



Gas Pipelines - Transco
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713/215-2000

September 25, 2006

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

Attention: Ms. Magalie R. Salas, Secretary

Re: Transcontinental Gas Pipe Line Corporation
Docket No. RP01-245-016

Ladies and Gentlemen:

Pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. § 385.602, Transcontinental Gas Pipe Line Corporation ("Transco") hereby submits an original and fourteen (14) copies of a "Stipulation and Agreement" ("Agreement") in the above referenced proceeding. Pursuant to Rule 602(b)(2), Transco respectfully requests that the Secretary transmit the Agreement to Administrative Law Judge Edward M. Silverstein, the presiding judge in the docket referenced above. Pursuant to Rules 602(f)(2) and 2007, the date for filing initial comments on the Agreement is October 16, 2006 and the date for filing reply comments is October 25, 2006.

In accordance with Rule 602(c)(1), Transco submits the following separate Explanatory Statement and the attached Agreement, including the Appendices attached thereto.

A. EXPLANATORY STATEMENT

On April 12, 2002, Transco filed a Stipulation and Agreement in Docket Nos. RP01-245, et al. The Commission approved the April 12, 2002 Stipulation and Agreement by letter order issued July 23, 2002.¹ Article VII of the April 12, 2002 Stipulation and Agreement sets forth 14 issues that the participants reserved for resolution pursuant to hearing or further settlement. Among those reserved issues are:

¹ Transcontinental Gas Pipe Line Corp., 100 FERC ¶ 61,085 (2002).

8. the issue of the allocation of certain storage costs between and among storage and transportation services presented in the prepared testimony filed on November 15, 2001 on behalf of the Commission Staff; Indicated Shippers; Atlanta Gas Light Company, Public Service Electric & Gas Company, the KeySpan Delivery Companies, Virginia Natural Gas, Inc., and Washington Gas Light Company; and Northeast Energy Associates, a Limited Partnership, North Jersey Energy Associates, a Limited Partnership, and Cherokee County Cogeneration Partners, L.P., the resolution of such issue to be effective prospectively only after a final Commission order no longer subject to rehearing;
9. issues related to the unbundling of Emergency Eminence Storage Withdrawal Service presented in the prepared testimony filed on November 15, 2001 on behalf of the Commission Staff; and Atlanta Gas Light Company, Public Service Electric & Gas Company, the KeySpan Delivery Companies, Virginia Natural Gas, Inc. and Washington Gas Light Company, the resolution of such issues to be effective prospectively only after a final Commission order no longer subject to rehearing.

April 12, 2002 Stipulation and Agreement, Article VII, Section A, subsections 8 and 9, pp. 30-31 (hereinafter the “Storage Cost Allocation Issue” and the “Emergency Eminence Unbundling Issue,” respectively).

Following the Commission’s approval of the April 12, 2002 Stipulation and Agreement, the Commission issued several orders addressing, among other things, the Storage Cost Allocation Issue and the Emergency Eminence Unbundling Issue. A detailed procedural history of these two reserved issues is set forth in the Agreement. Most recently, on May 30, 2006, the Commission issued its “Order on Rehearing, Remanding Issue for Further Hearing and Establishing Technical Conference” in which the Commission remanded for further evidentiary hearing the Storage Cost Allocation Issue in order to develop a just and reasonable methodology to allocate the costs of each of Transco’s storage facilities between storage and transportation service.² The Commission also clarified its decision on the Emergency Eminence Unbundling Issue, and ordered Transco to break the existing FT shippers’ bundled FT contracts into an Emergency Eminence Service contract and an unbundled FT contract. *Id.* at P 12.

² Transcontinental Gas Pipe Line Corp., 115 FERC ¶61,268 (2006) (“May 30 Order”).

A prehearing conference on the remanded aspects of the Storage Cost Allocation Issue was held on June 8, 2006. Subsequently, the participants convened several times to explore possible settlement of the remanded matter. Those discussions were expanded to include the Emergency Eminence Unbundling Issue and ultimately resulted in the instant Agreement, which sets forth the participants' agreed resolution of these two reserved issues.

Article I of the Agreement provides that the participants agree to settle and resolve reserved issue numbers 8 and 9 of the April 12, 2002 Stipulation and Agreement. Section A of Article I provides that Transco shall volumetrically allocate a fixed amount of the respective annual costs of service of the Rate Schedules WSS, GSS (Transco owned and purchased from Dominion), LSS (Dominion and National Fuel), SS-2 (National Fuel) and S-2 (Texas Eastern) storage services to Transco's system transportation, incremental transportation and the transportation component of the bundled storage services (Rate Schedules GSS, LSS and SS-2). Section A also addresses the duration of the resolution of the Storage Cost Allocation Issue, and how any change in the costs incurred from upstream providers will be handled.

Section B of Article I provides that Transco shall remove from its cost of service the cost of service of the Hester Storage Field as of the effective date of the Agreement. This provision does not affect Transco's right to seek recovery of the Hester Asset Retirement Obligation (ARO) costs in Transco's NGA Section 4 general rate filing of August 31, 2006, in Docket No. RP06-569. Further, the Agreement does not limit participants' rights to take any position in that proceeding with respect to the Hester ARO costs.

Section C of Article I states that Transco has provided to each Rate Schedule FT customer that is currently eligible for Emergency Eminence service an allocation of its proportionate share of the Emergency Eminence service capacity, as set forth in Appendix A attached to the Agreement. Each eligible Rate Schedule FT customer has elected: 1) to turn back to Transco, in whole or in part, its allocated share of the Emergency Eminence capacity; 2) to convert, in whole or in part, its allocated share of the Emergency Eminence capacity to Eminence Storage Service ("ESS") under Transco's Part 284 Rate Schedule ESS; or 3) to retain, in whole or in part, its allocated share of the Emergency Eminence capacity for service under a new Rate Schedule Emergency Eminence Storage Withdrawal Service ("EESWS"), with the same term and notice provisions as the underlying FT contracts from which the Emergency Eminence service was unbundled. The results of these elections are set forth in Appendix B attached to the Agreement. Appendix C attached to the Agreement contains *pro forma* tariff sheets setting forth the terms of the new Rate Schedule EESWS, the associated form of service agreement, and necessary, conforming changes to Transco's FERC Gas Tariff. Each eligible customer that has elected to convert its allocated Emergency Eminence entitlement to ESS or EESWS service agrees to execute a service agreement under the applicable rate schedule, effective as of the effective date of the Agreement.

Pursuant to Section D of Article I, the participants agree that Transco shall retain for purposes of system flexibility the Emergency Eminence allocations that eligible customers have elected to turn back to Transco. The cost of service associated with this turned-back capacity will be allocated among system transportation, incremental transportation and the transportation component of the bundled storage services in the same manner prescribed by Article I, Section A. Should additional Eminence capacity be turned back to Transco during the effectiveness of the Agreement, Transco may elect to retain such capacity for system flexibility and to seek recovery of the associated costs in rates through a filing under Section 4 of the NGA. In the event that Transco seeks recovery in rates of the costs of more than 2.5 Bcf of additional turned-back capacity (i.e., additional to the capacity specified in the Agreement), all parties will have the right to propose changes in the storage cost allocation established by the Agreement.

Articles II and III of the Agreement are provisions governing standard reservations, approval by the Commission and effectiveness of the Agreement. Article III of the Agreement provides that it shall become effective and binding on the later of (i) March 1, 2007, or (ii) the first day of the first month commencing at least 30 days after a Commission order approving this Agreement as to all its terms and conditions without material modification becomes no longer subject to rehearing.

B. PROCEDURES AND COMMENTS

Pursuant to Rule 602(b)(2), Transco respectfully requests that the instant Agreement be transmitted forthwith to Presiding Administrative Law Judge Edward M. Silverstein, the presiding judge in the docket referenced above. Pursuant to Rule 602(d)(2), Transco hereby notifies the persons and participants served with this Agreement that the date for the filing of initial comments on the Agreement, as determined under Rules 602(f)(2) and 2007, is October 16, 2006, and the date for the filing of reply comments, as determined under Rule 602(f)(2), is October 25, 2006.

C. INFORMATION TO BE PROVIDED WITH SETTLEMENT AGREEMENTS

In accordance with the Chief Administrative Law Judge's Notice to the Public issued October 15, 2003 (as revised by notice dated October 23, 2003), regarding information to be provided with proposed settlement agreements, Transco submits the following:

1. Issues Underlying the Settlement and Major Implications

The Agreement resolves reserved issue numbers 8 and 9 from the April 12, 2002 Stipulation and Agreement filed with the Commission in Docket Nos. RP01-245, et al.

2. Whether Any Issues Raise Policy Implications

It is Transco's view that the Agreement does not present any policy implications for the Commission.

3. Whether Any Other Pending Cases May Be Affected

Transco submits that one pending proceeding will be affected: the NGA Section 4 general rate proceeding filed by Transco on August 31, 2006 in Docket No. RP06-569. The only effect on that proceeding, however, will be that Transco will reflect the resolution of the Storage Cost Allocation Issue and the Emergency Eminence Unbundling Issue in its rates to become effective in Docket No. RP06-569 after any suspension period the Commission may prescribe in that docket.

4. Whether the Settlement Involves Issues of First Impression or Previous Reversals of the Issues Involved

The Agreement does not involve issues of first impression. There have been no known reversals on the issues involved in the Agreement.

5. The Applicable Standard of Review

Transco believes that the standard that governs the Commission's approval of this Agreement in this proceeding is whether the Agreement is fair and reasonable and in the public interest, as set forth in 18 C.F.R. § 385.602. To the extent the Commission, after approval of the Agreement, considers any change to any then effective provision(s) of the Agreement, Transco believes that the standard of review for any such proposed change shall be the "public interest" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Serv. Co., 350 U.S. 332 (1956) and Fed. Power Comm'n v. Sierra Pacific Power Co., 350 U.S. 348 (1956).

D. WAIVERS

Although Transco is not aware of any specific waivers of the Commission's regulations that are required for approval of the Agreement, Transco respectfully requests that the Commission waive any provisions of its regulations of which the Commission may deem to be necessary for approval of the Agreement as proposed.

E. SERVICE

The Agreement is this day being served pursuant to Rule 602(d)(1) upon all participants listed on the official service list in the referenced proceeding maintained by the Secretary of the Commission, other interested parties, and upon all persons who were required to be served with Transco's rate filing which initiated the captioned proceeding.

Federal Energy Regulatory Commission
Docket No. RP01-245-016
September 25, 2006
Page 6 of 6

F. DRAFT ORDER

Pursuant to the Chief Administrative Law Judge's December 8, 1999 "Notice to the Public", Transco has included a draft Commission letter order approving the Agreement and a diskette containing the draft order in Microsoft Word format.

Respectfully submitted,

TRANSCONTINENTAL GAS PIPE LINE
CORPORATION

A handwritten signature in black ink, appearing to read "Julie BA", is written over a horizontal line.

Julie Baumgarten
Senior Attorney
Post Office Box 1396
Houston, Texas 77251
(713) 215-2344

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

In the Matter of)	
)	
Transcontinental Gas Pipe Line)	Docket Nos. RP01-245-000
Corporation)	RP01-245-016
)	(remand)
)	
)	

STIPULATION AND AGREEMENT

Pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. §385.602, Transcontinental Gas Pipe Line Corporation (“Transco”) respectfully submits for the approval of the Commission this Stipulation and Agreement (hereinafter “Agreement”) in settlement of one issue set for hearing in the captioned proceeding, as more fully set forth herein.

BACKGROUND

On March 1, 2001, Transco filed tariff sheets in Docket No. RP01-245 reflecting a Natural Gas Act (“NGA”) Section 4 general rate change in Transco’s jurisdictional rate levels.¹ On April 12, 2002, Transco submitted a Stipulation and Agreement (“April 12, 2002 Stipulation and Agreement”) that settled most of the cost of service, cost allocation, rate design, and other issues in that docket. Article VII of the April 12, 2002 Stipulation and Agreement sets forth the issues reserved by the participants for resolution pursuant to

¹ On March 28, 2001, the Commission accepted and suspended Transco’s filing, subject to hearing and conditions, to become effective September 1, 2001. Transcontinental Gas Pipe Line Corp., 94 FERC ¶ 61,360, order on reh’g, 95 FERC ¶ 61,268 (2001).

hearing or further settlement. On July 23, 2002, the Commission issued a letter order approving the settlement.²

The April 12, 2002 Stipulation and Agreement reserves, among others, the following issues for resolution pursuant to hearing or further settlement:

8. the issue of the allocation of certain storage costs between and among storage and transportation services presented in the prepared testimony filed on November 15, 2001 on behalf of the Commission Staff; Indicated Shippers; Atlanta Gas Light Company, Public Service Electric & Gas Company, the KeySpan Delivery Companies, Virginia Natural Gas, Inc., and Washington Gas Light Company; and Northeast Energy Associates, a Limited Partnership, North Jersey Energy Associates, a Limited Partnership, and Cherokee County Cogeneration Partners, L.P., the resolution of such issue to be effective prospectively only after a final Commission order no longer subject to rehearing;
9. issues related to the unbundling of Emergency Eminence Storage Withdrawal Service presented in the prepared testimony filed on November 15, 2001 on behalf of the Commission Staff; and Atlanta Gas Light Company, Public Service Electric & Gas Company, the KeySpan Delivery Companies, Virginia Natural Gas, Inc. and Washington Gas Light Company, the resolution of such issues to be effective prospectively only after a final Commission order no longer subject to rehearing.

