



100 Pine Street • PO Box 1166 • Harrisburg, PA 17108-1166
Tel: 717.232.8000 • Fax: 717.237.5300

Adeolu A. Bakare
Direct Dial: 717.237.5290
Direct Fax: 717.260.1712
abakare@mcneeslaw.com

November 22, 2016

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

VIA ELECTRONIC FILING

**RE: Application of Laurel Pipe Line Company, L.P. 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
Docket No. A-2016-2575829**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is the Petition to Intervene of Gulf Operating, LLC ("Gulf") and Motion to Extend the Deadline for Protests in the above-referenced proceeding.

As set forth in the filing, Gulf respectfully requests expedited consideration of the Motion to Extend the Deadline for Protest, as necessary to resolve the Motion prior to December 19, 2016. To such end, Gulf requests that the Commission order no more than a 10-day response period for answers to this Motion to Extend the Deadline for Protest.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served. Thank you.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By

A handwritten signature in black ink, appearing to read 'Adeolu A. Bakare', is written over a horizontal line.

Adeolu A. Bakare

Counsel to Gulf Operating, LLC

/lmc

Enclosure

c: Certificate of Service

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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

Lillian S. Harris, Esq.
Garrett P. Lent, Esq.
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
lharris@postshell.com
glent@postschell.com

David B. MacGregor, Esq.
Post & Schell, P.C.
Four Penn Center
1600 John F. Kennedy Boulevard
Philadelphia, PA 19103-2808
dmacgregor@postschell.com

Tanya J. McCloskey, Esq.
Office of Consumer Advocate
555 Walnut Street, 5th Floor
Harrisburg, PA 17101-1923
tmccloskey@paoca.org

John R. Evans, Esq.
Office of Small Business Advocate
Suite 202, Commerce Building
300 North Second Street
Harrisburg, PA 17101
jorevan@pa.gov

Richard Kanaskie, Esq.
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
The Commonwealth Keystone Building
P. O. Box 3265
Harrisburg, PA 17105-3265
rkanaskie@pa.gov



Adeolu A. Bakare

Counsel to Gulf Operating, LLC

Dated this 22nd day of November, 2016, in Harrisburg, Pennsylvania.

**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 :

**PETITION TO INTERVENE OF
GULF OPERATING, LLC AND
MOTION TO EXTEND THE DEADLINE FOR PROTESTS**

Pursuant to Sections 5.71 through 5.74 and 5.103 of the Pennsylvania Public Utility Commission's ("PUC" or "Commission") regulations, 52 Pa. Code §§ 5.71 - 5.74, 5.103, Gulf Operating, LLC ("Gulf Operating") hereby files this Petition to Intervene and Motion to Extend the Deadline for Protest in the above-captioned proceeding. In support thereof, Gulf Operating asserts the following:

I. PETITION TO INTERVENE

1. The names and address of Gulf Operating's attorneys are:

Robert A. Weishaar, Jr. (Pa. I.D. No. 74678)
McNees Wallace & Nurick LLC
777 North Capitol Street, NW
Suite 401
Washington, DC 20002
Phone: (202) 898-0688
Fax: (717) 260-1765

Susan E. Bruce (Pa. I.D. No. 80146)
Adeolu A. Bakare (Pa. I.D. No. 208541)
Kenneth R. Stark (Pa. I.D. No. 312945)
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300

2. On November 14, 2016, Laurel Pipe Line Company, L.P. ("Laurel" or "Applicant") filed its 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, with the Commission pursuant to various provisions of the Pennsylvania Public Utility Code ("Application"). *See* 66 Pa. C.S. § 101, *et seq.*

3. On November 16, 2016, the Commission issued a Secretarial Letter directing Laurel to publish notice of the Application in a newspaper having general circulation in the area involved and file proof of publication with the Commission by December 19, 2016. The Secretarial Letter also confirmed the Commission would publish notice of the Application in the *Pennsylvania Bulletin* on December 3, 2016, with formal protests and petitions to intervene due to the Commission by December 19, 2016.

4. 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. *See* Application, p. 2. In addition to the intrastate shipments, Laurel assigns a portion of its capacity to Buckeye Pipe Line Company, L.P. ("Buckeye") for interstate transportation service from origin points in New Jersey and Delaware to destination points in Pennsylvania. *See id.* at 2. Per the Application, Laurel and

Buckeye are general partners with Buckeye Partners, L.P., although the Application does not clarify the ownership structure between these affiliated entities. *See id.* at 4.

