



Transcontinental Gas Pipe Line
Corporation
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March 28, 2007

Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Attention: Philis J. Posey, Acting Secretary

Reference: Transcontinental Gas Pipe Line Corporation
Compliance Filing
Docket No. RP07-178-001

Ladies and Gentlemen:

Transcontinental Gas Pipe Line Corporation (“Transco”) submits this filing to comply with the Federal Energy Regulatory Commission’s (“Commission”) Order Accepting Tariff Sheets Subject to Conditions issued March 22, 2007 (“March 22 Order”)¹ in the referenced docket. Transco hereby submits for filing with the Commission Substitute Original Sheet No. 374V and Substitute Original Sheet No. 374V.01 to its FERC Gas Tariff, Third Revised Volume No. 1 (“Tariff”), which tariff sheets are proposed to be effective March 22, 2007.

Background and Explanation of Tariff Revisions

On February 20, 2007, Transco filed tariff sheets² to add Section 55, “Reservation of Capacity,” to the General Terms and Conditions of its Tariff (“GT&C”). Proposed Section 55 was divided into two subsections, one setting forth the conditions under which Transco may enter into a service agreement to start at a specific date up to three years in the future, and the other setting forth the conditions under which Transco may reserve capacity for an upcoming pipeline expansion project.

In the March 22 Order, the Commission accepted the tariff sheets effective March 22, 2007, subject to conditions. Specifically, regarding the provision in Section 55.2, Reservation of

¹ Transcontinental Gas Pipe Line Corp., 118 FERC ¶ 61,234 (2007).

² Ninth Revised Sheet No. 250A, Original Sheet No. 374V, and Original Sheet No. 374V.01.

Capacity for Expansion Projects, which allowed for a capacity reservation period of up to two years prior to Transco filing the certificate application for an expansion project, the Commission directed Transco to limit such reservation period to one year.³ Further, the Commission directed Transco to submit revised tariff language, in proposed Section 55.1, Reservation of Capacity for Service to Commence at a Future Date, to expressly state “that [Transco] will separately identify on its Internet website all capacity that is anticipated to become available within the next thirty-six months and that it will not enter into any prearranged deals for capacity that has not previously been posted on its Internet website.”⁴ In compliance with the Commission’s directives, Transco submits Substitute Original Sheet No. 374V and Substitute Original Sheet No. 374V.01.

Proposed Effective Date, Motion and Waivers

In accordance with the March 22 Order, the proposed effective date of the revised tariff sheets submitted herein is March 22, 2007. In the February 20, 2007 filing that initiated this proceeding, Transco reserved the right to file a later motion in the event the filed tariff sheets were suspended, modified, or accepted subject to conditions. The March 22 Order accepted the filed tariff sheets, subject to certain revisions. Therefore, Transco moves in this filing to place Ninth Revised Sheet No. 250A, Substitute Original Sheet No. 374V, and Substitute Original Sheet No. 374V.01 into effect on March 22, 2007, the effective date authorized in the March 22 Order.⁵ Transco respectfully requests that the Commission grant any and all waivers of its Regulations that it deems necessary to allow the tariff sheets submitted in the February 20, 2007 filing, as modified herein to comply with the March 22 Order, to become effective March 22, 2007.

Materials Submitted Herewith

In accordance with, Section 154.7(a)(1) of the Commission’s Regulations (Regulations), the following material is submitted herewith:

- (1) In accordance with Section 154.209 of the Regulations, a proposed form of notice for the instant filing suitable for publication in the Federal Register, and a diskette copy of such notice labeled NT032807.ASC;

³ The Commission added:

However, if Transco believes that it needs an extension of time to file the certificate application for a particular project for which it has reserved capacity, then Transco may request that the Commission waive this one-year tariff limit for that project and the Commission will evaluate the waiver request based on the circumstances and the support which Transco provides for the requested waiver. (March 22 Order at P 10).

⁴ March 22 Order at P 12.

⁵ Substitute Original Sheet No. 374V and Substitute Original Sheet No. 374V.01 submitted in this filing reflect the revisions required by the March 22 Order. Ninth Revised Sheet No. 250A submitted in the February 20, 2007 filing requires no modifications. Therefore, Transco is not resubmitting that sheet in the instant filing.

