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June 2, 2008

Honorable Ralph Samuels, Chair
Legislative Budget and Audit Committee
Alaska State Legislature, State Capitol
Juneau, Alaska 99801-1182

Dear Representative Samuels:

Thank you for your letter dated February 29, 2008, asking for The Williams Companies' views on certain matters involving the Alaska Northwest Natural Gas Transportation Company ("ANNGTC").

You have asked Williams, as the ultimate parent of Northwest Alaskan Pipeline Company which withdrew as a partner from the Alaskan Northwest National Gas Transportation Company (ANNGTC) in 1994, to respond to two questions regarding the recent Alaska Gasoline Inducement Act (AGIA) application by TransCanada. We respond as follows:

1. *Would Williams be willing to waive its rights under the ANNGTC partnership agreement?*

Williams is not willing to waive its rights under the ANNGTC partnership agreement without being adequately compensated. However, Williams is very willing to discuss this matter with TransCanada in order to resolve any issues regarding Williams' rights.

2. *Does Williams believe the corporate structure used by TransCanada in its AGIA Application violates any obligation to your company?*

Williams does not have sufficient information to answer this question at this time. In order to answer this question, Williams would require, among other things, additional detailed information regarding (i) the corporate existence and relationships of the current ANNGTC partners and the AGIA Co-Applicants and (ii) the AGIA proposed pipeline project and its relationship to the former ANNGTC project. Again, Williams is very willing to meet with TransCanada to resolve this matter.

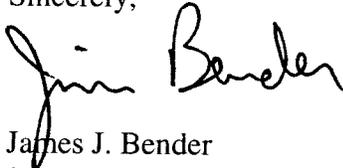
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If you have any questions regarding this response, please feel free to contact Angela Hooper of the Williams Legal Department at (918) 573-8370.

Sincerely,

A handwritten signature in black ink that reads "Jim Bender". The signature is written in a cursive style with a large, stylized "J" and "B".

James J. Bender

Senior Vice President and General Counsel