April 12, 2002 Stipulation and Agreement, Article VII, Section A, subsections 8 and 9, pp. 30-31 (hereinafter the “Storage Cost Allocation Issue” and the “Emergency Eminence Unbundling Issue”, respectively).

A hearing was held on the reserved issues, including the Storage Cost Allocation Issue and the Emergency Eminence Unbundling Issue, and on March 26, 2004, the Commission issued its Order on Initial Decision.³ As to the Storage Cost Allocation

² Transcontinental Gas Pipe Line Corp., 100 FERC ¶ 61,085 (2002).

³ Transcontinental Gas Pipe Line Corp., 106 FERC ¶ 61,299 (2004).

Issue, the Commission found that Transco's existing method for allocating storage costs to transportation services had not been shown to be unjust and unreasonable.⁴ As to the Emergency Eminence Unbundling Issue, the Commission found that the bundling of the Emergency Eminence Storage Withdrawal Service ("Emergency Eminence") with Transco's Rate Schedule FT service is unjust and unreasonable, and found that the Commission Staff's unbundling proposal is just and reasonable.⁵

The Commission subsequently issued its Order on Rehearing, which, among other things, granted in part and denied in part rehearing of its determinations on the Storage Cost Allocation Issue and the Emergency Eminence Unbundling Issue.⁶ As to the Storage Cost Allocation Issue, the Commission granted rehearing to require that, to the extent that Transco allocates storage costs to system transportation service, it must allocate storage costs on the same basis to incremental transportation services and the transportation component of bundled storage services, and to require that Transco submit a proposal to allocate costs associated with all storage facilities to transportation customers, but denied rehearing on the issue of the overall level of storage costs to be allocated to transportation services.⁷ As to the Emergency Eminence Unbundling Issue, the Commission denied rehearing of the requirement that Transco unbundle Emergency Eminence, but granted rehearing to require that eligible shippers subscribe to a

⁴ Id. at P 135-36. The Order on Initial Decision rejected Commission Staff's proposal to allocate LNG costs to transportation. P 143-45. This Agreement does not revise or depart from that finding.

⁵ Id. at P 154-56.

⁶ Transcontinental Gas Pipe Line Corp., 112 FERC ¶ 61,170 (2005).

⁷ Id. at P 130-41.

proportionate share of the unbundled service until termination of the underlying Rate Schedule FT contracts.⁸

On May 30, 2006, the Commission issued its “Order on Rehearing, Remanding Issue for Further Hearing and Establishing Technical Conference.”⁹ In the May 30 Order, the Commission remanded for further evidentiary hearing the Storage Cost Allocation Issue in order to develop a just and reasonable methodology to allocate the costs of each of Transco’s storage facilities between storage and transportation services and granted rehearing to remove the overall cap on the storage costs that parties may propose to allocate to transportation.¹⁰ The Commission also clarified its decision on the Emergency Eminence Unbundling Issue, and ordered Transco to

break the existing FT shippers’ bundled FT contracts into (1) an Emergency Eminence Service contract requiring the proportionate share commitment discussed in the [Order on Rehearing] and (2) an unbundled FT contract. Both of these contracts will have initial terms and notice of termination provisions consistent with each FT shipper’s current bundled FT contract. At the end of the initial term, shippers can decline to renew their Eminence contracts, while still being able to retain and renew the unbundled FT contract.

⁸ Id. at P 113-22.

⁹ Transcontinental Gas Pipe Line Corp., 115 FERC ¶61,268 (2006) (“May 30 Order”).

¹⁰ Id. at P 56. The May 30 Order did not remand or otherwise disturb the finding in the Order on Rehearing that, to the extent that Transco allocates storage costs to system transportation services, it must allocate storage costs on the same basis to incremental transportation services and the transportation component of bundled storage services. This Agreement does not revise or depart from that finding.

May 30 Order at P 12.

At the prehearing conference on the remanded aspects of the Storage Cost Allocation Issue, held on June 8, 2006, the participants defined the scope of the remanded aspects of the Storage Cost Allocation Issue as follows:

What is a just and reasonable allocation to Transcontinental Gas Pipeline Corporation's ("Transcontinental") system transportation services, incrementally priced transportation services and the transportation component of bundled storage services (Transcontinental Rate Schedules GSS, LSS and SS-2) of the costs of each of Transcontinental GSS (Transcontinental and DTI), WSS, LSS (DTI and National Fuel), SS-2 (National Fuel) and S-2 (Texas Eastern) storage services?

"Order Establishing Procedural Schedule" issued July 8, 2006, as corrected July 12, 2006.

Subsequent to the prehearing conference, the participants convened several settlement conferences to explore possible settlement of the Storage Cost Allocation Issue. Those discussions were expanded to include the Emergency Eminence Unbundling Issue. The instant Agreement is a result of those discussions, and sets forth the agreed resolution of these reserved issues.

ARTICLE I **SETTLEMENT OF RESERVED ISSUES**

The participants hereby agree to settle and resolve the Storage Cost Allocation Issue and the Emergency Eminence Unbundling Issue, and agree to the following:

Section A: Storage Cost Allocation – Transco shall volumetrically allocate a fixed amount of the annual costs of service of WSS, GSS (Transco owned and purchased from Dominion), LSS (Dominion and National Fuel), SS-2 (National Fuel) and S-2 (Texas Eastern) storage to system transportation, incremental transportation and to the

transportation component of the bundled storage services (GSS, LSS and SS-2). The cost allocated away from each respective storage service is as follows:

WSS	\$2,318,724
GSS	\$2,770,073
LSS	\$ 736,014
SS-2	\$1,103,530
<u>S-2</u>	<u>\$ 713,129</u>
Total	\$7,641,470

The resolution of the Storage Cost Allocation Issue as set forth in this Section A shall pertain for a period commencing with the effective date of this Agreement and shall continue in effect thereafter for the rate period covered by Transco's NGA Section 4 general rate case filed on August 31, 2006 in Docket No. RP06-569 and for the rate period covered by Transco's next immediately succeeding NGA Section 4 general rate case filing ("Subsequent Rate Case"), provided that the Subsequent Rate Case is filed on or before December 31, 2010. If the Subsequent Rate Case is filed after December 31, 2010, parties may take any position in the Subsequent Rate Case, including with respect to the appropriate allocation of the costs of WSS, GSS (Transco owned and purchased from Dominion), LSS (Dominion and National Fuel), SS-2 and S-2 to other services. Anything in the foregoing to the contrary notwithstanding, beginning on January 1, 2013, parties may exercise their right under NGA Section 5, including to propose a change in the allocation of the costs of WSS, GSS (Transco owned and purchased from Dominion), LSS (Dominion and National Fuel), SS-2 and S-2 to system transportation, incremental

transportation and to the transportation component of the bundled storage services (GSS, LSS and SS-2).

Any change in the costs incurred from upstream service providers (Dominion, National Fuel and Texas Eastern) subsequent to the effectiveness of this Agreement shall be tracked entirely to the appropriate Transco storage service pursuant to the terms of the applicable storage rate schedules.

Section B: Hester Storage Field Costs – Commencing with the effective date of this Agreement, the cost of service of the Hester Storage Field (approximately \$2.3 million) shall be removed from Transco's cost of service. Nothing in this Agreement affects Transco's right to seek recovery of the Hester Asset Retirement Obligation (ARO) costs in Transco's NGA Section 4 general rate filing of August 31, 2006, in Docket No. RP06-569. Further, nothing in this Agreement limits participants' rights to take any position in that proceeding with respect to the Hester ARO costs.

Section C: Emergency Eminence Provisions – Transco has provided to each Rate Schedule FT customer currently eligible for Emergency Eminence an allocation of its proportionate share (based on average daily FT entitlements) of Emergency Eminence (i.e., its proportionate share of total deliverability of 931,500 dt/d; storage capacity of 9,276,968 dts; and injection capacity of 62,100 dt/d). The allocated Emergency Eminence entitlements of each eligible Rate Schedule FT customer are set forth in the attached Appendix A. As a result of binding elections made in August 2006, each eligible Rate Schedule FT customer has elected to 1) turn-back to Transco, in whole or in part, its share of the allocated Emergency Eminence entitlements set forth in Appendix A, which entitlements shall be retained by Transco as provided in Section D below, or 2) convert,

in whole or in part, its share of the allocated Emergency Eminence entitlements set forth in Appendix A to Eminence Storage Service (“ESS”) under Transco’s Rate Schedule ESS with the term of the new ESS contract equal to the weighted average term of the FT contracts underlying that customer’s allocated share of Emergency Eminence service (weighted based on average daily FT entitlements), or 3) retain, in whole or in part, its share of the allocated Emergency Eminence entitlements set forth in Appendix A for service under a new, unbundled Rate Schedule Emergency Eminence Storage Withdrawal Service (“EESWS”) with the same term and notice provisions as the underlying FT contracts from which Emergency Eminence was unbundled. The results of these elections for each eligible Rate Schedule FT customer are set forth in the attached Appendix B and shall be made effective as of the effective date of this Agreement.¹¹ The attached Appendix C contains pro forma tariff sheets setting forth the terms of the new Rate Schedule EESWS, the associated Form of Service Agreement, and other conforming changes to applicable portions of Transco’s FERC Gas Tariff as a result of the unbundling of Emergency Eminence from Rate Schedule FT. Each eligible Rate Schedule FT customer that has elected to convert its share of the allocated Emergency Eminence entitlements to ESS service and/or EESWS service agrees to execute an ESS and/or EESWS service agreement reflecting the respective entitlements set forth in Appendix B effective as of the effective date of this Agreement.

¹¹ The cost of service of the Eminence storage field (exclusive of variable costs and top gas inventory) will be allocated between system flexibility, Rate Schedule ESS and Rate Schedule EESWS based on those services' respective proportions of the Eminence storage field total deliverability and capacity.

Section D: Retention of Eminence Storage for Operational Purposes – In order to mitigate the loss of 12 Bcf of Hester capacity, the Emergency Eminence deliverability, capacity and injection entitlements turned-back by the eligible Rate Schedule FT customers as described in Section C above, and the associated costs, shall be dedicated to system flexibility. Accordingly, effective with the effective date of this Agreement and during the time period that the resolution of the Storage Cost Allocation Issue remains in effect, the cost of service associated with 909,169 dts of Emergency Eminence capacity dedicated to system flexibility shall be allocated to system transportation, incremental transportation and the transportation component of the bundled storage services (GSS, LSS and SS-2) in the same manner as specified in Section A above.

Following the effective date of this Agreement and during the time period that the resolution of the Storage Cost Allocation Issue set forth in Section A above remains in effect, if additional Eminence capacity is turned back to Transco due to terminations of service agreements under Rate Schedule ESS or Rate Schedule EESWS and such capacity remains unsubscribed after being posted pursuant to Section 49 of the General Terms and Conditions of Transco's FERC Gas Tariff, Transco may elect to retain such capacity for system flexibility purposes. Transco may propose in a NGA Section 4 filing to recover in rates the costs of any such additional Eminence capacity retained for system flexibility purposes, beyond that capacity specified in the first paragraph of this Section D ("Additional Turn-Back Capacity"). Such recovery shall be subject to Commission approval, and all parties retain their full rights in any Commission proceeding(s) in which Transco proposes to recover those costs. Notwithstanding the foregoing, however, if,

during the time period that the resolution of the Storage Cost Allocation Issue set forth in Section A above is in effect, Transco proposes in a NGA Section 4 filing to recover in rates the cost of service associated with more than 2.5 Bcf (2,587,500 dts) of Additional Turn-Back Capacity, then, notwithstanding anything to the contrary in Section A above, parties may propose under NGA Section 5 a change in the allocation of the costs of WSS, GSS (Transco owned and purchased from Dominion), LSS (Dominion and National Fuel), SS-2 and S-2 to system transportation, incremental transportation and to the transportation component of the bundled storage services (GSS, LSS and SS-2).

Section E: Rates and Tariff Sheets – For illustrative purposes, Appendix D hereto contains revised rates reflecting the terms of this Agreement that have been designed using the cost of service in the April 12, 2002 Stipulation and Agreement that underlies Transco’s currently effective rates. Transco will file to revise its rates, effective as of the effective date of this Agreement, to reflect the terms of this Agreement. Further, Transco will include in its filing pursuant to this Section E paginated tariff sheets consistent with the pro forma tariff sheets attached hereto in Appendix C to be made effective on the effective date of this Agreement.

ARTICLE II **RESERVATIONS**

Section A: This Agreement is submitted pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, and it is agreed by all parties that unless it becomes effective in accordance with Article III, this Agreement shall be privileged and shall not be admissible in evidence in any proceeding for use against any party.

Section B: It is specifically understood and agreed that this Agreement represents a negotiated compromise resolution in the public interest with respect to the matter

agreed to herein, for the sole purpose of the resolution of the matter agreed to herein, which resolution shall be binding on the parties and their successors and/or assignees. Neither Transco, the Commission, its Staff, nor any other party or person shall be prejudiced or bound hereby in any proceeding except as specifically provided herein. Neither Transco, the Commission, its Staff, nor any other party or person shall be deemed to have approved, accepted, agreed or consented to any concept, theory or principle underlying or supposed to underlie the matter provided for herein. No party is waiving its litigation rights and positions in the event the Agreement does not become effective.

