

February 11, 2025

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: Monroe Energy, LLC, Lucknow-Highspire Terminals, LLC, Sheetz, Inc. and PBF Holding Company, LLC v. Laurel Pipe Line Company, L.P.
Docket No. C-2025-3053018**

Dear Secretary Chiavetta:

Attached for filing are the Preliminary Objections of Laurel Pipe Line Company, L.P. to the above-the Formal Complaint of Monroe Energy, LLC, Lucknow-Highspire Terminals, LLC, Sheetz, Inc. and PBF Holding Company, LLC in the above-referenced proceeding.

Copies will be provided as indicated on the Certificate of Service.

Respectfully,



Garrett P. Lent

GPL/dmc
Attachments

cc: 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).

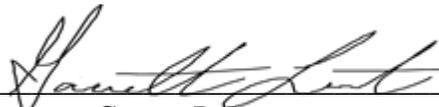
VIA E-MAIL ONLY

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Pro hac vice pending*

Date: February 11, 2025



Garrett P. Lent

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Monroe Energy, LLC, Lucknow-Highspire :
Terminals, LLC, Sheetz, Inc. and PBF :
Holding Company, LLC, : Docket No. C-2025-3053018
:
Complainants, :
:
v. :
:
Laurel Pipe Line Company, L.P. :
:
Respondent. :

NOTICE TO PLEAD

YOU ARE HEREBY ADVISED THAT, PURSUANT TO 52 PA. CODE § 5.101, YOU MAY FILE AN ANSWER TO THE ENCLOSED PRELIMINARY OBJECTIONS WITHIN TEN (10) DAYS OF THE DATE OF SERVICE HEREOF. YOUR ANSWER TO THE PRELIMINARY OBJECTIONS MUST BE FILED WITH THE SECRETARY OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION, P.O. BOX 3265, HARRISBURG, PA 17105-3265. A COPY SHOULD ALSO BE SERVED ON THE UNDERSIGNED COUNSEL.

Respectfully submitted,

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*Motion for Admission
Pro Hac Vice Pending*

Date: February 11, 2025



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Counsel for Laurel Pipe Line Company, L.P.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Monroe Energy, LLC, Lucknow-Highspire	:	
Terminals, LLC, Sheetz, Inc. and PBF	:	
Holding Company, LLC,	:	Docket No. C-2025-3053018
	:	
Complainants,	:	
	:	
v.	:	
	:	
Laurel Pipe Line Company, L.P.	:	
	:	
Respondent.	:	

**PRELIMINARY OBJECTIONS OF
LAUREL PIPE LINE COMPANY, L.P.
TO THE COMPLAINT OF MONROE ENERGY, LLC, ET AL.**

AND NOW, comes Laurel Pipe Line Company, L.P. (“Laurel”) and hereby files Preliminary Objections, pursuant to the regulations of the Pennsylvania Public Utility Commission (“PaPUC” or the “Commission”) at 52 Pa. Code § 5.101, and respectfully requests that the Formal Complaint filed by Monroe Energy, LLC (“Monroe”), Lucknow-Highspire Terminals, LLC (“LHT”), Sheetz, Inc. (“Sheetz”), and PBF Holding Company, LLC (“PBF”), collectively the “Complainants,” be dismissed.

The Complaint challenges the initiation of interstate service over a segment of Laurel’s pipeline system located between Eldorado and Sinking Spring, Pennsylvania. The contemplated interstate service will be provided by Laurel’s non-PaPUC-jurisdictional affiliate, pursuant to rates, terms and conditions of service that are subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”). Importantly, the challenged initiation of interstate service **does not contemplate and will not cause** a permanent cessation of PaPUC-jurisdictional intrastate service, in whole or in part, by Laurel; Laurel will continue to provide westbound

intrastate petroleum products transportation service under the same rates, terms and conditions, and from the same origins near Philadelphia to the same destinations across Pennsylvania that it does today. Indeed, the service contemplated will continue the provision of westbound intrastate service by Laurel, and simply add additional eastbound interstate service, through the extension of bidirectional operations on Laurel's system. The result of this bidirectional operation will be to continue to bring new, diversely-sourced, and competitively-priced supplies of refined petroleum products from Midwestern refineries to consumers in western and central Pennsylvania, while continuing to transport the existing volumes of products supplied to these markets from Philadelphia-area refineries.

In an attempt to stymie these benefits and protect themselves from increased competition, the Complainants advance three arguments in the Complaint. As explained in these Preliminary Objections, and Laurel's Answer and New Matter, none of these arguments have any merit.

First, the Complainants assert that Laurel was required to obtain a certificate of public convenience because the contemplated bidirectional operations—i.e., the initiation of eastbound interstate service while all existing westbound intrastate service is maintained—somehow constitute a “partial abandonment” of westbound intrastate petroleum products transportation service. As a matter of law, Laurel is not required to obtain certificate of public convenience for the initiation of interstate service that does not require the permanent cessation of intrastate service. To be clear, the proposed bidirectional operation **is not a permanent “reversal” of flows** that would result in the cessation of westbound intrastate service. Once this fact is recognized, the Complainants' position amounts to the untenable and incorrect proposition that any diminution of existing service and/or any initiation of new service constitutes an abandonment of existing service. This is not the law and the Complainants' claims should be dismissed as a matter of law.

Second, the Complainants assert that Laurel is violating its PaPUC tariffs because it did not seek Commission approval of unspecified modifications to unidentified provisions of its PaPUC tariffs to initiate non-jurisdictional interstate service. However, Laurel does not need to alter and will not alter any rate, term or condition of its existing PaPUC tariff because all existing rates, terms and conditions will be left undisturbed by the initiation of bidirectional operations.

