JOHN A. MAHER MEMBER



113 RYAN BUILDING HARRISBURG, PA 17120-2040

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House of Representatives
Commonwealth of Pennsylvania

January 31, 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:

Buckeye Partners has applied to the PUC for permission to reverse the flow on their Laurel pipeline between Altoona and the greater Pittsburgh area. The seriously adverse and reasonably foreseeable consequences of such abandonment of service to the Pittsburgh area starts with higher costs (to consumers and businesses small and large) and continues to shortages, outages and lines at the pump during months when EPA's "summer gas" mandates is in place (because the gasoline formulation required is peculiar to the Pittsburgh area -- nowhere else east of the Mississippi River – and produced by very few refineries). Of course, the reverse flow would also adversely impact the Pennsylvania refineries in southeastern Pennsylvania.

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 depend on this public utility pipeline. Our state has made significant investments to preserve the jobs at these refineries. Reversing the flow of this pipeline would be contrary to that public interest.

The Honorable Gladys Brown January 31, 2017 Page 2

The Buckeye proposal currently pending before the PUC must be examined very seriously. Please refer this application to an administrative law judge for a full hearing so that all parties may discuss in detail the wide-ranging concerns. The foreseeable adverse consequences demands due diligence.

Sincerely,

John A. Maher, Chairman

Environmental Resources and Energy Committee

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

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