



September 6, 2016

Mr. Walter Hang
Toxics Targeting, Inc.
215 N. Cayuga Street
Ithaca, New York 14850

Mr. Hang,

Our company is fortunate to have a group of talented, hard-working employees at US Salt. In fact, one of those employees made us aware of your recent letter to Governor Cuomo dated August 28, 2016. Not only did this employee want to ensure that we saw your letter, but the employee took it upon himself to review your data. With that background, we wanted to share some information with you.

You have counted one incident (March 2016) twice, as the descriptions make clear that two entries capture the same incident. This error reduces the number of incidents on the site to 18 incidents over 40+ years.

Four entries detail spills by third parties. Specifically, one entry (September 1997) relates to natural gas facilities owned and operated by NYSEG on property leased from US Salt, and three entries (November 1993, June 2009 and May 2013) detail releases by third-party contractors. If you focus on the incidents not caused by third parties, then we're talking about 14 incidents on the site over 40+ years.

Another three incidents (February 1975, November 1995 and June 1997) relate to industry practices that are no longer practiced (e.g., oil padding in cavity roofs).¹

Now, if you want to use incidents at US Salt as a reason to oppose our propane storage proposal, your criticism should focus on incidents that have occurred on our watch. Crestwood (f/k/a Inergy Midstream) acquired US Salt in August 2008, and it acquired the Arlington natural gas storage facility in June 2011. Within this timeframe, your data set becomes six incidents over the last eight years.

Of the six incidents occurring on our watch,

- one entry (June 2009) details a release associated with a well workover, and the mistake was made by a third-party contractor;
- four entries describe releases from equipment failure:
 - one incident (July 2012) resulted from pipeline corrosion. We completely replaced the brine pipeline system to prevent incidents like this, having completed in 2013 the last phase of multi-year pipeline replacement project;
 - one incident (August 2012) occurred when a power outage caused equipment failure;
 - one incident (May 2013) resulted from equipment failure when drilling a well. The entry indicates that five gallons of released diesel fuel was remediated properly, and none the diesel fuel reached the lake;

¹ We have assumed a release occurred in December 2003, although the corresponding entry does not clearly indicate that release occurred.

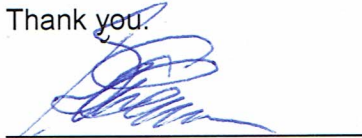
- one incident (August 2015) resulted from equipment failure unrelated to the brine field operations. The entry indicates that approximately 2,400 gallons of released weak brine was remediated properly, and none of the brine was believed to reach the lake. The process improvements resulting from incident have reduced the plant's chloride discharges into Seneca Lake by almost 40% since last year.
- one entry (March 2016) describes a minor release attributable to human error, the consequences of which were compounded by equipment failure. We addressed the root cause of the incident by replumbing the oil/water separator's discharge into the plant's closed-loop process.

Setting the facts aside, it is incredulous that anyone would pretend that incidents occurring decades ago within the salt industry are a good proxy for predicting the future performance of energy infrastructure designed in modern times under significant regulatory oversight. We appreciate that you are trying to promote a particular environmental agenda, but comparing apples and oranges does nothing but strain your credibility and perpetuate misinformation in the public.

Our US Salt employees have worked hard to implement best management practices over the past several years to reduce incident probabilities, and we're proud of the track record our employees have established. We cannot in good conscience remain silent while you attempt to grab headlines at the expense of more than 130 US Salt employees focused on doing the right thing.

Safety, compliance and the environment are our top priorities.

Thank you.



Bill Gautreaux
Chief Marketing Officer &
President, Supply & Logistics Group



Miranda Jones
Vice President,
Environmental Safety & Regulatory

cc: Governor Andrew Cuomo