Third, the Complainants assert that the future bidirectional operations of the pipeline will constitute unreasonable service because such future operations may have unquantified and unsupported impacts on available capacity, deliverability, and/or transit times for westbound intrastate service. Not only do the Complainants fail to advance a single non-conclusory allegation in support of this theory, these claims are simply premature and unripe. Moreover, the Complainants' claims that future bidirectional operations will result in unreasonable service because of alleged problems with existing bidirectional operations are belied by the fact that in the five years bidirectional operations have been lawfully provided over Laurel's pipeline system between Pittsburgh (Coraopolis) and Altoona (Eldorado) neither the Complainants *nor any other shipper on Laurel* have advanced a single, actionable complaint against this existing bidirectional service.

At its core, the above-captioned Complaint is the latest attempt by these entities to insulate themselves from increased competition from refined petroleum products from Midwest sources to meet consumer demands in Pennsylvania, which would place downward pressure on commodity prices. None of their claims are based upon sound or accepted principals of law, and the Complainants advance no factual support for their claims of adverse operational and economic impacts, except for conclusory allegations. Rather, the Complaint is a legally and factually deficient attempt to stymie competition and protect the Complainants from competitive market

forces to the detriment of other shippers and Pennsylvania as a whole. Therefore, the Commission should deny the Complaint.

In support thereof, Laurel respectfully represents the following:

I. BACKGROUND

1. Laurel is a certificated common carrier pipeline and public utility whose intrastate service is subject to the jurisdiction of the Commission. Laurel is a Delaware Limited Partnership formed for the purpose of transporting petroleum and petroleum products through pipelines. Laurel currently owns and operates pipelines in Pennsylvania and New Jersey that form a single pipeline system extending from Eagle Point, New Jersey to Midland, Pennsylvania.¹ Current Pennsylvania operations consist of owning and operating approximately 350 miles of 12-inch to 24-inch pipeline and related facilities for the transportation of petroleum products for customers at 14 delivery points. Under this current configuration, Laurel already provides both intrastate and interstate service on its pipeline in Pennsylvania; Laurel provides intrastate service pursuant to its Commission-approved tariff, and Laurel provides interstate service pursuant to the existing, Commission approved capacity agreement with its affiliate, Buckeye Pipe Line Company, L.P. (“Buckeye”).

2. On November 14, 2016, Laurel filed an Application with the Commission at Docket No. A-2016-2575829. The Application sought all necessary, authority, approvals and Certificates

¹ Laurel’s pipeline system also currently transports petroleum products to locations throughout Pennsylvania. This transportation service is provided by Buckeye, pursuant to FERC-approved tariffs and a Commission-approved pipeline capacity agreement under which Laurel provides capacity to Buckeye for its interstate service. See *Laurel Pipe Line Company, L.P. – Pipeline Capacity Agreement with Buckeye Pipeline Company, L.P.*, Docket No. G-00940417 (Dec. 15, 1994), as amended by, *Laurel Pipe Line Company, L.P. – Amendment to Pipeline Capacity Agreement with Buckeye Pipeline Company, L.P.*, Docket No. G-00940417 (May 4, 2015). Laurel’s system originally consisted of pipelines extending from New Jersey to Cleveland, Ohio, and Laurel offered interstate service under tariffs filed at the Interstate Commerce Commission and then the Federal Energy Regulatory Commission, from its first operations until 1994.

of Public Convenience, to the extent required, authorizing Laurel to change the direction of its petroleum products transportation service over the portion of its system west of Eldorado, Pennsylvania, and confirming that Laurel may, in its discretion, reinstate the current direction of service in the future without further Commission approval. On February 6, 2017, Laurel filed a Capacity Agreement at Docket No. G-2017-2857567, between Laurel and its affiliate, Buckeye. In this consolidated proceeding, Laurel set forth a proposal to reverse the direction of its petroleum products transportation service between Eldorado and Pittsburgh, such that products would only flow from the west to the east post-reversal.

3. On March 21, 2018, the Administrative Law Judge Eranda Vero issued the *2018 Recommended Decision*.² Judge Vero recommended that the Commission deny Laurel's Application and also deny the proposed Capacity Agreement as moot.

4. On April 30, 2018, Laurel and Buckeye filed a Petition for Declaratory Order at FERC at Docket No. OR18-22-000 (the "2018 PDO"). In the 2018 PDO, Laurel and Buckeye sought FERC approval of certain elements of a Transportation Service Agreement and associated joint tariff and rates for interstate petroleum products transportation service on Buckeye's and Laurel's pipelines. Buckeye and Laurel proposed to initiate a joint rate for interstate petroleum products transportation service for the shipment of products from origin points in Michigan, Ohio, and Pennsylvania to destination points in Ohio and Pennsylvania.

5. On July 12, 2018, the Commission issued the *2018 Final Order*³ in the prior Laurel Application proceeding. The Commission adopted the recommendations of Judge Vero, except with respect to the *Recommended Decision*'s disposition of Laurel's certificate authority.

² *Application of Laurel Pipe Line Company, L.P.*, Docket Nos. A-2016-2575829 and G-2017-2587567 (Recommended Decision dated March 23, 2018) ("*2018 Recommended Decision*").

³ *Application of Laurel Pipe Line Company, L.P.*, Docket Nos. A-2016-2575829 and G-2017-2587567 (Opinion and Order entered July 12, 2018) ("*2018 Final Order*").

