



17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
717-731-1970 Main
717-731-1985 Main Fax
www.postschell.com

Anthony D. Kanagy

akanagy@postschell.com
717-612-6034 Direct
717-731-1985 Direct Fax
File #: 162860

February 13, 2017

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
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:

Enclosed please find the Prehearing Conference Memorandum of Laurel Pipe Line Company, L.P. in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Anthony D. Kanagy

ADK/skr

cc: Certificate of Service
Honorable Eranda Vero

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL AND FIRST CLASS MAIL

John R. Evans
Small Business Advocate
Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101

Tanya J. McCloskey, Esquire
Senior Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Adam D. Young, Esquire
Michael L. Swindler, Esquire
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
PO Box 3265
Harrisburg, PA 17105-3265

Robert A. Weishaar, Jr., Esquire
McNees Wallace & Nurick LLC
1200 G Street, NW
Suite 800
Washington, DC 20005
*Counsel for Gulf Operating, LLC
and Sheetz, Inc.*

Susan E. Bruce, Esquire
Adeolu A. Bakare, Esquire
Kenneth R. Stark, Esquire
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
*Counsel for Gulf Operating, LLC
and Sheetz, Inc.*

Alan M. Seltzer, Esquire
John F. Povilaitis, Esquire
Buchanan Ingersoll & Rooney, PC
409 N. Second Street, Suite 500
Harrisburg, PA 17101-1357
Counsel for PESRM

Karen O. Moury, Esquire
Carl R. Shultz, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
*Counsel for Husky Marketing and
Supply Company*

Jonathan D. Marcus, Esquire
Daniel J. Stuart, Esquire
Marcus & Shapira LLP
One Oxford Centre, 35th Floor
301 Grant Street
Pittsburgh, PA 15219-6401
Counsel for Giant Eagle, Inc.

Andrew S. Levine, Esquire
Stradley, Ronon, Stevens & Young, LP
2600 One Commerce Square
Philadelphia, PA 19103
Counsel for Sunoco, LLC

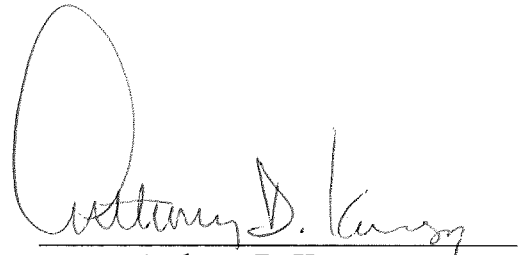
Joseph Otis Minott, Esquire
Ernest Logan Welde, Esquire
Clean Air Council
135 S. 19th Street, Suite 300
Philadelphia, PA 19103
Counsel for Clean Air Council

Kevin J. McKeon, Esquire
Todd S. Stewart, Esquire
Whitney E. Snyder, Esquire
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101
Counsel for Monroe Energy, LLC

Richard E. Powers, Jr., Esquire
Joseph R. Hicks, Esquire
Venable LLP
575 7th Street, NW
Washington, DC 20004
Counsel for Monroe Energy, LLC

Christopher A. Ruggiero, Esquire
Vice President, General Counsel &
Secretary
Monroe Energy, LLC
4101 Post Road
Trainer, PA 19061
Counsel for Monroe Energy, LLC

Date: February 13, 2017



Anthony D. Kanagy

**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 :

**PREHEARING CONFERENCE MEMORANDUM OF
LAUREL PIPE LINE COMPANY, L.P.**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE VERO:

Pursuant to 52 Pa. Code § 5.222(d) and the Prehearing Conference Order dated February 7, 2017, Laurel Pipe Line Company, L.P. (“Laurel” or the “Company”) hereby submits this Prehearing Conference Memorandum.

