

# New York State Department of Environmental Conservation

## Environmental Permits, Region 8

6274 East Avon-Lima Rd. Avon NY 14414-9516

Phone: (585) 226-5400 • Fax: (585) 226-2830

Website: [www.dec.ny.gov](http://www.dec.ny.gov)



Joe Martens  
Commissioner

11 July 2011

### Via Email and US Mail

Kevin Bernstein, Esq.  
Bond, Schoeneck & King, PLLC  
One Lincoln Center  
Syracuse, New York 13202-1355

Dear Mr. Bernstein:

**Re: dSEIS Review and Staff Comments**

DEC Facility No. 8-4432-00085

Finger Lakes, LLC Underground LPG Storage Facility

Reading (T), Schuyler County

The Department of Environmental Conservation staff (DEC staff) have completed their review of the draft Supplemental Environmental Impact Statement (dSEIS) that was received on 9 June 2011 and additional page changes received on 9 June 2011 and 6 July 2011. The dSEIS must be revised to address the following comments and revisions:

1. Page 3 of the Wetland Identification and Delineation Report provided as part of the revised dSEIS states that "ephemeral channels, stormwater ditches and seeps are sometimes considered waters of the U.S." The report goes on to describe four ephemeral swales, one stream, and one wetland in the general vicinity of the proposed brine pond. Although the report does not provide any further explanation about whether these features would be regulated as waters of the U.S., page 26 of the dSEIS categorically states that construction of the brine pond and storage facilities will have no impacts on wetlands or regulated water bodies. A jurisdictional determination on the identified features should be obtained from the U.S. Army Corps of Engineers and incorporated into the dSEIS. To facilitate this determination, staff have forwarded Exhibit D, the Wetland Identification and Delineation Report of the dSEIS, to the US Army Corps of Engineers (Corps) for review and a jurisdictional confirmation. The Corps may be contacting you directly for additional information. In addition, staff will forward any comments we receive from the Corps on the report.
2. Staff were unable to find a response to question 26b of our 28 April 2011 letter in the engineering Report. Please provide a representative sample and analysis of the brine or developed brine characterization that will be used to compare to background groundwater quality.
3. In Section 4.1.3. Underground Storage Caverns, page 62, the first sentence states: "In its plans to construct an LPG storage system, Finger Lakes plans to convert Gallery 1 (wells 33, 43, 34, and 44, new wells FL1 and FL2) and Gallery 2 (well 58) to LPG storage service." This statement must be revised since Finger Lakes plans to plug wells 34, 43, and 44.
4. In Section 4.1.3.3. Proposed Mitigation Measures, page 76, there are contradicting statements regarding the use of Well 33. The second paragraph states that well 33 will

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primarily be used as a monitoring well while in the next paragraph it states that "This new well and well 33 will be the primary injection/withdrawal wells." Page 75 also mentions the use of well 33 as an injection/withdrawal well. Please clarify the use of well 33 and revise this section if the well is proposed to be used for monitoring.

Additionally, the statements made in the second paragraph regarding well 33 are not accurate. It is stated that the cement bond logs for well 33 have determined that the cemented casing for this well is soundly bonded and that additional cement will be inserted to further ensure isolation from any water zone. These statements don't make sense since if the casing was soundly bonded there would be no reason to insert additional cement. Our review has indicated that the bonding is good to an approximate depth of 140 feet in well 33 and that we are evaluating methods to ensure isolation of fresh water zones in the upper 140 ft. if necessary where the cement bond is not adequate. These statements should be revised in the text to indicate that well 33 construction is still being evaluated and testing is proposed to determine if there are any gas bearing zones or more saline waters that may be present in the poorly bonded portion of the wellbore to a depth of 140 ft. that would require isolation from fresh water zones above.

5. Additional staff comments on the dSEIS are included as an attachment to this letter.

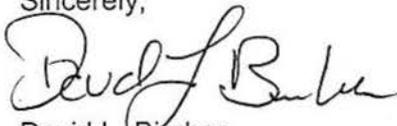
Pending satisfaction of the items above, the submitted dSEIS remains inadequate for public distribution and review. DEC staff recommend that Finger Lakes' response to these comments should include copies of the revisions of specific narrative/text pages as needed. Finger Lakes should be prepared to provide additional electronic and printed copies of both the dSEIS when accepted and the Article 23 application when it is deemed complete for public review and comment.

The application remains incomplete pending (1) DEC's receipt of a complete underground LPG storage application and (2) DEC's acceptance of a dSEIS. Division of Minerals Resources staff currently expects to complete its review of Finger Lakes' 19 April 2011 "Response to DEC 28 March 2011 Third Notice of Incomplete Application" by approximately 18 July 2011.

Once you have reviewed this correspondence, DEC staff would be pleased to meet with you and your client or their consulting staff either in person or telephonically to resolve any questions related to staff's comments.

Please contact me at 585-226-5401 or email at [dlbimber@gw.dec.state.ny.us](mailto:dlbimber@gw.dec.state.ny.us) if you have any question relating to the status of this application, the information discussed in this letter, or the environmental review process. Thank you for your time and assistance in this matter.

Sincerely,



David L. Bimber  
Deputy Regional Permit Administrator  
Division of Environmental Permits

cc: J. Nasca, Environmental Permits Division Director, DEC Albany (1750)  
P. D'Amato, Regional Director  
L. Bracci, Regional Attorney  
S. Sheeley, Regional Permit Administrator  
L. Schwartz, Assistant Regional Attorney  
L. Weintraub, DEC Albany (1500)  
P. Briggs, DEC Albany (6500)  
R. Phaneuf, DEC, Albany (7250)  
S. Metivier, US ACE, Buffalo  
M. Crawford, US ACE, Auburn  
M. Switzer, Supervisor, Town of Reading  
Planning Board Chairman, Town of Reading