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August 14, 2017

VIA ELECTRONIC FILING

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**

**Laurel Pipe Line Company, L.P. - Pipeline Capacity Agreement with Buckeye Pipe Line Company, L.P.
Docket No. G-2017-2587567**

Dear Secretary Chiavetta:

Enclosed please find the Motion to Compel Answers to Interrogatories and Requests for Production of Documents Propounded by Laurel Pipe Line Company, L.P. on Sheetz, Inc., Set II 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

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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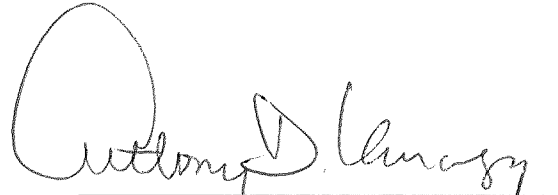
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Date: August 14, 2017



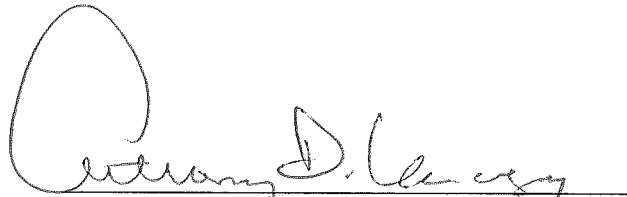
Anthony D. Kanagy

**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 Change the Direction of Petroleum Products Transportation Service to Delivery Points West of Eldorado, Pennsylvania	:	:	Docket No. A-2016-2575829
Laurel Pipe Line Company, L.P. - Pipeline Capacity Agreement with Buckeye Pipe Line Company, L.P.	:	:	Docket No. G-2017-2587567

NOTICE TO PLEAD

YOU ARE HEREBY ADVISED THAT, PURSUANT TO 52 PA. CODE § 5.342(g)(1), YOU MAY FILE A REPLY TO THE ENCLOSED MOTION TO COMPEL WITHIN FIVE (5) DAYS AFTER THE DATE OF SERVICE. YOUR REPLY SHOULD BE FILED WITH THE SECRETARY OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION, P.O. BOX 3265, HARRISBURG, PA 17105-3265. A COPY OF YOUR REPLY SHOULD ALSO BE SERVED ON THE UNDERSIGNED COUNSEL.



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Date: August 14, 2017

Counsel for Laurel Pipe Line Company, L.P.

**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	:	
	:	
Laurel Pipe Line Company, L.P. - Pipeline	:	
Capacity Agreement with Buckeye Pipe Line	:	Docket No. G-2017-2587567
Company, L.P.	:	

**MOTION TO COMPEL ANSWERS TO INTERROGATORIES AND REQUESTS
FOR PRODUCTION OF DOCUMENTS
PROPOUNDED BY LAUREL PIPE LINE COMPANY, L.P.
ON SHEETZ, INC., SET II**

TO ADMINISTRATIVE LAW JUDGE ERANDA VERO:

As explained herein, Laurel Pipe Line Company, L.P. (“Laurel” or the “Company”) hereby files, pursuant to 52 Pa. Code § 5.342, this Motion to Compel Answers to its Second Set of Interrogatories and Requests for Production of Documents (“Set II Discovery”) directed to Sheetz, Inc. (“Sheetz”). The Motion to Compel requests that Administrative Law Judge Eranda Vero (the “ALJ”) direct Sheetz to provide full and complete responses to Request Nos. 1(b), 2(a)(i)-(iii),(b)(i),(c)(i)-(iii), 3(d)-(e), 4(a)(ii),(iv),(b)(ii)-(v), 7(a)-(b), 8(a), and 11(b) of the Set II Discovery as is required by 52 Pa. Code § 5.342(a)(4). In support of this Motion, Laurel states as follows:

I. INTRODUCTION

1. On November 14, 2016, Laurel filed the above-captioned Application with the Pennsylvania Public Utility Commission (“Commission”) at Docket No. A-2016-2575829. The Application sought all necessary, authority, approvals and Certificates of Public Convenience, to the extent required, authorizing Laurel to change the direction of its petroleum products

transportation service over a portion of its system west of Eldorado, Pennsylvania, and confirming that Laurel may, in its discretion, reinstate the current direction of service in the future without further Commission approval.

2. On February 1, 2017, Sheetz filed a formal Protest containing specific factual allegations regarding the effects of Laurel's proposal on Sheetz and other entities throughout Pennsylvania.

3. On July 14, 2017, Sheetz served Sheetz Statement No. 1, the Direct Testimony of Michael Lorenz.

4. On July 25, 2017, Laurel served Set II Discovery on Sheetz. A copy of Laurel Set II Discovery to Sheetz is provided as Appendix A hereto.

5. Sheetz objected to Set II Discovery on August 4, 2017. Sheetz objected Request Nos. 1(b), 2(a)(i)-(iii),(b)(i),(c)(i)-(iii), 3(d)-(e), 4(a)(i)-(ii),(iv),(b)(ii)-(v), 7(a)-(b), 8(a)-(c), 11(b), and 13(b). A copy of Sheetz's Objections is provided as Appendix B hereto.

6. Laurel notes that while Sheetz has objected to Request Nos. 8(b)-(c) and 13(b), Sheetz has agreed to answer these questions. Laurel disagrees with Sheetz objections to this question, but is not filing a Motion to Compel as to this question because Sheetz has agreed to answer them.

7. Laurel contacted counsel for Sheetz on August 9, 2017, to consider whether the parties could resolve any of the objections. Counsel for Laurel and Sheetz discussed objections by telephone on August 11, 2017. Laurel is not filing this Motion to Compel with respect to Request No. 4(a)(i). The parties are continuing to attempt to resolve Sheetz's objections, including the objections to Request No. 10(b). To date, however, the parties were not able to

resolve their issues with respect to objections to Request Nos. 1(b), 2(a)(i)-(iii),(b)(i),(c)(i)-(iii), 3(d)-(e), 4(a)(ii),(iv),(b)(ii)-(v), 7(a)-(b), 8(a), and 11(b).

8. Laurel hereby files its Motion to Compel Sheetz to respond to Set II, Request Nos. 1(b), 2(a)(i)-(iii),(b)(i),(c)(i)-(iii), 3(d)-(e), 4(a)(ii),(iv),(b)(ii)-(v), 7(a)-(b), 8(a), and 11(b).

II. ARGUMENT

A. **THE INDICATED PARTIES, INCLUDING SHEETZ, SHOULD NOT BE PERMITTED TO AVOID DISCOVERY ON ANY CLAIM OR ISSUE RAISED IN THEIR DIRECT TESTIMONY; ALTERNATIVELY, SUCH TESTIMONY SHOULD BE STRUCK.**

9. The Indicated Parties, of which Sheetz is a member, have consistently and repeatedly objected to discovery requests from Laurel that seek information directly, and plainly, relevant to the claims, arguments and issues raised in their Direct Testimony. In particular, Laurel has received numerous objections to requests seeking information related to the claims made by the Indicated Parties, either individually or through the jointly-filed testimony of their experts, regarding the economic harms they have claimed will occur as a result of the proposed reversal. Rather than provide Laurel the information necessary to evaluate these claims, the Indicated Parties have stated that the information is “irrelevant” and “not reasonably calculated to lead to the discovery of admissible evidence.” Moreover, at least two of the Indicated Parties, Gulf Operating, LLC and Sheetz, have gone so far as to argue in discovery that the information necessary to assess their claims of economic harm related to loss of arbitrage opportunities and benefits—*i.e.* margins, profits, and pricing information—is “not relevant to the public interest issues before the PUC in this proceeding.”¹ The Indicated Parties cannot have it both ways; either the underlying data supporting their claims is relevant to the Commission’s evaluation of

¹ See Gulf Operating, LLC Objections to Set II Discovery, Docket No. A-2016-2575829, at pp. 16-17 (Certificate of service filed Aug. 3, 2017); see also Sheetz, Inc. Objections to Set II Discovery, Docket No. A-2016-2575829, at p. 11 (Certificate of service filed Aug. 4, 2017).

the public interest, and subject to discovery, or the Indicated Parties' claims should be stricken from their testimony.

10. While Laurel has attempted, and will continue to attempt to informally resolve these objections with the parties, the number and continuing nature of these apparently dilatory objections suggests that Laurel's efforts will be in vain. As such, Laurel's efforts to timely conduct discovery and prepare its rebuttal testimony have been and likely will continue to be—absent action by Your Honor—substantially frustrated.

11. Therefore, Laurel respectfully requests Your Honor enter an appropriate Order that the Indicated Parties must timely provide full and complete responses to discovery requests that arise from the claims, arguments, and issues raised in the Direct Testimony. Alternatively, Laurel respectfully requests Your Honor enter an appropriate Order that deems the Indicated Parties' claims of economic harm irrelevant to the determination of the public interest, and strikes all references to the subject of economic harm to the Indicated Parties that have been raised in the pleadings and testimony filed in this proceeding.

B. SHEETZ SHOULD BE COMPELLED TO PROVIDE ALL DOCUMENTS AND COMMUNICATIONS THAT ARE RESPONSIVE TO EACH REQUEST IN THE SET II DISCOVERY.

12. Sheetz generally objects to the Set II discovery on the grounds that the requests seek Documents or Communications for unspecified time periods or for time periods between 2012 and July 2017. Sheetz argues that producing documents for such time periods would impose an unreasonable burden, and states that it will respond to the requests with Documents or Communications for the period 2014 to March 2017.

13. Sheetz's general objection should be denied. It is reasonable to expect Sheetz to produce responsive documents for time periods that are similar to the time periods that it has request Laurel to produce information and documents. Therefore, to the extent that the

applicable time period is shortened, Sheetz should still be required to produce documents from between January 1, 2012 and July 14, 2017.

C. SHEETZ SHOULD BE COMPELLED TO PROVIDE A FULL AND COMPLETE RESPONSE WITH RESPECT TO REQUEST NO. 1 OF THE SET II DISCOVERY.

14. Laurel – Set II, Request No. 1 provides as follows:

1. Regarding Mr. Lorenz’s testimony at p. 1, lines 7 through 22, please answer the following questions:

- (a) Please state how long the witness has held the current position described in this testimony, and state for his prior positions at Sheetz, Inc. (“Sheetz”) the title of each prior position and the approximate dates between which he held such earlier position.
- (b) Please list Mr. Lorenz’s “midstream and downstream” positions at Mobil Oil Corp, including the title of each, the approximate dates between which he held such each position, and the geographical scope of the responsibilities associated with each position at Mobil Oil Corp.area from the East Coast PBF refineries.

15. Sheetz objects Request No. 1(b) on the grounds that the information sought is irrelevant to the issues and subject matter of this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Sheetz argues that Mr. Lorenz’s job duties at Mobil Oil Corp. are irrelevant in this proceeding.

16. Sheetz’s objection to Request No. 1(b) on relevance grounds is without support. Pursuant to Section 5.321(c), discovery is permitted when the information sought relates to the claim or defense of the party seeking discovery or to the claim or defense of another party. 52 Pa. Code § 5.321(c).

17. To the extent that Request No. 1(b) seeks information regarding the prior professional experience of the Sheetz witness, such information is clearly discoverable and

relevant to Sheetz's claims in its testimony. The testimony of Sheetz's witness is, in part, founded on his knowledge of the Pittsburgh-area and Altoona-area petroleum products markets, and it is indisputable that this knowledge is based on the witness's employment history and prior experiences in the industry, whether or not such employment and experiences were with Sheetz. It is unreasonable for Sheetz to object to providing information regarding its witness(es) background and experience. Laurel is entitled to inquire about this information in order to test the witness's knowledge and credibility, which is necessary to evaluate his claims and opinions. Moreover, Mr. Lorenz worked at another petroleum products retailer, Mobil Oil Corp., prior to working with Sheetz. Mr. Lorenz's experience at another retailer is certainly relevant to his testimony in this proceeding, which stems from his experience in the industry and not merely his work at Sheetz. Therefore, Sheetz's objection on this ground should be denied.

18. For the reasons more fully explained above, Sheetz should be compelled to provide a full and complete response to Request No. 1(b) of Set II discovery. Alternatively, should Sheetz continue to refuse to provide relevant information that is necessary to evaluate its claims, it should be barred from continuing to assert or attempting to prove its claims as a part of this proceeding.

D. SHEETZ SHOULD BE COMPELLED TO PROVIDE A FULL AND COMPLETE RESPONSE WITH RESPECT TO REQUEST NO. 2 OF THE SET II DISCOVERY.

19. Laurel – Set II, Request No. 2 provides as follows:

2. Regarding Mr. Lorentz's testimony at p. 2, lines 8 through 13, regarding the nature and scope of Sheetz's business in Pennsylvania, please provide answers to the following questions:

- (a) Please provide a list showing the locations of each of the retail service stations that Sheetz supplies with gasoline and/or diesel, showing the following information for each:

- (i) address, street, town/local governmental unit and ZIP code;
 - (ii) volume of products delivered to such location for the period 2012 through July 2017, broken down by the following categories: gasoline (specifying whether winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), and diesel; and
 - (iii) the terminal(s) (i.e., the refined products terminal from which tanker trucks transport gasoline or diesel to the service station), for the period 2012 through July 2017 from which Sheetz or others supply each service station specifying the street address, town/local governmental unit and ZIP code for each such terminal.
- (b) Please provide Sheetz's estimate or assessment, whether formal or informally derived, regarding its market share in both the Pittsburgh market (as Sheetz defines such market) and for the central Pennsylvania market, for the sale of gasoline and/or diesel; and
- (i) Please provide all Documents analyzing, referencing, discussing or addressing Sheetz's market share in Pennsylvania or any market within Pennsylvania, whether such market has been defined by Sheetz or by another entity.
- (c) Please provide a list showing the locations of each of the retail service stations located in either West Virginia or eastern Ohio that Sheetz has supplied with gasoline and/or diesel from refined products terminals located in Pennsylvania, showing the following information for each:
- (i) address, street, town/local governmental unit and ZIP code;
 - (ii) volume of products delivered to such location for the period 2012 through July 2017, broken down by the following categories: gasoline (specifying whether

winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), and diesel, further broken down by:

- a. volumes supplied from terminals located in Pennsylvania;
 - b. volumes supplied from terminals located in states other than Pennsylvania; and
- (iii) for each terminal whose supply is used to provide the information specified in subpart (a) and (b) above, please specify the street address, town/local governmental unit, county, state and ZIP code for each such terminal.

