

2017.017

Pennsylvania General Assembly Transportation Committees



January 30, 2017

Hon. Gladys M. Brown, Chair
Pennsylvania Public Utility Commission
400 North Street, Keystone Building
Harrisburg, PA 17120

Re: PUC Docket No. A-2016-2575829
Application of Laurel Pipeline, L.P.

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JAN 31 2017

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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CHAIRMAN'S OFFICE~~

Dear Chairman Brown:

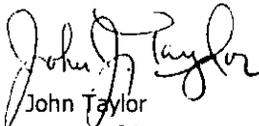
We are writing today about the proposal by Buckeye Partners to reverse the flow on their Laurel Pipeline between Altoona and the greater Pittsburgh area. As the respective chairs and minority chairs of the House and Senate Transportation Committees, we are concerned that this change will have impacts that will adversely affect the Commonwealth of Pennsylvania. From increases in fuel prices in western PA to damage to the refineries in southeastern PA, this proposal to reverse flow may appear to have minimal impact but is clearly of great consequence.

Currently, the greater Pittsburgh fuel market is supplied by multiple pipelines from Ohio and Chicago based refineries, but there is only one line that feeds Pittsburgh from the east — the Laurel Pipeline. Reversing Laurel would make it impossible to move fuel to Pittsburgh via pipeline from the east. While currently, the Pittsburgh area fuel retailers are able to buy product from the Midwest or from southeast PA refineries (and choose to do so depending upon which is cheapest), the pipeline reversal will eliminate this option and make it substantially more difficult for a competitive environment to exist.

Furthermore, this reversal would severely restrict the ability of the southeastern PA refineries to distribute their refined products to the west. For a refinery, restricted distribution options can have devastating economic effects. These refineries employ well over 1,000 people and support a massive number of indirect jobs. Pennsylvania made large investments over the past few years to ensure that these employers stay in business. It would be troubling to allow a pipeline reversal to threaten all of that hard work and investment.

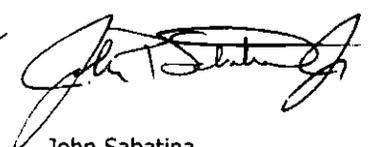
The Buckeye proposal currently pending before the PUC must be examined very seriously. We request that the matter be referred to an administrative law judge for a full hearing so that all parties may discuss in detail the wide-ranging concerns. It is imperative that a change of this magnitude be given the due diligence it deserves.

Sincerely,


John Taylor
House of Representatives
Majority Chair


John Rafferty
Senate
Majority Chair


William Keller
House of Representatives
Minority Chair


John Sabatina
Senate
Minority Chair

CC: Vice-Chairman Andrew Place Commissioner
John Coleman Commissioner Robert Powelson
Commissioner David Sweet
Secretary Rosemary Chiavetta



House of Representatives

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HARRISBURG

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