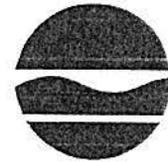


New York State Department of Environmental Conservation
Environmental Permits, Region 8
6274 East Avon-Lima Rd, Avon NY 14414-9516
Phone: (585) 226-5400 • Fax: (585) 226-2830
Website: www.dec.ny.gov



Joe Martens
Commissioner

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

August 17, 2011

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

Dear Mr. Bernstein:

**Re: Combined Notice of Complete Application,
Notice of Completion of a Draft Supplemental Environmental
Impact Statement and Notice of Public Hearing
DEC Facility No. 8-4432-00085
Finger Lakes, LLC Underground LPG Storage Facility
Town of Reading, Schuyler County**

1. The New York State Department of Environmental Conservation, as Lead Agency, is issuing this combined Notice of Complete Application, Availability of a draft Supplemental Environmental Impact Statement, and Notice of Hearing for the above-noted underground liquefied petroleum gas (LPG) storage application. The complete application and dSEIS will be available for public review and comment until October 10, 2011. A hearing will be conducted pursuant to 6 NYCRR Part 617 to receive additional comment on this application and dSEIS. The public hearing will be held at 7:00 PM on Tuesday, September 27, 2011 in the Watkins Glen High School auditorium at 301 12th Street, Watkins Glen, New York 14891. The Applicant has agreed to be available for a public information session in the auditorium prior to the start of the hearing from 6:00 PM until 7:00 PM, to answer questions about the project from the public.
2. Enclosed is a Notice of Complete Application, Availability of a draft Supplemental Environmental Impact Statement, and Notice of SEQR Hearing which you are to have published in the:

**Watkins Glen Review & Express
210 North Franklin Street
Watkins Glen, New York 14891
(607) 535-2711
FAX (607) 535-2500**

once during the week of **August 22, 2011** on any day Monday through Friday.

3. Please request that the newspaper publisher provide you with a Proof of Publication for the Notice. Upon receipt of the Proof of Publication, forward it to this office. This Proof of Publication is necessary before the hearing. You are responsible for paying the cost of publishing this Notice.

August 17, 2011

4. A verbatim transcript of the SEQR Hearing is required. You should arrange to have a certified reporter take the stenographic record of the hearing. You are responsible for the cost of the transcript. The Department will require the original, four copies, and an electronic copy of the transcript.

5. You may also be required to provide interpreter services for deaf persons attending the hearing, if requested. Citizen requests for an interpreter must be made to the Department at least 10 business days before the hearing. I will let you know at the earliest possible time if a request for these services has been made.

Please contact me at 585-226-5401 or email at dlbimber@gw.dec.state.ny.us if you have any question relating to the status of this application or the information discussed in this letter.

Thank you for your time and assistance in this matter.

Sincerely,



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

Enclosure

cc (w/enclosure):

P. D'Amato, Regional Director
L. Bracci, Regional Attorney
L. Schwartz, Assistant Regional Attorney
S. Sheeley, Regional Permit Administrator
Office of Hearings
US ARMY Corps of Engineers, Auburn & Buffalo Offices
Town of Reading Planning Board
CEO, Village of Watkins Glen
Schuyler County EMC
Selected Department Staff
Interested Parties

NEW YORK STATE
DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Finger Lakes LPG Storage, LLC LPG Storage Facility

**Combined Notice of Complete Application,
Notice of Acceptance of a Draft Supplemental Environmental Impact Statement
and
Notice of Public Hearing**

Project Number: DEC Facility ID 8-4432-00085

Date: August 17, 2011

This notice is issued pursuant to 6 NYCRR Parts 617 of the implementing regulations pertaining to Article 8 (State Environmental Quality Review Act), and Article 23, Title 13 (Underground Storage of Gas) of the Environmental Conservation Law.

This document constitutes notice that the draft Supplemental Environmental Impact Statement (dSEIS) prepared by the applicant is adequate for public review.

This document also constitutes the Department's Notice of Complete Application for the underground storage of liquefied petroleum gas (LPG) at the facility listed below. The Department Staff have determined that the proposed underground storage permit application is also complete for the purpose of release to the public for review and comment, and for technical review by Mineral Resources staff.

This document also constitutes notice that Department Staff have determined that a public hearing will be held to receive comments on the dSEIS. The hearing will be conducted pursuant to 6NYCRR Part 617. The public hearing will be held at **7:00 PM on Tuesday, September 27, 2011** in the Watkins Glen High School auditorium at 301 12th Street, Watkins Glen, New York 14891. The Applicant has agreed to be available for a public information session in the auditorium prior to the start of the hearing from 6:00 PM until 7:00 PM, to answer questions about the project from the public.

