



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR APRIL 19, 2007

NATURAL GAS MARKET NEWS

The FERC today proposed new rules to facilitate price transparency in markets for the sale and transportation of physical gas in intrastate commerce. The FERC proposed (1) a daily requirement for intrastate pipelines to post the capacities and volumes of natural gas flowing through their major receipt and delivery points and main line segments; and (2) an annual requirement for certain buyers and sellers of natural gas to report the numbers and volumes or relevant transactions for the previous calendar year. The commission also would require each holder of blanket marketing certificate authority or blanket unbundled sales services certificate authority to notify the FERC as to whether it reports its transactions to publishers of electricity or natural gas price indices and whether such reporting conforms to certain standards. Currently the FERC requires notification only if blanket certificate holders change their reporting practices.

NOAA said today that La Nina weather conditions may develop in the coming months which could contribute to enhanced hurricane activity. However the NOAA said it was not yet clear that these conditions would develop in the May-July period.

EIA Weekly Report

	04/13/2007	04/06/2007	Net chg	Last Year
Producing Region	636	642	-6	647
Consuming East	663	706	-43	877
Consuming West	247	244	3	239
Total US	1546	1592	-46	1763

The coastal Oregon LNG terminal project, the Jordan Cover LNG facility along with its complimentary Pacific Connector Pipeline have both nearly completed the pre-filing phase of the environmental assessment, and the project manager expects to make a formal filing with the FERC in June.

The FERC today said it would not accept requests from interstate gas pipelines to compensate customers of other downstream entities for any costs they may incur in using gas supplies that include revaporized natural gas that meets approved gas quality and interchangeability standards. The ruling comes as a result of a dispute dating back to 2004 over

Generator Problems

SERC – Entergy's 1207 Mw Grand Gulf #1 nuclear unit was at 98% of capacity, up 10% from the prior day.

TVA's 1100 Mw Browns Ferry #2 nuclear unit was back on the grid and at 35% of capacity.

Progress Energy's 938 Mw Brunswick #2 nuclear unit was at 39% of capacity this morning up 19% from yesterday.

SPP – Entergy's 966 Mw River Bend nuclear plant was at 86% power up 65% from Wednesday.

NPCC Constellation Energy's 565 Mw Nine Mile point Nuclear unit #1 was at full capacity this morning.

PJM – PPL's 1115 Mw Susquehanna #2 nuclear unit resumed ramping higher again today after being held near 40% of power the past several days. The unit was at 76% of power today.

PSEG Nuclear's 1100 Mw Salem #1 nuclear unit was restarted but was only at 1% of capacity.

