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FERC GAS TARIFF

ORIGINAL VOLUME NO. 1

OF

PUGET SOUND ENERGY, INC.

filed with the

FEDERAL ENERGY REGULATORY COMMISSION

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PRELIMINARY STATEMENT

Puget Sound Energy, Inc. ("Puget Sound") is a public service company serving natural gas and electric customers in the state of Washington. Puget Sound is not engaged in FERC jurisdictional transportation or sales of natural gas and is not a "natural gas company" within the meaning of Section 2(6) of the Natural Gas Act. Puget Sound's local natural gas distribution activities and facilities are exempted from FERC jurisdiction by Section 1(b) of the Natural Gas Act.

Puget Sound, as the operator of the Jackson Prairie Storage Project, applied for and received a limited-jurisdiction, case-specific certificate under Section 7 of the Natural Gas Act for all authorizations related to the development and operation of the Jackson Prairie Storage Project. Pursuant to Commission order, Puget has been designated the Operator of the Jackson Prairie Storage Project located in Lewis County, Washington. 80 F.E.R.C. 61,106 (1997). The Jackson Prairie Storage Project is owned by Puget Sound, Northwest Pipeline Corporation and The Washington Water Power Company. The ownership and operations of the Project are governed by and services from the Project are provided pursuant to the Jackson Prairie Gas Storage Project Agreement as authorized by the Commission and submitted for filing as this FERC Gas Tariff Rate Schedule S-1.

This FERC Gas Tariff is filed in compliance with part 154, subpart E, Title 18 of the Code of Federal Regulations.

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SYSTEM MAP

(Insert Line Drawing of Map of JP Project)

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ARTICLE 1. DEFINITIONS

As used in this Agreement with the initial letters capitalized (whether in the singular or plural), the following words and terms shall have their respective meanings indicated immediately below:

1.1 Affiliate

"Affiliate" means, with respect to an Owner, (a) any Person that directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with, such Owner; (b) any officer, director, general partner or member of such Owner; and (c) any Person who is an officer, director or general partner or member of any Person described in clauses (a) or (b) of this definition. For purposes of this definition "control" includes the terms "controlled by" and "under common control with" and means (i) the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, or (ii) the ownership or possession, direct or indirect, of over fifty percent (50%) of the aggregate ordinary voting power represented by the outstanding capital stock (or other voting equity interest) of such Person.

1.2 Available Working Gas Inventory

"Available Working Gas Inventory" of an Owner means the quantity of Working Gas Inventory of such Owner available for withdrawal by such Owner on any Day during the Storage Cycle and shall be equal to the Working Gas Inventory of such Owner reduced by the Unavailable Working Gas Inventory of such Owner.

1.3 Best Efforts Withdrawal Deliverability

"Best Efforts Withdrawal Deliverability" of an Owner means the right of such Owner to receive natural gas, on a daily best efforts basis, from the Storage Project. Best Efforts Withdrawal Deliverability is such Owner's Share of the Project Best Efforts Withdrawal Deliverability multiplied by the Project Best Efforts Withdrawal Deliverability as set forth

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in Part 1 of Exhibit E as such part may be revised in accordance with this Agreement.

1.4 Capital Costs

"Capital Costs" for the Storage Project means the capital costs of the Storage Project calculated in accordance with the Uniform System and generally accepted accounting principles for gas utilities.

1.5 Chehalis Farm Tap

The "Chehalis Farm Tap" is a transportation delivery point from Northwest to PSE located within the Storage Project.

1.6 Committee

"Committee" means the management committee created pursuant to ARTICLE 5.

1.7 Confirmed Nomination

"Confirmed Nomination" means any and all volumes of natural gas nominated for injection into or withdrawal from the Storage Project provided that (i) such nominating Owner has such quantities available for delivery; (ii) such nominations do not exceed the applicable Storage Service Rights of the nominating Owner; (iii) such nomination does not exceed the capability of the Storage Project for such Day; and (iv) Northwest has confirmed any necessary corresponding nominations for related transportation services on Northwest's Natural Gas Transmission System. Any differences between aggregate Confirmed Nominations for all other Owners other than Northwest and the actual aggregate metered injections or withdrawals for a given Day will be deemed to be Confirmed Nominations for Northwest's use of the Storage Project.

1.8 Cushion Gas Inventory

"Cushion Gas Inventory" of an Owner means the lesser of the Gas Inventory of such Owner and the Cushion Gas Requirement of such Owner. Cushion Gas Inventory for Northwest means the lesser of Northwest's (i) Cushion Gas Requirement or; (ii) Gas Inventory plus the absolute value of the quantity in the Northwest System Balancing Account.- Cushion Gas Inventory may temporarily deviate from Cushion Gas Requirement in the event of (i) Northwest's force majeure use under Section 7.4; or (ii) a FERC authorized reduction or increase in Cushion Gas Requirement, but only for such time necessary to comply with such FERC authorization.

1.9 Cushion Gas Requirement

"Cushion Gas Requirement" of an Owner means an amount equal to the product of such Owner's Share of the Project Cushion Gas Requirement multiplied by the Project Cushion Gas Requirement, as set forth in Part 2 of Exhibit E as such part may be revised in accordance with this Agreement.

1.10 Daily Activity

"Daily Activity" of an Owner, other than Northwest, for any Day, means the net total of (i) such Owner's Confirmed Nominations for injection; and (ii) such Owner's Confirmed Nominations for withdrawal on any Day at the Storage Project Delivery Points. Daily Activity for Northwest means the difference, on any Day, between (i) the net total of actual metered injection and withdrawal volumes at the Storage Project Delivery Points; and (ii) the Daily Activity of all Owners other than Northwest.

1.11 Day

"Day" means each 24-hour period for which gas transportation is normally scheduled on Northwest's Natural Gas Transmission System, under its FERC gas tariff in effect from time to time.

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1.12 Effective Date

"Effective Date" means Effective Date as defined in Section 11.1.

1.13 Feeder Line

"Feeder Line" means a pipeline extending from Northwest's Natural Gas Transmission System easterly a distance of approximately one and three-fourths (1-3/4) miles to the Storage Field and used for the injection of natural gas into the Storage Reservoir and the withdrawal of natural gas therefrom.

1.14 FERC

"FERC" means the Federal Energy Regulatory Commission, or its regulatory successor.

1.15 Firm Injection Capability

"Firm Injection Capability" of an Owner means the right of such Owner to deliver natural gas, on a daily firm basis, to the Storage Project. The Firm Injection Capability of each Owner equals the product of such Owner's Share of the Project Firm Injection Capability multiplied by the Project Firm Injection Capability, as set forth in Part 1 of Exhibit E as such part may be revised in accordance with this Agreement.

1.16 Firm Withdrawal Deliverability

"Firm Withdrawal Deliverability" of an Owner means the right of such Owner to receive natural gas, on a daily firm basis, from the Storage Project. Maximum Firm Withdrawal Deliverability is such Owner's Share of Project Firm Withdrawal Deliverability multiplied by the Project Firm Withdrawal Deliverability, as set forth in Part 1 of Exhibit E as such part may be revised in accordance with this Agreement.

1.17 Firm Working Gas Capacity

"Firm Working Gas Capacity" of an Owner means an amount equal to such Owner's Share of Project Firm Working Gas Capacity multiplied by the Project Firm Working Gas Capacity, as set forth in Part 1 of Exhibit E as such part may be revised in accordance with this Agreement.

1.18 Gas Inventory

"Gas Inventory" of an Owner means the cumulative Daily Activity of such Owner, adjusted for gains and losses of natural gas pursuant to Section 8.2, allocations of fuel use pursuant to Section 8.3 and In Field Transfers, excluding Northwest's transportation deliveries to the Chehalis Farm Tap.

1.19 In Field Transfer

"In Field Transfer" means the transfer of Available Working Gas Inventory in place between the accounts of two Owners, without any associated injections or withdrawals.

1.20 Interruptible Injection Capability

"Interruptible Injection Capability" of an Owner means the right of such Owner to deliver natural gas, on a daily nonfirm basis to the Storage Project. The Project Interruptible Injection Capability for a Day shall be allocated among the Owners, up to their respective nominations of Interruptible Injection Capability, as follows:

(1) First to Northwest for Northwest System Balancing;

(2) Then to all Owners, in proportion to their respective Shares of Project Firm Injection Capability, except that any allocation to Northwest under this (2) shall be decreased by the amount allocated to Northwest pursuant to (1) above.

1.21 Interruptible Withdrawal Deliverability

"Interruptible Withdrawal Deliverability" of an Owner means the right of such Owner to receive natural gas, on a daily nonfirm and non-best efforts basis, from the Storage Project. The Project Interruptible Withdrawal Deliverability for a Day shall be allocated among the Owners, up to their respective nominations of Interruptible Withdrawal Deliverability as follows:

- (1) First to Northwest for Northwest System Balancing;
- (2) Then to all Owners, in proportion to their respective Shares of Project Firm Withdrawal Deliverability, except that any allocation to Northwest under this (2) shall be decreased by the amount allocated to Northwest pursuant to (1) above.

1.22 Interruptible Working Gas Capacity

"Interruptible Working Gas Capacity" of an Owner means that quantity of Project Interruptible Working Gas Capacity that such Owner can nominate for storage of natural gas, on a daily nonfirm basis, in the Storage Project that exceeds such Owner's Share of Project Firm Working Gas Capacity. The Project Interruptible Working Gas Capacity for a Day shall be allocated among the Owners, up to their respective nominations of Interruptible Working Gas Capacity, as follows:

- (1) First to Northwest for Northwest System Balancing;
- (2) Then to all Owners, in proportion to their respective shares of Project Firm Working Gas Capacity, except that any allocation to Northwest under this (2) shall be decreased by the amount allocated to Northwest pursuant to (1) above; and
- (3) The sum of Interruptible Working Gas Capacity allocated to all Owners, except Northwest, cannot exceed the amount by which the Firm Working Gas Capacity of all Owners, except Northwest, exceeds the Working Gas Inventories of all Owners, except Northwest.

1.23 Interruptible Working Gas Inventory

"Interruptible Working Gas Inventory" of an Owner means the quantity of Working Gas Inventory of such Owner which is in excess of the Firm Working Gas Capacity of such Owner.

1.24 Month

"Month" means a calendar month.

1.25 Monthly Activity

"Monthly Activity" of an each Owner means the absolute sum (i.e., not offset) of Daily Activity for each Day of such Month of such Owner.

1.26 Northwest System Balancing

"Northwest System Balancing" means that part of Northwest's Daily Activity including any use of Interruptible Working Gas Capacity or of the Northwest System Balancing Account, which is not attributable to Confirmed Nominations for injections and withdrawals for storage and balancing-type services provided by Northwest (or any Affiliate of Northwest) pursuant to Storage Gas Service Agreements or other service agreements which are subject to FERC approved rate schedules specifically established for such services.

1.27 Northwest System Balancing Account

"Northwest System Balancing Account" means an account in which is kept the cumulative balance, net of off-setting injections, of Northwest's withdrawals of gas for Northwest System Balancing in amounts which exceed Northwest's Available Working Gas Inventory. Northwest System Balancing Account thus reflects, at any time, the cumulative quantity of natural gas, if any, which Northwest has borrowed from, on a nonfirm basis, the Storage Project for Northwest System Balancing. Northwest System Balancing Account shall be equal to or less than zero (0).

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1.28 Northwest's Natural Gas Transmission System

"Northwest's Natural Gas Transmission System" means the natural gas transmission system owned and operated by Northwest.

1.29 Operating Rules

"Operating Rules" means the procedures and calculations set forth in Parts 1 and 2 of Exhibit F, as such parts may be revised in accordance with this Agreement, used to develop the Seasonal Working Gas Quantity and the Firm Withdrawal Deliverability of each Owner.

1.30 Operations and Maintenance Costs

"Operations and Maintenance Costs" or "O&M Costs" for the Storage Project means the operations and maintenance costs of the Storage Project calculated in accordance with the Uniform System and generally accepted accounting principles for gas utilities.

1.31 Owner

"Owner" means any Person listed in Section 2.2.1 that owns an Ownership Interest.

1.32 Ownership Interest

"Ownership Interest" means each Owner's respective undivided interest in the Storage Project, as described in Section 2.2.

1.33 Ownership Percentage

"Ownership Percentage" of an Owner means the percentage set forth for such Owner in Section 2.2.1 as such percentage may be revised in accordance with this Agreement.

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1.34 Person

"Person" means any individual, partnership, corporation, limited liability company, estate, trust, government agency or other entity.

1.35 Project Best Efforts Withdrawal Deliverability

"Project Best Efforts Withdrawal Deliverability" means the maximum quantity of natural gas that may be delivered, on a daily best efforts basis, from the Storage Project. The maximum Project Best Efforts Withdrawal Deliverability is as set forth in Part 1 of Exhibit E as such part may be revised in accordance with this Agreement. The maximum Project Best Efforts Withdrawal Deliverability, as certificated by FERC is as set forth in Exhibit C.

1.36 Project Cushion Gas Inventory

"Project Cushion Gas Inventory" means the sum of the Cushion Gas Inventories of all Owners.

1.37 Project Cushion Gas Requirement

"Project Cushion Gas Requirement" means the minimum quantity of natural gas which must be maintained in the Storage Reservoir to maintain reservoir integrity and deliverability. The Project Cushion Gas Requirement is as set forth in Part 2 of Exhibit E, as such part may be revised in accordance with this Agreement. The minimum Project Cushion Gas Requirement and the respective amounts of Project Cushion Gas Requirement for Zone 2 and Zone 9, as certificated by the FERC, are as set forth in Exhibit C.

1.38 Project Firm Injection Capability

"Project Firm Injection Capability" for any Day means the maximum quantity of natural gas that may be received, on a daily firm basis, by the Storage Project for such Day. The Project Firm Injection Capability is as

set forth in Part 1 of Exhibit E as such part may be revised in accordance with this Agreement.

1.39 Project Firm Withdrawal Deliverability

"Project Firm Withdrawal Deliverability" means the maximum quantity of natural gas that may be received from the Storage Project for such Day. The Project Firm Withdrawal Deliverability is as set forth in Part 1 of Exhibit E as such part may be revised in accordance with this Agreement. The maximum Project Firm Withdrawal Deliverability, as certificated by the FERC, is as set forth in Exhibit C.

1.40 Project Firm Working Gas Capacity

"Project Firm Working Gas Capacity" means the maximum quantities of natural gas that can be maintained in the Storage Reservoir in excess of the Project Cushion Gas Requirement. The maximum Project Firm Working Gas Capacity is set forth in Part 1 of Exhibit E as such part may be revised in accordance with this Agreement. The maximum Project Firm Working Gas Capacity (and the respective amounts of Project Firm Working Gas Capacity for Zone 2 and Zone 9, as certificated by the FERC) are as set forth in Exhibit C.

1.41 Project Gas Capacity

"Project Gas Capacity" means the maximum quantity of natural gas certificated by FERC for storage in the Storage Reservoir. The maximum Project Gas Capacity (and the respective amounts of Project Gas Capacity for Zone 2 and Zone 9, as certificated by the FERC) is as set forth in Exhibit C.

1.42 Project Gas Inventory

"Project Gas Inventory" means the sum of the Gas Inventories of all Owners.

1.43 Project Interruptible Injection Capability

"Project Interruptible Injection Capability" for any Day equals the amount, if any, by which the Storage Project is capable, as determined by the Project Operator, of receiving natural gas on such Day in excess of all Owners' Confirmed Nominations for delivery to the Storage Project pursuant to Firm Injection Capability.

1.44 Project Interruptible Withdrawal Deliverability

"Project Interruptible Withdrawal Deliverability" for any Day equals the amount, if any, by which the Storage Project is capable, as determined by the Project Operator, of delivering natural gas on such Day in excess of the sum of (i) the Confirmed Nominations for delivery pursuant to Firm Withdrawal Deliverability by all Owners; plus (ii) the Confirmed Nominations for delivery pursuant to Best Efforts Withdrawal Deliverability by all Owners.

1.45 Project Interruptible Working Gas Capacity

"Project Interruptible Working Gas Capacity" for any Day equals the difference between the Project Firm Working Gas Capacity and the Project Working Gas Inventory.

1.46 Project Operator

"Project Operator" means the Owner designated as such in ARTICLE 6 hereof or such other entity as the Owners or their successors shall designate by mutual agreement.

1.47 Project Withdrawal

"Project Withdrawal" for any Day means the sum for such Day of (i) the Confirmed Nominations for delivery pursuant to Firm Withdrawal Deliverability by all Owners; (ii) the Confirmed Nominations for delivery pursuant to Best Efforts Withdrawal Deliverability by all Owners; and (iii) the Confirmed Nominations for delivery pursuant to Interruptible

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Withdrawal Deliverability by all Owners. The Project Withdrawal shall not exceed the sum of the Firm Withdrawal Deliverability and Best Efforts Withdrawal Deliverability certificated by the FERC as set forth in Exhibit C.

1.48 Project Working Gas Inventory

"Project Working Gas Inventory" means the sum of the Working Gas Inventories of all Owners.

1.49 Seasonal Working Gas Quantity

"Seasonal Working Gas Quantity" of an Owner during a Storage Cycle means the quantity of Firm Working Gas Capacity available for use by such Owner during such Storage Cycle. The Seasonal Working Gas Quantity of each Owner shall be determined as described in Part 1 of Exhibit F as such part may be revised in accordance with this Agreement.

1.50 Share

"Share" of an Owner with respect to Project Best Efforts Withdrawal Deliverability, Project Cushion Gas Requirement, Project Firm Injection Capability, Project Firm Withdrawal Deliverability and Project Firm Working Gas Capacity means such Owner's respective Share thereof, set forth in Exhibit D as such part may be revised in accordance with this Agreement.

1.51 Storage Cycle

"Storage Cycle" means any twelve (12) Month period commencing October 1st and extending through the succeeding September 30th.

1.52 Storage Field

"Storage Field" means the area or areas certificated by FERC for utilization under this Agreement for underground natural gas storage and

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activities associated therewith located in the vicinity of Jackson Prairie, Lewis County, Washington.

1.53 Storage Gas Service Agreement

"Storage Gas Service Agreement" means any executed service agreement for storage services in the Storage Field between Northwest and any Person in the form set forth in Northwest's FERC Gas Tariff.

1.54 Storage Project

"Storage Project" means the Storage Field, including the individual Storage Reservoirs, and all equipment, plant, leases, rights, rights of way, properties and facilities installed or to be installed at or within the Storage Field or appurtenant thereto including the Feeder Lines, except any facility comprising a part of Northwest's Natural Gas Transmission System.

1.55 Storage Project Delivery Points

"Storage Project Delivery Point" means each point of interconnection of the Feeder Lines and Northwest's Natural Gas Transmission System. Meter stations are installed at each Storage Project Delivery Point to measure the quantity of natural gas injected into and withdrawn from the Storage Project.

1.56 Storage Reservoir

"Storage Reservoir" means those portions of the Storage Field having a defined limit of porosity and permeability which can effectively accept, retain and redeliver gas. Currently there are two defined active storage reservoirs, designated as "Zone 2 Reservoir" (or "Zone 2") and "Zone 9 Reservoir" (or "Zone 9") which provide the basis for the Storage Service Rights.

1.57 Storage Service Rights

"Storage Service Rights" of an Owner means each Owner's rights to (i) delivery of natural gas to the Storage Project pursuant to Firm Injection Capability and Interruptible Injection Capability; (ii) storage of natural gas in the Storage Reservoir pursuant to Firm Working Gas Capacity and Interruptible Working Gas Capacity; (iii) receipt of natural gas from the Storage Project pursuant to Firm Withdrawal Deliverability, Best Efforts Withdrawal Deliverability and Interruptible Withdrawal Deliverability; and (iv) for Northwest, Northwest System Balancing.

1.58 Ultimate Reservoir Capacity

"Ultimate Reservoir Capacity" means the total estimated capacity to store natural gas in the Storage Reservoirs when each is developed to the maximum pressure and capacity permitted by its geological characteristics of the respective Storage Reservoirs.

1.59 Unavailable Working Gas Inventory

"Unavailable Working Gas Inventory" of an Owner during a Storage Cycle means the quantity of Working Gas Inventory of such Owner not available for withdrawal by such Owner on any Day during the Storage Cycle, except by Northwest for Northwest System Balancing, and shall be equal to the highest level of the Working Gas Inventory of such Owner during all preceding Days of such Storage Cycle, but not to exceed the Firm Working Gas Capacity of such Owner, less the Seasonal Working Gas Quantity for such Storage Cycle of such Owner.

1.60 Uniform System

"Uniform System" means the Uniform System of Accounts Prescribed for Natural Gas Companies (Major and Non-Major) and subject to the Provisions of the Natural Gas Act as promulgated by the FERC and in effect on January 1, 1989, as such Uniform System may thereafter be amended or revised by the FERC.

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1.61 Unrelated Person

"Unrelated Person" of an Owner means any Person that is neither such Owner nor an Affiliate of such Owner.

1.62 Weighted Share

"Weighted Share" of an Owner with respect to Capital Costs, O&M Costs and allocation of gains and losses pursuant to Section 8.2 means such Owner's respective share thereof as set forth in Exhibit B as such exhibit may be revised in accordance with this Agreement.

1.63 Working Gas Inventory

"Working Gas Inventory" of an Owner means the amount, if any, by which the Gas Inventory of such Owner differs from the Cushion Gas Inventory of such Owner.

1.64 WUTC

"WUTC" means the Washington Utilities and Transportation Commission or its regulatory successor.

ARTICLE 2. OWNERSHIP

2.1 Representations and Warranties of Owners

Each Owner represents and warrants that the execution and delivery of this Agreement by such Owner, and such Owner's performance thereunder, will not conflict with any provision of law or of the charter or bylaws of such Owner, or conflict with or constitute a default under any indenture, mortgage, or other contract or agreement of such Owner (except as to certain Storage Gas Service Agreements, until such time as such agreements are terminated or modified to conform) or any order of any

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court, commission, or governmental agency having jurisdiction.
Each Owner represents and warrants that:

2.1.1 It has the power and authority to execute this Agreement and that the execution and delivery of this Agreement has been duly approved by each Owner's (and if applicable its parent's) Board of Directors, if required, and that this Agreement, when executed and delivered, will be valid and binding on such Owner; and

2.1.2 It will be authorized to do business in the State of Washington as of the Effective Date and will remain authorized at all times during the term of this Agreement.

