



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR APRIL 20, 2007

NATURAL GAS MARKET NEWS

Excelerate Energy and its partner the Belgian shipper Exmar, plan to order three more on-board regasification vessels, which would raise their total global LNG fleet to 9 ships. The ship would be delivered between 3Q09 and 2Q10.

Constellation Energy Commodities group signed a deal for regasification capacity at the Freeport LNG Development terminal through September 2009. The terminal is expected to start operations on January 2008. The facility will initially have 1.75 Bcf/d of vaporization capacity, two 160,000 cubic meters of LNG storage tanks and unloading capacity to handle up to 250,000 cubic meters.

Baker Hughes reported that for the week ending April 20th the number of rigs search for natural gas in the United States stood at 1473 up1 from the previous week

The FERC regulatory staff gave approval to Kinder Morgan Energy Partners' proposed pipeline in Louisiana to carry re-gassified LNG to the national pipeline grid, saying the project would do little harm to the environment. The 136-mile pipeline would transport 4 bcf/d of gas from the Sabine Pass LNG terminal to the national pipeline system and underground storage grid. Kinder Morgan plans to build the pipeline on phases, with construction set to begin this November with the first stage coming on line in October 2008 and full operation by April 2009.

The FERC chief administrative law judge ordered former Enron consultant and attorneys to provide all data on the company's energy market deals that were not submitted during the commission's 2001 investigation into the Western energy crisis. The FERC is seeking to determine Enron's degree of liability and financial obligations as a result of market manipulation.

NYMEX announced today that it will list American

Generator Problems

SERC – Entergy's 1266 Mw Grand Gulf nuclear power station saw output drop to 65% Friday after ramping up to 98% on Thursday.

Progress Energy's 937 Mw Unit #2 at the Brunswick nuclear power station was at 75% of power Friday morning up 36% from yesterday.

SPP – Entergy's 996 Mw River Bend ramped up to full power this morning, up from 86% yesterday.

NPCC – Entergy's 1025 Mw Unit #3 Indian Point nuclear unit is expected to return to service next week. The unit has been down since April 6th when a fire damaged the unit's two main transformers.

PJM – PPL's 1115 Susquehanna #2 nuclear unit was at 85% power this morning, up 9% from yesterday.

PSEG's 1100 Mw Salem #1 nuclear unit was at 18% of power this morning but remained offline.

WSCC – APS' 1247 Mw Palo Verde #3 nuclear unit is not expected to return to the grid until the end of the month rather than as expected on Friday, due to more extensive maintenance was required.

ERCOT TXU Corp's 575 Mw Unit #1 at the Big Brown coal fired power plant was scheduled to be taken out of service Friday evening for maintenance work that should last at least until Saturday.

Unit #2 at the Tolk Station power plant was scheduled for maintenance beginning April 20th through April 28th, as operators were conducting maintenance work ahead of the peak power season.

Canada – The 495 Mw Unit #3 at EPCOR's Genesee coal fired power plant in Alberta returned to service today. The unit had been shut since April 18th.

The NRC reported that 77,973 Mw of nuclear capacity is on line, up 0.42% from Thursday, and off some 0.65% from a year ago.

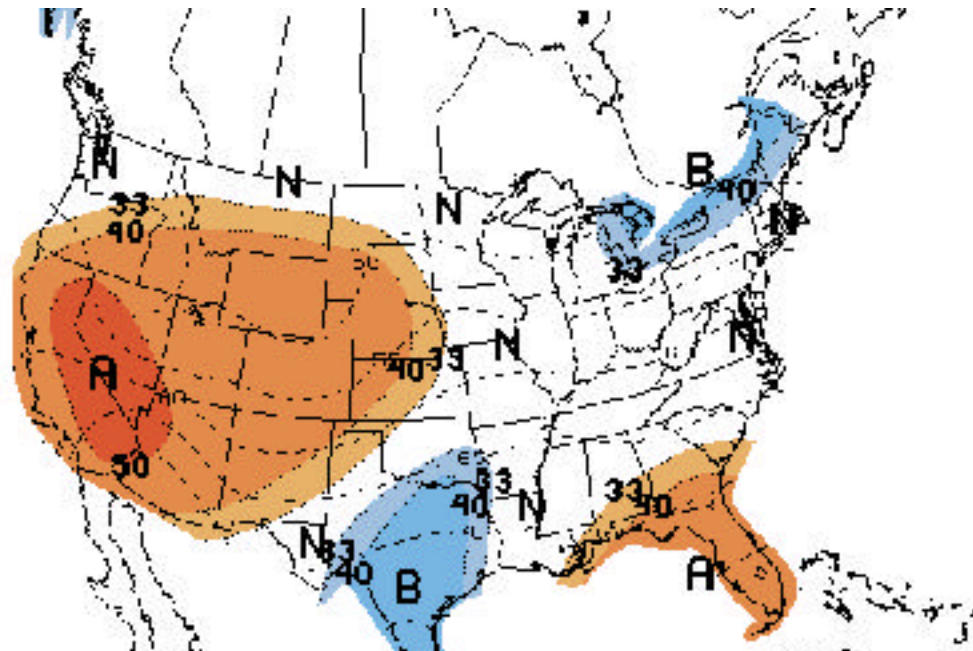
style options on natural gas, RBOB, heating oil and crude oil on NYMEX ClearPort beginning on May 6th for trade date of may 7th.

