



May 15, 2013

**Sent via Electronic Mail to: [lpshwar@gw.dec.state.ny.us](mailto:lpshwar@gw.dec.state.ny.us)**

Lisa Schwartz

NYS Department of Environmental Conservation  
6274 East Avon-Lima Road  
Avon, New York 14414

**Re: Finger Lakes LPG Storage, LLC, LPG Storage Facility Cumulative Impacts Assessment**

Dear Ms. Schwartz:

We write on behalf of Gas Free Seneca to urge the Department of Environmental Conservation ("DEC") to include a comprehensive cumulative impacts analysis in the ongoing environmental review of the liquefied petroleum gas ("LPG") storage project (the "Project") proposed by Finger Lakes LPG Storage, LLC ("Finger Lakes LPG"). As you are aware, Arlington Storage Company, LLC ("Arlington"), an affiliate of Finger Lakes LPG, has filed applications with DEC and the Federal Energy Regulatory Commission ("FERC") for permission to expand its natural gas storage facility on property adjacent to the Project. Moreover, Inergy Midstream, L.P. ("Inergy Midstream"), the parent company of both Finger Lakes LPG and Arlington, has well-publicized intentions to exploit additional natural gas liquids storage capacity at this site. Under the State Environmental Quality Review Act, DEC must evaluate the cumulative environmental and safety impacts of the two proposed projects and the reasonably foreseeable expansion plans.<sup>1</sup> The resulting cumulative impacts analysis then should be made available for public comment in a revised draft of the Supplemental Environmental Impact Statement ("SEIS") for the Project.

To date, Finger Lakes LPG's evaluation of the combined impacts of these projects has been limited to assessing "the proximity" of the Finger Lakes LPG and Arlington natural gas facilities.<sup>2</sup> This substance of this evaluation has been withheld from public scrutiny, however, on the grounds that the information in Finger Lakes LPG's permit application is confidential. At the very least, the safety implications of two adjacent cavern structures holding millions of barrels of LPG and billions of cubic feet of natural gas must be made available for public review and comment.

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<sup>1</sup> FERC has recognized a similar obligation under federal law, stating that a more comprehensive cumulative impacts analysis is "necessary for [FERC] to continue preparation of the environmental assessment" for Arlington's proposed natural gas storage project. *See* Letter to James F. Bowe, Jr., King & Spalding LLP, from Anthony J. Rana, FERC, p.1 (May 14, 2013) (attached as Exhibit A hereto).

<sup>2</sup> Letter to David Bimber, DEC, from Kevin Bernstein, Bond Schoeneck & King 7 (Feb. 16, 2012).

In addition, the evaluation of the cumulative impacts of these projects cannot be limited to safety alone. In its recent request for a more substantial cumulative impacts analysis, FERC has directed Arlington to conduct an analysis of air impacts, including “an inventory of proposed and reasonable[y] foreseeable air emissions sources within 5 miles of the project.”<sup>3</sup> The emissions inventory should include but not be limited to “FERC jurisdictional projects, intrastate pipelines and compression, gathering pipelines, oil and gas processing facilities, oil and gas wells, industrial or commercial facilities, housing developments, etc.”<sup>4</sup> FERC also is requesting that Arlington expand its cumulative impact analysis to include indirect and secondary impacts on environmental resources from “construction and operation of the proposed facility and other current, proposed and/or approved projects within 5 miles of the project.”<sup>5</sup>

DEC similarly must oversee the completion of an assessment that addresses the combined environmental and community impacts that may result from overlapping construction schedules and concurrent operation of the proposed Finger Lakes LPG and Arlington projects, from facilities that are part of Inergy’s reasonably foreseeable expansion plans, and from unrelated projects with impacts in the same area and over the same period of time. The cumulative impacts analysis should consider the scope, location, and timing of each project and include but not be limited to the following:

- Traffic impacts, such as congestion, vehicular accidents, injury to historic properties from vibrations, and damage to roadways from increased use by heavy trucks;
- Noise impacts from the trains and trucks associated with the LPG facility and the natural gas facility’s compressor;
- Air quality impacts from increased emissions produced by trucks, the LPG brine ponds, the natural gas facility’s compressor, predictable leaks from equipment and piping, and other sources;
- Short- and long-term impacts to migratory species and local vegetation;
- Impacts to scenic views; and
- Impacts on local community character.

