



**Gas Pipeline – Transco**  
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September 29, 2005

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

Attention: Magalie R. Salas, Secretary

Reference: Transcontinental Gas Pipe Line Corporation  
Compliance Filing in Docket No. RP02-99-009

Ladies and Gentlemen:

Pursuant to Ordering Paragraph (B) of the Federal Energy Regulatory Commission's (Commission) Order on Remand issued February 15, 2005 (February 15 Order) in the referenced proceeding,<sup>1</sup> Transcontinental Gas Pipe Line Corporation (Transco) herewith submits for filing with the Commission certain revised tariff sheets which reflect the removal of the North Padre Island gathering (NPI-G) rate, rate schedule and form of service agreement from Transco's Third Revised Volume No. 1 tariff. The enclosed tariff sheets, which are enumerated in Appendix A, are proposed to be effective November 1, 2005.

**Background**

On July 25, 2001, the Commission issued an order in Docket No. CP01-34-000, et al., granting Transco's proposal to spin down and abandon certain facilities on the North Padre Island Lateral, upstream of North Padre Island Block 956, offshore Texas in the Gulf of Mexico (NPI Facilities) by transfer to its affiliate, Williams Gas Processing-Gulf Coast Company, L.P (WGP).<sup>2</sup> The Commission also granted WGP's request that, upon transfer, the NPI Facilities be declared gathering facilities exempt from the Commission's jurisdiction. Effective December 1, 2001, Transco transferred the NPI Facilities to its non-jurisdictional affiliate, Williams Gulf Coast Gathering Company, LLC. On November 30, 2001, one day prior to the transfer of the NPI facilities, Shell Offshore, Inc. filed a complaint which, among other things, requested that the Commission reassert jurisdiction over the NPI Facilities. In an initial decision issued June 4, 2002 the presiding Administrative Law Judge (ALJ) found that Transco and its gathering affiliate,

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<sup>1</sup> Shell Offshore Inc. v. Transcontinental Gas Pipe Line Corporation, Williams Gas Processing – Gulf Coast Company, L.P., Williams Field Services, 110 FERC ¶61,162 (2005).

<sup>2</sup> Transcontinental Gas Pipe Line Corp., 96 FERC ¶ 61,115 (2001), reh'g denied 103 FERC ¶61,177 (2003).

Williams Field Services, had acted in a manner that frustrates the Commission's effective regulation of Transco and the interstate transportation of gas on the NPI Facilities.<sup>3</sup>

On September 5, 2002 the Commission issued its Order on Initial Decision (September 5 Order).<sup>4</sup> In its September 5 Order the Commission affirmed the ALJ's initial decision and determined that it was necessary to reassert jurisdiction over the gathering rates and services related to the NPI Facilities. The Commission, among other things, established an unbundled gathering rate for service on the NPI Facilities effective September 5, 2002, and directed Transco to file within 30 days of the September 5 Order a proposed rate schedule and form of service agreement for gathering services, as well as all existing contracts that govern service on the NPI Facilities. In compliance with the Commission's directive, on October 4, 2002, Transco submitted a new Rate Schedule NPI-G and a new Form of Service agreement for use under Rate Schedule NPI-G. On October 7, 2002 Transco filed a request for rehearing of the September 5 Order, which rehearing request was denied by the Commission's Order on Rehearing dated May 15, 2003 (May 15 Order).<sup>5</sup>

On July 13, 2004 the United States Court of Appeals for the District of Columbia Circuit (Court) issued an opinion which vacated the Commission's September 5 and May 15 Orders and remanded the case for further proceedings consistent with its opinion. The Court found that the Commission, in granting Shell's complaint, had misapplied Commission precedent under the Natural Gas Act and that it lacked sufficient bases to reassert NGA jurisdiction or to assert jurisdiction under the Outer Continental Shelf Lands Act (OCSLA). In compliance with the Court's directive, the Commission's February 15 Order reversed the September 5 and May 15 Orders and denied Shell's complaint. Shell's subsequent request for rehearing of the February 15 Order was denied and the proceedings in this docket were terminated in an Order Denying Rehearing issued September 15, 2005.<sup>6</sup>

#### **Statement of Nature, Reasons and Basis for Filing**

The February 15 Order directed Transco to remove the North Padre Island gathering rate and rate schedule from its tariff, consistent with the Court's findings. In compliance with the February 15 Order, Transco submits in the instant filing revised tariff sheets removing the NPI-G rate, rate schedule and form of service agreement from Transco's Third Revised Volume No. 1 tariff.

