

**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 :

PROTEST OF MONROE ENERGY, LLC

Pursuant to Section 5.51 of the Pennsylvania Public Utility Commission's ("PUC" or "Commission") regulations, 52 Pa. Code § 5.51, Monroe Energy, LLC ("Monroe"), hereby files this Protest ("Protest") in the above-captioned proceeding.

I. BACKGROUND

1. 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.*

2. 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. Application at 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. *Id.* at 2.

3. The Application proposes to dramatically modify the jurisdictional pipeline transportation service currently provided by Laurel by eliminating service to all points west of Eldorado (near Altoona) from the east. Application at 9. Laurel proposes that Buckeye will use the pipeline facilities west of Eldorado, for future receipt of interstate deliveries originating from origin points in the Midwest and in the Pittsburgh area to Eldorado. *See id.* Importantly, the Application claims that these deliveries would be "on Laurel's pipeline at FERC-approved interstate rates." *Id.* The Application also claims that Laurel "will submit for approval a new capacity agreement whereby Buckeye will use a portion of Laurel's post-project capacity" for these interstate shipments. *Id.* To date, no such filing has been made.

4. 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 that the Commission would publish notice of the Application in the *Pennsylvania Bulletin* on December 3, 2016, with formal protests and petitions to intervene due to the Commission by December 19, 2016.

5. On November 22, 2016, Gulf Operating, LLC ("Gulf") filed a Petition to Intervene and Motion to Extend Deadline for Protests.

6. Laurel filed an Answer to Gulf's Petition and Motion requesting that the Commission: (1) grant expedited consideration of Gulf's Motion to Extend the Deadline for Protests and Laurel's Answer; and (2) deny Gulf's Petition to Intervene and Motion to Extend the Deadline for Protests beyond the December 19, 2016, deadline established by the Commission's November 16, 2016, Secretarial Letter.

7. On December 5, 2016, Philadelphia Energy Solutions Refining and Marketing LLC ("PESRM"), filed a Petition to Intervene and Answer in Support of Gulf's Motion to Extend Deadline for Protests. Laurel requested that the Commission deny PESRM's Petition and Answer.

8. The Commission issued a second Secretarial Letter on December 6, 2016, granting Gulf's Petition to Intervene and extending the deadline for filing formal protests and petitions to intervene in this proceeding to February 1, 2017. The Secretarial Letter confirmed that the Commission would publish notice of the Application in the *Pennsylvania Bulletin* on December 17, 2016, with formal protests and petitions to intervene due to the Commission by February 1, 2017. The Secretarial Letter also directed Laurel to serve a copy of its Application on the following parties: current customers using the pipeline; former customers who used the pipeline during the period from January 1, 2015, through the date of filing (*i.e.*, November 14, 2016); and prospective and committed customers Laurel expects to use the pipeline if the flow direction of the line is changed. Finally, the Commission noted that pursuant to 52 Pa. Code § 5.44, parties may file a petition for reconsideration of the Secretarial Letter within 20 days of the date of the Secretarial Letter, or by December 26, 2016. No party filed a petition for reconsideration.

9. On December 15, 2016, Laurel filed its proof of publication of the Application in the following newspapers: The Patriot News; The Philadelphia Inquirer; The Altoona Mirror; The Pittsburgh Post-Gazette; and The Reading Eagle.

10. Notice of Laurel's Application was published in the *Pennsylvania Bulletin* on December 17, 2016, with formal protests and petitions to intervene due no later than February 1, 2017.

11. On December 19, 2016, Laurel provided notice to the Commission that it served a copy of its Application on the parties as directed by the Commission in its December 6, 2016, Secretarial Letter.

12. The Bureau of Investigation and Enforcement ("I&E") submitted a Notice of Intervention in this proceeding on December 20, 2016.

13. Monroe then filed a Petition to Intervene in this proceeding on January 3, 2017.

14. The full name, address and telephone number of the Protestant is:

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15. The name and address of Monroe's attorney is:

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II. PROTEST

16. Monroe hereby respectfully requests that Laurel's Application be summarily denied as detrimental to Laurel's customers and the public interest or, alternatively, set for hearing to address material issues of fact concerning the potential negative impact of Laurel's proposal. Contrary to the claims made in Laurel's Application, the proposed reversal is subject to Commission review as the abandonment of a public utility, or alternatively, as a proposed tariff change subject to public interest review. Due to the negative economic and reliability consequences for the Pittsburgh petroleum products market, the Philadelphia petroleum product refining industry, and a severe lack of viable alternatives for Laurel's current shippers, the

proposed reversal will be contrary to the public interest and should be denied on that basis, and Laurel should be required to continue providing petroleum products transportation service consistent with its Certificate of Public Convenience and terms of its current tariff. However, at the very least, this protest, along with those of other parties challenging Laurel's Application, raises such significant issues of material fact concerning the impact of Laurel's proposal that the PUC should set this matter for hearing to develop a record addressing these and other concerns raised by protestants.

