



Gas Pipeline – Transco
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August 31, 2005

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

Attention: Magalie R. Salas, Secretary

Reference: Transcontinental Gas Pipe Line Corporation
Maiden Delivery Lateral Expansion Project

Ladies and Gentlemen:

Pursuant to section 4 of the Natural Gas Act, 15 U.S.C. §717c, and Part 154 of the regulations of the Federal Energy Regulatory Commission (Commission), Transcontinental Gas Pipe Line Corporation (Transco) hereby submits for filing Eighth Revised Sheet No. 40Z to its FERC Gas Tariff, Third Revised Volume No. 1. The proposed effective date of the attached tariff sheet is October 1, 2005.

Statement of Nature, Reasons and Basis

On January 10, 1997, Transco filed an application for a certificate authorizing Transco's 1997 Maiden Lateral Expansion Project (Maiden) in Docket No CP97-193-000. Specifically, Transco requested authorization to construct and operate certain pipeline facilities on Transco's existing Maiden Delivery Lateral in order to enable a larger portion of Piedmont Natural Gas Company's (Piedmont) existing authorized transportation quantities to be delivered to Piedmont through the lateral. Transco also requested approval of an initial reservation rate surcharge based on the costs of the expansion, the methodology for which was set forth in Exhibit P to the application. Among other things, Exhibit P included a provision requiring Transco to file to adjust the surcharge effective no later than three years from the date of the last adjustment, to reflect changes in the reserve for depreciation, deferred income taxes, associated state and federal income taxes, and firm transportation billing determinants under the firm transportation service agreements between Transco and Piedmont, if Transco has not placed into effect a general change in system rates pursuant to a rate proceeding under the NGA within any three-year period during the term of the surcharge. On May 30, 1997, the Commission issued a "Preliminary

Determination on Non-Environmental Issues”¹ approving Transco’s proposed initial reservation rate surcharge and the surcharge methodology, subject to recalculation in accordance with the parties’ agreement. The Commission issued an “Order Issuing Certificate and Granting Clarification” on August 12, 1997 (August 12 Order), which incorporated the findings of the Preliminary Determination and granted final authorization for the Maiden Project².

Transco has not placed into effect a general change in system rates since October 1, 2002. Therefore, in order to comply with the approved reservation rate surcharge methodology, Transco is including in the instant filing an adjustment to the maximum daily rate from \$0.00786 to \$0.00685 to reflect the required changes. Also, Transco has added a footnote to the tariff sheet that clarifies the application of the Maiden Surcharge regarding permanent releases consistent with the August 12 Order.

Proposed Effective Date

The revised tariff sheet submitted herein is proposed to be effective October 1, 2005. In the event the Commission elects to accept and suspend the revised tariff sheet submitted herein, in accordance with the provisions of Section 154.7(a)(9) of the Commission’s Regulations (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) 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 NT083105.ASC;
- (2) Appendix A which contains the revised tariff sheet and a redlined version of such tariff sheet, in accordance with the provisions of Section 154.201(a) of the Regulations;
- (3) As required by Section 154.4 of the Regulations, a diskette copy of the revised tariff sheet labeled TF083105.ASC; and
- (4) Appendix B which contains the details of Maiden’s cost of service and the calculation of the revised Maiden surcharge.

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 and interested State Commissions.

¹ Transcontinental Gas Pipe Line Corporation, 79 FERC 61,276 (1997)

² Transcontinental Gas Pipe Line Corporation, 80 FERC 61,225 (1997)

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August 31, 2005
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Any communications regarding this filing should be sent to:

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Respectfully submitted,
TRANSCONTINENTAL GAS PIPE LINE CORPORATION

/s/ Charlotte Hutson

By _____
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UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Transcontinental Gas Pipe Line Corporation

Docket No. RP -

Notice of Proposed Changes in FERC Gas Tariff
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Take notice that on August 31, 2005, Transcontinental Gas Pipe Line Corporation (Transco) tendered for filing as part of its FERC Gas Tariff, Third Revised Volume No. 1, Eighth Revised Sheet No. 40Z, to become effective October 1, 2005.

Transco states that the purpose of the instant filing is to reflect rate changes to its Maiden Lateral Expansion Project (Maiden). Such rate changes are due to a provision in Exhibit P of Maiden's certificate filing which requires Transco to file to adjust the surcharge effective no later than three years from the date of the last adjustment.

Included in Appendix B attached to the filing are the details of Maiden's Cost of Service and the calculation of the revised Maiden Surcharge.

Transco states that copies of the filing are being mailed to its affected customers and interested State Commissions.

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.