Section C: It is specifically understood and agreed that this Agreement is an integrated settlement and that the various parts hereof are not severable without upsetting the balance of consideration achieved among the parties. Transco and the parties shall not be bound to any undertaking herein unless this Agreement becomes effective pursuant to the terms of Article III.

Section D: Except as expressly provided by this Agreement, nothing herein is intended, nor shall it be construed, to limit or affect in any way Transco's rights under the NGA to file and place into effect any changes in rates or modifications, additions, or deletions to its FERC Gas Tariff employing different concepts or methods from those reflected herein. Similarly, except as expressly provided by this Agreement, the other parties hereto preserve their rights under the NGA.

Section E: Except as expressly provided by this Agreement, nothing herein either diminishes or enlarges the rights and obligations of Transco or any other party under any of Transco's prior settlement agreements as approved by the Commission.

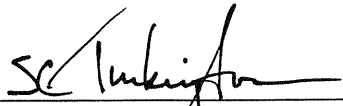
Section F: Nothing herein is intended to limit, supersede, or otherwise affect the resolution of issues not expressly resolved hereby.

ARTICLE III
APPROVAL BY THE COMMISSION; EFFECTIVENESS

This Agreement shall become effective and binding on the later of (i) March 1, 2007 or (ii) the first day of the first month commencing at least 30 days after a Commission order approving this Agreement as to all its terms and conditions without material modification becomes no longer subject to rehearing. The Commission's order approving this Agreement shall constitute (i) a waiver of the Commission's Rules and Regulations, including 18 C.F.R. Part 154, Subpart C, to the extent necessary to effectuate all of the provisions of this Agreement; (ii) approval of the pro forma tariff sheets submitted herewith; and (iii) the final disposition of the reserved issues specified in Article VII, Section A, subsections 8 and 9 of the April 12, 2002 Stipulation and Agreement in Docket Nos. RP01-245-000, et al. and the remanded aspects of the Storage Cost Allocation Issue pending in Docket No. RP01-245-016 pursuant to the May 30 Order.

Respectfully submitted,

TRANSCONTINENTAL GAS PIPE LINE
CORPORATION

By: 

Scott C. Turkington
Director, Rates & Regulatory

Filed: September 25, 2006

DRAFT
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

In reply refer to:
Docket No. RP01-245-106

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

Dear Mr. Turkington,

On September 25, 2006, Transcontinental Gas Pipe Line Corporation (“Transco”) filed a Stipulation and Agreement (hereinafter “Agreement”) to settle and resolve two of the reserved issues in the April 12, 2002 Stipulation and Agreement filed in Docket Nos. RP01-245, et al. On October 16, 2006, initial comments relative to the Agreement were filed, and on October 25, 2006, reply comments were filed. On _____, 2006, the Presiding Administrative Law Judge certified the Agreement to the Commission.

This Agreement reflects the parties’ agreement to resolve reserved issue numbers 8 and 9 of the April 12, 2002 Stipulation and Agreement, which was approved by the Commission in a letter order issued July 23, 2002.¹ Article VII of the April 12, 2002 Stipulation and Agreement sets forth 14 issues that the participants reserved for resolution. Among those reserved issues are:

8. the issue of the allocation of certain storage costs between and among storage and transportation services presented in the prepared testimony filed on November

¹ Transcontinental Gas Pipe Line Corp., 100 FERC ¶ 61,085 (2002).

15, 2001 on behalf of the Commission Staff; Indicated Shippers; Atlanta Gas Light Company, Public Service Electric & Gas Company, the KeySpan Delivery Companies, Virginia Natural Gas, Inc., and Washington Gas Light Company; and Northeast Energy Associates, a Limited Partnership, North Jersey Energy Associates, a Limited Partnership, and Cherokee County Cogeneration Partners, L.P., the resolution of such issue to be effective prospectively only after a final Commission order no longer subject to rehearing;

9. issues related to the unbundling of Emergency Eminence Storage Withdrawal Service presented in the prepared testimony filed on November 15, 2001 on behalf of the Commission Staff; and Atlanta Gas Light Company, Public Service Electric & Gas Company, the KeySpan Delivery Companies, Virginia Natural Gas, Inc. and Washington Gas Light Company, the resolution of such issues to be effective prospectively only after a final Commission order no longer subject to rehearing.

April 12, 2002 Stipulation and Agreement, Article VII, Section A, subsections 8 and 9, pp. 30-31 (hereinafter the “Storage Cost Allocation Issue” and the “Emergency Eminence Unbundling Issue,” respectively).

This Agreement is the result of extensive settlement discussions and resolves the Storage Cost Allocation Issue and the Emergency Eminence Unbundling Issue.

I. Settlement Provisions

Article I of the Agreement provides that the participants agree to settle and resolve reserved issue numbers 8 and 9 of the April 12, 2002 Stipulation and Agreement. Section A of Article I provides that Transco shall volumetrically allocate a fixed amount of the respective annual costs of service of the Rate Schedules WSS, GSS (Transco owned and purchased from Dominion), LSS (Dominion and National Fuel), SS-2 (National Fuel) and S-2 (Texas Eastern) storage services to Transco’s system

transportation, incremental transportation and the transportation component of the bundled storage services (Rate Schedules GSS, LSS and SS-2). Section A also addresses the duration of the resolution of the Storage Cost Allocation Issue, and how any change in the costs incurred from upstream providers will be handled.

Section B of Article I provides that Transco shall remove from its cost of service the cost of service of the Hester Storage Field as of the effective date of the Agreement. This provision does not affect Transco's right to seek recovery of the Hester Asset Retirement Obligation (ARO) cost in Transco's NGA Section 4 general rate filing of August 31, 2006, in Docket No. RP06-569. Further, nothing in this Agreement limits participants' rights to take any position in that proceeding with respect to the Hester ARO costs.

Section C of Article I states that Transco has provided to each Rate Schedule FT customer that is currently eligible for Emergency Eminence service an allocation of its proportionate share of the Emergency Eminence service capacity, as set forth in Appendix A attached to the Agreement. Each eligible Rate Schedule FT customer has elected: 1) to turn back to Transco, in whole or in part, its allocated share of the Emergency Eminence capacity; 2) to convert, in whole or in part, its allocated share of the Emergency Eminence capacity to Eminence Storage Service ("ESS") under Transco's Part 284 Rate Schedule ESS; or 3) to retain, in whole or in part, its allocated share of the Emergency Eminence capacity for service under a new Rate Schedule Emergency Eminence Storage Withdrawal Service ("EESWS"), with the same term and notice provisions as the underlying FT contracts from which the Emergency Eminence service was unbundled.

Pursuant to Section D of Article I, the participants agree that Transco shall retain for purposes of system flexibility the Emergency Eminence allocations that eligible customers have elected to turn back to Transco. The cost of service associated with this turned-back capacity will be allocated among system transportation, incremental transportation and the transportation component of the bundled storage services in the same manner prescribed by Article I, Section A. Should additional Eminence capacity be turned back to Transco during the effectiveness of the Agreement, Transco may elect to retain such capacity for system flexibility and to seek recovery of the associated costs in rates through a filing under Section 4 of the NGA. In the event that Transco seeks recovery in rates of the costs of more than 2.5 Bcf of additional turned-back Eminence storage capacity (i.e., additional to the capacity retained for system flexibility specified in the Agreement), all parties will have the right to propose changes in the storage cost allocation established by the Agreement.

Articles II and III of the Agreement are provisions governing standard reservations, approval by the Commission and effectiveness of the Agreement. Article III of the Agreement provides that it shall become effective and binding on the later of (i) March 1, 2007, or (ii) the first day of the first month commencing at least 30 days after a Commission order approving this Agreement as to all its terms and conditions without material modification becomes no longer subject to rehearing.

II. Disposition

The Commission concludes that the Agreement is fair and reasonable, and in the public interest. It is therefore approved, to become effective as proposed. Approval of the Agreement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

By direction of the Commission.

Magalie R. Salas
Secretary

APPENDIX A

Allocated Emergency Eminence Entitlements

Customer Name	Allocated Capacity (dts)	Allocated Withdrawal (dts/d)	Allocated Injection (dts/d)
ALABAMA GAS CORPORATION	209,230	21,010	1,401
ATLANTA GAS LIGHT COMPANY	327,445	32,879	2,192
ATMOS ENERGY CORPORATION	30,120	3,023	202
BALTIMORE GAS AND ELECTRIC CO	11,843	1,189	79
BROOKLYN UNION GAS COMPANY INC	683,972	68,679	4,578
CARDINAL FG COMPANY	9,554	959	64
CARGILL INC	1,976	198	13
CAROLINA POWER & LIGHT CO.	98,779	9,918	661
CHESAPEAKE UTILITIES CORP-DELAWARE DIVISION	29,295	2,941	195
CHESAPEAKE UTILITIES CORP-MARYLAND DIVISION	15,144	1,520	102
CITY OF ALEXANDER CITY, ALABAMA	14,996	1,506	100
CITY OF BESSEMER CITY NORTH CAROLINA	5,453	547	37
CITY OF BLACKSBURG SOUTH CAROLINA	3,936	395	26
CITY OF BOWMAN GEORGIA	59	6	1
CITY OF BUFORD GEORGIA	11,037	1,108	74
CITY OF BUTLER, ALABAMA	3,467	348	23
CITY OF DANVILLE VIRGINIA	70,884	7,117	474
CITY OF DOVER	690	69	5
CITY OF ELBERTON GEORGIA	228	23	2
CITY OF FOUNTAIN INN SOUTH CAROLINA	4,116	414	28
CITY OF GREENWOOD SOUTH CAROLINA	38,260	3,842	256
CITY OF KINGS MOUNTAIN NORTH CAROLINA	12,727	1,278	86
CITY OF LAURENS SOUTH CAROLINA	16,173	1,624	108
CITY OF LEXINGTON NORTH CAROLINA	26,946	2,705	180
CITY OF MADISON GEORGIA	48	5	1
CITY OF RICHMOND VIRGINIA	27,423	2,753	184
CITY OF ROANOKE ALABAMA	439	44	3
CITY OF ROYSTON GEORGIA	114	11	1
CITY OF SHELBY NORTH CAROLINA	36,478	3,662	245
CITY OF SUGAR HILL GEORGIA	29	3	1
CITY OF UNION SOUTH CAROLINA	21,486	2,157	142
CLINTON-NEWBERRY NATURAL GAS AUTHORITY	26,999	2,711	180
COLUMBIA GAS OF VIRGINIA INC	88,488	8,885	593
COMMISSION OF PUBLIC WORKS, CITY OF GREER SOUTH CAROLINA	15,057	1,512	101
CONOCOPHILLIPS COMPANY	10,352	1,039	69
CONSOLIDATED EDISON COMPANY OF NEW YORK INC	896,827	90,050	6,002
CORNING NATURAL GAS CORPORATION	2,365	238	16
DELMARVA POWER & LIGHT	151,993	15,261	1,017
EAST CENTRAL ALABAMA GAS DISTRICT	199	20	1
EASTON UTILITIES	5,529	555	37
ENMARK GAS CORPORATION	21,270	2,136	143
FORMOSA PLASTICS CORPORATION USA	3,445	346	23
FORT HILL NATURAL GAS AUTHORITY	32,578	3,271	218
HESS CORPORATION	9,219	926	61
HORSEHEAD RESOURCE DEVELOPMENT CO., INC.	5,998	602	40
KEYSPAN GAS EAST CORP DBA KEYSPAN ENERGY DELIVERY LONG ISLAND	412,390	41,409	2,761
MAPLESVILLE WATER & GAS BOARD	258	26	2
MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA	31,609	3,174	212
MUNICIPAL GAS AUTHORITY OF GEORGIA	131,465	13,200	881
NATIONAL FUEL GAS DISTRIBUTION CORP	100,416	10,083	672
NEW JERSEY NATURAL GAS COMPANY	10,355	1,040	69
NIAGARA MOHAWK POWER CORP	21,879	2,197	146

