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October 17, 2025

**VIA ELECTRONIC FILING**

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, Filing Room
Harrisburg, PA 17120

RE: Monroe Energy, LLC, Lucknow-Highspire Terminals, LLC, Sheetz, Inc. and PBF Holding Company LLC v. Laurel Pipe Line Company, L.P.; Docket No. C-2025-3053018; **REPLY BRIEF OF MONROE ENERGY, LLC, LUCKNOW-HIGHSPIRE TERMINALS, LLC, SHEETZ, INC. AND PBF HOLDING COMPANY LLC (PUBLIC VERSION)**

Dear Secretary Homsher:

Enclosed for filing with the Commission is the Reply Brief of Monroe Energy, LLC, Lucknow-Highspire Terminals, LLC, Sheetz, Inc. and PBF Holding Company LLC ("Complainants") in the above-referenced matter. Copies of the Brief have been served as indicated on the attached Certificate of Service. Please note the confidential version will be uploaded to the PUC SharePoint at this docket.

Thank you for your attention to this matter. If you have any questions related to this filing, please feel free to contact my office.

Very truly yours,

Todd S. Stewart
*Counsel for Monroe Energy, LLC*

TSS/jld
Enclosure
cc: Administrative Law Judge Eranda Vero (via electronical mail – evero@pa.gov)
Per Certificate of Service

## CERTIFICATE OF SERVICE

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

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DATED: October 17, 2025

**BEFORE THE**
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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# REPLY BRIEF
# OF COMPLAINANTS

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**PUBLIC VERSION**


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## I. STATEMENT OF THE CASE

Monroe Energy, LLC ("Monroe"), Lucknow-Highspire Terminals, LLC ("LHT"), Sheetz, Inc. ("Sheetz"), and PBF Holding Company LLC ("PBF") (collectively, the "Complainants") submit this Reply Brief to respond to the arguments presented in the Main Brief of Laurel Pipe Line Company, L.P. ("Laurel"), filed October 3, 2025 ("Laurel M.B."). In its Main Brief, Laurel continues to take a cavalier approach to Commission regulation and to shippers' concerns. Laurel claims that no unreasonable service is occurring. Laurel claims that no unreasonable service would occur under its proposed Extended Bi-Directional Service. Laurel claims that the Commission should not have an opportunity to determine whether a 100+ mile extension of bi-directional service is or is not consistent with the public interest. Laurel claims that its current (and ill-defined) approach of using swaps, of delaying transit times on many occasions, of accelerating transit times via swaps on unannounced occasions, and cutting service on the Laurel Pipeline for 13% of the time in 2025 do not warrant a second look. Laurel's "there's nothing to see here" paradigm pervades its Main Brief.

The record shows that there is plenty to see here. Complainants have shown that they encounter problems on a daily basis with nominations, scheduling, and deliveries on the Laurel Pipeline. Complainants have shown that these problems have grown increasingly worse since the introduction of bi-directional service in 2019. Complainants have shown that Laurel has no game plan for rectifying the service problems that currently exist. Complainants have shown that Laurel's affiliate Buckeye Pipe Line Company, L.P. ("Buckeye") is proposing an extension of bi-directional service that will aggravate, not alleviate, the existing service problems. Complainants have shown that Laurel, by allowing its affiliate Buckeye to extend bi-directional service, would diminish and fundamentally change the nature of Laurel's existing Commission-jurisdictional

service. Complainants have shown that Laurel undertakes certain actions relative to Commission-jurisdictional shipments that are not grounded in a Commission-jurisdictional tariff. The Formal Complaint should be sustained. The Commission should exercise its remedial authority to require Laurel to remedy the existing service problems and tariff violations and require Laurel to file an application for a certificate of public convenience if Laurel moves forward with allowing Buckeye to pursue Buckeye's extended bi-directional service ambitions.

## II. SUMMARY OF ARGUMENT

Complainants' reply argument remains as simple and straightforward as the arguments in Complainants' Main Brief. Laurel attempts to undercut Complainants' real-world experience with the Laurel Pipeline since commencement of bi-directional service in October 2019 with vague assertions of perceived benefits, vague descriptions of how Laurel's extended bi-directional service will operate, and vague claims that the Complainants have some ulterior motive to gain competitive advantage through the Formal Complaint. Complainants, conversely, continue to assert that the Formal Complaint is squarely within the Commission's jurisdiction as it involves intrastate service and only relevant provisions of the Public Utility Code, and that Laurel must apply for and obtain a certificate of public convenience to commence its proposed Broadway 3 expansion project because the extension of bi-directional service qualifies as both a partial abandonment of, and a fundamental change in, the service that is currently provided under Laurel's certificate of public convenience and under the Code.

Additionally, Complainants use both quantitative and qualitative evidence to demonstrate existing unreasonable service and valid concerns about future unreasonable service should Laurel allow Buckeye to expand its bi-directional operations. Finally, Complainants explain how Laurel's extended bi-directional service and unclear use of swaps violates both the Code and Laurel's own tariff. Complainants counter Laurel's increasingly opaque arguments surrounding its plan to

commence bi-directional service without Commission approval with the day-to-day reality and very real concerns of Complainant shippers that rely on the Laurel Pipeline to transport essential petroleum products for ultimate use by consumers in Pennsylvania. Complainants continue to request that the Commission direct Laurel to remedy operational problems with existing bi-directional service, so that shippers no longer receive unreasonable service, and require Laurel to initiate a separate proceeding where Laurel bears the burden of demonstrating that any extension of bi-directional service benefits Pennsylvania.

## III. REPLY ARGUMENT

### A. THE COMMISSION IS ON SOLID JURISDICTIONAL GROUNDS TO DECIDE ALL ISSUES RAISED IN THE COMPLAINT.

Laurel argues in its Main Brief that "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."[1] Laurel then proceeds to touch on federal preemption and dormant commerce clause issues without taking a firm position that the Commission would run afoul of either if the Commission decides the state-jurisdictional issues that Complainants are asking the Commission to decide in this case.[2] Laurel wraps up this section of its Main Brief by making an *England* reservation, to preserve its right to litigate federal law claims in federal court if the Commission decides against Laurel.[3]

Complainants have not raised federal law claims in their Formal Complaint, and have not raised federal law claims in this proceeding. Complainants seek the Commission's ruling on three

[1] *Monroe Energy, LLC, et al. v. Laurel Pipe Line Company, L.P.,* Main Brief of Laurel Pipe Line Company, L.P., C-2025-3053018 (filed Oct. 3, 2025) ("Laurel M.B."), at 15.

[2] *Id*. at 20.

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

areas that are wholly within the Pennsylvania Public Utility Code and involve issues only of state law. First, Complainants ask the Commission to rule that Laurel is required to file a CPC Application under Section 1102 of the Code. Second, Complainants ask the Commission to rule that Laurel has provided, is providing, and will be providing unreasonable service contrary to Section 1501 of the Code. Finally, Complainants ask the Commission to rule that Laurel is violating the Code in how it conducts Bi-Directional Service, and will be violating with Extended Bi-Directional Service, certain provisions of Laurel's tariffs, contrary to Sections 1301, 1302, and 1303 of the Code. None of these issues causes any conflict with FERC rulings or pending rulings. None of these issues impairs interstate commerce. Laurel's federal law claims need not be decided in this case. If the Commission perceives that they should, then Complainants recommend that the Commission request supplemental briefing, from both parties, on those issues.

