

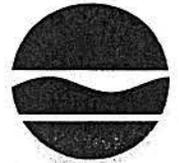
# New York State Department of Environmental Conservation

## Environmental Permits, Region 8

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Alexander B. Grannis  
Commissioner

March 19, 2010

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One Lincoln Center  
Syracuse, New York 13202

**Regarding: SEQR Review**  
Inergy Midstream LLC / Finger Lakes LPG Storage LLC  
Liquified Petroleum Gas Storage Facility  
Town of Reading, Schuyler County

Dear Mr. Bernstein:

We have received your letter dated February 26, 2010, and offer the following responses:

The Department does not agree with the applicant's contention that 24 inches of freeboard is adequate to permanently contain the volume increase due to precipitation on the brine pond. Please be advised that wastewater treatment design standards require this minimum freeboard to remain *at all times*, and it can not be included in calculations for temporary storage. The maintenance of an adequate freeboard is critical for many reasons, including wind and unusual precipitation events.

Additionally, since your similarly situated Inergy Savona facility discharges routinely from their brine storage ponds, sizing and operational calculations must be presented to document how this facility will be operated differently, while maintaining adequate minimum freeboard, to eliminate the necessity of a discharge in some manner.

It is acknowledged that the Department has not yet received a response to Peter Briggs January 11, 2010 Notice of Incomplete Application regarding the ECL Article 23 Underground Storage Permit. Although that permit is being handled by Minerals staff in Central Office, information gleaned from that permit application is necessary for the evaluation of the brine storage. Therefore, subsequent comments and questions regarding the brine pond operations may arise once that information has been submitted and reviewed by staff.

Please note that, as SEQR Lead Agency, the Department must consider that any significant issue left unaddressed in an application process may result in a significant adverse impact. The generation of large amounts of brine without details of proposed storage, facility operation, or a method of disposal, raises a significant issue.

In addition, the following numbered items in the letter dated February 9, 2010 remain to be addressed. Specifically:

- 1) The October 20, 2009 Planning Board Presentation Summary, which accompanied the October 23, 2009 letter, did not adequately detail design information. For example, it is stated that 6 soil test borings were taken, but it is not clear from the submission where they were taken, how deep, what soils were encountered, etc. The Section Plan only indicates embankment fill, and soil layers 1 & 2 without any detail or characterization. It does not show the western end of the impoundment, and its relation to bedrock. It is also not clear how the depth to groundwater was addressed. Please provide additional calculations

regarding stability and compaction. Finally, while an Article 15, Section 0503 Dam Safety permit is not required for this structure, it is suggested that those technical standards be met.

- 2) The response that there will be no connection to US Salt contradicts previously submitted information, which provided a pipe from the brine pond to the US Salt facility as the method to address the excess brine volume due to precipitation. See third paragraph, page 3 of the October 23, 2009 letter.
- 3 through 5) These concerns regarding US Salt air emissions and discharges to waters, and LPG facility cavern enlargement rates, remain if a connection from the brine pond to US Salt is made.
- 6) The volume of rail traffic to be generated by the LPG storage facility has not been provided. Only the existing rail traffic volume was indicated.

The above comments and questions must be addressed to facilitate the Department's SEQR review of the proposed LPG project. If you have any questions, or need clarification for any of the items listed above, please contact me at this office.

Sincerely,



Roger McDonough  
Environmental Analyst  
Division of Environmental Permits

- cc:
- W. Moler - Inergy Midstream LLC
  - M. Armstrong - Finger Lakes LPG Storage LLC
  - P. Briggs, L. Collart, J. Dahl, W. Glynn, J. Maglienti - Division of Mineral Resources
  - C. Hardison, N. Rice - Division of Water
  - P. Lent - Regional Permit Administrator
  - R. Nemeček - Natural Resources Supervisor
  - D. Walsh - Division of Air Resources
  - M. Switzer, G. Wright - Town of Reading
  - R. Traver - U S Salt Corp