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July 23, 2019

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street, 2nd Floor North P.O. Box 3265 Harrisburg, PA 17105-3265

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.

<u>Docket No. C-2018-3003365</u>

Dear Secretary Chiavetta:

Enclosed for filing is the Joint Status Report and Request for Further Prehearing Conference in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Sincerely.

Garrett P. Lent

GPL/kls Enclosures

cc: Honorable Eranda Vero Certificate of Service

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,

٧.

Laurel Pipe Line Company, L.P.

Respondent.

JOINT STATUS REPORT AND REQUEST FOR FURTHER PREHEARING CONFERENCE OF LAUREL PIPE LINE COMPANY, L.P., GIANT EAGLE, INC., GUTTMAN ENERGY, INC., LUCKNOW-HIGHSPIRE TERMINALS, LLC, MONROE ENERGY, LLC, PHILADELPHIA ENERGY SOLUTIONS REFINING AND MARKETING, LLC, AND SHEETZ, INC.

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE VERO:

Pursuant to 52 Pa. Code § 5.222(d) Laurel Pipe Line Company, L.P. ("Laurel" or the "Company"), Giant Eagle, Inc. ("Giant Eagle"), Guttman Energy, Inc. ("Guttman"), Lucknow-Highspire Terminals, LLC ("LHT"), Monroe Energy, LLC ("Monroe"), Philadelphia Energy Solutions Refining and Marketing, LLC ("PESRM"), and Sheetz, Inc. ("Sheetz"), collectively hereinafter referred to as the "Joint Parties," hereby submit this Status Report and Request For Further Prehearing Conference

I. PROCEDURAL HISTORY

1. A Prehearing Conference was held in this matter on October 16, 2018.

- 2. At the conference, the parties indicated that discovery was ongoing and that they would provide a status report to the Administrative Law Judge Eranda Vero (the "ALJ") by February 4, 2019.
- 3. On February 28, 2019, the ALJ issued a Prehearing Order instructing the parties to submit a status report by no later than March 5, 2019.
- 4. On March 5, 2019, Complainants¹ and Laurel submitted Prehearing Conference Memoranda with the requested status report. In their memoranda, the parties proposed to conduct a Settlement Conference on or before April 19, 2019 and provide the ALJ with a status update by no later than April 30, 2019.
 - 5. A Settlement Conference was held on April 12, 2019.
- 6. Laurel, the Complainants and the Commission's Bureau of Investigation and Enforcement ("I&E") submitted additional prehearing memoranda on April 30, 2019, requesting that the establishment of a litigation schedule be deferred as settlement negotiations remained ongoing.
 - 7. I&E served its Set II Discovery on May 30, 2019.
- 8. The Complainants provided a further status update on May 31, 2019, and indicated that settlement negotiations continued.
- 9. On June 5, 2019, the ALJ issued another prehearing order requesting a further status update from the parties on or before July 1, 2019.
 - 10. Laurel submitted its responses to I&E Set II Discovery on June 20, 2019.
- 11. The parties have actively been engaged in settlement negotiations since the issuance of the Prehearing Order dated June 5, 2019.

¹ Giant Eagle, Inc. ("Giant Eagle") Guttman Energy, Inc. ("Guttman"), Lucknow-Highspire Terminals, LLC ("LHT"), Monroe Energy, LLC ("Monroe"), Philadelphia Energy Solutions Refining and Marketing, LLC ("PESRM"), and Sheetz, Inc. ("Sheetz"), are collectively referred to as the "Complainants."

- 12. On July 1, 2019, the Joint Parties and I&E submitted further status reports to the ALJ, which provided additional updates regarding the status of settlement negotiations.
- 13. Since July 1, 2019, the Joint Parties have actively continued settlement negotiations.