**1. All Issues Raised In The Complaint Can Be Fully Resolved Under State Law.**

The Commission has jurisdiction under the Public Utility Code and other state law to fully address all issue raised in the Complaint and in Complainants' Main Brief. Laurel must be required to file a CPC application, an issue that can be addressed under Section 1102 of the Code.[4] Laurel has been providing and, with extended bi-directional Service, will be providing unreasonable service, an issue that can be addressed pursuant to Section 1501 of the Code.[5] Laurel has engaged in certain actions and, with extended bi-directional Service, will be engaging in certain actions that violate its Commission-approved tariffs. Those issues can be addressed under Sections 1301,

[4] *See* 66 Pa.C.S. § 1102.
[5] *See id*. at § 1501.

1302, and 1303 of the Code.[6] The Commission also has broad remedial authority under various other sections of the Code.[7]

The co-existence of a Buckeye petition for declaratory order at FERC does not detract from or interfere with the Commission's exercise of its authority and obligations under state law. On December 20, 2024, Buckeye filed a petition for declaratory order, in FERC Docket No. OR25-6-000, requesting various rulings related to Buckeye's planned implementation of Phase 3 of its Broadway Project. On February 12, 2025, this Commission filed a motion with FERC to hold Buckeye's petition for declaratory order in abeyance pending the resolution of this Formal Complaint proceeding before the Commission. In an order issued July 10, 2025, FERC granted this Commission's motion, stating that:

> We grant the PaPUC's Motion to hold this proceeding in abeyance pending the outcome of the complaint proceeding before the PaPUC. The complaint before the PaPUC raises issues regarding whether Buckeye's proposal would constitute a partial abandonment of Laurel's intrastate transportation service requiring approvals from the PaPUC that are currently being litigated before the PaPUC. Therefore, we find that it is appropriate to delay Commission action on the Petition until the complaint process before the PaPUC is resolved.[8]

FERC stated the following in the same order:

> We are not persuaded by Buckeye's arguments opposing the motion. Although Buckeye asserts that delay is unnecessary, the final structure of Phase 3 may be subject to change depending on the outcome of the PaPUC proceeding. Therefore, if the Commission rules on the Petition before the complaint before the PaPUC is resolved, the ruling would not serve to remove uncertainty or set useful precedent because the terms of the Phase 3 project could change.[9]

[6] *See id*. at §§ 1301, 1302, and 1303.

[7] *See Monroe Energy, LLC, et al. v. Laurel Pipe Line Company, L.P.,* Main Brief of Complainants, C-2025-3053018 (filed Oct. 3, 2025) ("Complainants' M.B."), at 14, n.22.

[8] *Buckeye Pipe Line Company, L.P.*, 192 FERC ¶ 61,046, at P 20 (2025) (internal citations omitted) ("FERC Abeyance Order").

[9] *See id.* at P 21 (internal citations omitted).

Importantly, FERC also stated in that same order that, even after the abeyance ends, FERC still retains discretion not to act at all on Buckeye's petition for declaratory order.[10] FERC's action with respect to Buckeye's pending petition for declaratory order follows closely with the FERC's non-action on Buckeye's petition for declaratory order in the Reversal Case.[11] In that case, FERC held Buckeye's petition for declaratory order in abeyance for approximately 17 months, only ruling when all parties in the Reversal Case jointly requested that FERC grant an unopposed joint petition for settlement.[12] Far from carrying any of the preemptive imprimatur that Laurel seeks to ascribe to FERC proceedings, FERC's actual approach in both the Broadway 3 context and in the earlier Full Reversal Case has been one of patience and deference toward this Commission's adjudication of its proceedings.

[10] *See id.* at n.25 (citing 5 U.S.C. § 554(e). *See also Enbridge Pipelines (Toledo) Inc.,* 130 FERC ¶ 61,270, at P 26 (2010) (dismissing petition for declaratory order as moot where the same issues were concurrently raised in a tariff filing proceeding); *Flint Hills Resources Alaska, LLC*, 136 FERC ¶ 61,021, at P 26 (2011) (dismissing petition for declaratory order as premature).

[11] *Application of Laurel Pipe Line Company, L.P. for Approval to Change Direction of Petroleum Products Transportation Service to Delivery Points West of Eldorado, Pennsylvania*; Docket A-2016-2575829 (Opinion and Order entered July 12, 2018) ("Reversal Case")

[12] *See Buckeye Pipe Line Company, L.P. and Laurel Pipe Line Company, L.P.*, 168 FERC ¶ 61,198 (2019) (Letter Order accepting settlement that was filed in FERC Docket Nos. OR18-22-000, IS19-277-001, -002, and IS19-278-001, -002).

FERC does not grant CPCs to petroleum products pipelines to initiate new services.[13] FERC has no authority over petroleum products pipelines' abandonment of service.[14] FERC addresses only the rates, terms, and conditions of service, by considering any "pre-blessings" that a pipeline seeks in a petition for declaratory order and by accepting new tariff pages.[15] And even those "pre-blessings" obtained through a petition for declaratory order are not necessary.[16]

[13] *See, e.g.*, *Big West Oil Company v. Frontier Pipeline Company and Express Pipeline Partnership*, 119 FERC ¶ 61,249, at P 15 (2007) ("Oil pipelines first became subject to the ICA in 1906 when Congress enacted the Hepburn Act and placed the pipelines under the jurisdiction of the ICC. Because of the unique nature of oil pipelines, they never were subject to many of the provisions of the ICA that governed other types of common carriers, such as railroads and motor carriers. For example, oil pipelines are not subject to commodities clauses that prohibit carriers from transporting articles produced or owned by them, oil pipelines are not required to obtain certificates of convenience and necessity before constructing or extending their lines, oil pipelines do not have to obtain permission before abandoning their lines, and oil pipelines are not subject to the provisions regarding consolidation or merger of properties and acquisition of control.") (internal citations omitted); *see also* "Keystone XL Pipeline Project: Key Issues", *Congressional Research Service*, 7-5700, R41668, at 5 (Dec. 12, 2011) (*available at* https://www.everycrsreport.com/files/20111212_R41668_fbd5079ade99e949e57ccb3758184c3aa72c9fee.pdf (last visited Oct. 6, 2025) ("Ordinarily, the U.S. government does not have permit authority for oil pipelines, even interstate pipelines. This is in contrast to interstate natural gas pipelines, which, under Section 7(c) of the Natural Gas Act, must obtain a 'certificate of public convenience and necessity' from the Federal Energy Regulatory Commission. Generally, the primary siting authority for oil pipelines would be established under applicable state law (which may vary considerably from state to state.") (citing 15 USC § 717f(c).

