

EXHIBIT E

This form has been required and accepted for other AS 38.35 pipeline rights-of-way leases. Refer to attachment for instructions.

GUARANTY OF _____

_____ ("Guarantor"), a _____ corporation with an address of _____, by and between the State of Alaska ("the State"), acting by and through the Commissioner of the Alaska Department of Natural Resources (herein "the Commissioner"), and _____, and in accordance with the Right-of-Way Lease ("Lease") for the Natural Gas Pipeline, ADL 403427, entered into as of _____, and renewed on _____, between the State and TransCanada Alaska Company, LLC., and Alaskan Northwest Natural Gas Transportation, (jointly referred to as "LESSEE") as such the Lease may be amended, to which this Guaranty hereby irrevocably and unconditionally guarantees to the State the full performance, fulfillment, and satisfaction of all of the duties, obligations, and liabilities of LESSEE arising under or pursuant to the Lease.

If for any reason any duty, obligation, or liability of LESSEE under the Lease is not performed, fulfilled, or satisfied by LESSEE within the time or in the manner required, Guarantor shall perform, fulfill, or satisfy (or cause to be performed, fulfilled, or satisfied) each of such duties, obligations, and liabilities; provided, however, that (1) the State must first make demand upon LESSEE before making demand on Guarantor, (2) if LESSEE in good faith denies

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that any such duty, obligation, or liability exists or has not been performed, fulfilled, or satisfied by LESSEE within the time or in the manner required, LESSEE may exhaust any and all appeal rights available under the Lease, 11 AAC 02, the applicable rules of court, and any applicable law before the State may demand performance, fulfillment, or satisfaction from Guarantor, provided, further, that Guarantor shall be entitled to the benefit of any stay obtained by LESSEE under Alaska law, including but not limited to a stay obtained under 11 AAC 02 or any Alaska rule of court but specifically excluding a stay imposed under bankruptcy law, and (3) Guarantor shall be entitled to any and all benefits arising by virtue of any defense, set-off, counterclaim, or cross-claim available to LESSEE except failure of consideration or bankruptcy of LESSEE (collectively hereinafter referred to as “defense”) except that Guarantor shall be bound by any prior judicial determination, if any, concerning any such defense asserted by LESSEE.

Guarantor agrees that this Guaranty shall not be discharged, limited, or reduced except by complete performance of the duties, obligations, and liabilities of LESSEE guaranteed hereby or upon the full and complete replacement hereof with a guaranty in substantially the same form executed by a guarantor accepted by the Commissioner pursuant to the terms of the Lease. The Guarantor shall not be discharged or released by reason of the discharge of LESSEE in bankruptcy, receivership or other proceedings, a disaffirmation or rejection of the Lease by a trustee, custodian, or other representative in bankruptcy, a stay or other enforcement restriction, or any other reduction, modification, impairment or limitations of the liability of LESSEE.

Guarantor shall provide the Commissioner 60 days notice prior to any consolidation or merger of Guarantor with or into any other corporation or corporations (whether

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or not affiliated with the Guarantor), or successive consolidations or mergers in which the Guarantor, or its successor or successors shall be a party or parties, or any sale or conveyance of all or substantially all of the property of the Guarantor to any other corporation (whether or not affiliated with Guarantor). This guaranty extends to any assignee, transferee or other party who receives an interest in the Lease, to any extensions or renewals of the Lease, and to any term established by reason of the holdover of LESSEE, or its assignees, transferees, or other receiving party, unless the Commissioner determines under Section 14(b) of the Lease that another guaranty or security sufficient to protect the public interest has been provided.

The provisions of the Lease and other state authorizations identified therein may be changed as allowed by law without the consent of or notice to Guarantor and this Guaranty shall guarantee the performance of the Lease as changed. Guarantor warrants that it has adequate means to obtain from LESSEE on a continuing basis information concerning the Lease and other authorizations identified therein and that it is not relying upon the State to provide such information, now or in the future.

This guaranty shall not be affected by the State's delay or failure to enforce any of its rights except to the extent such delay or failure gives rise to a successful defense asserted by LESSEE.

If the Lease terminates and the State has any rights against LESSEE with respect to any duty, obligation, or liability of LESSEE arising under the Lease, the State can enforce those rights against Guarantor pursuant hereto.

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Guarantor waives any right it may have to require the State to proceed against or exhaust any bond or other security that the State holds or may hold from LESSEE or pursue any other remedy in the State's power. Until all of LESSEE's obligations under the Lease have been discharged in full, Guarantor has no right of subrogation against any bond or other security that the State may hold. Guarantor waives all presentments, notices of dishonor, notices of nonperformance, demands for performance except as specified herein, protests, notices of protest, and notices of acceptance of this Guaranty. The Guarantor subordinates any and all claims which the Guarantor has or may have against LESSEE by reason of subrogation for payments or performances under this guaranty or claims for any other reason or cause. The Guarantor agrees not to assert any claim which it has or may have against LESSEE, arising from the Lease, including claims by reason of subordination under this guaranty, until such time as the payment and other obligations of LESSEE to the State are fully satisfied and discharged.

The Guarantor hereby waives any defense based upon any act or omission of the State, except to the extent such acts or omissions constitute negligence or bad faith, which materially increases the scope of the Guarantor's risk.

This Guaranty shall be interpreted, construed, and enforced in accordance with the laws of the State of Alaska. Venue for any civil action relating to this Guaranty shall be in the Third Judicial District, State of Alaska.

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This Guaranty shall be binding upon the Guarantor and the successors and assigns of the Guarantor and shall inure to the benefit of the State and its successors and assigns. No assignment or delegation by the Guarantor shall release the Guarantor of its obligations under this guaranty, except as provided by the Lease.

All notices required or permitted to be given pursuant to this Guaranty shall be in writing and shall be addressed respectively as follows:

Guarantor:

Attn: Secretary, _____

Facsimile: (000) _____

Telephone: (000) 000-0000

The State:

State of Alaska

Department of Natural Resources

State Pipeline Coordinator's Office

411 W. 4th Avenue, Suite 2C

Anchorage, Alaska 99501-2343

Facsimile: 907-272-0690

(Telephone: 907-257-1300)

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All notices shall be given (a) by personal delivery to the addressee, (b) by electronic communication, with a confirmation sent by registered or certified mail return receipt requested, or (c) by registered or certified mail return receipt requested. All notices shall be effective and shall be deemed delivered (a) if by personal delivery, on the date of delivery if delivered during normal business hours or on the next business day following delivery if not delivered during normal business hours, (b) if by electronic communication, on the next business day following the day of receipt (said day of receipt being the day of receipt at the office of the recipient) of the electronic communication, and (c) if solely by mail, on the next business day after actual receipt.

This writing is intended by the parties to be the final expression of this Guaranty, and is intended as a complete and exclusive statement of the terms of this Guaranty. There are no conditions to the full effectiveness of this Guaranty other than those contained herein.

EXECUTED this ____ day of _____, 20____, but effective for all purposes as of the effective date of the Lease.

ATTEST

By: _____

By: _____

Title: _____

Title: _____