Allocated Emergency Eminence Entitlements

Customer Name	Allocated Capacity (dts)	Allocated Withdrawal (dts/d)	Allocated Injection (dts/d)
NOBLE ENERGY, INC.	16,964	1,703	114
OGLETHORPE POWER CORPORATION	107,472	10,791	719
OWENS CORNING	16,358	1,642	109
PATRIOTS ENERGY GROUP	36,640	3,679	246
PECO ENERGY COMPANY	409,345	41,103	2,740
PG ENERGY, A DIVISION OF SOUTHERN UNION COMPANY	195,244	19,605	1,307
PHILADELPHIA GAS WORKS	436,466	43,826	2,922
PIEDMONT NATURAL GAS COMPANY INC	1,132,997	113,764	7,583
PIVOTAL UTILITY HOLDINGS, INC.	228,454	22,940	1,529
PPL GAS UTILITIES CORPORATION	49,280	4,948	331
PROGRESS VENTURES, INC.	98,779	9,918	661
PROVIDENCE GAS COMPANY	371	37	2
PSEG ENERGY RESOURCES & TRADE LLC	1,147,520	115,223	7,682
PUBLIC SERVICE COMPANY OF NORTH CAROLINA	480,603	48,259	3,217
REICHHOLD CHEMICALS INC	176	18	1
ROCHESTER GAS & ELECTRIC CORP	25,374	2,548	170
SEMPRA ENERGY TRADING SERVICES CORP	66,546	6,682	445
SEQUENT ENERGY MANAGEMENT LP	27,263	2,737	182
SOUTH CAROLINA PIPELINE CORPORATION	227,332	22,826	1,522
SOUTH JERSEY GAS COMPANY	346,796	34,823	2,321
SOUTHWESTERN VIRGINIA GAS COMPANY	16,084	1,614	108
SUNOCO INC (R&M)	109,053	10,950	730
THE PREMCOR REFINING GROUP INC.	25,356	2,546	170
THE WATER, SEWER, AND GAS BOARD OF THE TOWN OF WEDOWEE	108	11	1
TOWN OF ROCKFORD, ALABAMA	91	9	1
TOWN OF WADLEY ALABAMA	213	21	1
TYSON FOODS INC.	5,268	529	35
UGI UTILITIES INC	19,716	1,980	132
VIRGINIA NATURAL GAS INC	96,109	9,650	644
VIRGINIA POWER ENERGY MARKETING INC	55,414	5,564	371
WASHINGTON GAS LIGHT COMPANY	190,415	19,120	1,275
WILLIAMS POWER COMPANY, INC.	18,123	1,820	121
Totals	9,276,968	931,500	62,100

APPENDIX B

Emergency Eminence Storage Election Results

Turn Back of Emergency Eminence Storage Service

Customer Name	Allocated Capacity (dts)	Allocated Withdrawal (dts/d)	Allocated Injection (dts/d)
BALTIMORE GAS AND ELECTRIC CO	11,843	1,189	79
CARDINAL FG COMPANY	9,554	959	64
CAROLINA POWER & LIGHT CO.	98,779	9,918	661
CITY OF LAURENS SOUTH CAROLINA	16,173	1,624	108
CITY OF RICHMOND VIRGINIA	27,423	2,753	184
CLINTON-NEWBERRY NATURAL GAS AUTHORITY	26,999	2,711	180
CORNING NATURAL GAS CORPORATION	2,365	238	16
HORSEHEAD RESOURCE DEVELOPMENT CO., INC.	5,998	602	40
NEW JERSEY NATURAL GAS COMPANY	10,355	1,040	69
NIAGARA MOHAWK POWER CORP	21,879	2,197	146
OGLETHORPE POWER CORPORATION	107,472	10,791	719
PHILADELPHIA GAS WORKS	436,466	43,826	2,922
PPL GAS UTILITIES CORPORATION	49,280	4,948	331
PROVIDENCE GAS COMPANY	371	37	2
ROCHESTER GAS & ELECTRIC CORP	25,374	2,548	170
SOUTH CAROLINA PIPELINE CORPORATION	17,398	1,747	117
SOUTHWESTERN VIRGINIA GAS COMPANY	16,084	1,614	108
THE PREMCOR REFINING GROUP INC.	25,356	2,546	170
Totals	909,169	91,288	6,086

Emergency Eminence Storage Election Results

Conversion of Emergency Eminence Storage Service to Rate Schedule ESS Service

Customer Name	Allocated Capacity (dts)	Allocated Withdrawal (dts/d)	Allocated Injection (dts/d)
ALABAMA GAS CORPORATION	209,230	21,010	1,401
ATLANTA GAS LIGHT COMPANY	327,445	32,879	2,192
ATMOS ENERGY CORPORATION	30,120	3,023	202
BROOKLYN UNION GAS COMPANY INC	683,972	68,679	4,578
CITY OF ALEXANDER CITY, ALABAMA	14,996	1,506	100
CITY OF BLACKSBURG SOUTH CAROLINA	3,936	395	26
CITY OF BOWMAN GEORGIA	59	6	1
CITY OF BUFORD GEORGIA	11,037	1,108	74
CITY OF BUTLER, ALABAMA	3,467	348	23
CITY OF DANVILLE VIRGINIA	70,884	7,117	474
CITY OF ELBERTON GEORGIA	228	23	2
CITY OF FOUNTAIN INN SOUTH CAROLINA	4,116	414	28
CITY OF GREENWOOD SOUTH CAROLINA	38,260	3,842	256
CITY OF KINGS MOUNTAIN NORTH CAROLINA	12,727	1,278	86
CITY OF MADISON GEORGIA	48	5	1
CITY OF ROANOKE ALABAMA	439	44	3
CITY OF ROYSTON GEORGIA	114	11	1
CITY OF SUGAR HILL GEORGIA	29	3	1
COLUMBIA GAS OF VIRGINIA INC	88,488	8,885	593
COMMISSION OF PUBLIC WORKS, CITY OF GREER SOUTH CAROLINA	15,057	1,512	101
CONOCOPHILLIPS COMPANY	10,352	1,039	69
CONSOLIDATED EDISON COMPANY OF NEW YORK INC	896,827	90,050	6,002
DELMARVA POWER & LIGHT	151,993	15,261	1,017
EAST CENTRAL ALABAMA GAS DISTRICT	199	20	1
EASTON UTILITIES	5,529	555	37
ENMARK GAS CORPORATION	21,270	2,136	143
FORT HILL NATURAL GAS AUTHORITY	32,578	3,271	218
HESS CORPORATION	9,219	926	61
KEYSPAN GAS EAST CORP DBA KEYSPAN ENERGY DELIVERY LONG ISLAND	412,390	41,409	2,761
MAPLESVILLE WATER & GAS BOARD	258	26	2
MUNICIPAL GAS AUTHORITY OF GEORGIA	131,465	13,200	881
NATIONAL FUEL GAS DISTRIBUTION CORP	100,416	10,083	672
NOBLE ENERGY, INC.	16,964	1,703	114
PATRIOTS ENERGY GROUP	36,640	3,679	246
PECO ENERGY COMPANY	409,345	41,103	2,740
PIEDMONT NATURAL GAS COMPANY INC	1,132,997	113,764	7,583
PIVOTAL UTILITY HOLDINGS, INC.	228,454	22,940	1,529
PROGRESS VENTURES, INC.	81,658	8,199	546
PSEG ENERGY RESOURCES & TRADE LLC	1,147,520	115,223	7,682
PUBLIC SERVICE COMPANY OF NORTH CAROLINA	480,603	48,259	3,217
SEQUENT ENERGY MANAGEMENT LP	27,263	2,737	182
SOUTH CAROLINA PIPELINE CORPORATION	206,931	20,778	1,385
SOUTH JERSEY GAS COMPANY	346,796	34,823	2,321
SUNOCO INC (R&M)	109,053	10,950	730
THE WATER, SEWER, AND GAS BOARD OF THE TOWN OF WEDOWEE	108	11	1
TOWN OF ROCKFORD, ALABAMA	91	9	1
TOWN OF WADLEY ALABAMA	213	21	1
TYSON FOODS INC.	5,268	529	35
VIRGINIA NATURAL GAS INC	96,109	9,650	644
VIRGINIA POWER ENERGY MARKETING INC	55,414	5,564	371
WASHINGTON GAS LIGHT COMPANY	190,415	19,120	1,275
Totals	7,858,990	789,126	52,610

Emergency Eminence Storage Election Results

Retention of Emergency Eminence Storage Service under Rate Schedule EESWS

Customer Name	Allocated Capacity (dts)	Allocated Withdrawal (dts/d)	Allocated Injection (dts/d)
CARGILL INC	1,976	198	13
CHESAPEAKE UTILITIES CORP-DELAWARE DIVISION	29,295	2,941	195
CHESAPEAKE UTILITIES CORP-MARYLAND DIVISION	15,144	1,520	102
CITY OF BESSEMER CITY NORTH CAROLINA	5,453	547	37
CITY OF DOVER	690	69	5
CITY OF LEXINGTON NORTH CAROLINA	26,946	2,705	180
CITY OF SHELBY NORTH CAROLINA	36,478	3,662	245
CITY OF UNION SOUTH CAROLINA	21,486	2,157	142
FORMOSA PLASTICS CORPORATION USA	3,445	346	23
MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA	31,609	3,174	212
OWENS CORNING	16,358	1,642	109
PG ENERGY, A DIVISION OF SOUTHERN UNION COMPANY	195,244	19,605	1,307
PROGRESS VENTURES, INC.	17,121	1,719	115
REICHHOLD CHEMICALS INC	176	18	1
SEMPRA ENERGY TRADING SERVICES CORP	66,546	6,682	445
SOUTH CAROLINA PIPELINE CORPORATION	3,003	301	20
UGI UTILITIES INC	19,716	1,980	132
WILLIAMS POWER COMPANY, INC.	18,123	1,820	121
Totals	508,809	51,086	3,404

APPENDIX C

LIST OF PRO FORMA TARIFF SHEETS

Pro Forma Sheet No. 163C
Pro Forma Sheet No. 164
Pro Forma Sheet No. 205
Pro Forma Sheet No. 229
Pro Forma Sheet No. 230
Pro Forma Sheet No. 249F
Pro Forma Sheet No. 249G
Pro Forma Sheet No. 249H
Pro Forma Sheet No. 249I
Pro Forma Sheet No. 249J
Pro Forma Sheet No. 497
Pro Forma Sheet No. 497A
Pro Forma Sheet No. 497B
Pro Forma Sheet No. 497C

RATE SCHEDULE FT
Firm Transportation Service
(Continued)

5. SCHEDULING AND BALANCING (Continued)

5.8 Procedures for Resolution of Historical Imbalances (Continued)

(e) After determination of the FRHI pursuant to either 5.8(c) or 5.8(d) above, Seller and Buyer shall resolve the FRHI in the following manner:

(i) Seller and Buyer shall enter into good faith negotiations for a period not to exceed 90 days from the date the FRHI is determined ("Negotiation Period"), unless such period is extended by mutual agreement between Seller and Buyer, in order to resolve such FRHI by agreeing either to:
(1) make up the FRHI on a volumetric basis, over a reasonable time period and subject to operating conditions on Seller's and Buyer's systems, or
(2) make up such FRHI on a dollar basis; provided however, nothing herein shall preclude Buyer, with Seller's consent, from entering into an agreement with other Buyers which would allow Buyers to trade FRHI quantities. Seller's consent to enter into such agreements shall not be unreasonably withheld.

(ii) If, at the end of the Negotiation Period, Seller and Buyer have not agreed upon a resolution of the FRHI as provided in 5.8(e)(i) above, Seller or Buyer, as appropriate, shall "cash out" the FRHI over twelve equal monthly installments (hereinafter referred to as "FRHI Cash Out"), commencing with the first month following the end of the Negotiation Period. The monthly FRHI Cash Out shall be the product of one-twelfth of the FRHI volume and the price, determined as follows, for that month. The applicable price for purposes of the immediately preceding sentence shall be the simple average of the four regional prices (rounded to the fourth decimal place) set forth in the table "Gas Price Report" (in \$/MMBtu) published in the first issue of such month of Natural Gas Week (or any succeeding publication of Oil Daily, Inc.) for these regions:
(1) Texas, Gulf Coast Offshore, Spot Delivered to Pipeline; (2) Texas, Gulf Coast Onshore, Spot Delivered to Pipeline; (3) Louisiana, Gulf Coast Offshore, Spot Delivered to Pipeline; and (4) Louisiana, Gulf Coast Onshore, Spot Delivered to Pipeline.

(e) Notwithstanding the above, Seller shall have the sole right to adjust the timing of the volumetric make-up of any FRHI to maintain the operational integrity of Seller's pipeline system.

6. THIS SECTION IS RESERVED FOR FUTURE USE.

Issued by:
Issued on:

Effective on:

RATE SCHEDULE FT
Firm Transportation Service
(Continued)

7. SERVICE RIGHTS OF CONVERSION BUYERS

7.1 A Conversion Buyer for purposes of this Section 7, is a Buyer that has converted a firm sales contract to service under this rate schedule or a Buyer that receives service under this rate schedule by virtue of a reallocation of firm daily sales or firm mainline transportation capacity on Seller's system.

7.2 A Conversion Buyer shall be allocated its full firm TCQ capacity through Seller's mainline facilities commencing at Seller's Station 65 and terminating downstream at the Conversion Buyer's market area delivery points.

7.3 Conversion Buyers shall be allocated capacity through Seller's mainline system upstream of Station 65 as follows: Each Conversion Buyer shall be allocated capacity equal to the quantity determined by multiplying (i) such Conversion Buyer's TCQ commencing at Station 65 by (ii) the following percentages as applicable to each of the following sections of Seller's system:

Section of Seller's Mainline System Upstream of Station 65 (Compressor Station to Compressor Station)	Cumulative Percentage
-----	-----
30 - 45	17%
45 - 50	42%
50 - 65	61%
62 - 65	39%

Transportation service from an off mainline receipt point upstream of one of the above designated compressor stations to any such compressor station which is a firm receipt point for Buyer under this rate schedule shall be provided by Seller under an interruptible feeder arrangement as set forth in Section 3.9 of Rate Schedule IT.

