

CNYOG



CENTRAL NEW YORK OIL AND GAS, L.L.C.

January 11, 2006

The Honorable Magalie R. Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Central New York Oil And Gas Company, LLC,
Docket No. RP06-171-000

Dear Ms. Salas:

This is a supplemental filing to (i) correct the original transmittal letter filed in the above-referenced docket on Friday, January 6, 2006, and (ii) provide additional information on the proposal of Central New York Oil And Gas Company, LLC (“CNYOG”) to reorder the priorities of its services, so that overrun service under Rate Schedule FSS will have priority over interruptible service under Rate Schedule ISS.

Correction of Transmittal Letter

Due to a production error in the generation of the transmittal letter, the last five lines of the text under the heading “Reordering of Priorities of Service” at page 8 were inadvertently omitted from the transmittal letter as filed, and certain text appearing under the “Correspondence” section on page 9 was repeated on page 10. Corrected transmittal letter pages 8 and 9 are attached as Exhibit A to rectify these errors.

Additional Information

In addition, we have included in Exhibit B copies of tariff sheets from the Tennessee Gas Pipeline Company tariff (General Terms and Conditions (“GT&C”) §§ 5(h)-(j)) and the Alliance Pipeline L.P. tariff (GT&C §§ 15.2 - 15.3) that address the priority of scheduling and curtailment. Both sets of tariff sheets serve as examples of existing tariffs filed with the Commission that support CNYOG’s proposed reordering of priorities of service to allow overrun service under Rate Schedule FSS to have priority over ISS service, as described on pages 8 and 9 of the transmittal letter.

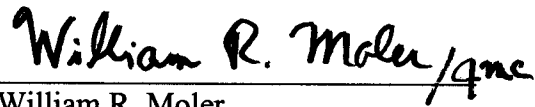
TWO BRUSH CREEK BLVD., SUITE 200
KANSAS CITY, MISSOURI 64112
PHONE 816-842-8181
FAX 816-842-1904
www.stagecoachstorage.com

Because the materials enclosed with this filing only supplement, and do not change, the revised tariff sheets submitted by CNYOG on January 6, 2006, there should be no change in the requested effective date of February 6, 2006.

Copies of this supplemental filing have been served on this date on all parties on the service list and a copy will be posted on the CNYOG website forthwith.

Respectfully submitted,

Central New York Oil And Gas Company, LLC

A handwritten signature in black ink that reads "William R. Moler / gmc". The signature is written in a cursive style and is positioned above a horizontal line.

William R. Moler
Vice President, Midstream Operations

Enclosures

cc: Service List

EXHIBIT A

Corrected Transmittal Letter Pages 8 and 9

proposed revisions on First Revised Sheet No. 11, Second Revised Sheet No. 16, Second Revised Sheet No. 25, First Revised Sheet No. 76, First Revised Sheet No. 121 and Second Revised Sheet No. 134.

CNYOG also proposes to replace the definition of "Storage Contract Year" in Section 9.5 of Rate Schedule FSS with "Storage Contract Term," and to make appropriate conforming changes to Rate Schedule FSS. The effect of these changes is to allow contracts for FSS service to end at any time. See proposed revisions on First Revised Sheet No. 11, Second Revised Sheet No. 25, First Revised Sheet No. 26 and Second Revised Sheet No. 122.

Changes have also been made to the definitions of "Maximum Daily Injection Quantity" and "Maximum Daily Withdrawal Quantity" ("MDWQ") under Rate Schedule ISS to eliminate tying MDIQ to five percent, and MDWQ to 10 percent, of Maximum Storage Quantity. These changes will allow greater flexibility in future ISS service. See proposed revisions on First Revised Sheet No. 33.

As part of its planned Expansion Project, CNYOG proposes to enter into precedent agreements with third-party customers, subject to the bidding procedure described above. For such service offering to be successful, prospective new customers must be afforded the same flexibility they would have if they were to buy Stagecoach capacity through capacity release transactions with Inergy Gas Marketing. Looking to the future, CNYOG's owners are considering the possibility of collapsing Inergy Gas Marketing into CNYOG, so that at the time the Stagecoach Expansion Capacity is placed in service, all sales of capacity will be transacted directly through CNYOG. If and when such changes are made, CNYOG will make the appropriate tariff filings to implement the changes.

D. Reordering of Priorities of Service

All of the existing storage capacity for the Stagecoach Facility is currently subscribed to unaffiliated third-party customers under firm contracts pursuant to Rate Schedule FSS. Such firm customers, mainly large LDC's in the Mid-Atlantic States, also desire overrun service under Rate Schedule FSS to support firm storage to aid in serving their large commercial and residential consumer loads. Such overrun service consists principally of the sale of short-term injection or withdrawal rights on an if, as and when available basis. Yet, under CNYOG's Tariff as currently written, despite demand for overrun under Rate Schedule FSS, CNYOG cannot offer the service ahead of ISS service.

In order to adjust its Tariff to meet the needs of its firm customers, CNYOG proposes to reorder the priority of service as follows: (i) FSS; (ii) FSS Overrun Service; (iii) ISS; and (iv) ISS Overrun Service. FSS overrun service will

continue to be fully interruptible and subordinate to firm service at all scheduling intervals.

See proposed revisions on First Revised Sheet No. 98 and First Revised Sheet No. 99.

Material Enclosed

In accordance with 18 CFR § 154.7(a)(1), CNYOG states that the following items are included in this filing:

- (1) transmittal letter;
- (2) paper copies of proposed revised tariff sheets;
- (3) paper copies of the tariff sheets redlined to show changes from currently effective tariff sheets, pursuant to Section 154.201 of the Commission's regulations;
- (4) an electronic version of the revised tariff sheets, on an enclosed diskette titled "TF010606.ASC," pursuant to Section 385.2011 of the Commission's regulations; and
- (5) a "Notice of Filing," a paper and an electronic version on an enclosed diskette titled "Draft_Notice.doc," suitable for publication in the *Federal Register*, pursuant to Section 154.209 of the Commission's regulations.

Effective Date

CNYOG proposes to make the revised tariff sheets effective February 6, 2006, and moves pursuant to Section 154.7(a)(9) of the Commission's regulations to place such revised tariff sheets into effect on that date. Such motion is conditioned on the Commission's acceptance and approval of the proposed tariff modifications without conditions or modifications. In the event the Commission conditions or modifies this proposal in any way, CNYOG reserves its right to withdraw its motion and not place the tariff sheets into effect, or to refile a motion to place such sheets into effect at the conclusion of a suspension period.

EXHIBIT B

Example Tariff Sheets

(1) Tennessee Gas Pipeline Company, GT&C §§ 5(h) – (j):

- **Fourteenth Revised Sheet No. 316**
- **First Revised Sheet No. 316A**
- **Twelfth Revised Sheet No. 317**
- **Eleventh Revised Sheet No. 318**

(2) Alliance Pipeline L.P., GT&C §§ 15.2 – 15.3:

- **Original Sheet No. 229**
- **First Revised Sheet No. 230**

TENNESSEE GAS PIPELINE COMPANY

FERC Gas Tariff

Fourteenth Revised Sheet No. 316

FIFTH REVISED VOLUME NO. 1

Superseding

Thirteenth Revised Sheet No. 316

GENERAL TERMS AND CONDITIONS (continued)

These allocation statements shall be provided to:

Tennessee Gas Pipeline Company
1001 Louisiana Street
Houston, Texas 77002
Attention: Gas Accounting Department

5. Scheduling Priorities: Transporter shall schedule receipts and deliveries of gas in the following priority categories specified below (listed in highest to lowest priority order), such that any curtailments will result in allocations of available capacity to higher priority services before lower priority services.

NAESB Standard 1.3.23 (Version 1.7) states: Ranking should be included in the list of data elements. Transportation service providers should use service requestor provided rankings when making reductions during the scheduling process when this does not conflict with tariff-based rules. Therefore, unless otherwise specified, scheduling priority within a category shall be pro rata or in accordance with the supply/market rankings provided pursuant to a Shipper's Customer Nomination Form.

For allocation of firm services on the mainline system:

- (a) Firm transportation and storage services utilizing Primary Receipt Points and Primary Delivery Points, to the extent that nominations to such points are not in excess of the TQ under Shipper's Transportation Agreement, provided that for purposes of this subsection a Shipper's nomination through a segment that Shipper released is outside Shipper's capacity path;
- (b) Firm transportation and storage services utilizing a Secondary Receipt and/or a Secondary Delivery Point except if there is limited capacity, in which case a Secondary Receipt and/or a Secondary Delivery Point where there is limited firm capacity being allocated within the segment

of the Shipper's capacity path covered by the nomination, to the extent that nominations to or from such point(s) in this Subsection (b) are in the same direction as the capacity path on Shipper's Transportation Agreement and are not in excess of the TQ under Shipper's Transportation Agreement;

- (c) Any other firm transportation and storage services utilization not described in Subsection (b) above, including utilizing a Secondary Receipt Point or Secondary Delivery Point outside of the Shipper's capacity path where there is limited capacity being allocated outside of the Shipper's capacity, to the extent that nominations to or from such point(s) in this Subsection (c) are not in excess of the TQ under Shipper's Transportation Agreement.

For allocation of firm services at a receipt or delivery point:

- (a) Firm transportation or storage services utilizing a Primary Receipt or Delivery Point, to the extent that nominations at such point are not in excess of the TQ under Shipper's Transportation Agreement;
- (b) Firm transportation or storage services utilizing a Secondary Receipt or Delivery Point that is within Shipper's capacity path, to the extent that nominations at such point are not in excess of the TQ under Shipper's Transportation Agreement;

Issued by: Byron S. Wright, Vice President

Issued on: July 1, 2005

Effective on: September 1, 2005

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RM96-1-026, issued May 9, 2005, 11 FERC ¶ 61,203

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TENNESSEE GAS PIPELINE COMPANY

FERC Gas Tariff

First Revised Sheet No. 316A

FIFTH REVISED VOLUME NO. 1

GENERAL TERMS AND CONDITIONS (continued)

- (c) Firm transportation or storage services utilizing a Secondary Receipt or Delivery Point that is outside of Shipper's capacity path, to the extent that nominations at such point are not in excess of the TQ under

Shipper's Transportation Agreement;

- (d) Extended Deliveries and Extended Receipts under Rate Schedule FT-A; and Rate Schedule NET-284; according to the rates applicable to the route for which quantities are scheduled under a firm transportation, such that Shippers who pay higher rates are curtailed after those who pay lower rates;
- (e) Mid-month make up quantities to correct Daily Variances or imbalances under balancing and transportation agreements;
- (f) Service under Rate Schedule PAT according to the rates applicable to the route (or service point) for which quantities are scheduled under a PAT service agreement, such that Shippers who pay higher rates are curtailed after those who pay lower rates;

Issued by: Jake Hiatt, Vice President

Issued on: August 11, 2003

Effective on: October 1, 2003

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RP00-477, et al., issued July 11, 2003, 04 FERC ¶ 61,063

TENNESSEE GAS PIPELINE COMPANY

FERC Gas Tariff

Twelfth Revised Sheet No. 317

FIFTH REVISED VOLUME NO. 1

Superseding

Tenth Revised Sheet No. 317

GENERAL TERMS AND CONDITIONS (continued)

- (h) Authorized Overrun quantities under firm storage services in excess of Shipper's MDIQ, but below Shipper's MDWQ, according to the rates applicable to the service point for which quantities are scheduled under the applicable firm storage agreement(s), such that Shippers who pay higher rates are curtailed after those who pay lower rates;
- (i) Authorized Overrun quantities under firm storage and firm transportation services in excess of Shipper's MDQ according to the rates applicable to the route (or service point) for which quantities are scheduled under the applicable firm storage or firm transportation agreement(s), such that Shippers who pay higher rates are curtailed after those who pay lower rates;

- (j) Interruptible transportation and interruptible storage quantities according to the rates applicable to the route (or service point) for which quantities are scheduled under an interruptible transportation or storage service agreement, such that Shippers who pay higher rates are curtailed after those who pay lower rates;
- (k) Service under Rate Schedule IT-X according to the rates applicable to the route (or service point) for which service is scheduled under an IT-X service agreement, such that Shippers who pay higher rates are curtailed after those who pay lower rates; and
- (l) Service under Rate Schedule PAL according to the rates applicable to the Point of Transaction for which quantities are scheduled under a PAL Service Agreement, such that Shippers who pay higher rates are curtailed after those who pay lower rates.

PTR Transportation Agreements with suppliers which provide for the transportation of PTR quantities shall be accorded the same priority for purposes of this Section 5 as the Transportation Agreement which provides the transportation of gas that is commingled with such PTR quantities.

For purposes of applying the above priorities, any shipper paying a rate above the maximum applicable rate for the shipper's service shall be deemed to be paying the maximum applicable rate.

- 6. Allocation of Limited Capacity: If, on any day, Transporter determines that the capacity of its system, or any portion thereof, including the points at which gas is tendered for transportation, is insufficient to serve all service requirements which are otherwise scheduled to receive service on such day, then any capacity which requires allocation shall be allocated in a manner which results in curtailment of capacity, to zero if necessary, and then sequentially in reverse order to the scheduling provided for in Section 5 of this Article III. If capacity must be allocated within the services included in (a), (b), (c), (d), and (f) of Section 5, Transporter's firm storage and firm transportation customers will be curtailed on a pro rata basis based upon the quantities of gas scheduled by such customers and/or in accordance with the supply/market rankings provided pursuant to Shipper's Customer Nomination Form. If capacity must be allocated

Issued by: Jake Hiatt, Vice President

Issued on: August 11, 2003

Effective on: October 1, 2003

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RP00-477, et al., issued July 11, 2003, 04 FERC ¶ 61,063

