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October 3, 2025

VIA EMAIL

Matthew Homsher, 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, et al. v. Laurel Pipe Line Company, L.P.
Docket No. C-2025-3053018**

Dear Secretary Homsher:

Attached for filing on behalf of Laurel Pipe Line Company, L.P. (“Laurel” or the “Company”) is the Main Brief and associated Appendices A (Proposed Findings of Fact), B (Proposed Conclusions of Law), and C (Proposed Ordering Paragraphs) for the above-referenced proceeding.

Laurel notes that **HIGHLY CONFIDENTIAL** and public copies of the Main Brief are being submitted. The **HIGHLY CONFIDENTIAL** version is being filed separately with the Commission via ShareFile and will only be provided to parties subject to the terms of a Stipulated Protective Agreement or the Protective Order entered in this proceeding.

Word version of the Main Brief will be provided directly to Your Honor via separate e-mail.

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

Respectfully submitted,



Garrett P. Lent

GPL/dmc
Attachments

Matthew Homsher, Secretary
October 3, 2025
Page 2

cc: The Honorable Eranda Vero (*via email; w/attachments*)
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).

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**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. :

**MAIN BRIEF OF
LAUREL PIPE LINE COMPANY, L.P.
PUBLIC VERSION**

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TABLE OF CONTENTS

I. INTRODUCTION.....1

II. BACKGROUND2

III. LEGAL STANDARDS.....6

A. BURDEN OF PROOF6

B. 66 PA.C.S. § 1102(A)(2) - ABANDONMENT OF SERVICE.....8

C. 66 PA.C.S. §§ 1301, 1302, AND 1303 – TARIFF REVISIONS.....9

D. 66 PA.C.S. § 1501 – UNREASONABLE SERVICE.....10

IV. SUMMARY OF ARGUMENT11

V. ARGUMENT.....15

A. THE COMMISSION LACKS JURISDICTION OVER BUCKEYE’S INITIATION OF ADDITIONAL INTERSTATE SERVICE, WHERE EXISTING INTRASTATE SERVICE WILL BE MAINTAINED15

1. The Commission fundamentally lacks jurisdiction over interstate refined products transportation service.....15

2. Laurel continues to reserve the right to seek adjudication of federal claims in federal court, should the Commission hold against Laurel on questions of state law20

B. THE COMPLAINANTS HAVE FAILED TO SHOW THAT BI-DIRECTIONAL OPERATION OF LAUREL’S PIPELINE SYSTEM CONSTITUTES AN ABANDONMENT OF SERVICE.....21

1. Laurel’s existing intrastate petroleum product transportation service.....21

2. Laurel will continue to provide its existing petroleum products transportation service.....25

a. Pennsylvania law requires evidence of an intent to abandon service and external actions taken to carry out this intent25

b. Laurel intends to continue to provide existing east-to-west intrastate service, and Laurel has taken a number of actions to confirm this intent31

- 3. The Complainants have failed to demonstrate that any abandonment of service has occurred, or will occur, under the Bi-Directional Service Extension34**
 - a. The Complainants provided no record evidence that Laurel intends or has taken acts to abandon service.....34**
 - b. The Complainants’ theories of abandonment are contrary to precedent38**

- 4. Laurel has demonstrated that the Bi-directional Service Extension is in the public interest.....40**
 - a. The Commission’s traditional abandonment analysis does not and should not apply to this case41**
 - b. The benefits of the Bi-directional Service Extension to the shipping community and public at large outweigh any impacts alleged by four shippers42**

- C. THE COMPLAINANTS HAVE FAILED TO SHOW THAT THE EXISTING BI-DIRECTIONAL SERVICE PROVIDED OVER LINE 718 CAUSES UNREASONABLE INTRASTATE REFINED PRODUCTS TRANSPORTATION SERVICE44**
 - 1. Existing Bi-directional Service has provided substantial benefits to Laurel, the shipping community, and the public as a whole since 201944**

 - 2. The Complainants failed to demonstrate that Existing Bi-directional Service is unreasonable service47**
 - a. Complainants did not raise concerns with or initiate actions regarding Existing Bi-directional Service prior to filing the Complaint48**

 - b. Any alleged increase in length or variability of transit times for intrastate movements since 2019 is insufficient to constitute unreasonable service48**

 - c. The Complainants failed to demonstrate that bi-directional operations are so “difficult” or “complex” as to be unreasonable service.....55**

 - d. The Complainants failed to demonstrate that Existing Bi-directional Service has caused a material increase in transmix58**

VI. CONCLUSION80

- Appendix A** – Proposed Findings of Fact
- Appendix B** – Proposed Conclusions of Law
- Appendix C** – Proposed Ordering Paragraphs

TABLE OF AUTHORITIES

Page(s)

Federal Statutes

42 U.S.C. §§ 7155.....17
42 U.S.C. §§ 7172.....17
49 U.S.C. § 60502.....17

Pennsylvania Statutes

66 Pa.C.S. §§ 101-331616
66 Pa.C.S. § 102.....9, 16
66 Pa.C.S. § 104.....16, 19
66 Pa.C.S. § 332.....6
66 Pa. C.S. § 701.....8
66 Pa. C.S. § 1102.....16, 25
66 Pa. C.S. § 1301.....9, 16
66 Pa. C.S. § 1302.....9, 16, 18
66 Pa. C.S. § 1303..... *passim*
66 Pa. C.S. § 1501..... *passim*

United States Supreme Court Decisions

England v. Louisiana State Board of Medical Examiners,
375 U.S. 411 (1964).....20

Federal Court Decisions

Transource Pa., LLC v. Defrank,
2025 U.S. App. LEXIS 22972 (3d Cir. 2025)20

Pennsylvania Appellate Court Decisions

Allied Mechanical and Elec., Inc. v. Pa. Prevailing Wage Appeals Bd.,
923 A.2d 1220 (Pa. Cmwlth. 2007)7

Borough of Duncannon v. Pa. PUC,
713 A.2d 737 (Pa. Commw. 1998)41

Borough of E. McKeesport v. Special/Temporary Civil Serv. Comm’n,
942 A.2d 274, (Pa. Cmwlth. 2008)7

Brockway Glass Co. v. Pa. PUC,
437 A.2d 1067 (Pa. Cmwlth. 1981)10

Buffalo Twp. v. Jones,
813 A.2d 659 (Pa. 2002)26

Burleson v. Pa. PUC,
641 A.2d 1234 (Pa. 1983)6

Byerly v. Pa. PUC,
440 Pa. 521, 70 A.2d 186 (Pa. 1970) *passim*

Cassell v. Crothers,
193 Pa. 359, 44 A. 446 (Pa. 1899)8, 25, 26

Cicero v. Pa. PUC,
300 A.3d 1106 (Pa. Cmwlth. 2023)42

City of York v. Pa. PUC,
295 A.2d 825, 828 (Pa. 1972)41, 42

Cmwlth. v. Williams,
557 Pa. 207, 732 A.2d 1167 (Pa. 1999)6

See Commuters’ Committee v. Pa. PUC,
88 A.2d 420 (Pa. Super. 1952)41

Commonwealth v. Koontz,
258 Pa. 64, 101 A. 863 (Pa. 1917)8, 25, 26

Di Santo v. Dauphin Consol. Water Supply Co.,
436 A.2d 197 (Pa. Super. 1981)10, 24

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

Emerald Coal & Coke Co. v. Equitable Gas Co.,
107 A.2d 734 (Pa. 1954).....8, 25, 26

Green v. Milk Control Commission,
340 Pa. 1(Pa. 1940).....16

In re Condemnation of Sunoco Pipeline, L.P.,
143 A.3d 1000 (Pa. Cmwth. 2016), *petition for allowance of appeal denied*, 164 A.3d
485 (Pa. 2016).....19

In re County of Lancaster,
909 A.2d 913, (Pa. Cmwlth. 2006)26

Kossman v. Pa. PUC,
694 A.2d 1147 (Pa. Cmwlth. 1997)10

Lynch v. Pa. PUC,
140 594 A.2d 816 (Pa. Commw. 1991)76

Met-Ed Indus. Users Group v. Pa. PUC,
960 A.2d 189 (Pa. Cmwlth. 2008)7

Metropolitan Edison Co. v. Pa. PUC,
437 A.2d 76 (Pa. Cmwlth. 1982)9

Mid-Atlantic Power Supply Assoc. v. Pa. PUC,
746 A.2d 1196 (Pa. Cmwlth. 2000)7, 56

Milkie v. Pa. PUC,
768 A.2d 1217 (Pa. Cmwlth. 2001)6, 7

Morrissey v. Commonwealth of Pennsylvania,
424 Pa. 87, 225 A.2d 895 (Pa. 1986)6

National Fuel Gas Distribution Corporation v. Pa. PUC,
464 A.2d 546 (Pa. Cmwlth. 1983)16

Pennsylvania R. Co. v. Pa. PUC,
146 A.2d 352 (Pa. Super. 1958)..... *passim*

Philadelphia Entertainment & Development Partners v. City of Philadelphia,
594 Pa. 468, 937 A.2d 385 (Pa. 2007)71

Popowsky v. Pa. PUC,
594 Pa. 583, 937 A.2d 1040 (Pa. 2007)41, 42

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

PPL Elec. Utils. Corp. v. Pa. PUC,
912 A.2d 386 (Pa. Cmwlth. 2006)10, 24

Process Gas Consumers Group v. Pa. PUC,
511 A.2d 1315 (Pa. 1986).....16

Quarry Office Park Assoc. v. Phila. Elec. Co.,
576 A.2d 358 (Pa. Super. 1990).....26

Samuel J. Lansberry, Inc. v. Pa. PUC,
578 A.2d 600 (Pa. Cmwlth. 1990)6

Se-Ling Hosiery v. Margulies,
364 Pa. 45, 70 A.2d 854 (Pa. 1950)6

Shenango Twp. Bd. of Supervisors v. Pa. PUC,
686 A.2d 910 (Pa. Cmwlth. 1996)10

Susquehanna Area Reg’l Airport Auth. v. Pa. PUC,
911 A.2d 612 (Pa. Cmwlth. 2006), *pet. for allowance of appeal denied by* 923 A.2d 412
(Pa. 2006)..... *passim*

Treski et al. v. Kemper National Insurance Companies,
674 A.2d 1106 (Pa. Super. 1996)71

United Natural Gas Co. v. James Bros. Lumber Co.,
191 A. 12 (Pa. 1937).....26, 38

W.D. Rubright Co. v. Pa. PUC,
117 A.2d 119 (Pa. Super. 1968)..... *passim*

West Penn Power Co. v. Pa. PUC,
219 A.3d 716, 2019 Pa. Commw. Unpub. LEXIS 532 (Pa. Cmwlth. 2019).....7

Yellow Cab. Co. v. Pa. PUC,
431 A.2d 1106 (Pa. Cmwlth. 1981)..... *passim*

Young v. Pa. Bd. of Prob. & Parole,
189 A.3d 16 (Pa. Cmwlth. 2018)16

Zucker v. Pa. PUC,
401 A.2d 1377 (Pa. Cmwlth. 1979)10

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

Federal Administrative Agency Decisions

Buckeye Pipe Line Co., L.P., 157 FERC Para. 61,077 (2016).....60

Buckeye Pipe Line Co., L.P., 151 FERC Para. 61,254 (2020)60

Buckeye Pipe Line Co., L.P., 172 FERC ¶ 61,217 (2020)60

Buckeye Pipe Line Co., L.P., Dkt. No. IS20-763-000, “Order of Chief Judge Terminating Settlement Judge Procedures,” issued January 21, 202160

Pennsylvania Administrative Agency Decisions

Application of Buckeye Pipe Line Company, L.P.,
Docket No. A-140110F2000 (Order Entered March 7, 2005)41

Application of Dafix Enterprises, Inc.,
Docket No. A-00122357, 2006 Pa. PUC LEXIS 301 (Initial Decision dated Dec. 13, 2006), *aff’d*, Opinion and Order (entered Mar. 6, 2007)26

Application of L. Joseph Williams, t/d/b/a Executive Limousine Service,
Docket No. A-00109812, 1992 Pa. PUC LEXIS 168 (Initial Decision dated Jan. 8, 1993)
.....26

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”).....17, 22, 31

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”)17, 30

Application of Norman M. Earhart, T/D/B/A/ Earhart Trucking,
48 Pa. PUC 607, 1975 Pa. PUC LEXIS 104 (Opinion and Order dated Feb. 18, 1975) ...26

Application of Safe Harbor Water Power Corporation Pursuant to Section 1102(a)(2) of the Pennsylvania Public Utility Code Authorizing Safe Harbor Water Power Corporation to Abandon Public Service Authorized by a Certificate of Public Convenience,
Docket No. A-2008-2078319, 2010 Pa. PUC LEXIS 2133 (Initial Decision entered Feb. 5, 2010), *adopted as final action without modification*, (Order entered June 22, 2010) ..26

Application of Sunoco Pipeline, L.P.,
Docket Nos. A-2013-2371789, P-2013-2371775 (Order entered Aug. 29, 2013)41

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

E. McCauley v. Pennsylvania Electric Company,
2013 Pa. PUC LEXIS 451, Docket No. C-2013-2349071 (Initial Decision June 7, 2013;
Final Order entered July 19, 2013)76

Harris v. Nat’l. Transit Co.,
1976 Pa. PUC LEXIS 50 (Order Entered Aug. 27, 1976) *passim*

Hovis v. National Fuel Gas Distribution Corporation,
Docket No. C-2008-2035033, 2008 Pa. PUC LEXIS 899 (Initial Decision dated Nov. 10,
2008), *adopted without modification* Docket No. C-2008-2035033 (Order entered Feb.
23, 2009)8, 70, 71

Michael D. Fisher v. Columbia Gas of Pennsylvania,
C-00924183, 1992 Pa. PUC LEXIS 163 (Initial Decision Dec. 4, 1992) *passim*

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), *modified on other grounds*, 1999 Pa. PUC LEXIS 30 (Opinion and Order
entered May 19, 1999) (“MAPSA”)8

Michael Sirak v. Metropolitan Edison Company,
Docket No. C-2011-2279502, 2012 Pa. PUC LEXIS 1729 (Initial Decision dated Oct. 2,
2012), *affirmed*, Docket No. C-2011-2279502 (Opinion and Order entered Aug. 15,
2013)10

Pa. PUC, et al. v The Columbia Water Co.,
Docket Nos. R-2008-2045157, et al., 2009 Pa. PUC LEXIS 1423 (Opinion and Order
entered May 28, 2009)9

Petition of Sunoco Pipeline, L.P., et al.,
Docket No. P-2014-2411941 (Opinion and Order Entered Oct. 29, 2014) (“*Sunoco 2014
Petition Order*”)22, 23

Poorbaugh v. West Penn Power Company,
1994 Pa. PUC LEXIS 96, Docket No. C-00934745 (Opinion and Order entered Dec. 9,
1994)7

Re Edgar r. Einhorn v. Phila. Elec. Co.,
Docket P.6, 1965 Pa. PUC LEXIS 3 (Opinion and Order dated March 8, 1965).....26

Re Werner Bus Lines, Inc.,
53 Pa. PUC 646, 1979 Pa. PUC LEXIS 3 (Opinion and Order dated Dec. 14, 1979)26

Ross E. Schell v. PPL Electric Utilities Corporation,
Docket No. C-2016-2566320, 2018 Pa. PUC LEXIS 228 (Opinion and Order entered
June 14, 2018).....11, 48

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

Syzmanski v. Peoples Gas Company, LLC,
Docket No. C-2024-3050758, 2025 Pa. PUC LEXIS 242 (Opinion and Order entered July 24, 2025)10

White Oak Condominium Association, c/o L.J. Silberman, M.D.; v.; Peoples Natural Gas Company LLC,
Docket No. C-2015-2485647, 2016 Pa. PUC LEXIS 140 (Initial Decision dated March 30, 2016), *becoming final without modification*, Docket No. C-2015-2485647 (Order entered June 8, 2016)10

I. INTRODUCTION

Laurel Pipe Line Company, L.P. (“Laurel” or the “Company”) hereby files its Main Brief in opposition to the Formal Complaint of Monroe Energy, LLC (“Monroe”), Lucknow-Highspire Terminals, LLC (“LHT”), Sheetz, Inc. (“Sheetz”), and PBF Holding Company, LLC (“PBF”), collectively, the “Complainants.” The Formal Complaint asks the Pennsylvania Public Utility Commission (“Commission”) to determine that the provision of eastbound interstate refined petroleum products transportation service over segments of the Laurel pipeline system in Pennsylvania by Buckeye Pipe Line Company, L.P. (“Buckeye”)—where Laurel has maintained, and will continue to maintain, existing westbound intrastate service pursuant to all existing rates, terms and conditions contained in its Commission-approved tariff—somehow constitutes a violation of the Public Utility Code, e.g., 66 Pa.C.S. §§ 1102(a)(2), 1302, 1303 and 1501, by Laurel. As relief, the Complainants request that the Commission issue “an injunction or other comparable relief preventing the commencement” of such interstate service.¹

The Administrative Law Judge Eranda Vero (the “ALJ”) and the Commission should deny the Formal Complaint, and reject the relief sought by the Complainants. The Formal Complaint is nothing more than a veiled attempt by the Complainants to stymie competition in Pennsylvania, hold Laurel’s operations captive to their whims, require Laurel to provide service that perfectly addresses their operations, and deny Laurel’s shipping community as a whole and the Pennsylvania public at large the undisputed benefits provided by increasing the number of supply options available to Pennsylvania. Complainants’ claims have no credible basis in law or fact and, if adopted, would: result in the ALJ and the Commission exceeding the Commission’s jurisdiction; interfere with interstate commerce and competitive market forces; ignore bedrock principles of

¹ Complaint, pp. 15 and 16-17.

public utility law as well as the ALJ's and Commission's prior holdings regarding Laurel's operations; engage in speculation regarding the provision of a service not yet in place; and impose unprecedented duties and obligations upon Laurel with respect to the service it provides.

For these reasons, and the reasons more fully explained below, Laurel submits that the ALJ and the Commission should deny the Formal Complaint with prejudice.

II. BACKGROUND

Laurel is a certificated common carrier pipeline and public utility whose intrastate service is subject to the jurisdiction of the Commission.² 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.³

Laurel's 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.⁴ Laurel provides intrastate common carrier service to shippers pursuant to its Commission-approved tariff,⁵ and Laurel provides interstate service pursuant to the existing, approved Capacity Use Agreement⁶ to its affiliate, Buckeye, which in turn provides interstate common carrier service to its shippers under its own tariffs filed at the Federal Energy Regulatory Commission ("FERC").⁷

² Laurel St. No. 1-R at 5. Laurel's certificate of public convenience or "CPC" was provided as Laurel Exhibit TZ-1.

³ Laurel St. No. 1-R at 5-6. A map of Laurel was provided as Laurel Exhibit TZ-2.

⁴ Laurel St. No. 1-R at 6.

⁵ 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), collectively, the "Tariff." See Laurel Exhibit T Z-3.

⁶ Laurel Exhibit TZ-4.

⁷ Laurel St. No. 1-R at 6.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

The Laurel pipeline system is currently used to provide bi-directional service over the segment of its system located between Coraopolis (near Pittsburgh) and Eldorado (near Altoona), in Pennsylvania (i.e., “Line 718” or “L718”).⁸ This “Existing Bi-directional Service” involves (a) westbound intrastate service provided by Laurel and (b) eastbound interstate service provided by Buckeye. Existing Bi-directional Service came into effect after the settlement of several prior proceedings before the Commission, FERC, and Pennsylvania appellate courts, i.e., the “2019 Settlement.”⁹

This proceeding was initiated on January 21, 2025, when the Complainants filed the above-captioned Formal Complaint. The Formal Complaint was filed shortly after Buckeye proposed to initiate interstate service over the existing segments of the Laurel pipeline system located between Eldorado (near Altoona) and Sinking Spring (near Reading), in Pennsylvania, where Laurel’s existing intrastate service would be maintained.¹⁰ This proposal is known as the “Bi-directional Service Extension.” The Formal Complaint advanced two counts and alleged that, as a result of the bi-directional operations on its system, Laurel: (1) is providing or will provide the Complainants with unreasonable service in violation of 66 Pa.C.S. § 1501 and its Commission-approved tariff; and (2) is circumventing or will circumvent Commission jurisdiction in violation of 66 Pa.C.S. §§ 1102 and 1302.

On February 11, 2025, Laurel filed an Answer and New Matter to the Complaint, as well as Preliminary Objections.

On February 21, 2025, Complainants filed their Response to the Preliminary Objections.

⁸ Laurel St. No. 1-R at 6-7.

⁹ *Giant Eagle, Inc. et al. v. Laurel Pipe Line Company, L.P.*, Docket No. C-2018-3003365, Joint Petition for Approval of Settlement dated July 31, 2019, *approved without modification* by Order entered Aug. 29, 2019 (the “2019 Settlement”).

¹⁰ Laurel St. No. 1-R at 7

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

On March 3, 2025, Complainants filed their Answer to the New Matter.

On March 12, 2025, a the ALJ was assigned to this matter.

On April 21, 2025, an Order was issued overruling Laurel's Preliminary Objections and setting the Complaint for a hearing.

On April 23, 2025, an Initial Call-in Telephonic Hearing Notice was issued setting a hearing for June 12, 2025, at 10:00 a.m.

On May 1, 2025, the ALJ circulated an e-mail proposing a Prehearing Conference on May 9, 2025, at 10:00 a.m.

On May 2, 2025, Complainants filed a letter with the Commission arguing that the hearing scheduled for June 12, 2025, was premature, considering the breadth of the facts at issue in this Complaint, and seeking to propose a litigation schedule with a different hearing date(s).

On May 5, 2025, a Telephonic Prehearing Conference Notice was issued scheduling the prehearing conference for May 9, 2025, at 10:00 a.m. Also on May 5, 2025, Laurel filed a letter opposing the Complainants' attempt to extend the procedural schedule, noting that the Complainants had not yet propounded any discovery request.

On May 8, 2025, the parties submitted prehearing memoranda.

On May 9, 2025, the Prehearing Conference proceeded as scheduled. The parties were directed to attempt to resolve disputes regarding the procedural schedule.

After the parties informed the ALJ that they were unable to agree on a litigation schedule, the ALJ established a litigation schedule on May 21, 2025.

On May 5, 2025, the parties began formal discovery. While Laurel does not recite all discovery issues herein, it does note that the ALJ issued several orders regarding motions to

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

compel, which are germane to the issues in this case.¹¹

On July 15, 2025, the Complainants submitted their written direct testimony.

On August 5, 2025, the Complainants filed a Motion to Modify the Procedural Schedule. The same day, the Complainants advised the ALJ that this motion was submitted in error. A Petition to Withdraw the Motion to Modify the Procedural Schedule was filed on August 6, 2025.

On August 15, 2025, the Complainants filed the Motion to Modify the Procedural Schedule again, requesting that the hearing be set for no earlier than October 7, 2025.

On August 20, 2025, Laurel filed its Answer opposing the Motion to Modify the Procedural Schedule.

On August 25, 2025, the ALJ held a telephonic conference to address the Motion to Modify the Procedural Schedule with the Parties. The ALJ modified the discovery rules to allow discovery on Laurel’s rebuttal testimony, canceled the September 9 hearing date, and added an additional hearing date of September 15, 2025.

On August 26, 2025, Complainants filed a Petition for Expedited Interlocutory Commission Review and Answer to a Material Question.

On August 29, 2025, Laurel filed its written rebuttal testimony.

On September 3, 2025, Laurel filed a Brief in opposition to the Petition for Expedited Interlocutory Commission Review, while the Complainants filed a Brief in support of the same.

¹¹ *Monroe Energy, LLC, et al. v. Laurel Pipe Line Company, L.P.*, Docket No. C-2025-3053018, Order Regarding Respondent’s Motions to Compel – Monroe, at p. 4, n.1 (dated June 10, 2025) (“Monroe Order”); *Monroe Energy, LLC, et al. v. Laurel Pipe Line Company, L.P.*, Docket No. C-2025-3053018, Order Regarding Respondent’s Motions to Compel – LHT, at p. 4, n.1 (dated June 10, 2025) (“LHT Order”); *Monroe Energy, LLC, et al. v. Laurel Pipe Line Company, L.P.*, Docket No. C-2025-3053018, Order Regarding Respondent’s Motions to Compel – Sheetz, at p. 4, n.1 (dated June 10, 2025) (“Sheetz Order”); *Monroe Energy, LLC, et al. v. Laurel Pipe Line Company, L.P.*, Docket No. C-2025-3053018, Order Regarding Respondent’s Motions to Compel – PBF, at p. 4, n.1 (dated June 10, 2025) (“PBF Order”).

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

On September 8, 2025, the ALJ issued an Order denying the Complainants’ Petition for Expedited Interlocutory Review and Answer to a Material Question.

From September 10 to 12, 2025, in-person evidentiary hearings were held. The evidentiary hearing previously scheduled for September 15 was canceled at the conclusion of the September 12 hearing date.

On September 11, 2025, the Commission issued an Order declining to Answer the Material Question and returning the matter to the Office of the Administrative Law Judge.

Laurel hereby submits its Main Brief pursuant to the Litigation Schedule established in this proceeding.

III. LEGAL STANDARDS

A. BURDEN OF PROOF

Section 332(a) of the Public Utility Code provides that the party seeking a rule or order from the Commission has the burden of proof in that proceeding.¹² A litigant’s burden of proof before administrative tribunals, as well as before most civil proceedings, is satisfied by establishing a preponderance of evidence, which is substantial and legally credible.¹³ The preponderance of evidence standard requires proof by a greater weight of the evidence.¹⁴ Only if the proponent of the rule or order presents evidence found to be of greater weight than the other parties, will it have carried its burden of proof.¹⁵

¹² 66 Pa.C.S. § 332(a).

¹³ *Se-Ling Hosiery v. Margulies*, 70 A.2d 854 (Pa. 1950); *Samuel J. Lansberry, Inc. v. Pa. PUC*, 578 A.2d 600, 602 (Pa. Cmwlth. 1990).

¹⁴ *Cmwlth. v. Williams*, 557 Pa. 207, 732 A.2d 1167 (Pa. 1999).

¹⁵ *Morrissey v. Commonwealth*, 225 A.2d 895 (Pa. 1986); *Burleson v. Pa. PUC*, 461 A.2d 1234, 1236 (Pa. 1983); *V.J.R. Bar Corp. v. P.L.C.B.*, 390 A.2d 163 (Pa. 1978); *Milkie v. Pa. PUC*, 768 A.2d 1217, 1220 (Pa. Cmwlth. 2001).