Name of Action: Finger Lakes LPG Storage, LLC LPG Storage Facility

Applicant: Finger Lakes LPG Storage, LLC, c/o Inergy Midstream LLC, Two Brush Creek Blvd, Suite 200, Kansas City, Missouri 64112

Description of Action: The Applicant, Finger Lakes LPG Storage, LLC proposes to construct and operate a new underground LPG storage facility for the storage and distribution of propane and butane on a portion of a 576 acre site located on NYS Routes 14 and 14A west of Seneca Lake in the Town of Reading. The storage facility will utilize existing caverns in the Syracuse salt formation created by US Salt and its predecessors' salt production operations. As proposed, a maximum of 2.10 million barrels (88.20 million gallons) of LPG will be stored in these caverns seasonally, displacing some of the brine currently filling them, and will be withdrawn by displacement of propane by brine when demand occurs during the heating season and displacement of butane by brine during the gasoline blending season. During storage operations, the brine displaced by LPG will be stored and contained in a 14-acre double-lined surface impoundment with a capacity of 2.19 million barrels (91.98 million gallons) on property east of the junction of Routes 14 and 14A. The facility will connect to the existing TEPPCO LPG interstate pipeline, and will ship LPG by truck via NYS Routes 14/14A and rail via the existing Norfolk & Southern Railroad. As proposed, the project involves construction of a new rail and truck LPG transfer facility, consisting of a 6 rail siding capable of allowing loading/unloading of 24 rail cars within 12 hours, and a truck loading station capable of loading 4 trucks per hour. The rail/truck loading facility is capable of being operated on a 24-hour basis 365 days a year. Construction will also include surface works consisting of truck and rail loading terminals, LPG storage tanks, offices and other distribution facilities, and stormwater control structures.

Location: The proposed LPG storage facility includes existing salt caverns located near the western shore of Seneca Lake, and extends uphill to the west with compressors and distribution operations along Route 14 south of the junction of Route 14A, and Route 14A west of the intersection with Route 14 in the Town of Reading, Schuyler County.

SEQRA Status and Acceptance of a Draft Environmental Impact Statement: The Project is a Type I action pursuant to ECL Article 8 (State Environmental Quality Review Act (SEQRA)). The Department is the Lead Agency for the SEQRA review of this action, and issued a Positive Declaration of environmental significance on November 17, 2010. The dSEIS was initially submitted by the Applicant on March 15, 2011 and revisions were received on June 9, July 18, and August 1, 2011. The dSEIS discusses the existing conditions and potential environmental issues and effects of project impacts on land, ground and surface waters, wetlands, traffic, noise, visual, vegetation, wildlife, and public safety. After review, Staff have made the determination, as of the date of this Notice, that the dSEIS is sufficiently adequate in format and content to be accepted for public review and comment.

Public Hearing and Comment Period: The NYS Department of Environmental Conservation has determined that a public hearing will be held to receive comments from the public concerning the proposed LPG Storage Facility and the dSEIS. The hearing will be held in the Watkins Glen High School auditorium at 301 12th Street, Watkins Glen, New York 14891 on **Tuesday, September 27, 2011 at 7:00 PM**. The Applicant has agreed to be available for a public information session in the auditorium prior to the start of the hearing from 6:00 PM until 7:00 PM, to answer questions about the project from the public. All persons, organizations, corporations or government agencies that may be affected by or interested in the project are invited to attend the hearing and the public information session. It is not necessary to file a written request in advance to speak at the public hearing. Members of the public may make oral statements or file written statements at the hearing. Written and oral comments will be given equal weight in the DEC review. The hearing location is reasonably accessible to persons with mobility impairment. Interpreter services shall be made available to hearing-impaired persons, at no charge, upon written request to the Regional Permit Administrator at least seven business days before the hearing. In addition, the Department will accept written comments on the dSEIS until Monday, October 10, 2011. Written comments should be sent to the Department contact indicated below.

The application was filed and is being reviewed pursuant to ECL Article 3, Title 3 (General Functions); Article 8 and 6 NYCRR Part 617 (State Environmental Quality Review); and Article 23, Title 13 (Oil, Gas & Solution Mining Law).

Document Availability: The complete dSEIS and application (publically available materials) are available for public review at the Department's Regional Office by appointment during normal business hours. Most, if not all, of these documents will also be available as soon as possible on the Department's Website at: <http://www.dec.ny.gov/permits/6061.html> (Scroll down to Documents of Public Interest for Noteworthy Projects, Region 8, and click on the link). Electronic copies (CD) are also available upon request from the contact person listed below.

Contact Person:

David L. Bimber
Deputy Regional Permit Administrator
Address: NYSDEC, 6274 East Avon-Lima Road, Avon, New York 14414-9516
Telephone Number: 585-226-5401

Combined Notice for Finger Lakes LPG Storage Facility
DEC Facility ID 8-4432-00085

August 17, 2011

Documents are also available during normal business hours at:

The Town of Reading Town Hall
3914 County Route 28
Watkins Glen, New York 14891

The Watkins Glen Public Library
610 South Decatur Street
Watkins Glen NY 14891

A Copy of this Notice Sent to:

Commissioner, Department of Environmental Conservation, 625 Broadway, Albany, NY 12233
Environmental Notice Bulletin
Supervisor, Town of Reading
Town of Reading Planning Board
CEO, Village of Watkins Glen
Schuyler County IDA
Schuyler County EMS
NYSDOT - Region 6
NYS Public Service Commission
US ARMY Corps of Engineers, Auburn & Buffalo Offices
Applicant
Interested Parties
Selected Department Staff

