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March 28, 2017

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

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

Affiliated Interest Agreement between Laurel Pipe Line Company, L.P. and Buckeye Pipe Line Company, L.P.; Docket No. G-2017-2587567

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is Gulf Operating, LLC's Answer to Laurel Pipe Line Company, L.P.'s Motion to Compel Answers to Interrogatories and Requests for Production of Documents Propounded by Laurel Pipe Line Company, L.P. on Gulf Operating, LLC, Set I in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served. Thank you.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By

A handwritten signature in black ink, appearing to read 'Adeolu A. Bakare', is written over a horizontal line.

Adeolu A. Bakare

Counsel to Gulf Operating, LLC

Enclosure

c: Administrative Law Judge Eranda Vero (via E-Mail and First-Class Mail)
Certificate of Service

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CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant).

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Docket No. A-2016-2575829 and G-2017-2587567

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Adeolu A. Bakare

Counsel to Gulf Operating, LLC and Sheetz, Inc.

Dated this 28th day of March, 2017, in Harrisburg, Pennsylvania.

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 :

Affiliated Interest Agreement Between :
Laurel Pipe Line Company, L.P. and : Docket No. G-2017-2587567
Buckeye Pipe Line Company, L.P. :

**GULF OPERATING, LLC ANSWER TO LAUREL PIPE LINE COMPANY, L.P.'S
MOTION TO COMPEL ANSWERS TO INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS PROPOUNDED BY LAUREL PIPE LINE
COMPANY, L.P. ON GULF OPERATING, LLC, SET I**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE ERANDA VERO:

Gulf Operating, LLC ("Gulf") files, pursuant to section 5.342(g)(1) of the Pennsylvania Public Utility Commission's ("PUC" or "Commission") Rules,¹ this Answer to the Motion to Compel Answers to its First Set of Interrogatories and Requests for Production of Documents ("Motion") filed by Laurel Pipe Line Company, L.P.'s ("Laurel" or "Applicant") on March 23, 2017.

I. BACKGROUND

On November 14, 2016, Laurel filed the above-captioned Application with the Pennsylvania Public Utility Commission ("Commission") at Docket No. A-2016-2575829, seeking all necessary, authority, approvals, and Certificates of Public Convenience to authorize Laurel to change the direction of its petroleum products transportation service over a portion of its system west of Eldorado, Pennsylvania.

¹ 52 Pa. Code §§ 5.342(g)(1).

On February 1, 2017, Gulf filed a formal Protest containing specific factual allegations regarding the effects of Laurel's proposal on Gulf and other entities throughout Pennsylvania. In support of its Protest, Gulf attached the Affidavit of Daniel S. Arthur to its Protest.

On March 2, 2017, Laurel served Set I Discovery on Gulf.

On March 2, 2017, presiding Administrative Law Judge ("ALJ") Eranda Vero issued Prehearing Order #2 in this proceeding. In that order, ALJ Vero further established the rules for discovery in this proceeding, including procedures requiring parties to attempt to informally resolve discovery disputes before filing a motion to compel.

Gulf objected to certain elements of Laurel's Set I Discovery on March 13, 2017. Gulf objected to Set I Instructions and Definitions Nos. 1, 3, 4, 5, 7, 12 and 16, and Request Nos. 1, 2, 3, 4(b)-(c), 9, 12(b), 13, 14, and 16(b)-(e).

Laurel contacted counsel for Gulf on the afternoon of March 22, 2017 by email to indicate Laurel's plans to file a Motion to Compel in response to the Objections filed by Gulf. Laurel indicated in that email that it believed that all of its questions were reasonable and relevant, but asked if any party had a proposed solution for resolving their objections. In a responsive email sent on March 23, 2017, Gulf agreed with Laurel's proposal to use the Gulf Set 1 instructions and definitions for Laurel's Set 1 discovery questions.

On the day after it sent its email, Laurel filed Motions to Compel various discovery responses of Gulf; Sheetz, Inc. ("Sheetz"); Philadelphia Energy Solutions Refining and Marketing, LLC ("PESRM"); and Monroe Energy, LLC ("Monroe") (collectively "Indicated Parties").

