



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR APRIL 23, 2008

NATURAL GAS MARKET NEWS

Enterprise Product Partners LP said Wednesday its huge Independence Hub natural gas production platform in the Gulf of Mexico would likely return to service on schedule within the next two weeks once repairs to a pipeline leak are completed. This statement seemed to put to rest market rumors that the platform would be back in operation as soon as Friday. The platform has a full production capacity of 1 bcf/d.

The EIA reported today that imports of LNG during the first quarter were about half the levels of a year ago and thus was placing upward pressure on natural gas prices. The EIA said that according to preliminary data imports of LNG averaged about 1 bcf/d less than a year ago. The agency noted that since global LNG prices are tied to global crude oil prices, U.S. natural gas prices were not sufficiently competitive to entice LNG towards U.S. terminals.

Meanwhile the Sempra's LNG vice president said today that while 2008 may see limited LNG imports into the United States, the situation may change in 2009 and through 2012 as additional LNG supplies come onto the world market.

Generator Problems

ERCOT – Luminant's Unit #3 at the coal fired Martin Lake power plant was being restarted this morning following completion of repairs to a boiler tube leak.

Unit #1 at AEP's coal fired Welsh Power Plant was expected to enter into startup late Wednesday night following completion of recent maintenance activities.

Luminant's 1150 Comanche Peak #2 nuclear unit was at 99% of power up 9% from yesterday.

NPCC – Entergy's 1020 mw Indian Point #2 nuclear unit was at 60% of power this morning up 57% from yesterday.

SERC – SCANA Corp's 966 Mw Summer nuclear unit was at 85% of capacity this morning off 15% from Tuesday, in what appears the unit coasting down to a planned maintenance outage.

Dominion's 799 Mw Surry 1 nuclear unit was back to full power this morning up 33% from operating levels registered yesterday morning.

Southern's 1174 Mw Vogtle #1 nuclear unit was at 18% power as it returns to service from its recent refueling outage.

The NRC reported that 78,285 Mw of nuclear capacity is online, up 1.4% from Monday but up 0.01% from a year ago.

President Bush today threatened to veto a Coast Guard reauthorization bill pending in the U.S. House if it includes language that would require the service to provide security for LNG tankers and import terminals.

Russia's gas export monopoly Gazprom said today that it would meet its deadline to start exports of LNG from

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	1,959,400	\$10.327	(\$0.235)	(\$0.445)	(\$0.278)	(\$0.489)
Chicago City Gate	814,000	\$10.212	(\$0.229)	(\$0.560)	(\$0.321)	(\$0.375)
NGPL- TX/OK	1,304,800	\$9.910	(\$0.188)	(\$0.863)	(\$0.280)	(\$0.684)
SoCal	964,400	\$9.997	(\$0.181)	(\$0.775)	(\$0.273)	(\$0.658)
PG&E Citygate	1,001,600	\$10.468	(\$0.198)	(\$0.305)	(\$0.290)	(\$0.162)
Dominion-South	347,700	\$10.856	(\$0.186)	\$0.084	(\$0.278)	\$0.200
Transco Zone 6	175,000	\$10.998	(\$0.226)	\$0.226	(\$0.318)	\$0.382

its Pacific Sakhalin 2 project at the beginning of 2009 at the latest. The project which also has an interest by Royal Dutch Shell and Mitsubishi had originally estimated the first LNG shipments would start at the end of this year. The company's board of directors also approved the firm's long term plans to produce up to 23.6 tcf per year by 2020. The company also said it was a bit disappointed by protracted talks with BP's Russian venture, TNK-BP, about acquiring control of the giant Siberian Kovykta gas field.