2.2 Ownership Interest

2.2.1 The Storage Project shall be owned by the Owners as tenants in common, with each Owner's respective undivided interest (Ownership Interest) in the Storage Project (including all regulatory permits, licenses and authorizations for the Storage Project) being in the following percentage (Ownership Percentage):

Owner	Ownership Percentage
Northwest	33-1/3%
Water Power	33-1/3%
PSE	33-1/3%

as such percentages may be revised pursuant to Section 2.3 and ARTICLE 4. Each Owner promptly and with due diligence shall take all necessary actions and seek all regulatory approvals, licenses and permits necessary to carry out its obligations under this Agreement.

2.2.2 Subject to ARTICLE 6, each Owner shall bear a risk of loss of or damage to the Storage Project proportionate to such Owner's Ownership Percentage.

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2.2.3 So long as the Storage Project or any part thereof as originally constructed, reconstructed or added to is used or useful for the storage of natural gas, or to the end of the period permitted by applicable law, whichever first occurs, each Owner waives the right to partition whether by partition in kind or sale and division of the proceeds thereof and agrees that during said time such Owner will not resort to any action at law or in equity to partition and further that for said time waives the benefit of all laws that may now or hereafter authorize such partition of the properties comprising the Storage Project.

2.2.4 Except as set forth in ARTICLE 6, (i) the duties, obligations and liabilities of the Owners are intended to be several and not joint or collective, and (ii) none of the Owners shall be jointly or severally liable for the acts, omissions, or obligations of any of the other Owners. No provision of this Agreement shall be construed to impose a partnership duty, obligation or liability, on or with regard to any one or more of the Owners. No Owner shall have a right or power to bind any other Owner without its or their express written consent, except as expressly provided in this Agreement.

2.2.5 Each Owner and its designees shall have the right to go upon and into the Storage Project at any time subject to the rules and regulations of public authorities having jurisdiction thereof and to the necessity of efficient and safe construction and operation of the Storage Project, but the Project Operator shall have possession and control of the Storage Project for all Owners.

2.2.6 In the construction and operation of the Storage Project, each Owner shall act without compensation other than reimbursements of costs and expenses or payments provided for in this Agreement.

2.3 Permitted Transfers of Ownership Interest

No Owner may sell, convey, pledge, assign, encumber or dispose of all or any part of its Ownership Interest in the Storage Project or of its

rights and obligations under this Agreement without the prior written consent of each Owner, except as specifically set forth in this Agreement. No prior written consent under this Section 2.3 or Section 11.5 shall be required with respect to the transfer or assignment of an Ownership Interest in the event of an acquisition or merger of an Owner by or with an Unrelated Person. Nothing in this Agreement shall limit the ability of any Owner to assign or dispose of all or any portion of its Storage Service Rights under this Agreement.

2.3.1 Transfer to Affiliates

Any Owner may transfer all or any portion of its Ownership Interest to any of its Affiliates; provided, that all of such Owner's rights and obligations under this Agreement are assumed by said Affiliate in writing. Notwithstanding such assumption, the transferring Owner will not be relieved of any liability or responsibility for the performance of any obligations under this Agreement unless each non-transferring Owner has agreed in writing to release the transferring Owner from such obligations. Upon such transfer, all references to Affiliates of the transferring Owner will be deemed references to Affiliates of the transferee Owner. If less than an Owner's full Ownership Interest is conveyed to an Affiliate, such Owner, its transferee(s), and its subsequent successors and assigns will be treated as a single Owner for all purposes of this Agreement, including the calculation of Ownership Percentages. An Affiliate, or its transferee, receiving less than the Owner's full Ownership Interest is not eligible to vote or to have a representative on the Committee; representation, if any, shall be through the Owner from which the interest was received.

2.3.2 Transfer to Unrelated Persons or Any Owner

Any Owner or Affiliate with an Ownership Interest may transfer its Ownership Interest or a portion of its Ownership Interest to an Unrelated Person or any Owner (the "Offeror") subject to the following.

2.3.2.1 Any assignment, pledge, or transfer of an Owner's or Affiliate's (Owner or Affiliate is defined as Transferring Owner

for purpose of Section 2.3.2 only) Ownership Interest, or any portion thereof, to an Unrelated Person of such Owner will be subject to 75% majority agreement of the Owners as set forth in Section 5.4. In granting or withholding such approval, the Owners will consider whether the assignment, pledge, or transfer will maintain the financial and operating integrity of the Storage Project. Such approval by the Owners shall not be unreasonably withheld.

2.3.2.2 Each non-transferring Owner shall have the right of first refusal to purchase the Ownership Interest offered for sale by the Transferring Owner ("Offered Interest").

2.3.2.3 Each Transferring Owner shall promptly deliver in writing, to the non-Transferring Owner(s) (a) notice of such sale of Ownership Interest, (b) a statement of the terms and conditions of the bona fide offer intended to be accepted by such Transferring Owner for the Ownership Interest ("Qualifying Offer"), and (c) the name of the Offeror submitting such offer ("Notice").

2.3.2.4 Before the Qualifying Offer is presented to the non-transferring Owners, the Transferring Owner will disclose in writing to the Offeror the non-transferring Owner's Option as defined in Section 2.3.2.5. If the Transferring Owner fails to make such disclosure, any purported sale or transfer shall be null and void and have no binding effect with respect to this Agreement and Offeror shall not be admitted as an Owner. In addition, the Transferring Owner will defend and indemnify and protect the non-transferring Owners from and against any and all actions, claims, demands, costs (including attorneys' fees), and liabilities arising out of or in any way related to the acts of non-transferring Owners in exercising their rights under Section 2.3.2 or claims brought by the Offeror.

2.3.2.5 Each non-transferring Owner will have thirty (30) days from the receipt of such Notice from the Transferring Owner to submit to such Transferring Owner a written offer to purchase the Offered

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Interest on the same terms and conditions as those contained in the Notice ("Option").

2.3.2.6 If any one or more of the non-transferring Owners submits a timely written offer to purchase the Offered Interest on the same terms and conditions as those contained in the Notice, the Transferring Owner and such non-transferring Owner(s) must promptly execute the necessary documents to transfer to such non-transferring Owner(s) the Offered Interest, pro rata (determined by dividing the Ownership Percentage of each of the non-transferring Owners submitting a written offer to purchase by the sum of the Ownership Percentage of each Owner submitting a written offer to purchase). For purposes of this Section 2.3.2.6, if the Qualifying Offer was tendered by an Owner, such Owner will be deemed to have submitted a written offer to purchase under this Section 2.3.2.6. Nothing in this ARTICLE 2 precludes the Owners from jointly offering to purchase the Offered Interest.

2.3.2.7 If the non-transferring Owners do not submit timely written offers to purchase the Offered Interest, the Transferring Owner may transfer such interest to the Offeror identified in the Notice pursuant to this Section 2.3.2.7, and on the same terms and conditions as therein specified. Upon disclosure of the portion of the transfer documents to the non-transferring Owners as is necessary to confirm that those documents provide for a transfer of the Offered Interest on the same terms and conditions as those contained in the Notice, Offeror will be admitted as an Owner.

2.3.2.8 A recordable document evidencing the right of first refusal and the waiver of partition, pursuant to this Agreement, shall be executed and acknowledged by the Owners and recorded in Lewis County, Washington, by the Project Operator within sixty (60) days of the Effective Date.

2.3.2.9 Upon any transfer of Ownership Interest under Section 2.3.2, as to the interest so transferred, the transferee will become an Owner, with all the same rights and obligations under this Agreement as the

transferring Owner and the transferee and Transferring Owner will not be treated as a single Owner for purposes of this agreement.

2.3.3 Miscellaneous Transfer Provisions

2.3.3.1 Any transfer under Section 2.3 will be made expressly subject to the terms of this Agreement.

2.3.3.2 Promptly upon completion of any transfer of Ownership Interest under Section 2.3, the Owners will amend the Ownership Percentages of each Owner set forth in ARTICLE 2, the Weighted Shares of Capital Costs and Weighted Shares of O&M Costs set forth in Exhibit B, the Shares set forth in Exhibit D, and the Storage Service Rights and Cushion Gas Requirement set forth in Exhibit E. Consistent with Section 2.3.1, for Owners that have transferred less than a full Ownership Interest to an Affiliate(s), the foregoing amendments described in this Section 2.3.3.2 shall reflect for the Owner and its Affiliates' Ownership Interest a single percentage or allocation as if the Owner and Affiliate(s) were a single Owner (for informational purposes only, an Affiliates' percentages and allocations may be shown on the amendments).

2.3.3.3 Nothing contained in this Agreement will prevent any assignment, pledge, or other transfer creating a security interest (and any transfer made in foreclosure or other enforcement of such security interest) in all or any portion of an Owner's Ownership Interest, provided that the secured party will hold the same subject to all of the terms of this Agreement. Further, such secured party or any party other than an entity whose business purpose is in the natural gas business acquiring an interest through foreclosure will not have a voice in the management or administration of the Storage Project as a result of any such transfer. Further, in the event of a default by an Owner which results in a foreclosure notice of the security interest created in said Owner's Ownership Interest, any remaining Owner(s) may cure the default. Prior to any cure, sixty (60) days' written notice must be provided to the defaulting Owner demanding that the default be cured. After such time, the default may be cured by any Owner or Owners at which time the Ownership Interest cured shall be

transferred to the curing Owner. No transfer permitted by this Section 2.3.3.3 will relieve the transferor of any of its rights and obligations under this Agreement (whether or not such obligations have been reflected in any budget or are known or unknown prior to such transfer) without the unanimous written approval of the non-transferring Owners, not to be unreasonably withheld.

2.3.3.4 It shall be a condition precedent to the effectiveness for any purpose of any such transfer, that (a) the transferee execute and deliver to any Owner not making the transfer such documents as may be necessary to evidence that the transferee is, or upon effectuation of the transfer will be, bound by this Agreement in the same manner as is the Owner which is making the transfer, and (b) any remaining Ownership Interest of an Owner, and the Ownership Interest of any Affiliate that will acquire its Ownership Interest through such Owner, will be treated as a single interest for all purposes of this Agreement (except for tax and accounting purposes, where appropriate, and except as expressly provided for otherwise in this Agreement) for, including without limitation, the giving of notices and the payment of distributions.

2.4 Personal Covenants; Rules Against Restrictions on Alienation

2.4.1 Except for the Owners' mutual waiver of the right to partition set forth in Section 2.2.3, all of the covenants and conditions in this Agreement shall be personal to the respective Owners and not covenants running with the land but shall be binding upon any Owner which acquires any right, title or interest of any Owner in or to the Storage Project or under this Agreement, by assignment or in any other way.

2.4.2 If the duration of any term or condition of this Agreement shall be subject to the rule against restrictions on alienation or to a similar or related rule, then the effectiveness of such term or condition shall not extend beyond (i) the maximum period of time permitted under such rule or (ii) the specific applicable period of time expressed in this Agreement, whichever is shorter. For purposes of applying the rule against

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restrictions on alienation, or any similar or related rule, the measuring lives in being shall be those of the employees of all Owners as of the Effective Date, together with all such listed persons' children, who are living on the date of execution of this Agreement. As used in this paragraph, the word "children" shall have its generally accepted meaning of descendants of the first degree.

ARTICLE 3. STORAGE SERVICE RIGHTS

3.1 Owner's Use of Storage Service

Each Owner shall be entitled to use its Storage Service Rights subject to the force majeure provisions set forth in ARTICLE 10 and as permitted by the FERC or the WUTC as applicable.

3.2 Interruptible Storage Service

An Owner's use of or nomination of Interruptible Injection Capability, Interruptible Withdrawal Deliverability or Interruptible Working Gas Capacity or any withdrawals by Northwest in excess of its Available Working Gas Inventory for Northwest System Balancing shall not impair or otherwise limit any other Owner's Share of Project Firm Injection Capability, Project Firm Withdrawal Deliverability, Project Best Efforts Withdrawal Deliverability or Project Firm Working Gas Capacity.

3.3 Reallocation of Storage Service Rights

Upon mutual agreement between two or more Owners other than Northwest (the "Affected Owners") and subject to the approval of the Committee as set forth in Section 5.7, the Shares of Storage Services Rights of the Affected Owners may be reallocated for a period of time and from time to time as mutually agreed to by the Affected Owners, subject to FERC approval of the revised Exhibits D and E reflecting such reallocation. Any reallocation of Storage Service Rights pursuant to this Section 3.3 is not intended and does not transfer any Ownership Interest in the Storage Project.

ARTICLE 4. EXPANSIONS AND ADDITIONS

4.1 Proposal

An expansion or addition to the Storage Project can be initiated by any Owner or combination thereof, representing not less than twenty-five percent (25%) of the total Ownership Interests in the Storage Project, by presenting a written proposal ("Proposal") to the Committee. Such Proposal shall be presented no later than ninety (90) days prior to the commencing of such expansion or addition. Such Proposal shall be provided in such a manner that an analysis of it by the Project Operator does not create an unreasonable investment of time or resources. The costs of preparing the Proposal and the review and analysis of it by the Project Operator shall be paid by the Owner(s) submitting the Proposal. The Project Operator will submit to the Committee the information described in Section 6.4.6.1. The Project Operator must concur that any such proposed expansion meets sound engineering, design and construction practices. Any review, concurrence or failure to concur by the Project Operator shall not be, and shall not be deemed, a warranty or representation of any kind by the Project Operator. Without limiting the generality of the foregoing, review or concurrence by the Project Operator is not a representation or warranty that (i) the Proposal does in fact meet sound engineering, design and construction practices, (ii) the Proposal will serve its intended purpose or any other purpose or (iii) construction or operation of the Proposal will not impair the function or integrity of the Storage Project. Such Proposal shall be deemed accepted unless 75% majority agreement of the Owners, pursuant to Section 5.4, denies such Proposal.

4.2 Participation

Subject to this Section 4.2, the Owner(s) not initiating an expansion or addition proposal will have the option, exercisable in writing within thirty (30) days after receipt of such written proposal, to participate in any such expansion or addition. If all Owners participate in such expansion or

addition, the extent of each Owner's participation shall be its then current Ownership Percentage prior to such expansion or addition, unless all Owners agree otherwise. If fewer than all Owners participate in the expansion or addition, then the extent of each Owner's participation shall be the percentage corresponding to the ratio of such Owner's Ownership Percentage to the aggregate Ownership Percentages of the participating Owners, unless all participating Owners agree otherwise. Non-initiating Owner(s) electing to participate in an expansion or addition shall reimburse a proportionate share of the costs of preparation, analysis and review of the proposal discussed in Section 4.1.

4.3 Damages

The participating Owner(s) shall indemnify and hold harmless the non-participating Owner(s) for any damage or loss to person or property, including any Storage Reservoir or part thereof, arising from, or incidental to, an expansion or addition.

4.4 Impact on Ownership and Storage Service Rights

4.4.1 An Owner's Ownership Percentage, allocations of gains and losses pursuant to Section 8.2, and proportionate allocation of Capital Costs may be affected by an expansion or addition. The Ownership Percentage and Weighted Share of Capital Costs of each Owner after an expansion or addition will be determined by (a) calculating the sum of (i) the quotient obtained from a Owner's Firm Withdrawal Deliverability divided by the Project Firm Withdrawal Capability, plus (ii) the quotient obtained from a Owner's Firm Working Gas Capacity divided by the Project Firm Working Gas Capacity, and then (b) dividing the sum by two (2).

4.4.2 After each expansion or addition, the Committee by 75% majority agreement of the Owners will equitably adjust the Weighted Shares of the O&M Costs for all Owners, taking into account the dollars invested in the expansion, the relative percentages of Storage Service Rights, and changes in overall O&M Costs as a result of such expansion.

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An Owner's O&M Cost will not increase as a result of an expansion or addition in which that Owner does not participate.

4.4.3 Unless mutually agreed otherwise, the Storage Service Rights for the Storage Project of each Owner participating in an expansion or addition shall be increased by that Owner's proportionate share of funding for the costs of such expansion or addition times the incremental Firm Injection Capability, Firm Withdrawal Deliverability and Firm Working Gas Capacity, respectively, made available for the Storage Project as a result of such expansion or addition. In the event that any addition or expansion affects the Operating Rules as set forth in Exhibit F, the Committee shall revise such Operating Rules to conform with the deliverability of the Storage Project with respect to each Owner. An Owner's Storage Service Rights in the Storage Project will not be reduced nor will the Operating Rules applicable to such Owner be altered, except by mutual agreement, as a result of an expansion or addition in which such Owner does not participate.

4.5 Supply of Gas

To the extent that natural gas is required for installation, purging, testing, and/or line pack for the addition or expansion, such gas will be supplied by the Owner(s) participating in the addition or expansion in proportion to the incremental ownership interest of such Owner(s) in the new facility. Gas furnished for installation, change in line pack, purging, and/or testing which is lost will be considered part of each participating Owner's pro rata cost of such expansion or addition.

4.6 Amending of Exhibits

To be effective upon completion of any expansion or addition, the Owners shall amend Exhibit A hereto to reflect the additional facilities included as part of the Storage Project and to amend the Ownership Percentage set forth in Section 2.2, and amend the Weighted Shares of Capital Cost and Weighted Shares of O&M Cost set forth in Exhibit B, the certificated capabilities set forth in Exhibit C, the Owner's Shares set forth

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in Exhibit D, the Storage Service Rights set forth in Exhibit E, and the Operating Rules set forth in Exhibit F, as appropriate.

ARTICLE 5. MANAGEMENT COMMITTEE

5.1 Authorization

The Committee is hereby authorized and directed to perform, from time to time during the term of this Agreement, those specific powers and functions so delegated to it. The Committee shall be responsible for the general direction and supervision over those matters relating to the Storage Project and those activities performed by the Project Operator, except with respect to responsibility for and supervision over all employee labor relation matters and activities, which shall be the sole and exclusive responsibility of the Project Operator pursuant to Section 6.1. The Committee shall act upon any presentation by the Project Operator relating to a Proposal for an expansion or addition. The Committee shall also act upon any recommendation by the Project Operator regarding the replacement or abandonment of facilities and leases, or changes in the Ultimate Reservoir Capacity, required for the efficient and economical operation and development of the Storage Project. The Committee shall not exercise any other or additional powers in the interpretation or execution of this Agreement unless specifically authorized to do so by 75% majority agreement of the Owners, pursuant to Section 5.4.

5.2 Designation of Representatives

Upon execution of this Agreement, each Owner shall, by written notice to the other Owners, designate its representative to serve on the Committee. By subsequent written notice to the other Owners, any Owner may, from time to time, replace its representative. Each representative to the Committee may have such other personnel present as the representative reasonably believes is appropriate.

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5.3 Meetings

The Committee shall meet at such time and places as may be required to enable it to discharge its functions as defined in this Agreement.

5.4 Voting Rights

Each Owner shall have voting rights representing its Ownership Percentage except as excluded in Section 2.3.1. Matters requiring decisions or approval of the Committee must be decided by cumulative votes representing not less than seventy-five percent (75%) of the Ownership Interest of the Storage Project ("75% majority agreement of the Owners"), unless specifically indicated otherwise in this Agreement. Any decision or approval of the Committee must be in writing and shall be binding upon the Owners.

5.5 Minutes

Minutes of each Committee meeting shall be provided to the Owners by the Project Operator within thirty (30) days following the meeting to which they relate, and shall constitute evidence of decisions or approvals of the Committee. Minutes shall be deemed approved thirty (30) days following the Project Manager providing the minutes to the Owners, unless written objection is provided by an Owner prior to the end of such thirty (30) day review period.

5.6 Interpretation of Agreement

None of the terms or provisions of this Agreement shall be interpreted or applied by the Committee to create any obligation upon any Owner with respect to the utilization of, or any other matter affecting, such Owner's facilities other than those in which such Owner shall hold an undivided interest as provided by this Agreement.

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5.7 Specific Duties

Prior to October 1st of each year, the Committee shall perform the following, consistent with applicable FERC regulations:

5.7.1 Approve the operational plans for the Storage Project, the dollar limitations of any contracts which the Project Operator may execute without prior approval of the Committee, and the Storage Project construction and operating budgets. Such approved operating budget will be provided to the Project Operator within forty-five (45) days from the date the Project Operator submits the proposed annual budget to the Committee, pursuant to Section 6.4.2.

5.7.2 Approve Storage Service Rights for each Owner in the Storage Project (as set forth in Exhibit E) and the Seasonal Working Gas Quantities for each Owner for the forthcoming year (pursuant to the Operating Rules as set forth in Part 1 of Exhibit F).

5.7.3 Approve the quantity of and schedule for cushion gas, if any, to be injected into the Storage Reservoir.

5.7.4 Develop, approve and modify, as appropriate, daily nominating, operating, balancing and measurement procedures.

5.7.5 Monitor, review and adjust, as appropriate, the Btu Conversion Factor set forth on Exhibit E, which is used to translate the FERC certificated volumetric (Mcf) levels of service from the Storage Project into MMBtus.

5.7.6 Review the gas balances and establish temporary reductions in Project Firm Working Gas Capacity to the extent deemed necessary to avoid overpressurization of the Storage Reservoir.

5.8 Insurance

The Committee shall adopt, periodically review and revise as it deems appropriate an insurance program for the protection of the Storage

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Project, the Project Operator and Owners, from claims, losses, liabilities, damages, costs and expenses arising out of personal injury (including death) or property damage and loss that may occur in connection with the operation of the Storage Project under this Agreement. All insurance required to be maintained in force and effect pursuant to the insurance program shall be placed with such insurers, under such forms of policies and with such coverage(s), limits, exclusions, deductibles, waivers of subrogation and other policy provisions as may be specified by the Committee.

5.8.1 Any Owner may maintain such additional insurance in its sole judgment as it deems appropriate for the protection of its Ownership Interest in the Storage Project from claims, losses, liabilities, damages, costs and expenses arising out of personal injury (including death) or property damage and loss that may occur in connection with the operation of the Storage Project.