[14] It is well settled that the ICA does not authorize the Commission to prevent an oil pipeline from abandoning a service. *See Farmers Union Central Exchange, Inc. v. FERC*, 734 F.2d 1486, 1509, n.51 (D.C. Cir. 1984) (discussing FERC's "lack of abandonment authority"); *see also Williams Pipe Line Co.*, 21 FERC ¶ 61,260, 61,690, n.217 (1982). Where a pipeline proposes to abandon a distinct service in its entirety, the Commission has found it has no authority to suspend the cancellation of that service. *See, e.g., Rocky Mt. Pipeline Sys. LLC*, 126 FERC ¶ 61,301 (2009); *W. Tex. LPG Pipeline L.P.*, 128 FERC ¶ 61,066 (2009); *Chevron Pipe Line Co.*, 64 FERC ¶ 61,213, 62,616 (1993); *Tesoro High Plains Pipeline Co.*, 115 FERC ¶ 61,163 (2006), *reh'g denied*, 117 FERC ¶ 61,006 (2006); *Plantation Pipe Line Co.*, 98 FERC ¶ 61,219, 61,864 (2002); *Texaco Pipeline Inc.*, 58 FERC ¶ 62,051 (1992); *ARCO Pipe Line Co.*, 55 FERC ¶ 61,420 (1991); *Thrifty Propane, Inc. v. Enter. TE Prods. Pipeline, LLC*, 140 FERC ¶ 61,017 (2012).

[15] *See generally* www.ferc.gov/oil (last visited Oct. 6, 2025) (describing FERC's authority over oil pipelines as including "Regulation of rates and practices of oil pipeline companies engaged in interstate transportation; Establishment of equal service conditions to provide shippers with equal access to pipeline transportation; and Establishment of reasonable rates for transporting petroleum and petroleum products by pipeline.").

[16] *See, e.g.*, *North Dakota Pipeline Co. LLC*, 147 FERC ¶ 61,121, at P 23 (2014) ("While there are a number of important benefits that an oil pipeline can obtain through the declaratory order process, there is nothing in the Commission's regulations or precedent that prohibits an oil pipeline from going forward with any novel proposal absent a declaratory order. In that situation, the oil pipeline would assume all the financial and regulatory risks that could occur when it files tariffs to establish initial rates. More importantly, and especially pertinent to the instant petition, because the Commission does not regulate the entry or exit into the oil pipeline business as it does with natural gas pipelines, there is nothing preventing an oil pipeline from building or expanding a pipeline on a traditional common carrier cost-of-service basis and making the required initial rate filing thirty days prior to the requested effective date. Therefore, while the protesters criticize North Dakota Pipeline's study and assert there is no need for the proposed expansion and extension of the system, the arguments have no bearing on our determination here. Since the Commission does not have jurisdiction to grant certificates to oil pipelines or otherwise authorize or prevent construction, determining whether a pipeline is needed is not within its authority. Therefore, the Commission denies the protesters' requests to reject this petition based upon an alleged lack of need for the new construction or that issues concerning the justification for expanding the pipeline require examination at a hearing, before a declaratory order

Buckeye's requests in its petition for declaratory order with respect to Broadway 3 aligns with FERC's limited authority over interstate petroleum products pipelines, in that Buckeye is seeking only three "declarations" from FERC, all of which address rates, terms, and conditions of Buckeye's proposed Broadway 3 service:

> a. That the provisions of the TSA [Transportation Service Agreement] under [Broadway] Phase 3 are lawful and consistent with Commission precedent, and specifically (i) that the TSAs will be upheld and will govern service during the term of the TSAs; (ii) that the base tariff and discounted volume-incentive rate structure is lawful; and (iii) that Buckeye may file the base tariff and discounted volume-incentive rates as settlement rates during the term of the TSAs pursuant to section 342.4(c) of the Commission's regulations.
>
> b. That Phase 3 conforms to the terms of the 2019 Settlement approved by the Commission, including continued provision of 120,000 bpd of west-bound capacity.
>
> c. That Buckeye may, upon filing its tariff with 30 days' notice, bring the Phase 3 capacity into interstate transportation service and the related FERC tariff into effect with the Commission's standard 1-day suspension for oil pipelines.[17]

Notably, Buckeye is not seeking (as it cannot) any FERC approvals of need, any FERC public interest findings, or any FERC determinations that would give Buckeye *carte blanche* to initiate service that would necessarily prevail over any Commission findings in this case that are adverse to Laurel.

Moreover, none of the issues in this case touches upon any Buckeye-owned facilities. Rather, the issues in this case address only the Commission-jurisdictional pipeline facilities and equipment that is owned by a Commission-jurisdictional pipeline company – Laurel. All three pipeline segments at issue in this proceeding – L718 as concerns unreasonable service and tariff violations; L720 as concerns unreasonable service, tariff violations, and CPC issues; and L724

approving the general framework for the project is granted.") (citing *SFPP, L.P.*, 140 FERC ¶ 61,220 at P 50 (2012); *ARCO Pipe Line Co.*, 55 FERC ¶ 61,420 (1991)).

[17] *See* FERC Abeyance Order at P 6.

also as concerns unreasonable service, tariff violations, and CPC issues – were constructed pursuant to a Commission-issued CPC; are owned, maintained, and operated by Laurel; and are available for use by Buckeye only to the extent the Commission authorizes such use. All issues raised in the Formal Complaint fall squarely within the Commission's exclusive, stated-based jurisdiction. The Commission has full authority to address those issues.

**2. The Commission Does Not Need To Address Any Federal Law Claims In This Case.**

In the Reversal Case, Laurel presented detailed arguments in support of federal preemption claims and dormant commerce clause claims, all of which Laurel raised for the first time in its Main Brief in that case. The shipper parties in that case addressed those arguments in their Reply Brief. The Administrative Law Judge addressed and dismissed Laurel's arguments in her Recommended Decision.[18] The Commission followed suit in its Opinion and Order, dismissing Laurel's federal law claims.[19]

Here, Laurel charts a different tack. Instead of addressing in detail its potential federal claims, Laurel asserts the following:

> 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*, 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,

[18] *Application of Laurel Pipe Line Company, L.P.,* Recommended Decision*,* Docket Nos. A-2016-2575829, G-2017-2587567 (Mar. 29, 2018) ("Reversal Case Recommended Decision"), slip op. at 50-51, 62-63.

[19] *Application of Laurel Pipe Line Company, L.P.,* Opinion and Order, Docket Nos. A-2016-2575829, G-2017-2587567 (entered July 12, 2018) ("Reversal Case Order"), slip op. at 23-25, 31-34.

> and (2) any contrary state decision would impermissibly burden interstate commerce under the Dormant Commerce Clause.[20]

Complainants do not challenge, at this stage, Laurel's *England* reservation. If the Commission sustains the Formal Complaint in whole or in part, and Laurel musters one or more federal claims and pursues those claims in United States District Court, the Complainants will address Laurel's actions in due course. Complainants note that, in the Full Reversal Case, the earlier bi-directional case, and in this case to date, Laurel has not initiated any action in United States District Court to challenge any Commission determination. Laurel has not explained, and has not provided any detailed support in its Main Brief in this case for any of its potential federal claims. In fact, Laurel states in its Main Brief that it "has reserved, and continues to reserve, its right to pursue its federal claims in the appropriate forum, *including* . . .," which leaves open the possibility that Laurel may pursue federal claims beyond its summary description of potential federal preemption and dormant commerce clause arguments.[21]

Laurel's federal claims have not been sufficiently identified, much less explained and supported, to warrant Commission disposition in this proceeding. The Commission does not need to, and should not, address any of those potential federal claims in this proceeding. Ample authority exists for the Commission to sustain the Formal Complaint, and provide full relief, without touching on any federal issues.

