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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 Gulf Operating, LLC, 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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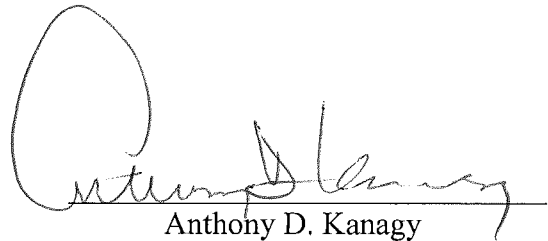
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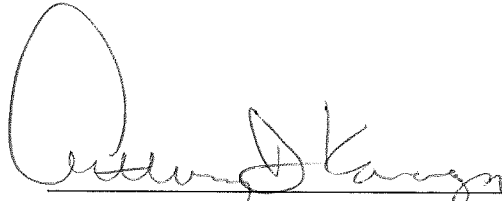
Anthony D. Kanagy

**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

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**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

**MOTION TO COMPEL ANSWERS TO INTERROGATORIES AND REQUESTS
FOR PRODUCTION OF DOCUMENTS
PROPOUNDED BY LAUREL PIPE LINE COMPANY, L.P.
ON GULF OPERATING, LLC, SET 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 Gulf Operating, LLC (“Gulf”). The Motion to Compel requests that Administrative Law Judge Eranda Vero (the “ALJ”) direct Gulf to provide full and complete responses to Request Nos. 1(a),(c), 2, 3(a),(f)(iii),(h)(ii), 4(b),(d), 6(a),(d)(iii), 7(a),(b),(d), 8(a)(i)-(iv),(c)(i),(c)(iii), 9(a)(i)-(iv), 11(c) and 12(e) 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, Gulf filed a formal Protest containing specific factual allegations regarding the effects of Laurel's proposal on Gulf and other entities throughout Pennsylvania. In support of its Protest, Gulf attached the Affidavit of Daniel S. Arthur to its Protest.

3. On July 14, 2017, Gulf served Gulf Statement No. 1, the Direct Testimony of Todd O'Malley.

4. On July 24, 2017, Laurel served Set II Discovery on Gulf. A copy of Laurel Set II Discovery to Gulf is provided as Appendix A hereto.

5. Gulf objected to Set II Discovery on August 3, 2017. Gulf objected to Set II Request Nos. 1(a),(c), 2, 3(a),(f)(iii),(h)(ii), 4(a),(b),(d), 6(a),(d)(iii), 7(a),(b),(d), 8(a)(i)-(iv),(c)(i),(c)(iii), 9(a)(i)-(iv), 10(a), 11(c), and 12(e),(f). A copy of Gulf's Objections is provided as Appendix B hereto.

6. On August 8, 2017, Gulf advised Your Honor and the parties by letter that Gulf intended to substitute Mr. Greg Johnston as a witness in place of Mr. O'Malley, and that all discovery responses and testimony submitted by Mr. O'Malley would be adopted, unchanged, by Mr. Johnston.¹

7. Laurel notes that while Gulf has objected to Request Nos. 10(a), and 12(f), Gulf has agreed to answer these questions. Laurel disagrees with Gulf's objections to these questions,

¹ As such, any reference to Mr. O'Malley in the Set II Discovery requests applies equally to Mr. Johnston and should be understood as referring to Mr. Johnston. Any reference in discovery requests to Mr. O'Malley's prior employment should also be understood to refer to Mr. Johnston's prior employment.

but is not filing a Motion to Compel as to these questions because Gulf has agreed to answer them.

8. Laurel contacted counsel for Gulf on August 9, 2017, to consider whether the parties could resolve any of the objections. Counsel for Laurel and Gulf discussed objections by telephone on August 11, 2017. Laurel is not filing this Motion to Compel with respect to Request No. 4(a). The parties are continuing to attempt to resolve Gulf's objections, including the objections to Request Nos. 3(h)(ii), 7(d) and 12(e). To date, however, the parties were not able to resolve their issues with respect to objections to Request Nos. 1(a),(c), 2, 3(a),(f)(iii),(h)(ii), 4(b),(d), 6(a),(d)(iii), 7(a),(b),(d), 8(a)(i)-(iv),(c)(i),(c)(iii), 9(a)(i)-(iv), 11(c) and 12(e).

9. Laurel hereby files its Motion to Compel Gulf to respond to Set II, Request Nos. 1(a),(c), 2, 3(a),(f)(iii),(h)(ii), 4(b),(d), 6(a),(d)(iii), 7(a),(b),(d), 8(a)(i)-(iv),(c)(i),(c)(iii), 9(a)(i)-(iv), 11(c) and 12(e).

II. ARGUMENT

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

10. The Indicated Parties, of which Gulf 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 and Sheetz, Inc., 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.”² The Indicated Parties cannot have it both ways; either the underlying data supporting their claims is relevant to the Commission’s evaluation of the public interest, and subject to discovery, or the Indicated Parties claims should be stricken from their testimony.

11. 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.

12. 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.

² 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).

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

13. Gulf 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. Gulf 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.

14. Gulf's general objection should be denied. It is reasonable to expect Gulf to produce responsive documents for time periods that are similar to the time periods that it has requested Laurel to produce information and documents. Therefore, to the extent that the applicable time period is shortened, Gulf should still be required to produce documents from between January 1, 2012 and July 14, 2017.

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

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

1. Regarding Mr. O'Malley's testimony at p. 1, lines 7 through 17, please answer the following questions:

- a) please identify the witness' predecessor in his current position (or the equivalent position if the job title changed), the time period for which the predecessor held that position.
- b) please describe in detail the nature of the witness' role in the distribution of refined products, including whether he is responsible for directing the use of particular carriers or modes of transportation, and whether he negotiates directly with transportation suppliers;
- c) please explain in detail Mr. O'Malley's duties while at PBF Energy, Inc., and the extent to which he had

personal responsibility for the use of pipeline, truck, barge, rail or other means of supplying refined petroleum products to the Pittsburgh area from the East Coast PBF refineries.

16. Gulf objects Request No. 1 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.

17. Gulf's objection to Request No. 1 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).

18. To the extent that Request No. 1 seeks information regarding the prior professional experience of the Gulf witness, such information is clearly discoverable and relevant to Gulf's claims in its testimony. The testimony of Gulf's witness is, in part, founded on his knowledge of the Pittsburgh petroleum products market, 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 Gulf. It is unreasonable for Gulf 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. O'Malley worked at a refinery, PBF Energy, Inc., prior to working for Gulf. Mr. O'Malley's work experience for a refiner operating two refineries in the Philadelphia market (Paulsboro, New Jersey and Delaware City, Delaware) as well as in the Midwest (Toledo) is certainly relevant to his testimony in this proceeding, which stems from his experience in the industry and not merely his recent work at Gulf. Therefore, Gulf's objection on this ground should be denied.

19. For the reasons more fully explained above, Gulf should be compelled to provide a full and complete response to Request No. 1 of Set I discovery. Alternatively, should Gulf 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. GULF SHOULD BE COMPELLED TO PROVIDE A FULL AND COMPLETE RESPONSE WITH RESPECT TO REQUEST NO. 2 OF THE SET I DISCOVERY.

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

2. Regarding Mr. O'Malley's testimony at p. 1, lines 9 through 12, regarding the nature of Gulf Operating LLC's ("Gulf's") business, please answer the following questions:

a) please provide a list of all petroleum products supplied by Gulf to each customer:

i) in the Pittsburgh market in Pennsylvania, and for each, for the period 2013 through July 2017, please provide by year the volume of gasoline (specified by regular gasoline, low vapor pressure gasoline and reformulated gasoline), 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;

ii) in the Altoona/Central Pennsylvania market, and for each, for the period 2012 through July 2017, please provide by year the volume of gasoline (specified by regular gasoline, low vapor pressure gasoline and reformulated gasoline), 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;

iii) in the Eastern Pennsylvania market, including the Philadelphia area, and for each, for the period 2013 through July 2017, please provide by year the volume of gasoline (specified by regular gasoline, low vapor pressure gasoline and reformulated gasoline), 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) for each customer identified in response to subpart a. 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 Gulf 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.

21. Gulf objects to Request No. 2 on the grounds that the information sought is not relevant to any claim or defense in this matter and/or is beyond the scope of the proceeding. Gulf also objects to Request No. 2 on the grounds that a response would impose an unreasonable burden or require an unreasonable investigation.

22. Gulf’s objection to Request No. 2 on relevance grounds is 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).

23. The sources of products sold to customers by Gulf, and their location, is directly relevant to the testimony in Gulf Statement No. 1 regarding the sources of petroleum products that will be available to deliver petroleum products into the Pittsburgh-area and Altoona-area

post-reversal. For example, the Gulf witness clearly specifically calls into question the sources of petroleum products sold in these areas when he claims that “If the PUC grants Laurel’s request...the petroleum products market in the Pittsburgh area will be wholly dependent on pipelines from the Midwest and the refineries that supply them. The result would reduce the liquidity and optionality of supply into Pittsburgh...” Gulf Statement No. 1, page 4, lines 8-11. This claim also implicates the volumes and types of products being delivered to these areas. Laurel cannot adequately evaluate Gulf’s claims without the data requested in Request No. 2.

24. Moreover, Gulf’s specific objection to Request No. 2(a)(iii) should also be denied, because its witness offers extensive testimony on the adequacy of certain alternatives. *See id.*, pages 8-13. It is important to assess the nature of Gulf’s business in Philadelphia to assess the overall impact of the alleged harm to Gulf.

25. Furthermore, Gulf’s argument that Request No. 2 would impose an unreasonable burden and require an unreasonable investigation is 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).

26. Gulf is a sophisticated entity that regularly participates in the petroleum products transportation market. The data requested in Request No. 3(b)—volumes and types of petroleum products, and the source(s) of such products, being sold by Gulf—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 Gulf maintains, possesses, or otherwise has access to, such information. Furthermore, as explained above, the requested information is essential to

Laurel's analysis of Gulf's claims in its testimony. Therefore, the necessity of this information to Laurel substantially outweighs any burden associated with its production.³

27. For the reasons more fully explained above, Gulf should be compelled to provide a full and complete response to Request No. 2 of Set I discovery. Alternatively, should Gulf 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. GULF SHOULD BE COMPELLED TO PROVIDE A FULL AND COMPLETE RESPONSE WITH RESPECT TO REQUEST NO. 3 OF THE SET II DISCOVERY.

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

3. Regarding Mr. O'Malley's testimony at p. 3, lines 5 through 12, regarding his understanding of sources of refined petroleum products for the Pittsburgh area, please answer the following questions:

- a) when Mr. O'Malley refers to "some limited barge shipments to Pittsburgh, please explain in detail the basis for his statement, please list the barge terminals capable of receiving refined petroleum products in Western Pennsylvania known to Mr. O'Malley, and please describe in detail the barge transactions and barge companies and river terminal operators with whom Mr. O'Malley has worked or attempted to work in his supply, trading and distribution duties;
- b) please define "the Pittsburgh area" as Mr. O'Malley uses it (e.g., specific counties that he means to include in the term);

³ 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).