II. ANSWER AND ARGUMENT

A. **Laurel's Motion to Compel Should be Rejected Because Laurel Failed to Exercise Due Diligence to Informally Resolve Discovery Disputes, Thereby Violating ALJ Vero's March 2, 2017 Prehearing Order #2**

In the March 2, 2017 Prehearing Order #2, ALJ Vero clearly outlined the rules of discovery as follows:

The parties are directed to cooperate and exchange information on an informal basis. **The parties are expected to resolve discovery issues among themselves; motions to compel should be filed only after such efforts have failed. All motions to compel must contain a certification of counsel of the informal discovery undertaken and their efforts to resolve their discovery disputes informally.** If a motion to compel fails to contain such certification, we shall contact the parties and direct them to pursue informal discovery. In addition, the parties are urged to use alternative means of discovery such as discovery conferences or depositions. There are limitations on discovery and sanctions for abuse of the discovery process. 52 Pa. Code §§ 5.361, 5.371-5.372.

Prehearing Order # 2 at p. 8 (emphasis added). The Commission's regulations encourage parties to "exchange information on an informal basis." 52 Pa. Code § 5.322.

In this instant proceeding, Gulf submitted written objections to Laurel's Set 1 of Discovery on March 13, 2017. The Commission's Regulations prescribe that Interrogatories are deemed to be withdrawn if a party files objections and the requesting party declines to file a Motion to Compel. 52 Pa. Code § 5.342(g). Accordingly, Laurel, as the requesting party, was in position to determine whether informal discussions were necessary, as the objecting party would otherwise assume the requesting party will not seek to exercise its right to file a Motion to Compel. However, Gulf's counsel received no communication (either oral or written) from Laurel's counsel regarding Laurel's concerns with Gulf's objections for nine days. Only on the afternoon of March 22 did Gulf learn that Laurel intended to file a Motion to Compel responses to all of the disputed Interrogatories on the following day, March 23. Laurel's correspondence did not specify any particular concerns other than generally characterizing its own Interrogatories

as reasonable and relevant. Laurel did not express a willingness to compromise or engage in meaningful discussion regarding its concerns. Laurel did not suggest a phone call to see if the parties could find compromise and agreement to at least resolve some of the objections.² Rather, Laurel indicated that its Motion to Compel would be a foregone conclusion, as Laurel expressed a belief that all of its requests were reasonable and relevant.

Laurel's perfunctory request for other parties to furnish any proposed solutions for resolving objections fails to demonstrate that a bonafide effort to resolve discovery requests was undertaken by Laurel. As the Indicated Parties had already reviewed the definitions and discovery instructions appended to Gulf's Set I Interrogatories, the Indicated Parties were able to quickly accept Laurel's proposal to resolve objections to Laurel's definitions and discovery instructions by replacing them with those attached to Gulf's Set I Interrogatories. However, with just 24 hours' notice, Gulf and the Indicated Parties did not have time to formulate or discuss proposed solutions for the more complicated task of resolving any substantive objections to Interrogatories.

The Commission encourages informal resolution of discovery disputes because Motions to Compel can result in delays and the consumption of unnecessary resources by other parties as well as administrative resources by Commission personnel, such as the ALJ in reviewing and ruling on a Motion to Compel. In this case, Laurel has filed a Motion to Compel with respect to all of Gulf's objections while failing to demonstrate any due diligence regarding its efforts to informally resolve its concerns. As a result, it is unknown whether Gulf and Laurel could have resolved some or all of the disputed discovery responses through informal discussion. Because

² In contrast to Laurel's approach to resolving discovery disputes, Gulf, upon receiving Laurel's objections to Gulf's discovery requests, promptly reached out to Laurel and was able to negotiate an agreement with Laurel to resolve most of the concerns regarding Laurel's objections to Gulf's First Set of Discovery Requests to Laurel. *See* Gulf Motion to Compel at 1 (filed Feb. 23, 2017) ("Following discussions between both parties, Gulf is not moving to compel Laurel's responses, except with respect [to]...Interrogatory No. 28...").