TENNESSEE GAS PIPELINE COMPANY

FERC Gas Tariff

Eleventh Revised Sheet No. 318

FIFTH REVISED VOLUME NO. 1

Superseding

Ninth Revised Sheet No. 318

GENERAL TERMS AND CONDITIONS (continued)

within the services included in Section 5(d), (f), (g), (h), (i), (j), or (k) of this Article III, Transporter's customers will be curtailed according to the price ranking used for scheduling, such that Shippers who pay higher rates are curtailed after those who pay lower rates; and in the event more than one Shipper is paying a given price, then the service interruption for those Shippers will be allocated pro rata based on each Shipper's share of scheduled nominations for that Service Point and/or in accordance with the supply/market rankings provided pursuant to Shipper's Customer Nomination Form. For purposes of the foregoing sentence, any shipper paying a rate above the maximum applicable rate for the shipper's service shall be deemed to be paying the maximum applicable rate. The scheduled quantities for each customer shall be adjusted to amounts determined by this capacity allocation until the next nominations are received by Transporter.

15. PRIORITY OF SERVICE AND CURTAILMENT

- 15.1 Transporter shall have the right to curtail or discontinue Transportation services, in whole or in part, on all or a portion of its system at any time for reasons of Force Majeure or when, in Transporter's sole judgment, capacity or operating conditions so require, or it is desirable or necessary to make modifications, repairs or operating changes to its system. Transporter shall provide Shipper such notice of the curtailment as is reasonable under the circumstances.
- 15.2 Transporter shall have the unqualified right to interrupt Transportation services at any time under Transporter's Rate Schedule IT-1 to provide service under Transporter's Rate Schedule FT-1, including AOS.
- 15.3 In the event of curtailment pursuant to Section 15.1 above, Transportation service shall be curtailed in the following order:
- (a) Interruptible Service will be curtailed first, pro rata based on rate paid, except that curtailment will be on a pro rata basis when the price paid by Shippers is equal, including the maximum Rate Schedule IT-1, Recourse Rates Usage Charge as set forth on Sheet No. 10;
 - (b) Authorized Overrun Service will be curtailed next, pro rata among all Shippers receiving this service, based on such Shippers' relative rights to AOS determined under Section 12 of the GTC.
 - (c) Firm Transportation Service within Contracted Capacity will be curtailed next, pro rata based on Contracted Capacity, among all Shippers receiving this service; provided a Shipper's entitlement to service shall not exceed its Nomination.
- 15.4 If the need for curtailment is caused by an event affecting only a specific Delivery Point, curtailment will be in the following order of ascending priorities:
- (a) Interruptible Transportation Service shall be curtailed first, based on rate paid, from lowest to highest, except that curtailment will be pro rata when the price paid by Shippers is equal, including the maximum Rate Schedule FT-1, Recourse Rates Usage Charge as set forth on Sheet No. 10.

- (b) Firm Transportation Service (including AOS quantities) for Shippers for whom the Delivery Point is not a Primary Delivery Point and is outside of the Shipper's Primary Path, will be curtailed next, and such Firm Transportation Service that is available at such Delivery Point shall be allocated among such Shippers, prorata, based on and up to the Firm Transportation Service that is Scheduled for each such Shipper in accordance with Section 12.
- (c) Firm Transportation Service (including AOS quantities) for Shippers for whom the Delivery Point is not a Primary Delivery Point but is within the Shipper's Primary Path, and Shippers nominating quantities greater than Shipper's Primary Delivery Point Capacity at that Delivery Point will be curtailed next, and such Firm Transportation Service that is available at such Delivery Point shall be allocated among such Shippers, pro rata, based on and up to the Firm Transportation Service that is Scheduled for each such Shipper at the Delivery Point in accordance with Section 12;
- (d) Firm Transportation Service (including AOS quantities) for Shippers for whom the Delivery Point is a Primary Delivery Point, to the extent of Shipper's Primary Delivery Point Capacity for such Delivery Point, will be curtailed next and such Firm Transportation Service that is available at such Delivery Point shall be allocated among such Shippers, pro rata, based on and up to the Firm Transportation Service that is Scheduled for each such Shipper at the Delivery Point in accordance with Section 12.

15.5 Any curtailment on the basis of the rate being paid shall be subject to the limitations of Section 39.7 of the GTC.


Issued by: D.A. Prince, Vice President
Issued on: July 3, 2002

Effective on: August 2, 2002
Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RP00-445, issued June 5, 2002, 98 FERC ¶ 61,289

CERTIFICATE OF SERVICE

I hereby certify that I have on this day served the foregoing document on the customers and state commissions required to be served in accordance with Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010 (2004).

Dated at Washington, DC this 11th day of January, 2006.



James M. Costan