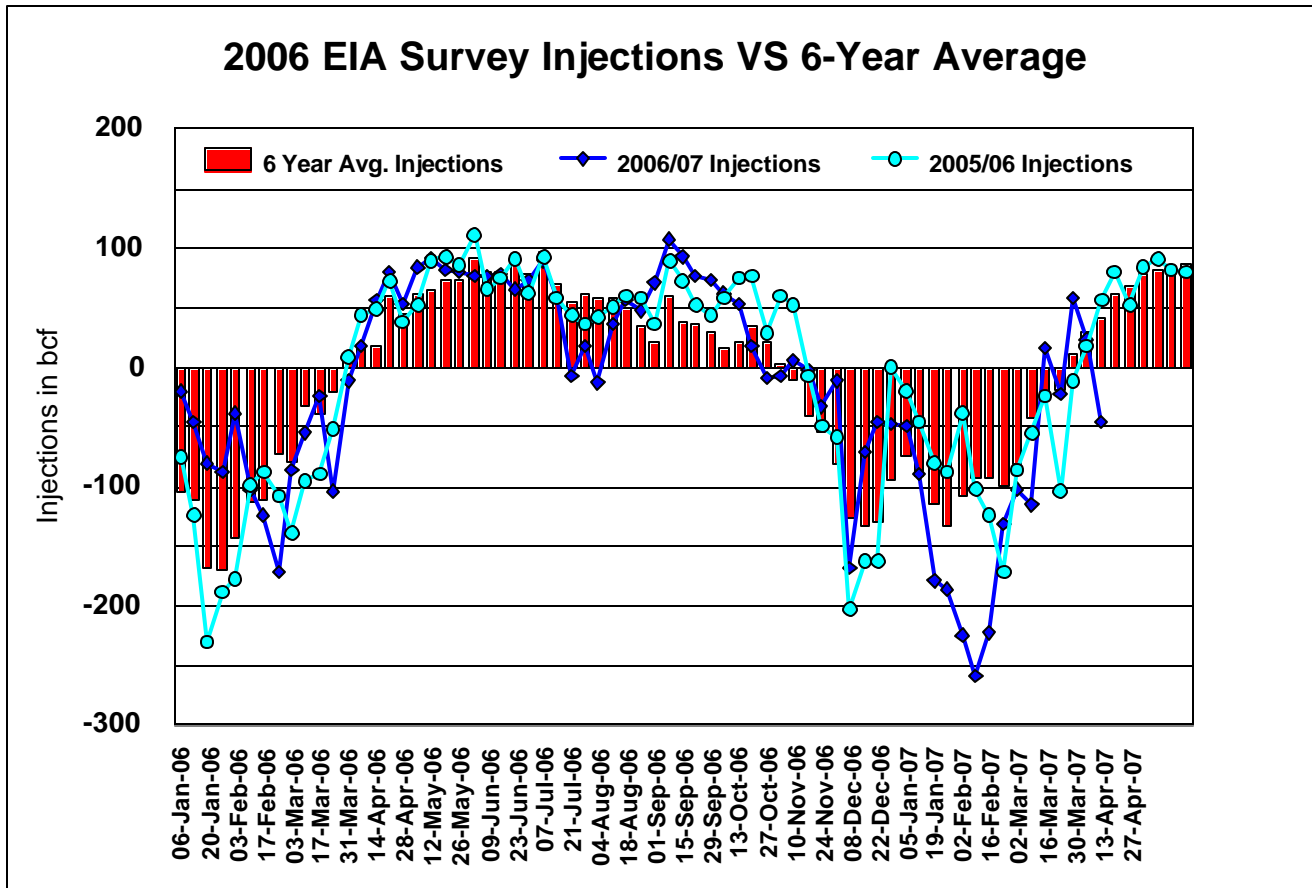
ERCOT The coal fired #1 unit at the Coletto Creek Power Station was being restarted following its recent scheduled outage.

The #1 unit at the coal fired Welsh power plant was expected to be restarted late tonight following completion of repairs for a tube leak.

Canada - OPG's 535 Mw Unit #1 at the Lennox oil and gas fired power plant was taken off line for planned maintenance.

The NRC reported that 77,649 Mw of nuclear capacity is on line, up 1.42% from Wednesday, and up some 0.3% from a year ago.

interconnection of gas transportation facilities in Florida, in which FGT was proposing an interconnection agreement with the AES Ocean Express LNG terminal in the Bahamas. The FERC on Thursday determined that the gas quality/interchangeability standards should apply to both domestic and revaporized LNG received by FGT for its market area customers, not just for LNG supplies addressed by the administrative law judge in this case back in 2004.



The FERC today approved the western phase of the Rockies Express Pipeline as it issued certificates for three projects that will make up the western most end of the pipeline project. KMITG, NNG, NGPL and ANR are set to begin construction in May with an in service date of January 1, 2008

The FERC today under the Freedom Of Information Act released a copy of its written response to Senator Bingaman's letter from February 6th in which he sought a response from the FERC on its efforts to adequately oversee natural gas markets. The FERC's response noted that its powers of oversight and enforcement were greatly expanded by the Energy Policy Act of 2005. But it noted that the FERC does not have direct jurisdiction over the financial sales that take place on designated contract markets such as the NYMEX, on which the CFTC has exclusive jurisdiction. The FERC though did note that since certain physical markets for natural gas that the FERC oversees, make use of prices derived, in part from the final settlement prices of NYMEX futures, such as physical basis transactions. As a result the commission staff has reviewed trading on the NYMEX in the last half hour of the final settlement period for NYMEX futures since 2004. In addition the FERC and CFTC since October 2005, when they entered into a Memorandum of Understanding are actively sharing information on market activities, and routinely advise one another on investigations pertaining to the agencies' respective jurisdictions and also typically work together to investigate and resolve matters where appropriate. But the agency declined to answer the Senator's questions involving the Amaranth collapse. The

Canadian Gas Association			
Weekly Storage Report			
	13-Apr-07	06-Apr-07	14-Apr-06
East	59.5	66.1	93.6
West	44.2	42.7	133.2
Total	103.7	108.8	226.8

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agency's response was simply that it could not implicate the existence or nature of an ongoing nonpublic investigation.

