

FORM OF LETTER OF CREDIT FOR
GAS TRANSMISSION NORTHWEST CORPORATION

DATE

Beneficiary:
GAS TRANSMISSION NORTHWEST CORPORATION
1400 SW Fifth Avenue, Suite 900
Portland, OR 97201

Attn: Ken Nichols

Applicant:
[ADDRESS]

Attention: _____

Irrevocable Standby Letter of Credit for USD\$[Specify Amount]
At the request of [Shipper Name] ("Shipper"), [Insert Address], and on behalf of Shipper, we hereby open our Irrevocable Standby Letter of Credit in favor of Gas Transmission Northwest Corporation ("GAS TRANSMISSION NORTHWEST CORPORATION") for drawing in the amount of USD \$[_____] [Dollar amount] effective immediately at our offices at [insert Bank Address].

We hereby undertake to honor your sight draft drawn on us being upon its face the clause "Drawn under The Bank of _____ Letter of Credit Number _____ dated _____, accompanied by the following documents:

1. The original of this Letter of Credit and any subsequent amendments, if any; and
2. Original of beneficiary's manually signed statement purportedly signed by an authorized officer of Gas Transmission Northwest Corporation stating one or more of the following:
 - a) "Gas Transmission Northwest Corporation hereby certifies that it is entitled to draw USD _____ under The Bank of _____, Letter of Credit Number _____ dated _____ because Shipper has not, to the satisfaction of GAS TRANSMISSION NORTHWEST CORPORATION, within thirty (30) days of the then applicable expiry date of this Letter of Credit replaced or renewed this Letter of Credit."
 - b) "Gas Transmission Northwest Corporation hereby certifies that [Shipper name] is in default under its Transportation Contracts ("Transportation Contracts") between Gas Transmission Northwest Corporation and [Shipper name] and Gas Transmission

Northwest Corporation is entitled to draw USD _____ under The Bank of _____, Letter of Credit Number _____ dated _____."

c) "Gas Transmission Northwest Corporation hereby certifies that it is entitled to draw USD _____ under The Bank of _____, Letter of Credit Number _____ dated _____ because [Shipper name] has not, to the satisfaction of Gas Transmission Northwest Corporation, replaced this Letter of Credit within 10 days of the date on which the rating of the long-term unsecured indebtedness of The Bank of _____ dropped below A2 by Moody's Investors Services, Inc. or A by Standard & Poor's Corporation."

A telecopy of such statement shall be acceptable.

3. It is a condition of this Irrevocable Standby Letter of Credit that it shall be considered automatically extended without amendment for an additional period of one (1) year from the present or any future expiry date unless we notify you in writing not less than ninety (90) days before such date that we elect not to extend this Letter of Credit for such additional term, such notice to be sent by registered mail to you at the address herein. Upon receipt by you of such notice, you may draw on us at sight for the balance remaining under this Letter of Credit within the then applicable expiry date. In the event of an Act of God, riot, civil commotion, war or any other cause that interrupts our business (collectively, an "Interruption Event") and causes the place for presentation of this Letter of Credit to be closed for business on the last day for presentation, the expiry date shall be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

4. Partial Drawings under this Letter of Credit are permitted.

5. For the purposes of this Letter of Credit, Shipper shall be deemed to be in default of its obligations to GAS TRANSMISSION NORTHWEST CORPORATION 30 days after Shipper fails to make a payment to GAS TRANSMISSION NORTHWEST CORPORATION when due.

6. This Credit shall be transferable, as directed by an authorized representative of GAS TRANSMISSION NORTHWEST CORPORATION, in compliance with Article 48 of UCP 500.

We hereby engage you that a draft drawn under and in compliance with the terms and conditions of this Letter of Credit will be duly honored by us if presented at this office or by registered mail on or before the current expiration date of [Date], or any future applicable expiry date as described herein.

Draft presentation before 9:00 AM Pacific Time on any Business Day shall be honored before 5:00 PM Pacific Time on the same Business Day by wire transfer in immediately available funds to any account designated by an authorized representative of the beneficiary (or any other reasonable means specified by an authorized representative of the beneficiary). Draft presentation after 9:00 AM Pacific Time and before 5:00 PM

Pacific Time on any Business Day shall be honored on the following Business Day in immediately available funds to any account designated by an authorized representative of the beneficiary). As used in this Credit, the term "Business Day" shall mean a day other than Saturday or Sunday or any other day in which Banking Institutions in the State of [Name of State] are authorized or required by law to close.

This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein or to which this Letter of Credit relates, any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement.

Except to the extent the terms hereof are inconsistent with its provisions, in which case this Letter of credit shall govern, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), the International Chamber of Commerce Publication No. 500.