- c) please explain in detail why Mr. O'Malley does not include in his list of supply sources for the Pittsburgh area the Marathon Pipeline;
- d) please explain in detail why Mr. O'Malley does not believe that Gulf Coast refined products cannot be transported to Pittsburgh via Explorer Pipeline and connecting pipelines to the Pittsburgh market; and
- e) please explain why Mr. O'Malley states that Midwestern supplies via the Sunoco Pipeline are only available by means of a joint FERC tariff with Inland Corporation;
- f) with respect to the Sunoco Pipeline, please explain:
 - i) whether Gulf transports refined products to the Pittsburgh area via the Sunoco Pipeline;
 - ii) if the answer to sub-part i. immediately above is anything but an unqualified negative, please provide the volumes transported by Gulf on Sunoco Pipeline during the period 2012 through 2016, by month, and by type of refined product;
 - iii) provide a copy of any currently-effective contract between Gulf and Sunoco Pipeline for transportation of refined products;
 - iv) please explain whether Gulf has had any communications with Sunoco Pipeline regarding the potential for expanded or additional transportation of refined products from the Midwest to the Pittsburgh area using Sunoco's "Allegheny Access" pipeline, and if the answer is anything but in the unqualified negative, please produce all documents and communications, through July 2017, relating to the potential for expanded transportation of refined products on the Allegheny Access system for Gulf;
- g) please explain in detail why Mr. O'Malley believes that no other sources of refined products can be accessed for the use of retailers or wholesalers in the Pittsburgh area; and

- h) with regard to the lack of other sources, and with respect to the potential for the Sunoco “Mariner 2” or “Mariner 2X” project:
 - i) please state whether Gulf has had any communications with Sunoco regarding participation in either project to transport refined product from Midwestern refiners to the Pittsburgh area or destinations further east, and if the answer is anything but an unqualified negative, please provide a copy of all Documents relating to such potential transportation, directly or indirectly;
 - ii) please state whether Gulf has since 2012 and through July 2017 considered entering into any contracts with any other alternative pipeline or other transporters or suppliers of refined products to the Pittsburgh area other than those listed in the above-referenced testimony, and if the answer is anything but an unqualified negative, please provide all documents relating to such potential alternative suppliers, either directly or indirectly. Gulf objects to the entirety of Request No. 3 on the grounds that it would impose an undue burden and require an unreasonable investigation to itemize all investments made by Gulf over the past 60 years. Gulf also specifically objects to subparts (c), (f), (i), and (l) on the grounds that the information sought in these subparts is irrelevant and beyond the scope of issues in this proceeding, as well as to the extent these requests impose an undue burden, or request speculation on a contingency or calling for a legal conclusion or analyses.

29. Gulf objects to Request No. 3(a), (f)(iii) and (h)(ii). Gulf objects that Request No. 3(a) on the grounds that the information sought is irrelevant and unduly burdensome, to the extent that Laurel seeks information regarding customer-specific barge transactions. Gulf also objects to Request No. 3(f)(iii) on the grounds that the information sought is not reasonably calculated to lead to the discovery of admissible evidence. Finally, Gulf objects to Request No.

3(h)(ii) on the grounds that it would impose an unreasonable burden and require an unreasonable investigation.

30. Gulf's objections to Request No. 3(a) and (f)(iii) 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).

31. Both Request No. 3(a) and (f)(iii) seek information that is directly relevant to the alternatives available to Gulf, as well as the extent of Gulf's current use of Midwestern supplies, which it claims are volatile and less economical in its testimony. Specifically, Request No. 3(a) is directly related to a transportation alternative that Gulf claims is inadequate in its testimony. *See* Gulf Statement No. 1, page 5, lines 5-14. The requested information is necessary for Laurel to assess Gulf's claims regarding the feasibility of using barges to supply Pittsburgh with refined products. In addition, Gulf makes numerous claims about the costs of Midwestern supply, and refining and capacity constraints. *See e.g., id.*, at page 9, lines 11-19. As the Sunoco pipeline is an alternative currently delivering products to Pittsburgh, Laurel is entitled to discover Gulf's current and projected future use of this pipeline to assess its claims regarding Midwestern supplies. Therefore, Gulf's objection to Request No. 3(a) and (f)(iii) on relevance grounds should be denied.

32. Gulf's objections to Request No. 3(a), (f)(iii) and (h)(ii) 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).

33. Gulf is a sophisticated entity that regularly participates in the petroleum products transportation market. The data requested in Request No. 3(a), (f)(iii) and (h)(ii)—the use of various modes of transportation, currently effective contracts, and considerations of other transportation contracts—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 Gulf maintains, possesses, or otherwise has access to, such information. Furthermore, as explained above, the requested information is essential to Laurel’s analysis of Gulf’s claims on these topics in its testimony. Therefore, the necessity of this information to Laurel substantially outweighs any burden associated with its production.⁴

34. Importantly, Gulf does not allege that it cannot access the information Requested in No. 3(a) or that accessing this information would impose an unreasonable burden or require an unreasonable investigation. Indeed, it is reasonable to expect that Gulf has access to this information through counter-parties to its wholesale sales contracts. As such, Gulf is best positioned to access and produce this essential information. Therefore, to the extent that Gulf does not maintain this information, but has access to it, its objection to Request No. 3(a) should be denied.

35. For the reasons more fully explained above, Gulf should be compelled to provide a full and complete response to Request No. 3(a), (f)(iii) and (h)(ii) of Set II discovery.

⁴ 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).

Alternatively, should Gulf 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. GULF SHOULD BE COMPELLED TO PROVIDE A FULL AND COMPLETE RESPONSE WITH RESPECT TO REQUEST NO. 4 OF THE SET II DISCOVERY.

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

4. Please produce copies of any Documents at Gulf during the period 2012 through July 2017 that reference or include any discussion of the following topics:

- a) Laurel;
- b) the potential reversal of Laurel, whether regarding the reversal proposal being considered in this proceeding or any other potential reversal;
- c) alternatives to Laurel of transporting product to markets in Pennsylvania (including without limitation, pipeline, truck, barge, exchange or other means of transportation);
- d) sales or transportation of product to customers or terminals located west of Eldorado, Pennsylvania; and [*sic*]

37. Gulf objects to Request No. 4(a), (b) and (d). Gulf objects to Request No. 4(a) on the grounds that it would impose an unreasonable burden and require an unreasonable investigation, and that the information sought is not reasonably calculated to lead to the discovery of admissible evidence. Gulf also objects to Request No. 4(b), 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.⁵ Finally, Gulf objects to Request No. 4(d)

⁵ Laurel perceives this objection to be on grounds of relevance, and responds to this objection on those grounds.

on the grounds that it would impose an unreasonable burden and require an unreasonable investigation.

38. In response to Gulf's objection to Request No. 4(a), Laurel Withdraws subpart (a) of Request No. 4.

39. Gulf's objections to Request No. 4(b) on relevance grounds is 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).

40. Request No. 4(b) is reasonably calculated to lead to the discovery of Gulf's assessments of other pipeline reversals; this information is directly relevant to the credibility of its claims regarding Laurel's proposed reversal, and is necessary to determine whether Gulf claims in this proceeding are based on a consistent or inconsistent analysis of pipeline reversals. Therefore, Gulf's objection to Request No. 4(b) on relevance grounds should be denied.

41. Furthermore, Gulf's objection to Request No. 4(d) 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).

42. Gulf's arguments that Request No. 4(d) would require a voluminous document production and/or encompass an unreasonably broad swatch of documents should be denied. In this proceeding, Laurel has already engaged in an extensive and voluminous document

production in response to discovery requests by Gulf and other parties. Gulf, 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 Gulf 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, Gulf's objection on burdensomeness grounds should be denied.

43. For the reasons more fully explained above, Gulf should be compelled to provide a full and complete response to Request No. 4(b) and (d) of Set II discovery. Alternatively, should Gulf 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. GULF SHOULD BE COMPELLED TO PROVIDE A FULL AND COMPLETE RESPONSE WITH RESPECT TO REQUEST NO. 6 OF THE SET II DISCOVERY.

44. Laurel – Set II, Request No. 6 provides as follows:

6. Regarding Mr. O'Malley's testimony at p. 5, lines 5 through 14, regarding the alleged negative aspects of barge transportation, please provide answers to the following questions:

- a) regarding the potential for interruption of barge service due to freezing or flooding, please explain in detail Mr. O'Malley's familiarity with historical interruptions in barge service to Pittsburgh, including the specific times and durations of any interruptions due to freezing, flooding or other causes, during the period 2012 through 2017;
- b) please explain what refineries Mr. O'Malley references with the statement regarding "the limited number of refineries from which barges could reasonably be barged," and please explain in detail Mr. O'Malley's experience of practical difficulty in seeking to barge refined products from other

refineries that have the capability of supplying Pittsburgh via the Mississippi and/or Ohio Rivers;

- c) regarding Mr. O'Malley's statement that "[o]nly two delivery points in the Pittsburgh area, Neville Island and Coraopolis, are capable of accepting barge shipments," please explain Mr. O'Malley's basis for expressing this conclusion, and whether it is his sworn testimony based on his information and belief, that no other refined petroleum product terminals in the Pittsburgh area can receive barge deliveries;
- d) regarding Mr. O'Malley's statement that "[i]n the Pittsburgh market, barge service cannot be relied on for baseline supply deliveries and are generally only used to supplement pipeline deliveries,"
 - i) please provide a detailed explanation of Mr. O'Malley's experience in, or knowledge of, the use of barges to supply Pittsburgh, including all transactions in which he has arranged for, or declined to arrange for, barge transportation;
 - ii) please provide all documents during the period 2012 through July 2017 that discuss the potential or actual use by Gulf of barges to supply the Pittsburgh market;
 - iii) please explain whether Mr. O'Malley regards barge transportation of refined products from the PBF Energy, Inc. refineries at Delaware City, Delaware and Paulsboro, New Jersey to markets on the East Coast as being unreliable for baseline service; and
- e) regarding Mr. O'Malley's statement that, "barge transportation is also more expensive and labor intensive than are pipeline alternatives," please:
 - i) explain in detail Mr. O'Malley's personal knowledge of barge rates to Pittsburgh, and how he derives such knowledge; and
 - ii) provide all Documents of Mr. O'Malley or Gulf that analyze, reference, discuss or

relate to the cost of barge transportation to reach the Pittsburgh market.

45. Gulf objects to Request No. 6(a) and (d)(iii). Gulf argues that Request No. 6(a) would impose an unreasonable burden and require an unreasonable investigation, and that Request No. 6(d)(iii) seeks information that is irrelevant and beyond the scope of its testimony.