PIPELINE MAINTENANCE

ANR pipeline said today that it will begin station maintenance at its Grand Chenier Compressor Station in Louisiana from April 23rd through May 8th. It will reduce throughput capacity to 700 mmcf/d. Based on current nominations it is expected to curtail IT and Firm Catalog Receipt Points in the area.

Natural Gas Cash Market						
ICE Next Day Cash Market						
	Volume	Avg	Change	Basis	Change	Basis 5-Day
<u>Location</u>	<u>Traded</u>	<u>Price</u>		(As of 12:30 PM)		<u>Moving Avg</u>
Henry Hub	1,531,300	\$7.543	\$0.007	(\$0.287)	(\$0.068)	(\$0.220)
Chicago City Gate	713,800	\$7.057	(\$0.150)	(\$0.433)	(\$0.117)	(\$0.343)
NGPL- TX/OK	716,000	\$6.943	(\$0.079)	(\$0.547)	(\$0.046)	(\$0.567)
SoCal	880,700	\$7.008	\$0.144	(\$0.482)	\$0.177	(\$0.571)
PG&E Citygate	880,900	\$7.361	\$0.038	(\$0.129)	\$0.071	(\$0.149)
Dominion-South	454,300	\$8.176	(\$0.207)	\$0.686	(\$0.174)	\$0.900
Transco Zone 6	173,800	\$8.338	(\$0.365)	\$0.848	(\$0.332)	\$1.095

Colorado Interstate Gas Company reported that its Kiowa Meter Station in Colorado will have maintenance. Volume at the meter station will be zero during the outage. The Natural Buttes Compressor Station in Utah will be out of service on April 24th-26th. Volume at the station will be zero during the work. Also work on the same dates at Meter 101 Station will also cut volumes to zero. The company also reported that maintenance at the Rawlins and Cheyenne Compressor Stations in Wyoming will reduce through put by 50 and 43 Mmcf/d respectively.

Panhandle Eastern Pipeline said today that repair work on the Haven 200 line from Haven Station to Gate Value 201 on April 24th will limit capacity to 1250 Mmcf/d.

Northern Natural said that it has reduced the Market Area Storage Allocation Group Injection capacity by 75,000 for today due to maintenance work at the Cunningham Storage field. Allocation levels are expected to return to normal on Friday.

Tennessee Gas Pipeline reported that repair work to correct problems caused by liquids entering Station 823 is ongoing and is anticipated to continue for the next 5 to 10 days. Restrictions may continue to be required on a pro rata portion of the Secondary Out of Path nominations pathed through Station 823 while repairs continue.

Transco Pipeline said that it will be performing anomaly work on its mainline downstream of Station 190 in Ellicott City, Maryland. During this outage Interruptible Transportation or Secondary Firm Transportation services through the Station 190 constraint point will not be available starting today through May 12th. It also reported it will begin anomaly repair work on its mainline downstream of Linden, New Jersey. The work is scheduled for April 21-28th. During this time period Interruptible Transportation and Secondary Firm Transportation services through Linden constraint point will not be available.

Gulf South Pipeline said it began unscheduled maintenance on the Koran Compressor Station Unit #2 that will continue until further notice. Capacity through the station will be reduced by as much as 10,000 Mcf/d

PIPELINE RESTRICTIONS

TransColorado Gas Transmission said that Segment 220,250 and 310 are listed as IT/AOR/Secondary at Risk.

Algonquin Gas Transmission said the AGT interconnect with Tennessee Gas Pipeline at Mahwah has been restricted to capacity.

