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March 19, 2019

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

RE: Giant Eagle, Inc.; Guttman Energy, Inc.; Lucknow-Highspire Terminals, LLC; Monroe Energy, LLC; Philadelphia Energy Solutions Refining and Marketing,

LLC; and Sheetz, Inc. v. Laurel Pipe Line Company, L.P.;

Docket No. C-2018-3003365

Dear Secretary Chiavetta:

Attached please find for filing the Motion to Reclassify Discovery Response of Giant Eagle, Inc., Guttman Energy, Inc., Lucknow-Highspire Terminals, LLC, Monroe Energy, LLC, Philadelphia Energy Solutions Refining and Marketing, LLC, and Sheetz, Inc. We are submitting Appendix A and Appendix B in a sealed envelope marked "HIGHLY CONFIDENTIAL" and request proprietary treatment of the same.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served. Please date stamp the extra copy of this transmittal letter and kindly return it for our filing purposes. If you have any questions concerning this matter, please contact the undersigned. Thank you.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

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·Adeolu A. Bakare

Enclosure

e: Administrative Law Judge Eranda Vero (via E-Mail and First-Class Mail) Certificate of Service PENNSYLVANIA PUBLIC UTILITY COMPUSSION 9 PM 3:58

Administrative Law Judge Eranda Vero

SEC

Giant Eagle, Inc.; Guttman Energy, Inc.; Lucknow-Highspire Terminals, LLC; Monroe Energy, LLC; Philadelphia Energy Solutions Refining and Marketing, LLC;

and Sheetz, Inc.

Docket No. C-2018-3003365

Complainants,

v.

Laurel Pipe Line Company, L.P.

Respondent

NOTICE TO PLEAD

TO: David B. MacGregor
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Christopher J. Barr Jessica R. Rogers Post & Schell, P.C. 607 14th Street NW, Suite 600 Washington, DC 20005-2006

Pursuant to 52 Pa. Code § 5.103(c), you are hereby notified that you have <u>4 business days</u> from the date of service of this Notice to file a response to the enclosed Motion to Declassify Discovery Response ("Motion"). If you do not file a timely written response to the enclosed Motion, the presiding Administrative Law Judge may rule on this Motion without further input.

File with:

Rosemary Chiavetta, Secretary Pennsylvania Public Utility Commission Commonwealth Keystone Building P.O. Box 3265 Harrisburg, PA 17105-3265

With a copy to the undersigned.

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Dated: March 19, 2019

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Giant Eagle, Inc.; Guttman Energy, Inc.; Lucknow-Highspire Terminals, LLC; Monroe Energy, LLC; Philadelphia Energy

Solutions Refining and Marketing, LLC;

and Sheetz, Inc.

Docket No. C-2018-3003365

Complainants,

v.

Laurel Pipe Line Company, L.P.

Respondent

MOTION TO RECLASSIFY DISCOVERY RESPONSE

AND NOW, pursuant to 52 Pa. Code §§ 5.1(a), 5.103, 5.365(c)(5), and Paragraphs 16 through 18 of the Protective Order issued in the above-captioned matter, Giant Eagle, Inc., Guttman Energy, Inc., Lucknow-Highspire Terminals, LLC, Monroe Energy, LLC, Philadelphia Energy Solutions Refining and Marketing, LLC, and Sheetz, Inc. (collectively, the "Complainants") hereby move for an order determining that the Transportation Services Agreements ("TSAs") provided by Laurel Pipe Line Company, L.P. ("Laurel") as HIGHLY CONFIDENTIAL Attachment Compl-LAU-II-39 should also be produced in a redacted form (see proposed redactions in Attachment A), and that redacted document should be classified as a CONFIDENTIAL document.

¹ Although Complainants request that Your Honor deem the redacted document appended as Attachment A to be CONFIDENTIAL, Complainants have marked the redacted document as HIGHLY CONFIDENTIAL pending an Order granting Complainants' reclassification request. Within 24 hours of issuance of such Order, Complainants request that Laurel provide copies of the TSAs redacted consistent with Attachment A and marked CONFIDENTIAL.