20. Sheetz objects to Request No. 2(a)(i)-(iii), (b)(i) and (c)(i)-(iii) on the grounds that the information sought is not relevant to any claim or defense in this matter, and would impose an unreasonable burden or require an unreasonable investigation. Regarding Request No. 2(a)(i)-(ii), Sheetz argues that the locational and volumetric data concerning individual product sales is not relevant to the broader market issues in this proceeding, and that this granular data would impose an undue burden on Sheetz to the extent it requests additional details than those provided by Sheetz in Response No. 5 to the Set I Discovery. Sheetz also objects to Request No. 2(a)(iii) unduly burdensome to the extent it seeks information beyond the information provided in response to Request No. 17 of the Set I Discovery. In addition, Sheetz objects to Request No. 2(b)(i) on the grounds that information related to its market share is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. Finally, Sheetz objects to Request No. 2(c)(i)-(iii) as irrelevant and unreasonable burdensome.

21. Sheetz's objections to Request No. 2 on relevance grounds are without merit and should be denied. Pursuant to Section 5.321(c), discovery is permitted when the information sought relates to the claim or defense of the party seeking discovery or to the claim or defense of

another party. 52 Pa. Code § 5.321(c). Furthermore, Sheetz's arguments that Request No. 2 would impose an unreasonable burden and require an unreasonable investigation are also unsupported. Section 5.361(a)(2) of the Commission's regulations only prohibits discovery into matters that would impose an unreasonable burden on a party. 52 Pa. Code § 5.361(a)(2) (emphasis added). Likewise, Section 5.361(a)(4) only prohibits discovery into matters that would require a party to make an unreasonable investigation. 52 Pa. Code § 5.361(a)(4) (emphasis added).

22. Regarding Sheetz's objections to Request No. 2(a)(i)-(ii), Sheetz has repeatedly claimed that competition and access to petroleum products in Pennsylvania will be harmed as a result of the proposed reversal. For example the witness claims that "Sheetz has depended on the East Coast market as the most consistent low-cost supply alternative...By contrast, the Chicago market has only a few major players and lower volumes are traded there, making it less liquid than East Coast markets." Sheetz Statement No. 1, page 3, line 20 through page 4, line 2. In order to evaluate these claims, it is essential that Laurel be permitted to discover what volumes Sheetz is selling at a given service station because this information will reveal whether Sheetz truly depends on East Coast supplies, or whether it even collects, possesses, maintains, or has access to the information necessary for it to support its claims. To the extent that Sheetz now argues its claims are related to harm that would occur through "broader market impacts," this argument should be denied. As discussed below, Sheetz has repeatedly advanced claims of its own economic harm as negative impacts that would result from the reversal. It cannot avoid discovery by attempting to limit the scope of harms to "the broader market." Furthermore, this argument that its claims are related to "braider market impacts" does not aid Sheetz in avoiding discovery on information specific to its own entity. Sheetz's entity specific information is highly

relevant and necessary to test several aspects of its broader market impacts theory because it is necessary to evaluate the impact on Sheetz to determine the impact on the overall market. Therefore, Sheetz's objection on relevance grounds should be denied.

23. Moreover, the information sought by Request No. 2(a)(i)-(ii) would not impose an unreasonable burden or require an unreasonable investigation. Sheetz is a sophisticated entity that regularly participates in the petroleum products transportation market. The data requested in Request No. 2(a)(i)-(ii)—volumes and types of petroleum products, and the source(s) of such products, being sold at retail by Sheetz—are essential business records for an entity that specializes in sales of petroleum products to consumers. Given the nature of its business operations, it is reasonable to expect Sheetz maintains, possesses, or otherwise has access to, such information. Furthermore, as explained above, the requested information is essential to Laurel's analysis of Sheetz's claims in its testimony. As such, the necessity of this information to Laurel substantially outweighs any burden associated with its production.²

24. Furthermore, Sheetz's argument that Request No. 2(a)(iii) would impose an unreasonable burden or require an unreasonable investigation should also be rejected. After Sheetz provided a response to Set I Request No. 17, it included specific claims in its testimony regarding post-reversal alternatives and limitations associated with certain of those alternatives given its business operations and the locations of specific terminals. For example, Sheetz testifies that trucking products is not a viable alternative due, in part, to limitations associated with the Eldorado terminals and the low likelihood that additional investments to rectify the

² Section 5.361 of Commission's regulations is substantially similar to Pennsylvania Rule of Civil Procedure Number 4011. See 52 Pa. Code § 5.361; see also Pa. R.C.P. 4011. Pennsylvania courts regulatory interpret Rule 4011 to require a court to balance the relevance and need for the request information with the burden to produce it, when evaluating an objection that production is unreasonably burdensome or would require an unreasonable investigation. See, e.g., *Braham v. Rohm & Haas Co.*, 19 A.3d 1094, 1110-11 (Pa. Super. Ct. 2011); *Shedlock v. UPMC Presbyterian*, 2004 Pa. Dist. & Cnty. Dec. LEXIS 121, at *7-8 (Pa. C.C.P. Nov. 17, 2004).

limitations of these terminals would actually occur. *See* Sheetz Statement No. 1, page 7, line 2 through page 10, line 16. As such, Laurel is entitled to discover information associated with the volumes currently delivered to the terminals from which Sheetz takes its products, in order to determine whether Sheetz is affected by the limitations it claims are associated with the Eldorado terminal. Given the nature of its business operations and the claims in its testimony, it is reasonable to expect Sheetz maintains, possesses, or otherwise has access to, such information.³ Furthermore, as explained above, the requested information is essential to Laurel's analysis of Sheetz's claims in its testimony. Therefore, the necessity of this information to Laurel substantially outweighs any burden associated with its production.⁴

25. Finally, Sheetz's objection to Request No. 2(b)(i) on the grounds that information related to its market share is not relevant to the issues in this proceeding should also be denied. The information sought by this request is necessary to determine and evaluate the credibility of, and any bias associated with, Sheetz's claims in this proceeding regarding the competitiveness of Western Pennsylvania. If Sheetz's market share is such that it would be diminished in some way by new eastward flows of products from the Midwest, then Sheetz's motivation is not to maintain "healthy competition" in the Pittsburgh market, but to protect its existing market position. Such information is directly relevant to Sheetz's claims about maintaining a competitive market in Pittsburgh. Therefore, its objection to Request No. 2(b)(i) on this ground should be denied.

26. For the reasons more fully explained above, Sheetz should be compelled to provide a full and complete response to Request No. 2(a)(i)-(ii),(iv) and (b)(i) of Set II discovery.

³ If it does not, then Sheetz should alternatively be required to state it does not possess, collect, maintain or have access to this terminal information, so that its claims regarding the inadequacy of trucking products from Eldorado can be given the appropriate weight.

⁴ *See* footnote 2 *supra*.

Alternatively, should Sheetz continue to refuse to provide relevant information that is necessary to evaluate its claims, it should be barred from continuing to assert or attempting to prove its claims as a part of this proceeding.

E. SHEETZ SHOULD BE COMPELLED TO PROVIDE A FULL AND COMPLETE RESPONSE WITH RESPECT TO REQUEST NO. 3 OF THE SET II DISCOVERY.

27. Laurel – Set II, Request No. 3 provides as follows:

3. Please state whether Sheetz makes sales of any refined petroleum products to any other marketer or refined products market participant other than the transactions described in response to question LAU-SI-I-2 above, and if the answer is anything but an unqualified negative, please provide the following for such other marketers or other refined products market participants:

- (a) In the Pittsburgh market in Pennsylvania, and for each marketer or refined products market participant, for the period 2012 through July 2017 please provide by month the volume of gasoline (specified by winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), diesel, home heating oil, jet fuel and other major refined petroleum products sold to each such customer, and the geographical location of the point of sale for each such customer, by street address and town or other local entity and ZIP code.
- (b) In the Altoona/Central Pennsylvania market, and for each marketer or refined products market participant for the period 2012 through July 2017, please provide by month the volume of gasoline (specified by winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), diesel, home heating oil, jet fuel and other major refined petroleum products sold to each such customer, and the geographical location of the point of sale for each such customer, by street address and town or other local entity and ZIP code.
- (c) In the Eastern Pennsylvania market, including the Philadelphia area, and for each marketer or refined products market participant for the period 2013

through July 2017 please provide by month the volume of gasoline (specified by winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), diesel, home heating oil, jet fuel and other major refined petroleum products sold to each such customer, and the geographical location of the point of sale for each such customer, by street address and town or other local entity and ZIP code.

- (d) For each customer identified in response to subparts a. through c. above, please state the source for the refined products supplied to such customer, and by “source” this question means the refinery, or if no refinery can be identified, the wholesale sales point at which Sheetz purchased the refined products (e.g., “Booth,” “Linden,” “East Chicago,” etc.), or if FOB at a pipeline or waterborne terminal, the name and location of the terminal.
- (e) For each marketer and/or products market participant to whom Sheetz sold any refined products at wholesale that were supplied from sources within Pennsylvania but were making retail sales outside Pennsylvania, please provide for each such marketer or refined products market participant, for the period 2013 through July 2017, by month the volume of gasoline (specified by winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), diesel, home heating oil, jet fuel and other major refined petroleum products sold to each such customer, and the geographical location of the point of sale for each such customer, by street address and town or other local entity and ZIP code.

28. Sheetz objects to Request No. 3(d)-(e). Sheetz objects to Request No. 3(d) and argues that this request would impose an unreasonable burden and require an unreasonable investigation. In addition, Sheetz objects to Request No. 3(e) on relevance grounds, and also argues that the request would require an unreasonable investigation.

29. Sheetz’s objections to Request No. 3(d)-(e) should be denied. Pursuant to Section 5.321(c), discovery is permitted when the information sought relates to the claim or defense of the party seeking discovery or to the claim or defense of another party. 52 Pa. Code § 5.321(c).

In addition, Section 5.361(a)(2) of the Commission's regulations only prohibits discovery into matters that would impose an unreasonable burden on a party. 52 Pa. Code § 5.361(a)(2) (emphasis added). Likewise, Section 5.361(a)(4) only prohibits discovery into matters that would require a party to make an unreasonable investigation. 52 Pa. Code § 5.361(a)(4) (emphasis added).

30. Sheetz's burdensomeness objections to both Request No. 3(d) and (e) are both unsupported. Sheetz objects to Request No. 3(d) on the ground that "Sheetz's records may not have information sufficient to determine the origin point, source or wholesale sales point for refined petroleum products supplied to Sheetz's customers." If this is in fact the case, then Sheetz must state that it does not have this information so that the proper weight be assigned to its witness' testimony. Such a response is not unduly burdensome, and is directly relevant to a proper assessment of Sheetz's claims, including: (1) its supposed dependence on East Coast supplies (*see* Sheetz Statement No. 1, page 3, lines 20-21); (2) the inadequacies of the Chicago market (*see id.*, page 4, lines 1-5); and (3) adverse impacts on retail prices in the Pittsburgh area (*see id.*, page 16, lines 1-14). Either Sheetz possesses information regarding the origin, source, and wholesale sales point for the products its supplies to its customers and must produce this information, or Sheetz does not possess this information and must state that it does not.

31. Moreover, Sheetz provides no support for its conclusory statement that Request No. 3(e) would require an unreasonable investigation. Given the nature of its business operations and the claims in its testimony, it is reasonable to expect Sheetz maintains, possesses, or otherwise has access to, such information.⁵ Importantly, Sheetz does not allege that it cannot access the information Requested in No. 3(e) or that accessing this information would impose an

⁵ If it does not, then Sheetz should alternatively be required to state it does not possess, collect, maintain or have access to this volumetric sales information.

unreasonable burden or require an unreasonable investigation. Indeed, it is reasonable to expect that Sheetz has access to this volumetric sales information through its own records or through any counter-parties to its sales contracts. Furthermore, as explained above, the requested information is essential to Laurel's analysis of Sheetz's claims in its testimony. Therefore, the necessity of this information to Laurel substantially outweighs any burden associated with its production.⁶ Therefore, Sheetz's objections to Request No. 3(d) and (e) should be denied.

32. For the reasons more fully explained above, Sheetz should be compelled to provide a full and complete response to Request No. 3(d)-(e) of Set II discovery. Alternatively, should Sheetz continue to refuse to provide relevant information that is necessary to evaluate its claims, it should be barred from continuing to assert or attempting to prove its claims as a part of this proceeding.

F. SHEETZ SHOULD BE COMPELLED TO PROVIDE A FULL AND COMPLETE RESPONSE WITH RESPECT TO REQUEST NO. 4 OF THE SET II DISCOVERY.

