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August 21, 2017

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

VIA ELECTRONIC FILING

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

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


Dear Secretary Chiavetta:

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

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

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 
Adeolu A. Bakare

Counsel to Sheetz, Inc.

Enclosure

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

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CERTIFICATE OF SERVICE

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

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Certificate of Service

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

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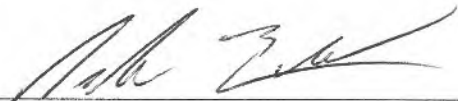
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Adeolu A. Bakare

Counsel to Gulf Operating, LLC and Sheetz, Inc.

Dated this 21st day of August, 2017, in Harrisburg, Pennsylvania.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Laurel Pipe Line Company,	:	
L.P. for All Necessary Authority, Approvals,	:	
and Certificates of Public Convenience To	:	Docket No. A-2016-2575829
Change the Direction of Petroleum Products	:	
Transportation Service to Delivery Points	:	
West of Eldorado, Pennsylvania	:	
Affiliated Interest Agreement Between	:	
Laurel Pipe Line Company, L.P. and	:	Docket No. G-2017-2587567
Buckeye Pipe Line Company, L.P.	:	

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

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE ERANDA VERO:

Sheetz, Inc. ("Sheetz") files, pursuant to section 5.342(g)(1) of the Pennsylvania Public Utility Commission's ("PUC" or "Commission") Rules,¹ this Answer to the Motion to Compel Answers to [Laurel Pipe Line Company, L.P.'s ("Laurel" or "Applicant")] Second Set of Interrogatories and Requests for Production of Documents² ("Motion"), which was filed by Laurel on August 14, 2017.

I. BACKGROUND

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

¹ 52 Pa. Code §§ 5.342(g)(1).

² Throughout this Answer, Sheetz will refer to Laurel's Second Set of Interrogatories and Requests for Production of Documents as "Set II" or "Set II Discovery."

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

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

On July 14, 2017, Sheetz served Sheetz Statement No. 1, the Direct Testimony of Mike O'Malley

On July 25, 2017, Laurel served Set II Discovery on Sheetz.

On August 4, 2017, Sheetz objected to Laurel's Set II Discovery with respect to Sheetz's General Objection as to unspecified or unreasonable timeframes and Laurel Set II Request Nos. 1(b); 2(a)(i)-(iii), (b)(i), and (c)(i)-(iii); 3(d)-(e); 4(a)(i)-(ii), (iv), and (b)(ii)-(v); 7(a)-(b); 8(a)-(c); 10(b); and 13(b).

On August 11, 2017, counsel for Sheetz and counsel for Laurel held a telephone conversation to discuss Laurel's concerns with Sheetz's objections to Laurel Set II.

On August 14, 2017, Sheetz provided responses to most of Laurel's Set II Discovery Requests. In the spirit of compromise, Sheetz provided responses to all of the requests and full responses to many of the requests to which it had objected to on August 4, 2017. With regard to the remaining disputes, Gulf hereby files this Answer to Laurel's Motion to Compel.

II. ANSWER AND ARGUMENT

A. INTERNAL INFORMATION RELATED TO MARGINS, MEASURES OF PROFIT, OR COMPANY PRICING DECISIONS OF A NON-REGULATED PUC ENTITY SUCH AS SHEETZ IS NOT RELEVANT TO THE ISSUES IN THIS PROCEEDING AND IS NOT REASONABLY CALCULATED TO LEAD TO THE DISCOVERY OF ADMISSIBLE EVIDENCE

In its Motion, Laurel argues that the Indicated Parties³, such as Sheetz, should not be permitted to avoid discovery on “any claim or issue” raised in this proceeding.⁴ Laurel requests that Your Honor issue an order to require the Indicated Parties “to provide full and complete responses to discovery requests that arise from the claims, arguments, and issues raised in Direct Testimony.”⁵ Laurel accuses Sheetz and the Indicated Parties of issuing “dilatory objections”⁶ and by refusing to provide information concerning Sheetz’s margins and profits that Laurel needs to prepare its rebuttal testimony and evaluate Sheetz’s claims.

Laurel’s demand is not credible or procedurally appropriate. Though its Set II discovery, Laurel seeks to obtain information on matters not raised by Sheetz in its Direct Testimony. Sheetz did not testify on issues concerning margins or profits of its business. As discussed in detail below, Sheetz presented testimony only on market impacts for the Pittsburgh area for the Commission consideration in reviewing Laurel’s Application. While Laurel is entitled to discovery on the issues raised by Sheetz, Laurel should not be permitted to use the discovery process as a fishing expedition to force Sheetz to divulge business records entirely divorced from the averments and observations made by Sheetz in this proceeding.

