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Mr. Barry Moon
Inergy/Finger Lakes Storage
7535 Eagle Valley Road
Savona, New York 14879

December 8, 2011

Subject: API and NFPA Documents

Dear Barry:

We understand that there have been some public comments about the applicability of NFPA 58 and API 2510 to the Finger Lakes project. In our October 31, 2011 letter (attached), we addressed NFPA 58. This letter is meant to address the differences in the two standards and which provides the most applicable guidelines which Superior will follow in constructing the surface facility for Finger Lakes.

The first consideration is that the State of New York has adopted (in 2004)¹ NFPA 58. This means that the system installed in New York must meet NFPA 58 requirements. API 2510 states under scope:

1.5 This standard does not apply to the following installations:

- a. Those covered by NFPA 58 and NFPA 59.
- b. U.S. Department of Transportation (DOT) containers.
- c. Gas Utility company facilities; refinery process equipment; refinery and gas processing equipment; and transfer systems from process equipment upstream from LPG storage.
- d. Those tanks with less than 2000 gallons of storage capacity

Since New York has adopted NFPA 58, API 2510 section 1.5 (a) exempts Finger Lakes' installation from API 2510 requirements. Put another way, since NFPA applies, it supersedes the necessity of complying with API 2510.

One reason behind the exemption is that, in many instances, NFPA 58 has more rigorous requirements than API 2510. For example, NFPA 58 requires internal valves which incorporate excess flow protection. In instances such as yours where suitable internal valves are not manufactured, NFPA 58 requires an excess flow valve and a Fire Safe

¹ The Code was adopted by the NYS Department of State, Division of Code Enforcement and Administration.

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rated ball valve, driven by a fail close operator with provisions to close the valve locally, remotely, and thermally. API does not require excess flow protection, but recognizes an excess flow valve as a useful addition.

NFPA 58 recognizes the importance of changing or testing storage tank relief valves, and accepts Rego or similar listed multiport relief valves designed to allow convenient removal and replacement of the individual relief valves. NFPA 58 does not permit the installation of isolation valves under individual storage tank relief valves. The listed multiport relief valve manifolds are ductile iron. API does not permit ductile iron.

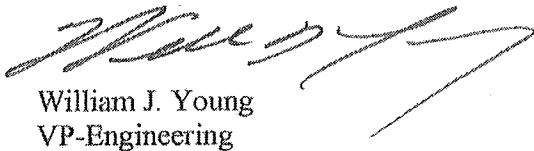
A substantial amount of the information in API 2510 and 2510A is recommended for consideration. It does not apply to all installations, but may be useful as a guide. These API documents in turn refer to other documents such as API 500RP. API 500RP provides recommended practices for electrical installations. However, New York has adopted NFPA 70, the National Electric Code.

Superior Energy Systems often uses some of the recommendations found in API 2510 and 2510A. However, we must let the requirements of NFPA 58 take precedence over the API recommendations.

If additional information is required, please call me.

Best regards,

SUPERIOR ENERGY SYSTEMS



William J. Young
VP-Engineering