

Phone: (215) 569-5720
Fax: (215) 832-5720
Email: MCarter@BlankRome.com

December 8, 2014

VIA ELECTRONIC FILING

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

Re: Sunoco Pipeline, L.P.'s Reply to New Matter of West Goshen Township
Docket No. P-2014-2411966

Dear Secretary Chiavetta:

Enclosed for filing in the above-captioned matter is Sunoco Pipeline, L.P.'s Reply to the New Matter of West Goshen Township, along with a Certificate of Service evidencing service upon the parties of record in accordance with 52 Pa. Code § 1.54 (relating to service by a party).

Thank you for your attention to this matter.

Respectfully,



Melanie S. Carter

MSC/arc
Enclosure

cc: Certificate of Service List (*via U.S. Mail*)

**BEFORE THE
COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Sunoco Pipeline, L.P., for a	:	
Finding that the Situation of Structures to	:	Docket No. P-2014-2411966
Shelter Pump Stations and Valve Control	:	
Stations is Reasonably Necessary for the	:	
Convenience or Welfare of the Public	:	
in West Goshen Township, Chester County	:	
	:	

**SUNOCO PIPELINE, L.P.’S REPLY TO THE
NEW MATTER OF WEST GOSHEN TOWNSHIP**

Pursuant to Section 5.63 of the Pennsylvania Public Utility Commission’s Regulations, 52 Pa. Code § 5.63, Sunoco Pipeline, L.P. (“SPLP”) hereby files the following Reply to the New Matter filed by West Goshen Township with the Pennsylvania Public Utility Commission (“PUC” or “Commission”) in the above-captioned proceeding on November 17, 2014. In support thereof, SPLP avers as follows:

I. INTRODUCTION

On May 8, 2014, SPLP filed an Amended Petition requesting a finding that structures (which may constitute buildings) to shelter a pump station in West Goshen Township are reasonably necessary for the convenience and welfare of the public and, therefore, are exempt from any local zoning, subdivision, and land development ordinances or regulation pursuant to 53 P.S. § 10619 of the Municipal Planning Code (“MPC”). On November 17, 2014, West Goshen Township (“Respondent”) filed the above-referenced Answer and New Matter to the Amended Petition. In addition to responding to the issues raised in the Amended Petition, Respondent also raised new matter in paragraphs 39 through 55 of Respondent’s Answer and New Matter.

II. GENERAL AVERMENTS TO NEW MATTER

As indicated in SPLP's Preliminary Objections, filed concurrently with this Response, Respondent's Answer and New Matter are untimely and should be stricken from the record. Second, paragraphs 43 through 55 of Respondent's New Matter are comprised of impertinent matter which is outside the scope and irrelevant to this proceeding. The Commission has explicitly stated that "the inquiry on remand should not address whether it is appropriate to place the valve and pump stations in certain areas." *Opinion and Order* (Oct. 29) at 42. Third, paragraphs 43 through 55 of Respondent's New Matter, which directly assert, or are used to support direct assertions, that certain pipeline facilities operated by SPLP in West Goshen Township are unsafe, fail to contain any reference to an applicable safety regulation or allegations of a violation thereof, and, therefore, Respondent's Answer and New Matter are insufficiently specific and legally insufficient.

III. SPECIFIC AVERMENTS TO NEW MATTER

In addition to the above objections, SPLP specifically replies to Respondent's New Matter as follows:

39. Denied. As the Commissioners explained in their October 29, 2014 Opinion and Order, SPLP is the product of various mergers and acquisitions of Susquehanna Pipe Line Co. ("Susquehanna") and the Keystone Pipe Line Company ("Keystone"), which were originally certificated by the Commission's predecessor, the Pennsylvania Public Service Commission, in the early 1930s to transport petroleum and refined petroleum products. *See, Application of Susquehanna Pipe Line Co.*, Docket No. 21736-30, Folder No. 2 (Report and Order dated March 25, 1930); *Application of Keystone Pipe Line Company*, Docket No. 23566-1931, Folder No. 2 (Report and Order dated May 11, 1931). The pipeline path for Susquehanna traversed the length

of Pennsylvania latitudinally between Philadelphia-area refinery plants and the Ohio border and longitudinally to the New York border. The Keystone Certificate linked the refinery region in Southeastern Pennsylvania “at or near Point Breeze, Philadelphia” to the Ohio and New York borders. These original pipeline authorities were subsequently expanded over the decades that followed. Title to these pipelines and Certificates of Public Convenience (“CPC”s) have changed hands several times as applications for transfer were submitted to, and approved by, the relevant Commission. Eventually, Keystone became owned by Atlantic Pipeline Corp. and Susquehanna by Sun Pipe Line Company.

