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December 27, 2016

VIA ELECTRONIC FILING

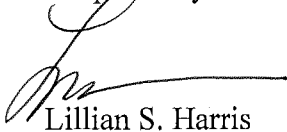
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**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 Philadelphia Energy Solutions Refining and Marketing LLC's Petition to Intervene and Answer in Support of Gulf's 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,



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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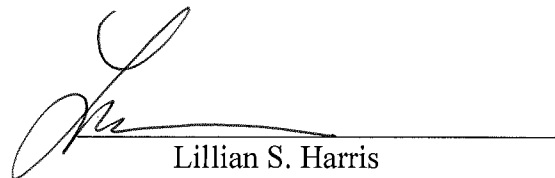
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1735 Market Street, 11th Floor
Philadelphia, PA 19103

Date: December 27, 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
PHILADELPHIA ENERGY SOLUTIONS REFINING AND MARKETING LLC'S
PETITION TO INTERVENE
AND ANSWER IN SUPPORT OF
GULF'S MOTION TO EXTEND THE DEADLINE FOR PROTESTS**

Pursuant to Sections 5.66 and 5.103 of the Pennsylvania Public Utility Commission's ("Commission") regulations, 52 Pa. Code §§ 5.66 and 5.103(c), Laurel Pipe Line Company, L.P. ("Laurel") hereby files this Answer to the Petition to Intervene and Answer in Support of Gulf Operating, LLC's Motion to Extend the Deadline for Protests filed by Philadelphia Energy Solutions Refining and Marketing LLC ("Petition and Answer") in the above-captioned proceeding. As set forth below, Laurel does not object to Philadelphia Energy Solutions Refining and Marketing LLC's ("PESRM") intervention in this proceeding based on its direct interests. Laurel, however, requests that the Commission reject PESRM's claim that shipments made on the Laurel system by other shippers, *i.e.* PESRM's customers, provide any factual or legal basis for PESRM's intervention and participation in this proceeding. In support thereof, Laurel asserts the following:

I. ANSWER TO THE PETITION TO INTERVENE

1. Admitted.

2. Admitted.¹

3. Admitted.

4. Admitted.

5. 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 contractually commits a portion of its capacity to Buckeye 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. Per the Application, “Buckeye Partners, L.P. is a general partner of Laurel, as well as a general partner of Buckeye.” *See* Application, at p. 4. It is further denied that Laurel’s Application fails to provide clarity as to the ownership structure between Laurel and its affiliates.

6. Admitted in part; denied in part. The first sentence in paragraph 6 of the Petition and Answer 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 “substantially 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 6 is admitted.

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.”

7. Admitted in part; denied in part. First, Laurel specifically denies that any barrels shipped “on behalf of PESRM customers” are representative of PESRM’s interest in this proceeding, or that PESRM has standing to represent any interest associated with its customers’ shipments. The purpose of the standing requirement is to protect against improper parties. *In re Application of Biester*, 487 Pa. 438, 442-43, 409 A.2d 848, 851 (Pa. 1979). To meet that requirement, a party must demonstrate an interest “to be, at least, substantial, direct, and immediate.” *Id.* (citing *William Penn Parking Garage, Inc. v. Pittsburgh*, 464 Pa. 168, 192, 346 A.2d 269, 281 (Pa. 1975)). “A ‘direct’ interest requires a showing that the matter complained of caused harm to the **party's interest.**” *In re Hickson*, 573 Pa. 128, 136, 832 A.2d 1238, 1243 (Pa. 2003) (emphasis added). PESRM and its customers are separate corporate entities, have separate Laurel shipper codes, and make separate shipments on Laurel’s system. PESRM’s customers are sophisticated entities, who purchase refined petroleum products from PESRM, and schedule shipments of those products over Laurel’s system on their own behalf.

To the extent that the respective shipments by PESRM’s customers on Laurel’s system can be claimed as an interest, the proper parties to claim this interest are only PESRM’s customers, *i.e.* the specific entities making the shipments. The interests of these other shippers in this proceeding are not direct interests of PESRM and provide no basis for PESRM’s standing or intervention in this proceeding. Moreover, the interests of PESRM and its customers are not aligned and indeed are not the same. Shippers that have sourced refined petroleum products from the PESRM facility might find that they would prefer to send the products to different markets, by either pipeline or different modes of transportation, and they might prefer to supply Pittsburgh area markets from other sources, such as Midwest-originating pipelines and barges.

