



Philadelphia Energy Solutions LLC
1735 Market Street
Philadelphia, PA 19103

December 5, 2016

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

**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 for filing with the Pennsylvania Public Utility Commission is the Petition to Intervene of Philadelphia Energy Solutions Refining and Marketing LLC ("PESRM"), in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served. Thank you.

Respectfully submitted,

PHILADELPHIA ENERGY SOLUTIONS
REFINING AND MARKETING LLC

By 
Anthony M. Lagreca

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/lmc
Enclosures
c: Certificate of Service

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**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 :

**PETITION TO INTERVENE AND
ANSWER IN SUPPORT OF GULF OPERATING, LLC'S MOTION TO EXTEND
DEADLINE FOR PROTESTS
OF
PHILADELPHIA ENERGY SOLUTIONS REFINING AND MARKETING LLC**

Pursuant to Sections 5.61(a)(1), 5.71 through 5.74, and 5.103 of the Pennsylvania Public Utility Commission's ("PUC" or "Commission") regulations, 52 Pa. Code §§ 5.61(a)(1), 5.71 – 5.74, 5.103, Philadelphia Energy Solutions Refining and Marketing LLC ("PESRM"), hereby files this Petition to Intervene and Answer in Support of Gulf Operating LLC's Motion to Extend Deadline for Protests in the above-captioned proceeding. In support thereof, PESRM states the following:

I. PETITION TO INTERVENE

1. The name and addresses of PESRM's attorney is:

Anthony M. Lagreca (PA I.D. No. 306576)
Assistant General Counsel
1735 Market Street, 11th Floor
Philadelphia, PA 19103
Phone: (267) 238-0832
Email: anthony.lagreca@pes-companies.com

2. On November 14, 2016, Laurel Pipe Line Company, L.P. ("Laurel" or "Applicant") filed its 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, with the Commission pursuant to various provisions of the Pennsylvania Public Utility Code ("Application"). *See* 66 Pa. C.S. § 101, *et seq.*

3. On November 16, 2016, the Commission issued a Secretarial Letter directing Laurel to publish notice of the Application in a newspaper having general circulation in the area involved and file proof of publication with the Commission by December 19, 2016. The Secretarial Letter also confirmed the Commission would publish notice of the Application in the *Pennsylvania Bulletin* on December 3, 2016, with protests and petitions to intervene due to the Commission by December 19, 2016.

4. On November 22, 2016, Gulf Operating LLC filed both a Petition to Intervene and a Motion to Extend Deadline for Protests ("Motion to Extend"). Laurel filed an Answer to the Motion to Extend on November 28, 2016.

5. As set forth in the Application, Laurel currently transports petroleum products from points of origin near Philadelphia, Pennsylvania, to destination points across the Commonwealth, terminating west of Pittsburgh, Pennsylvania. *See* Application, p. 2. In addition to the intrastate shipments, Laurel assigns a portion of its capacity to Buckeye Pipe Line Company, L.P. ("Buckeye"), for interstate transportation service from origin points in New Jersey and Delaware to destination points in Pennsylvania. *See id.* at 2. Per the Application, Laurel and Buckeye are general partners with Buckeye Partners, L.P., although the Application does not clarify the ownership structure between these affiliated entities. *See id.* at 4.

6. The Application proposes to substantially modify the jurisdictional pipeline transportation service currently provided by Laurel by eliminating service to all points west of Eldorado (near Altoona) from the east. *See id.* at 9. Laurel proposes to continue using the pipeline facilities west of Eldorado, but for future receipt of interstate deliveries originating from origin points in the Midwest and the Pittsburgh area. *See id.*

7. PESRM is a Delaware limited liability company that owns and operates a merchant refinery in Philadelphia, Pennsylvania. The Philadelphia refining complex is a large-scale facility with a combined distillation capacity of 335,000 bpd, which makes it the largest refining complex in Petroleum Administration for Defense District I ("PADD I") and the 10th largest complex in the United States. PESRM produces a range of products including gasoline and ultra-low sulfur diesel that are marketed primarily in Pennsylvania and in the northeastern United States. PESRM is connected to the Laurel pipeline via a pipeline connection located at the Philadelphia refining complex, and is a shipper on the Laurel pipeline under shipper code "PES." In 2016 to date, PESRM has delivered 19,950,967 barrels of refined products through Laurel's Pipeline, for both PESRM's shipments and shipments on behalf of PESRM's customers. Of the total 19,932,391 barrels, 2,894,762 were shipped under the PES Shipper code, with the remaining 17,037,629 barrels shipped on behalf of PESRM's customers. Approval of the Application would eliminate the availability of pipeline transportation service from points near PESRM's Philadelphia refining complex to points west of Eldorado, thereby significantly impacting PESRM and the retail customers dependent on petroleum products from PESRM's Philadelphia refining complex.