#### **Proposed Effective Date**

The tariff sheets submitted herein are proposed to be effective November 1, 2005. In the event these tariff sheets are suspended, modified, or accepted subject to conditions, in accordance with the provisions of Section 154.7 (a)(9) of the Commission's Regulations (Regulations), Transco moves to place such tariff sheets into effect at the end of the applicable suspension period.

#### **Materials Submitted Herewith**

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

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<sup>3</sup> Shell Offshore Inc. v. Transcontinental Gas Pipe Line Corp., Williams Gas Processing Gulf Coast Company, L.P., Williams Field Services Company, and Williams Gulf Coast Gathering Company, L.L.C., 99 FERC ¶ 63,034 (2002).

<sup>4</sup> 100 FERC ¶ 61,254 (2002)

<sup>5</sup> 103 FERC ¶ 61,177 (2003)

<sup>6</sup> 112 FERC ¶ 61,293 (2005)

- (1) In accordance with Section 154.209 of the Regulations, a proposed form of notice for the instant filing suitable for publication in the Federal Register, and a diskette copy of such notice labeled NT092905.BSC;
- (2) The revised tariff sheets and the redlined version of the revised tariff sheets, in accordance with Section 154.201(a) of the Regulations; and
- (3) As required by Section 154.4 of the Regulations, a diskette copy of the revised tariff sheets labeled TF092905.BSC.

**Posting and Certification of Service**

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

Any communication regarding this filing should be sent to:

Scott Turkington  
Director, Rates and Regulatory  
Transcontinental Gas Pipe Line Corp.  
P.O. Box 1396  
Houston, Texas 77251  
Email: [scott.c.turkington@williams.com](mailto:scott.c.turkington@williams.com)

and copies should be mailed to:

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Respectfully submitted,  
TRANSCONTINENTAL GAS PIPE LINE CORPORATION

/s/ Charlotte Hutson

By \_\_\_\_\_  
Charlotte Hutson  
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UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Transcontinental Gas Pipe Line Corporation

Docket No. RP02-99-009

Notice of Proposed Changes in FERC Gas Tariff  
( )

Take notice that on September 29, 2005, Transcontinental Gas Pipe Line Corporation (Transco) tendered for filing as part of its FERC Gas Tariff, Third Revised Volume No. 1, the following tariff sheets, to become effective November 1, 2005:

Tenth Revised Sheet No. 2  
Tenth Revised Sheet No. 33  
Fourth Revised Sheet No. 169  
Second Revised Sheet No. 169A  
Fourth Revised Sheet No. 445  
First Revised Sheet No. 446  
First Revised Sheet No. 447  
Second Revised Sheet No. 448  
Second Revised Sheet No. 449

Transco states that the purpose of the instant filing is to reflect the removal of the North Padre Island gathering (NPI-G) rate, rate schedule and form of service agreement from Transco's Third Revised Volume No. 1 tariff pursuant to Ordering Paragraph (B) of the Federal Energy Regulatory Commission's Order on Remand issued February 15, 2005 in Docket No. RP02-99-009.

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

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

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

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

Magalie R. Salas  
Secretary

TRANSCONTINENTAL GAS PIPE LINE CORPORATION

APPENDIX A  
TARIFF SHEETS

THIRD REVISED VOLUME NO. 1

EFFECTIVE NOVEMBER 1, 2005

Tenth Revised Sheet No. 2  
Tenth Revised Sheet No. 33  
Fourth Revised Sheet No. 169  
Second Revised Sheet No. 169A  
Fourth Revised Sheet No. 445  
First Revised Sheet No. 446  
First Revised Sheet No. 447  
Second Revised Sheet No. 448  
Second Revised Sheet No. 449





SHEET NO. 169 IS BEING RESERVED FOR FUTURE USE.

SHEET NO. 169A IS BEING RESERVED FOR FUTURE USE.

SHEET NO. 445 IS BEING RESERVED FOR FUTURE USE.

SHEET NO. 446 IS BEING RESERVED FOR FUTURE USE.

SHEET NO. 447 IS BEING RESERVED FOR FUTURE USE.

SHEET NO. 448 IS BEING RESERVED FOR FUTURE USE.

SHEET NO. 449 IS BEING RESERVED FOR FUTURE USE.

