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Marcellus Watch: LPG storage plan needs to stand trial

After five years of secrecy and deception, it's time to throw the bright light of day on a proposal to store liquid petroleum gas, or LPG, in abandoned unlined salt caverns next to Seneca Lake.

Long overdue sunlight must finally be allowed to shine on the caverns' history. To do that, the state Department of Environmental Conservation — with Gov. Andrew Cuomo's guidance — will need to order Crestwood Midstream's proposal to stand trial.

Earlier this month, the DEC issued draft conditions for the LPG storage permit in advance of an "issues conference" scheduled for Feb. 12.

At that hearing, a DEC administrative law judge will determine whether unresolved questions need to be aired in a trial setting with sworn testimony, independent expert witnesses and witness cross-exams.

Expect Crestwood to try to convince Cuomo to let it off the hook.

Crestwood knows it must avoid sworn testimony. Throughout its long campaign for permits, it has repeatedly hidden damning evidence from both the public and the regulators.

Even so, the Federal Energy Regulatory Commission approved in October an expansion of Crestwood's natural gas storage operations next to Seneca, and that work is now proceeding. But the DEC has jurisdiction over the LPG project, the larger and more dangerous of the two.

Crestwood's plan is to turn a profit by stuffing natural gas and LPG from Marcellus Shale fracking operations in Pennsylvania into the cheapest, riskiest type of underground storage facility in the industry — salt caverns.

The Seneca caverns are deeply flawed, bounded by layers of salt and brittle shale rock. They are subject to collapse and leakage, and the residents who live next to them face the statistically significant prospect of a catastrophic accident or a forced evacuation.

The company has repeatedly attempted to conceal that danger from the people it would put at risk. The DEC has enabled that irresponsible behavior out of fear that transparency invites controversy.

In late 2011, the agency held two public hearings on the LPG project in a Watkins Glen school auditorium.

But they were largely for show because the DEC was withholding key information from the hundreds who showed up. The DEC still keeps key parts of the company's "reservoir suitability report" under lock and key. And while the state geologist must by law sign off on the integrity of caverns used for hydrocarbon storage, his reports — if they exist — aren't public record.

Formal requests under the Freedom of Information Law were needed to pry loose bits of truth. They revealed letters that showed that the company's own engineer had concluded in 2001 that the cavern now slated to hold liquid butane was "unusable for storage" after its roof had collapsed, leaving a giant rubble pile. He urged his boss to order the cavern plugged and abandoned. His boss agreed. So did the DEC. The cavern was plugged and abandoned.

Years later, the company redrilled the rejected cavern in response to the Marcellus Shale boom.

When the well's history leaked to the public, Crestwood rushed to patch the problem by prompting the company engineer to deny the roof collapse. He did, and the company now insists the collapse never happened, despite company documents showing a 200-foot rubble pile on the cavern's floor.

Other discrepancies raise doubts about the safety of the cavern set to hold liquid propane. The company even denied to FERC that it knew about a gigantic roof collapse in the cavern just approved for gas storage.

Crestwood must not be allowed to wiggle out of providing sworn testimony. If Cuomo lets it skip out, his permit process is a sham.

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