5. The Application proposes to dramatically modify the jurisdictional pipeline transportation service currently provided by Laurel by eliminating service to all points west of Eldorado (near Altoona) from the east. *See id.* at 9. Laurel proposes to continue using the pipeline facilities west of Eldorado, but for future receipt of interstate deliveries originating from origin points in the Midwest and the Pittsburgh area. *See id.*

6. Gulf Operating is the parent of Penn Products Terminals, LLC ("Penn Products") and Gulf Oil Limited Partnership ("Gulf Partnership") (collectively and for purposes of this pleading, "Gulf"). Penn Products, under Laurel shipper code "PPC," and Gulf Partnership, under Laurel shipper code "GLP," together ship large volumes on the Laurel pipeline. In 2015, Gulf shipped 19,599,797 barrels (78,395,188 gallons) of petroleum products - mostly gasoline - from points near Philadelphia to westward points, including to Gulf-owned terminals in Pittsburgh and Delmont. From the Gulf-owned terminals, the gasoline is transported to retail markets in the respective regions. Approval of the Application would eliminate the availability of pipeline transportation service from points near Philadelphia to Gulf's terminals west of Eldorado, thereby significantly impacting Gulf and the retail customers dependent on product from Philadelphia supply points and from Gulf's western Pennsylvania terminals.

7. Gulf intends to file a formal protest on or before the protest due date, identifying the full scope of issues and adverse impacts resulting from the Application. In the meantime, Gulf requires party status to monitor the proceeding and establish standing for the Motion to Extend the Deadline for Protest accompanying this Petition to Intervene. Therefore, consistent with 52 Pa. Code § 5.72(a), Gulf has a significant interest in this proceeding that is not

represented by any other party of record. Consequently, Gulf qualifies for and should be granted intervenor status in this proceeding.

II. MOTION TO EXTEND THE DEADLINE FOR PROTEST

8. Paragraphs 2-6 are herein incorporated by reference.

9. Upon review of the Application and the Secretarial Letter, Gulf is concerned that the established deadline for formal protests and petitions to intervene fails to reasonably reflect the complex and widespread issues raised by the Application. Accordingly, Gulf files this Motion requesting that the Commission extend the December 19, 2016, protest deadline through February 1, 2017 (60 days from the initial publication of notice on December 3, 2016), or alternatively, extend the December 19, 2016, protest deadline through January 13, 2017 (60 days from the filing of the Application on November 14, 2016).

10. The Commission retains discretion under its regulations in Chapter 5 to adjust protest deadlines and publication requirements as necessary or appropriate. *See Final Rulemaking Order of Chapters 1, 3, and 5*, Docket No. L-00020156 (published in Pa. Bulletin on Apr. 29, 2006), 36 Pa. Bull. 2097 at *2108-2109. Additionally, PUC has general authority to rescind, modify, or waive its regulations when a request is made and good cause is shown. *See* 66 Pa. C.S. 501; 52 Pa. Code 5.43; *see also Pa. PUC v. City of Bethlehem*, Docket No. R-00072492, at p. 18 (Order entered Oct. 14, 2011); *Application of Consumers Pa. Water Company Shenango Valley Division*, A-212750F0007, at fn. 1 (Jan. 11, 2001) (explaining that the presiding officer may waive a Chapter 5 requirement when necessary or appropriate).

11. Under the Commission's regulations, protest deadlines are governed by Sections 5.53 and 5.14. 52 Pa. Code §§ 5.53, 5.14. Section 5.53 of the Commission's regulations requires a protest to be filed within 60 days of publication of notice or, if otherwise

specified therein, within the timeframe set forth in the published notice. 52 Pa. Code § 5.53. Section 5.14 lists various types of applications for which the Commission will apply a 15-day protest deadline, including the initiation of a different nature of pipeline public utility service, as contemplated by the Application. See 52 Pa. Code § 5.14(d)(2)(vi). Accordingly, the Secretarial Letter issued to Laurel indicates that notice of the Application would be published in the Pennsylvania Bulletin, on December 3, 2016, with formal protests due 15 days later, on December 19, 2016.¹

12. However, the Commission reserves discretion to approve alternative protest periods. The Commission's regulations allow for 60-day protest periods for certain enumerated proceedings, including siting/construction of electric transmission lines, rail crossing proceedings, and certain wastewater proceedings. 52 Pa. Code §§ 57.75-57.77, 3.361-3.363, 3.501. Further, in establishing the shorter 15-day protest period, the Commission also recognized that "the same 15 day standard protest period is inappropriate for more complex or controversial applications." See *Final Rulemaking Order of Chapters 1, 3, and 5*, Docket No. L-00020156 (published in Pa. Bulletin on Apr. 29, 2006), 36 Pa. Bull. 2097 at *2108. In such cases, the Commission has broad authority under Section 5.14(a) to direct additional publication. See 52 Pa. Code § 5.14(a). The Secretary of the Commission also retains discretion to extend the comment deadline by requiring additional publication or notification of an application in one or more of the following ways: 1) publication in newspaper of general circulation; 2) actual notification to parties affected by the application; and 3) another form, including service on interested persons. 52 Pa. Code § 5.14(b).