³ The Indicated Parties is an *ad hoc* group of parties united in their opposition to the flow reversal/abandonment proposed by Laurel. For purposes of this Protest and Petition to Intervene, the Parties include: Sheetz, Inc.; Gulf Operating, LLC; Philadelphia Energy Solutions Refining and Marketing LLC; Guttman Energy, Inc.; Monroe Energy, LLC; and Giant Eagle, Inc.

⁴ Laurel Motion to Compel on p. 3.

⁵ Laurel Motion to Compel on p. 4, ¶ 12.

⁶ Laurel Motion to Compel on p. 4, ¶ 11.

Specifically, Laurel's Set II discovery was propounded upon Sheetz and addressed solely claims set forth in Sheetz's Statement No. 1. Sheetz has and will continue to furnish information relevant to the claims set forth in testimony. However, Laurel has continued to seek discovery on matters that have not been shown to bear any relevance to the issues raised in Sheetz's Direct Testimony. Laurel's Application concerns the reversal of a major petroleum products pipeline that currently serves as the sole pipeline source of supply for the Pittsburgh market to access gasoline, diesel, and other petroleum products. Contrary to the focus of several of Laurel's discovery requests, the impact of the Application, as addressed by Sheetz has nothing to do with Sheetz's individual margins and profits, but everything to do with the supply and pricing impacts upon the petroleum products market in the Pittsburgh area. Sheetz is aware that PESRM and Monroe submitted written testimony on the impact of Laurel's proposed reversal upon the margins and profits of their refinery operations in Philadelphia.⁷ These claims are distinct from Sheetz's testimony on the total market impacts for the Pittsburgh area.

Indeed, Laurel previously sought information related to Gulf's margins and profits in response to Laurel's Set I Interrogatories Nos. 4(b) – (e). In an Order denying Laurel's prior Motion to Compel, Your Honor found the "connection of Gulf's margins and Gulf's overall return to the subject matter of this proceeding is too attenuated to bring the information sought in Laurel – Set I, Request No. 4(b) – (e) within the scope of this discovery proceedings."⁸ Laurel's request for Sheetz's margins and profits in its Set II discovery essentially duplicates its prior request to Gulf. As the circumstances under which Your Honor denied Laurel's request for margins and profit data for Gulf parallel those of Sheetz, Sheetz submitted good faith objections to Laurel's Set II Interrogatories,

⁷ PESRM Statement No. 1, at 6-7; *see also* Monroe Statement No. 1, at 3.

⁸ Order Regarding Laurel's Motion to Compel Gulf to Provide Responses to Laurel Set I Discovery Request, Docket No. A-2016-2575829 (May 10, 2017), at 3.

Consistent with your Honor's prior directive, Sheetz and Laurel attempted to resolve disputed discovery matters and Sheetz provided responses to most of the requests in Laurel's Discovery Set II, effectively waiving several reasonable objections. However, and particularly with regard to questions requesting information and data concerning Sheetz's internal margins and profits, Sheetz requests that Your Honor deny Laurel's Motion to Compel responses to its Set II Interrogatories.

B. LAUREL'S MOTION TO COMPEL SHEETZ'S RESPONSES TO A LIMITED NUMBER OF OUTSTANDING DISCOVERY REQUESTS IMPERMISSIBLY SEEKS TO STRIKE ALL REFERENCES IN THIS PROCEEDING TO THE BROAD SUBJECT OF ECONOMIC HARM TO THE INDICATED PARTIES

As a form of alternative relief in its Motion to Compel, Laurel requests that Your Honor issue an 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."⁹

Laurel's argument and alternative request for relief is improper and should be rejected. First, Laurel's alternative request for relief to "strike" all references and bar all associated claims *raised by the Indicated Parties* through a Motion to Compel a limited and specific subset of *Sheetz's responses* is procedurally impermissible. A Motion to Compel one party's limited discovery responses is not an appropriate procedural vehicle for a broad, sweeping, far-reaching request to strike essential claims and issues concerning four other parties in this proceeding. Laurel titled its motion a "Motion to Compel Answers to Interrogatories and Requests for Production of Documents Propounded by Laurel Pipe Line Company, L.P. on Sheetz, Inc., Set

⁹ Laurel Motion to Compel on p. 4, ¶ 12.

II.” Laurel did not title its motion a “Motion to Strike All References Made by the Indicated Parties in This Proceeding Regarding the Broad Subject of Economic Harm.”

Additionally, Laurel’s request to “strike” all references and bar all associated claims raised by Sheetz and the Indicated Parties would deprive Sheetz and the Indicated Parties of their due process rights.¹⁰ Laurel filed the Motion to Compel pursuant to Section 5.342 of the Commission’s Regulations, under which a party filing a Motion to Compel can request dismissal of objections and responses to interrogatories.¹¹ The limitations applicable to Motions filed under Section 5.342 are important for preserving due process and this Regulation provides an expedited timeframe for answers to Motion to Compel.¹² To the contrary, Motions to Strike must be filed under the general authority set forth in Section 5.103.