In 2002, the Commission approved the transfer of assets of both companies to SPLP and granted SPLP authority “to transport petroleum products in the former service territory of Sun Pipe Line Company and Atlantic Pipeline Corp.” *Joint Application of Sunoco Pipeline L.P., Sun Pipe Line Company and of Atlantic Pipeline Corp.*, Docket Nos. A-140001, A-140400 F2000, and A-140075 F2000 (Corrected Order entered January 14, 2002). In essence, SPLP holds multiple CPCs that were issued by the Commission pursuant to Sections 1101 and 1102 of the Public Utility Code, 66 Pa. C.S. §§ 1101 and 1102, dating back to the early 1930s, and which authorize shipments of petroleum products and refined petroleum products by pipeline east of Mechanicsburg, including facilities located in West Goshen Township.

40. Denied for the reasons set forth in paragraph 39 above.

41. Denied for the reasons set forth in paragraph 39 above. The Commission found in its Opinion and Order, dated October 29, 2014, that SPLP has shown, for the purposes of the resolving the preliminary objections, that it is both a “public utility” under Section 102 of the Code, 66 Pa. C.S. § 102, and a “public utility corporation” under the BCL and Section 619 of the MPC. *See Opinion and Order* (Oct. 29) at 32-33. Further, the Commission stated that “Sunoco

is certificated in Pennsylvania as a public utility to transport petroleum and refined petroleum products, including propane, from Delmont, Pennsylvania to Twin Oaks, Pennsylvania.” *Id.* at 36. The Commission specifically rejected the contention that SPLP’s services do not constitute public utility services, finding that provision of wholesale services can fall within the definition of public utility services, as evidenced by the eight wholesale certificated pipelines operation in Pennsylvania, including SPLP. *Id.* at 36. Finally, it is beyond question that Section 619 of the MPC specifically provides the Commission with authority to exempt a building to be used by a public utility corporation, such as SPLP, from local zoning, subdivision, or land development ordinances. 53 P.S. § 10619.

42. Admitted in part, denied in part. SPLP operates multiple pipelines across West Goshen Township, including, but not limited to, an 8-inch diameter pipeline. While some segments of the pipelines may consist of pipe that is more than 80 years old, in accordance with regulations promulgated by the Department of Transportation, Pipeline and Hazardous Materials Safety Administration (“PHMSA”), SPLP maintains an integrity management program that regularly inspects, evaluates and assesses the condition of the pipeline to ensure safety and to replace any pipe that is corroded or damaged. Except as expressly admitted herein, all allegations of paragraph 42 of the New Matter are denied.

43. Admitted in part, denied in part. SPLP admits that, in accordance with the PHMSA regulations and its pipeline integrity management program, segments of the 8-inch pipeline that SPLP operates in West Goshen Township have been replaced from time to time due to corrosion and other factors. SPLP avers that its quality assurance and pipeline integrity management programs enhance, not undermine, the safety of the pipeline facilities.

44. Denied. Pipeline safety is gauged by maximum operating pressure (“MOP”). SPLP expressly denies that it will need to increase by approximately 1,000 pounds per square inch the MOP at which the pipeline had previously been operating.

45. Admitted in part, denied as stated in part. SPLP admits that its 8-inch pipeline in West Goshen Township is subject to federal minimum pipeline safety standards under PHMSA regulations, including those found at 40 C.F.R. Parts 194 and 195 (relating to hazardous liquids). SPLP further avers that it has operated, and will continue to operate, the pipelines in West Goshen Township in accordance with the federal PHMSA regulations. Except as expressly admitted herein, all allegations of paragraph 45 of the New Matter are denied.

46. Denied. SPLP denies that pipelines transporting propane and ethane are subject to stricter standards than federal minimum safety standards. Rather, pipelines transporting propane and ethane are subject to *different* federal minimum safety standards than pipelines transporting petroleum. The PHMSA regulations applicable to pipelines transporting propane and ethane include those at 40 C.F.R. Part 195 (relating to highly volatile liquids).

47. Admitted in part, denied as stated in part. SPLP admits that the areas of West Goshen Township traversed by SPLP’s 8-inch pipeline are “high consequence areas,” as defined by PHMSA regulations at 49 C.F.R. § 195.450. Except as expressly admitted herein, all allegations of paragraph 47 of the New Matter are denied.

