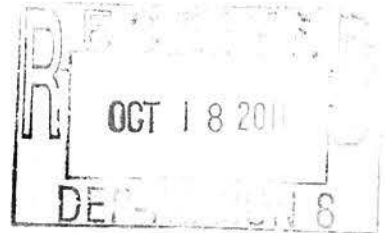


KEVIN M. BERNSTEIN, ESQ.
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P: 315.218.8329
F: 315.218.8429

October 17, 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 October 5, 2011, the New York State Department of Environmental Conservation re-issued a Combined Notice of Complete Application, Notice of Acceptance of a Draft Supplemental Environmental Impact Statement and Notice of Continuation of the 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 October 12, 2011. Enclosed is the original affidavit of publication from the Review & Express, with Finger Lakes' published Notice attached.

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

Sincerely,

BOND, SCHOENECK & KING, PLLC

A handwritten signature in cursive script that reads "Kevin Bernstein".

Kevin M. Bernstein
Enclosure

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 Continuation of the Public Hearing



Project Number: DEC Facility ID 8-4432-00085 Date: October 5, 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 a restatement that the draft Supplemental Environmental Impact Statement (dSEIS) prepared by the applicant is adequate for public review.

This document also constitutes the Department's restatement of a 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 continued to receive comments on the dSEIS. The hearing will be conducted pursuant to 6 NYCRR Part 617. The public hearing will be held at 5:30 PM on Thursday, November 3, 2011 in the Watkins Glen High School auditorium at 301 12th Street, Watkins Glen, New York 14891. This will be the continuation of the public hearing held on September 27, 2011. The notice of the September 27, 2011 hearing was published in the Department's electronic Environmental Notice Bulletin and the Watkins Glen Review and Express on August 24, 2011.

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 made the determination on August 17, 2011 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 continued in the Watkins Glen High School auditorium at 301 12th Street, Watkins Glen, New York 14891 on Thursday, November 3, 2011 at 5:30 PM. All persons, organizations, corporations or government agencies that may be affected by or interested in the project are invited to attend the hearing. This will be the continuation of the public hearing held on September 27, 2011. The notice of the September 27, 2011 hearing was published in the Department's electronic Environmental Notice Bulletin and the Watkins Glen Review and Express on August 24, 2011. It is not necessary to file a written request in advance to speak at the public hearing. Members of the public who did not speak at the hearing on September 27, 2011 may make oral statements. Written comments may be submitted by any party. 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 has extended the public comment period and will accept written comments on the dSEIS until Monday, November 14, 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. Selected documents are also available 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. Additionally, the applicant has posted the entire dSEIS on the Finger Lakes LPG Storage website at <http://www.fingerlakeslpgstorage.com/>

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
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
HS APMY Corps of Engineers, Auburn & Buffalo Offices

Book

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 / week(s), commencing on 10/12/11 and ending on 10/12/11

Debra Lawson

Subscribed and sworn to before me this 13 Day of Oct 2011

Joan M. Washburn

Notary Public

JOAN M. WASHBURN
STATE OF NY, CO. OF YATES
NOTARY PUBLIC #5006936
COMM. EXPIRES JAN. 14 2015