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Dear Municipal Official:

Unfortunately, more municipalities outside of Schuyler County have passed resolutions opposing our propane storage project, none of which requested information from us or the New York Department of Environmental Conservation (DEC). Because communities continue to be asked to oppose our project based on emotional arguments not grounded in science or fact, we wanted to share a little “straight talk” about our project courtesy of the DEC Staff. We think it’s important that you know the views of the State’s technical experts responsible for permitting and overseeing 29 underground gas storage facilities in New York, particularly when project opponents like Seneca County Legislator Steve Churchill and Gas Free Seneca’s co-founders use misinformation and scare tactics to fuel their arguments.

At an issues conference in February 2015, DEC Staff made clear that there are no reasons to waste taxpayer money on more hearings and further delay the project. In a written brief submitted in mid-April to the judge presiding over the issues conference, DEC Staff explained in greater detail why opposition’s request for another hearing should be denied.<sup>1</sup> In fact, not only does the DEC Staff’s technical review of the project support the draft storage permit, but DEC Staff clearly understands that project opponents are referencing “many facts and scientific principles that are either unproven or bear no relevancy to the proposed project, **all in an attempt to cast doubt on the soundness of the project and DEC staff’s review of the project.**”

The enclosed two-page handout highlights DEC Staff’s position on various subjects relating to our storage project. In particular, we would emphasize the following views expressed by DEC Staff:

- **Cavern Integrity** – DEC Staff took an “excruciating look at cavern integrity” before concluding the caverns are suitable for storage, even going so far as say Crestwood has “demonstrated that the caverns proposed for LPG storage are not only adaptable for this purpose but will be suitable for LPG storage for the projected life of the facility”;
- **Water Quality** – noting there’s no evidence whatsoever that US Salt’s prior propane storage activities “affected saline levels or chloride levels in Seneca Lake,” DEC Staff found that “it’s not a reasonably likely scenario” that our project would have any impact on Seneca Lake;
- **Views and Noise** – DEC Staff recognizes that “the viewshed would be pretty much as it is right now” and pointed out that Gas Free Seneca’s own noise analysis suggests that noise levels across the lake would be consistent with “a wilderness area” or “a quiet, seemingly serene setting such as rural farmland” that fully complies with DEC’s noise policy;
- **Truck Traffic** – independently of NYDOT’s conclusion that any truck traffic resulting from our project would not be an issue, DEC Staff determined that any truck traffic associated with our propane project “wouldn’t be significant under any circumstance”;

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<sup>1</sup> Transcripts of the non-confidential sessions of the issues conference and DEC Staff’s initial post-conference brief are available online at [www.nypropaneadvocacy.com/resources/](http://www.nypropaneadvocacy.com/resources/) under “Project Materials.”

- **Public Safety** – along with determining there is “no substantive and significant issue related to public safety regarding this project,” DEC Staff thoroughly discredited opposition’s attempt to portray a retired local physician (Dr. Rob Mackenzie) as an expert in risk analysis; and
- **Community Character** – according to DEC Staff, “[o]n the critical issue of the compatibility of the project with its surrounding the facts speak for themselves, the wine and tourism industry has developed alongside natural gas storage operations.”

Beyond demonstrating that the rigorous and objective analysis of DEC’s technical experts supports our project, we wanted to reiterate the economic benefits of our storage project. We’re talking about

- 58 jobs created during construction and 17 permanent jobs created by the project; and
- Over \$600,000 of annual real property taxes created by the project, lowering everyone else’s tax bill and making the county and local schools less dependent on seasonal businesses and industries that perform worse our economy struggles.<sup>2</sup>

Having more propane available in state helps customers avoid winter price spikes and shortages. Plus, considering the significant amount of capital required to maintain our 100+ year-old salt plant, restarting our propane storage activities – a business we performed safely for 20 years – supports US Salt jobs and our ability to grow our core salt manufacturing business.