Magalie R. Salas
Secretary

Appendix A

FIRM TRANSPORTATION SERVICE RATES
APPLICABLE TO TRANSPORTATION RENDERED PURSUANT TO
RATE SCHEDULE FT AND PART 284 OF THE REGULATIONS OF THE FERC
RESERVATION RATE SURCHARGES

Maiden Delivery Lateral

The following reservation rate surcharge shall apply each month to Piedmont Natural Gas Company's (Piedmont) contract demand entitlements under its firm transportation agreements that provide the ability to deliver gas to Piedmont's city-gate delivery points (1):

	Maximum Monthly Rate ----- (\$)	Maximum Daily Rate ----- (\$)	Minimum Rate ----- (\$)
Reservation Rate Surcharge per dt	0.20842	0.00685	0.00000

Note: (1) To the extent that any third party permanently assumes any firm transportation agreement(s) to which the reservation surcharge applies, such surcharge shall be paid by that third party.

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	Maximum Monthly Rate ----- (\$)	Maximum Daily Rate ----- (\$)	Minimum Rate ----- (\$)
Reservation Rate Surcharge per dt	0. 23901 <u>20842</u>	0. 00786 <u>00685</u>	0.00000

Note: (1) To the extent that any third party permanently assumes any firm transportation agreement(s) to which the reservation surcharge applies, such surcharge shall be paid by that third party.

Appendix B

Transcontinental Gas Pipe Line Corporation
Maiden Lateral Expansion Cost of Service and Surcharge Rate
Effective October 1, 2005

Line No.	Description (A)	RP01-245 Amount (B)	Revised Amount (C)	Difference (D)
		\$	\$	\$
<u>Cost of Service:</u>				
1	Operation and Maintenance Expense (Fixed Amount)	150,077	150,077	-
2	Depreciation Expense @ 5.0%	498,049	498,049	-
3	Taxes Other Than Income Taxes @ 1.0% of Gross Plant	99,610	99,610	-
4	Return and Income Taxes	1,042,562	813,635	(228,927)
5	Revenue Credits	(1,800)	(1,800)	-
6	Total Cost of Service	<u>1,788,498</u>	<u>1,559,571</u>	<u>(228,927)</u>
 <u>Billing Determinants:</u>				
		Quantity Dt	Quantity Dt	
7	Demand Billing Determinants for Piedmont's contracts 1/			
8	FT - 376,016 * 12	4,512,192	4,512,192	
9	FT (Incr. M/I) - 6,440 * 12	77,280	77,280	
10	FT (FTNT) - 13,232 * 12	158,784	158,784	
11	FT (PS) - 3,009 * 12	36,108	36,108	
12	FT(SE94, SE95/96) - 129,485 * 12	1,553,820	1,553,820	
13	FT (Sunbelt) - 41,400 * 12	496,800	496,800	
14	FT (SEP) - 72,502 * 3	217,506	217,506	
15	- 72,502 * 90% * 2	130,504	130,504	
16	Demand Billing Determinants for Amerada Hess contract 2/			
17	FT - 24,985 * 12	<u>299,820</u>	<u>299,820</u>	
18	Total Billing Determinant:	<u>7,482,814</u>	<u>7,482,814</u>	
 <u>Rate Calculation:</u>				
19	Demand Surcharge Rate per Dth per Month: Line 6 / Line 18	<u>\$ 0.23901</u>	<u>\$ 0.20842</u>	<u>\$ (0.03059)</u>
20	Demand Surcharge Rate per Dth per Day: Line 19 x 12 / 365	<u>\$ 0.00786</u>	<u>\$ 0.00685</u>	<u>\$ (0.00101)</u>

1/ Includes contracts acquired and consolidated from North Carolina Natural Gas, North Carolina Gas Service and United Cities-South Carolina.

2/ Piedmont permanently released their FT-Nipps SE contract to Amerada Hess effective April 1, 2002. To the extent that any third party permanently assumes any firm transportation agreement(s) to which the reservation surcharge applies, such surcharge shall be paid by that third party.

TRANSCONTINENTAL GAS PIPE LINE CORPORATION
Maiden Lateral Rate Base, Return and Federal and State Income Taxes
For The 12 Months Ending 09/30/05

Line No.	Description (A)	Amount (B) \$
	<u>Rate Base and Return:</u>	
1	Cost Of Plant	9,960,971
2	Accumulated Provision for Depreciation	<u>(3,411,884)</u>
3	Net Plant	6,549,087
4	Working Capital @ 1% of Gross Plant	99,610
5	Deferred Income Taxes	1/ <u>(1,372,203)</u>
6	Rate Base	<u><u>5,276,494</u></u>
7	Pretax Return	2/ <u><u>813,635</u></u>

1/ An adjustment to deferred income taxes is not necessary as it is based on an allocatic included in Transco's Docket No. RP01-245 Stipulation and Agreement as approved by the Commission on July 23, 2002 (100 FERC ¶61,085).

2/ Pretax Return of 15.42% as calculated from Transco's approved Stipulation and Agreement in Docket No. RP01-245.