

December 2, 2014

VIA ELECTRONIC AND FIRST CLASS MAIL

Lisa Schwartz, Esq.
Assistant Regional Attorney
NYS DEC
Region 8
Office of General Counsel
6274 East Avon-Lima Road
Avon, NY 14414-9519

Re: *Finger Lakes LPG Storage, LLC;*
DEC Facility No. 8-4432-00085

Dear Lisa:

As its application has been pending for some time, Finger Lakes has been placing updated commercial information about its project in the public domain, including the Company's expectations around how all project-associated propane and butane will be transported to and from the storage facility. Finger Lakes expects all propane volumes delivered to the facility will be transported by pipeline (95%) and rail (5%). All outgoing volumes of propane will be delivered via pipeline. In addition, Finger Lakes expects that all butane volumes (in and out) will be transported by rail. Accordingly, Finger Lakes would not expect to receive or deliver any propane or butane by truck if the storage facility were operational today.

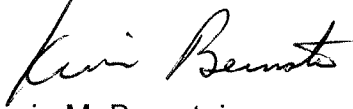
This impact reducing method in Finger Lakes' commercial expectations around product movement, particularly as it relates to propane, results primarily from Enterprise's reversal of part of the Enterprise TE Products Pipeline. Historically, this pipeline has delivered to New York the majority of the propane supply consumed by New York propane consumers annually. The eastern terminus of the pipeline is located in Selkirk, New York, and Enterprise's Selkirk terminal is a primary point of supply for numerous propane dealers serving customers in central and eastern New York and neighboring Northeastern and Mid-Atlantic states. Although the market continues to evolve as the energy industry continues to find ways to more efficiently move LPG volumes from production centers to demand markets, this one change in the propane supply delivery chain has influenced how propane demand in the Northeast is expected to be served during the peak winter months.

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To avoid doubt about current project transportation expectations, we request that the enclosed updated product transportation allocation and this letter be added to the record of the application and list of project documents you have prepared and provided to the presiding and Chief Administrative Law Judge.

Sincerely,

BOND, SCHOENECK & KING, PLLC

A handwritten signature in black ink, appearing to read "Kevin Bernstein". The signature is written in a cursive, flowing style.

Kevin M. Bernstein

KMB/kt

cc: Jennifer Maglienti, Esq.
Robert Alessi, Esq.
Scott Sheeley, DEC
Finger Lakes LPG Storage, LLC

Product Transportation Allocation – Revised December 2014

The purpose of this attachment is to (1) estimate the volume of product (propane and butane) coming in to storage and leaving storage by either pipeline, rail or truck; and (2) determining how this relates to truck and rail traffic volume. The Project will store 1.5 million barrels of propane in Gallery 1 and 600,000 barrels of butane in Gallery 2.

The manner in which product will be coming into the facility and leaving the facility is as follows:

In:

- For Propane, 95% of the product will come in by pipeline and 5% by rail.
- For Butane, 100% of the product will be brought in by rail.

Out:

- For Propane, 100% of the product will leave by pipeline.
- For Butane, 100% of the product will leave by rail.

Trucks

As noted above, trucks will NOT be used to transport product in or out of the facility.

Rail

Propane – In

5% x 1,500,000 barrels = 75,000 barrels

75,000 barrels ÷ 714 barrels per car¹ = 105 rail cars

Propane – Out

All outgoing volumes by pipeline

¹ See endnote 3.

Butane – In

600,000 barrels ÷ 714 barrels per car = 840 rail cars

Butane – Out

600,000 barrels ÷ 714 = 840 rail cars

Total Rail Cars for Propane and Butane = 1,785

Assuming 261 weekdays in a work year, the average number of rail cars in or out per day is 6.8 cars. This is just an average and some days may come close to the maximum of 32 rail cars and some days there may be no product coming in or leaving the facility by rail. However, if a full train load of 32 cars is utilized every time, this consumes only 56 days of rail activity per year. The level of activity via rail will depend on demand and location of markets.

ENDNOTES:

1. Underground Storage Capacities
Propane = 1,500,000 barrels
Butane = 600,000 barrels
2. Rail Car = 30,000 gallons = 714 barrels