Therefore, these shippers' interests and PESRM's interests in the change in direction of service proposed by Laurel dramatically differ.

Finally, PESRM does not even allege that it has any authority of any kind to represent the interests of these shippers. For these reasons, Laurel specifically requests that the Commission deny PESRM's Petition to Intervene on the basis of any shipments other than those for which PESRM is the shipper, because PESRM does not have standing to represent the interests of its non-member, separate-corporate-entity customers as its own in this proceeding.

Upon reasonable investigation, Laurel lacks adequate knowledge as to whether PESRM is a Delaware limited liability company that owns and operates a merchant refinery in Philadelphia, Pennsylvania, and therefore denies the same. Laurel also lacks adequate knowledge as to whether the PESRM Philadelphia refining complex is a large-scale facility with a combined distillation capacity of 335,000 bpd and as to whether this capacity makes it the largest refining complex in Petroleum Administration for Defense District I ("PADD I") and the tenth largest complex in the United States, and therefore denies the same. Laurel further lacks adequate knowledge as to the range of petroleum products produced by PESRM and whether those products are primarily marketed in Pennsylvania and in the northeastern United States, and therefore denies the same. It is admitted that PESRM is connected to the Laurel pipeline system via a connection located at the Philadelphia refining complex, and that PESRM is a shipper on the Laurel pipeline under shipper code "PES."

However, Laurel denies that PESRM has delivered 19,950,967 barrels of refined petroleum products through Laurel's pipeline in 2016 to date, for both PESRM's shipments and shipments on behalf of PESRM's customers. By way of further response, PESRM alleges in the following sentence of paragraph 7 that it shipped a total of 19,932,391 barrels; therefore, Laurel

denies any allegations of the total number of barrels shipped to date by PESRM in 2016. It is further denied that of the total barrels shipped by PESRM, 2,894,762 were shipped under the PES shipper code, and the remaining 17,037,629 barrels were shipped on behalf of PESRM's customers. By way of further response, given PESRM's inconsistent allegations as to the total barrels it has shipped for itself and on behalf of its customers, Laurel cannot confirm whether the amount shipped under the PES shipper code and the amount shipped on behalf of PESRM's customers is accurate. Furthermore, for the reasons explained above, Laurel specifically denies that 17,037,629 barrels were shipped "on behalf of PESRM customers" and that these barrels are representative of PESRM's interest in this proceeding.

Moreover, it is denied that retail customers would be significantly impacted by the change in direction of service proposed by the Application. All points of origin and delivery on Laurel's system will remain in place and operational. To the extent that retail customers in Central and Western Pennsylvania are affected by the change in direction of service, they will substantially benefit from increased access to generally lower-priced Midwestern petroleum products.

8. Denied. Because the Commission has granted Gulf's request to extend the deadline for protests until February 1, 2017, PESRM no longer requires intervenor status to support Gulf's Motion. *See Secretarial Letter*, Docket No. A-2016-2575829 (issued Dec. 6, 2016). Therefore, should PESRM so determine, its appropriate procedural remedy would be to file a protest on or before the February 1, 2017 deadline. By way of further response, PESRM has indicated that it is likely to do so. *See PESRM's Petition and Answer* ¶ 8.

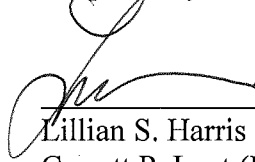
**II. ANSWER TO PESRM'S ANSWER IN SUPPORT OF GULF'S MOTION TO
EXTEND THE DEADLINE FOR PROTESTS**

9. Paragraphs 2-8, above, are herein incorporated by reference.

10. On December 6, 2016, the Commission extended the period for protests and petitions to intervene in the above-captioned proceeding until February 1, 2017. Therefore, the remainder of PESRM's Petition and Answer is moot, and Laurel does not further address it herein.

WHEREFORE, Laurel Pipe Line Company, L.P. respectfully requests that the Pennsylvania Public Utility Commission deny the Petition to Intervene and Answer in Support of the Motion to Extend the Deadline for Protest.

Respectfully submitted,



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Of Counsel:

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Date: December 27, 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: 12-27-2016



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