46. Gulf's objection to Request 6(a) 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).

47. Gulf's witness specifically testifies that "Barging is not a dependable delivery resource. The availability of barge service is subject to many external variables, including weather. If the rivers are frozen or flooded, barge shipments become unavailable." Gulf Statement No. 1, page 5, lines 5-7. Request No. 3 simply asks the Gulf witness to explain their familiarity with barge interruptions, and evaluate the bases of that familiarity. Gulf cannot avoid discovery by claiming that providing such an explanation would be unduly burdensome. Its witness has testified regarding barge interruptions, and Laurel is entitled to inquire as to the bases for that testimony. Therefore, Gulf's objection on burdensomeness grounds should be denied.

48. Gulf's objection to Request No. 6(d)(iii) on relevance grounds is also 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. 52 Pa. Code § 5.321(c).

49. The information sought by Request No. 6(d)(iii) is directly relevant to the basis of Gulf's witness's testimony regarding the availability and adequacy of alternatives, *i.e.* his current and prior experience in the Pittsburgh-area petroleum products market. As such, Laurel adopts and incorporates its arguments with respect to Request No. 1 of the Set II discovery, in paragraphs 17-19 *supra*, as if they were fully stated herein.

50. For the reasons more fully explained above, Gulf should be compelled to provide a full and complete response to Request No. 6 of Set II discovery. Alternatively, should Gulf 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. GULF SHOULD BE COMPELLED TO PROVIDE A FULL AND COMPLETE RESPONSE WITH RESPECT TO REQUEST NO. 7 OF THE SET II DISCOVERY.

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

7. Regarding Mr. O'Malley's testimony at p. 6, line 18 through p. 7, line 11, please answer the following questions:

- a) please explain in detail the basis for Mr. O'Malley's testimony regarding the requirements for vapor recovery as to gasoline rail cars, including all personal experience that he has had in investigating the potential for rail car use for refined products, either while with Gulf or in his role at PBF Energy;
- b) please provide all documents from the period 2012 through July 2017 that analyze, discuss, reference, address or relate to the potential, the cost or the feasibility of using rail cars to transport refined petroleum products;
- c) please specify which "Pittsburgh locations do have rail offloading capabilities," and discuss in detail whether they have been used for the transportation of refined products into the Pittsburgh area;

- d) please explain and quantify the costs of rail transportation and any comparisons to the cost of alternative modes of transportation, prepared during the period 2012 through July 2017; and
- e) please explain whether Mr. O'Malley is familiar with any specific delays or disruptions due to weather events affecting rail transportation, to support his statements at p. 6, lines 9-11.

52. Gulf objects to Request No. 7(a), (b) and (d). Gulf objects to Request No. 7(a) on the grounds that the information sought is irrelevant. It also objects to Request No. 7(b), to the extent that it seeks information regarding the cost or feasibility of transporting refined petroleum products by rail along any routes other than from the Philadelphia area to the Pittsburgh area, but does not state the specific grounds for its objection.⁶ Finally, Gulf objects to Request No. 7(d) on the grounds that it would impose an unreasonable burden or require an unreasonable investigation.

53. Gulf's objection to Request No. 7(a) and (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).

54. Gulf's claim that Request No. 7(a) is somehow irrelevant is unfounded and directly contradicted by the claims in its testimony. The Gulf witness specifically testifies that "...loading gasoline into rail cars requires a rail yard that is connected to a vapor recovery unit (VRU). Gulf Statement No. 1, page 5, lines 19-20. The witness goes on to testify about VRUs, how they operate, how much they cost, and additional infrastructure that may need to be constructed alongside VRUs. *Id.*, at page 5, line 20 through page 6, line 3. Request No. 7(a)

⁶ Laurel perceives this objection to be on grounds of relevance, and responds to this objection on those grounds.

simply asks the witness to explain the bases for these statements. Therefore, Gulf's objection to Request No. 7(a) on this ground should be denied.

55. Gulf objection to Request No. 7(b) on relevance grounds should also be denied, because Gulf's witness extensively testifies about the inadequacy of barge, rail, trucking, and exchanges as alternatives to east-to-west pipeline service. *See e.g.*, Gulf Statement No. 1, pages 5-13. In addition to claiming alternative transportation methods exist, Laurel has also consistently claimed that adequate alternative markets will be available post reversal. As such, Laurel is entitled to discover any information regarding Gulf's analysis, discussions, or references to the use of rail to reach alternative delivery markets (*i.e.*, over routes other than from Philadelphia to Pittsburgh), because this information is directly related to claims by both Laurel and Gulf. Therefore, Gulf's objection to Request No. 7(b) on relevance grounds should be denied.

56. Gulf's objection to Request No. 7(d) on burdensomeness grounds 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).

57. As stated above, both Laurel and Gulf have made claims in this proceeding regarding the adequacy of transportation alternatives that would be available post-reversal. *See* paragraph 54 *supra*. Request No. 7(d) reasonably requests that Gulf quantify its claims that a particular alternative (*i.e.* rail transportation) is an inadequate and uneconomic alternative for it to transport petroleum products to alternative markets post-reversal. It is likely that an entity such as Gulf has comparisons quantifying the costs of different types of transportation on a per unit basis, such as per mile. Question 7(d) provides reasonable context for an experienced

business entity such as Gulf. If Gulf does not have such pricing comparisons or analyses, that information would also be pertinent in assessing the weight to assign their witness' testimony on this subject. Therefore, Gulf's objection on this ground should be denied.

58. For the reasons more fully explained above, Gulf should be compelled to provide a full and complete response to Request No. 7 of Set II discovery. Alternatively, should Gulf 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. GULF SHOULD BE COMPELLED TO PROVIDE A FULL AND COMPLETE RESPONSE WITH RESPECT TO REQUEST NO. 8 OF THE SET II DISCOVERY.

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

8. Regarding Mr. O'Malley's discussion of the potential for trucking refined products from Eldorado to Pittsburgh, at p. 7, line 4 through p. 8, line 20, please answer the following questions:

- a) regarding the alleged lack of terminal and truck unloading capacity at Eldorado to handle the truck transportation of refined products to Pittsburgh area destinations,
 - i) please state the identity and current total terminal capacity, number and size of truck racks, and the rate of truck loading for each truck rack;
 - ii) please provide all Documents that analyze, reference, relate to or address the capacity of the terminals at Eldorado to handle throughput, including without limitation any such Documents that analyze, reference, relate to or address the nature and potential costs of adding facilities (if necessary) to supply trucks serving Pittsburgh area destinations with all or part of the volumes currently being transported west of Eldorado by the Laurel pipeline system;

- iii) please discuss in detail the factor discussed of “variable truck arrival rates,” and the alleged potential back-ups on “public highways,” and provide all analyses, studies, projections or other Documents that support or relate to the alleged potential for such “long wait times,” “long queues,” and “back-ups”;
 - iv) please explain in detail whether any of these enumerated problems have arisen at other terminals of Gulf, or used by Gulf to meet its wholesale/retail supply needs, or whether Mr. O’Malley has observed such problems based on his experience with PBF Energy, and if so, please describe the circumstances of such problems and their causes in detail;
- b) regarding Mr. O’Malley’s discussion of the environmental permitting at p. 7, lines 17 through 23, please
- i) explain the basis and extent of Mr. O’Malley’s familiarity with the referenced permits, including the requirements for issuing them;
 - ii) provide, list and explain in detail all instances known to Mr. O’Malley or reflected in the records of Gulf during the period 2012 through 2017 that a refined petroleum products terminal operator in Pennsylvania was denied an application for a permit to expand its terminal facilities, and thereafter failed to expand the terminal;
 - iii) explain the length of time, as understood by Mr. O’Malley, that typically elapses between the filing of the necessary application and a decision by the DEP, based on Gulf’s experience as a terminal operator.
- c) regarding Mr. O’Malley’s testimony at p. 8, lines 4 through 20, regarding his conclusions as to the likelihood of investment in expanded terminal facilities,

- i) has Gulf, through Mr. O'Malley or others, studied the feasibility and cost of building expanded terminal facilities in response to a reversal of Laurel, and if so, please provide all Documents analyzing, referencing, discussing or addressing such a study or studies;
 - ii) if there is no such study, please explain in detail why Mr. O'Malley concludes that no such investment would be undertaken;
 - iii) please provide a complete explanation for Mr. O'Malley's conclusion that expansion would take years, and provide all specific examples of expansion efforts by Gulf or by other terminal operators in Pennsylvania that support his conclusion.
- d) has Mr. O'Malley considered the potential that if the pricing differential between the East Coast and Midwest were sufficiently high, trucks might be supplied by terminals on Laurel further to the east, such as Carlisle, Highspire, Harrisburg, or terminals served by Sunoco, under which circumstances additional facilities might not be required; and if not, please explain why.

60. Gulf objects Request No. 8(a)(i)-(iv), (c)(i) and (c)(iii). Gulf objects to Request No. 8(a)(i)-(iv), (c)(i) and (c)(iii), to the extent that Laurel seeks operational information related to terminals and truck racks other than those owned by Gulf, but does not state the specific grounds for its objection.⁷ Gulf also specifically objects to Request No. 8(a)(iv), to the extent it seeks information related to Mr. O'Malley's work while employed at PBF Energy, Inc., as irrelevant.

61. Gulf's objections to the subparts of Request No. 8 on relevance grounds should be denied. Pursuant to Section 5.321(c), discovery is permitted when the information sought relates

⁷ Laurel perceives this objection to be on grounds of relevance, or Gulf not possessing or maintaining the requested information, and responds to this objection on those grounds.

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).

62. The Gulf witness clearly testifies about the information sought by Request No. 8(a)(i)-(iv), (c)(i) and (c)(iii). The Gulf witness first testifies about the lack of “terminal and truck loading capacity” that he claims exists at Eldorado, and the investment and physical limitations related to addressing the claimed lack of capacity. *See* Gulf Statement No. 1, page 7, lines 4-13. The information sought by Request No. 8(a)(i)-(iv) is directly relevant to this testimony. The Gulf witness also testifies that “the prospects for capital investment [in additional trucking and terminal facilities] are particularly abysmal...No market participant will reasonably take the chance on a substantial capital investment [in additional trucking and terminal facilities] if that capital investment could be rendered uneconomic. *Id.*, at page 8, lines 14-20. The information sought by Request No. 8(c)(i) is directly relevant to this testimony; Laurel is entitled to discovery of Documents addressing whether Gulf has analyzed the cost to make the investments described in its witness’s testimony to determine whether Gulf’s analysis is consistent with the statements of its witness, and the witness’ testimony is not related solely to the facilities owned by Gulf at Eldorado, but clearly pertains to the non-Gulf terminal facilities. And finally, the Gulf witness testifies that “capital projects [to construct additional trucking and terminal facilities] take years to implement, under the best circumstances.” *Id.*, at page 8, lines 12-13. The information sought by Request No. 8(c)(iii) is directly relevant to this testimony; Laurel is entitled to discover the basis of this statement, and whether Gulf has analyzed the time needed to implement the described capital projects in order to test the validity and credibility of its witness’s testimony. Therefore, Gulf’s objection Request No. 8(a)(i)-(iv), (c)(i) and (c)(iii) on relevance grounds should be denied.