I. SERVICE OF DOCUMENTS

Laurel’s attorneys in this proceeding are David B. MacGregor, Esquire, Anthony D. Kanagy, Esquire, Todd J. Russo, Esquire, Jessica R. Rogers, Esquire, and Garrett P. Lent, Esquire.¹ Laurel requests that Garrett P. Lent be listed as the recipient for service. Mr. Lent’s contact information is:

Garrett P. Lent (ID #321566)
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
Phone: (717) 612-6032
Fax: (717) 731-1985
Email: glent@postschell.com

¹ Currently pending before Your Honor is a Motion for Admission *Pro Hac Vice* for Christopher J. Barr, Esq., as counsel for Laurel for all purposes in relation to these proceedings. Upon granting of this Motion, Christopher J. Barr will also enter an appearance before the Commission on behalf of Laurel.

Laurel also requests that Mr. MacGregor, Mr. Barr, Mr. Kanagy, Ms. Rogers, and Mr. Russo be added to any e-mail and e-service distribution lists in this proceeding. Mr. MacGregor's email address is dmacgregor@postshell.com, Mr. Barr's email address is cbarr@postshell.com, Mr. Kanagy's email is akanagy@postshell.com, Ms. Rogers' email address is jrogers@postshell.com, and Mr. Russo's email address is trusso@buckeye.com. In addition, Laurel agrees to receive service of documents electronically in this proceeding.

II. PROCEDURAL HISTORY

On November 14, 2016, Laurel filed the above-captioned Application with the Pennsylvania Public Utility Commission ("Commission") at Docket No. A-2016-2575829. The Application sought all necessary, authority, approvals and Certificates of Public Convenience, to the extent required, authorizing Laurel to change the direction of its petroleum products transportation service over a portion of its system west of Eldorado, Pennsylvania, and confirming that Laurel may, in its discretion, reinstate the current direction of service in the future without further Commission approval.

On November 16, 2016, the Commission issued a Secretarial Letter requiring Laurel to publish notice of the Application in a newspaper of general circulation in the area involved and to file proof of publication with the Commission on or before December 19, 2016. The November 16, 2016 Secretarial Letter also scheduled publication of the notice in the *Pennsylvania Bulletin* in the December 3, 2016 issue, and set the deadline to file formal protests and petitions to intervene on December 19, 2016.

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

On November 28, 2016, Laurel filed an Answer to Gulf's Petition to Intervene and Motion to Extend the Deadline for Protests.

On December 6, 2016, the Commission issued a Secretarial Letter supplementing its prior November 16, 2016 Secretarial Letter and the Notice published in the December 3, 2016 edition of the *Pennsylvania Bulletin*. Therein, the Commission granted Gulf's Petition to Intervene, and granted, in part, Gulf's Motion to Extend the Deadline for Protests and set the new deadline for formal protests and petitions to intervene in the proceeding at 4:30 p.m. on February 1, 2017. The Commission also directed Laurel to serve a copy of its Application by December 19, 2016, on the following entities: (1) current customers using the subject pipeline; (2) former customers who used the subject pipeline during the period from January 1, 2015, through the date of filing; and (3) prospective and committed customers Laurel expects to use the subject pipeline if the flow direction of the line is changed.

On December 8, 2016, Philadelphia Energy Solutions Refining and Marketing LLC ("PESRM") filed a Petition to Intervene and Answer in Support of Gulf Operating, LLC's Motion to Extend Deadline for Protests. Laurel filed its Answer to PESRM's Petition to Intervene and Answer in Support of Gulf Operating, LLC's Motion to Extend Deadline for Protests on December 27, 2016.

On December 15, 2016, Laurel filed Affidavits for Proof of Publication indicating that the Public Notice for the Application had been published in five newspapers.²

On December 19, 2016, Laurel served a copy of its Application on the three groups of entities described in the Commission's December 6, 2016 Secretarial Letter, and filed a copy of its letter indicating such service with the Commission.

On December 20, 2016, the Commission's Bureau of Investigation and Enforcement ("I&E") served a Notice of Intervention on the parties.

² The Public Notice was published in all five newspapers on December 6, 2016. As such, it reflected the version of the Public Notice that was included in the Commission's November 16, 2016 Secretarial Letter.

On January 3, 2017, Monroe Energy, LLC (“Monroe”) filed a Petition to Intervene in the proceeding. Laurel filed its Answer to Monroe’s Petition on January 23, 2017.

