



Transcontinental Gas Pipe Line
Corporation
2800 Post Oak Boulevard (77056)
P.O. Box 1396
Houston, Texas 77251-1396
713-215-2000

April 13, 2007

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

Attention: Kimberly D. Bose, Secretary

Reference: Transcontinental Gas Pipe Line Corporation
Negotiated Rate Filing
Docket No. RP96-359-_____

Ladies and Gentlemen:

Transcontinental Gas Pipe Line Corporation ("Transco") submits herewith for filing with the Federal Energy Regulatory Commission ("Commission") a copy of an executed service agreement containing a negotiated rate which pertains to Rate Schedule FT firm transportation service under Transco's Momentum Expansion Project ("Momentum").¹ The effective date of the agreement is January 1, 2011.

Statement of Nature, Reasons and Basis

The service agreement submitted herewith is the result of the permanent release² by Progress Ventures, Inc. ("Progress") of the capacity under a previously filed negotiated rate service agreement dated May 1, 2003 between Progress and Transco ("May 1, 2003 Agreement"). Progress permanently released to Southern Company Services, Inc. as agent for Southern Power Company ("Southern Company Services") the full 31,500 Dth per day Total Contract Quantity ("TCQ") remaining under the May 1, 2003 Agreement to be effective January 1,

¹ Transco's Momentum Expansion Project was approved by Commission order issued February 14, 2001 in Docket Nos. CP01-388-000 and CP01-388-001; as amended on April 10, 2003 in Docket No. CP01-388-002.

² The permanent release of capacity was performed in accordance with Section 42.14 of the General Terms and Conditions of Transco's FERC Gas Tariff.

2011.³ To effectuate the release, Transco and Southern Company Services have entered into a service agreement for 31,500 Dth per day of Momentum firm transportation service under Transco's Rate Schedule FT ("January 1, 2011 Agreement"). The January 1, 2011 Agreement includes a negotiated rate as set forth on Exhibit C thereto. Coincident with the effective date of the permanent release, the May 1, 2003 Agreement will terminate.

Accordingly, pursuant to the Commission's Alternative Rate Policy Statement,⁴ for which the Commission has approved tariff sheets under Transco's Rate Schedule FT that permit Transco to negotiate rates,⁵ and the Commission's order in Docket No. PL02-6-000 entitled "Modification of Negotiated Rate Policy,"⁶ Transco submits the Service Agreement for filing with the Commission. The Service Agreement includes the negotiated rate (the negotiated rate and all applicable charges), the exact legal name of the customer, the receipt and delivery points, the quantity of gas to be transported, the agreed-upon termination date, and the applicable rate schedule for the service.

Effective Date and Waivers

Transco respectfully requests that the Commission grant a waiver of Section 154.207 of the Commission's regulations and any other waivers that it may deem necessary to accept the January 1, 2011 Agreement as requested herein.

Materials Submitted Herewith

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

- (1) a proposed form of notice for the instant filing suitable for publication in the Federal Register, and a diskette copy of such notice labeled NT041307.ASC in accordance with Section 154.209 of the Commission's Regulations; and
- (2) an executed copy of the January 1, 2011 Agreement.

³ In a Letter Order issued on November 28, 2006, in Docket No. RP96-359-032, the Commission accepted an amendment effective November 1, 2006 reducing the TCQ under the May 1, 2003 Agreement from 75,000 Dth/day to 66,000 Dth/day pursuant to a permanent release by Progress. On March 29, 2007, Transco filed with the Commission, in Docket No. RP96-359-033, an amendment to the May 1, 2003 Agreement reducing the TCQ from 66,000 Dth/day to 31,500 Dth/day pursuant to three additional permanent releases by Progress effective April 1, 2007. An order accepting the latest amendment has not yet issued.

⁴ Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines and Regulation of Negotiated Transportation Services of Natural Gas Pipelines (Alternative Rate Policy Statement), 74 FERC ¶ 61,076 (1996), reh'g and clarification denied, 75 FERC ¶ 61,024 (1996), reh'g denied, 75 FERC ¶ 61,066 (1996).

⁵ Transcontinental Gas Pipe Line Corp., 76 FERC ¶ 61,318 (1996).

⁶ 104 FERC ¶ 61,134 (2003).

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 its affected customers and interested state commissions.

