

July 13, 2017

VIA ELECTRONIC FILING

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

RE: Application of Laurel Pipe Line Company, L.P. for Approval to Change 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:

On behalf of Sunoco, LLC ("Sunoco"), this is an update of Sunoco's to include a new witness, David S. Kistler (a copy of the original Prehearing Memorandum is attached hereto). Mr. Kistler will address Sunoco's objections to the Laurel Pipe Line flow reversal.

Sunoco reserves the right to identify and present additional witnesses in this proceeding. The Presiding Officer of this proceeding, Administrative Law Judge Eranda Vero, is being provided a copy of this correspondence via email and first class mail.

Respectfully submitted,



Andrew S. Levine

cc: The Honorable Eranda Vero
Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Laurel Pipeline 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 SUNOCO, LLC**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE ERANDA VERO:

Sunoco, LLC (“Sunoco”) hereby submits this Prehearing Conference Memorandum in accordance with 52 Pa. Code § 5.222 of the regulations of the Pennsylvania Public Utility Commission (“Commission”) and the Prehearing Conference Order of the Administrative Law Judge (“ALJ”) dated February 7, 2017.

I. INTRODUCTION AND BACKGROUND

On November 14, 2016, Laurel Pipeline Company, L.P. (“Laurel” or “Applicant”) filed an Application 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 (“Application”). Under its existing Certificate of Public Convenience, Laurel is authorized to transport, store and distribute petroleum products by means of pipeline and appurtenances for the public in and across Pennsylvania. Pursuant to that authority and under currently effective tariffs, Laurel currently transports petroleum products from east to west - from points of origin near Philadelphia to destination points across the Commonwealth, terminating west of Pittsburgh. Additionally, Laurel assigns a portion of its

capacity to Buckeye Pipe Line Company, L.P., which is used to provide interstate transportation service from origin points in New Jersey and Delaware to destinations in Pennsylvania.

As noted by the Application, long-developing changes in crude petroleum supplies for refineries and the petroleum products market have generally increased the volumes and decreased the relative price of Midwestern product supplies. Through its proposal to reverse flow on part of the Western Pennsylvania portion of its pipeline system to allow petroleum products to move in an eastbound direction to the Altoona destination point known as “Eldorado,” the additional eastbound pipeline capacity will provide consumers in Western and Central Pennsylvania increased access to generally lower-priced Midwestern gasoline and petroleum products. Importantly, the change in direction of service will also provide an additional Midwest source of petroleum products in the event of a disruption of East Coast supplies.

By its Application, Laurel requests that the Commission either determine that approval is not required for this change in service or grant all necessary approvals and permit Laurel to change the direction of its petroleum products transportation service. Because Laurel is not seeking to change the certificate authority granted to it by the Commission and because all current origin and destination points will continue to receive pipeline delivery service under the proposed reconfiguration, Laurel further requests that the Commission confirm that Laurel possesses the authority to reinstate the current direction of service in the future.

Pursuant to a Notice published in the *Pennsylvania Bulletin* on December 17, 2016, 46 Pa.B. 7921, petitions to intervene are due on or before February 1, 2017. HMSC filed a Petition to Intervene on January 31, 2017 in support of the Application.

In the Petition to Intervene, Sunoco noted that it subject to specific requirements pursuant to Pennsylvania’s Department of Environmental Protection (“DEP”) with respect to providing

specific Reid Vapor Pressures (“RVP”) with respect to gasoline that it provides to customers, whether summer or winter grade gasolines. These RVPs are mandated by the DEP with respect to volatilization of the gasoline during differing seasons. Sunoco noted that supplies of so-called summer gasoline can be restricted from sources to the west of Pittsburgh and historically has relied upon eastward flow to secure sufficient volumes for customer demand and to meet DEP requirements. Laurel’s proposal to reverse flow from Pittsburgh renders the supply at risk, and will result in the restriction of sources from which Sunoco can procure compatible gasoline products.

On February 6, 2017, Laurel filed a Capacity Agreement at Docket No. G-2017-2587567. On February 7, 2017, Laurel filed a Motion to Consolidate the Commission’s consideration of the Capacity Agreement with the above-captioned Application proceedings.