**PIPELINE
MAINTENANCE**

El Paso Natural gas Pipeline reported that at Rio Vista, due to inspections and maintenance work base capacity at the location on April 23-25th will be 150 Mmcf/d. At San Juan Basin and San Juan Mainline due to a

Natural Gas Cash Market						
ICE Next Day Cash Market						
	Volume	Avg	Change	Basis	Change	Basis 5-Day
Location	Traded	Price		(As of 12:30 PM)		Moving Avg
Henry Hub	1,399,500	\$7.322	(\$0.221)	(\$0.480)	(\$0.193)	(\$0.270)
Chicago City Gate	513,700	\$6.837	(\$0.220)	(\$0.563)	(\$0.130)	(\$0.391)
NGPL- TX/OK	712,300	\$6.643	(\$0.300)	(\$0.757)	(\$0.210)	(\$0.607)
SoCal	1,091,000	\$6.690	(\$0.318)	(\$0.710)	(\$0.228)	(\$0.582)
PG&E Citygate	544,400	\$7.215	(\$0.146)	(\$0.185)	(\$0.056)	(\$0.144)
Dominion-South	360,900	\$7.821	(\$0.355)	\$0.421	(\$0.265)	\$0.825
Transco Zone 6	137,000	\$8.050	(\$0.287)	\$0.650	(\$0.197)	\$1.052

pig run scheduled on Line 3201 on April 24th and on Line 3222 on April 26th, estimated capacity reductions would be 151 and 40 Mmcf/d respectively. On the North Mainline, the Leupp station will undergo inspections from April 23rd-26th, which will result reductions of 199 Mmcf/d. On the 23rd, 130 Mmcf/d on the 24th and 90 Mmcf/d on April 25th and 26th. Maintenance on the Hackberry #1 on April 30th-Mat 1st will cut throughout by 75 Mmcf/d. Work at the Roswell station has resulted in a reduction on the San Juan Crossover being 96 Mmcf/d through April 24th. Wenden B on the Havasu Crossover due to inspection work from April 24th- the 27th, we see reductions of 57 Mmcf/d on the 24th, 57 Mmcf/d on April 25-26; 344 Mmcf/d; and 57 Mmcf/d on April 27th. Inspections at the



B-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 20 APR 2007
VALID APR 28 - MAY 04, 2007

DASHED BLACK LINES ARE CLIMATOLOGICAL (DEB F) SHADED AREAS ARE FCST VALUES ABOVE (T) OR BELOW (B) NORMAL UNSHADED AREAS ARE NEAR-NORMAL

Dimmitt station on the Plains-to-Dumas system on April 24th will cause a 54 Mmcf/d cutback. Monument Station in the Permian area will go down for inspections on April 25-26th. The following receipt points must be shut in: ITEXNEUN; IWARMONU and will be unable to make deliveries to ICABHOBS.

Panhandle Eastern Pipeline said it has changed the start date for its six-day outage at the Montezuma Station. The work now is to start on April 24th.