Any communications in regard to this filing should be sent to:

Scott C. Turkington
Director, Rates & Regulatory
Transcontinental Gas Pipe Line Corporation
P.O. Box 1396
Houston, Texas 77251

And copies should be mailed to:

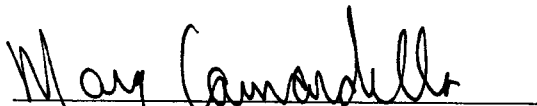
Julie Baumgarten
Senior Attorney
Transcontinental Gas Pipe Line Corporation
P.O. Box 1396
Houston, Texas 77251

and

Marshia Younglund
Manager, Federal Regulatory Affairs
The Williams Companies, Inc.
1627 Eye Street, N.W., Suite 900
Washington, D.C. 20006

Respectfully submitted,

TRANSCONTINENTAL GAS PIPE
LINE CORPORATION



Marg Camardello
Manager, Tariffs and Certificates
713-215-3380
marg.r.camardello@williams.com

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

In the Matter of)
)
Transcontinental Gas Pipe Line) Docket No. RP96-359-____
Corporation)

NOTICE OF FILING

Take notice that on April 13, 2007, Transcontinental Gas Pipe Line Corporation ("Transco" or "Applicant") tendered for filing with the Federal Energy Regulatory Commission ("Commission") a copy of an executed service agreement between Transco and Southern Company Services, Inc. as agent for Southern Power Company which includes a negotiated rate for firm transportation service under Transco's Momentum Expansion Project. The effective date of the agreement is January 1, 2011.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR §385.211 and §385.214). Protests 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. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed in accordance with the provisions of Section 154.210 of the Commission's regulations (18 CFR 154.210). Anyone filing an intervention or protest must serve a copy of that document on the Applicant. Anyone filing an intervention or protest on or before the intervention or protest date need not serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions 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 or intervention 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.

Kimberly D. Bose
Secretary

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Contract # 9049423

SERVICE AGREEMENT

between

TRANSCONTINENTAL GAS PIPE LINE CORPORATION

and

SOUTHERN COMPANY SERVICES, INC. AS AGENT FOR
SOUTHERN POWER COMPANY

SERVICE AGREEMENT

THIS AGREEMENT entered into this 20th day of March, 2007, by and between TRANSCONTINENTAL GAS PIPE LINE CORPORATION, a Delaware corporation, hereinafter referred to as "Seller," first party, and SOUTHERN COMPANY SERVICES, INC. AS AGENT FOR SOUTHERN POWER COMPANY, hereinafter referred to as "Buyer," second party,

WITNESSETH

WHEREAS, Seller owns and operates an interstate gas pipeline system; and

WHEREAS, Seller and Progress Ventures, Inc. are parties to a Service Agreement, effective May 1, 2003, as amended November 1, 2006 and April 1, 2007 (Seller's contract number 9002595), under Seller's Rate Schedule FT, pursuant to which Seller provides firm transportation service under Seller's Momentum Expansion Project of up to a Transportation Contract Quantity of 31,500 dt per day through Seller's pipeline system; and

WHEREAS, pursuant to Section 42 of the General Terms and Conditions of Seller's FERC Gas Tariff, Progress Ventures, Inc. has permanently relinquished and released to Buyer 31,500 dt per day of the Transportation Contract Quantity under that Service Agreement effective as of January 1, 2011; and

WHEREAS, Buyer has agreed to such permanent capacity release and is willing to assume all rights and obligations of Progress Ventures, Inc. for the 31,500 dt per day of Transportation Contract Quantity pursuant to the terms and conditions of this agreement.

NOW, THEREFORE, Seller and Buyer agree as follows:

ARTICLE I
GAS TRANSPORTATION SERVICE

1. Subject to the terms and provisions of this agreement and of Seller's Rate Schedule FT, Buyer agrees to deliver or cause to be delivered to Seller gas for transportation and Seller agrees to receive, transport and redeliver natural gas to Buyer or for the account of Buyer, on a firm basis, up to a Transportation Contract Quantity ("TCQ") of 31,500 dt per day.

2. Transportation service rendered hereunder shall not be subject to curtailment or interruption except as provided in Section 11 and, if applicable, Section 42 of the General Terms and Conditions of Seller's FERC Gas Tariff.

