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File #: 162860

July 1, 2019

***VIA ELECTRONIC FILING***

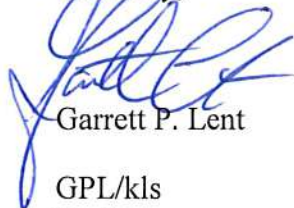
Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**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.  
Docket No. C-2018-3003365**

Dear Secretary Chiavetta:

Enclosed for filing is the Prehearing Conference Memorandum of Laurel Pipe Line Company, L.P., in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Sincerely,



Garrett P. Lent

GPL/kl  
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	:	Docket No. C-2018-3003365
Solutions Refining and Marketing, LLC;	:	
and Sheetz, Inc.	:	
	:	
Complainants,	:	
	:	
v.	:	
	:	
Laurel Pipe Line Company, L.P.	:	
	:	
Respondent.	:	

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**PREHEARING CONFERENCE MEMORANDUM OF  
LAUREL PIPE LINE COMPANY, L.P.**

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**TO THE HONORABLE ADMINISTRATIVE LAW JUDGE VERO:**

Pursuant to 52 Pa. Code § 5.222(d) and the Prehearing Conference Order dated June 5, 2019, Laurel Pipe Line Company, L.P. (“Laurel” or the “Company”) hereby submits this Prehearing Conference Memorandum.

**I. STATUS REPORT**

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 January 29, 2019, the parties convened at the offices of McNees, Wallace and Nurick in Harrisburg, PA, to participate in discussions regarding the timing of a hydrostatic test for purposes of preparing the Eldorado to Coraopolis segment of the L718 line for bidirectional

flow, pursuant to paragraph 3 of the Joint Stipulation and Settlement dated October 3, 2018 in Docket No. P-2018-3004857.

4. The parties discussed in good faith the possibility of changing the period during which Laurel and/or Buckeye is prohibited from conducting the hydrostatic test on the Eldorado to Coraopolis segment of the L718 line under the terms of the Joint Stipulation and Settlement dated July 23, 2018 in Docket No. P-2018-3003368, *i.e.* “any subsequent summer (June 1-September 15) period.” However, no agreement to change this period was reached.

5. On February 12, 2019, the parties again convened at the offices of McNees, Wallace and Nurick in Harrisburg, PA, for purposes of an informal technical conference. At the conference, the parties discussed technical issues related to the proposed bidirectional operation of the Eldorado to Coraopolis segment of the L718 line.

6. 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.

7. On March 5, 2019, Complainants<sup>1</sup> 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 me with a status update by no later than April 30, 2019.

8. A Settlement Conference was held on April 12, 2019.

9. 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.

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<sup>1</sup> 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.”

10. I&E served its Set II Discovery on May 30, 2019.

11. The Complainants provided a further status update on May 31, 2019, and indicated that settlement negotiations yet continued.

12. On June 5, 2019, the ALJ issued another prehearing order requesting a further status updated from the parties on or before July 1, 2019.

13. Laurel submitted its responses to I&E Set II Discovery on June 20, 2019.

14. The parties have actively been engaged in settlement negotiations since the issuance of the Prehearing Order dated June 5, 2019.

## **II. PROCEDURAL SCHEDULE**

15. Discovery and settlement negotiations remain ongoing. Since the June 5, 2019 Prehearing Order, Laurel and the Complainants held an additional in-person settlement conference. Counsel for Laurel and the Complainants have also been in frequent contact negotiating the settlement.

16. While settlement negotiations have progressed, recent events affecting the supply of petroleum products to Pittsburgh destination points on the Laurel pipe line have added additional considerations in the settlement negotiations. Laurel and the Complainants agree that they are not in position to propose a litigation schedule at this time.

17. Laurel and the Complainants propose to defer the establishment of a litigation schedule at this time, in order to provide the parties an opportunity to continue settlement negotiations.

18. In addition, the Laurel and the Complainants propose to provide the ALJ with a further status update no later than August 1, 2019.

**III. SETTLEMENT WITH I&E**

19. As stated in Laurel's April 30, 2019 Prehearing Memorandum, as a result of settlement discussions between Laurel and I&E, Laurel and I&E had achieved a settlement-in-principle that resolves I&E's issues in the above-captioned proceeding.

20. As noted above, I&E served Set II Discovery on May 30, 2019. Laurel provided its responses to the Set II Discovery on June 20, 2019.

21. A Joint Stipulation and Settlement between Laurel and I&E with respect to I&E's issues is forthcoming, and will be filed and directed to the ALJ for approval.

22. Laurel and I&E expect to file the Settlement within the next two weeks.

**IV. CONCLUSION**

WHEREFORE, Laurel Pipe Line Company, L.P., respectfully requests that the Administrative Law Judge Eranda Vero issue a Prehearing Order setting a deadline for a subsequent status report on or before August 1, 2019.

Respectfully submitted,



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Date: July 1, 2019

*Counsel for Laurel Pipe Line Company, L.P.*

## 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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