On January 31, 2017, Sunoco, LLC filed a Petition to Intervene.

On February 1, 2017, Gulf, PESRM, Monroe, and I&E filed formal Protests in the proceeding.

On February 1, 2017, Giant Eagle, Inc. (“Giant Eagle”) and Sheetz, Inc. (“Sheetz”) each filed a Petition to Intervene and Protest in the Proceeding. Clean Air Council (“CAC”) also filed a Petition to Intervene. Husky Marketing and Supply Company (“HMSC”) also filed a Petition to Intervene, in support of the Application, on February 1, 2017.

In addition to the aforementioned Protests and Petitions to Intervene, numerous individuals submitted letters commenting on the Application to the Commission.

On February 6, 2017, Laurel filed a Capacity Agreement at Docket No. G-2017-2587567, which, if approved, would allow Buckeye Pipe Line Company, L.P. (“Buckeye”) to provide the eastbound service over the affected portion of Laurel’s pipeline system described in the Application. On February 7, 2017, Laurel filed a Motion to Consolidate consideration of this Capacity Agreement with consideration of the above-captioned proceeding.

On February 7, 2017, Laurel served the following Direct Testimony and associated exhibits on the Administrative Law Judge, and Gulf, PESRM, Monroe, I&E, Sunoco, Giant Eagle, Sheetz, CAC, and HMSC (collectively “the Parties”): (1) Laurel St. No. 1 – Direct Testimony and Exhibits of David W. Arnold; (2) Laurel St. No. 2 – Direct Testimony and Exhibits of William J. Hollis; (3) Laurel St. No. 3 – Direct Testimony of Michael J. Kelly; (4) Laurel St. No. 4 – Direct Testimony and Exhibits of Thomas S. Collier; (5) Laurel St. No. 5 –

Direct Testimony and Exhibits of Michael J. Webb; and (6) Laurel St. No. 6 – Direct Testimony and Exhibits of Robert G. Van Hoecke.

III. ISSUES

As addressed fully in Laurel's Application, the Company has determined that it is in the public interest to change the direction of flow of a portion of its petroleum products pipeline system, *i.e.* to points west of Eldorado, PA. Laurel intends to demonstrate that, Commission approval for this change in service either is not required, or if required, approval of this Application is necessary or proper for the service, accommodation, convenience, or safety of the public, and should be approved.

IV. LAUREL'S MOTION TO CONSOLIDATE

As noted above, Laurel filed a Motion to Consolidate the consideration of the Capacity Agreement filed at Docket No. G-2017-2587567 with the above-captioned proceeding on February 7, 2017. For the reasons more fully explained in Laurel's Motion to Consolidate, Laurel respectfully requests that Your Honor grant its Motion, and consolidate consideration of these related proceedings.

V. WITNESSES

As described above, Laurel served its Direct Testimony and associated Exhibits on the Administrative Law Judge and the Parties on February 6, 2017. Appendix A to this Prehearing Conference Memorandum provides an overview of the Laurel witnesses and the general subject matter presented in each witness's Direct Testimony. Laurel reserves the right to call additional witnesses, as necessary, to address issues that may arise during the course of this proceeding. Further, Laurel proposes that the Parties submit written testimony in this proceeding.

VI. PROCEDURAL SCHEDULE

Laurel proposes the following procedural schedule:

February 7, 2017	Laurel Direct Testimony
February 14, 2017	Prehearing Conference
March 20, 2017	Direct Testimony of Other Parties
May 1, 2017	Rebuttal Testimony of All Parties
May 24, 2017	Surrebuttal Testimony
June 12-16, 2017	Evidentiary Hearing ³
July 21, 2017	Main Brief
August 11, 2017	Reply Brief

The Company circulated this proposed procedural schedule among the parties, and understands that HMSC also agrees with this procedural schedule.

VII. DISCOVERY

To date, Gulf and PESRM have served Interrogatories and Requests for Production of Documents upon Laurel. Laurel is not aware of any need to enter any special order regarding discovery. Based on the nature and scope of these interrogatories, Laurel does not believe that any change or modification in the standard timelines for discovery set forth in the Commission’s regulations is necessary or appropriate for this stage of the proceeding.

