Crestwood

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February 13, 2015

Mr. Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration
820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628

RE: Proposed Civil Penalty & Compliance Order CPF 1-2015-1002

Dear Mr. Coy,

In regard to the New York State Department of Public Service inspection of Arlington Storage Company, LLC's ("Arlington Storage") Seneca Lake gas storage facilities in Watkins Glen, New York that occurred between September 1 and October 31, 2013, and the subsequent Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order ("Notice") dated January 13, 2014 sent to Crestwood Midstream Partners LP (Crestwood")(Arlington Storage is an indirect subsidiary of Crestwood and owner and operator of the Seneca Lake gas storage facilities), Arlington Storage submits the following as response to the Notice:

1. Subsequent to a merger in October 2013 of Crestwood with and into Inergy Midstream, L.P., operations of facilities have been consolidated and combined, and Crestwood's environmental, safety, and regulatory compliance management has and continues to work to implement company-wide compliance programs. As a part of this process, Crestwood is diligently working toward adopting and implementing an Operations and Maintenance Manual with a consistent format for all pipeline locations.

2. Arlington Storage is not contesting the allegations in the Notice. Arlington Storage has sent a wire transfer on February 9, 2015 in the amount of $15,800 for payment of the civil penalty.

3. With respect to Section 1(a) of the proposed Compliance Order, Arlington Storage must prepare procedures that address internal corrosion control in the design and construction of transmission line requirements under §192.476.

- Arlington Storage has reviewed its current procedures and is in the process of modifying its procedures to address internal corrosion control in the design and construction of transmission line requirements to be consistent with 192.476.

- In addition, field operations have been advised of the importance of utilizing revised procedures for any future new construction or repairs and documenting appropriate actions taken.

- Crestwood is also currently evaluating its pipeline assets with corrosion professionals to determine the best methodology to enhance internal corrosion mitigation processes in the future.

- In accordance with Section 2 of the proposed Compliance Order, Arlington Storage's revised procedures addressing internal corrosion control in the design and construction of transmission lines will be sent to the Regional Director within 90 days of its receipt of the Final Order in this matter.

4. With respect to Section 1(b) of the Proposed Compliance Order, Arlington Storage must evaluate the transmission line and each replacement of line pipe, valve, fitting or other line component that was installed as part of "Project 415-Upson Road M&R Station" to determine whether or not they comply with §192.476.

    - Arlington Storage receives gas from Millennium at the Upson Road M&R Station and does not deliver gas to Millennium.

    - Evaluation of Project 415 (Millennium Tie-in) indicates that this tie-in is downstream of Millennium H2S monitoring and gas dehydration. Arlington Storage's monitoring of H2S at Seneca Lake Storage's Station ensures that should concentrations exceed 4 PPM of H2S corrosion inhibitors are added or the pipeline is shut in. Additionally, since the project is downstream of dehydration (less than 7# of water per MMCF) any effects of H2S excursions would be minimal.

    - A low point drain was included in the design and was installed in the Millennium Tie-in metering facility. Should free water ever be encountered, it would be collected at this point and iron concentrations, an indication of internal corrosion, would be determined. However, no free water has occurred nor is expected.

    - Gas chromatography at the Seneca Station indicates less than 1MOL% CO2 which is not a concern for carbonic acid formation in a relatively dry environment.

- During design of the pipeline, NACE trim valves were considered but determined to be unnecessary and were not installed. Because of the monitoring capability and gas dehydration, corrosion allowances beyond that required by 49 CFR 192 were not included in the design calculations nor material acquisition. However, comparison of wall thickness installed versus required indicates that for a current Class 1 area the corrosion allowance would be 0.188 and for Class 3, .055. Both exceed industry standards for corrosion allowance, and the requirements of the pipeline safety regulations.

- Due to the non-corrosive nature of the gas transported and the availability of monitoring for this gas, we believe that standard pipe, fittings, and other facility components are adequate and suitable for this service and meet the requirements of 192.476. Further, we believe that there is little "potential for significant internal corrosion" and thus addition of devices to monitor internal corrosion is not warranted.

Should you have any questions concerning the above, please contact me at 817-339-5498 or alice.ratcliffe@crestwoodlp.com.

Respectfully,

Alice Ratcliffe
Pipeline Compliance Manager