



## ENERGY RISK MANAGEMENT

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### NATURAL GAS & POWER MARKET REPORT FOR APRIL 24, 2009

#### NATURAL GAS MARKET NEWS

Baker Hughes Inc said the number of rigs searching for oil and natural gas in the US fell by 20 to 955 in the week ending April 24<sup>th</sup>. The number of rigs searching for oil fell by 3 to 202 while the number of rigs searching for natural gas fell by 18 to 742.

Platt's reported today that its spot LNG market in the Japanese Korean market place for the week ending April 21<sup>s</sup> showed that prices continued to fall and reached its lowest price for the year at \$3.90 per Mmbtu. The price drop reflected the impact of the force majeure declared by India's Petronet that pushed five cargoes into the market place over the next month. Meanwhile Platts noted that the UK prices at the NBP had fallen to new lows as well at \$3.855 per Mmbtu.

#### Generator Problems

**NPCC** – OPG's 535 Mw Lennox oil and gas fired Unit #2 was shut Friday

**MISO** – Exelon's 912 Mw Quad Cities #1 nuclear unit is preparing for a planned refueling and maintenance outage, scheduled to begin on Saturday, April 25<sup>th</sup>. It was operating is at 95% capacity.

**MAIN** – Exelon Corp's 912 Mw Dresden #3 nuclear unit cut its operation from 99% capacity on Thursday to 1% Friday morning. The reason for the outage was not known.

**ECAR-** FirstEnergy's 908 Mw Davis-Besse nuclear plant returned to full power on Friday, up from 92% on Thursday. The reactor was restarted on Tuesday after it was shut on April 5 for scheduled maintenance work.

**WSCC** – The 1150 Mw Columbia Generating Station continues to coast down. It is operating at 92% capacity on Friday, down from 93% on Friday. The reactor is scheduled to shut on May 5 for a 40-day refueling and maintenance outage.

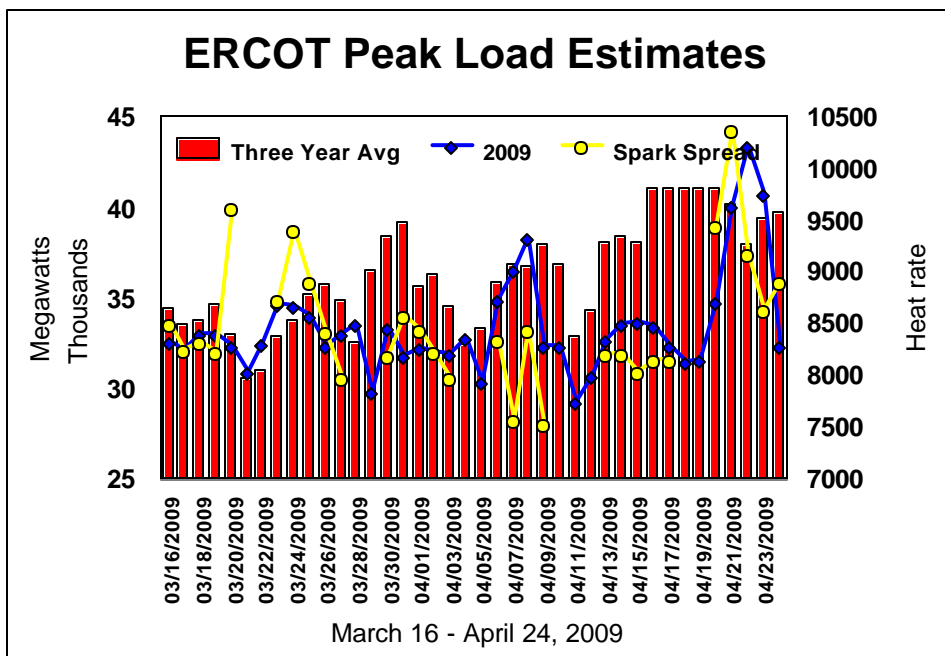
**MAPP** – Omaha Public Power District's 476 Mw Fort Calhoun nuclear unit is operating at 98% capacity on Friday, up from 89% on Thursday.

