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November 6, 2017

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: 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 Nos. A-2016-2575829 and G-2017-2587567

Dear Secretary Chiavetta:

Enclosed please find the Answer of Laurel Pipe Line Company, L.P. to Monroe Energy, LLC's Motion to Strike Portions of Laurel Pipe Line Company, L.P. Rebuttal and Rejoinder Testimony in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,

Sarrett P. Le

ADK/skr Enclosure

cc: Honorable Eranda Vero

Certificate of Service

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).

VIA E-MAIL AND FIRST CLASS MAIL

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Date: November 6, 2017

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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

:

Pipeline Capacity Agreement Between

Laurel Pipe Line Company, L.P. and

Docket No. G-2017-2587567

Buckeye Pipe Line Company, L.P.

ANSWER OF LAUREL PIPE LINE COMPANY, L.P. TO MONROE ENERGY, LLC'S MOTION TO STRIKE PORTIONS OF LAUREL PIPE LINE COMPANY, L.P. REBUTTAL AND REJOINDER TESTIMONY

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE ERANDA VERO:

Laurel Pipe Line Company, L.P. ("Laurel" or the "Company") hereby files this Answer, pursuant to 52 Pa. Code § 5.103(c) to Monroe Energy, LLC's ("Monroe") Motion to Strike Portions of Laurel Pipe Line Company, L.P.'s Rebuttal and Rejoinder Testimony filed November 3, 2017 ("Motion"). Monroe identifies two statements as inadmissible hearsay—one HIGHLY CONFIDENTIAL statement in the Rebuttal Testimony of Laurel witness Dr. Michael Webb (Laurel Stmt. No. 5-R, 83:34-35) and one public statement in the Rejoinder Testimony of Laurel witness Robert G. Van Hoecke (Laurel Stmt. No. 6-RJ, 6:16-20). Contrary to Monroe's assertion, each statement constitutes an expert's opinion based on facts that experts in their particular fields would reasonably rely on in forming an opinion on the availability of capacity on petroleum products pipelines.

An exception to the hearsay rule is that an expert may express an opinion that is based on material not in evidence, where such material is of a type customarily relied on by experts in his or her profession. *Collins v. Cooper*, 746 A.2d 615, 618 (Pa. Super. 2000); *Primavera v. Celotex Corp.*, 608 A.2d 515 (Pa. Super. 1992). An expert may base their opinion on facts made known to them; that those facts were in part hearsay does not invalidate the expert's opinion. *See Steinhauer v. Wilson*, 485 A.2d 477, 480 (Pa. Super. 1984). However, Pennsylvania Rule of Evidence Rule 705 requires an expert to disclose to the fact-finder the facts or data on which the opinion is based. Pa.R.E. 705 ("If an expert states an opinion the expert must state the facts or data on which the opinion is based.").

Both statements referenced by Monroe (Laurel Stmt. No. 5-R, 83:34-35, and Laurel Stmt. No. 6-RJ, 6:16-20), involve an expert conclusion and a disclosure of the facts on which the expert bases that conclusion. As to the first statement by Dr. Webb, Monroe misrepresents the record in its Motion. Throughout the case, Laurel has represented that alternatives transportation are available for Monroe, among others, to transport petroleum products to alternative markets. The disputed portion of Dr. Webb's testimony omits his conclusion: that Monroe has alternatives on certain pipelines to ship product to certain markets, contrary to its claims in discovery, deposition, and testimony. *See* Laurel Stmt. No. 5-R, 83:35-84:2. The disputed portion of Dr. Webb's testimony also omits the other facts that Dr. Webb relies upon to reach his conclusion that Monroe has alternatives on certain pipelines to ship product to certain markets. *See* Laurel Stmt. No. 5-R, 82:17-83:33. As such, Monroe's argument that Dr. Webb is merely relying on hearsay evidence to reach his conclusion regarding capacity on the Colonial and Harbor pipelines is incorrect.

Moreover, to the extent that Monroe objects to the use of a document produced from Colonial's website as corroborating evidence to support Dr. Webb's opinion, the website printout included as Attachment ME-LAU-II-22(d) to Monroe Set II Question 22 falls under the Pennsylvania Rule of Evidence Rule 803(17) exception for "Market Reports and Similar Commercial Publications." Pennsylvania Rule 803(17) excepts from hearsay "Market quotations, lists, directories, or other compilations that are generally relied on by the public or by persons in particular occupations." Pa.R.E. 803(17). Clearly, the Colonial printout is a "compilation" that is generally relied upon by persons in the petroleum products transportation field to determine whether or not Colonial lines are allocated and is admissible evidence. As such, Dr. Webb's opinion testimony is permissibly based on facts or data that other experts in his field, and other business persons in the petroleum products transportation industry, would reasonably rely upon. Therefore, the Monroe's objection should be denied and Dr. Webb's statement should be admitted into the record without modification.

As to the second statement, Monroe omits the preceding portion of Mr. Van Hoecke's Rejoinder Testimony that makes clear he is offering an opinion as to whether "Laurel [has] increased Monroe's availability to access the central Pennsylvania and upstate New York markets[.]" See Laurel Stmt. No. 6-RJ, 6:9-16. He relies both on written testimony offered by other witnesses in this case, as well as statements by Buckeye operational personnel that capacity is indeed available. Those other facts demonstrate that there is admissible evidence of record that corroborates Mr. Van Hoecke's conclusion, in addition to the disputed statements by Buckeye personnel. Therefore, Monroe's objection should be denied and Mr. Van Hoecke's statement should be permitted into the record without modification.

Finally, in order to ensure a full and complete record, Your Honor should include all testimony and deposition transcripts as a part of the record at this time. The Commission, the parties, and the ALJ are best served by a complete record that includes all relevant facts that have been disclosed during the discovery process and the various rounds of testimony served in this proceeding. The ALJ and Commission can then attribute the appropriate amount of weight to all facts of record. Such a result is consistent with prior Commission rulings regarding Motions to Strike. See, e.g., Application of MFS Intelenet of Pennsylvania, Inc., 1997 Pa. PUC LEXIS 50. at *50-51 (1997) (Interim Order dated April 10, 1997) (noting agreement with ALJ's decision to admit disputed rebuttal testimony and that the Commission will "consider the arguments in this proceeding based on the totality of the record."). Therefore, Your Honor should permit the statements to be entered into the record, to ensure a full and complete record at this stage.

WHEREFORE, Laurel Pipe Line Company, L.P. respectfully requests that Administrative Law Judge Eranda Vero deny Monroe Energy, LLC's Motion to Strike.

Respectfully submitted,

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Date: November 6, 2017

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