¹ The 15-day protest period results in a December 19, 2016 deadline, as December 18 falls on a Sunday.

13. For numerous reasons, the Commission should exercise its discretion and establish a 60-day protest period for the instant Application, beginning with the date on which the notice is published in the Pennsylvania Bulletin or, at minimum, beginning with the date Laurel filed the Application.

- a. First, although Laurel claims that it consulted with customers and disclosed that 24 customers currently transport petroleum products on the route to be abandoned, Laurel did not serve a copy of the Application on the shippers or even identify the customers.² *See* Application, p 5.
- b. Second, the Application fails to address the full scope of issues raised by Laurel's proposal to reverse flows on the western segment of its pipeline. As set forth in the Application, Laurel shipped approximately 84 million barrels of petroleum products through its pipeline in 2015. *See id.* Contrary to Laurel's claims that "the public's access to transportation via Laurel is unchanged by the change in direction of service," the elimination of this magnitude of pipeline transportation capacity would severely impact both Laurel's current shippers and the retail consumers who depend on petroleum products transported on the pipeline, including gasoline shipped by Gulf and numerous other shippers to supply western Pennsylvania markets.
- c. Third, as acknowledged by Laurel, the Application presents important issues of first impression regarding whether redirecting (*i.e.*, eliminating)

² While Laurel represents that it "consulted with its affected Customers," Laurel provides no detail of the nature of those consultations. Moreover, the Commission should consider that Laurel offered no indication of the positions of affected Customers with respect to the Application. *See* Application, p. 11. The Application is silent as to the positions or comments from any affected Customers allegedly "consulted" by Laurel and references only the "preferences" of Shippers committed to taking eastward service upon completion of the proposed reversal. *See id.*

Commission-approved service on a pipeline constitutes an abandonment of service. *See* Application, p. 12.

14. For all of the above reasons, affected shippers and other impacted stakeholders will need sufficient time to prepare meaningful and comprehensive protests identifying the pertinent issues to be considered by the Commission. Due to the complex legal, regulatory, technical, and economic issues raised by the Application, the Commission would benefit from allowing affected parties to seek and retain expert witnesses to ensure formal protests accurately frame the issues to be considered by the Commission. Such efforts would necessitate additional time, particularly considering the filing of the Application during the holiday season, where access to the limited pool of experts on pipeline legal, regulatory, technical, and economic matters may be limited.

15. In light of the need to resolve this Motion to Extend the Deadline for Protest as expeditiously as possible, and no later than the current December 19 deadline, **Gulf respectfully requests expedited consideration of the Motion to Extend the Deadline for Protest. Additionally, Gulf requests that the Commission order no more than a 10-day response period for answers to this Motion to Extend the Deadline for Protest.**

WHEREFORE, Gulf Operating, LLC respectfully requests that the Pennsylvania Public Utility Commission: (1) grant the Petition to Intervene and provide Gulf Operating, LLC with full-party status in this proceeding; (2) grant the Motion to Extend the Deadline for Protest and extend the December 19, 2016, protest deadline through February 1, 2017, or alternatively, through January 13, 2017; (3) grant expedited consideration of the Motion to Extend the Deadline for Protest; and (4) order a response period of no more than 10 days for the Motion to Extend the Deadline for Protest.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By



Robert A. Weishaar, Jr. (Pa. I.D. No. 74678)
777 North Capitol Street, NW
Suite 401
Washington, DC 20002
Phone: (202) 898-0688
Fax: (717) 260-1765
bweishaar@mcneeslaw.com

Susan E. Bruce (Pa. I.D. No. 80146)
Adeolu A. Bakare (Pa. I.D. No. 208541)
Kenneth R. Stark (Pa. I.D. No. 312945)
100 Pine Street
P. O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300
sbruce@mcneeslaw.com
abakare@mcneeslaw.com
kstark@mcneeslaw.com

Counsel to Gulf Operating, LLC

Dated: November 22, 2016

VERIFICATION

I, Jeremiah J. Ashcroft III, Chief Executive Officer of Gulf Operating, LLC, hereby state that the facts above set forth in the foregoing document are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

11/22/16
Date


Signature