6. Also on July 12, 2018, the 2018 Complainants⁴ filed a Formal Complaint at Docket No. C-2018-3003365 (the “2018 Complaint”). The issues raised in the 2018 Complaint pertained to: (i) a proposed temporary outage on Laurel’s pipeline system to conduct certain maintenance and testing activities pursuant to federal pipeline safety standards; and (ii) Laurel’s proposed initiation of bidirectional service—*i.e.* initiating eastbound interstate service, while maintaining westbound intrastate service.

7. Laurel timely filed Preliminary Objections to the 2018 Complaint on August 1, 2018.

8. On August 8, 2018, the Complainants filed an Amended Complaint at Docket No. C-2018-3003365 (the “2018 Amended Complaint”) pursuant to Section 5.91(b) of the Commission’s regulations, 52 Pa. Code § 5.91(b). The 2018 Amended Complaint modified the claims in the 2018 Complaint, *inter alia*, to: (i) exclude references to any temporary outage to conduct maintenance and testing activities pursuant to the Settlement; (ii) respond to Laurel’s Preliminary Objections; and (iii) add an additional claim regarding alleged violations of Sections 1302 and 1303 of the Public Utility Code, 66 Pa.C.S. §§ 1302 and 1303.

9. On August 28, 2018, Laurel filed an Answer and New Matter and Preliminary Objections to the 2018 Amended Complaint.

10. The Administrative Law Judge issued an Order Denying Laurel’s Preliminary Objections to the 2018 Amended Complaint on October 9, 2018.

11. Ultimately, the 2018 Complainants and Laurel were able to resolve their issues without the need for the submission of written testimony or evidentiary hearings.

⁴ The “2018 Complainants” were comprised of: Giant Eagle, Inc., Philadelphia Energy Solutions Refining and Marketing, LLC, Monroe, LHT, and Sheetz.

12. On July 31, 2019, the 2018 Complainants and Laurel submitted a Joint Petition for Settlement (the “Settlement Agreement”) to resolve all issues related to the 2018 Complaint, Laurel’s appeal to the Commonwealth Court of the *2018 Final Order*, and related proceedings before the FERC. Among other things, the Settlement Agreement included proposed revised pages to Laurel’s Commission-jurisdictional tariff (*see* Settlement Agreement, Appendix A) and a proposed revised Capacity Use Agreement between Laurel and Buckeye (“Capacity Use Agreement”) (*see* Settlement Agreement, Appendix B).⁵

13. On August 12, 2019, the Administrative Law Judge issued a Recommended Decision that recommended approval of the Settlement Agreement without modification.

14. The Commission adopted the August 12, 2019 Recommended Decision as its action by Order issued August 29, 2019.

15. Since the Commission’s Order dated August 29, 2019, bidirectional service—specifically west bound intrastate service and east bound interstate service—has been provided on the segment of Laurel’s pipeline system between Coraopolis and Eldorado, Pennsylvania. Such service has been provided pursuant to and in compliance with the Commission-approved Settlement Agreement, tariff and Capacity Use Agreement.

16. On December 20, 2024, Buckeye filed a Petition for Declaratory Order at FERC Docket No. OR25-6-000 (the “PDO”) that sought certain findings and approvals related to the extension of bidirectional service through the initiation of eastbound interstate petroleum products transportation service by Laurel’s affiliate, Buckeye, over the existing segment of the Laurel pipeline system located between Altoona and Sinking Spring in Pennsylvania (i.e., “Line 720” and

⁵ *See* Errata to Settlement Agreement dated August 2, 2019, which corrected the references to the proposed tariff and Capacity Use Agreement.

“Line 724”) without the abandonment of westbound intrastate petroleum products transportation service over any segment of the Laurel pipeline system (the “Bidirectional Service Extension”).

17. On January 21, 2025, the Complainants filed a Joint Motion to Intervene, Protest and Request for Dismissal of the PDO at FERC Docket No. OR25-6-000 (“FERC Protest”).

18. On January 22, 2025, Laurel was served by the Commission with the above-captioned Complaint.

19. On February 5, 2025, Buckeye filed an Answer to the FERC Protest.

20. Simultaneously herewith, Laurel will submit an Answer and New Matter to the Complaint.

II. STANDARD OF REVIEW

21. Pursuant to the Commission’s regulations, preliminary objections in response to a pleading may be filed on several grounds, including:

- (1) Lack of Commission jurisdiction or improper service of the pleading initiating the proceeding.
- (2) Failure of a pleading to conform to this chapter or the inclusion of scandalous or impertinent matter.
- (3) Insufficient specificity of a pleading.
- (4) Legal insufficiency of a pleading.
- (5) Lack of capacity to sue, nonjoinder of a necessary party or misjoinder of a cause of action.
- (6) Pendency of a prior proceeding or agreement for alternative dispute resolution.
- (7) Standing of a party to participate in the proceeding.

52 Pa. Code § 5.101(a).

22. In ruling on preliminary objections, the Presiding Officer must accept as true all well-pled allegations of material facts as well as all inferences reasonably deducible therefrom. *Stilp v. Cmwltth.*, 910 A.2d 775, 781 (Pa. Cmwltth. 2006) (citing *Dep't of Gen. Serv. v. Bd. of Claims*, 881 A.2d 14 (Pa. Cmwltth. 2005); accord *Complaint of Nat'l Fuel Gas Distrib. Corp. and Petition for an Order to Show Cause*, Docket No. P-00072343 (December 26, 2007). However, the Presiding Officer need not accept as true conclusions of law, unwarranted inferences from facts, argumentative allegations, or expressions of opinion. *Stanton-Negley Drug Co. v. Dep't of Pub. Welfare*, 927 A.2d 671, 673 (Pa. Cmwltth. 2007). For preliminary objections to be sustained, it must appear with certainty that the law will permit no recovery, and any doubt must be resolved in favor of the non-moving party. *Stilp*, at 781.

