



Gas Pipeline - Transco  
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713/215-2000

October 1, 2007

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

Attention: Kimberly D. Bose, Secretary

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

Ladies and Gentlemen:

Transcontinental Gas Pipe Line Corporation ("Transco") herewith submits for filing Sixth Revised Sheet No. 40N for inclusion in its FERC Gas Tariff, Third Revised Volume No. 1. The proposed effective date of such tariff sheet is November 1, 2007.

**Statement of Nature, Reasons and Basis**

On July 17, 2006, Transco submitted an application for a certificate of public convenience and necessity authorizing its Potomac Expansion Project ("Potomac"). On April 12, 2007 the Commission issued an "Order Issuing Certificate" ("April 12 Order"), which authorized Transco's Potomac Expansion Project.<sup>1/</sup> Among other things, the April 12 Order required Transco to file, not less than 30 days nor more than 60 days prior to the proposed effective date, rates and tariff sheets consistent with Part 154 of the Commissions regulations.

On August 17, 2007 Transco submitted an application to amend the certificate of public convenience and necessity granted by the Commission's April 12 Order ("August 17 Amendment"). The August 17 Amendment seeks Commission authorization to amend the Potomac certificate to: (i) revise the estimated cost of the Project facilities that are

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<sup>1/</sup> Transcontinental Gas Pipe Line Corporation, 119 FERC ¶61,039 (2007)

anticipated to be in-service November 1, 2007; (ii) include in the cost of the Project the estimated cost associated with the facility modifications in Fairfax County, Virginia required by the Commission in the certificate order, which facilities are expected to be placed into service by October 1, 2008 (as further described herein, the “piggable “Y” facilities”); (iii) revise the initial recourse rates for the Project to reflect the increased cost of the Project facilities; and (iv) phase-in the initial recourse rates for the Project to reflect the cost of the Project facilities that will be placed into service on November 1, 2007 and the additional costs associated with the piggable “Y” facilities that are expected to be placed into service by October 1, 2008. Transco’s August 17 Amendment is currently pending before the Commission.

In anticipation of the Commission granting the authorizations requested in the August 17 Amendment, Transco is submitting herewith the tariff sheet which sets forth the initial incremental recourse rates for “Phase I” of Potomac. The firm transportation rates contained in the instant filing are the same rates reflected in Exhibit P to the August 17 Amendment. A detailed explanation describing the derivation of the proposed rates was contained in the Preface to Exhibit P.

#### **Proposed Effective Date**

Transco requests that the tariff sheet submitted herein be made effective November 1, 2007, the anticipated in-service date of Potomac. In the event the Commission elects to accept and suspend the tariff sheet submitted herein, in accordance with the provisions of Section 154.7 (a)(9) of the Commission’s regulations, Transco moves to place such tariff sheet into effect at the end of the applicable suspension period.

#### **Materials Submitted Herewith**

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

- (1) The revised tariff sheet and a redline version of such tariff sheet submitted in the instant filing in accordance with the provision under Section 154.201(a) of the Regulations; and
- (2) As required by Section 154.4 of the Regulations, a diskette copy of the revised tariff sheet labeled TF100107.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 communications regarding this filing should be sent to:

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And copies should be mailed to:

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Respectfully submitted,

TRANSCONTINENTAL GAS PIPE LINE CORPORATION

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

Incremental Potomac Annual Firm Transportation

	Maximum Daily Rate ----- (\$)	Minimum Daily Rate ----- (\$)
Reservation Rate per dt - Zone 5-5:		
Base Rate	0.27925	0.00000
Electric Power Unit Rate	0.00055	0.00055
	-----	-----
Total Reservation Rate	0.27980	0.00055
Reservation Rate per dt - Zone 5-6:		
Base Rate	0.27925	0.00000
Electric Power Unit Rate	0.00090	0.00090
	-----	-----
Total Reservation Rate	0.28015	0.00090

Commodity Rate per dt:

Receipt & Delivery Zone	Base Rate ----- (\$)	Elec. Power Unit Rate ----- (\$)	Max. Rate (1) ----- (\$)	Min. Rate (1) ----- (\$)
5-5	0.00000	0.00192	0.00192	0.00192
5-6, 6-5	0.00000	0.00306	0.00306	0.00306
6-6	0.00000	0.00114	0.00114	0.00114

Footnotes:

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

Notes:

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

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

Incremental Potomac Annual Firm Transportation

	Maximum	Minimum
	Daily	Daily
	Rate	Rate
	-----	-----
	(\$)	(\$)
<u>Reservation Rate per dt - Zone 5-5:</u>		
Base Rate	0.27925	0.00000
Electric Power Unit Rate	0.00055	0.00055
Total Reservation Rate	0.27980	0.00055
<u>Reservation Rate per dt - Zone 5-6:</u>		
Base Rate	0.27925	0.00000
Electric Power Unit Rate	0.00090	0.00090
Total Reservation Rate	0.28015	0.00090

Commodity Rate per dt:

<u>Receipt &amp; Delivery Zone</u>	<u>Elec.</u>		<u>Max.</u>	<u>Min.</u>
	<u>Base</u>	<u>Power</u>		
	<u>Rate</u>	<u>Unit</u>	<u>Rate</u>	<u>Rate</u>
	-----	-----	-----	-----
	(\$)	(\$)	(\$)	(\$)
5-5	0.00000	0.00192	0.00192	0.00192
5-6, 6-5	0.00000	0.00306	0.00306	0.00306
6-6	0.00000	0.00114	0.00114	0.00114

Footnotes:

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

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