ARTICLE 6. PROJECT OPERATOR

6.1 Qualifications

The Committee will designate the Project Operator. Only an Owner with at least a one-third (33-1/3%) Ownership Interest may be the Project Operator, unless a 75% majority agreement of the Owners agree otherwise.

6.2 Appointment

The Owners hereby designate PSE as the Project Operator of the Storage Project. It is the intention of the Owners that, except as provided in Section 6.3, PSE continue as the Project Operator of the Storage Project, including any expansions and additions.

6.3 Removal or Resignation

6.3.1 If a Project Operator's Ownership Percentage is reduced to less than one-third (33-1/3%) as a result of a transfer to an unrelated Person pursuant to ARTICLE 2, then Project Operator shall

resign after giving three (3) months' written notice to the Committee and a new Project Operator shall be designated pursuant to this ARTICLE 6.

6.3.2 A Project Operator may voluntarily resign after giving twelve (12) months' written notice to the Committee and a new Project Operator shall be designated pursuant to or as otherwise provided in this ARTICLE 6.

6.3.3 The Project Operator will be removed if:

6.3.3.1 there has been a finding by a court that there has been gross negligence or willful misconduct by the Project Operator;

6.3.3.2 there is an entry by a bankruptcy court of an order for relief in an involuntary bankruptcy or insolvency case against the Project Operator; or

6.3.3.3 there is a filing by the Project Operator of a petition to commence a voluntary bankruptcy case.

6.3.4 In the event of such removal or resignation:

(a) the Owners shall pay the Project Operator in accordance with Section 6.11 for all costs and expenses incurred by the Project Operator in furtherance of this Agreement prior to such resignation and in connection with the orderly termination and closure of any services in progress, subject to any set-off or credit due to the Owners if removal is for cause under Section 6.3;

(b) the Project Operator shall not be obligated to perform any additional services under this Agreement, and

6.4 Duties of the Project Operator

The Project Operator will operate and maintain the Storage Project, including the day-to-day supervision of the operation and maintenance of the Storage Project and activities reasonably related thereto, pursuant to the

terms and conditions of this Agreement. The Project Operator shall operate in accordance with its standard operating procedures as amended from time-to-time, and in accordance with the requirements of all applicable valid laws and regulations of governmental bodies having jurisdiction, including, but not limited to 49 C.F.R. Parts 192 and 199.

6.4.1 The Project Operator's standard operating procedures are subject to review of the Committee upon the request of any Owner. If the Committee disapproves of the Project Operator's standard operating procedures, the Owners and the Project Operator will agree upon alternate operating procedures. In the event such agreement cannot be reached, the issue will be resolved pursuant to arbitration as provided in ARTICLE 9; provided that, the Project Operator may voluntarily resign upon three (3) months' notice.

6.4.2 Routine Services. The Project Operator will obtain and furnish all materials, equipment, services, supplies, spare parts, and labor necessary for the routine operation and maintenance including planned major overhaul and planned replacement ("Routine Services"). Such Routine Services will include, but will not be limited to, the following:

6.4.2.1 Plan, control, operate and maintain the Storage Project; pay all construction costs and operating expenses and make lease rental payments and secure appropriate insurance.

6.4.2.2 Operate the Storage Project, including the meter station(s) situated at the Storage Project Delivery Point, in accordance with the Storage Service Rights of Owners, and the decisions of the Committee.

6.4.2.3 Transfer working gas or cushion gas between Zone 2 and Zone 9, as necessary to provide the Storage Service Rights of the Owners and to ensure for the efficient and reliable operation of the Storage Project.

6.4.2.4 Establish (subject to the approval of the Committee) special short-term operational rules or limitations on the use of the Storage Project in order to accommodate special construction or maintenance procedures. Such rules or limits shall be established with due consideration to the needs of the Owners and shall require sixty (60) days' notice to the Committee, unless established in response to an Emergency as set forth in Section 6.4.5.

6.4.2.5 Enter into contracts identified during the budget process and for those contracts not identified in the budget process, to enter into such contracts within the budget limitations fixed by the Committee as provided in Section 5.7.1.

6.4.2.6 Maintain records and accounts in conformity with applicable provisions of the Uniform System and render statements each Month for Storage Project costs and expenses incurred during the prior Month.

6.4.2.7 Provide communications, surveillance, flow control, corrosion control, monitoring, data acquisition, measurement, and daily operating procedures set forth in this Agreement.

6.4.2.8 Provide periodic testing, adjustment, calibration of meters, evaluation of cathodic protection, external inspection of above-ground portion of the Storage Project, and maintenance of all valves, piping, meters, and instruments and major overhaul and replacement.

6.4.2.9 Submit reports, to the extent possible, to governmental agencies applicable to routine services to the Storage Project with copies of all such reports to all the Owners and advising Owners of those reports which the Project Operator cannot submit.

6.4.2.10 By August 15 of each year prepare for Committee approval an annual budget for the operation and maintenance of the Storage Project which reflects the costs that the Project Operator

estimates will be incurred to operate and maintain the Storage Project during the following calendar year. Modifications may be made to such budget whenever any related series of expenditures that were not contemplated in such annual budget are expected to exceed five percent (5%) of the total annual budget or \$25,000, whichever is less.

6.4.2.11 Provide the Owners with a monthly operating report containing such information as any Owner may reasonably specify to be included in said report.

6.4.2.12 Prepare a monthly physical gas balance report for the Storage Project detailing the measured Mcf and MMBtu balance of Project Gas Inventory, by respective Owners' account, segregated between cushion and working gas, and the balance of Northwest System Balancing Account.

6.4.2.13 Coordinate with Northwest to render monthly volume statements of: Project Gas Inventory injected and withdrawn by respective Owners' account, segregated between cushion and working gas; the quantity of measured fuel use by the Storage Project, and the allocation of such fuel use pursuant to Section 8.3; net line pack increase or decrease of the Storage Project, and deliveries at the Chehalis Farm Tap.

6.4.2.14 To the extent reasonably possible, providing daily volume reports to the Owners, as may be requested by the Owners.

6.4.2.15 Procure and maintain all such insurance as the Project Operator is required to maintain pursuant to Section 5.8 of this Agreement.

6.4.2.16 Receive from each of the Owners, analyze and confirm, as appropriate, daily nominations for injection and withdrawal of working gas and coordinate with Northwest for the confirmation of the related nominations for transportation service to or from the Storage Project. Nominations procedures shall conform to all applicable FERC and Gas Industry Standards Board requirements.

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6.4.2.17 Maintain adequate records of daily nominations and provide reasonable access to the Owners for their review of same.

6.4.3 Repairs. The Project Operator shall procure and furnish all materials, equipment, supplies, services, and labor necessary for making Repairs to the Storage Project. "Repair(s)" will mean and include each item of reconstruction, reconditioning, unplanned equipment overhaul, or unplanned replacement of the pipeline, compressor, facilities, buildings, or meters of the Storage Project or any part thereof. Any Repair having an estimated cost of \$25,000 or more will be treated as an item of Special Services pursuant to the terms of Section 6.4.4, and will not be undertaken by the Project Operator for the account of the Owners without prior written approval of the Committee except as may be required in Section 6.4.5. The Project Operator will make a reasonable effort to provide notice and coordinate any Repair to minimize adverse impact of any temporary reduction in injection, withdrawal, or working gas capacity. Unless otherwise agreed, invoices to the Owners for Repairs will be transmitted on the same date with invoices to the Owners for other services.

6.4.4 Special Services. The Project Operator will, subject to prior written approval of the Committee, perform Special Services including services related to expansion or addition design, construction, operation, or maintenance having an estimated cost of \$25,000 or more upon such terms and conditions as may be agreed upon from time to time between the Project Operator and the Committee.

6.4.5 Emergency Services. The Project Operator shall take such steps and incur such expenses as in its reasonable opinion are required and can be provided by the Project Operator to deal with an explosion, fire, storm or other emergency which might threaten life or property or render the Storage Project or any portion thereof incapable of continued proper operation ("Emergency"). The Project Operator will as promptly as possible, report such emergency to the Owners.

6.4.6 Expansions and Additions

6.4.6.1 Upon receipt by the Project Operator from an Owner(s) of a written Proposal (pursuant to Section 4.1) to increase the capacity of the Storage Project, the Project Operator will submit to the Committee for review and approval the following information:

- (i) list of facilities to be installed, by Reservoir;
- (ii) total estimated cost of such facility(s);
- (iii) flow diagrams for such new facility(s);
- (iv) time required to complete construction; and
- (v) costs for preparing information.

6.4.6.2 All participating Owners will execute a construction contract with the Project Operator upon mutually agreeable terms and conditions prior to commencing construction and will agree to an overall plan for such expansion or addition. Such contract shall provide that any installation of such expansion or addition will not impair the Storage Service Rights, of the non-participating Owner(s), other than for temporary interruptions to install the facilities required for such expansion or addition. The Project Operator shall make a reasonable effort to coordinate the timing of any such temporary interruptions to minimize adverse impact to the Owners.

6.4.6.3 The Project Operator will be responsible for the construction, operation, and maintenance of the new facilities. The Project Operator will also be responsible for obtaining any necessary permits and governmental authorizations or approvals associated with the construction of the new facilities, including approvals required by the FERC for the construction and operation of the Storage Project, excluding approvals which may be required of each Owner by the FERC or the WUTC. The Project Operator will be under no obligation to commence construction of the new facilities until such time as all necessary permits

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and authorizations have been obtained. The Project Operator agrees to make the necessary applications and filings promptly and to obtain such permits and authorizations and to use reasonable efforts to prosecute same to final disposition. In no event will the Project Operator be liable for failure to obtain the necessary permits.

6.4.6.4 During any expansion or addition, the Project Operator will notify the Committee promptly of unsatisfactory progress or of any unforeseen occurrences that may cause a higher cost for the new facility(s) than was estimated.

6.4.6.5 Upon determination by the Committee and the Project Operator that the new facility is operational, the Project Operator will commence its duties pursuant to the terms of this Agreement with respect to the new facilities.

6.5 Contracts Entered Into By Project Operator

The Project Operator, except as provided in Section 6.4.5, must obtain Committee approval before executing any contract not identified during the budget process with a contract price (exclusive of possible change orders) in excess of \$25,000 with a third party to perform the Project Operation's duties and responsibilities. The Committee shall not unreasonably withhold its approval of such contract. The Committee may withhold its approval of such a proposed contract between the Project Operator and a third party or an Affiliate of the Project Operator solely on the basis that such third party or Affiliate is to perform all or substantially all of the Project Operator's duties and responsibilities hereunder.

6.6 Northwest as Agent to Operate Meter Station(s)

The Project Operator and the Owners hereby authorize Northwest to serve as agent of the Project Operator for the limited purpose of operating and maintaining the Storage Project meter station(s) situated at the Storage Project Delivery Point.

6.6.1 All direct and out-of-pocket expenses reasonably incurred by Northwest in its role as agent for O&M Costs of the Storage Project meter station(s) shall be the responsibility of the Storage Project.

6.7 Indemnification

6.7.1 Except for any loss, damage, injury, liability or claim resulting from gross negligence or willful misconduct, each Owner and the Project Operator, as applicable, releases the Project Operator and each other Owner, their respective Affiliates, officers, directors, and employees from any and all loss, damage, injury, liability and claims arising in connection with or resulting from the design, operation, maintenance, use, protection, condition, failure, or ownership of, or any defects or deficiency in, the Storage Project.

6.7.2 The Project Operator shall have no liability to the other Owners, or to any party that obtains entitlement to Firm Working Gas Capacity, Interruptible Working Gas Capacity, Firm Withdrawal Deliverability, Best Efforts Withdrawal Deliverability or Interruptible Withdrawal Deliverability, for losses sustained or liabilities incurred except as may result from gross negligence or willful misconduct.

6.7.3 Each Owner, as applicable, agrees to release, and defend, indemnify, and hold the Project Operator and each other Owner, their respective Affiliates, officers, directors, and employees harmless from and against, any and all liabilities, expenses, losses, claims, costs (including court costs and reasonable attorneys' fees), and causes of action for or based upon damage to or destruction of such indemnifying Owner's property (including without limitation, the indemnifying Owner's interest in the Storage Project) arising out of the construction, operation, maintenance, repair, replacement, or expansion of or addition to the Storage Project except to the extent such liabilities, expenses, losses, claims, costs (including court costs and reasonable attorneys' fees), and causes of action set forth above are caused by the gross negligence or willful misconduct of the Project Operator or another Owner, for which the Project Operator or such other Owner, as applicable, will be responsible and for which the

Project Operator or such other Owner, as applicable, will indemnify the other Owners.

6.7.4 Each Owner will bear, and reimburse the Project Operator according to such Owner's Ownership Interest for, such Owner's share of all liabilities, expenses, losses, claims, costs (including court costs and reasonable attorney's fees) and causes of action which may be asserted by any third party arising out of or related in any way to the operation and maintenance of the Storage Project including, without limitation, causes of action arising out of or related in any way to the violation of laws, rules and regulations, including environmental laws, except to the extent such liabilities, expenses, losses, claims, costs (including court costs and reasonable attorneys' fees), and causes of action set forth above result from the gross negligence or willful misconduct of the Project Operator.

6.7.5 Notwithstanding anything stated to the contrary herein, the Project Operator will be responsible for and will release, defend, indemnify and hold each Owner, their respective Affiliates, officers, directors, and employees harmless from and against, without limitation, any and all fines, penalties, and causes of action to the extent they arise out of or relate in any way to the gross negligence or willful misconduct of the Project Operator in failing to comply with any of its obligations under this Agreement, or with any applicable laws, rules and regulations, including environmental laws.

6.7.6 Except for claims which may arise for breach of Section 6.7.1, neither the Project Operator nor any Owner shall be liable to any other Owner or the Project Operator for any claim for incidental, special, exemplary, indirect or consequential damages arising out of or in connection with any breach of or default under this Agreement, any performance or transaction under this Agreement, or any condition, defect, deficiency or nonconformance of any property, real or personal, subject to this Agreement.

6.7.7 To the extent any of the provisions of this Section 6.7 may be limited in any particular case by RCW 4.24.115 or other applicable

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law, such provisions shall apply to the full extent permissible by such applicable law. To the extent the Project Operator is the party otherwise entitled to the benefit of such limited provision, the Project Operator's costs incurred due to such limitation shall be reimbursable by the Owners. The provisions of this Section 6.7 will survive expiration or any earlier termination of this Agreement.

6.8 Performance of Obligations

The Committee may observe and consult with the Project Operator concerning the Project Operator's performance of its obligations under this Agreement, but no Owner will have the right to supervise, direct, or control the Project Operator's performance of such obligations. Pursuant to the approval of the Committee, the Project Operator may use, but will not be obligated to use, the services of the Project Operator's or its Affiliates' or any other Owner's legal, accounting, engineering, planning, budgeting, operating, rates, economics, land, purchasing, and other departments.

6.9 Audit of Project Operator

Any Owner may request an audit of the Project Operator's operational, accounting, budget records, environmental compliance records, safety records, and other supporting documentation relating to the Storage Project. All requests for an audit will be presented to the Committee. The Committee will coordinate any such audit request such that only one audit is conducted during any twelve (12) Month period. A written request to the Project Operator to conduct an audit must include (1) the type of record to be audited, (2) the reason for the request, and (3) the time frame requested for the response. A request for an audit concerning a particular invoice must be made within twenty-four (24) Months of the date of such invoice and is subject to Section 6.9. The Project Operator will provide all Owners with copies of the audit response prepared by the Project Operator.

6.10 Personnel

The Project Operator will employ and have supervision over the persons (including consultants and professional service or other organizations) required by the Project Operator to perform its duties and responsibilities under this Agreement. Subject to subsequent reimbursement from the Owners, the Project Operator will pay all expenses in connection with the operation and maintenance of the Storage Project, including compensation, salaries, wages, expenses, social security taxes, worker's compensation insurance, retirement and insurance benefits, general and administrative costs, and other such expenses. The Project Operator shall have full and exclusive authority to hire, transfer, suspend, lay off, recall, promote, demote, discharge, assign, direct, reward, discipline and train employees and address grievances, and to establish and control rates of pay, employee benefits, job descriptions, time in grade and all other conditions of employment for such employees. The Project Operator shall have complete and exclusive responsibility for employee relations matters, including, but not limited to, payroll for such employees, federal income tax withholding and reporting the same, social security taxes, dealings with any bargaining representative of employees, unemployment compensation, worker's compensation, employee insurance coverage and any other burdens, practices and policies related to such personnel and employees. The Committee shall have no control or right of control over the Project Operator's personnel policies, including employment and labor policy matters, supervision and employment conditions of employees, except as required in Section 5.1.

6.11 Monthly Expense Reimbursement

6.11.1 All direct and out-of-pocket expenses reasonably incurred by the Project Operator, including a reasonable allocation of overheads, to perform its duties hereunder with respect to the Storage Project shall be the responsibility of the Storage Project, and the Project Operator shall be reimbursed therefor by the Owners from time to time in accordance with this Section 6.11.1 or otherwise upon receipt of the Project Operator's invoice therefor. The Project Operator will keep a full and

complete account, in accordance with generally accepted accounting principles, of all costs and expenses incurred by it in connection with the provision of all services under this Agreement.

6.11.2 The Owners shall provide a monthly reimbursement of Capital and O&M Costs, including a reasonable allocation of overheads, to the Storage Operator, in accordance with the Owners' Weighted Shares on Exhibit B. Reimbursement for Routine Services, exclusive of fuel, will not exceed one hundred twenty-five percent (125%) of the budgeted amount, unless approved by the Committee. If and to the extent that such costs and expenses incurred by the Project Operator would exceed one hundred twenty-five percent (125%) of the budgeted amount, the Project Operator may suspend performance of Repairs until additional amounts are authorized by the Committee or the Project Operator may, in that event, voluntarily resign with three (3) months' notice.

6.11.3 Each Owner shall provide monthly reimbursement of fuel used by the Storage Project, to the Project Operator, pursuant to Section 8.3.

6.11.4 The Project Operator will tender invoices with supporting documentation as agreed to by the Committee to the Owners on or before the twentieth (20th) day of each Month setting forth the fees, costs, and expenses for providing Routine Services, Repairs, Special Services, and any Emergency services for the preceding Month(s) for each Owner.

6.12 Payment to Project Operator

Within twenty (20) days after receipt of an invoice from the Project Operator relating to Routine Services, Repairs, Special Services, or Emergency services under this Agreement, each Owner will remit the amount to the Project Operator unless disputed pursuant to Section 6.12.1. In the event that an Owner fails to make timely payment of all or a portion of an invoice from the Project Operator, the Project Operator will be entitled to collect from such Owner the unpaid amount of said invoice

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together with interest at the FERC refund rate as specified in FERC regulation 154.501(d). Interest will accrue from the due date of said unpaid invoice, but such interest will not exceed the maximum permitted by applicable law.

6.12.1 An Owner may dispute, in good faith, the amount of an invoice by providing the Project Operator a brief written description of such dispute, including but not limited to the disputed amount. The disputing Owner shall promptly pay the portion of such invoice not in dispute, and acceptance of such payment by the Project Operator will not prejudice the Project Operator's claim as to the disputed unpaid portion of the invoice plus interest, as provided above. Notwithstanding such payment by the Owners and the acceptance thereof by the Project Operator, any errors in such invoices or payments will be corrected by the Owners or Project Operator, as appropriate. An Owner must notify the Project Operator in writing, of such errors within twenty-four (24) Months after the date of the erroneous invoice, but not thereafter. In addition, each Owner will have the right to contest any invoice by requesting an audit pursuant to Section 6.9. If no exceptions to an invoice are taken within such twenty-four (24) Month period, such invoiced costs will be deemed to have been billed correctly. Any Owner including the Project Operator, shall have the affirmative duty to correct any invoice errors of which it has actual knowledge, regardless of such Owner's lack of knowledge of any other error.

6.12.2 Any overpayments or underpayments by the Owners or audit exceptions agreed to by the Project Operator will be refunded to Owners or remitted to the Project Operator with interest as specified in Section 6.12.

6.12.3 The Storage Project will not be charged with any salaries of Committee members, or salaries of the executives of the Owners, unless specifically authorized by the Committee.

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6.13 Records of the Project

The Project Operator will provide each Owner access, at Project Operator's offices during regular business hours, to the originals of all documents relating to the operation of the Storage Project. Each Owner may at its own expense copy such records.

6.14 Project Operator's Office

The Project Operator may select the location of its office or offices to perform its obligations under this Agreement.

ARTICLE 7. STORAGE OPERATIONS

7.1 Injections or Withdrawals of Project Cushion Gas Requirement

The Project Operator shall accept and inject, or withdraw, Confirmed Nominations of natural gas on behalf of an Owner to maintain such Owner's Cushion Gas Inventory at the level of such Owner's Cushion Gas Requirement. Title to an Owner's Cushion Gas Inventory shall remain with such Owner or the Owner on whose behalf such quantity of cushion gas was nominated.

7.2 Injections of Working Gas Inventory

The Project Operator will accept Confirmed Nominations of working gas at the Storage Project Delivery Point for the account of an Owner in quantities that, at the time of the tender, do not exceed the capability of the Storage Project and the Storage Service Rights of the respective Owner. Injections for Northwest's account will first serve to offset the quantities, if any, in the Northwest Balancing Account.

7.3 Withdrawals

The Project Operator will withdraw Confirmed Nominations of working gas from an Owner's account and deliver such gas at the Storage

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Project Delivery Point in quantities that do not exceed the capabilities of the Storage Project and the Storage Service Rights of the respective Owners. Withdrawals for an Owner will first serve to reduce such Owner's Interruptible Working Gas Inventory, if any. Withdrawals for an Owner other than Northwest shall not exceed Available Working Gas Inventory of such Owner. Withdrawals for Northwest in excess of its Available Working Gas Inventory may be made for Northwest System Balancing and shall be reflected in the Northwest System Balancing Account.