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

Any finding of fact necessary to support an adjudication of the Commission must be based upon substantial evidence.¹⁶ Substantial evidence is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion.¹⁷ The “presence of conflicting evidence in the record does not mean that substantial evidence is lacking.”¹⁸ However, “[m]ere bald assertions, personal opinions or perceptions do not constitute evidence.”¹⁹

If a complainant has established a *prima facie* case, the burden of persuasion shifts to the utility to rebut with evidence that is, at a minimum, co-equal.²⁰ If the utility presents a sufficient rebuttal, the burden of persuasion then shifts back to the Complainant to rebut the utility’s evidence by a preponderance of the evidence.²¹ However, the burden of proof remains on the party seeking affirmative relief with the Commission.²²

The Complainants, as the parties affirmatively seeking a Commission order in this proceeding, carry the burden of proof with respect to all counts and claims they have advanced in the Formal Complaint. In order to carry this burden, the Complainants must demonstrate that an action or omission of Laurel has occurred and violates the Public Utility Code, a Commission order, or a Commission regulation. Section 701 of the Public Utility Code 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

¹⁶ *Met-Ed Indus. Users Group v. Pa. PUC*, 960 A.2d 189, 193 n.2 (Pa. Cmwlth. 2008) (citing 2 Pa.C.S. § 704).

¹⁷ *Borough of E. McKeesport v. Special/Temporary Civil Serv. Comm’n*, 942 A.2d 274, 281 (Pa. Cmwlth. 2008).

¹⁸ *Allied Mechanical and Elec., Inc. v. Pa. Prevailing Wage Appeals Bd.*, 923 A.2d 1220, 1228 (Pa. Cmwlth. 2007) (citation omitted).

¹⁹ *Mid-Atlantic Power Supply Assoc. v. Pa. PUC*, 746 A.2d 1196, 1200 (Pa. Cmwlth. 2000) (citing *Bureau of Corrections v. City of Pittsburgh, Pittsburgh City Council*, 532 A.2d 12, 14 (Pa. 1987)); *see also West Penn Power Co. v. Pa. PUC*, 219 A.3d 716, 2019 Pa. Commw. Unpub. LEXIS 532, at *24-25 (Pa. Cmwlth. 2019).

²⁰ *Waldron v. Philadelphia Electric Co.*, 54 Pa. PUC 98 (1980).

²¹ *Poorbaugh v. West Penn Power Company*, 1994 Pa. PUC LEXIS 96, Docket No. C-00934745 (Opinion and Order entered Dec. 9, 1994).

²² *Milkie v. Pa. PUC*, 768 A.2d 1217 (Pa. Cmwlth. 2001).

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

jurisdiction to administer, or of any regulation or order of the commission.²³

The words “any act or thing done or omitted to be done” specifically refer to conduct (or a lack thereof) that has actually occurred.²⁴

B. 66 PA.C.S. § 1102(A)(2) - ABANDONMENT OF SERVICE

Section 1102(a)(2) of the Public Utility Code states 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. . . .²⁵

“Abandonment is the relinquishment or surrender of rights or property by one person to another.”²⁶ “To constitute an abandonment there must be an intention to abandon together with external acts by which the intention is carried into effect.”²⁷

Section 1102(a)(2) only applies to a “permanent abandonment or surrender of service rights;” it does not apply to temporary cessations of service.²⁸ A change in the method of operation

²³ 66 Pa. C.S. § 701 (emphasis added).

²⁴ See *Hovis v. National Fuel Gas Distribution Corporation*, Docket No. C-2008-2035033, 2008 Pa. PUC LEXIS 899, at *6 (Initial Decision dated Nov. 10, 2008), *adopted without modification* Docket No. C-2008-2035033 (Order entered Feb. 23, 2009) (“*Hovis*”); *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*”).

²⁵ 66 Pa.C.S. § 1102(a)(2) (emphasis added).

²⁶ *Cassell v. Crothers*, 193 Pa. 359, 44 A. 446 (Pa. 1899) (per curiam) (affirming the judgment of the trial court and quoting 1 Am. & Eng. Ency. of Law (2d ed.), 1, and notes); see also *Commonwealth v. Koontz*, 258 Pa. 64, 101 A. 863, 864 (Pa. 1917) (“An abandonment is the relinquishment of a right, the giving up of something. . .”).

²⁷ *Byerly v. Pa. PUC*, 440 Pa. 521, 525-26, 270 A.2d 186, 189 (Pa. 1970); *Emerald Coal & Coke Co. v. Equitable Gas Co.*, 107 A.2d 734, 737 (Pa. 1954) (“Abandonment necessarily implies the voluntary or intentional act of the party having the facility, right or power to relinquish it.”); *W.D. Rubright Co. v. Pa. PUC*, 117 A.2d 119, 123 (Pa. Super. 1968) (“*W.D. Rubright*”) (citing prior Commission decisions under the Public Utility Law of 1937); *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*”); see also *Cassell*.

²⁸ *Fisher*, at *19-20; *Rubright*, 117 A.2d at 123. See also *Pennsylvania R. Co. v. Pa. PUC*, 146 A.2d 352, 356 (Pa. Super. 1958), *rev'd on other grounds*, 152 A.2d 422, 424 (Pa. 1959).

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

for a petroleum products transportation pipeline is not an abandonment of service.²⁹ “The decision to change the method of 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.”³⁰

In order to carry their burden of proof to demonstrate that Laurel has, or will, abandon its existing intrastate petroleum products transportation service, the Complainants must show that (a) Laurel intends to surrender or relinquish, and (b) there exist external acts by Laurel to surrender or relinquish its legal right to provide intrastate petroleum products transportation service.

C. 66 PA.C.S. §§ 1301, 1302, AND 1303 – TARIFF REVISIONS

A public utility’s rates, including its rules, regulations, and practices related to service,³¹ “shall be just and reasonable, and in conformity with regulations or orders of the commission.”³² Section 1302 of the Public Utility Code further requires a public utility to file with the Commission and maintain “tariffs showing all rates established by it and collected or enforced, or to be collected or enforced, within the jurisdiction of the commission.”³³ Relatedly, “[t]he tariffs of any public utility also subject to the jurisdiction of a Federal regulatory body shall correspond, so far as practicable, to the form of those prescribed by such Federal regulatory body.”³⁴

Tariffs that have been approved by the Commission have the force and effect of law.³⁵ Pennsylvania courts have also made clear that tariff provisions approved by the Commission are

²⁹ *Harris v. Nat’l. Transit Co.*, 1976 Pa. PUC LEXIS 50, at *4-5 (Order Entered Aug. 27, 1976) (“*Harris*”).

³⁰ *Id.*, at *4-5 (emphasis added); see also *Pennsylvania R. Co. v. Pa. PUC*, 146 A.2d 352, 358 (Pa. Super. 1958), *vacated on other grounds*, 152 A.2d 422, 424 (Pa. 1959). The Commission is not a “super board of directors” that acts to second guess a utility. *Metropolitan Edison Co. v. Pa. PUC*, 437 A.2d 76, 80 (Pa. Cmwlth. 1982) (“The Commission is not empowered to act as a super board of directors for the public utility companies of this state.”) (citations omitted); See also *Pa. PUC, et al. v The Columbia Water Co.*, Docket Nos. R-2008-2045157, *et al.*, 2009 Pa. PUC LEXIS 1423 (Opinion and Order entered May 28, 2009).

³¹ See 66 Pa.C.S. § 102.

³² 66 Pa.C.S. § 1301(a).

³³ 66 Pa.C.S. § 1302.

³⁴ *Id.*

³⁵ See 66 Pa.C.S. § 1303 (“No public utility shall, directly or indirectly . . . demand or receive . . . a greater or less rate for any service rendered or to be rendered by such public utility than that specified in the tariffs of such public utility

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

prima facie reasonable.³⁶ Therefore, a complainant seeking to evade the effect of existing tariff provisions carries a very heavy burden to prove that the facts and circumstances have changed so drastically as to render the application of the tariff provisions unreasonable.³⁷

In order to carry their burden of proof with respect to their tariff claims, the Complainants must demonstrate either (a) that Laurel has failed to adhere, or will fail to adhere, to its Commission-approved tariff, or (b) that the facts and circumstances have changed so drastically as to render application of Laurel’s existing Commission-approved tariff provisions unreasonable.

D. 66 PA.C.S. § 1501 – UNREASONABLE SERVICE

Section 1501 of the Public Utility Code materially states:

Every public utility shall furnish and maintain adequate, efficient, safe, and reasonable service and facilities, and shall make . . . changes, alterations, substitutions, . . . and improvements in or to such service and facilities as shall be necessary or proper for the accommodation, convenience, and safety of its patrons, employees, and the public. Such service also shall be reasonably continuous and without unreasonable interruptions or delay. Such service and facilities shall be in conformity with the regulations and orders of the commission. Subject to the provisions of this part and the regulations or orders of the commission, every public utility may have reasonable rules and regulations governing the conditions under which it shall be required to render service. . . .³⁸

It is axiomatic that a utility is not mandated to furnish perfect service under Section 1501.³⁹ While service must be “reasonably continuous and without unreasonable interruptions or delay,” a utility

applicable thereto.”); *see also PPL Elec. Utils. Corp. v. Pa. PUC*, 912 A.2d 386, 402 (Pa. Cmwlth. 2006); *Di Santo v. Dauphin Consol. Water Supply Co.*, 436 A.2d 197, 201 (Pa. Super. 1981).

³⁶ *Kossmann v. Pa. PUC*, 694 A.2d 1147, 1151 (Pa. Cmwlth. 1997); *Shenango Twp. Bd. of Supervisors v. Pa. PUC*, 686 A.2d 910, 914 (Pa. Cmwlth. 1996); *Zucker v. Pa. PUC*, 401 A.2d 1377 (Pa. Cmwlth. 1979).

³⁷ *Id.*; *Brockway Glass Co. v. Pa. PUC*, 437 A.2d 1067 (Pa. Cmwlth. 1981).

³⁸ 66 Pa.C.S. § 1501 (emphasis added).

³⁹ *See, e.g., Szymanski v. Peoples Gas Company, LLC*, Docket No. C-2024-3050758, 2025 Pa. PUC LEXIS 242, at *4-5 (Opinion and Order entered July 24, 2025); *White Oak Condominium Association, c/o L.J. Silberman, M.D.; v. Peoples Natural Gas Company LLC*, Docket No. C-2015-2485647, 2016 Pa. PUC LEXIS 140 (Initial Decision dated March 30, 2016), *becoming final without modification*, Docket No. C-2015-2485647 (Order entered June 8, 2016); *Michael Sirak v. Metropolitan Edison Company*, Docket No. C-2011-2279502, 2012 Pa. PUC LEXIS 1729, at *21 (Initial Decision dated Oct. 2, 2012) (“There is no requirement that service be ‘perfect’ or that it be the best possible

may specify the terms and conditions under which it provides service in its tariff.⁴⁰ Delays or variance in the provision of such service do not violate Section 1501 of the Public Utility Code.⁴¹

IV. SUMMARY OF ARGUMENT

Resolution of this Formal Complaint is simple and straightforward. Existing Bi-directional Service on Line 718 involves **both** (a) maintaining existing westbound intrastate petroleum products transportation service by Laurel **and** (b) maintaining existing eastbound interstate petroleum products transportation service by Buckeye between Eldorado (near Altoona) and Coraopolis (near Pittsburgh). Similarly, the Bi-directional Service Extension on Lines 720 and 724 involves **both** (a) maintaining existing westbound intrastate petroleum products transportation service by Laurel **and** (b) initiating a new, eastbound interstate petroleum products transportation service by Buckeye between Eldorado (near Altoona) and Sinking Spring (near Reading). These facts are not in dispute and, when recognized, show that the Formal Complaint should be denied.

Maintaining existing westbound intrastate petroleum products transportation service by Laurel as a part of the Bi-directional Service Extension means there is no basis for the Commission to assert jurisdiction over the Bi-directional Service Extension. Likewise, maintaining existing westbound intrastate petroleum products transportation service by Laurel as a part of existing and proposed bi-directional operations means that Laurel neither intends to abandon nor has taken external actions to abandon its existing service in whole or in part. Laurel's experience maintaining existing westbound intrastate petroleum products on Line 718 for over five years as a

service. Without question, a public utility is not a guarantor of either perfect service or the best possible service.”), *affirmed*, Docket No. C-2011-2279502 (Opinion and Order entered Aug. 15, 2013).

⁴⁰ 66 Pa.C.S. § 1501.

⁴¹ *Ross E. Schell v. PPL Electric Utilities Corporation*, Docket No. C-2016-2566320, 2018 Pa. PUC LEXIS 228 (Opinion and Order entered June 14, 2018) (“Interruption of service and variation in supply characteristics can occur and not every interruption, outage or variation in service *per se* constitutes a violation of the public utility's duty to provide safe, adequate and reasonable service and facilities.”).

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

part of Existing Bi-directional Service has benefitted Laurel, the shipping community, and Pennsylvania consumers. Relatedly, this experience provides a reasonable basis to conclude that maintaining westbound intrastate service on Lines 718, 720, and 724 as a part of the Bi-directional Service Extension will result in similar benefits to Laurel, the shipping community, and Pennsylvania consumers. Finally, there is no basis to conclude that Laurel is failing to adhere to its Tariff, or that Laurel must revise its Tariff, because Laurel is maintaining its existing service and is not proposing to alter the terms and conditions of this service.

The Complainants levy extensive, irrelevant, and non-credible arguments to attempt to distract the ALJ and the Commission from the simplicity of this case. While the Complainants claim the Bi-directional Service Extension is a partial abandonment of service, **none** of the Complainants’ witnesses mentioned the term “abandon” in their direct testimony, and one of the Complainants’ expert witnesses actually conceded that this case does not involve the elimination of a service. Coupled with Laurel’s un rebutted evidence of its intent to maintain existing intrastate service and its actions to maintain this service—including applying the existing East to West Capacity Guarantee to Lines 718, 720, and 724, and existing this guarantee until December 31, 2028—the Complainants’ claims of abandonment are woefully deficient and clearly inconsistent with 66 Pa.C.S. § 1102(a)(2) and over 100 years of precedent. Indeed, bi-directional operations fall squarely within the circumstances that Pennsylvania courts and the Commission have found do not constitute an abandonment.⁴²

| <u>Case</u> | <u>Analysis</u> | <u>Laurel Facts</u> |
|--------------------|--|---|
| <i>Byerly</i> | <u>No abandonment occurred</u> where a utility common carrier did not put itself in a position where it could not render service if requested. | Laurel remains, and will remain, positioned to provide westbound interstate service over its pipeline system. |

⁴² Each of the cases referenced in the following table is discussed in detail in Section V.B.2. of this Brief.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

| | | |
|----------------------------|--|---|
| <i>W.D. Rubright</i> | <u>No abandonment occurred</u> where a carrier curtailed operations, but never put itself in a position where it could not render service, or the carrier suspended operations, but retained and maintained equipment, insurance, and tariffs. | Laurel remains, and will remain, able to provide westbound intrastate service under its Tariff. Laurel has maintained all facilities, equipment, Tariffs, etc. necessary to provide intrastate service. |
| <i>Pennsylvania R. Co.</i> | <u>No abandonment occurred</u> where a common carrier train changed its operations and schedules, and a complete cessation of service did not occur. | Laurel is changing its operations and scheduling of petroleum products transportation. Laurel is not ceasing to provide intrastate service. |
| <i>Susquehanna</i> | <u>No abandonment occurred</u> where a carrier curtailed service in response to market conditions. | Underutilization of Lines 718, 720, and 724 due to market changes, allows for interstate eastbound shipments to occur on these segments. |
| <i>Harris</i> | <u>No abandonment occurred</u> where a petroleum products pipeline completely ceased providing service by pipeline in favor of providing service by truck. | Laurel has continued, and will continue, to provide westbound intrastate service by pipeline at all origins and destinations in its Tariff. |
| <i>Fisher</i> | <u>No abandonment occurred</u> where a natural gas pipeline would suspend service for an indefinite period, but maintained that it would be available and restored in the future. | Eastbound interstate flows on Lines 718, 720 and 724 will be temporary in nature, similar to existing westbound interstate flows on those same lines, and Laurel will continue westbound intrastate flows whenever volumes require. |

Moreover, Laurel has demonstrated that bi-directional operation of Line 718 has benefited Laurel, the shipping community, and Pennsylvania consumers by increasing utilization of, and supply optionality on, the Laurel system. Increasing supply optionality has led to a more efficient use of an underutilized asset, improved supply reliability, and increased competition along the

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

Laurel pipeline system. Similar benefits will result from the bi-directional operation of Lines 720 and 724, extending into Harrisburg, Sinking Spring, and the surrounding areas. Thus, if it is determined an abandonment will occur—and it will not—the Commission can, and should, (a) find bi-directional operation of the Laurel pipeline system is in the public interest, and (b) issue any required or necessary CPC(s) to Laurel.

The Complainants' claim that Existing Bi-directional Service is unreasonable and violates 66 Pa.C.S. § 1501 also relies on tortured and novel analyses. Complainants ignore the simple facts that certain of them (and many other shippers) have utilized bi-directional service on Line 718 since 2019, and none of the Complainants (and no other shippers) have challenged this service before the Commission, FERC, or any other adjudicatory body. Instead, the Complainants engage in irrelevant analyses of harm that are based upon the fundamentally incorrect assumption that westbound intrastate service on Laurel will be eliminated, removing access to East Coast supply sources on the Laurel system. In addition, the Complainants' concerns regarding transit times, transmix, outages/reliability, and the use of virtual movements ignore fundamental principles of petroleum products pipeline operations, are not based upon actual information and facts regarding Laurel's operations, and/or have no causal connection to bi-directional operations. Similarly, the Complainants have utterly failed to produce credible, documentary evidence to demonstrate that any alleged harms resulting from bi-directional service are material.

The Complainants' unreasonable service claims regarding the Bi-directional Service Extension are premised upon the same concerns they advanced regarding Existing Bi-directional Service and, therefore, should be rejected for the same reasons. In addition to these flaws, the Complainants cannot escape the fact that the Bi-directional Service Extension has not yet been

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

implemented. As such, their flawed and un-credible claims of adverse service impacts due to the Bi-directional Service Extension are also speculative and unripe.

Finally, while the Complainants’ have attempted to argue that Laurel is failing to adhere to its Tariff, they do not advance any evidence that points to a provision of Laurel’s Tariff that it has violated. Similarly, they do not advance any concrete, feasible, or reasonable modifications to Laurel’s Tariff that must be made to implement the Bi-directional Service Extension.

For these reasons, and the reasons more fully explained below, the ALJ and the Commission should focus upon the simple, undisputed facts of this case, and ignore the Complainants’ attempts to obfuscate the issues. The Complainants have completely failed to carry their burden of proof in this proceeding with respect to all of their claims. Therefore, the Formal Complaint should be denied in its entirety.

V. ARGUMENT

A. THE COMMISSION LACKS JURISDICTION OVER BUCKEYE’S INITIATION OF ADDITIONAL INTERSTATE SERVICE, WHERE EXISTING INTRASTATE SERVICE WILL BE MAINTAINED

The Commission’s enabling statute draws a clear jurisdictional line: intrastate service falls within the Commission’s authority; interstate service does not. Complainants impermissibly invite the Commission to cross that line. Because Laurel is not abandoning intrastate service and because Buckeye’s proposed service is interstate service subject to regulation by FERC, the Commission lacks jurisdiction to enjoin, condition, or otherwise regulate Buckeye’s initiation of an additional interstate service associated with the Bi-directional Service Extension.

1. The Commission fundamentally lacks jurisdiction over interstate refined products transportation service

Pennsylvania administrative agencies are creatures of statute that may exercise only those

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

powers the General Assembly has conferred “by legislative language clear and unmistakable.”⁴³ “A doubtful power does not exist[.]” so agencies must act “within the strict and exact limits defined” by their enabling statutes.⁴⁴ The Commission’s powers, therefore, are limited to those which are expressly conferred by the General Assembly.

The Public Utility Code vests the Commission with jurisdiction to regulate public utilities in Pennsylvania.⁴⁵ It defines “public utility” to include entities owning or operating pipelines that transport “crude oil, gasoline, or petroleum products...by pipeline or conduit, for the public for compensation.”⁴⁶ But the Code simultaneously erects a jurisdictional boundary:

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.⁴⁷

Section 104 thus narrowly permits Commission involvement with interstate matters only where the specific Code provision invoked expressly states that it extends to interstate commerce. No such language exists in the provisions at issue in this proceeding.⁴⁸ The applicable sections of the Public Utility Code in this proceeding only apply to intrastate service and, therefore, cannot and should not be used as a backdoor to control the timing, terms, or existence of interstate service or to enjoin the federally regulated interstate service.

Laurel provides intrastate petroleum products transportation service within Pennsylvania pursuant to Commission-approved tariffs.⁴⁹ Its affiliate, Buckeye, which is not subject to the

⁴³ *Process Gas Consumers Group v. Pa. PUC*, 511 A.2d 1315, 1319-20 (Pa. 1986) (Commission possesses only powers expressly given or necessarily implied); *see also National Fuel Gas Distrib. Co. v. Pa. PUC*, 464 A.2d 546, 564 (Pa. Cmwlth. 1983); *Young v. Pa. Bd. of Prob. & Parole*, 189 A.3d 16, 22 (Pa. Cmwlth. 2018).

⁴⁴ *Green v. Milk Control Comm’n*, 340 Pa. 1, 3 (Pa. 1940).

⁴⁵ 66 Pa.C.S. §§ 101-3316.

⁴⁶ 66 Pa.C.S. § 102 (“Public utility.”).

⁴⁷ 66 Pa.C.S. § 104.

⁴⁸ *See* 66 Pa.C.S. §§ 1102(a)(2), 1301-1303, and 1501.

⁴⁹ Laurel St. No. 1-R at 5-7.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

Commission’s jurisdiction, provides interstate petroleum products transportation service under tariffs filed with the FERC pursuant to the Interstate Commerce Act (“ICA”).⁵⁰ Complainants ask the Commission to determine that Buckeye’s initiation of **additional** eastbound interstate service over Laurel’s facilities between Eldorado and Sinking Spring (Lines 720 and 724), while Laurel continues its existing westbound intrastate service under unchanged Commission-approved tariffs, violates the Sections 66 Pa.C.S. §§ 1102(a)(2), 1302, 1303, and 1501 of the Public Utility Code, and to foreclose “the commencement” of that interstate service.⁵¹

Complainants rely heavily on prior proceedings, failing to contend with the fact that Buckeye’s proposal differs from Laurel’s earlier proceeding concerning a permanent flow reversal. In this earlier proceeding, the permanent flow reversal was explained as a “two-step process,” i.e., (1) the abandonment of westbound intrastate service and (2) the initiation of eastbound interstate service, where the Commission had jurisdiction over the initial step.⁵² By contrast, the present proposal is a “one-step process,” i.e., the initiation of additional eastbound interstate service, because existing westbound intrastate service is being maintained. Indeed, the proposed Bi-directional Service Extension does not end or suspend Laurel’s westbound intrastate service at all; Laurel has maintained, and will continue to maintain, the Commission-approved westbound intrastate service over the same facilities at the same rates, terms, and conditions.⁵³ This “one-step” sequence, i.e., initiation of additional interstate eastbound service by Buckeye over Lines 720 and 724, does not involve the initial step found to be within the Commission’s jurisdiction.⁵⁴

⁵⁰ Laurel St. No. 1-R at 6; *see also* 42 U.S.C. §§ 7155, 7172(b); 49 U.S.C. § 60502.

⁵¹ *See* Complaint ¶¶ 1, 3, 22.

⁵² *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”), at pp. 20, 25, 44; *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”), at p. 50.

⁵³ Laurel St. No. 1-R at 7, 9, 53-56; Laurel St. No. 3-R at 8-9.

⁵⁴ *2018 Recommended Decision*, at p. 50 (contrasting “one-step” initiation of interstate service with “two-step” abandonment plus new service).

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

Further, the Complainants invite the Commission to review and restrain interstate rates, terms, and conditions, pointing to Buckeye’s discounts and other incentives to attract interstate movements.⁵⁵ But Sections 1302 and 1303 govern intrastate PUC tariffs; they do not convert the Commission into an interstate ratemaking body.⁵⁶ Whether Buckeye’s interstate rates, rules, terms, and/or conditions of interstate service are just and reasonable is a question for FERC; the Commission has no authority (direct or indirect) over this issue. The Complaint points to no change (or required change) in Laurel’s rates, rules, terms, and/or conditions for intrastate service that violates Sections 1302, 1303, or 1501. To the contrary, Complainants concede that the plan “expan[ds] bidirectional west to east” interstate capacity by Buckeye while westbound intrastate service continues,⁵⁷ and does not involve the “elimination” of a service.⁵⁸

Finally, Section 1501 cannot be used to police interstate choices or capacity allocations; rather, it must address only the adequacy of intrastate service. Section 1501, read with Section 104, requires adequate, efficient, safe, and reasonable **intrastate** service.⁵⁹ The Complainants could not identify any current or impending failure by Laurel to meet intrastate demand under its Commission-approved tariff, nor any specific violation of service standards (e.g., undue delay, discrimination, or safety noncompliance) for intrastate shippers. Absent such a showing, Section 1501 cannot furnish jurisdiction to enjoin Buckeye’s interstate service or supervise Buckeye’s

⁵⁵ See, e.g., Complaint ¶ 25; Complainants Exhibit JRM-1 at 72-73; Complainants Exhibit KFS-1 at 11.

⁵⁶ 66 Pa.C.S. §§ 1302 (filing of tariffs with the Commission), 1303 (just and reasonable rates under the Code).

⁵⁷ 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 east-to-west service and requires Commission approval of tariff changes pursuant to Code section 1302.”).

⁵⁸ Laurel Exhibit No. MJW-02; Tr. 476 (wherein Dr. Morris confirms at the hearing that no elimination of service will occur).

⁵⁹ 66 Pa.C.S. § 1501.

rates, rules, terms, and/or conditions for interstate service.⁶⁰

Complainants hypothesize that extending eastbound interstate service may “disrupt” the existing westbound intrastate flows and, therefore, requires Commission approval or intrastate tariff changes.⁶¹ However, jurisdiction cannot rest on speculation. The plan expressly preserves existing westbound intrastate service pursuant to all rates, rules, terms, and/or conditions for Laurel’s intrastate service. Complainants demonstrated no concrete operational constraint that will permanently curtail intrastate service. Therefore, there is no Section 1501 basis for the Commission’s jurisdiction over Buckeye’s initiation of interstate service.

Finally, recognizing the Commission’s jurisdictional limitation preserves the appropriate division between state and federal regulators. Allowing FERC-governed interstate service to proceed in parallel with Commission-regulated intrastate service benefits shippers by providing new sourcing options and market access, while leaving the Commission’s authority over intrastate rates, terms, safety, and service quality fully intact. That dual-jurisdiction framework is exactly what the *2018 Recommended Decision* and *2018 Final Order* recognize.

