

New York State Department of Environmental Conservation

Division of Environmental Permits, 4th Floor

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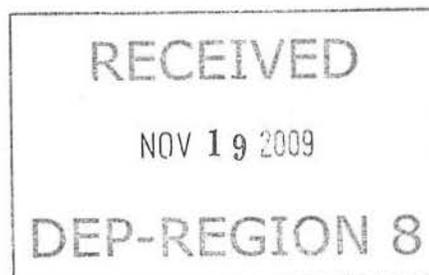
Website: www.dec.ny.gov



Alexander B. Grannis
Commissioner

November 16, 2009

Gordon Wright
Co-Chair, Planning Board
Town of Reading
P.O. Box 5
Reading Center, New York 14876



Re: Request for Designation of Lead Agency
Town of Reading Planning Board v New York State DEC, Region 8
Inergy Midstream / Finger Lakes LPG Storage
Town of Reading, Schuyler County

Mr. Wright:

I am responding to a letter dated October 28, 2009 to Commissioner Grannis (Commissioner) of the New York State Department of Environmental Conservation (NYS DEC) from Peter Lent, Regional Permit Administrator, NYS DEC Region 8 requesting a lead agency be designated for the environmental review of the proposed Inergy Midstream LLC / Finger Lakes LPG Storage LLC project under the New York State Environmental Quality Review Act (Article 8 of the Environmental Conservation Law; "SEQR"). The letter from Mr. Lent identified the agencies in dispute for the role of lead agency, in accordance with SEQR, to be the Town of Reading Planning Board (Planning Board) and the NYS DEC Region 8.

The proposal involves the construction of a multi-cycle LPG storage system with a major pipeline connection and rail and truck load / inload racks, including storage of LPG (propane or Butane) in caverns of the Syracuse Salt formation on company owned land in the Town of Reading. An additional letter dated November 6, 2009 relating information concerning this lead agency dispute has been received from Bond, Schoeneck & King, PLLC, counsel for the applicant.

The criteria which the SEQR regulations [6 NYCRR 617.6(b)(5)(v)] prescribe as the basis for the Commissioner's decision are:

“(a) whether the anticipated impacts of the action being considered are primarily of statewide, regional, or local significance (i.e., if such impacts are of primarily local

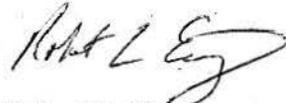
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significance, all other considerations being equal, the local agency involved will be lead agency);
(b) which agency has the broadest governmental powers for investigation of the impact(s) of the proposed action; and
(c) which agency has the greatest capability for providing the most thorough environmental assessment of the proposed action.”

To assist the Commissioner in reaching a decision on this dispute, I am requesting that the Planning Board specify its jurisdiction or jurisdictions, namely whether they include special use permit or site plan review, or both, and any other discretionary jurisdictions the Planning Board may have for this project, with explicit reference to Town codes or local laws. If the code or local law is not available through the internet, please provide a copy of such.

This information should be provided by December 4, 2009. If you have any further questions please contact me at the address or telephone number listed above. Additionally, please remember to provide a copy of your responses to all potentially involved agencies that may be involved in the project review

Sincerely,



Robert L. Ewing
Environmental Analyst
SEQR and Training Unit

cc: Peter Lent, NYSDEC, RPA Region 8
William Moler, Inergy Midstream LLC
Michael Armstrong, Finger Lakes Storage LPC, LLC
Kevin M. Bernstein, Bond, Schoeneck, & King, PLLC
NYS DOT Region 6
Schuyler County IDA

E-copy to: Lawrence H. Weintraub, NYS DEC Office of General Counsel