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November 28, 2016

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Application of Laurel Pipe Line Company, L.P. for All Necessary Authority,
Approvals, and Certificates of Public Convenience To Change the Direction of
Petroleum Products Transportation Service to Delivery Points West of Eldorado,
Pennsylvania
Docket No. A-2016-2575829**

Dear Secretary Chiavetta:

Enclosed please find the Answer of Laurel Pipe Line Company, L.P. to Gulf Operating, LLC's Petition to Intervene and Motion to Extend the Deadline for Protests in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Lillian S. Harris', is written over a horizontal line. The signature is fluid and cursive.

Lillian S. Harris

LSH/skr
Enclosures

cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL AND FIRST CLASS MAIL

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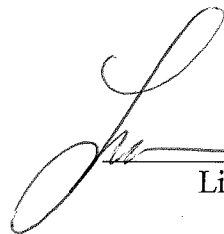
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Date: November 28, 2016



Lillian S. Harris

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Laurel Pipe Line Company, :
L.P. for All Necessary Authority, Approvals, :
and Certificates of Public Convenience To : Docket No. A-2016-2575829
Change the Direction of Petroleum Products :
Transportation Service to Delivery Points :
West of Eldorado, Pennsylvania :

**LAUREL’S ANSWER TO
GULF’S PETITION TO INTERVENE
AND MOTION TO EXTEND THE DEADLINE FOR PROTESTS**

Pursuant to Sections 5.61 and 5.103 of the Pennsylvania Public Utility Commission’s (“PUC” or “Commission”) regulations, 52 Pa. Code §§ 5.61 and 5.103(c), Laurel Pipe Line Company, L.P. (“Laurel”) hereby files this Answer to the Petition to Intervene and Motion to Extend the Deadline for Protests of Gulf Operating, LLC (“Petition and Motion”) in the above-captioned proceeding. In support thereof, Laurel asserts the following:

I. ANSWER TO THE PETITION TO INTERVENE

1. Admitted.
2. Admitted.¹
3. Admitted.
4. Admitted in part and denied in part. It is admitted that Laurel currently transports petroleum products from points of origin near Philadelphia, Pennsylvania, to destination points across the Commonwealth, terminating west of Pittsburgh, Pennsylvania. It is further admitted that, in addition to these intrastate shipments, Laurel assigns a portion of its capacity to Buckeye

¹ For purposes of this Answer, Laurel’s Application for All Necessary Authority, Approvals, and Certificates of Public Convenience to Change the Direction of Petroleum Products Transportation Service to Delivery Points West of Eldorado, Pennsylvania, Docket No. A-2016-257589 (filed Nov. 14, 2016), will be referred to by the term “Application.”

Pipe Line Company, L.P. (“Buckeye”) for interstate transportation service. It is denied, however, that Laurel and Buckeye are general partners with Buckeye Partners, L.P. Buckeye Partners, L.P. is a general partner of Laurel, as well as a general partner of Buckeye. It is further denied that Laurel’s Application fails to provide adequate clarity as to the ownership structure between Laurel and its affiliates.

5. Admitted in part; denied in part. The first sentence of paragraph 5 in Gulf’s Petition and Motion calls for a legal conclusion to which no response is required. To the extent that a response is required, Laurel denies that the change in direction of service proposed by its Application “dramatically modifies” the service provided by Laurel. Deliveries on Laurel’s pipeline system will continue at all origin points and at all destination points; the only change is the direction of deliveries west of Eldorado. The second sentence of paragraph 5 is admitted.