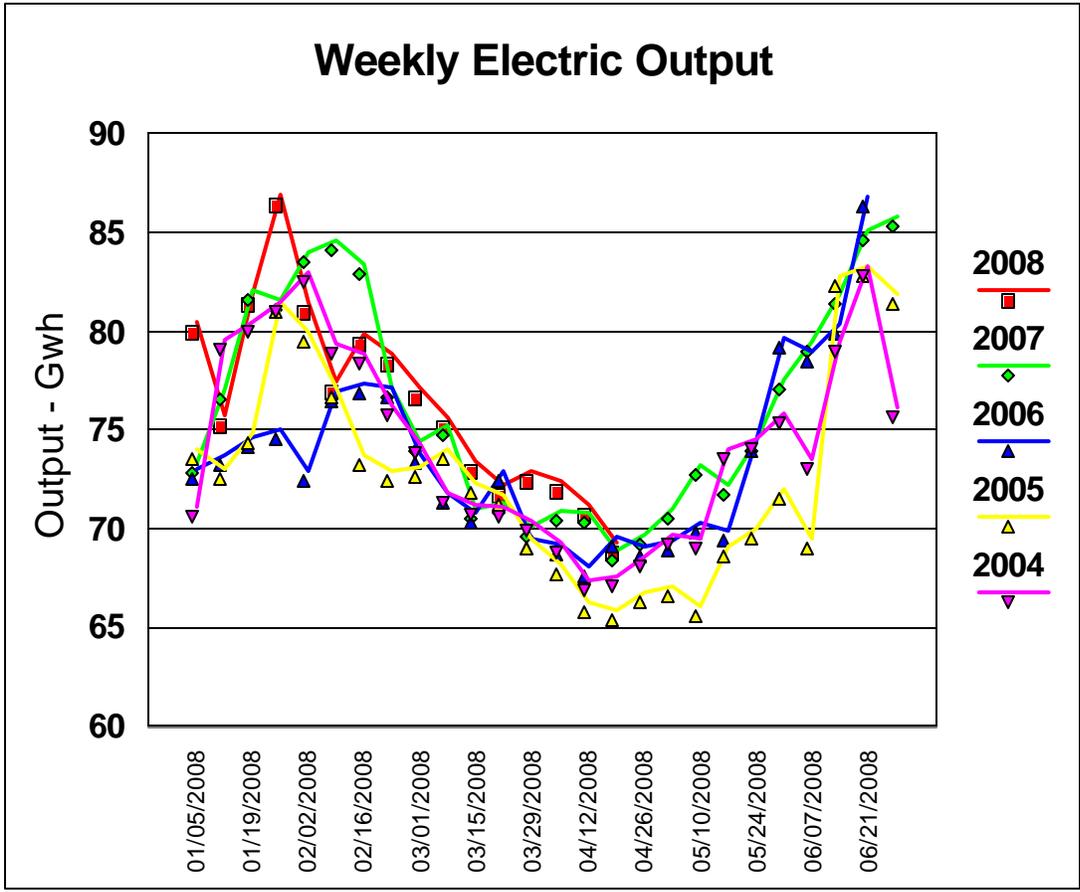
A poll of over 100 economists published by Reuters today showed that the group sees the U.S economy being stalled for the first three months of this year, and a contraction will occur during the second quarter, but any recession should be less severe than the last major downturn in the early 1990's.

Nexen reported that its Dilly Creek lands in the Horn River Basin in northwestern British Columbia could contain between 36 trillion cubic feet of natural gas. The company noted that it feels the Horn River Basin has the potential to become one of the most significant shale gas plays in north America.

Turkmenistan said it was prepared to resume its natural gas exports to Iran shortly. The country had halted natural gas deliveries in late December, citing a technical issue while Iranian officials said it was over a pricing dispute. Exports to Iran had been averaging 23 million cubic meters per day.

PetroChina said it is speeding up its work on the Caofeidian LNG import terminal project at Tangshan following recent design delays. The project had been originally scheduled to come on line by March 2012 but now it is estimated to be in service by the end of 2013. The company as of yet has not secured any long-term LNG sources for the project.