7.4 Force Majeure Use By Northwest

In the event of the occurrence of a "force majeure" condition, as defined by ARTICLE 10, on Northwest's Natural Gas Transmission System, which renders it impossible for Northwest to maintain minimum pipeline pressures and service required to supply contracted firm service to any of Northwest's customers, Northwest shall have the right to withdraw working gas from the Storage Reservoir in such quantities and at such rates as required to restore and maintain minimum pressure and service, even though such quantities and rates of withdrawals may be in excess of Northwest's Storage Service Rights; provided, however, that such withdrawals shall (i) not jeopardize the integrity of the Storage Project, and (ii) not reduce the availability of nominated quantities and withdrawal rates from the respective Storage Service Rights of other Owners, except by their express permission. Northwest shall not withdraw any cushion gas or reduce the volume thereof below the Project Cushion Gas Requirement, unless otherwise approved by the Committee. Northwest shall promptly make all reasonable efforts, including, but not limited to, enactment of allowable entitlements on its transmission system to restore such integrity or such availability and shall promptly restore to the Storage Project the amount of Project Gas Inventory withdrawn by Northwest.

7.5 Nominations

Daily nominations for the use of Storage Service Rights by an Owner shall be made to the Project Operator prior to the commencement of that Day. Owners shall be allowed to adjust the quantity of injection or

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withdrawal service and/or request a reversal from injection to withdrawal service or withdrawal to injection service on an hourly basis throughout the Day, subject to this Agreement, any nomination requirement of related transportation service(s) on Northwest's Natural Gas Transmission System, and applicable rules and regulations. The total volume withdrawn for an Owner on any Day may not exceed the level of Owner's Available Working Gas Inventory at the start of that Day, except as otherwise provided in this Agreement. All volumes nominated and confirmed for injection or withdrawal by Owners other than Northwest will be deemed to be injected or withdrawn on the given Day.

7.5.1 In the event that an Owner's Firm Injection Capability, Firm Withdrawal Deliverability or Firm Working Gas Capacity is impaired or otherwise diminished by Northwest's use of the Storage Project for Northwest System Balancing, Northwest shall provide and ensure the availability and deliverability of such Owner's Confirmed Nomination for Firm Injection Capability, Firm Withdrawal Deliverability or Firm Working Gas Capacity.

7.6 Northwest as Agent to Receive Nominations

The Project Operator and the Owners hereby authorize Northwest to serve as agent of the Project Operator for the limited purpose of receiving, recording, monitoring, coordinating and confirming daily nominations for the use of Storage Service Rights in the Storage Project.

7.6.1 Nominating procedures utilized by Northwest shall comply with the terms of this Agreement and all applicable standards and regulations and shall be maintained in such a manner as to facilitate a coordinated approach to the use of Storage Service Rights and the use of transportation service on Northwest's Natural Gas Transmission System.

7.6.2 No fee shall be charged or allocated by Northwest to the Storage Project, the Project Operator or the Owners associated with Northwest serving as agent for nominations for service from the Storage Project.

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7.6.3 Such assignment does not alleviate the responsibility of the Project Operator and Northwest to monitor Northwest System Balancing.

7.7 Scheduling Priorities

If otherwise allowable nominations for injections or withdrawals exceed the Storage Project's capabilities on any Day and for purposes of accepting hourly nominations, the available capacity will be scheduled as follows:

7.7.1 First, capacity will be allocated on a pro rata basis according to each Owner's Share of applicable total Storage Service Rights and scheduled for nominations within each Owner's (i) Firm Injection Capability; (ii) Firm Withdrawal Deliverability; and (iii) Firm Working Gas Capacity;

7.7.2 Second, capacity will be allocated on a pro rata basis according to each Owner's Share of applicable total Storage Service Rights and scheduled for nominations within each Owner's Best Efforts Withdrawal Deliverability;

7.7.3 Third, Interruptible Withdrawal Deliverability, Interruptible Injection Capacity and Interruptible Working Gas Capacity will be scheduled for nominations by Northwest for Northwest System Balancing; and

7.7.4 Fourth, capacity will be allocated on a pro rata basis according to each Owner's Share of applicable total Storage Service Rights, except that any allocation to Northwest under this Section 7.7.4 shall be decreased by the amount allocated to Northwest pursuant to Section 7.7.3, and scheduled for nominations of each Owner for Interruptible Withdrawal Deliverability, Interruptible Injection Capability and Interruptible Working Gas Capacity.

7.8 Northwest System Balancing Account

The Project Operator, on behalf of the Storage Project and other Owners, and Northwest shall each maintain a balancing account, with the other, along with appropriate supporting records. The Project Operator and Northwest are directed to track and periodically reconcile as necessary, the activity and cumulative balance in Northwest System Balancing Account.

7.8.1 Northwest shall provide to the Project Operator, on a daily basis, such information regarding activities of the Storage Project, including but not limited to real time nominations as confirmed and sufficient in scope and detail as reasonably determined by the Project Operator to be necessary, and as determined by Northwest to be reasonably available for the Project Operator to monitor daily activity in the Northwest System Balancing Account.

7.8.2 The Project Operator shall monitor the Northwest System Balancing Account by review of daily activity in the Northwest System Balancing Account and other methods as appropriate, and promptly advise the Committee if, in the Project Operator's sole opinion, such use by Northwest constitutes a substantial risk to the integrity of the Storage Project or a substantial risk of impairment or actual impairment of the Storage Project's ability to provide Storage Service Rights to any Owner.

7.8.3 Northwest, the Project Operator and the Committee shall expeditiously coordinate to resolve any such risk or impairment. Northwest will promptly make all reasonable efforts, including, but not limited to, enactment of allowable entitlements on Northwest's Natural Gas Transmission System, to enable a restoration of all service nominated by any Owner from the Storage Project.

7.9 Curtailment

In the event of curtailment (i.e., the capability of the Storage Project to provide the Storage Service Rights of all Owners is less than the sum of all Confirmed Nominations for the Storage Project), including Force

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Majeure as defined in ARTICLE 10, each Owner's entitlement to Storage Service shall be based on such Owner's proportionate Storage Service Rights in Project Firm Injection Capability, Project Firm Withdrawal Deliverability and Project Firm Working Gas Capacity.

7.10 Cycling of Working Gas

During any Storage Cycle, withdrawals by an Owner of Owner's Working Gas Inventory may be replaced by such Owner both to maintain such Owner's Firm Withdrawal Deliverability and to restore the Owner's Available Working Gas Inventory (the procedure known as "Cycling"); provided, however, that Owner's Working Gas Inventory injected to a level exceeding the level of the Seasonal Working Gas Quantity of such Owner for such Storage Cycle shall not increase the Seasonal Working Gas Quantity for the current Storage Cycle.

7.11 Gas Quality Specifications

All natural gas which passes through the Storage Project must conform to Northwest's FERC gas tariff. When Northwest requests changes to the gas quality specifications in Northwest's FERC gas tariff, Northwest will immediately notify each other Owner and the Project Operator of such changes.

7.12 Interruptible Working Gas Inventory

If and when any portion of the Interruptible Working Gas Capacity being utilized by an Owner for its Interruptible Working Gas Inventory is needed by the Project Operator to schedule injection nominations within another Owner's Firm Working Gas Capacity or to schedule injection nominations for Northwest System Balancing, such Owner shall be required to (i) concurrently nominate withdrawals of its Interruptible Working Gas Inventory in quantities equal to said injection nominations or (ii) if agreed by another Owner, schedule an In Field Transfer.

7.13 In Field Transfer

Owners may agree to transfer portions of their respective Available Working Gas Inventories among themselves. Transfers of Available Working Gas Inventory shall not result in any Owner taking title to Working Gas Inventory quantities in excess of such Owner's Storage Service Rights. Owners participating in a transfer of Available Working Gas Inventory shall provide written notice to the Project Operator of the quantities involved prior to actual transfer.

ARTICLE 8. GAS GAINS, LOSSES AND FUEL USE

8.1 Risk of Gas Loss

Each Owner will be responsible for insuring its own interest against risk of gas loss.

8.2 Allocation of Gains and Losses

Except for gas loss in connection with an expansion or an addition pursuant to ARTICLE 4 and except for occurrences resulting from the Project Operator's willful misconduct or any other Owner's gross negligence or willful misconduct, each Owner shall be responsible for gas loss or benefit from gas gain in the Storage Project, notwithstanding provisions addressing indemnification.

8.2.1 Each calendar year, the net monthly gas gain or gas loss, including loss of line-pack owned by the Storage Project, but exclusive of such losses which relate to additions to or expansions of the Storage Project, will be accumulated and apportioned among the Owners pursuant to each Owner's Weighted Share of Capital Costs, as set forth on Exhibit B.

8.2.2 Net gas loss will be replaced in-kind as and when directed by the Project Operator.

8.2.3 Net gas gains will be allocated to each Owner's account.

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8.3 Allocation of Fuel Use

The monthly fuel use for the Storage Project will be allocated pro rata to each Owner based on each Owner's Monthly Activity in the Storage Project.

8.3.1 The total monthly fuel use shall include all compressor (whether for withdrawal or injection), dehydration or other use physically related to the operation of the Storage Project, including the incidental on-site uses by the Storage Operator, for the Month.

8.3.2 The fuel use allocated to an Owner shall be the total monthly fuel use multiplied by the Monthly Activity for such Owner divided by the absolute sum (i.e., not offset) of the Monthly Activity of all Owners.

8.3.3 Each Owner's monthly allocation of fuel use will be replaced in-kind on the fifteenth (15th) day of the next succeeding Month by deduction from such Owner's account, and transferring the same to Northwest's account.

ARTICLE 9. ARBITRATION

9.1 Resolution of Disputes

Any dispute arising under or related to this Agreement that can not be reasonably resolved by the mutual efforts of the Owners as parties to a business agreement shall be resolved by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, in Seattle, Washington. The arbitration hearing shall be conducted by a single neutral arbitrator appointed in accordance with said rules, who shall be knowledgeable in the industry but not affiliated with any Owner, and who shall be an active Washington State Bar member in good standing. In addition to all other powers, the arbitrator shall have the right to determine all issues of arbitrability and shall have the authority to issue subpoenas. The Owner(s) demanding arbitration must give the other Owner(s) a written notice of such demand. The written notice must contain, in addition to the

demand for arbitration, a clear statement of the issue or issues to be resolved by arbitration, an appropriate reference to the provisions of the Agreement which are involved and the relief the Owner(s) requests through arbitration. The Owner(s) receiving the notice of demand for arbitration must provide a written response to the demand within thirty (30) days following receipt of the notice. The response must contain a clear statement of the respondent's position concerning the issue or issues in dispute. The Owner(s) shall be entitled to conduct discovery in connection with any claims that are arbitrated under this Section. All discovery shall be completed within ninety (90) days after the notice of demand for arbitration is delivered to the respondent and the first hearing date shall be set for no later than thirty (30) days after the completion of discovery. The arbitrator may extend such period for any reason, including without limitation, legal objections raised to such discovery or unavailability of a witness due to absence or illness. Depositions may be taken by any Owners upon seven (7) days' written notice, and requests for production or inspection of documents shall be responded to within ten (10) days after service. All disputes relating to discovery that cannot be resolved by the Owners shall be submitted to the arbitrator, whose decision shall be final and binding upon the Owners. Any Owner shall be entitled to file an action in King County Superior Court or the Federal District Court for the Western District of Washington, each of which shall have jurisdiction over the Owners with regard to this Agreement, to compel or aid in the arbitration, or for injunctive relief. Judgment on any arbitration award may be entered in any court of appropriate jurisdiction.

9.2 Decision

The arbitrator shall render a decision not later than sixty (60) days after the matter has been submitted, and such decision shall be final and binding upon the Owners. The decision shall be in writing. The decision of the arbitrator may be entered as a final decree or judgment in any court of competent jurisdiction or may be enforced against the Owners and their assets wherever they are found.

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9.3 No Modification of Agreement

The arbitrator shall have no power to alter or modify any provision of this Agreement or to render any decision which by its terms effects any such alteration or modification or is otherwise inconsistent with this Agreement.

9.4 Expenses

All expenses in connection with such arbitration, including a reasonable compensation to the arbitrator, shall be divided equally among the participating Owners, with the exception of expenses of witnesses and employees of the Owners hereto, which, unless otherwise determined by the arbitrator, shall be borne by the Owner(s) incurring them; except that the prevailing Owner in any such arbitration shall be entitled to an award of its reasonable attorneys' fees and expenses.

ARTICLE 10. FORCE MAJEURE

10.1 Suspension of Obligations

Provided that notice is given as required by Paragraph 10.3 below, an Owner, including the Project Operator, shall not be considered to be in breach of or default under this Agreement, and its obligations (other than obligations to pay money when due) under this Agreement shall be suspended in the event and for as long as such Owner is prevented from fulfilling its obligations by reason of Force Majeure; provided, however, such Owner shall be obligated to perform all obligations under this Agreement not subject to the Force Majeure event.

10.2 Definition

The term "Force Majeure," shall be deemed for the purposes of this Agreement to mean any cause or condition beyond an Owner's reasonable control which such Owner is unable to overcome by the exercise of reasonable diligence including but not limited to mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars,

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blockades, insurrection, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe and other operating facilities, the necessity for making repairs or alterations to machinery or lines of pipe, freezing of meters or lines of pipe or unplanned outages on Owner's facilities or pipeline, acts of civil or military authority (including, but not limited to, courts or administrative or regulatory agencies), and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the Owner claiming suspension and which, by the exercise of due diligence such Owner is unable to prevent or overcome. Should there be an event of Force Majeure affecting performance under this Agreement, such event will be remedied with all reasonable dispatch to ensure resumption of normal performance. It is understood and agreed that the settlement of strikes or lockouts will be entirely within the discretion of the entity having the difficulty, and the above requirement that any Force Majeure will be remedied with all reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demands of the opposing Owner or any other person when such course is inadvisable in the discretion of the Owner having the difficulty.

10.3 Notice of Force Majeure

An Owner may not assert Force Majeure as an excuse for failure to perform under this Agreement unless such Owner notifies the other Owners in writing within a reasonable time, but not in excess of six (6) days, after the commencement of the failure to perform due to Force Majeure. The notice shall specify in full the nature of the Force Majeure, the date of its commencement, the date of the commencement of the failure to perform (if different from the date of the commencement of the Force Majeure), the measures to be taken to alleviate such Force Majeure and the estimated time such corrective action is expected to take.

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ARTICLE 11. MISCELLANEOUS

11.1 Term of Agreement

This Agreement shall become effective at 0000 hours on the Effective Date, which is the first (1st) day of the Month following the date on which this Agreement has been approved, accepted for filing, or otherwise permitted to become effective by FERC. This Agreement shall not be effective unless it has been approved, accepted for filing or otherwise permitted to become effective by FERC. Upon execution of this Agreement, the Project Operator shall submit the certificate application for the Storage Project to FERC for approval and shall exercise due diligence in pursuing such approval. The Project Operator shall notify the other Owners of the granting or denial of any such approval. If FERC shall deny such approval or shall grant such approval subject to any terms, conditions or other provisions requiring material modifications that are not acceptable to any Owner, such Owner may cancel this Agreement by giving the other Owners written notice of such cancellation, whereupon this Agreement shall be void and of no further force or effect. In the event this Agreement is canceled, the Owners shall amend the 1989 Agreement to reflect the contemplated expansion of the Storage Project. Upon receipt of acceptable approval of the certificate application by FERC, Project Operator shall file this Agreement with FERC for approval, and shall exercise due diligence in pursuing such approval. Project Operator shall notify the other Owners of the granting or denial of any such approval. This Agreement (and the term thereof) shall continue in effect from the Effective Date until termination effective at 2400 hours on October 31 of 2004 or any subsequent year, by any Owner giving each other Owner not less than twenty-four (24) Months' prior written notice of termination on such date.

11.2 Entire Agreement

This Agreement sets forth the entire agreement between and among the Owners regarding the subject matter of this Agreement, and this Agreement supersedes and terminates at 0000 hours on the Effective Date the 1989 Agreement and all prior agreements, representations and

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understandings written or oral, pertaining thereto. Any natural gas in the account of any Owner under the 1989 Agreement of 0000 hours on the Effective Date shall be transferred to the account of such Owner under this Agreement, first to the Cushion Gas Inventory of such Owner then to the Working Gas Inventory of such Owner. Any modifications, amendments, or changes to this Agreement will be binding upon the Owners only if agreed upon in writing by the Owners.

11.3 Severability

If any term or provision of this Agreement or the application thereof to any Person (or any Owner) or circumstance is, to any extent, invalid or unenforceable, the remainder of this Agreement or the application of that term or provision to Persons (or Owners) or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected and each term and provision of this Agreement shall be valid and enforceable to the extent permitted by law.

11.4 Effect of Waiver

No waiver by an Owner or the Project Operator, as applicable, of any one or more defaults by the other Owner(s) or the Project Operator, as applicable, in the performance of this Agreement will operate or be construed as a waiver of any future default or defaults, whether of a like or different character.

11.5 Assignment of Agreement

Subject to Section 2.3, this Agreement will be binding upon and inure to the benefit of the Owners and the Project Operator and their respective successors and assigns; provided, however, that no Owner or the Project Operator will assign or transfer this Agreement or any part thereof, or any right or obligation hereunder, without the written consent of the other Owners, which may not be unreasonably withheld.

11.6 Relationship of Parties

Unless otherwise provided for in this Agreement, nothing contained in this Agreement shall be construed to create an agency, association, joint venture, trust or partnership, or impose an agency, trust or partnership covenant, obligation or liability on or with regard to any Owner. Each Owner shall be individually responsible for its own covenants, obligations and liabilities under this Agreement. All rights and obligations of the Owners are several not joint. No Owner shall be deemed to control, to be under control of, or to be the agent of, any other Owner.

11.7 No Third Party Beneficiaries

This Agreement shall not be construed to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, obligation or undertaking established herein.

11.8 Public Utility Holding Company Act

If any Owner ("first Owner") or Affiliate of the first Owner becomes subject to the provisions of the Public Utility Holding Company Act as heretofore or hereafter amended ("PUHCA"), as a result of the applicability of PUHCA to the other Owner ("second Owner") or an Affiliate of the second Owner, the second Owner shall take such actions, and shall cause its Affiliates to take such actions, as are necessary to eliminate such applicability of PUHCA to the first Owner and the Affiliates of the first Owner.

11.9 Regulatory Authorizations

The obligations of the Owners and the Project Operator under this Agreement shall be subject to receipt of all required regulatory authorizations.

11.9.1 PSE in its capacity as Project Operator and the other Owners shall, from time to time, promptly apply to the FERC for such authorizations as may be required to (i) implement their respective

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obligations under this Agreement and (ii) revise, from time to time, portions of Section 2.2 and Exhibits A, B, C, D, E and F. The Owners shall cooperate in the preparation of all such required applications.

11.10 Notice of Proposal To Seek FERC Authorization

Each Owner shall provide to the others ninety (90) days' prior written notice of its intent to seek FERC authorization to provide FERC jurisdictional services from its Storage Service Rights in the Storage Project. Such notice shall set forth the type of proposed authorization to be sought and the quantity of Firm Injection Capability, Firm Withdrawal Deliverability and Firm Working Gas Capacity in the Storage Project proposed to be included in such FERC authorization.

11.11 Right to Terminate

Either Water Power or PSE shall have the right to terminate this Agreement, by written notice so given, if either of them is, through performance of this Agreement and participation in the Storage Project as provided herein, found to be a "natural-gas company" under the Natural Gas Act, other than such finding as to (i) PSE's capacity as Project Operator hereunder or to (ii) PSE's or Water Power's provision of storage service to third parties pursuant to FERC authorization.

11.12 Governing Law

This Agreement shall be construed in accordance with the laws of the State of Washington, without giving effect to the choice of laws principles of the State of Washington that would result in the application of the laws of any other jurisdiction.

11.13 Governmental Regulations

This Agreement is subject to all present and future orders, rules, and regulations of any federal or state regulatory or governmental body of competent jurisdiction. In this regard, the Owners agree to proceed with reasonable diligence to cause the filing and prosecution of appropriate

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filings requesting or transferring such governmental authorizations as may be required for the ownership and operation of any facilities which may be required to be constructed and operated under the provisions hereof. Nothing herein contained will be deemed to allow the transfer of any Ownership Interest without all necessary regulatory authorizations.

11.14 Compliance With Laws and Regulations

With respect to, and at all times during the term of, this Agreement, the Project Operator and the Owners will be in full compliance with all laws, regulations, orders, and applicable guidelines of governmental administrative agencies, relative to their employment of employees and agents, including but not limited to, as amended, Title VI and Title VII of the Civil Rights Act of 1964, the Age Discrimination Employment Act of 1967, the Equal Pay Act of 1963, the Rehabilitation Act of 1973, the Vietnam Era Veterans Readjustment Act of 1974, the Immigration Reform Control Act of 1986, and applicable Executive Orders of the President of the United States. Each contractor will be directed to comply with said requirements as well, and each contractor or sub-contractor will be required to indemnify the Project Operator and the Owners against all costs arising out of such person's non-compliance with such laws, regulations and orders.

11.15 Notices

Notices to be given hereunder shall be deemed sufficiently given and served when deposited in the United States Mail, postage prepaid and registered or certified, addressed to the attention of the presidents of the Owners as follows, or to such other address as such Owners may hereafter respectively designate in writing:

Northwest Pipeline Corporation
Post Office Box 58900
Salt Lake City, Utah 84158-0900

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The Washington Water Power Company
East 1411 Mission Avenue
Spokane, Washington 99202

Puget Sound Energy, Inc.
Post Office Box 97034
Bellevue, Washington 98009-9734

11.16 Routine Communications

Routine communications, including monthly statements and payments, shall be considered as duly delivered when mailed by either registered or certified mail or ordinary first-class mail, postage prepaid, to the appropriate address specified above in Section 11.15 and directed to the attention of the appropriate department.

11.17 Headings

The topical headings used herein are inserted for convenience only, and shall not be construed as having any substantive significance or meaning whatsoever or as indicating that all of the provisions of this Agreement relating to any particular topic are to be found in any particular ARTICLE, Section, Paragraph or Subparagraph thereof.