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RATES AND CHARGES APPLICABLE TO  
 INTERRUPTIBLE GATHERING SERVICE  
 -----

Commodity Rate per Dt: -----	Maximum Rate	Minimum Rate
	-----	-----
	(\$)	(\$)
Gathering Facilities <del>(excluding North Padre Island Gathering Facilities)</del>	0.1971	0.0000
<del>North Padre Island Gathering Facilities (1)</del>	<del>0.0169</del>	<del>0.0000</del>

RATES AND CHARGES APPLICABLE TO  
 FIRM GATHERING SERVICE ~~(2)~~  
 -----

Reservation Rate per Gathering Contract Quantity (Dt): -----	Maximum Monthly Rate	Maximum Daily Rate	Minimum Rate
	-----	-----	-----
	(\$)	(\$)	(\$)
Gathering Facilities	5.9951	0.1971	0.0000
 Commodity Rate per Dt -----			
Gathering Facilities	0.0000	0.0000	0.0000

Notes: ~~(1) The North Padre Island Gathering Facilities consist of a 10 inch pipeline that begins at North Padre Island Block 967 and ends at North Padre Island Block 956 and a 20 inch pipeline that begins at North Padre Island East Addition Block A 42 and ends at North Padre Island Block 956.~~

~~(2): To the extent a Buyer has access to Transco's designated gathering points referenced on Sheet No. 33A or Sheet No. 33B of Seller's Volume No. 1 Tariff, (which exclude the North Padre Island Gathering Facilities referenced in Footnote 1 above), such Buyer may elect to subscribe to any of such points on a firm basis, if available. Absent such election, the interruptible gathering charges shall apply, where applicable.~~

~~RATE SCHEDULE NPI-G~~

~~NORTH PADRE ISLAND GATHERING SERVICE~~

~~1. AVAILABILITY~~

~~Service under this Rate Schedule is available to any gas company or any other party transporting gas (hereinafter referred to as "Buyer") when:~~

~~(a) gathering service is to be provided on all or any portion of the North Padre Island Gathering Facilities ("NPI Facilities" as defined in Section 2.1 below), in conjunction with interruptible transportation service under a Transcontinental Gas Pipe Line Corporation (hereinafter referred to as "Seller") Rate Schedule IT Service Agreement, and~~

~~(b) Buyer and Seller have executed a Rate Schedule NPI-G Service Agreement.~~

~~2. APPLICABILITY AND CHARACTER OF SERVICE~~

~~2.1 This Rate Schedule shall apply to gathering service rendered by Seller for Buyer on the NPI Facilities. The NPI Facilities consist of a 10 inch pipeline that begins at North Padre Island Block 967 and ends at North Padre Island Block 956 and a 20 inch pipeline that begins at North Padre Island East Addition Block A 42 and ends at North Padre Island Block 956.~~

~~2.2 Gathering service provided under this Rate Schedule shall be interruptible.~~

~~2.3 If Buyer under a Rate Schedule NPI-G Service Agreement also is the Buyer under the Rate Schedule IT Service Agreement identified in Section 1(a) of this Rate Schedule, then gathering service provided under this Rate Schedule shall be provided in conjunction with service under Rate Schedule IT, such that nominations for service on the NPI Facilities will be scheduled in conjunction with the interruptible transportation service downstream of the NPI Facilities as a single transaction.~~

~~3. RATES AND CHARGES~~

~~3.1 For gathering service rendered to Buyer each month under this Rate Schedule, Buyer shall pay to Seller the applicable rate multiplied by the quantities (dts) delivered.~~

~~3.2 The maximum and minimum unit rates for gathering service under this Rate Schedule are shown on the effective Sheet No. 23 of Volume No. 1 of this Tariff under the description "North Padre Island Gathering Facilities". Buyer shall pay the maximum rates for service under this Rate Schedule unless Seller, in its sole judgment, agrees to discount its rate to Buyer under this Rate Schedule. The rate or rates for service under this Rate Schedule shall not be discounted below the minimum rate, it being understood that each Buyer shall pay the maximum rates unless such rates are discounted to such specific Buyer. Such discount may be granted consistent with the applicable provisions of Section 40 of the General Terms and Conditions.~~

~~3.3 Buyer shall pay Seller any and all filing fees incurred as a result of Buyer's request for Seller's performance of service under this Rate Schedule, to the extent such fees are imposed upon Seller by the FERC or any other governmental authority having jurisdiction. Buyer shall pay Seller for such fees at Seller's designated office or depository within ten days of receipt of Seller's invoice detailing the amount of such fees.~~

~~3.4 Buyer shall reimburse Seller, subject to Buyer's consent, for the costs of any facilities installed on the NPI Facilities by Seller which are necessary to gather gas for Buyer or for the account of Buyer.~~