In sum, the statutory command of Section 104 is clear and categorical: unless the General Assembly has expressly provided that a Code provision applies to commerce “among the several states,” the Commission cannot apply it to interstate matters.⁶² None of the provisions raised by Complainants in this proceeding—Sections 1102(a)(2), 1302, 1303, or 1501—contains such language. Laurel will continue to provide westbound intrastate service under unchanged Commission-approved tariffs, and Buckeye alone initiates additional interstate service. There is

⁶⁰ See *In re Condemnation of Sunoco Pipeline, L.P.*, 143 A.3d 1000, 1004 (Pa. Cmwh. 2016), *petition for allowance of appeal denied*, 164 A.3d 485 (Pa. 2016) (recognizing distinct spheres of federal interstate and state intrastate regulation).

⁶¹ Complaint ¶ 22.

⁶² 66 Pa.C.S. § 104.

no abandonment of intrastate service, no change to Commission-approved tariffs, and no deficiency in intrastate service. The Commission cannot enjoin, condition, or review the commencement of Buckeye’s interstate service, nor can it indirectly repurpose intrastate provisions to achieve that result. For these reasons, the Commission lacks jurisdiction to prevent the Bi-directional Service Extension.

2. Laurel continues to reserve the right to seek adjudication of federal claims in federal court, should the Commission hold against Laurel on questions of state law

Complainants’ requested relief, if granted, would inevitably raise significant federal constitutional concerns, as certain of the Complainants’ opposition to bi-directional operations is evidently motivated by a desire for the Commission to engage in economic protectionism and to insulate them from increased competition from interstate shippers from the Midwest.⁶³ An order from this Commission enjoining or otherwise restricting the initiation of federally regulated interstate pipeline service could implicate federal preemption and/or the Dormant Commerce Clause of the United States Constitution. Since its first pleading, Laurel has consistently maintained that these issues need not be reached here, because the Commission lacks statutory authority under Pennsylvania law to grant the requested relief.

Consistent with *England v. Louisiana State Board of Medical Examiners*,⁶⁴ Laurel has reserved, and continues to reserve, its right to pursue its federal claims in the appropriate forum, including the claims that (1) the ICA precludes state interference with the initiation of interstate pipeline service, and (2) any contrary state decision would impermissibly burden interstate commerce under the Dormant Commerce Clause.⁶⁵ Laurel preserved this reservation at the earliest

⁶³ Laurel St. No. 3-R at 82-83, 84.

⁶⁴ *England v. Louisiana State Board of Medical Examiners*, 375 U.S. 411, 420 (1964); *see also Transource Pa., LLC v. Defrank*, 2025 U.S. App. LEXIS 22972, *29, 2025 WL 2554133 (3d Cir. 2025) (quoting *England*).

⁶⁵ Laurel Preliminary Objections, ¶ 34, n.8.

possible opportunity and will continue to maintain it throughout these proceedings to ensure that its federal rights remain fully preserved for review in the federal courts.

B. THE COMPLAINANTS HAVE FAILED TO SHOW THAT BI-DIRECTIONAL OPERATION OF LAUREL’S PIPELINE SYSTEM CONSTITUTES AN ABANDONMENT OF SERVICE

There is no rational or reasonable basis in law or fact for the ALJ and the Commission to conclude that bi-directional operation of the Laurel pipeline constitutes an abandonment of existing intrastate service under 66 Pa.C.S. § 1102(a)(2). Laurel’s CPC, along with its Commission-approved Tariff, Commission-approved Capacity Use Agreement, and the 2019 Settlement, specify the terms and conditions of Laurel’s existing intrastate service. Section 1102(a)(2) and over 100 years of precedent requires the Complainants to demonstrate that Laurel intends, and has acted, to permanently relinquish or surrender a part or all of its existing service. However, Laurel has unequivocally confirmed that the bi-directional operation of its pipeline system involves maintaining and continuing to provide east-to-west intrastate service. The Complainants present no evidence to the contrary, let alone evidence sufficient to carry their burden of proof. Finally, even if the Commission determines bi-directional operation of the Laurel pipeline system constitutes an abandonment—and it should not do so—Laurel has demonstrated that bi-directional operations are in the public interest. In this circumstance, the Commission can and should issue all necessary and required CPC(s) to Laurel in this proceeding.

1. Laurel’s existing intrastate petroleum product transportation service

The first step in the analysis of the Complainants’ abandonment claim should be to determine what constitutes Laurel’s existing intrastate service. To make this determination, the ALJ and the Commission should: (1) confirm the nature and character of Laurel’s service authorized under its CPC; and (2) confirm the existing terms, conditions, restrictions, and/or

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

prohibitions that may apply to this service. The ALJ and the Commission can then analyze whether Laurel will continue to provide such existing intrastate service under bi-directional operations.

Laurel’s CPC broadly authorizes it to provide transportation of petroleum products in and across Pennsylvania. The Commission authorized it to commence “transporting, storing and distributing petroleum and petroleum products by means of pipelines and appurtenances, for the public. . . as more fully described in said application. . . .”⁶⁶ The underlying application further clarified that the nature and character of service Laurel sought to provide was “the transportation . . . of petroleum and petroleum products by means of pipelines . . . and other equipment and appurtenances for the public in and across the Commonwealth of Pennsylvania and other states of the United States.”⁶⁷ The Commission did not limit Laurel to east-to-west service.⁶⁸ Moreover, the Commission did not limit this service to specific origin and destination points and/or pairs.⁶⁹

The Commission has previously concluded that Laurel’s CPC contains no directional limitation and there is no basis to infer such a limitation. In the *2018 Final Order*, the Commission held that “it is not necessary for us to also find a directional limitation in Laurel’s 1957 Certificate, nor does the record before us support such a limitation.”⁷⁰ Citing the *Sunoco 2014 Petition Order*,⁷¹ the Commission explained that “there are no clear directional restrictions or conditions in the 1957 Certificate or the 1957 Order.”⁷²

⁶⁶ Laurel Exhibit TZ-1 (Laurel’s CPC); *2018 Final Order*, p. 10 (quoting Laurel’s CPC).

⁶⁷ *In re: Application of LAUREL PIPE LINE COMPANY for approval of the beginning of the exercise of the right, power or privilege of transporting, storing and distributing petroleum and petroleum products by means of pipe lines, pumps, tanks and other equipment and appurtenances for the public*, Docket No. A140250F2;A84093 1957, Application ¶ 3 (filed Jan. 31, 1957); *see also 2018 Final Order*, at pp. 9-10, 39-40.

⁶⁸ *See* Laurel Exhibit TZ-1 at 1.

⁶⁹ *See* Laurel Exhibit TZ-1 at 1.

⁷⁰ *2018 Final Order*, at pp. 45-46.

⁷¹ *Petition of Sunoco Pipeline, L.P., et al.*, Docket No. P-2014-2411941 (Opinion and Order Entered Oct. 29, 2014) (“*Sunoco 2014 Petition Order*”).

⁷² *2018 Final Order*, at p. 46.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

The *Sunoco 2014 Petition Order* disposed of an intervenor's, West Goshen Township ("WGT"), argument that a segment of the Sunoco pipeline was limited by its certificate to only provide east-to-west transportation service. Regarding this argument, the Commission held:

We also reject the argument, as raised by WGT in its Replies to Exceptions, that the Sunoco pipeline implicated in this proceeding is limited to east-to-west transportation. This argument appears to be based upon two details: (1) the description of the facilities in the original applications and Orders approving those applications, and (2) the original directional flow when other petroleum products were transported from Philadelphia area refineries to product distributors located to the West and North. Importantly, there is no directional restriction contained in any of the controlling Certificates or Commission Orders, nor do we believe it to be good public policy to adopt or interpret any such directional restrictions.

Thus, Sunoco has the authority to provide intrastate petroleum and refined petroleum products bi-directionally through pipeline service to the public between the Ohio and New York borders and Marcus Hook, Delaware County through generally identified points. This authority is not contingent upon a specific directional flow or a specific route within the certificated territory. Additionally, this authority is not limited to a specific pipe or set of pipes, but rather, includes both the upgrading of current facilities and the expansion of existing capacity as needed for the provision of the authorized service within the certificated territory.⁷³

In addition to this precedent, the ALJ has confirmed there is no dispute in this case as to whether Laurel's CPC permits bi-directional service. Indeed, "[t]he Complaint contains no allegations regarding the permissibility of bi-directional service in the context of Laurel's certificate of public convenience."⁷⁴ Laurel's CPC does not contain a directional limitation applicable to its service, and the Complainants have presented no evidence to the contrary.

Relatedly, it must also be recognized that Laurel's CPC also does not contain clear restrictions or limitations related to: minimum or maximum amount of service or capacity;⁷⁵

⁷³ *Sunoco 2014 Petition Order*, at pp. 38-39 (emphasis added).

⁷⁴ *Monroe Order*, at p. 4, n.1; *LHT Order*, at p. 4, n.1; *Sheetz Order*, at p. 4, n.1; *PBF Order*, at p. 4, n.1.

⁷⁵ See Laurel Exhibit TZ-1.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

specific origin points or destination points;⁷⁶ or minimum or maximum transit times.⁷⁷ Therefore, the ALJ and the Commission can conclude that Laurel’s CPC lacks the aforementioned limitations because they are not clearly articulated in the CPC, issuing order, or underlying application.

Laurel’s Commission-approved Tariff sets forth the current terms and conditions of existing service.⁷⁸ Like its CPC, Laurel’s Tariff does not contain a clear restriction or limitation on the direction in which Laurel may provide service.⁷⁹ While it does set forth the specific origins and destinations at which Laurel will provide service,⁸⁰ it does not contain restrictions or limitations on (1) the minimum or maximum capacity Laurel must hold (except for the East to West Capacity Guarantee⁸¹), and/or (2) minimum or maximum transit times Laurel must maintain. In fact, Laurel’s Tariff expressly reserves Laurel’s “right to establish and alter pumping sequences and schedules to facilitate the efficient use and operation of its facilities.”⁸²

The only further terms and conditions related to the service Laurel provides are set forth in the Commission-approved Capacity Use Agreement and the 2019 Settlement. Specifically, the Capacity Use Agreement specifies the terms and conditions upon which Laurel permits its affiliate, Buckeye, to utilize Laurel’s facilities to provide interstate service.⁸³ The 2019 Settlement, in

⁷⁶ See Laurel Exhibit TZ-1.

⁷⁷ See Laurel Exhibit TZ-1.

⁷⁸ Laurel St. No. 1-R at 6, 55; see also Laurel Exhibit TZ-3. Laurel’s Tariff has the force and effect of law because it is Commission-approved. See 66 Pa.C.S. § 1303; see also *PPL Elec. Utils. Corp.*, 912 A.2d at 402; *Di Santo*, 436 A.2d at 201.

⁷⁹ See generally Laurel Exhibit TZ-3.

⁸⁰ Laurel Exhibit TZ-3 at 2-3 (specifying the origins and destinations where Laurel will provide service, and the rates for service from a specific origin to a specific destination).

⁸¹ Laurel Exhibit TZ-3 at 13 (Item No. 90(A)). The East to West Capacity Guarantee provides 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.” Laurel TZ-3 at 13 (Item No. 90(A)).

⁸² Laurel Exhibit TZ-3 at 9 (Item No. 10(B)).

⁸³ Laurel St. No. 1-R at 6, 60-61; Laurel Exhibit TZ-4.

addition to establishing the East to West Capacity Guarantee, established other terms and conditions related to Laurel’s operations.⁸⁴ Importantly, however, neither of these documents contain clear restrictions or limitations on (1) the minimum or maximum capacity Laurel must hold out (except for the East to West Capacity Guarantee), (2) the specific origins or destination points Laurel must hold out, and/or (3) minimum or maximum transit times Laurel must maintain.

Therefore, Laurel’s existing intrastate service is a products transportation service in and across Pennsylvania, subject only to the terms, conditions, limitations, and restrictions set forth in its Commission-approved CPC, Tariff, Capacity Use Agreement, and 2019 Settlement.

2. Laurel will continue to provide its existing petroleum products transportation service

Laurel has repeatedly and unequivocally confirmed that Existing Bi-directional Service and the Bi-directional Service Extension are intended to maintain, and will maintain, Laurel’s east-to-west intrastate service. Therefore, it is clear that no abandonment of service will occur.

a. Pennsylvania law requires evidence of an intent to abandon service and external actions taken to carry out this intent

Section 1102(a)(2) of the Public Utility Code requires a utility to obtain a CPC “to abandon or surrender, in whole or in part, any service.”⁸⁵ The plain language of Section 1102(a)(2) is in accord with Pennsylvania common law that holds an abandonment is “the relinquishment or surrender of rights or property.”⁸⁶ Indeed, “abandonment has been previously viewed as a complete cessation of service, and the provisions of [the predecessor to Section 1102(a)(2)] have been applied only in that type of situation.”⁸⁷ This principle is clearly and consistently articulated

⁸⁴ See generally 2019 Settlement.

⁸⁵ 66 Pa.C.S. § 1102(a)(2).

⁸⁶ *Cassell; Koontz*, 101 A. at 864; *Emerald Coal & Coke Co.*, 107 A.2d at 737 (“Abandonment necessarily implies the voluntary or intentional act of the party having the facility, right or power to relinquish it.”).

⁸⁷ *Pennsylvania R. Co.*, 146 A.2d at 356. While *Pennsylvania R. Co.* was vacated on other grounds, it has been regularly cited and relied upon by the Commission for the legal principles it espouses. See also *Fisher*, at *19-20.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

through more than a century of Pennsylvania case law.⁸⁸

In the seminal case of *Byerly v. Pa. PUC*, a common carrier truck company sought to acquire the CPC of another common carrier by motor vehicle, and such a transfer was protested.⁸⁹

The protestant argued that the CPC could not be transferred because, among other things, the current holder of the CPC had “abandoned” service.⁹⁰ The Supreme Court of Pennsylvania explained the Commission’s decision below as follows:

The commission found against Byerly in both actions on the theory that Byerly had not sustained its burden of proving that Forney had abandoned its rights. Its opinion states: "This is not a situation where a transferor has abandoned service and sold his equipment. In this case the transferor always had equipment available to provide service and at no time did he put himself into a position whereby he could not render any service requested of him by the public. . . . Forney paid annual assessments against him as a public utility and continued to maintain insurance, annual reports, and tariffs on file with this Commission. At no time did he orally or in writing evidence any intention to abandon the rights. All of these circumstances negate any intent on his part to abandon his certificated rights."⁹¹

⁸⁸ See, e.g., *Cassell; Koontz*, 101 A. at 864; *United Natural Gas Co. v. James Bros. Lumber Co.*, 191 A. 12, 14 (Pa. 1937) (“Mere non-user does not constitute abandonment; there must be an intention to abandon, together with ‘external’ acts by which such intention is carried into effect. . . .”); *Emerald Coal & Coke Co.*, 107 A.2d at 737; *Feather v. Pa. PUC*, 399 A.2d 829, 830 (Pa. Cmwlth. 1979) (“ . . . absence of use alone cannot establish abandonment. To establish abandonment requires an affirmative showing of intent to abandon.”); *W.D. Rubright*, 177 A.2d at 123; *Byerly*, 270 A.2d at 188-189; *Yellow Cab. Co. v. Pa. PUC*, 431 A.2d 1106,1107-08 (Pa. Cmwlth. 1981); *Quarry Office Park Assoc. v. Phila. Elec. Co.*, 576 A.2d 358, 363 (Pa. Super. 1990) (holding “failure to operate trains on the line and maintain the line are not indicative of an intent to abandon.”); *Buffalo Twp. v. Jones*, 813 A.2d 659, 654-55 (Pa. 2002); *In re County of Lancaster*, 909 A.2d 913, 916 (Pa. Cmwlth. 2006); *Susquehanna Area Reg’l Airport Auth. v. Pa. PUC*, 911 A.2d 612, 622 (Pa. Cmwlth. 2006) (“*Susquehanna*”). See also, e.g., *Re Edgar r. Einhorn v. Phila. Elec. Co.*, Docket P.6, 1965 Pa. PUC LEXIS 3, at *12-13 (Opinion and Order dated March 8, 1965); *Application of Norman M. Earhart, T/D/B/A/ Earhart Trucking*, 48 Pa. PUC 607, 1975 Pa. PUC LEXIS 104, at *22-24 (Opinion and Order dated Feb. 18, 1975); *Harris*, 1976 Pa. PUC LEXIS 50, at *4-5; *Re Werner Bus Lines, Inc.*, 53 Pa. PUC 646, 1979 Pa. PUC LEXIS 3, at *15 (Opinion and Order dated Dec. 14, 1979); *Fisher*, at *19-20; *Application of L. Joseph Williams, t/d/b/a Executive Limousine Service*, Docket No. A-00109812, 1992 Pa. PUC LEXIS 168, at *32-33 (Initial Decision dated Jan. 8, 1993); *Application of Dafix Enterprises, Inc.*, Docket No. A-00122357, 2006 Pa. PUC LEXIS 301, at *25-26 (Initial Decision dated Dec. 13, 2006), *aff’d*, Opinion and Order, at pp. 6-8 (entered Mar. 6, 2007); *Application of Safe Harbor Water Power Corporation Pursuant to Section 1102(a)(2) of the Pennsylvania Public Utility Code Authorizing Safe Harbor Water Power Corporation to Abandon Public Service Authorized by a Certificate of Public Convenience*, Docket No. A-2008-2078319, 2010 Pa. PUC LEXIS 2133, at *48 (Initial Decision entered Feb. 5, 2010), *adopted as final action without modification*, (Order entered June 22, 2010).

⁸⁹ *Byerly*, 270 A.2d at 187-88.

⁹⁰ *Id.* at 188.

⁹¹ *Id.*

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

The Supreme Court affirmed the decision of the Commission and the principle that “[t]o constitute an abandonment there must be an intention to abandon together with external acts by which the intention is carried into effect.”⁹²

Among the cases cited in *Byerly* was the Superior Court of Pennsylvania’s decision in *W.D. Rubright*.⁹³ Citing a collection of Commission decisions, the Superior Court distinguished between cases where an abandonment had occurred and cases where it had not. It explained:

The cases in which the commission has found an abandonment are distinguishable from the present case by reason of the fact that the evidence of abandonment in those cases was clear and convincing: *Application of Elizabeth Evans*, 18 Pa. P.U.C. 353 (1938) (where a fixed route bus service had been suspended for more than three years); *Application of Donald E. Bicker*, 32 Pa.P.U.C. 601 (1954) (where no operations had been conducted for seven years and all equipment had been leased to another carrier); *Application of Jesse A. Kroninger*, 34 Pa. P.U.C. 492 (1956) (where the carrier had conducted no authorized transportation for three or four years and had sold his equipment); and *Rule Issued Against John H. Peters, t-d-b-a Peters Trucking Company*, 35 Pa. P.U.C. 689 (1958) (where there was testimony that no authorized service had been rendered for four or five years).

The present case comes under the decisions in which the Pennsylvania Public Utility Commission has concluded that no abandonment was shown: *Application of Jones Motor Company, Inc.*, 26 Pa.P.U.C. 132 (1946) (where the transferor, whose operations were curtailed by wartime conditions, always maintained a truck capable of rendering service, never put himself in a position where he could not render service upon request, and rendered some service during the year of transfer and preceding years) and *Application of Frank J. Cutler, Jr.*, 26 Pa. P.U.C. 146 (1946) (where wartime conditions caused a suspension of the transferor’s operation for a year or two, but he retained and continuously licensed one vehicle, kept his insurance in force and tariffs on file, and continued to submit assessments and annual reports).⁹⁴

⁹² *Id.* at 189.

⁹³ *Id.* at 188 (citing *W.D. Rubright*, 177 A.2d 119).

⁹⁴ *W.D. Rubright*, 177 A.2d at 123.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

Prior to *W.D. Rubright*, the Superior Court also held that abandonment under the predecessor to Section 1102(a)(2) has only been applied to “a complete cessation of service.”⁹⁵ In *Pennsylvania R. Co.*, the Superior Court reviewed a rule adopted by the Commission that “[a]n application shall be filed with and approved by the Commission prior to the removal, elimination, or substantial change in the schedule of any passenger train. . . .”⁹⁶ The Superior Court overturned the rule and held that a common carrier railroad “has the initial right to adjust its train operations and time schedules as a matter of managerial discretion, subject to corrective action by the Commission after investigation and hearing.”⁹⁷

Subsequent to these decisions, Pennsylvania appellate courts consistently and clearly articulated that curtailment, diminution, or even non-use of the service does not constitute an abandonment. In *Yellow Cab Co. v. Pa. PUC*, the Commonwealth Court reviewed a Commission order approving a transfer of a common carrier CPC, which was opposed on the grounds that the right to render service had been abandoned.⁹⁸ The Commonwealth Court reaffirmed the principles in *Byerly* and *W.D. Rubright*, and explained that even where “it is conceded that the transferor markedly curtailed its service, such curtailment or even nonuse, especially when compelled by events and circumstances beyond the carrier’s control, does not constitute abandonment.”⁹⁹

Relatedly, in *Susquehanna*, the Commonwealth Court addressed an issue involving a contract between a common carrier taxi company and an airport authority.¹⁰⁰ After recognizing that “a common carrier’s ability to provide service successfully is largely a function of the

⁹⁵ *Pennsylvania R. Co.*, 146 A.2d at 356.

⁹⁶ *Pennsylvania R. Co.*, 146 A.2d at 353.

⁹⁷ *Pennsylvania R. Co.*, 146 A.2d at 358.

⁹⁸ *Yellow Cab. Co. v. Pa. PUC*, 431 A.2d 1106, 1107 (Pa. Cmwlth. 1981).

⁹⁹ *Yellow Cab. Co.*, 431 A.2d at 1107-08.

¹⁰⁰ *Susquehanna*, 911 A.2d at 613.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

marketplace,”¹⁰¹ the court reaffirmed that “curtailment [of service] or even nonuse of a certificate of public convenience does not constitute abandonment.”¹⁰² It further reasoned that:

the *involuntary* loss of market share is not an abandonment; and such an event does not trigger an application requirement by any party, common carrier or customer. Market share is neither guaranteed nor regulated by the PUC. Stated otherwise, a common carrier's loss of market share, for any reason, is not an event that can be shoehorned into the PUC's regulation of voluntary abandonment.

The PUC's argument that it may regulate and prevent a “partial forced abandonment” of a service area simply lacks support in the Public Utility Code.¹⁰³

Pennsylvania courts clearly do not consider the change, reduction, curtailment, or diminution of service in response to market conditions to constitute even a “partial” abandonment of service.

The Commission has consistently applied these principles as well,¹⁰⁴ and specifically in *Harris* and *Fisher*. In *Harris*, a petroleum products transportation pipeline that provided common carrier service converted its service from a pipeline and trucking transportation service to a total trucking transportation service.¹⁰⁵ 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.”¹⁰⁶ Thus, *Harris* makes clear that even the complete and total curtailment (i.e., cessation) of petroleum products transportation service by pipeline in favor of trucking does not constitute an abandonment of service, partial or otherwise.

¹⁰¹ *Id.* at 619. While the court noted that a reduction in service may require Commission approval if it is the design of the common carrier, it also cited *Yellow Cab Co.* and recognized consistent with prior precedent that reduction or non-use in response to market conditions did not constitute an abandonment.

¹⁰² *Id.* at 622.

¹⁰³ *Id.* at 619 (emphasis added).

¹⁰⁴ See footnote 88, *supra*.

¹⁰⁵ *Harris*, 1976 Pa. PUC LEXIS 50, at *3-4.

¹⁰⁶ *Id.*, at *4-5 (emphasis added).

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

In *Fisher*, the Commission reviewed a complaint against a natural gas utility that alleged the utility had abandoned service because it had discontinued service due to safety concerns.¹⁰⁷ Importantly, the utility maintained that gas service would be available and restored in the future.¹⁰⁸ The Commission acknowledged that “[w]hile the service interruption may be for an indefinite period and perhaps as short as 12 to 18 months, it appears to be temporary in the sense that Columbia does not intend to surrender or abandon permanently gas service to these customers.”¹⁰⁹ The Commission went on to hold that “the certificate requirements of Section 1102(a)(2) . . . apply only to the permanent abandonment or surrender of service rights, in whole or in part.”¹¹⁰

More recently, both the ALJ and the Commission addressed this issue in the *2018 Recommended Decision* and the *2018 Final Order*. The ALJ focused on the “operational sequence” required for Laurel to implement a full reversal of flow Line 718, and 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.¹¹¹

The Commission accepted the factual distinction drawn by the ALJ and found that a permanent reversal of flow constitutes an abandonment of service. It held that “Laurel’s proposed reversal

¹⁰⁷ *Fisher*, 1992 Pa. PUC LEXIS 163, at *1.

¹⁰⁸ *Id.*, at *18-19.

¹⁰⁹ *Id.*, at *19-20 (emphasis added).

¹¹⁰ *Id.*, at *20 (citation omitted) (emphasis added).

¹¹¹ *2018 Recommended Decision*, at p. 50 (emphasis added).

is, in fact, the abandonment of service in one direction and the commencement of new service in the other direction.”¹¹² The Commission then explained:

In this case, Laurel is not simply asking to reverse the direction of flow on its pipeline, but it is asking to change its current service by eliminating the service availability and pricing in its tariff to the destination points west of Eldorado along the Laurel pipeline from eastern Pennsylvania origins, including the Philadelphia area. We agree with the Indicated Parties that Laurel’s proposal constitutes a material change and abandonment of westerly petroleum products transportation service on the Laurel pipeline, which, if approved, would result in the western portion of the current Laurel system being restricted to eastward operations through Buckeye under FERC’s jurisdiction and would not be accessible to shippers attempting to move petroleum products from the east to points west of Eldorado. This would be a material change in service and, as the ALJ concluded, would constitute a partial abandonment of Commission-jurisdictional service.¹¹³

Again, the Commission focused on the “elimination of service availability” and the total restriction of service for “eastward operations” on Line 718 that would cease access to certain points for east-to-west intrastate shippers.

b. Laurel intends to continue to provide existing east-to-west intrastate service, and Laurel has taken a number of actions to confirm this intent

Laurel has repeatedly and unequivocally confirmed that it does not intend to abandon its existing east-to-west intrastate service as a part of bi-directional operations. Indeed, its words and its actions evidence its commitment to continuing to provide east-to-west intrastate service pursuant to its Commission-approved CPC, Tariff, Capacity Use Agreement, and 2019 Settlement.

Laurel witness Mr. Zeth¹¹⁴ unequivocally testified that Laurel intends to maintain and will maintain its east-to-west intrastate service. He stated:

¹¹² 2018 Final Order, at p. 44.

¹¹³ 2018 Final Order, at pp. 44-45 (emphasis added).