- (2) The revised tariff sheet and the “redlined” version of the revised tariff sheet, in accordance with Section 154.201(a) of the Regulations; and
- (3) As required by Section 154.4 of the Regulations, a diskette copy of the revised tariff sheet labeled TF032807.ASC.

Posting and Certification of Service

In accordance with the provisions of Section 154.2(d) of the Commission’s Regulations, copies of this filing are available for public inspection, during regular business hours, in a convenient form and place at Transco’s main office at 2800 Post Oak Boulevard in Houston, Texas. In addition, Transco is serving copies of the instant filing to parties on the official service list in the referenced docket, interested State Commissions, and other interested parties.

Any communication regarding this filing should be sent to:

Scott Turkington
Director, Rates and Regulatory
Transcontinental Gas Pipe Line Corporation
P.O. Box 1396
Houston, Texas 77251
Email: scott.c.turkington@williams.com

and copies should be mailed to:

Stephen A. Hatridge
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Respectfully submitted,
Transcontinental Gas Pipe Line Corporation

/s/ Marg Camardello

By _____
Marg Camardello
Manager, Tariffs and Certificates
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Filed: March 28, 2007

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Transcontinental Gas Pipe Line
Corporation

Docket No. RP07-178-001

Notice of Compliance Filing

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Take notice that, on March 28, 2007, Transcontinental Gas Pipe Line Corporation (Transco) submitted a compliance filing pursuant to the Federal Energy Regulatory Commission's Order Accepting Tariff Sheets Subject to Conditions issued on March 22, 2007 in Docket No. RP07-178-000.

Transco states that copies of the filing were served on parties on the official service list in the above-captioned proceeding.

Any person desiring to protest this filing must file in accordance with Rule 211 of the Commission's Rules of Practice and Procedure (18 CFR 385.211). Protests to this filing will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Such protests must be filed in accordance with the provisions of Section 154.210 of the Commission's regulations (18 CFR 154.210). Anyone filing a protest must serve a copy of that document on all the parties to the proceeding.

The Commission encourages electronic submission of protests in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, D.C. There is an "eSubscription" link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Philis J. Posey
Acting Secretary

GENERAL TERMS AND CONDITIONS
(Continued)

55. RESERVATION OF CAPACITY

55.1 Reservation of Capacity for Service to Commence at a Future Date.

Seller may elect to enter into a prearranged deal with a creditworthy Buyer ("Prearranged Shipper") willing to execute a service agreement to start at a specific date up to three years in the future for service utilizing either currently available unsubscribed capacity or capacity expected to become available at some future date, provided such capacity is not subject to a right-of-first-refusal or the applicable Buyer does not exercise its right-of-first-refusal to retain the capacity. Seller will separately identify on lLine all capacity that is expected to become available within the next thirty-six months. Seller will not enter into any pre-arranged deals for capacity that has not previously been posted on lLine as available capacity.

- (a) As soon as the prearranged deal is entered into (but before capacity is actually awarded or reserved by an executed service agreement), Seller will post on lLine the prearranged deal as part of an open season bidding process in accordance with the provisions of Section 49 of these General Terms and Conditions to permit other parties an opportunity to bid on the capacity on a long-term basis. This open season bidding process will take place even if the capacity has already been subject to an open season and is currently posted as available. Any third party who meets Seller's creditworthiness standards, as set forth in Section 32 of these General Terms and Conditions, wishing to subscribe to the firm capacity, whether for service commencing immediately or in the future, can participate in the open season.
- (b) Bids will be evaluated on a net present value ("NPV") basis. Such evaluation shall take into account the time value of the delay in Seller's receiving revenue under a bid for firm service to commence in the future. If a competing bid for service to commence immediately, or in the future, provides a higher NPV than the prearranged deal, the Prearranged Shipper will have a one-time right to match the highest NPV bid by notifying Seller in writing within fifteen (15) business days of receiving Seller's notification of the best bid.
- (c) If the Prearranged Shipper matches the highest NPV bid, the Prearranged Shipper will be awarded the capacity; otherwise, the capacity will be awarded to the shipper providing the highest NPV bid. If the Buyer to whom the capacity is awarded meets all qualifications for service under the applicable rate schedule, Seller shall submit a service agreement to Buyer which sets forth the terms of such bid. Buyer shall execute the Service Agreement within thirty (30) days of receipt of the same.
- (d) Once capacity for service to commence in the future is reserved, Seller will make such capacity available on an interim basis in accordance with Section 49 of these General Terms and Conditions. A service agreement for capacity available on such interim basis shall not be eligible for a right of first refusal for purposes of Section 48 of these General Terms and Conditions.