~~RATE SCHEDULE NPI-G~~

~~NORTH PADRE ISLAND GATHERING SERVICE~~  
~~(Continued)~~

~~4. OTHER CONDITIONS OF SERVICE~~

~~Gathering service provided by Seller to Buyer shall be provided in accordance with this Rate Schedule NPI-G and the General Terms and Conditions of Seller's Volume No. 1 Tariff, as applicable.~~

~~Notice: Although Seller has developed this Rate Schedule NPI-G in compliance with the Order issued by the Commission on September 5, 2002 ("September 5 Order"), nothing herein shall prejudice Seller's rights to seek rehearing and court review of the September 5 Order. Seller expressly reserves the right to amend, modify, supplement or withdraw any tariff revisions submitted in compliance with the September 5 Order, depending on the outcome of any such request for rehearing and/or court review.~~

SHEET NO. 169A IS BEING RESERVED FOR FUTURE USE.

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

THIS AGREEMENT entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (year), 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, pursuant to the Federal Energy Regulatory Commission (FERC) order issued September 5, 2002 in Docket Nos. RP02 99 000 and RP02 144 000, has been directed to provide a rate schedule and form of service agreement governing gathering service on the North Padre Island Gathering Facilities (NPI Facilities);

WHEREAS, the NPI Facilities consist of a 10 inch pipeline that begins at North Padre Island Block 967 and ends at North Padre Island Block 956 and a 20 inch pipeline that begins at North Padre Island East Addition Block A 42 and ends at North Padre Island Block 956; and

WHEREAS, Buyer desires gathering service on the NPI Facilities.

NOW, THEREFORE, Seller and Buyer agree as follows:

ARTICLE I  
GATHERING SERVICE

1. Subject to the terms and provisions of this agreement and of Seller's Rate Schedule NPI C, Seller agrees to provide gathering service to Buyer on the NPI Facilities.
2. Gathering service rendered hereunder shall be subject to curtailment or interruption when in Seller's judgment such curtailment or interruption is necessary due to operating conditions or insufficient pipeline capacity available on Seller's system, or is otherwise necessary to protect authorized firm services.

ARTICLE II  
POINT(S) OF RECEIPT, POINT(S) OF DELIVERY AND PRESSURE(S)

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

See Exhibit A, attached hereto, for point(s) of receipt.

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

See Exhibit B, attached hereto, for point(s) of delivery and pressures.

~~FORM OF SERVICE AGREEMENT~~

~~(For Use Under Seller's Rate Schedule NPI-G)  
(Continued)~~

~~ARTICLE III  
TERM OF AGREEMENT~~

~~This agreement shall be effective as of \_\_\_\_\_, \_\_\_\_\_ (year) and shall remain in force and effect through \_\_\_\_\_, \_\_\_\_\_ (year) and thereafter until terminated by Seller or Buyer upon at least thirty (30) days written notice to the other specifying a termination date. Notwithstanding the foregoing, Seller expressly reserves the right to terminate this agreement immediately upon notice to Buyer if, as a result of further order of FERC or a court, Seller is no longer required to provide gathering service for the NPI Facilities pursuant to the aforesaid September 5, 2002 FERC order.~~

~~ARTICLE IV  
RATE SCHEDULE AND PRICE~~

~~Buyer shall pay Seller for gathering service hereunder in accordance with Seller's Rate Schedule NPI-G, and the applicable provisions of Rate Schedule IT and 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 Schedules and General Terms and Conditions are by this reference made a part hereof.~~

~~ARTICLE V  
MISCELLANEOUS~~

~~1. This agreement supersedes and cancels as of the effective date hereof the following contract(s) between the parties hereto:~~

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

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

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

SHEET NO. 446 IS BEING RESERVED FOR FUTURE USE.

~~FORM OF SERVICE AGREEMENT~~

~~(For Use Under Seller's Rate Schedule NPI-G)  
(Continued)~~

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

~~(a) If to Seller:~~

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

~~(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.~~

~~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 \_\_\_\_\_~~

~~\_\_\_\_\_  
(Buyer)~~

~~By \_\_\_\_\_~~

~~FORM OF SERVICE AGREEMENT~~

~~(For Use Under Seller's Rate Schedule NPI-G)~~  
~~(Continued)~~

~~Exhibit A~~

~~Point(s) of Receipt~~

SHEET NO. 448 IS BEING RESERVED FOR FUTURE USE.

~~FORM OF SERVICE AGREEMENT~~

~~(For Use Under Seller's Rate Schedule NPI-G)~~  
~~(Continued)~~

~~Exhibit B~~

~~Point(s) of Delivery~~ \_\_\_\_\_ ~~Pressure~~

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SHEET NO. 449 IS BEING RESERVED FOR FUTURE USE.