Laurel did not comply with the ALJ's explicit instructions to engage in meaningful efforts to resolve discovery disputes, Laurel's Motion to Compel should be denied.

Although Gulf strongly contends that Laurel's Motion to Compel should be rejected outright on the aforementioned grounds, Gulf additionally sets forth specific responses to Laurel's Motion to Compel below.

B. Specific Responses

Laurel Set I, No. 1

Laurel to Gulf, Set I, Request No. 1

With reference to Gulf's claim in paragraph 18 of its protest that there exist a "lack of service alternatives for Laurel's current shippers"

- a. Please provide records showing by month and by product type, the quantity of refined petroleum products lifted out of Gulf's terminal in Coraopolis, PA from January 1, 2012 to February 1, 2017.
- b. Please ensure that all information provided in response to subpart (a) identifies the pipeline, or barge on which such product originated.
- c. Please provide records showing by month and by product type, the quantity of refined petroleum products lifted out of Gulf's terminal in Pittsburgh, PA from January 1, 2012 to the Present.
- d. Please ensure that all information provided in response to subpart (c) identifies the pipeline, or barge on which such product originated.
- e. Please provide records showing by month and by product type, the quantity of refined petroleum products lifted out of Gulf's terminal in Delmont, PA from January 1, 2012 to the Present.
- f. Please ensure that all information provided in response to subpart (e) identifies the pipeline, or barge on which such product originated.
- g. Please provide records showing by month and by product type, the quantity of refined petroleum products lifted out of Gulf's terminal in Altoona, PA from January 1, 2012 to the Present.
- h. Please ensure that all information provided in response to subpart (g) identifies the pipeline, or barge on which such product originated.

- i. Please identify the amount of refined product by month and by product type that Gulf has purchased from other parties who shipped this refined product on Laurel from January 1, 2012 to the Present.
- j. Please identify the amount of refined product by month and by product type that Gulf has transported to one of the terminals identified in subparts (a), (c), (e), or (g) by either a non-Buckeye pipeline or by barge from January 1, 2012 to February 1, 2017.

Gulf Answer to Laurel Motion to Compel Request No. 1

In Laurel's Motion to Compel Gulf's responses to this request, Laurel claims it is merely seeking "*basic information* about the different products and quantities of products that are lifted from Gulf's terminals across Pennsylvania." Motion, p. 4, (emphasis added). To be clear, Gulf's objection pertains to relevancy, not to the complexity of the information being sought. Whether the requested information should be considered basic or complex is immaterial to the determination of its relevancy.

Laurel's attempt to show relevancy misconstrues the issues raised by parties in this proceeding. Laurel's Motion to Compel conflates the market impacts referenced in Gulf's Protest with Gulf's individual share of the market, which is irrelevant to an assessment of impact of Laurel's proposed reversal. Laurel claims "it is relevant to review the types and quantities lifted out of Gulf's terminals in Pittsburgh to assist in determining how the Pittsburgh market will be affected." Motion, pp. 4-5. Laurel fails to demonstrate **why** such information is relevant.

Such data falls outside the scope of issues in this proceeding and is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). Gulf's Protest addressed the lack of alternatives resulting from the proposed reversal for the entire Pittsburgh market. *See* Gulf Protest, p. 17. This statement cannot be supported or discredited by pointing to shipping records specific to Gulf. Even if Laurel obtained shipment volumes from Gulf and every other intervenor in this proceeding, these individual shipping records would not show the impact of Laurel's proposed reversal upon the Pittsburgh market.

Contrary to Laurel's representation, the alleged harm to Gulf is not tied to the specific volumes transported by Gulf over some historical period, but rather is occasioned by Gulf's participation in the product markets impacted by Laurel's proposed reversal. Simply put, Laurel's proposed reversal will eliminate pipeline access to East Coast suppliers for the Pittsburgh market. The Commission must determine whether this proposal would benefit the public or harm the public. Whether Gulf ships 5,000 bbls/month or 50,000 bbls/month would not impact the Commission's determination with respect to this critical matter. As a result, Laurel's Interrogatory constitutes a fishing expedition for shipper-specific information that is unrelated to the claims made by either Laurel or Gulf.