Finally, as discussed in Section II(A), Laurel’s arguments fails to consider the distinctions between the harms alleged by each of the Indicated Parties. PESRM and Monroe testified as to economic harm to their individual refineries, including declines to future profits and margins.¹³ Sheetz’s testimony addressed broader impacts on the Pittsburgh petroleum products market. Laurel’s generalization of these distinct claims as “economic harm” arguments is inappropriate. Information about margins and profits can be relevant with regards to one witness and irrelevant to another. Accordingly, Sheetz respectfully requests that Your Honor deny Laurel’s improper, overbroad, and unfounded request to strike any and all existing references (and bar all future references) in this proceeding to the broad subject of economic harm to the Indicated Parties.

¹⁰ The Commission takes seriously a party’s due process rights and opportunity to be heard throughout the evidentiary stages of a proceeding. *See, e.g., Enron Capital and Trade Resources Corp. v. Peoples Natural Gas Co.*, PUC Docket No. R-00973928C0001 (PUC Order entered Aug. 24, 1998).

¹¹ 52 Pa. Code § 5.342.

¹² *See id.*

¹³ PESRM Statement No. 1, at 6-7; *see also* Monroe Statement No. 1, at 3.

C. LAUREL'S REQUEST FOR SHEETZ TO PRODUCE DOCUMENTS FROM BETWEEN JANUARY 1, 2012 AND JULY 14, 2017 SHOULD BE DENIED AS UNDULY BURDENSOME AND REQUIRING AN UNREASONABLE INVESTIGATION

In its Motion to Compel Laurel argues that Sheetz should be required to produce documents from between January 1, 2012 and July 14, 2017. Laurel misreads Sheetz's objection. Sheetz did not object to furnishing otherwise discoverable information for the period January 1, 2012 to July 14, 2017, as erroneously stated in Laurel's Motion to Compel. Sheetz only objected to the request to produce information for July 2017, out of concern that Sheetz's internal records for July may still be under internal review. Requiring Sheetz to provide data that has not been subject to the appropriate internal reviews would unreasonably burden the company in violation of Section 5.361(a)(2) of the Commission's regulations, 52 Pa. Code § 5.361(a)(2). As a result Sheetz proposed to furnish otherwise discoverable information for the period January 2012 – June 2017. As Laurel has not demonstrated how its interest in Documents or Communications for the month of July 2017 outweighs the burden to Sheetz of producing data in advance of completing its internal review, Sheetz requests that Your Honor deny Laurel's request.

D. SPECIFIC RESPONSES

Laurel Set II, No. 1(b)

Laurel to Sheetz, Set II, Request No. 1(b)

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

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

Sheetz Answer to Laurel Motion to Compel Request No. 1(b)

Per Section 5.321(c) of the Commission's regulations, 52 Pa. Code § 5.321(c), a party may obtain discovery of any matter that is relevant to the subject matter and issues in the proceeding, and thus reasonably calculated to lead to the discovery of admissible evidence. Sheetz objected to Request No. 1(b) as the identity of Mr. Lorenz's job duties while at Mobil Oil Corp. have no bearing on his testimony in this proceeding, particularly as Mr. Lorenz has been employed by Sheetz for 17 years and has not indicated that any portion of his testimony is based on experience or information from his prior position at Mobil Oil Corp. Therefore, Sheetz requests that Your Honor deny Laurel's Motion to Compel a response to Request No. 1(b).

Laurel to Sheetz, Set II, Request No. 2(a)(i)-(iii), (b)(i), (c)(i)-(iii)

1. Regarding Mr. Lorenz's testimony at p. 2, lines 8 through 13, regarding the nature and scope of Sheetz's business in Pennsylvania, please provide answers to the following questions:
 - a) Please provide a list showing the locations of each of the retail service stations that Sheetz supplies with gasoline and/or diesel, showing the following information for each:
 - i) address, street, town/local governmental unit and ZIP code;
 - ii) volume of products delivered to such location for the period 2012 through July 2017, broken down by the following categories: gasoline (specifying whether winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), and diesel; and
 - iii) the terminal(s) (i.e., the refined products terminal from which tanker trucks transport gasoline or diesel to the service station), for the period 2012 through July 2017 from which Sheetz or others supply each service station specifying the street address, town/local governmental unit and ZIP code for each such terminal.
 - b) Please provide Sheetz's estimate or assessment, whether formal or informally derived, regarding its market share in both the Pittsburgh market (as Sheetz defines such market) and for the central Pennsylvania market, for the sale of gasoline and/or diesel; and
 - i) Please provide all Documents analyzing, referencing, discussing or addressing Sheetz's market share in Pennsylvania or any market within Pennsylvania, whether such market has been defined by Sheetz or by another entity.
 - c) Please provide a list showing the locations of each of the retail service stations located in either West Virginia or eastern Ohio that Sheetz has supplied with gasoline and/or diesel from refined products terminals located in Pennsylvania, showing the following information for each:
 - i) address, street, town/local governmental unit and ZIP code;
 - ii) volume of products delivered to such location for the period 2012 through July 2017, broken down by the following categories: gasoline (specifying whether winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), and diesel, further broken down by:
 - a. volumes supplied from terminals located in Pennsylvania;
 - b. volumes supplied from terminals located in states other than Pennsylvania; and
 - iii) for each terminal whose supply is used to provide the information specified in subpart (a) and (b) above, please specify the street address, town/local governmental unit, county, state and ZIP code for each such terminal

