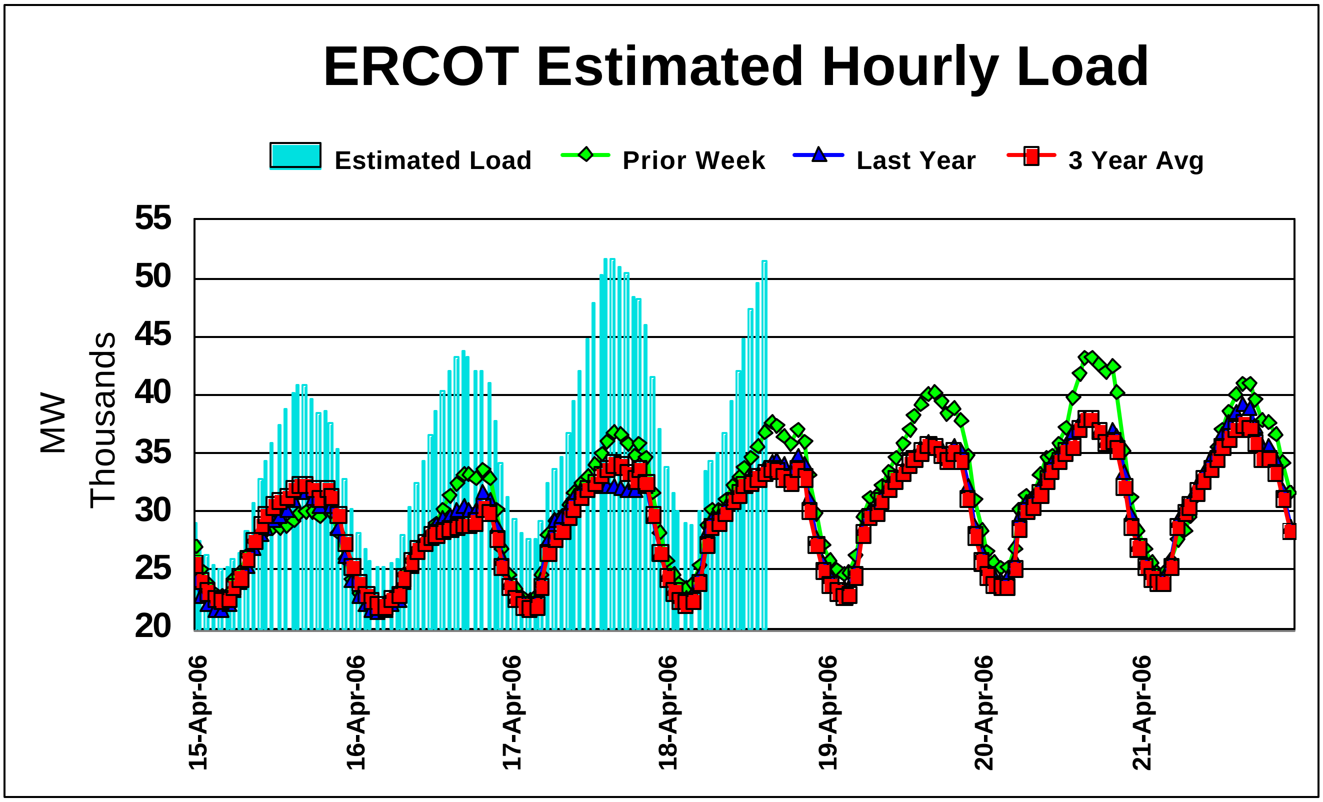
Florida Gas Transmission said that due to warm temperatures and low linepack, it is issuing an Overage Alert Day at 20% tolerance.

Kern River Pipeline said that line pack is high on the entire system. Kern River is currently requesting that shoppers stay on rate.

Questar Pipeline Company said that beginning April 19 when Clay Basin testing is complete, the injection capacity will be 330 MMcf/d.