Laurel's reference to Gulf's Interrogatory Set I, Question No. 12 further underscores the irrelevance of the requested information. Gulf's Question No. 12 relates to aggregate volumes shipped on Laurel's pipeline, not individual shipper volumes.

Finally, Laurel's suggestion that information on volumes lifted from Gulf's terminal is necessary to assess whether such volumes are disseminated to the public makes little sense. Laurel bases its relevancy claim apparently on an allegation that Gulf ships products to its terminals without an intention of ever further lifting, or having a market participant lift, such product from the terminal for dissemination to the public. *See* Motion, p. 6. Gulf is not in the business of transporting product through Laurel to a Gulf-owned terminal for the purpose of storing such product there indefinitely. To suggest otherwise, as Laurel ostensibly does, is illogical. Thus, Laurel's request is not "reasonably calculated" to lead to discovery of admissible evidence.

Laurel to Gulf, Set I, Request No. 2

With reference to Gulf's claim in paragraph [23]³ that the relationship or connection between and among origin and delivery points is what defines the service at issue in this proceeding

- a. Please identify by month and by product type the refinery that produced all refined petroleum products lifted out of Gulf's terminal in Coraopolis, PA from January 1, 2012 to February 1, 2017; to the extent Gulf does not capture such information please so state.
- b. Please identify by month and by product type the refinery that produced all refined petroleum products lifted out of Gulf's terminal in Pittsburg, PA from January 1, 2012 to February 1, 2017; to the extent Gulf does not capture such information please so state.
- c. Please identify by month the refinery and by product type that produced all refined petroleum products lifted out of Gulf's terminal in Delmont, PA from January 1, 2012 to February 1, 2017; to the extent Gulf does not capture such information please so state.
- d. Please identify by month and by product type the refinery that produced all refined petroleum products lifted out of Gulf's terminal in Altoona, PA from January 1, 2012 to February 1, 2017; to the extent Gulf does not capture such information please so state.

Gulf Answer to Laurel Motion to Compel Request No. 2

Gulf adopts the reasons and objections stated above in Gulf's Answer to Laurel's Motion to Compel Gulf's response to Laurel's Request No. 1. Gulf's individual shipments are not relevant to the impact of Laurel's proposed reversal.

Further, Laurel contends that "information regarding the refineries that produce the petroleum products lifted at Gulf's terminals is relevant to Gulf's claims in this proceeding and should be evaluated to determine the level of harm alleged by both Gulf and the refineries in this proceeding." Motion, p. 7, Laurel's assertions of relevancy as to Gulf are not grounded in the facts. Gulf had alleged in its Protest that "Laurel's argument is inherently wrong and deceptive because the reality is that the relationship or connection between and among origin and delivery point is what defines the service that is subject to the Commission's jurisdiction." See Gulf Protest, p. 7. The refinery supplying product to Laurel's pipeline is distinct from the origin point

³ See Gulf's Protest, Docket No. A-2016-2575829, at ¶ 23 (filed Feb. 1, 2017) (hereinafter "Gulf Protest").

on Laurel's Pipeline. For example, the two origin points for products on Laurel's pipeline in the Philadelphia area are Chelsea Junction and Girard Point. This information is distinct from the supplying refinery. Accordingly, the origins of the product with respect to specific refineries has no bearing on the movement from origin to delivery point on Laurel's pipeline. As such, Laurel's Interrogatory is not reasonably calculated to produce admissible evidence.