¹¹⁴ Mr. Zeth is the Vice President of Commercial Operations for Buckeye Partners, L.P. Laurel St. No. 1-R at 1. In this role, he is responsible for commercial and customer service activities on the Laurel pipeline system, and also has oversight functions over commercial operations, as well as the pipeline and terminal scheduling groups.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

the initiation of interstate service by Buckeye over Line 720 and Line 724 is the initiation of an additional service. It does not involve or contemplate Laurel ceasing to provide east-to-west intrastate service pursuant to the terms of its Tariff, and does not involve or contemplate a complete reversal of any pipeline segment.¹¹⁵

With respect to Existing Bi-directional Service on Line 718, Mr. Zeth explained that this service “involves Laurel continuing to provide east-to-west intrastate pipeline transportation service on Line 718, while Buckeye has added its new interstate west-to-east service over this segment of the line.”¹¹⁶ Relatedly, Existing Bi-directional Service has not caused Laurel to curtail or deny east-to-west transportation service as offered in its Tariff.¹¹⁷ With respect to the Bi-directional Service Extension on Lines 720 and 724, Mr. Zeth testified that “the Bi-directional Service extension would involve Laurel continuing to provide east-to-west intrastate pipeline transportation service on Lines 720 and 724, while Buckeye will add its new interstate west-to-east service over this segment of the line.”¹¹⁸ He then further explained that “[e]xisting bi-directional operations did not result in any origin or delivery points being removed” and that the “Bi-directional Service Extension does not contemplate and does not require removal of any origin or delivery points.”¹¹⁹

Moreover, Mr. Zeth confirmed that shippers “will continue to have the option to conduct intrastate movements from every origin and to every delivery point on the pipeline.”¹²⁰ Importantly, he also noted that no Complainant witness testified that Laurel is removing access to any point on its pipeline system.¹²¹ As it was determined in *W.D. Rubright, Pennsylvania R. Co., Susquehanna, Harris, and Fisher*, bi-directional operations clearly neither intend nor evidence an intent to permanently eliminate or otherwise restrict east-to-west intrastate shippers’ access to any

¹¹⁵ Laurel St. No. 1-R at 7.

¹¹⁶ Laurel St. No. 1-R at 54 (emphasis added).

¹¹⁷ Laurel St. No. 1-R at 54.

¹¹⁸ Laurel St. No. 1-R at 54 (emphasis added).

¹¹⁹ Laurel St. No. 1-R at 55.

¹²⁰ Laurel St. No. 1-R at 55.

¹²¹ Laurel St. No. 1-R at 55.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

point on the Laurel pipeline system.¹²² Rather, bi-directional operations are merely a change in method of operation under the existing rights in Laurel’s Tariff to “establish and alter pumping sequences and schedules to facilitate the efficient use and operation of its facilities.”¹²³

Laurel’s intent and actions were further confirmed by its expert witnesses: Dr. Webb¹²⁴ and Mr. Emery.¹²⁵ Dr. Webb explained:

the Bi-directional Service Extension involves the addition of a new interstate service and does not involve the removal of an existing intrastate service. Adding a service is the opposite of abandoning a service and treating the addition of a service as an abandonment makes no logical or regulatory sense. At most, the addition of the new interstate service **could** result in the degradation of existing intrastate service, which **could** be considered unreasonable service, but a possible degradation of service that possibly amounts to unreasonable service is not an abandonment of service.¹²⁶

Mr. Emery similarly testified that “[b]i-directional service increases the flexibility and liquidity of the Laurel pipeline system by enabling demand to be met from additional origins and allowing multiple destinations to be supplied from both east and west.”¹²⁷ Moreover, he explained that, rather than eliminate or restrict the service Laurel provides, “[e]xisting bi-directional service effectively increases the physical capacity of Laurel and expanded bi-directional service increases

¹²² See *W.D. Rubright*, 177 A.2d at 123; *Pennsylvania R. Co.*, 146 A.2d at 358, *Susquehanna*, 911 A.2d at 619; *Harris*, at *19-20; *Fisher*, at *4-5.

¹²³ Laurel Exhibit TZ-3 at 9 (Item No. 10(B)); see *Pennsylvania R. Co.*, 146 A.2d at 358; *Fisher*, at *4-5.

¹²⁴ Dr. Webb is a Vice President of Regulatory Economics, Group LLC. Laurel St. No. 3-R at 1. Dr. Webb is an economist, with extensive experience related to the economics and regulation of petroleum products pipelines. Laurel St. No. 3-R at 1-2; Laurel Exhibit No. MJW-01 (Dr. Webb’s curriculum vitae).

¹²⁵ Mr. Emery is the Principal of Minesgrad Consulting LLC. Laurel St. No. 4-R at 1. Mr. Emery has worked in the midstream energy industry for over 40 years, with a primary focus on refined petroleum products, including “product movement scheduling, pipeline hydraulics and mainline power optimization, SCADA control center supervision, field operations management, safety and environmental, business/commercial development, project implementation, mergers and acquisitions, and profit and loss (‘P&L’) responsibility for business units.” Laurel St. No. 4-R at 1. He has worked for a number of petroleum products pipeline companies and has substantial experience operating and scheduling bi-directional pipelines. Laurel St. No. 4-R at 1-2. A copy of his curriculum vitae was provided as Laurel Exhibit No. GEE-01.

¹²⁶ Laurel St. No. 3-R at 8 (emphasis in original).

¹²⁷ Laurel St. No. 4-R at 4 (emphasis added).

the effective capacity of the system more.”¹²⁸

Finally, in order to remove any doubts regarding its intent or actions, Laurel also indicated it is willing to extend the East to West Capacity Guarantee until December 31, 2028, and apply this guarantee to all segments affected by Existing Bi-directional Service or the Bi-directional Service Extension (i.e., Lines 718, 720, and 724).¹²⁹ Not only does this commitment remove any doubt as to Laurel’s intent in this proceeding, it constitutes an affirmative act evidencing Laurel’s intent to maintain, not abandon, existing intrastate service.

3. The Complainants have failed to demonstrate that any abandonment of service has occurred, or will occur, under the Bi-Directional Service Extension

Despite the fact that it does not bear the burden of proof in this proceeding, Laurel has demonstrated in Sections V.B.1-2., *supra*, that it has not and will not abandon existing east-to-west intrastate service as a part of its bi-directional operations. Nevertheless, the Complainants have failed to carry their burden of proof on this issue.

a. The Complainants provided no record evidence that Laurel intends or has taken acts to abandon service

Not a single one of the Complainants’ witnesses testified that Existing Bi-directional Service or the Bi-directional Service Extension is an abandonment of service. Indeed, none of their witnesses even used the terms “abandon,” “abandoned,” or “abandoning” in their written testimony.¹³⁰

Ironically, Complainant witness Dr. Morris conceded that this case does not involve an

¹²⁸ Laurel St. No. 4-R at 5; *see also* Laurel St. No. 4-R at 5-6.

¹²⁹ Laurel St. No. 1-R at 61-63.

¹³⁰ *See generally* Complainants Exhibit JRM-1, Complainants Exhibit TM-1, Complainants Exhibit JDJ-1, Complainants Exhibit KFS-1, and Complainants Exhibit SH-1. This can be readily confirmed by utilizing the word search function in each of the aforementioned pieces of testimony. Only one Complainant witness even uses the term “abandonment,” but does not use it with reference to either Existing Bi-directional Service or the Bi-directional Service Extension. Complainants Exhibit KFS-1 at 12 (“Next step towards full abandonment: Bi-directional service pushing further to the East paves the way for full abandonment of East to West shipments.” (underlines omitted)).

abandonment of service.¹³¹ Dr. Morris confirmed his concession during cross-examination:

[ATTORNEY BARR] Q. . . And I guess the question is, do you think that these Midwest and Eastern shippers are similarly situated?

[DR. MORRIS] A. Once again, I don't understand why that's relevant here. I would say if you use the word social or whatever benefit, and if there was an abandonment proceeding, as I understand it, that might be a relevant factor. I'm not sure in the present proceeding if that's a relevant factor here.¹³²

Complainant witness Mr. Summers attempted to clarify the basis for the Complainants' abandonment claims. He testified for the first time at hearing that Laurel's use of "discretion . . . in the name of the market to not deliver barrels to [Monroe] or any – any other of the shippers for long periods of time" is an abandonment of Laurel's "requirement . . . to deliver us physical barrels."¹³³ He further stated that Laurel "can keep all receipts, locations the way they are, but the fact is that they're not physically delivering the barrels. And that's – abandonment in my mind."¹³⁴

However, on cross-examination, he confirmed that the direction of physical flows on a pipeline is ultimately determined by the mass balance of volumes nominated by shippers for a given cycle.¹³⁵ Mr. Summers specifically conceded that outside of an allocation scenario and in a scenario where all nominations are accepted, the mass balance of volumes nominated by shippers determines the direction of pipeline flows.¹³⁶ He further admitted that Laurel is permitted under its Tariff to determine the operating sequences, pumping sequences, and schedules for transportation on its pipeline, which is based upon what shippers nominate.¹³⁷

Moreover, Complainant witness Mr. Summers' concerns about Monroe's physical barrels

¹³¹ Laurel Exhibit No. MJW-02 (Dr. Morris's responses to Laurel's Set II, Nos. 3 and 4 discovery requests).

¹³² Tr. 476 (emphasis added).

¹³³ Tr. 85-86.

¹³⁴ Tr. 87.

¹³⁵ Tr. 91, 94-96.

¹³⁶ Tr. 95.

¹³⁷ Tr. 95-96.

being delivered are a red herring. Mr. Summers admitted he was not aware of an instance [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL] Mr. Summers further admitted that he was not aware of any other pipeline tariff under which Monroe transports petroleum products that guarantees Monroe’s physical barrels will be delivered.¹³⁹

Relatedly, Mr. Summers’ arguments ignore fundamental aspects of petroleum product transportation. It is well recognized that refined petroleum products are fungible (or interchangeable) and that there is no guarantee or expectation that a shipper will receive the same hydrocarbons at a delivery point that were injected at an origin point.¹⁴⁰ Relatedly, all transportation on the Laurel pipeline system involves the physical movement of petroleum products (i.e., all transportation involves displacement). Even “swaps” or “virtual movements,” which are cited as a “concern” by Mr. Summers and other Complainant witnesses, involve physical movements and deliveries on the system.¹⁴¹ Mr. Zeth specifically explained that:

[ATTORNEY BAKARE] Q. Can you explain how Buckeye executes swaps?

[MR. ZETH] A. Yes. So it’s mentioned in the testimony how the line is scheduled. So what the scheduler -the pipeline scheduler does is they get the mass of nominations, looks at those, and looks for offsetting movements. They will then optimize those movements with what are called swaps. So they’ll more efficiently transfer those volumes and then they will physically move what volumes are not swapped that were nominated. So the barrels are still [receipted] in. A swap is still [receipted] into the pipeline. It will still utilize pipeline facilities. It will move a certain portion of the pipeline, but

¹³⁸ Tr. 130.

¹³⁹ Tr. 104.

¹⁴⁰ Laurel St. No. 1-R at 41-42; Laurel St. No. 4-R at 44-45; Tr. 642-644.

¹⁴¹ Tr. 639 (Mr. Emery testifying that “[t]he physical move doesn’t have to be between those two points, but you’re able to satisfy volume for the delivery in other ways that optimize the flow in the system”), 642-644, 659 (Mr. Emery testifying that a swap is “the idea that the barrel didn’t move exactly to what the nomination says from – from its point that it came in and - and its ultimate destination. All the swap is, is allowing an optimization of that movement. It doesn’t mean it moved that entire distance.”), 677.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

it does not move all the way from origin to destination. It will move to a certain point where it's swapped with an offsetting barrel.¹⁴²

Beyond Mr. Summers' flawed and incorrect assertions, none of the Complainant witnesses testified that (a) Laurel intends to abandon or surrender its intrastate service or (b) Laurel has taken actions to carry this intent into effect. For example:

- None of the Complainant witnesses testified that Existing Bi-directional Service or the Bi-directional Service Extension prevents them from obtaining service from any existing origin to any existing destination in Laurel's Tariff;
- None of the Complainant witnesses testified that Laurel will stop providing service at any origin or destination in its Tariff;
- None of the Complainant witnesses testified that Laurel has not or will not comply with the existing East to West Capacity Guarantee; and
- None of the Complainant witnesses testified that existing east-to-west intrastate service will permanently cease (or cease for such a sustained period as to evidence Laurel intends to stop providing this service) due to the Existing Bi-directional Service or the Bi-directional Service Extension.

The Complainants may also attempt to argue that product cannot simultaneously flow from east-to-west and west-to-east over the same segment of the Laurel pipeline, and, therefore, when product moves from west-to-east over a segment, east-to-west flows will cease.¹⁴³ However, it is undisputed that this occurrence is temporary and is ultimately dictated by the "mass balance of volumes" (i.e., the comparison of volumes flowing in either direction) in a given cycle.¹⁴⁴ The balance of volumes from either direction is ultimately dictated by shippers' accepted nominations.¹⁴⁵ These temporary changes are clearly more similar to circumstances repeatedly

¹⁴² Tr. 531-532 (emphasis added).

¹⁴³ See, e.g., Complainants Exhibit TM-1 at 14, 34, 37-38; Tr. 668-669.

¹⁴⁴ Complainants Exhibit TM-1 at 37; Laurel St. No. 1-R at 22-23, 41-42; Laurel St. No. 4-R at 40-41; Tr. 605-607 (Mr. Zeth describing how Laurel satisfies nominations from both directions on cross), 615-618 (Mr. Zeth describing how Laurel satisfies nominations from both directions in response to questions from the ALJ).

¹⁴⁵ Laurel St. No. 1-R at 22-23, 41-42; Laurel St. No. 4-R at 40-41; Tr. 91, 94-96 (Complainant witness Mr. Summers admitting the same).

found not to constitute an abandonment of service.¹⁴⁶ These changes have almost zero similarity to circumstances evidencing a permanent cessation of service, which would be considered an abandonment.¹⁴⁷ Such cases involved complete cessations of service, rather than the temporary changes involved with Laurel’s bi-directional operations (i.e., flow direction changes that will occur on a periodic basis).

b. The Complainants’ theories of abandonment are contrary to precedent

Once it is recognized that the Complainants have failed to articulate any facts material to showing that Laurel will abandon service, it becomes clear that the Complainants are advancing a singular and novel theory of abandonment. In essence, the Complainants are claiming that either (a) bi-directional operations of the Laurel pipeline—which inherently involve maintaining existing intrastate operations—degrade or diminish existing intrastate service to such an extent as to constitute an abandonment (i.e., through increased transit times or increased variability of transit times), (b) changes in the method of operating the Laurel pipeline (e.g., its pumping sequences and schedules) constitute an abandonment, or (c) the initiation of a new (and in this case interstate) service constitutes an abandonment of existing service.¹⁴⁸ None of these theories have merit.

First, degradation, diminution, and even non-use of service do not constitute an abandonment of service. This has been repeatedly confirmed by Pennsylvania appellate courts and the Commission.¹⁴⁹ Under this theory, Complainants’ concerns are actually a claim of

¹⁴⁶ *W.D. Rubright*, 177 A.2d at 123 (citing cases where the common carrier utility may have curtailed or suspended operations); *Susquehanna*, 911 A.2d at 619; *Harris*, at *4-5; *Fisher*, at *19-20.

¹⁴⁷ *See, e.g., W.D. Rubright*, 177 A.2d at 123 (citing cases where there was clear and convincing evidence of abandonment involving no service being provided for 3-7 years).

¹⁴⁸ *See, e.g.,* Complainants Exhibit TM-1 at 4-5; Complainants Exhibit JDJ-1 at 14; Complainants Exhibit KFS-1 at 4-7; Complainants Exhibit SH-1 at 7, 10-11; Tr. 85-87; 181-182.

¹⁴⁹ *See, e.g., United Natural Gas Co.*, 191 A. at 14; *W.D. Rubright*, 177 A.2d at 123; *Feather*, 399 A.2d at 830; *Yellow Cab Co.*, 431 A.2d at 1107-1108; *Susquehanna*, 911 A.2d at 622; *Fisher*, at *19-20.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

unreasonable service.¹⁵⁰ As Section 1501 already provides a mechanism to resolve these claims, they need not be construed as a claim of abandonment. Complainants' attempts to transform a standard unreasonable service claim into an abandonment claim should be rejected.

Second, Commission precedent is clear that a petroleum products pipeline can change its method of operation without abandoning service. *Harris* clearly articulates that a change in method of operation, including a change that resulted in the total cessation of petroleum product transportation service by pipeline, did not constitute an abandonment.¹⁵¹ In addition, a determination that an abandonment occurs when Laurel changes the direction of petroleum product flows on its pipeline for a temporary period would produce absurd results. Specific to Laurel, this would mean utilization of the Commission-approved rights afforded to it under Item No. 10(B) of its Tariff constitutes an abandonment. For the only other petroleum products pipeline utility operating in Pennsylvania, Sunoco, it would similarly mean that service in one direction was abandoned every time service is provided in the opposite direction pursuant to Sunoco's bi-directional operations.¹⁵² For common carriers more generally, it would mean that every time a common carrier took a different route between points in its territory, it was abandoning service over other routes not taken. And, for public utilities more generally, it would mean (a) any time the flow of electricity to a net-metering customer changed, the electric utility would be partially abandoning service, or (b) any time the flow of natural gas or water over their respective pipe assets changed, the gas or water utility would be partially abandoning service. These few examples demonstrate the absurdity of the Complainants' claims.

¹⁵⁰ Laurel St. No. 3-R at 8; Tr. 124.

¹⁵¹ *Harris*, 1976 Pa. PUC LEXIS 50, at *4-5.

¹⁵² See *Sunoco 2014 Petition Order*, at pp. 38-39.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

Third, the initiation of a new service alone does not and cannot constitute the abandonment of service. Public utility certificates generally authorize utilities to provide service in a manner that is broader than what their tariff may ultimately specify.¹⁵³ Thus, initiation of a new service that falls within the bounds of the service authorized by the utility's CPC does not require the utility to seek a further CPC.¹⁵⁴

The ALJ and the Commission should reject the Complainants' theories of abandonment.

4. Laurel has demonstrated that the Bi-directional Service Extension is in the public interest

For the reasons explained above, bi-directional operation of the Laurel pipeline system in no way constitutes an abandonment of east-to-west intrastate service. While the Complainants have repeatedly tried to frame the Existing Bi-directional Service and the Bi-directional Service Extension as being analogous to the full reversal determined to be an abandonment in the *2018 Recommended Decision* and *2018 Final Order*, these operations are fundamentally different. Based on this fundamental difference, the Commission should not apply a traditional abandonment framework to this case but, instead, should focus on the overall benefits of bi-directional operations.¹⁵⁵ Using this framework, the benefits of bi-directional operations to all shippers and the public clearly outweigh the unquantified and speculative harms alleged by only two refineries and two shippers connected to Laurel's pipeline system. Thus, the Commission can issue any necessary or required CPCs for Laurel to effectuate the Bi-directional Service Extension as part of this proceeding, and should do so if it determines an abandonment will somehow occur.

¹⁵³ See, e.g., *Petition for Sunoco Pipeline, L.P. for Amendment of the Order Entered On August 29, 2013*, Docket No. P-2014-2422583, p. 9 (Opinion and Order Entered July 24, 2014).

¹⁵⁴ *Id.*; Laurel St. No. 3-R at 8-9.

¹⁵⁵ Laurel St. No. 3-R at 9-10.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

a. The Commission’s traditional abandonment analysis does not and should not apply to this case

Bi-directional operations inherently mean that existing east-to-west intrastate service is not intended to cease and, in fact, will be maintained.¹⁵⁶ The case law cited above uniformly confirms that an abandonment only occurs where there is a permanent cessation of service.¹⁵⁷ Moreover, Pennsylvania courts and the Commission have repeatedly confirmed that temporary curtailment, diminution, or even non-use of a service is insufficient to prove an abandonment has occurred.

Under these circumstances, the Commission’s traditional multi-factor test¹⁵⁸ does not and should not apply to an abandonment of service. Indeed, both *Borough of Duncannon* and *Commuters’ Committee*, seminal cases involving the Commission’s multi-factor test, involved permanent and total cessations of service by the applicable utility.¹⁵⁹

Instead, the Commission can, and should, apply the legal test it utilized in prior petroleum products pipeline proceedings: an “affirmative public benefits” test.¹⁶⁰ This is also the test applied in merger and acquisition proceedings.¹⁶¹ Under this test: there is no requirement for absolute

¹⁵⁶ See Section V.B.1-2., *supra*.

¹⁵⁷ See Section V.B.2.a., *supra*.

¹⁵⁸ *Borough of Duncannon v. Pa. PUC*, 713 A.2d 737, 740 (Pa. Commw. 1998); *see also See Commuters’ Committee v. Pa. PUC*, 88 A.2d 420, 424 (Pa. Super. 1952). However, the factors are non-exclusive and merely “among the factors to be considered in determining the existence or nonexistence of public convenience and necessity in abandonment of service.” *Id.* at 424 (emphasis added) (recognizing non-exclusivity of the aforementioned factors, and applying additional factors in its analysis).

¹⁵⁹ *Borough of Duncannon*, 713 A.2d at 738 (stating “. . . the Borough was proceeding to unilaterally discontinue use of the Fritz Run Reservoir and, as a result, water service would not be available to [customers] after October 20, 1995.”); *Commuters’ Committee*, 88 A.2d at 598 (involving a request by a railroad for the “right to abandon all passenger service on its branch line”). *See also Pennsylvania R. Co.*, 146 A.2d at 346 (“It is significant that abandonment has been previously viewed as a complete cessation of service. . . .”).

¹⁶⁰ *See Application of Sunoco Pipeline, L.P.*, Docket Nos. A-2013-2371789, P-2013-2371775, at p. 7 (Order entered Aug. 29, 2013) (“[W]e conclude that the record provides substantial evidence of affirmative public benefit sufficient to warrant approval of the proposed Application. . . .”); *Application of Buckeye Pipe Line Company, L.P.*, Docket No. A-140110F2000, at p. 3 (Order Entered March 7, 2005) (“Upon full consideration of these factors, we conclude that the record provides substantial evidence of affirmative public benefit sufficient to warrant approval of the proposed Application.”).

¹⁶¹ *City of York v. Pa. PUC*, 295 A.2d 825, 828 (Pa. 1972) (“Section 203 requires that the proponents of a merger demonstrate that the merger will affirmatively promote the ‘service, accommodation, convenience, or safety of the public’ in some substantial way.”) (emphasis added); *see also Popowsky v. Pa. PUC*, 594 Pa. 583, 937 A.2d 1040, 1055-57 (Pa. 2007).

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

necessity; future need and future benefits are sufficient to demonstrate that a project is in the public interest; and there is no requirement to quantify the benefits of a project.¹⁶² Laurel witness Dr. Webb, an expert in petroleum products economics and regulation, explained that “[a]t most, the addition of the new interstate service **could** result in the degradation of existing intrastate service, which **could** be considered unreasonable service,” and that this is not an abandonment.¹⁶³ Thus, and consistent with Commission precedent analyzing other petroleum products pipeline abandonments, any abandonment analysis should focus on “the benefits of the Bi-directional Service Extension to shippers and more broadly, consumers and end-users in Pennsylvania.”¹⁶⁴

b. The benefits of the Bi-directional Service Extension to the shipping community and public at large outweigh any impacts alleged by four shippers

The benefits of bi-directional service are extensive. Existing Bi-directional Service has provided substantial benefits to Laurel, the shipping community as a whole, and the public as a whole since 2019.¹⁶⁵ Laurel has been able to repurpose and efficiently and effectively utilize an asset that has experienced and can be expected to continue experiencing substantial underutilization.¹⁶⁶ In addition, shippers have been provided enhanced supply optionality, allowing them to source petroleum products from the Midwest **or** the East Coast for supplies into Altoona and the surrounding area.¹⁶⁷ Moreover, the public at large has benefitted from the fact

¹⁶² See *Popowsky*, 937 A.2d at 1055-57; *City of York*, 295 A.2d at 828; *Application of Sunoco Pipeline, L.P.*, Docket Nos. A-2013-2371789, P-2013-2371775 (Order entered Aug. 29, 2013); *Application of Buckeye Pipe Line Company, L.P.*, Docket No. A-140110F2000 (Order Entered March 7, 2005). While the Commonwealth Court has also held the benefits cannot be “aspirational” in nature, must be specific to the transaction, must differ from benefits already in existence, and must pass the “net” benefits test, i.e., the benefits of transaction must outweigh the harms, this decision remains under review by the Supreme Court of Pennsylvania and also involved a specific statutory provision, 66 Pa.C.S. § 1329, which is not applicable to this proceeding. *Cicero v. Pa. PUC*, 300 A.3d 1106 (Pa. Cmwlth. 2023), *allocatur granted*, 320 A.3d 667 (Pa. 2024).

¹⁶³ Laurel St. No. 3-R at 8.

¹⁶⁴ Laurel St. No. 3-R at 10.

¹⁶⁵ See Section V.C.1., *infra*.

¹⁶⁶ Laurel St. No. 1-R at 10-13, 16; Laurel St. No. 4-R at 4-5.

¹⁶⁷ Laurel St. No. 3-R at 14, 64-65, 73.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

that bi-directional operations permit shippers to source products from the cheaper source at any given point in the year: i.e., when product in the Midwest is cheaper in the winter, shippers can source volumes from the Midwest, and when product from the East Coast is cheaper in the summer months, shippers can source product from the East Coast.¹⁶⁸ Similarly, it can be expected that the Bi-directional Service Extension will result in further benefits to Laurel, the shipping community, and the public as a whole due to the provision of additional supply optionality to locations east of Altoona.¹⁶⁹ Specifically, the same benefits provided by Existing Bi-directional Service will be extended to additional locations on the Laurel pipeline system, including Harrisburg, Reading, and the surrounding areas.¹⁷⁰

These benefits clearly outweigh the negative impacts alleged by Complainants. Indeed, as a threshold matter, any perceived claim of financial harm advanced by the Complainants is simply due to increased competition by Midwestern sources, which are less expensive than East Coast sources for substantial portions of the year. Moreover, as explained below, the Complainants' allegations of negative impacts on transit times, pipeline operations and scheduling, and transmix are simply not credible and have been fully rebutted by Laurel's witnesses.¹⁷¹

For these reasons, if the Commission determines that an abandonment has or will occur, it should determine that the Bi-directional Service Extension will provide substantial affirmative public benefits and issue any required or necessary CPC(s) to Laurel.

¹⁶⁸ Laurel St. No. 3-R at 14, 64-65.

¹⁶⁹ See Section V.D.1., *infra*.

¹⁷⁰ Laurel St. No. 3-R at 27-31.

