

**NORTHWEST PIPELINE GP  
BLUE BRIDGE PIPELINE PROJECT - BINDING OPEN SEASON  
TERM SHEET**

**Binding Open Season:**

In anticipation of the need for additional natural gas supplies in the Pacific Northwest, Williams and Puget Sound Energy are developing the Blue Bridge Pipeline Project (Blue Bridge). Blue Bridge will provide up to 500,000 Dth/d of firm transportation expansion capacity from Stanfield, Oregon to market areas in the Pacific Northwest, including Seattle and Portland. Blue Bridge is anticipated to be operated as part of Northwest Pipeline's system with service to be provided under Northwest Pipeline's FERC Gas Tariff.

**Receipt Options:**

Stanfield, Oregon - Gas Transmission Northwest  
Stanfield, Oregon - Sunstone Pipeline (proposed)  
Other specified receipt points

**Delivery Options:**

Shippers can request any existing or new delivery point on Northwest Pipeline's mainline system, between Stanfield, Oregon and Sumas, Washington, including delivery points in the Seattle and Portland market areas. Designated delivery points off of existing laterals will be evaluated separately by Northwest Pipeline to determine if such elected service will be made an integral part of the project.

Shipper requests for receipt and delivery point combinations that flow from west to east will be evaluated individually in order to determine if such requests can be accepted as part of the project.

**Facilities:**

Blue Bridge will include the installation of up to 77,700 HP of compression at Northwest Pipeline's existing Plymouth, Washougal and Chehalis, Washington compressor stations and construction of up to 172 miles of 30-inch pipeline and 16 miles of 36-inch pipeline that will follow Northwest Pipeline's existing pipeline corridor for the majority of the route between Stanfield, Oregon and the I-5 corridor.

**Target In-Service:**

The mainline facilities and related transportation capacity outlined in this open season are proposed for service in November 2011.

**Contract Term:**

The minimum acceptable recourse rate term for the Blue Bridge Pipeline Project is 15 years from the in-service date. A Negotiated rate option will be available for 15-year or 25-year commitments.

**Open Season Procedures:**

This binding Open Season process will be conducted as follows:

Parties interested in subscribing for incremental firm transportation capacity should contact Northwest Pipeline to receive a confidentiality agreement. Following execution of the confidentiality agreement, Northwest Pipeline will provide a binding precedent agreement reflecting the terms and conditions of service to each shipper desiring to participate in the Blue Bridge Pipeline Project. Shippers having an interest in obtaining the offered firm service must complete, sign and return the binding precedent agreement via mail or facsimile not later than 3:00 p.m. (MT) on May 30, 2008 to:

Northwest Pipeline GP  
Business Development  
295 Chipeta Way  
Salt Lake City, Utah 84108  
Fax: (801) 584-6950  
Attention: Larry Larsen, Hank Henrie or Xan Kotter

The binding precedent agreement will allow shippers to indicate their specific receipt and delivery point requests. Based on the commitments for capacity and services in the binding Open Season, Northwest Pipeline will complete the design of the mainline and/or lateral facilities necessary to accommodate the various requests for service.

**Awarding Capacity:**

In the event shippers request more than 500,000 Dth per day of capacity, Northwest Pipeline will: 1) add the necessary facilities to increase capacity if determined beneficial to the project, or 2) award capacity to the shipper(s) providing the bid(s) with the highest present value. If the present value evaluations indicate a tie, available capacity will be awarded pro rata based on each shipper's requested quantity.

Northwest Pipeline will confirm the award of capacity to winning bidders by executing those precedent agreements (with amended Exhibit A's, if applicable) and finalizing the project design necessary to submit the certificate application to the FERC.

If you have any questions concerning this binding Open Season, please contact Larry Larsen at (801) 584-6645, Hank Henrie at (801) 584-6625 or Xan Kotter at (801) 584-6496.