Laurel further asserts in its Motion to Compel that it "is necessary to quantify the harm Gulf has alleged it will suffer as a result of reversal." Motion, p. 7. Gulf in its Protest emphasized the impact and general harm to the Pittsburgh market and, as a consequence of that general harm, harm to Gulf. Gulf's protest did not discuss any specific operational impact to Gulf separate and apart from the harm that Gulf will suffer as one of many participants in the Pittsburgh market. The harm alleged by Gulf relates to the broader impact upon market participants who could lose pipeline access to East Coast product upon any approval of the proposed reversal. As explained in Gulf's above Answer to Laurel's Request No. 1, only aggregated market data should be considered in assessing the market impact and related harms of Laurel's proposed reversal. Gulf is prepared to present expert testimony, as it did as part of its Protest, to substantiate its claims regarding such impact. Laurel should not be permitted to troll for market information that is specific to individual shippers.

Laurel Set I, No. 3

Laurel to Gulf, Set I, Request No. 3

With reference to Gulf's statement in paragraph 25 of its protest that "For approximately 60 years both shippers on Laurel's line and other market participants have invested resources in developing complementary infrastructure to facilitate east-to-west transportation of gasoline and diesel"

- a. Please identify all investments that either (i) Gulf, or (ii) other companies whose investments are known to Gulf, made at Coraopolis, PA for the past 60 years that facilitate east-to-west transportation of gasoline and/or diesel.

- b. Please identify all investments that either (i) Gulf, or (ii) other companies whose investments are known to Gulf made at Coraopolis, PA that facilitate the west-to-east transportation of gasoline and/or diesel.
- c. Please state whether it is Gulf's belief that if Laurel's application is approved it will be forced to abandon, idle or write-down any investment made at Coraopolis, PA, and provide a detailed narrative explanation of the basis of this belief.
- d. Please identify all investments that either (i) Gulf, or (ii) other companies whose investments are known to Gulf made at Pittsburgh, PA for the past 60 years that have facilitate east-to-west transportation of gasoline and/or diesel.
- e. Please identify all investments that either (i) Gulf, or (ii) other companies whose investments are known to Gulf made at Pittsburgh, PA that facilitate the west-to-east transportation of gasoline and/or diesel.
- f. Please state whether it is Gulf's belief that if Laurel's application is approved it will be forced to abandon, idle or write-down any investment made at Pittsburgh, PA, and provide a detailed narrative explanation of the basis of this belief.
- g. Please identify all investments that either (i) Gulf, or (ii) other companies whose investments are known to Gulf made at Delmont, PA for the past 60 years that have facilitate east-to-west transportation of gasoline and/or diesel.
- h. Please identify all investments that either (i) Gulf, or (ii) other companies whose investments are known to Gulf made at Delmont, PA that facilitate the west-to-east transportation of gasoline and/or diesel.
- i. Please state whether it is Gulf's belief that if Laurel's application is approved it will be forced to abandon, idle or write-down any investment made at Delmont, PA, and provide a detailed narrative explanation of the basis of this belief.
- j. Please identify all investments that either (i) Gulf, or (ii) other companies whose investments are known to Gulf, made at Altoona, PA for the past 60 years that have facilitate east-to-west transportation of gasoline.
- k. Please identify all investments that either (i) Gulf, or (ii) other companies whose investments are known to Gulf made at Altoona, PA that facilitate the west-to-east transportation of gasoline and/or diesel.
- l. Please state whether it is Gulf's belief that if Laurel's application is approved it will be forced to abandon, idle or write-down any investment made at Altoona, PA, and provide a detailed narrative explanation of the basis of this belief.

Gulf Answer to Laurel Motion to Compel Request No. 3

Gulf objected to Request No. 3 to the extent it would impose an unreasonable burden on Gulf and would require Gulf to undertake an unreasonable investigation. *See* 52 Pa. Code §§ 5.361(a)(2), (4). In Laurel's Motion to Compel Gulf's response to Request No. 3, Laurel attempts to compel a response by Gulf to Request No. 3 on the grounds of relevancy. Gulf did not object on the grounds of relevancy. Accordingly, Laurel does not respond directly to Gulf's objections to explain how responding to Request No. 3 would not be unduly burdensome and require Gulf to engage in unreasonable investigation.