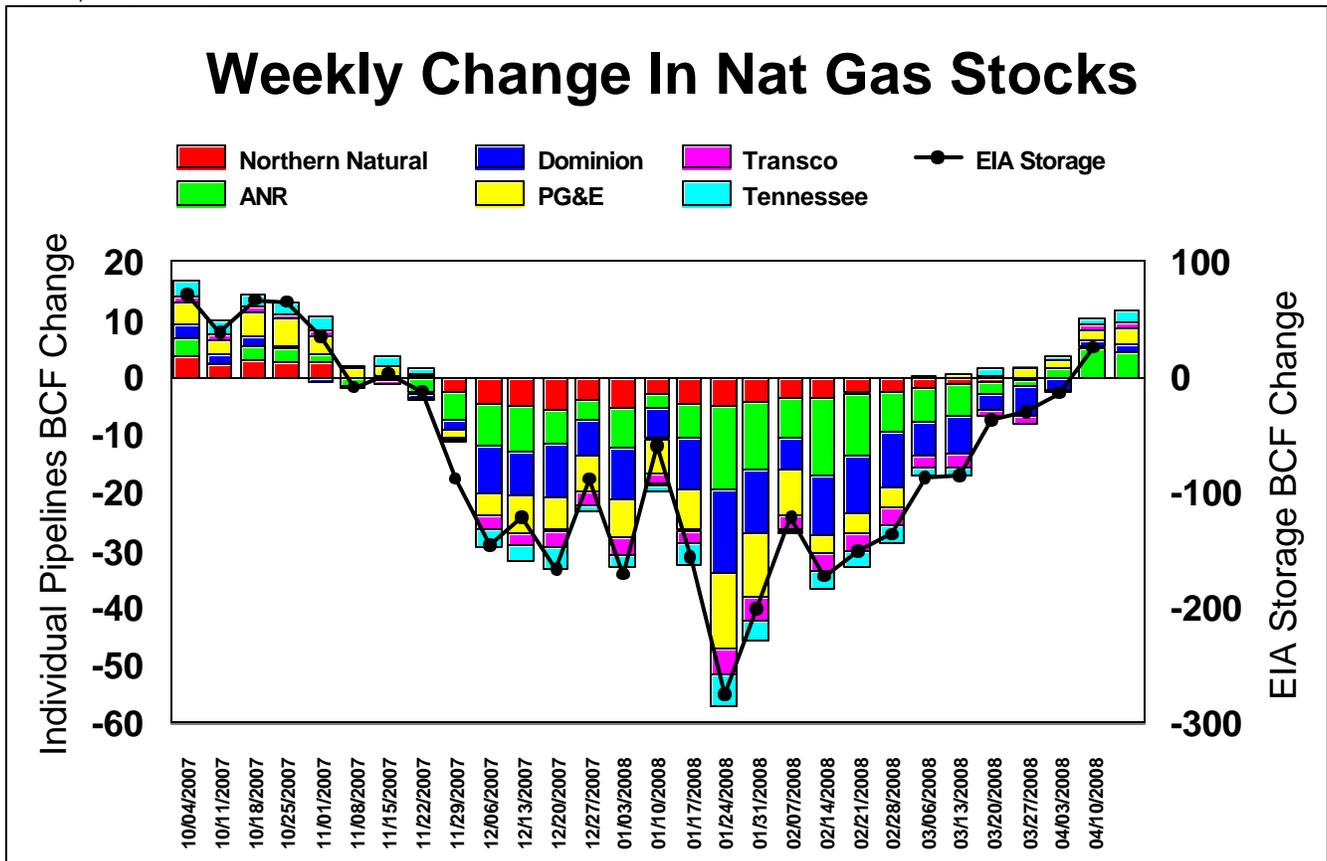
Merrill Lynch was rumored today to be prepared to lay off U.S. and European energy traders and back office staff.



PIPELINE MAINTENANCE

Kern River Gas Transmission reported that from April 28th through May 10th it will be conducting maintenance on its #2 Unit at the Painter compressor station. Based on historical flow patterns, the estimated operational capacity at Painter will be 221,000 Dth, a reduction of 196,000 Dth.

MRT reported that due to essential maintenance and repair work at its Unionville station slated for May 1 – May 20th, the Unionfield storage fields will be unavailable for injection volumes. Compression is also unavailable for West Line service during this outage; therefore the capacity of the West line will be limited to free flow capability of 102,000 Dth/d.



ANR Pipeline said it has completed engine repairs at the Sandwich Compressor Station and all associated capacity restrictions have been lifted.

Northwest Pipeline said that the Transwestern Pipeline has notified Northwest Pipeline of its intent, as operator, to perform annual maintenance at the LaPlata A Compressor Station from today through April 25th. This will result in the primary firm Northwest Pipeline nomination requests being impacted up to a total volume of 23,811 Dth/d.

Tennessee Gas Pipeline said immediate repairs have become necessary due to a reliability issue with one of the units at Compressor Station 409A. Tennessee estimates the unit will be available for service by May 1st. At this time the company does not anticipate restrictions on current scheduled volume levels.

