



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

December 21, 2017

Via E-Filing

Rosemary Chiavetta
Pa. Public Utility Commission
2nd Floor, 400 North Street
P.O. Box 3265
Harrisburg, PA 17105

Re: Application of Laurel Pipe Line Company, L.P. for approval to change direction of petroleum products transportation service to delivery points west of Eldorado, Pennsylvania
Docket No. A-2016-2575829

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

Dear Secretary Chiavetta:

Enclosed please find a copy of the **Reply Brief** filed by the Bureau of Investigation and Enforcement, in the above-referenced proceeding.

The parties in this proceeding have been served, as evidenced by the attached certificate of service. If you have any questions, please do not hesitate to contact me. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Heidi L. Wushinske".

Heidi L. Wushinske
Senior Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 93792

Enclosure

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

**REPLY BRIEF
OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

Heidi L. Wushinske
Senior Prosecutor
PA Attorney ID No. 93792

Michael L. Swindler
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Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
P.O. Box 3265
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Dated: December 21, 2017

I. INTRODUCTION

On November 14, 2016, Laurel Pipe Line Company, L.P. (“Laurel”) filed an Application for All Necessary Authority, Approvals, and Certificates of Public Convenience to Change the Direction of Petroleum Products Transportation Service to Delivery Points West of Eldorado, Pennsylvania (“Application”) with the Pennsylvania Public Utility Commission (“Commission”) pursuant to various provisions of the Pennsylvania Public Utility Code.

As set forth in the Application, Laurel currently transports petroleum products from points of origin near Philadelphia, Pennsylvania, to destination points across the Commonwealth, terminating west of Pittsburgh, Pennsylvania.¹ The Application sought Commission approval to eliminate service to all points west of Eldorado from the east and to use the pipeline facilities west of Eldorado for future receipt of interstate deliveries originating from origin points in the Midwest and in the Pittsburgh area to Eldorado.²

The Bureau of Investigation and Enforcement (“I&E”) submitted a Notice of Intervention in this proceeding on January 3, 2017. Pursuant to the litigation schedule established for this proceeding, I&E submitted the following written testimony:

I&E Statement No. 1, Direct Testimony of Sunil R. Patel (Highly Confidential and Public).

I&E Statement No. 1-SR, Surrebuttal Testimony of Sunil R. Patel (Public only).

¹ Application, p. 2.

² *Id.* at 9.

On November 3, 2017, I&E and Laurel filed a Stipulation in Settlement (“Stipulation”) to resolve the issues between these two parties. The Stipulation addresses all safety-related issues raised by I&E; therefore, I&E did not file a Main Brief in this proceeding. I&E continues to support the Stipulation and requests that it be approved by the Administrative Law Judge and Commission without modification; however, I&E files this Reply Brief solely in response to Laurel’s arguments regarding whether Commission approval is required, set forth in Laurel’s Main Brief at Section VII, A.

II. ARGUMENT

Laurel’s Assertion that Commission Approval is Not Required for the Flow Reversal is in Error

I&E’s Reply Brief will very generally address the argument made in Laurel’s Main Brief regarding Commission approval and Laurel’s status as a regulated public utility. In particular, I&E disagrees with Laurel’s position that Commission approval of the flow reversal is not necessary.

Consistent with its representations set forth in the Stipulation, I&E is not raising opposition to Commission approval of the flow reversal as set forth in Laurel’s Application. However, as repeatedly stated by I&E witness Sunil R. Patel, I&E asserts that the Commission does have jurisdiction over the proposed Laurel flow reversal.³

In I&E Statement No. 1, I&E witness Sunil Patel testified that “[a]s a public utility, Laurel is subject to the Public Utility Code and the Commission’s regulations.”⁴

³ I&E St. No. 1, pp. 2-3; and, I&E St. No. 1-SR, pp. 2,4-5, 7-9, 13.

⁴ I&E St. No. 1, p. 3.

Mr. Patel further testified that “the Public Utility Code requires Laurel to obtain a certificate of public convenience from the Commission before it abandons or surrenders “in whole or in part, any service...”⁵ In his Surrebuttal Testimony, Mr. Patel reiterated his position that the Commission has jurisdiction over Laurel, as Laurel holds a certificate of public convenience granted by this Commission in 1957.⁶ Furthermore, Mr. Patel testified that Section 505 of the Public Utility Code subjects public utilities, such as Laurel, to the Code and Commission’s regulations.⁷

Throughout this proceeding, I&E’s position has consistently been that the Commission has jurisdiction over the proposed flow reversal. As a public utility, Laurel is subject to the Public Utility Code and the Commission’s regulations.⁸ Pursuant to the Stipulation, I&E acknowledged that the concerns it raised in this proceeding were satisfied, and that I&E would not oppose Commission approval of the project.⁹ However, I&E maintains that the authority to grant, or deny, such approval does in fact rest with the Commission.

IV. CONCLUSION

As I&E asserts in this Reply Brief, the Commission has authority over the proposed flow reversal, as set forth in Laurel’s Application. For the reasons stated herein, the Bureau of Investigation & Enforcement respectfully requests the Administrative Law Judge and the Commission find that the Commission does have

⁵ *Id.*

⁶ I&E St. No. 1-SR, pp.4-5,6,9.

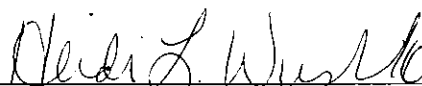
⁷ I&E St. No. 1-SR, p. 4.; 66 Pa. C.S. §505.

⁸ I&E. St. No. 1, p. 3.

⁹ Stipulation, p. 4.

jurisdiction over Laurel's proposed flow reversal and that, accordingly, the Commission's approval to reverse the flow of the pipeline facilities in question is required.

Respectfully submitted,



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Dated: December 21, 2017

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Laurel Pipe Line :
Company, L.P. For Approval to Change :
Direction of Petroleum Products :
Transportation Service to Delivery : Docket No. A-2016-2575829
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. :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document, upon the parties, listed below, in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a party).

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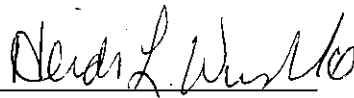
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