6. Admitted in part; denied in part. Upon reasonable investigation, Laurel lacks adequate knowledge as to whether Gulf Operating, LLC is the parent of both Penn Products Terminals, LLC (“Penn Products”) and Gulf Oil Limited Partnership (“Gulf Partnership”) (collectively, for purposes of this pleading, “Gulf”), and therefore denies the same. It is admitted that Penn Products, under Laurel shipper code “PPC,” and Gulf Partnership, under Laurel shipper code “GLP,” together ship petroleum products on Laurel’s pipeline system. However, Laurel denies that these are “large volumes” of petroleum products, and specifically denies that Gulf shipped “19,599,797 barrels (78,395,188 gallons)” of petroleum products from points near Philadelphia to westward points. Furthermore, the averments set forth in the final sentence of paragraph 6 are legal conclusions to which no response is required. To the extent that a response is required, Laurel denies that the change in direction of service proposed by the Application will significantly impact Gulf and/or retail customers in Pennsylvania. By way of further response,

numerous alternatives, including exchanges, exist to alleviate any potential impact on Gulf. Moreover, the public interest will be served by retail customers in Pennsylvania receiving substantial benefits from increased access to lower-priced Midwestern petroleum products. Thus, the Commission's primary focus should be the beneficial impacts that Laurel's proposal will have on Pennsylvania consumers.

7. Denied. To the extent that Gulf has stated an interest sufficient to permit them to participate in this proceeding, the appropriate procedural remedy would be for Gulf to file a protest on or before the December 19, 2016 deadline. By way of further response, Gulf has confirmed that this is, in fact, its intent. *See* Gulf's Petition and Motion ¶ 7.

II. ANSWER TO MOTION TO EXTEND THE DEADLINE FOR PROTEST

8. Paragraphs 2-7 are herein incorporated by reference.

9. As explained below, the deadline established by the Secretary for formal protests and petitions to intervene reasonably reflects the scope of issues raised by the Application, and is consistent with Commission practice. Moreover, the reasons offered by Gulf for the proposed extension are either insufficient to grant Gulf's request or irrelevant. Therefore, Laurel files this Answer requesting that the Commission deny Gulf's requests to extend the December 19, 2016 protest deadline beyond that date.

10. While the Commission retains discretion under its regulations to adjust protest deadlines and publication requirements, it overwhelmingly exercises that discretion to shorten protest periods, not to extend them. *See, e.g., Application of Sunoco Pipeline L.P.*, Docket Nos. A-2013-23717909; P-2013-2371775, at p. 2 (Order entered Aug. 29, 2013) ("*Sunoco Application Order*") (noting that Sunoco Pipeline L.P. requests and received a shortened protest period of ten (10) days, instead of fifteen (15) days); *Application of Consumers Pa. Water Company Shenango*

Valley Division, A-212750F0007, at p. 2, n. 1 (Order entered Jan. 11, 2001) (shortening the protest period from the fifteen-day period established by Section 5.14, to a 10-day protest period). Indeed, Gulf cites no Secretarial Letter or Commission order wherein the Commission granted a request to extend the protest period for a “listed application”—*i.e.* an application governed by Section 5.14(d) of the Commission’s regulations, 52 Pa. Code § 5.14(d). Moreover, in the only case cited by Gulf where the Commission granted an applicant’s request to modify a fifteen-day protest period,² the Commission shortened the protest period “from the customary fifteen (15) days to ten (10) days.” *Id.* (emphasis added).

11. In its Application, Laurel did not request any modifications to the protest period for applications listed in Section 5.14(d) of the Commission’s regulations, 52 Pa. Code § 5.14(d). As such, the Secretary appropriately issued a letter that set forth the date of publication for notice of the Application in the *Pennsylvania Bulletin* and established a deadline for filing protests and interventions which was the customary fifteen days from that date.³

12. No compelling reasons exist to extend the protest period beyond the December 19, 2016 deadline established by the November 16, 2016 Secretarial Letter. Although the Commission has recognized that the standard fifteen day protest period is inappropriate for complex or controversial applications, the above-captioned Application does not involve issues similar in complexity or controversy to “the construction and siting of high-capacity electric lines, the merger applications of immense interstate carriers, in-depth analysis of technical or financial fitness, or applications with a host of unexpected issues.” *Final Rulemaking Order of*

² The other case relied upon by Gulf, *Pa. PUC v. City of Bethlehem*, Docket No. R-00072492 (Order entered Oct. 14, 2011) (“*City of Bethlehem*”), is factually inapposite. In *City of Bethlehem*, the Commission determined whether “good cause” existed for it to waive the meter provision requirements under Section 65.7 of the Commission’s regulations, 52 Pa. Code § 65.7. *Id.*, at p. 17-18. At no point does the Commission discuss or determine whether waiver of the notice and protest period provisions established by its regulations was appropriate.