Sheetz Answer to Laurel Motion to Compel Request No. 2(a)(i)-(iii)¹⁴, (b)(i), (c)(i)-(iii)

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

Sheetz objected to Request Nos. 2(a)(i)-(ii) as irrelevant to any claim or defense in this matter, beyond the scope of this proceeding and unduly burdensome. For the reasons discussed in Section II(A), above, locational and volumetric data concerning individual product sales to each of Sheetz's Pennsylvania retail stores is not relevant to broader market issues at issue in this proceeding. Laurel argues that discovery on Sheetz's individual shipments to retail stores is necessary to determine "whether Sheetz truly depends on East Coast supplies, or whether it even collects possesses, maintains, or has access to the information necessary for it to support its claims.¹⁵ This statement ignores the fact that Sheetz's testimony cites to the Indicated Parties Statement No. 1, the Direct Testimony of Dan Arthur, which set forth market data showing that 50% of the petroleum products shipped on the Laurel pipeline (all of which are from East Coast sources) are shipped to the Pittsburgh market.¹⁶ As to Sheetz's reliance on East Coast supply, Sheetz's response to Laurel Set I, No. 1 confirms that Sheetz only transports product for the East

¹⁴ On page 11, ¶ 26 of Laurel's Motion, Laurel compels Sheetz to answer "Request No. 2(a)(i)-(ii), (iv) and (b)(i) of Set II." Conversely, page 3, ¶ 8 and page 30 compel Sheetz to answer "Request No. 2(a)(i)-(iii)." Assuming that the omission of Request No. 2(a)(iii) is a typographical error, Sheetz hereby addresses why it should not be compelled to address Request No. 2(a)(iii).

¹⁵ Laurel Motion to Compel, at 9.

¹⁶ See Sheetz Statement No. 1, p. 3.

Coast through Laurel, meaning that Laurel already knows precisely how reliant Sheetz is on East Coast supply.

However, to minimize the disputed discovery requests, Sheetz provided responsive information to Request Nos. 2(a)(i)-(ii) on August 14, 2017. Sheetz provided links to its online store listings, which can be separated by state and provides the store numbers and full addresses including street numbers and city, state, and zip code. Sheetz also provided the total product volumes shipped to each individual Pennsylvania store for the period 2012 – 2017.

Sheetz also objected to Request No. 2(a)(iii) as unduly burdensome to the extent Laurel seeks information beyond that provided in response to Laurel Set I, Request No. 17. Laurel's response to Sheetz's objection bears no relation to the information sought in Request No. 2(a)(iii). Laurel claims that Sheetz must respond to Request No. 2(a)(iii) because "Laurel is entitled to discovery information associated with the volumes currently delivered to the terminals from which Sheetz takes its products, in order to determine whether Sheetz is affected by the limitations it claims are associated with the Eldorado terminal."¹⁷ However, Request No. 2(a)(iii) does not seek delivery volumes, but rather the location of terminals from which Sheetz supplies its retail stores, including the "street address, town/local governmental unit and ZIP code for each such terminal." (Emphasis added).¹⁸ Sheetz has already identified the terminals from which it supplies its stores by town/local government in response to Laurel's Set I, Request No. 17. Laurel has not explained why or how specific street addresses for terminal facilities are relevant to this proceeding.

Sheetz further objected to Request Nos. 2(b)(i) on grounds that information related to Sheetz's market share is not relevant to the issues in this proceeding and is thus beyond the scope

¹⁷ Laurel Motion to Compel, at 11.

¹⁸ *Id.* at 7.

of discovery. As detailed in Section II(A) above, Mr. Lorenz testified to the aggregate market impacts resulting from Laurel's Application and Laurel has acknowledged that Sheetz is a shipper on Laurel's pipeline. As market participant, Sheetz would be impacted by Laurel's Application regardless of the size of its market share, such that Request No. 2(b)(i) requests irrelevant information that is not calculated to lead to admissible evidence.