¹⁷¹ See Sections V.C.2. and V.D.2, *infra*

C. THE COMPLAINANTS HAVE FAILED TO SHOW THAT THE EXISTING BI-DIRECTIONAL SERVICE PROVIDED OVER LINE 718 CAUSES UNREASONABLE INTRASTATE REFINED PRODUCTS TRANSPORTATION SERVICE

Since October 2019, Laurel’s pipeline system has operated bi-directionally between Eldorado and Coraopolis (i.e., Line 718). Due to these bi-directional operations, Line 718 was able to be re-purposed to more efficiently and effectively utilize an existing asset to provide petroleum products transportation service in and across Pennsylvania. Existing Bi-directional Service provided, and continues to provide, a number of substantial benefits to Laurel, its shippers, and the public at large, rooted primarily in the fact that the availability of **both** east-to-west and west-to-east transportation on Line 718 has increased supply optionality in and around Altoona.

Despite these benefits, the Complainants allege that Existing Bi-directional Service has resulted in unreasonable east-to-west intrastate service over the Laurel pipeline system. These claims are belied, however, by the undisputed facts surrounding the Complainants’ failures to assert Existing Bi-directional Service caused unreasonable intrastate service for over five years. The Complainants’ claims of unreasonable service are based upon (1) purported increases in transit times and variability of transit times, (2) claims of outages/reduced reliability, (3) alleged operational and scheduling complexities, (4) assertions that bi-directional operations have increased “transmix,” and (5) the argument that “virtual movements” or “swaps” are unreasonable or contributing to alleged service quality issues. None of these claims are credible, and Laurel has fully rebutted all of them. Therefore, the claims that Existing Bi-directional Service is unreasonable and violative of Section 1501 should be dismissed.

1. Existing Bi-directional Service has provided substantial benefits to Laurel, the shipping community, and the public as a whole since 2019

The Existing Bi-directional Service provides a number of public benefits. Bi-directional operations have provided for increased utilization and efficiency on the Laurel pipeline system,

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

and increased supply optionality for shippers. This optionality, in turn, provides Pennsylvania consumers with access to **both** Midwest and East Coast petroleum product supplies. This includes the benefit of accessing the cheaper of Midwestern or East Coast sources throughout the year, as well as the benefit of having access to an additional source whenever supply disruptions occur. These benefits are real, substantial, and borne out by undisputed evidence of record.

One of the primary benefits of Existing Bi-directional Service is the increased utilization of Laurel's existing pipeline assets. Laurel explained that Line 718 has experienced a steady decline in its role of supplying both the Pittsburgh and Altoona markets over the period from 2017 (before bi-directional service commenced) through May 2025,¹⁷² including a steep drop in intrastate, Commission-jurisdictional volumes.¹⁷³ Furthermore, as discussed at length below, due to a direct correlation between volumes and transit times, lower volumes resulted in higher transit times even before the advent of bi-directional operations.¹⁷⁴ Laurel witness Mr. Zeth explained that Existing Bi-directional Service improved pipeline utilization and efficiency, and prevented the higher transit times that would have accompanied the even lower throughput volumes had service remained solely east-to-west in direction.¹⁷⁵

Mr. Zeth's testimony was strongly affirmed by Laurel witnesses Dr. Webb and Mr. Emery. Mr. Emery testified based on decades of experience with numerous liquids pipelines, including two pipeline systems with bi-directional operations, and hands-on scheduling experience with a petroleum products pipeline operating bi-directionally (the Williams/Magellan Minneapolis/Duluth line).¹⁷⁶ Mr. Emery established that bi-directional service has substantial

¹⁷² Laurel St. No. 1-R at 10-11, Figures 1 and 2.

¹⁷³ Laurel St. No. 1-R at 12, Figure 3.

¹⁷⁴ Laurel St. No. 1-R at 13.

¹⁷⁵ Laurel St. No. 1-R at 16; *see also* Laurel St. No. 3-R at 57-60; *see also id.* at 60, Figure 8.

¹⁷⁶ Laurel St. No. 4-R at 1-2.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

benefits for petroleum products pipelines, enhancing flexibility and liquidity, including the following specific operational benefits: (1) supply reliability via access to additional origins; (2) expanded pipeline capacity; and (3) more optimal utilization of the asset, increasing efficiency and service.¹⁷⁷ Mr. Emery demonstrated how these benefits were realized by analyzing Laurel, including an increase in capacity from 300,000 barrels per day to 408,000 barrels per day on Line 718.¹⁷⁸ This capacity could be further expanded when virtual barrel deliveries become possible.¹⁷⁹

As Mr. Emery established, bi-directional service increases flexibility and liquidity on a pipeline like Laurel to **both** shippers, through greater optionality in origins, **and** the pipeline, through the greater opportunity to arrange “virtual movements” as matches of nominations, allows for greater use of swaps.¹⁸⁰ In turn, greater use of virtual movements could reduce transit times and reduce costs through improved optimization of the system.¹⁸¹

Dr. Webb emphasized the essential economic benefits of bi-directional service for shippers and the Pennsylvania public. Indeed, bi-directional service provides existing delivery locations on Laurel with additional supply markets (i.e., Midwestern refineries) to those traditionally accessed via Laurel’s east-to-west service.¹⁸² This allows **shippers** to decide to source Midwestern volumes when they are less expensive than East Coast volumes, and to source East Coast volumes when they are less expensive than Midwestern volumes.¹⁸³ That choice is in the shippers’ hands, and it exists only because of bi-directional service.

¹⁷⁷ Laurel St. No. 4-R at 4-5.

¹⁷⁸ Laurel St. No. 4-R at 5-6.

¹⁷⁹ Laurel St. No. 4-R at 6.

¹⁸⁰ Laurel St. No. 4-R at 7. A “virtual movement” or “swap” is based upon the well-recognized principle that petroleum products are “fungible” and, therefore, shippers are not receiving the same barrel (i.e., molecules) that they inject into the pipeline. Tr. 643. The virtual movement expands upon this premise to allow a pipeline to optimize movements on its system “where the physical movements of volumes in the pipeline system to satisfy nominations are different from the origin and destination pair associated to such nominations.” Laurel Hearing Exhibit 1 at 1; Tr. 642-644.

¹⁸¹ Laurel St. No. 4-R at 44; Tr. 679.

¹⁸² Laurel St. No. 3-R at 14.

¹⁸³ Laurel St. No. 3-R at 14.

Dr. Webb shows that from January 2021 to the present, Chicago gasoline prices were lower than New York prices during many months, specifically 37 out of 52 months at Coraopolis and 23 out of 52 months at Eldorado.¹⁸⁴ As Dr. Webb explained, during periods of lower Midwestern prices, consumers in the Pittsburgh and Altoona markets “have benefited from access to less expensive Midwestern supplies.”¹⁸⁵ Similarly, Laurel’s Central Pennsylvania markets would have access to low-RVP gasoline from both Midwestern sources and from East Coast sources.¹⁸⁶ As Dr. Webb pointed out, **[BEGIN HIGHLY CONFIDENTIAL PROTECTED MATERIAL]**

[REDACTED]

[REDACTED] **[END HIGHLY CONFIDENTIAL PROTECTED MATERIAL]**¹⁸⁷ Dr. Webb explained that it is a well-accepted principle of economics that increasing the number of competitors results in a more competitive market and promotes competitive prices, all else being equal.¹⁸⁸ Therefore, increased competition for petroleum product supplies in Pennsylvania is a win for shippers and a win for Pennsylvania consumers.¹⁸⁹

2. The Complainants failed to demonstrate that Existing Bi-directional Service is unreasonable service

It is axiomatic that a utility is not mandated to furnish perfect service under Section 1501.¹⁹⁰ While service must be “reasonably continuous and without unreasonable interruptions or delay,” a utility may specify the terms and conditions under which it provides service in its tariff.¹⁹¹ Furthermore, delays or variance in the provision of such service do not violate Section 1501 of the

¹⁸⁴ Laurel St. No. 3-R at 64-65; Laurel Exhibit No. MJW-11. Dr. Webb reached this conclusion by preparing a more granular iteration of Complainant witness Dr. Morris’ delivered price analysis presented in direct testimony.

¹⁸⁵ Laurel St. No. 3-R at 65.

¹⁸⁶ Laurel St. No. 3-R at 73.

¹⁸⁷ Laurel St. No. 3-R at 20-22 (including Images 1-2); Laurel Exhibit No. MJW-05.

¹⁸⁸ Laurel St. No. 3-R at 35.

¹⁸⁹ Laurel St. No. 3-R at 22-24 (including Figures 1 and 2); Laurel Exhibit Nos. MJW-06 and MJW-07.

¹⁹⁰ See footnote 39, *supra*.

¹⁹¹ 66 Pa.C.S. § 1501.

Public Utility Code.¹⁹² The Complainants' claims are inconsistent with these standards, and they failed to demonstrate that bi-directional operations caused any alleged service issues.

a. Complainants did not raise concerns with or initiate actions regarding Existing Bi-directional Service prior to filing the Complaint

At the outset, it is important to emphasize that the instant Complaint is the first and only instance whereby the Complainants, or any shipper, on the Laurel pipeline system have attempted to formally elevate any concerns regarding the impacts of Existing Bi-directional Service. Despite the 2019 Settlement providing an explicit and formal process for raising concerns regarding the bi-directional operation of Line 718, neither Sheetz, Monroe, nor LHT utilized this process.¹⁹³ Moreover, no informal or formal complaint was filed by any Complainant or any other shipper prior to the instant Complaint.¹⁹⁴ And, certain of the Complainants regularly take advantage of bi-directional operations, which demonstrates that they view the supply optionality provided by Existing Bi-directional Service as a benefit.¹⁹⁵ Having failed to actually raise these concerns prior to the instant Complaint, the Complainants' service quality claims fundamentally lack credibility and appear to be motivated by other factors.

b. Any alleged increase in length or variability of transit times for intrastate movements since 2019 is insufficient to constitute unreasonable service

Neither Laurel's CPC, Commission-approved Tariff, Commission-approved Capacity Use Agreement, nor the 2019 Settlement contains any minimum or maximum standards for the transit

¹⁹² *Ross E. Schell v. PPL Electric Utilities Corporation*, Docket No. C-2016-2566320, 2018 Pa. PUC LEXIS 228 (Opinion and Order entered June 14, 2018) ("A public utility is obligated to provide service that is reasonably continuous and without unreasonable interruptions or delay. Interruption of service and variation in supply characteristics can occur and not every interruption, outage or variation in service *per se* constitutes a violation of the public utility's duty to provide safe, adequate and reasonable service and facilities.").

¹⁹³ Laurel St. No. 1-R at 9.

¹⁹⁴ Laurel St. No. 1-R at 61; *see also* Laurel St. No. 3-R at 89-90.

¹⁹⁵ Laurel St. No. 1-R at 56-57.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

time applicable to the transportation of refined petroleum products.¹⁹⁶ Indeed, the Buckeye Shipper Information Notebook—the only document applicable to Laurel’s operations that speaks to transit times—provides only “estimated” ranges of transit times between destinations and origins.¹⁹⁷ There is no guarantee for transit time length or variability, and the estimates are regularly updated to reflect actual ranges of transit experience.¹⁹⁸

The lack of transit time guarantees makes sense when the undisputed facts surrounding pipeline scheduling and operations are considered. It is undisputed that transit time varies due to a wide range of factors beyond the control of the carrier, including the fact that transit times are a function of volumes actually nominated by shippers, and that these transit time factors are common among different pipelines.¹⁹⁹ None of the Complainants’ witnesses could identify a regulatory or industry standard regarding transit times or variability.²⁰⁰ Similarly, none of the Complainants’ witnesses could point to any other precedent identifying a standard for transit times or variability of deliveries. The Complainants’ claims are facially deficient for failure to provide any common or accepted industry standard for assessing the reasonableness of transit times.

The Complainants have also failed to show that (a) transit times have increased significantly, (b) any increases in transit times are caused by Existing Bi-Directional Service, or (c) transit time changes have had significant impacts on shippers or consumers. The specific witnesses for Monroe, Sheetz, and LHT individually presented anecdotal accounts of perceived delayed deliveries (or occasionally deliveries that were made too soon), which they contended,

¹⁹⁶ See Section V.B.1., *supra*.

¹⁹⁷ Available at: <https://www.buckeye.com/wp-content/uploads/2025/07/Transit-time-BIG-EAST-07-01-25.pdf>. Laurel Exhibit TZ-8 provides an excerpt from the Shipper Information Notebook, updated as of July 1, 2025, that sets for the transit time estimates for points on the Laurel pipeline system.

¹⁹⁸ Compare Laurel Exhibit TZ-8 with Complainants Exhibit JDJ-3 at 1 (providing the same excerpt from the Shipper Information Notebook, updated as of January 1, 2025).

¹⁹⁹ Laurel St. No. 4-R at 8-11.

²⁰⁰ See *e.g.*, Tr. 92-93, 104, 124, 274-275, 277-278.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

without providing any causal proof, resulted from Existing Bi-directional Operations. None of these witnesses proffered any meaningful quantification of (i) the percentage of such alleged delays to their overall shipments, or (ii) the alleged harm from the alleged delays to their businesses.²⁰¹ It is undisputed that transit times on Laurel have always varied, whether before and after the commencement of the Existing Bi-Directional Service.²⁰² Moreover, the Complainants' witnesses failed to consider that the closure of the PES refinery in 2019, and subsequent loss of a significant amount of intrastate volumes, aligns with changes in transit times since 2019.²⁰³

Laurel witness Mr. Emery further explained the impacts of operational factors such as declining volumes, nomination changes by shippers, the timing and availability of supply from connecting sources, and the periodic need to change schedules to meet customer requests on transit times. Indeed, he confirmed that these factors do occur on Laurel and do cause transit time increases.²⁰⁴ Mr. Emery also showed that bi-directional operations could also reduce transit times, depending on the balance of demand at either end of the line.²⁰⁵

Although Complainants' witness Dr. Morris attempted to show significant changes in transit time since 2019, his analysis was both flawed and refuted by Laurel. Laurel witness Dr. Webb explained that Dr. Morris did not conduct an independent verification of this claim and ignored standard methodological measures.²⁰⁶ Thus, Dr. Morris's analysis is flawed because it

²⁰¹ See e.g., Laurel St. No. 4-R at 25-27. The nearest approach to quantification was Mr. Jadlocki's statement that as of October 2025, 13% of the days in 2025 had been subject to outages, Tr. 181-182, as shown below, all of the outages making up that figure were due to either routine integrity maintenance or to work in preparation for the Extended Bi-Directional Service, i.e., none were caused by the operation of the Existing Bi-Directional Service. Almost half of the days cited by Mr. Jadlocki were also the subject of a settlement by the Complainants and Laurel, related to the Extended Bi-Directional Service. See Tr. 183-186. Specifically, Mr. Jadlocki refers to outages being taken as permitted by the Commission-approved settlement of the Petition for Interim Emergency Relief filed by Sheetz and LHT. *Monroe Energy, LLC, et al. v. Laurel Pipe Line Company, L.P.*, Docket No.C-2025-3053018, P-2025-3056566 (Joint Stipulation and Settlement dated Aug. 8, 2025).

²⁰² Laurel St. No. 1-R at 20-21.

²⁰³ Laurel St. No. 1-R at 9, 58-59.

²⁰⁴ Laurel St. No. 4-R at 8-11.

²⁰⁵ Laurel St. No. 4-R at 11-12.

²⁰⁶ Laurel St. No. 3-R at 76.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

assumes bi-directional operations caused transit time increases, without any verification that bi-directional operations caused such increases.²⁰⁷

Laurel witness Dr. Webb, on the other hand, undertook a rigorous regression analysis that controlled for relevant variables.²⁰⁸ In his analysis, Dr. Webb used data regarding individual shipments from January 1, 2014, through June 30, 2025, using regression analyses that controlled for relevant factors to determine whether the commencement of bi-directional service caused increased transit times to Coraopolis, Eldorado, Mechanicsburg, and Sinking Spring.²⁰⁹ The results of this analysis are set out in detail in Laurel Exhibit No. MJW-17 and summarized at Table 2 of his rebuttal testimony. The analysis showed that the impact of bi-directional service on transit times for shipments to Eldorado was both “negative” (i.e., a small decrease in transit times was observed) and “statistically significant” (i.e., there is a likelihood that bi-directional operations impacted transit times);²¹⁰ thus, actual data demonstrates that bi-directional service did not cause an increase in transit times for deliveries to Eldorado.²¹¹ His analysis also showed that the impact of bi-directional operations on transit times for shipments to Coraopolis was minimally “positive” (i.e., a *de minimis* increase in transit times observed) and “statistically significant”;²¹² thus, actual data demonstrates that, at most, bi-directional operations may have caused a *de minimis* 12% increase in transit times for deliveries to Coraopolis.²¹³

The Complainants failed to rebut Dr. Webb’s analysis. While Dr. Morris attempted to criticize Dr. Webb’s analysis of transit times as involving “too many control variables and it kind

²⁰⁷ Laurel St. No. 3-R at 94-95. This statement equally applies to Dr. Morris, as well as the other Complainant witnesses that failed to provide any analysis to shown bi-directional operations caused transit time increases.

²⁰⁸ Laurel St. No. 3-R at 95.

²⁰⁹ Laurel St. No. 3-R at 96. Dr. Webb explained his methodology in detail in the Technical Appendix to his rebuttal testimony. Laurel St. No. 3-R, Appendix A.

²¹⁰ Laurel St. No. 3-R at 97.

²¹¹ Laurel St. No. 3-R at 98.

²¹² Laurel St. No. 3-R at 97.

²¹³ Laurel St. No. 3-R at 98.

of hides how we did the control variables,” this criticism simply ignored the Technical Appendix supplied by Dr. Webb.²¹⁴ Dr. Webb both explained his analysis and provided the necessary details for his analysis to be replicated and verified. While the Complainants also introduced an analysis by Dr. Morris that purported to compare increases in transit time with decreases in volume,²¹⁵ this analysis cannot reasonably be relied upon. At the outset, Dr. Morris does not overcome the basic criticism levied by Dr. Webb: Complainants have made no showing that bi-directional operations had a statistically significant (i.e., causal) impact on transit times. Dr. Morris’ analysis is simply devoid of a showing of statistical significance. Importantly, Dr. Morris could not explain what filters he applied to the ticketing data underlying this analysis.²¹⁶ Additionally, the workpapers that might actually be used to verify what filters were applied were not offered into evidence. Furthermore, Dr. Morris’ analysis relies upon both interstate and intrastate volumes from the Philadelphia area, the vast majority of which are actually interstate volumes.²¹⁷ Dr. Morris’ statistically flawed transit time analysis should be ignored.

The three internal witnesses for the Complainants also provided no support for a finding of unreasonable service due to transit time increases or variability. Mr. Summers, appearing for Monroe, claimed that transit time changes have resulted in sporadic deliveries, and deliveries arriving “too late” or “too early.”²¹⁸ Mr. Zeth showed that Mr. Summers’ claims of “sporadic” deliveries west of Mechanicsburg ignored the inherent variability of transit times discussed above, and also explained that Monroe consistently received the nominations it had made in the month of intended delivery.²¹⁹ Mr. Zeth also explained that Mr. Summers’ claim that the pipeline “held”

²¹⁴ Laurel St. No. 3-R, Appendix A.

²¹⁵ Complainants Exhibit Nos. JRM-10, JRM-11 and JRM-12.

²¹⁶ Tr. 436-437.

²¹⁷ See Tr. 591-592 (witness admitting he did not know if the volumes shown in Exhibit JRM-12 originate in Booth, which is an interstate origin point).

²¹⁸ See *e.g.*, Complainants Exhibit KFS-1 at 5.

²¹⁹ Laurel Exhibit 1-R at 24-25.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

barrels in its segments during cycles due to Existing Bi-directional Service ignored both the basic operation of the pipeline and thus overlooked other grounds for deferred deliveries,²²⁰ and the fact that updated shipper notices would communicate such delays.²²¹ Mr. Zeth explained that the issue of “early” barrels completely overlooked the wide range of transit times provided in Laurel’s Shipper Information Notebook,²²² and explained that one specific “delayed” batch cited by Mr. Summers was due to declining volumes.²²³ Mr. Zeth further addressed Mr. Summers’ claims of specific batches delivered “late,” explaining that there have been *hundreds* of batches delivered to each shipper during the six years of the Existing Bi-Directional Service, so that the identified set of “late” batches is a “small subset” of Monroe’s volumes over that time period.²²⁴ Despite his asserted concerns that the pipeline might abuse its authority to operate the pipeline by deciding which way to transport, Mr. Summers ultimately admitted that the “mass balance” of volumes in a cycle (i.e., commodity market forces) dictates the direction of flow, and that the shippers’ nominations dictate direction of flow.²²⁵ Monroe also failed to produce a single internal document regarding key aspects of Mr. Summers’ claims.²²⁶

Ms. Huzicko made claims on behalf of LHT of doubled transit times to western Pennsylvania, as well as allegations of poor communications. However, Ms. Huzicko’s claims are only with respect to Heating Oil and Diesel, and include both intrastate (westbound) and interstate

²²⁰ On rejoinder at hearing, Mr. Summers countered that west-to-east volumes might flow for “weeks and months, multiple cycles,” making east-to-west volumes wait. Tr. 83. Zero evidence was introduced by Complainants that such lengthy eastward movements have occurred, and this claim ignores both the description by Laurel as to how the Existing Bi-directional Service is scheduled (Laurel St. No. 1-R at 22-23, and Tr. 605-606, 615-617) and the fact that the pipeline can operate even on Line 718 in both directions. Tr. 665-666; Laurel St. No. 4-R at 5-6.

²²¹ Laurel St. No. 1-R at 25.

²²² Laurel St. No. 1-R at 26; Laurel Exhibit TZ-8 and Complainants Exhibit JDJ-3 at 1.

²²³ Laurel St. No. 1-R at 27.

²²⁴ Laurel St. No. 1-R at 29.

²²⁵ Tr. 94-96.

²²⁶ Laurel Cross Exhibit Nos. 1 and 2; Tr. 103-104.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

(westbound and eastbound) deliveries.²²⁷ Mr. Zeth also showed that Ms. Huzicko failed to address or consider the numerous, specific other factors influencing transit times,²²⁸ and that her testimony regarding communications ignored the uniform use of scheduling updates for all shippers provided by the T4 systems.²²⁹ Like Mr. Summers, Ms. Huzicko also could not identify any documents relating to management-level presentations regarding the alleged transit time problems on Laurel, undercutting her claims that these operational issues have posed serious problems for LHT.²³⁰

Mr. Jadlocki of Sheetz presented data alleging increased transit times since 2019 based on its own shipments.²³¹ Mr. Zeth explained that Mr. Jadlocki's claims suffered from similar flaws to those of Ms. Huzicko, including a lack of similar circumstances between different eastward and westward movements, and failure to take into account volume declines post-2019.²³² Notably, Mr. Jadlocki showed the transit time to Eldorado from the only origin with shipments subject to this Commission's jurisdiction (Chelsea) to be nine days, which is far lower than the higher interstate average times.²³³ Mr. Jadlocki's data had numerous unaccounted-for variables undermining its reliability, including shipments that traveled in part on non-Laurel facilities,²³⁴ and failed to consider differences in batch sizes,²³⁵ the mix of products that might influence transit time,²³⁶ whether transit time was influenced over time by changes in its pattern of splitting batches,²³⁷ and

²²⁷ See Complainants Exhibit SH-2 at 2-7 (note explaining data only includes Heating Oil and Diesel, and not distinguishing between intrastate and interstate transit times).

²²⁸ Laurel St. No. 1-R at 30-31.

²²⁹ Ms. Huzicko also asked the Commission to impose a novel condition on Laurel, restricting it to no more than 125% of 2016-2018 transit times, subject to granting a discount to PaPUC shippers for departures, which Mr. Zeth shows is unjustified and unfair to Laurel, given that transit time is not controlled by Laurel, and there is penalty without any corresponding benefit to Laurel for shorter transit times, *inter alia*. Laurel St. No. 1-R at 58-59.

²³⁰ Tr. 145.

²³¹ Complainants Exhibit JDJ-1 at 6-8.

²³² Laurel St. No. 1-R at 33-34.

²³³ Tr. 397-398.

²³⁴ Tr. 375-376.

²³⁵ Tr. 379-380.

²³⁶ Tr. 377-379.

²³⁷ Tr. 381-383.

the exclusion of transit time associated with all shipments of 3 days or less (having the effect of increasing apparent transit times).²³⁸ Furthermore, Mr. Jadlocki could not recall at hearing whether the number of days exhibiting a maximum transit time of 29 days, which suggests the number of such instances over the past five years was ultimately *de minimis*.²³⁹ Mr. Jadlocki was also unable to identify any other pipelines that offer guaranteed transit or delivery times.²⁴⁰ Moreover, Sheetz presented no communications from Sheetz to persons responsible for operating Laurel regarding Sheetz’s alleged concerns,²⁴¹ and presented no documents in which the allegedly severe operational problems were mentioned in a presentation to management.²⁴²

No Complainant witness demonstrated that the alleged changes in transit time (a) were causally linked to Existing Bi-directional Service or (b) caused any quantified, material harm to the shippers or to the consumers of Pennsylvania.²⁴³ Ultimately, the Complainants’ concerns are seeking “perfect” transit times, i.e., transit times with no variability where their individual shipments arrive neither too early nor too late. Pennsylvania law is clear that perfect service is not required, and that delays or variance in the provision of such service do not violate Section 1501.

c. The Complainants failed to demonstrate that bi-directional operations are so “difficult” or “complex” as to be unreasonable service

Complainants further attempted to characterize the operation of bi-directional petroleum products lines as being unreasonably complex and difficult.²⁴⁴ These claims were thoroughly

²³⁸ Tr. 383-386.

²³⁹ Tr. 386-387.

²⁴⁰ Tr. 359-364.

²⁴¹ See Laurel Cross Examination Exhibit 75 at 94 (and accompanying documents, none of which are pre-Complaint communications on this subject to Laurel).

²⁴² Tr. 357-364.

²⁴³ Mr. Jadlocki’s discussion of certain internal steps, Complainants Exhibit JDJ-1 at 8-10 is contradicted by the absence of any documents suggesting communications to Buckeye management discussed below.

²⁴⁴ See, e.g., Complainants Exhibit TM-1 at 5-6.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

disproven by Mr. Emery, based on his substantial personal experience scheduling bi-directional service for other pipelines that he confirmed was consistent with Laurel’s operations.²⁴⁵

Mr. Miesner’s claims regarding the problems of bi-directional service lack credibility when analyzed individually,²⁴⁶ but his criticism of bi-directional service on Laurel suffers from a fundamental flaw: Mr. Miesner’s criticisms stem from his generalized experience, which is neither inclusive of nor specific to bi-directional operations on other pipelines or the data and facts specific to Laurel.²⁴⁷ Indeed, Mr. Emery explained several examples of criticism by Mr. Miesner that ignore Laurel’s own operations, including Laurel’s experience in operating bi-directional facilities without the dire consequences that Mr. Miesner speculates must occur.²⁴⁸ Tellingly, Mr. Miesner constructed one scenario of bi-directional inoperability that would never occur in reality, i.e., failure of bi-directional service due to the absence of volumes entering from the opposite end of the pipeline, because there would be no need for bi-directional service if no volumes are entering the system from the opposite origin.²⁴⁹ Mr. Miesner’s criticisms are “[m]ere bald assertions, personal opinions or perceptions” that do not constitute substantial evidence.²⁵⁰

Turning to Mr. Miesner’s specific claims, rather than being unique to bi-directional service,

²⁴⁵ Relatedly, Mr. Miesner alleged that contamination in delivery tanks was a problem, Complainants Exhibit TM-1 at 43, but on cross examination admitted that the same issue arises regarding deliveries by uni-directional pipelines. Tr. 309-313.