63. Furthermore, Gulf's objection to Request No. 8(a)(i)-(iv), (c)(i) and (c)(iii) on the grounds that it does not possess or maintain the requested information should also be denied. Gulf has made no representation that it would not be able to access the requested information, to the extent it is operational information related to terminals and truck racks other than those owned by Gulf. Importantly, Gulf does not allege that it cannot access this information or that accessing this information would impose an unreasonable burden or require an unreasonable investigation. Indeed, it is reasonable to expect that Gulf has access to this information through counter-parties to its wholesale sales contracts. As such, Gulf is best positioned to access and produce this essential information. Therefore, to the extent that Gulf does not maintain this information, but has access to it, its objection should be denied.

64. In addition, Gulf's specific objection to Request No. 8(a)(iv), to the extent it seeks information related to their witness's prior employment, should also be denied. Gulf has offered the testimony of its witness, and the foundation for his knowledge of the Pittsburgh petroleum products market is based, in part, on his employment history and experience in the industry. As such, Laurel is entitled to inquire as to whether the witness has personal knowledge of the alleged "long wait times," "long queues," and "back-ups" that the witness has testified would occur. Gulf cannot claim that the witness's answer, based on his personal knowledge, should be limited to preclude his personal knowledge prior to his employment with Gulf, where the foundation for the witness's opinions and statements is in part based on his prior employment. Therefore, Gulf's objection on this ground should be denied.

65. For the reasons more fully explained above, Gulf should be compelled to provide a full and complete response to Request No. 8 of Set I discovery. Alternatively, should Gulf 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.

J. GULF SHOULD BE COMPELLED TO PROVIDE A FULL AND COMPLETE RESPONSE WITH RESPECT TO REQUEST NO. 9 OF THE SET II DISCOVERY.

66. Laurel – Set II, Request No. 9 provides as follows:

9. Regarding Mr. O'Malley's testimony at p. 9, line 3 through 19, as to the alleged inadequacy of Midwest supplies as a sole source for the Pittsburgh area, please answer the following questions:

- a) provide a list of all points in time, specifying dates, in the period 2012 through July 2017 in which either (i) the price arbitrage described by Mr. O'Malley was favorable to (i.e. cheaper in) East Coast supplies; and (ii) the price arbitrage described by Mr. O'Malley was favorable to (i.e., cheaper in) the Midwest; and
 - i) during each period of favorable arbitrage, quantify the margin that Gulf acquired due to its use of the advantaged supply of refined products to sell in the Pittsburgh market; and
 - ii) during each period of favorable arbitrage, quantify the value of the arbitrage passed through by Gulf to its wholesale or retail customers;
 - iii) 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 Gulf, directly or indirectly; and
 - iv) please explain whether it is the policy of Gulf 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 Gulf that discuss, relate to, reference or analyze this policy directly or indirectly.

67. Gulf objects to Request No. 9 on relevance grounds. Gulf specifically argues that its “margins or measures of profit is not relevant to the issues in this proceeding and thus beyond the scope of discovery.” Objections, p. 16 (emphasis added). Gulf further states that it “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 consumers.” *Id.*, at pp. 16-17 (emphasis added).

68. Gulf’s objection Request No. 9 is disingenuous, contradictory, and without merit. 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).

69. As an initial matter, Request No. 9 seeks information that is directly related to Mr. O’Malley’s own testimony specifically regarding arbitrage opportunities and benefits. This question is clearly relevant to assess Gulf’s claims of lost arbitrage opportunities and to determine what entities are benefitting from alleged arbitrage opportunities.

70. Gulf should not be permitted to avoid discovery of information that is relevant to the allegations and claims that Gulf, its company witness, and its experts—retained by Gulf on its own, and as part of a collective group (*i.e.*, the Indicated Parties)—have repeatedly and consistently advanced in this proceeding.⁸ Throughout this proceeding, Gulf has claimed *ad nauseum* that it and other market participants will receive lower margins as a result of the proposed reversal. *See e.g.*, Protest of Gulf, Docket No. A-2016-2575829, Affidavit of Dr.

⁸ To the extent that Gulf argues that the information sought by Request No. 9 is irrelevant based on its argument that its claims are of “broader market impacts,” Laurel also adopts and fully incorporates its arguments from paragraph 25 *supra*, as if they were fully stated herein.

Daniel S. Arthur, at p. 16 (“the reversal of the Laurel pipeline west of Eldorado will cause the existing Philadelphia shippers of refined product to the Pittsburgh area to receive lower revenue and profits...”) (emphasis added); *Id.*, at p. 23 (“the Laurel reversal would cause annual revenues and profits for Philadelphia area refineries to decrease...”) (emphasis added); Indicated Parties Statement No. 1, at p. 44, lines 10-13 (“...the reversal would increase annual costs to Pittsburgh consumers, wholesalers, and retailers....”).

71. Gulf has also specifically claimed that the proposed reversal will negatively impact the finances and economics of its operations, and that it will be harmed as a result. See e.g., Protest of Gulf, Docket No. A-2016-2575829, at p. 4 (filed Feb. 1, 2017) (“The loss of access to consumers in Pittsburgh and other areas west of Altoona will adversely impact the Philadelphia-area refinery and petroleum products distribution industries...”); Gulf Statement No. 1, at page 8, lines 18-20 (“No market participant will reasonably take the chance on a substantial capital investment if that capital investment could be rendered uneconomic...”) (emphasis added); *Id.*, at page 12, lines 2-4 (“The volatility in price between these two markets is significant, exposing each contracting party [for an exchange agreement] to excessive financial exposure.”) (emphasis added). As such, Gulf has put its own finances and economics at issue in this proceeding. Laurel and the Commission cannot properly evaluate Gulf’s claims without being provided information regarding the status quo of Gulf’s finances and economics; no alleged change from the status quo can be evaluated, let alone demonstrated, without first determining what is the status quo.

72. The above examples of statements by Gulf in pleadings and testimony demonstrate that Gulf 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, Gulf completes an about-face and argues that this information is neither relevant nor likely to lead to the discovery of admissible evidence. Gulf cannot have it both ways; either the information regarding its arbitrage benefits, margins, revenues, and pricing decisions is relevant to its claims and the Commission's evaluation of the public interest or if is not relevant, all of the Indicated Parties' claims of economic harms should be stricken.

73. Therefore, Laurel respectfully requests that either: (a) the relevance of the information sought by Request No. 9 to the issues in this proceeding be deemed admitted, subject to discovery, and that Gulf's objection be denied; or (b) the information sought by Request No. 9 be deemed irrelevant to determining whether Laurel's proposed reversal in the public interest, and that any allegations in pleadings or statements in testimony regarding this information be stricken.

K. GULF SHOULD BE COMPELLED TO PROVIDE A FULL AND COMPLETE RESPONSE WITH RESPECT TO REQUEST NO. 11 OF THE SET II DISCOVERY.

74. Laurel – Set II, Request No. 11 provides as follows:

11. Regarding Mr. O'Malley's testimony at p. 11, line 14 through p. 12, line 15 regarding the alleged unavailability of exchanges to Pittsburgh from the Midwest, please answer the following questions:

- a) please provide the basis for Mr. O'Malley's statement that "to my knowledge, there have never been any product exchanges available for the Pittsburgh market," and that "product exchanges are not available to Pittsburgh today," and provide all Documents supporting this allegation;
- b) with respect to the statement quoted in subpart a. immediately above, please explain how Mr. O'Malley would know whether "any product exchanges" have taken place, when refined

petroleum product exchanges are not publicly disclosed and are considered highly confidential;

- c) Please provide a copy of all exchange agreements that Gulf has entered into that have been in effect during the period 2012 through July 2017.

75. Gulf objects to Request No. 11(c) on relevance and burdensomeness grounds. Gulf argues that the information sought by Request No. 11(c) is irrelevant to the question of whether exchange agreements are “generally available to market participants.” Gulf also argues that Request No. 11(c) would be unduly burdensome to the extent it requires production of exchange agreements with no relation to the Pittsburgh market.

76. Gulf’s objection Request No. 11(c) should be rejected. 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).

77. Gulf’s witness specifically testifies that “to my knowledge, there have never been any product exchanges available for the Pittsburgh market.” Gulf Statement No. 1, page 11, lines 14-15. Request No. 11(c) seeks information that is directly relevant to this testimony; either Gulf has in fact entered into exchanges, which would directly contradict the statements by its witness, or it has not. In either scenario, the requested information is relevant to assessing a statement made by Gulf and is reasonably calculated to lead to the discovery of admissible evidence regarding this statement. Therefore, Gulf’s objection on relevance grounds should be denied.

78. Furthermore, Gulf’s objection on burdensomeness grounds is unsupported and 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).

79. Gulf's burdensomeness argument is unfounded, and contradicts the witness's testimony. If, as its witness testifies, no exchange agreements have been entered into in the Pittsburgh market (by Gulf or otherwise), then there is no burden associated with making a statement that the agreements sought by Request No. 11(c) do not exist. If, however, Gulf has entered into exchange agreements, then it is unclear how simply producing those agreements would impose an unreasonable burden on Gulf. Given the relevance of this information to assessing the credibility of statements by Gulf's witness in direct testimony, and the minimal burden associated with providing a response to this question, Gulf's objection should be denied.

80. For the reasons more fully explained above, Gulf should be compelled to provide a full and complete response to Request No. 11(c) Set II discovery. Alternatively, should Gulf 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.

L. GULF SHOULD BE COMPELLED TO PROVIDE A FULL AND COMPLETE RESPONSE WITH RESPECT TO REQUEST NO. 12 OF THE SET II DISCOVERY.

81. Laurel – Set II, Request No. 12 provides as follows:

12. Regarding Mr. O'Malley's testimony at p. 12, line 20 through p. 13, line 2 regarding the allegations that Buckeye's lines are "heavily allocated" from the Midwest and that "these lines are already under long-term contracts with shippers, so that even shipments from the Ohio refineries located closer to Pittsburgh would be limited by capacity allocations," please answer the following questions:

- a) please provide all facts and Documents upon which Mr. O'Malley bases his conclusion that Buckeye's

pipelines from the Midwest to Pittsburgh are “heavily allocated”;

- b) please provide all facts and Documents upon which Mr. O’Malley bases his conclusion that these “lines are already under long-term contracts with shippers, so that even shipments from the Ohio refineries located closer to Pittsburgh would be limited by capacity allocations”;
- c) is it Mr. O’Malley’s sworn testimony that Buckeye’s lines from the Midwest to Pittsburgh are currently allocated?
- d) is Mr. O’Malley aware of the prorationing status of the Marathon or Sunoco Pipeline systems from the Midwest to Pittsburgh?, and if so, please explain his understanding of their allocation status and the basis for his knowledge.
- e) is Mr. O’Malley’s contention regarding the flexibility of pipeline supplies from the Midwest to Pittsburgh made in light of his own experience in supplying Gulf’s Pittsburgh area markets with refined products, and if so, please provide a detailed explanation of how that experience and how it supports his conclusions; and
- f) please provide a list of all volumes that Gulf has either transported, or purchased after the transportation by other shippers, by product type, by month, for the period 2012 through July 2017, on the Buckeye Pipe Line Company, L.P., on the Sunoco Pipeline, or on Marathon Pipe Line.

