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File #: 162860

February 21, 2017

VIA HAND DELIVERY

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:

Attached please find the Answer of Laurel Pipe Line Company, L.P. to the Protest of the Bureau of Investigation and Enforcement in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,

Anthony D. Kanagy

ADK/skr
Enclosure

cc: Certificate of Service
Honorable Eranda Vero

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

FEB 21 2017

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 :

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Docket No. A-2016-2575829

**ANSWER OF LAUREL PIPE LINE COMPANY, L.P.
TO THE PROTEST OF THE BUREAU OF INVESTIGATION AND ENFORCEMENT**

TO THE ADMINISTRATIVE LAW JUDGE ERANDA VERO:

Laurel Pipe Line Company, L.P. ("Laurel") hereby files this Answer to the Protest filed by Bureau of Investigation and Enforcement ("I&E") for the purposes of addressing and clarifying the allegations and assertions contained in I&E's Protest. Laurel files this Answer pursuant to Section 5.61 of the Pennsylvania Public Utility Commission's ("Commission") regulations, 52 Pa. Code § 5.61. In support thereof, Laurel respectfully represents the following:

I. BACKGROUND

On November 14, 2016, Laurel filed the *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* at Docket No. A-2016-2575829 ("Application"). Therein, Laurel requested any and all approvals that the Commission deemed necessary to change the direction of flow on the western portion of Laurel's petroleum products pipeline system. Application, at p. 1.¹

¹ Laurel requested, in the alternative, that if no approvals are required, a ruling to that effect be issued by the Commission.

On November 16, 2016, the Commission issued a Secretarial Letter requiring Laurel to publish the enclosed 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 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 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 17, 2016, the Commission published a supplemental Notice of Laurel's Application, in accordance with its December 6, 2016 Secretarial Letter, noticing that the deadline for all Protests and Petitions to Intervene was extended until February 1, 2016.

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 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, I&E filed a Notice of Intervention. Thereafter, on February 1, 2017, I&E filed a formal Protest.

II. ANSWER

1-3. No responses to paragraphs 1 through 3 are required.

4. Denied as stated. Laurel submits that while I&E has the authority to enforce federal natural gas pipeline safety regulations pursuant to 49 U.S.C.A. §§ 60101, *et seq.* and implemented in 49 C.F.R. Parts 191-193 and 199, to the best of Laurel's knowledge I&E has neither included hazardous liquids pipelines, as defined in 52 Pa. Code § 59.33 and the applicable federal statute and regulations, in its annual certifications to the Department of Transportation's Pipeline and Hazardous Materials Safety Administration ("PHMSA") nor executed an interstate agent agreement with PHMSA. Therefore, PHMSA has, and will retain, the exclusive authority to inspect Laurel's pipeline for purposes of enforcing federal hazardous liquids pipeline safety standards, until such time as I&E files the appropriate certifications or enters into the appropriate agreements with PHMSA.

5-10. No responses to paragraphs 5 through 10 are required.

11. Denied. Laurel's service in the reversed segment would be provided under Federal Energy Regulatory Commission ("FERC") tariffs, but the facilities are not themselves under FERC jurisdiction.

12-13. No responses to paragraphs 12 through 13 are required.

14. Denied. Laurel's application appropriately addresses both the delivery needs of Western and Central Pennsylvania, as well as the delivery needs of existing Laurel customers

using the Laurel pipeline system. Western and Central Pennsylvania will benefit from increased access to generally lower-priced petroleum products. Moreover, to the extent that Laurel's existing customers' delivery needs are affected by Laurel's proposal, Laurel has identified a number of alternatives that are available, or that Laurel or its affiliate, Buckeye Pipe Line Company, L.P., has made available, to such customers.

15. Denied. Laurel's Application demonstrates that Western and Central Pennsylvania consumers will benefit from increased access to generally lower-priced petroleum products as a result of the reversal.

16. Denied. Laurel's Application describes alternatives available for Laurel's customers to receive petroleum products. To the extent that certain customers will no longer be able to transport products from points east of Eldorado, Pennsylvania to points west of Eldorado, Pennsylvania, the relevant inquiry is whether alternatives exist for these customers to move their products to market. Clearly, such alternatives are available.

17. Denied. As demonstrated by the Direct Testimony of Michael J. Webb, Laurel St. No. 5, any economic or environmental impacts associated with the reversal will be minimal.

18. Denied. Despite I&E's contention that Laurel's Application is effectively an Application for Abandonment, deliveries will continue to all current points on the Laurel pipeline system. Customers and consumers who receive petroleum products over Laurel's system will continue to be able to receive petroleum products.

19. No response to paragraph 19 is required.

20. Admitted in part; denied in part. While Laurel did not provide a map specifying the mile posts and exact length of the pipeline of which it seeks to reverse the flow, Laurel did

provide a map of its pipeline system in its Application, which detailed the section of the pipeline that will be subject to the reversal.

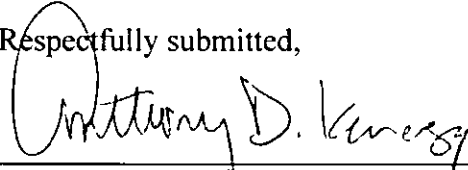
21. Admitted in part; denied in part. While I&E is correct that Laurel did not provide pipeline details regarding the age and size of the pipe, or the pressure at which it operates, the Commission's regulations pose no such requirements in an application.

22. Denied. Laurel has represented in its Application and Direct Testimony that it will continue to comply with PHMSA's regulatory requirements, as well as implement PHMSA's guidance for conducting flow reversals.

23. Denied. Consistent with Laurel's response in paragraph 22, Laurel intends to comply with all PHMSA regulations applicable to its facilities and the proposed flow reversal.

WHEREFORE, Laurel Pipe Line Company, L.P. respectfully requests that the Protest of the Bureau of Investigation and Enforcement be denied.

Respectfully submitted,



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Date: February 21, 2017


Counsel for Laurel Pipe Line Company, L.P.

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VERIFICATION

I, David Arnold, being Vice President, Domestic Pipelines for Buckeye Partners, L.P., hereby state that the information set forth above is true and correct to the best of my knowledge, information and belief, and that if asked orally at a hearing in this matter, my answers would be as set forth therein. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Date: 21 February 2017



David Arnold
Vice President, Domestic Pipelines
Buckeye Partners, L.P.

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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).

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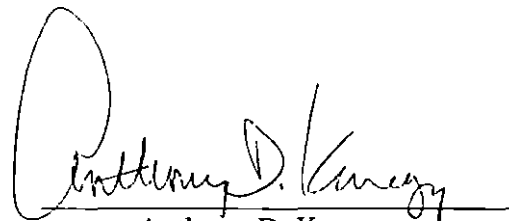
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