

PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17105-3265

Laurel Pipeline Company LP and
Buckeye Pipeline Company LP

Public Meeting held July 12, 2018
2575829-OSA

v.

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

PPL Electric Utilities Corporation

STATEMENT OF CHAIRMAN GLADYS M. BROWN

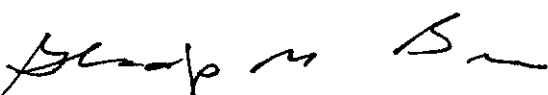
On November 14, 2016, Laurel Pipeline Company filed an Application seeking to change the directional flow of petroleum products that are transported on the portion of its system west of Eldorado, Pennsylvania. This apparent simple change from east/west to west/east turned out to be anything but simple. Shippers from the eastern part of the state that depend on the pipeline to transport product to the large Pittsburgh market hotly contested the Application, while refineries and marketers moving petroleum from the midwestern part of the country zealously advocated for the change in course citing to claims of lower-cost supply from the Midwest.

This is not an easy decision in that Parties on both sides of this proceeding have expensive vested interests in the outcome. However, based on the thorough record developed by Administrative Law Judge Vero, and the very well written Opinion and Order drafted by our Office of Special Assistants, I am able to make an informed decision.

Any abandonment of public utility service essentially comes down to the best interests of the utility company versus the best interests of the customers. "In determining whether abandonment of public utility's service should be allowed, it is the public who use the service who are to be considered. *West Penn Rys. Co. v. Pa. PUC*, 15 A.2d 539, 142 Pa. Super. 140, Super. 1940. Although Laurel argued that it would be more advantageous to the company to transport products from the Midwestern refineries, it did not provide any evidence showing why a change in rates was not also a viable option for its bottom line.

Based on the record, it is clear that the eastern shippers will be negatively affected by the loss of public utility service as their product will dead end in the mid-state, leaving many with the option of trucking supply to Pittsburgh. Furthermore, the Pittsburgh and western Pennsylvania market will be detrimentally affected by the loss of the loss of competition that the Philadelphia refineries provide to discipline midwestern market forces. For these reasons, I am voting to deny the Application.

July 12, 2018
Date



Gladys M. Brown, Chairman