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Senate of Pennsylvania

SCOTT WAGNER
STATE SENATOR

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2017 FEB - 1 PM 3:41
PA P.U.C.
SECRETARY'S BUREAU

February 1, 2017

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.

Dear Chairman Brown:

I am writing today about the proposal by Buckeye Partners to reverse the flow on their Laurel pipeline between Altoona and the greater Pittsburgh area. I am 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 southeast 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 the southeast PA refineries (and choose to do so depending upon which is cheapest), the pipeline reversal will eliminate this optionality 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. The Commonwealth of PA made large investments over the past few years to ensure these employers stay in business. It would be troubling to allow a pipeline reversal that would threaten all of that hard work and investment.

The Buckeye proposal currently pending before the PUC must be examined very seriously. I 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,

Scott R. Wagner
Senator, 28th District, York County

~~CHAIRMAN'S OFFICE
17 JAN 32 PM 2:24
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CC: Vice-Chairman Andrew Place, Commissioner John Coleman, Commissioner Robert Powelson, Commissioner David Sweet, Secretary Rosemary Chiavetta