Sheetz objected to Request Nos. 2(c)(i)-(ii) as irrelevant to any claim or defense in this matter, beyond the scope of this proceeding and unduly burdensome. The arguments set forth above in response to Request Nos. 2(a)(i)-(ii) apply with equal force here. However, to minimize the disputed discovery requests, Sheetz provided responsive information to Request Nos. 2(c)(i)-(ii) on August 14, 2017. Sheetz provided links to its online store listings, which can be separated by state and provides the store numbers and full addresses including street numbers and city, state, and zip code. Sheetz also provided the total product volumes shipped to each individual Ohio and West Virginia store for the period 2012 – 2017.

Finally, Sheetz further objected to Request No. 2(c)(ii)(b) as irrelevant on grounds that Laurel seeks shipping information for movements that do not originate or terminate in Pennsylvania. Laurel's Motion does not address Sheetz's objection to subpart (c)(ii)(b), so the request has been waived.

Laurel to Sheetz, Set II, Request No. 3(d)-(e)

2. Please state whether Sheetz makes sales of any refined petroleum products to any other marketer or refined products market participant other than the transactions described in response to question LAU-SI-I-2 above, and if the answer is anything but an unqualified negative, please provide the following for such other marketers or other refined products market participants:
 - a) In the Pittsburgh market in Pennsylvania, and for each marketer or refined products market participant, for the period 2012 through July 2017 please provide by month the volume of gasoline (specified by winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), diesel, home heating oil, jet fuel and other major refined petroleum products sold to each such customer, and the geographical location of the point of sale for each such customer, by street address and town or other local entity and ZIP code.
 - b) In the Altoona/Central Pennsylvania market, and* for each marketer or refined products market participant for the period 2012 through July 2017, please provide by month the volume of gasoline (specified by winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), diesel, home heating oil, jet fuel and other major refined petroleum products sold to each such customer, and the geographical location of the point of sale for each such customer, by street address and town or other local entity and ZIP code.
 - c) In the Eastern Pennsylvania market, including the Philadelphia area, and for each marketer or refined products market participant for the period 2013 through July 2017 please provide by month the volume of gasoline (specified by winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), diesel, home heating oil, jet fuel and other major refined petroleum products sold to each such customer, and the geographical location of the point of sale for each such customer, by street address and town or other local entity and ZIP code.
 - d) For each customer identified in response to subparts a. through c. above, please state the source for the refined products supplied to such customer, and by "source" this question means the refinery, or if no refinery can be identified, the wholesale sales point at which Sheetz purchased the refined products (e.g., "Booth," "Linden," "East Chicago," etc.), or if FOB at a pipeline or waterborne terminal, the name and location of the terminal.
 - e) For each marketer and/or products market participant to whom Sheetz sold any refined products at wholesale that were supplied from sources within Pennsylvania but were making retail sales outside Pennsylvania, please provide for each such marketer or refined products market participant, for the period 2013 through July 2017, by month the volume of gasoline (specified by winter conventional, summer conventional 9 lb. or 7.8 lb., or RBOB), diesel, home heating oil, jet fuel and other major refined petroleum products sold to each such customer, and the geographical location of the point of sale for each such customer, by street address and town or other local entity and ZIP code.

Sheetz Answer to Laurel Motion to Compel Request No. 3(d)-(e)

Sheetz had objected to Request No. 3(d)-(e) on the grounds of relevance, undue burden, and unreasonable investigation. *See* 52 Pa. Code § 5.321(c), 52 Pa. Code § 5.361(a)(2), and 52 Pa. Code § 5.361(a)(4)

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

Sheetz further objected to Request No. 3(e) as irrelevant and requiring an unreasonable investigation. Laurel asked Sheetz to furnish volumetric sales information for marketers or refined products market participants that purchase volumes in Pennsylvania but engage in retail sales outside of Pennsylvania. The commercial or geographical market decisions of marketers or refined products market participants after they purchase volumes from Sheetz in Pennsylvania bears no relation to the issues addressed in Mr. Lorenz's Direct Testimony. Ironically, Laurel recognizes that it has no information regarding the movements of product after it leaves its pipeline, but illogically believes Sheetz would have knowledge of the movements of products following a sale to a third party. This request is unreasonably burdensome and should be denied.