**The NRC reported this morning that 81,342 Mw of nuclear generation capacity was on line, down 0.8% from yesterday and up 1.72% from the same time a year ago.**

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>		<small>(As of 12:30 PM)</small>		<u>Moving Avg</u>
Henry Hub	564,700	\$3.308	(\$0.147)	(\$0.009)	(\$0.011)	(\$0.192)
Chicago City Gate	586,100	\$3.096	(\$0.087)	(\$0.221)	(\$0.001)	(\$0.235)
NGPL- TX/OK	687,700	\$2.993	(\$0.051)	(\$0.324)	\$0.035	(\$0.370)
SoCal	324,200	\$2.710	(\$0.211)	(\$0.608)	(\$0.125)	(\$0.517)
PG&E Citygate	646,600	\$3.251	(\$0.045)	(\$0.066)	\$0.041	(\$0.154)
Dominion-South	450,300	\$3.648	(\$0.089)	\$0.331	(\$0.003)	\$0.312
USTrade Weighted	16,457,200	\$3.155	(\$0.097)	(\$0.162)	(\$0.01)	(\$0.192)

The state oil company, Nigerian National Petroleum Corp on Friday said that Gazprom as well as the German utility E.ON and Spain's Gas Natural are among the 15

companies that Nigeria has short listed as investors to help develop the country's gas infrastructure. Currently Nigeria flares around 2.5 bcf/d of gas that is mostly produced along with oil and is a source of environmental pollution in the restive Niger Delta.



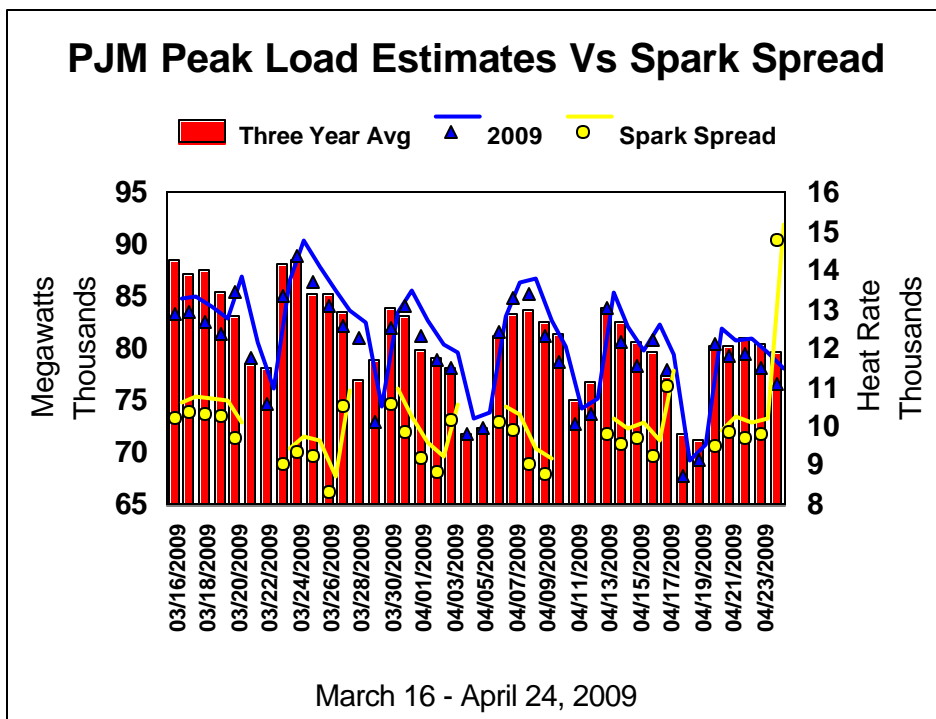
A development partner in the Nabucco pipeline, RWE Supply called on European governments and natural gas consumers to pledge now to support the Nabucco gas pipeline if Europe is to reduce its reliance on Russian gas. The 7.9 billion euro project would move gas from the Caspian Sea via Turkey, Bulgaria, Romania and Hungary and onto Austria and the rest of Western Europe. To this point on the partners in the project have only secured 20% of the

gas needed to make the project viable. A final investment decision is expected in 2010. Producers in the Caspian appear to be waiting for concrete financing and diplomatic proposals from the EU to push the project forward and deflect competitive buying interest for this Caspian gas from Russia, China and Iran.

