



Gas Pipeline – Transco  
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713/215-4060

June 20, 2008

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

Attention: Kimberly D. Bose, Secretary

Reference: Transcontinental Gas Pipe Line Corporation  
Potomac Expansion Project  
Docket No. CP06-421-002

Ladies and Gentlemen:

Transcontinental Gas Pipe Line Corporation (“ Transco”) herewith submits for filing Ninth Revised Sheet No. 40N for inclusion in its FERC Gas Tariff, Third Revised Volume No. 1. The proposed effective date of such tariff sheet is July 23, 2008.

**Statement of Nature, Reasons and Basis**

On August 17, 2007 Transco filed an application to amend the certificate of public convenience and necessity (“ August 17 Amendment”) for its Potomac Expansion Project (“ Potomac”). The purpose of the application was to seek authorization to amend the Potomac certificate to : (i) revise the estimated cost of the Potomac facilities that were anticipated to be in-service November 1, 2007; (ii) include in the cost of Potomac the estimated cost associated with the facility modifications in Fairfax County, Virginia required by the Commission (the piggable “ Y” facilities); (iii) revise the initial recourse rates for Potomac to reflect the increased cost of the Potomac facilities; and (iv) phase-in the initial recourse rates for Potomac to reflect the cost of the Potomac facilities to be placed into service on November 1, 2007 and the additional costs associated with the piggable “ Y” facilities that were expected to be placed into service by October 1, 2008. On October 5, 2007, the Commission issued an order (“ October 5 Order”) accepting the amended application.<sup>1</sup> The October 5 Order required, among other things, that Transco

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<sup>1</sup> Transcontinental Gas Pipe Line Corp., 121 FERC ¶ 61,021 (2007).

file actual tariff sheets no earlier than 60 days, and no later than 30 days, prior to the date the facilities go into service. Transco is submitting herewith the tariff sheet which sets forth the incremental recourse rates for "Phase 2" of Potomac. The firm transportation rates contained in the instant filing are the same rates reflected in Exhibit P to the August 17 Amendment.

Although the Potomac Phase 2 targeted in-service date stated in the August 17 Amendment was October 1, 2008, the in-service date may occur as early as July 23, 2008. Therefore, to ensure compliance with the October 5 Order, the instant filing is submitted 30 days in advance of the earliest potential in-service date of the project. Transco will commence billing for Potomac Phase 2 beginning on the actual in-service date of the facilities as authorized by the Commission.

#### **Proposed Effective Date**

Transco requests that the tariff sheet submitted herein be made effective July 23, 2008, the earliest potential in-service date of Potomac Phase 2. In the event the Commission elects to accept and suspend the tariff sheet submitted herein, in accordance with the provisions of Section 154.7 (a)(9) of the Commission's regulations, Transco moves to place such tariff sheet into effect at the end of the applicable suspension period.

#### **Materials Submitted Herewith**

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

- (1) The revised tariff sheet and a redline version of such tariff sheet submitted in the instant filing in accordance with the provision under Section 154.201(a) of the Regulations; and
- (2) As required by Section 154.4 of the Regulations, a diskette copy of the revised tariff sheet labeled TF062008.ASC.

#### **Posting and Certification of Service**

In accordance with the provisions of Section 154.2(d) of the 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, interested State Commissions, and other interested parties.

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Any communications regarding this filing should be sent to:

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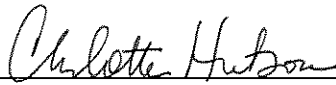
And copies should be mailed to:

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Respectfully submitted,

TRANSCONTINENTAL GAS PIPE LINE CORPORATION

By   
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FIRM TRANSPORTATION SERVICE RATES  
 UNDER RATE SCHEDULE FT APPLICABLE TO  
 POTOMAC EXPANSION PROJECT  
 FIRM TRANSPORTATION SERVICE

Incremental Potomac Annual Firm Transportation  
 -----

	Maximum Daily Rate ----- (\$)	Minimum Daily Rate ----- (\$)
Reservation Rate per dt - Zone 5-5:		
Base Rate	0.28628	0.00000
Electric Power Unit Rate	0.00078	0.00078
Total Reservation Rate	0.28706	0.00078
Reservation Rate per dt - Zone 5-6:		
Base Rate	0.28628	0.00000
Electric Power Unit Rate	0.00127	0.00127
Total Reservation Rate	0.28755	0.00127

Commodity Rate per dt:

Receipt & Delivery Zone -----	Base Rate ----- (\$)	Elec. Power Unit Rate ----- (\$)	Max. Rate (1) ----- (\$)	Min. Rate (1) ----- (\$)
5-5	0.00000	0.00267	0.00267	0.00267
5-6, 6-5	0.00000	0.00429	0.00429	0.00429
6-6	0.00000	0.00162	0.00162	0.00162

Footnotes:

(1) The Base Rate plus the Electric Power unit rate.

Notes:

- a. The minimum reservation rate applicable to capacity release transactions that are not permanent releases shall not be less than zero.
- b. Pursuant to Section 27 of the General Terms and Conditions, the above charges shall be increased to include the ACA unit rate of \$0.00190, if applicable.
- c. The commodity rate applies to upstream or downstream transactions on Buyer's primary or reverse path.

FIRM TRANSPORTATION SERVICE RATES  
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 -----

	Maximum Daily Rate ----- (\$)	Minimum Daily Rate ----- (\$)
Reservation Rate per dt - Zone 5-5:		
Base Rate	0.27925	0.00000
	<u>0.28628</u>	
Electric Power Unit Rate	0.00078	0.00078
	-----	-----
Total Reservation Rate	0.28003	0.00078
	<u>0.28706</u>	
Reservation Rate per dt - Zone 5-6:		
Base Rate	0.27925	0.00000
	<u>0.28628</u>	
Electric Power Unit Rate	0.00127	0.00127
	-----	-----
Total Reservation Rate	0.28052	0.00127
	<u>0.28755</u>	

Commodity Rate per dt:

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