By the ALJ’s Prehearing Conference Order, prehearing conference memoranda from full service list participants are due by February 13, 2017. Under the Prehearing Conference Order, full service lists participants are required to include an answer to Laurel’s Motion to Consolidate in their prehearing conference memoranda.

II. SERVICE OF DOCUMENTS

Sunoco requests that all documents be served on:

Andrew S. Levine
Stradley, Ronon
2600 One Commerce Square
Philadelphia, PA 19103
alevine@stradley.com
215-564-8073

Sunoco agrees to receive electronic service of documents in this proceeding and does not require hard copies follow. If materials are disseminated electronically, it is requested that copies be sent to alevine@stradley.com.

III. DISCOVERY

Sunoco proposes no modifications to the discovery rules that are set forth in the Commission's regulations.

IV. PROPOSED SCHEDULE

Sunoco supports the schedule proposed by Applicant.

V. WITNESSES

At this early point in the proceeding, Sunoco has not identified any witnesses. However, Sunoco reserves the right to call witnesses to address any issues that have been or are later raised during the course of the proceeding and will identify such additional witnesses within a reasonable period of time prior to the commencement of hearings.

VI. ISSUES

Sunoco's interest in this proceeding is due to its role as a retailer requiring sufficient and dependable supplies of low RVP gasoline at key times during summer months. Sunoco has historically suffered from insufficient flow of such product from sources to the west of the Pittsburgh market, and has consistently needed to obtain supply from the east, with the Laurel Pipe Line providing a key supply chain to Sunoco.

The reversal of this portion of the Laurel pipeline would likely endanger the reliability of supply of low RVP gasoline that Sunoco is required to sell during the Summer months.

Sunoco intends to demonstrate that the reversal of flow as requested by the Applicant will adversely impact supply of low RVP gasoline to the detriment of both Sunoco and its customers, who may be required to pay higher costs attributable to more distant sources of low RVP product. which will complement and supplement the views advanced by the Applicant - a pipeline company. Sunoco will advocate against the approval of the Application so that it is able

to meet the market demand for the movement of competitively-priced eastern-sourced petroleum to points in and around Pittsburgh.

VII. MOTION TO CONSOLIDATE

Sunoco does not object to Laurel's Motion to Consolidate.

VIII. PROTECTION OF CONFIDENTIAL INFORMATION

To the extent confidential Sunoco information is requested, Sunoco will provide it on a restricted basis in accordance with an appropriate Protective Order that is issued in this proceeding.

IX. SETTLEMENT

Sunoco is willing to engage in settlement discussions with the parties, with the objective of achieving a mutually acceptable resolution of this matter, subject to the Commission's approval.

Respectfully submitted,



Andrew S. Levine
I.D. No. 42645
Stradley, Ronon
2600 One Commerce Square
Philadelphia, PA 19103
Counsel for Sunoco, LLC

Dated: February 13, 2017

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Laurel Pipe Line Company, :
L.P. for All Necessary Authority, :
Approvals, and Certificates of Public : Docket No. A-2016-2575829
Convenience to Change the Direction of :
Petroleum Products Transportation Service :
to Delivery Points West of Eldorado, :
Pennsylvania :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of foregoing document upon the parties and in the manner listed below:

Via First Class Mail and Email

Heidi L. Wushinske, Esquire
Michael L. Swindler, Esquire
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
The Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, PA 17105-3265
hlwushinske@pa.gov
mwindler@pa.gov

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

Robert A. Weishaar, Jr.
McNees Wallace & Nurick LLC
777 North Capitol Street, NW
Suite 401
Washington, DC 20002
rweishaar@mcneeslaw.com
Counsel for Gulf Operating, LLC and Sheetz, Inc.

Susan E. Bruce
Adeolu A. Bakare
Kenneth R. Stark
McNees Wallace & Nurick LLC
P.O. Box 1166
Harrisburg, PA 17108-1166
sbruce@mcneeslaw.com
abakare@mcneeslaw.com
kstark@mcneeslaw.com
*Counsel for Gulf Operating, LLC and
Sheetz, Inc.*

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

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

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

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

Via Email Only

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