StatoilHydro Azerbaijan said today that the first gas from the second production phase of Azerbaijan's Shakh-Deniz Caspian Sea field will be delayed to around 2016. The \$10 billion project has delayed due to the inability in setting transit conditions for the gas.

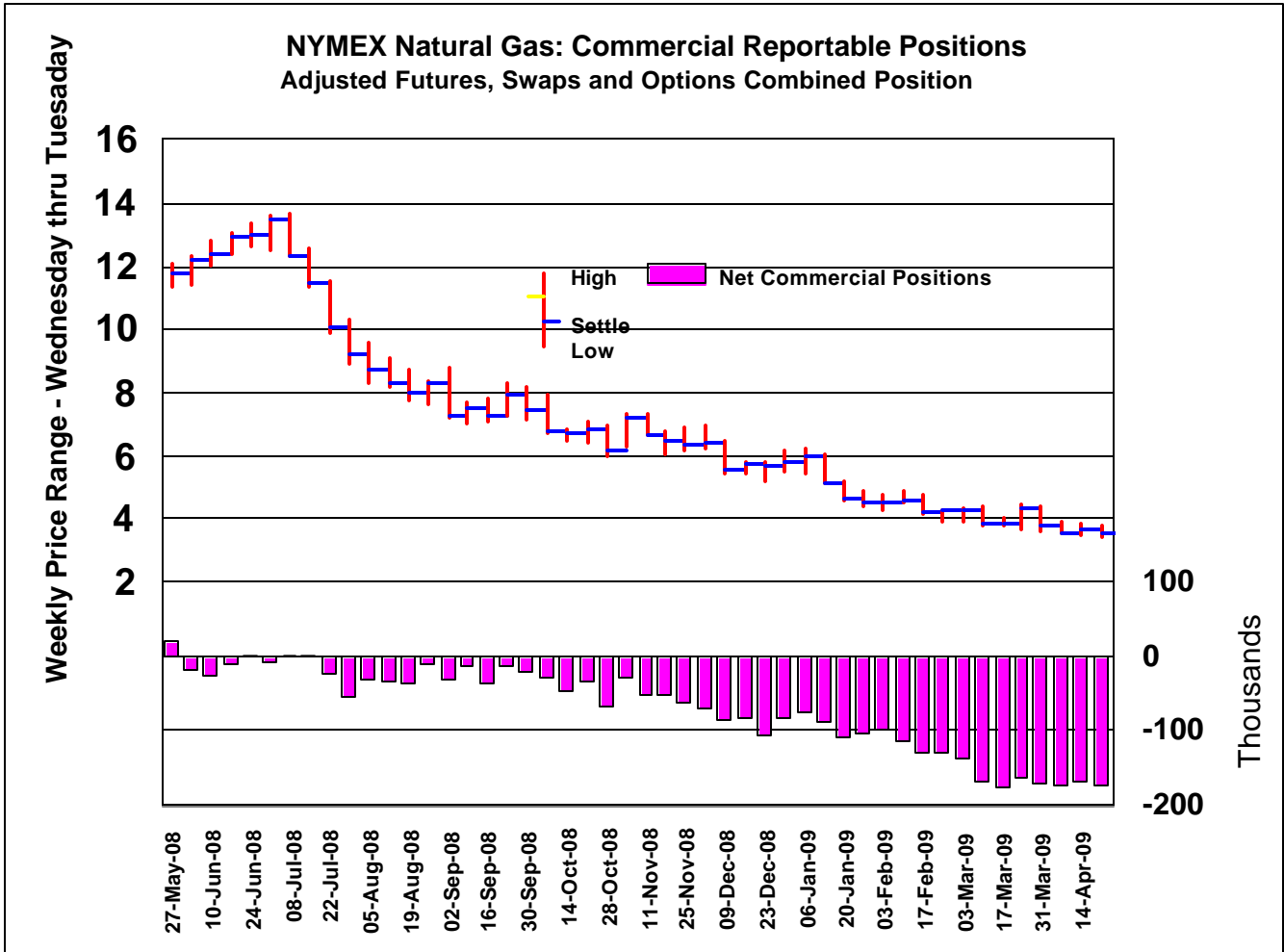
TransCanada on Thursday filed with the FERC seeking pre-filing status for its proposed Alaska Pipeline Project.