Texas Eastern Transmission said it has scheduled and sealed M1 and M2 24-inch. No increases between Little Rock and Fagus for delivery outside that area will be accepted.

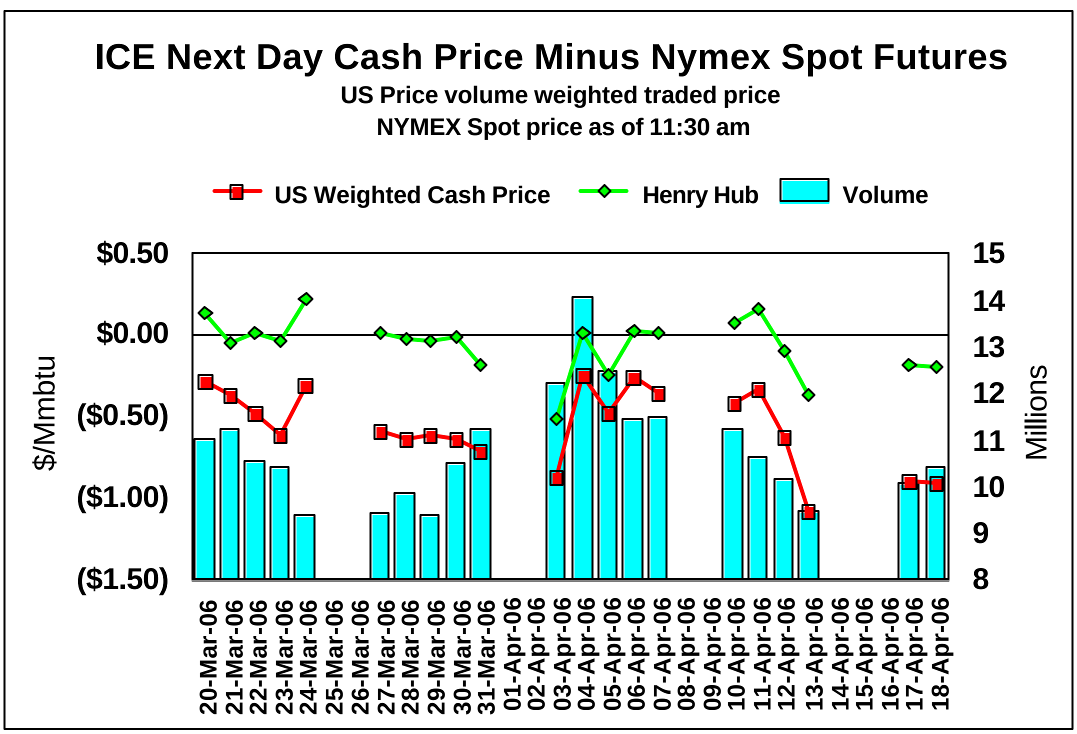
PIPELINE MAINTENCE



Gulf South Pipeline said that unscheduled maintenance on Bistineau Compressor Station Unit #2 has been extended through April 21. Capacity on injections to the Bistineau Storage Field could be reduced by 100 MMcf/d. Capacity on Bistineau storage withdrawals will not be affected during this maintenance.