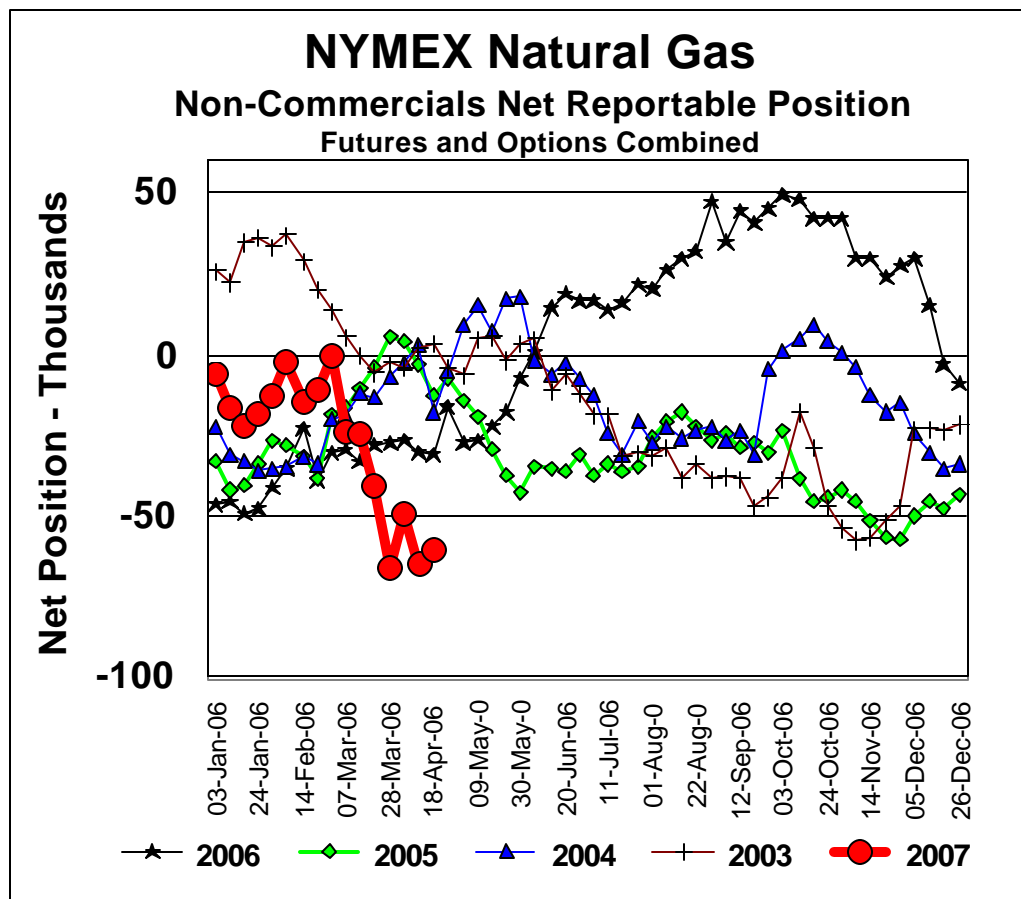
ANR Pipeline said that it will continue engine maintenance at its Bridgman Compressor Station and its St John Compressor Station, will reduce west to east capacity by 115 Mmcf/d through April 21st; and 40 Mmcf/d for April 22-May 11th.

PIPELINE RESTRICTIONS

Tennessee Gas Pipeline reported that upstream of Station 823 on the 507A, K and F lines was restricted through approximately 30% of Supply to market Secondary Out of Path nominations. AT Leidy Meters Tennessee restricted through approximately 30% of Supply to market Secondary in the Path nominations; At Niagara River Meter the company restricted through approximately 26% of Supply to market Secondary Out of Path nominations.

East Tennessee Natural Gas said it has limited operational flexibility and if the pipeline integrity is jeopardized it may be forced to issue a Balancing Alert OFO.

KMIGT reported that effective today and until further notice it is at capacity for deliveries through Rockport Lateral (Segments 620 and 790). Also Segment 340 Ulysses, Segments 620/7790 Rockport Lateral, Segment 773 (CO/KS Border to Herndon) and Segment 775 (Herndon to Solomon River) are at AOR/IT/Secondary At Risk.



NGPL remains at capacity for gas received upstream of Compressor Station 115 in Wise County, TX.

Southern Natural Gas Pipeline said that it is projecting the likelihood of implementing a Type 6 OFO based on current receipts and projected deliveries for today through Sunday, April 22nd.