82. Gulf objects to Request No. 12(e) on the grounds that it mischaracterizes Mr. O’Malley’s testimony, and that such a response would impose an unreasonable burden and oppression by confusing the his testimony.

83. Gulf’s objection, not Laurel’s request, misrepresents Mr. O’Malley’s testimony from page 12, line 20 through page 13, line 2. Therein, he states:

Unlike the Laurel pipeline, the Buckeye pipelines from the west are heavily allocated, meaning that most of the capacity on these

lines is already under long-term contracts with shippers, so even shipments from the Ohio refineries located close to Pittsburgh would be limited by existing capacity allocations. As a result, the flexible purchasing afforded by Laurel's pipeline would be completely eliminated.

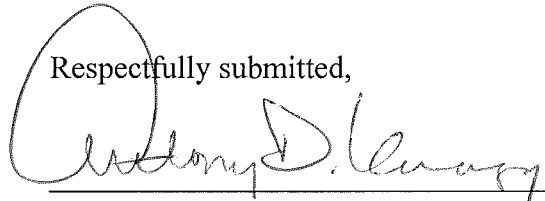
Gulf Statement No. 1, p. 12, line 20 through p. 13, line 2. Mr. O'Malley clearly states that the reversal would eliminate flexible purchasing, and does so by comparing the flexibility currently afforded on the Laurel pipeline for movements into Pittsburgh from the east to the flexibility not afforded (due to allocation) on the Buckeye pipeline for movements into Pittsburgh from the (Mid)west. Request No. 12(e) accurately represents Mr. O'Malley's testimony, and answering it would not impose an unreasonable burden or otherwise confuse his statements. Therefore, Gulf's objection should be denied.

84. For the reasons more fully explained above, Gulf should be compelled to provide a full and complete response to Request No. 12(e) Set II discovery. Alternatively, should Gulf 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 Gulf Operating, LLC to fully answer Request Nos. 1(a),(c), 2, 3(a),(f)(iii),(h)(ii), 4(b),(d), 6(a),(d)(iii), 7(a),(b),(d), 8(a)(i)-(iv),(c)(i),(c)(iii), 9(a)(i)-(iv), 11(c) and 12(e). of the Set II Discovery. Alternatively, should Gulf Operating, LLC 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 Gulf Operating, LLC 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 GULF OPERATING, LLC – SET II**

Pursuant to 66 Pa.C.S. § 333 and 52 Pa. Code §§ 5.341 *et seq.*, Laurel Pipe Line Company, L.P. (“Laurel”) propounds the following Interrogatories and Requests for Production of Documents (hereinafter, “discovery requests”) on Gulf Operating, LLC (“Gulf”) – 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 on November 14, 2016, at Docket No. A-2016-2575829.

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

1. Regarding Mr. O'Malley's testimony at p. 1, lines 7 through 17, please answer the following questions:
 - a) please identify the witness' predecessor in his current position (or the equivalent position if the job title changed), the time period for which the predecessor held that position.
 - b) please describe in detail the nature of the witness' role in the distribution of refined products, including whether he is responsible for directing the use of particular carriers or modes of transportation, and whether he negotiates directly with transportation suppliers;
 - c) please explain in detail Mr. O'Malley's duties while at PBF Energy, Inc., and the extent to which he had personal responsibility for the use of pipeline, truck, barge, rail or other means of supplying refined petroleum products to the Pittsburgh area from the East Coast PBF refineries.

2. Regarding Mr. O'Malley's testimony at p. 1, lines 9 through 12, regarding the nature of Gulf Operating LLC's ("Gulf's") business, please answer the following questions:
 - a) please provide a list of all petroleum products supplied by Gulf to each customer:
 - i) in the Pittsburgh market in Pennsylvania, and for each, for the period 2013 through July 2017, please provide by year the volume of gasoline (specified by regular gasoline, low vapor pressure gasoline and reformulated gasoline), 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;
 - ii) in the Altoona/Central Pennsylvania market, and for each, for the period 2012 through July 2017, please provide by year the volume of gasoline (specified by regular gasoline, low vapor pressure gasoline and reformulated gasoline), 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;
 - iii) in the Eastern Pennsylvania market, including the Philadelphia area, and for each, for the period 2013 through July 2017, please provide by year the volume of gasoline (specified by regular gasoline, low vapor pressure gasoline and reformulated gasoline), 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) for each customer identified in response to subpart a. 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 Gulf 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.
3. Regarding Mr. O’Malley’s testimony at p. 3, lines 5 through 12, regarding his understanding of sources of refined petroleum products for the Pittsburgh area, please answer the following questions:
- a) when Mr. O’Malley refers to “some limited barge shipments to Pittsburgh, please explain in detail the basis for his statement, please list the barge terminals capable of receiving refined petroleum products in Western Pennsylvania known to Mr. O’Malley, and please describe in detail the barge transactions and barge companies and river terminal operators with whom Mr. O’Malley has worked or attempted to work in his supply, trading and distribution duties;
 - b) please define “the Pittsburgh area” as Mr. O’Malley uses it (*e.g.*, specific counties that he means to include in the term);
 - c) please explain in detail why Mr. O’Malley does not include in his list of supply sources for the Pittsburgh area the Marathon Pipeline;
 - d) please explain in detail why Mr. O’Malley does not believe that Gulf Coast refined products cannot be transported to Pittsburgh via Explorer Pipeline and connecting pipelines to the Pittsburgh market; and
 - e) please explain why Mr. O’Malley states that Midwestern supplies via the Sunoco Pipeline are only available by means of a joint FERC tariff with Inland Corporation;
 - f) with respect to the Sunoco Pipeline, please explain:
 - i) whether Gulf transports refined products to the Pittsburgh area via the Sunoco Pipeline;
 - ii) if the answer to sub-part i. immediately above is anything but an unqualified negative, please provide the volumes transported by Gulf on Sunoco Pipeline during the period 2012 through 2016, by month, and by type of refined product;
 - iii) provide a copy of any currently-effective contract between Gulf and Sunoco Pipeline for transportation of refined products;

- iv) please explain whether Gulf has had any communications with Sunoco Pipeline regarding the potential for expanded or additional transportation of refined products from the Midwest to the Pittsburgh area using Sunoco's "Allegheny Access" pipeline, and if the answer is anything but in the unqualified negative, please produce all documents and communications, through July 2017, relating to the potential for expanded transportation of refined products on the Allegheny Access system for Gulf;
 - g) please explain in detail why Mr. O'Malley believes that no other sources of refined products can be accessed for the use of retailers or wholesalers in the Pittsburgh area; and
 - h) with regard to the lack of other sources, and with respect to the potential for the Sunoco "Mariner 2" or "Mariner 2X" project:
 - i) please state whether Gulf has had any communications with Sunoco regarding participation in either project to transport refined product from Midwestern refiners to the Pittsburgh area or destinations further east, and if the answer is anything but an unqualified negative, please provide a copy of all Documents relating to such potential transportation, directly or indirectly;
 - ii) please state whether Gulf has since 2012 and through July 2017 considered entering into any contracts with any other alternative pipeline or other transporters or suppliers of refined products to the Pittsburgh area other than those listed in the above-referenced testimony, and if the answer is anything but an unqualified negative, please provide all documents relating to such potential alternative suppliers, either directly or indirectly.
4. Please produce copies of any Documents at Gulf during the period 2012 through July 2017 that reference or include any discussion of the following topics:
- a) Laurel;
 - b) the potential reversal of Laurel, whether regarding the reversal proposal being considered in this proceeding or any other potential reversal;
 - c) alternatives to Laurel of transporting product to markets in Pennsylvania (including without limitation, pipeline, truck, barge, exchange or other means of transportation);
 - d) sales or transportation of product to customers or terminals located west of Eldorado, Pennsylvania; and
5. Regarding Mr. O'Malley's testimony at p. 4, lines 8 through 13, please provide all sources, analyses or documents that Mr. O'Malley considered in reaching his conclusions

regarding the alleged potential impacts of approval of Laurel's application in this proceeding other than the subsequent portions of Mr. O'Malley's Direct Testimony.

6. Regarding Mr. O'Malley's testimony at p. 5, lines 5 through 14, regarding the alleged negative aspects of barge transportation, please provide answers to the following questions:
 - a) regarding the potential for interruption of barge service due to freezing or flooding, please explain in detail Mr. O'Malley's familiarity with historical interruptions in barge service to Pittsburgh, including the specific times and durations of any interruptions due to freezing, flooding or other causes, during the period 2012 through 2017;
 - b) please explain what refineries Mr. O'Malley references with the statement regarding "the limited number of refineries from which barges could reasonably be barged," and please explain in detail Mr. O'Malley's experience of practical difficulty in seeking to barge refined products from other refineries that have the capability of supplying Pittsburgh via the Mississippi and/or Ohio Rivers;
 - c) regarding Mr. O'Malley's statement that "[o]nly two delivery points in the Pittsburgh area, Neville Island and Coraopolis, are capable of accepting barge shipments," please explain Mr. O'Malley's basis for expressing this conclusion, and whether it is his sworn testimony based on his information and belief, that no other refined petroleum product terminals in the Pittsburgh area can receive barge deliveries;
 - d) regarding Mr. O'Malley's statement that "[i]n the Pittsburgh market, barge service cannot be relied on for baseline supply deliveries and are generally only used to supplement pipeline deliveries,"
 - i) please provide a detailed explanation of Mr. O'Malley's experience in, or knowledge of, the use of barges to supply Pittsburgh, including all transactions in which he has arranged for, or declined to arrange for, barge transportation;
 - ii) please provide all documents during the period 2012 through July 2017 that discuss the potential or actual use by Gulf of barges to supply the Pittsburgh market;
 - iii) please explain whether Mr. O'Malley regards barge transportation of refined products from the PBF Energy, Inc. refineries at Delaware City, Delaware and Paulsboro, New Jersey to markets on the East Coast as being unreliable for baseline service; and
 - e) regarding Mr. O'Malley's statement that, "barge transportation is also more expensive and labor intensive than are pipeline alternatives," please:

