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March 20, 2017

**VIA ELECTRONIC FILING**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building, Filing Room  
400 North Street  
Harrisburg, PA 17101

RE: Application of Laurel Pipe Line Company, L.P.; Docket No. A-2016-2575829;  
**BRIEF OF MONROE ENERGY, LLC IN SUPPORT OF PETITION FOR  
CERTIFICATION OF A MATERIAL QUESTION**

Dear Secretary Chiavetta:

Please find enclosed for filing with the Commission the Brief of Monroe Energy, LLC in Support of Petition for Certification of Material Question in the above-referenced matter. Copies of the Brief have been served in accordance with the attached Certificate of Service.

Thank you for your attention to this matter. If you have any questions related to this filing, please contact our office.

Very truly yours,

Kevin J. McKeon  
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Whitney E. Snyder  
*Counsel for Monroe Energy, LLC*

TSS/jld  
Enclosure

cc: Administrative Law Judge Eranda Vero (via email and first class mail)  
Per Certificate of Service

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in the manner indicated below, and in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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Kevin J. McKeon  
Todd S. Stewart  
Whitney E. Snyder

Dated: March 20, 2017

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Laurel Pipe Line Company, L.P.	:	
For approval to change direction of petroleum	:	A-2016-2575829
products transportation service to delivery	:	
points west of Eldorado, Pennsylvania	:	
Affiliated Interest Agreement between	:	G-2017-2587567
Laurel Pipe Line Company, L.P. and	:	
Buckeye Pipe Line Company, L.P.	:	

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**BRIEF OF MONROE ENERGY, LLC IN SUPPORT OF  
PETITION FOR CERTIFICATION OF A MATERIAL QUESTION**

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**I. INTRODUCTION**

1. On November 14, 2016, Laurel Pipe Line Company, L.P. ("Laurel" or "Applicant") filed with the Pennsylvania Public Utility Commission ("PUC" or "Commission") the above-captioned Application. On February 3, 2017, Gulf Operating, LLC ("Gulf") served Gulf Set I Interrogatories to Laurel. On February 6, 2017, Philadelphia Energy Solutions Refining and Marketing, LLC ("PESRM") served its Set I of Interrogatories and Requests for Production of Documents to Laurel.

2. On February 13, 2017, Laurel submitted timely Objections to Gulf's Set I Interrogatories. Laurel objected to Gulf Set I, Instruction No. 13, Gulf Set I, Definitions Nos. 5 and 13, and Gulf Set I Interrogatories Nos. 3, 4, 19(iv), 21, 23, 24, 26, 28, 17, 32, 33, and 37, and on February 16, 2017, Laurel submitted timely written Objections to several of PESRM Set I Interrogatories.

3. On February 23, 2017, Gulf filed a Motion to Compel a response only with respect to Gulf Set I Interrogatory No. 28, which requested the following:

**GLF-LAU-I- 28** Provide all internal or external studies, analyses, reports, etc. prepared by or for Laurel within the last 5 years addressing in any way the possibility of extending the reversal of flow along the Laurel pipeline to any points further east of those described in the Application.

4. On February 27, 2017, PESRM filed a Motion to Compel a response to PESRM Set I Interrogatory No. 1, which requested the same information and using the same language as Gulf Set I Interrogatory No. 28.

5. On February 28, 2017, Laurel filed an Answer to Gulf's Motion to Compel alleging that information requested by Gulf Set I Interrogatory No. 28 was exempt from discovery on grounds of relevancy. On March 6, 2017, Laurel filed an Answer to PESRM's Motion to Compel.

6. On March 8, 2017, presiding Administrative Law Judge ("ALJ") Eranda Vero issued an order denying both Gulf's and PESRM's Motions to Compel ("March 8 Order").

7. On March 14, 2017, Gulf and PESRM filed a Petition for Certification of a Material Question ("Petition") pursuant to 52 Pa. Code § 5.304(a)(2). In their Petition, Gulf and PESRM requested that ALJ Vero certify a Material Question regarding the information sought in Question No. 28 of Gulf's Set 1 Interrogatories and in Question No. 1 of PESRM's Set I Interrogatories (together, the "Discovery Request") pursuant to Section 5.304(a)(2) of the Commission's Regulations. 52 Pa. Code § 5.304(a)(2). The Material Question posed by Gulf and PESRM was:

Should Laurel Pipe Line Company ("Laurel"), which asserts in its Application that Commission approval for changes in flow direction is not required and seeks Commission confirmation that it may reinstate the direction of flow at its discretion in the future, be required to furnish the information intended to determine whether the proposal to reverse flows on its PUC-jurisdictional pipeline for points west of Altoona/Eldorado is a stand-alone proposal or an initial phase of a documented plan to reverse flows easterly to Philadelphia as requested by Gulf's Set I Interrogatory No. 28 and PESRM's Set I Interrogatory No. 1?