I. BACKGROUND

- 1. The Complainants are a group of interested parties, including major retailers, as well as refiners and shippers that ship petroleum products on the Laurel Pipeline (as defined below), either as the shipper of record or as the entity that injects product into the pipeline.
- 2. Laurel has been a public utility in Pennsylvania since it received a Certificate of Public Convenience ("CPC") from the Pennsylvania Public Utility Commission ("PUC" or "Commission") in 1957. Since that time, Laurel has owned and operated a petroleum products pipeline extending from points in Philadelphia, Pennsylvania, through points in Central Pennsylvania and extending westward towards Pittsburgh to Midland, Pennsylvania, which is near the Ohio border (the "Laurel Pipeline"). Historically, Laurel has only provided single-direction (i.e., east-to-west) transportation of petroleum products through the Laurel Pipeline. The Laurel Pipeline is the only petroleum products pipeline offering east-to-west service between Philadelphia, Pennsylvania, and Pittsburgh, Pennsylvania. Laurel currently provides intrastate petroleum products pipeline service from Philadelphia to Pittsburgh, Pennsylvania. Laurel's affiliate, Buckeye Pipe Line, L.P. ("Buckeye"), provides interstate service from points on the East Coast to Pittsburgh through an Affiliated Interest Agreement with Laurel that is subject to this Commission's jurisdiction.
- 3. The Complainants filed a Formal Complaint ("Original Complaint") and a Petition for Interim Emergency Relief with the PUC on July 12, 2018, in Docket Nos. C-2018-3003365 and P-2018-3003368, respectively. On August 8, 2018, the Complainants filed an Amended Complaint. The Amended Complaint addresses Laurel's well-documented decision to commence

² For purposes of this Motion, references to Pittsburgh, Pennsylvania should be considered to include the westernmost delivery points on the Laurel Pipeline, including Midland.

operating the Eldorado to Pittsburgh segment of the Laurel Pipeline bi-directionally without this Commission's review or approval and alleges that bi-directional service results in impairment and partial abandonment of Laurel's east-to-west service. Both Laurel and the Commission's Bureau of Investigation and Enforcement ("I&E") subsequently filed Answers or Interventions and were granted party status by Your Honor at a telephonic Prehearing Conference held on October 16, 2018.

- 4. Following the Prehearing Conference, parties engaged in discovery, including conducting a Technical Conference attended by Laurel, Complainants, and I&E on February 12, 2019. At the Technical Conference, the parties discussed various discovery items provided by Laurel, including the TSAs furnished as HIGHLY CONFIDENTIAL Attachment Compl-LAU-II-39(a)-(c) in response to Complainants' Set II interrogatories.
- 5. Following the Technical Conference, it became apparent that the terms and conditions of the TSAs are key to understanding the impact of the bi-directional service proposal. Because Complainants' company representatives are not permitted to review materials designated as HIGHLY CONFIDENTIAL under the terms of the Protective Order issued in this proceeding, the Complainants asked Laurel to provide a redacted version of Attachment Compl-LAU-II-39(a)-(c) that would be eligible for CONFIDENTIAL classification consistent with the appended Attachment A. Complainants and Laurel have engaged in several discussions since the Technical Conference. Notwithstanding those efforts to mutually resolve differences over which material in the TSAs should be redacted and which should not, Laurel has not agreed to reclassify portions of the TSA that Complainants' counsel deem necessary for consideration by Complainants' company representatives to enable to meaningful settlement discussions.

6. Accordingly, Complainants hereby move that the Presiding Officer issue an order directing Laurel to classify the redacted version of Attachment Compl-LAU-II-39(a)-(c) affixed hereto as Attachment A as CONFIDENTIAL under the Protective Order. For comparison purposes, the HIGHLY CONFIDENTIAL version of Attachment Compl-LAU-II-39(a)-(c) is attached hereto as Attachment B.

II. ARGUMENT

Section 5.365(c)(5) of the Commission's Regulations, 52 Pa. Code § 5.365(c)(5), provides that "A party receiving proprietary information under this section retains the right, either before or after receipt of the information, to challenge the legitimacy of the claim that the information is proprietary and to challenge the admissibility of the proprietary information." Similarly, Paragraphs 16 through 18 of the Protective Order in this proceeding provide the following:

- Proprietary Information, including but not limited to all exhibits, writings, testimony, cross examination, argument, and responses to discovery, and including reference thereto as mentioned in Paragraph 15 above, shall be sealed for all purposes, including administrative and judicial review, unless such Proprietary Information is released from the restrictions of this Protective Order, either through the agreement of the parties to this proceeding or pursuant to an order of the Commission.
- 17. The parties shall retain the right to question or challenge the confidential or proprietary nature of Proprietary Information including, without limitation, the identity of shippers and/or customers, and to question or challenge the admissibility of Proprietary Information. In the event of a question or challenge to the confidential or proprietary nature of Proprietary Information, the parties shall make a good faith effort to redact or modify the Proprietary Information so that it is no longer "CONFIDENTIAL" or "HIGHLY CONFIDENTIAL PROTECTED MATERIAL". If a party challenges the designation of a document or information as proprietary, the party providing the information retains the burden of demonstrating that the designation is appropriate.