However, Laurel requests the implementation of expedited discovery rules after the service of the Direct Testimony of Other Parties. To that end, Laurel proposes that Parties shall serve answers to written interrogatories within ten (10) calendar days of service after the Direct Testimony of other parties is served. Furthermore, Laurel encourages the use of informal

³ As the proposed schedule includes time for service of written Surrebuttal, Laurel also proposes that the Evidentiary Hearing provide an opportunity for the Company to submit Oral Rejoinder.

discovery to expedite the discovery process. Finally, Laurel proposed the use of electric service of discovery responses.

VIII. PROTECTION OF CONFIDENTIAL INFORMATION

Laurel has circulated a Proposed Motion for Protective Order and Proposed Protective Order to the parties, and will continue to work with the parties to ensure proper protection of Proprietary Information.

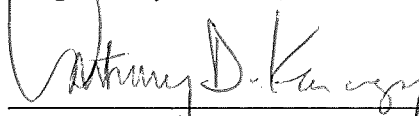
IX. PUBLIC INPUT HEARINGS

To the extent that they are deemed necessary in this proceeding, Laurel will work with Your Honor, the Parties, and the Commission to schedule Public Input Hearings.

X. SETTLEMENT

As of this time, no settlement discussions have been held. Laurel remains open and available for settlement discussions with the other parties and would support initiatives to begin settlement discussions at the earliest possible date.

Respectfully submitted,



Jessica R. Rogers, Esquire (PA ID #309842)
Post & Schell, P.C.
607 14th Street, N.W., Suite 600
Washington, DC 20005-2000
Phone: (202) 347-1000
Fax: (202) 661-6970
E-mail: cbarr@postschell.com
E-mail: jrogers@postschell.com

David B. MacGregor, Esquire (PA ID #28804)
Anthony D. Kanagy, Esquire (PA ID #85522)
Garrett P. Lent, Esquire (PA ID #321566)
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
Phone: (717) 731-1970
Fax: (717) 731-1985
E-mail: dmacgregor@postschell.com
E-mail: akanagy@postschell.com
E-mail: glent@postschell.com
Counsel for Laurel Pipe Line Company, L.P.

Date: February 13, 2017

Appendix A

Witness

David W. Arnold
Vice President, Domestic Pipelines
Laurel Pipe Line Company, L.P.
Five TEK Park
9999 Hamilton Boulevard
Breinigsville, PA 18301

William J. Hollis
Senior Vice President
Buckeye Pipe Line Company, L.P.
One Greenway Plaza, Ste. 600
Houston, TX 77046

Michael J. Kelly
Director of Transportation Services
Laurel Pipe Line Company, L.P.
Five TEK Park
9999 Hamilton Boulevard
Breinigsville, PA 18301

Thomas S. Collier
Vice President, Performance Assurance
Laurel Pipe Line Company, L.P.
Five TEK Park
9999 Hamilton Boulevard
Breinigsville, PA 18301

Dr. Michael J. Webb
Director
Regulatory Economics Group, LLC
11180 Sunrise Valley Dr., Ste. 320
Reston, VA 20191

Robert G. Van Hoecke
Principal
Regulatory Economics Group, LLC
11180 Sunrise Valley Dr., Ste. 320
Reston, VA 20191

General Subject Matter

Overview of Laurel/Buckeye Corporate Relationship
Laurel's Current Certificated Authority
Laurel's Current Service Description
Laurel Operations
Broadway II Project Description
Overview of Pa. PUC Application
No Delivery Points on Laurel Discontinued

Benefits of the Proposed Change of Direction
Market Participant's Accessibility to Supplies
Market Demand
Alternatives Available

Overview of Laurel's Pipeline System
Operations and Facilities
Service Capabilities After Partial Change in Direction

Compliance with Federal Minimum Pipeline Safety Regulations

Analytical Framework for the Application
Analysis of Application Benefits
Analysis of Application Costs

Overview of Petroleum Products Pipelines