²⁴⁶ Mr. Miesner admitted at hearing that he had never personally scheduled a bi-directional pipeline, Tr. 263, and that he had never been involved in the design or operations of a bi-directional pipeline, referencing only a design role for a terminal facility, Tr. 263-263, nor the maintenance of a bi-directional pipeline, Tr. 264.

²⁴⁷ See e.g., Laurel St. No. 4-R at 35; Tr. 296 (illustration of issues on Laurel not based on Laurel facts); Tr. 297-298 (bi-directional operational issue in testimony is not based on Laurel’s facts) Tr. 313-314 (scheduling testimony not based on Laurel’s actual practices). See also Laurel Cross Exhibit Nos. 23, 24 and 25.

²⁴⁸ Laurel St. No. 4-R at 35-37.

²⁴⁹ Laurel St. No. 4-R at 38-39.

²⁵⁰ *Mid-Atlantic Power Supply Assoc.*, 746 A.2d at 1200; see also *West Penn Power Co.*, 2019 Pa. Commw. Unpub. LEXIS 532, at *24-25. While Mr. Miesner discusses a document regarding bi-directional operations, Complainants Exhibit No. TM-4, it was shown to be largely irrelevant and misinterpreted, by Mr. Zeth. Laurel St. No. 1-R at 35-36; Laurel Exhibits TZ-5 and TZ-6. Mr. Zeth further confirmed that a document identified as HIGHLY CONFIDENTIAL Laurel Cross Exhibit No. 20 was also misinterpreted and not representative of current Laurel facilities, equipment or operations. Tr. 601-602.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

the “complex” and “difficult” issues raised by Mr. Miesner arise in both one-directional and bi-directional lines and are solved by well-established practices.²⁵¹ For example, computer programs and software exist to assist schedulers with both one- and bi-directional operations,²⁵² and schedulers coordinate and reconcile nominations from multiple shippers between multiple origins and destinations for each cycle under either operation.²⁵³ Mr. Emery concluded, based on his review of Laurel’s operations and knowledge of bi-directional operations on other pipelines, that Laurel has successfully managed such issues in its Existing Bi-Directional Service.²⁵⁴

Mr. Miesner further argued that bi-directional service would encounter inherent problems operating successfully bi-directionally without additional facilities.²⁵⁵ However, Mr. Emery showed that this analysis “has no similarities to the configuration of Laurel.”²⁵⁶ Indeed, the simple addition of isolation valves, a minor investment undertaken by Laurel, solves the hypothetical problems Mr. Miesner claimed would result in simultaneous operation of different segments during bi-directional service.²⁵⁷ Similarly, Mr. Emery described how a basic issue Mr. Miesner raised, i.e., a single source flowing down a pipeline to a delivery lateral, is quite typical in the refined products pipeline industry and is readily addressed by well-known practices such as sequencing and alignment of delivery windows with terminal capacity, regardless of the direction of flow.²⁵⁸ Compounding these problems, Mr. Miesner also failed to show any Laurel-specific facts regarding segment capacity or deliveries.²⁵⁹ Mr. Meisner’s further contention that bi-

²⁵¹ Laurel St. No. 4-R at 27-29.

²⁵² Laurel St. No. 4-R at 28.

²⁵³ Laurel St. No. 4-R at 29.

²⁵⁴ Laurel St. No. 4-R at 29.

²⁵⁵ Complainants Exhibit TM-1 at 42-43 and Figure 5.

²⁵⁶ Laurel St. No. 4-R at 30.

²⁵⁷ Laurel St. No. 4-R at 30.

²⁵⁸ Laurel St. No. 4-R at 30.

²⁵⁹ Laurel St. No. 4-R at 30.

directional service requires “push stock”²⁶⁰ was refuted by Mr. Zeth and Mr. Emery.²⁶¹ Finally, Mr. Miesner also ignored the fact that pipelines will modify their systems in order to respond to new market circumstances, although at hearing he agreed with that key proposition.²⁶²

In sum, based on his professionally informed review of Laurel’s actual operations under the Existing Bi-Directional Service, Mr. Emery concluded that such service has been operationally successful without the serious problems raised as hypotheticals and speculations by Mr. Miesner:

Laurel has operated with partial bi-directional service for more than five years without the widespread scheduling, nomination, interface, or accounting failures that Mr. Miesner predicts. They have established an effective combination of protocol, systems, and staff to effectively manage the operational requirements of bi-directional service, and there is no history to suggest that the expansion of this service would create the systemic issues he describes. As I note above, every scenario Mr. Miesner presents suffers from the same flaw. Each is a speculative, worst-case scenario unsupported by Laurel’s own experience. Laurel’s actual performance in implementing bi-directional service demonstrates that such scenarios are not only unproven but also inconsistent with how the pipeline has operated in practice.²⁶³

The Complainants presented no evidence to detract from or rebut this conclusion.

d. The Complainants failed to demonstrate that Existing Bi-directional Service has caused a material increase in transmix

“Transmix” is a non-merchantable off-spec product created by the interface between a gasoline batch and a distillate batch.²⁶⁴ Complainants suggest that the Existing Bi-Directional Service increases “transmix.”²⁶⁵ Their claims, however, lack support.

According to Mr. Miesner, bi-directional operation “may” result in greater interface

²⁶⁰ Complainants Exhibit TM-1 at 40-41.

²⁶¹ Laurel St. No. 1-R at 38; Laurel St. No. 4-R at 41-42. A fair reading of his cross examination shows the “push stock” claim to be a non-issue, operationally. Tr. 303-309.

²⁶² See Tr. 314-323. Mr. Meisner also agreed that circumstances may have changed since Laurel’s decades-old original design and construction. Tr. 319-323.

²⁶³ Laurel St. No. 4-R at 39-40.

²⁶⁴ Laurel St. No. 4-R at 13.

²⁶⁵ See Complainants Exhibit TM-1 at 15-16, 52.

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between batches of unlike products, resulting in more contamination and product downgrades.²⁶⁶ Complainants provided no quantification of this alleged effect and no evidence that it has actually occurred. In addition, the record conclusively shows that Mr. Miesner’s speculative claims regarding transmix are both incorrect and inaccurate.

Mr. Miesner’s principal grounds for his theory are that Laurel would be sub-optimally designed for minimizing transmix when it engages in bi-directional transportation; this contention is inaccurate. First, Mr. Miesner performed no analysis of Laurel’s actual design, operations, or historical velocity of transmission relative to his claims about its likely performance.²⁶⁷ Nor did Mr. Miesner reach any conclusions regarding the optimum flow rate on Laurel to minimize transmix.²⁶⁸ Tellingly, Mr. Miesner did not include any evidence that transmix on Laurel has actually increased over the past five years of actual bi-directional service. In fact, Mr. Emery testified that Mr. Miesner, “overlooks Laurel’s actual experience, which has not seen a large increase in transmix generated since 2019, as shown in material provided in discovery and attached as Laurel Exhibit GEE-06.”²⁶⁹

Second, as Mr. Emery explained, other factors cited by Mr. Miesner would not necessarily create greater transmix,²⁷⁰ and operational changes following a change in direction, as through bi-directional transportation can be adequately managed by “operational controls, scheduling, and sequencing.”²⁷¹ Laurel has procedures in place to manage interface, and hence transmix, and in nearly six years of the Existing Bi-Directional Service, Complainants have shown no evidence of the interface issues hypothesized by Mr. Miesner actually occurring on Laurel, nor did Mr. Miesner

²⁶⁶ Complainants Exhibit TM-1 at 16-17.

²⁶⁷ Laurel St. No. 4-R at 31.

²⁶⁸ Tr. 292-294; *see also* Laurel Cross Exhibit No. 22.

²⁶⁹ *See* Laurel St. No. 4-R at 43; Laurel Exhibit No. GEE-06. Exhibit No. GEE-06 shows that after climbing between 2019 and 2020, in 2023 and 2024 average transmix levels were *below* the levels experience during 2017-2019.

²⁷⁰ Laurel St. No. 4-R at 31-32.

²⁷¹ Laurel St. No. 4-R at 32.

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provide any facts tying bi-directional service to reduced flow rates or to increased product mixing. Therefore, his claims on this subject are wholly speculative.²⁷²

Complainant witness Ms. Huzicko also made a related claim that more frequent deliveries increased product losses. Yet, in addition to failing to tie the alleged frequency increase to bi-directional service, she did not quantify this alleged harm and produced no documentary evidence of more frequent deliveries that have caused more product losses since fall 2019.²⁷³

Complainants' transmix claims should also be rejected for another, dispositive reason. All shippers' responsibility for the costs associated with transmix related to jurisdictional transportation is fixed by the relevant tariff provisions, governing the Pipeline Loss Allowance ("PLAA") fee.²⁷⁴ Assuming *arguendo* that transmix were to increase as a result of bi-directional service, there would be no effect on rates paid by shippers until the PLAA was changed in proposed tariff sheets that would be subject to protest and review by this Commission.²⁷⁵ If any changes to transmix were to occur that were to be reflected in charges to the Complainants, they could raise their theories in light of actual PLAA impacts at that future time.

e. The Complainants failed to demonstrate that sporadic downtime on the Laurel pipeline constitutes unreasonable service

Complainants also allege there have been a number of outages caused by Existing Bi-

²⁷² Laurel St. No. 4-R at 32-33.

²⁷³ Tr. 146-147

²⁷⁴ Laurel Exhibit TZ-3 at 11 (Item No. 45(C)).

²⁷⁵ Changes to the PLAA applicable to Buckeye's interstate service have been filed, protested and resolved by FERC settlement and order in the past. *Buckeye Pipe Line Co., L.P.*, 157 FERC Para. 61,077 (2016) (order approving settlement of PLAA changes). With regard to the most recent, disputed PLAA changes proposed by Buckeye, those matters were closed by a FERC order following withdrawal of the protests, and despite occurring after commencement of the Existing Bi-Directional Service, the record in those proceedings did not mention any effects of bi-directional service. *Buckeye Pipe Line Co., L.P.*, 151 FERC Para. 61,254 (2020) (hearing order on PLAA filing, Dkt. No. IS20-518-000); *Buckeye Pipe Line Co., L.P.*, "Order of Chief Judge Terminating Settlement Judge Procedures and Severing Issues for Settlement," issued November 17, 2020 (terminating Dkt. No. IS20-518-000 hearing); *Buckeye Pipe Line Co., L.P.*, 172 FERC ¶ 61,217 (2020) (hearing order on PLAA filing, Dkt. No. IS20-763-000); *Buckeye Pipe Line Co., L.P.*, Dkt. No. IS20-763-000, "Order of Chief Judge Terminating Settlement Judge Procedures," issued January 21, 2021 (terminating hearing procedures, Dkt. No. IS20-763-000).

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directional Service, primarily in 2025, that have impaired existing intrastate service. However, none of the outages cited were caused by the Existing Bi-Directional Service.

Complainants’ witness Mr. Jadlocki of Sheetz primarily addressed the outage claims.²⁷⁶ Mr. Jadlocki claimed that outages made the system “constantly inoperable.”²⁷⁷ However, Mr. Jadlocki failed to tie any of the outages he identifies to Existing Bi-directional service. Laurel witness Mr. Seagraves²⁷⁸ explained in detail that each of the five outages stemmed from either necessary integrity work on Laurel or a combination of necessary integrity work and work preparatory to the Extended Bi-Directional Service.²⁷⁹ At hearing, Mr. Jadlocki referenced two more outages anticipated for September and October 2025, which he subsequently admitted were related to the Extended Bi-Directional Service, and were outages that Sheetz and the other Complainants had agreed to allow, as result of the Stipulation and Settlement regarding Petition for Interim Emergency Relief that was approved by the ALJ and the Commission.²⁸⁰ Not only do these two anticipated outages say nothing regarding the reasonableness of Laurel’s service as a result of the Existing Bi-Directional Service, Mr. Jadlocki’s testimony could be interpreted to be contrary to the requirement that Sheetz support the settlement in future filings.²⁸¹

Moreover, contrary to Mr. Jadlocki’s claim that service was denied during a March 28, 2025, outage due to routine pre-planned integrity work, Sheetz’s nominations were not denied.

²⁷⁶ Mr. Summers and Ms. Huzicko did not focus on “outages” per se, but on what they asserted were significant service issues; as Mr. Zeth showed, their claims were based on misunderstandings of the system and service, misstatements regarding Laurel’s actions or duties, and other fallacies. Laurel St. No. 1-R at 39-42 (addressing Mr. Summers) and 42-45 (addressing Ms. Huzicko).

²⁷⁷ Complainants Exhibit JDJ-1 at 5.

²⁷⁸ Mr. Seagraves is a Project Manager at Buckeye Partners, L.P., and is responsible for managing the design and construction of pipeline assets. Laurel St. No. 2-R at 1; *see also* Laurel Exhibit SS-1 (copy of Mr. Seagraves’s resume). He also has direct responsibility for the work performed on the Laurel pipeline system associated with the Bi-directional Service Extension. Laurel St. No. 2-R at 1-2.

²⁷⁹ Laurel St. No. 2-R at 4-15.

²⁸⁰ Tr. 181-182; Tr. 183-187.

²⁸¹ *Monroe Energy, LLC, et al. v. Laurel Pipe Line Company, L.P.*, Docket Nos. C-2025-3053018 and P-2025-3056566, Joint Stipulation and Settlement, ¶ 7 (dated August 8, 2025).

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Sheetz submitted late nominations to increase its volumes after the initial deadline for nominations had passed, which Laurel (or Buckeye) has the right to decline when capacity is not available.²⁸²

In addition, Mr. Jadlocki’s contentions ignored Laurel’s practice of assisting customers before and during planned outages, including detailed notices 30 days in advance as to timing and affected grades of product, generally allowing shippers to schedule and work around the outages.²⁸³ Laurel also considers shipper feedback regarding specific concerns or harms and may revise its work plans if it can do so without impacting other shippers or pipeline integrity needs.²⁸⁴ As a result, shippers generally work around outages by scheduling, changing origins and/or destinations, or supply alternatives.²⁸⁵ Regarding Mr. Jadlocki’s claims that it raised serious concerns with Laurel, **[BEGIN HIGHLY CONFIDENTIAL]** [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] **[END HIGHLY CONFIDENTIAL]**²⁸⁶

Finally, neither Sheetz nor any other party demonstrated that any of the outages resulted in them not receiving the shipments that they had timely nominated for transportation. In sum, Complainants fail to show that outages on Laurel constitute “unreasonable service.”

f. The Complainants failed to demonstrate that the use of “virtual movements” or “swaps” is unreasonable

Complainants suggest that the Existing Bi-Directional Service is unreasonable because “swaps” or “virtual movements”²⁸⁷ may be used to provide transportation.²⁸⁸ These claims reflect

²⁸² Laurel St. No. 1-R at 46-47.

²⁸³ Laurel St. No. 1-R at 47-48.

²⁸⁴ Laurel St. No. 1-R at 48.

²⁸⁵ Laurel St. No. 1-R at 48.

²⁸⁶ Laurel St. No. 1-R at 49.

²⁸⁷ These two terms are effectively synonymous, as Mr. Emery stated: “there’s been a lot of discussion as to using terms swaps, virtual movements, virtual barrels, and they’re all referring to - to the same idea.” Tr. 643.

²⁸⁸ See, e.g., Complainants Exhibit TM-1 at 55-60; Complainants Exhibit KFS-1 at 7-10.

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misunderstandings regarding how Laurel’s system works as well as regarding the nature and role of “swaps” or “virtual barrels.” “Swaps,” “virtual barrels,” or “virtual volumes” are used as a standard practice by Laurel and Buckeye, as well as other pipelines, and they occur regardless of the use or absence of bi-directional service as a means of optimizing pipeline operation.

The nature of a “swap” is simply an extension of, and a result of, the fungible nature of petroleum products as transported by pipeline, under one- or bi-directional operation. Shippers on Laurel (or other liquids pipelines) do not have a right or expectation that they will tender into Laurel the same barrels that they receive from Laurel. Laurel’s Tariff, Item No. 40, states that, “Carrier is under no obligation to deliver the identical Commodities received, but may deliver Commodities of substantially the same specifications.”²⁸⁹ Thus, the baseline expectation of each shipper is not that they will receive the molecules that they put into the pipeline, only that they will receive molecules of “substantially the same specifications.” This principle underlies the use of “swaps” as well, as Mr. Emery stated during the hearing:

I think there’s been a lot of discussion as to using terms swaps, virtual movements, virtual barrels, and they’re all referring to - to the same idea. But I think I want to step back a little bit and talk about the idea that - that this is related to a fungible product. And fungible product is - is basically, as an example, you know, CBOB is - is a gasoline grade. And so CBOB that’s going to come in at Linden or come in at Booth or come in at Pittsburgh or wherever, it’s the same specification and it’s the same capability to then be able to, the idea is to be able to commingle those barrels. And so with respect to fungible product in a system that is even, you know, a single direction pipeline system, the idea is - is a shipper isn’t necessarily getting the same barrel that they put in back, but it’s a fungible barrel. It’s CBOB, it meets the spec. And the origin of that specific barrel that they get isn’t necessarily the same barrel that they put into the system to fulfill the nomination at the destination. And so, the virtual side of things is just an expansion upon the idea of fungible barrels so that then you’re able to optimize the moves within the system while still fulfilling the nominations that are

²⁸⁹ Laurel Exhibit TZ-3 at 10.

where a shipper brought in volume at A and expects the same grade back at their destination that they're asking.²⁹⁰

During examination by the ALJ, Mr. Emery further explained this concept and provided an example of swaps occurring on Laurel, allowing shortened transportation paths to achieve deliveries,²⁹¹ the kind of swap that could have been done prior to the commencement of bi-directional service in 2019.²⁹² A similar example is provided in Laurel Hearing Exhibit 1, which provides the following simplified example, from a Laurel data response:

Virtual moves are where the physical movements of volumes in the pipeline system to satisfy nominations are different from the origin and destination pair associated to such nominations. The use of virtual moves can still involve the physical movement of volumes through the pipeline system to satisfy nominations, however they provide the ability to optimize such physical movements. An example would be if Shipper A nominates 10,000 bbls of CBOB from Booth to Coraopolis and Shipper B nominates 10,000 bbls of CBOB from Toledo to Eldorado. Laurel and Buckeye can optimize system flows by physically moving the 10,000 bbls of CBOB tendered by Shipper A to Eldorado where it is ticketed to Shipper B's account in satisfaction of their nomination and physically move the 10,000 bbls of CBOB tendered by Shipper B to Coraopolis where it is ticketed to Shipper A's account in satisfaction of their nomination.

Mr. Emery explained that such virtual movements occur not just in cases in which volumes do not have to flow, but also where the flow would be more efficient:

in the course of virtual barrels, and - and with respect to the system, it isn't necessarily the idea that the - that barrels aren't moving somewhere in the system because you still have to satisfy the nominations. You're just optimizing how they flow.²⁹³

This process is "not unique to Laurel," and can occur even solely among volumes flowing from different origins in the east, in one direction:

²⁹⁰ Tr. 643-644.

²⁹¹ Tr. 684-687.

²⁹² Tr. 696-697.

²⁹³ Tr. 679.

[ATTORNEY RICH] Q. So all the shipper knows is what's on the ticket. It doesn't know what actually happens to its barrels?

[MR. EMERY] A. Well, just - just like in a single direction pipeline, in a fungible system, they don't know where their specific molecule that they got delivered came from. Because it could have come, they - they may have had the nomination at Chelsea, and the molecule could have come from Linden.²⁹⁴

Such optimizing swaps occur at the point after schedulers receive nominations and can match up volumes at origins and destinations, and are done to optimize the Laurel system.²⁹⁵

Mr. Miesner's criticisms of virtual barrels are in part due to the inconsistency of his account of virtual barrels as a general principle, when compared to the actual process and role of virtual barrels on Laurel, as discussed above.²⁹⁶ Further, Mr. Miesner's assertions were rebutted in detail by Mr. Emery,²⁹⁷ who demonstrated that the alleged accounting problems are non-existent.²⁹⁸ Mr. Emery summarized the flaws with Mr. Miesner's criticism as follows:

he does not provide any specific evidence that these risks have materialized since Laurel began its partial bi-directional service. He also fails to recognize that virtual/swap barrels have historically occurred, and continue to occur, in both single-directional and bi-directional pipelines, where they are a routine aspect of optimizing pipeline operations. Virtual barrels can benefit shippers by increasing the effective capacity and decreasing the average transit times of the bi-directional pipeline system while also being more efficient by reducing the system barrel-miles in the process. While Mr. Miesner lists several supposed disadvantages and uses an extreme hypothetical to illustrate them, his example is based on flawed assumptions that do not reflect Laurel's actual operations. In practice, shippers receive product based on what they put into the system, whether via virtual movements or physical movements.²⁹⁹

Mr. Miesner's hypothetical criticisms should be rejected.

²⁹⁴ Tr. 677.

²⁹⁵ Tr. 616-617.

²⁹⁶ Complainants Exhibit TM-1 at 49-50.

²⁹⁷ Laurel St. No. 4-R at 43-45.

²⁹⁸ Tr. 676-677.

²⁹⁹ Laurel St. No. 4-R at 44 (footnote omitted).

Finally, during the hearing, the question also arose as to whether virtual movements might be used in a way that could create a backup of volumes being transported in the traditional direction, from east to west.³⁰⁰ In response to further questions from the ALJ, Mr. Emery noted that in the absence of matching nominations, the pipeline’s solution would be to physically move the volumes to effect a delivery.³⁰¹ Additionally, there is no hierarchy in determining what volumes are set for swaps; this determination is based on actual volumes in a given cycle to optimize operations for that cycle.³⁰² Further, there are no instances in the record of alleged use of virtual movements to delay east-to-west transportation during the nearly six years of bi-directional operation.³⁰³ Furthermore, undue preferences and undue discrimination are unlawful and would be subject to complaint.³⁰⁴

D. THE COMPLAINANTS HAVE FAILED TO SHOW THAT THE BI-DIRECTIONAL SERVICE EXTENSION OVER LINES 720 AND 724 WILL CAUSE LAUREL’S EXISTING INTRASTATE REFINED PRODUCTS TRANSPORTATION SERVICE TO BECOME UNREASONABLE IN THE FUTURE

Based upon Laurel’s actual experiences and operations with Existing Bi-directional Service, it is reasonable to expect that the Bi-directional Service Extension will benefit the public as a whole. The extension further promotes the efficient and effective utilization of other underutilized segments of the Laurel pipeline system, i.e., Lines 720 and 724. It also extends the increased supply optionality and attendant benefits resulting from Existing Bi-directional Service to additional locations served by the Laurel pipeline system. The Complainants have failed to carry their burden of proving the Bi-directional Service Extension violates Section 1501, let alone

³⁰⁰ See e.g., Tr. 687.

³⁰¹ Tr. 688- 689.

³⁰² Tr. 618-619.

³⁰³ Mr. Emery specifically testified that swaps would not be used for this purpose. Tr. 687-688.

³⁰⁴ See, e.g., 66 Pa.C.S. § 1304.

adduce evidence that shows any alleged adverse impacts of the Bi-directional Service Extension outweigh the benefits of the same. Therefore, the claims that the Bi-directional Service Extension will be unreasonable and violate Section 1501 should be dismissed.

1. The Bi-directional Service Extension will result in substantial benefits to Laurel, the shipping community, and the public as a whole

Laurel has conclusively demonstrated in this proceeding that the Bi-directional Service Extension will provide substantial benefits to the public, including consumers of liquid pipelines, the shipping community, and Laurel. The most significant benefit of the Bi-directional Service Extension will be increased competition and lower prices. Laurel’s witness Dr. Webb testified that the proposed Bi-directional Service Extension will allow supply from two additional pipelines from the Gulf Coast and supply from eleven additional refineries owned by eight different entities to access central and eastern Pennsylvania.³⁰⁵ Basic economic theory demonstrates that this will have a positive impact on promoting competition and reducing prices.³⁰⁶

At its core, the threat of further competition appears to be the primary reason why the Complainants are so opposed to the Bi-directional Service Extension. This is supported by the Complainants’ own documents. Dr. Webb explained that **[BEGIN HIGHLY CONFIDENTIAL]**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] **[END HIGHLY CONFIDENTIAL]**³⁰⁷

Moreover, Monroe witness Mr. Summers admitted that **[BEGIN HIGHLY CONFIDENTIAL]**

[REDACTED]

³⁰⁵ Laurel St. No. 3-R at 32.

³⁰⁶ Laurel St. No. 3-R at 33.

³⁰⁷ Laurel St. No. 3-R at 21-22.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] [END HIGHLY CONFIDENTIAL]

The evidence presented by Laurel in this proceeding conclusively demonstrates that extending bi-directional service will increase competition and lower prices for consumers.

Complainants attempt to argue that the Bi-directional Service Extension will increase prices for consumers.³¹¹ These arguments are illogical and contrary to the most basic economic theory that increased competition leads to lower prices.³¹² Complainants’ arguments ignore this basic fact. In addition, most of Complainants’ analyses are based on the assumption that Midwest products will have higher prices.³¹³ The Complainants’ analyses are severely flawed for several reasons. First, Laurel is not proposing a full reversal, and supply from the East Coast can and will still be able to reach all current markets. As explained by Dr. Webb, consumers will benefit when Midwestern barrels are priced lower and will also benefit when East Coast barrels are priced lower.³¹⁴ Second, [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED]
[REDACTED] [END HIGHLY CONFIDENTIAL]³¹⁵

³⁰⁸ [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]
[REDACTED] [END HIGHLY CONFIDENTIAL]

³⁰⁹ [BEGIN HIGHLY CONFIDENTIAL] [REDACTED] [END HIGHLY CONFIDENTIAL]

³¹⁰ [BEGIN HIGHLY CONFIDENTIAL] [REDACTED] [END HIGHLY CONFIDENTIAL]

³¹¹ See Complainants Exhibit JRM-1 at 57-65; Complainants Exhibit JDJ-1 at 12; Complainants Exhibit KFS-1 at 11.

³¹² Laurel St. No. 3-R at 38.

³¹³ Laurel St. No. 3-R at 54.

³¹⁴ Laurel St. No. 3-R at 14, 36.

³¹⁵ Laurel St. No. 3-R at 21-22; HIGHLY CONFIDENTIAL Laurel Exhibit No. MJW-07.

