

**WILLIAMS NORTHWEST PIPELINE CORPORATION  
COLORADO HUB CONNECTION  
OPEN SEASON TERM SHEET**

**Background:**

Williams Northwest Pipeline Corporation ("Northwest") by means of this Open Season Term Sheet is soliciting expressions of interest in its "Colorado Hub Connection" project from Shippers desiring new firm transportation service from the Greasewood and Meeker Hubs located in Rio Blanco County, Colorado to Northwest's system.

In order to offer access to natural gas supplies in the Rockies, including the rapidly increasing production in the Piceance Basin and to growing market centers throughout the western United States, Northwest proposes to construct a new 33-mile lateral that would tie the Greasewood and Meeker Hubs to Northwest's mainline near Sand Springs, Colorado. Additionally, Shippers will be able to utilize mainline capacity anticipated to be available on Northwest's existing system to access western markets.

Pursuant to Section 25.2 (c) of the General Terms and Conditions in Northwest's Tariff, Northwest is hereby notifying Shippers that it is reserving available capacity and expiring firm contract capacity, as necessary, in the Sand Springs to Blanco corridor for potential use in this project.

**Offered Service:**

Northwest is offering the following firm service options to Shippers:

- **Lateral-only Service** – up to approximately 250,000 Dth/day on a proposed new lateral from the Greasewood Hub or the Meeker Hub to Northwest's mainline near Sand Springs.
  - At the Greasewood Hub, Northwest proposes to interconnect with Wyoming Interstate Company, Colorado Interstate Gas, TransColorado Gas Transmission and Northwest's existing Piceance Lateral and the Parachute Lateral, which is currently under construction. In March, Williams announced plans to construct the Willow Creek gas processing facility for operations beginning in the third quarter of 2009, which will provide added capabilities to transport natural gas production to the Greasewood Hub via Northwest's Parachute Lateral.
  - At the Meeker Hub, Northwest proposes to interconnect with the Rockies Express Pipeline and TransColorado Gas Transmission and where gas supplies processed at Enterprise's Meeker Plant will also be available.
- **Greasewood and Meeker Hub Service** – up to approximately 250,000 Dth/day of bi-directional service between the Greasewood and Meeker Hubs.

- **Combined Lateral and Mainline Service** – up to approximately 250,000 Dth/day from either the Greasewood or Meeker Hubs to Northwest’s mainline delivery points near Ignacio, Colorado where Northwest interconnects with El Paso Natural Gas and Transwestern Pipeline. The combined Lateral and Mainline Service will be provided using the proposed new Colorado Hub Lateral plus existing mainline capacity anticipated to be available on Northwest’s system. The mainline portion of this service may originate at receipt points as far north as Stanfield, Oregon with segmentation rights at the Meeker or Greasewood Hubs. For Shippers being awarded capacity in this Open Season, other segmentation opportunities may also be available under Northwest’s Tariff, including the Opal, Muddy Creek, Clay Basin and Sands Springs points on Northwest’s system.

**Target In-Service:** The offered services are intended to be available as soon as November 2010, which is Northwest’s targeted in-service date for construction of the new Colorado Hub lateral from the Greasewood and Meeker Hubs to Northwest’s mainline.

**Rates:** **Lateral-only Service** - an incremental costs-based rate is intended to apply.

**Greasewood and Meeker Hub Service** – an incremental cost-based rate is intended to apply.

**Combined Lateral and Mainline Service** - the rolled-in system-wide rate is intended to apply. Northwest’s currently effective rate has a daily reservation charge of \$0.37984 per Dth and a commodity charge of \$0.030 per Dth.

**Contract Term:** The minimum acceptable term is ten years. In the event subscriptions exceed available capacity, contract terms longer than ten years will be a factor in allocation.