NYMEX Nat Gas Options Most Active Strikes for April 19, 2007								
Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Volume	IV
LN	10	7	P	4.5	09/25/2007	0.0239	8,250	50.41
LN	5	7	P	7	04/25/2007	0.0139	4,315	39.14
LN	6	7	P	7	05/25/2007	0.1208	4,050	40.01
LN	10	7	P	5.5	09/25/2007	0.1036	4,000	49.89
LN	10	7	C	10	09/25/2007	0.4637	3,800	46.44
LN	8	7	P	5	07/26/2007	0.0081	3,500	43.45
LN	10	7	C	9	09/25/2007	0.6709	3,375	43.22
LN	3	8	C	10	02/26/2008	1.338	3,000	36.76
LN	4	8	C	15	03/26/2008	0.1034	3,000	36.52
LN	6	7	C	8.5	05/25/2007	0.1097	2,860	38.43
LN	6	7	P	7.5	05/25/2007	0.3023	2,610	41.15
LN	1	8	C	17	12/26/2007	0.2508	2,550	48.63
LN	5	8	C	20	04/25/2008	0.0338	2,500	39.94
LN	5	7	C	8	04/25/2007	0.0211	2,360	40.64
LN	10	7	P	5	09/25/2007	0.0532	2,100	50.12
LN	10	7	C	11	09/25/2007	0.3343	1,950	49.46
LN	3	8	C	20	02/26/2008	0.2466	1,850	53.20
LN	10	7	C	14	09/25/2007	0.1226	1,800	54.14
LN	5	7	C	8.5	04/25/2007	0.0019	1,700	43.37
LN	5	7	P	7.25	04/25/2007	0.0557	1,683	39.51
LN	10	7	C	8	09/25/2007	0.9977	1,550	39.30
LN	1	8	P	9	12/26/2007	0.9526	1,500	49.29
LN	8	7	P	5.5	07/26/2007	0.0254	1,500	43.26
LN	12	7	P	9	11/27/2007	0.9733	1,500	48.29
LN	1	8	C	10	12/26/2007	1.2322	1,450	34.90
LN	5	7	P	6.5	04/25/2007	0.0002	1,250	36.91
LN	9	7	P	7	08/28/2007	0.3746	1,250	47.32
LN	5	7	C	7.75	04/25/2007	0.0599	1,246	39.26
LN	6	7	P	7.25	05/25/2007	0.1982	1,175	40.55
LN	10	7	P	6	09/25/2007	0.186	1,100	50.07
LN	5	7	P	7.35	04/25/2007	0.0869	1,078	39.76
LN	7	7	P	6	06/26/2007	0.0307	1,000	41.09
LN	5	7	C	7.5	04/25/2007	0.145	975	37.61
LN	5	7	P	7.4	04/25/2007	0.1063	920	39.87
LN	3	8	C	15	02/26/2008	0.5097	800	47.46
LN	5	7	P	7.2	04/25/2007	0.0436	785	39.43
LN	8	7	P	7	07/26/2007	0.2674	775	43.97
LN	5	7	P	7.15	04/25/2007	0.0336	760	39.34
LN	9	7	C	8	08/28/2007	0.8081	750	37.64
LN	10	7	C	8.25	09/25/2007	0.9014	750	40.37

KMIGT said that effective today and until further notice: ANR-Lake Arthur is at capacity for deliveries. ITS/AOR and Secondary transports are at risk of not being fully scheduled. Also Segment 340 Ulysses, Segment 773 and Segment 775 are at AOR/IT/Secondary at Risk, as is CIG Weld, NNG Milligan, SSC Grant, PEPL Grany and Petr Dev Newton.

NGPL said that effective today and until further notice, ANR-Lake Arthur is at capacity for deliveries. ITS/AOR and Secondary transports are at risk of not being fully scheduled. Also the company noted that all Louisiana Line Segments (25,23, and 24) are at capacity for eastbound transports. ITS/AOR and Secondary out of path transports are at risk of not getting fully scheduled.

Tennessee Gas Pipeline reported that upstream of Station 823 on the 507A,k and F lines it anticipated restricting through approximately 55% of Supply to Market Secondary Out of Path Nominations. In addition the company would not accept any Supply to Market nominations increases pathed on these lines upstream of station 823. At the Leidy meters the company anticipates restricting through 36% with 19% at the Niagara River Meter and 62% at the