48. Admitted in part, denied as stated in part. SPLP is required to comply with the PHMSA regulations as explained in paragraphs 45 through 47 above. Except as expressly admitted herein, all allegations of paragraph 48 of the New Matter are denied.

49. Denied. In accordance with the PHMSA regulations, SPLP has adopted and publicized a Mariner Emergency Responder Outreach, in which SPLP has communicated and

addressed relevant safety issues, particularly with emergency responders, including those from West Goshen Township.

50. Admitted in part, denied as stated in part. SPLP admits that the proposed pump station is situated adjacent to residentially-zoned areas. However, SPLP denies the assertion in paragraph 50 of Respondent's New Matter to the extent that it refers to "high density residential areas," which is vague and ambiguous.

51. Denied as stated. While SPLP admits that the site now under consideration lies within an area zoned Residential pursuant to West Goshen Township Zoning Ordinance, SPLP avers that under Pennsylvania common law, to ensure the public interest, public utility facilities are exempt from local zoning ordinances.

52. Denied. SPLP denies that "it has not adequately explained why it cannot locate its pump station and associated facilities" elsewhere.

53. Denied. SPLP denies the baseless and conclusory allegations that the pump station and "repurposing" of the pipeline will expose any people or property to needless injury or damage.

54. Denied. The allegations contained in paragraph 54 of the New Matter are conclusions of law which are denied.

55. Denied. The allegations contained in paragraph 55 of the New Matter are conclusions of law which are denied.

III. CONCLUSION

WHEREFORE, for the reasons set forth above, the Commission should deny Respondent's requests for affirmative relief set forth in the Answer and New Matter, and grant SPLP's Amended Petition filed in the above-captioned proceeding.

Respectfully submitted,

BLANK ROME LLP



Christopher A. Lewis (ID #29375)

Michael L. Krancer (ID #39443)

Frank L. Tamulonis (ID# 208001)

Melanie S. Carter (ID#312294)

One Logan Square

Philadelphia PA 19103

Phone: (215) 569-5793

Counsel for Sunoco Pipeline L.P.

Dated: December 8, 2014

VERIFICATION

Harry J. Alexander deposes and says he is Vice President, Business Development of Sunoco Pipeline L.P.; that he is duly authorized to and does make this Verification on behalf of Sunoco Pipeline L.P.; that the facts set forth in the foregoing Reply to the New Matter of West Goshen Township are true and correct to the best of his knowledge information and belief; and that this verification is made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).



HARRY J. ALEXANDER

DATED: December 8, 2014

CERTIFICATE OF SERVICE

I hereby certify that on this 8th day of December, 2014, I caused a true copy of Sunoco Pipeline, L.P.'s Reply to the New Matter of West Goshen Township to be served upon the parties listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

Via First Class Mail

Tanya McCloskey, Esquire
Aron J. Beatty, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place – 5th Floor
Harrisburg, PA 17101-1921

Aaron Stemplewicz, Esquire
925 Canal Street
Suite 3701
Bristol, PA 19007
**Representing Delaware River Keeper
Network**

Margaret A. Morris, Esquire
Reger Rizzo & Darnall
2929 Arch Street
13th Floor
Philadelphia, PA 19104
Representing East Goshen Township

Augusta Wilson, Esquire
Joseph O. Minott, Esquire
135 S. 19th St
Ste. 300
Philadelphia, PA 19103
Representing Clean Air Council

Johnnie Simms, Esquire
Bureau of Investigation and Enforcement
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17120

John R. Evans, Esquire
Steven Gray, Esquire
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Kenneth R. Myers, Esquire
David J. Brooman, Esquire
Sireen I. Tucker, Esquire
High Swartz LLP
40 East Airy Street
Norristown, PA 19404
Representing West Goshen Township

Scott J. Rubin, Esquire
333 Oak Lane
Bloomsburg, PA 17815
**Representing Concerned Citizens of West
Goshen Township**

Thomas Whiteman, Esquire
Solicitor, Chester County
313 W. Market Street, Suite 6702
P.O. Box 2748
West Chester, PA 19380-0991

Adam Kron, Esquire
1000 Vermont Ave. NW
Suite 1100
Washington DC 20005
**Representing Environmental Integrity
Project**



Counsel to Sunoco Pipeline, L.P.