### 3. If The Commission Does Want To Address Laurel's Federal Law Claims, The Commission Should Seek Supplemental Briefing.

The Commission should not address Laurel's potential federal claims. If, notwithstanding the above, the Commission does feel compelled to address those federal claims, then the

[20] *See* Laurel M.B. at 20 (citing to *England,* 375 U.S. at 420); *see also Transource Pa., LLC,* 2025 U.S. App. LEXIS 22972, *29, 2025 WL 2554133 (quoting *England*).

[21] *See* Laurel M.B. at 20 (emphasis added).

Commission should seek supplemental briefing in this proceeding, first by requiring Laurel to file a supplemental brief to identify and support whatever federal claims Laurel intends to raise, and then by providing Complainants sufficient time to reply to Laurel's supplemental brief. Complainants do not believe the Commission needs to address Laurel's federal issues at all, but if it does, the Commission needs a much more robust record than what exists now.

### B. THE COMPLAINANTS HAVE DEMONSTRATED THAT THE PROPOSED BI-DIRECTIONAL EXTENSION IS AN ABANDONMENT OF SINGLE-DIRECTION SERVICE AND REPLACEMENT WITH A NEW BI-DIRECTIONAL SERVICE, AND SUCH ACTION REQUIRES A CERTIFICATE OF PUBLIC CONVENIENCE.

From 1957 to October 2019, Laurel operated the entire pipeline in a single direction. In 2016, because Laurel is the only petroleum products pipeline in Pennsylvania that provides east-to-west service from Philadelphia to Pittsburgh, and certain Midwest shippers were intent on entering markets further east than Pittsburgh, Laurel sought to fully reverse the pipeline between Midland, Pennsylvania (west of Pittsburgh) and Eldorado (Altoona). The reversal would have had major impacts on Pennsylvania, apart from providing a foothold for Midwestern refineries to ship product further east. This Commission rejected that attempt by Laurel, concluding that the reversal would have changed the very nature of the pipeline service and would also have abandoned east-to-west service to several delivery points between Midland and Eldorado.[22]

In 2019, Laurel tried again, but instead of seeking a full reversal, Laurel sought to change the nature of the service on the Coraopolis-Duncansville segment ("L718") to bi-directional service, using leased capacity for the west-to-east service and Pennsylvania intrastate capacity for the east-to-west direction. That matter settled and the Commission's order never addressed the need for a

[22] *See Reversal Case* at 44.

CPC in those circumstances.[23] The Settlement preserved the rights of the parties to raise any and all issues in any future proceeding.[24] That future proceeding is now this proceeding.

Laurel's bi-directional experiment on the L718 segment has caused multiple problems for Commission-jurisdictional shipments as the record in this proceeding convincingly demonstrates. **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** and the Complainants have experienced extremely volatile and extreme transit times as well as outages on shipments since the single-segment bi-directional service began.[26] Because Laurel does not keep records of swaps, it cannot be determined if Laurel's use of swaps had any part to play in the erratic and unreliable service since 2019, but it is clear that declining volumes being shipped westward was not a cause, as the record shows those shipments have not declined measurably since the Philadelphia Energy Solutions ("PES") refinery closed permanently in 2019.[27] Laurel's incentive to maximize Buckeye's service from the west to the exclusion and abandonment of Complainants' single-direction service from the east will leave Pennsylvania petroleum products customers with no viable alternative other than to seek supplies from the west at a higher cost, because it will lead suppliers to sell their products elsewhere.

Bi-directional service, as envisioned by Laurel, is a completely different service in form and substance than single-direction service.[28] Laurel's witness, Mr. Zeth, admitted as much by stating

[23] *Giant Eagle, Inc. et al v. Laurel Pipe Line Company*, LP, Docket No. C-2018-3003365 (Recommended Decision Entered August 8, 2019; Final Order affirming Recommended Decision entered November 30, 2018)

[24] Settlement at 27-28.

[25] Complainants' Highly Confidential Exhibit KFS-1 at 12*, See also,* Exhibit MJW-5.

[26] *Id.* at 5-7.

[27] *See* Complainants' Rejoinder Exhibits JRM-10 & 11.

[28] *See generally*, Exhibit TZ-3 at 2-3, which reflects all origination and destination points and demonstrates the vastly more complex service that Laurel proposes.

"[t]o be clear, the initiation of interstate service by Buckeye over line 720 and Line 724 is the initiation of an additional service."[29] Also, Laurel does not testify that it intends, once bi-directional service has commenced, to ever go back to east-to-west single-direction service. In other words, Laurel is abandoning east-to-west single-direction service and replacing it with a bi-directional service that is a "material change in service and . . . would constitute a partial abandonment of Commission-jurisdictional service."[30] The Commission has consistently regulated the commencement and abandonment of pipeline service provided by public utilities within Pennsylvania, and the Commission has not distinguished between common carriers and traditional public utilities in this regard – all must obtain a certificate.[31] Laurel's proposal to abandon east-to-west single-direction service in favor of bi-directional service between Sinking Spring and Eldorado is no exception.[32]

**1. Laurel's current single-direction service differs substantially from the bi-directional service that Laurel and Buckeye have proposed.**

Laurel claims that there is no basis for the Commission to conclude that bi-directional operation of the Laurel pipeline constitutes an abandonment of service under Code Section 1102(a)(2).[33]

Laurel's claim misapprehends Complainants' argument and is a misstatement of the law. The Commission and courts have held that materially changing the nature of the service is an

[29] *See* Laurel St. No. 1-R at 7:18-21; see also Laurel St. 1-R at 50:10-51:4; 54:16-23; and 59:8-15.

[30] *Reversal Case* at 44; *Philadelphia v. Pa. PUC*, 185 Pa. Super. 598 (1958) (ceasing trolly service and commencing bus service over the same route required two certificates of public convenience, one to abandon the trolley service and one to commence the bus service.)

[31] *Id*.

[32] *See, e.g., Application of Sunoco Pipeline, L.P.* (*Sunoco 2013 Application Order*), Docket Nos. A-2013-2371789, P-2013-2371775 (Order entered August 29, 2013) (requiring a Certificate for Sunoco to abandon intrastate petroleum pipeline service on certain segments of its pipeline and to repurpose the affected facilities for interstate propane and ethane service)

[33] *See* Laurel M.B. at 21.

abandonment of the old service and an adoption of new service, both acts requiring a CPC.[34] It is important to understand that the Commission needs to find only that one or the other service changes requires a CPC in order to find that Laurel must file a CPC application. Abandoning east-to-west intrastate single-direction service on a Commission-jurisdictional facility requires a CPC under Section 1102(a)(2), and commencing a new bi-jurisdictional, bi-directional service using a Commission-jurisdictional facility requires a separate CPC under Section 1102(a)(1). If the Commission rightly concludes that either of these actions requires a CPC, Laurel will need to file an application for a CPC for that action. In this case, each act requires a CPC.