III. PRELIMINARY OBJECTION: THE COMMISSION LACKS JURISDICTION TO GRANT THE RELIEF REQUESTED BY THE COMPLAINANTS

A. PRELIMINARY OBJECTION No. 1 – The Commission Lacks Certificate And Tariff Jurisdiction Over An Initiation Of Interstate Service That Does Not Involve The Abandonment of Intrastate Service.

23. Laurel incorporates by reference Paragraphs 1 through 22 as if fully set forth herein.

24. Section 104 of the Public Utility Code states:

The provisions of this part, except when specifically so provided, shall not apply, or be construed to apply, to commerce with foreign nations, or among the several states, except insofar as the same may be permitted under the provisions of the Constitution of the United States and the acts of Congress.

66 Pa. C.S. § 104.

25. The prior Laurel Application proceeding at Docket Nos. A-2016-2575829 and G-2017-2587567 confirmed that the Commission lacks jurisdiction over a pipeline's proposal to initiate interstate service, where the initiation of interstate service does not involve or require the

abandonment of intrastate service over the same facilities. Importantly, the Bidirectional Service Extension at issue in this case is not the same as a permanent “reversal” of product flows, which the Commission has previously explained is an abandonment of service because flows in one direction must cease before the flows in the other direction commence. Bidirectional service, by its very nature, does not contemplate or require a permanent cessation of service in one direction or the other; instead, it contemplates the establishment of an operational sequence that maintains in two directions. In this regard, the Bidirectional Service Extension is clearly not an abandonment under Commission precedent related to Laurel’s operations. Indeed, Administrative Law Judge Vero explained that the key fact in determining whether the Commission had jurisdiction over Laurel’s previously proposed reversal was an “operational sequence” that Laurel would have to follow to effect the reversal. The *2018 Recommended Decision* explained:

It is clear from the parties’ respective Briefs that Laurel treats the present proceeding as the application of a pipeline that plans to enter interstate service, while the Indicated Parties view the case as the application of an intrastate pipeline to abandon a portion of its intrastate service to enter interstate service. In simplified terms, the former is a one-step process, whereas the latter is a two-step one. Stated differently, Laurel describes the content of the Application as essentially a change in service (from intrastate to interstate, from westward to eastward) whereas, the Indicated Parties see the application first and foremost as an abandonment of intrastate service for the prospect of offering interstate service. I find that the disposition of the federal preemption issue, as well as of other aspects of the present Application, relies on this distinction.

2018 Recommended Decision, p. 50 (emphasis added).

26. Thereafter, in the *2018 Final Order*,⁶ the Commission accepted the factual distinction drawn by the Administrative Law Judge to find that a permanent reversal of flow

⁶ *Application of Laurel Pipe Line Company, L.P.*, Docket Nos. A-2016-2575829 and G-2017-2587567 (Opinion and Order entered July 12, 2018) (“*2018 Final Order*”).

constitutes an abandonment of service. Noting that flow in one direction must permanently cease before flow in the other can occur, the Commission explained:

The ALJ initially stated that Laurel describes the Application as a change in service, from intrastate to interstate, from westward to eastward. On the other hand, the Indicated Parties view the Application as an abandonment of intrastate service to offer interstate service. The ALJ also noted that Laurel is currently an intrastate pipeline operating within Pennsylvania and must reverse the flow of product over a portion of its pipeline located between Eldorado and Pittsburgh, Pennsylvania before it can provide interstate service. The ALJ observed that this operational fact can guide the Commission on the disposition of the federal preemption issue and the overall disposition of Laurel’s Application.

Given the applicable preemption law, we also find no merit in Laurel’s argument that post-reversal, the service provided over the segment of Laurel between Midland and Eldorado, Pennsylvania will be interstate in nature, because this does not change the fact that the service Laurel proposes to abandon is currently intrastate service subject to our regulation and authority under Section 1102(a)(2) of the Code. Accordingly, we shall adopt the ALJ’s decision on this issue and deny Laurel’s Exceptions.

2018 Final Order, pp. 20, 25 (emphasis added). The Commission then went on to hold that “We have clear authority to require Laurel to obtain a Commission Certificate in this proceeding, because Laurel’s proposed reversal is, in fact, the abandonment of service in one direction and the commencement of new service in the other direction.” *2018 Final Order*, p. 44 (citing *Rocky Mountain* at 62672).

27. Like the initial bidirectional service provided over Line 718 pursuant to the Settlement Agreement, the Bidirectional Service Extension does not involve or require the abandonment of intrastate petroleum products transportation service subject to the Commission’s certificate and/or tariff jurisdiction.

28. The Bidirectional Service Extension is a one-step process: it requires the initiation of additional eastbound interstate petroleum products transportation service of Lines 720 and 724 of Laurel’s pipeline system.

29. The Bidirectional Service Extension does not abandon intrastate service, is consistent with the *2018 Recommended Decision* and the *2018 Final Order*, and is outside the scope of the Commission’s jurisdiction under Section 104 of the Public Utility Code. 66 Pa.C.S. § 104.⁷

30. Indeed, the Bidirectional Service Extension expressly contemplates maintaining existing westbound intrastate service and does not otherwise contemplate alterations or revisions to Laurel’s certificate of public convenience or Laurel’s current, Commission-approved Tariff – Pa. P.U.C. Nos. 81 and 83.

