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April 20, 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 the Petition of Gulf Operating, LLC, Philadelphia Energy Solutions Refining & Marketing, LLC, Sheetz, Inc., Monroe Energy, Inc., and Giant Eagle, Inc. for Interlocutory Review of a Material Question, 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
and Sheetz, Inc.

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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Certificate of Service

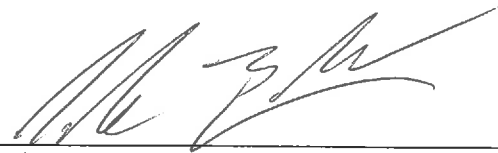
Docket No. A-2016-2575829 and G-2017-2587567

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Counsel to Gulf Operating, LLC and Sheetz, Inc.

Dated this 20th day of April, 2017, in Harrisburg, Pennsylvania.

**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.	:	

**PETITION OF GULF OPERATING, LLC; PHILADELPHIA ENERGY SOLUTIONS
REFINING & MARKETING, LLC; SHEETZ, INC.; LLC, MONROE ENERGY, INC.; AND
GIANT EAGLE, INC. FOR INTERLOCUTORY REVIEW OF A MATERIAL QUESTION**

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

1. Gulf Operating, LLC ("Gulf"), Philadelphia Energy Solutions Refining & Marketing, LLC ("PESRM"), Sheetz, Inc. ("Sheetz"), Monroe Energy, Inc. ("Monroe"), and Giant Eagle, Inc. ("Giant Eagle") (collectively "Indicated Parties"), by undersigned counsel and pursuant to 52 Pa. Code § 5.302, respectfully submit this Petition for Interlocutory Review of a Material Question ("Petition") requesting that the Pennsylvania Public Utility Commission ("PUC" or "Commission") answer a Material Question that has arisen in the above-captioned proceeding.

2. The proposed Material Question is as follows:

In reviewing the Application of Laurel Pipe Line Company ("Laurel") filed on November 14, 2016 ("Application"), which avers that Commission approval for changes in flow direction of an intrastate petroleum pipeline certificated previously by the Commission as a public utility, is not required and seeks Commission confirmation that Laurel may reinstate the initial direction of flow at Laurel's discretion in the future, is data and information about any plans to further reverse flows easterly beyond the point referenced in the Application (*i.e.*, Eldorado) relevant to the Commission's determination that the relief requested in the Application is in the public interest?

3. Proposed Answer: Yes.

4. A resolution of the Material Question is necessary to expedite the conduct of the above-referenced proceeding and prevent substantial prejudice to the Indicated Parties that would otherwise result and cannot be cured during the ordinary course of Commission review.

5. On November 14, 2016, Laurel filed the Application with the PUC proposing to implement a partial reversal of flow on its PUC-jurisdictional petroleum pipeline. On February 1, 2017, each of the Interested Parties filed a Protest and/or Petition to Intervene in response to the Application.

6. On February 3 and 6, 2017, Gulf and PESRM respectively submitted Set I Interrogatories to Laurel. Following submission of timely Objections from Laurel, Gulf and PESRM filed a Motion to Compel a response to Gulf Set I Interrogatory No. 28 and PESRM Set I Interrogatory No. 1, both of which requested the following information:

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.

7. On March 8, 2017, the presiding Administrative Law Judge ("ALJ") issued Prehearing Order No. 3 denying Gulf's and PESRM's Motions to Compel. Consistent with the PUC's regulations, Gulf and PESRM filed a Petition for Certification of a Material Question ("Petition for Certification") asking the ALJ to certify her ruling on the Motion to Compel to the Commission for review. On March 27, 2017, the ALJ issued an Order denying the Petition for Certification ("Order on Certification").

8. While the Indicated Parties do not further contest the ALJ's resolution of the discovery matters disposed of in Prehearing Order No. 3 and the Order on Certification, the findings therein raise the broader question that must be addressed by the Commission to prevent substantial prejudice to the Indicated Parties. Regardless of the ALJ's findings on specific discovery questions, the Indicated Parties believe the Commission must timely define and clarify the scope of the issues raised by the Application that can be litigated in this proceeding. Disputes over the scope of the issues in an evidentiary hearing are appropriate for interlocutory review without certification from the presiding ALJ.¹

9. Laurel's proposal that the current and future flow reversals on its PUC-jurisdictional pipeline can be implemented without Commission approval places the Indicated Parties at risk of further east-to-west service abandonment without notice or regulatory oversight, particularly in light of recent press reports contradicting Laurel's assertion that it does not intend to reverse flows east of Eldorado.² In addition, scrutiny of any future flow reversals is critical *now* because – as Laurel has asserted in its Application to this Commission – changes in the direction of shipments on the Laurel pipeline could change the intrastate nature of the line and eliminate the Commission's jurisdiction and regulatory oversight in the future.³ Indeed, Laurel

¹ *Re Structural Separation of Bell Atlantic-Pennsylvania, Inc. Retail and Wholesale Operations*, 2000 Pa. PUC LEXIS 49, *12 (July 20, 2000); *see also Investigation Regarding Intrastate Access Charges and IntraLATA Toll Rates of Rural Carriers and the Pennsylvania Universal Service Fund; AT&T Communications of Pennsylvania, LLC, et al.; v.; Armstrong Telephone Company-Pennsylvania et al.*, 2009 Pa. PUC LEXIS 2061, *21 (January 1, 2001).

² *See Laurel Pipeline Gets More Gasoline Barrels on Chicago Price Spike*, Oil Price Information Service (January 4, 2017).

³ *See* Paragraph 32 of the Application that states in part that "[t]he proposed change in direction of service also would change the jurisdictional authority responsible for the service from the Commission to FERC."

has already proposed via a new Capacity Agreement to allocate substantial capacity on the Laurel pipeline to its affiliate specifically to engage in *interstate* (i.e., FERC-jurisdictional) operations. Exploration of Laurel's plans is also necessary to determine whether the relief requested in the Application complies with the applicable public interest standards specified in the Public Utility Code. The adverse impacts of Laurel's Application are dramatically amplified, and the Commission's continuing jurisdiction over the Laurel pipeline is jeopardized, if Laurel's "real" intent is to reverse flows on its pipeline to points east of Eldorado. Absent clarification of this critical and threshold scope issue, the Indicated Parties cannot properly conduct discovery and prepare testimony addressing the economic and operational impacts of the Application. Accordingly, resolution of this Material Question through the normal litigation process would very likely result in a remand of this significant proceeding. As a result, interlocutory review of the Material Question is necessary to avoid prejudice and expedite the conduct of this proceeding.

10. **WHEREFORE**, the Indicated Parties request that the Commission grant this Petition for Interlocutory Review and answer the Material Question in the affirmative.

Respectfully submitted,

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Dated: April 20, 2017