Particularly when considered within the context of the referenced statement, requiring Gulf to identify and itemize all investments made over the past 60 years would impose an undue burden and require Gulf to undertake an unreasonable investigation. Gulf did not arbitrarily select a 60-year time period. The referenced time period is an approximation of the duration of Laurel's pipeline operation dating back to the issuance of its Certificate of Public Convenience in 1957. *See* Gulf Protest, pp. 7-8. While Gulf generally stated that shippers and market participants have invested resources in complementary infrastructure throughout Laurel's operation of its pipeline, the request to identify all such investments over 60 years would impose an unreasonable burden upon Gulf, particularly where Gulf has not alleged a particular level or scope of such investment.

Laurel Set I, No. 4

Laurel to Gulf, Set I, Request No. 4

With reference to Gulf's discussion of Laurel's alleged return on its current operations

- a. Please identify the reports to which Gulf refers and provide all workpapers showing the calculation that causes Gulf to believe this return is reasonable.
- b. Please provide all documents showing the return Gulf believes it is earning on its terminal at Coraopolis, PA.

- c. Please provide all documents showing the return Gulf believes it is earning on its terminal at Pittsburgh, PA.
- d. Please provide all documents showing the return Gulf believes it is earning on its terminal at Delmont, PA.
- e. Please provide all documents showing the return Gulf believes it is earning on its terminal at Altoona, PA.

Gulf Answer to Laurel Motion to Compel Request No. 4

As explained in its objections, Gulf's current returns on its terminal investments have no bearing on the issues raised in this proceeding. Gulf is not a PUC-regulated entity subject to public interest determinations on its allowed rate of return under Section 13 of the Public Utility Code.

The impact on Gulf's margins and Gulf's overall return is not relevant and is beyond the scope of the issues raised in this proceeding. The return that Gulf earns includes many variables entirely irrelevant to the regulatory issues before the Commission, including Gulf's internal overhead costs, capital investments, and operating efficiencies. The information sought by Laurel in this request seeks information related to Gulf's internal business operations with no relation to the issue presented by Laurel's Application or raised in Gulf's Protest.

Laurel Set I, No. 9

Laurel to Gulf, Set I, Request No. 9

With reference to Gulf's statement in Paragraph 33 that Philadelphia area refineries are dependent on Laurel for access to the Pittsburgh market,

- a. Please provide by month from January 1, 2012 to the present the total of all barrels of refined product (separated by terminal, product type and grade) that Gulf has purchased from the refinery now owned by Philadelphia Energy Solutions (and its predecessors) and used to supply the Pittsburgh market (this question applies to all barrels sourced from the refinery, regardless of whether they were purchased from the refinery owner or another entity).
- b. Please provide by month from January 1, 2012 to the present the total of all barrels of refined product (separated by terminal, product type and grade) that Gulf has purchased

from the refinery now owned by Monroe Energy (and its predecessors) and used to supply the Pittsburgh market (this question applies to all barrels sourced from the refinery, regardless of whether they were purchased from the refinery owner or another entity).

- c. Please provide by month from January 1, 2012 to the present all barrels of refined product (separated by terminal, product type and grade) that Gulf has purchased from the refinery now owned by PBF Energy at Delaware City, DE (and its predecessors) and used to supply the Pittsburgh market (this question applies to all barrels sourced from the refinery, regardless of whether they were purchased from the refinery owner or another entity).
- d. Please provide by month from January 1, 2012 to the present all barrels of refined product (separated by terminal, product type and grade) that Gulf has purchased from the refinery now owned by PBF Energy at Paulsboro, NJ (and its predecessors) and used to supply the Pittsburgh market (this question applies to all barrels sourced from the refinery, regardless of whether they were purchased from the refinery owner or another entity).

Gulf Answer to Laurel Motion to Compel Request No. 9

Gulf adopts the reasons and objections stated above in Gulf's Answer to Laurel's Motion to Compel Gulf's response to Laurel's Request No. 2. The origins of the product with respect to specific refineries have no bearing on the movement from origin to delivery point on Laurel's pipeline. Accordingly, Laurel's Interrogatory in Request No. 9 is not reasonably calculated to produce admissible evidence.