17. In support of its Protest, Monroe adopts the Affidavit of Daniel S. Arthur of the Brattle Group ("Affidavit") attached to the protest of Gulf Operating, LLC in this docket. Dr. Arthur provides a comprehensive analysis of the negative effects of the reversal proposed in the Laurel Application to consumers and wholesalers in the Pittsburgh area, as well as injury the proposed reversal would have on Pennsylvania refineries, including Monroe's Trainer refinery.

A. Laurel's Application Should Be Denied for Failing to Meet the PUC's Legal Requirements Governing Abandonment of Service

1. Laurel's Proposal Qualifies as an Abandonment under PUC Regulations

18. In its Application, Laurel claims that the proposed reversal does not constitute an abandonment of service and therefore does not require a Certificate of Public Convenience or other PUC approval. Application at 12. Based on the plain language of the Pennsylvania Public Utility Code and the terms of the Certificate of Public Convenience issued by the PUC to Laurel governing the activities of its pipeline, Laurel's legal and factual analysis is plainly wrong. Consistent with the Public Utility Code and the Certificate of Public Convenience, Laurel's proposed reversal does qualify as an abandonment, and Laurel must receive approval for that abandonment from the Commission.

19. Under the Public Utility Code, regulated public utilities must continue approved service and may only cease or “abandon” service upon approval from the Commission. 66 Pa. C.S. § 1101(a)(2). Section 1102(a)(2) mandates receipt of a Certificate of Public Convenience in order “[f]or any public utility to abandon or surrender, *in whole or in part*, any service, except that this provision is not applicable to the discontinuance of service to a patron for nonpayment of a bill or upon request of a patron.” 66 Pa. C.S. § 1102(a)(2) (emphasis added).

20. As discussed in its Application, Laurel owns and operates facilities in Pennsylvania for transporting petroleum products to the public for compensation. Laurel does not dispute its status as a public utility pursuant to Sections 102 and 1101 of the Public Utility Code. 66 Pa. C.S. § 102 and 1102. Those sections authorize public utilities to commence service only upon a receipt of a Certificate of Public Convenience from the Commission. Laurel applied for and received a Certificate of Public Convenience for the service it now offers. *In re Application of Laurel Pipeline Company*, Docket No. 84093, Folder 2 (Report and Order entered March 18, 1957). Therefore, Laurel is obviously a public utility, and any deviation from or reduction in Laurel’s current service, which was approved by the Commission through issuance of a Certificate of Public Convenience, must meet the Public Utility Code’s requirement that the proposed abandonment be approved by the Commission through the issuance of a new Certificate of Public Convenience.

21. Laurel unavailingly attempts to argue that these requirements do not apply to the proposal detailed in its Application. In the Application, Laurel claims that, while it plans to change the direction of its pipeline, it will not abandon service on any origin or destination points on the pipeline. Application at 11. Additionally, Laurel claims that its current Certificate of Public Convenience “neither specifies the direction in which Laurel may provide its certificated petroleum products transportation service, nor requires Laurel to provide service at or between

specific origin and destination points.” Application at 6. Based on this erroneous analysis, Laurel concludes that it does not need Commission approval to complete its proposed reversal of service from points west of Eldorado without review or approval by the Commission. A closer look at Laurel’s claims proves them to be unsupported and instead shows that Laurel’s proposed reversal is indeed an abandonment that must be approved by the Commission.

