



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR APRIL 30, 2007

NATURAL GAS MARKET NEWS

The CFTC Monday sought a court order to obtain documents from McGraw-Hill that would aid its investigation into whether traders at a natural gas company manipulated the market. The CFTC declined to name the company it is investigating. The unidentified natural gas company reportedly submitted trade information to Platts for use in calculating a price index for the gas market, the CFTC said. The indexes are used by market participants to assess price risks and the price of natural gas transactions. The CFTC had subpoenaed McGraw Hill to turn over the documents dates back to December 22, 2006, but the company refused to do so saying the information is privileged.

Rockies Express Pipeline LLC filed an application with the FERC Monday to build the third and final leg of its proposed \$4.4 billion pipeline project. This section would be for Audrain County, MO to Clarington, Ohio. This segment is expected to begin interim service as early as December 30,

Generator Problems

SERC – Dominion Resources 910 Mw North Anna #2 nuclear was back to full power on Monday. The unit was at 73% of power on Friday.

Duke Power's 846 mw Oconee #2 nuclear unit was off line Monday as operators began a five-week refueling outage. The unit had been coasting down and was at 86% of power on Friday.

TVA's 1100 Mw Browns Ferry #2 nuclear unit was at full power this morning up 57% from Friday.

SPP – Entergy's 966 Mw River Ben nuclear unit was back to full power on Monday, up 26% from Friday.

NPCC – Entergy's Corp 1025 Mw Indian Point #3 nuclear unit was returned to service and operators had ramped power up to 70% by Monday morning. The unit had been shut back on April 6th due to a fire at one of its main transformers.

OPG's 515 Mw Pickering #4 nuclear unit returned to service early Monday. The unit had been off line since April 16th. The company though took off line its 494 Mw Unit #2 at the Lambton coal fired power station this morning. The company also reported that at the Nanticoke coal fired power station, operators took down Unit #4 while returning to service Unit #3. Both units are rated at 490 Mw. The company also reported its 535 Mw Lennox oil and gas fired Unit #2 returned to service.

MAPP – Xcel Energy's 572 Mw Monticello nuclear power plant was at back on line and was at 40% of capacity on Monday. The unit was at 2% of power on Friday as operators began restarting the unit from a refueling outage that began back on March 14th.

The 538 Mw Prairie Island #2 nuclear plant was at 56% of capacity up 13% from Friday.

PJM – Exelon's 1134 Mw Limerick #2 nuclear unit was at 90% of capacity. The unit was at only 33% of capacity on Friday.

Exelon's 619 Mw Oyster Creek nuclear power station was off line this morning for maintenance work on two recirculation pumps.

PSEG Nuclear's 1100 Mw Salem #1 nuclear unit was at 78% of power up 15% from Friday.

ERCOT – The 1280 Mw South Texas #2 nuclear unit was back online and at 77% of power on Monday as operators returned the unit from its recent refueling outage.

CPS Energy reported that they planned to shut the 405 Mw JT Deely #2 coal fired unit from April 28-May 4th.

AEP's 528 Mw Welsh #2 coal fired unit may return to service sooner than originally planned. The unit may come back on line a day earlier than its previously planned April 30th restart date.

WSCC – PG&E's 1087 Mw Diablo Canyon #1 nuclear unit was at only 12% of power this morning. The unit had been at full power on Friday.

The NRC reported that 80,177 Mw of nuclear capacity is on line, up 1.6% from Friday, and up 4% from a year ago.

2008 and be fully operational by June 2009.

Korea Gas Corp said Monday that it is looking to buy LNG from BP's Tangguh project, which is expected to come on stream in the fourth quarter of 2008. The project is slated to produce 7.6 million tones of LNG a year from two plants. So far the project has secured three contracts, one to supply 2.6 million tones per year to China for 25 years, another to supply 3.7 million tpy to the U.S. West Coast, and a third to ship 1.1 million tpy to South Korea. The Indonesian government is looking at the possibility of build a third train at the facility.

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	1,293,100	\$7.710	\$0.270	(\$0.317)	\$0.491	(\$0.398)
Chicago City Gate	444,500	\$7.598	\$0.678	(\$0.188)	\$0.687	(\$0.378)
NGPL- TX/OK	615,800	\$7.303	\$0.591	(\$0.483)	\$0.600	(\$0.651)
SoCal	831,800	\$7.330	\$0.640	(\$0.456)	\$0.649	(\$0.593)
PG&E Citygate	624,000	\$7.706	\$0.496	(\$0.080)	\$0.505	(\$0.210)
Dominion-South	368,600	\$8.198	\$0.336	\$0.412	\$0.345	\$0.443
Transco Zone 6	260,500	\$8.294	\$0.308	\$0.508	\$0.317	\$0.629

FPL reported today that its first quarter profits fell 40% as the value of its energy trading contracts declined in value. The company took an after tax loss of \$126 million from revaluing of its energy trading contracts. In the prior year, the company showed a gain of \$23

million for revaluing its hedges. The company's unregulated merchant power generation though posted solid returns. FPL Energy's hedged gross margin position for 2007 remains essentially unchanged from the previous quarter. Over 90% of FPL Energy's 2007 equivalent gross margin is protected against commodity price

Dominion Resources announced today that it had agreed to sell its offshore natural gas and oil exploration and production operations to a subsidiary of Eni for \$4.76 billion. The operations include 967 Bcf/e of proved gas and oil reserves in the Gulf of Mexico with a daily average output of 504 Mmcf/d.

