



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEYSTONE BUILDING  
400 NORTH STREET, HARRISBURG, PA 17120

IN REPLY PLEASE  
REFER TO OUR FILE

July 1, 2019

**Via Electronic Filing**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
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.,  
Docket No. C-2018-3003365  
**I&E Prehearing Memorandum**

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Prehearing Memorandum of the Bureau of Investigation and Enforcement in the above referenced proceeding. Copies have been served on the parties of record in accordance with the attached Certificate of Service.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "SMW", is written over a light blue horizontal line.

Stephanie M. Wimer  
Senior Prosecutor  
PA Attorney ID No. 207522

Enclosures

cc: Honorable Eranda Vero  
Michael L. Swindler, Deputy Chief Prosecutor  
As per 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. :  
Complainants :

v. :

Laurel Pipe Line Company, L.P., :  
Respondent :

Docket No. C-2018-3003365

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**PREHEARING CONFERENCE MEMORANDUM OF THE  
BUREAU OF INVESTIGATION AND ENFORCEMENT**

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**TO ADMINISTRATIVE LAW JUDGE ERANDA VERO:**

Pursuant to the June 5, 2019, Prehearing Order issued by presiding Administrative Law Judge (“ALJ”) Eranda Vero and the Pennsylvania Public Utility Commission’s (“PUC” or “Commission”) regulations at 52 Pa. Code § 5.222(d)(1), the Bureau of Investigation and Enforcement (“I&E”) hereby submits this Prehearing Memorandum in the above-captioned proceeding.

**I. BACKGROUND<sup>1</sup>**

On July 12, 2018, Giant Eagle, Inc., Guttman Energy, Inc., Lucknow-Highspire Terminals, LLC, Monroe Energy, LLC, Philadelphia Energy Solutions Refining and Marketing, LLC and Sheetz, Inc. (collectively, “Complainants”) concurrently filed a

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<sup>1</sup> The procedural background set forth in this Prehearing Memorandum is limited in scope and designed to provide a brief overview while describing in greater detail the current procedural posture of the proceeding.

Complaint and Petition for Interim Emergency Relief before the Commission at Docket Nos. C-2018-3003365 and P-2018-3003368. I&E entered a Notice of Appearance in the proceedings on July 18, 2018.

The Complaint and Petition for Interim Emergency relief were filed by Complainants in response to Laurel Pipeline Company, LP's ("Laurel" or "Company") Petition to the Federal Energy Regulatory Commission ("FERC") to operate a portion of the Laurel pipeline bi-directionally with petroleum products flowing from both east-to-west and west-to-east.

Following an evidentiary hearing that was held on July 23, 2018, regarding the Petition for Interim Emergency Relief at Docket No. P-2018-3003368, Complainants and Laurel entered into a Settlement, which was approved by ALJ Vero by Initial Decision issued July 27, 2018.

On August 8, 2018, the Complainants filed an Amended Complaint to which Laurel filed an Answer and New Matter as well as Preliminary Objections on August 28, 2018. Complainants and I&E timely replied to Laurel's Preliminary Objections on September 7, 2018.

On September 20, 2018, Complainants filed a second Petition for Interim Emergency Relief at Docket No. P-2018-3004857. An emergency hearing was held on September 25, 2018, where the parties reached a settlement-in-principle and Complainants agreed to withdraw their second Petition. On October 3, 2018, Complainants and Laurel submitted a written Joint Stipulation and Settlement summarizing their settlement-in-principle.

On October 9, 2018, ALJ Vero issued an Order overruling Laurel's Preliminary Objections and set the Amended Complaint for hearing.

On October 16, 2018, ALJ Vero held a telephonic prehearing conference and granted the parties' request to further pursue discovery, conduct a technical conference on or before January 14, 2019, and provide a status update by February 4, 2019.

By Initial Decision issued October 19, 2018, ALJ Vero granted Complainants' withdrawal of the second Petition for Interim Emergency Relief at Docket No. P-2018-3004857.

On January 29, 2019, the parties convened to participate in discussions regarding the timing of a hydrostatic test to be performed by Laurel. On February 12, 2019, the parties participated in a technical conference.