Proposed Answer: Yes.

8. Gulf and PESRM argue in their Petition that the Material Question relating to the Discovery Request involves important issues of law and policy. They also argue that it is necessary to resolve these issues now, rather than wait until the conclusion of this proceeding and the possibility of a remand which could cause irreparable harm and substantial prejudice not only to Gulf and PESRM, but all parties opposing the application. Monroe Energy, LLC (“Monroe”) agrees with Gulf and PESRM and supports their Petition.

## **II. SUMMARY OF ARGUMENT**

If the March 8 Order is not reversed, the scope of this proceeding will be impermissibly narrowed by excluding all evidence of Laurel’s documented future plans for additional flow reversals, as being irrelevant, in a case where Laurel already has suggested that such plans may exist. This is particularly troubling because Laurel has argued that it needs no authorization for any future flow reversals. Unless the Commission answers the Material Question in the positive, all parties opposing any flow reversal may realize irreparable harm and substantial prejudice through the prevention of discovery on critical matters of law and policy. The Commission has a duty to fully investigate Laurel’s Application, including permitting all relevant discovery. The March 8 Order further errs in finding that the factual issues raised by the Application concerns only Laurel’s service west of Eldorado. For these reasons, Monroe respectfully requests that ALJ Vero certify the Material Question and that the Commission answer the Material Question in the affirmative.

## **III. ARGUMENT**

The questions that the ALJ determined to be irrelevant concern the future plans of the Applicant regarding additional flow reversals; whether those reversals be on the segment between Philadelphia and Eldorado, or further reversals on the Eldorado to Pittsburgh section for which

approval is sought here. The combination of facts already stated makes future reversals on either of these segments a real threat to parties such as Monroe, and Monroe believes the Commission is not only entitled to know if such plans exist, but it should feel compelled to know. How could the Commission possibly grant authority, potentially including the authority for future reversals that require no further proceeding, without knowing whether such reversals are in the plans? It seems obvious that such broad requests for authority could very well be a “Trojan Horse” through which Laurel seeks to dispense with the need for any future Commission determination regarding the direction of flow on the Laurel Pipeline in its entirety. If such plans currently exist, the Commission should be aware of them, and the parties are entitled to know so they are able to present evidence on the impact such a turn of events would have on them.

The Public Utility Code and the Commission's Regulations authorize the Commission to review the ruling of an ALJ on discovery matters where such ruling involves important questions of law or policy and interlocutory review will prevent substantial prejudice or expedite the conduct of the proceedings. *See* 66 Pa. C.S. § 333(h); *see also* 52 Pa. Code § 5.304(b), (c)(3).

This matter clearly presents an extraordinary question of law and policy necessitating Commission resolution to expedite the course of the proceeding and prevent substantial prejudice, because addressing issues of this magnitude, that involve the scope of this proceeding, after the fact, would require parties to entirely re-litigate the case. The Commission has granted interlocutory review of discovery issues where, as here, an after-the-case remand would have otherwise have been necessary. *See Pennsylvania Public Utility Commission v. Peoples Natural Gas Company*, 68 Pa. PUC 326 (October 17, 1988), slip op., p. 4. The Commission has also granted interlocutory review "to obviate the need for additional time and expense." *See Philadelphia Gas Works Universal Service and Energy Conservation Plan; Joint Petition for*

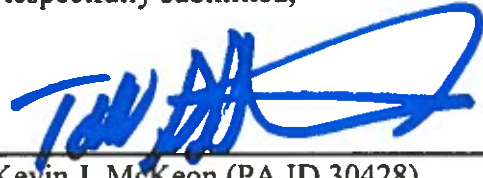
*Interlocutory Review, Answer to a Material Question and Approval of a Settlement*, 2009 Pa. PUC LEXIS 2238 (January 1, 2001), at \*5.

There is no doubt that the March 8 Order would prohibit parties to this proceeding from propounding discovery addressing material factual claims raised in Laurel's Application. A resolution of the Material Question is necessary to ensure a reasonably timely resolution of the proceeding and preclude duplicative and expensive litigation efforts in a complex matter involving numerous parties and expert witnesses. Accordingly, Monroe supports the request that the presiding ALJ certify this Material Question to the Commission for interlocutory review.

**WHEREFORE**, for all the foregoing reasons, Gulf and PESRM respectfully ask ALJ Veranda to grant certification and that the Commission should answer the Material Question and require Laurel to provide responsive documents to the Discovery Request, reverse the March 8 Order, and take any other action deemed necessary to resolve the issues raised herein.



Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Kevin J. McKeon', is written over a horizontal line.

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