33. Laurel – Set II, Request No. 4 provides as follows:

4. Regarding Mr. Lorenz's testimony at p. 3, lines 4 through 18, regarding the alleged role of Laurel in the Pittsburgh market and potential impact of its reversal, please answer the following questions:

- (a) Please produce copies of any of any Documents created by or for Sheetz during the period 2012 through July 2017 that reference or include any discussion, directly or indirectly, of the following topics:
 - (i) Laurel;
 - (ii) the potential reversal of Laurel, whether regarding the reversal proposal being considered in this proceeding or any other potential reversal;

⁶ See footnote 4 *supra*.

- (iii) alternatives to Laurel of transporting product to markets in Pennsylvania (including without limitation, pipeline, truck, barge, exchange or other means of transportation);
 - (iv) sales or transportation of product to customers or terminals located west of Eldorado, Pennsylvania; and
 - (v) the alleged role of Pittsburgh as the “arbitrage point between supply from the east and supply from the west”;
- (b) Regarding Mr. Lorenz’s testimony regarding arbitrage between East Coast and Midwestern supplies of refined petroleum products:
- (i) please provide a list of each month for the period 2012 through July 2017 during which wholesale or bulk prices available from the Midwest and the East Coast in the Pittsburgh market created an arbitrage opportunity favoring supplies from one source or the other, and provide the price differential in cents per barrel;
 - (ii) during each month of favorable arbitrage identified in subpart (b)(i) immediately above, quantify the margin that Sheetz acquired due to its use of the advantaged supply of refined products to sell in the Pittsburgh market; and
 - (iii) during each period of favorable arbitrage identified in subpart (b)(i) immediately above, quantify the value of the arbitrage passed through by Sheetz to its wholesale or retail customers;
 - (iv) provide all Documents during the period 2012 through July 2017 that analyze, relate to, reference or address arbitrage in the Pittsburgh area between East Coast and Midwest prices, and/or the margin derived by Sheetz, directly or indirectly; and
 - (v) please confirm that it was not and is not the company policy of Sheetz to pass through to

its wholesale and retail customers the potential savings made available due to the Midwest/East Coast arbitrage that he describes, or to retain as much of the arbitrage benefits as possible for the owners, and please provide all documents created by Sheetz that discuss, relate to, reference or analyze this policy directly or indirectly.

- (c) Regarding Mr. Lorenz's comparison of the relative size of the Pittsburgh market to the market served by deliveries to Eldorado (Lorenz testimony, p. 3, lines 12-18), please answer the following questions:
 - (i) please state whether Mr. Lorenz has performed any analysis of:
 - a. the percentage of, or size of the population of the Pittsburgh area market served by terminals attached to Laurel; or
 - b. the percentage of, or size of the population served by terminals attached to Laurel at Eldorado;
 - (ii) If the answer to either subparts (c)(ii)a. or (c)(ii)b. immediately above is anything but an unqualified negative, please provide a copy of such analyses and all Documents relating to or referencing it.
- (d) Regarding Mr. Lorenz's testimony, at p. 3, lines 19 through 22 about the benefits of the East Coast market, please answer the following questions:
 - (i) please provide all Documents created by or on behalf of Sheetz during the time period 2012 through July 2017 analyzing, discussing, relating to or addressing, directly or indirectly:
 - a. Midwestern refined products prices;
 - b. East Coast refined products prices; and

- c. differences between, and trends regarding, Midwestern refined products prices and East Coast refined products prices;
- (ii) please explain in detail the assertion that East Coast products have been “the most consistent low-cost supply alternative,” and provide documentation to support that statement, as well as an explanation for the time period to which the statement applies.

34. Sheetz objects to Request No. 4(a)(i)-(ii) and (iv), and (b)(ii)-(v). Sheetz objects to Request No. 4(a)(i) and (iv) on the grounds that the request is not reasonably calculated to lead to the discovery of admissible evidence, and that the request would impose an unreasonable burden or require an unreasonable investigation. Sheetz also objects to Request No. 4(a)(ii), to the extent that it seeks information related to potential pipeline reversals of any pipeline other than Laurel, but does not state the specific grounds for its objection.⁷ Finally, Sheetz objects to Request No. 4(b)(ii)-(v) on the grounds that the information sought by this request is irrelevant to the issues in this proceeding.

35. In response to Sheetz’s objection to Request No. 4(a)(i), Laurel withdraws Request No. 4(a)(i).

36. Sheetz’s objections to Request No. 4(a)(ii) and (b)(ii)-(v) on relevance grounds are unsupported and should be denied. Pursuant to Section 5.321(c), discovery is permitted when the information sought relates to the claim or defense of the party seeking discovery or to the claim or defense of another party, and is reasonably calculated to lead to the discovery of admissible evidence. 52 Pa. Code § 5.321(c).

⁷ Laurel perceives this objection to be on grounds of relevance, and responds to this objection on those grounds.

37. The information sought by Request No. 4(a)(ii) is reasonably calculated to lead to the discovery of evidence that is directly relevant to Sheetz's claims about Laurel's proposed reversal. The requested information is directly relevant to the credibility of its claims regarding Laurel's proposed reversal, and is necessary to determine whether Sheetz's claims in this proceeding are based on a consistent or inconsistent analysis of pipeline reversals. Therefore, Sheetz's objection to Request No. 4(a)(ii) should be denied.

38. In addition, Sheetz's relevance objection to Request No. 4(b)(ii)-(v) should also be rejected. Sheetz should not be permitted to avoid discovery of information that is relevant to the allegations and claims that Sheetz, its company witness, and its experts—retained by Sheetz on its own, and as part of a collective group (*i.e.*, the Indicated Parties)—have repeatedly and consistently advanced in this proceeding. Throughout this proceeding, Sheetz has claimed *ad nauseum* that it and other independent fuel retailers will “pass through” or “pass on” increased costs, which it claims will result from the reversal, to consumers. *See e.g.*, Protest of Sheetz, Docket No. A-2016-2575829, at p. 7 (“Independent fuel retailers, such as Sheetz, deliver lower fuel prices to customers by securing the lowest costs of goods...As a result [of the reversal], costs will increase and those increased costs will be passed through to Pennsylvania customers.”) (emphasis added); *Id.* (“These increased [transportation] costs would also be passed onto Western Pennsylvania consumers.”); Indicated Parties Statement No. 1, at p. 44, lines 10-13 (“...the reversal would increase annual costs to Pittsburgh consumers, wholesalers, and retailers...”); *see also* paragraph 22 *supra* (noting relevant testimony by Sheetz's company witness in Sheetz Statement No. 1). Laurel and the Commission will only be able to determine the extent of any alleged cost increases that Sheetz will pass-through to consumers, or the extent of any cost decreases Sheetz will pass-through, by evaluating Sheetz's profits, margins, and

pricing decisions, because any changes in costs experienced by Sheetz will necessarily implicate its profits, margins, and pricing decisions.

39. The above examples of statements by Sheetz in pleadings and testimony demonstrate that Sheetz has put its margins, profits and pricing decisions at issue in this proceeding. Now, when asked in discovery to disclose the information underlying and/or related to its statements so that Laurel may evaluate and rebut its claims, Sheetz completes an about-face and argues that this information is neither relevant nor likely to lead to the discovery of admissible evidence. Sheetz cannot have it both ways; either the information regarding its profits, margins, revenues, and pricing decisions is relevant to its claims and the Commission's evaluation of the public interest or, if it is no relevant, Sheetz should not be permitted to present testimony on these issues. Therefore, and for the reasons more fully explained in Section II.A. *supra*, Sheetz's objection to Request No. 4(b)(ii)-(v) on relevance grounds should be denied.

40. Furthermore, Sheetz's objection to Request No. 4(a)(ii) and (iv) on burdensomeness grounds should also be denied. Section 5.361(a)(2) of the Commission's regulations only prohibits discovery into matters that would impose an unreasonable burden on a party. 52 Pa. Code § 5.361(a)(2) (emphasis added). Likewise, Section 5.361(a)(4) only prohibits discovery into matters that would require a party to make an unreasonable investigation. 52 Pa. Code § 5.361(a)(4) (emphasis added).

41. Request No. 4(a)(ii) and (iv) are designed to capture any information related to Sheetz's interactions with or references to Laurel, which could reasonably reveal information related to Sheetz's use of the Laurel system, or the shifting of volumes from Laurel to other alternative transportation methods or alternative markets. Moreover, in this proceeding, Laurel has already engaged in an extensive and voluminous document production in response to

discovery requests by Sheetz and other parties. Sheetz, as a member of the Indicated Parties, has relied on documents produced by Laurel as a part of this effort. It is reasonable to expect Sheetz to engage in similar efforts to respond to discovery requests, where the information sought is directly related to the claims it has made in this proceeding, and where Laurel has already made similar efforts. Therefore, Sheetz's objection on burdensomeness grounds should be denied.

42. For the reasons more fully explained above, Sheetz should be compelled to provide a full and complete response to Request No. 4 of Set II discovery. Alternatively, should Sheetz continue to refuse to provide relevant information that is necessary to evaluate its claims, it should be barred from continuing to assert or attempting to prove its claims as a part of this proceeding.

G. SHEETZ SHOULD BE COMPELLED TO PROVIDE A FULL AND COMPLETE RESPONSE WITH RESPECT TO REQUEST NO. 7 OF THE SET II DISCOVERY.

43. Laurel – Set II, Request No. 7 provides as follows:

7. Regarding Mr. Lorenz's testimony at p. 4, lines 6 through 12, please answer the following questions:

- (a) Please provide a detailed explanation of why Mr. Lorenz believes that Pittsburgh's role as "arbitrage point" means that it "also plays a significant role in the supply security of the Pittsburgh area," apart from the statements in the next two sentences, and in particular please clarify whether Mr. Lorenz refers to the physical supply provided by Laurel's flow from the east, rather than the price issues associated with "arbitrage."
- (b) Please provide a detailed explanation of Mr. Lorenz's contention that "[a]ny material disruption to supply from the west could lead to supply shortages in the Pittsburgh area," and in addition please answer the following questions:
 - (i) Please provide a list of all supply disruptions to the Pittsburgh market during the period

2012 through July 2017 known to Mr. Lorenz, and describe the cause and the impact on Sheetz and on consumers, including documentation of any “supply shortages”.

- (ii) Please provide a list of all supply disruptions to the Altoona or eastern Pennsylvania markets during the period 2012 through July 2017 known to Mr. Lorenz, and describe the cause and the impact on Sheetz and on consumers, including documentation of any “supply shortages”.

44. Sheetz objects to Request No. 7(a)-(b). Sheetz argues that Request No. 7(a) would impose an unreasonable burden or require an unreasonable investigation because the question, and its use of the terms “physical supply” and “price issues” is ambiguous. Sheetz also argues that Request No. 7(b) is irrelevant to the extent the question seeks information on the impact to individual market participants, as the information is not relevant to the market impacts at issue in this proceeding.

45. Sheetz’s objection to Request 7(a) on burdensomeness grounds should be denied. Section 5.361(a)(2) of the Commission’s regulations only prohibits discovery into matters that would impose an unreasonable burden on a party. 52 Pa. Code § 5.361(a)(2) (emphasis added). Likewise, Section 5.361(a)(4) only prohibits discovery into matters that would require a party to make an unreasonable investigation. 52 Pa. Code § 5.361(a)(4) (emphasis added).

46. Request No. 7(a) seeks to determine whether Sheetz distinguishes between “physical supply” and “price issues” in its discussion of Pittsburgh as an arbitrage point in its Direct Testimony. *See* Sheetz Statement No. 1, page 4, lines 6-12. Sheetz offered its witness and claimed he has the necessary knowledge and expertise to testify on this topic, but now, when facing discovery, argues that it would be “unduly burdensome” for a witness with almost forty (40) years of experience in the petroleum products industry to distinguish between “physical

supply” and “price issues” because those terms are ambiguous. This objection should therefore be denied.

47. Sheetz’s objection to Request No. 7(b) on relevance grounds is unsupported and should also be denied. Pursuant to Section 5.321(c), discovery is permitted when the information sought relates to the claim or defense of the party seeking discovery or to the claim or defense of another party. 52 Pa. Code § 5.321(c).

48. The information sought by Request No. 7(b) is directly relevant to Sheetz’s claims that the reversal would increase the risks of supply disruptions and price spikes to the Pittsburgh-area. Sheetz specifically testifies that “...a post-reversal [price] spike due to unplanned outages could reach even higher levels than previously experienced and for longer duration.” Sheetz Statement No. 1, page 16, lines 5-7. In order to evaluate these claims, it is essential that Laurel be permitted to discover what information Sheetz collections, maintains, or possesses, regarding the impacts of historic supply disruptions on its own products and services. And to the extent that Sheetz argues that the information sought by Request No. 7(b) is irrelevant based on its argument that its claims are of “broader market impacts,” Laurel adopts and fully incorporates its arguments from paragraph 22 *supra*, as if they were fully stated herein. Therefore, Sheetz’s objection on relevance grounds should be denied.

49. For the reasons more fully explained above, Sheetz should be compelled to provide a full and complete response to Request No. 7 of Set II discovery. Alternatively, should Sheetz continue to refuse to provide relevant information that is necessary to evaluate its claims, it should be barred from continuing to assert or attempting to prove its claims as a part of this proceeding.

H. SHEETZ SHOULD BE COMPELLED TO PROVIDE A FULL AND COMPLETE RESPONSE WITH RESPECT TO REQUEST NO. 8 OF THE SET II DISCOVERY.