22. As an initial matter, Laurel is flatly wrong that the proposed reversal would not lead to the abandonment of service on any origin or delivery points on the pipeline. The proposed reversal would eliminate Pittsburgh as a PUC-jurisdictional delivery point. As such, contrary to its statements, Laurel is proposing to abandon intrastate service to Pittsburgh. In its Application, Laurel conceded that the proposed reversal would transfer jurisdiction over all deliveries to Pittsburgh from this Commission to the Federal Energy Regulatory Commission (“FERC”). Application at 14. Laurel attempts to sweep aside this inconvenient fact by stating – without any legal precedent or authority – that “a change in the jurisdictional nature of service is not an abandonment of service.” *Id.* Based on the language of the Public Utility Code, Laurel’s unsupported claims are clearly false. The Public Utility Code defines “Service” as acts done in the performance of duties under the Public Utility Code. 66 Pa. C.S. § 102. Laurel plans to end intrastate pipeline service to Pittsburgh, a service that was approved pursuant to its prior Certificate of Public Convenience. Therefore, the transfer of a delivery point from PUC jurisdiction to FERC jurisdiction does qualify as an abandonment of service because the proposed reversal would cease approved intrastate service to that delivery point.

23. Furthermore, contrary to Laurel’s claims, the proposed reversal is in direct conflict with the terms of the Certificate of Public Convenience the Commission provided to Laurel in approving its current intrastate service. Laurel’s current Certificate of Public Convenience

specifically delineates the authorized direction of the flow of petroleum products through Laurel's pipeline system. As stated in the Report and Order approving Laurel's Certificate of Public Convenience, the Commission stated that it approved Laurel's application to provide intrastate pipeline service, including "such facilities extending generally westwardly from a point near the City of Philadelphia to a point in the vicinity of the City of Pittsburgh, thence in a northwestwardly direction to the Pennsylvania boundary line." *In re Application of Laurel Pipeline Company*, Docket No. 84093, Folder 2 (Report and Order entered March 18, 1957). Based on this language, Laurel's current Certificate of Public Convenience only authorizes Laurel to ship petroleum products in a "westwardly" direction from Philadelphia to Pittsburgh. *Id.* Laurel offers no basis for its allegation that the directional language pertains only to the facilities and not the service itself. Indeed, the plain language of the Commission's Order suggests just the opposite: Laurel's pipeline is approved for flow in a particular direction and any changes in this direction require Commission approval.

24. Based on the preceding analysis, Laurel must receive Commission approval to abandon its currently approved service shipping petroleum products from Philadelphia to Pittsburgh. Laurel's proposal not only contemplates abandoning intrastate, PUC-jurisdictional service to Pittsburgh, but it also proposes to reverse the line all the way to Eldorado, shifting the flow of petroleum products from the "westwardly" direction, as approved in its Certificate of Public Convenience, to a southeastwardly direction toward Philadelphia. This abandonment of intrastate service and radical departure from Laurel's prior-approved pipeline route must be approved by the Commission and determined to be in the public interest.

2. Laurel's Proposal Fails the PUC's Test for Approval of Abandonments

25. In evaluating abandonment requests, the Commission considers a number of factors, including: (1) the extent of loss to the utility; (2) the prospect of the system being used in the future; (3) the loss to the utility balanced with the convenience and hardship to the public discontinuance of such service; and (4) the availability and adequacy of the service to be substituted. *Borough of Duncannon v. Pennsylvania PUC*, 713 A.2d 737, 740 (Pa. Cmwlth. Ct. 1998). The Commission may also consider additional or miscellaneous factors as necessary. *Commuter's Committee v. Pennsylvania PUC*, 170 Pa. Super. 596, 88 A.2d 420 (Pa. Super. 1952). As discussed below, an evaluation of these factors makes it clear that the Commission should reject Laurel's Application.

(a) Laurel Earns Sufficient Revenue from Its Jurisdictional Pipeline Operations

26. In considering an abandonment request, the Commission weighs the extent of loss to the utility of its current service. *Warwick Water Works v. Pa. PUC*, 699 A.2d 770, 775 (Pa. Cmwlth. Ct. 1997); see also *Re Victor Gas Company*, 49 Pa. PUC 649, 652 (Jan. 27, 1976) (granting abandonment request upon finding a gas utility system "cannot produce adequate return on capital"). To the contrary, Laurel has not alleged any losses from its jurisdictional operations. Rather, based on Laurel's recent Annual Report filings with the Commission, Laurel appears to be earning returns on its current operations that far exceed a reasonable rate of return. In any event, Laurel has the burden to demonstrate that it meets the first factor to be considered when considering an abandonment, and Laurel has made no effort to satisfy that factor.