We encourage you to do your homework about our project, and to contact us if you’re interested in touring the project site or our Savona LPG storage facility. We also encourage you to visit our project website ([www.fingerlakespropane.com](http://www.fingerlakespropane.com)), which contains an extensive array of information.

We refuse to believe that “not in my back yard” sentiment should trump the independent views of the State’s experienced technical experts, and we hope you agree.

Safety remains our number one priority. Thank you for your understanding and support.

Sincerely,



Mitchell Dascher  
President, US Salt



Frank Pastore  
Plant Manager

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<sup>2</sup> Benefits calculated by a Camoin & Associates. Camoin’s economic and fiscal impact study is available online at [www.nypropaneadvocacy.com/resources](http://www.nypropaneadvocacy.com/resources) under “Project Materials”.

## Straight Talk from DEC Staff

At an issues conference in February 2015, DEC Staff – the technical experts responsible for permitting and regulating New York’s underground storage facilities – first voiced its position on various issues concerning the Finger Lakes LPG storage project. In defending the draft permit it made public in November 2014, DEC Staff made clear at the issues conference that **its review has been extremely thorough** and that **no issues require adjudication**. In its post-conference brief submitted in mid-April to the judge overseeing the issues conference, DEC Staff details the length at which it took “a hard look” at the project’s potential adverse environmental impacts, explains that the claims made by project opponents are supported by “speculative conclusions or unsupported technical opinions”, and points out that opponents referenced facts and scientific principles **“that are either unproven or bear no relevancy to the proposed project, all in an attempt to cast doubt on the soundness of the project and DEC staff’s review of the project.”** The excerpts below highlight DEC Staff’s position on various issues raised by opposition, and show that the emotional arguments heard from vocal opponents like Gas Free Seneca and Steve Churchill are not supported by science and fact.

