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January 31, 2014

Byron Coy, PE  
Director, PHMSA Eastern Region  
820 Bear Tavern Road, Suite 103  
West Trenton, NJ 08628

RE: **CPF 1-2014-1001**

Dear Mr. Coy:

This letter is Arlington Storage Company, LLC's ("Arlington Storage") response to the notice to Crestwood Midstream LLC identified by the above-referenced tracking number to address the issues identified as a result of inspection of Arlington Storage Company's Seneca Lake Storage facilities by the New York State Department of Public Service (NYSDPS) between October 15 and November 7, 2012. At the time of the inspection, Arlington Storage was a wholly owned subsidiary of Inergy Midstream Operations, LLC, whose parent was Inergy Midstream, L.P. As a result of a merger on October 7, 2013 between Inergy Midstream, L.P. (and other related Inergy entities), and Crestwood Midstream Partners LP (and other related Crestwood entities), Inergy Midstream Operations, LLC has been renamed Crestwood Midstream Operations, LLC, and the parent of Crestwood Midstream Operations, LLC is Crestwood Midstream Partners LP ("Crestwood").

The identified probable violations are summarized below in italics, and the response from Arlington Storage is given in the paragraph(s) following it.

1. *49 CFR 192.709; "Specifically, ASC could not produce any documents or capacity test reviews or calculations as required by 192.743(a) for any of the relief devices on the Seneca [Lake Gas Storage] facilities."*

Arlington Storage is not contesting the notice of probable violation relating to this item and due to the mitigating steps which have been taken, requests that the proposed penalty be reduced or waived entirely. Following the inspection, an engineer completed a relief capacity analysis on all associated relief devices. These engineering calculations demonstrated that all pressure relief devices in operation at the time of the audit had sufficient capacity. None required resetting or physical change to provide adequate capacity to protect pipeline integrity. Arlington Storage agrees that such historic physical calculations are important, and our ability to easily re-create such a calculation demonstrates the adequacy of both the original design and our on-going annual device relief testing program. For this reason, Arlington Storage believes the proposed civil penalty to be excessive, and because of the foregoing actions taken by Arlington Storage should be adjusted downward to more appropriately reflect this oversight.

2. *49 CFR 192.491; "Specifically, ASC failed to document the required internal corrosion check upon removal of a section of 16-inch pipe from the Seneca West pipeline during tie-in of "Project 415: Interconnection with Millennium Pipeline" in 2012, as required by 192.475(b)."*

Arlington Storage denies that it failed to document the required internal corrosion check as alleged in the Notice of Probable Violation and the proposed Compliance Order relating to items 2a and 2b, due to a possible miscommunication during the inspection. Arlington Storage is not requesting an oral hearing relating to this item, but does request that (i) the categorization of the items as "probable violation" be dismissed; (ii) the proposed penalty be eliminated; and (iii) any requirement for a compliance order be eliminated. After referencing attendee notes and consulting with the other personnel in attendance during the inspection, we can find no notation of, nor anyone who recalled, the NYSDPS inspector's request to review the document specified in this request. Nevertheless, an internal corrosion check was performed at the time of the construction of the referenced tie-in, as indicated by the handwritten notes of the inspector on the attached Information Report dated April 17, 2012. This Information Report was available at the Seneca Lake office at the time of the audit and would have been provided if requested.

Regarding item 2c, Crestwood believes that the Information Report documentation intended to satisfy 2a and 2b, available during the inspection, demonstrates internal compliance with Arlington Storage's Procedure 906, and that adequate guidance had been provided at the time of construction to meet both the intent of the regulatory citation, and the intent of the Procedure 906. As has been communicated to you, in an effort to ensure compliance consistency, tracking and communication of required operations and maintenance activities across the Crestwood organization, Crestwood personnel are reviewing all procedures and compliance documents currently in use.

Arlington Storage and Crestwood are committed to operating and maintaining their respective facilities and pipelines in accordance with applicable pipeline safety regulations, and providing safe transportation of natural gas by its pipelines. We appreciate your careful consideration of the information presented herein, and we look forward to working with the NYSDPS and PHMSA toward continuous improvement of pipeline safety procedures and practices. We appreciate the spirit of cooperation that exists between the NYSDPS, PHMSA and the regulated community; and look forward to working together to safely meet America's energy needs.

If you have any questions or need further information, please contact me at (817) 339-5544 or via email at [mnorton@CrestwoodLP.com](mailto:mnorton@CrestwoodLP.com).

Respectfully,



Matthew Norton  
Director of PSM and Pipeline Compliance

INFORMATION REPORT

(Reference Procedure Nos. 301, 303, 304 & 508)

SENECA WEST 16"

INTERNAL INSPECTION

4-17-2012

CORROSION DATA (If Line is exposed)

Type & Condition of Coating PRYOTEC

Seth Bruce

If Steel Exposed, does Corrosion Exist? Yes  No

Active? Yes  No

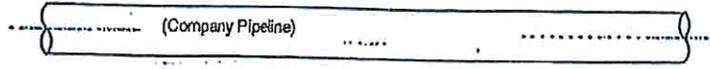
Maximum Pit Depth NA in. Pipe-to-soil Reading -1.208 VV

~~Date of Crossing: \_\_\_\_\_ Station No. \_\_\_\_\_ Drawing No. \_\_\_\_\_~~

~~Foreign Line Owner \_\_\_\_\_ Type of Line \_\_\_\_\_ Foreign Line Size \_\_\_\_\_~~

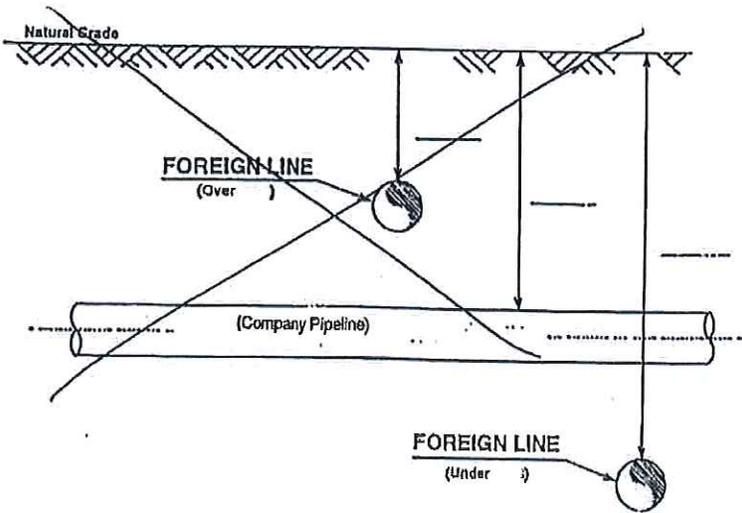
Indicate North & Approx. Angle of Foreign Pipeline.

SECTION REMOVED FOR TEE AND VALVE SET INSTALL



NO CORROSION DETECTED INTERNALLY!

Plan View



Elevation View

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Date: