



May 22, 2017

VIA E-MAIL and FIRST CLASS MAIL

Basil Seggos, Commissioner – Basil.Seggos@dec.ny.gov
New York State Department of Environmental Conservation
625 Broadway
Albany, NY 12233-1011

Re: Request for Denial of Underground Storage Modification Permit,
Arlington Storage Company, LLC, Seneca Lake Storage Facility—Gallery 2

Dear Commissioner Seggos:

On behalf of Gas Free Seneca, we respectfully request your immediate denial of the application filed on May 14, 2010, by Arlington Storage Company, LLC (“Arlington”), for an Underground Storage Modification Permit authorizing expansion of its Seneca Lake Storage Facility—Gallery 2 (“Gallery 2 Expansion Project”). In its Bi-Weekly Environmental Compliance Report, submitted to the Federal Energy Regulatory Commission on May 9, 2017 (a copy of which is annexed as Exhibit A hereto), Arlington admitted:

Despite its best efforts, Arlington has not been successful in securing long-term contractual commitments from customers that would support completion of the Gallery 2 Expansion Project. . . . [B]ids for firm storage capacity which Arlington has received from time to time are not adequate to support the investment required to bring the project to completion. Accordingly, Arlington has discontinued efforts to complete the Gallery 2 Expansion Project.

Arlington’s stated intention not to proceed with the Gallery 2 Expansion Project—seven years after filing its application—is grounds for denying the Underground Storage Modification Permit. We urge to you to issue the denial immediately.

Should you have any questions, you may reach me at 212-845-7377 or dgoldberg@earthjustice.org.

Respectfully,

Deborah Goldberg
Managing Attorney

Exhibit A

Arlington Storage Company, LLC
BI-WEEKLY ENVIRONMENTAL COMPLIANCE REPORT

Project: Seneca Gallery 2 Project

FERC Docket No. CP13-83-000

Date: May 9, 2017

Prepared By: James Johnston

Period From: April 24, 2017

Through: May 7, 2017

Summary of Current Construction; Work Planned for the Next Reporting Period; and Schedule Changes:

A. Describe work completed through this period (See status table below):

Pipeline

Work has not commenced to date.

Compressor

Work has not commenced to date.

Wells

Work has not commenced to date.

Progress Status Table for Project Facilities (Percent Complete)

Activities	Pipeline	Compressor	Wells
Clearing	0	0	0
Grading	0	0	0
Stringing	0	0	0
Trenching	0	0	0
Retention Ponds	0	0	0
Foundations	0	0	0
Buildings	0	0	0
Electric	0	0	0
Piping	0	0	0
Backfill	0	0	0
Final Clean-up	0	0	0
Hydrostatic test	0	0	0
Restoration	0	0	0

B. Describe Work Planned for Next Period:

Since receiving Federal Energy Regulatory Commission authorization in May 2014 to undertake the Gallery 2 Expansion Project, Arlington has continued to pursue New York State Department of Environmental Conservation clearance to convert Gallery 2 to natural gas storage service while at the same time marketing the incremental firm storage services the project would support. The Commission has recognized Arlington's diligence, as well as

Arlington's efforts to accommodate the New York DEC's underground storage approval process, most recently in its May 16, 2016 order granting Arlington a two-year extension of time to construct the project. *Arlington Storage Co., LLC*, 155 FERC ¶ 61,165.

Despite its best efforts, Arlington has not been successful in securing long-term contractual commitments from customers that would support completion of the Gallery 2 Expansion Project. While demand for high-deliverability natural gas storage services remains robust in New York, as evidenced by the fully contracted status of Arlington's storage company affiliate Stagecoach Pipeline & Storage Company, LLC, bids for firm storage capacity which Arlington has received from time to time are not adequate to support the investment required to bring the project to completion. Accordingly, Arlington has discontinued efforts to complete the Gallery 2 Expansion Project.

Arlington appreciates the efforts which the Commission's staff has expended in its review of the Gallery 2 Expansion Project and its management of this proceeding.

C. Schedule Changes:

The schedule is currently suspended.

Problems Encountered and Each Instance of Non-Compliance Observed by Environmental Inspector; Corrective Actions Implemented and Their Effectiveness; and Cost Associated with Corrective Actions: N/A

Landowner/Resident Complaints and Measures Taken to Satisfy Concerns: N/A

Agency Correspondence received by Arlington for Non-Compliance and Arlington's Response: N/A

Miscellaneous Comments (i.e. notification, meetings):

Meetings: None

Notifications: None

Site-Specific Residential Plans: N/A

Workspace Revisions: None

Unresolved Regulatory Issues:
N/A