55.2 Reservation of Capacity for Expansion Projects.

Seller may elect to reserve for a future expansion project any currently available unsubscribed capacity or capacity expected to become available at some future date, provided such capacity is not subject to a right-of-first-refusal or the applicable Buyer does not exercise its right-of-first-refusal to retain the capacity.

GENERAL TERMS AND CONDITIONS
(Continued)

55. RESERVATION OF CAPACITY (Continued)

55.2 Reservation of Capacity for Expansion Projects (Continued)

- (a) Seller may reserve capacity only for a future expansion project for which an open season has been held or will be held within one year of the date Seller posts such capacity as being reserved. If Seller elects to reserve capacity for a future expansion project under this Section, such capacity may be reserved for up to one year prior to Seller filing for certificate approval for construction of the proposed expansion facilities, and thereafter until such expansion is placed into service.
- (b) Seller shall, on a limited-term basis up to the in-service date of the expansion project, make available any capacity reserved under this section in accordance with Section 49 of these General Terms and Conditions. A service agreement for capacity available on such interim basis shall not be eligible for a right of first refusal for purposes of Section 48 of these General Terms and Conditions.
- (c) Prior to reserving capacity for future expansion projects under this section, such capacity shall first have been made available in accordance with Section 49 of these General Terms and Conditions.
- (d) Subject to the foregoing, Seller may reserve capacity by means of a posting on lLine which shall include, without limitation:
 - (i) A description of the expansion project for which the capacity will be reserved;
 - (ii) The total quantity of capacity to be reserved;
 - (iii) The location of the proposed reserved capacity on Seller's system;
 - (iv) When Seller held or anticipates holding an open season in connection with the expansion project;
 - (v) The projected in-service date of the expansion project; and
 - (vi) On an ongoing basis, how much of the reserved capacity has been subscribed on an interim basis.
- (e) To the extent that capacity reserved pursuant to this Section 55.2 is not sufficient to satisfy the requirements of an expansion project, Seller shall conduct, no later than ninety (90) days after the close of an open season for such expansion project, a reverse open season setting forth not unduly discriminatory terms for the turn back of capacity. Capacity obtained through a reverse open season shall be reserved for an expansion project pursuant to the terms of this Section 55.2; provided, however, that the posting requirements of Section 55.2(c) shall not apply to that capacity.
- (f) Any capacity reserved for an expansion project that does not go forward for any reason shall be reposted as available capacity within 30 days of the date the capacity becomes available, except for capacity committed in service agreements entered into on an interim limited term basis.

Issued by: Frank J. Ferazzi, Vice President

Issued on: March 28, 2007

Effective on: March 22, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RP07-178-000, issued March 22, 2007, 18 FERC ¶ 61,234

GENERAL TERMS AND CONDITIONS
(Continued)

55. RESERVATION OF CAPACITY

55.1 Reservation of Capacity for Service to Commence at a Future Date.

Seller may elect to enter into a prearranged deal with a creditworthy Buyer ("Prearranged Shipper") willing to execute a service agreement to start at a specific date up to three years in the future for service utilizing either currently available unsubscribed capacity or capacity expected to become available at some future date, provided such capacity is not subject to a right-of-first-refusal or the applicable Buyer does not exercise its right-of-first-refusal to retain the capacity. Seller will separately identify on lLine all capacity that is expected to become available within the next thirty-six months. Seller will not enter into any pre-arranged deals for capacity that has not previously been posted on lLine as available capacity.