Laurel Set II, No. 4(a)(ii), (iv), (b)(ii)-(v)

Laurel to Sheetz, Set II, Request No. 4(a)(ii), (iv), (b)(ii)-(v)

3. Regarding Mr. Lorenz's testimony at p. 3, lines 4 through 18, regarding the alleged role of Laurel in the Pittsburgh market and potential impact of its reversal, please answer the following questions:
 - a) Please produce copies of any of any Documents created by or for Sheetz during the period 2012 through July 2017 that reference or include any discussion, directly or indirectly, of the following topics:
 - i) Laurel;
 - ii) the potential reversal of Laurel, whether regarding the reversal proposal being considered in this proceeding or any other potential reversal;
 - iii) alternatives to Laurel of transporting product to markets in Pennsylvania (including without limitation, pipeline, truck, barge, exchange or other means of transportation);
 - iv) sales or transportation of product to customers or terminals located west of Eldorado, Pennsylvania; and
 - v) the alleged role of Pittsburgh as the "arbitrage point between supply from the east and supply from the west";
 - b) Regarding Mr. Lorenz's testimony regarding arbitrage between East Coast and Midwestern supplies of refined petroleum products:
 - i) please provide a list of each month for the period 2012 through July 2017 during which wholesale or bulk prices available from the Midwest and the East Coast in the Pittsburgh market created an arbitrage opportunity favoring supplies from one source or the other, and provide the price differential in cents per barrel;
 - ii) during each month of favorable arbitrage identified in subpart (b)(i) immediately above, quantify the margin that Sheetz acquired due to its use of the advantaged supply of refined products to sell in the Pittsburgh market; and
 - iii) during each period of favorable arbitrage identified in subpart (b)(i) immediately above, quantify the value of the arbitrage passed through by Sheetz to its wholesale or retail customers;
 - iv) provide all Documents during the period 2012 through July 2017 that analyze, relate to, reference or address arbitrage in the Pittsburgh area between East Coast and Midwest prices, and/or the margin derived by Sheetz, directly or indirectly; and
 - v) please confirm that it was not and is not the company policy of Sheetz to pass through to its wholesale and retail customers the potential savings made available due to the Midwest/East Coast arbitrage that he describes, or to retain as much of

the arbitrage benefits as possible for the owners, and please provide all documents created by Sheetz that discuss, relate to, reference or analyze this policy directly or indirectly.

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

Sheetz Answer to Laurel Motion to Compel Request No. 4(a)(ii), (iv), (b)(ii)-(v)

Sheetz had objected to Request Nos. 4(a)(i)-(ii), (iv), and (b)(ii)-(v) on the grounds of relevance, undue burden, and unreasonable investigation. *See* 52 Pa. Code § 5.321(c), 52 Pa. Code § 5.361(a)(2), and 52 Pa. Code § 5.361(a)(4). Laurel's Motion to Compel withdraws Request No. 4(a)(i) and requests responses to Requests Nos. 4(a)(ii), (a)(iv), and (b)(ii)-(iv).

Request No. 4(b) seeks Documents at Sheetz referencing or discussing Laurel's proposed reversal or "any other potential reversal."¹⁹ Sheetz responded to Request No. 4(b) with regard to Laurel's proposed reversal. The request for any documentation related to discussions on potential reversals of non-Laurel pipelines is plainly irrelevant to the circumstances of this proceeding.

Sheetz also objected to Request Nos. 4(a)(ii) and (b)(ii)-(v) on relevancy grounds. As set forth in Section II(A) above and further detailed below, Laurel's request should be denied as information related to Sheetz's margins or measures of profit is not relevant to the issues in this proceeding and is thus beyond the scope of discovery.

As indicated by the very arguments relied upon in its Motion, Laurel's request for margin and profits continues an effort to force production of irrelevant data that must be denied as disingenuous. First, Laurel sets forth numerous arguments regarding the claims of Indicated Parties' witness Dan Arthur. Dr. Arthur and Mr. Lorenz are not interchangeable witnesses. Request No. 4 concerns statements made in Mr. Lorenz's testimony. Laurel cannot attempt to show relevance of discovery based on such statements by citing other statements in Dr. Arthur's testimony. If Laurel seeks to clarify the basis for statements offered by Dr. Arthur, discovery should be propounded upon Dr. Arthur.

As for the Mr. Lorenz's testimony, Sheetz's Statement No. 1 at no point discussed the impact of Laurel's proposed reversal upon Sheetz's own finances and economics. The entirety of Sheetz's Direct Testimony concerns the market impacts of Laurel's proposed reversal, which cannot be proven or disproven by the pricing decisions of a single entity such as Sheetz. It is rather telling that Laurel supports its argument by primarily emphasizing statements in the Protest filed by Sheetz's counsel in February rather than the evidentiary statements in the

¹⁹ Laurel Motion to Compel, at 15.

testimony that Request No. 4 purports to address.²⁰ Although Laurel notes that Mr. Lorenz made statements relevant to margins and profits, a review of the cited statements confirms that Mr. Lorenz addressed market costs.²¹ Accordingly, Laurel's requests should be denied for the reasons established by Gulf earlier in this Answer to Laurel's Motion to Compel.