It is likewise clear that Laurel has no intention of continuing or, once stopped, to ever resume intrastate single-direction east-to-west service and it has made no claim to support such a conclusion. Thus, there can be no reasonable argument that Laurel does not intend to abandon single-direction intrastate service permanently. It also is clear that bi-directional interstate/intrastate service over the Sinking Spring to Eldorado segment is a new service – particularly when one considers the substantial changes, including capital investment, made by Laurel to effectuate the service.[35] Laurel's argument that a CPC is not needed falls well short of the line. A CPC proceeding is required to protect the interests of Laurel shippers and Pennsylvania consumers.

The single-direction service that Laurel provided across the entire pipeline from 1957 until 2019 is nearly unrecognizable from what Laurel and Buckeye are now proposing for the Sinking Spring to Eldorado segment. Laurel's plan includes the potential to operate the pipeline in a single direction for weeks or perhaps months on end by letting the "market" decide in which direction

[34] *See Reversal Case*; *Borough of Middletown v. Pa. P.U.C.*, 301 A.2d 965 (Pa. Cmwlth 2023)(changes within the utilities' service territory, such as changing the manner of providing service, require a CPC.")

[35] *See* Laurel St. No. 1-R at 50-51.

the pipeline flows.[36] Laurel also intends that, with the pipeline potentially flowing in a single direction for such long periods, Laurel will use swaps to complete transactions without the need to physically move the barrels across the entire or even portions of the pipeline. Unfortunately, Laurel has no records of any swaps and so is unable to demonstrate that it has any experience with the intense use of swaps it intends, nor is it able to justify swaps as a reasonable alternative to physical movements of product.[37]

Laurel has provided no specific information on how it intends to operate the pipeline, but it has admitted that transit times are likely to get even longer than they have over the existing and much shorter, bi-directional Midland to Eldorado segment.[38] Presently, the historical expectation of shippers on Laurel is delivery times of 8-12 days,[39] while in their testimony in this case, Laurel's witness contends that if the product is delivered within the same month for which it was nominated, that is sufficient.[40] As Mr. Summers testified on cross-examination, such a lengthy duration is not commercially reasonable because the terminal infrastructure is not designed for, or capable of, storing enough product to ensure availability if resupply will consistently take up to 30 or more days for those terminals on the wrong side of the pipeline flow.[41]

Neither Laurel's CPC nor its tariff addresses directionality of service, but the facts are clear that Laurel does not presently provide bi-directional service over the Sinking Spring to Eldorado segment. Nor does that fact control in determining whether commencing such service and ceasing to provide single-direction service over the same segment requires a CPC. Section 1102 requires that the CPC be obtained before the service is abandoned or commenced, and to date Laurel has

[36] *See* Laurel St. No. 4-R at 40:20-41:9.
[37] *See* Complainants' Exhibit C-4.
[38] Tr. at 524:2-9.
[39] Complainants' Exhibit KFS-1 at 5:13-14.
[40] *See* Laurel St. No. 1-R at 24:19-25:2.
[41] Tr. at 24:22-25:13.

not sought a CPC to abandon single-direction service or a CPC to commence extended bi-directional service.

**2. Laurel intends to abandon intrastate single-direction east-to-west service.**

Laurel claims that bald representations of maintaining east-to-west service should be sufficient evidence of its intent to flow product under intrastate tariff arrangements east-to-west on the pipeline, but that is not the point. The legal issue, and the Complainants' concern, is that such service will no longer be provided in even close to the same fashion – it will be a "new" service because the intrastate service will also need to accommodate west-to-east interstate service,[42] which is an entirely new service. The two services, as experience has shown, are not simultaneously compatible. Moreover, a mere statement of intention is not sufficient, and Laurel fails to overcome the actual facts to the contrary. Laurel goes to great lengths to make the point that abandonment requires "evidence of intent to abandon" when arguing that it is not abandoning east-to-west service. Laurel's argument misses the mark, for the reasons stated herein, but also grossly overstates the law. All of the cases cited by Laurel are easily distinguishable from the present circumstances and should be disregarded.

Laurel first cites *Byerly v. Pa. PUC*, 440 Pa. 521, 270 A.2d 186 (1970), for the proposition that in order to prove abandonment, one must prove intent to do so. *Byerly*, however, is distinguishable on many factors. One is that the case involved a trucking company that had not provided certificated service in many years and then attempted to sell the business. The protestant claimed that non-use had caused the authority to expire; the Commission and the court, however, found that mere non-use does not cause authority to expire. The core issue in *Byerly* was a confusion of the concepts of abandonment and public necessity and convenience. There, the court

[42] *See* Laurel St. No. 1-R at 7:18-21

rejected the Commission's finding of no abandonment and held that finding was "completely independent" with "absolutely no relation to [a] claim that there is no longer a public necessity for the certificate."[43] The Commission erred in equating a claim of absence of public necessity with abandonment, according to the court. No such issues are present in this case, making the discussion in *Byerly* scarcely relevant to the discussion of abandonment here. To the extent Laurel wishes to draw parallels, it is still unsuccessful. In this case, there is no claim that Laurel has not used its authority. Laurel clearly intends to continue providing some form of intrastate service, but it intends to provide a new bi-jurisdictional, bi-directional service in place of the existing single-direction intrastate service and, thus, no longer provide single-direction intrastate service. In that way, Laurel's intent is very different from the company's intent in *Byerly*. Laurel has demonstrated its intent and has engaged in conduct that manifests its intent to abandon single-direction intrastate service in favor of bi-jurisdictional, bi-directional service.

*W.D. Rubright Co. v. Pa. PUC*, 177 A.2d 119 (Pa. Super. 1962), is another case wrongly cited by Laurel. *Rubright* involves the transfer of authority and whether such transfer is an abandonment – facts that are not relevant here. Here, the nature of the service is changing, and the ownership of the pipeline is not. As such, the court's discussion of public necessity and proof of abandonment are not relevant here.

Laurel cites a number of cases, including *Pennsylvania R. Co.*, for the proposition that abandonment has previously been viewed as complete cessation of service.[44] In each case Laurel cites,[45] the court's ultimate holding was that no abandonment occurred. Those holdings, though, did not occur in a vacuum. Each case involves unique factual situations that contributed to the

[43] *Byerly v. Pa. PUC*, 440 Pa. 521, 270 A.2d 186, 189 (1970).
[44] *See* Laurel M.B. at 25.
[45] *See* table below at 19-22.

court's finding of no abandonment and are wholly unrelated to the facts here. These cases are quickly distinguished in the table below. While *Pennsylvania R. Co*., stands for the proposition that the Commission cannot require pre-approval of train schedules, that clearly is not what is at issue here as this is much more than a mere change in pumping schedules, as Laurel suggests. Rather, while Laurel will be using the same physical asset, the service provided by that asset will indelibly change and the law is clear that such a change requires a CPC.

The Court in *Yellow Cab* simply reiterates the principle that, "To constitute an abandonment there must be an intention to abandon together with external acts by which the intention is carried into effect."[46]Laurel has made it clear that it no longer intends to provide single-direction intrastate service on a Commission-jurisdictional pipeline and has undergone external acts (outages, maintenance, and the PDO filing at FERC) which carry that intention into effect.