31. Complainants’ allegations make clear that they seek Commission intervention and regulation of interstate service in violation of 66 Pa.C.S. § 104. Complainants lament that the complained of actions by Laurel relate to the initiation of *interstate* service. *See, e.g.*, Complaint, ¶ 1 (“...Laurel’s decision to extend bi-directional service on the Laurel Pipeline further east by expanding Buckeye’s interstate west-to-east service from Midland, Pennsylvania, past Eldorado (it’s current terminus) to Sinking Spring, PA...”).

32. Moreover, the Complainants admit that the proposed bidirectional service maintains existing westbound intrastate service. Complaint, ¶ 3 (acknowledging that the PDO involves an “expansion of bidirectional west to east capacity” by Buckeye), ¶ 22 (“At a minimum, the modification to existing service, by adding additional miles of west to east service, will disrupt

⁷ The Bidirectional Service Extension will also not violate the Public Utility Code because Laurel is not abandoning westbound intrastate service and because the Commission does not have jurisdiction over interstate service under 66 Pa.C.S. § 104.

east-to-west service and requires Commission approval of tariff changes pursuant to Code section 1302.”).

33. While the Complaint includes conclusory statements that the Bidirectional Service Extension involves an abandonment of service, those conclusory statements are undermined by the lack of any specific factual allegations as to how the Bidirectional Service Extension will actually result in an abandonment of intrastate service under 66 Pa.C.S. § 1102(a)(2). The Complaint contains no factual allegation that a permanent cessation of intrastate petroleum products transportation service must or will occur to implement the Bidirectional Service Extension.

34. Therefore, Section 104 of the Public Utility Code precludes Commission regulation of the initiation of bidirectional service contemplated by the Bidirectional Service Extension because, as the Complainants concede, eastbound interstate service is being extended over additional segments of the Laurel pipeline while westbound intrastate service on the Laurel pipeline is maintained.⁸

35. For the reasons explained above, the Commission lacks jurisdiction over the complained of Bidirectional Service Extension. Therefore, the Complaint should be dismissed pursuant 52 Pa. Code § 5.101(a)(1).

⁸ Pursuant to *England v. Louisiana State Board of Medical Examiners*, 375 U.S. 411 (1964), Laurel reserves its right to seek adjudication of the following federal claims in federal court, should state tribunals hold against Laurel on questions of state law, including: (1) the ICA preempts the Commission’s ability to preclude the initiation of interstate pipeline service; and (2) a decision by the Commission that would effectively preclude the initiation of interstate pipeline service violates the dormant Commerce Clause of the United States Constitution and the ICA.

IV. PRELIMINARY OBJECTION: THE COMPLAINT FAILS TO STATE A CAUSE OF ACTION AGAINST LAUREL

A. PRELIMINARY OBJECTION No. 2 - The Complaint Fails To State W Claim Against Laurel Regarding The Bidirectional Service Extension

36. Laurel incorporates by reference Paragraphs 1 through 35 as if fully set forth herein.

37. Section 701 of the Public Utility Code also makes clear that a complaint may only

be filed once the complained of action or omission has occurred. It states:

The commission, or any person, corporation, or municipal corporation having an interest in the subject matter, or any public utility concerned, may complain in writing, setting forth any act or thing done or omitted to be done by any public utility in violation, or claimed violation, of any law which the commission has jurisdiction to administer, or of any regulation or order of the commission.

66 Pa. C.S. § 701 (emphasis added). The words “any act or thing done or omitted to be done” specifically refer to conduct (or a lack thereof) that has actually occurred.

38. The ripeness doctrine is a fundamental prerequisite for a court or administrative body to exercise judicial review and examine the merits of a case. *Treski et al. v. Kemper National Insurance Companies*, 674 A.2d 1106, 1113 (Pa. Super. 1996) (citing *Richard v. Trimbur*, 543 A.2d 116 (Pa. 1998)) *see also Hovis v. National Fuel Gas Distribution Corporation*, Docket No. C-2008-2035033, 2008 Pa. PUC 899, at *6 (Initial Decision dated Nov. 10, 2008), *adopted without modification* Docket No. C-2008-2035033 (Order entered Feb. 23, 2009) (“*Hovis*”). To be ripe, an actual case or controversy must exist. *Treski*, 674 A.2d at 113. “The basic rationale underlying the ripeness doctrine is ‘to prevent the courts, through avoidance of premature adjudication, from entangling themselves in abstract disagreements.’” *Philadelphia Entertainment & Development Partners v. City of Philadelphia*, 594 Pa. 468, 480, 937 A.2d 385, 392 (Pa. 2007).

39. A complaint is properly dismissed where it seeks to prevent events that are speculated to occur in the future. *See Hovis*, at *6; *see also Mid-Atlantic Power Supply Assoc. v.*

PECO Energy Company, Docket Nos. P-00981615, et al., 1999 Pa. PUC Lexis 23 (Recommended Decision dated Jan. 11, 1999) (finding that the amount of the competitive transition charge to be collected should be challenged when that amount is under review during reconciliation), *modified on other grounds*, 1999 Pa. PUC LEXIS 30 (Opinion and Order entered May 19, 1999) (“*MAPSA*”).

40. In *Hovis*, the Commission dismissed a complaint that opposed an alleged abandonment of service. *Hovis*, at *2. The administrative law judge dismissed the complaint because it was not ripe and explained that “[r]espondent has not yet filed an application for abandonment of the subject gas line and therefore, no case or controversy exists at this time.” *Id.*, at *6. Indeed, the complaint was not ripe because no “act or thing done or omitted to be done” that allegedly violated the public utility code had occurred.