Issued by:
Issued on:

Effective on:

RATE SCHEDULE FT-G
FIRM TRANSPORTATION SERVICE
(Continued)

6. THIS SECTION IS RESERVED FOR FUTURE USE.

7. SERVICE RIGHTS OF CONVERSION BUYERS

7.1 A Conversion Buyer for purposes of this Section 7, is a Buyer that has converted a firm sales contract to service under this rate schedule or a Buyer that receives service under this rate schedule by virtue of a reallocation of firm daily sales or firm mainline transportation capacity on Seller's system.

7.2 A Conversion Buyer shall be allocated its full firm TCQ capacity through Seller's mainline facilities commencing at Seller's Station 65 and terminating downstream at the Conversion Buyer's market area delivery points.

Issued by:
Issued on:

Effective on:

RATE SCHEDULE FTN
Firm Transportation Notice Service
(Continued)

5. SCHEDULING AND BALANCING (Continued)

5.4 Seller will provide, on lLine, its best available operational data on receipts and deliveries (including electronic gas measurement data - estimated or actuals) to all parties to the transaction requesting such data, and will provide such data on the day immediately following the close of the gas day so as to allow Buyers a reasonable opportunity to correct any accumulated imbalances during such calendar month.

6. THIS SECTION IS RESERVED FOR FUTURE USE.

Issued by:
Issued on:

Effective on:

RATE SCHEDULE FTN
Firm Transportation Notice Service
(Continued)

7. SERVICE RIGHTS OF CONVERSION BUYERS

- 7.1 A Conversion Buyer for purposes of this Section 7, is a Buyer that has elected to receive firm transportation service under this Rate Schedule for service originally rendered:
- (a) as a result of a conversion of a firm sales contract to service under Rate Schedule FT; or
 - (b) as a service under Rate Schedule FT by virtue of a reallocation of firm daily sales or firm mainline transportation capacity on Seller's system.
- 7.2 A Conversion Buyer shall be allocated its full firm TCQ capacity through Seller's mainline facilities commencing at Seller's Station 65 and terminating downstream at the Conversion Buyer's market area delivery points.
- 7.3 Conversion Buyers shall be allocated capacity through Seller's mainline system upstream of Station 65 as follows: Each Conversion Buyer shall be allocated capacity equal to the quantity determined by multiplying (i) such Conversion Buyer's TCQ commencing at Station 65 by (ii) the following percentages as applicable to each of the following sections of Seller's system:

Section of Seller's Mainline System Upstream of Station 65 (Compressor Station to Compressor Station)	Cumulative Percentage
-----	-----
30 - 45	17%
45 - 50	42%
50 - 65	61%
62 - 65	39%

Issued by:
Issued on:

Effective on:

RATE SCHEDULE EESWS
Emergency Eminence Storage Withdrawal Service

1. AVAILABILITY

- 1.1 This open-access rate schedule is available for the purchase from Transcontinental Gas Pipe Line Corporation (hereinafter referred to as Seller) of Emergency Eminence Storage Withdrawal Service by any person, company or agency (hereinafter referred to as Buyer), when Buyer and Seller execute a service agreement for service under this rate schedule.
- 1.2 Service under this rate schedule is also available when Buyer has obtained released firm capacity from a Rate Schedule EESWS Buyer releasing such firm capacity ("Releasing Shipper") pursuant to Section 42 of the General Terms and Conditions.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Service under this rate schedule shall be made available to Buyer(s) as backup supply during force majeure events as defined in Section 11.1 of the General Terms and Conditions. Service shall be rendered pursuant to the service agreement executed for service hereunder and Part 284 of the Commission's Regulations, within the limitations described in Sections 5 and 6 hereof, and shall not be subject to curtailment or interruption except that caused by force majeure or by operating conditions.
- 2.2 Unless Seller has posted on 1Line that service under this rate schedule is available to Buyers, a Buyer that requires backup supply under this rate schedule as a result of a force majeure event shall request service by providing written notice and full particulars of such force majeure event to Seller.
- 2.3 Service under this rate schedule is limited to an aggregate daily withdrawal quantity, for the duration of the force majeure event, equal to the combined Storage Demand quantities set forth in the executed service agreements of all Buyers under this rate schedule, but not more than a cumulative withdrawal quantity equal to the combined Storage Capacity Quantities of all Buyers under this rate schedule.
- 2.4 Section 284.221(d) of the Commission's Regulations shall apply to service under this rate schedule subject to the right of first refusal procedures, if applicable, set forth in Section 48 of the General Terms and Conditions.

3. RATES AND CHARGES

- 3.1 The maximum and minimum rates for service under this rate schedule are shown on the currently effective Sheet No. ____ of Volume No. 1 of this Tariff. Buyer shall pay such maximum rates for service under this rate schedule unless Seller, in its sole judgment, agrees to discount its rate to Buyer. Such discount may be granted consistent with the applicable provisions of Section 40 of the General Terms and Conditions. Further, Buyer and Seller may mutually agree to a negotiated rate, pursuant to the provisions of Section 53 of the General Terms and Conditions. Such negotiated rate shall be set forth in the executed service agreement.

Issued by:
Issued on:

Effective on:

RATE SCHEDULE EESWS
Emergency Eminence Storage Withdrawal Service
(Continued)

3. RATES AND CHARGES (Continued)

- 3.2 For purposes of capacity release, the Demand and Storage Capacity Quantity charges payable by Buyer shall be at a rate set forth in the applicable capacity release award posted on lLine consistent with the provisions of Section 42 of the General Terms and Conditions.
- 3.3 For natural gas storage withdrawal service rendered to Buyer under this rate schedule, Buyer shall pay Seller for each day of each month the sum of the following amounts:
- (a) Storage Demand Charge: A charge per day per dt of Storage Demand Quantity. If Buyer acquires storage capacity through a volumetric storage release, the Storage Demand Charge shall be the rate set forth in the applicable capacity release award posted on lLine multiplied by the allocated withdrawal quantity; provided, however, Buyer's monthly bill may be subject to adjustment to account for any minimum volumetric commitment specified in such capacity release award.
 - (b) Storage Capacity Quantity Charge: A charge per day per dt of Storage Capacity Quantity. If Buyer acquires storage capacity through a volumetric storage release, the Storage Capacity Quantity Charge shall be the rate set forth in the applicable capacity release award posted on lLine multiplied by the allocated withdrawal quantity; provided, however, Buyer's monthly bill may be subject to adjustment to account for any minimum volumetric commitment specified in such capacity release award.
 - (c) Quantity Injected Charge: A charge per dt for gas delivered into storage for Buyer's account.
 - (d) Quantity Withdrawal Charge: A charge per dt for gas withdrawn from storage for Buyer's account.

4. DEFINITIONS

4.1 Storage Demand Quantity

The Storage Demand Quantity shall be that quantity set forth in the executed service agreement and shall be used to determine the Demand Charges payable by Buyer hereunder.

4.2 Storage Capacity Quantity

The Storage Capacity Quantity shall be specified in the executed service agreement and shall be used to determine the Storage Capacity Quantity Charges payable by Buyer hereunder.

4.3 Storage Injection Quantity

The Storage Injection Quantity specified in the executed service agreement shall be the maximum quantity Seller shall be obligated to inject into storage for Buyer's account and Buyer shall be entitled to inject into storage on any one day, subject to the provisions set forth in Section 6 below.

Issued by:
Issued on:

Effective on:

RATE SCHEDULE EESWS
Emergency Eminence Storage Withdrawal Service
(Continued)

5. WITHDRAWALS FROM STORAGE

- 5.1 Emergency Eminence Storage Withdrawal Service is limited to an aggregate daily withdrawal quantity equal to the combined Storage Demand Quantities of all Buyers under this rate schedule. Should operating conditions permit, the daily withdrawal capability shall be increased by Seller. Seller shall endeavor to withdraw and deliver, on any one day, as much of Buyer's nomination for such day as operating conditions permit, and in no event shall Buyer be allocated less than its Storage Demand. If, however, the total of all nominations for a day exceeds the total quantity which Seller can withdraw from storage on such day, the total nominations for such day shall be allocated pro rata among the nominating Buyers based on Storage Demand.
- 5.2 The total aggregate quantity available for withdrawal during any force majeure event may be adjusted downward to the extent that withdrawals from prior force majeure events have not been returned. Withdrawal quantities may be adjusted to the extent that the capacity or deliverability of the Eminence storage field varies with factors unrelated to the level of inventory, such as force majeure or operating conditions.
- 5.3 When Buyer withdraws gas under this rate schedule, Buyer shall nominate quantities for withdrawal according to Seller's nomination and ranking deadlines as set forth in Section 28.1 of the General Terms and Conditions. Seller, in its sole judgment, may waive any nomination and ranking deadlines, on a non-discriminatory basis, if Seller determines operating conditions permit. Seller shall thereupon withdraw for Buyer the quantity of gas scheduled. Gas for withdrawal hereunder shall be made available to Buyer at the delivery point set forth in the executed EESWS service agreement.

6. INJECTIONS INTO STORAGE

- 6.1 Upon the termination of the force majeure event applicable to Buyer or the depletion of quantities available under this rate schedule, whichever occurs first, Buyer will be required to schedule injection returns plus fuel at a daily rate such that the quantities withdrawn will be replaced within 30 days, or such longer period that may be required as a result of injection limitations. Seller shall have the right to limit Buyer's daily injection rate to the Storage Injection Quantity specified in Buyer's service agreement unless operating conditions permit a greater injection quantity. If Buyer fails to meet the injection return deadline, Buyer shall be charged a penalty on the unreturned quantities of two times the Zone 4 "Sell" Price, which shall be the highest weekly Reference Spot Price for Zone 4, as set forth in Section 37.1(a) of the General Terms and Conditions for the month(s) in which all quantities should have been replaced. The unreturned quantity multiplied by one times the Zone 4 Sell Price will be considered the penalty revenue that will be distributed pursuant to Section 54 of the General Terms and Conditions. The remaining penalty dollars (the unreturned quantity multiplied by one times the Zone 4 Sell Price), which is representative of Seller's cost to replenish the gas in the Eminence storage field, will be included in the Cash Out Refund calculation pursuant to Section 15 of the General Terms and Conditions.

Issued by:
Issued on:

Effective on:

RATE SCHEDULE EESWS
Emergency Eminence Storage Withdrawal Service
(Continued)

6. INJECTIONS INTO STORAGE (Continued)

- 6.2 When Buyer returns gas under this rate schedule, Buyer shall nominate quantities for injection according to Seller's nomination and ranking deadlines as set forth in Section 28.1 of the General Terms and Conditions. Seller, in its sole judgment, may waive any nomination and ranking deadlines, on a non-discriminatory basis, if Seller determines operating conditions permit. Buyer shall make available such scheduled quantity and Seller shall thereupon inject the scheduled quantity into storage for Buyer's account. Gas for injection hereunder shall be made available by Buyer to Seller at the receipt point set forth in the executed EESWS service agreement.
- 6.3 In the event that Buyer has obtained released firm capacity under this rate schedule pursuant to Section 42 of the General Terms and Conditions and the term of that release ends prior to Buyer's injection return deadline, as determined under Section 6.1 above, for quantities withdrawn under this rate schedule, then the Releasing Shipper shall be deemed to appoint Buyer as its agent under the Releasing Shipper's applicable service agreement under this rate schedule for purposes of scheduling injection returns plus fuel in order to permit replacement of the quantities withdrawn within the period prescribed for Buyer's return of such quantities. If Buyer fails to meet the injection return deadline, Buyer shall be charged the penalty specified in Section 6.1 above on the unreturned quantities.

7. RIGHT OF FIRST REFUSAL PROCEDURES

Refer to Section 48 of the General Terms and Conditions.

8. PROCEDURES FOR ALLOCATING AVAILABLE CAPACITY

Refer to Section 49 of the General Terms and Conditions.

Issued by:
Issued on:

Effective on:

RATE SCHEDULE EESWS
Emergency Eminence Storage Withdrawal Service
(Continued)

9. REQUEST FOR SERVICE

- 9.1 Requests for service hereunder shall be considered acceptable only if Buyer has completed and returned Seller's storage service request form (which is available to all Buyers and potential Buyers on request) electronically via lLine or to the following address:

Transcontinental Gas Pipe Line Corporation
Attention: Customer Services
P. O. Box 1396
Houston, Texas 77251

Such request for service shall contain the information specified in Seller's storage service request form, as such may be revised from time to time, and

- (a) Either with the request for service or at the time of execution of the service agreement, such other information, in writing, as is required to comply with regulatory reporting or filing requirements; and
- (b) Sufficient information to determine Buyer's creditworthiness in accordance with the General Terms and Conditions of Seller's Volume No. 1 Tariff.
- 9.2 Requests for service hereunder shall be void unless Buyer executes a service agreement for service under this rate schedule within thirty (30) days after Seller has tendered such agreement to Buyer.

10. GENERAL TERMS AND CONDITIONS

All of the applicable General Terms and Conditions of Seller's Volume No. 1 Tariff are hereby made a part hereof. However, in the event of any inconsistencies between the General Terms and Conditions and this Rate Schedule EESWS, the terms and conditions of this Rate Schedule EESWS shall control.

Issued by:
Issued on:

Effective on:

FORM OF SERVICE AGREEMENT
(For Use Under Seller's EESWS Rate Schedule)

THIS AGREEMENT entered into this ____ day of _____, _____, by and between TRANSCONTINENTAL GAS PIPE LINE CORPORATION, a Delaware corporation, hereinafter referred to as "Seller", first party, and _____, hereinafter referred to as "Buyer", second party.