Laurel goes on to cite *Susquehanna* and incorrectly concludes that Pennsylvania courts do not consider a change of service in response to market conditions a partial abandonment.[47] This overgeneralizes the court's conclusion and conveniently leaves out the factual context of the case. The *Susquehanna* case revolved around an "Exclusive Agreement" between two taxicab companies and whether the PUC had the authority to nullify that contract because one of the parties to it was a certificated common carrier.[48] This case, again, shares almost no relevant commonalities to the instant case. In *Susquehanna*, the service remained the same and it was the market that changed. In this case, the service is changing, and the market has not changed – Laurel seeks to change the service to create a new market, not the other way around. Laurel is proposing to cease, perhaps for months at a time, to deliver east-to-west movements beyond the delivery point for a

[46] *Yellow Cab Co. of Pittsburgh v. Pennsylvania Pub. Util. Comm'n*, 431 A.2d 1106, 1107 (1981).
[47] *Susquehanna Area Regional Airport Auth. v. Pennsylvania Public Utility Commission*, 911 A.2d 612.
[48] *Id*. at 623.

particular batch that Laurel selects, and while the 120,000 bpd Capacity Obligation will somewhat mitigate that impact, at least for the L718 segment, that Capacity Obligation is temporary.

Under Laurel's reading of *Susquehanna*, Laurel could flow the pipeline in any direction for any duration, and the Commission would have no say over the character and nature of the intrastate service. Commission precedent requires a different conclusion.[49] There is no authority cited by Laurel that stands for the proposition that Buckeye is permitted to conscript, for interstate service, the use of a PaPUC jurisdictional facility and yet that is exactly what it is proposing to do here. Laurels actions adopt the view that the Laurel Pipeline has somehow become a FERC-jurisdictional interstate pipeline with some nagging intrastate service to deal with rather than as the intrastate pipeline that it is, with the extent of the interstate service governed by and subject to a capacity lease agreement over which this Commission has approval authority.

Laurel then pivots and cites to *Harris*[50] and *Fisher*[51]. Laurel posits both cases as support for the claimed "century" of Pennsylvania caselaw supporting the principle that abandonment is a complete cessation of service."[52] Though the court in each case may reference this principle, Complainants' struggle to understand the applicability of either case to the situation here.

In *Fisher*, a single short-term outage in natural gas service in which the utility intended to restore continuous service was considered not to be an abandonment. In *Harris*, a crude oil pipeline that could no longer operate due to loss of flow, and that continued service for a single remaining customer by truck was held to not be abandoning service. In *Harris* there was a single customer, here there are many. In *Harris*, the change in the manner of service was for a single

[49] *Reversal Case*.
[50] *Harris v. Nat'l. Transit Co.*, 1976 Pa. PUC LEXIS 50.
[51] *Fisher v. Columbia Gas of Pa.*, C-00924183, 1992 Pa. PUC LEXIS 163 (Initial Decision Dec. 4, 1992).

[52] *See* Laurel M.B. at 25.

remaining customer due to circumstances not caused by the pipeline. In Laurel's case, the change in service will alter service for multiple remaining customers and there was no operational need to change the service. This is not a question of substituting trucks for pipeline to make sure that a single customer is able to obtain product, where the product continues to be delivered on a reliable basis; what Laurel is proposing here is changing single-direction intrastate service for many customers to bi-directional service for more customers in different directions, where deliveries may take months depending on which way Laurel decides the line will be flowing and whether flows will occur at all after Laurel decides which barrels it wants to swap. There has been no external change that required Laurel to abandon intrastate single-direction service in favor of interstate/intrastate bi-directional service; Laurel (and its affiliate Buckeye) coordinated to do so in pursuit of more revenue, not due to shippers' decisions about market conditions, although if Laurel succeeds, it will force changes in historic shipper and customer decisions. There is little daylight to be found between Laurel's proposed bi-directional service extension here and the numerous cases Laurel cites in its Main Brief. While Laurel uses a broad brush to paint applicability between the cases it cites and the present situation, it is unlikely the Commission would take a similarly cavalier approach in its interpretation of its abandonment precedent or its decision.

For the ease of reviewing the cited cases, Complainants provide the following summary of the cases discussed in the text above.

| Case | Analysis | Laurel Facts | Distinguishing |
|---|---|---|---|
| *Byerly* | No abandonment occurred where a utility common carrier did not put itself in a position where it could not | Laurel remains, and will remain, positioned to provide westbound interstate service over its pipeline system. | Laurel cannot rely on *Byerly*'s "no abandonment without intent" principle because *Byerly* involved mere inactivity, not a deliberate reconfiguration of service. |

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| | render service if requested. | | Laurel's proposal constitutes an intentional abandonment of existing east-to-west service by replacing it with a materially different bi-directional service. |
| *W.D. Rubright* | No abandonment occurred 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.<br><br>Laurel has maintained all facilities, equipment, Tariffs, etc. necessary to provide intrastate service. | Laurel, unlike *Rubright*, is not a dormant carrier preserving capacity but an active pipeline seeking to alter the nature of its certificated service.<br><br>*Rubright* involved temporary suspension with full ability to resume; Laurel's plan would permanently displace its existing east-to-west service. |
| *Pennsylvania R. Co.* | No abandonment occurred 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.<br><br>Laurel is not ceasing to provide intrastate service. | Laurel, unlike *Pennsylvania R. Co.*, has unilaterally altered the direction and nature of its service rather than making schedule adjustments within an existing operation.<br><br>*Pennsylvania R. Co.* addressed management discretion over timing changes, not a material service change implemented without Commission approval. |
| *Susquehanna* | No abandonment occurred 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 | Laurel, unlike *Susquehanna*, is a certificated public utility subject to Commission oversight, not a non-utility |

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| | | occur on these segments. | property owner managing its facilities. The Court in *Susquehanna* referenced abandonment only to describe the scope of the Commission's statutory authority before concluding that the airport authority was not a public utility and that no certificated service was at issue.<br><br>Laurel's change in how its pipeline operates directly affects a certificated service, placing its conduct within the Commission's jurisdiction. |
| *Harris* | No abandonment occurred 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. | Laurel, unlike *Harris*, is not responding to external conditions that made existing operations impossible. In *Harris*, the carrier's pipeline was displaced by state appropriation and landowner interference, and the PUC found its conversion to truck transport a reasonable response to those circumstances.<br><br>Laurel's change is self-initiated and alters the service, which requires Commission approval rather than deference to management discretion. |
| *Fisher* | No abandonment occurred where a natural gas pipeline would suspend service for an indefinite period, but | Eastbound interstate flows on Lines 718, 720 and 724 will be temporary in nature, similar to existing westbound interstate | Laurel, unlike *Fisher*, is not temporarily suspending service for safety reasons but has voluntarily changed how its certificated pipeline operates. |

| | | | |
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| | maintained that it would be available and restored in the future. | flows on those same lines, and Laurel will continue westbound intrastate flows whenever volumes require. | In *Fisher*, the utility temporarily discontinued gas service due to mine subsidence hazards and intended to restore the same service once conditions were safe. Laurel's decision to alter the direction and character of its service is not a temporary safety measure and therefore constitutes a material change requiring Commission approval. |

Laurel also relies on the *Reversal Case* for the proposition that a complete reversal is in fact an abandonment of service in one direction. That aspect of the *Reversal Case* is true, but that does not address the scope of "changes in the nature of service" that also can be considered an abandonment. Laurel's argument also fails because the Commission, in the *Reversal Case*, held that the reason the reversal required a certificate was because it was a material change in the nature of the service, not specifically because it was a full reversal. Recall that in the same Order, the Commission held that Laurel's CPC did not imply directionality, which means that merely changing the direction could not have been sufficient cause to conclude that a CPC was required.[53] Laurel's reliance on the *Reversal Case* is thus misplaced.