- (a) As soon as the prearranged deal is entered into (but before capacity is actually awarded or reserved by an executed service agreement), Seller will post on lLine the prearranged deal as part of an open season bidding process in accordance with the provisions of Section 49 of these General Terms and Conditions to permit other parties an opportunity to bid on the capacity on a long-term basis. This open season bidding process will take place even if the capacity has already been subject to an open season and is currently posted as available. Any third party who meets Seller's creditworthiness standards, as set forth in Section 32 of these General Terms and Conditions, wishing to subscribe to the firm capacity, whether for service commencing immediately or in the future, can participate in the open season.
- (b) Bids will be evaluated on a net present value ("NPV") basis. Such evaluation shall take into account the time value of the delay in Seller's receiving revenue under a bid for firm service to commence in the future. If a competing bid for service to commence immediately, or in the future, provides a higher NPV than the prearranged deal, the Prearranged Shipper will have a one-time right to match the highest NPV bid by notifying Seller in writing within fifteen (15) business days of receiving Seller's notification of the best bid.
- (c) If the Prearranged Shipper matches the highest NPV bid, the Prearranged Shipper will be awarded the capacity; otherwise, the capacity will be awarded to the shipper providing the highest NPV bid. If the Buyer to whom the capacity is awarded meets all qualifications for service under the applicable rate schedule, Seller shall submit a service agreement to Buyer which sets forth the terms of such bid. Buyer shall execute the Service Agreement within thirty (30) days of receipt of the same.
- (d) Once capacity for service to commence in the future is reserved, Seller will make such capacity available on an interim basis in accordance with Section 49 of these General Terms and Conditions. A service agreement for capacity available on such interim basis shall not be eligible for a right of first refusal for purposes of Section 48 of these General Terms and Conditions.

55.2 Reservation of Capacity for Expansion Projects.

Seller may elect to reserve for a future expansion project any currently available unsubscribed capacity or capacity expected to become available at some future date, provided such capacity is not subject to a right-of-first-refusal or the applicable Buyer does not exercise its right-of-first-refusal to retain the capacity.

- ~~(a) Seller may reserve capacity only for a future expansion project for which an open season has been held or will be held within one year of the date Seller posts such capacity as being reserved. If Seller elects to reserve capacity for a future expansion project under this Section, such capacity may be reserved for up to two years prior to Seller filing for certificate approval for construction of the proposed expansion facilities, and thereafter until such expansion is placed into service.~~

GENERAL TERMS AND CONDITIONS
(Continued)

55. RESERVATION OF CAPACITY (Continued)

55.2 Reservation of Capacity for Expansion Projects (Continued)

- (a) Seller may reserve capacity only for a future expansion project for which an open season has been held or will be held within one year of the date Seller posts such capacity as being reserved. If Seller elects to reserve capacity for a future expansion project under this Section, such capacity may be reserved for up to ~~two years~~ one year prior to Seller filing for certificate approval for construction of the proposed expansion facilities, and thereafter until such expansion is placed into service.
- (b) Seller shall, on a limited-term basis up to the in-service date of the expansion project, make available any capacity reserved under this section in accordance with Section 49 of these General Terms and Conditions. A service agreement for capacity available on such interim basis shall not be eligible for a right of first refusal for purposes of Section 48 of these General Terms and Conditions.
- (c) Prior to reserving capacity for future expansion projects under this section, such capacity shall first have been made available in accordance with Section 49 of these General Terms and Conditions.
- (d) Subject to the foregoing, Seller may reserve capacity by means of a posting on lLine which shall include, without limitation:
 - (i) A description of the expansion project for which the capacity will be reserved;
 - (ii) The total quantity of capacity to be reserved;
 - (iii) The location of the proposed reserved capacity on Seller's system;
 - (iv) When Seller held or anticipates holding an open season in connection with the expansion project;
 - (v) The projected in-service date of the expansion project; and
 - (vi) On an ongoing basis, how much of the reserved capacity has been subscribed on an interim basis.
- (e) To the extent that capacity reserved pursuant to this Section 55.2 is not sufficient to satisfy the requirements of an expansion project, Seller shall conduct, no later than ninety (90) days after the close of an open season for such expansion project, a reverse open season setting forth not unduly discriminatory terms for the turn back of capacity. Capacity obtained through a reverse open season shall be reserved for an expansion project pursuant to the terms of this Section 55.2; provided, however, that the posting requirements of Section 55.2(c) shall not apply to that capacity.
- (f) Any capacity reserved for an expansion project that does not go forward for any reason shall be reposted as available capacity within 30 days of the date the capacity becomes available, except for capacity committed in service agreements entered into on an interim limited term basis.