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September 28, 2011

**VIA FIRST CLASS MAIL**

Mr. David L. Bimber  
Deputy Regional Permit Administrator  
Division of Environmental Permits  
New York State Department of  
Environmental Conservation  
Region 8  
6274 East Avon-Lima Road  
Avon, NY 14414-9519



Re: *Finger Lakes LPG Storage, LLC Underground LPG Storage Facility  
Town of Reading, Schuyler County; DEC Facility No. 8-4432-00085*

Dear Dave:

On August 17, 2011, the New York State Department of Environmental Conservation issued a Combined Notice of Complete Application, Notice of Acceptance of a Draft Supplemental Environmental Impact Statement and Notice of Public Hearing ("Notice") relative to Finger Lakes LPG Storage, LLC's Underground Storage Application for the construction of a multi-cycle LPG storage system with a pipeline connection and rail and truck load/unload racks in the Town of Reading, Schuyler County. As required, the Notice was published in the Watkins Glen Review & Express on August 24, 2011. I am enclosing the original affidavit of publication from the Review & Express, with Finger Lakes' published Notice attached to the affidavit.

If you have any questions, please feel free to contact me.

Sincerely,

BOND, SCHOENECK & KING, PLLC



Kevin M. Bernstein  
Enclosure

*Bond, Schoenbeck & King*

Proof of Publication  
The REVIEW&EXPRESS  
State of New York, County of Schuyler s.s.

Debra Lawson

of Dundee, N.Y., Yates County, being sworn doth depose and say that she is the Business Manager of The REVIEW&EXPRESS, a newspaper published weekly in the Village of Watkins Glen, Schuyler County, New York, and that the notice of which the annexed is a printed copy cut from said newspaper, was printed and published in the regular editions and issues of said newspaper 1 week(s), commencing on 8/24/11 and ending on 8/24/11.

*Debra Lawson*

Subscribed and sworn to before me this 26<sup>th</sup>  
Day of August 2011  
*Mary A. Pierce*  
Notary Public

**MARY A. PIERCE**  
STATE OF NY, CO. OF YATES  
NOTARY PUBLIC #01PI6195035  
COMM. EXPIRES OCT. 20, 2012

RECEIVED  
SEP 30 2011  
DEP-REGION 8

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 6 NYCRR 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 (publicly 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

**Documents are also available during normal business hours at:**

The Town of Reading Town Hall  
3514 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

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