- i) explain in detail Mr. O'Malley's personal knowledge of barge rates to Pittsburgh, and how he derives such knowledge; and
 - ii) provide all Documents of Mr. O'Malley or Gulf that analyze, reference, discuss or relate to the cost of barge transportation to reach the Pittsburgh market.
- 7. Regarding Mr. O'Malley's testimony at p. 6, line 18 through p. 5, line 11, please answer the following questions:
 - a) please explain in detail the basis for Mr. O'Malley's testimony regarding the requirements for vapor recovery as to gasoline rail cars, including all personal experience that he has had in investigating the potential for rail car use for refined products, either while with Gulf or in his role at PBF Energy;
 - b) please provide all documents from the period 2012 through July 2017 that analyze, discuss, reference, address or relate to the potential, the cost or the feasibility of using rail cars to transport refined petroleum products;
 - c) please specify which "Pittsburgh locations do have rail offloading capabilities," and discuss in detail whether they have been used for the transportation of refined products into the Pittsburgh area;
 - d) please explain and quantify the costs of rail transportation and any comparisons to the cost of alternative modes of transportation, prepared during the period 2012 through July 2017; and
 - e) please explain whether Mr. O'Malley is familiar with any specific delays or disruptions due to weather events affecting rail transportation, to support his statements at p. 6, lines 9-11.
- 8. Regarding Mr. O'Malley's discussion of the potential for trucking refined products from Eldorado to Pittsburgh, at p. 7, line 4 through p. 8, line 20, please answer the following questions:
 - a) regarding the alleged lack of terminal and truck unloading capacity at Eldorado to handle the truck transportation of refined products to Pittsburgh area destinations,
 - i) please state the identity and current total terminal capacity, number and size of truck racks, and the rate of truck loading for each truck rack;
 - ii) please provide all Documents that analyze, reference, relate to or address the capacity of the terminals at Eldorado to handle throughput, including without limitation any such Documents that analyze, reference, relate to or address the nature and potential costs of adding facilities (if necessary) to supply trucks serving Pittsburgh area destinations with all or part of the volumes currently being transported west of Eldorado by the Laurel pipeline system;

- iii) please discuss in detail the factor discussed of “variable truck arrival rates,” and the alleged potential back-ups on “public highways,” and provide all analyses, studies, projections or other Documents that support or relate to the alleged potential for such “long wait times,” “long queues,” and “back-ups”;
 - iv) please explain in detail whether any of these enumerated problems have arisen at other terminals of Gulf, or used by Gulf to meet its wholesale/retail supply needs, or whether Mr. O’Malley has observed such problems based on his experience with PBF Energy, and if so, please describe the circumstances of such problems and their causes in detail;
 - b) regarding Mr. O’Malley’s discussion of the environmental permitting at p. 7, lines 17 through 23, please
 - i) explain the basis and extent of Mr. O’Malley’s familiarity with the referenced permits, including the requirements for issuing them;
 - ii) provide, list and explain in detail all instances known to Mr. O’Malley or reflected in the records of Gulf during the period 2012 through 2017 that a refined petroleum products terminal operator in Pennsylvania was denied an application for a permit to expand its terminal facilities, and thereafter failed to expand the terminal;
 - iii) explain the length of time, as understood by Mr. O’Malley, that typically elapses between the filing of the necessary application and a decision by the DEP, based on Gulf’s experience as a terminal operator.
 - c) regarding Mr. O’Malley’s testimony at p. 8, lines 4 through 20, regarding his conclusions as to the likelihood of investment in expanded terminal facilities,
 - i) has Gulf, through Mr. O’Malley or others, studied the feasibility and cost of building expanded terminal facilities in response to a reversal of Laurel, and if so, please provide all Documents analyzing, referencing, discussing or addressing such a study or studies;
 - ii) if there is no such study, please explain in detail why Mr. O’Malley concludes that no such investment would be undertaken;
 - iii) please provide a complete explanation for Mr. O’Malley’s conclusion that expansion would take years, and provide all specific examples of expansion efforts by Gulf or by other terminal operators in Pennsylvania that support his conclusion.
 - d) has Mr. O’Malley considered the potential that if the pricing differential between the East Coast and Midwest were sufficiently high, trucks might be supplied by terminals on Laurel further to the east, such as Carlisle, Highspire, Harrisburg, or

terminals served by Sunoco, under which circumstances additional facilities might not be required; and if not, please explain why.

9. Regarding Mr. O'Malley's testimony at p. 9, line 3 through 19, as to the alleged inadequacy of Midwest supplies as a sole source for the Pittsburgh area, please answer the following questions:
- a) provide a list of all points in time, specifying dates, in the period 2012 through July 2017 in which either (i) the price arbitrage described by Mr. O'Malley was favorable to (i.e. cheaper in) East Coast supplies; and (ii) the price arbitrage described by Mr. O'Malley was favorable to (i.e., cheaper in) the Midwest; and
 - i) during each period of favorable arbitrage, quantify the margin that Gulf acquired due to its use of the advantaged supply of refined products to sell in the Pittsburgh market; and
 - ii) during each period of favorable arbitrage, quantify the value of the arbitrage passed through by Gulf to its wholesale or retail customers;
 - iii) 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 Gulf, directly or indirectly; and
 - iv) please explain whether it is the policy of Gulf 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 Gulf that discuss, relate to, reference or analyze this policy directly or indirectly.
10. Regarding Mr. O'Malley's testimony at p. 10, line 3 through p. 11, line 9, regarding the alleged inability of Midwest refinery numbers to alleviate competitive pricing issues, please answer the following questions:
- a) please identify all "supply disruptions" in the Midwest that have resulted in price spikes or other harms during the 2012 through July 2017 period known to Mr. O'Malley, and explain their causes and effects in detail;
 - b) please confirm or deny that the discussion of the "almost logistically impossible" movement of refined products from Chicago to Pittsburgh discussed at p. 10, lines 6-13 is no more than a description of product movements on the Buckeye Pipe Line Company, L.P. system, given its design; if denied, please provide a complete explanation; and
 - c) please provide all documents or other bases for Mr. O'Malley's allegations regarding limits on the ability of Midwest refineries to supply Pittsburgh at p. 10, line 18 through p. 11, line 5.

11. Regarding Mr. O'Malley's testimony at p. 11, line 14 through p. 12, line 15 regarding the alleged unavailability of exchanges to Pittsburgh from the Midwest, please answer the following questions:
 - a) please provide the basis for Mr. O'Malley's statement that "to my knowledge, there have never been any product exchanges available for the Pittsburgh market," and that "product exchanges are not available to Pittsburgh today," and provide all Documents supporting this allegation;
 - b) with respect to the statement quoted in subpart a. immediately above, please explain how Mr. O'Malley would know whether "any product exchanges" have taken place, when refined petroleum product exchanges are not publicly disclosed and are considered highly confidential;
 - c) Please provide a copy of all exchange agreements that Gulf has entered into that have been in effect during the period 2012 through July 2017.

12. Regarding Mr. O'Malley's testimony at p. 12, line 20 through p. 13, line 2 regarding the allegations that Buckeye's lines are "heavily allocated" from the Midwest and that "these lines are already under long-term contracts with shippers, so that even shipments from the Ohio refineries located closer to Pittsburgh would be limited by capacity allocations," please answer the following questions:
 - a) please provide all facts and Documents upon which Mr. O'Malley bases his conclusion that Buckeye's pipelines from the Midwest to Pittsburgh are "heavily allocated";
 - b) please provide all facts and Documents upon which Mr. O'Malley bases his conclusion that these "lines are already under long-term contracts with shippers, so that even shipments from the Ohio refineries located closer to Pittsburgh would be limited by capacity allocations";
 - c) is it Mr. O'Malley's sworn testimony that Buckeye's lines from the Midwest to Pittsburgh are currently allocated?
 - d) is Mr. O'Malley aware of the prorationing status of the Marathon or Sunoco Pipeline systems from the Midwest to Pittsburgh?, and if so, please explain his understanding of their allocation status and the basis for his knowledge.
 - e) is Mr. O'Malley's contention regarding the flexibility of pipeline supplies from the Midwest to Pittsburgh made in light of his own experience in supplying Gulf's Pittsburgh area markets with refined products, and if so, please provide a detailed explanation of how that experience and how it supports his conclusions; and
 - f) please provide a list of all volumes that Gulf has either transported, or purchased after the transportation by other shippers, by product type, by month, for the period 2012 through July 2017, on the Buckeye Pipe Line Company, L.P., on the Sunoco Pipeline, or on Marathon Pipe Line.

13. Regarding Mr. O'Malley's allegations regarding the availability of low-RVP gasoline in summer months in Pittsburgh at p. 13, line 8, through p. 14, line 16, please answer the following questions:
- a) what is the basis for Mr. O'Malley's contention that the reversal would remove "the only practical supply of low-RVP gasoline to the Pittsburgh market?;
 - b) does Mr. O'Malley have detailed knowledge of the ability of all Midwestern refiners to produce low-RVP gasoline, and if so, please explain in detail the basis for his conclusion that no other refiners can meet this need in the summer months, other than the statements made in the noted testimony?;
 - c) Mr. O'Malley appears to recognize that Midwestern refineries ("Chicago refineries") may produce low RVP gasoline and may increase their production of such gasoline, but appears to argue that even if they have adequate supplies, the pipeline constraints that he alleges previously in his testimony would render the delivery of such supplies "impractical" (p. 14, lines 4-5);
 - i) does Mr. O'Malley admit that Midwestern refineries that can supply Buckeye Pipe Line Company, L.P.'s Midwest system either produce low-RVP gasoline or could readily produce more, and if not, please explain in detail why Mr. O'Malley believes that these refiners would not or could not produce sufficient low-RVP gasoline after reversal, and the basis for his conclusions as to each refinery; and
 - ii) if the refineries can produce adequate supplies, is Mr. O'Malley's argument merely a reprise of his broader argument, made earlier, that allocations and constraints on pipelines linking Midwest refineries and Pittsburgh make them unreliable as a source?

Appendix

B



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August 3, 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 Gulf Operating, LLC'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', is written over a horizontal line.

Adeolu A. Bakare

Counsel to Gulf Operating, LLC

Enclosure

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

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CERTIFICATE OF SERVICE

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

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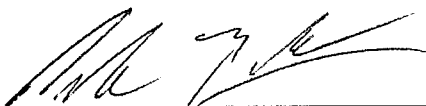
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Counsel to Gulf Operating, LLC and Sheetz, Inc.

Dated this 3rd 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. :

**GULF OPERATING, LLC 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), Gulf Operating, LLC ("Gulf") hereby objects to the Interrogatories served by Laurel Pipe Line Company, L.P.'s ("Laurel" or "Applicant") on July 24, 2017 ("Set II"). As explained below, Gulf 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. Gulf 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 time periods between 2012 and July 2017. The furnishing of data for unspecified time periods or for time periods between 2012 and July 2017 would unduly burden Gulf. For all Set II Requests seeking production of Documents or Communications and not otherwise subject to other objection, Gulf will respond with Documents or Communications for the period 2014 – March 2017.

Laurel to Gulf, Set II, Request No. 1

Regarding Mr. O'Malley's testimony at p. 1, lines 7 through 17, please answer the following questions:

- a) please identify the witness' predecessor in his current position (or the equivalent position if the job title changed), the time period for which the predecessor held that position.
- b) please describe in detail the nature of the witness' role in the distribution of refined products, including whether he is responsible for directing the use of particular carriers or modes of transportation, and whether he negotiates directly with transportation suppliers;
- c) please explain in detail Mr. O'Malley's duties while at PBF Energy, Inc., and the extent to which he had personal responsibility for the use of pipeline, truck, barge, rail or other means of supplying refined petroleum products to the Pittsburgh area from the East Coast PBF refineries.