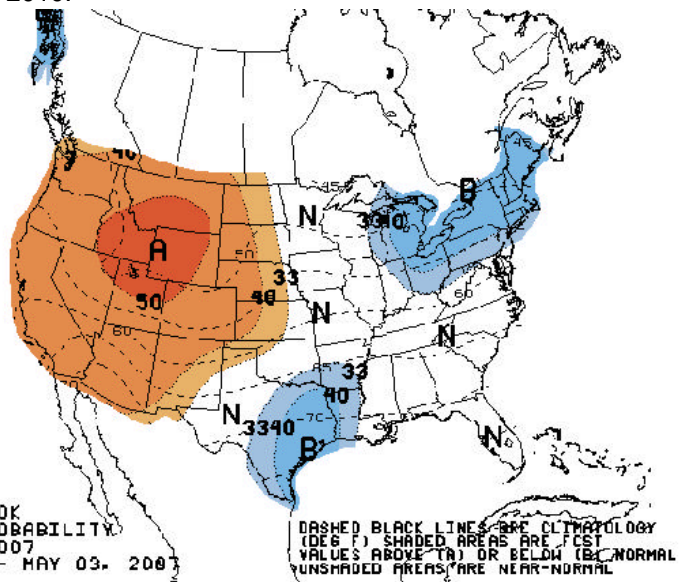
Mahwah New Jersey Meter Station.

ELECTRIC MARKET NEWS

Calpine has filed with the SEC a preliminary settlement it has reached an ad hoc committee of bondholders to settle more than \$8 billion in claims related to certain defaulted ULC1 bonds. The settlement is subject to bankruptcy court approvals. If approved the settlement would resolve multiple bankruptcy claims of more than \$12 billion and replace them with a single claim of around \$3.5 billion and avoid litigation.

The FERC today largely reaffirmed a prior order approving power market reforms in California, reiterating the FERC's view that the reforms are necessary to prevent the recurrence of the energy crisis that gripped the western market in 2000-2001. The FERC at the same time dismissed two complaints that sought to challenge

the wholesale power contracts that had been approved by the California Public Utilities Commission. Finally in the California market the FERC approved CALISO proposed mechanism for financing facilities to interconnect location-constrained renewable resources, such as wind, solar and geothermal generation into the CALISO transmission grid. These new rules are seen to help the state meet its goal of deriving 20% of its electricity from green sources by 2010.



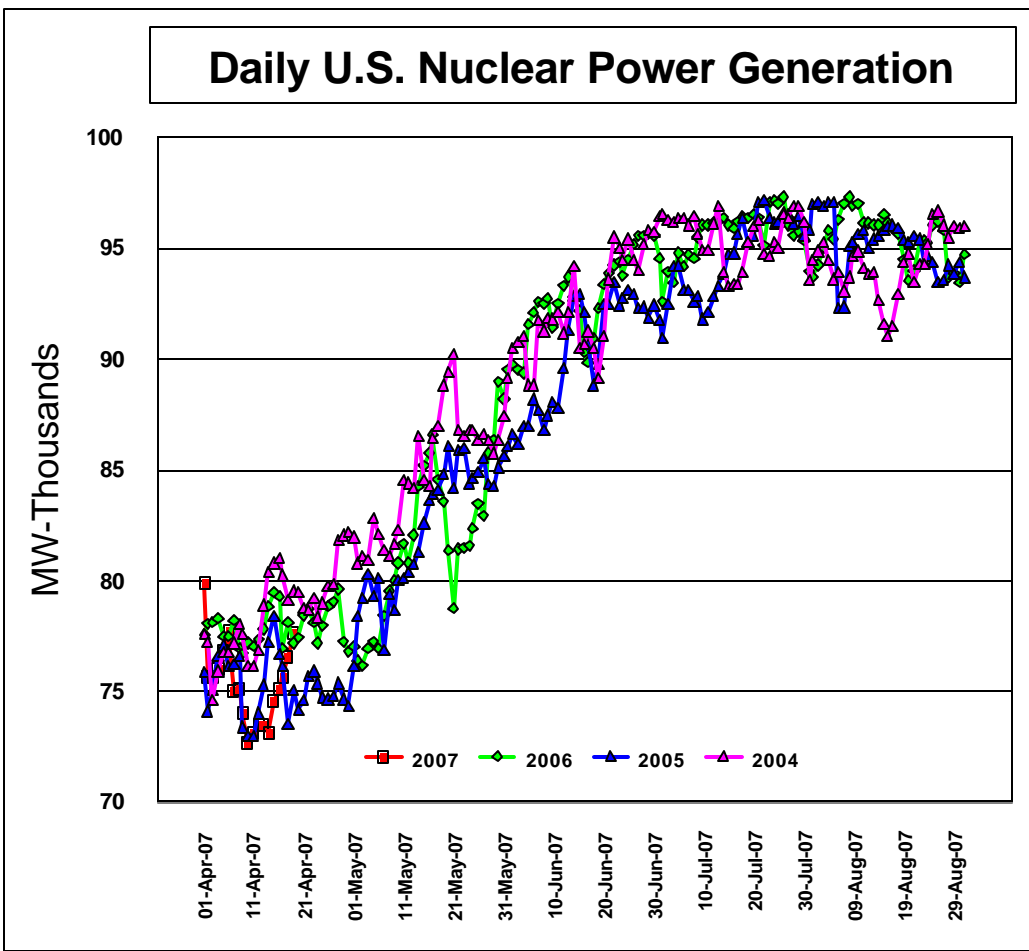
The EIA reported today that for the week ending April 14th U.S. domestic production of coal reached 22.844 million tons up 8.6% from the previous week, but 1.4% less than the same week a year ago. Year to date production of coal in 2007 is running 0.7% behind last year.