Laurel Set I, No. 12.b.

Laurel to Gulf, Set I, Request No. 12

With reference to Gulf's claim in Paragraph 43 that the reversal could increase delivery costs to Pittsburgh consumers by \$68 million annually

- a. Please provide all internal studies, analyses or other materials in which Gulf estimated how the reversal would increase delivered costs to Pittsburgh consumers.
- b. Please provide all documents relied upon by management showing the margin or any other measure of profit Gulf has earned from refined products delivered to the Pittsburgh market from January 1, 2012 to the present.

Gulf Answer to Laurel Motion to Compel Request No. 12(b)

Gulf adopts the reasons and objections stated above in Gulf's Answer to Laurel's Motion to Compel Gulf's response to Laurel's Request No. 4. Gulf's current returns on its terminal investments have no bearing on the issues raised in this proceeding. Laurel in Request No. 12(b) seeks information related to Gulf's internal business operations that bears no relation to the issues presented by Laurel's Application or raised in Gulf's Protest.

Laurel Set I, No. 13

Laurel to Gulf, Set I, Request No. 13

With reference to Gulf's discussion of alternative markets in New York City, Upstate New York and Central Pennsylvania in Paragraph 44

- a. Please provide by month and product type the amount of product that Gulf has delivered to New York City from January 1, 2012 to the present.
- b. With regard to material provided in response to subpart (a) please ensure that each supply source is listed separately (e.g. if a certain amount of gasoline was shipped to upstate New York City using Colonial and a different amount was shipped to New York City via Harbor pipeline please so state).
- c. Please provide by month and product type the amount of product that Gulf has delivered to Upstate New York from January 1, 2012 to the present.
- d. With regard to material provided in response to subpart (c) please ensure that each supply source is listed separately.
- e. Please provide by month and product type the amount of product that Gulf has delivered to Central Pennsylvania from January 1, 2012 to the present.
- f. With regard to material provided in response to subpart (e) please ensure that each supply source is listed separately.

Gulf Answer to Laurel Motion to Compel Request No. 13

Gulf adopts the reasons and objections stated above in Gulf's Answer to Laurel's Motion to Compel Gulf's response to Laurel's Request No. 1. Gulf's individual shipments to these other markets in New York City, Upstate New York, and Central Pennsylvania are not relevant to the impact of Laurel's proposed reversal. In Gulf's Protest, Gulf alleged that these other markets are

not viable alternatives for shipment of product from the Philadelphia area refineries once Pittsburgh is no longer an available delivery market after the reversal. Gulf Protest, p. 18. Critically, these markets are already supplied by other market participants and would generally offer lower revenues for Philadelphia-area shippers and market participants, assuming the volumes displaced from Laurel could even find a market. *See id.* Showing the volumes that Gulf currently ships to these markets does not provide any evidence as to whether these markets can absorb additional capacity. Accordingly, Laurel's Request No. 13 seeks information beyond the scope of discovery that is not reasonably calculated to produce admissible evidence. *See* 52 Pa. Code § 5.321(c).

Laurel Set I, No. 14

Laurel to Gulf, Set I, Request No. 14

With reference to Gulf's discussion in Paragraph 42 regarding supply sources to Pittsburgh that will be eliminated after the reversal

- a. Please provide by month, delivery terminal, and product type from January 1, 2012 to the present the amount of refined product that Gulf purchased from Philadelphia Energy Solutions Refinery for delivery in the Pittsburgh market.
- b. Please provide by month, delivery terminal, and product type from January 1, 2012 to the present the amount of refined product that Gulf purchased from Monroe Energy's Trainer Refinery for delivery in the Pittsburgh market.
- c. Please provide by month, delivery terminal, and product type from January 1, 2012 to the present the amount of refined product that Gulf purchased from PBF Delaware City Refinery for delivery in the Pittsburgh market.
- d. Please provide by month, delivery terminal, and product type from January 1, 2012 to the present the amount of refined product that Gulf purchased from PBF Paulsboro Refinery for delivery in the Pittsburgh market.
- e. Please provide by month, delivery terminal, and product type from January 1, 2012 to the present the amount of refined product that Gulf purchased from Gulf Coast supply via Colonial Pipeline for delivery in the Pittsburgh market.
- f. Please provide by month, delivery terminal, and product type from January 1, 2012 to the present the amount of refined product that Gulf purchased from NY Harbor imports for delivery in the Pittsburgh market.