[53] *See Reversal Case* at 44-45.

### 3. Rather than continuing intrastate east-to-west service, Laurel intends to offer a new service: Interstate/intrastate bi-directional service over a Commission-jurisdictional intrastate pipeline using leased interstate capacity for one direction and Commission-jurisdictional facilities for the other direction

Following its flawed analysis of the law as it relates to abandonment, Laurel contends that the Complainants have failed to establish whether an abandonment has occurred or will occur. Laurel's argument purposely ignores the plain language of the Code.[54] Section 1102(a)(1) has not changed in a very long time and provides that a certificate is required "[f]or any public utility to begin to offer, render, furnish or supply within this Commonwealth *service of a different nature* . . . than that authorized by a certificate of public convenience." Section 1102(a)(2) requires a certificate "to abandon or surrender, in whole or in part, *any* service . . ."(emphasis added).

The record of this proceeding contains abundant evidence that Laurel intends to provide bi-directional, bi-jurisdictional service over the Sinking Spring to Eldorado segment that will look nothing like the single-direction intrastate service provided over that segment today. Batches will not be delivered within the current 8-12 day window, pipeline flow directions are expected to be maintained in a single direction for multiple cycles or indefinitely requiring the reliance on swaps that are unproven on this record and that require identical batches on either end of the pipeline to be possible – without any indication of how often, or not at all, such a perfect match occurs. Complainants have proven that Laurel intends to swap single-direction service for bi-directional service. Complainants have proven that Laurel intends to cease providing east-to-west single-direction Commission-jurisdictional service. Laurel's contention that none of the Complainant witnesses used the word "abandon" in their written testimony means nothing. Those witnesses

[54] 66 Pa. C.S. § 1102(a).

provided the facts that are the basis for the legal conclusion that clearly demonstrates there is an abandonment and, thus, Laurel's need for a CPC.

As to Laurel's false contention that Dr. Morris conceded that this is not an abandonment proceeding, Dr. Morris is correct - this is a complaint proceeding. The Formal Complaint (and Complainants' Main Brief and Reply Brief) contend, with ample evidentiary support, that Laurel's expressed intent to abandon single-direction service over the L720 and L724 segments, without having first obtained a CPC authorizing such abandonment, is illegal. The relief sought in this case is that Laurel be required to file an application under Section 1102 and seek an order authorizing abandonment as being in the public interest. Accordingly, it is not Dr. Morris, but rather Laurel, that misunderstands the law.[55] Further, a "concession" that under Laurel's proposed bi-directional service the "mass balance" i.e., the end of the pipeline with the most barrels to move to the other side, determines which direction the pipeline flows,[56] is not a concession that Laurel's actions are not an abandonment. They are, rather, a confirmation that the operation of the pipeline under bi-directional service will be so completely different than it is today - i.e., today nominations physically flow in the nominated direction in the nominated cycle, versus the proposed potential for endless flow in the same direction - as to require a CPC.

Moreover, Laurel's proposed changes are far beyond changes in pumping cycles. This same effort at misdirection is evident in Laurel's recitation that Mr. Summers was not aware that any other petroleum products pipeline guarantees that Monroe's physical barrels will actually be delivered.[57] This ignores the very real guarantee from Laurel that with bi-directional service we

[55] Moreover, Dr. Morris was not testifying as a legal expert. As noted above, Complainant rely on the facts developed in Dr. Morris' testimony and that of other witnesses to reach the legal conclusion that Laurel is abandonment service. Even if Dr. Morris conceded there was no abandonment, which he did not do, his alleged lay concession is neither persuasive nor binding on the Commission.

[56] *See* Laurel M.B. at 35.

[57] *See* Laurel M.B. at 36.

are certain that east-to-west barrels will not be able to be delivered west of any delivery point to which west-to-east barrels are being delivered. Mr. Summers did suggest that under single-direction service, Monroe would receive the same product it tendered at the origin at the destination. It is only under bi-directional service and with the use of swaps that such an expectation is no longer valid. It is disingenuous for Laurel to castigate Mr. Summers on the manner in which swaps are executed because Laurel cannot prove that it executed even a single swap, as it has no records of any swap.[58] Any discussion of swaps by Laurel is then purely hypothetical.[59]

Laurel's litany of subjects that Complainants' witnesses did not address, ignores the convincing testimony on the impact of bi-directional service and the fact that bi-directional service is fundamentally a different service than single-direction service, and that bi-directional service in its current form and its proposed form are both commercially unreasonable.[60] Also, Laurel's recitation is wrong. Complainants' witnesses did testify that Laurel will be unable to make east-to-west deliveries into any destination that is west of any delivery point that is receiving bi-directional flows.[61] Laurel's allegation that Complainants did not provide the "facts" that Laurel suggests is without merit. The facts the Complainants do provide prove that Laurel intends to abandon east-to-west single-direction service, and replace it with a new service that will, based on experience with the existing bi-directional service, be vastly different from and inferior to the single-direction intrastate service that has been provided for nearly 50 years. The erratic transit times and lack of information, the sudden outages, the change of the Reid Vapor Pressure ("RVP") schedule on mere days' notice, are all indicative of what is to come. Even more concerning is

[58] *See* Complainant's Exhibit C-4
[59] *See* Laurel M.B. at 36-37
[60] *See* Laurel M.B. at 34-38.
[61] Tr. 138:1-21.

Laurel's overt plan to rely heavily on swaps without any plan and any experience in executing swaps on a pipeline with multiple origin and destination points. The Complainants have not suggested that Buckeye will not try to provide service. Rather, Complainants argue that the service, extended bi-directional service, will not be the same service that has been provided, and is thus a material change in the nature of the service and requires that the Commission review the proposed new service in a CPC application proceeding where Laurel has the burden to prove that it is in the public interest, a goal that Laurel has not even attempted to reach in this proceeding.[62]

### C. COMPLAINANTS HAVE SHOWN THAT EXISTING BI-DIRECTIONAL SERVICE PROVIDED OVER LINE 718 CAUSES UNREASONABLE INTRASTATE SERVICE.

#### 1. Laurel's Claims Of Substantial Benefits To The Shipping Community Are Vague And Unsubstantiated.

Complainants have presented thorough, documented, and substantiated evidence of service issues since initiation of bi-directional service on the L718 portion of the Laurel Pipeline. Laurel's Main Brief, conversely, characterizes the L718 segment as having been "repurposed to more efficiently and effectively utilize an existing asset."[63] Laurel's plan may well have been to use bi-directional service to increase efficiency and effectiveness of the L718 segment, but that plan has failed in execution. Now, Laurel proposes to extend its bi-directional service on the pipeline without details of its operational plan, without acknowledgment of current service issues on the pipeline, and without any assurances to shippers that these very issues will not proliferate with the Broadway 3 project.