The U.S. Northwest River Forecast Center said today that its April-August forecast for water flows at the key Dalles Dam on the Columbia River will be 92% of normal, unchanged from its report two weeks ago. A year ago water flows at this time were

estimated would run 105% of normal.

Dominion Virginia Power today filed to applications with the Virginia State Corporation Commission, one to build two 150 Mw, natural gas fired generating units at its Ladysmith Power Station, near Fredericksburg, VA and the other was to build a 500,000 volt transmission line between Meadow Brook and Loudoun substations.

A key member of Congress said today that a final resolution of a climate change bill that would regulate greenhouse gas emissions was not expected to reach a full vote in Congress until 2008. Meanwhile



two U.S. Senators, introduced legislation seeking to reduce emissions of greenhouse gases and other pollutants from power plants. The Senators were targeting this sector, since it accounts for 40% of the nations CO2 emissions.

North to South capacity on the California-Oregon AC would increase from 4200 Mw on Thursday to 4500 Mw on Friday, while capacity on the Pacific DC Intertie would remain at 2800 MW for the next week or so.

Allegheny Energy's subsidiary Trans-Allegheny Interstate Line Company has filed an application seeking authorization to build a new 500-Kv transmission line in Virginia. The line would be in service by 2011 and run between southwestern Pennsylvania into northern Virginia.

Portland General Electric Company reported that the commercial operation of its Port Westward Generating unit, a new 400 Mw gas fired power plant will be delayed until June 2007.

The FERC today approved the NERC's pro forma Delegation Agreement, which is the blueprint for contractual relationship between NERC and eight regional reliability entities. The agreement includes a Compliance Monitoring and Enforcement Program, which will monitor, assess, and enforce compliance with commission approved mandatory reliability standards. Also approved are the eight Regional Entity Delegation Agreements and related documents through which the NERC will delegate authority to Texas Regional Entity, a division of ERCOT; Midwest Reliability Organization; Northwest Power Coordinating Council; Cross Border Regional Entity; ReliabilityFirst Corp; SERC Reliability Corp, Southwest Power Pool, WECC, FRCC.

The EEI announced, in an effort to increase liquidity in coal markets, a wholesale coal-trading annex has been added to the EEI's Master Power Purchase and Sales Agreement.

MARKET COMMENTARY

The natural gas market today basically received a supportive storage report but saw a dramatic sell off quickly following its release as it seemed a market order on Globex touched off stops that sent prices tumbling to their lowest level since March 21st, before quickly snapping back and working higher. But prices failed to gain much traction after its morning's rebound and failed to breach the highs of the two previous trading sessions. As a result prices finished the day down in the fronts with the back months slightly firmer.

We continue to look for the advance of warmer temperatures and the recent rebound in nuclear generation levels, which today finally moved back over year ago levels, for the first time this month, should apply near term pressure on natural gas prices. But longer term we look for not only the increasing risk of hurricanes but the significantly lower hydrogenation level this summer over last year should also help to support prices. As a result while we would look to play this market for one more move to the downside we would begin to look to build a position for August or September on the long side.

Near term we see resistance in the May contract at \$7.55-\$7.59 followed by \$7.625, \$7.64, \$7.713 and \$7.75. More distant resistance we see at \$7.95 and \$8.00-\$8.03. Support we see at \$7.34, \$7.25, \$7.14 and \$7.04.