W I T N E S S E T H

WHEREAS, Seller has made available to Buyer Emergency Eminence Storage Withdrawal Service from its Eminence Storage Field under Part 284 of the Commission's Regulations; and Buyer desires to purchase and Seller desires to sell natural gas storage withdrawal service under Seller's Rate Schedule EESWS as set forth herein;

NOW, THEREFORE, Seller and Buyer agree as follows:

ARTICLE I
SERVICE TO BE RENDERED

Subject to the terms and provisions of this agreement and of Seller's Rate Schedule EESWS, Seller agrees as follows:

To withdraw from storage on any day _____ dt, which quantity shall be Buyer's Storage Demand Quantity, or such greater daily quantity, as applicable from time to time, pursuant to the terms and conditions of Seller's Rate Schedule EESWS.

To inject into storage on any day ___ dt, which quantity shall be Buyer's Storage Injection Quantity, or such greater daily quantity, as applicable from time to time, pursuant to the terms and conditions of Seller's Rate Schedule EESWS.

To receive and store up to a total quantity at any one time of _____ dt, which quantity shall be Buyer's Storage Capacity Quantity.

ARTICLE II
POINT(S) OF RECEIPT AND DELIVERY

The Point of Receipt for injection of natural gas delivered to Seller by Buyer and the Point of Delivery for withdrawal of natural gas delivered by Seller to Buyer under this agreement shall be at the point of interconnection of Seller's pipeline facilities and its Eminence Storage Field located in Covington County, Mississippi. Such gas shall be delivered or received at the prevailing pressure in Seller's pipeline system not to exceed the maximum allowable operating pressure.

ARTICLE III
TERM OF AGREEMENT

This agreement shall be effective as of _____, _____ (year) and shall remain in force and effect until 9:00 a.m. Central Clock Time _____, _____ (year) and thereafter until terminated by Seller or Buyer upon at least _____ written notice.

Issued by:
Issued on:

Effective on:

FORM OF SERVICE AGREEMENT
(For Use Under Seller's EESWS Rate Schedule)
(Continued)

ARTICLE IV
RATE SCHEDULE AND PRICE

1. Buyer shall pay Seller for service hereunder in accordance with Seller's Rate Schedule EESWS 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 of 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 A to the service agreement.

ARTICLE V
MISCELLANEOUS

1. The subject headings of the Articles of this agreement are inserted for the purpose of convenient reference and are not intended to be part of this agreement nor to be considered in any interpretation of the same.

2. This agreement supersedes and cancels as of the effective date hereof the following contracts between the parties hereto:

3. 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.

4. This agreement shall be interpreted, performed and enforced in accordance with the laws of the State of Texas.

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

6. 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:

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

Issued by:
Issued on:

Effective on:

FORM OF SERVICE AGREEMENT
(For Use Under Seller's EESWS Rate Schedule)
(Continued)

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 _____
Name
Title

(Buyer)

By _____
Name
Title

Issued by:
Issued on:

Effective on:

FORM OF SERVICE AGREEMENT
(For Use Under Seller's Rate Schedule EESWS)
(Continued)

EXHIBIT A

Specification of Negotiated Rate and Term

Issued by:
Issued on:

Effective on:

RATE SCHEDULE FT
Firm Transportation Service
(Continued)

5. SCHEDULING AND BALANCING (Continued)

5.8 Procedures for Resolution of Historical Imbalances (Continued)

- (e) After determination of the FRHI pursuant to either 5.8(c) or 5.8(d) above, Seller and Buyer shall resolve the FRHI in the following manner:
- (i) Seller and Buyer shall enter into good faith negotiations for a period not to exceed 90 days from the date the FRHI is determined ("Negotiation Period"), unless such period is extended by mutual agreement between Seller and Buyer, in order to resolve such FRHI by agreeing either to:
- (1) make up the FRHI on a volumetric basis, over a reasonable time period and subject to operating conditions on Seller's and Buyer's systems, or
 - (2) make up such FRHI on a dollar basis; provided however, nothing herein shall preclude Buyer, with Seller's consent, from entering into an agreement with other Buyers which would allow Buyers to trade FRHI quantities. Seller's consent to enter into such agreements shall not be unreasonably withheld.
- (ii) If, at the end of the Negotiation Period, Seller and Buyer have not agreed upon a resolution of the FRHI as provided in 5.8(e)(i) above, Seller or Buyer, as appropriate, shall "cash out" the FRHI over twelve equal monthly installments (hereinafter referred to as "FRHI Cash Out"), commencing with the first month following the end of the Negotiation Period. The monthly FRHI Cash Out shall be the product of one-twelfth of the FRHI volume and the price, determined as follows, for that month. The applicable price for purposes of the immediately preceding sentence shall be the simple average of the four regional prices (rounded to the fourth decimal place) set forth in the table "Gas Price Report" (in \$/MMBtu) published in the first issue of such month of Natural Gas Week (or any succeeding publication of Oil Daily, Inc.) for these regions:
- (1) Texas, Gulf Coast Offshore, Spot Delivered to Pipeline;
 - (2) Texas, Gulf Coast Onshore, Spot Delivered to Pipeline;
 - (3) Louisiana, Gulf Coast Offshore, Spot Delivered to Pipeline;
 - and (4) Louisiana, Gulf Coast Onshore, Spot Delivered to Pipeline.
- (e) Notwithstanding the above, Seller shall have the sole right to adjust the timing of the volumetric make-up of any FRHI to maintain the operational integrity of Seller's pipeline system.

6. ~~EMINENCE STORAGE WITHDRAWAL SERVICE~~
~~THIS SECTION IS RESERVED FOR FUTURE USE.~~

~~6.1 Seller will make Emergency Eminence Storage Withdrawal Service ("Emergency Eminence Service") available to Buyers that have TCQ entitlements at the point on Seller's mainline system where Seller's facilities and Seller's Eminence facilities interconnect, as backup supply during force majeure events under the terms and conditions set forth in this Section 6.~~

RATE SCHEDULE FT
Firm Transportation Service
(Continued)

~~6. EMERGENCY EMINENCE STORAGE WITHDRAWAL SERVICE (Continued)~~

~~6.2 Emergency Eminence Service is limited to an aggregate daily withdrawal quantity of 60 percent of the total Eminence storage dehydrated withdrawal capability per day, measured at full inventory, for the duration of the force majeure event, but not more than a cumulative withdrawal quantity of 60 percent of Eminence storage capacity, measured at full inventory. Should operating conditions permit, the daily withdrawal capability shall be increased by Seller. The total aggregate withdrawal quantity available during any force majeure event may be adjusted downward to the extent that withdrawals from prior force majeure events have not been returned. Withdrawal quantities may be adjusted to the extent that the capacity or deliverability of the Eminence facility varies with factors unrelated to the level of inventory, such as force majeure or operating conditions.~~

~~6.3 In the event daily nominations for Emergency Eminence Service exceed the aggregate daily withdrawal quantity available, the available quantity will be allocated on a pro rata basis among all the Buyers nominating such service based on each Buyer's TCQ.~~

~~6.4 Upon the termination of the force majeure event applicable to Buyer or the depletion of quantities available under Emergency Eminence Service, whichever occurs first, Buyer will be required to schedule injection returns plus fuel at a daily rate such that the quantities withdrawn will be replaced within 30 days, or such longer period that may be required as a result of injection limitations. Seller shall have the right to limit Buyer's daily injection rate to Buyer's pro rata share of sixty percent (60%) of the total daily Eminence injection capability unless operating conditions permit a greater injection rate ("Maximum Injection Rate"). If Buyer fails to meet the injection return deadline, Buyer shall be charged a penalty on the unreturned quantities of two times the Zone 4 "Sell" Price, which shall be the highest weekly Reference Spot Price for Zone 4, as set forth in Section 37.1(a) of the General Terms and Conditions for the month in which all quantities should have been replaced if Buyer had replaced such quantities at the Maximum Injection Rate. The unreturned quantity multiplied by one times the Zone 4 Sell Price will be considered the penalty revenue that will be distributed pursuant to Section 54 of the General Terms and Conditions. The remaining penalty dollars (the unreturned quantity multiplied by one times the Zone 4 Sell Price), which is representative of Seller's cost to replenish the gas in the Eminence storage field, will be included in the Cash Out Refund calculation pursuant to Section 15 of the General Terms and Conditions.~~

7. SERVICE RIGHTS OF CONVERSION BUYERS

- 7.1 A Conversion Buyer for purposes of this Section 7, is a Buyer that has converted a firm sales contract to service under this rate schedule or a Buyer that receives service under this rate schedule by virtue of a reallocation of firm daily sales or firm mainline transportation capacity on Seller's system.
- 7.2 A Conversion Buyer shall be allocated its full firm TCQ capacity through Seller's mainline facilities commencing at Seller's Station 65 and terminating downstream at the Conversion Buyer's market area delivery points.
- 7.3 Conversion Buyers shall be allocated capacity through Seller's mainline system upstream of Station 65 as follows: Each Conversion Buyer shall be allocated capacity equal to the quantity determined by multiplying (i) such Conversion Buyer's TCQ commencing at Station 65 by (ii) the following percentages as applicable to each of the following sections of Seller's system:

Section of Seller's Mainline System Upstream of Station 65 (Compressor Station to Compressor Station)	Cumulative Percentage
30 - 45	17%
45 - 50	42%
50 - 65	61%
62 - 65	39%

Transportation service from an off mainline receipt point upstream of one of the above designated compressor stations to any such compressor station which is a firm receipt point for Buyer under this rate schedule shall be provided by Seller under an interruptible feeder arrangement as set forth in Section 3.9 of Rate Schedule IT.

RATE SCHEDULE FT-G
FIRM TRANSPORTATION SERVICE
(Continued)

~~6. EMERGENCY EMINENCE STORAGE WITHDRAWAL SERVICE
THIS SECTION IS RESERVED FOR FUTURE USE.~~

- ~~6.1 Seller will make Emergency Eminence Storage Withdrawal Service ("Emergency Eminence Service") available to Buyers that have TCQ entitlements at the point on Seller's mainline system where Seller's facilities and Seller's Eminence facilities interconnect, as backup supply during force majeure events under the terms and conditions set forth in this Section 6.~~
- ~~6.2 Emergency Eminence Service is limited to an aggregate daily withdrawal quantity of 50 percent of the total Eminence storage dehydrated withdrawal capability per day, measured at full inventory, for the duration of the force majeure event, but not more than a cumulative withdrawal quantity of 50 percent of Eminence storage capacity, measured at full inventory. Should operating conditions permit, the daily withdrawal capability shall be increased by Seller. The total aggregate withdrawal quantity available during any force majeure event may be adjusted downward to the extent that withdrawals from prior force majeure events have not been returned. Withdrawal quantities may be adjusted to the extent that the capacity or deliverability of the Eminence facility varies with factors unrelated to the level of inventory, such as force majeure or operating conditions.~~
- ~~6.3 In the event daily nominations for Emergency Eminence Service exceed the aggregate daily withdrawal quantity available, the available quantity will be allocated on a pro rata basis among all the Buyers nominating such service based on each Buyer's TCQ.~~
- ~~6.4 Upon the termination of the force majeure event applicable to Buyer or the depletion of quantities available under Emergency Eminence Service, whichever occurs first, Buyer will be required to schedule injection returns plus fuel at a daily rate such that the volumes withdrawn will be replaced within 30 days, or such longer period that may be required as a result of injection limitations. Seller shall have the right to limit Buyer's daily injection rate to Buyer's pro rata share of fifty percent (50%) of the total daily Eminence injection capability unless operating conditions permit a greater injection rate ("Maximum Injection Rate"). If Buyer fails to meet the injection return deadline, Buyer shall be charged a penalty on the unreturned quantities of two times the Zone 4 "Sell" Price, which shall be the highest weekly Reference Spot Price for Zone 4, as set forth in Section 37.1(a) of the General Terms and Conditions for the month in which all quantities should have been replaced if Buyer had replaced such quantities at the Maximum Injection Rate.~~

7. SERVICE RIGHTS OF CONVERSION BUYERS

- 7.1 A Conversion Buyer for purposes of this Section 7, is a Buyer that has converted a firm sales contract to service under this rate schedule or a Buyer that receives service under this rate schedule by virtue of a reallocation of firm daily sales or firm mainline transportation capacity on Seller's system.
- 7.2 A Conversion Buyer shall be allocated its full firm TCQ capacity through Seller's mainline facilities commencing at Seller's Station 65 and terminating downstream at the Conversion Buyer's market area delivery points.

RATE SCHEDULE FTN
Firm Transportation Notice Service
(Continued)

5. SCHEDULING AND BALANCING (Continued)

- 5.4 Seller will provide, on lLine, its best available operational data on receipts and deliveries (including electronic gas measurement data - estimated or actuals) to all parties to the transaction requesting such data, and will provide such data on the day immediately following the close of the gas day so as to allow Buyers a reasonable opportunity to correct any accumulated imbalances during such calendar month.

~~6. EMERGENCY EMINENCE STORAGE WITHDRAWAL SERVICE~~ THIS SECTION IS RESERVED FOR FUTURE USE.