- g. Please provide by month, delivery terminal, and product type from January 1, 2012 to the present the amount of refined product that Gulf purchased from Philadelphia imports for delivery in the Pittsburgh market.
- h. Please provide by origin (i.e., refinery, terminal complex, etc.), month, delivery terminal, and product type from January 1, 2012 to the present the amount of refined product that Gulf purchased for delivery in the Pittsburgh market that was not from one of the sources listed in response to subparts (a)-(g).

Gulf Answer to Laurel Motion to Compel Request No. 14

Gulf adopts the reasons and objections stated above in Gulf's Answer to Laurel's Motion to Compel Gulf's response to Laurel's Request No. 1. Gulf's individual shipments and purchases from particular refineries are not relevant to the impact of Laurel's proposed reversal. In Gulf's Protest Gulf alleged that the proposed reversal will eliminate pipeline deliveries from these refineries (which depend on Laurel's pipeline for access) to the Pittsburgh area. *See* Gulf Protest, p. 17. Gulf's historical purchases from these refineries during periods where Laurel's pipeline was in service would not produce information relevant to Gulf's claim that these refineries depend on Laurel's pipeline for access to such markets. Therefore, Laurel's Request No. 14 seeks information beyond the scope of discovery that is not reasonably calculated to produce admissible evidence. *See* 52 Pa. Code § 5.321(c).

Laurel Set I, No. 16

Laurel to Gulf, Set I, Request No. 16

With reference to Gulf's statement in Paragraph 50 that Laurel's application differs significantly from Sunoco Pipeline's ("SPLP") proposed tariff change in that no customers were impacted by the SPLP tariff:

- a. Please provide the basis for this statement.
- b. Please state whether Gulf shipped product on the SPLP tariff, and if so please provide by origin and destination pair, by month and by product type the amount that Gulf shipped on the SPLP tariff.

- c. Please state whether Gulf ships product on Sunoco's new line, known as Allegheny Access, and if so provide by origin and destination pair, by month and by product type the amount Gulf ships on Allegheny Access.
- d. Please provide all studies, analyses or other materials that Gulf or its predecessors conducted when assessing whether to object to SPLP's tariff change.
- e. Please provide all studies, analyses or other materials that Gulf or its predecessors conducted when assessing whether to become committed shippers on the Allegheny Access pipeline.

Gulf Answer to Laurel Motion to Compel Request No. 16

Gulf adopts the reasons and objections stated above in Gulf's Answer to Laurel's Motion to Compel Gulf's response to Laurel's Request No. 1. Information pertaining to Gulf's individual shipments is not relevant to the impact of Laurel's proposed reversal. Additionally, any use by Gulf of the Allegheny Access line is not relevant to Gulf's assertions with regard to alternatives for accessing East Coast product, as the Allegheny Access line is not connected to East Coast supply.⁴ Furthermore, Gulf's analysis of the prior SPLP reversal, even if different from its analysis of Laurel's proposed reversal, would not provide any probative evidence to the public interest impacts of Laurel's proposed reversal. Therefore, Laurel's Request No. 16 seeks information beyond the scope of discovery that is not reasonably calculated to produce admissible evidence. *See* 52 Pa. Code § 5.321(c).

⁴ *See* <http://sxlpipelineprojects.com/projects/allegheny-access/>.

III. CONCLUSION

WHEREFORE, the Gulf respectfully requests that Your Honor deny Laurel's Motion to Compel.

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By 

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