ARTICLE II
POINT(S) OF RECEIPT

Buyer shall deliver or cause to be delivered gas at the point(s) of receipt hereunder at a pressure sufficient to allow the gas to enter Seller's pipeline system at the varying pressures that may exist in such system from time to time; provided, however, the pressure of the gas delivered or caused to be delivered by Buyer shall not exceed the maximum operating pressure(s) of Seller's pipeline system at such point(s) of receipt. In the event the maximum operating pressure(s) of Seller's pipeline system, at the point(s) of receipt hereunder, is from time to time increased or decreased, then the maximum allowable pressure(s) of the gas delivered or caused to be delivered by Buyer to Seller at the point(s) of receipt shall be correspondingly increased or decreased upon written notification of Seller to Buyer. The point(s) of receipt for natural gas received for transportation pursuant to this agreement shall be:

See Exhibit A, attached hereto, for points of receipt.

ARTICLE III
POINT(S) OF DELIVERY

Seller shall redeliver to Buyer or for the account of Buyer the gas transported hereunder at the following point(s) of delivery and at a pressure(s) of:

See Exhibit B, attached hereto, for points of delivery and pressures.

ARTICLE IV
TERM OF AGREEMENT

This agreement shall be effective as of January 1, 2011 and shall remain in force and effect until 9:00 a.m. Central Clock Time May 1, 2018 and thereafter until terminated by Seller or Buyer upon at least one (1) year written notice; provided, however, this agreement shall terminate immediately and, subject to the receipt of necessary authorizations, if any, Seller may discontinue service hereunder if (a) Buyer, in Seller's reasonable judgment fails to demonstrate credit worthiness, and (b) Buyer fails to provide adequate security in accordance with Section 32 of the General Terms and Conditions of Seller's Volume No. 1 Tariff. As set forth in Section 8 of Article II of Seller's August 7, 1989 revised Stipulation and Agreement in Docket Nos. RP88-68 et.al., (a) pregranted abandonment under Section 284.221(d) of the Commission's Regulations shall not apply to any long term conversions from firm sales service to transportation service under Seller's Rate Schedule FT and (b) Seller shall not exercise its right to terminate this service agreement as it applies to transportation service resulting from conversions from firm sales service so long as Buyer is willing to pay rates no less favorable than Seller is otherwise able to collect from third parties for such service.

ARTICLE V
RATE SCHEDULE AND PRICE

1. Buyer shall pay Seller for natural gas delivered to Buyer hereunder in accordance with Seller's Rate Schedule FT and the applicable provisions of the General Terms and Conditions of Seller's FERC Gas Tariff as filed with the Federal Energy Regulatory Commission, and as the same may be legally amended or superseded from time to time. Such Rate Schedule and General Terms and Conditions are by this reference made a part hereof. In the event Buyer and Seller mutually agree to a negotiated rate pursuant to the provisions in Section 53 of the General Terms and Conditions and specified term for service hereunder, provisions governing such negotiated rate (including surcharges) and term shall be set forth on Exhibit C to the service agreement.

2. Seller and Buyer agree that the quantity of gas that Buyer delivers or causes to be delivered to Seller shall include the quantity of gas retained by Seller for applicable compressor fuel, line loss make-up (and injection fuel under Seller's Rate Schedule GSS, if applicable) in providing the transportation service hereunder, which quantity may be changed from time to time and which will be specified in the currently effective Sheet No. 44 of Volume No. 1 of this Tariff which relates to service under this agreement and which is incorporated herein.

3. In addition to the applicable charges for firm transportation service pursuant to Section 3 of Seller's Rate Schedule FT, Buyer shall reimburse Seller for any and all filing fees incurred as a result of Buyer's request for service under Seller's Rate Schedule FT, to the extent such fees are imposed upon Seller by the Federal Energy Regulatory Commission or any successor governmental authority having jurisdiction.

ARTICLE VI
MISCELLANEOUS

1. This Agreement supersedes and cancels as of the effective date hereof the following contract(s) between the parties hereto: None

2. No waiver by either party of any one or more defaults by the other in the performance of any provisions of this agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.

3. The interpretation and performance of this agreement shall be in accordance with the laws of the State of Texas, without recourse to the law governing conflict of laws, and to all present and future valid laws with respect to the subject matter, including present and future orders, rules and regulations of duly constituted authorities.