- ~~6.1 Seller will make Emergency Eminence Storage Withdrawal Service ("Emergency Eminence Service") available to Buyers that have TCQ entitlements at the point on Seller's mainline system where Seller's facilities and Seller's Eminence facilities interconnect, as backup supply during force majeure events under the terms and conditions set forth in this Section 6.~~
- ~~6.2 Emergency Eminence Service is limited to an aggregate daily withdrawal quantity of 50 percent of the total Eminence storage dehydrated withdrawal capability per day, measured at full inventory, for the duration of the force majeure event, but not more than a cumulative withdrawal quantity of 50 percent of Eminence storage capacity, measured at full inventory. Should operating conditions permit, the daily withdrawal capability shall be increased by Seller. The total aggregate withdrawal quantity available during any force majeure event may be adjusted downward to the extent that withdrawals from prior force majeure events have not been returned. Withdrawal quantities may be adjusted to the extent that the capacity or deliverability of the Eminence facility varies with factors unrelated to the level of inventory, such as force majeure or operating conditions.~~
- ~~6.3 In the event daily nominations for Emergency Eminence Service exceed the aggregate daily withdrawal quantity available, the available quantity will be allocated on a pro rata basis among all the Buyers nominating such service based on each Buyer's TCQ.~~

RATE SCHEDULE FTN
Firm Transportation Notice Service
(Continued)

~~6. EMERGENCY EMINENCE STORAGE WITHDRAWAL SERVICE (Continued)~~

~~6.4 Upon the termination of the force majeure event applicable to Buyer or the depletion of quantities available under Emergency Eminence Service, whichever occurs first, Buyer will be required to schedule injection returns plus fuel at a daily rate such that the volumes withdrawn will be replaced within 30 days, or such longer period that may be required as a result of injection limitations. Seller shall have the right to limit Buyer's daily injection rate to Buyer's pro rata share of fifty percent (50%) of the total daily Eminence injection capability unless operating conditions permit a greater injection rate ("Maximum Injection Rate"). If Buyer fails to meet the injection return deadline, Buyer shall be charged a penalty on the unreturned quantities of two times the Zone 4 "Sell" Price, which shall be the highest weekly Reference Spot Price for Zone 4, as set forth in Section 37.1(a) of the General Terms and Conditions for the month in which all quantities should have been replaced if Buyer had replaced such quantities at the Maximum Injection Rate.~~

7. SERVICE RIGHTS OF CONVERSION BUYERS

- 7.1 A Conversion Buyer for purposes of this Section 7, is a Buyer that has elected to receive firm transportation service under this Rate Schedule for service originally rendered:
- (a) as a result of a conversion of a firm sales contract to service under Rate Schedule FT; or
 - (b) as a service under Rate Schedule FT by virtue of a reallocation of firm daily sales or firm mainline transportation capacity on Seller's system.
- 7.2 A Conversion Buyer shall be allocated its full firm TCQ capacity through Seller's mainline facilities commencing at Seller's Station 65 and terminating downstream at the Conversion Buyer's market area delivery points.
- 7.3 Conversion Buyers shall be allocated capacity through Seller's mainline system upstream of Station 65 as follows: Each Conversion Buyer shall be allocated capacity equal to the quantity determined by multiplying (i) such Conversion Buyer's TCQ commencing at Station 65 by (ii) the following percentages as applicable to each of the following sections of Seller's system:

Section of Seller's Mainline System Upstream of Station 65 (Compressor Station to Compressor Station)	Cumulative Percentage
-----	-----
30 - 45	17%
45 - 50	42%
50 - 65	61%
62 - 65	39%

RATE SCHEDULE EESWS
Emergency Eminence Storage Withdrawal Service

1. AVAILABILITY

- 1.1 This open-access rate schedule is available for the purchase from Transcontinental Gas Pipe Line Corporation (hereinafter referred to as Seller) of Emergency Eminence Storage Withdrawal Service by any person, company or agency (hereinafter referred to as Buyer), when Buyer and Seller execute a service agreement for service under this rate schedule.
- 1.2 Service under this rate schedule is also available when Buyer has obtained released firm capacity from a Rate Schedule EESWS Buyer releasing such firm capacity ("Releasing Shipper") pursuant to Section 42 of the General Terms and Conditions.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Service under this rate schedule shall be made available to Buyer(s) as backup supply during force majeure events as defined in Section 11.1 of the General Terms and Conditions. Service shall be rendered pursuant to the service agreement executed for service hereunder and Part 284 of the Commission's Regulations, within the limitations described in Sections 5 and 6 hereof, and shall not be subject to curtailment or interruption except that caused by force majeure or by operating conditions.
- 2.2 Unless Seller has posted on lLine that service under this rate schedule is available to Buyers, a Buyer that requires backup supply under this rate schedule as a result of a force majeure event shall request service by providing written notice and full particulars of such force majeure event to Seller.
- 2.3 Service under this rate schedule is limited to an aggregate daily withdrawal quantity, for the duration of the force majeure event, equal to the combined Storage Demand quantities set forth in the executed service agreements of all Buyers under this rate schedule, but not more than a cumulative withdrawal quantity equal to the combined Storage Capacity Quantities of all Buyers under this rate schedule.
- 2.4 Section 284.221(d) of the Commission's Regulations shall apply to service under this rate schedule subject to the right of first refusal procedures, if applicable, set forth in Section 48 of the General Terms and Conditions.

3. RATES AND CHARGES

- 3.1 The maximum and minimum rates for service under this rate schedule are shown on the currently effective Sheet No. _____ of Volume No. 1 of this Tariff. Buyer shall pay such maximum rates for service under this rate schedule unless Seller, in its sole judgment, agrees to discount its rate to Buyer. Such discount may be granted consistent with the applicable provisions of Section 40 of the General Terms and Conditions. Further, Buyer and Seller may mutually agree to a negotiated rate, pursuant to the provisions of Section 53 of the General Terms and Conditions. Such negotiated rate shall be set forth in the executed service agreement.

RATE SCHEDULE EESWS
Emergency Eminence Storage Withdrawal Service
(Continued)

3. RATES AND CHARGES (Continued)

3.2 For purposes of capacity release, the Demand and Storage Capacity Quantity charges payable by Buyer shall be at a rate set forth in the applicable capacity release award posted on lLine consistent with the provisions of Section 42 of the General Terms and Conditions.

3.3 For natural gas storage withdrawal service rendered to Buyer under this rate schedule, Buyer shall pay Seller for each day of each month the sum of the following amounts:

(a) Storage Demand Charge: A charge per day per dt of Storage Demand Quantity. If Buyer acquires storage capacity through a volumetric storage release, the Storage Demand Charge shall be the rate set forth in the applicable capacity release award posted on lLine multiplied by the allocated withdrawal quantity; provided, however, Buyer's monthly bill may be subject to adjustment to account for any minimum volumetric commitment specified in such capacity release award.

(b) Storage Capacity Quantity Charge: A charge per day per dt of Storage Capacity Quantity. If Buyer acquires storage capacity through a volumetric storage release, the Storage Capacity Quantity Charge shall be the rate set forth in the applicable capacity release award posted on lLine multiplied by the allocated withdrawal quantity; provided, however, Buyer's monthly bill may be subject to adjustment to account for any minimum volumetric commitment specified in such capacity release award.

(c) Quantity Injected Charge: A charge per dt for gas delivered into storage for Buyer's account.

(d) Quantity Withdrawal Charge: A charge per dt for gas withdrawn from storage for Buyer's account.

4. DEFINITIONS

4.1 Storage Demand Quantity

The Storage Demand Quantity shall be that quantity set forth in the executed service agreement and shall be used to determine the Demand Charges payable by Buyer hereunder.

4.2 Storage Capacity Quantity

The Storage Capacity Quantity shall be specified in the executed service agreement and shall be used to determine the Storage Capacity Quantity Charges payable by Buyer hereunder.

4.3 Storage Injection Quantity

The Storage Injection Quantity specified in the executed service agreement shall be the maximum quantity Seller shall be obligated to inject into storage for Buyer's account and Buyer shall be entitled to inject into storage on any one day, subject to the provisions set forth in Section 6 below.

RATE SCHEDULE EESWS
Emergency Eminence Storage Withdrawal Service
(Continued)

5. WITHDRAWALS FROM STORAGE

- 5.1 Emergency Eminence Storage Withdrawal Service is limited to an aggregate daily withdrawal quantity equal to the combined Storage Demand Quantities of all Buyers under this rate schedule. Should operating conditions permit, the daily withdrawal capability shall be increased by Seller. Seller shall endeavor to withdraw and deliver, on any one day, as much of Buyer's nomination for such day as operating conditions permit, and in no event shall Buyer be allocated less than its Storage Demand. If, however, the total of all nominations for a day exceeds the total quantity which Seller can withdraw from storage on such day, the total nominations for such day shall be allocated pro rata among the nominating Buyers based on Storage Demand.
- 5.2 The total aggregate quantity available for withdrawal during any force majeure event may be adjusted downward to the extent that withdrawals from prior force majeure events have not been returned. Withdrawal quantities may be adjusted to the extent that the capacity or deliverability of the Eminence storage field varies with factors unrelated to the level of inventory, such as force majeure or operating conditions.
- 5.3 When Buyer withdraws gas under this rate schedule, Buyer shall nominate quantities for withdrawal according to Seller's nomination and ranking deadlines as set forth in Section 28.1 of the General Terms and Conditions. Seller, in its sole judgment, may waive any nomination and ranking deadlines, on a non-discriminatory basis, if Seller determines operating conditions permit. Seller shall thereupon withdraw for Buyer the quantity of gas scheduled. Gas for withdrawal hereunder shall be made available to Buyer at the delivery point set forth in the executed EESWS service agreement.

6. INJECTIONS INTO STORAGE

- 6.1 Upon the termination of the force majeure event applicable to Buyer or the depletion of quantities available under this rate schedule, whichever occurs first, Buyer will be required to schedule injection returns plus fuel at a daily rate such that the quantities withdrawn will be replaced within 30 days, or such longer period that may be required as a result of injection limitations. Seller shall have the right to limit Buyer's daily injection rate to the Storage Injection Quantity specified in Buyer's service agreement unless operating conditions permit a greater injection quantity. If Buyer fails to meet the injection return deadline, Buyer shall be charged a penalty on the unreturned quantities of two times the Zone 4 "Sell" Price, which shall be the highest weekly Reference Spot Price for Zone 4, as set forth in Section 37.1(a) of the General Terms and Conditions for the month(s) in which all quantities should have been replaced. The unreturned quantity multiplied by one times the Zone 4 Sell Price will be considered the penalty revenue that will be distributed pursuant to Section 54 of the General Terms and Conditions. The remaining penalty dollars (the unreturned quantity multiplied by one times the Zone 4 Sell Price), which is representative of Seller's cost to replenish the gas in the Eminence storage field, will be included in the Cash Out Refund calculation pursuant to Section 15 of the General Terms and Conditions.

RATE SCHEDULE EESWS
Emergency Eminence Storage Withdrawal Service
(Continued)

6. INJECTIONS INTO STORAGE (Continued)

6.2 When Buyer returns gas under this rate schedule, Buyer shall nominate quantities for injection according to Seller's nomination and ranking deadlines as set forth in Section 28.1 of the General Terms and Conditions. Seller, in its sole judgment, may waive any nomination and ranking deadlines, on a non-discriminatory basis, if Seller determines operating conditions permit. Buyer shall make available such scheduled quantity and Seller shall thereupon inject the scheduled quantity into storage for Buyer's account. Gas for injection hereunder shall be made available by Buyer to Seller at the receipt point set forth in the executed EESWS service agreement.

6.3 In the event that Buyer has obtained released firm capacity under this rate schedule pursuant to Section 42 of the General Terms and Conditions and the term of that release ends prior to Buyer's injection return deadline, as determined under Section 6.1 above, for quantities withdrawn under this rate schedule, then the Releasing Shipper shall be deemed to appoint Buyer as its agent under the Releasing Shipper's applicable service agreement under this rate schedule for purposes of scheduling injection returns plus fuel in order to permit replacement of the quantities withdrawn within the period prescribed for Buyer's return of such quantities. If Buyer fails to meet the injection return deadline, Buyer shall be charged the penalty specified in Section 6.1 above on the unreturned quantities.

7. RIGHT OF FIRST REFUSAL PROCEDURES

Refer to Section 48 of the General Terms and Conditions.

8. PROCEDURES FOR ALLOCATING AVAILABLE CAPACITY

Refer to Section 49 of the General Terms and Conditions.

RATE SCHEDULE EESWS
Emergency Eminence Storage Withdrawal Service
(Continued)

9. REQUEST FOR SERVICE

9.1 Requests for service hereunder shall be considered acceptable only if Buyer has completed and returned Seller's storage service request form (which is available to all Buyers and potential Buyers on request) electronically via lLine or to the following address:

Transcontinental Gas Pipe Line Corporation
Attention: Customer Services
P. O. Box 1396
Houston, Texas 77251

Such request for service shall contain the information specified in Seller's storage service request form, as such may be revised from time to time, and

(a) Either with the request for service or at the time of execution of the service agreement, such other information, in writing, as is required to comply with regulatory reporting or filing requirements; and

(b) Sufficient information to determine Buyer's creditworthiness in accordance with the General Terms and Conditions of Seller's Volume No. 1 Tariff.