50. Laurel – Set II, Request No. 8 provides as follows:

8. Regarding Mr. Lorenz's testimony at p. 5, line 15 through p. 6, line 2, regarding the alleged limitations on the use of barges to supply the Pittsburgh market, please answer the following questions:

- (a) Please explain in detail whether and, if so, to what extent, Mr. Lorenz has had personal responsibility for the use of barges to supply refined petroleum products to the Pittsburgh area, either in his work at Sheetz or for Mobil Oil Corp.
- (b) Please provide a list of all contracts on or on behalf of Sheetz for either transportation via barge to supply the Pittsburgh market, or for the purchase of refined products by Sheetz at a terminal in the Pittsburgh market that was delivered by barge.
- (c) Please provide a copy of each contract listed in response to subpart (b) immediately above.
- (d) Please provide all Documents created by or on behalf of Sheetz relating to the actual or potential use of barges to supply refined petroleum products in the Pittsburgh market during the period 2012 through July 2017;
- (e) Please provide a complete description of Mr. Lorenz's knowledge of:
 - (i) the volume of refined petroleum products delivered to Pittsburgh market destinations;
 - (ii) the location of terminals capable of receiving barge deliveries of refined petroleum products in the Pittsburgh market;
 - (iii) the prices for the transportation of refined petroleum products to the Pittsburgh market via barge;
 - (iv) whether Mr. Lorenz relies on specific personal knowledge regarding his statement

that “[t]hese variables make barge supply sporadic at best and thus an unreliable alternative,” and if so please provide all specifics supporting this conclusion

- (v) regarding the term “[h]istorically” at line 17, please state the time period encompassed by this term, and please explain Mr. Lorenz’s basis for concluding that “barging has played an insignificant role as a source of petroleum products and to my knowledge, only a minor role for the Pittsburgh region.”
- (vi) regarding the statement at lines 19-21 that “[r]amping up this source of supply would take a tremendous risk tolerance for uncertainties in product availability and supply reliability in addition to requiring substantial capital investment to increase barging capacity and meet emission limits,” please answer the following questions:
 - a. Please explain in detail the basis for the statement as it regards product availability and supply reliability.
 - b. Please explain Mr. Lorenz’s basis for contending that investment would be needed for increased barging, what dollar value or range of values he asserts would be required, whether he believes that there is insufficient barge-accessible terminal capacity in the Pittsburgh market, whether he believes that capital investment would be needed with respect to the supply of barges, and the complete basis for his conclusions or premises regarding such investments.
- (f) Please provide Mr. Lorenz’s definition of the term “Pittsburgh market” as he uses it at line 16, as defined by geographical area (e.g., by included counties), and please state whether his testimony means this same definition whenever it references “Pittsburgh” or the “Pittsburgh area” or the “Pittsburgh market,” and if the answer is anything

but an unqualified affirmative, please provide any alternative geographic areas to which Mr. Lorenz refers when using these terms.

51. Sheetz objects Request No. 8(a). Sheetz objects to Request No. 8(a) to the extent that it asks about Mr. Lorenz's prior employment at Mobil Oil Corp. on relevance grounds.

52. Regarding Sheetz's arguments that Request No. 8(a) is irrelevant Laurel adopts and incorporates its arguments with respect to Request No. 1(b) of the Set II discovery, in paragraphs 16-17 *supra*, as if they were fully stated herein. By way of further response, Sheetz has offered this witness, in part, on the basis of his knowledge and expertise gained during his employment with Sheetz and previously in the petroleum products industry. As such, Laurel is entitled to inquire into the breadth of his knowledge, regardless of whether that knowledge is based on his current or prior employment. Therefore, Sheetz's objection on burdensomeness grounds should be denied.

53. For the reasons more fully explained above, Sheetz should be compelled to provide a full and complete response to Request No. 8(a) of Set II discovery. Alternatively, should Sheetz continue to refuse to provide relevant information that is necessary to evaluate its claims, it should be barred from continuing to assert or attempting to prove its claims as a part of this proceeding.

I. SHEETZ SHOULD BE COMPELLED TO PROVIDE A FULL AND COMPLETE RESPONSE WITH RESPECT TO REQUEST NO. 10 OF THE SET II DISCOVERY.

54. Laurel – Set II, Request No. 10 provides as follows:

10. Regarding Mr. Lorenz's testimony at p. 7, lines 1 through 18, please answer the following questions:

- (a) Regarding the reference, "eastern-sourced product, which is the lower cost alternative the majority of the time," please describe in detail Mr. Lorenz's basis for this contention, and also explain whether

the statement applies to all refined petroleum products or only certain refined petroleum products, and produce all Documents supporting this conclusion.

- (b) In light of the discussion of truck movements and likely truck transportation, including the statement, “[t]ypically, trucks already move product westwards from Eldorado to the Delmont, PA area,” please produce all Documents created by or on behalf of Sheetz that analyze, reference, discuss, reflect or address the delivery of refined petroleum products to either Sheetz-owned or non-Sheetz-owned destinations, from pipeline terminals connected to the Laurel system, or the Sunoco Pipeline L.P. and/or Energy Transfer Partners system at locations in Western and Central Pennsylvania, including Eldorado, Delmont, Greensburg, Coraopolis, Neville Island, Blawnox and Pittsburgh.
- (c) Please state whether Mr. Lorenz is aware that trucks have been transporting refined petroleum products from terminals at Delmont eastward towards Eldorado since the commencement of service by Sunoco Pipeline L.P. and/or Energy Transfer Partners to Delmont, and please supply all Documents related to, referencing, analyzing or discussing such movements.
- (d) Regarding the contention that the distance from Eldorado to Pittsburgh is “over 120 miles,” please explain why Mr. Lorenz assumes that all or part of the trucks from Eldorado would transport refined petroleum products from Eldorado to the city limits of Pittsburgh, when the Sheetz and other service stations supplied by pipeline terminals are located throughout the multi-county Pittsburgh market, and please state whether Mr. Lorenz has analyzed the difficulty of trucking to the actual service station destinations in the Pittsburgh market from Eldorado, and if so, please provide all Documents relating to such analysis.
- (e) Regarding the assertion that moving product to the Pittsburgh market from Eldorado would require “a major investment in more Commercial Drivers License (“CDL”) drivers and trucks to make that

happen,” please provide any calculations that Mr. Lorenz has prepared quantifying such investment and provide all assumptions and Documents related to such calculations.

- (f) Regarding Mr. Lorenz’s statement that it is “highly unlikely that the Eldorado terminals have the adequate tankage or loading capacity to supply more trucking volumes to the Pittsburgh market without substantial additional investment,” please define what the witness means by “more” (i.e. one incremental tanker truck per day, 10 incremental tanker trucks per day, etc.), the basis for his contention, his knowledge of the current terminal and truck rack throughput capacity at the Eldorado terminals, and what sum or range of sums he means by “substantial investment.”

55. Sheetz objects to Request No. 10(b) as seeking information that is irrelevant, and as unreasonably burdensome. Sheetz argues that information related to the delivery of refined petroleum products from the Sonoco Pipeline L.P. and/or Energy Transfer Partners systems would require an unreasonably voluminous document production and is not reasonably calculated to lead to the discovery of admissible evidence.

56. Sheetz’s objections to the subparts of Request No. 10(b) on relevance grounds should be denied. Pursuant to Section 5.321(c), discovery is permitted when the information sought relates to the claim or defense of the party seeking discovery or to the claim or defense of another party. 52 Pa. Code § 5.321(c).

57. Sheetz specifically testifies that “...the alternative supply resources referenced in Laurel’s Application would not effectively mitigate the adverse economic and operational benefits that the Laurel pipeline provides to the Pittsburgh market.” Sheetz Statement No. 1, page 5, line 21 through page 6, line 2 (emphasis added). As such, Sheetz has put at issue its current and projected future use of “alternative supply resources referenced in Laurel’s Application,” one of which was “Sunoco Pipeline, L.P (“Sunoco”), from the Midwest.” *See*

Application ¶ 12. Sheetz cannot credibly argue that information related to its use of an alternative that it specifically claims is inadequate in its Direct Testimony is irrelevant to this proceeding. Indeed, such information is critical to adequately assess and evaluate the validity of Sheetz's claims. Therefore, Sheetz's objection on relevance grounds should be denied.

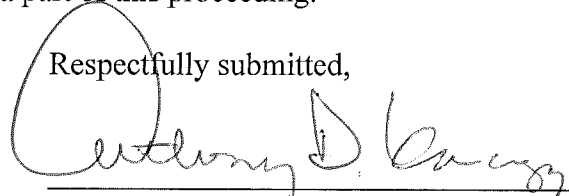
58. Regarding Sheetz's arguments that Request No. 10(b) is unreasonably burdensome Laurel adopts and incorporates its arguments with respect to Request No. 4(a)(ii) and (iv) of the Set II discovery, in paragraphs 40-41 *supra*, as if they were fully stated herein. Therefore, Sheetz's objection on burdensomeness grounds should be denied.

59. For the reasons more fully explained above, Sheetz should be compelled to provide a full and complete response to Request No. 10(b) of the Set II discovery. Alternatively, should Sheetz continue to refuse to provide relevant information that is necessary to evaluate its claims, it should be barred from continuing to assert or attempting to prove its claims as a part of this proceeding.

III. CONCLUSION

WHEREFORE, for the foregoing reasons, Laurel Pipe Line Company, L.P. respectfully requests that Administrative Law Judge Eranda Vero grant this Motion to Compel and order Sheetz, Inc. to fully answer Request Nos. 1(b), 2(a)(i)-(iii),(b)(i),(c)(i)-(iii), 3(d)-(e), 4(a)(ii),(iv),(b)(ii)-(v), 7(a)-(b), 8(a), and 11(b) of the Set II Discovery. Alternatively, should Sheetz, Inc. continue to refuse to provide relevant information that is necessary to evaluate its claims in its Protest, Laurel Pipe Line Company, L.P. respectfully requests that Sheetz, Inc. be barred from asserting or proving its claims as a part of this proceeding.

Respectfully submitted,



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Date: August 14, 2017

Counsel for Laurel Pipe Line Company, L.P.

Appendix

A

**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 Change the Direction of Petroleum Products Transportation Service to Delivery Points West of Eldorado, Pennsylvania	:	:	Docket No. A-2016-2575829
	:	:	
Pipeline Capacity Agreement Between Laurel Pipe Line Company, L.P. and Buckeye Pipe Line Company, L.P.	:	:	Docket No. G-2017-2587567
	:	:	

**INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS PROPOUNDED
BY LAUREL PIPE LINE COMPANY, L.P.
ON SHEETZ, INC. – SET II**

Pursuant to 66 Pa.C.S. § 333 and 52 Pa. Code §§ 5.341 *et seq.*, Laurel Pipe Line Company, L.P. (“Laurel”, or the “Company”) propounds the following Interrogatories and Requests for Production of Documents (hereinafter, “discovery requests”) on Sheetz, Inc. (“Sheetz”) – Set II.

INSTRUCTIONS AND DEFINITIONS

1. The “Responding Party,” “you,” or “your” means the party to which these discovery requests are propounded and/or all attorneys, agents, affiliates, subsidiaries, employees, consultants, members, constituents, and representatives acting on behalf of the Responding Party.

2. “Commission” means the Pennsylvania Public Utility Commission.

3. To “identify” a natural person means to state that person’s full name, title or position, employer, last known address, and last known telephone number.

4. To “identify” a business entity means to state the full name of such business, the form of the business, and its location or address.

5. To “identify” a “document” means to provide all of the following information irrespective of whether the document is deemed privileged or subject to any claim of privilege:

- a. The title or other means of identification of each such document;
- b. The date of each such document;
- c. The author, preparer or signer of each such document; and
- d. A description of the subject matter of such document sufficient to permit an understanding of its contents and importance to the testimony or position being examined and the present or last known location of the document. The specific nature of the document should also be stated (*e.g.*, letter, business record, memorandum, computer print-out, etc.).

In lieu of “identifying” any document, it shall be deemed a sufficient compliance with these discovery requests to attach a copy of each such document to the answers hereto and reference said document in the particular interrogatory to which the document is responsive.

6. “Document” means the original and all drafts of all written and graphic matter, however produced or reproduced, of any kind or description, whether or not sent or received, and all copies thereof which are different in any way from the original (whether by interlineation, date-stamp, notarization, indication of copies sent or received, or otherwise), including without limitation, any paper, book, account, photograph, blueprint, drawing, sketch, schematic, agreement, contract, memorandum, press release, circular, advertising material, correspondence, letter, telegram, telex, object, report, opinion, investigation, record, transcript, hearing, meeting, study, notation, working paper, summary, intra-office communication, diary, chart, minutes, index sheet, computer software, computer-generated records or files, however

stored, check, check stub, delivery ticket, bill of lading, invoice, record or recording or summary of any telephone or other conversation, or of any interview or of any conference, or any other written, recorded, transcribed, punched, taped, filmed, or graphic matter of which the Responding Party has or has had possession, custody or control, or of which the Responding Party has knowledge.

7. "Communication" means any manner or form of information or message transmission, however produced or reproduced, whether as a document as herein defined, or orally or otherwise, which is made, distributed, or circulated between or among persons, or data storage or processing units.

8. "Date" means the exact day, month, and year, if ascertainable, or if not, the best approximation thereof.

9. Items referred to in the singular include those in the plural, and items referred to in the plural include those in the singular.

10. Items referred to in the masculine include those in the feminine, and items referred to in the feminine include those in the masculine.

11. The answers provided to these discovery requests should first restate the question asked and identify the person(s) supplying the information.

12. In answering these discovery requests, the Responding Party is requested to furnish all information that is available to the Responding Party, including information in the possession of the Responding Party's attorneys, agents, consultants, or investigators, and not merely such information of the Responding Party's own knowledge. If any of the discovery requests cannot be answered in full after exercising due diligence to secure the requested information, please so state and answer to the extent possible, specifying the Responding

Party's inability to answer the remainder, and stating whatever information the Responding Party has concerning the unanswered portions. If the Responding Party's answer is qualified in any particular, please set forth the details of such qualification.