²⁰ See Laurel Motion to Compel, at 19.

²¹ See Laurel Motion to Compel, at 19 *citing* Laurel Motion to Compel at 9 *citing* Sheetz Statement No. 1, p. 3.

Laurel Set II, No. 7(a)-(b)

Laurel to Sheetz, Set II, Request No. 7(a)-(b)

4. Regarding Mr. Lorenz's testimony at p. 4, lines 6 through 12, please answer the following questions:
 - a) Please provide a detailed explanation of why Mr. Lorenz believes that Pittsburgh's role as "arbitrage point" means that it "also plays a significant role in the supply security of the Pittsburgh area," apart from the statements in the next two sentences, and in particular please clarify whether Mr. Lorenz refers to the physical supply provided by Laurel's flow from the east, rather than the price issues associated with "arbitrage."
 - b) Please provide a detailed explanation of Mr. Lorenz's contention that "[a]ny material disruption to supply from the west could lead to supply shortages in the Pittsburgh area," and in addition please answer the following questions:
 - i) Please provide a list of all supply disruptions to the Pittsburgh market during the period 2012 through July 2017 known to Mr. Lorenz, and describe the cause and the impact on Sheetz and on consumers, including documentation of any "supply shortages".
 - ii) Please provide a list of all supply disruptions to the Altoona or eastern Pennsylvania markets during the period 2012 through July 2017 known to Mr. Lorenz, and describe the cause and the impact on Sheetz and on consumers, including documentation of any "supply shortages".

Sheetz Answer to Laurel Motion to Compel Request No. 7(a)-(b)

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

Notwithstanding its objection, Sheetz responded to Request No. 7(a). As a result, Sheetz understands the Motion to Compel to be moot as to this question.

Sheetz also objected to Request No. 7(b) as irrelevant to the extent the question seeks information on the impact of supply disruptions upon individual market participants (including Sheetz) that are not relevant to the market impacts at issue in this proceeding. Sheetz responded to Request No. 7(b) with a description of supply disruptions known by Mr. Lorenz to have impacted the Pittsburgh market.

Laurel to Sheetz, Set II, Request No. 8(a)

5. Regarding Mr. Lorenz's testimony at p. 5, line 15 through p. 6, line 2, regarding the alleged limitations on the use of barges to supply the Pittsburgh market, please answer the following questions:
 - a) Please explain in detail whether and, if so, to what extent, Mr. Lorenz has had personal responsibility for the use of barges to supply refined petroleum products to the Pittsburgh area, either in his work at Sheetz or for Mobil Oil Corp.
 - b) Please provide a list of all contracts on or on behalf of Sheetz for either transportation via barge to supply the Pittsburgh market, or for the purchase of refined products by Sheetz at a terminal in the Pittsburgh market that was delivered by barge.
 - c) Please provide a copy of each contract listed in response to subpart (b) immediately above.
 - d) Please provide all Documents created by or on behalf of Sheetz relating to the actual or potential use of barges to supply refined petroleum products in the Pittsburgh market during the period 2012 through July 2017;
 - e) Please provide a complete description of Mr. Lorenz's knowledge of:
 - i) the volume of refined petroleum products delivered to Pittsburgh market destinations;
 - ii) the location of terminals capable of receiving barge deliveries of refined petroleum products in the Pittsburgh market;
 - iii) the prices for the transportation of refined petroleum products to the Pittsburgh market via barge;
 - iv) whether Mr. Lorenz relies on specific personal knowledge regarding his statement that "These variables make barge supply sporadic at best and thus an unreliable alternative," and if so please provide all specifics supporting this conclusion
 - v) regarding the term "[h]istorically" at line 17, please state the time period encompassed by this term, and please explain Mr. Lorenz's basis for concluding that "barging has played an insignificant role as a source of petroleum products and to my knowledge, only a minor role for the Pittsburgh region."
 - vi) regarding the statement at lines 19-21 that "[damping up this source of supply would take a tremendous risk tolerance for uncertainties in product availability and supply reliability in addition to requiring substantial capital investment to increase barging capacity and meet emission limits," please answer the following questions:
 - a. Please explain in detail the basis for the statement as it regards product availability and supply reliability.

- b. Please explain Mr. Lorenz's basis for contending that investment would be needed for increased barging, what dollar value or range of values he asserts would be required, whether he believes that there is insufficient barge-accessible terminal capacity in the Pittsburgh market, whether he believes that capital investment would be needed with respect to the supply of barges, and the complete basis for his conclusions or premises regarding such investments.
- f) Please provide Mr. Lorenz's definition of the term "Pittsburgh market" as he uses it at line 16, as defined by geographical area (e.g., by included counties), and please state whether his testimony means this same definition whenever it references "Pittsburgh" or the "Pittsburgh area" or the "Pittsburgh market," and if the answer is anything but an unqualified affirmative, please provide any alternative geographic areas to which Mr. Lorenz refers when using these terms.