ELECTRIC MARKET NEWS

The Cal ISO reported that California wholesale prices fell nearly 18% in 2006 as prices averaged \$47.55 Mwh, despite California seeing the hottest heat wave in 57 years. The lower costs

for 2006 are due primarily to reduced costs for natural gas and a strong year for hydroelectric generation. The Cal ISO said that for the fifth year in a row, since the California energy crisis when spot prices went over \$300 per Mwh, there was stable and healthy competition in spot markets. The organization expects that as newer power plants come on as scheduled over the next few years, this replacement will help keep power priced down.

MARKET COMMENTARY

As spring finally moved into the Northeast natural gas prices both in the cash market and the futures market headed south. While the market posted an inside trading session which can be typical for a Friday especially during a shoulder month, the natural gas failed to enjoy the late day strength in prices that the oil markets demonstrated. As a result we remain comfortable in our short term bearish outlook for natural gas starting next week.

In the options market the most interesting feature was the strong interest in the May \$7.00 put. Between the European and American options there was nearly 21,000 lots traded on the day, for an option that will expire on Wednesday afternoon.

We see near term support on Monday starting at \$7.30 followed by \$7.264-\$7.25, \$7.23 and \$7.14. More distant support we see at \$6.95. Resistance we see at \$7.46, \$7.494, \$7.55-\$7.57, \$7.62-\$7.646. More distant resistance we see at the gap of \$7.74-\$7.76 and \$8.00.

This afternoon's Commitment of Traders Report for the week ending April 17th showed that non commercials while increasing their net short futures position by over 8,443, actually saw their combined futures and options net short position, decline by 4,306.

NYMEX Nat Gas Options Most Active Strikes for April 20, 2007								
Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Volume	IV
LN	5	7	P	7	04/25/2007	0.0202	14,459	39.76
ON	5	7	P	7	04/25/2007	0.02	6,468	39.07
LN	6	7	P	6.5	05/25/2007	0.0387	5,200	38.34
LN	7	7	P	5.5	06/26/2007	0.0095	5,000	40.76
LN	1	8	P	6	12/26/2007	0.0978	3,400	45.22
LN	2	8	P	6	01/28/2008	0.1374	3,400	46.83
LN	3	8	P	6	02/26/2008	0.1796	3,400	47.08
LN	11	7	P	6	10/26/2007	0.1232	3,400	46.07
LN	12	7	P	6	11/27/2007	0.0842	3,400	43.74
LN	1	8	P	5.5	12/26/2007	0.0533	3,000	44.97
LN	2	8	P	5.5	01/28/2008	0.0804	3,000	46.55
LN	3	8	P	5.5	02/26/2008	0.1106	3,000	46.86
LN	11	7	P	5.5	10/26/2007	0.0668	3,000	46.08
LN	12	7	P	5.5	11/27/2007	0.0442	3,000	43.70
LN	6	7	C	8.5	05/25/2007	0.08	2,830	37.90
LN	10	7	C	10	09/25/2007	0.4287	2,425	46.51
LN	5	7	C	7.5	04/25/2007	0.0871	1,880	38.99
LN	6	7	P	7	05/25/2007	0.1368	1,710	39.20
LN	3	8	C	20	02/26/2008	0.236	1,650	53.29
LN	6	7	P	7.5	05/25/2007	0.339	1,625	40.46
LN	10	7	P	7	09/25/2007	0.4882	1,450	50.77
LN	5	7	P	7.25	04/25/2007	0.0698	1,388	37.30
LN	5	7	P	7.3	04/25/2007	0.0982	1,319	40.34
LN	8	7	C	12	07/26/2007	0.0501	1,200	48.30
LN	10	7	P	7.5	09/25/2007	0.7054	1,150	51.70
LN	10	7	P	6	09/25/2007	0.1941	1,150	49.78
LN	10	7	C	12	09/25/2007	0.2128	1,150	51.08
ON	5	7	C	7.5	04/25/2007	0.087	1,137	39.87
LN	5	7	C	7.4	04/25/2007	0.1197	1,060	36.26
LN	5	7	P	6.75	04/25/2007	0.0031	1,050	39.53
LN	9	7	P	6	08/28/2007	0.1302	1,050	46.08
ON	6	7	C	10	05/25/2007	0.007	1,035	43.45