**Open Season:** This Open Season process will be conducted generally as follows:

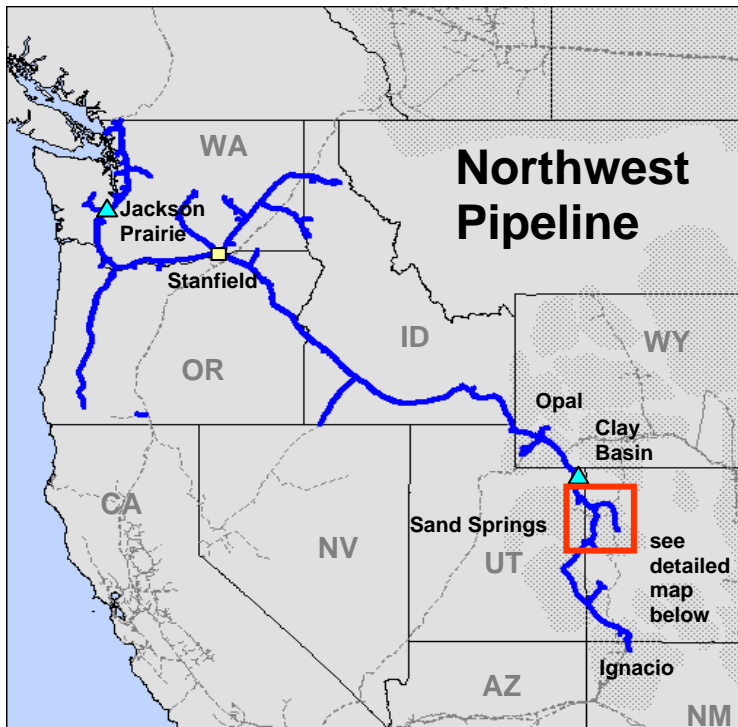
- Shippers having an interest in obtaining the offered firm services must complete, sign and return the attached non-binding Expression of Interest form via mail or facsimile not later than 5:00 p.m. (MST) on May 31, 2007:

Williams Northwest Pipeline Corporation  
Marketing Services  
295 Chipeta Way  
Salt Lake City, UT 84108  
Fax: (801) 584-6950

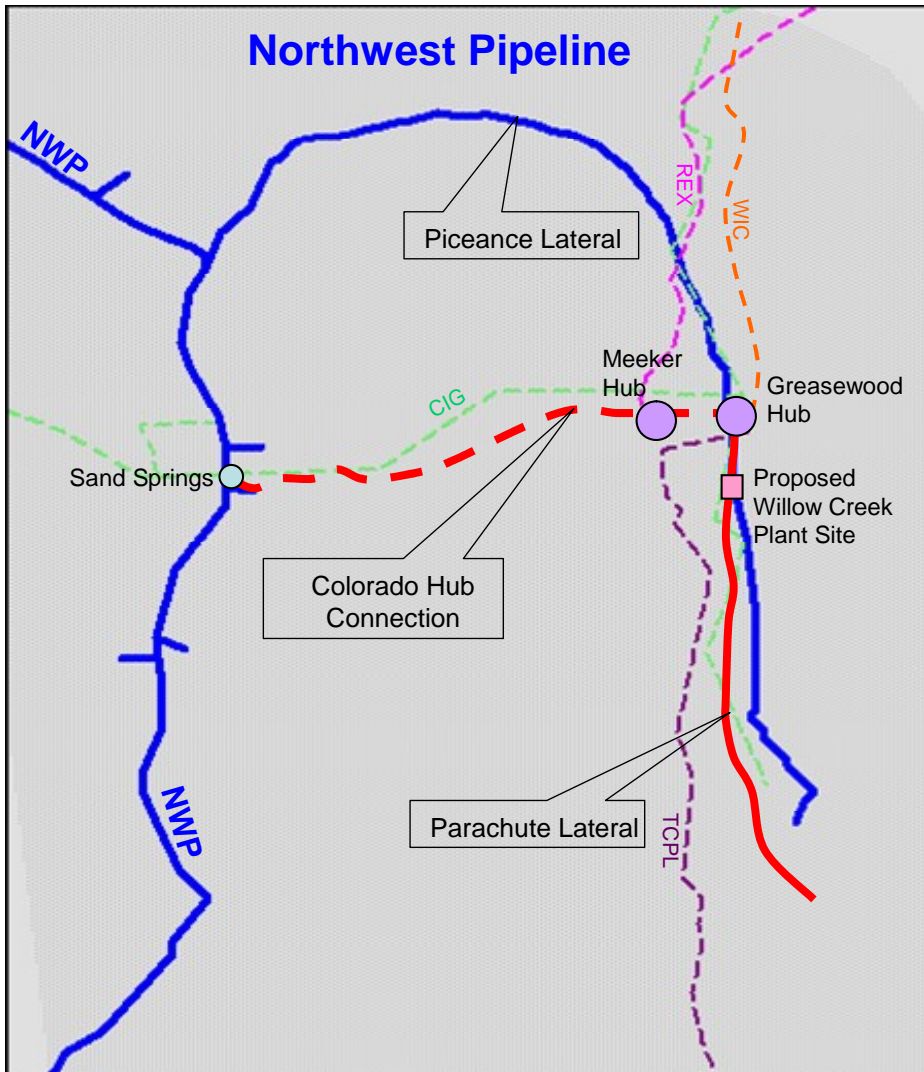
- Based on the level of interest expressed in the Open Season, Northwest will complete a preliminary design of the lateral facilities necessary to accommodate the requests. Subject to execution of a confidentiality agreement, Northwest then will provide additional information, as appropriate, to Shippers that have signed Expression of Interest forms.