New U.S. orders for durable goods slipped 0.8% in March, while this was the seventh month out of the last eight that this index has fallen, it was seen as supportive since it came in less than the market expectation for a 1.5% decline.



**PIPELINE RESTRICTIONS**

NGPL said it has limited capacity available for deliveries for Texas Eastern transmission at Cameron for April 24<sup>th</sup> and until further notice. The company said that ITS/AOR and Secondary Firm transports



are available.

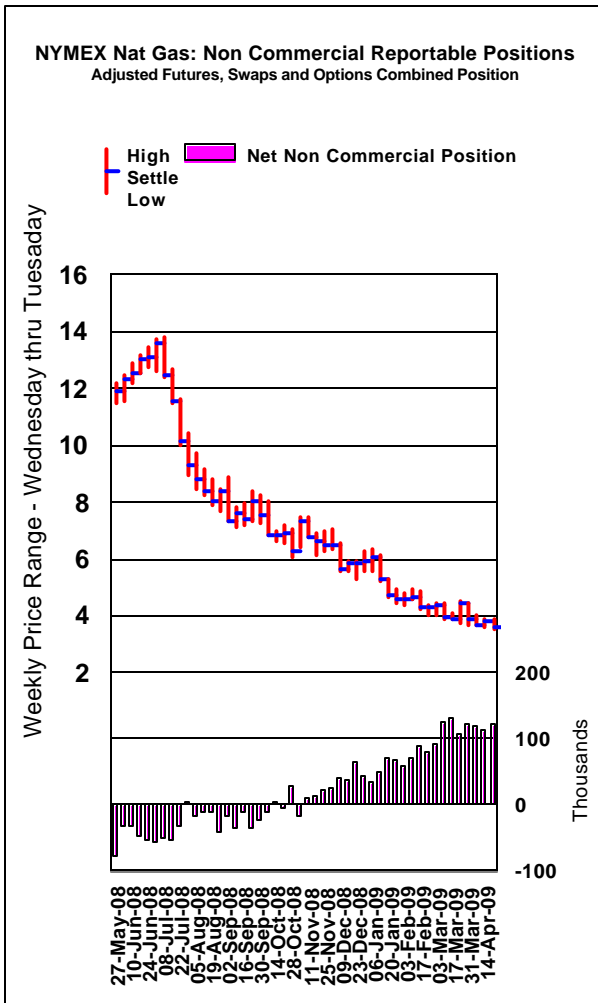
Enbridge Pipelines said the Corinth and Barton receipt points on Alaten will be affected by the Tennessee Gas Pipeline issuance of a system wide OFO effective 9:00 CDT today and until further notice.

Wyoming Interstate Company declared a force majeure event at its Douglas Compressor Station caused by a failure to one unit.

SoNat issued a notice to its customers advising them of a leak investigation at WD 105 pipeline resulting in an event of force majeure. It is currently investigating a reported leak in the area of its West Delta 1-5 pipeline. The flow prior to the shut in was about 42,000 mcf/d. Southern said it did not plan to cut scheduled volumes gas day Thursday but said it would cut volumes starting with the evening cycle for Friday.