Topic	DEC Staff Position
General	<ul style="list-style-type: none"> <li>“Most of the issues proposed for adjudication, including those related to cavern integrity, water quality, public safety, noise and cumulative impacts are rebutted by information contained in the Draft Underground Storage Permit, the Draft Supplemental Environmental Impact Statement (DSEIS), the application materials submitted by [Crestwood] and Department staff’s analysis.” <sup>” Brief</sup></li> <li>“Concerns about community character, noise, alternatives, and salinity levels in Seneca Lake, cumulative impacts, public safety and cavern integrity were <b>not backed up by fact-based offers of proof</b>. Indeed, <b>each of the proposed issues is rebutted</b> by the record available in this proceeding, the draft permit conditions or Department staff’s own analysis of the project.” <sup>” Brief</sup></li> </ul>
Cavern Integrity	<ul style="list-style-type: none"> <li>Staff has “absolutely taken a close look, an excruciating look at cavern integrity. We’ve been doing it for a number of years.” <sup>” Transcript</sup></li> <li><b>“We know that salt caverns are the chosen type of formation for underground LPG storage.”</b> <sup>” Transcript</sup></li> <li><b>“We have a long history of regulating gas storage in this state, both natural gas and LPG.”</b> <sup>” Transcript</sup></li> <li><b>Crestwood has “demonstrated that the caverns proposed for LPG storage are not only adaptable for this purpose but will be suitable for LPG storage for the projected life of the facility.”</b> <sup>” Brief</sup></li> <li>“The caverns have been tested and evaluated for integrity to the Department’s satisfaction.” <sup>” Brief</sup></li> <li>Staff <b>“agrees with FERC</b> that any fracture created in the salt interval would have long since healed and that successful pressure tests, coupled with ongoing monitoring of cavern operations and growth, <b>will ensure long-term integrity of the caverns.</b>” <sup>” Brief</sup></li> <li>“The underground storage permit application requirements and Department review imposed on [Crestwood] for permitting of its proposed storage reservoir are consistent with the requirements and reviews conducted by the Department for ... 17 underground storage permits issued since 1988.” <sup>” Brief (Biggs Affidavit)</sup></li> </ul>
Water Quality	<ul style="list-style-type: none"> <li><b>“[T]here is not an issue about water quality here and the potential effect of these caverns on the chloride or saline levels of Seneca Lake.”</b> <sup>” Transcript</sup></li> <li><b>“[T]here is no evidence, coincidental or otherwise, that any historic LPG operations affected saline levels or chloride levels in Seneca Lake.”</b> <sup>” Transcript</sup></li> <li>Opposition’s concerns around water quality <b>are not supported by the facts or “basic principles of science and common sense ...”</b> <sup>” Brief</sup></li> <li>Responding to criticisms about the draft permit not including conditions around the project’s potential impact on Seneca Lake, Staff explained “there is a good reason for that. It’s <b>not a reasonably likely scenario</b> that there could actually be an impact there. We generally, as a regulatory agency <b>we don’t mitigate impacts that we don’t recognize or agree with.</b>” <sup>” Transcript</sup></li> </ul>
Visual Impacts	<ul style="list-style-type: none"> <li><b>“[T]here are no substantive and significant issues with regard to visual impact.”</b> <sup>” Transcript</sup></li> <li>Staff explained that Crestwood’s visual impact study complies with DEC’s visual policy, and stated that <b>“the viewshed would be pretty much be as it is right now</b> after mitigation is applied.” <sup>” Transcript</sup></li> <li>Explaining that the proposed mitigation measures “will either completely screen the project from visibility” or limit its visibility, Staff points out that opponents “overlook the fact that the US Salt plant, in existence for over 100 years and part of the established visual landscape, will be in the foreground” of the viewshed from the lake or across from it. <sup>” Brief</sup></li> <li>“[N]oise isn’t an adjudicable issue because <b>it’s not substantive and significant.</b>” <sup>” Transcript</sup></li> <li>Gas Free Seneca’s sound study “does not show a significant impact” to the east side of Seneca Lake, as the noise levels would be characterized as “a wilderness area type of sound” or “a quiet, seemingly serene setting such as rural farmland” under the DEC’s noise policy. <sup>” Transcript</sup></li> </ul>
Noise Impacts	<ul style="list-style-type: none"> <li>“[T]he DOT has concluded that the traffic impacts associated with the proposed action do not represent a substantial increase to the existing traffic volume, nor do they present a need for mitigation to the highway.” <sup>” Transcript</sup></li> <li>“[T]he discussion about ... truck traffic and its impact has gone off the rails, no pun ... <b>it wouldn’t be significant under any circumstance.</b>” <sup>” Transcript</sup></li> <li>Noting again that the NYDOT has evaluated “the worst-case scenario for truck traffic” and concluded that traffic impacts do not present a substantial increase to existing traffic volumes, Staff believes the “additional truck traffic generated by the proposed storage facility truck loading facility <b>will not be a significant addition</b> to either State Route 14A or State Route 14.” <sup>” Brief</sup></li> </ul>
Truck Traffic	