4. This agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Notices to either party shall be in writing and shall be considered as duly delivered when mailed to the other party at the following address:

(a) If to Seller:
Transcontinental Gas Pipe Line Corporation
P. O. Box 1396
Houston, Texas 77251
Attention: Director - Customer Services

(b) If to Buyer:
Southern Power Company
600 North 18th Street
Birmingham, Alabama 35203
Attention: Alan Kilpatrick

Such addresses may be changed from time to time by mailing appropriate notice thereof to the other party by certified or registered mail.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed by their respective officers or representatives thereunto duly authorized.

TRANSCONTINENTAL GAS PIPE LINE CORPORATION
(Seller)

By: Paul F. Egner III
Paul F. Egner III
Director, Customer Services

SOUTHERN COMPANY SERVICES, INC. AS AGENT FOR
SOUTHERN POWER COMPANY
(Buyer)

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JFB*

By: JL Wallace 3/15/07
Print Name: J L WALLACE
Title: Vice President

*JFB
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EXHIBIT A

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ATTACHED AND MADE PART OF THAT SERVICE AGREEMENT BY AND BETWEEN TRANSCONTINENTAL GAS PIPE LINE CORPORATION, AS SELLER, AND SOUTHERN COMPANY SERVICES, INC. AS AGENT FOR SOUTHERN POWER COMPANY, AS BUYER, DATED March 20, 2007.

<u>Point(s) of Receipt</u>	<u>Maximum Daily Quantity at each Receipt Pt. (D/d)¹</u>
Seller's Compressor Station 65 at the existing point of interconnection between Seller's Southeast Louisiana lateral and Seller's mainline in St. Helena Parish, LA.	3,000
Point of interconnection between Seller's mainline system and Destin Pipeline at milepost 756.860 in Clarke County, MS.	28,500

¹ These quantities do not include the additional quantities of gas retained by Seller for applicable compressor fuel and line loss make-up provided for in Article V, 2 of this Service Agreement, which are subject to change as provided for in Article V, 2 hereof.

EXHIBIT B

27 0027 001

ATTACHED AND MADE PART OF THAT SERVICE AGREEMENT BY AND BETWEEN TRANSCONTINENTAL GAS PIPE LINE CORPORATION, AS SELLER, AND SOUTHERN COMPANY SERVICES, INC. AS AGENT FOR SOUTHERN POWER COMPANY, AS BUYER, DATED March 20, 2007.

<u>Point(s) of Delivery and Pressures</u>	<u>Maximum Daily Quantity at each Delivery Pt. (Dt/d)²</u>
PSNC Dan River Meter Station located at milepost 1382.53 on Seller's main transmission line in Rockingham County, NC.	3,000
Seller's Compressor Station 165 at milepost 1412.99 on Seller's mainline in Pittsylvania County, VA.	28,500

² Deliveries to or for the account of Shipper at the delivery point(s) shall be subject to the limits of the Delivery Point Entitlement ("DPEs") of the entities receiving the gas at the delivery points, as such DPE's are set forth in Seller's FERC Gas Tariff, as amended from time to time.

EXHIBIT C

ATTACHED AND MADE PART OF THAT SERVICE AGREEMENT BY AND BETWEEN TRANSCONTINENTAL GAS PIPE LINE CORPORATION, AS SELLER, AND SOUTHERN COMPANY SERVICES, INC. AS AGENT FOR SOUTHERN POWER COMPANY, AS BUYER, DATED March 20, 2007.

Specification of Negotiated Rate and Term

During the 7-year, 4-month primary term of this agreement, Buyer shall pay a negotiated daily reservation rate of \$0.35 per dt for firm transportation from Seller's Station 65 in St Helena Parish, Louisiana, or from secondary receipt points located in Seller's Rate Zone 3 upstream of Station 65, to mainline delivery points in North Carolina ("Station 65 Rate") and \$0.30 per dt for firm transportation from Seller's Destin interconnect in Clarke County, Mississippi, or from receipt points located downstream of the Destin interconnect or secondary receipt points located in Seller's Rate Zone 4 upstream of the Destin interconnect, to mainline delivery points in Seller's Rate Zone 5 upstream of the discharge side of Seller's Station 165 ("Destin Rate").

In addition to the negotiated daily reservation rate, Buyer shall be responsible for compressor fuel and line loss make-up retention and shall pay the electric power charges and all applicable surcharges for Seller's Rate Schedule FT service to Shipper under the Momentum Expansion Project as approved by the FERC. The fuel and line loss make-up retention, electric power charges and applicable surcharges are subject to change from time to time as approved by the FERC.