Sheetz Answer to Laurel Motion to Compel Request No. 8(a)

Sheetz had objected to Request Nos. 8(a)–(c) on the grounds of relevance, undue burden, and unreasonable investigation. *See* 52 Pa. Code § 5.321(c), 52 Pa. Code § 5.361(a)(2), and 52 Pa. Code § 5.361(a)(4)

For the same reasons set forth above in response to Laurel’s Motion to Compel a response to Request No. 1(b), Request No. 8(a) is not relevant to this proceeding. Mr. Lorenz's job duties while at Mobil Oil Corp. have no bearing on his testimony in this proceeding, particularly as Mr. Lorenz has been employed by Sheetz for 17 years.

Sheetz further objected to Request Nos. 8(b)-(c) as irrelevant and burdensome as details concerning Sheetz's contracts are not relevant to the market impacts of Laurel's proposed reversal. Notwithstanding the objections, Sheetz responded to Request Nos. 8(b)-(c). As a result, Sheetz understand the Motion to Compel to be moot with regard to these questions.

Laurel to Sheetz, Set II, Request No. 10(b)

6. Regarding Mr. Lorenz's testimony at p. 7, lines 1 through 18, please answer the following questions:
 - a) Regarding the reference, "eastern-sourced product, which is the lower cost alternative the majority of the time," please describe in detail Mr. Lorenz's basis for this contention, and also explain whether the statement applies to all refined petroleum products or only certain refined petroleum products, and produce all Documents supporting this conclusion.
 - b) In light of the discussion of truck movements and likely truck transportation, including the statement, "[t]ypically, trucks already move product westwards from Eldorado to the Delmont, PA area," please produce all Documents created by or on behalf of Sheetz that analyze, reference, discuss, reflect or address the delivery of refined petroleum products to either Sheetz-owned or non-Sheetz-owned destinations, from pipeline terminals connected to the Laurel system, or the Sunoco Pipeline L.P. and/or Energy Transfer Partners system at locations in Western and Central Pennsylvania, including Eldorado, Delmont, Greensburg, Coraopolis, Neville Island, Blawnox and Pittsburgh.
 - c) Please state whether Mr. Lorenz is aware that trucks have been transporting refined petroleum products from terminals at Delmont eastward towards Eldorado since the commencement of service by Sunoco Pipeline L.P. and/or Energy Transfer Partners to Delmont, and please supply all Documents related to, referencing, analyzing or discussing such movements.
 - d) Regarding the contention that the distance from Eldorado to Pittsburgh is "over 120 miles," please explain why Mr. Lorenz assumes that all or part of the trucks from Eldorado would transport refined petroleum products from Eldorado to the city limits of Pittsburgh, when the Sheetz and other service stations supplied by pipeline terminals are located throughout the multi-county Pittsburgh market, and please state whether Mr. Lorenz has analyzed the difficulty of trucking to the actual service station destinations in the Pittsburgh market from Eldorado, and if so, please provide all Documents relating to such analysis.
 - e) Regarding the assertion that moving product to the Pittsburgh market from Eldorado would require "a major investment in more Commercial Drivers License ("CDL") drivers and trucks to make that happen," please provide any calculations that Mr. Lorenz has prepared quantifying such investment and provide all assumptions and Documents related to such calculations.

²² On page 3, ¶ 8, and page 30, Laurel compels Sheetz to answer several interrogatories, including "Request No. 11(b)." Sheetz's August 4, 2017 Objections to Set II did not reference any objection to 11(b), and as a result Sheetz assumes this is a typographical error and Laurel meant to compel a response to Request No. 10(b).

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

Sheetz Answer to Laurel Motion to Compel Request No. 10(b)

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

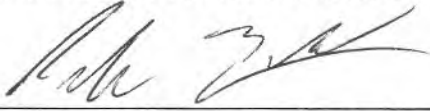
Sheetz objected to Request No. 10(b) as irrelevant and unreasonably burdensome. Laurel's overbroad request would encompass any Document analyzing, referencing, discussing, reflecting or addressing the delivery of refined petroleum products from not just Laurel's pipeline system, but from Sunoco Pipeline L.P and/or Energy Transfer Partners systems in Western and Central Pennsylvania. This information would require an unreasonably voluminous document production and is not reasonably calculated to lead to the discovery of admissible evidence. In its Motion to Compel, Laurel has not demonstrated how shipments from terminals not connected to Laurel's system are relevant to his proceeding. Accordingly, the request should be denied.

E. CONCLUSION

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

Respectfully submitted,

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