41. Similarly, in *MAPSA*, the administrative law judge rejected claims by the Mid-Atlantic Power Supply Association that PECO would over-collect its stranded cost recovery, through a proposed competitive transition charge. *MAPSA*, at *65-67. In rejecting these claims, the administrative law judge explained:

Not only is there the little matter of lacking evidence, there is the question of ripeness. It appears to me that any complaints as to the amount of CTC collected should be brought when that amount is under review in reconciliation. MAPSA is seeking to prevent events that it speculates will happen in the future, and so this controversy is not properly before the Commission.

Id., at *67 (emphasis added).

42. The Complainants allege, *inter alia*, that the Bidirectional Service Extension, *i.e.* commencing eastbound interstate service and not abandoning westbound intrastate service, will violate the Public Utility Code.

43. More specifically, Complainants “believe that their existing east to west intrastate petroleum products service under the bidirectional proposal will be impaired” and ground Count No. 2 of the Complaint, at least in part, in this allegation. *See* Complaint, ¶¶ 42 (emphasis added).

44. Complainants’ claims regarding the Bidirectional Service Extension are not ripe.

45. Laurel does not currently provide the bidirectional service contemplated by the Bidirectional Service Extension—*i.e.*, both westbound intrastate and eastbound interstate service of the segment of its pipeline located between Eldorado and Sinking Spring, PA.

46. Indeed, as noted above, Complainants admit that their claims specifically relate to a future event and speculative harms. *See* Complaint, ¶ 42 (indicating their “belief” that their service “will be impaired” by some future event).

47. No “act or thing done or omitted to be done” amounting to an alleged violation of the Public Utility Code has actually occurred. Therefore, as in *Hovis*, “no case or controversy exists at this time” with respect to the Bidirectional Service Extension on Laurel’s pipeline system. *See Hovis*, at *6.

48. Moreover, as the Bidirectional Service Extension constitutes a future event, the Complaint seeks to prevent an event and alleged harms that “it speculates will happen in the future” and, therefore, is not properly before the Commission at this time. *See MAPSA*, at *67.

49. The conclusion that the Complaint is not properly before the Commission at this time is further supported by *Thomas C. States v. Pennsylvania Electric Company and United Electric Cooperative, Inc.*, 1995 Pa. PUC LEXIS 179 at *24 (Initial Decision dated Nov. 29, 1995), *adopted without modification*, 1996 Pa. PUC LEXIS 174 (Order dated Jan. 16, 1996) (“*States*”). In *States*, the complainant requested *inter alia* that the Commission permit him to receive service from Penelec, instead of Unilec. *See id.*, at *1-2. The customer stated that he had recently built a

house and was planning to build a garage, but the location of the garage was dependent on whether he could receive electricity from Penelec. *See id.*, at *12-13. This question depended on “whether the Complainant's proposed garage is a separate and distinct ‘electric-consuming facility’ from his residence within the meaning of the [Unincorporated Area Certified Territory Law of 1990, 15 Pa. C.S. §§ 7351-7359] Territory Law.”

50. On brief, Penelec argued that the customer’s claims regarding the garage were not ripe because the garage did not currently exist and may never be built. *Id.*, at *24. ALJ Corbett held that the complaint was ripe because there “is no doubt, based upon his [the complainant’s] testimony and demeanor during the hearings in this case, of his intention to build a garage.” *Id.* ALJ Corbett went on to explain that:

The only hypothetical aspect of this case concerns the location of the garage, which the Complainant forthrightly acknowledges will depend upon which utility will provide him with electric service. Therefore, little danger exists of the Commission rendering an advisory opinion on a hypothetical question, which may never come to pass.

Id., at *24-25.

51. Contrary to the scenario at issue in *States*, the Complainants are asking the Commission to reach purely hypothetical findings and conclusions regarding the Bidirectional Service Extension. In *States*, “no doubt” existed regarding *how* the plaintiff was allegedly aggrieved. If the complainant’s garage was a separate and distinct electric consuming facility under the Territory Law, then the complainant would be allowed to construct his garage closer to Penelec facilities and take service from Penelec. If the complainant’s garage was not a separate and distinct electric consuming facility, complainant would be forced to construct his garage closer to Unilec facilities and take service from Unilec.

52. Here, Complainants' claims are entirely based upon a hypothetical set of facts regarding the alleged "unreasonable service" and "modifications" and/or "abandonments" of service that supposedly aggrieve the Complainants. However, the Complaint does not contain a single, non-conclusory allegation explaining *how* existing intrastate service will be impacted the Bidirectional Service Extension. Complainants do not allege such facts because, at this time, they cannot; the Bidirectional Service Extension has not yet been initiated and no such facts exist.

53. Importantly, Complainants have a remedy in the event that the Bidirectional Service Extension unreasonably impacts intrastate service as they allege: they may file a formal complaint after the Bidirectional Service Extension is implemented and an actual factual dispute regarding its impacts exists. Complainants' claim that the Bidirectional Service Extension service will violate the Public Utility Code is simply premature.

54. For these reasons, even if the Commission has certificate or tariff jurisdiction over the Bidirectional Service Extension, Complainants have failed to state a legally sufficient claim of unreasonable service for which the requested relief can be granted under 66 Pa.C.S. § 1501. Therefore, the Complaint should be dismissed pursuant 52 Pa. Code § 5.101(a)(4).

B. PRELIMINARY OBJECTION No. 3 - Complainants Have Failed To State A Claim That Any Diminution Or Alteration Of Westbound Intrastate Petroleum Products Transportation Service Due To The Bidirectional Service Extension Is An Abandonment Of Service Under 66 Pa.C.S. § 1102(a)(2).

55. Laurel incorporates by reference Paragraphs 1 through 54 as if fully set forth herein.

56. Count No. 1 of the Amended Complaint asserts, *inter alia*, the Bidirectional Service Extension is an abandonment of service that requires the Commission to first issue a certificate of public convenience to Laurel pursuant to 66 Pa.C.S. § 1102(a)(2).