ELECTRIC MARKET NEWS

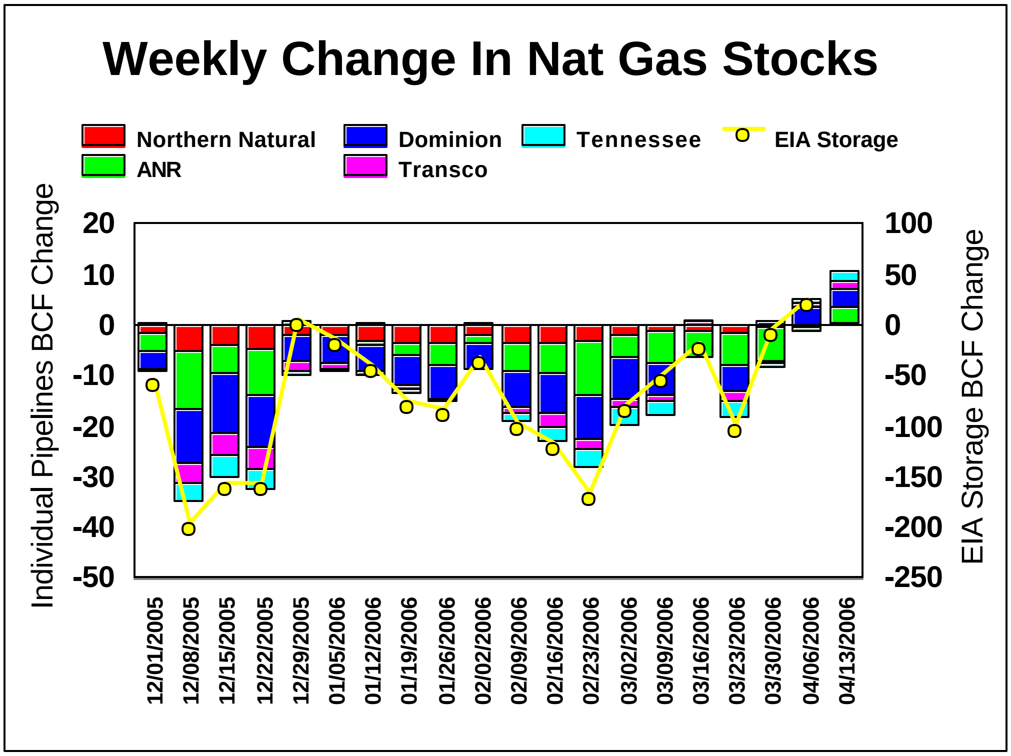
The state Public Utility Commission thinks CenterPoint Energy generated more revenue than it should have in 2004 and wants to review the company's rates. But the company, which sells electricity to electric retail providers and maintains transmission and distribution lines,



said it collected less revenue than normal and should be allowed to increase rates 3.7%, or $50.1 million. The company also said it should be able to increase rates by $43.1 million for its wholesale transmission customers, such as other utilities throughout the state.

The FERC said today that it is reviewing the power system reliability standards submitted by the North American Electric Reliability Council earlier this month and that it expects to to issue a proposed rule on the standards by July.

An ERCOT spokesman said today that enough power plants were scheduled to be operating in Texas today that should allow the operator to avoid a second day of rolling blackouts. The grid operator estimated at 58,000 Mw of generating capacity should be online by Tuesday afternoon, well above a projected peak of 53,573 Mw expected for the late afternoon today. On Monday ERCOT ordered utilities to implement rolling blackouts for two hours during peak usage Monday afternoon. On Monday some 14,000 Mw or 18% of the region's generation capacity was shut for maintenance, coupled with a number of transmission lines that were also shut for maintenance work.