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The Bi-directional Service Extension will also increase diversity of supply and create a more robust supply chain. If East Coast suppliers suffer a disruption, such as the 2021 Colonial Pipeline disruption, additional Midwestern supply will mitigate the negative impacts.³¹⁶

The Bi-directional Service Extension will make more efficient use of the Laurel system's capacity. Currently, Lines 718, 720, and 724 of the Laurel pipeline are significantly under-utilized. Flows on these segments have steadily declined since 2019.³¹⁷ Dr. Webb further explained that these segments are only running at approximately one-third of available capacity.³¹⁸ Even during peak periods, the pipeline is running at approximately half of its available capacity.³¹⁹ Extending bi-directional service will allow Laurel to make more efficient use of the capacity of its pipeline by allowing products from the west to reach central and eastern Pennsylvania.

Relatedly, the Bi-directional Service Extension will also expand the pipeline's capacity. Laurel witness Mr. Emery explained that under the current east-to-west-only configuration, the total system capacity is 300,000 bpd.³²⁰ Making the pipeline bi-directional will increase the total system capacity to 408,000 bpd, without even considering the potential use of virtual barrels.³²¹ This will reduce the need to implement allocation restrictions in periods of highest demand.

The Bi-directional Service Extension will also facilitate a more efficient operation of the pipeline. Laurel witnesses explained that pipelines operate by displacement.³²² A liquids pipeline is always full of liquids, and products are moved when more liquids are shipped. As a result, under-utilization of a pipeline causes delays in transit times because the pipeline operator must wait for more supply to keep liquids flowing. The significant under-utilization of pipeline Lines

³¹⁶ Laurel St. No. 3-R at 34.

³¹⁷ Laurel St. No. 1-R at 9-11.

³¹⁸ Laurel St. No. 3-R at 59.

³¹⁹ Laurel St. No. 3-R at 59.

³²⁰ Laurel St. No. 4-R at 5.

³²¹ Laurel St. No. 4-R at 6.

³²² Laurel St. No. 4-R at 9.

720 and 724 has led to increased transit times.³²³ Extending bi-directional service on these segments will allow for increased utilization and decreased transit times.³²⁴

For these reasons, the Bi-directional Service Extension is in the public interest because it will create more competition, create more supply options, reduce prices for consumers, and allow for more efficient use of an under-utilized pipeline.

2. The Complainants failed to demonstrate that the Bi-directional Service Extension will result in unreasonable service

In addition to the legal requirements regarding unreasonable service claims described in Section V.C.2., Pennsylvania law also requires that “any act or thing done or omitted to be done” alleged to violate Section 1501 has actually occurred.³²⁵ Not only do the Complainants fail to demonstrate that the Bi-directional Service Extension will cause unreasonable service to be provided to them in the future, but such claims are simply unripe and speculative.

a. None of the Complainants’ claims about the adverse impacts of the Bi-directional Service Extension are ripe

Complainants make several arguments regarding alleged harms of the Bi-directional Service Extension, including potential economic harms, increased transit times, and operational concerns.³²⁶ Laurel addresses the significant substantive flaws of these arguments in Section V.C.2. of this Brief and in its testimony. In addition to the substantive flaws, these alleged concerns should not be a factor in any decision in this proceeding because they are not ripe.

As explained above, Laurel is clearly not abandoning east-to-west intrastate service by extending bi-directional service on Lines 720 and 724. Laurel has committed to extending the East to West Capacity Guarantee of 120,000 bpd until December 31, 2028, and applying this

³²³ Laurel St. No. 1-R at 10-13.

³²⁴ Laurel St. No. 1-R at 22

³²⁵ See *Hovis*, 2008 Pa. PUC LEXIS 899, at *6; *MAPSA*, 1999 Pa. PUC LEXIS 23, at *67.

³²⁶ See, e.g., Complainants Exhibit TM-1 at 4-5; Complainants Exhibit JDJ-1 at 14; Complainants Exhibit KFS-1 at 10; Complainants Exhibit SH-1 at 7.

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guarantee to Lines 718, 720, and 724.³²⁷ With this commitment, Complainants have no plausible argument that Laurel is abandoning service. Any additional arguments on their part related to the Bi-directional Service Extension concern potential future service-related issues. The Commission cannot address potential future service-related issues because they are speculative and not ripe. They are speculative and not ripe because Laurel has not yet extended bi-directional service.³²⁸

The ripeness doctrine is a fundamental prerequisite for a court or administrative body to exercise judicial review and examine the merits of a case.³²⁹ To be ripe, an actual case or controversy must exist.³³⁰ “The basic rationale underlying the ripeness doctrine is ‘to prevent the courts, through avoidance of premature adjudication, from entangling themselves in abstract disagreements.’”³³¹

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 Bi-directional Service Extension on Laurel’s pipeline system.³³² As the Bi-directional 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.³³³

Laurel notes that the ALJ denied the Company’s Preliminary Objections filed on this issue by Order entered April 21, 2025. Therein, the ALJ accepted all of the Complainants’ averments

³²⁷ Laurel St. No. 1-R at 61-63.

³²⁸ As noted above, it is quite telling that Complainants did not file any complaints against Laurel’s existing bi-directional service until Laurel decided to extend bi-directional service on Lines 720 and 724.

³²⁹ *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*, 2008 Pa. PUC LEXIS 899, at *6.

³³⁰ *Treski*, 674 A.2d at 113.

³³¹ *Philadelphia Entertainment & Development Partners v. City of Philadelphia*, 594 Pa. 468, 480, 937 A.2d 385, 392 (Pa. 2007).

³³² See *Hovis*, at *6.

³³³ *MAPSA*, at *67.

as true for purposes of ruling on the Preliminary Objections and allowing the case to proceed to hearings.³³⁴ Now that the hearings have been held, it is evident that Laurel is not abandoning service but is in fact preserving east-to-west service for the benefit of shippers. Their allegations of unreasonable service related to the Bi-directional Service Extension have not happened and cannot happen until the Bi-directional Service Extension is implemented. Therefore, the Complainants' allegations that the Bi-directional Service Extension will be unreasonable are not ripe and should be denied.

b. The Complainants' claims regarding the Bi-directional Service Extension are premised exclusively on their claims regarding Existing Bi-directional Service on Line 718

As noted above, Laurel has not yet extended bi-directional service to Line 720 and 724. Complainants' service-related allegations regarding the Bi-directional Service Extension are premised on their claims regarding Existing Bi-directional Service on Line 718.

As explained in Section V.C.2., *supra*, Laurel has refuted Complainants' allegations regarding unreasonable service on Line 718. Critically, Complainants did not file a complaint alleging unreasonable service on Line 718 until Laurel proposed to extend bi-directional service. As explained above, Laurel has met its common carriage obligations under its tariff. Complainants' allegations regarding unreasonable service on Line 718 do not provide a valid basis for denying the extension of bi-directional service on Lines 720 and 724.

c. The Complainants failed to demonstrate that the downtime taken to complete work in anticipation of the Bi-directional Service Extension will continue or repeat in the future

In testimony, Laurel acknowledged that the number of outages taken this year was higher than normal.³³⁵ Many of these outages were taken to maintain or improve the system integrity,

³³⁴ Order on Respondent's Preliminary Objections, p. 8.

³³⁵ Laurel St. No. 1-R at 46.

safety, and reliability, and to make necessary upgrades and changes to equipment and facilities in order to prepare for the Bi-directional Service Extension.³³⁶ Where possible, when Laurel had an outage related to the Bi-directional Service Extension, it replaced outdated equipment in order to improve the integrity, safety, and reliability of the pipeline.³³⁷ Certain outages are a necessary precursor to providing the Bi-directional Service Extension and will not repeat in the future.

Moreover, when Laurel conducts outages, it follows standard and common procedures to notify shippers in advance, allowing them to make alternative arrangements if necessary.³³⁸ Altering supply plans is a common practice in the industry.³³⁹ Laurel works with shippers to try to accommodate reasonable requests related to the timing and duration of scheduled outages, balancing the needs of all interested parties.

The recent outages taken to improve the safety and reliability of the system and to expand bi-directional service for the public benefit are not a reasonable basis to deny the Bi-directional Service Extension.

E. THE COMPLAINANTS HAVE FAILED TO DEMONSTRATE THAT LAUREL HAS FAILED TO ADHERE TO ITS EXISTING COMMISSION-APPROVED TARIFF, OR THAT IT REQUIRES REVISION

The Complainants have provided no evidence, let alone substantial evidence, to justify any modifications to Laurel’s Tariff. As stated herein, Existing Bi-directional Service has been provided pursuant to Laurel’s Tariff, and the Bi-directional Service Extension does not violate Laurel’s Tariff. Indeed, westbound intrastate service, as set forth in the Tariff, including the existing East to West Capacity Guarantee, will continue to be provided under the Bi-directional Service Extension.

³³⁶ Laurel St. No. 2-R at 16-17.

³³⁷ Laurel St. No. 2-R at 16.

³³⁸ Laurel St. No. 1-R at 47

³³⁹ Laurel St. No. 1-R at 48.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

1. The Bi-directional Service Extension does not contemplate or require any modifications to Laurel’s existing Commission-approved tariff

The Complainants claim that Laurel has violated Sections 1302 and 1303 of the Public Utility Code, because “adding additional miles of [interstate] west-to-east service, will disrupt [intrastate] east-to-west service” and, at a minimum, require Laurel to revise its Tariff.³⁴⁰ They further assert that “Laurel’s decision to proceed with bi-directional service without . . . appropriate tariffs on file with and approved by the Commission” is a violation of Sections 1302 and 1303.³⁴¹ The Complainants are wrong.

The Bi-directional Service Extension maintains all existing provisions of Laurel’s Commission-approved Tariff. Complainants’ claims simply ignore that the Bi-directional Service Extension **adds a new interstate service**.³⁴² No intrastate origin or destination points in the Tariff are being removed, and the East to West Capacity Guarantee will be maintained.³⁴³ Furthermore, the interstate service is provided by Buckeye, not Laurel, pursuant to rates, terms, and conditions of service regulated by FERC, not the Commission.³⁴⁴ Revising Laurel’s Tariff for Buckeye to initiate a new interstate service is both illogical and unnecessary, and outside of the Commission’s jurisdiction. Therefore, no new or revised pages to the Tariff are required or necessary.

Moreover, Laurel’s Commission-approved Tariff already contains applicable terms and conditions of service that permit it to undertake the operational changes necessary for the Bi-directional Service Extension to occur. As explained by Mr. Zeth, the portion of the tariff applicable to the proposed Bi-directional Service Extension is Item No. 10(B). This item provides:

(B) Subject to the Rules and Regulations contained herein,

³⁴⁰ Complaint ¶ 22.

³⁴¹ Complaint ¶ 28.

³⁴² Laurel St. No. 1-R at 54.

³⁴³ Laurel St. No. 1-R at 63. *See also* Laurel Exhibit No. MJW-02 (Dr. Morris’s responses to Laurel’s Set II, Nos. 3 and 4 discovery requests) (Wherein Dr. Morris concedes that there will be no elimination of service); Tr. 476 (Wherein Dr. Morris confirms at the hearing that no elimination of service would occur).

³⁴⁴ Laurel St. No. 1-R at 7.

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 operating conditions do not permit the acceptance of said specific Commodity product grade.³⁴⁵

It is also important to recognize that, although the Complaint contained averments regarding the alleged need for Laurel to revise its Tariff, the Complainants' written testimony is devoid of evidence to support any revisions. While the Complainants' witnesses made reference to Laurel's Tariff, none of the witnesses identified a provision(s) of Laurel's Tariff that it was violating, and none of the witnesses identified provision(s) that needed revision to effect the Bi-directional Service Extension.

The lone "evidence" of Tariff revisions advanced by the Complainants is by LHT witness Ms. Huzicko. Ms. Huzicko argues for certain revisions to Laurel's Tariff that are alien to the petroleum products industry. Moreover, these changes are offered not on the basis of necessity, but rather to obtain unjustified and unreasonable discounts for intrastate shippers.³⁴⁶

Further, the Complainant witnesses conceded at the hearing that they were not aware of any current Tariff provisions governing the substance of their claims. Mr. Summers admitted on cross-examination that he was not aware of any provision in Laurel's Commission-approved Tariff stating that volumes that are nominated to be shipped must be delivered at a specified time.³⁴⁷ Mr.

³⁴⁵ Laurel Exhibit TZ-3 at 4.

³⁴⁶ Complainants Exhibit SH-1 at 10-11.

³⁴⁷ Tr. 92.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

Summers further conceded that Laurel’s Commission-approved Tariff provides³⁴⁸ that Laurel has the right to determine its operating sequences, pumping sequences, and schedules.³⁴⁹ Mr. Meisner admitted that he did not do research or evaluate other tariffs as part of his direct testimony.³⁵⁰ Further, in spite of his experience as a consultant for a number of petroleum products pipelines, he testified that he could not recall seeing any tariffs providing discounts related to delays in excess of maximum transit times.³⁵¹

Simply put, the Bi-directional Service Extension does not violate the terms of Laurel’s Tariff. Existing westbound intrastate service, including the existing East to West Capacity Guarantee, will continue to be provided pursuant to the terms and conditions of Laurel’s Tariff.

2. The Complainants have not carried their very heavy burden to prove that Laurel’s existing Commission-approved tariff requires revision

It is well-recognized that a Commission-approved Tariff is *prima facie* reasonable and carries the force and effect of law.³⁵² For this reason, a complainant seeking to evade or modify an existing, Commission-approved tariff “carries a very heavy burden to prove that the facts and circumstances have changed so drastically as to render the application of the tariff provision unreasonable.”³⁵³ The Complainants have utterly failed in making this showing.

It is undisputed that bi-directional service has already been provided over Line 718 of the Laurel pipeline system since 2019. Over the past five years, the Complainants did not (1) escalate any concerns regarding bi-directional service to their own management or the appropriate contact

³⁴⁸ Laurel’s operational decisions regarding pumping sequences and schedules are expressly authorized by its Tariff. Item No. 10(B) of Laurel’s Tariff “reserves [Laurel] the right to establish and alter pumping sequences and schedules to facilitate the efficient use and operation of its facilities.”

³⁴⁹ Tr. 96.

³⁵⁰ Tr. 272-273.

³⁵¹ Tr. 277.

³⁵² *Lynch v. Pa. PUC*, 140 594 A.2d 816 (Pa. Commw. 1991).

³⁵³ *E. McCauley v. Pennsylvania Electric Company*, 2013 Pa. PUC LEXIS 451, Docket No. C-2013-2349071 (Initial Decision June 7, 2013; Final Order entered July 19, 2013).

for Laurel, (2) file any informal complaint against the service, and (3) file a formal complaint against the existing service.³⁵⁴ Similarly, none of the Complainants actually had, or relied upon, management-level presentations or analyses of the alleged negative impacts of bi-directional operations.³⁵⁵ [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL]³⁵⁶ Much of what the Complainants have presented in support of their position are bald assertions and personal opinions, which, without any substantiation, do not constitute substantial evidence.³⁵⁷ The speculation presented by the Complainants, likewise, cannot carry their heavy burden.

Complainants will likely attempt to argue that changes in the duration and variability of transit times are sufficient to meet their very heavy burden. However, as explained in Sections V.C.2.b. and V.D.2.b., *supra*, (1) transit times are inherently variable, (2) declining east-to-west volumes are the primary driver of transit time increases, not bi-directional service, and (3) transit times have not actually resulted in materially harmful changes to existing service. None of these reasons justify modifying Laurel’s Tariff applicable to intrastate service due to the addition of a new interstate service by Buckeye.

3. The only tariff modifications proposed by the Complainants are infeasible and unreasonable

The only tariff modifications proposed by the Complainants are found in the direct testimony of LHT witness Ms. Huzicko. Ms. Huzicko recommends that the Commission require Laurel to include legally enforceable maximum transit times between all origin and destination

³⁵⁴ Laurel St. No. 1-R at 61.

³⁵⁵ Laurel St. No. 3-R at 91-92.

³⁵⁶ See Laurel St. No. 1-R at 56.

³⁵⁷ *Pa. Bureau of Corrections v. City of Pittsburgh*, 532 A.2d 12 (Pa. 1987).

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

points in Pennsylvania in its Tariff.³⁵⁸ She further recommends that these maximum transit times not exceed 125% of the average transit times for the years 2016-2018.³⁵⁹ She proposes a 10% discount on intrastate Tariff charges for each day of delay for the billing cycle.³⁶⁰

As explained by Mr. Zeth in his rebuttal testimony, transit times are based on the volumes nominated by shippers.³⁶¹ Transit times are products of its shippers' nominations.³⁶² Holding Laurel responsible for transit times and even penalizing Laurel for transit times that are a product of shipper volumes is illogical once it is recognized that the historic period proposed pre-dates the PES refinery closure, which resulted in the loss of a significant source of East Coast supplies on Laurel.³⁶³ Further, Ms. Huzicko does not identify any other pipeline with such provisions.³⁶⁴ That is because **no such provisions have been identified to exist for any other petroleum products pipeline in the country.** Indeed, every witness that was asked about this issue confirmed that Ms. Huzicko's recommendations are alien to the pipeline industry.³⁶⁵ Finally, Ms. Huzicko's proposed discounts are not only unjustified but could also be anticompetitive.³⁶⁶

Complainants may attempt to argue that Laurel's intrastate rates for existing intrastate service should be discounted like Buckeye's proposed rates for the new interstate service proposed as part of the Bi-directional Service Extension. There is zero basis for this argument. First, any comparison of intrastate rates to interstate rates is simply improper; intrastate service and interstate

³⁵⁸ Complainants Exhibit SH-1 at 10.

³⁵⁹ Complainants Exhibit SH-1 at 10.

³⁶⁰ Complainants Exhibit SH-1 at 10-11.

³⁶¹ Laurel St. No. 1-R at 58.

³⁶² Mr. Summers conceded that volumes are determined by shipper nominations. Tr. 95. Mr. Meisner also conceded that if shippers nominate lower volumes, transit times increase. Tr. 266.

³⁶³ Laurel St. No. 1-R at 58-59.

³⁶⁴ Laurel St. No. 1-R at 58-59.

³⁶⁵ See Laurel St. No 1-R at 58; Laurel St. No. 4-R at 20-21; Tr. 104-105 (Complainant witness Summers); Tr. 274-278 (Complainant witness Miesner).

³⁶⁶ Laurel St. No. 3-R at 81.

PUBLIC VERSION – HIGHLY CONFIDENTIAL MATERIAL REDACTED

service are subject to different jurisdictions and regulations.³⁶⁷ Second, intrastate volumes require no minimum volume commitments, while the Buckeye interstate incentive rates cited by Ms. Huzicko do.³⁶⁸ Third, the Complainants have offered no evidence to demonstrate that there is a cost-based justification for the discounts they seek for intrastate service.

Finally, if Complainants' concerns regarding the availability of east-to-west capacity on Laurel in light of the Bi-directional Service Extension are legitimate, and they are not, Laurel has already addressed those concerns. Indeed, Laurel has indicated it is willing to extend the East to West Capacity Guarantee until December 31, 2028, and also apply it to Lines 720 and 724.³⁶⁹ As explained by Mr. Zeth, this assurance/guarantee directly addresses the Complainants' concerns.³⁷⁰

It is clear that the Complainants' tariff recommendations have been invented from whole cloth. At their core, the Complainants seek tariff revisions designed solely to further insulate themselves from increased competition by Midwestern shippers.

³⁶⁷ Laurel St. No. 1-R at 6-7; Laurel St. No. 3-R at 78-81.

³⁶⁸ Laurel St. No. 1-R at 50; Laurel St. No. 3-R at 79; Tr. 105-106.

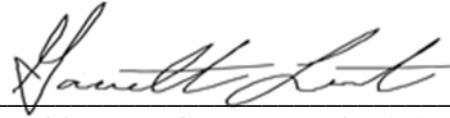
³⁶⁹ Laurel St. No. 1-R at 62-63.

³⁷⁰ Laurel St. No. 1-R at 63.

VI. CONCLUSION

For all the foregoing reasons, Laurel Pipe Line Company, L.P. requests that the Administrative Law Judge Eranda Vero and the Pennsylvania Public Utility Commission should deny the Formal Complaint of Monroe Energy, LLC, Lucknow-Highspire Terminals, LLC, Sheetz, Inc., and PBC Holding Company, LLC with prejudice.

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Date: October 3, 2025

Counsel for Laurel Pipe Line Company, L.P.

APPENDIX A

PROPOSED FINDINGS OF FACT

I. BACKGROUND

1. Laurel Pipe Line Company, L.P. (“Laurel” or the “Company”) is a certificated common carrier pipeline and public utility whose intrastate service is subject to the jurisdiction of the Pennsylvania Public Utility Commission (“Commission”). Laurel St. No. 1-R at 5; Laurel Exhibit TZ-1.

2. 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. Laurel St. No. 1-R at 5-6. A map of Laurel was provided as Laurel Exhibit TZ-2.

3. Laurel’s 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. Laurel St. No. 1-R at 6.

4. Buckeye Pipe Line Company, L.P. (“Buckeye”) is an affiliate of Laurel which provides interstate common carrier service to its shippers under its own tariffs filed at the FERC. Laurel St. No. 1-R at 6.

5. In 2016, Laurel filed an application with the Commission seeking to fully reverse the flow of service from westward to eastward. *Application of Laurel Pipe Line Company, L.P.*, Docket Nos. A-2016-2575829 and G-2017-2587567.

6. The Final Order in that proceeding found that this full reversal did abandon service in one direction in favor of the commencement of service in another direction. *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”).

7. A separate Complaint filed by several parties regarding the reversal, resulted in a settlement agreement (“2019 Settlement”). *Giant Eagle, Inc., et al. v. Laurel Pipe Line Co., L.P.*,

Commission Order, Docket No. C-2018-3003365 (issued Aug. 29, 2019). This Settlement provided the East to West Capacity Guarantee and provided for Buckeye's appointment of an escalation manager to address scheduling issues. *Giant Eagle, Inc., et al. v. Laurel Pipe Line Co., L.P.*, Commission Order, Joint Petition for Approval of Settlement, Docket No. C-2018-3003365, (July 31, 2019) ("2019 Settlement Agreement").

8. The East to West Capacity Guarantee provides that "[u]ntil 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." Laurel TZ-3 at 13 (Item No. 90(A)).

9. Pursuant to the 2019 Settlement, the Laurel pipeline system is currently used to provide bi-directional service over the segment of its system located between Coraopolis (near Pittsburgh) and Eldorado (near Altoona), in Pennsylvania (i.e., "Line 718" or "L718"). This "Existing Bi-directional Service" involves (a) westbound intrastate service provided by Laurel and (b) eastbound interstate provided by Buckeye.

10. Laurel provides intrastate common carrier service to shippers pursuant to its Commission-approved tariff, and Laurel provides interstate service pursuant to the existing, approved Capacity Use Agreement to its affiliate, Buckeye, which in turn provides interstate common carrier service to its shippers under its own tariffs filed at the Federal Energy Regulatory Commission ("FERC")." 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), collectively, the “Tariff”. *See also* Laurel Exhibit TZ-3; Laurel Exhibit TZ-4.

11. On December 2024, Buckeye filed a Petition for a Declaratory Order (“PDO”) regarding Phase 3 of its Michigan/Ohio Pipeline Expansion Project before the FERC at Docket No. OR25-6-000.

12. This proceeding was initiated on January 21, 2025, when the Monroe Energy, LLC (“Monroe”), Lucknow-Highspire Terminals, LLC (“LHT”), Sheetz, Inc. (“Sheetz”), and PBF Holding Company, LLC (“PBF”), collectively, the “Complainants,” filed the above-captioned Formal Complaint.

13. Neither Sheetz, Monroe, nor LHT contacted the escalation contact per the 2019 Settlement regarding scheduling issues they experienced. Laurel St. No. 1-R at 9.

14. Complainants nor any other shipper filed an informal complaint against Existing Bi-directional Service with the Commission. Laurel St. No. 1-R at 61.

15. Complainants nor any other shipper filed a formal complaint against Existing Bi-directional Service with the Commission. Laurel St. No. 1-R at 61.

16. The proposed Bi-directional Service Extension proposes to initiate interstate service over the existing segments of the Laurel pipeline system located between Eldorado (near Altoona) and Sinking Spring (near Reading), in Pennsylvania, where Laurel’s existing intrastate service would be maintained. Laurel St. No. 1-R at 7.

II. THE COMMISSION LACKS JURISDICTION OVER BUCKEYE’S INITIATION OF ADDITIONAL INTERSTATE SERVICE WHERE EXISTING INTRASTATE SERVICE WILL BE MAINTAINED

17. Laurel provides intrastate petroleum products transportation service within Pennsylvania pursuant to Commission-approved tariffs. Laurel St. No. 1-R at 5-7.

18. Intrastate service falls within the Commission’s authority; interstate service does not.

19. Buckeye, which is not subject to the Commission’s jurisdiction, provides interstate petroleum products transportation service under tariffs filed with the FERC pursuant to the Interstate Commerce Act (“ICA”). Laurel St. No. 1-R at 6; *see* also 42 U.S.C. §§ 7155, 7172(b); 49 U.S.C. § 60502.

20. Laurel is not abandoning existing intrastate service.

21. The Commission cannot enjoin, condition, or review the commencement of Buckeye’s interstate service.

III. THE COMPLAINANTS HAVE FAILED TO SHOW THAT BI-DIRECTIONAL OPERATION OF LAUREL’S PIPELINE SYSTEM CONSTITUTES AN ABANDONMENT OF SERVICE

22. Laurel’s certificate of public convenience (“CPC”) authorizes it to commence “transporting, storing and distributing petroleum and petroleum products by means of pipelines and appurtenances, for the public. . . as more fully described in said application. . . .” Laurel Exhibit TZ-1 (Laurel’s CPC); *2018 Final Order*, p. 10 (quoting Laurel’s CPC).

23. The CPC does not limit Laurel to east-to-west service and contains no directional limitation. *See* Laurel Exhibit TZ-1 at 1.

24. Laurel’s CPC also does not contain clear restrictions or limitations related to: minimum or maximum amount of service or capacity; specific origin points or destination points; or minimum or maximum transit times. *See* Laurel Exhibit TZ-1.

25. Like its CPC, Laurel’s Tariff does not contain a clear restriction or limitation on the direction in which Laurel may provide service. *See generally* Laurel Exhibit TZ-3.

26. Laurel’s Tariff does set forth the specific origins and destinations at which Laurel will provide service. Laurel Exhibit TZ-3 at 2-3.

27. Laurel's Tariff does not contain restrictions or limitations on (1) the minimum or maximum capacity Laurel must hold (except for the East to West Capacity Guarantee), and/or (2) minimum or maximum transit times Laurel must maintain. Laurel Exhibit TZ-3 at 13 (Item No. 90(A)). In fact, Laurel's Tariff expressly reserves Laurel's "right to establish and alter pumping sequences and schedules to facilitate the efficient use and operation of its facilities." Laurel Exhibit TZ-3 at 9 (Item No. 10(B)).