11.18 List of Exhibits

Attached hereto and incorporated by reference are the following Exhibits, which may be modified from time to time by agreement of the Owners and pursuant to authorization by the FERC:

Exhibit A
Description of the Project

Exhibit B
Weighted Shares of Capital Costs and
Weighted Shares of O&M Costs

Exhibit C
Certificated Characteristics and
Capabilities

Exhibit D
Owner's Shares of Storage Service Rights

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Exhibit E
Storage Service Rights and Cushion Gas
Requirement

Exhibit F
Operating Rules

11.19 Counterparts

This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in triplicate originals, as of the day and year first above set forth.
Owner:

Attest:
NORTHWEST PIPELINE CORPORATION

By /s/ Larry E.
Larsen
Title VP Customer Services & Rates

Owner:

Attest:
THE WASHINGTON WATER POWER COMPANY

By /s/ Don
Kopczynski
Title Manager

Owner and
Project
Operator:

Attest:
PUGET SOUND ENERGY, INC.

By /s/ William A.
Gaines
Title Vice President Energy Supply

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Original Sheet No. 70-81 Original Sheet No. 70-81 : Effective

[Sheets Reserved for Future Use]

Effective Date: 11/01/1998 Status: Effective
FERC Docket: CP98-250-002

Original Sheet No. 82 Original Sheet No. 82 : Effective

Exhibit A

(dated January 15, 1998)

to the

Jackson Prairie
Gas Storage Project Agreement

Description of the Project

The Storage Project includes Storage Reservoirs, with certificated characteristics and capabilities as outlined on Exhibit C, along with all associated properties and facilities. The major plant facilities in the Storage Project include:

- (1) compressor units--three Solar Saturn T-1000 gas turbines, one Solar Saturn T-1300 gas turbine, two Solar Centaur T-4700 gas turbines, and three Waukesha reciprocating engines;
- (2) dehydration units and gas cooling units adjacent to the compressors;
- (3) bi-directional meter station, including four 12-inch turbine meters, adjacent to Northwest's Natural Gas Transmission System;
- (4) parallel 14-inch, 16-inch and 20-inch transmission lines extending from the compressors to the meter station;
- (5) injection and withdrawal and observation wells, with appurtenant wellhead separation and measurement equipment; and
- (6) lateral lines extending from the injection and withdrawal wells to the compressors.

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Exhibit B

(dated January 15, 1998)

to the

Jackson Prairie
Gas Storage Project Agreement

Weighted Shares of Capital Costs and

Weighted Shares of O&M Costs

Owner
Weighted Share
of Capital
Costs*

Weighted Share
of O&M Costs

Northwest
1/3

1/3

Water Power
1/3

1/3

PSE
1/3

1/3

PROJECT
1

1

* also used for allocation of gains and losses pursuant to Section
8.2

Effective Date: 11/01/1998 Status: Effective
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Exhibit C

(dated January 15, 1998)

to the

Jackson Prairie
Gas Storage Project Agreement

Certificated Characteristics and Capabilities

Characteristics and Capabilities of the Jackson Prairie Storage
Project for the 1997-1998 Storage Cycle and thereafter:

Project Cushion Gas:

Zone 2 Not less than 17.2 Bcf

Zone 9 Not less than 2.0 Bcf

Project Working Gas Capacity:

Zone 2 Not more than 15.1 Bcf

Project Total Storage Gas Capacity:

Zone 2 Not more than 34.4 Bcf

Project Firm Withdrawal Deliverability: Not more than 550,000 Mcf
Daily

Project Best Efforts Deliverability: Up to 71,800 Mcf Daily

Effective Date: 11/01/1998 Status: Effective

FERC Docket: CP98-250-002

Original Sheet No. 85 Original Sheet No. 85 : Effective

Exhibit D

(dated January 15, 1998)

to the

Jackson Prairie
Gas Storage Project Agreement

Owner's Shares of Storage Service Rights

Owner

Firm Injection

Capability Share

Firm Withdrawal

Deliverability Share

Northwest

1/3

1/3

Water Power

1/3

1/3

PSE

1/3

1/3

PROJECT

1

1

Owner

Best Efforts

Withdrawal

Deliverability Share

Firm Working Gas

Capacity Share

Northwest

1/3

1/3

Water Power

1/3

1/3

PSE

1/3

1/3

PROJECT

1

1

Owner

Cushion Gas

Requirement Share

Northwest

1/3

Water Power

1/3

PSE

1/3

PROJECT
1

Effective Date: 11/01/1998 Status: Effective
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Original Sheet No. 86 Original Sheet No. 86 : Effective

Exhibit E
(dated January 15, 1998)
to the
Jackson Prairie
Gas Storage Project Agreement

Storage Service Rights and Cushion Gas Requirement
(subject to the Operating Rules set forth on Exhibit F)

Btu conversion factor = 1.040 (the thermal amounts on this Exhibit
are the product of the volumetric amounts and the Btu conversion
factor)

Part 1:
Owner
Firm Injection Capability
Firm
Withdrawal Deliverability

Mcf/Day
MMBtu/Day
Mcf/Day
MMBtu/Day

Northwest
141,666
147,132
183,332
190,666

Water
Power
141,667
147,134
183,334
190,667

PSE
141,667
147,134
183,334
190,667

PROJECT
425,000
442,000
550,000
572,000

Owner
Best Efforts

Withdrawal Deliverability

Firm Working Gas Capacity*

Mcf/Day
MMBtu/Day
Mcf
MMBtu

Northwest
23,933
24,891

5,033,334
5,234,668

Water
Power
23,934
24,891
5,033,333
5,234,666

PSE
23,933
24,890
5,033,333
5,234,666

PROJECT
71,800
74,672
15,100,000
15,704,000

*Quantities subject to temporary reduction pursuant to Section
5.7.6

Part 2:
Owner
Cushion Gas Requirement

Mcf
MMBtu

Northwest
6,400,000
6,656,000

Water
Power
6,400,000
6,656,000

PSE
6,400,000
6,656,000

PROJECT

Effective Date: 11/01/1998 **Status: Effective**
FERC Docket: CP98-250-002

Original Sheet No. 87 Original Sheet No. 87 : Effective

Exhibit F
(dated January 15, 1998)
to the
Jackson Prairie
Gas Storage Project Agreement

Operating Rules

Part 1: The Seasonal Working Gas Quantity for an Owner during any Storage Cycle is the least of:

- a) The quantity of Owner's Working Gas Inventory at the beginning of the Storage Cycle; or
- b) The least quantity of Owner's Working Gas Inventory at any time after August 31st before October 1st of the preceding Storage Cycle divided by 0.80; or
- c) The least quantity of Owner's Working Gas Inventory at any time after June 30th and before October 1st of the preceding Storage Cycle divided by 0.35, or
- d) The Owner's Firm Working Gas Capacity.

Part 2: The Firm Withdrawal Deliverability of an Owner on any day is as follows:

- a) When the Owner's Available Working Gas Inventory at the start of the Gas Day equals or exceeds 60% of the Owner's Firm Working Gas Capacity, the Firm Withdrawal Deliverability of such Owner shall be 100% of the maximum Firm Withdrawal Deliverability set forth for that Owner on Exhibit E; or
- b) When the Owner's Available Working Gas Inventory at the start of the Gas Day is less than 60% of the Owner's Firm Working Gas Capacity, the Firm Withdrawal Deliverability shall be reduced by 1.3% of the maximum Firm Withdrawal Deliverability set forth for that Owner on Exhibit E for every 1% that the Available Working Gas Inventory of that Owner is below 60% of that Owner's Firm Working Gas Capacity.

BA983510.066

Please note that if you use this Tariff as a form, you can delete the hard page breaks in the text of the tariff, but EVERYTHING else needs to stay formatted like this.

Effective Date: 11/01/1999 Status: Effective
FERC Docket: CP98-250-003

Original Sheet No. 88 Original Sheet No. 88 : Effective

AMENDMENT NO. 1
to
JACKSON PRAIRIE GAS STORAGE PROJECT
AGREEMENT

This Amendment No. 1 ("Amendment"), dated as of January 16, 1998, is made to that Gas Storage Project Agreement ("Agreement") dated as of January 15, 1998, by and among N

Recitals

- A. Subsequent to execution of the Agreement by Northwest, Water Power and PSE, the Storage Project will be expanded in accordance with the scope of work identified in the
- B. Section 4.6 of the Agreement provides that upon completion of any expansion or addition, the Owners shall amend certain Exhibits to the Agreement.
- C. The Owners wish to set forth their Agreement upon the form of exhibits that will be effective upon completion of the Expansion Work.

Effective Date: 11/01/1999 Status: Effective
FERC Docket: CP98-250-003

Original Sheet No. 89 Original Sheet No. 89 : Effective

Agreement

The Owners therefore agree as follows:

1. Upon completion of the Expansion Work, Exhibits A, C, E and F to the Agreement shall be revised and the form of such Exhibits attached hereto shall be effective.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in triplicate originals, as of the day and year first above set forth.

Owner:

Attest:
NORTHWEST PIPELINE CORPORATION

By /s/ Larry E. Larsen
Title VP Customer Services & Rates
Owner:

Attest:
THE WASHINGTON WATER POWER COMPANY

By /s/ Don Kopczynski
Title Manager
Owner and
Project Operator:

Attest:
PUGET SOUND ENERGY, INC.

By /s/ William A. Gaines
Title Vice President Energy Supply

Effective Date: 11/01/1999 Status: Effective
FERC Docket: CP98-250-003

Original Sheet No. 90 Original Sheet No. 90 : Effective

Exhibit A

(dated January 16, 1998)

to the

Jackson Prairie
Gas Storage Project Agreement

Description of the Project

The Storage Project includes Storage Reservoirs, with certificated characteristics and capabilities as outlined on Exhibit C, along with all associated properties and fac

- (1) compressor units--three Solar Saturn T-1000 gas turbines, one Solar Saturn T-1300 gas turbine, two Solar Centaur T-4700 gas turbines, one Solar Taurus 60S gas turbine
- (2) dehydration units and gas cooling units adjacent to the compressors;
- (3) bi-directional meter station, including four 12-inch high capacity turbine meters, adjacent to Northwest's Natural Gas Transmission System;
- (4) parallel 14-inch, 16-inch, 20-inch and 24-inch transmission lines extending from the compressors to the meter station;
- (5) injection and withdrawal and observation wells, with appurtenant wellhead separation and measurement equipment; and
- (6) lateral lines extending from the injection and withdrawal wells to the compressors.

Effective Date: 11/01/1999 Status: Effective
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Original Sheet No. 91 Original Sheet No. 91 : Effective

Exhibit C

(dated January 16, 1998)

to the

Jackson Prairie
Gas Storage Project Agreement

Certificated Characteristics and Capabilities

Characteristics and Capabilities of the Jackson Prairie Storage Project for the 1999-2000 Storage Cycle and thereafter:

Project Cushion Gas Requirement Not less than 19.0 Bcf

Zone 2 Not less than 15.0 Bcf

Zone 9 Not less than 4.0 Bcf

Project Working Gas Capacity Not more than 18.3 Bcf

Zone 2 Not more than 17.3 Bcf

Zone 9 Not less than 1.0 Bcf

Project Gas Capacity Not more than 39.4 Bcf

Zone 2 Not more than 34.4 Bcf

Zone 9 Not more than 5.0 Bcf

Project Firm Withdrawal Deliverability Not more than 850,000 Mcf Daily

Project Best Efforts Deliverability Not more than 150,000 Mcf Daily

Effective Date: 11/01/1999 Status: Effective
FERC Docket: CP98-250-003

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Exhibit E
(dated January 16, 1998)
to the
Jackson Prairie
Gas Storage Project Agreement

Storage Service Rights and Cushion Gas Requirement
(subject to the Operating Rules set forth on Exhibit F)

Btu conversion factor = 1.040 (the thermal amounts on this Exhibit are the product of the volumetric amounts and the Btu conversion factor)

Part 1:

Owner
Firm
Injection Capability
Firm
Withdrawal Deliverability

Mcf/Day
MMBtu/Day
Mcf/Day
MMBtu/Day
Northwest
141,666
147,332
283,332
294,666
Water Power
141,667
147,334
283,334
294,667
PSE
141,667
147,334
283,334
294,667
PROJECT
425,000
442,000
850,000
884,000

Owner
Best Efforts
Withdrawal Deliverability

Firm Working Gas Capacity *

Mcf/Day
MMBtu/Day
Mcf
MMBtu
Northwest
50,000
52,000
6,100,000
6,344,000
Water Power
50,000
52,000
6,100,000
6,344,000
PSE
50,000

52,000
6,100,000
6,344,000
PROJECT
150,000
156,000
18,300,000
19,032,000
*Quantities subject to temporary reduction pursuant to Section 5.7.6

Part 2:
Owner
Cushion Gas Requirement

Mcf
MMBtu
Northwest
6,333,332
6,586,666
Water Power
6,333,334
6,586,667
PSE
6,333,334
6,586,667
PROJECT
19,000,000
19,760,000

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FERC Docket: CP98-250-003

Original Sheet No. 93 Original Sheet No. 93 : Effective

Exhibit F
(dated January 16, 1998)
to the
Jackson Prairie
Gas Storage Project Agreement

Operating Rules

Part 1: The Seasonal Working Gas Quantity for an Owner during any Storage Cycle is the least of:

- a) The quantity of Owner's Working Gas Inventory at the beginning of such Storage Cycle; or
- b) The least quantity of Owner's Working Gas at any time after August 31st and before October 1st of the preceding Storage Cycle divided by 0.80; or
- c) The least quantity of Owner's Working Gas Inventory at any time after June 30th and before October 1st of the preceding Storage Cycle divided by 0.35; or
- d) The Owner's Firm Working Gas Capacity.

Part 2: The Firm Withdrawal Deliverability of an Owner on any Day is as follows:

- a) When the Owner's Available Working Gas Inventory at the start of the Gas Day equals or exceeds 60% of the Owner's Firm Working Gas Capacity, the Firm Withdrawal Deliv
- b) When the Owner's Available Working Gas Inventory at the start of the Gas Day is less than 60% but greater than 15% of the Firm Working Gas Capacity of such Owner, the

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FERC Docket: CP98-250-003

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the account of that Owner is below 60% of the Firm Working Gas Capacity of such Owner.

c) When the Owner's Available Working Gas Inventory at the start of the Gas Day is equal to or less than 15% of the Owner's Firm Working Gas Capacity, the Firm Withdraws

Effective Date: 01/03/2004 Status: Effective
FERC Docket: RP04-100-000

Original Sheet No. 95 Original Sheet No. 95 : Effective

AMENDMENT NO. 2

JACKSON PRAIRIE GAS STORAGE AGREEMENT

This Amendment is entered into as of the 31st day of May, 2002, by and between Northwest Pipeline Corporation ("Northwest"), a Delaware corporation, Puget Sound Energy, Inc. ("Puget"), a Washington corporation and Avista Corporation ("Avista"), a Washington corporation, collectively "the Owners."

RECITALS:

- A. WHEREAS, Northwest, Puget and Avista are parties to that certain Jackson Prairie Gas Storage Project ("Storage Project") Agreement entered into as of January 15, 1998 ("Agreement");
- B. WHEREAS, the Owners wish to amend the Agreement to reflect a phased expansion of the storage capacity in the Storage Project;
- C. WHEREAS, the Owners intend to have a single project, phased-in over up to seven water withdrawal/gas injection cycles, beginning in 2002 and finishing in 2008, which is intended to expand the Jackson Prairie cushion and working gas capacity by a total of approximately 10.5 Bcf. This project shall be known as the "2002 - 2008 Expansion Project";
- D. WHEREAS, the Owners' participation in the expansion phases of the 2002 - 2008 Expansion Project may not be equal each year, even though it is the intent of the Owners always to maintain equal Ownership Interests, subject to Exhibit G attached hereto;
- E. WHEREAS, the Agreement will be amended by a new Article 4.4.4 and Exhibit G specifying procedures for the 2002 - 2008 Expansion Project;
- F. WHEREAS, Article 4.6 of the Agreement provides that, upon completion of any expansion, the Owners will amend certain Exhibits to the Agreement; and
- G. WHEREAS, other conforming amendments must be made.

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FERC Docket: RP04-100-000

Original Sheet No. 96 Original Sheet No. 96 : Effective

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, Northwest, Puget and Avista agree as follows:

1. Amend the Agreement by changing any references to "The Washington Water Power Company" to "Avista Corporation", and changing any references to "Water Power" to "Avista".
2. Amend Section 4.4 of the Agreement by adding the following Article 4.4.4: "If the Owners agree to develop a phased expansion of the Storage Project, the procedures applicable to the development and completion of such phased expansion will be those set forth on Exhibit G, attached hereto and incorporated herein."
3. Amend Section 4.6 of the Agreement by inserting the following sentence immediately after the last sentence in the Section: "For an expansion designed to be completed in phases, interim amendments to Exhibits C, D, E and F (but not to Exhibits A and B) also will be made upon the completion of each phase, as appropriate."
4. This Amendment shall be binding upon and inure to the benefit of the Owners hereto and any successors or assigns of such Owners.
5. This Amendment may be executed in any number of counterparts.

IN WITNESS WHEREOF, the Owners hereto have executed three duplicate originals of this Amendment as of the date and year first written above.

NORTHWEST PIPELINE CORPORATION

By: /s/ Larry E. Larsen
Its: Vice President, Customer Services

PUGET SOUND ENERGY, INC.

By: /s/ W. A. Gaines
Its: Vice President, Energy Supply

AVISTA CORPORATION

By: /s/ Gary E. Ely
Its: Chairman, President & CEO

EXHIBIT G
to the
JACKSON PRAIRIE
GAS STORAGE PROJECT AGREEMENT

1. The Owners intend to have a single project, phased-in over up to seven water withdrawal/gas injection cycles, beginning in 2002 and finishing in 2008, which is intended to expand the Jackson Prairie cushion and working gas capacity by a total of approximately 10.5 Bcf. This project shall be known as the "2002 - 2008 Expansion Project."
2. During the expansion phases of the 2002 - 2008 Expansion Project, the Owners' respective Shares of Storage Service Rights, but not their respective Ownership Percentages, may vary. Although at this time, it is the Owners' intent that the 2002 - 2008 Expansion Project shall go forward on an equal ownership basis among the Owners, upon completion of the 2002 - 2008 Expansion Project, it is possible that the Owners' Storage Service Rights and their Ownership Percentages may not be equal, as discussed further in paragraph 8 hereof.
3. Commencing in 2002, on or before July 15th of each year, the Project Operator will provide written notice to each of the Owners as to the expected amount of water withdrawal and as to each Owner's expected 1/3 share of cushion and working gas additions required for the next water withdrawal and injection period (March through October of the next calendar year). By July 31st of each year, each Owner will notify, in writing, the Project Operator of its intent either to participate in the next expansion phase or not to participate. If any Owner elects not to participate or fails to notify the Project Operator, such Owner will be deemed to be a Deferring Party.
4. If any Owner elects not to participate and not to inject its one-third share of the applicable cushion and working gas for that water withdrawal and injection period, then the remaining Owners have the right to develop for their account(s) the Deferring Party's deferred share.

Effective Date: 01/03/2004 Status: Effective

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5. During the progress of the 2002 - 2008 Expansion Project, an Owner's share of the expansion project storage capacity will be based upon its proportion of the expansion cushion gas capacity.
6. Consistent with the equal ownership principle set forth above, if events of force majeure, failure to receive and accept necessary regulatory approvals, or issues pertaining to mechanical integrity or water discharge, prevent the Owners from completing the full development of the 2002 - 2008 Expansion capacity, then, subject to FERC approval, the developed expansion capacity and the associated cushion gas volumes along with the costs of such cushion gas, shall be reallocated among the Owners at the transferring Owner's net book value for such cushion gas volumes.
7. Each Owner shall use its best efforts to inject its full one-third share of expansion cushion and working gas no later than November 1, 2008. However, if the Owners are prevented from so doing due to events of force majeure, failure to receive and accept necessary regulatory approvals, or issues pertaining to mechanical integrity or water discharge, the Owners agree to extend or modify this Agreement to allow later injection, and to not unreasonably withhold such approval, subject to receipt and acceptance of necessary regulatory approvals.
8. Once an Owner has developed its total one-third share of the complete 2002 - 2008 Expansion Project, any Deferring Party shall have the opportunity to make up all or a portion of its deferred share. However, in the event a Deferring Party elects at that time not to participate and not to inject its one-third share of the applicable cushion and working gas under the 2002 - 2008 Expansion Project, then the remaining Owners shall have the right to develop for their accounts the Deferring Party's deferred share and the Owners' Shares of Storage Service Rights and Ownership Percentages shall be adjusted accordingly.

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FERC Docket: RP04-100-000

Original Sheet No. 99 Original Sheet No. 99 : Effective

AMENDMENT NO. 3
to
JACKSON PRAIRIE GAS STORAGE PROJECT AGREEMENT

This Amendment is entered into as of the 28th day of February, 2003, by and between Northwest Pipeline Corporation ("Northwest"), a Delaware corporation, Puget Sound Energy, Inc. ("Puget"), a Washington corporation and Avista Corporation ("Avista"), a Washington corporation, collectively "the Owners."