PIPELINE MAINTENANCE

Questar Pipeline said that on May 4th it will begin performing a pigging operation on its southern system from the Riverbend area to Fidar Station. Capacity on the ML 104 will be reduced to 350 Mdth/d and the ML 80 capacity will be reduced to 160 Mdth/d.

Transcontinental Gas Pipeline reported the Tilden Plant in McMullen County, TX has a scheduled a plant shutdown on May 8-11. During this outage Transco will not accept nominations from the Tilden Plant.

NGPL said that effective May 2 through May 9th, unplanned maintenance work is scheduled south of Station 303 on the 16 inch Goodrich lateral. Gas flow will be unavailable at the Enbridge/NGPL Goodrich Polk and Gulf South Goodrich interconnects during this outage. This maintenance work is to clean the lateral in response to gas quality issues.

MRT said that it will be performing multiple pipeline projects across its system, and capacity restrictions and/or outages may occur from time to time because of this work at Unionville during May 1-15, will result in West Line capacity being restricted to 102,000 Dth/d. A pipeline integrity project on the East Line will run from May 1 – June 30. Pressure reductions and/or line outages may occur from time to time. If outages occur, receipts from Trunkline and or NGPL may be affected.

ELECTRIC MARKET NEWS

The Supreme Court today said it would not review a lower court ruling that last year struck down an industry backed rule for power plant emissions. The rule that originally was issued by the EPA back in October 2003 which made a controversial revision to the New Source Review program, a Clean Air Act provision requiring electric utilities to install new pollution control equipment when undertaking certain modifications. The controversial provision sought to exempt utilities from NSR if the cost modifications did not exceed 20% of the replacement value of new units. The EPA rules never took effect as a result of legal challenges since 2003.

CMS Energy and DTE Energy called on Michigan legislators to effectively repeal the state's seven-year-old retail electric choice law, claiming the law impedes on the state's planned investment in new baseload generation. CMS said it will not spend the necessary funds to increase generation resources as long as the law remains on the books in its present form.

MARKET COMMENTARY

The natural gas market this morning opened a couple pennies lower as rebounding nuclear generation and moderate temperature forecasts appeared would pressure this market lower. But cash market buying to start the week was brisk and cash values across the nation were stronger on the day and helped to support futures prices and push them higher through the morning. Futures did finally backfill the gap from April 16th. But after midday the decline in oil prices appeared to help natural gas values give back most of the day's gains and settle just a few pennies better. Volume was light to moderate on the day with just 76,311 lots traded on the day. Open interest reported at midday showed that Friday's rally seemed to have been a short covering one as total open interest fell by 7,582 contracts, marking the seventh straight trading session of declining open interest levels.

While remain bearish on this market especially as we approach Thursday's storage report, we recognize the explosive further short covering that would be possible with a significant move above \$8.00 could unlock. We look for resistance at \$7.92 and \$7.968. Additional resistance would be at \$8.00, \$8.04, \$8.137 and \$8.1765. Support we see at \$7.759, \$7.628, \$7.55 and \$7.485. More distance support we see at \$7.396 and \$7.25.

NYMEX Nat Gas Options Most Active Strikes for April 30, 2007								
Symbol	Month	Year	Call/Put	Strike	Exp Date	Settle	Volume	IV
LN	6	7	P	7.75	05/25/2007	0.2672	1,700	41.75
LN	3	8	P	7	02/26/2008	0.3506	1,675	48.50
LN	6	7	P	7.5	05/25/2007	0.1668	1,620	41.32
LN	11	7	C		11 10/26/2007	0.5637	1,400	44.05
LN	6	7	C	8	05/25/2007	0.2595	1,350	36.81
LN	7	7	C	8	06/26/2007	0.4939	1,350	34.61
LN	9	7	P	7	08/28/2007	0.3123	1,300	48.22
LN	8	7	C		12 07/26/2007	0.0584	1,250	48.43
LN	6	7	P	7	05/25/2007	0.0497	1,210	40.74
LN	7	7	C	9.5	06/26/2007	0.1135	1,200	39.83
LN	9	7	C		11 08/28/2007	0.2335	1,200	48.75
LN	9	7	P	6	08/28/2007	0.0968	1,200	47.51
LN	11	7	C		15 10/26/2007	0.1854	1,200	51.94
LN	1	8	P		10 12/26/2007	1.3877	1,150	52.10
LN	6	7	C	9	05/25/2007	0.0528	1,100	41.72
LN	10	7	P	5	09/25/2007	0.0432	1,100	51.55
LN	3	8	P	9	02/26/2008	1.1466	1,025	52.87
LN	1	8	C		10 12/26/2007	1.3838	1,000	35.39
LN	2	8	C		15 01/28/2008	0.5124	1,000	46.76
LN	3	8	P	6	02/26/2008	0.1454	1,000	46.95
LN	9	7	C	9	08/28/2007	0.55	1,000	41.63
LN	10	7	P	5.5	09/25/2007	0.0861	1,000	51.28
LN	8	7	C		14 07/26/2007	0.0232	850	53.56
LN	8	7	P	7.75	07/26/2007	0.4584	800	45.27
LN	8	7	C	8.75	07/26/2007	0.4273	800	38.52
LN	8	7	C		15 07/26/2007	0.0161	800	56.10
LN	7	7	P	8	06/26/2007	0.478	750	42.59