13. If the Responding Party objects to providing any document requested on any ground, identify such document by describing it as set forth in Instruction 5 and state the basis of the objection.

14. If the Responding Party objects to part of a discovery request and refuses to answer that part, state the Responding Party's objection and answer the remaining portion of that discovery request. If the Responding Party objects to the scope or time period of a discovery request and refuses to answer for that scope or time period, state the Responding Party's objection and answer the discovery request for the scope or time period that the Responding Party believes is appropriate.

15. If, in connection with a discovery request, the Responding Party contends that any information, otherwise subject to discovery, is covered by either the attorney-client privilege, the so-called "attorneys' work product doctrine," or any other privilege or doctrine, then specify the general subject matter of the information and the basis to support each such objection.

16. If any information is withheld on grounds of privilege or other protection from disclosure, provide the following information: (a) every person to whom such information has been communicated and from whom such information was learned; (b) the nature and subject matter of the information; and (c) the basis on which the privilege or other protection from disclosure is claimed.

17. As set forth in 52 Pa. Code § 5.342(g), these discovery requests are continuing and the Responding Party is obliged to change, supplement, and correct all answers given to conform to new or changing information.

18. “Application” means the filing and all supporting data and testimony filed by Laurel, at Docket Nos. A-2016-2575829.

**INTERROGATORIES, REQUESTS FOR PRODUCTION OF
DOCUMENTS AND REQUESTS FOR ADMISSION ON SHEETZ – SET II**

LAU-SI-I-1

Regarding Mr. Lorenz's testimony at p. 1, lines 7 through 22, please answer the following questions:

- (a) Please state how long the witness has held the current position described in this testimony, and state for his prior positions at Sheetz, Inc. ("Sheetz") the title of each prior position and the approximate dates between which he held such earlier position.
- (b) Please list Mr. Lorenz's "midstream and downstream" positions at Mobil Oil Corp, including the title of each, the approximate dates between which he held such each position, and the geographical scope of the responsibilities associated with each position at Mobil Oil Corp.

LAU-SI-I-2

Regarding Mr. Lorentz's testimony at p. 2, lines 8 through 13, regarding the nature and scope of Sheetz's business in Pennsylvania, please provide answers to the following questions:

- (a) Please provide a list showing the locations of each of the retail service stations that Sheetz supplies with gasoline and/or diesel, showing the following information for each:
 - (i) address, street, town/local governmental unit and ZIP code;
 - (ii) volume of products delivered to such location for the period 2012 through July 2017, broken down by the following categories: gasoline (specifying whether winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), and diesel; and
 - (iii) the terminal(s) (i.e., the refined products terminal from which tanker trucks transport gasoline or diesel to the service station), for the period 2012 through July 2017 from which Sheetz or others supply each service station specifying the street address, town/local governmental unit and ZIP code for each such terminal.
- (b) Please provide Sheetz's estimate or assessment, whether formal or informally derived, regarding its market share in both the Pittsburgh market (as Sheetz defines such market) and for the central Pennsylvania market, for the sale of gasoline and/or diesel; and

- (i) Please provide all Documents analyzing, referencing, discussing or addressing Sheetz's market share in Pennsylvania or any market within Pennsylvania, whether such market has been defined by Sheetz or by another entity.
- (c) Please provide a list showing the locations of each of the retail service stations located in either West Virginia or eastern Ohio that Sheetz has supplied with gasoline and/or diesel from refined products terminals located in Pennsylvania, showing the following information for each:
 - (i) address, street, town/local governmental unit and ZIP code;
 - (ii) volume of products delivered to such location for the period 2012 through July 2017, broken down by the following categories: gasoline (specifying whether winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), and diesel, further broken down by:
 - a. volumes supplied from terminals located in Pennsylvania;
 - b. volumes supplied from terminals located in states other than Pennsylvania; and
 - (iii) for each terminal whose supply is used to provide the information specified in subpart (a) and (b) above, please specify the street address, town/local governmental unit, county, state and ZIP code for each such terminal.

LAU-SI-I-3

Please state whether Sheetz makes sales of any refined petroleum products to any other marketer or refined products market participant other than the transactions described in response to question LAU-SI-I-2 above, and if the answer is anything but an unqualified negative, please provide the following for such other marketers or other refined products market participants:

- (a) In the Pittsburgh market in Pennsylvania, and for each marketer or refined products market participant, for the period 2012 through July 2017 please provide by month the volume of gasoline (specified by winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), diesel, home heating oil, jet fuel and other major refined petroleum products sold to each such customer, and the geographical location of the point of sale for each such customer, by street address and town or other local entity and ZIP code.
- (b) In the Altoona/Central Pennsylvania market, and for each marketer or refined products market participant for the period 2012 through July 2017, please provide by month the volume of gasoline (specified by winter

conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), diesel, home heating oil, jet fuel and other major refined petroleum products sold to each such customer, and the geographical location of the point of sale for each such customer, by street address and town or other local entity and ZIP code.

- (c) In the Eastern Pennsylvania market, including the Philadelphia area, and for each marketer or refined products market participant for the period 2013 through July 2017 please provide by month the volume of gasoline (specified by winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), diesel, home heating oil, jet fuel and other major refined petroleum products sold to each such customer, and the geographical location of the point of sale for each such customer, by street address and town or other local entity and ZIP code.
- (d) For each customer identified in response to subparts a. through c. above, please state the source for the refined products supplied to such customer, and by “source” this question means the refinery, or if no refinery can be identified, the wholesale sales point at which Sheetz purchased the refined products (*e.g.*, “Booth,” “Linden,” “East Chicago,” etc.), or if FOB at a pipeline or waterborne terminal, the name and location of the terminal.
- (e) For each marketer and/or products market participant to whom Sheetz sold any refined products at wholesale that were supplied from sources within Pennsylvania but were making retail sales outside Pennsylvania, please provide for each such marketer or refined products market participant, for the period 2013 through July 2017, by month the volume of gasoline (specified by winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), diesel, home heating oil, jet fuel and other major refined petroleum products sold to each such customer, and the geographical location of the point of sale for each such customer, by street address and town or other local entity and ZIP code.

LAU-SI-I-4

Regarding Mr. Lorenz’s testimony at p. 3, lines 4 through 18, regarding the alleged role of Laurel in the Pittsburgh market and potential impact of its reversal, please answer the following questions:

- (a) Please produce copies of any of any Documents created by or for Sheetz during the period 2012 through July 2017 that reference or include any discussion, directly or indirectly, of the following topics:
 - (i) Laurel;
 - (ii) the potential reversal of Laurel, whether regarding the reversal proposal being considered in this proceeding or any other potential reversal;

- (iii) alternatives to Laurel of transporting product to markets in Pennsylvania (including without limitation, pipeline, truck, barge, exchange or other means of transportation);
 - (iv) sales or transportation of product to customers or terminals located west of Eldorado, Pennsylvania; and
 - (v) the alleged role of Pittsburgh as the “arbitrage point between supply from the east and supply from the west”;
- (b) Regarding Mr. Lorenz’s testimony regarding arbitrage between East Coast and Midwestern supplies of refined petroleum products:
- (i) please provide a list of each month for the period 2012 through July 2017 during which wholesale or bulk prices available from the Midwest and the East Coast in the Pittsburgh market created an arbitrage opportunity favoring supplies from one source or the other, and provide the price differential in cents per barrel;
 - (ii) during each month of favorable arbitrage identified in subpart (b)(i) immediately above, quantify the margin that Sheetz acquired due to its use of the advantaged supply of refined products to sell in the Pittsburgh market; and
 - (iii) during each period of favorable arbitrage identified in subpart (b)(i) immediately above, quantify the value of the arbitrage passed through by Sheetz to its wholesale or retail customers;
 - (iv) provide all Documents during the period 2012 through July 2017 that analyze, relate to, reference or address arbitrage in the Pittsburgh area between East Coast and Midwest prices, and/or the margin derived by Sheetz, directly or indirectly; and
 - (v) please confirm that it was not and is not the company policy of Sheetz to pass through to its wholesale and retail customers the potential savings made available due to the Midwest/East Coast arbitrage that he describes, or to retain as much of the arbitrage benefits as possible for the owners, and please provide all documents created by Sheetz that discuss, relate to, reference or analyze this policy directly or indirectly.
- (c) Regarding Mr. Lorenz’s comparison of the relative size of the Pittsburgh market to the market served by deliveries to Eldorado (Lorenz testimony, p. 3, lines 12-18), please answer the following questions:
- (i) please state whether Mr. Lorenz has performed any analysis of:

- a. the percentage of, or size of the population of the Pittsburgh area market served by terminals attached to Laurel; or
 - b. the percentage of, or size of the population served by terminals attached to Laurel at Eldorado;
- (ii) If the answer to either subparts (c)(ii)a. or (c)(ii)b. immediately above is anything but an unqualified negative, please provide a copy of such analyses and all Documents relating to or referencing it.
- (d) Regarding Mr. Lorenz's testimony, at p. 3, lines 19 through 22 about the benefits of the East Coast market, please answer the following questions:
- (i) please provide all Documents created by or on behalf of Sheetz during the time period 2012 through July 2017 analyzing, discussing, relating to or addressing, directly or indirectly:
 - a. Midwestern refined products prices;
 - b. East Coast refined products prices; and
 - c. differences between, and trends regarding, Midwestern refined products prices and East Coast refined products prices;
 - (ii) please explain in detail the assertion that East Coast products have been "the most consistent low-cost supply alternative," and provide documentation to support that statement, as well as an explanation for the time period to which the statement applies.

LAU-SI-I-5

Regarding Mr. Lorenz's testimony at p. 4, lines 1 through 2, please answer the following questions:

- (a) Please provide a detailed explanation for Mr. Lorenz's contention that "the Chicago market has only a few major players and lower volumes are traded there, making it less liquid than East Coast markets."
- (b) Please provide:
 - (i) all Documents that Mr. Lorenz relied upon in making this statement, or which support his contention; and
 - (ii) all Documents created on behalf of Sheetz during the period 2012 through July 2017 that analyze, reference, relate to or address the

volatility of prices in the Chicago market, or in any other Midwestern refined petroleum products markets, or to price volatility in East Coast refined petroleum products markets.

LAU-SI-I-6

Regarding Mr. Lorenz's testimony at p. 4, lines 2 through 5, please answer the following questions:

- (a) Explain in detail Mr. Lorenz's contention that "[h]igher price volatility and the lagging nature of retail pricing translates into higher retail prices."
- (b) Please explain in detail why Mr. Lorenz concludes that price volatility, per se, results in higher retail prices, and provide all examples of such a result known to Mr. Lorenz.
- (c) Please explain in detail why Mr. Lorenz concludes that price volatility in conjunction with "the lagging nature of retail pricing" results in higher retail prices, and provide all examples of such a result known to Mr. Lorenz.
- (d) Please provide all Documents created on behalf of Sheetz during the period 2012 through July 2017 that analyze, reference, relate to, reflect or address the pricing impact on retail sales of price volatility, the lagging nature of retail pricing, or these two factors operating in conjunction.

LAU-SI-I-7

Regarding Mr. Lorenz's testimony at p. 4, lines 6 through 12, please answer the following questions:

- (a) Please provide a detailed explanation of why Mr. Lorenz believes that Pittsburgh's role as "arbitrage point" means that it "also plays a significant role in the supply security of the Pittsburgh area," apart from the statements in the next two sentences, and in particular please clarify whether Mr. Lorenz refers to the physical supply provided by Laurel's flow from the east, rather than the price issues associated with "arbitrage."
- (b) Please provide a detailed explanation of Mr. Lorenz's contention that "[a]ny material disruption to supply from the west could lead to supply shortages in the Pittsburgh area," and in addition please answer the following questions:
 - (i) Please provide a list of all supply disruptions to the Pittsburgh market during the period 2012 through July 2017 known to Mr. Lorenz, and describe the cause and the impact on Sheetz and on consumers, including documentation of any "supply shortages".

- (ii) Please provide a list of all supply disruptions to the Altoona or eastern Pennsylvania markets during the period 2012 through July 2017 known to Mr. Lorenz, and describe the cause and the impact on Sheetz and on consumers, including documentation of any “supply shortages”.

LAU-SI-I-8

Regarding Mr. Lorenz’s testimony at p. 5, line 15 through p. 6, line 2, regarding the alleged limitations on the use of barges to supply the Pittsburgh market, please answer the following questions:

- (a) Please explain in detail whether and, if so, to what extent, Mr. Lorenz has had personal responsibility for the use of barges to supply refined petroleum products to the Pittsburgh area, either in his work at Sheetz or for Mobil Oil Corp.
- (b) Please provide a list of all contracts on or on behalf of Sheetz for either transportation via barge to supply the Pittsburgh market, or for the purchase of refined products by Sheetz at a terminal in the Pittsburgh market that was delivered by barge.
- (c) Please provide a copy of each contract listed in response to subpart (b) immediately above.
- (d) Please provide all Documents created by or on behalf of Sheetz relating to the actual or potential use of barges to supply refined petroleum products in the Pittsburgh market during the period 2012 through July 2017;
- (e) Please provide a complete description of Mr. Lorenz’s knowledge of:
 - (i) the volume of refined petroleum products delivered to Pittsburgh market destinations;
 - (ii) the location of terminals capable of receiving barge deliveries of refined petroleum products in the Pittsburgh market;
 - (iii) the prices for the transportation of refined petroleum products to the Pittsburgh market via barge;
 - (iv) whether Mr. Lorenz relies on specific personal knowledge regarding his statement that “[t]hese variables make barge supply sporadic at best and thus an unreliable alternative,” and if so please provide all specifics supporting this conclusion
 - (v) regarding the term “[h]istorically” at line 17, please state the time period encompassed by this term, and please explain Mr. Lorenz’s basis for concluding that “barging has played an insignificant role

as a source of petroleum products and to my knowledge, only a minor role for the Pittsburgh region.”