On February 28, 2019, ALJ Vero issued an Order directing the parties to submit a status update and file Prehearing Conference Memorandum proposing a litigation schedule by March 5, 2019. Prehearing Conference Memorandum were filed by the Complainants and Laurel wherein they represented that settlement discussions continue to occur.

On March 13, 2019, ALJ Vero issued a Prehearing Order directing the parties to conduct a Settlement Conference on or before April 19, 2019, provide a status report no later than April 30, 2019, and file Prehearing Memorandum with a proposed litigation schedule no later than April 30, 2019.

On April 12, 2019, the parties participated in a settlement conference. During that time, I&E and Laurel discussed in earnest the potential to resolve the concerns of the I&E

Safety Division with regard to the Company's proposed bidirectional flow. On April 29, 2019, I&E and Laurel reached a settlement-in-principle and I&E advised ALJ Vero of the same in I&E's prehearing memo dated April 30, 2019.

On June 5, 2019, ALJ Vero issued a Prehearing Order directing the parties to provide a status report no later than 4:30 PM on July 1, 2019, and file Prehearing Memorandum with a proposed litigation schedule no later than 4:30 PM on July 1, 2019. I&E submits the instant status report and Prehearing Memorandum in accordance with ALJ Vero's June 5, 2019 Prehearing Order.

## **II. STATUS REPORT**

As Your Honor may be aware, I&E represented in its April 30, 2019 status report and Prehearing Memorandum that it achieved a settlement-in-principle of this matter with Laurel. Subsequently, an unanticipated issue involving the failure of a hydrostatic test that was performed on Laurel's pipeline occurred. This event caused the I&E Safety Division to further investigate the root cause of the failure and prompted I&E to request additional discovery through the serving of its Interrogatories and Requests for Production of Documents – Set II on Laurel on May 30, 2019. I&E received responses from Laurel regarding those discovery requests on June 20, 2019.

I&E nevertheless asserts that the settlement-in-principle between I&E and Laurel remains in-tact, but that additional time is necessary to finalize the Stipulation and Settlement. I&E approximates that the Stipulation and Settlement may be ready to be filed within the next two (2) weeks.

### III. I&E PREHEARING CONFERENCE MEMORANDUM

#### A. Service List and Distribution List

The following prosecutor should be entered on the service list for I&E:

Stephanie M. Wimer  
Senior Prosecutor  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
(717) 772-8839  
(717) 783-3458 (fax)  
[stwimer@pa.gov](mailto:stwimer@pa.gov)

#### B. Statement Regarding Possible Settlement of Case

As mentioned herein, I&E and Laurel have achieved a settlement-in-principle that addresses the concerns of the I&E Safety Division. I&E and Laurel intend to file a Settlement Agreement or Stipulation in Settlement that will be presented to ALJ Vero for a ruling.

#### C. Proposed Modifications to the Commission's Discovery Regulations

I&E does not propose any modifications to the Commission's regulations pertaining to discovery at 52 Pa. Code §§ 5.321 *et seq.*

#### D. Proposed Schedule for Litigation

I&E will defer to Complainants and Laurel regarding a proposed litigation schedule.

E. I&E Witnesses

At this time, I&E does not anticipate calling witnesses at any evidentiary hearing that may be held in this matter. I&E nevertheless reserves the right to call witnesses and will advise accordingly.

F. Issues

At this time, given that I&E and Laurel have reached a settlement-in-principle that resolves I&E's issues, I&E does not to present issues at any evidentiary hearing that may be held in this matter. I&E nevertheless reserves the right to address issues, as it deems appropriate, if any such relevant issues arise.

