



Honorable Andrew Cuomo
Governor of New York State
New York State Capitol Building
Albany, New York 12224

August 22, 2016

Dear Governor Cuomo,

Finger Lakes LPG Storage, LLC (hereinafter referred to as “Crestwood”, Finger Lakes’ parent company) has recently submitted proposed changes regarding the LPG project along Seneca Lake to DEC Appointed Administrative Law Judge McClymonds, and we are writing to you today to offer some extremely important points for your consideration.

Crestwood’s proposals to change the project are effectively admissions that opponents to this project have been right about the original proposal all along: it is not safe, it threatens the Watkins Glen State Park, it is too noisy and ugly, and it is entirely inconsistent with the character and increasingly international brand that is the Finger Lakes. If we had not raised these issues, Crestwood would not be addressing them now.

As it stands today, the changes proposed are not enforceable until Crestwood submits a formal amendment of its application so that the changed terms can be memorialized in new draft permit conditions that are subject to review and public comment.

Assuming Crestwood follows the law and the proposed changes are made binding, permanent, and enforceable through an amended application, a supplemental environmental impact statement and a revised draft permit, what we have is a project with even less marginal benefit to the community in terms of property tax revenue (Crestwood would have its property assessment reduced again since there would be less above ground infrastructure) and less jobs (no rail or truck depot mean the creation of one or two permanent jobs, and very few construction jobs). The risks of cavern failure, fire, explosion, water contamination, and added greenhouse gas emissions in the midst of a global climate crisis would, however, remain.

While Crestwood is promoting its proposed changes as a company that is responsive to community concerns, Crestwood has not addressed the fundamental and very serious issues surrounding the threat to the salinity level of the lake, the integrity of the caverns and the inherent risk of storing LPG in salt caverns generally. These and other issues remain under review by Judge McClymonds. Our independent hydro-geologists and Finger Lakes Institute’s Dr. Halfman believe that a spike in the lake’s salinity corresponded with the initial pressurization of the salt caverns to store gas when propane was stored for a short time in the caverns back in the mid 1960’s. The crux of Dr. Halfman’s and our independent expert’s argument is that this historic salt spike was so massive and so sudden that it simply can’t be explained by the reasons currently offered by Crestwood or DEC. In other words, it had to have come from “another source.”



While it is not known what this other source was, the spike began at roughly the same time as the historical storage of gas at the proposed project site began—begging the question as to whether the pressures from that storage were a cause. That critical question, to date, has not been answered, and that is among the reasons why we are seeking an adjudicatory hearing.

Additionally, a fault line bisects the caverns slated for gas storage, where an earthquake measuring 2.0 on the Richter scale occurred in September of 2013 just a few miles north of the caverns Crestwood is proposing to use to store explosive fossil fuels. This kind of unstable geology makes the caverns along Seneca Lake profoundly unacceptable for gas storage, making a relocation of its gas storage operations to a more suitable site the *only* acceptable concession Crestwood could make.

What is further in question is the issue of the state geologist. It appears that the person who signed off on the underground storage permit was never authorized to do so. Judge McClymonds has said that this could be reason for denial of the permit Crestwood seeks. Seneca Lake Pure Waters Association has submitted over 50 pages of documentation to the Judge for his evaluation on this matter.

In short, Crestwood's newly proposed changes do not address the fundamental safety concerns associated with transporting the gas via pipeline and storing it in abandoned, unlined, unstable salt caverns on the shores of and beneath Seneca Lake. The independent Quantitative Risk Analysis previously submitted by Gas Free Seneca to the DEC found that over a 25 year period the chance of serious or extremely serious rail transportation accident (such as fire, explosion, major leakage, injuries, deaths, and/or evacuations) was between 2 and 3 percent. However, the much higher risk of a pipeline accident was between 20 and 25 percent, and salt cavern storage accident between 30 and 40 percent. The potential for any one of these accidents to result in the loss of human life, cause significant damage to private property or harm invaluable environmental resources is compounded dramatically because of the proposed project's proximity to Seneca Lake and the village of Watkins Glen.

The salt cavern risk findings have been validated by peer-reviewed, published scientific literature. The risks of failure are much higher in the type of storage project proposed here (salt caverns), compared to the storage type involved in the recent Aliso Canyon/Porter Ranch disaster (depleted oil or gas reservoirs). As such, Crestwood's proposed project modifications would do very little to reduce the largest risks.

In terms of storage itself, Crestwood is proposing the elimination of butane storage, which is a minor part of the project. The entirety of the propane storage project will continue under this plan, and it does nothing to stop the natural gas/methane expansion project. With the truck and rail depot eliminated under Crestwood's proposed changes, this ensures that none of the gas being stored on Seneca Lake would serve the region, but rather be transported via pipeline to New England and beyond.

The bottom line is that Seneca Lake and the Finger Lakes region would receive none of the benefit of this project, but would assume significant levels of risk. Our communities and businesses remain united in insisting that Crestwood work within the guidelines of the legal process rather than make unenforceable behind the scenes overtures to our community leaders in an effort to divide us.



But more importantly, we demand that Crestwood seek an alternate location for their gas storage plans. Industrial gas storage does not belong in the heart of Finger Lakes Wine Country along a drinking water source for 100,000 people, and we ask for your continued leadership and support of the Finger Lakes in urging you to do everything in your power to deny any permits to Crestwood and its subsidiaries.

Respectfully Submitted,

Joseph Campbell-President
Gas Free Seneca and Seneca Lake Water Guardian, a Waterkeeper Affiliate

Yvonne Taylor-Vice President
Gas Free Seneca and Seneca Lake Water Guardian, a Waterkeeper Affiliate

On behalf of the Gas Free Seneca Business Coalition

Enc: Gas Free Seneca response regarding Crestwood's Proposed changes to Judge McClymonds