DEC also must ensure that measures are considered and adopted to mitigate significant cumulative impacts to the extent practicable. To date, no such mitigation measures have been proposed.

DEC must ensure that the combined environmental impacts of Inergy Midstream’s storage hub expansion, including the projects currently proposed by its subsidiaries, will be carefully considered and properly mitigated to avoid unnecessarily harming the environment and undermining the Seneca Lake community’s economic well-being. Because the cumulative

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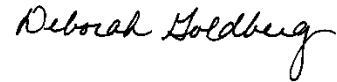
<sup>3</sup>Letter to James F. Bowe, Jr., *supra* note 1, at ¶ 20.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at ¶ 23.

impact analysis will add substantial new matter to the environmental review, DEC should release it for public comment in a revised draft of the SEIS.

Sincerely,

A handwritten signature in black ink that reads "Deborah Goldberg". The signature is written in a cursive style with a prominent loop at the end of the last name.

Deborah Goldberg, Managing Attorney

cc: Edward McTiernan, Acting General Counsel, DEC  
David Bimber, Deputy Regional Permit Administrator, DEC Region 8

# **Exhibit A**

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

OFFICE OF ENERGY PROJECTS

**In Reply Refer To:**  
OEP/DG2E/Gas Branch 3  
Arlington Storage Company, LLC  
Docket No. CP13-83-000  
§ 375.308(x)

May 14, 2013

James F. Bowe, Jr.  
King & Spalding LLP  
1700 Pennsylvania Avenue, NW Suite 200  
Washington, DC 20006-4707

Re: Environmental Data Request

Dear Mr. Bowe:

Please provide the information described in the enclosure to assist in our analysis of the above-referenced certificate application. File your response in accordance with the provisions of the Commission's Rules of Practice and Procedure. In particular, 18 CFR 385.2010 (Rule 2010) requires that you serve a copy of the response to each person whose name appears on the official service list for this proceeding.

**You should file a complete response within 20 days of the date of this letter.**  
The response must be filed with the Secretary of the Commission at:

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street NE, Room 1A  
Washington, DC 20426

If certain information cannot be provided within this time frame, please indicate which items will be delayed and provide a projected filing date. **You should be aware that the information described in the enclosure is necessary for us to continue preparation of the environmental assessment (EA). Once we have received your responses and reviewed them for completeness, we will be able to establish a schedule for completing the EA.**

When filing documents and maps, be sure to prepare separate volumes, as outlined on the Commission's website at [www.ferc.gov/help/filing-guide/file-ceii/ceii-guidelines.asp](http://www.ferc.gov/help/filing-guide/file-ceii/ceii-guidelines.asp). Any Critical Energy Infrastructure Information should be filed as non-public and labeled "Contains Critical Energy Infrastructure Information-Do Not Release" (18 CFR 388.112). Cultural resources material containing location, character, or ownership information should be marked "Contains Privileged Information - Do Not Release" and should be filed separately from the remaining information, which should be marked "Public."

File all responses under oath (18 CFR 385.2005) by an authorized Arlington Storage Company, LLC representative and include the name, position, and telephone number of the respondent to each item.

If you have any questions, please contact me at (202) 502-8224. Thank you for your cooperation.