(b) Laurel's Pipeline Service Remains in High Demand

27. Laurel does not claim that its jurisdictional pipelines are underutilized. In this case, 24 customers currently ship volumes on Laurel's pipeline. Application at 5. For the 12 months

ended October 31, 2016, Laurel reports total shipments of approximately 84.1 million barrels.¹ *See id.* While the reported total shipments include both interstate and intrastate volumes, evidence provided in the Arthur Affidavit suggests that Laurel operated its pipeline at capacity as of mid-2015. Affidavit at P 10. Therefore, all indications are that Laurel's service remains in sufficiently high demand. Because Laurel has made no claim to the contrary, its proposed abandonment should be denied.

(c) Laurel's Application Would Significantly Disadvantage the Public While Causing Little or No Harm to Laurel

28. In evaluating whether an abandonment should be approved, the Commission weighs the amount of injury that would occur to the pipeline should the abandonment be denied against the injury that would occur to the public should the abandonment be approved. *Borough of Duncannon v. Pennsylvania PUC*, 713 A.2d 737, 740 (Pa. Cmwlth. Ct. 1998). As noted below, Laurel would suffer little or no injury should its proposed reversal be denied, but approving Laurel's Application would cause serious economic injury to shippers and refiners in Philadelphia and Pittsburgh while simultaneously degrading Pennsylvania's environment and infrastructure. Based on that measure, Laurel's proposed reversal should be denied.

29. As noted above, Laurel currently earns sufficient revenue from its PUC-jurisdictional pipeline operations and demand for Laurel's pipeline service remains high. Therefore, Laurel would continue to reap ample profits of its current service. Further, Laurel's Application sets forth no arguments or evidence that Laurel would be injured should its proposed abandonment be denied by the Commission. Given that Laurel currently receives ample revenue

¹ The Application presented only aggregated volume for intrastate and interstate shipments. Application at 5. Monroe expects to confirm Laurel's specific intrastate deliveries through discovery.

and return on capital from its ongoing service and the lack of any evidence to the contrary, the Commission must assume that the effects of denying the proposed reversal will not injure Laurel.

30. Conversely, Laurel's proposed reversal would cause real and measurable damage to the economic welfare of Philadelphia and Pittsburgh shippers and consumers while degrading Pennsylvania's infrastructure and environment. Laurel's proposed reversal would cause higher transportation costs and lower petroleum products revenue for refiners in Philadelphia and higher petroleum product prices for consumers and/or wholesalers in Pittsburgh. Laurel's proposed alternatives would cause harm to Pennsylvania's infrastructure and environment through increasing truck traffic on interstates, including the attendant environmental and safety risks that a massive increase in trucking petroleum products would entail.² When compared to each other, the injury and risks to pipeline shippers and Pennsylvania citizens far outstrip Laurel's economic interest in its proposed reversal. Therefore, the Application should be denied.

31. Laurel's proposed reversal would injure Philadelphia shippers and refiners through reducing annual revenues while increasing oversupply of petroleum products currently being produced by Philadelphia's refineries. As discussed by Dr. Arthur, the proposed reversal would cause shippers in Philadelphia to reroute petroleum products shipments from the Pittsburgh area to far less profitable markets, causing a reduction in annual revenues by at least \$10 million. Affidavit at PP 4, 32. Furthermore, the proposed reversal would exacerbate the already serious problem of an oversupply of petroleum products in the Philadelphia market. Due to declining spreads between domestic petroleum products and foreign imports, the petroleum products

² According to the Bureau of Labor Statistics, there are 7.2 incidents per 10,000 full time workers for long-distance freight trucking in 2015. See www.bls.gov/iif/oshwc/osh/os/ostb4743.pdf. In Pennsylvania, 6,695 vehicular accidents involving heavy trucks occurred in 2014, of which 136 resulted in at least one fatality. Although freight trucks accounted for just 5.4% of total vehicular crashes for 2014, they accounted for 12.3% of fatal crashes for the year. See 2014 Pennsylvania Crash Facts & Statistics, Pennsylvania Department of Transportation, at 50, available at http://www.penndot.gov/TravelInPA/Safety/Documents/2014_CFB_linked.pdf.

industry is already experiencing severe oversupply.³ Approving Laurel's Application would exacerbate this problem through eliminating an outlet for petroleum products from Philadelphia. The effect would be injury to Philadelphia's refining industry, which would quickly run out of available room to store petroleum products and thus need to reduce output or sell petroleum products at drastically reduced prices. This is particularly true considering that, as discussed below, the delivery alternatives for petroleum products would be uneconomic and inadequate.