28. The only further terms and conditions related to the service Laurel provides are set forth in the Commission-approved Capacity Use Agreement and the 2019 Settlement.

29. The Capacity Use Agreement specifies the terms and conditions upon which Laurel permits its affiliate, Buckeye, to utilize Laurel's facilities to provide interstate service. Laurel St. No. 1-R at 6, 60-61; Laurel Exhibit TZ-4.

30. Neither the Capacity Use Agreement nor the 2019 Settlement contain clear restrictions or limitations on (1) the minimum or maximum capacity Laurel must hold out (except for the East to West Capacity Guarantee), (2) the specific origins or destination points Laurel must hold out, and/or (3) minimum or maximum transit times Laurel must maintain. Laurel Exhibit TZ-4; 2019 Settlement.

31. Laurel witness Mr. Zeth testified that Laurel does not intend to abandon its existing east-to-west intrastate service as a part of bi-directional operations. Laurel St. No. 1-R at 7.

32. Existing Bi-directional Service on Line 718 "involves Laurel continuing to provide east-to-west intrastate pipeline transportation service on Line 718, while Buckeye has added its new interstate west-to-east service over this segment of the line." Laurel St. No. 1-R at 54.

33. Existing Bi-directional Service has not caused Laurel to curtail or deny east-to-west transportation service as offered in its Tariff. Laurel St. No. 1-R at 54.

34. The Bi-directional Service extension will involve Laurel continuing to provide east-to-west intrastate pipeline transportation service on Lines 720 and 724, while Buckeye will add its new interstate west-to-east service over this segment of the line. Laurel St. No. 1-R at 54.

35. Existing bi-directional operations did not result in any origin or delivery points being removed. Laurel St. No. 1-R at 55.

36. The Bi-directional Service Extension does not contemplate and does not require removal of any origin or delivery points. Laurel St. No. 1-R at 55.

37. Shippers will continue to have the option to conduct intrastate movements from every origin and to every delivery point on the pipeline. Laurel St. No. 1-R at 55.

38. Importantly, he also noted that no Complainant witness testified that Laurel is removing access to any point on its pipeline system. Laurel St. No. 1-R at 55.

39. Bi-directional operations are a change in method of operation under the existing rights in Laurel's Tariff to establish and alter pumping sequences and schedules to facilitate the efficient use and operation of its facilities. Laurel Exhibit TZ-3 at 9 (Item No. 10(B)).

40. The Bi-directional Service Extension involves the addition of a new interstate service and does not involve the removal of an existing intrastate service. Laurel St. No. 3-R at 8.

41. Adding a service is the opposite of abandoning a service. Laurel St. No. 3-R at 8.

42. Bi-directional service increases the flexibility and liquidity of the Laurel pipeline system by enabling demand to be met from additional origins and allowing multiple destinations to be supplied from both east and west. Laurel St. No. 4-R at 4.

43. Existing Bi-directional Service effectively increases the physical capacity of Laurel and expanded bi-directional service increases the effective capacity of the system more.” Laurel St. No. 4-R at 5; see also Laurel St. No. 4-R at 5-6.

44. Laurel is willing to extend the East to West Capacity Guarantee until December 31, 2028, and apply this guarantee to all segments affected by Existing Bi-directional Service or the Bi-directional Service Extension (i.e., Lines 718, 720, and 724). Laurel St. No. 1-R at 61-63.

45. Complainant witness Dr. Morris testified that this case does not involve an abandonment of service because it does not involve the elimination of a service. Laurel Exhibit No. MJW-02 (Dr. Morris’s responses to Laurel’s Set II, Nos. 3 and 4 discovery requests); Tr. 476.

46. The direction of physical flows on a pipeline is ultimately determined by the mass balance of volumes nominated by shippers for a given cycle. Tr. 91, 94-96.

47. Refined petroleum products are fungible (or interchangeable) and there is no guarantee or expectation that a shipper will receive the same hydrocarbons at a delivery point that were injected at an origin point. Laurel St. No. 1-R at 41-42; Laurel St. No. 4-R at 44-45; Tr. 642-644.

IV. THE COMPLAINANTS HAVE FAILED TO SHOW THAT EXISTING BI-DIRECTIONAL SERVICE HAS CAUSED UNREASONABLE SERVICE

48. Line 718 has experienced a steady decline in its role of supplying both the Pittsburgh and Altoona markets over the period from 2017 (before bi-directional service commenced) through May 2025 (Laurel St. No. 1-R at 10-11, Figures 1 and 2), including a steep drop in intrastate, Commission-jurisdictional volumes. Laurel St. No. 1-R at 12, Figure 3.

49. Lower volumes on Line 718 resulted in higher transit times even before the advent of bi-directional operations. Laurel St. No. 1-R at 13.

50. Existing Bi-directional Service improved pipeline utilization and efficiency, and prevented the higher transit times that would have accompanied the even lower throughput volumes had service remained solely east-to-west in direction. Laurel St. No. 1-R at 16; *see also* Laurel St. No. 3-R at 57-60; *see also id.* at 60, Figure 8.

51. Bi-directional service has substantial benefits for petroleum products pipelines, enhancing flexibility and liquidity, including the following specific operational benefits: (1) supply reliability via access to additional origins; (2) expanded pipeline capacity; and (3) more optimal utilization of the asset, increasing efficiency and service. Laurel St. No. 4-R at 4-5.

52. Bi-directional service increases flexibility and liquidity on a pipeline like Laurel to both shippers, through greater optionality in origins, and the pipeline, through the greater opportunity to arrange “virtual movements” as matches of nominations, allows for greater use of swaps. Laurel St. No. 4-R at 7.

53. A “virtual movement” or “swap” is based upon the well-recognized principle that petroleum products are “fungible” and, therefore, shippers are not receiving the same barrel (i.e., molecules) that they inject into the pipeline. Tr. 643.

54. In turn, greater use of virtual movements could reduce transit times and reduce costs through improved optimization of the system. Laurel St. No. 4-R at 44; Tr. 679.

55. Bi-directional service provides existing delivery locations on Laurel with additional supply markets (i.e., Midwestern refineries) to those traditionally accessed via Laurel’s east-to-west service. Laurel St. No. 3-R at 14.

56. Bi-directional service allows shippers to decide to source Midwestern volumes when they are less expensive than East Coast volumes, and to source East Coast volumes when they are less expensive than Midwestern volumes. Laurel St. No. 3-R at 14.

57. From January 2021 to the present, Chicago gasoline prices were lower than New York prices during many months, specifically 37 out of 52 months at Coraopolis and 23 out of 52 months at Eldorado. Laurel St. No. 3-R at 64-65; Laurel Exhibit No. MJW-11.

58. During periods of lower Midwestern prices, consumers in the Pittsburgh and Altoona markets have benefited from access to less expensive Midwestern supplies. Laurel St. No. 3-R at 65.

59. It is a well-accepted principle of economics that increasing the number of competitors results in a more competitive market and promotes competitive prices, all else being equal. Laurel St. No. 3-R at 35.

60. Bi-directional service increases competition, and increased competition for petroleum product supplies in Pennsylvania is a win for shippers and a win for Pennsylvania consumers. Laurel St. No. 3-R at 22-24 (including Figures 1 and 2); Laurel Exhibit Nos. MJW-06 and MJW-07.

61. Neither Laurel's CPC, Commission-approved Tariff, Commission-approved Capacity Use Agreement, nor the 2019 Settlement contains any minimum or maximum standards for the transit time applicable to the transportation of refined petroleum products.

62. The Buckeye Shipper Information Notebook provides only "estimated" ranges of transit times between destinations and origins.¹

63. There is no guarantee for transit time length or variability, and the estimates are regularly updated to reflect actual ranges of transit experience.²

¹ Available at: <https://www.buckeye.com/wp-content/uploads/2025/07/Transit-time-BIG-EAST-07-01-25.pdf>. Laurel Exhibit TZ-8 provides an excerpt from the Shipper Information Notebook, updated as of July 1, 2025, that sets for the transit time estimates for points on the Laurel pipeline system.

² Compare Laurel Exhibit TZ-8 with Complainants Exhibit JDJ-3 at 1 (providing the same excerpt from the Shipper Information Notebook, updated as of January 1, 2025).

64. Transit time varies due to a wide range of factors beyond the control of the carrier, including the fact that transit times are a function of volumes actually nominated by shippers, and that these transit time factors are common among different pipelines. Laurel St. No. 4-R at 8-11.

65. Transit times on Laurel have always varied, whether before and after the commencement of the Existing Bi-Directional Service. Laurel St. No. 1-R at 20-21.

66. Complainant witnesses did not show there is a regulatory or industry standard regarding transit times or variability. *See e.g.*, Tr. 92-93, 104, 124, 274-275, 277-278.

67. The closure of the Philadelphia Energy Solutions refinery in 2019, and subsequent loss of a significant amount of intrastate volumes, aligns with changes in transit times since 2019. Laurel St. No. 1-R at 9, 58-59.

68. Recent outages on Laurel stemmed from either necessary integrity work on Laurel or a combination of necessary integrity work and work preparatory to the Extended Bi-Directional Service. Laurel St. No. 2-R at 4-15.

69. Dr. Morris did not conduct an independent verification of this claim and ignored standard methodological measures. Laurel St. No. 3-R at 76.

70. Laurel witness Dr. Webb's analysis showed that the impact of bi-directional service on transit times for shipments to Eldorado was both "negative" (i.e., a small decrease in transit times was observed) and "statistically significant" (i.e., there is a likelihood that bi-directional operations impacted transit times); thus, actual data demonstrates that bi-directional service did not cause an increase in transit times for deliveries to Eldorado. Laurel St. No. 3-R at 97-98.

71. His analysis also showed that the impact of bi-directional operations on transit times for shipments to Coraopolis was minimally "positive" (i.e., a *de minimis* increase in transit times observed) and "statistically significant"; thus, actual data demonstrates that, at most, bi-

directional operations may have caused a *de minimis* 12% increase in transit times for deliveries to Coraopolis. Laurel St. No. 3-R at 97-98.

72. Mr. Emery concluded, based on his review of Laurel's operations and knowledge of bi-directional operations on other pipelines, that Laurel has successfully managed such issues in its Existing Bi-Directional Service. Laurel St. No. 4-R at 29.

73. Laurel witness Mr. Emery rebutted Mr. Miesner's claims that bi-directional service would encounter inherent problems operating successfully bi-directionally without additional facilities. Laurel St. No. 4-R at 30.

74. "Transmix" is a non-merchantable off-spec product created by the interface between a gasoline batch and a distillate batch. Laurel St. No. 4-R at 13.

75. Mr. Miesner performed no analysis of Laurel's actual design, operations, or historical velocity of transmission relative to his claims about its likely performance. Laurel St. No. 4-R at 31.

76. Mr. Miesner did not reach any conclusions regarding the optimum flow rate on Laurel to minimize transmix. Tr. 292-294; *see also* Laurel Cross Exhibit No. 22.

77. Mr. Miesner did not include any evidence that transmix on Laurel has actually increased over the past five years of actual bi-directional service. *See* Laurel St. No. 4-R at 43; Laurel Exhibit No. GEE-06.

78. Laurel witness Mr. Seagraves explained that each of the five outages cited by Sheetz witness Mr. Jadlocki stemmed from either necessary integrity work on Laurel or a combination of necessary integrity work and work preparatory to the Extended Bi-Directional Service. Laurel St. No. 2-R at 4-15.

79. It is Laurel's practice of assisting customers before and during planned outages, including detailed notices 30 days in advance as to timing and affected grades of product, generally allowing shippers to schedule and work around the outages. Laurel St. No. 1-R at 47-48.

80. Laurel also considers shipper feedback regarding specific concerns or harms and may revise its work plans if it can do so without impacting other shippers or pipeline integrity needs. Laurel St. No. 1-R at 48.

81. Shippers generally work around outages by scheduling, changing origins and/or destinations, or supply alternatives. Laurel St. No. 1-R at 48.

82. "Swaps," "virtual barrels" or "virtual volumes" are used as a standard practice by Laurel and Buckeye, as well as other pipelines. Tr. 643-644.

83. Swaps are a result of the fungible nature of petroleum products as transported by pipeline. Tr. 643-644.

84. Swaps are not unique to bi-directional operations. Tr. 643-64; Tr. 677.

85. In the absence of matching nominations, a pipeline will physically move the volumes to affect a delivery. Tr. 688- 689.

86. There is no hierarchy in determining what volumes are set for swaps; this determination is based on actual volumes in a given cycle to optimize operations for that cycle. Tr. 618-619.

87. There are no instances in the record of alleged use of virtual movements to delay east-to-west transportation during the nearly six years of bi-directional operation. Tr. 687-688.

V. THE COMPLAINANTS HAVE FAILED TO SHOW THAT THE BI-DIRECTIONAL SERVICE EXTENSION WILL CAUSE UNREASONABLE SERVICE

88. The Proposed Bi-directional Service Extension will allow supply from two additional pipelines from the Gulf Coast and supply from eleven additional refineries owned by eight different entities to access central and eastern Pennsylvania. Laurel St. No. 3-R at 32.

89. Basic economic theory demonstrates that this will have a positive impact on promoting competition and reducing prices. Laurel St. No. 3-R at 33.

90. If East Coast suppliers suffer a disruption, such as the 2021 Colonial Pipeline disruption, additional Midwestern supply will mitigate the negative impacts. Laurel St. No. 3-R at 34.

91. Flows on Lines 718, 720 and 724 of the Laurel pipeline have steadily declined since 2019. Laurel St. No. 1-R at 9-11.

92. Because pipelines operate by displacement, under-utilization of a pipeline causes delays in transit times because the pipeline operator must wait for more supply to keep liquids flowing. Laurel St. No. 4-R at 9.

93. Laurel has not yet extended bi-directional service to Line 720 and 724.

94. The number of outages taken this year was higher than normal. Laurel St. No. 1-R at 46.

95. When Laurel conducts outages, it follows standard and common procedures to notify shippers in advance, allowing them to make alternative arrangements if necessary. Laurel St. No. 1-R at 47.

96. Many of these outages were taken to maintain or improve the system integrity, safety, and reliability, and to make necessary upgrades and changes to equipment and facilities in order to prepare for the Bi-directional Service Extension. Laurel St. No. 2-R at 16-17.

97. Where possible, when Laurel had an outage related to the Bi-directional Service Extension, it replaced outdated equipment in order to improve the integrity, safety, and reliability of the pipeline. Laurel St. No. 2-R at 16.

VI. THE COMPLAINANTS HAVE FAILED TO DEMONSTRATE THAT LAUREL HAS FAILED TO ADHERE TO ITS EXISTING, COMMISSION-APPROVED TARIFF, OR THAT THIS TARIFF REQUIRES REVISION

98. The Bi-directional Service Extension maintains all existing provisions of Laurel's Commission-approved Tariff.

99. No intrastate origin or destination points in the Tariff are being removed, and the East to West Capacity Guarantee will be maintained. Laurel St. No. 1-R at 63

APPENDIX B

PROPOSED CONCLUSIONS OF LAW

100. Section 332(a) of the Public Utility Code provides that the party seeking a rule or order from the Commission has the burden of proof in that proceeding. 66 Pa.C.S. § 332(a).

101. A litigant's burden of proof before administrative tribunals as well as before most civil proceedings is satisfied by establishing a preponderance of evidence, which is substantial and legally credible. *Se-Ling Hosiery v. Margulies*, 70 A.2d 854 (Pa. 1950); *Samuel J. Lansberry, Inc. v. Pa. PUC*, 578 A.2d 600, 602 (Pa. Cmwlth. 1990).

102. The preponderance of evidence standard requires proof by a greater weight of the evidence. *Cmwlth. v. Williams*, 557 Pa. 207, 732 A.2d 1167 (Pa. 1999).

103. Only if the proponent of the rule or order present evidence found to be of greater weight than the other parties, will it have carried its burden of proof. *Morrissey v. Commonwealth*, 225 A.2d 895 (Pa. 1986); *Burleson v. Pa. PUC*, 461 A.2d 1234, 1236 (Pa. 1983); *V.J.R. Bar Corp. v. P.L.C.B.*, 390 A.2d 163 (Pa. 1978); *Milkie v. Pa. PUC*, 768 A.2d 1217, 1220 (Pa. Cmwlth. 2001).

104. Any finding of fact necessary to support an adjudication of the Commission must be based upon substantial evidence. *Met-Ed Indus. Users Group v. Pa. PUC*, 960 A.2d 189, 193 n.2 (Pa. Cmwlth. 2008) (citing 2 Pa.C.S. § 704).

105. Substantial evidence is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. *Borough of E. McKeesport v. Special/Temporary Civil Serv. Comm'n*, 942 A.2d 274, 281 (Pa. Cmwlth. 2008).

106. "Mere bald assertions, personal opinions or perceptions do not constitute evidence." *Mid-Atlantic Power Supply Assoc. v. Pa. PUC*, 746 A.2d 1196, 1200 (Pa. Cmwlth. 2000) (citing *Bureau of Corrections v. City of Pittsburgh, Pittsburgh City Council*, 532 A.2d 12,

14 (Pa. 1987)); *see also West Penn Power Co. v. Pa. PUC*, 219 A.3d 716, 2019 Pa. Commw. Unpub. LEXIS 532, at *24-25 (Pa. Cmwlth. 2019).

107. Section 1102(a)(2) of the Public Utility Code states 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. . . .

66 Pa.C.S. § 1102(a)(2).

108. “Abandonment is the relinquishment or surrender of rights or property by one person to another.” *Cassell v. Crothers*, 193 Pa. 359, 44 A. 446 (Pa. 1899) (per curiam) (affirming the judgment of the trial court and quoting 1 Am. & Eng. Ency. of Law (2d ed.), 1, and notes).

109. “To 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. PUC*, 440 Pa. 521, 525-26, 270 A.2d 186, 189 (Pa. 1970); *Emerald Coal & Coke Co. v. Equitable Gas Co.*, 107 A.2d 734, 737 (Pa. 1954) (“Abandonment necessarily implies the voluntary or intentional act of the party having the facility, right or power to relinquish it.”); *W.D. Rubright Co. v. Pa. PUC*, 117 A.2d 119, 123 (Pa. Super. 1968) (“*W.D. Rubright*”) (citing prior Commission decisions under the Public Utility Law of 1937); *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*”); *see also Cassell*.

110. Section 1102(a)(2) only applies to a “permanent abandonment or surrender of service rights;” it does not apply to temporary cessations of service. *Fisher*, at *19-20; *Rubright*, 117 A.2d at 123. *See also Pennsylvania R. Co. v. Pa. PUC*, 146 A.2d 352, 356 (Pa. Super. 1958), *rev’d on other grounds*, 152 A.2d 422, 424 (Pa. 1959).

111. A change in the method of operation for a petroleum products transportation pipeline is not an abandonment of service. *Harris v. Nat'l. Transit Co.*, 1976 Pa. PUC LEXIS 50, at *4-5 (Order Entered Aug. 27, 1976).

112. “To constitute an abandonment there must be an intention to abandon together with external acts by which the intention is carried into effect.” *Byerly*, 270 A.2d at 189.

113. The Complainants have failed to carry their burden of proof to demonstrate that Laurel intends to surrender or relinquish its existing intrastate petroleum products transportation service.

114. Further, curtailment or nonuse of a service does not constitute abandonment. *Yellow Cab. Co. v. Pa. PUC*, 431 A.2d 1106, 1107-08 (Pa. Cmwlth. 1981).

115. The Complainants have failed to carry their burden of proof that Existing Bi-directional Service constitutes an abandonment of service abandonment of existing service.

116. The Complainants have failed to carry their burden of proof that the Bi-directional Service Extension constitutes an abandonment of service abandonment of existing service.

117. If the Commission determines that an abandonment has occurred, the Commission can, and should, apply the legal test it utilized in prior petroleum products pipeline proceedings: an “affirmative public benefits” test. *See Application of Sunoco Pipeline, L.P.*, Docket Nos. A-2013-2371789, P-2013-2371775, at p. 7 (Order entered Aug. 29, 2013) (“[W]e conclude that the record provides substantial evidence of affirmative public benefit sufficient to warrant approval of the proposed Application. . . .”); *Application of Buckeye Pipe Line Company, L.P.*, Docket No. A-140110F2000, at p. 3 (Order Entered March 7, 2005) (“Upon full consideration of these factors, we conclude that the record provides substantial evidence of affirmative public benefit sufficient to warrant approval of the proposed Application.”).

118. This is also the test applied in merger and acquisition proceedings. *City of York v. Pa. Pub. Util. Comm'n*, 295 A.2d 825, 828 (Pa. 1972) (“Section 203 requires that the proponents of a merger demonstrate that the merger will affirmatively promote the ‘service, accommodation, convenience, or safety of the public’ in some substantial way.”) (emphasis added); *see also Popowsky*, 937 A.2d at 1055-57.

119. Under this test: there is no requirement for absolute necessity; future need and future benefits are sufficient to demonstrate that a project is in the public interest; and there is no requirement to quantify the benefits of a project. *See Popowsky*, 937 A.2d at 1055-57; *City of York*, 295 A.2d at 828; *Application of Sunoco Pipeline, L.P.*, Docket Nos. A-2013-2371789, P-2013-2371775 (Order entered Aug. 29, 2013); *Application of Buckeye Pipe Line Company, L.P.*, Docket No. A-140110F2000 (Order Entered March 7, 2005).

120. To the extent that the Commission determines that an abandonment of service has occurred, Laurel has carried its burden of proof to demonstrate that such abandonment is in the public interest and, therefore, the Commission should issue all necessary or required certificates of public convenience to Laurel.

121. Section 1302 of the Public Utility Code further requires a public utility to file with the Commission and maintain “tariffs showing all rates established by it and collected or enforced, or to be collected or enforced, within the jurisdiction of the commission.” 66 Pa.C.S. § 1302.

122. Tariffs that have been approved by the Commission have the force and effect of law. *See* 66 Pa.C.S. § 1303 (“No public utility shall, directly or indirectly . . . demand or receive . . . a greater or less rate for any service rendered or to be rendered by such public utility than that specified in the tariffs of such public utility applicable thereto.”); *see also PPL Elec. Utils. Corp.*

v. Pa. PUC, 912 A.2d 386, 402 (Pa. Cmwlt. 2006); *Di Santo v. Dauphin Consol. Water Supply Co.*, 436 A.2d 197, 201 (Pa. Super. 1981).

123. Tariff provisions approved by the Commission are *prima facie* reasonable. *Kossmann v. Pa. PUC*, 694 A.2d 1147, 1151 (Pa. Cmwlt. 1997); *Shenango Twp. Bd. of Supervisors v. Pa. PUC*, 686 A.2d 910, 914 (Pa. Cmwlt. 1996); *Zucker v. Pa. PUC*, 401 A.2d 1377 (Pa. Cmwlt. 1979).

124. A complainant seeking to evade the effect of existing tariff provisions carries a very heavy burden to prove that the facts and circumstances have changed so drastically as to render the application of the tariff provisions unreasonable. *Id.*; *Brockway Glass Co. v. Pa. PUC*, 437 A.2d 1067 (Pa. Cmwlt. 1981).

125. Laurel's proposed Bi-directional Service Extension does not violate its Commission-approved tariff.

126. The facts and circumstances have not changed so drastically as to render the application of Laurel's existing Commission-approved tariff provisions unreasonable.

127. The Complainants have not met their burden to show that Laurel has violated or failed to adhere to its Commission-approved tariff.

128. The Complainants have not met their burden to demonstrate that Laurel's Commission-approved tariff requires revision or modification.

129. It is axiomatic that a utility is not mandated to furnish perfect service under Section 1501. *See, e.g., Szymanski v. Peoples Gas Company, LLC*, Docket No. C-2024-3050758, 2025 Pa. PUC LEXIS 242, at *4-5 (Opinion and Order entered July 24, 2025); *White Oak Condominium Association, c/o L.J. Silberman, M.D.; v.; Peoples Natural Gas Company LLC*, Docket No. C-2015-2485647, 2016 Pa. PUC LEXIS 140 (Initial Decision dated March 30, 2016), *becoming final*

without modification, Docket No. C-2015-2485647 (Order entered June 8, 2016); *Michael Sirak v. Metropolitan Edison Company*, Docket No. C-2011-2279502, 2012 Pa. PUC LEXIS 1729, at *21 (Initial Decision dated Oct. 2, 2012) (“There is no requirement that service be ‘perfect’ or that it be the best possible service. Without question, a public utility is not a guarantor of either perfect service or the best possible service.”), *affirmed*, Docket No. C-2011-2279502 (Opinion and Order entered Aug. 15, 2013).

130. While service must be “reasonably continuous and without unreasonable interruptions or delay,” a utility may specify the terms and conditions under which it provides service in its tariff. 66 Pa.C.S. § 1501.

131. Delays or variance in the provision of such service do not violate Section 1501 of the Public Utility Code. *Ross E. Schell v. PPL Electric Utilities Corporation*, Docket No. C-2016-2566320, 2018 Pa. PUC LEXIS 228 (Opinion and Order entered June 14, 2018) (“Interruption of service and variation in supply characteristics can occur and not every interruption, outage or variation in service *per se* constitutes a violation of the public utility's duty to provide safe, adequate and reasonable service and facilities.”).

132. Pennsylvania law also requires that “any act or thing done or omitted to be done” alleged to violate Section 1501 has actually occurred. *See Hovis v. National Fuel Gas Distribution Corporation*, Docket No. C-2008-2035033, 2008 Pa. PUC 899, at *6 (Initial Decision dated Nov. 10, 2008),

133. No “act or thing done or omitted to be done” amounting to an alleged violation of the Public Utility Code has actually occurred.

134. The Complainants have not met their burden to show that Laurel has provided or will provide unreasonable service.

APPENDIX C

PROPOSED ORDERING PARAGRAPHS

1. The Formal Complaint filed by Monroe Energy, LLC (“Monroe”), Lucknow-Highspire Terminals, LLC (“LHT”), Sheetz, Inc. (“Sheetz”), and PBF Holding Company, LLC (“PBF”) (collectively “Complainants”) filed at Docket No. C-2025-3053018 is dismissed;
2. With respect to Count 1 of the Complaint, Complainants have failed to carry their burden of proof that Laurel is providing or will provide the Complainants with unreasonable service, and/or has failed to adhere to its tariff in violation of 66 Pa.C.S. §§ 1302, 1303, and 1501;
3. With respect to Count 2 of the Complaint, Complainants have failed to carry their burden of proof that Laurel is circumventing or will circumvent Commission jurisdiction in violation of 66 Pa.C.S. §§ 1102 and 1302; and
4. That Docket No. C-2025-3053018 be marked closed.