RECITALS:

- A. WHEREAS, Northwest, Puget and Avista are parties to that certain Jackson Prairie Gas Storage Project ("Storage Project") Agreement entered into as of January 15, 1998 ("Agreement");
- B. WHEREAS, a phased expansion of the storage capacity in the Storage Project has been authorized, as described in a prior notice application filed with the Federal Energy Regulatory Commission in Docket No. CP02-384-000;
- C. WHEREAS, the procedures applicable to the development and completion of the authorized phased storage capacity expansion are set forth in the Exhibit G added to the Agreement by Amendment dated May 31, 2002;
- D. WHEREAS, Article 4.6 of the Agreement (as revised by the Amendment dated May 31, 2002) provides that interim amendments to Exhibits C, D, E and F (as appropriate) will be made upon completion of each phase of a phased expansion;
- E. WHEREAS, the Owners desire to revise Section 3 in Exhibit G to clarify that the expansion phases are based on a March through February water withdrawal/gas injection cycle, with expansion activities during the November through February portion of the cycle available only to the extent mutually agreed upon;
- F. WHEREAS, the Owners desire to add Section 9 in Exhibit G to clarify the administrative procedures for specifying the actual expansion capacities developed month to month during a water withdrawal/gas injection cycle;
- G. WHEREAS, the Owners desire to amend Exhibits C, D and E to include footnotes indicating that expansion capacities developed during the current expansion cycle are additive to the corresponding capacities stated on the Exhibits; and

Effective Date: 01/03/2004 Status: Effective

FERC Docket: RP04-100-000

Original Sheet No. 100 Original Sheet No. 100 : Effective

- H. WHEREAS, the Owners desire to amend Exhibit F to include a footnote clarifying that expansion working gas inventory developed during the current expansion cycle will be available for use during the current expansion cycle.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, Northwest, Puget and Avista agree as follows:

1. Exhibits C, D, E, F and G of the Agreement are superceded by the revised form of such Exhibits attached hereto.
2. This Amendment shall be binding upon and inure to the benefit of the Owners hereto and any successors or assigns of such Owners.
3. This Amendment may be executed in any number of counterparts.

IN WITNESS WHEREOF, the Owners hereto have executed three duplicate originals of this Amendment as of the date and year first written above.

NORTHWEST PIPELINE CORPORATION

By: /s/ Edward Brewer
Its: Director, Marketing Services

PUGET SOUND ENERGY, INC.

By: /s/ W. A. Gaines
Its: Vice President, Energy Supply

AVISTA CORPORATION

By: /s/ Gary E. Ely
Its: Chairman, President & CEO

Effective Date: 01/03/2004 Status: Effective
FERC Docket: RP04-100-000

Original Sheet No. 101 Original Sheet No. 101 : Effective

Exhibit C
(revised February 28, 2003, pursuant to Amendment No. 3)
to the
Jackson Prairie
Gas Storage Project Agreement

Certificated Characteristics and Capabilities

Characteristics and Capabilities of the Jackson Prairie Storage Project for the 2002-2003 Storage Cycle and thereafter: *

Project Cushion Gas Requirement	Not less than 19.0 Bcf
Zone 2	Not less than 15.0 Bcf
Zone 9	Not less than 4.0 Bcf
Project Working Gas Capacity	Not more than 18.3 Bcf
Zone 2	Not more than 17.3 Bcf
Zone 9	Not more than 1.0 Bcf
Project Gas Capacity	Not more than 39.4 Bcf
Zone 2	Not more than 34.4 Bcf
Zone 9	Not more than 5.0 Bcf
Project Firm Withdrawal Deliverability	Not more than 850,000 Mcf Daily
Project Best Efforts Deliverability	Not more than 150,000 Mcf Daily

* In addition to the stated quantities, the certificated Characteristics and Capabilities of the Jackson Prairie Storage Project include any portions of the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the 2002-2008 Expansion Project described in Exhibit G.

Effective Date: 01/03/2004 Status: Effective
 FERC Docket: RP04-100-000

Original Sheet No. 102 Original Sheet No. 102 : Effective

Exhibit D
 (revised February 28, 2003, pursuant to Amendment No. 3)
 to the
 Jackson Prairie
 Gas Storage Project Agreement

Owner's Shares of Storage Service Rights

Owner	Firm Injection Capability Share	Firm Withdrawal Deliverability Share
Northwest	1/3	1/3
Avista	1/3	1/3
PSE	1/3	1/3
PROJECT	1	1

Owner	Best Efforts Withdrawal Deliverability Share	Firm Working Gas Capacity * Share
Northwest	1/3	1/3
Avista	1/3	1/3
PSE	1/3	1/3
	1	1

Owner	Cushion Gas Requirement * Share
Northwest	1/3
Avista	1/3
PSE	1/3
PROJECT	1

* The Owner's Shares are the stated shares adjusted, as necessary, to reflect the respective participation levels by the Owners in the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the 2002-2008 Expansion Project described in Exhibit G.

Effective Date: 01/03/2004 Status: Effective
 FERC Docket: RP04-100-000

Original Sheet No. 103 Original Sheet No. 103 : Effective

Exhibit E
 (revised February 28, 2003, pursuant to Amendment No. 3)
 to the
 Jackson Prairie
 Gas Storage Project Agreement

Storage Service Rights and Cushion Gas Requirement
 (subject to the Operating Rules set forth on Exhibit F)

Btu conversion factor = 1.040 (the thermal amounts on this Exhibit are the product of the volumetric amounts and the Btu conversion factor)

Part 1:

Owner	Firm Injection Capability		Firm Withdrawal Deliverability	
	Mcf/Day	MMBtu/Day	Mcf/Day	MMBtu/Day
Northwest	141,666	147,332	283,332	294,666
Avista	141,667	147,334	283,334	294,667
PSE	141,667	147,334	283,334	294,667
PROJECT	425,000	442,000	850,000	884,000

Owner	Best Efforts Withdrawal Deliverability		Firm Working Gas Capacity* 1/	
	Mcf/Day	MMBtu/Day	Mcf/Day	MMBtu
Northwest	50,000	52,000	6,100,000	6,344,000
Avista	50,000	52,000	6,100,000	6,344,000
PSE	50,000	52,000	6,100,000	6,344,000
	150,000	156,000	18,300,000	19,032,000

*Quantities subject to temporary reduction pursuant to Section 5.7.6.

Part 2:

Owner	Cushion Gas Requirement 1/	
	Mcf	MMBtu
Northwest	6,333,332	6,586,666
Avista	6,333,334	6,586,666
PSE	6,333,334	6,586,666
PROJECT	19,000,000	19,760,000

1/ In addition to the stated quantities, the Firm Working Gas Capacity and Cushion Gas Requirement includes any portions of the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the 2002-2008 Expansion Project described in Exhibit G.

Exhibit F
(revised February 28, 2003, pursuant to Amendment No. 3)
to the
Jackson Prairie Gas Storage Project Agreement

Operating Rules

- Part 1: The Seasonal Working Gas Quantity for an Owner during any Storage Cycle is the least of:*
- a) The quantity of Owner's Working Gas Inventory at the beginning of such Storage Cycle; or
 - b) The least quantity of Owner's Working Gas Inventory at any time after August 31st and before October 1st of the preceding Storage Cycle divided by 0.80; or
 - c) The least quantity of Owner's Working Gas Inventory at any time after June 30th and before October 1st of the preceding Storage Cycle divided by 0.35; or
 - d) The Owner's Firm Working Gas Capacity.
- Part 2: The Firm Withdrawal Deliverability of an Owner on any day is as follows:
- a) When the Owner's Available Working Gas Inventory at the start of the Gas Day equals or exceeds 60% of the Owner's Firm Working Gas Capacity, the Firm Withdrawal Deliverability of such Owner shall be 100% of the maximum Firm Withdrawal Deliverability set forth for that Owner on Exhibit E.
 - b) When the Owner's Available Working Gas Inventory at the start of the Gas Day is less than 60% but greater than 15% of the Firm Working Gas Capacity of such Owner, the Firm Withdrawal Deliverability of such Owner shall be reduced by 2.0% of the maximum Firm Withdrawal Deliverability set forth for that Owner on Exhibit E for every 1% that the Available Working Gas Inventory for the account of that Owner is below 60% of the Firm Working Gas Capacity of such Owner.
 - c) When the Owner's Available Working Gas Inventory at the start of the Gas Day is equal to or less than 15% of the Owner's Firm Working Gas Capacity, the Firm Withdrawal Deliverability shall be reduced to 10% of the maximum Firm Withdrawal Deliverability set forth for that Owner on Exhibit E; provided that when the Available Working Gas Inventory of such Owner is zero, the Firm Withdrawal Deliverability of such Owner shall be zero.

* In addition to this specifically defined quantity, Seasonal Working Gas Quantity includes any expanded Working Gas Inventory developed, month to month, during the current water withdrawal/gas injection cycle of the 2002-2008 Expansion Project detailed in Exhibit G.

Effective Date: 01/03/2004 Status: Effective

FERC Docket: RP04-100-000

Original Sheet No. 105 Original Sheet No. 105 : Effective

EXHIBIT G
(revised February 28, 2003, pursuant to Amendment No. 3)
to the
JACKSON PRAIRIE
GAS STORAGE PROJECT AGREEMENT

1. The Owners intend to have a single project, phased-in over up to seven water withdrawal/gas injection cycles, beginning in 2002 and finishing in 2008, which is intended to expand the Jackson Prairie cushion and working gas capacity by a total of approximately 10.5 Bcf. This project shall be known as the "2002 - 2008 Expansion Project."
2. During the expansion phases of the 2002 - 2008 Expansion Project, the Owners' respective Shares of Storage Service Rights, but not their respective Ownership Percentages, may vary. Although at this time, it is the Owners' intent that the 2002 - 2008 Expansion Project shall go forward on an equal ownership basis among the Owners, upon completion of the 2002 - 2008 Expansion Project, it is possible that the Owners' Storage Service Rights and their Ownership Percentages may not be equal, as discussed further in paragraph 8 hereof.
3. Commencing in 2002, on or before July 15th of each year, the Project Operator will provide written notice to each of the Owners as to the expected amount of water withdrawal and as to each Owner's expected 1/3 share of cushion and working gas additions required for the next water withdrawal and injection period (March through February of the next calendar year, with expansion development during the November through February portion of the cycle available only to the extent mutually agreed upon by the Owners and Project Operator). By July 31st of each year, each Owner will notify, in writing, the Project Operator of its intent either to participate in the next expansion phase or not to participate. If any Owner elects not to participate or fails to notify the Project Operator, such Owner will be deemed to be a Deferring Party.
4. If any Owner elects not to participate and not to inject its one-third share of the applicable cushion and working gas for that water withdrawal and injection period, then the remaining Owners have the right to develop for their account(s) the Deferring Party's deferred share.
5. During the progress of the 2002 - 2008 Expansion Project, an Owner's share of the expansion project storage capacity will be based upon its proportion of the expansion cushion gas capacity.

Effective Date: 01/03/2004 Status: Effective

FERC Docket: RP04-100-000

Original Sheet No. 106 Original Sheet No. 106 : Effective

6. Consistent with the equal ownership principle set forth above, if events of force majeure, failure to receive and accept necessary regulatory approvals, or issues pertaining to mechanical integrity or water discharge, prevent the Owners from completing the full development of the 2002 - 2008 Expansion capacity, then, subject to FERC approval, the developed expansion capacity and the associated cushion gas volumes along with the costs of such cushion gas, shall be reallocated among the Owners at the transferring Owner's net book value for such cushion gas volumes.
7. Each Owner shall use its best efforts to inject its full one-third share of expansion cushion and working gas no later than November 1, 2008. However, if the Owners are prevented from so doing due to events of force majeure, failure to receive and accept necessary regulatory approvals, or issues pertaining to mechanical integrity or water discharge, the Owners agree to extend or modify this Agreement to allow later injection, and to not unreasonably withhold such approval, subject to receipt and acceptance of necessary regulatory approvals.
8. Once an Owner has developed its total one-third share of the complete 2002 - 2008 Expansion Project, any Deferring Party shall have the opportunity to make up all or a portion of its deferred share. However, in the event a Deferring Party elects at that time not to participate and not to inject its one-third share of the applicable cushion and working gas under the 2002 - 2008 Expansion Project, then the remaining Owners shall have the right to develop for their accounts the Deferring Party's deferred share and the Owners' Shares of Storage Service Rights and Ownership Percentages shall be adjusted accordingly.
9. During each water withdrawal/gas injection cycle, the expanded cushion and working gas capacities developed month to month will be specified as follows:
 - (a) by the fifth business day of each month, the Project Operator will confirm the total volume of expansion capacity developed by water withdrawal during the preceding month, of which 40% will be designated cushion gas capacity and the remainder working gas capacity; and
 - (b) by the tenth business day of each month, Northwest (as agent for administering Storage Project nominations) will confirm to each Owner the portion of its previous month's scheduled gas injections that were deemed expansion cushion gas and the portion of its expansion working gas capacity that was filled. If an Owner's previous month's scheduled gas injections are less than Owner's added expansion cushion gas requirement, the difference will be made up by transfer from Owner's existing working gas inventory.

Effective Date: 01/03/2004 Status: Effective
FERC Docket: RP04-100-000

Original Sheet No. 107 Original Sheet No. 107 : Effective

AMENDMENT NO. 4
to
JACKSON PRAIRIE GAS STORAGE PROJECT AGREEMENT

This Amendment is entered into as of the 23rd day of July, 2003, by and between Northwest Pipeline Corporation ("Northwest"), a Delaware corporation, Puget Sound Energy, Inc. ("Puget"), a Washington corporation and Avista Corporation ("Avista"), a Washington corporation, collectively "the Owners."

RECITALS:

- A. WHEREAS, Northwest, Puget and Avista are parties to that certain Jackson Prairie Gas Storage Project ("Storage Project") Agreement dated January 15, 1998, as amended ("Agreement");
- B. WHEREAS, a phased expansion of the storage capacity in the Storage Project has been authorized, as described in a prior notice application filed with the Federal Energy Regulatory Commission in Docket No. CP02-384-000;
- C. WHEREAS, the procedures applicable to the development of the authorized phased storage capacity expansion, as set forth in Exhibit G to the Agreement, specify that the expansion phases are based on a March through February water withdrawal/gas injection cycle;
- D. WHEREAS, Article 4.6 of the Agreement provides that interim amendments to Exhibits C, D, E and F (as appropriate) will be made upon completion of each phase of a phased expansion; and
- G. WHEREAS, the Owners desire to amend Exhibits C, D and E to reflect the February 28, 2003 completion of the first phase of the authorized storage capacity expansion.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, Northwest, Puget and Avista agree as follows:

- 1. Exhibits C, D and E of the Agreement are superceded by the revised form of such Exhibits attached hereto.
- 2. This Amendment shall be binding upon and inure to the benefit of the Owners hereto and any successors or assigns of such Owners.
- 3. This Amendment may be executed in any number of counterparts.

Effective Date: 01/03/2004 Status: Effective

FERC Docket: RP04-100-000

Original Sheet No. 108 Original Sheet No. 108 : Effective

IN WITNESS WHEREOF, the Owners hereto have executed three duplicate originals of this Amendment as of the date and year first written above.

NORTHWEST PIPELINE CORPORATION

By: /s/ Allison G. Bridges
Its: Vice President, Commercial Operations

PUGET SOUND ENERGY, INC.

By: /s/ Eric M. Markell
Its: Sr. Vice President, Energy Resources

AVISTA CORPORATION

By: /s/ Ronald R. Peterson
Its: Vice President, Energy Resources

Effective Date: 01/03/2004 Status: Effective
FERC Docket: RP04-100-000

Original Sheet No. 109 Original Sheet No. 109 : Effective

Exhibit C
(revised July 23, 2003, pursuant to Amendment No. 4)
to the
Jackson Prairie
Gas Storage Project Agreement

Certificated Characteristics and Capabilities

Characteristics and Capabilities of the Jackson Prairie Storage Project for the 2003-2004 Storage Cycle and thereafter: *

Project Cushion Gas Requirement	Not less than 19,548,006 Mcf
Zone 2 Mcf	Not less than 15,548,006
Zone 9 Mcf	Not less than 4,000,000
Project Working Gas Capacity	Not more than 19,122,008 Mcf
Zone 2 Mcf	Not more than 18,122,008
Zone 9 Mcf	Not more than 1,000,000
Project Gas Capacity	Not more than 39.4 Bcf
Zone 2	Not more than 34.4 Bcf
Zone 9	Not more than 5.0 Bcf
Project Firm Withdrawal Deliverability	Not more than 850,000 Mcf Daily
Project Best Efforts Deliverability	Not more than 150,000 Mcf Daily

* In addition to the stated quantities, the certificated Characteristics and Capabilities of the Jackson Prairie Storage Project include any portions of the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the 2002-2008 Expansion Project described in Exhibit G.

Effective Date: 01/03/2004 Status: Effective
 FERC Docket: RP04-100-000

Original Sheet No. 110 Original Sheet No. 110 : Effective

Exhibit D
 (revised July 23, 2003, pursuant to Amendment No. 4)
 to the
 Jackson Prairie
 Gas Storage Project Agreement

Owner's Shares of Storage Service Rights

Owner	Firm Injection Capability Share	Firm Withdrawal Deliverability Share
Northwest	1/3	1/3
Avista	1/3	1/3
PSE	1/3	1/3
PROJECT	1	1

Owner	Best Efforts Withdrawal Deliverability Share	Firm Working Gas Capacity * Share
Northwest	1/3	0.319
Avista	1/3	0.362
PSE	1/3	0.319
	1	1

Owner	Cushion Gas Requirement * Share
Northwest	0.324
Avista	0.352
PSE	0.324
PROJECT	1

* The Owner's Shares are the stated shares adjusted, as necessary, to reflect the respective participation levels by the Owners in the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the 2002-2008 Expansion Project described in Exhibit G.

Effective Date: 01/03/2004 Status: Effective
 FERC Docket: RP04-100-000

Original Sheet No. 111 Original Sheet No. 111 : Effective

Exhibit E
 (revised July 23, 2003, pursuant to Amendment No. 4)
 to the
 Jackson Prairie
 Gas Storage Project Agreement

Storage Service Rights and Cushion Gas Requirement
 (subject to the Operating Rules set forth on Exhibit F)

Btu conversion factor = 1.040 (the thermal amounts on this Exhibit are the product of the volumetric amounts and the Btu conversion factor)

Part 1:

Owner	Firm Injection Capability		Firm Withdrawal Deliverability	
	Mcf/Day	MMBtu/Day	Mcf/Day	MMBtu/Day
Northwest	141,666	147,332	283,332	294,666
Avista	141,667	147,334	283,334	294,667
PSE	141,667	147,334	283,334	294,667
PROJECT	425,000	442,000	850,000	884,000

Owner	Best Efforts Withdrawal Deliverability		Firm Working Gas Capacity* 1/	
	Mcf/Day	MMBtu/Day	Mcf/Day	MMBtu
Northwest	50,000	52,000	6,100,000	6,344,000
Avista	50,000	52,000	6,922,008	7,198,889
PSE	50,000	52,000	6,100,000	6,344,000
	150,000	156,000	19,122,008	19,886,889

*Quantities subject to temporary reduction pursuant to Section 5.7.6.

Part 2:

Owner	Cushion Gas Requirement 1/	
	Mcf	MMBtu
Northwest	6,333,332	6,586,666
Avista	6,881,340	7,156,593
PSE	6,333,334	6,586,667
PROJECT	19,548,006	20,329,926

1/ In addition to the stated quantities, the Firm Working Gas Capacity and Cushion Gas Requirement includes any portions of the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the 2002-2008 Expansion Project described in Exhibit G.

Effective Date: 06/24/2004 Status: Effective
FERC Docket: RP04-305-000

Original Sheet No. 112 Original Sheet No. 112 : Effective

AMENDMENT NO. 5
to
JACKSON PRAIRIE GAS STORAGE PROJECT AGREEMENT

This Amendment is entered into as of the 14th day of May, 2004, by and between Northwest Pipeline Corporation ("Northwest"), a Delaware corporation, Puget Sound Energy, Inc. ("Puget"), a Washington corporation and Avista Corporation ("Avista"), a Washington corporation, collectively "the Owners."

RECITALS:

- A. WHEREAS, Northwest, Puget and Avista are parties to that certain Jackson Prairie Gas Storage Project ("Storage Project") Agreement dated January 15, 1998, as amended ("Agreement");
- B. WHEREAS, a phased expansion of the storage capacity in the Storage Project has been authorized, as described in a prior notice application filed with the Federal Energy Regulatory Commission in Docket No. CP02-384-000;
- C. WHEREAS, the procedures applicable to the development of the authorized phased storage capacity expansion, as set forth in Exhibit G to the Agreement, specify that the expansion phases are based on a March through February water withdrawal/gas injection cycle;
- D. WHEREAS, Article 4.6 of the Agreement provides that interim amendments to Exhibits C, D, E and F (as appropriate) will be made upon completion of each phase of a phased expansion; and
- E. WHEREAS, the Owners desire to amend Exhibits C, D and E to reflect the February 29, 2004 completion of the second phase of the authorized storage capacity expansion.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, Northwest, Puget and Avista agree as follows:

- 1. Exhibits C, D and E of the Agreement are superceded by the revised form of such Exhibits attached hereto.
- 2. This Amendment shall be binding upon and inure to the benefit of the Owners hereto and any successors or assigns of such Owners.
- 3. This Amendment may be executed in any number of counterparts.

Effective Date: 06/24/2004 Status: Effective

FERC Docket: RP04-305-000

Original Sheet No. 113 Original Sheet No. 113 : Effective

IN WITNESS WHEREOF, the Owners hereto have executed three duplicate originals of this Amendment as of the date and year first written above.

NORTHWEST PIPELINE CORPORATION

By: /s/ Allison G. Bridges
Its: Vice President, Commercial Operations

PUGET SOUND ENERGY, INC.

By: /s/ Wayne R. Gould
Its: Director, Natural Gas Resources

AVISTA CORPORATION

By: /s/ Ronald R. Peterson
Its: Vice President, Energy Resources

Effective Date: 06/24/2004 Status: Effective
FERC Docket: RP04-305-000

Original Sheet No. 114 Original Sheet No. 114 : Effective

Exhibit C
(revised May 14, 2004, pursuant to Amendment No. 5)
to the
Jackson Prairie
Gas Storage Project Agreement

Certificated Characteristics and Capabilities

Characteristics and Capabilities of the Jackson Prairie Storage Project for the 2004-2005 Storage Cycle and thereafter:*

Project Cushion Gas Requirement	Not less than 20,178,680 Mcf
Zone 2	Not less than 16,178,680 Mcf
Zone 9	Not less than 4,000,000 Mcf
Project Working Gas Capacity	Not more than 20,068,020 Mcf
Zone 2	Not more than 19,068,020 Mcf
Zone 9	Not more than 1,000,000 Mcf
Project Gas Capacity	Not more than 40,246,700 Mcf
Zone 2	Not more than 35,246,700 Mcf
Zone 9	Not more than 5,000,000 Mcf
Project Firm Withdrawal Deliverability	Not more than 850,000 Mcf Daily
Project Best Efforts Deliverability	Not more than 150,000 Mcf Daily

* In addition to the stated quantities, the certificated Characteristics and Capabilities of the Jackson Prairie Storage Project include any portions of the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the 2002-2008 Expansion Project described in Exhibit G.