- Northwest will provide a draft Precedent Agreement reflecting the terms and conditions of the requested service(s), including an estimate of incremental cost-based rate(s) for those Shippers seeking Lateral-Only or Greasewood and Meeker Hub service(s).
- Shippers desiring to confirm their expressions of interest in the offered firm services must sign binding Precedent Agreements and return them to Northwest within thirty days from the date Northwest tenders the final Precedent Agreement to Shipper.
- Following Shippers execution of the Precedent Agreements, Northwest will finalize design, allocate capacity and conduct a reverse Open Season for mainline capacity, as necessary, to finalize the project in preparation to submitting the necessary certificate application to the Federal Energy Regulatory Commission.

If you have any questions regarding the Open Season, please contact Hank Henrie at (801) 584-6625 or Larry Larsen at (801) 584-6645.



# Northwest Pipeline



**EXPRESSION OF INTEREST  
COLORADO HUB CONNECTION**

**Shipper:** \_\_\_\_\_

**Firm Service Requested:**

Lateral only Contract Demand \_\_\_\_\_ Dth/d

Greasewood/Meeker Hub Service \_\_\_\_\_ Dth/d

Combined Lateral/Mainline Contract Demand \_\_\_\_\_ Dth/d

Desired In-Service Date (if other than Nov 2010): \_\_\_\_\_

**Receipt Point(s):** Meeker Hub \_\_\_\_\_ Dth/d

Greasewood Hub \_\_\_\_\_ Dth/d

\_\_\_\_\_ (Northwest mainline points north of Meeker) \_\_\_\_\_ Dth/d

**Delivery Point(s):** Mainline interconnect with El Paso at Ignacio - \_\_\_\_\_ Dth/d

Mainline interconnect with Transwestern at Ignacio - \_\_\_\_\_ Dth/d

Mainline interconnect near Sand Springs - \_\_\_\_\_ Dth/d

Meeker Hub \_\_\_\_\_ Dth/d

Greasewood Hub \_\_\_\_\_ Dth/d

**Primary Term:** \_\_\_\_\_ (minimum term of ten years)

**Shipper's**

**Representative:** Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

**Signature:** Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_