ELECTRIC MARKET NEWS

Key Republican Senators noted that legislation in Congress to dramatically cut U.S. greenhouse gas emissions by 70% by 2050 is unlikely to pass the Senate this year without the measure being amended dramatically. Republican note that the legislation makes little or no attempt to prod India and China to cut their emissions. Republicans also criticized the bill's proposal to establish a cap and trade system for U.S. carbon emissions.

The Edison Electric Institute reported that electric production in the United States for the week ending April 19 stood some 0.5% higher than the same week a year ago, but off 2.8% from the prior week.

NYMEX Nat Gas Options Most Active Strikes for April 23, 2008

Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Volume	IV
LN	6	8	P	8.5	05/27/2008	0.0147	6,225	44.37
LN	6	8	P	10	05/27/2008	0.1768	4,531	42.05
LN	5	8	C	11	04/25/2008	0.0844	3,479	43.10
LN	9	8	P	11	08/26/2008	1.172	3,450	54.93
LN	7	8	P	6	06/25/2008	0.0001	3,300	44.30
LN	10	8	P	10.5	09/25/2008	1.0865	3,200	56.84
LN	3	9	C	13	02/24/2009	1.7439	3,015	44.55
LN	9	8	P	10	08/26/2008	0.6801	2,825	52.52
LN	7	8	P	9	06/25/2008	0.0923	2,760	42.91
LN	7	8	P	10	06/25/2008	0.3282	2,475	45.54
LN	10	8	C	20	09/25/2008	0.217	2,450	59.91
LN	6	8	P	9.75	05/27/2008	0.1199	2,400	41.65
LN	5	8	P	10.5	04/25/2008	0.0612	2,397	43.45
LN	6	8	C	12	05/27/2008	0.2465	2,330	43.33
LN	5	8	P	10.25	04/25/2008	0.0185	2,302	43.18
LN	11	8	C	20	10/28/2008	0.3092	2,250	57.14
LN	6	8	P	9	05/27/2008	0.0345	2,060	42.57
LN	3	10	C	15	02/23/2010	1.0235	1,950	31.21
LN	7	8	C	20	06/25/2008	0.0265	1,750	65.68
LN	7	8	P	20	06/25/2008	8.897	1,750	102.50
LN	6	8	C	11.5	05/27/2008	0.3738	1,675	41.83
LN	7	8	C	13	06/25/2008	0.2717	1,610	44.23
LN	10	8	C	12.5	09/25/2008	1.0853	1,500	48.37
LN	5	8	C	10.5	04/25/2008	0.3421	1,400	41.12
LN	1	9	C	12	12/24/2008	1.9076	1,300	39.84
LN	1	9	C	20	12/24/2008	0.5307	1,250	53.84
LN	7	8	P	7	06/25/2008	0.0014	1,200	41.22
LN	5	8	C	11.5	04/25/2008	0.0116	1,145	45.14
LN	5	8	P	10	04/25/2008	0.004	1,100	43.07
LN	9	8	P	10.5	08/26/2008	0.9088	1,100	53.69
LN	9	8	P	9.5	08/26/2008	0.4925	1,100	51.67
LN	3	9	C	12	02/24/2009	2.03	1,000	41.84

The American Public Power Association representing the interests of over 2000 community owned utilities renewed its call for the FERC to investigate whether centralized electricity markets operated by RTO's are producing just and reasonable rates.

MARKET COMMENTARY

The natural gas market this morning received a boost from the release of the EIA oil stock report. While the overall oil market reaction was bullish, the natural gas market jumped aboard for the ride higher and by midday had breached the highs of the prior two days and pushed up to a new 27 month high on the spot continuation charts as prices reached \$10.84 and settled the day up 17.4 cents. The market bulls also found solace from the news that the Independence Hub platform will remain off line for another two weeks, and not ready to return to production as soon as the end of the week.

Market expectations for tomorrow's storage report appear to be running between a 20-40 bcf build with the average

expectation coming in at a 29 bcf build. Our model is looking for a bit higher build with a 35 bcf increase in stocks. For the same week a year ago stocks were unchanged while the five-year seasonal average is a 46 bcf build.

Given our slightly more bearish outlook for the inventory report to be released tomorrow we would look for this market to work lower short term. We would look for support at \$10.516, followed by \$10.415, \$10.25 and major support at \$10.08-\$10.04 area. Resistance we see at \$10.84, \$10.945, \$11.11 and \$11.18. More distant resistance we see at \$11.374.