Effective Date: 06/24/2004 Status: Effective
 FERC Docket: RP04-305-000

Original Sheet No. 115 Original Sheet No. 115 : Effective

Exhibit D
 (revised May 14, 2004, pursuant to Amendment No. 5)
 to the
 Jackson Prairie
 Gas Storage Project Agreement

Owner's Shares of Storage Service Rights

Owner	Firm Injection Capability Share	Firm Withdrawal Deliverability Share
Northwest	1/3	1/3
Avista	1/3	1/3
PSE	1/3	1/3
PROJECT	1	1

Owner	Best Efforts Withdrawal Deliverability Share	Firm Working Gas Capacity * Share
Northwest	1/3	0.3197
Avista	1/3	0.3606
PSE	1/3	0.3197
	1	1

Owner	Cushion Gas Requirement * Share
Northwest	0.3243
Avista	0.3514
PSE	0.3243
PROJECT	1

* The Owner's Shares are the stated shares adjusted, as necessary, to reflect the respective participation levels by the Owners in the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the 2002-2008 Expansion Project described in Exhibit G.

Effective Date: 06/24/2004 Status: Effective
 FERC Docket: RP04-305-000

Original Sheet No. 116 Original Sheet No. 116 : Effective

Exhibit E
 (revised May 14, 2004, pursuant to Amendment No. 5)
 to the
 Jackson Prairie
 Gas Storage Project Agreement

Storage Service Rights and Cushion Gas Requirement
 (subject to the Operating Rules set forth on Exhibit F)

Btu conversion factor = 1.040 (the thermal amounts on this Exhibit are the product of the volumetric amounts and the Btu conversion factor)

Part 1:

Owner	Firm Injection Capability		Firm Withdrawal Deliverability	
	Mcf/Day	MMBtu/Day	Mcf/Day	MMBtu/Day
Northwest	141,666	147,332	283,332	294,666
Avista	141,667	147,334	283,334	294,667
PSE	141,667	147,334	283,334	294,667
PROJECT	425,000	442,000	850,000	884,000

Owner	Best Efforts Withdrawal Deliverability		Firm Working Gas Capacity* 1/	
	Mcf/Day	MMBtu/Day	Mcf	MMBtu
Northwest	50,000	52,000	6,415,337	6,671,950
Avista	50,000	52,000	7,237,346	7,526,840
PSE	50,000	52,000	6,415,337	6,671,951
	150,000	156,000	20,068,020	20,870,741

*Quantities subject to temporary reduction pursuant to Section 5.7.6.

Part 2:

Owner	Cushion Gas Requirement 1/	
	Mcf	MMBtu
Northwest	6,543,558	6,805,300
Avista	7,091,564	7,375,227
PSE	6,543,558	6,805,300
PROJECT	20,178,680	20,985,827

1/ In addition to the stated quantities, the Firm Working Gas Capacity and Cushion Gas Requirement includes any portions of the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the 2002-2008 Expansion Project described in Exhibit G.

Effective Date: 07/11/2005 Status: Effective
FERC Docket: RP05-374-000

Original Sheet No. 117 Original Sheet No. 117 : Effective

AMENDMENT NO. 6
to
JACKSON PRAIRIE GAS STORAGE PROJECT AGREEMENT

This Amendment is entered into as of the 26th day of May, 2005, by and between Northwest Pipeline Corporation ("Northwest"), a Delaware corporation, Puget Sound Energy, Inc. ("Puget"), a Washington corporation and Avista Corporation ("Avista"), a Washington corporation, collectively "the Owners."

RECITALS:

- A. WHEREAS, Northwest, Puget and Avista are parties to that certain Jackson Prairie Gas Storage Project ("Storage Project") Agreement dated January 15, 1998, as amended ("Agreement");
- B. WHEREAS, a phased expansion of the storage capacity in the Storage Project has been authorized, as described in a prior notice application filed with the Federal Energy Regulatory Commission in Docket No. CP02-384-000;
- C. WHEREAS, the procedures applicable to the development of the authorized phased storage capacity expansion, as set forth in Exhibit G to the Agreement, specify that the expansion phases are based on a March through February water withdrawal/gas injection cycle;
- D. WHEREAS, Article 4.6 of the Agreement provides that interim amendments to Exhibits C, D, E and F (as appropriate) will be made upon completion of each phase of a phased expansion; and
- E. WHEREAS, the Owners desire to amend Exhibits C, D and E to reflect the February 28, 2005 completion of the third phase of the authorized storage capacity expansion.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, Northwest, Puget and Avista agree as follows:

- 1. Exhibits C, D and E of the Agreement are superceded by the revised form of such Exhibits attached hereto.
- 2. This Amendment shall be binding upon and inure to the benefit of the Owners hereto and any successors or assigns of such Owners.
- 3. This Amendment may be executed in any number of counterparts.

Effective Date: 07/11/2005 Status: Effective

FERC Docket: RP05-374-000

Original Sheet No. 118 Original Sheet No. 118 : Effective

IN WITNESS WHEREOF, the Owners hereto have executed three duplicate originals of this Amendment as of the date and year first written above.

NORTHWEST PIPELINE CORPORATION

By: /s/ Allison G. Bridges
Its: Vice President, Commercial Operations

PUGET SOUND ENERGY, INC.

By: /s/ Wayne R. Gould
Its: Director, Natural Gas Resources

AVISTA CORPORATION

By: /s/ Jason Thackston
Its: Director, Gas Supply

Effective Date: 07/11/2005 Status: Effective
FERC Docket: RP05-374-000

Original Sheet No. 119 Original Sheet No. 119 : Effective

Exhibit C
(revised May 26, 2005, pursuant to Amendment No. 6)
to the
Jackson Prairie
Gas Storage Project Agreement

Certificated Characteristics and Capabilities

Characteristics and Capabilities of the Jackson Prairie Storage Project for the 2005-2006 Storage Cycle and thereafter:*

Project Cushion Gas Requirement	Not less than 20,585,155 Mcf
Zone 2	Not less than 16,585,155 Mcf
Zone 9	Not less than 4,000,000 Mcf
Project Working Gas Capacity	Not more than 20,677,733 Mcf
Zone 2	Not more than 19,677,733 Mcf
Zone 9	Not more than 1,000,000 Mcf
Project Gas Capacity	Not more than 41,262,888 Mcf
Zone 2	Not more than 36,262,888 Mcf
Zone 9	Not more than 5,000,000 Mcf
Project Firm Withdrawal Deliverability	Not more than 850,000 Mcf Daily
Project Best Efforts Deliverability	Not more than 150,000 Mcf Daily

* In addition to the stated quantities, the certificated Characteristics and Capabilities of the Jackson Prairie Storage Project include any portions of the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the 2002-2008 Expansion Project described in Exhibit G.

Effective Date: 07/11/2005 Status: Effective
 FERC Docket: RP05-374-000

Original Sheet No. 120 Original Sheet No. 120 : Effective

Exhibit D
 (revised May 26, 2005, pursuant to Amendment No. 6)
 to the
 Jackson Prairie
 Gas Storage Project Agreement

Owner's Shares of Storage Service Rights

Owner	Firm Injection Capability Share	Firm Withdrawal Deliverability Share
Northwest	1/3	1/3
Avista	1/3	1/3
PSE	1/3	1/3
PROJECT	1	1

Owner	Best Efforts Withdrawal Deliverability Share	Firm Working Gas Capacity * Share
Northwest	1/3	0.3201
Avista	1/3	0.3598
PSE	1/3	0.3201
	1	1

Owner	Cushion Gas Requirement * Share
Northwest	0.32445
Avista	0.35110
PSE	0.32445
PROJECT	1

* The Owner's Shares are the stated shares adjusted, as necessary, to reflect the respective participation levels by the Owners in the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the 2002-2008 Expansion Project described in Exhibit G.

Effective Date: 07/11/2005 Status: Effective
 FERC Docket: RP05-374-000

Original Sheet No. 121 Original Sheet No. 121 : Effective

Exhibit E
 (revised May 26, 2005, pursuant to Amendment No. 6)
 to the
 Jackson Prairie
 Gas Storage Project Agreement

Storage Service Rights and Cushion Gas Requirement
 (subject to the Operating Rules set forth on Exhibit F)

Btu conversion factor = 1.040 (the thermal amounts on this Exhibit are the product of the volumetric amounts and the Btu conversion factor)

Part 1:

Owner	Firm Injection Capability		Firm Withdrawal Deliverability	
	Mcf/Day	MMBtu/Day	Mcf/Day	MMBtu/Day
Northwest	141,666	147,332	283,332	294,666
Avista	141,667	147,334	283,334	294,667
PSE	141,667	147,334	283,334	294,667
PROJECT	425,000	442,000	850,000	884,000

Owner	Best Efforts Withdrawal Deliverability		Firm Working Gas Capacity* 1/	
	Mcf/Day	MMBtu/Day	Mcf	MMBtu
Northwest	50,000	52,000	6,618,575	6,883,318
Avista	50,000	52,000	7,440,584	7,738,207
PSE	50,000	52,000	6,618,575	6,883,318
	150,000	156,000	20,677,734	21,504,843

*Quantities subject to temporary reduction pursuant to Section 5.7.6.

Part 2:

Owner	Cushion Gas Requirement 1/	
	Mcf	MMBtu
Northwest	6,679,049	6,946,211
Avista	7,227,056	7,516,138
PSE	6,679,050	6,946,212
PROJECT	20,585,155	21,408,561

1/ In addition to the stated quantities, the Firm Working Gas Capacity and Cushion Gas Requirement includes any portions of the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the 2002-2008 Expansion Project described in Exhibit G.

Effective Date: 06/03/2006 Status: Effective
FERC Docket: RP06-346-000

Original Sheet No. 122 Original Sheet No. 122 : Effective

AMENDMENT NO. 7
to
JACKSON PRAIRIE GAS STORAGE PROJECT AGREEMENT

This Amendment is entered into as of the 27th day of April, 2006, by and between Northwest Pipeline Corporation ("Northwest"), a Delaware corporation, Puget Sound Energy, Inc. ("Puget"), a Washington corporation and Avista Corporation ("Avista"), a Washington corporation, collectively "the Owners."

RECITALS:

- A. WHEREAS, Northwest, Puget and Avista are parties to that certain Jackson Prairie Gas Storage Project ("Storage Project") Agreement dated January 15, 1998, as amended ("Agreement");
- B. WHEREAS, a phased expansion of the storage capacity in the Storage Project has been authorized, as described in a prior notice application filed with the Federal Energy Regulatory Commission in Docket No. CP02-384-000;
- C. WHEREAS, the procedures applicable to the development of the authorized phased storage capacity expansion, as set forth in Exhibit G to the Agreement, specify that the expansion phases are based on a March through February water withdrawal/gas injection cycle;
- D. WHEREAS, Article 4.6 of the Agreement provides that interim amendments to Exhibits C, D, E and F (as appropriate) will be made upon completion of each phase of a phased expansion; and
- E. WHEREAS, the Owners desire to amend Exhibits C, D and E to reflect the February 28, 2006 completion of the fourth phase of the authorized storage capacity expansion.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, Northwest, Puget and Avista agree as follows:

- 1. Exhibits C, D and E of the Agreement are superceded by the revised form of such Exhibits attached hereto.
- 2. This Amendment shall be binding upon and inure to the benefit of the Owners hereto and any successors or assigns of such Owners.
- 3. This Amendment may be executed in any number of counterparts.

Effective Date: 06/03/2006 Status: Effective

FERC Docket: RP06-346-000

Original Sheet No. 123 Original Sheet No. 123 : Effective

IN WITNESS WHEREOF, the Owners hereto have executed three duplicate originals of this Amendment as of the date and year first written above.

NORTHWEST PIPELINE CORPORATION

By: /s/ Allison G. Bridges
Its: Vice President, Commercial Operations

PUGET SOUND ENERGY, INC.

By: /s/ Wayne R. Gould
Its: Director, Natural Gas Resources

AVISTA CORPORATION

By: /s/ Ronald R. Peterson
Its: Vice President, Energy Resources

Effective Date: 06/03/2006 Status: Effective
FERC Docket: RP06-346-000

Original Sheet No. 124 Original Sheet No. 124 : Effective

Exhibit C
(revised April 27, 2006, pursuant to Amendment No. 7)
to the
Jackson Prairie
Gas Storage Project Agreement

Certificated Characteristics and Capabilities

Characteristics and Capabilities of the Jackson Prairie Storage Project for the 2006-2007 Storage Cycle and thereafter:*

Project Cushion Gas Requirement	Not less than 21,019,789 Mcf
Zone 2	Not less than 17,019,789 Mcf
Zone 9	Not less than 4,000,000 Mcf
Project Working Gas Capacity	Not more than 21,329,682 Mcf
Zone 2	Not more than 20,329,682 Mcf
Zone 9	Not more than 1,000,000 Mcf
Project Gas Capacity	Not more than 42,349,471 Mcf
Zone 2	Not more than 37,349,471 Mcf
Zone 9	Not more than 5,000,000 Mcf
Project Firm Withdrawal Deliverability	Not more than 850,000 Mcf Daily
Project Best Efforts Deliverability	Not more than 150,000 Mcf Daily

* In addition to the stated quantities, the certificated Characteristics and Capabilities of the Jackson Prairie Storage Project include any portions of the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the 2002-2008 Expansion Project described in Exhibit G.

Effective Date: 06/03/2006 Status: Effective
 FERC Docket: RP06-346-000

Original Sheet No. 125 Original Sheet No. 125 : Effective

Exhibit D
 (revised April 27, 2006, pursuant to Amendment No. 7)
 to the
 Jackson Prairie
 Gas Storage Project Agreement

Owner's Shares of Storage Service Rights

Owner	Firm Injection Capability Share	Firm Withdrawal Deliverability Share
Northwest	1/3	1/3
Avista	1/3	1/3
PSE	1/3	1/3
PROJECT	1	1

Owner	Best Efforts Withdrawal Deliverability Share	Firm Working Gas Capacity * Share
Northwest	1/3	0.3205
Avista	1/3	0.3590
PSE	1/3	0.3205
PROJECT	1	1

Owner	Cushion Gas Requirement * Share
Northwest	0.32464
Avista	0.35072
PSE	0.32464
PROJECT	1

* The Owner's Shares are the stated shares adjusted, as necessary, to reflect the respective participation levels by the Owners in the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the 2002-2008 Expansion Project described in Exhibit G.

Effective Date: 06/03/2006 Status: Effective
 FERC Docket: RP06-346-000

Original Sheet No. 126 Original Sheet No. 126 : Effective

Exhibit E
 (revised April 27, 2006, pursuant to Amendment No. 7)
 to the
 Jackson Prairie
 Gas Storage Project Agreement

Storage Service Rights and Cushion Gas Requirement
 (subject to the Operating Rules set forth on Exhibit F)

Btu conversion factor = 1.040 (the thermal amounts on this Exhibit are the product of the volumetric amounts and the Btu conversion factor)

Part 1:

Owner	Firm Injection Capability		Firm Withdrawal Deliverability	
	Mcf/Day	Dth/Day	Mcf/Day	Dth/Day
Northwest	141,666	147,332	283,332	294,666
Avista	141,667	147,334	283,334	294,667
PSE	141,667	147,334	283,334	294,667
PROJECT	425,000	442,000	850,000	884,000

Owner	Best Efforts Withdrawal Deliverability		Firm Working Gas Capacity* 1/	
	Mcf/Day	Dth/Day	Mcf	Dth
Northwest	50,000	52,000	6,835,891	7,109,327
Avista	50,000	52,000	7,657,900	7,964,216
PSE	50,000	52,000	6,835,891	7,109,327
PROJECT	150,000	156,000	21,329,682	22,182,870

*Quantities subject to temporary reduction pursuant to Section 5.7.6.

Part 2:

Owner	Cushion Gas Requirement 1/	
	Mcf	Dth
Northwest	6,823,928	7,096,885
Avista	7,371,933	7,666,810
PSE	6,823,928	7,096,885
PROJECT	21,019,789	21,860,580

1/ In addition to the stated quantities, the Firm Working Gas Capacity and Cushion Gas Requirement includes any portions of the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the 2002-2008 Expansion Project described in Exhibit G.

Effective Date: 06/22/2007 Status: Effective
FERC Docket: RP07-462-000

Original Sheet No. 127 Original Sheet No. 127 : Effective

AMENDMENT NO. 8
to
JACKSON PRAIRIE GAS STORAGE PROJECT AGREEMENT

This Amendment is entered into as of the 16th day of May, 2007, by and between Northwest Pipeline Corporation ("Northwest"), a Delaware corporation, Puget Sound Energy, Inc. ("Puget"), a Washington corporation and Avista Corporation ("Avista"), a Washington corporation, collectively "the Owners."

RECITALS:

- A. WHEREAS, Northwest, Puget and Avista are parties to that certain Jackson Prairie Gas Storage Project ("Storage Project") Agreement dated January 15, 1998, as amended ("Agreement");
- B. WHEREAS, a phased expansion of the storage capacity in the Storage Project has been authorized, as described in a prior notice application filed with the Federal Energy Regulatory Commission in Docket No. CP02-384;
- C. WHEREAS, the procedures applicable to the development of the authorized phased storage capacity expansion, as set forth in Exhibit G to the Agreement, specify that the expansion phases are based on a March through February water withdrawal/gas injection cycle;
- D. WHEREAS, Article 4.6 of the Agreement provides that interim amendments to Exhibits C, D, E and F (as appropriate) will be made upon completion of each phase of a phased expansion;
- E. WHEREAS, the Owners desire to amend Exhibits C, D and E to reflect the February 28, 2007 completion of the fifth phase of the authorized storage capacity expansion;
- F. WHEREAS, the Owners also desire to amend Exhibits C, D and E to reflect the 900,000 Mcf reduction of Project Cushion Gas Requirement and total Project Gas Capacity resulting from the permanent loss of cushion gas since the inception of the Storage Project as determined by the Operator, consistent with the certificate authorization in Docket No. CP06-465;
- G. WHEREAS, the Owners desire to amend Exhibit G to recognize that the storage capacity expansion authorized in Docket No. CP02-384 is now anticipated to be completed no later than March 1, 2012, instead of no later than November 1, 2008; and

Effective Date: 06/22/2007 Status: Effective
FERC Docket: RP07-462-000

Original Sheet No. 128 Original Sheet No. 128 : Effective

H. WHEREAS, the Owners desire to amend the Agreement to reflect the use of Zone 1 of the Storage Project as a collection area for gas that has migrated from Zone 2 of the Storage Project, as certificated in Docket No. CP06-465.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, Northwest, Puget and Avista agree as follows:

1. Section 1.56 of the Agreement ("Storage Reservoir") shall be amended by including at the end of that section, the following sentence:

"As used herein, references to the Zone 2 Reservoir and Zone 2 shall include the use of the Zone 1 Reservoir at the Storage Field for purposes of collection and recycling of natural gas stored in Zone 2 which has migrated to Zone 1."

2. Exhibits C, D, E and G of the Agreement are superceded by the revised form of such Exhibits attached hereto.

3. This Amendment shall be binding upon and inure to the benefit of the Owners hereto and any successors or assigns of such Owners.

4. This Amendment may be executed in any number of counterparts.

IN WITNESS WHEREOF, the Owners hereto have executed three duplicate originals of this Amendment as of the date and year first written above.

NORTHWEST PIPELINE CORPORATION

By: /s/ Allison G. Bridges
Its: Vice President, Commercial Operations

PUGET SOUND ENERGY, INC.

By: /s/ Paul M. Wiegand
Its: Vice President

AVISTA CORPORATION

By: /s/ Robert H. Gruber
Its: Manager, Natural Gas Resources

Effective Date: 06/22/2007 Status: Effective
FERC Docket: RP07-462-000

Original Sheet No. 129 Original Sheet No. 129 : Effective

Exhibit C
(revised May 16, 2007 pursuant to Amendment No. 8)
to the
Jackson Prairie
Gas Storage Project Agreement

Certificated Characteristics and Capabilities

Characteristics and Capabilities of the Jackson Prairie Storage Project for the 2007-2008 Storage Cycle and thereafter:*

Project Cushion Gas Requirement	Not less than 20,561,732 Mcf
Zone 2	Not less than 16,561,732 Mcf
Zone 9	Not less than 4,000,000 Mcf
Project Working Gas Capacity	Not more than 21,992,591 Mcf
Zone 2	Not more than 20,992,591 Mcf
Zone 9	Not more than 1,000,000 Mcf
Project Gas Capacity	Not more than 42,554,323 Mcf
Zone 2	Not more than 37,554,323 Mcf
Zone 9	Not more than 5,000,000 Mcf
Project Firm Withdrawal Deliverability	Not more than 850,000 Mcf Daily
Project Best Efforts Deliverability	Not more than 150,000 Mcf Daily

* In addition to the stated quantities, the certificated Characteristics and Capabilities of the Jackson Prairie Storage Project include any portions of the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the Capacity Expansion Project described in Exhibit G.

Effective Date: 06/22/2007 Status: Effective

FERC Docket: RP07-462-000

Original Sheet No. 130 Original Sheet No. 130 : Effective

Exhibit D
(revised May 16, 2007 pursuant to Amendment No. 8)
to the
Jackson Prairie
Gas Storage Project Agreement

Owner's Shares of Storage Service Rights

Owner	Firm Injection Capability Share	Firm Withdrawal Deliverability Share
Northwest	1/3	1/3
Avista	1/3	1/3
PSE	1/3	1/3
PROJECT	1	1

Owner	Best Efforts Withdrawal Deliverability Share	Firm Working Gas Capacity * Share
Northwest	1/3	0.3209
Avista	1/3	0.3582
PSE	1/3	0.3209
PROJECT	1	1

Owner	Cushion Gas Requirement * Share
Northwest	0.32445
Avista	0.35110
PSE	0.32445
PROJECT	1

* The Owner's Shares are the stated shares adjusted, as necessary, to reflect the respective participation levels by the Owners in the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the Capacity Expansion Project described in Exhibit G.