II. <u>STATUS REPORT REGARDING SETTLEMENT AMONG THE JOINT PARTIES</u>

- 14. As of July 17, 2019, the Joint Parties have reached a settlement in principle, which would globally resolve the all issues associated with: (1) the Complaint at the above-captioned docket (C-2018-3003365); (2) the pending Petition for Declaratory Order proceeding before the Federal Energy Regulatory Commission ("FERC") at FERC Docket No. OR18-22-000; (3) the proceeding involving FERC tariff filings by Laurel and Buckeye Pipe Line Company, L.P. ("Buckeye") at Docket Nos. IS19-277-000 and IS19-278-000; and (4) the consolidated appeal and cross appeal pending before the Commonwealth Court of Pennsylvania at Docket Nos. 1113 C.D. 2018 and 1168 C.D. 2018, which are related with the prior Application proceeding before the Commissions at Docket No. A-2106-2575829.
- 15. The Joint Parties are actively preparing a Joint Petition for Settlement for Commission review and approval, along with associated Statements in Support and the documents necessary to effect the terms and conditions contained in the Joint Petition for Settlement, and will submit these documents by no later than July 31, 2019.²
- 16. Importantly, however, certain terms and conditions contemplated by the settlement will necessitate expedited review and approval by the Commission and FERC, including terms related to the appeals pending before the Commonwealth Court of Pennsylvania are tentatively scheduled for oral argument the week of September 9, 2019. Furthermore, the last

² A parallel filing is also being prepared for concurrent submission to FERC, seeking approval of the same settlement terms by that agency.

scheduled Public Meeting date before September 9, 2019, is August 29, 2019. Expedited review and approval of the Settlement before August 29, 2019, would serve judicial economy by obviating the need for oral arguments before the Commonwealth Court and terminating the pending appellate proceedings, and would serve administrative efficiency by ending litigation in three ongoing proceedings before the Commission and FERC before certain terms and conditions are triggered by the settlement.

- 17. For these reasons, the Joint Parties intend to request, as a part of the Joint Petition for Settlement, that this matter be certified to the Commission pursuant to Section 5.531(a) of the Commission's regulations. 52 Pa. Code § 5.531(a). The Joint Parties believe that certification of the Joint Petition for Settlement is necessary to meet the above described deadlines and to avoid litigation and proceedings that would be mooted upon approval of the contemplated settlement.
- 18. To further facilitate this process, the Joint Parties request that Your Honor schedule a telephonic Prehearing Conference to coordinate and establish a procedure for the expeditious and prompt review of the Joint Petition for Settlement as soon as possible or at the next available date for Your Honor. At the Prehearing Conference the Joint Parties will be prepared to discuss their intent to seek certification of this matter to the Commission, in order to ensure expeditious review and approval of the Joint Petition for Settlement by August 29, 2019.

IV. CONCLUSION

WHEREFORE, Laurel Pipe Line Company, L.P., Giant Eagle, Inc., Guttman Energy, Inc., Lucknow-Highspire Terminals, LLC, Monroe Energy, LLC, Philadelphia Energy Solutions Refining and Marketing, LLC, and Sheetz, Inc., respectfully request that the Administrative Law Judge Eranda Vero issue a Prehearing Order scheduling a telephonic Prehearing Conference to discuss and establish the procedural for the review and approval of a Joint Petition for Settlement, as soon as possible.

Christopher J. Barr, Esquire (DC ID #375372) Jessica R. Rogers, Esquire (PA ID #309842)

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Respectfully submitted,

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Date:

IV. CONCLUSION

WHEREFORE, Laurel Pipe Line Company, L.P., Giant Eagle, Inc., Guttman Energy, Inc., Lucknow-Highspire Terminals, LLC, Monroe Energy, LLC, Philadelphia Energy Solutions Refining and Marketing, LLC, and Sheetz, Inc., respectfully request that the Administrative Law Judge Eranda Vero issue a Prehearing Order scheduling a telephonic Prehearing Conference to discuss and establish the procedural for the review and approval of a Joint Petition for Settlement, as soon as possible.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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