57. Section 1102(a)(2) of the Public Utility Code requires that:

Upon action of any public utility and the approval of such application by the Commission, evidenced by its certificate of public convenience first had and obtained, and upon compliance with existing laws, it shall be lawful: . . . For any public utility to abandon or surrender, in whole or in part, any service, except that this provision is not applicable to discontinuance of service to a patron for nonpayment of a bill, or upon request of a patron.

66 Pa.C.S. § 1102(a)(2).

58. However, “[t]o constitute an abandonment there must be an intention to abandon together with external acts by which the intention is carried into effect.” *Byerly v. Pa. Pub. Util. Comm’n*, 440 Pa. 521, 525-26, 270 A.2d 186, 189 (Pa. 1970); *see also Michael D. Fisher v. Columbia Gas of Pennsylvania*, C-00924183, 1992 Pa. PUC LEXIS 163 (Initial Decision Dec. 4, 1992), *adopted without further action*, 78 Pa. P.U.C. 432 (Order entered Feb. 19, 1993) (“*Fisher*”). In particular, Section 1102(a)(2) only applies to a “permanent abandonment or surrender of service rights;” it does not apply to temporary cessations of service. *Id.*

59. Furthermore, controlling Commission precedent permits a common carrier public utility providing petroleum products transportation service may change its method of operation without first obtaining Commission approval. *See Harris v. Nat’l. Transit Co.*, 1976 Pa. PUC LEXIS 50, at *4-5 (Order Entered Aug. 27, 1976) (“*Harris*”). In *Harris*, a petroleum products transportation pipeline providing common carrier service elected to convert its service from a pipeline and trucking transportation service to a total trucking transportation service. *Id.*, at *3-4. The Commission clearly held that “[t]he decision to change the method of operation from a pipeline trucking operation to a total trucking operation is a management decision which must be affirmed by this Commission unless the record supports a finding of a clear abuse of discretion by respondent.” *Id.*, at *4-5 (emphasis added).

60. Here, the Complaint presents no factual allegations that Laurel intends to permanently cease to provide and/or will permanently cease to provide westbound intrastate

petroleum products transportation service in order for the Bidirectional Service Extension to occur. Indeed, the Complaint only advances conclusory allegations that an unspecified partial abandonment will occur because the Bidirectional Service Extension will result in an unspecified and unquantified reduction of westbound capacity on the Laurel pipeline system.

61. The Complaint does not allege and cannot allege that the Bidirectional Service Extension will result in Laurel permanently ceasing to provide intrastate transportation of petroleum products from any existing origin point; Laurel will not cease the provision of intrastate petroleum products transportation service from any existing origin point due to the Bidirectional Service Extension.

62. The Complaint does not allege and cannot allege that the Bidirectional Service Extension will result in Laurel permanently ceasing to provide intrastate transportation of petroleum products to any existing delivery point; Laurel will not cease the provision of intrastate petroleum products transportation service to any existing delivery point due to the Bidirectional Service Extension.

63. The Complaint does not allege that the Bidirectional Service Extension will result in a specific, quantified reduction of westbound capacity on Laurel's pipeline system; the Bidirectional Service Extension will not result in Laurel being incapable of provide westbound intrastate service at an amount greater than historical levels.

64. And, the Complaint does not allege that Laurel is proposing to relinquish any of its rights under its certificate of public convenience to provide intrastate petroleum products transportation service in and across Pennsylvania; the Bidirectional Service Extension does not require a modification or revision of Laurel's certificate of public convenience

65. Essentially the Complainants' conclusory allegations stand for the proposition that any change or diminution of westbound, intrastate petroleum products transportation **at all** results in a partial abandonment of service requiring a certificate of public convenience.

66. The Complainants advance no Commission precedent that supports this proposition. Moreover, if this unsupported proposition were to be adopted, it would run counter to existing Commission precedent and produce absurd results.

67. Indeed, if the Commission were to adopt the Complainants' proposition that any change or diminution of service constitutes a partial abandonment of service, an absurd number of actions that have never required a certificate of public convenience would fall within the ambit of 66 Pa.C.S. § 1102(a)(2). The proposition advanced by the Complainants would result in an "abandonment" of service occurring at any time sufficient volumes are nominated on Laurel to trigger prorationing of the pipeline capacity, because such prorationing would result in a diminution of the service available to a given shipper. Similarly, the proposition advanced by the Complainants would be triggered any time Laurel altered its schedules and/or product batches, which it must do as a matter of course depending on the nomination it receives, because those alterations could delay or diminish the speed at which product is transported from origin to destination.

68. Outside of the pipeline context, the proposition advanced by the Complainants would have even more absurd results. If a "diminution" of service is an abandonment of service, then any time a natural gas or water utility reduced the pressure of its system, an abandonment of service would occur. Similarly, if a "diminution" of service is an abandonment of service, any time a natural gas utility implemented more stringent gas quality specifications (and thereby diminished what gas could be injected onto its system), this change in quality specifications would

be an abandonment of service. However, none of these operational changes that occur in the normal course of public utility operations is an abandonment of service.

69. For these reasons, even if the Commission has certificate or tariff jurisdiction over the Bidirectional Service Extension, Complainants have failed to state a legally sufficient claim that the Bidirectional Service Extension is an abandonment of service under 66 Pa.C.S. § 1102(a)(2). Therefore, Count No. 1 of the Complaint should be dismissed.