Respectfully submitted,



Stephanie M. Wimer  
Senior Prosecutor  
PA Attorney ID No. 207522

Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120  
(717) 772-8839  
[stwimer@pa.gov](mailto:stwimer@pa.gov)

Date: July 1, 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.	:	
Complainants	:	
	:	
v.	:	Docket No. C-2018-3003365
	:	
Laurel Pipe Line Company, L.P.,	:	
Respondent	:	

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

**Service by First Class Mail and Electronic Mail where indicated:**

Alan M. Seltzer, Esquire  
John F. Povilaitis, Esquire  
Buchanan Ingersoll & Rooney PC  
409 North Second Street, Suite 500  
Harrisburg, PA 17101-1357  
[john.povilaitis@bipc.com](mailto:john.povilaitis@bipc.com)  
[alan.seltzer@bipc.com](mailto:alan.seltzer@bipc.com)  
*Counsel to Philadelphia Energy Solutions  
Refining and Marketing*

Kevin J. McKeon, Esquire  
Whitney E. Snyder, Esquire  
Todd S. Stewart, Esquire  
Hawke McKeon & Sniscak LLP  
100 North Tenth Street  
Harrisburg, PA 17101  
[kjmckeon@hmslegal.com](mailto:kjmckeon@hmslegal.com)  
[tsstewart@hmslegal.com](mailto:tsstewart@hmslegal.com)  
[wesnyder@hmslegal.com](mailto:wesnyder@hmslegal.com)  
*Counsel to Monroe Energy, LLC*

Robert A. Weishaar, Jr., Esquire  
McNees Wallace & Nurick LLC  
1200 G Street NW, Suite 800  
Washington, DC 20005  
[rweishaar@mcneeslaw.com](mailto:rweishaar@mcneeslaw.com)

Adeolu A. Bakare, Esquire  
McNees Wallace & Nurick LLC  
100 Pine Street  
PO Box 1166  
Harrisburg, PA 17108-1166  
[abakare@mcneeslaw.com](mailto:abakare@mcneeslaw.com)  
*Counsel to Lucknow-Highspire Terminals,  
LLC; Sheetz, Inc.; and Guttman Energy,  
Inc.*

Tanya J. McCloskey, Esquire  
Acting Consumer Advocate  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923



David B. MacGregor, Esquire  
Anthony D. Kanagy, Esquire  
Garrett P. Lent, Esquire  
Post & Schell PC  
17 North 2<sup>nd</sup> Street, 12<sup>th</sup> Floor  
Harrisburg, PA 17101-1601  
[dmacgregor@postschell.com](mailto:dmacgregor@postschell.com)  
[akanagy@postschell.com](mailto:akanagy@postschell.com)  
[glent@postschell.com](mailto:glent@postschell.com)

Christopher J. Barr, Esquire  
Jessica R. Rogers, Esquire  
Post & Schell PC  
607 14<sup>th</sup> Street NW, Suite 600  
Washington, DC 20005-2006  
[cbarr@postschell.com](mailto:cbarr@postschell.com)  
[jrogers@postschell.com](mailto:jrogers@postschell.com)  
*Counsel for Laurel Pipe Line Company LP*

John R. Evans, Esquire  
Small Business Advocate  
Office of Small Business Advocate  
300 North Second Street, Suite 202  
Harrisburg, PA 17101  
[jorevan@pa.gov](mailto:jorevan@pa.gov)

Jonathan D. Marcus, Esquire  
Daniel J. Stuart Esquire  
Scott D. Livingston, Esquire  
Marcus & Shapira LLP  
100 Oxford Centre, 35<sup>th</sup> Floor  
301 Grant Street  
Pittsburgh, PA 15219  
[jmarcus@marcus-shapira.com](mailto:jmarcus@marcus-shapira.com)  
[stuart@marcus-shapira.com](mailto:stuart@marcus-shapira.com)  
*Counsel for Giant Eagle, Inc.*

Richard E. Powers, Jr., Esquire  
Joseph R. Hicks, Esquire  
Venable LLP  
575 7<sup>th</sup> Street, NW  
Washington, DC 20004  
[repowers@venable.com](mailto:repowers@venable.com)  
[jrhicks@venable.com](mailto:jrhicks@venable.com)



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Stephanie M. Wimer  
Senior Prosecutor  
PA Attorney ID No. 207522

Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120  
717.772.8839  
[stwimer@pa.gov](mailto:stwimer@pa.gov)

Dated: July 1, 2019