32. Laurel's proposed reversal would also injure Pittsburgh shippers, refiners, and consumers in a similar way. Pittsburgh and other areas west of Altoona will suffer from an inability to arbitrage between Midwestern and Eastern supply sources which will cause increased prices and raise fuel costs by "at least \$5.8 million per year and potentially in the range of \$34 million to \$68 million per year." Affidavit at P 20. This increase in prices will be caused by the reversal eliminating ratable pipeline supply of historically less expensive Pennsylvania and New York sourced barrels, making Pittsburgh solely reliant on Midwestern supply sources. Affidavit at PP 11-13. Furthermore, Pittsburgh consumers will lose reliability and pricing benefits currently provided by access to western and eastern supply sources. Affidavit at P 9. With the current configuration, Pittsburgh consumers benefit from diverse supply options, allowing wholesalers and other customers to draw from various western and eastern pipeline resource to address any shortages caused by shutdowns of interstate pipelines, as recently happened with Colonial pipeline. *Id.* However, should the Laurel Application be approved, Pittsburgh consumers would lose access to east coast supply should western pipelines fail. *Id.* This could lead to fuel shortages in Pittsburgh, in addition to much higher petroleum products prices.

³ John Kemp, *U.S. Gasoline Oversupply Pushes Crude Oil Prices Lower*, Reuters, July 10, 2016 available at <http://www.reuters.com/article/us-usa-gasoline-kemp-idUSKCN0ZM2A6>.

33. Laurel's Application completely ignores the harm its proposed reversal would cause to Pennsylvania's infrastructure and environment, which would be substantial. Laurel flippantly suggests that the supply lost through its reversal could be sourced through increased truck traffic on Pennsylvania's highways without any consideration for the negative impact that such an increase in truck traffic would have on Pennsylvania citizens. As Dr. Arthur notes in his Affidavit, the proposed reversal could result in up to 45,625 additional truck trips per year between Pittsburgh and Altoona or up to 4.5 million miles of additional truck travel. Affidavit at P 15. This additional truck traffic will increase highway congestion, degrade Pennsylvania's highway infrastructure, increase trucking rates due to maintenance costs, increase consumer costs through rising transportation costs, cause environmental degradation through an increase in CO2 and other pollution, and exacerbate noise pollution. Additionally, this increase in truck travel would put lives at risk through increasing the number of fatal highway accidents.

34. Aside from the danger of increased truck traffic, the proposed reversal could expose Pennsylvania citizens to increased pipeline safety risks. Laurel has operated its pipeline exclusively for east-to-west travel since its inception, or approximately sixty years. Application at 6. Laurel proposes now to reverse the flow of its pipeline without specifying any capital improvements or upgrades necessary to address hydraulic concerns associated with reversing flows on a pipeline that was designed and constructed from larger diameters to smaller diameters flowing from east to west. Absent such evidence, Laurel's Application should be denied.

(d) Few Available Alternatives Exist to Replace the Service Laurel Proposes to Abandon through Its Application

35. Laurel's Application vastly overstates the alternatives available for its customers in the Philadelphia and Pittsburgh markets should the Commission approve its proposed reversal. In its Application, Laurel claims that its proposed reversal would not impact market participants

currently utilizing its east-to-west pipeline service. Laurel's claims are not only demonstrably false, but are also unsupported by any quantifiable analysis of the impacts of the proposed reversal. In reality, Laurel's proposal would cause serious, negative, and measurable impacts to access to profitable markets for shippers in both Philadelphia and Pittsburgh. These negative impacts demonstrate that Laurel's application should be denied.

36. Contrary to Laurel's claims, the proposed reversal will eliminate pipeline outlets for Philadelphia refineries and other shippers, leaving petroleum products stranded or forcing transportation to smaller, less-established markets, causing Philadelphia refiners and shippers to take a loss when compared to the prices they are currently receiving for petroleum products. Application at 17. Laurel's claim that Philadelphia refiners and shippers will have multiple alternative markets to deliver products to consumers following the proposed reversal, including market like New York City, Upstate New York, and Central Pennsylvania, ignores the reality that these markets are already supplied by other market participants, and that forcing shippers to send petroleum products to these markets would lead to lower revenues for Philadelphia shippers. *Id.* As Dr. Arthur explains in his Affidavit, a conservative estimate shows that Laurel's proposed reversal would reduce annual revenues for Philadelphia refiners by \$10 million. Affidavit at PP 4, 32. Further, as discussed above, a lack of capacity and safety concerns cast doubt on Laurel's proposed alternatives, particularly trucking services.