Sincerely,

Anthony J. Rana  
Environmental Project Manager  
Office of Energy Projects

Enclosure

cc: Public File, Docket No. CP13-83-000

Enclosure

Arlington Gas Storage, LLC  
Docket No. CP13-83-000

**ENVIRONMENTAL INFORMATION REQUEST**

1. Address the following issues regarding Well No. 45's usage in debrining and monitoring of the Gallery 2 caverns:
  - a. Describe the debrining process, and identify the volume of brine that Arlington Storage expects to remove from the caverns.
  - b. Describe the monitoring protocols/procedures that would be applied to Well No. 45.
  - c. How would Well No. 45 be effective for dewatering/debrining the caverns and for future observation/monitoring, given its depth in relation to the storage caverns and construction (casing) beneath the caverns?
  - d. If Well No. 45 proves to be ineffective for either debrining the caverns or for monitoring, would additional new wells become necessary to accomplish these tasks?
2. Provide the Arlington Storage Facility's Gallery 1 and 2 cavern monitoring program which addresses stray gas monitoring.
3. Describe the procedures to abandon and plug Well Nos. 30 and 31.
4. Address the following issues regarding the construction of the storage wells and operation of the caverns for protection of surface water and groundwater resources:
  - a. Characterize surface water use and groundwater wells located in proximity to the proposed facilities, and indicate the types of usage (potable, agricultural, industrial).
  - b. Define the depth to the "deepest freshwater level" and underground sources of drinking water (USDW).
  - c. Provide details of the cavern well(s) construction and include these details on construction diagrams and on a hydrogeologic cross section identifying and depicting:
    - i. depths and diameters of all cemented casing intervals;
    - ii. adjacent aquifers, their thickness, and aquifer water quality with respect to total dissolved solids; and

- iii. water use from each aquifer (potable, agricultural, industrial).
    - d. Expand on the information provided in Appendix 2-A (Groundwater Review of the New York State Electric and Gas (NYSEG) Akzo Cavern Gallery 1 facility), by providing the following information:
      - i. aquifer-system lithology and geometry (thickness and aerial extent);
      - ii. aquifer-system hydraulic parameter estimates;
      - iii. groundwater flow directions and flux estimates (travel times) to Seneca Lake;
      - iv. groundwater quality with respect to federal and state drinking water standards;
      - v. hydraulic interaction and head differentials between deeper natural gas injection/storage horizons, and USDW, specifically shallow aquifer systems providing base flow to Seneca Lake; and
      - vi. evaluate the potential impact to USDW aquifer systems from the proposed action and what protection and mitigation measures Arlington Storage would implement to protect groundwater resources.
5. Provide a description of any intermediate brine storage facilities used in the brine processing, such as evaporation ponds.
6. Identify any contaminated sites (soils and/or groundwater) potentially affected by the proposed facilities.
7. Identify and describe the migratory bird species of special concern and their habitats known to occur in the project area. Also, evaluate the short-term, long-term, and permanent impacts on these species of special concern by construction and operation of the proposed facilities.
8. Provide the geologic core logs for the Gallery 1 wells (27, 28, and 46) and the Gallery 2 wells (30, 30A, 31, 31A and 45).
9. Provide an evaluation of the potential for induced seismicity from fluid (brine) and natural gas injection/withdrawal.
10. Provide a copy of the February 25, 2013 letter from Arlington Storage to the New York State Historic Preservation Office (SHPO), mentioned in Resource Report (RR) 4 included with the application to the FERC, and file the SHPO's response to that letter.
11. Revise the Unanticipated Discovery Plan attached as Appendix 4-B to RR4, as follows:



- a. Under Unanticipated Discovery of Archaeological Material – A qualified professional archaeologist should inspect the discovery and provide a report (via email) to the FERC and SHPO. That report should evaluate the discovery against the criteria for nomination to the National Register of Historic Places (NRHP, 36 CFR 60.4). After reviewing the report, the FERC staff would make determinations of NRHP eligibility and project effects, in consultation with the SHPO. If the discovery is eligible, and would be adversely affected, Arlington Storage would produce a Treatment Plan to resolve adverse effects, for the review and approval of the FERC and SHPO. Work may not resume in the area of an eligible site until Arlington Storage documents that the treatment measures have been implemented, and the FERC has provided written notification.
  - b. The FERC Contact is Paul Friedman. The Alternative FERC Contact is Anthony Rana.
  - c. Under Unanticipated Discovery of Human Remains – Cite appropriate state laws and regulations, including the Indian Cemetery or Burial Grounds Law; see, McKinney’s Consolidated Laws of New York Book 25, Section 12a, and Parks, Recreation, and Historic Preservation Laws at Book 37B, Sections 11.03 and 1901.12a. If a Native American burial is discovered, the FERC and SHPO should be contacted, and no further actions taken without the written permission of the FERC and the SHPO.
  - d. Arlington Storage should provide the revised Discovery Plan to the SHPO, and file the SHPO’s comments on the plan with the FERC.
12. In partial response to the letter from EarthJustice dated April 4, 2013, provide the distance (in feet and direction) from the proposed project boundaries to the following areas:
- a. corporate boundary for the Town of Reading;
  - b. corporate boundary for the Village of Watkins Glen;
  - c. Schuyler County Courthouse;
  - d. First Baptist Church of Watkins Glen;
  - e. Watkins Glen Commercial Historic District;
  - f. Seneca Lake, Hector, Lodi Scenic By-Way; and
  - g. Provide additional discussion of the potential for proposed actions related to the project to have impacts upon the places listed above. In particular, identify construction access routes to the project, quantify construction-related traffic to and from the project, and address the potential for project construction truck traffic to have any effects on the Watkins Glen Commercial Historic District.