- (vi) regarding the statement at lines 19-21 that “[r]amping up this source of supply would take a tremendous risk tolerance for uncertainties in product availability and supply reliability in addition to requiring substantial capital investment to increase barging capacity and meet emission limits,” please answer the following questions:
 - a. Please explain in detail the basis for the statement as it regards product availability and supply reliability.
 - b. Please explain Mr. Lorenz’s basis for contending that investment would be needed for increased barging, what dollar value or range of values he asserts would be required, whether he believes that there is insufficient barge-accessible terminal capacity in the Pittsburgh market, whether he believes that capital investment would be needed with respect to the supply of barges, and the complete basis for his conclusions or premises regarding such investments.
- (f) Please provide Mr. Lorenz’s definition of the term “Pittsburgh market” as he uses it at line 16, as defined by geographical area (*e.g.*, by included counties), and please state whether his testimony means this same definition whenever it references “Pittsburgh” or the “Pittsburgh area” or the “Pittsburgh market,” and if the answer is anything but an unqualified affirmative, please provide any alternative geographic areas to which Mr. Lorenz refers when using these terms.

LAU-SI-I-9

Regarding Mr. Lorenz’s testimony as to the role of local refineries in the Pittsburgh area, at p. 6, lines 5 through 17, please answer the following questions:

- (a) Please explain in detail the basis for Mr. Lorenz’s statements regarding the output of the Ergon refinery, and provide any supporting Documents.
- (b) As to Mr. Lorenz’s statements regarding the alleged distance from Pittsburgh of the Marathon Canton refinery and the United Refinery at Warren, please confirm that the cited mileage numbers only refer to map miles between Canton and Pittsburgh and between Warren and Pittsburgh, and does not address the distance between Canton or Warren and many Sheetz and other service stations in the entire Pittsburgh market.
- (c) Please explain in detail Mr. Lorenz’s conclusion that “these refineries are relatively small and geographically isolated, they serve only the markets

surrounding the refineries and are therefore part of the base or sole supply for those specific regions,” and that they have “little to no ability to produce additional product or shift product to Pittsburgh,” and in particular provide all underlying evidence Mr. Lorenz has for his conclusions regarding the role and likely response of these refineries to changes in the supply sources for the Pittsburgh market.

- (d) Please provide all Documents created by or on behalf of Sheetz that analyze, discuss, reference, relate to or address the actual or potential transportation of refined petroleum products from the Ergon, Canton or Warren refineries to any service station owned or supplied by Sheetz, either directly by Sheetz or by means of third parties, whether other marketers, jobbers or others.
- (e) Please explain whether Mr. Lorenz considered the potential role of the Ergon, Canton and Warren refineries in meeting a portion of demand in the Pittsburgh market, i.e., that they might incrementally shift sales to the Pittsburgh market, and if so, please explain in detail.
- (f) Please explain whether Mr. Lorenz’s statement at lines 10 through 12 (footnote omitted), “[g]iven the positive 3:2:1 crack spreads, it would be a reasonable assumption that all three of these refineries are running at or near capacity,” is based or supported by any knowledge that Mr. Lorenz has regarding the actual product slate or production from these refineries.

LAU-SI-I-10

Regarding Mr. Lorenz’s testimony at p. 7, lines 1 through 18, please answer the following questions:

- (a) Regarding the reference, “eastern-sourced product, which is the lower cost alternative the majority of the time,” please describe in detail Mr. Lorenz’s basis for this contention, and also explain whether the statement applies to all refined petroleum products or only certain refined petroleum products, and produce all Documents supporting this conclusion.
- (b) In light of the discussion of truck movements and likely truck transportation, including the statement, “[t]ypically, trucks already move product westwards from Eldorado to the Delmont, PA area,” please produce all Documents created by or on behalf of Sheetz that analyze, reference, discuss, reflect or address the delivery of refined petroleum products to either Sheetz-owned or non-Sheetz-owned destinations, from pipeline terminals connected to the Laurel system, or the Sunoco Pipeline L.P. and/or Energy Transfer Partners system at locations in Western and Central Pennsylvania, including Eldorado, Delmont, Greensburg, Coraopolis, Neville Island, Blawnox and Pittsburgh.

- (c) Please state whether Mr. Lorenz is aware that trucks have been transporting refined petroleum products from terminals at Delmont eastward towards Eldorado since the commencement of service by Sunoco Pipeline L.P. and/or Energy Transfer Partners to Delmont, and please supply all Documents related to, referencing, analyzing or discussing such movements.
- (d) Regarding the contention that the distance from Eldorado to Pittsburgh is “over 120 miles,” please explain why Mr. Lorenz assumes that all or part of the trucks from Eldorado would transport refined petroleum products from Eldorado to the city limits of Pittsburgh, when the Sheetz and other service stations supplied by pipeline terminals are located throughout the multi-county Pittsburgh market, and please state whether Mr. Lorenz has analyzed the difficulty of trucking to the actual service station destinations in the Pittsburgh market from Eldorado, and if so, please provide all Documents relating to such analysis.
- (e) Regarding the assertion that moving product to the Pittsburgh market from Eldorado would require “a major investment in more Commercial Drivers License (“CDL”) drivers and trucks to make that happen,” please provide any calculations that Mr. Lorenz has prepared quantifying such investment and provide all assumptions and Documents related to such calculations.
- (f) Regarding Mr. Lorenz’s statement that it is “highly unlikely that the Eldorado terminals have the adequate tankage or loading capacity to supply more trucking volumes to the Pittsburgh market without substantial additional investment,” please define what the witness means by “more” (*i.e.* one incremental tanker truck per day, 10 incremental tanker trucks per day, etc.), the basis for his contention, his knowledge of the current terminal and truck rack throughput capacity at the Eldorado terminals, and what sum or range of sums he means by “substantial investment.”

LAU-SI-I-11

Regarding Mr. Lorenz’s testimony as to the need for different types of gasoline in the Pittsburgh area than the Eldorado area, at p. 8, line 5 through p. 21, please answer the following questions:

- (a) Does Mr. Lorenz know the number of tanks available at the Eldorado terminals? If he does, does he know which tanks are used to store particular types of refined petroleum products? If he does, please describe in detail these facts.
- (b) Does Mr. Lorenz believe that the tanks located at Eldorado can or cannot be varied to meet new or changed commercial circumstances, such as increased demand for a type of gasoline, or a demand for a new type of gasoline in addition to current types? Please explain this answer in detail.

LAU-SI-I-12

Regarding Mr. Lorenz's testimony at p. 9, lines 4 through 12, please explain in detail the basis for Mr. Lorenz's statement regarding "western" refineries, "their ability to produce enough supply and get it to Pittsburgh is highly doubtful," please answer the following questions:

- (a) Please explain in detail Mr. Lorenz's knowledge of the capacity of Midwestern refineries with access to the Buckeye system to produce low-RVP gasoline, and supply all Documents supporting his analysis.
- (b) Please explain in detail what Mr. Lorenz means when he suggests that the Midwestern refineries may not be able to transport sufficient low-RVP gasoline to Pittsburgh, and provide all Documents supporting his analysis.

LAU-SI-I-13

Regarding Mr. Lorenz's statements at p. 9, line 17 through p. 10, line 7 regarding the potential for expansion of terminal or truck loading capacity at Eldorado, please answer the following questions:

- (a) Please describe in detail the nature and size of the additional investment that Mr. Lorenz concludes would be necessary at Eldorado, including new tankage, additional truck rack capacity and associated pipage, and provide all Documents reflecting his calculations and assumptions;
- (b) Please in detail explain why Mr. Lorenz believes that the additional investments he hypothesizes would be sufficiently expensive as to make the refined products "uncompetitive," and provide in detail the assumed capital costs and assumed East Coast price differentials that apparently support this conclusion.

LAU-SI-I-14

Regarding Mr. Lorenz's testimony at p. 10, line 21 through p. 11, line 8, please answer the following questions:

- (a) Please explain in greater detail, and provide all grounds for, Mr. Lorenz's conclusion that arbitrage plays a "critical stabilizing effect" in the Pittsburgh market.
- (b) Please provide all Documents prepared by or for Sheetz during the period 2016-2017, projecting future wholesale prices in the Pittsburgh market, the central Pennsylvania or Altoona market, and in Eastern Pennsylvania.
- (c) Please explain in detail the basis for the statement that "increasing demand for product for the west with limited supply will drive up prices," and whether "limited supply" refers to refinery supply or to pipeline or other

transportation capacity; please further explain why supply is restricted as to either transportation and/or supply.

LAU-SI-I-15

Regarding Mr. Lorenz's testimony concerning the nature and posited unavailability of exchanges in the Pittsburgh market, either before or after the proposed reversal, please answer the following questions:

- (a) Please provide in detail the basis for Mr. Lorenz's statement that "to my knowledge, no market participants have ever successfully entered into a product exchange for supply to Western Pennsylvania," and that "given the pricing volatility of the east/west arbitrage and shifting product imbalances, getting two parties to agree to an exchange is difficult," explain in detail whether either statement reflects his personal experiences and if so, please provide all instances in which Mr. Lorenz was involved with a potential exchange, and provide all Documents supporting these allegations.
- (b) With respect to the statements quoted in subpart (a) immediately above, please explain how Mr. Lorenz would know whether "any product exchanges" have taken place with parties other than Sheetz, when refined petroleum product exchanges are not publicly disclosed, and are considered highly confidential.
- (c) Please provide a copy of all exchange agreements that Sheetz has entered into that have been in effect during the period 2012 through July 2017.

LAU-SI-I-16

Regarding the testimony at p. 12, line 16 through p. 15, line 13, please answer the following questions:

- (a) Does Mr. Lorenz contend that Gulf Coast supplies via Explorer are not available in the Midwest? Please explain in detail.
- (b) Please provide all Documents upon which Mr. Lorenz relied in making the statements in this testimony.
- (c) Please explain whether there have been any disruptions in supply from the East Coast, whether from hurricanes, refinery shutdowns, Colonial disruptions, or other sources, and if so, has Mr. Lorenz analyzed the impact of such disruptions on prices in Pittsburgh, and if so, please

provide all such analyses and examples known to Mr. Lorenz, and all supporting Documents.

- (d) Does Mr. Lorenz suggest that the Whiting outage he describes, or any other recent disruptions in the Midwest, have resulted in a shortfall in the availability of refined petroleum products? If so, please explain that conclusion in detail.
- (e) Mr. Lorenz discusses prices contemporaneous with the Whiting outage at p. 15, and in the chart on that page, but does not show his data for the Pittsburgh prices. Please state whether Mr. Lorenz has that data, and if so, please provide it in the same format as the data for “U.S. Average,” “Midwest,” “Chicago,” and “Cleveland.”
- (f) Please provide all grounds for Mr. Lorenz’s testimony at p. 15, lines 11-13 that the impact of reversal “will be dramatically higher and extend for longer periods of time in the Pittsburgh area.” Please explain in detail and cite to all sources supporting this conclusion other than those stated in Mr. Lorenz’s testimony and that of other intervenor testimony in this proceeding.

LAU-SI-I-17

Regarding Mr. Lorenz’s testimony at p. 16, lines 1 through 14, please state whether Mr. Lorenz’s conclusions in this portion of his testimony rely on the grounds stated in the preceding pages of his testimony on the same subject, and if not, please explain in detail any additional grounds.

Appendix

B



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August 4, 2017

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**VIA E-MAIL AND
FIRST CLASS MAIL**

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 Mr. Kanagy:

Enclosed please find Sheetz Inc.'s Objections to Laurel Pipe Line Company, L.P. Interrogatories and Requests for Production of Documents – Set II in the above-referenced proceedings.

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', written over a horizontal line.

Adeolu A. Bakare

Counsel to Sheetz, Inc.

Enclosure

c: Rosemary Chiavetta, Secretary (via Electronic Filing – Letter and Certificate of Service only)
Certificate of Service

www.McNeesLaw.com

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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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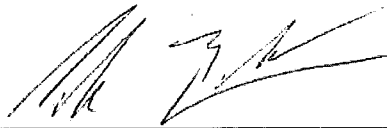
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Certificate of Service
Docket No. A-2016-2575829 and G-2017-2587567
Page 2

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Dated this 4th day of August, 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. :

**SHEETZ, INC. OBJECTIONS TO
LAUREL PIPE LINE COMPANY, L.P. INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS – SET 2**

Pursuant to 52 Pa. Code §§ 5.342(c) and (e), Sheetz, Inc. ("Sheetz") hereby objects to the Interrogatories served by Laurel Pipe Line Company, L.P.'s ("Laurel" or "Applicant") on July 25, 2017 ("Set II"). As explained below, Sheetz objects to certain of Laurel's Discovery Requests to the extent that they are overly broad, unduly burdensome, vague, and/or ambiguous or would cause an unreasonable investigation. Sheetz further objects to certain of Laurel's Discovery Requests that seek information that is not relevant to any claim or defense in this matter and/or is beyond the scope of this proceeding.

I. OBJECTIONS TO DISCOVERY REQUESTS

General Objection for Set II

Section 5.361(a)(2) of the Commission's regulations, 52 Pa. Code § 5.361(a)(2), prohibits discovery into matters that would impose an unreasonable burden on a party. Section 5.361(a)(4) of the Commission's regulations, 52 Pa. Code § 5.361(a)(4), similarly prohibits discovery into matters that would require the making of an unreasonable investigation by a party.