9.2 Requests for service hereunder shall be void unless Buyer executes a service agreement for service under this rate schedule within thirty (30) days after Seller has tendered such agreement to Buyer.

10. GENERAL TERMS AND CONDITIONS

All of the applicable General Terms and Conditions of Seller's Volume No. 1 Tariff are hereby made a part hereof. However, in the event of any inconsistencies between the General Terms and Conditions and this Rate Schedule EESWS, the terms and conditions of this Rate Schedule EESWS shall control.

FORM OF SERVICE AGREEMENT
(For Use Under Seller's EESWS Rate Schedule)

THIS AGREEMENT entered into this _____ day of _____, _____, by and between TRANSCONTINENTAL GAS PIPE LINE CORPORATION, a Delaware corporation, hereinafter referred to as "Seller", first party, and _____, hereinafter referred to as "Buyer", second party.

W I T N E S S E T H

WHEREAS, Seller has made available to Buyer Emergency Eminence Storage Withdrawal Service from its Eminence Storage Field under Part 284 of the Commission's Regulations; and Buyer desires to purchase and Seller desires to sell natural gas storage withdrawal service under Seller's Rate Schedule EESWS as set forth herein;

NOW, THEREFORE, Seller and Buyer agree as follows:

ARTICLE I
SERVICE TO BE RENDERED

Subject to the terms and provisions of this agreement and of Seller's Rate Schedule EESWS, Seller agrees as follows:

To withdraw from storage on any day _____ dt, which quantity shall be Buyer's Storage Demand Quantity, or such greater daily quantity, as applicable from time to time, pursuant to the terms and conditions of Seller's Rate Schedule EESWS.

To inject into storage on any day _____ dt, which quantity shall be Buyer's Storage Injection Quantity, or such greater daily quantity, as applicable from time to time, pursuant to the terms and conditions of Seller's Rate Schedule EESWS.

To receive and store up to a total quantity at any one time of _____ dt, which quantity shall be Buyer's Storage Capacity Quantity.

ARTICLE II
POINT(S) OF RECEIPT AND DELIVERY

The Point of Receipt for injection of natural gas delivered to Seller by Buyer and the Point of Delivery for withdrawal of natural gas delivered by Seller to Buyer under this agreement shall be at the point of interconnection of Seller's pipeline facilities and its Eminence Storage Field located in Covington County, Mississippi. Such gas shall be delivered or received at the prevailing pressure in Seller's pipeline system not to exceed the maximum allowable operating pressure.

ARTICLE III
TERM OF AGREEMENT

This agreement shall be effective as of _____, _____ (year) and shall remain in force and effect until 9:00 a.m. Central Clock Time _____, _____ (year) and thereafter until terminated by Seller or Buyer upon at least _____ written notice.

FORM OF SERVICE AGREEMENT
(For Use Under Seller's EESWS Rate Schedule)
(Continued)

ARTICLE IV
RATE SCHEDULE AND PRICE

1. Buyer shall pay Seller for service hereunder in accordance with Seller's Rate Schedule EESWS 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 of 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 A to the service agreement.

ARTICLE V
MISCELLANEOUS

1. The subject headings of the Articles of this agreement are inserted for the purpose of convenient reference and are not intended to be part of this agreement nor to be considered in any interpretation of the same.

2. This agreement supersedes and cancels as of the effective date hereof the following contracts between the parties hereto:

3. 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.

4. This agreement shall be interpreted, performed and enforced in accordance with the laws of the State of Texas.

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

6. 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:

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

FORM OF SERVICE AGREEMENT
(For Use Under Seller's EESWS Rate Schedule)
(Continued)

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 _____

Name

Title

(Buyer)

By _____

Name

Title

FORM OF SERVICE AGREEMENT
(For Use Under Seller's Rate Schedule EESWS)
(Continued)

EXHIBIT A

Specification of Negotiated Rate and Term

APPENDIX D

Transcontinental Gas Pipe Line Corporation

Docket No. RP01-245-016

Summary of Daily Reservation and Commodity Rates

Rate Schedule	Rec/Del Zone Combination	Proposed Settlement Rates \$
Reservation Rates		
FT	1-1	0.0584
FT	1-2, 2-1	0.0846
FT	1-3, 3-1	0.1245
FT	1-4, 4-1	0.2587
FT	1-5, 5-1	0.3556
FT	1-6, 6-1	0.4143
FT	2-2	0.0634
FT	2-3, 3-2	0.1033
FT	2-4, 4-2	0.2375
FT	2-5, 5-2	0.3344
FT	2-6, 6-2	0.3931
FT	3-3	0.0771
FT	3-4, 4-3	0.2113
FT	3-5, 5-3	0.3082
FT	3-6, 6-3	0.3669
FT	4-4	0.1714
FT	4-5, 5-4	0.2683
FT	4-6, 6-4	0.3270
FT	4A-4A	0.0709
FT	4B-4B	0.0581
FT	4B-4A, 4A-4B	0.0918
FT	5-5	0.1342
FT	5-6, 6-5	0.1929
FT	6-6	0.0959
Commodity Rates		
FT	1-1	0.0014
FT	1-2, 2-1	0.0027
FT	1-3, 3-1	0.0041
FT	1-4, 4-1	0.0099
FT	1-5, 5-1	0.0146
FT	1-6, 6-1	0.0172
FT	2-2	0.0015
FT	2-3, 3-2	0.0029
FT	2-4, 4-2	0.0087
FT	2-5, 5-2	0.0134
FT	2-6, 6-2	0.0160
FT	3-3	0.0016
FT	3-3 (WSS Wth)	0.0002
FT	3-4, 4-3	0.0074
FT	3-5, 5-3	0.0121
FT	3-6, 6-3	0.0147
FT	4-4	0.0060
FT	4-5, 5-4	0.0107
FT	4-6, 6-4	0.0133
FT	4A-4A	0.0017
FT	4B-4B	0.0012
FT	4B-4A, 4A-4B	0.0027
FT	5-5	0.0049
FT	5-6, 6-5	0.0075
FT	6-6	0.0028

Transcontinental Gas Pipe Line Corporation

Docket No. RP01-245-016

Summary of Daily Reservation and Commodity Rates

Rate Schedule	Rec/Del Zone Combination	Proposed Settlement Rates \$
Storage Rates		
GSS	Deliverability	0.0881
GSS	Capacity	0.0005 *
GSS	Injection	0.0298
GSS	Withdrawal	0.0278
GSS	Excess Delivery	0.7248
WSS/WSS-OA	Deliverability	0.0186 *
WSS/WSS-OA	Capacity	0.0002 *
WSS/WSS-OA	Injection	0.0064 *
WSS/WSS-OA	Withdrawal	0.0064 *
LG-A/LNG	Deliverability	0.0285 *
LG-A/LNG	Capacity	0.0055 *
LG-A/LNG	Injection	0.4567 *
LG-A/LNG	Withdrawal	0.4567 *
LG-A/LNG	Excess Delivery	4.5355 *
LSS	Deliverability	0.1430
LSS	Capacity	0.0006 *
LSS	Injection	0.0197
LSS	Withdrawal	0.0176
SS-2	Deliverability	0.2967
SS-2	Capacity	0.0009
SS-2	Injection	0.0181
SS-2	Withdrawal	0.0181
S-2	Deliverability	0.1439
S-2	Capacity	0.0039
S-2	Injection	0.0372 *
S-2	Withdrawal	0.0516 *
S-2	Demand Charge Adj.	0.3480
ESS	Deliverability	0.0151
ESS	Capacity	0.0015 *
ESS	Injection	0.0091 *
ESS	Withdrawal	0.0091 *
EESWS	Deliverability	0.0192
EESWS	Capacity	0.0019
EESWS	Injection	0.0091
EESWS	Withdrawal	0.0091
ISS	Inventory Charge	0.0008 *
ISS	Quantity Injected Charge	0.0064 *
ISS	Quantity Withdrawn Charge	0.0064 *
Incremental Rates		
Cherokee	Demand	0.3951
Cherokee	Commodity	0.0044 *
Pocono	Demand	0.1296
Pocono	Commodity	0.0018 *
SunBelt	Demand (Capacity Commencing @ Sta. 65)	0.3040
SunBelt	Demand (Capacity Commencing @ Sta. 85)	0.2290
SunBelt	Commodity (3-3)	0.0020 *
SunBelt	Commodity (3 to 4 (Upstream of Sta. 85))	0.0020 *
SunBelt	Commodity (3 to 4 (At or Downstream of Sta. 85))	0.0062 *
SunBelt	Commodity (3 to 5)	0.0082 *
SunBelt	Commodity (4 to 4 (Upstream of Sta. 85))	0.0020 *
SunBelt	Commodity (4 to 4 (At or Downstream of Sta. 85))	0.0062 *
SunBelt	Commodity (4 (Upstream of Sta. 85) to 5)	0.0082 *
SunBelt	Commodity (4 (At or Downstream of Sta. 85) to 5)	0.0062 *
SunBelt	Commodity (5 to 5)	0.0062 *

Transcontinental Gas Pipe Line Corporation

Docket No. RP01-245-016

Summary of Daily Reservation and Commodity Rates

Rate Schedule	Rec/Del Zone Combination	Proposed Settlement Rates \$
SouthCoast	Demand (Mainline)	0.2041
SouthCoast	Demand (N. Ga. Ext.)	0.3312
SouthCoast	Commodity (Mainline)	0.0042
SouthCoast	Commodity (N. Ga. Ext)	0.0046
Leidy Rate Schedules X-269, X-270, X-274, X-275 and X-276		
Leidy X-Rates	Demand	0.0959
Leidy X-Rates	Commodity	0.0028
Rate Schedule SS-1 7(C) Transportation		
SS-1 7(C)	Demand	0.0397
SS-1 7(C)	Commodity	0.0028
Commodity Rates		
FT-G	1-1	0.0987
FT-G	1-2, 2-1	0.1437
FT-G	1-3, 3-1	0.2116
FT-G	1-4, 4-1	0.4410
FT-G	1-5, 5-1	0.6073
FT-G	1-6, 6-1	0.7077
FT-G	2-2	0.1072
FT-G	2-3, 3-2	0.1751
FT-G	2-4, 4-2	0.4045
FT-G	2-5, 5-2	0.5708
FT-G	2-6, 6-2	0.6712
FT-G	3-3	0.1301
FT-G	3-3 (WSS Wth)	0.0622
FT-G	3-4, 4-3	0.3595
FT-G	3-5, 5-3	0.5258
FT-G	3-6, 6-3	0.6262
FT-G	4-4	0.2916
FT-G	4-5, 5-4	0.4579
FT-G	4-6, 6-4	0.5583
FT-G	4A-4A	0.1199
FT-G	4B-4B	0.0979
FT-G	4A-4B, 4B-4A	0.1556
FT-G	5-5	0.2285
FT-G	5-6, 6-5	0.3289
FT-G	6-6	0.1626
IT Commodity Rates		
IT	1-1	0.0598
IT	1-2, 2-1	0.0873
IT	1-3, 3-1	0.1286
IT	1-4, 4-1	0.2685
IT	1-4A, 4A-1	0.3037
IT	1-4B, 4B-1	0.3255
IT	1-5, 5-1	0.3702
IT	1-6, 6-1	0.4315
IT	2-2	0.0649
IT	2-3, 3-2	0.1062
IT	2-4, 4-2	0.2461
IT	2-4A, 4A-2	0.2813
IT	2-4B, 4B-2	0.3031

Transcontinental Gas Pipe Line Corporation

Docket No. RP01-245-016

Summary of Daily Reservation and Commodity Rates

Rate Schedule	Rec/Del Zone Combination	Proposed Settlement Rates \$
IT	2-5, 5-2	0.3478
IT	2-6, 6-2	0.4091
IT	3-3	0.0787
IT	3-3 (WSS Wth)	0.0374
IT	3-4, 4-3	0.2186
IT	3-4A, 4A-3	0.2538
IT	3-4B, 4B-3	0.2756
IT	3-5, 5-3	0.3203
IT	3-6, 6-3	0.3816
IT	4-4	0.1773
IT	4-4A, 4A-4	0.2125
IT	4-4B, 4B-4	0.2343
IT	4-5, 5-4	0.2790
IT	4-6, 6-4	0.3403
IT	4A-4A	0.0726
IT	4A-4B, 4B-4A	0.0944
IT	4A-5, 5-4A	0.3142
IT	4A-6, 6-4A	0.3755
IT	4B-4B	0.0592
IT	4B-5, 5-4B	0.3360
IT	4B-6, 6-4B	0.3973
IT	5-5	0.1391
IT	5-6, 6-5	0.2004
IT	6-6	0.0987
Gathering Rate		
Production & Gathering		0.1971 *

Notes to Rates

- The rates exclude electric power and ACA charges.
- The Rate Schedules GSS, LSS, SS-2 and S-2 rates include the currently effective third party charges.
- The transportation and Emergency Eminence Storage Withdrawal Service rates include return and taxes associated with top gas in the Eminence Storage field dedicated to system flexibility and Rate Schedule EESWS. The top gas quantities and amounts are as follows:

	Volume (Dts)	Amount (\$)
System Flexibility	909,169	1,762,501
EESWS	508,809	986,369

- * Denotes that rate does not change from currently effective rate.