C. PRELIMINARY OBJECTION No. 4 - Complainants Have Failed To State A Claim That The Bidirectional Service Extension Is Inconsistent With Laurel's Existing Intrastate Tariff

70. Laurel incorporates by reference Paragraphs 1 through 69 as if fully set forth herein.

71. Count No. 1 of the Amended Complaint asserts, *inter alia*, that the Bidirectional Service Extension is inconsistent with and requires a modification of Laurel's existing intrastate tariffs, Laurel Pipe Line Company, L.P. – Tariff Pa. P.U.C. No. 81 (effective January 1, 2012) and Laurel Pipe Line Company, L.P. – Tariff Pa. P.U.C. No. 83 (effective July 1, 2024), pursuant to Sections 1302 and 1303 of the Public Utility Code.

72. Pennsylvania law makes clear that “[p]ublic utility tariffs have the force and effect of law, and are binding on the customer as well as the utility.” *PPL Elec. Utils. Corp. v. Pa. PUC*, 912 A.2d 386, 402 (Pa. Cmwlth. 2006) (citing *Pennsylvania Elec. Co. v. Pa. PUC*, 663 A.2d 281, 284 (Pa. Cmwlth. 1995)). As such, Complainants are bound by Laurel's Tariff with respect to their receipt of intrastate transportation service.

73. Complainants have failed to state a legally sufficient claim that the Bidirectional Service Extension is inconsistent with Laurel's existing tariff.

74. Laurel's Tariff contains the following provision:

Subject to the Rules and Regulations contained herein, Commodities will be accepted for transportation at points of Origin at such times as Commodities of the same quality and specifications are currently being transported or Carrier is scheduling such Commodities for shipment from such Origins in accordance with Carrier's sequence of pumping. Carrier reserves the right to establish and alter pumping sequences and schedules to facilitate the efficient use and operation of its facilities. Carrier may decline to accept certain Commodities with specific product grade specifications based on the operating availability of pipeline facilities or when tankage constraints or other operation conditions do not permit the acceptance of said specific Commodity product grade.

Laurel Pipe Line Company, L.P. – Tariff Pa. P.U.C. No. 83 (effective July 1, 2024), page 4, Item No. 10(B) (emphasis added).

75. Item No. 10(B) specifically reserves Laurel's right to alter intrastate pumping sequences and schedules to facilitate the efficient use and operation of Laurel's facilities. Laurel has altered its pumping sequences and schedules without making a tariff filing many times in the past. The Bidirectional Service Extension constitutes a modification of pumping sequences and schedules.

76. In addition, Laurel's Tariff is consistent *Harris*. In *Harris*, a petroleum products transportation pipeline providing common carrier service elected to convert its service from a pipeline and trucking transportation service to a total trucking transportation service. *Id.*, at *3-4. The Commission clearly held that "[t]he decision to change the method of operation from a pipeline trucking operation to a total trucking operation is a management decision which must be affirmed by this Commission unless the record supports a finding of a clear abuse of discretion by respondent." *Id.*, at *4-5 (emphasis added).

77. The Bidirectional Service Extension clearly constitutes a permissible change in the method of operation of the segment of Laurel's pipeline between Eldorado and Sinking Spring. Existing westbound intrastate services will be maintained under the Bidirectional Service

Extension and Laurel need only alter its pumping sequences and schedules, consistent with Item No. 10(b) of its Tariff, to implement the proposal. Moreover, the Bidirectional Service Extension will not have any impact on the volumes that shippers can continue to transport under Laurel's intrastate Tariff, and the Complaint fails to allege any quantified or cognizable reduction in such volumes.

78. In addition, Item No. 90 of Laurel's Tariff will not be altered and will be maintained pursuant to its terms under the Bidirectional Service Extension. Item No. 90 provides, among other things, that:

Until December 31, 2026, outside of force majeure circumstances that impact Laurel's ability to provide such capacity, the available, physical capacity of east-to-west transportation on Carrier's system between Coraopolis and Duncansville, Pennsylvania (this segment also being known as "Line 718" or "L718") will be no less than 1,200,000 barrels per cycle (which is 120,000 barrels per day times ten days in a cycle), unless that obligation is terminated or modified earlier in accordance with the terms of the Settlement Agreement in PUC Docket No. C-2018-3003365 and FERC Nos. IS19-277-000, IS19-277-001, IS19-278-000 and IS19-278- 001.

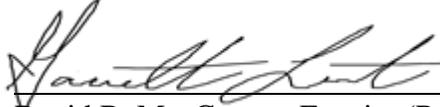
79. This guarantee is left undisturbed by the Bidirectional Service Extension, and the Complainants have not alleged otherwise.

80. For these reasons, even if the Commission has certificate or tariff jurisdiction over the Bidirectional Service Extension, Complainants have failed to state a legally sufficient claim that the Bidirectional Service Extension is inconsistent with Laurel's existing intrastate tariff and/or Commission precedent. Therefore, Count No. 1 of the Complaint should be dismissed.

V. CONCLUSION

WHEREFORE, Laurel Pipe Line Company, L.P. respectfully requests that the above-captioned Complaint be dismissed in its entirety and with prejudice.

Respectfully submitted,



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

VERIFICATION

I, Thomas Zeth, Jr., certify that I am the Sr. Director of Commercial Operations for Buckeye Partners, LP, and that in this capacity I am authorized to, and do make this Verification on their behalf, that the facts above set forth in the foregoing are based upon my reasonable investigation thereof and/or were provided to me by other individuals and, as such, are true and correct to the best of my knowledge, information and belief, and Laurel Pipe Line Company, L.P. expects to be able to prove the same at any 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.

Date: February 11, 2025

Thomas Zeth Jr

Thomas Zeth, Jr.
Sr. Director, Commercial Operations
Buckeye Partners, LP