



News Release

Williams and Puget Sound Energy Solicit Binding Commitments for Blue Bridge Pipeline Project

Binding Open Season Begins for Shippers

TULSA, Okla. – Williams (NYSE: WMB) and Puget Sound Energy (PSE, the utility subsidiary of Puget Energy - NYSE: PSD) have announced an open season to seek binding commitments from shippers for participation in the proposed Blue Bridge Pipeline Project. Williams and PSE would jointly develop Blue Bridge, constructing additional capacity from Stanfield, Ore., to serve markets in the Pacific Northwest. Blue Bridge would be operated as part of Williams' Northwest Pipeline system, with service provided under Northwest's Federal Energy Regulatory Commission Gas Tariff. PSE would be an anchor shipper on Blue Bridge and may become an equity investor in the project.

"Both the Puget Sound region and Oregon's Willamette Valley continue to experience steady growth in their economies and populations – and in their demand for clean-burning natural gas," said Kimberly Harris, executive vice president and chief resource officer for PSE. "This project will provide the additional natural gas supply we'll need to sustain regional growth and vitality for years to come."

Blue Bridge would include the construction of up to 172 miles of 30- and 36-inch-diameter pipeline and the installation of additional compression horsepower at Northwest's existing Plymouth, Washougal and Chehalis, Wash., compressor stations. The project would provide natural gas transportation capacity of up to 500,000 dekatherms per day. The majority of the Blue Bridge route would follow Northwest's existing pipeline corridor, which creates efficiencies while minimizing the effect on landowners and the environment.

The project would provide Pacific Northwest markets with increased access to Rocky Mountain gas supplies at Stanfield, Ore. Stanfield is the western terminus of Williams' and TransCanada's proposed Sunstone Pipeline from Opal, Wyo. Canadian supplies also would be available to Blue Bridge shippers through Northwest Pipeline's existing interconnect with Gas Transmission Northwest. Blue Bridge shippers could deliver to any mainline point on Northwest's system between Stanfield and Sumas, Wash., including the major market areas of Portland and Seattle.

"As the demand for natural gas continues to grow in the Pacific Northwest, Blue Bridge would provide shippers with a number of attractive options for accessing gas supplies from both the Rocky Mountains and Canada," said Phil Wright, president of Williams' gas pipeline business. "Additionally, Blue Bridge customers will enjoy the flexibility provided by Northwest's system."

The final design and cost of the project will be determined once binding commitments are received. Subject to regulatory approvals, service on Blue Bridge would be available in November 2011.

For additional information, contact Hank Henrie at 801-584-6625, Larry Larsen at 801-584-6645 or Xan Kotter at 801-584-6496 of Northwest Pipeline. Shippers who would like Blue Bridge capacity must fill out and return a binding precedent agreement by 3 p.m. MDT on May 30, 2008. A precedent agreement can be obtained by contacting either Hank Henrie, Larry Larsen or Xan Kotter. More detailed information, including the open season term sheet, can be found at: http://www.northwest.williams.com/NWP_Portal/downloads.action.

About Williams

Williams, through its subsidiaries, finds, produces, gathers, processes and transports natural gas. Williams' operations are concentrated in the Pacific Northwest, Rocky Mountains, Gulf Coast, and Eastern Seaboard. More information is available at <http://www.williams.com>. Go to <http://www.b2i.us/irpass.asp?BzID=630&to=ea&s=0> to join our e-mail list.

About Puget Sound Energy

Washington State's oldest and largest energy utility, with a 6,000-square-mile service territory stretching across 11 counties, Puget Sound Energy serves more than 1 million electric customers and 735,000 natural gas customers primarily in the growing Puget Sound region of western Washington. PSE, a subsidiary of Puget Energy (NYSE: PSD), meets the energy needs of its growing customer base through incremental, cost-effective energy conservation, low-cost procurement of sustainable energy resources, and far-sighted investment in the energy-delivery infrastructure. PSE employees are dedicated to providing great customer service to deliver energy that is safe, reliable, reasonably priced, and environmentally responsible. For more information, visit PSE.com.

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FORWARD LOOKING INFORMATION

Portions of this document may constitute "forward-looking statements" as defined by federal law. Although Williams and Puget Sound Energy believe any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Any such statements are made in reliance

on the "safe harbor" protections

provided under the Private Securities Reform Act of 1995. Additional information about issues that could lead to material changes in performance is contained in the companies' annual reports filed with the Securities and Exchange Commission.