**ELECTRIC MARKET NEWS**

A senior vice president with ConocoPhillips said Thursday that he does not see Congress doing anything significant this year in regards to a carbon-cap-and-trade legislation, as he expects Congress will move cautiously forward with the program.



Genscape's U.S. coal burn index last week fell 2% from the same week a year ago but was unchanged from the previous week.

### MARKET COMMENTARY

The natural gas market continued to see follow through selling from yesterday's selloff following the release of the bearish inventory report. Today's sell off exceeded our downside objective as it traded through the bottom end of put projected channel support which today was at \$3.291. While prices settled back above the line further selling after the close sent prices down to a near term low at \$3.26. Technicians are now scrambling to search for new support points. Minor support we see at \$3.26 followed by \$3.237, and \$3.177. A key support level that chart watchers are now looking at is \$3.10 the spot contract low back in September 2002 followed by \$2.655 the low in August of that year. Resistance we see at \$3.39 followed by \$3.433 and \$3.56. Additional resistance we see at \$3.75-\$3.82.

This afternoon's Commitment of Traders Report showed that the support in the market during the period ending April 21<sup>st</sup> appears to have come by non-commercials adding new longs. Selling coming once again from commercials though was offsetting this buying.

NEW YORK MERCANTILE EXCHANGE(r)  
 NYMEX OPTIONS CONTRACT LISTING FOR 04/24/2009

				TODAY'S	PREVIOUS	ESTIMATED	DAILY	DAILY
-----CONTRACT-----				SETTLE	SETTLE	VOLUME	HIGH	LOW
LN	5	9 P	3.25	0.0505	0.0321	6691	0.034	0.034
LN	7	9 P	2.5	0.0443	0.0325	6300	0	0
LN	7	9 C	4	0.2207	0.2534	5040	0	0
LN	6	9 C	4.25	0.0545	0.0645	4400	0	0
LN	6	9 P	3	0.1055	0.0772	4200	0	0
LN	6	9 C	5	0.0123	0.0119	4050	0.015	0.015
LN	5	10 C	12	0.0385	0.0409	3000	0	0
LN	5	9 P	3	0.0035	0.0029	2875	0	0
LN	8	9 P	3	0.187	0.1559	2550	0	0
LN	10	9 P	3	0.2579	0.2235	2450	0.255	0.225
LN	12	9 C	15	0.0053	0.0055	2200	0	0
LN	6	9 P	2.5	0.0185	0.0115	2100	0	0
LN	8	9 C	5	0.1394	0.1547	2056	0.1525	0.1525
LN	6	9 C	4	0.0894	0.1082	2023	0	0
LN	6	9 C	4.5	0.0328	0.0374	1900	0	0
LN	6	9 C	3.5	0.2256	0.2744	1760	0.2625	0.2625
LN	10	9 P	2.5	0.1215	0.1019	1600	0	0
LN	10	9 P	2	0.0433	0.0345	1550	0	0
LN	11	9 C	12	0.0157	0.0164	1500	0	0
LN	5	9 C	3.5	0.013	0.0537	1300	0.01	0.01
LN	4	11 C	15	0.0769	0.0815	1200	0	0
LN	5	9 C	3.75	0.0006	0.0085	1091	0.005	0.005
LN	7	9 P	3	0.1504	0.1198	1075	0	0
LN	4	12 C	15	0.1381	0.1374	1000	0	0
LN	8	9 C	4.5	0.2269	0.2519	1000	0	0
LN	6	9 C	5.5	0.006	0.0037	900	0.008	0.008
LN	7	9 P	3.25	0.2394	0.197	900	0	0
LN	6	9 P	3.25	0.1946	0.1501	828	0	0
LN	3	10 P	5.75	0.9217	0.8786	800	0	0
LN	11	9 P	4	0.4034	0.3694	800	0	0
LN	3	10 C	5.75	0.8242	0.8639	800	0	0
LN	3	10 C	6	0.7358	0.7709	800	0.77	0.77
LN	11	9 P	3	0.1201	0.1066	750	0.11	0.11

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