³ As noted in Gulf’s Motion, the fifteen-day protest period results in a December 19, 2016 deadline, as December 18 falls on a Sunday.

Chapters 1, 3, and 5, Docket No. L-0020156 (published in Pa. Bulletin on Apr. 29, 2006), 36 Pa. Bull. 2097, at *2109. Indeed, in the most recent application to effectuate a change in service filed by a pipeline before the Commission, Sunoco Pipeline L.P. sought, and received, an shortened protest period of ten days. *Sunoco Application Order*, at p. 2.⁴ To the extent that a shortened protest period of ten days was appropriate in that proceeding, it is clearly inappropriate to suggest that the customary fifteen-day protest period for listed applications is improper. By filing its Petition and Motion, Gulf admits that it has received *actual* notice of the Application, and has already had an opportunity to thoroughly review it almost *two weeks* prior to the expected publication date—giving Gulf almost a month to prepare a protest, should the customary fifteen-day protest period be implemented by the PUC.⁵

13. Furthermore, the factual averments relied upon by Gulf do not justify an extension of the protest period. To the extent that the subparagraphs of paragraph 13 in Gulf’s Petition and Motion set forth additional facts to which a response is required, Laurel responds as follows:

- a. Admitted in part; and denied in part. Laurel denies Gulf’s characterization of the actions it took to consult with its customers prior to the filing of the application. Laurel confirms that it consulted with its principal customers, including Gulf, prior to the filing of the Application and accurately communicated the scope of the proposed change in direction of service to its

⁴ Notably, Sunoco’s application sought to completely cease the transportation of petroleum products, and not merely change the direction of service. *See Sunoco Application Order*, at pp. 3-4.

⁵ The change in direction of service contemplated by the Application was also discussed in and inherent to the open season hosted by Buckeye. Notice of the open season was published in the trade press—which a sophisticated shipper such as Gulf would have access to—in September, and again in October, after its successful close. *See, e.g.*, News Release, *Buckeye Partners, L.P. Announces Successful Open Season for Second Phase of Michigan/Ohio Pipeline Expansion Project* (issued Oct. 21, 2016) (announcing results of the Buckeye open season in October). Taking into account the open season notices, Gulf and other sophisticated shippers have actually been afforded several months to consider the implications of the change in direction of service requested in the Application.

customers. While the Application does not describe in detail Laurel's pre-filing consultations with its customers, the Pennsylvania Public Utility Code and the Commission's regulations impose no such requirement. Moreover, any insinuation by Gulf that Laurel's decision not to serve a copy of the Application on its customers is inappropriate is without merit. The Pennsylvania Public Utility Code and the Commission's regulations impose no such requirement, the November 16, 2016 Secretarial Letter did not require Laurel to provide actual notice to its customers, and adequate notice will already be provided to Laurel's customers via the December 3, 2016 publication of notice of the application in the *Pennsylvania Bulletin* and additional publication of notice of the application in newspapers of general circulation in the affected area. By way of further response, Laurel will serve additional notice of the Application upon all affected customers upon publication of notice in the *Pennsylvania Bulletin*. Moreover, for the reasons explained in paragraph 12, *supra*, it is disingenuous for Gulf and other sophisticated shippers to claim a lack of knowledge about the proposed change in direction of service and its implications. Even ignoring the open season publicity, it appears that Gulf will have had actual notice of the proposed change for nearly a month, relative to the customarily-timed protest date established by the November 16, 2016 Secretarial Letter.

- b. Subparagraph b of paragraph 13 of Gulf's motion sets forth a legal conclusion to which no response is required. To the extent that a response is required, Laurel denies the averments listed in this subparagraph. Laurel's Application

describes, in detail, the nature of the proposed change in direction of service, the substantial public benefits associated with the proposal, the lack of public harm associated with the proposal, and the alternatives available to any customer affected by the proposal. To the extent that Gulf seeks to address additional issues related to the change in direction of service proposed in Laurel's Application, it has ample time and opportunity to do so by filing a protest on or before the December 19, 2016 deadline. Notably, Gulf has indicated that it intends to do just that. *See* Gulf's Petition and Motion ¶ 7.