Several of Laurel's Set II discovery requests seek Documents or Communications for unspecified time periods or for the period 2012 – July 2017. The furnishing of data for unspecified time periods or for a time period ending July 2017 would unreasonably burden Sheetz. For all Set II Requests seeking production of Documents or Communications and not otherwise subject to other objection, Sheetz will respond with Documents or Communications for the period 2012 – June 2017.

Laurel to Sheetz, Set II, Request No. 1

Regarding Mr. Lorenz's testimony at p. 1, lines 7 through 22, please answer the following questions:

- a) Please state how long the witness has held the current position described in this testimony, and state for his prior positions at Sheetz, Inc. ("Sheetz") the title of each prior position and the approximate dates between which he held such earlier position.
- b) Please list Mr. Lorenz's "midstream and downstream" positions at Mobil Oil Corp, including the title of each, the approximate dates between which he held such each position, and the geographical scope of the responsibilities associated with each position at Mobil Oil Corp.

Objection to Request No. 1

Per Section 5.321(c) of the Commission's regulations, 52 Pa. Code § 5.321(c), a party may obtain discovery of any matter that is relevant to the subject matter and issues in the proceeding, and thus reasonably calculated to lead to the discovery of admissible evidence. Sheetz objects to Request Nos. 1(b) as the identity of Mr. Lorenz's job duties while at Mobil Oil Corp. have no

bearing on his testimony in this proceeding, particularly as Mr. Lorenz has been employed by Sheetz for 17 years.

Laurel to Sheetz, Set II, Request No. 2

Regarding Mr. Lorenz's testimony at p. 2, lines 8 through 13, regarding the nature and scope of Sheetz's business in Pennsylvania, please provide answers to the following questions:

- a) Please provide a list showing the locations of each of the retail service stations that Sheetz supplies with gasoline and/or diesel, showing the following information for each:
 - i) address, street, town/local governmental unit and ZIP code;
 - ii) volume of products delivered to such location for the period 2012 through July 2017, broken down by the following categories: gasoline (specifying whether winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), and diesel; and
 - iii) the terminal(s) (i.e., the refined products terminal from which tanker trucks transport gasoline or diesel to the service station), for the period 2012 through July 2017 from which Sheetz or others supply each service station specifying the street address, town/local governmental unit and ZIP code for each such terminal.
- b) Please provide Sheetz's estimate or assessment, whether formal or informally derived, regarding its market share in both the Pittsburgh market (as Sheetz defines such market) and for the central Pennsylvania market, for the sale of gasoline and/or diesel; and
 - i) Please provide all Documents analyzing, referencing, discussing or addressing Sheetz's market share in Pennsylvania or any market within Pennsylvania, whether such market has been defined by Sheetz or by another entity.
- c) Please provide a list showing the locations of each of the retail service stations located in either West Virginia or eastern Ohio that Sheetz has supplied with gasoline and/or diesel from refined products terminals located in Pennsylvania, showing the following information for each:
 - i) address, street, town/local governmental unit and ZIP code;
 - ii) volume of products delivered to such location for the period 2012 through July 2017, broken down by the following categories: gasoline (specifying whether winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), and diesel, further broken down by:
 - a. volumes supplied from terminals located in Pennsylvania;
 - b. volumes supplied from terminals located in states other than Pennsylvania; and
 - iii) for each terminal whose supply is used to provide the information specified in subpart (a) and (b) above, please specify the street address, town/local governmental unit, county, state and ZIP code for each such terminal

Objection to Request No. 2

Per Section 5.321(c) of the Commission's regulations, 52 Pa. Code § 5.321(c), a party may obtain discovery of any matter that is relevant to the subject matter and issues in the proceeding,

and thus reasonably calculated to lead to the discovery of admissible evidence. Section 5.361(a)(2) of the Commission's regulations, 52 Pa. Code § 5.361(a)(2), prohibits discovery into matters that would impose an unreasonable burden on a party. Section 5.361(a)(4) of the Commission's regulations, 52 Pa. Code § 5.361(a)(4), similarly prohibits discovery into matters that would require the making of an unreasonable investigation by a party. As a result, Sheets objects to Request No. 2(a)(i)-(iii), (b)(i), and (c)(i)-(iii).

Sheetz objects to Request No. 2(a)(i)-(ii) as irrelevant to any claim or defense in this matter, beyond the scope of this proceeding and unduly burdensome. Locational and volumetric data concerning individual product sales to each of Sheetz's Pennsylvania retail stores is not relevant to broader market issues at issue in this proceeding. Sheetz has already provided aggregate volumes of petroleum products shipped to its Pennsylvania by month for the years 2012 to 2016 in response to Laurel Set I Request No. 5. Providing more granular data in response to Request No. 2(a)(i)-(ii), would unduly burden Sheetz by requiring an excessively voluminous document production.

Sheetz also objects to Request No. 2(a)(iii) as unduly burdensome to the extent Laurel seeks information beyond that provided in response to Laurel Set I Request No. 17.

Sheetz further objects to Request Nos. 2(b)(i) on grounds that information related to Sheetz's market share is not relevant to the issues in this proceeding and is thus beyond the scope of discovery. Mr. Lorenz testified to the aggregate market impacts resulting from Laurel's Application and Laurel has acknowledged that Sheetz is a shipper on Laurel's pipeline. As market participant, Sheetz would be impacted by Laurel's Application regardless of the size of its market share, such that Request No. 2(b)(i) requests irrelevant information that is not calculated to lead to admissible evidence.

Finally, Sheetz objects to Request No. 2(c)(i)-(iii) as irrelevant to any claim or defense in this matter, beyond the scope of this proceeding and unduly burdensome. Locational and volumetric data concerning individual product sales to each of Sheetz's West Virginia and Ohio retail stores supplied with product from Pennsylvania terminals is not relevant to broader market issues at issue in this proceeding. Responding with the granular location and product detail sought by Request No. 2(c)(i)-(iii), would unduly burden Sheetz by requiring an excessively voluminous document production. Sheetz will provide responsive aggregate volumes of petroleum products shipped to retail stores in West Virginia and Ohio from Pennsylvania terminals in the same or similar format as the Attachments to Laurel Set I Request No. 5, except that Sheetz further objects to Request No. 2(c)(ii)(b) as irrelevant on grounds that Laurel seeks shipping information for movements that do not originate or terminate in Pennsylvania.

Laurel to Sheetz, Set II, Request No. 3

Please state whether Sheetz makes sales of any refined petroleum products to any other marketer or refined products market participant other than the transactions described in response to question LAU-SI-I-2 above, and if the answer is anything but an unqualified negative, please provide the following for such other marketers or other refined products market participants:

- a) In the Pittsburgh market in Pennsylvania, and for each marketer or refined products market participant, for the period 2012 through July 2017 please provide by month the volume of gasoline (specified by winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), diesel, home heating oil, jet fuel and other major refined petroleum products sold to each such customer, and the geographical location of the point of sale for each such customer, by street address and town or other local entity and ZIP code.
- b) In the Altoona/Central Pennsylvania market, and* for each marketer or refined products market participant for the period 2012 through July 2017, please provide by month the volume of gasoline (specified by winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), diesel, home heating oil, jet fuel and other major refined petroleum products sold to each such customer, and the geographical location of the point of sale for each such customer, by street address and town or other local entity and ZIP code.
- c) In the Eastern Pennsylvania market, including the Philadelphia area, and for each marketer or refined products market participant for the period 2013 through July 2017 please provide by month the volume of gasoline (specified by winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), diesel, home heating oil, jet fuel and other major refined petroleum products sold to each such customer, and the geographical location of the point of sale for each such customer, by street address and town or other local entity and ZIP code.
- d) For each customer identified in response to subparts a. through c. above, please state the source for the refined products supplied to such customer, and by "source" this question means the refinery, or if no refinery can be identified, the wholesale sales point at which Sheetz purchased the refined products (e.g., "Booth," "Linden," "East Chicago," etc.), or if FOB at a pipeline or waterborne terminal, the name and location of the terminal.
- e) For each marketer and/or products market participant to whom Sheetz sold any refined products at wholesale that were supplied from sources within Pennsylvania but were making retail sales outside Pennsylvania, please provide for each such marketer or refined products market participant, for the period 2013 through July 2017, by month the volume of gasoline (specified by winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), diesel, home heating oil, jet fuel and other major refined petroleum products sold to each such customer, and the geographical location of the point of sale for each such customer, by street address and town or other local entity and ZIP code.

Objection to Request No. 3

Per Section 5.321(c) of the Commission's regulations, 52 Pa. Code § 5.321(c), a party may obtain discovery of any matter that is relevant to the subject matter and issues in the proceeding, and thus reasonably calculated to lead to the discovery of admissible evidence. Section 5.361(a)(2) of the Commission's regulations, 52 Pa. Code § 5.361(a)(2), prohibits discovery into matters that would impose an unreasonable burden on a party. Section 5.361(a)(4) of the Commission's regulations, 52 Pa. Code § 5.361(a)(4), similarly prohibits discovery into matters that would require the making of an unreasonable investigation by a party. As a result, Sheets objects to Request No. 3(d)-(e).

Sheetz objects to Request No. 3(d) as unduly burdensome and requiring an unreasonable investigation as Sheetz records may not have information sufficient to determine the origin point, source, or wholesale sales point for refined petroleum products supplied to Sheetz's customers.

Sheetz further objects to Request No. 3(e) as irrelevant and requiring an unreasonable investigation. Laurel asks Sheetz to furnish volumetric sales information for marketers or refined products market participants that purchase volumes in Pennsylvania but engage in retail sales outside of Pennsylvania. The commercial or geographical market decisions of marketers or refined products market participants after they purchase volumes from Sheetz in Pennsylvania bears no relation to the issues addressed in Mr. Lorenz's Direct Testimony.

Laurel to Sheetz, Set II, Request No. 4

Regarding Mr. Lorenz's testimony at p. 3, lines 4 through 18, regarding the alleged role of Laurel in the Pittsburgh market and potential impact of its reversal, please answer the following questions:

- a) Please produce copies of any of any Documents created by or for Sheetz during the period 2012 through July 2017 that reference or include any discussion, directly or indirectly, of the following topics:
 - i) Laurel;
 - ii) the potential reversal of Laurel, whether regarding the reversal proposal being considered in this proceeding or any other potential reversal;
 - iii) alternatives to Laurel of transporting product to markets in Pennsylvania (including without limitation, pipeline, truck, barge, exchange or other means of transportation);
 - iv) sales or transportation of product to customers or terminals located west of Eldorado, Pennsylvania; and
 - v) the alleged role of Pittsburgh as the "arbitrage point between supply from the east and supply from the west";
- b) Regarding Mr. Lorenz's testimony regarding arbitrage between East Coast and Midwestern supplies of refined petroleum products:
 - i) please provide a list of each month for the period 2012 through July 2017 during which wholesale or bulk prices available from the Midwest and the East Coast in the Pittsburgh market created an arbitrage opportunity favoring supplies from one source or the other, and provide the price differential in cents per barrel;
 - ii) during each month of favorable arbitrage identified in subpart (b)(i) immediately above, quantify the margin that Sheetz acquired due to its use of the advantaged supply of refined products to sell in the Pittsburgh market; and
 - iii) during each period of favorable arbitrage identified in subpart (b)(i) immediately above, quantify the value of the arbitrage passed through by Sheetz to its wholesale or retail customers;
 - iv) provide all Documents during the period 2012 through July 2017 that analyze, relate to, reference or address arbitrage in the Pittsburgh area between East Coast and Midwest prices, and/or the margin derived by Sheetz, directly or indirectly; and
 - v) please confirm that it was not and is not the company policy of Sheetz to pass through to its wholesale and retail customers the potential savings made available due to the Midwest/East Coast arbitrage that he describes, or to retain as much of the arbitrage benefits as possible for the owners, and please provide all documents created by Sheetz that discuss, relate to, reference or analyze this policy directly or indirectly.

- c) Regarding Mr. Lorenz's comparison of the relative size of the Pittsburgh market to the market served by deliveries to Eldorado (Lorenz testimony, p. 3, lines 12-18), please answer the following questions:
 - i) please state whether Mr. Lorenz has performed any analysis of:
 - a. the percentage of, or size of the population of the Pittsburgh area market served by terminals attached to Laurel; or
 - b. the percentage of, or size of the population served by terminals attached to Laurel at Eldorado;
 - ii) If the answer to either subparts (c)(ii)a. or (c)(ii)b. immediately above is anything but an unqualified negative, please provide a copy of such analyses and all Documents relating to or referencing it.
- d) Regarding Mr. Lorenz's testimony, at p. 3, lines 19 through 22 about the benefits of the East Coast market, please answer the following questions:
 - i) please provide all Documents created by or on behalf of Sheetz during the time period 2012 through July 2017 analyzing, discussing, relating to or addressing, directly or indirectly:
 - a. Midwestern refined products prices;
 - b. East Coast refined products prices; and
 - c. differences between, and trends regarding, Midwestern refined products prices and East Coast refined products prices;
 - ii) please explain in detail the assertion that East Coast products have been "the most consistent low-cost supply alternative," and provide documentation to support that statement, as well as an explanation for the time period to which the statement applies.

Objection to Request No. 4

Section 5.361(a)(2) of the Commission's regulations, 52 Pa. Code § 5.361(a)(2), prohibits discovery into matters that would impose an unreasonable burden on a party. Section 5.361(a)(4) of the Commission's regulations, 52 Pa. Code § 5.361(a)(4), similarly prohibits discovery into matters that would require the making of an unreasonable investigation by a party. Additionally, per Section 5.321(c) of the Commission's regulations, 52 Pa. Code § 5.321(c), a party may obtain discovery of any matter that is relevant to the subject matter and issues in the proceeding, and thus

reasonably calculated to lead to the discovery of admissible evidence. Therefore, Sheetz objects to Request Nos. 4(a)(i)-(ii), (iv), and (b)(ii)-(v).

