



DLA Piper LLP (US)
677 Broadway, Suite 1205
Albany, New York 12207-2996
www.dlapiper.com

Robert J. Alessi
robert.alessi@dlapiper.com
T 212.335.4866
F 518.935.9767

August 8, 2016

Via E-Mail and First Class Mail

James T. McClymonds
Chief Administrative Law Judge
New York State Department of Environmental Conservation
Office of Hearings and Mediation Services
625 Broadway, 1st Floor
Albany, New York 12233-1550

Re: Matter of Finger Lakes LPG Storage, LLC;
DEC Application No. 8-4432-00085

Dear Chief Administrative Law Judge McClymonds:

The applicant, Finger Lakes LPG Storage, LLC (“Finger Lakes LPG Storage” or “Applicant”), submits this letter to provide to the record changes to the Finger Lakes LPG Storage Project (“Project”) to which it is committed. The changes are the result of substantial collaboration since the Issues Conference with, and comprehensive feedback from, numerous and varied stakeholders such as elected officials, local winery owners, homeowners along Seneca Lake, environmentalists, and other business and civic leaders. The collaboration has been initiated by various parties at various times and, numerous requests notwithstanding, certain stakeholders opposed to the Project have chosen not to engage in the process.

In short, the changes described below will reduce the scale and environmental impacts (potential, actual, and perceived) of the Project, respond meaningfully to the concerns expressed by those participating in the Issues Conference and by stakeholders outside of the DEC proceeding, and will result in further avoidance or mitigation of the impacts. This dynamic – where modifications that avoid or mitigate impacts emanate from within a project’s home community – is encouraged by the Uniform Procedures Act, organic Environmental Conservation Law permitting statutes, the State Environmental Quality Review Act (SEQRA), and decisional law.

We expect these Project changes to be the subject of upcoming resolutions from governmental bodies, especially one from the Schuyler County Legislature, of which certain members have encouraged and have been actively engaged in the events and discussions culminating in the following changes:



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1. Elimination of the Project's Rail and Truck Components

Certain stakeholders expressed concerns about the safety of transporting fuel by rail, including concerns about the safety of visitors to the Watkins Glen State Park in the event of a train derailment (to the extent the derailment involved one or more railcars carrying liquefied petroleum gas going to, or supplied from, the Project) while crossing the gorge bridge in the state park. The removal of the Project's rail facilities will eliminate the ability of Applicant's customers to move fuel to and from the proposed storage facility by rail. The Project will not be able to receive or deliver fuel by rail.

Other stakeholders expressed concerns about truck traffic relating to Applicant's proposed storage facility cluttering or damaging local roads. The removal of the Project's truck loading facilities will eliminate the ability of Applicant's customers to move fuel to and from the proposed storage facility by truck. The Project was never designed to receive, and now it will not be able to deliver, fuel by truck.

Other stakeholders expressed concerns about the noise and air pollution associated with the construction and operation of the truck and rail depots. The elimination of the Project's rail and truck facilities will eliminate any potential noise and/or air pollution relating to those components of the Project.

As a result of this Project change, propane (please also see the elimination of butane from the Project which is discussed immediately below) will move to and from Applicant's storage facility only by pipeline, the safest transportation option.

2. Elimination of Butane; and Reduction of Propane Storage Capacity by Almost 30% from 2.1 Million Barrels to 1.5 Million Barrels (Only Propane Would be Stored in Caverns)

Propane has been stored in the Finger Lakes for more than 60 years, including at US Salt for two decades. Propane is the primary home heating fuel for thousands of residents throughout the Finger Lakes, including more than 20% percent of Schuyler County residents. Consequently, the community is familiar with propane. The community is less familiar with butane, however, and certain members expressed concern about it.



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To address these concerns, Applicant eliminated the aspects of the Project primarily relating to Applicant's butane storage plans – namely, (i) the elimination of the rail facilities responds to the concern as butane was expected to be moved exclusively by rail, and (ii) the elimination of 600,000 barrels of fuel storage capacity responds to the concern as this amount of underground storage capacity was targeted for butane storage. By agreeing to limit the type of product permitted to be stored in the storage caverns to propane, Applicant completely addresses any stakeholder concerns concerning the transportation and storage of butane.

3. Elimination of the Proposed Brine Pond on the East (Lakeside) of Route 14

Certain stakeholders expressed concern that a brine pond proposed on the east side of Route 14 was too close to the lake, and that breaches of or overflows from the east brine pond would diminish water quality. As shown in the revised site plan attached hereto as Appendix 1, this Project change means that only one pond – double-lined and engineered to withstand hurricane conditions and surpass dam safety standards – will be built far away from the lake (west of Route 14). The removal of the east brine pond avoids these potential impacts on water quality.

Other stakeholders expressed concern that a brine pond on the east side of Route 14, and the proposed location of a flare stack next to the pond, would create adverse visual impacts. As a result of this Project change, and as depicted on the profiles attached hereto as Appendix 2, the flare stack will not be visible from the lake or the east side of the lake.

4. Provide Resources to Support Community Initiatives Regarding Water Quality

Applicant and its fellow community members all support the preservation and improvement of water quality in the area, including prominently Seneca Lake. Given the varied and mixed uses around Seneca Lake, initiatives to monitor and improve the water quality of the lake are salutary. Applicant is pleased to provide resources to support these initiatives, ranging from financial resources (funding) to technical resources (mining data). Applicant looks forward to working with the community and lake experts to address the main threats to water quality, and being part of a community solution.

Finger Lakes LPG Storage and its affiliates take seriously the community responsibilities that go along with being one of the largest taxpayers and private employers in Schuyler County.



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While, like Department Staff, Applicant considered (and continues to consider) the Project in its former iteration to be permit – and SEQRA – worthy, Applicant is proud of the collaborative result: community-driven compromises and attendant “win win” solutions resulting in an enhanced Project that further prioritizes Seneca Lake and the surrounding environs while helping propane customers and creating jobs and tax revenue.

Finger Lakes LPG Storage respectfully submits that the Project changes described above elucidate the further elimination and reduction of Project impacts and facilitate decision-making on the issues at hand. This is particularly the case here given the robust record extant in this proceeding to which these changes can be readily compared and the policy of this state – expressed in statutes, regulations and decisional law – that project changes resulting in further avoided or reduced impacts should be evaluated without undue process.

Sincerely,

A handwritten signature in blue ink, appearing to read 'RA'.

Robert J. Alessi
Enclosures

cc: Service List (per agreement of parties and resulting directive of CALJ)