Effective Date: 06/22/2007 Status: Effective
 FERC Docket: RP07-462-000

Original Sheet No. 131 Original Sheet No. 131 : Effective

Exhibit E
 (revised May 16, 2007 pursuant to Amendment No. 8)
 to the
 Jackson Prairie
 Gas Storage Project Agreement

Storage Service Rights and Cushion Gas Requirement
 (subject to the Operating Rules set forth on Exhibit F)

Btu conversion factor = 1.040 (the thermal amounts on this Exhibit are the product of the volumetric amounts and the Btu conversion factor)

Part 1:

Owner	Firm Injection Capability		Firm Withdrawal Deliverability	
	Mcf/Day	Dth/Day	Mcf/Day	Dth/Day
Northwest	141,666	147,332	283,332	294,666
Avista	141,667	147,334	283,334	294,667
PSE	141,667	147,334	283,334	294,667
PROJECT	425,000	442,000	850,000	884,000

Owner	Best Efforts Withdrawal Deliverability		Firm Working Gas Capacity* 1/	
	Mcf/Day	Dth/Day	Mcf	Dth
Northwest	50,000	52,000	7,056,861	7,339,135
Avista	50,000	52,000	7,878,869	8,194,024
PSE	50,000	52,000	7,056,861	7,339,135
PROJECT	150,000	156,000	21,992,591	22,872,294

*Quantities subject to temporary reduction pursuant to Section 5.7.6.

Part 2:

Owner	Cushion Gas Requirement 1/	
	Mcf	Dth
Northwest	6,671,242	6,938,092
Avista	7,219,248	7,508,018
PSE	6,671,242	6,938,092
PROJECT	20,561,732	21,384,202

1/ In addition to the stated quantities, the Firm Working Gas Capacity and Cushion Gas Requirement includes any portions of the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the Capacity Expansion Project described in Exhibit G.

Effective Date: 06/22/2007 Status: Effective
FERC Docket: RP07-462-000

Original Sheet No. 132 Original Sheet No. 132 : Effective

EXHIBIT G
(revised May 16, 2007 pursuant to Amendment No. 8)
to the
JACKSON PRAIRIE
GAS STORAGE PROJECT AGREEMENT
(Page 1 of 2)

1. The Owners intend to have a single project, phased-in over water withdrawal/gas injection cycles beginning in 2002 and finishing no later than March 1, 2012, which is intended to expand the Jackson Prairie cushion and working gas capacity by a total of approximately 10.5 Bcf. This project shall be known as the "Capacity Expansion Project."
2. During the expansion phases of the Capacity Expansion Project, the Owners' respective Shares of Storage Service Rights, but not their respective Ownership Percentages, may vary. Although at this time, it is the Owners' intent that the Capacity Expansion Project shall go forward on an equal ownership basis among the Owners, upon completion of the Capacity Expansion Project, it is possible that the Owners' Storage Service Rights and their Ownership Percentages may not be equal, as discussed further in paragraph 8 hereof.
3. Commencing in 2002, on or before July 15th of each year, the Project Operator will provide written notice to each of the Owners as to the expected amount of water withdrawal and as to each Owner's expected 1/3 share of cushion and working gas additions required for the next water withdrawal and injection period (March through February of the next calendar year, with expansion development during the November through February portion of the cycle available only to the extent mutually agreed upon by the Owners and Project Operator). By July 31st of each year, each Owner will notify, in writing, the Project Operator of its intent either to participate in the next expansion phase or not to participate. If any Owner elects not to participate or fails to notify the Project Operator, such Owner will be deemed to be a Deferring Party.
4. If any Owner elects not to participate and not to inject its one-third share of the applicable cushion and working gas for that water withdrawal and injection period, then the remaining Owners have the right to develop for their account(s) the Deferring Party's deferred share.
5. During the progress of the Capacity Expansion Project, an Owner's share of the expansion project storage capacity will be based upon its proportion of the expansion cushion gas capacity.
6. Consistent with the equal ownership principle set forth above, if events of force majeure, failure to receive and accept necessary regulatory approvals, or issues pertaining to mechanical integrity or water

Effective Date: 06/22/2007 Status: Effective

FERC Docket: RP07-462-000

Original Sheet No. 133 Original Sheet No. 133 : Effective

EXHIBIT G
(revised May 16, 2007 pursuant to Amendment No. 8)
to the
JACKSON PRAIRIE
GAS STORAGE PROJECT AGREEMENT
(Page 2 of 2)

discharge, prevent the Owners from completing the full targeted Expansion capacity, then, subject to FERC approval, the developed expansion capacity and the associated cushion gas volumes along with the costs of such cushion gas, shall be reallocated among the Owners at the transferring Owner's net book value for such cushion gas volumes.

7. Each Owner shall use its best efforts to inject its full one-third share of expansion cushion and working gas no later than March 1, 2012. However, if the Owners are prevented from so doing due to events of force majeure, failure to receive and accept necessary regulatory approvals, or issues pertaining to mechanical integrity or water discharge, the Owners agree to extend or modify this Agreement to allow later injection, and to not unreasonably withhold such approval, subject to receipt and acceptance of necessary regulatory approvals.
8. Once an Owner has developed its total one-third share of the complete Capacity Expansion Project, any Deferring Party shall have the opportunity to make up all or a portion of its deferred share. However, in the event a Deferring Party elects at that time not to participate and not to inject its one-third share of the applicable cushion and working gas under the Capacity Expansion Project, then the remaining Owners shall have the right to develop for their accounts the Deferring Party's deferred share and the Owners' Shares of Storage Service Rights and Ownership Percentages shall be adjusted accordingly.
9. During each water withdrawal/gas injection cycle, the expanded cushion and working gas capacities developed month to month will be specified as follows:
 - (a) by the fifth business day of each month, the Project Operator will confirm the total volume of expansion capacity developed by water withdrawal during the preceding month, of which 40% will be designated cushion gas capacity and the remainder working gas capacity; and
 - (b) by the tenth business day of each month, Northwest (as agent for administering Storage Project nominations) will confirm to each Owner the portion of its previous month's scheduled gas injections that were deemed expansion cushion gas and the portion of its expansion working gas capacity that was filled. If an Owner's previous month's scheduled gas injections are less than Owner's added expansion cushion gas requirement, the difference will be made up by transfer from Owner's existing working gas inventory.

Effective Date: 09/30/2008 Status: Effective
FERC Docket: RP08-597-000

Original Sheet No. 134 Original Sheet No. 134

AMENDMENT NO. 9
to
JACKSON PRAIRIE GAS STORAGE PROJECT AGREEMENT

This Amendment is entered into as of the 29th day of August, 2008, by and between Northwest Pipeline GP ("Northwest"), a Delaware partnership, Puget Sound Energy, Inc. ("Puget"), a Washington corporation and Avista Corporation ("Avista"), a Washington corporation, collectively "the Owners."

RECITALS:

- A. WHEREAS, Northwest, Puget and Avista are parties to that certain Jackson Prairie Gas Storage Project ("Storage Project") Agreement dated January 15, 1998, as amended ("Agreement");
- B. WHEREAS, a phased expansion of the storage capacity in the Storage Project has been authorized, as described in a prior notice application filed with the Federal Energy Regulatory Commission in Docket No. CP02-384;
- C. WHEREAS, the procedures applicable to the development of the authorized phased storage capacity expansion, as set forth in Exhibit G to the Agreement, specify that the expansion phases are based on a March through February water withdrawal/gas injection cycle;
- D. WHEREAS, Article 4.6 of the Agreement provides that interim amendments to Exhibits C, D, E and F (as appropriate) will be made upon completion of each phase of a phased expansion;
- E. WHEREAS, the Owners desire to amend Exhibits C, D and E to reflect the February 29, 2008 completion of the sixth phase of the authorized storage capacity expansion;
- F. WHEREAS, the Owners also desire to amend Exhibit F to reflect their decision to slightly liberalize the Operating Rules to allow an Owner to utilize 100% of its respective Seasonal Working Gas Quantity for the Storage Cycle even if the Owner's Working Gas Inventory is only 97% full on the first day of the Storage Cycle;

Effective Date: 09/30/2008 Status: Effective
FERC Docket: RP08-597-000

Original Sheet No. 135 Original Sheet No. 135

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, Northwest, Puget and Avista agree as follows:

1. Exhibits C, D, E and F of the Agreement are superceded by the revised form of such Exhibits attached hereto.
2. This Amendment shall be binding upon and inure to the benefit of the Owners hereto and any successors or assigns of such Owners.
3. This Amendment may be executed in any number of counterparts.

IN WITNESS WHEREOF, the Owners hereto have executed three duplicate originals of this Amendment as of the date and year first written above.

NORTHWEST PIPELINE GP

By: /s/ Edward Brewer
Its: Director, Marketing Services

PUGET SOUND ENERGY, INC.

By: /s/ Clay Riding
Its: Director, Gas Supply

AVISTA CORPORATION

By: /s/ Robert Gruber
Its: Manager, Natural Gas Resources

Effective Date: 09/30/2008 Status: Effective
FERC Docket: RP08-597-000

Original Sheet No. 136 Original Sheet No. 136

Exhibit C
(revised August 29, 2008 pursuant to Amendment No. 9)
to the
Jackson Prairie
Gas Storage Project Agreement

Certificated Characteristics and Capabilities

Characteristics and Capabilities of the Jackson Prairie Storage Project for the 2008-2009 Storage Cycle and thereafter:*

Project Cushion Gas Requirement	Not less than 20,969,646 Mcf
Zone 2	Not less than 16,969,646 Mcf
Zone 9	Not less than 4,000,000 Mcf
Project Working Gas Capacity	Not more than 22,604,463 Mcf
Zone 2	Not more than 21,604,463 Mcf
Zone 9	Not more than 1,000,000 Mcf
Project Gas Capacity	Not more than 43,574,108 Mcf
Zone 2	Not more than 38,574,108 Mcf
Zone 9	Not more than 5,000,000 Mcf
Project Firm Withdrawal Deliverability	Not more than 850,000 Mcf Daily
Project Best Efforts Deliverability	Not more than 150,000 Mcf Daily

* In addition to the stated quantities, the certificated Characteristics and Capabilities of the Jackson Prairie Storage Project include any portions of the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the Capacity Expansion Project described in Exhibit G.

Effective Date: 09/30/2008 Status: Effective
 FERC Docket: RP08-597-000

Original Sheet No. 137 Original Sheet No. 137

Exhibit D
 (revised August 29, 2008 pursuant to Amendment No. 9)
 to the
 Jackson Prairie
 Gas Storage Project Agreement

Owner's Shares of Storage Service Rights

Owner	Firm Injection Capability Share	Firm Withdrawal Deliverability Share
Northwest	1/3	1/3
Avista	1/3	1/3
PSE	1/3	1/3
PROJECT	1	1

Owner	Best Efforts Withdrawal Deliverability Share	Firm Working Gas Capacity * Share
Northwest	1/3	0.3212
Avista	1/3	0.3576
PSE	1/3	0.3212
PROJECT	1	1

Owner	Cushion Gas Requirement * Share
Northwest	0.32462
Avista	0.35076
PSE	0.32462
PROJECT	1

* The Owner's Shares are the stated shares adjusted, as necessary, to reflect the respective participation levels by the Owners in the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the Capacity Expansion Project described in Exhibit G.

Effective Date: 09/30/2008 Status: Effective
 FERC Docket: RP08-597-000

Original Sheet No. 138 Original Sheet No. 138

Exhibit E
 (revised August 29, 2008 pursuant to Amendment No. 9)
 to the
 Jackson Prairie
 Gas Storage Project Agreement

Storage Service Rights and Cushion Gas Requirement
 (subject to the Operating Rules set forth on Exhibit F)

Btu conversion factor = 1.040 (the thermal amounts on this Exhibit are the product of the volumetric amounts and the Btu conversion factor)

Part 1:

Owner	Firm Injection Capability		Firm Withdrawal Deliverability	
	Mcf/Day	Dth/Day	Mcf/Day	Dth/Day
Northwest	141,666	147,332	283,332	294,666
Avista	141,667	147,334	283,334	294,667
PSE	141,667	147,334	283,334	294,667
PROJECT	425,000	442,000	850,000	884,000

Owner	Best Efforts Withdrawal Deliverability		Firm Working Gas Capacity* 1/	
	Mcf/Day	Dth/Day	Mcf	Dth
Northwest	50,000	52,000	7,260,818	7,551,251
Avista	50,000	52,000	8,082,827	8,406,140
PSE	50,000	52,000	7,260,818	7,551,251
PROJECT	150,000	156,000	22,604,463	23,508,642

*Quantities subject to temporary reduction pursuant to Section 5.7.6.

Part 2:

Owner	Cushion Gas Requirement 1/	
	Mcf	Dth
Northwest	6,807,213	7,079,502
Avista	7,355,220	7,649,428
PSE	6,807,213	7,079,502
PROJECT	20,969,646	21,808,432

1/ In addition to the stated quantities, the Firm Working Gas Capacity and Cushion Gas Requirement includes any portions of the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the Capacity Expansion Project described in Exhibit G.

EXHIBIT F
(revised August 29, 2008 pursuant to Amendment No. 9)
to the
JACKSON PRAIRIE
GAS STORAGE PROJECT AGREEMENT

OPERATING RULES

- Part 1: The Seasonal Working Gas Quantity for an Owner during any Storage Cycle is the least of:
- a) The quantity of Owner's Working Gas Inventory at the beginning of such Storage Cycle divided by 0.97; or
 - b) The least quantity of Owner's Working Gas Inventory at any time after August 31st and on or before September 30th of the preceding Storage Cycle divided by 0.80; or
 - c) The least quantity of Owner's Working Gas Inventory at any time after June 30th and on or before September 30th of the preceding Storage Cycle divided by 0.35; or
 - d) The Owner's Firm Working Gas Capacity.
- Part 2: The Firm Withdrawal Deliverability of an Owner on any Day is as follows:
- a) When the Owner's Available Working Gas Inventory at the start of the Gas Day equals or exceeds 60% of the Owner's Firm Working Gas Capacity, the Firm Withdrawal Deliverability of such Owner shall be 100% of the maximum Firm Withdrawal Deliverability set forth for that Owner on Exhibit E.
 - b) When the Owner's Available Working Gas Inventory at the start of the Gas Day is less than 60% but greater than 15% of the Firm Working Gas Capacity of such Owner, the Firm Withdrawal Deliverability of such Owner shall be reduced by 2.0% of the maximum Firm Withdrawal Deliverability set forth for that Owner on Exhibit E for every 1% that the Available Working Gas Inventory for the account of that Owner is below 60% of the Firm Working Gas Capacity of such Owner.
 - c) When the Owner's Available Working Gas Inventory at the start of the Gas Day is equal to or less than 15% of the Owner's Firm Working Gas Capacity, the Firm Withdrawal Deliverability shall be reduced to 10% of the maximum Firm Withdrawal Deliverability set forth for that Owner on Exhibit E; provided that when the Available Working Gas Inventory of such Owner is zero, the Firm Withdrawal Deliverability of such Owner shall be zero.

Effective Date: 10/01/2009 Status: Effective
FERC Docket: RP09-996-000

Original Sheet No. 144 Original Sheet No. 144

AMENDMENT NO. 11
to
JACKSON PRAIRIE GAS STORAGE PROJECT AGREEMENT

This Amendment is entered into as of the 28th day of August, 2009, by and between Northwest Pipeline GP ("Northwest"), a Delaware partnership, Puget Sound Energy, Inc. ("Puget"), a Washington corporation and Avista Corporation ("Avista"), a Washington corporation, collectively "the Owners."

RECITALS:

- A. WHEREAS, Northwest, Puget and Avista are parties to that certain Jackson Prairie Gas Storage Project ("Storage Project") Agreement dated January 15, 1998, as amended ("Agreement");
- B. WHEREAS, a phased expansion of the storage capacity in the Storage Project has been authorized, as described in a prior notice application filed with the Federal Energy Regulatory Commission in Docket No. CP02-384;
- C. WHEREAS, the procedures applicable to the development of the authorized phased storage capacity expansion, as set forth in Exhibit G to the Agreement, specify that the expansion phases are based on a March through February water withdrawal/gas injection cycle;
- D. WHEREAS, Article 4.6 of the Agreement provides that interim amendments to Exhibits C, D, E and F (as appropriate) will be made upon completion of each phase of a phased expansion;
- E. WHEREAS, the Owners desire to amend Exhibits C, D and E to reflect the February 28, 2009 completion of the seventh phase of the authorized storage capacity expansion;

Effective Date: 10/01/2009 Status: Effective
FERC Docket: RP09-996-000

Original Sheet No. 145 Original Sheet No. 145

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, Northwest, Puget and Avista agree as follows:

1. Exhibits C, D and E of the Agreement are superseded by the revised form of such Exhibits attached hereto.
2. This Amendment shall be binding upon and inure to the benefit of the Owners hereto and any successors or assigns of such Owners.
3. This Amendment may be executed in any number of counterparts.

IN WITNESS WHEREOF, the Owners hereto have executed three duplicate originals of this Amendment as of the date and year first written above.

NORTHWEST PIPELINE GP

By: /s/ Edward Brewer

Its: Director, Marketing Services

PUGET SOUND ENERGY, INC.

By: /s/ Clay Riding

Its: Director, Natural Gas Resources

AVISTA CORPORATION

By: /s/ Kevin Christie

Its: Director, Gas Supply

Effective Date: 10/01/2009 Status: Effective
FERC Docket: RP09-996-000

Original Sheet No. 146 Original Sheet No. 146

Exhibit C
(revised August 28, 2009 pursuant to Amendment No. 11)

to the
Jackson Prairie
Gas Storage Project Agreement

Certificated Characteristics and Capabilities

Characteristics and Capabilities of the Jackson Prairie Storage
Project for the 2009-2010

Storage Cycle and thereafter: *

Project Cushion Gas Requirement	Not less than	21,291,345 Mcf
Zone 2	Not less than	17,291,345 Mcf
Zone 9	Not less than	4,000,000 Mcf
Project Working Gas Capacity	Not more than	23,087,012 Mcf
Zone 2	Not more than	22,087,012 Mcf
Zone 9	Not more than	1,000,000 Mcf
Project Gas Capacity	Not more than	44,378,357 Mcf
Zone 2	Not more than	39,378,357 Mcf
Zone 9	Not more than	5,000,000 Mcf

Project Firm Withdrawal Deliverability Not more than 1,150,000 Mcf Daily

Project Best Efforts Deliverability Not more than 150,000 Mcf Daily

* In addition to the stated quantities, the certificated Characteristics and Capabilities of the Jackson Prairie Storage Project include any portions of the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the Capacity Expansion Project described in Exhibit G.

Effective Date: 10/01/2009 Status: Effective
 FERC Docket: RP09-996-000

Original Sheet No. 147 Original Sheet No. 147

Exhibit D
 (revised August 28, 2009 pursuant to Amendment No. 11)
 to the
 Jackson Prairie
 Gas Storage Project Agreement

Owner's Shares of Storage Service Rights

Owner	Firm Injection Capability Share	Firm Withdrawal Deliverability Share
Northwest	1/3	1/3
Avista	1/3	1/3
PSE	1/3	1/3
PROJECT	1	1

Owner	Best Efforts Withdrawal Deliverability Share	Firm Working Gas Capacity * Share
Northwest	1/3	0.32241
Avista	1/3	0.35518
PSE	1/3	0.32241
PROJECT	1	1

Owner	Cushion Gas Requirement * Share
Northwest	0.32544
Avista	0.34912
PSE	0.32544
PROJECT	1

* The Owner's Shares are the stated shares adjusted, as necessary, to reflect the respective participation levels by the Owners in the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the Capacity Expansion Project described in Exhibit G.

Effective Date: 10/01/2009 Status: Effective
 FERC Docket: RP09-996-000

Original Sheet No. 148 Original Sheet No. 148

Exhibit E
 (revised August 28, 2009 pursuant to Amendment No. 11)

to the
 Jackson Prairie
 Gas Storage Project Agreement

Storage Service Rights and Cushion Gas Requirement
 (subject to the Operating Rules set forth on Exhibit F)

Part 1:

Owner	Firm Injection Capability		Firm Withdrawal Deliverability	
	Mcf/Day	Dth/Day 1/	Mcf/Day	Dth/Day 1/
Northwest	141,666	147,332	383,332	398,666
Avista	141,667	147,334	383,334	398,667
PSE	141,667	147,334	383,334	398,667
PROJECT	425,000	442,000	1,150,000	1,196,000

Owner	Best Efforts Withdrawal Deliverability		Firm Working Gas Capacity 2/ 3/	
	Mcf/Day	Dth/Day 1/	Mcf	Dth 1/
Northwest	50,000	52,000	7,443,506	7,741,246
Avista	50,000	52,000	8,200,000	8,528,000
PSE	50,000	52,000	7,443,506	7,741,246
PROJECT	150,000	156,000	23,087,012	24,010,492

Part 2:

Owner	Cushion Gas Requirement 3/	
	Mcf	Dth 1/
Northwest	6,929,006	7,206,166
Avista	7,433,334	7,730,668
PSE	6,929,006	7,206,166
PROJECT	21,291,346	22,143,000

1/ Thermal quantities are stated at an assumed Btu conversion factor of 1.040, however, actual thermal Capability, Deliverability, Capacity and Requirement quantities will vary based on the quality of the actual gas injected, withdrawn or stored.

2/ Working Gas Capacity is subject to temporary reduction pursuant to Section 5.7.6.

3/ In addition to the stated quantities, the Firm Working Gas Capacity and Cushion Gas Requirement includes any portions of the expanded cushion and working gas capacities developed, month to month, during the current water withdrawal/gas injection cycle of the Capacity Expansion Project described in Exhibit G.