8. PESRM will likely file a protest on or before the protest due date, identifying the full scope of issues and adverse impacts resulting from the Application. Therefore, consistent

with 52 Pa. Code § 5.72(a), PESRM has a significant interest in this proceeding that is not represented by any other party of record. Consequently, PESRM qualifies for, and should be granted, intervenor status in this proceeding.

II. ANSWER IN SUPPORT OF GULF OPERATING LLC'S MOTION TO EXTEND DEADLINE FOR PROTESTS

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

10. PESRM concurs with the justifications set forth in Paragraphs 10–14 of the Motion to Extend, which are hereby incorporated by reference. *See* Motion to Extend, ¶¶ 10-14. Additionally, PESRM requests that the Commission consider the following additional observations in support of the Motion to Extend:

- a. As described in the Motion to Extend, the Commission's Secretary established the December 19 deadline per the Commission's regulations for standard Applications. *See* Motion to Extend, ¶ 3. However, the Commission's Secretary, at the time, had not had an opportunity to review the Motion to Extend, which sharply contrasted Laurel's view of the Application as a zero-impact filing by identifying the widespread and irreversible effects of the Application on Pennsylvania's two largest local economies. *See id.* at ¶¶ 6, 13. According to the Application, Laurel transported 84,090,045 barrels of petroleum in 2015, which totals 230,000 barrels a day. *See* Application, p. 5. The scope of the Application alone warrants special consideration.
- b. The Commission has never addressed the circumstances presented by Laurel's Application. *See* Motion to Extend, ¶ 13(c). In the only other relevant situation where a major petroleum products transporter proposed to reverse flows on a Commission-regulated pipeline, the Applicant specifically attached

to the Application letters of non-opposition from its 2 primary shippers. *See Application of Sunoco Pipeline, L.P.*, Docket Nos. A-2013-2371790; P-2013-2371775, p. 10 (Order entered Aug. 29, 2013). Therefore, the Commission had no immediate cause to consider an extended protest period in that case. Here, two of the larger shippers on the Laurel system have indicated an intent to protest the Application.

- c. The Motion to Extend correctly advises the Commission that affected parties "will need sufficient time to prepare meaningful and comprehensive protests identifying the pertinent issues to be considered by the Commission." *See Motion to Extend*, ¶ 14. PESRM could prepare and file a protest identifying general concerns, but submits the Commission would be better served by more thoroughly developed protests analyzing the factual impacts of the Application on gasoline, diesel fuel, and jet fuel prices in the Pittsburgh market. Similar analysis of the Application's impact on output and supply options for Philadelphia refineries would require additional time. Stakeholders should be afforded ample opportunity to present such detailed responses to the Application, particularly in light of Applicant's primary assertion that Commission approval is not required. *See Application*, ¶ 25.

11. For the above reasons, PESRM supports Gulf Operating, LLC's request for waiver the current December 19 deadline for protests and establishment of a revised deadline of February 1, 2017 or, alternatively, January 13, 2017.

WHEREFORE, Philadelphia Energy Solutions Refining and Marketing LLC, respectfully requests that the Pennsylvania Public Utility Commission: (1) grant this Petition to Intervene; (2) consider the Answer in Support of Gulf Operating LLC's Motion to Extend Deadline for Protests; and (3) grant Gulf Operating LLC's Motion to Extend Deadline for Protests.

Respectfully submitted,

PHILADELPHIA ENERGY SOLUTIONS
REFINING AND MARKETING LLC

By Anthony Lagreca
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Dated: December 5, 2016

VERIFICATION

I, Anthony M. Lagreca, Assistant General Counsel of Philadelphia Energy Solutions Refining and Marketing LLC, hereby state that the facts above set forth in the foregoing document are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

12/5/2016

Date

Anthony Lagreca

Signature

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant).

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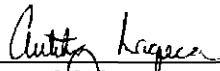
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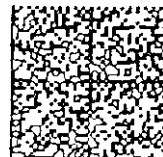
Anthony M. Lagreca

Counsel to Philadelphia Energy Solutions
Refining and Marketing LLC

Dated this 5th day of December, 2016, in Harrisburg, Pennsylvania.



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