13. Discuss the feasibility of constructing the skid-mounted engine/compressor unit adjacent to the existing compressor station.
14. Provide a list of the equipment at the existing compression facility. Include information on any existing air quality permit and emissions of criteria pollutants, total hazardous air pollutants (HAP), and greenhouse gases (GHG).
15. The emissions of criteria pollutants as listed in Resource Report 9 appear to be for operation from 8,200 to 8,760 hours per year. If operation of the engine/compressor is intermittent (e.g., used only for injection/withdrawal), then the hours of operation would be less than what was considered. Provide an estimated "realistic case" operational scenario for the new engine/compressor and storage facility and include updated emissions for the criteria pollutant and greenhouse gas emissions.
16. Provide representative ambient air quality data for the project area. Provide a list of monitoring stations, the criteria pollutant(s) which it measures, the owner/controller, location, and justification for the use of the monitoring station.
17. Provide quantified emissions of GHG in tons per year from all construction activities including site grading, excavation, trenching, pile-driving, filling, delivery vehicles, fugitive dust, and tailpipe emissions from all construction equipment. Provide an itemization of the emissions by calendar year demonstrating when the construction emissions would likely occur. Include supporting calculations, emission factors, fuel consumption rates, vehicle power ratings, utilization rates, and hours of operation.
18. Provide the emission rate of GHG from all equipment proposed for the Project, expressed in tons per year for maximum operating conditions. Include supporting calculations, emission factors, fuel consumption rates, and annual hours of operation.
19. Provide a cumulative air quality screening (AERSCREEN) analysis for the existing Compressor Station plus the proposed project demonstrating that emissions of criteria pollutants do not result in exceedance of the National Ambient Air Quality Standards or state standards. Include all input parameters (emission rate, stack height, stack temp, exit velocity, etc.) and justify the basis for any assumptions.
20. Provide a cumulative air impact analysis for the project. Provide an inventory of proposed and reasonable foreseeable air emission sources within 5 miles of the project, documenting their location, distance from the proposed project, estimated

or permitted emissions for each criteria pollutant in tons per year, and describe the potential incremental cumulative impacts of the project. The emissions sources should include, but not be limited to: FERC jurisdictional projects, intrastate pipelines and compression, gathering pipelines, oil and gas processing facilities, oil and gas wells, industrial or commercial facilities, housing developments, etc.

21. Justify why Arlington Storage would not provide an enclosure for the new engine-compressor.
22. Provide the study by Hunt Engineers-Architects-Surveyors, dated January, 2011 (Revised January, 2012), titled "*Sound Impact Evaluation for Proposed Watkins Gas Storage Facility*" prepared for Finger Lakes LPG Storage, LLC.
23. Expand on the cumulative impact analysis provided in Resource Report 10, and provide a comprehensive analysis including indirect and secondary impacts on environmental resources from the construction and operation of the proposed facility and other current, proposed and/or approved projects within 5 miles of the project. Consider the location, scope, and timing of each project, including long-term operation of the proposed project and other facilities in determining whether it could have a cumulative impact on the following environmental resource:
  - a. Groundwater and surface water (specifically within the following sub-basins: HUC 041402010801; 04140201803; and 041402010603); and
  - b. geologic hazards including the potential for induced seismicity (see EIR No. 10);
24. Per Commission regulations (18 CFR 380.12 (1)), fully evaluate storage alternatives and provide an analysis of the relative environmental benefits and costs for each alternative, and discuss any engineering considerations.