- 18. The parties shall retain the right to question or challenge the admissibility of Proprietary Information; to object to the production of Proprietary Information on any proper ground; and to refuse to produce Proprietary Information pending the adjudication of the objection.
- 7. Complainants seek reclassification of the TSAs from HIGHLY CONFIDENTIAL to CONFIDENTIAL in order to allow for review of the TSAs by limited company representatives that have been designated as Reviewing Representatives under the Protective Order and executed the Non-Disclosure Certificate attached to the Protective Order. This is necessary for Complainants to assess the full impact of Laurel's proposed bi-directional service on east-to-west service because much of the west-to-east service will be governed by the TSAs.
- 8. As discussed in the Amended Complaint, Laurel filed a Petition for Declaratory Order ("PDO") seeking approval of contract rates and other conditions in the TSAs for west-to-east service from points in Michigan and Ohio to Eldorado, Pennsylvania. Amended Complaint, at 9. Combined, the federally-regulated west-to-east service and Laurel's PUC-regulated east-to-west service from Philadelphia to Pittsburgh comprise Laurel's bi-directional operation. Importantly, Laurel's PDO clarifies that Laurel is only required to make 10% of the available west-to-east capacity available to uncommitted shippers, meaning that the vast majority of west-to-east shipments under bi-directional operations (up to 90%) would be subject to the provisions in the TSAs. See Laurel Answer to Amended Complaint and New Matter, Appendix B Motion for Leave to File Answer to Protest and Answer, at 12. Accordingly, Complainants' company representatives must have an opportunity to review the TSAs to determine the extent that any terms and conditions for west-to-east service under the TSAs directly or indirectly impact Laurel's east-to-west service.

- 9. Complainants note that, during the Open Season that Laurel and Buckeye conducted to obtain shipper commitments that are memorialized in the HIGHLY CONFIDENTIAL versions of the TSAs, Laurel and Buckeye sent to interested parties, under the terms of a non-disclosure agreement, the pro forma TSAs to which Complainants are now requesting broader access. Laurel and Buckeye have not justified the disparity in how they treated the TSA for purposes of the Open Season, and how they are presently treating the TSA (minus shipper-specific information) now. Complainants believe they are now requesting disclosure, on a CONFIDENTIAL basis, of the same pro forma terms and conditions that Laurel and Buckeye shared with interested shippers during the Open Season process.
- 10. Pursuant to the aforementioned provisions of the Protective Order, Complainants attempted to negotiate with Laurel to develop a mutually-agreeable redacted version of the TSAs to be classified as CONFIDENTIAL. Complainants expressed to Laurel that their company representatives do not need to review shipper volume data, shipper product information, or shipper names, or other sensitive shipper-specific information in the TSAs. Rather, Complainants' company representatives simply need to review the general terms and conditions in the TSAs applicable to the committed shippers.
- 11. While both parties have participated in negotiations, Complainants and Laurel have not reached agreement on mutually acceptable redactions sufficient to reclassify the TSA from HIGHLY CONFIDENTIAL to CONFIDENTIAL.
- 12. In order to ensure the Complainants' company representatives (those who have signed the Non-Disclosure Certificate appended to the Protective Order) have access to the redacted TSA in advance of the Settlement Conference to be conducted by April 19, 2019, Complainants request that Your Honor issue an order directing Laurel to classify the redacted TSA

appended as Attachment A as CONFIDENTIAL under the terms of the Protective Order. As noted above, Complainants aver that any proprietary information in the TSAs other than shipper-specific data or information is adequately protected by the CONFIDENTIAL designation. See Protective Order, \$\bigcap\$ 13.

13. Additionally, in light of the limited scope of issues raised by this Motion and the pending Settlement Conference, Complainants request that Your Honor direct Laurel to Answer this Motion within <u>4 business days</u> – i.e., on or before March 25, 2019 - and grant any waivers necessary and appropriate for such relief. *See* 52 Pa. Code § 5.43.

III. <u>CONCLUSION</u>

WHEREFORE, Complainants hereby request that the Presiding Officer: (i) determine that the redacted Transportation Service Agreement appended hereto as Attachment A shall be classified as CONFIDENTIAL; (ii) direct Laurel to provide Complainants with copies of the Transportation Service Agreements redacted consistent with this Attachment A and marked CONFIDENTIAL within one business day of issuance of the Order addressing this Motion; and (iii) grant Complainants such other relief as may be just and reasonable under the circumstances.

Respectfully submitted,

Dated: March 19, 2019

Robert A. Weishaar, Jr. (Pa. I.D. No. 74678)
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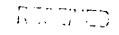
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Counsel to Giant Eagle, Inc.

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).

VIA E-MAIL AND FIRST-CLASS MAIL

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Adeolu A. Bakare

Dated this 19th day of March, 2019, in Harrisburg, Pennsylvania.