- c. Admitted in part; and denied in part. It is admitted that Laurel noted the issue of whether a proposed change in direction of service, where the pipeline would continue to provide service from all current origin points and at all current destination points after the change, requires Commission approval is an issue of first impression. To the extent that Gulf avers this representation serves as grounds to extend the protest period, that averment is a legal conclusion to which no response is required. If such a response is required, Laurel denies that this averment serves as grounds to extend the protest period for the reasons stated in paragraph 12 of this Answer.

14. The customary fifteen day protest period established by the November 16, 2016 Secretarial Letter provides affected shippers and other impacted stakeholders ample time to prepare and submit meaningful protests. Importantly, "the purpose of a protest is to alert the agency and other parties of its existence and the nature of the objection." *Re Philadelphia Electric Company*, 57 Pa. PUC 161, 165 (Opinion and Order entered April 15, 1983) (noting that under the former Section 35.23 of the Commission's regulations, protests serve to provide notice

of the existence and nature of an objection to a filing before the Commission). The Commission's regulations further only require a protest to: "(1) Set out clearly and concisely the facts from which the alleged interest or right of the protestant can be determined; (2) State the grounds of the protest; (3) Set forth the facts establishing the protestant's standing to protest." 52 Pa. Code § 5.52(a). Clearly, a protest does not require a detailed inventory of every assertion or argument a party might raise as a result of an application, and subsequent discovery and/or testimony. It only serves to notify the Commission and the parties an objection to the filing exists and describe the nature of the objection. Gulf does not need to retain expert witnesses to prepare and submit a protest that serves this purpose.

15. Moreover, Gulf's Petition and Motion fails to account for the nineteen days between the date Laurel filed its Application and the date of publication in the *Pennsylvania Bulletin* that it, and other potential parties, are already afforded to consider and develop responsive filings. Gulf and other potential parties were notified of Laurel's Application and spent, or will spend, a part of this time evaluating whether to become involved in this proceeding and the nature of that involvement (*e.g.*, seeking and retaining expert witnesses). Undoubtedly, Gulf utilized this time to initiate such considerations, as evidenced by the filing of its Petition and Motion.

16. Furthermore, any assertion by Gulf that the holiday season will frustrate its ability to seek and retain an expert(s) is irrelevant. For the reasons previously discussed in paragraph 15, Gulf does not need to retain expert witnesses to prepare a protest that notifies the Commission and other parties an objection to the Application exists and describes the nature of its objection. Inordinate delay of this proceeding only stands to harm *consumers*. Should the Commission grant the extraordinary relief requested by Gulf, extending the timeframe for

protests, it will delay consumers' increased access to generally lower-priced Midwestern products.

17. Finally, and in light of the need to resolve Gulf's Petition and Motion as expeditiously as possible, Laurel concurs in Gulf's request for expedited consideration of its Petition and Motion and Laurel's Answer. Therefore, Laurel respectfully requests immediate action on these pleadings by the Commission.

WHEREFORE, Laurel Pipe Line Company, L.P. respectfully requests that the Pennsylvania Public Utility Commission: (1) grant expedited consideration of the Motion to Extend the Deadline for Protest and Laurel Pipe Line Company, L.P.'s Answer; and (2) deny the Petition to Intervene and Motion to Extend the Deadline for Protest beyond the December 19, 2016 deadline established by the November 16, 2016 Secretarial Letter.

Respectfully submitted,

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Of Counsel:

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Date: November 28, 2016

Attorneys for Laurel Pipe Line Company, L.P.

VERIFICATION

I, David Arnold, being Vice President, Domestic Pipelines for Buckeye Partners, L.P., hereby state that the information set forth above is true and correct to the best of my knowledge, information and belief, and that if asked orally at a hearing in this matter, my answers would be as set forth therein. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Date: 28 November 2016



David Arnold
Vice President, Domestic Pipelines
Buckeye Partners, L.P.