37. Furthermore, the proposed reversal will eliminate pipeline deliveries to the Pittsburgh market from numerous sources currently dependent on Laurel's pipeline service, including Monroe's Trainer refinery and other Philadelphia refineries. According to the Application, Laurel delivered 84.1 million barrels from east coast resources to markets along its Pennsylvania pipeline and notes that Pittsburgh is one of its two largest delivery points.

Application at 5. While Laurel contends that competitive alternatives exist to replace the transportation capacity eliminated by the proposed reversal, such claims are seriously overstated and lack any kind of quantifiable support. As noted by Dr. Arthur, any available alternatives for deliveries to the Pittsburgh market may lack sufficient capacity, and even if available, would conservatively increase delivery costs to Pittsburgh consumers by at least \$5.8 million per year and potentially in the range of \$34 million to \$68 million per year. Affidavit at P 20. Overall, Laurel's Application fails to show that reasonable alternative exist to replace deliveries shipped from Philadelphia to Pittsburgh using Laurel's current pipeline service. Given Laurel's failure on all of the above factors, the Laurel Application should be denied.

B. Laurel's Application Should Be Denied as Contrary to the Public Interest

1. Laurel's Application Must Be Determined as in the Public Interest

38. Even if the Commission determines that Laurel's proposed reversal does not qualify as an abandonment, the Commission should still deny Laurel's Application as contrary to the public interest. Laurel argues that it does not need Commission approval for its proposed reversal because the reversal does not qualify as an abandonment. As shown above, Laurel's argument is wrong, and judged under the Commission's abandonment standard, Laurel's Application should be denied. However, even if it accepts Laurel's abandonment argument, the Commission must evaluate Laurel's Application as a proposed change to Laurel's rules and regulations. Under the Commission's evaluation of tariff changes, changes to a pipeline's intrastate tariff are only approved if the pipeline can show that any proposed changes are not unjust, unreasonable, discriminatory, or contrary to the public interest. *See Sunoco Pipeline. L.P. Request for Approval of Tariff Pipeline – Pa P.U.C. No. 16 and Waiver of 52 Pa. Code § 53.52(b)(2) and (c)(1) through (5), Docket No. R-2014-2426158 (Pa. PUC August 12, 2014) (“Sunoco”)*. In *Sunoco*, the Commission evaluated whether Sunoco could resume service after previously abandoning a

pipeline route. The Commission approved Sunoco's tariff supplement only after finding that no customers filed complaints and that the filing does not "appear to be unlawful, unjust, unreasonable, or contrary to the public interest." *Id.* at P 3. Like in *Sunoco*, Laurel is requesting that, to the extent the Commission finds it necessary, the Commission approve a change in tariff allowing it to reverse the flow of its pipeline and change the essential nature of its service. Therefore, should it find that an abandonment did not occur, the Commission should apply the same standard here as it did in *Sunoco* in evaluating Laurel's proposed tariff changes.

2. Laurel's Application Is Contrary to the Public Interest

39. Based on the foregoing analysis, Laurel's Application is clearly contrary to the public interest. While denying the Application would cause little or no injury to Laurel, approving the Application would cause significant injury to pipeline shippers, refiners, and Pennsylvania's infrastructure and environment. Laurel's proposed reversal would decrease revenues for Philadelphia's shippers and refiners by up to \$10 million while simultaneously increasing the costs to shippers, refiners, and consumers in Pittsburgh by at least \$5.8 million per year and potentially in the range of \$34 million to \$68 million per year. Affidavit at PP 20, 32. The proposed reversal would cause reliability problems in Pittsburgh and exacerbate the oversupply of petroleum products in Philadelphia. *Id.* at PP 9, 22. Further, the reversal would lead to thousands of additional trucks on Pennsylvania roads every year, increase pollution, degrade highway infrastructure, and cause numerous additional yearly automobile accidents. Finally, unlike in *Sunoco*, numerous parties have protested Laurel's Application as an unwarranted abandonment and contrary to the public interest. Taken together, these serious negative consequences and strong opposition to the proposed reversal show that Laurel's Application is contrary to the public interest and should therefore be denied.

III. CONCLUSION

WHEREFORE, Monroe Energy, LLC hereby respectfully requests that the Commission summarily deny the Application filed by Laurel Pipe Line Company or, alternatively, set this matter for hearing before the Commission and grant any other relief that is deemed reasonable and appropriate

Respectfully submitted,

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Dated: February 1, 2017.

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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Dated this 1st day of February, 2016 in Trainer, Pennsylvania.