Responding to Request No. 4(a)(i) would unreasonably require Sheetz to provide all documents mentioning "Laurel," regardless of the subject matter. Such a response is not reasonably calculated to lead to discovery of admissible evidence and would unreasonably burden Sheetz by necessitating an excessively voluminous document production. Sheetz objects to Request No. 4(a)(ii) to the extent Laurel seeks information related to potential pipeline reversals of any pipeline other than Laurel. Finally, responding to Request No. 4(a)(iv) would impose an unreasonable burden upon Sheetz by necessitating production of any document referencing or discussing sales of product west of Eldorado, which would encompass an unreasonably broad swatch of documents.

Sheetz objects to Request Nos. 4(b)(ii)-(v) on grounds that information related to Sheetz's margins or measures of profit is not relevant to the issues in this proceeding and is thus beyond the scope of discovery. Sheetz is not a PUC-regulated entity and its internal pricing decisions are not relevant to the public interest issues before the PUC in this proceeding or the overall market costs of delivered product to Pittsburgh consumer.

Laurel to Sheetz, Set II, Request No. 7

Regarding Mr. Lorenz's testimony at p. 4, lines 6 through 12, please answer the following questions:

- a) Please provide a detailed explanation of why Mr. Lorenz believes that Pittsburgh's role as "arbitrage point" means that it "also plays a significant role in the supply security of the Pittsburgh area," apart from the statements in the next two sentences, and in particular please clarify whether Mr. Lorenz refers to the physical supply provided by Laurel's flow from the east, rather than the price issues associated with "arbitrage."
- b) Please provide a detailed explanation of Mr. Lorenz's contention that "[a]ny material disruption to supply from the west could lead to supply shortages in the Pittsburgh area," and in addition please answer the following questions:
 - i) Please provide a list of all supply disruptions to the Pittsburgh market during the period 2012 through July 2017 known to Mr. Lorenz, and describe the cause and the impact on Sheetz and on consumers, including documentation of any "supply shortages".
 - ii) Please provide a list of all supply disruptions to the Altoona or eastern Pennsylvania markets during the period 2012 through July 2017 known to Mr. Lorenz, and describe the cause and the impact on Sheetz and on consumers, including documentation of any "supply shortages".

Objection to Request No. 7

Section 5.361(a)(2) of the Commission's regulations, 52 Pa. Code § 5.361(a)(2), prohibits discovery into matters that would impose an unreasonable burden on a party. Section 5.361(a)(4) of the Commission's regulations, 52 Pa. Code § 5.361(a)(4), similarly prohibits discovery into matters that would require the making of an unreasonable investigation by a party. Additionally, per Section 5.321(c) of the Commission's regulations, 52 Pa. Code § 5.321(c), a party may obtain discovery of any matter that is relevant to the subject matter and issues in the proceeding, and thus reasonably calculated to lead to the discovery of admissible evidence. Therefore, Sheetz objects to Request Nos. 7(a) and (b).

Responding to Request No. 7(a) would impose an unreasonable burden upon Sheetz as the question is ambiguous and unclear in the meaning and distinction between "physical supply" and "price issues." Sheetz also objects to Request Nos. 7(b) as irrelevant to the extent the question

seeks information on the impact of supply disruptions upon individual market participants (including Sheetz) that are not relevant to the market impacts at issue in this proceeding.

Laurel to Sheetz, Set II, Request No. 8

Regarding Mr. Lorenz's testimony at p. 5, line 15 through p. 6, line 2, regarding the alleged limitations on the use of barges to supply the Pittsburgh market, please answer the following questions:

- a) Please explain in detail whether and, if so, to what extent, Mr. Lorenz has had personal responsibility for the use of barges to supply refined petroleum products to the Pittsburgh area, either in his work at Sheetz or for Mobil Oil Corp.
- b) Please provide a list of all contracts on or on behalf of Sheetz for either transportation via barge to supply the Pittsburgh market, or for the purchase of refined products by Sheetz at a terminal in the Pittsburgh market that was delivered by barge.
- c) Please provide a copy of each contract listed in response to subpart (b) immediately above.
- d) Please provide all Documents created by or on behalf of Sheetz relating to the actual or potential use of barges to supply refined petroleum products in the Pittsburgh market during the period 2012 through July 2017;
- e) Please provide a complete description of Mr. Lorenz's knowledge of:
 - i) the volume of refined petroleum products delivered to Pittsburgh market destinations;
 - ii) the location of terminals capable of receiving barge deliveries of refined petroleum products in the Pittsburgh market;
 - iii) the prices for the transportation of refined petroleum products to the Pittsburgh market via barge;
 - iv) whether Mr. Lorenz relies on specific personal knowledge regarding his statement that "These variables make barge supply sporadic at best and thus an unreliable alternative," and if so please provide all specifics supporting this conclusion
 - v) regarding the term "[h]istorically" at line 17, please state the time period encompassed by this term, and please explain Mr. Lorenz's basis for concluding that "barging has played an insignificant role as a source of petroleum products and to my knowledge, only a minor role for the Pittsburgh region."
 - vi) regarding the statement at lines 19-21 that "[damping up this source of supply would take a tremendous risk tolerance for uncertainties in product availability and supply reliability in addition to requiring substantial capital investment to increase barging capacity and meet emission limits," please answer the following questions:
 - a. Please explain in detail the basis for the statement as it regards product availability and supply reliability.
 - b. Please explain Mr. Lorenz's basis for contending that investment would be needed for increased barging, what dollar value or range of values he asserts would be required, whether he believes that there is insufficient barge-

accessible terminal capacity in the Pittsburgh market, whether he believes that capital investment would be needed with respect to the supply of barges, and the complete basis for his conclusions or premises regarding such investments.

- f) Please provide Mr. Lorenz's definition of the term "Pittsburgh market" as he uses it at line 16, as defined by geographical area (e.g., by included counties), and please state whether his testimony means this same definition whenever it references "Pittsburgh" or the "Pittsburgh area" or the "Pittsburgh market," and if the answer is anything but an unqualified affirmative, please provide any alternative geographic areas to which Mr. Lorenz refers when using these terms.

Objection to Request No. 8

Section 5.361(a)(2) of the Commission's regulations, 52 Pa. Code § 5.361(a)(2), prohibits discovery into matters that would impose an unreasonable burden on a party. Section 5.361(a)(4) of the Commission's regulations, 52 Pa. Code § 5.361(a)(4), similarly prohibits discovery into matters that would require the making of an unreasonable investigation by a party. Additionally, per Section 5.321(c) of the Commission's regulations, 52 Pa. Code § 5.321(c), a party may obtain discovery of any matter that is relevant to the subject matter and issues in the proceeding, and thus reasonably calculated to lead to the discovery of admissible evidence. Therefore, Sheetz objects to Request Nos. 8(a)–(c).

Sheetz objects to Request No. 7(a) as Mr. Lorenz's job duties while at Mobil Oil Corp. have no bearing on his testimony in this proceeding, particularly as Mr. Lorenz has been employed by Sheetz for 17 years. Sheetz further objects to Request Nos. 8(b)–(e) as irrelevant and burdensome as details concern Sheetz's contracts are not relevant to the market impacts of Laurel's proposed reversal. Notwithstanding the objection, Sheetz will respond to Request Nos. 8(b)–(c).

Laurel to Sheetz, Set II, Request No. 10

Regarding Mr. Lorenz's testimony at p. 7, lines 1 through 18, please answer the following questions:

- a) Regarding the reference, "eastern-sourced product, which is the lower cost alternative the majority of the time," please describe in detail Mr. Lorenz's basis for this contention, and also explain whether the statement applies to all refined petroleum products or only certain refined petroleum products, and produce all Documents supporting this conclusion.
- b) In light of the discussion of truck movements and likely truck transportation, including the statement, "[t]ypically, trucks already move product westwards from Eldorado to the Delmont, PA area," please produce all Documents created by or on behalf of Sheetz that analyze, reference, discuss, reflect or address the delivery of refined petroleum products to either Sheetz-owned or non-Sheetz-owned destinations, from pipeline terminals connected to the Laurel system, or the Sunoco Pipeline L.P. and/or Energy Transfer Partners system at locations in Western and Central Pennsylvania, including Eldorado, Delmont, Greensburg, Coraopolis, Neville Island, Blawnox and Pittsburgh.
- c) Please state whether Mr. Lorenz is aware that trucks have been transporting refined petroleum products from terminals at Delmont eastward towards Eldorado since the commencement of service by Sunoco Pipeline L.P. and/or Energy Transfer Partners to Delmont, and please supply all Documents related to, referencing, analyzing or discussing such movements.
- d) Regarding the contention that the distance from Eldorado to Pittsburgh is "over 120 miles," please explain why Mr. Lorenz assumes that all or part of the trucks from Eldorado would transport refined petroleum products from Eldorado to the city limits of Pittsburgh, when the Sheetz and other service stations supplied by pipeline terminals are located throughout the multi-county Pittsburgh market, and please state whether Mr. Lorenz has analyzed the difficulty of trucking to the actual service station destinations in the Pittsburgh market from Eldorado, and if so, please provide all Documents relating to such analysis.
- e) Regarding the assertion that moving product to the Pittsburgh market from Eldorado would require "a major investment in more Commercial Drivers License ("CDL") drivers and trucks to make that happen," please provide any calculations that Mr. Lorenz has prepared quantifying such investment and provide all assumptions and Documents related to such calculations.
- f) Regarding Mr. Lorenz's statement that it is "highly unlikely that the Eldorado terminals have the adequate tankage or loading capacity to supply more trucking volumes to the Pittsburgh market without substantial additional investment," please define what the witness means by "more" (i.e. one incremental tanker truck per day, 10 incremental tanker trucks per day, etc.), the basis for his contention, his knowledge of the current terminal and truck rack throughput capacity at the Eldorado terminals, and what sum or range of sums he means by "substantial investment."

Objection to Request No. 10

Section 5.361(a)(2) of the Commission's regulations, 52 Pa. Code § 5.361(a)(2), prohibits discovery into matters that would impose an unreasonable burden on a party. Section 5.361(a)(4) of the Commission's regulations, 52 Pa. Code § 5.361(a)(4), similarly prohibits discovery into matters that would require the making of an unreasonable investigation by a party. Additionally, per Section 5.321(c) of the Commission's regulations, 52 Pa. Code § 5.321(c), a party may obtain discovery of any matter that is relevant to the subject matter and issues in the proceeding, and thus reasonably calculated to lead to the discovery of admissible evidence. Therefore, Sheetz objects to Request Nos. 10(b).

Sheetz objects to Request No. 10(b) as irrelevant and unreasonably burdensome. Laurel overbroad request would encompass any Document analyzing, referencing, discussing, reflecting or addressing the delivery of refined petroleum products from not just Laurel's pipeline system, but from Sunoco Pipeline L.P and/or Energy Transfer Partners systems in Western and Central Pennsylvania. This information would require an unreasonably voluminous document production and is not reasonably calculated to lead to the discovery of admissible evidence.

Laurel to Sheetz, Set II, Request No. 13

Regarding Mr. Lorenz's statements at p. 9, line 17 through p. 10, line 7 regarding the potential for expansion of terminal or truck loading capacity at Eldorado, please answer the following questions:

- a) Please describe in detail the nature and size of the additional investment that Mr. Lorenz concludes would be necessary at Eldorado, including new tankage, additional truck rack capacity and associated pipage, and provide all Documents reflecting his calculations and assumptions;
- b) Please in detail explain why Mr. Lorenz believes that the additional investments he hypothesizes would be sufficiently expensive as to make the refined products "uncompetitive," and provide in detail the assumed capital costs and assumed East Coast price differentials that apparently support this conclusion.

Objection to Request No. 13

Section 5.361(a)(2) of the Commission's regulations, 52 Pa. Code § 5.361(a)(2), prohibits discovery into matters that would impose an unreasonable burden on a party. Section 5.361(a)(4) of the Commission's regulations, 52 Pa. Code § 5.361(a)(4), similarly prohibits discovery into matters that would require the making of an unreasonable investigation by a party. Additionally, per Section 5.321(c) of the Commission's regulations, 52 Pa. Code § 5.321(c), a party may obtain discovery of any matter that is relevant to the subject matter and issues in the proceeding, and thus reasonably calculated to lead to the discovery of admissible evidence. Therefore, Sheetz objects to Request Nos. 13(b).

Sheetz objects to Request No. 13(b) as unreasonably burdensome and creating undue annoyance on grounds that the question mischaracterizes Mr. Lorenz's testimony such that a response may further confuse his statements. Mr. Lorenz did not express a belief as to the whether the additional investments would be sufficiently expensive as to make the refined products "uncompetitive," but simply observed a potential outcome of increased rates for storage and transportation of the petroleum products. Notwithstanding the objection, Sheetz will respond to Request No. 13(b).

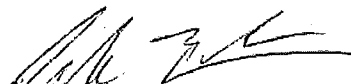
II. CONCLUSION

WHEREFORE, Sheetz, Inc. hereby objects to the entirety of Laurel Set II with respect to the General Objection as to unspecified or unreasonable timeframes and Laurel Set II Request Nos. 1(b); 2(a)(i)-(iii), (b)(i), and (c)(iii); 3(d)-(e); 4(a)(i)-(ii), (iv), and (b)(ii)-(v); 7(a)-(b); 8(a)-(c); 10(b); and 13(b) as set forth above.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By



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Dated: August 4, 2017