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. Gulf objects to

Request Nos. 1(a) and (c) as the identity of Mr. O'Malley's predecessor, the time period for which such predecessor held the position, and the detail of Mr. O'Malley's job duties while at PBF Energy, Inc. have no bearing on Mr. O'Malley's testimony in this proceeding.

Laurel to Gulf, Set II, Request No. 2

Regarding Mr. O'Malley's testimony at p. 1, lines 9 through 12, regarding the nature of Gulf Operating LLC's ("Gulf's") business, please answer the following questions:

- a) please provide a list of all petroleum products supplied by Gulf to each customer:
 - i) in the Pittsburgh market in Pennsylvania, and for each, for the period 2013 through July 2017, please provide by year the volume of gasoline (specified by regular gasoline, low vapor pressure gasoline and reformulated gasoline), 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;
 - ii) in the Altoona/Central Pennsylvania market, and for each, for the period 2012 through July 2017, please provide by year the volume of gasoline (specified by regular gasoline, low vapor pressure gasoline and reformulated gasoline), 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;
 - iii) in the Eastern Pennsylvania market, including the Philadelphia area, and for each, for the period 2013 through July 2017, please provide by year the volume of gasoline (specified by regular gasoline, low vapor pressure gasoline and reformulated gasoline), 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) for each customer identified in response to subpart a. 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 Gulf 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.

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, Gulf objects to Request Nos. 2(a)(i)-(iii) and (b).

Gulf objects to Request Nos. 2(a)(i)-(iii) and 2(b) as seeking information that is not relevant to any claim or defense in this matter and/or is beyond the scope of this proceeding. At p. 1, lines 9 through 12 of his Direct Testimony, Mr. O'Malley testified to Gulf's operations as a wholesaler and distributor of gasoline and diesel to branded and unbranded outlets and a supplier of diesel, home heating oil, jet fuel and other major refined petroleum products. Specific customer purchases and locations are not relevant to the scope of services provided by Gulf. Gulf more specifically objects to Request No. 2(a)(iii) as irrelevant on grounds that Mr. O'Malley's testimony did not address the Philadelphia market. Gulf additionally objects to Request Nos. 2(a)(i)-(iii) and 2(b) as the requested granular data production would impose an undue burden on Gulf.

Laurel to Gulf, Set II, Request No. 3

Regarding Mr. O'Malley's testimony at p. 3, lines 5 through 12, regarding his understanding of sources of refined petroleum products for the Pittsburgh area, please answer the following questions:

- a) when Mr. O'Malley refers to "some limited barge shipments to Pittsburgh, please explain in detail the basis for his statement, please list the barge terminals capable of receiving refined petroleum products in Western Pennsylvania known to Mr. O'Malley, and please describe in detail the barge transactions and barge companies and river terminal operators with whom Mr. O'Malley has worked or attempted to work in his supply, trading and distribution duties;
- b) please define "the Pittsburgh area" as Mr. O'Malley uses it (e.g., specific counties that he means to include in the term);
- c) please explain in detail why Mr. O'Malley does not include in his list of supply sources for the Pittsburgh area the Marathon Pipeline;
- d) why Mr. O'Malley does not believe that Gulf Coast refined products cannot be transported to Pittsburgh via Explorer Pipeline and connecting pipelines to the Pittsburgh market; and
- e) please explain why Mr. O'Malley states that Midwestern supplies via the Sunoco Pipeline are only available by means of a joint FERC tariff with Inland Corporation;
- f) with respect to the Sunoco Pipeline, please explain:
 - i) whether Gulf transports refined products to the Pittsburgh area via the Sunoco Pipeline;
 - ii) if the answer to sub-part i. immediately above is anything but an unqualified negative, please provide the volumes transported by Gulf on Sunoco Pipeline during the period 2012 through 2016, by month, and by type of refined product;
 - iii) provide a copy of any currently-effective contract between Gulf and Sunoco Pipeline for transportation of refined products
 - iv) please explain whether Gulf has had any communications with Sunoco Pipeline regarding the potential for expanded or additional transportation of refined products from the Midwest to the Pittsburgh area using Sunoco's "Allegheny Access" pipeline, and if the answer is anything but in the unqualified negative, please produce all documents and communications, through July 2017, relating to the potential for expanded transportation of refined products on the Allegheny Access system for Gulf;
- g) please explain in detail why Mr. O'Malley believes that no other sources of refined products can be accessed for the use of retailers or wholesalers in the Pittsburgh area; and
- h) with regard to the lack of other sources, and with respect to the potential for the Sunoco "Mariner 2" or "Mariner 2X" project:
 - i) please state whether Gulf has had any communications with Sunoco regarding participation in either project to transport refined product from Midwestern

refiners to the Pittsburgh area or destinations further east, and if the answer is anything but an unqualified negative, please provide a copy of all Documents relating to such potential transportation, directly or indirectly;

- ii) please state whether Gulf has since 2012 and through July 2017 considered entering into any contracts with any other alternative pipeline or other transporters or suppliers of refined products to the Pittsburgh area other than those listed in the above-referenced testimony, and if the answer is anything but an unqualified negative, please provide all documents relating to such potential alternative suppliers, either directly or indirectly.

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. Gulf objects to this request to the extent it seeks information that is not relevant to any claim or defense in this matter and/or is beyond the scope of this proceeding. 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, Gulf objects to Request Nos. 3(a), (f)(iii), and h(ii).

Gulf objects to Request No. 3(a) as irrelevant and unduly burdensome to the extent that Laurel seeks detailed information regarding any customer-specific barge transactions. Gulf will otherwise respond to this request. Gulf also objects to Request No. 3(f)(iii), as the request for currently effective contracts between Gulf and Sunoco Pipeline for transportation of refined petroleum products is not reasonably calculated to lead to the discovery of admissible evidence, particularly in light of the lack of timeframe or geographic restrictions. Finally, Gulf objects to Request No. 3(h)(ii). Responding to Request No. 3(h)(ii) would unreasonably require Gulf to provide all documents relating to any instance where Gulf "considered" entering into contracts

with certain alternative pipeline suppliers and would impose an unreasonable burden and require Gulf to conduct an unreasonable investigation.

Laurel to Gulf, Set II, Request No. 4

Please produce copies of any Documents at Gulf during the period 2012 through July 2017 that reference or include any discussion of the following topics:

- a) Laurel;
- b) the potential reversal of Laurel, whether regarding the reversal proposal being considered in this proceeding or any other potential reversal;
- c) alternatives to Laurel of transporting product to markets in Pennsylvania (including without limitation, pipeline, truck, barge, exchange or other means of transportation);
- d) sales or transportation of product to customers or terminals located west of Eldorado, Pennsylvania; and

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, Gulf objects to Request Nos. 4(a), (b), and (d).

Responding to Request No. 4(a) would unreasonably require Gulf 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 Gulf by necessitating a voluminous document production. Gulf objects to Request No. 4(b) to the extent Laurel seeks information related to potential pipeline reversals of any pipeline other than Laurel. Finally, responding to Request No. 4(d) would impose an unreasonable burden upon Gulf by necessitating production of any document referencing or discussing sales of product west of Eldorado, which would encompass an unreasonably broad swath of documents.

Laurel to Gulf, Set II, Request No. 6

Regarding Mr. O'Malley's testimony at p. 5, lines 5 through 14, regarding the alleged negative aspects of barge transportation, please provide answers to the following questions:

- a) regarding the potential for interruption of barge service due to freezing or flooding, please explain in detail Mr. O'Malley's familiarity with historical interruptions in barge service to Pittsburgh, including the specific times and durations of any interruptions due to freezing, flooding or other causes, during the period 2012 through 2017;
- b) please explain what refineries Mr. O'Malley references with the statement regarding "the limited number of refineries from which barges could reasonably be barged," and please explain in detail Mr. O'Malley's experience of practical difficulty in seeking to barge refined products from other refineries that have the capability of supplying Pittsburgh via the Mississippi and/or Ohio Rivers;
- c) regarding Mr. O'Malley's statement that "[o]nly two delivery points in the Pittsburgh area, Neville Island and Coraopolis, are capable of accepting barge shipments," please explain Mr. O'Malley's basis for expressing this conclusion, and whether it is his sworn testimony based on his information and belief, that no other refined petroleum product terminals in the Pittsburgh area can receive barge deliveries;
- d) regarding Mr. O'Malley's statement that "[i]n the Pittsburgh market, barge service cannot be relied on for baseline supply deliveries and are generally only used to supplement pipeline deliveries,"
 - i) please provide a detailed explanation of Mr. O'Malley's experience in, or knowledge of, the use of barges to supply Pittsburgh, including all transactions in which he has arranged for, or declined to arrange for, barge transportation;
 - ii) please provide all documents during the period 2012 through July 2017 that discuss the potential or actual use by Gulf of barges to supply the Pittsburgh market;
 - iii) please explain whether Mr. O'Malley regards barge transportation of refined products from the PBF Energy, Inc. refineries at Delaware City, Delaware and Paulsboro, New Jersey to markets on the East Coast as being unreliable for baseline service; and
- e) regarding Mr. O'Malley's statement that, "barge transportation is also more expensive and labor intensive than are pipeline alternatives," please:
 - i) explain in detail Mr. O'Malley's personal knowledge of barge rates to Pittsburgh, and how he derives such knowledge; and
 - ii) provide all Documents of Mr. O'Malley or Gulf that analyze, reference, discuss or relate to the cost of barge transportation to reach the Pittsburgh market.

Objection to Request No. 6

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, Gulf objects to Request Nos. 6(a) and (d)(iii).

Gulf's objects to Request No. 6(a) to the extent a response would require production of the specific times and durations of interruptions of barge services, which would impose an unreasonable production burden beyond the capabilities of Gulf's internal record systems. Gulf further objects to Request No. 6(d)(iii), which seeks irrelevant information beyond the scope of Mr. O'Malley's testimony. Shipments occurring during Mr. O'Malley's tenure with PBF Energy, Inc. from Delaware and New Jersey ports to other East Coast destinations bear no relevance to Mr. O'Malley's testimony concerning barge shipments to the Pittsburgh area.

Laurel to Gulf, Set II, Request No. 7

Regarding Mr. O'Malley's testimony at p. 6, line 18 through p. 5, line 11, please answer the following questions:

- a) please explain in detail the basis for Mr. O'Malley's testimony regarding the requirements for vapor recovery as to gasoline rail cars, including all personal experience that he has had in investigating the potential for rail car use for refined products, either while with Gulf or in his role at PBF Energy;
- b) please provide all documents from the period 2012 through July 2017 that analyze, discuss, reference, address or relate to the potential, the cost or the feasibility of using rail cars to transport refined petroleum products;
- c) please specify which "Pittsburgh locations do have rail offloading capabilities," and discuss in detail whether they have been used for the transportation of refined products into the Pittsburgh area;
- d) please explain and quantify the costs of rail transportation and any comparisons to the cost of alternative modes of transportation, prepared during the period 2012 through July 2017; and
- e) please explain whether Mr. O'Malley is familiar with any specific delays or disruptions due to weather events affecting rail transportation, to support his statements at p. 6, lines 9-11.

