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February 2, 2017

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, Room N201
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:

Marathon Petroleum Corporation (MPC) is the third-largest refiner in the United States and the largest in the Midwest. MPC refineries have 1,794,000 barrels per calendar day (bpcd) of crude oil throughput capacity, of which 710,000 bpcd is processed at MPC's Midwest refineries. MPC-affiliated companies also own, lease, or have an ownership interest in products and crude oil pipelines totaling approximately 8,400 miles, as well as one of the largest inland barge marine fleets in the United States.

MPC is aware that Laurel Pipe Line Company (Laurel) has filed an application to this Commission, seeking confirmation that it may reverse the direction of transportation on the Pittsburgh to Altoona segment of the Laurel Pipe Line.

MPC supports Laurel's plans to reverse the direction of transportation on the Pittsburgh to Altoona segment of the Laurel Pipe Line. MPC expects to utilize the reversed Laurel Pipe Line to distribute gasoline and diesel into Pennsylvania. Currently, MPC has the capability to ship some of its gasoline and diesel production to Pittsburgh via pipelines, barges, and trucks. In addition to its Midwest refining capacity, MPC has the ability to utilize product from its Gulf Coast refineries to supply Pennsylvania. Laurel Pipe Line, once reversed, will provide additional pipeline capacity to transport gasoline and diesel production from the Midwest to the Pittsburgh and Altoona areas.

Other projects recently completed or nearing completion, such as Buckeye Pipe Line Company's Michigan/Ohio Pipeline project and Wolverine Pipe Line's Detroit Metro Access project, in conjunction with the reversal of the Laurel Pipe Line, will enhance the ability of Midwest suppliers to purchase products originating from the Chicago refining complex and further enhance supply reliability to the Pittsburgh area. Reversal of the Laurel Pipe Line also will enhance the attractiveness of investments to produce lower RVP grades of gasoline needed to meet western Pennsylvania seasonal regulatory standards.

MPC has a large amount of Midwest refining capacity. Today, a significant portion of the transportation fuels supplied to the Pittsburgh area moves through Ohio.¹ Another portion of the transportation fuels delivered to the Pittsburgh area is transported on the Laurel Pipe Line system, which strongly suggests this volume of fuels is drawn from global petroleum imports or PADD I U.S. refiners.² The most recent report from the U.S. Energy Information Administration (EIA) indicates from January 2016 to October 2016, supply for PADD I was supplemented by 635,000 barrels per day (bpd) of imported finished motor gasoline and motor gasoline blend components.³ The current capacity of Laurel Pipe Line between Eldorado, Pennsylvania, and destinations to the west is far less than 635,000 bpd, the volume of imported products reported by the EIA. Considering these facts, reversing the Laurel Pipe Line system would not materially decrease utilization of PADD I domestic refinery capacity.

For the majority of the past five years, Chicago-based prices for gasoline products are lower than New York Harbor prices, which correlate to East Coast-sourced transportation fuels.⁴ Reversal of the Laurel Pipe Line would have an expected result of attracting more Midwest products to the western Pennsylvania areas. This should increase utilization of domestic U.S. refining capacity and reduce dependence on foreign gasoline imports.

In summary, MPC is a reliable supplier to western Pennsylvania. Reversal of the Laurel Pipe Line will add to the transportation optionality for MPC to supply western Pennsylvania. As outlined in this letter, MPC supports Laurel's plans to reverse the direction of the Pittsburgh to Altoona segment of the Laurel Pipe Line.

Thank you for the opportunity to provide this information for the Commission's consideration.

Very truly yours,



C. Mike Palmer
Senior Vice President, Supply, Distribution & Planning

cc: Ms. Gladys M. Brown, Chairman
Mr. Andrew G. Place, Vice Chairman
Mr. John F. Coleman, Jr., Commissioner
Mr. Robert F. Powelson, Commissioner
Mr. David W. Sweet, Commissioner

¹ 42,600 barrels per day of product imported into the state of Pennsylvania from Ohio from January 2016 to October 2016, Energy Information Administration, Petroleum Products Movements by Pipeline http://www.eia.gov/dnav/pet/pet_move_pipe_dc_r10-r20_mbbbl_m.htm

² The Petroleum Administration for Defense Districts (PADDs) are geographic aggregations of the 50 States and the District of Columbia into five districts. PADD 1 is the East Coast. <https://www.eia.gov/todayinenergy/detail.php?id=4890>

³ Energy Information Administration/Petroleum Supply Monthly, October 2016, Table 8 PAD District 1 – Year-to-Date Daily Average Supply Disposition of Crude Oil and Petroleum Products

⁴ Argus U.S. Products Report, Chicago CBOB and New York Harbor CBOB differentials, January 2010 – December 2016