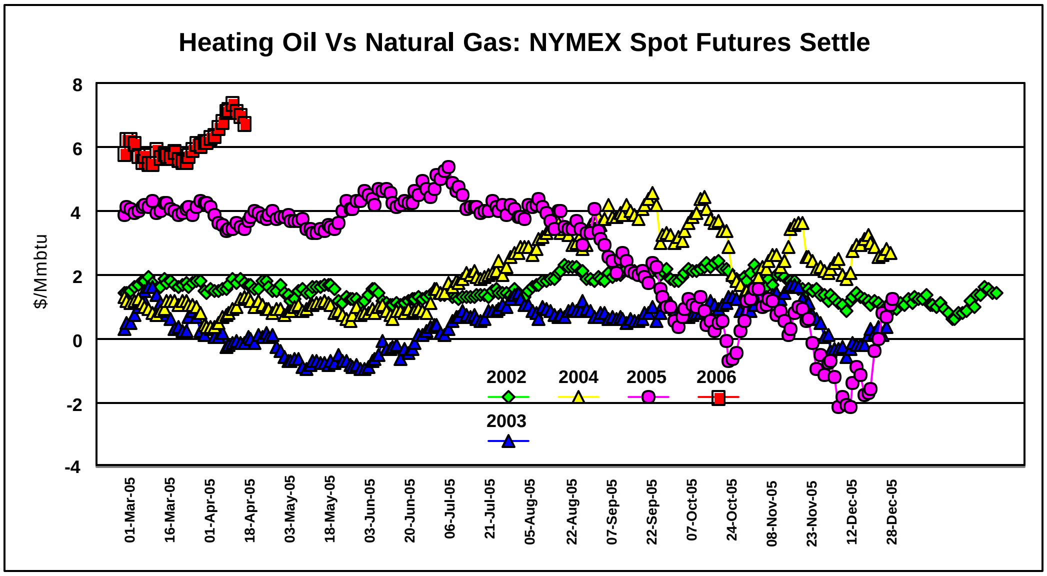
Constellation Energy Group said environmental rules were making it take a hard look at its power plant emissions in Maryland and could force it to shut a coal-burning plant. Two sets of rules are forcing the company to look at how to operate its fleet of Maryland power plants economically. One is a federal law, known as the Clean Air Interstate Rule, that starting in 2010 caps emissions of smog components sulfur dioxide and nitrogen oxide. The other, Maryland's Healthy Air Act, signed this month by Gov. Ehrlich, requires the state to join seven other states attempting to regulate carbon dioxide emissions at power plants. It also puts limits on mercury and other emissions beyond federal regulations. The rules could force Constellation to shut its 45-year old 400 Mw Crane Plant, as it is too small to economically add technology that could scrub pollutants from its emissions.

ECONOMIC NEWS

The U.S. Department of Labor reported this morning that producer prices climbed 0.5% in March, but the core index, excluding food and energy prices was up only 0.1%, the smallest gain in four months. The Commerce Department meanwhile reported that housing starts in march fell 7.8%, some 3.4% less than had been expected by the market. Also today the minutes from the last Federal Reserve policy makers meeting back on March 27-28th showed that most members thought the bank was close to ending its rate hike policy, but they remained worried about potential inflation risks given tight resource use, plus costly energy and commodity prices could still fuel further inflation.

MARKET COMMENTARY

The natural gas market opened 10.3 cents stronger, above its current range of 7.65, inspired by a potent combination of short covering, technical buying, a firming physical market, and surging crude oil prices. These factors catapulted natural gas to its highest price since early February. With crude oil trading to an new high of 71.60, natural gas rallied to 8.10 before pulling back modestly to settle at 8.008, still a whopping 43.1 cents higher on the day. The last time the front month settled above $8.00 was on February 3 when it closed at $8.613.



In addition to the screaming crude market, the front month contract was supported from below by a surprising amount of cooling demand in the South and Texas during what is typically a quiet period. With many nuclear plants undergoing seasonal maintenance, additional spot gas was required to meet the new demand. With spot prices up between 30 and 40 cents on the day, May natural gas found some fundamental support. From a technical standpoint, the front month as thoroughly broken out of its previous 6.65-6.75 range, and has quickly filled in the gap up to the next key level at 8.05-8.10. The next resistance point is the high from February 8 at 8.13. However, additional traction over 8.00 remains a question, given the relatively mild conditions of the shoulder season and the more than ample gas supplies. Thursday's inventory report will be watched closely to confirm if higher prices are possible. Early expectations range from 36 to 90 Bcf, with most in the low 50s. We see support at $7.67, $7.00, $6.66 and $6.62. Further support exists at $6.45, $6.13 and $5.68. We see resistance at $8.13, $8.413, $8.818-$8.95, and $9.497.