Public Safety	<ul style="list-style-type: none"> <li>• <b>"[T]here is no substantive and significant issue related to public safety regarding this project."</b> <sup>" Transcript</sup></li> <li>• Testimony offered by opposition on public safety rests <b>"on the flawed assumption</b> that either the proposed project will increase the salinity of Seneca Lake or that an accident at the facility would overwhelm emergency response resources." <sup>" Brief</sup></li> <li>• DEC Staff found Crestwood's QRA "acceptable" – "a QRA in and of itself and this one in particular <b>did go beyond the level of evaluation in this area that is typically required by the Department.</b>" <sup>" Transcript</sup></li> </ul>
Alternative Sites	<ul style="list-style-type: none"> <li>• DEC Staff "didn't think it was reasonable to ask" Crestwood to consider its Bath storage facility as an alternative "because we knew from the get go that was not a reasonable alternative." <sup>" Transcript</sup></li> <li>• DEC Staff is "always beating up on applicants to use existing sites and that's for a good reason because, because using existing sites has less environmental impact. So we had a project that came along here and they are using an existing some salt cavern. So that's like an environmental plus rather than going out and creating something new or different." <sup>" Transcript</sup></li> <li>• The proposed site at the US Salt complex "is a very reasonable site." <sup>" Transcript</sup></li> </ul>
Cumulative Impacts (community character)	<ul style="list-style-type: none"> <li>• The propane storage project "is consistent with existing community character." <sup>" Brief</sup></li> <li>• "On the critical issue of the compatibility of the project with its surrounding the facts speak for themselves, the wine and tourism industry has developed alongside natural gas storage operations." <sup>" Brief</sup></li> <li>• Opponents "fail to account for the fact that tourism and the local wineries have co-existed for many decades with the salt plants on Seneca Lake, associated rail lines, solution salt mining well fields and the underground gas storage facilities that formerly or currently exist in Schuyler County." <sup>" Brief</sup></li> <li>• It is "incorrect to claim that FERC did not look at community character and tourism since the FERC Order specifically rejects those claims," and notwithstanding FERC's analysis, Staff "independently considered the resources, which presented the potential for cumulative impacts and concluded there weren't any." <sup>" Brief</sup></li> <li>• "[T]here hasn't been a substantive and significant issue raised by cumulative impacts." <sup>" Transcript</sup></li> </ul>

DEC Staff also disputed the qualifications and methodology of the expert analysis offered by project opponents.

Topic	DEC Staff Position
Public safety (Dr. Mackenzie)	<ul style="list-style-type: none"> <li>• <b>"There is nothing in Dr. Mackenzie's background to suggest that he is actually competent to testify in this [proceeding] that concerns any kind of storage."</b> <sup>" Transcript</sup></li> <li>• The opposition's purported expert (Dr. Mackenzie) <b>does not have the "requisite training, skill or knowledge in a field relevant to gas storage, pipelines, and rail safety" to be considered an expert, and his experience in a hospital setting "is not translatable to LPG storage operations, pipelines or rail safety."</b> <sup>" Brief</sup></li> <li>• Dr. Mackenzie "is presenting information that's highly complex and highly technical and makes summary conclusions about it without any expertise or education in the field." <sup>" Transcript</sup></li> <li>• Not only is Dr. Mackenzie "not qualified to render an expert opinion on the risks associated with LPG storage projects, but the analysis itself, under the best light, is an analysis of accidents that occurred at other facilities and does not specifically address the risks of the actual facility proposed" by Crestwood. <sup>" Brief</sup></li> </ul>
Water quality (Dr. Halfman, Dr. Meyers)	<ul style="list-style-type: none"> <li>• Dr. Halfman "was interesting because he gave his ultimate conclusions, which I thought was interesting his offer of proof that there just isn't enough publicly available information to draw conclusions about this. And his suggestion is that there should be a yearlong study to determine whether or not there really is an impact. And actually I chuckle at that because I <b>always think it's really interesting when a client just says we've been studying this since 1963, but we need one more year to figure it out.</b>" <sup>" Transcript</sup></li> <li>• The theory proposed by Gas Free Seneca's and the lake communities' proposed expert "is not reasonable and no part of Dr. Meyers' opinion is generally accepted within in the scientific community, no do the facts support any part of hi story. Therefore, [opposition's] proposal to layer unsupported non-expert opinion on the theoretical outcome of an unproven hypotheses should be rejected." <sup>" Brief</sup></li> <li>• "[T]he Department does not do ... scientific studies just for the purpose of imposing them on applicants." <sup>" Transcript</sup></li> </ul>

For purposes of this material, (i) <sup>" Transcript</sup> indicates that the referenced quotation or summarized position comes from the transcript of the issues conference, and (ii) <sup>" Brief</sup> indicates that the referenced quotation or summarized position comes from Staff's initial post-conference brief. The transcript of the public sessions of the issues conference and DEC Staff's post-conference brief are available online at <http://www.nyopenaccess.com/resources/>.