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, Gulf objects to Request Nos. 7(a), (b), and (d).

Gulf objects to Request No. 7(a) to the extent Laurel seeks information related to Mr. O'Malley's work while employed at PBF Energy, Inc. which bear no relation to his testimony on behalf of Gulf. Gulf objects to Request No. 7(b) to the extent Laurel seeks information

regarding the cost or feasibility of transporting refined petroleum products by rail along any routes other than from the Philadelphia area to the Pittsburgh area. Finally, Gulf objects to Request No. 7(d) as unduly burdensome on grounds that the question fails to provide any start point, end point, or other parameters specifying the rail transportation service for which costs are sought.

Laurel to Gulf, Set II, Request No. 8

Regarding Mr. O'Malley's discussion of the potential for trucking refined products from Eldorado to Pittsburgh, at p. 7, line 4 through p. 8, line 20, please answer the following questions:

- a) regarding the alleged lack of terminal and truck unloading capacity at Eldorado to handle the truck transportation of refined products to Pittsburgh area destinations,
 - i) please state the identity and current total terminal capacity, number and size of truck racks, and the rate of truck loading for each truck rack;
 - ii) please provide all Documents that analyze, reference, relate to or address the capacity of the terminals at Eldorado to handle throughput, including without limitation any such Documents that analyze, reference, relate to or address the nature and potential costs of adding facilities (if necessary) to supply trucks serving Pittsburgh area destinations with all or part of the volumes currently being transported west of Eldorado by the Laurel pipeline system;
 - iii) please discuss in detail the factor discussed of "variable truck arrival rates," and the alleged potential back-ups on "public highways," and provide all analyses, studies, projections or other Documents that support or relate to the alleged potential for such "long wait times," "long queues," and "back-ups";
 - iv) please explain in detail whether any of these enumerated problems have arisen at other terminals of Gulf, or used by Gulf to meet its wholesale/retail supply needs, or whether Mr. O'Malley has observed such problems based on his experience with PBF Energy, and if so, please describe the circumstances of such problems and their causes in detail;
- b) regarding Mr. O'Malley's discussion of the environmental permitting at p. 7, lines 17 through 23, please
 - i) explain the basis and extent of Mr. O'Malley's familiarity with the referenced permits, including the requirements for issuing them;
 - ii) provide, list and explain in detail all instances known to Mr. O'Malley or reflected in the records of Gulf during the period 2012 through 2017 that a refined petroleum products terminal operator in Pennsylvania was denied an application for a permit to expand its terminal facilities, and thereafter failed to expand the terminal;
 - iii) explain the length of time, as understood by Mr. O'Malley, that typically elapses between the filing of the necessary application and a decision by the DEP, based on Gulf's experience as a terminal operator.
- c) regarding Mr. O'Malley's testimony at p. 8, lines 4 through 20, regarding his conclusions as to the likelihood of investment in expanded terminal facilities,
 - i) has Gulf, through Mr. O'Malley or others, studied the feasibility and cost of building expanded terminal facilities in response to a reversal of Laurel, and if so, please provide all Documents analyzing, referencing, discussing or addressing such a study or studies;

- ii) if there is no such study, please explain in detail why Mr. O'Malley concludes that no such investment would be undertaken;
 - iii) please provide a complete explanation for Mr. O'Malley's conclusion that expansion would take years, and provide all specific examples of expansion efforts by Gulf or by other terminal operators in Pennsylvania that support his conclusion.
- d) has Mr. O'Malley considered the potential that if the pricing differential between the East Coast and Midwest were sufficiently high, trucks might be supplied by terminals on Laurel further to the east, such as Carlisle, Highspire, Harrisburg, or terminals served by Sunoco, under which circumstances additional facilities might not be required; and if not, please explain why.

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, Gulf objects to Request Nos. 8(a)(i)-(iv), (c)(i) and (c)(iii).

Gulf objects to Requests Nos. 8(a)(i)-(iii), (c)(i), and (c)(iii) to the extent Laurel seeks operational information related to terminals and truck racks other than those owned by Gulf. Gulf objects to Request No. 8(iv) to the extent Laurel seeks information related to Mr. O'Malley's work while employed at PBF Energy, Inc. which bears no relation to his testimony on behalf of Gulf.

Laurel to Gulf, Set II, Request No. 9

Regarding Mr. O'Malley's testimony at p. 9, line 3 through 19, as to the alleged inadequacy of Midwest supplies as a sole source for the Pittsburgh area, please answer the following questions:

- a) provide a list of all points in time, specifying dates, in the period 2012 through July 2017 in which either (i) the price arbitrage described by Mr. O'Malley was favorable to (i.e. cheaper in) East Coast supplies; and (ii) the price arbitrage described by Mr. O'Malley was favorable to (i.e., cheaper in) the Midwest; and
 - i) during each period of favorable arbitrage, quantify the margin that Gulf acquired due to its use of the advantaged supply of refined products to sell in the Pittsburgh market; and
 - ii) during each period of favorable arbitrage, quantify the value of the arbitrage passed through by Gulf to its wholesale or retail customers;
 - iii) 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 Gulf, directly or indirectly; and
 - iv) please explain whether it is the policy of Gulf 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 Gulf that discuss, relate to, reference or analyze this policy directly or indirectly.

Objection to Request No. 9

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, Gulf objects to Request Nos. 9(a)(i)-(iv).

Gulf objects to Request Nos. 9(a)(i)-(iv) on grounds that information related to Gulf's margins or measures of profit is not relevant to the issues in this proceeding and is thus beyond the scope of discovery. Gulf 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 consumers.

Laurel to Gulf, Set II, Request No. 10

Regarding Mr. O'Malley's testimony at p. 10, line 3 through p. 11, line 9, regarding the alleged inability of Midwest refinery numbers to alleviate competitive pricing issues, please answer the following questions:

- a) please identify all "supply disruptions" in the Midwest that have resulted in price spikes or other harms during the 2012 through July 2017 period known to Mr. O'Malley, and explain their causes and effects in detail;
- b) please confirm or deny that the discussion of the "almost logistically impossible" movement of refined products from Chicago to Pittsburgh discussed at p. 10, lines 6-13 is no more than a description of product movements on the Buckeye Pipe Line Company, L.P. system, given its design; if denied, please provide a complete explanation; and
- c) please provide all documents or other bases for Mr. O'Malley's allegations regarding limits on the ability of Midwest refineries to supply Pittsburgh at p. 10, line 18 through p. 11, line 5.

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, Gulf objects to Request No. 10(a).

Gulf objects to Request No. 10(a) as unduly burdensome to the extent Laurel requests an exhaustive list of all supply disruptions in the Midwest that have resulted in price spikes. Gulf will identify the supply disruptions known to Mr. O'Malley and relied upon to support statements in his Direct Testimony.

Laurel to Gulf, Set II, Request No. 11

Regarding Mr. O'Malley's testimony at p. 11, line 14 through p. 12, line 15 regarding the alleged unavailability of exchanges to Pittsburgh from the Midwest, please answer the following questions:

- a) please provide the basis for Mr. O'Malley's statement that "to my knowledge, there have never been any product exchanges available for the Pittsburgh market," and that "product exchanges are not available to Pittsburgh today," and provide all Documents supporting this allegation;
- b) with respect to the statement quoted in subpart a. immediately above, please explain how Mr. O'Malley would know whether "any product exchanges" have taken place, when refined petroleum product exchanges are not publicly disclosed and are considered highly confidential;
- c) Please provide a copy of all exchange agreements that Gulf has entered into that have been in effect during the period 2012 through July 2017.

Objection to Request No. 11

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, Gulf objects to Request No. 11(c).

Gulf objects to Request No. 11(c) on grounds that the terms of any specific exchange agreements between individual market participants are irrelevant to the question of whether exchange agreements are generally available to market participants. Gulf further objects to Request No. 11(c) as unduly burdensome to the extent Laurel requests information related to exchange agreements with no relation to the Pittsburgh market. Notwithstanding the above

objections, Gulf will confirm the number of exchange agreements entered into to supply refined petroleum products to the Pittsburgh market.

Laurel to Gulf, Set II, Request No. 12

Regarding Mr. O'Malley's testimony at p. 12, line 20 through p. 13, line 2 regarding the allegations that Buckeye's lines are "heavily allocated" from the Midwest and that "these lines are already under long-term contracts with shippers, so that even shipments from the Ohio refineries located closer to Pittsburgh would be limited by capacity allocations," please answer the following questions:

- a) please provide all facts and Documents upon which Mr. O'Malley bases his conclusion that Buckeye's pipelines from the Midwest to Pittsburgh are "heavily allocated";
- b) please provide all facts and Documents upon which Mr. O'Malley bases his conclusion that these "lines are already under long-term contracts with shippers, so that even shipments from the Ohio refineries located closer to Pittsburgh would be limited by capacity allocations";
- c) is it Mr. O'Malley's sworn testimony that Buckeye's lines from the Midwest to Pittsburgh are currently allocated?
- d) is Mr. O'Malley aware of the prorationing status of the Marathon or Sunoco Pipeline systems from the Midwest to Pittsburgh?, and if so, please explain his understanding of their allocation status and the basis for his knowledge.
- e) is Mr. O'Malley's contention regarding the flexibility of pipeline supplies from the Midwest to Pittsburgh made in light of his own experience in supplying Gulf's Pittsburgh area markets with refined products, and if so, please provide a detailed explanation of how that experience and how it supports his conclusions; and
- f) please provide a list of all volumes that Gulf has either transported, or purchased after the transportation by other shippers, by product type, by month, for the period 2012 through July 2017, on the Buckeye Pipe Line Company, L.P., on the Sunoco Pipeline, or on Marathon Pipe Line.

Objection to Request No. 12

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, Gulf objects to Request Nos. 12(e) – (f).

Gulf objects to Request No. 12(e) as the response mischaracterizes Mr. O'Malley's Direct Testimony such that response would impose unreasonable burden and oppression by confusing Mr. O'Malley's testimony. Mr. O'Malley did not make any representations regarding the "the flexibility of pipeline supplies from the Midwest to Pittsburgh" as indicated in Request No. 12(e). Rather, Mr. O'Malley testified as to the flexibility currently available on Laurel's pipeline from Philadelphia to the Pittsburgh area. Additionally, Gulf objects to Request No. 12(f) as the requested granular detail may impose an unreasonable burden. Notwithstanding the objection, Gulf will respond to Request No. 12(f).

II. CONCLUSION

WHEREFORE, Gulf Operating LLC hereby objects to the entirety of Laurel Set II with respect to the General Objection as to burdensome timeframes and Laurel Set II Request Nos. 1(a) and (c); 2(a)(i)-(iii) and 2(b); 3(a), (f)(iii), and h(ii); 4(a), (b), and (d); 6(a) and (d)(iii); 7(a), (b), and (d); 8(a)(i)-(iv),(c)(i) and (c)(iii); 9(a)(i)-(iv); 10(a); 11(c); 12(e) – (f) as set forth above.

Respectfully submitted,

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By



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