[62] Laurel belatedly requests a Commission order granting a CPC, despite having failed to demonstrate that it can reasonably provide the service for which it now seeks approval. This request is late, procedurally inappropriate, and lacking in any evidentiary support. Laurel's request should be unequivocally rejected.

[63] *See* Laurel M.B. at 44.

In the face of a myriad of service issues presented by Complainant shippers,[64] Laurel claims that existing bi-directional has provided, and continues to provide a "number of substantial benefits to Laurel, its shippers, and the public at large."[65] Laurel claims certain benefits that, all else being equal, would materialize under certain economic theories,[66] but fails to specify, quantify, or provide evidence that these benefits actually materialized, or that Complainants or any other shippers on the Laurel Pipeline have actually realized any benefits.

Laurel names optionality as a purported central benefit to bi-directional service, in that "the availability of both east-to-west and west-to-east transportation on L718 has increased supply optionality in and around Altoona."[67] Laurel Witness Dr. Webb explained:

> 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. 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. That choice is in the shippers' hands, and it exists only because of bi-directional service.[68]

Laurel's claimed "optionality" is a red herring disguised as a benefit. Shippers have not and would not utilize this optionality as part of their customary operations. To the extent Laurel watches movements nominated to the pipeline, Laurel already knows this.

The highest volume shippers on the Laurel Pipeline, for both intrastate and interstate east-to-west deliveries, are Complainants in this case. Those companies' actual experience with bi-directional service on only the L718 segment for the past 6 years has caused them to expend considerable resources and time to jointly and strenuously disagree with the "benefit" that Dr.

[64] *See* Complainants' Exhibit SH-1 at 4:10-19; Complainants' Exhibit JDJ-1 3:8-11; Complainants' Exhibit KFS-1 at 4:8-5:3.
[65] *See* Laurel M.B. at 44.
[66] *See* Laurel M.B. at 44-47.
[67] *See* Laurel M.B. at 45.
[68] *See* Laurel M.B. at 46.

Webb is now touting. Those who have been supplying Pennsylvania with petroleum products for many decades know that the petroleum products delivery infrastructure – from Laurel's pipeline that telescopes downward from east-to-west, to commercial arrangements with suppliers and other interstate pipelines, to terminal locations placed strategically relative to markets in Central and Western Pennsylvania, to lines and manifolds at individual terminals that are structured to receive flows from one direction – favors supplies from the East to serve customers in petroleum products markets in Central and Western Pennsylvania. Dr. Webb's "ivory tower" supposition takes none of that into account, and outright ignores the in-the-trenches, day-to-day experience of those who are responsible for bringing petroleum supply to market in Pennsylvania. If Dr. Webb were correct in his benefits claims, the Complainant parties would be lining up to support Extended Bi-Directional service. But, clearly he is not correct and Laurel's proposed service has no Pennsylvania customer support.

Next, Laurel asserts in its Main Brief that "existing bi-directional service improved pipeline utilization and efficiency" by preventing high transit times "that would have accompanied the even lower throughput volumes had service remained solely east-to-west in direction."[69] Laurel's Main Brief endeavors to paint a picture of existing bi-directional service remedying transit time issues that existed prior to October 2019. But there is an important distinction between what Mr. Zeth actually said in his written testimony and how that statement is characterized in Laurel's Main Brief. Mr. Zeth states the following in his written testimony:

> If bi-directional service were not to have been implemented on Line 718, Laurel expects that the Laurel pipeline system would most certainly have experienced an even greater decrease in utilization over the last 5 years, resulting in even fewer products moving to Altoona and Pittsburgh from the East. For the reasons previously noted, this decreased utilization would have resulted in even greater transit times for Eastern-sourced product flowing to Altoona and Pittsburgh.[70]

[69] *See* Laurel M.B. at 45
[70] *See* Laurel St. No. 1-R at 16:11-16.

Mr. Zeth does not state that existing bi-directional service is a panacea to transit time issues, as Laurel's Main Brief suggests. Rather, Mr. Zeth testifies to a purely hypothetical counter-factual assertion that cannot be proven. Indeed, Mr. Zeth provides no basis for these assertions. Without demonstration through any sort of data as to actual improvements since initiation of bi-directional service, these claimed benefits are pure speculation from Mr. Zeth that Laurel attempts to assert as fact in its Main Brief. Notably, Complainants did not experience commercially noticeable transit time issues before 2019.[71] It was not until bi-directional service began on L718 in October 2019 that Complainants began experiencing increasingly higher and more unpredictable transit times for shipments. Prior to initiation of bi-directional service, Complainants experienced no commercially noticeable patterns of increasing transit times, and Laurel produces no evidence (other than Mr. Zeth's bald assertions) that transit times would have undergone some kind of inevitable increase. Complainants have not materially decreased their east-to-west intrastate nominations, but Complainants' hard data and day-to-day experience working on the Laurel Pipeline show higher transit times since 2019, as well as a general volatility in transit times that shippers have never seen on Laurel. Even though Laurel sidesteps this inconvenient truth in its Main Brief, Mr. Zeth did concede that 1) transit times have increased since the start of bidirectional service;[72] 2) Laurel/Buckeye have not been tracking transit times in either direction since the start of bi-directional service;[73] and 3) Laurel noticed some increased transit times prior to 2016 but developed no internal action plan to address the issue.[74] Laurel's argument and Mr. Zeth's attendant claims lack foundation and ring hollow.

[71] *See* Complainants' Exhibit SH-2; Complainants' Exhibit JDJ-4, JDJ-5, JDJ-6.
[72] Tr. at 523:19-22.
[73] Tr. at 523:23-524:2.
[74] Tr. at 524:3-9.

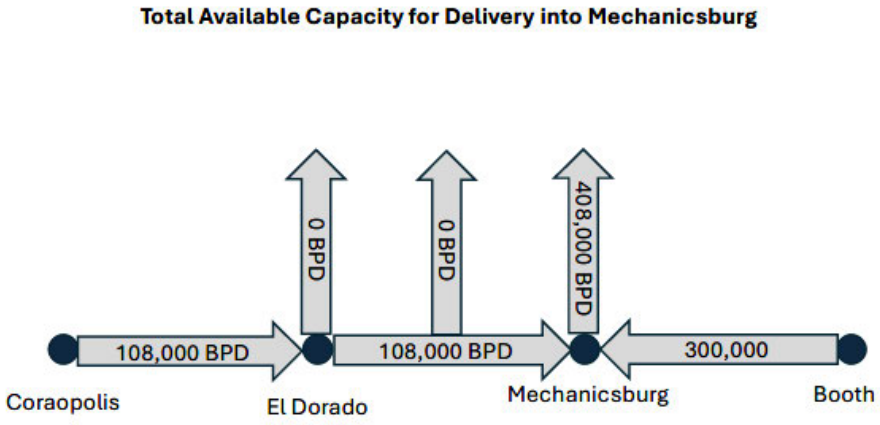
Laurel's witness Mr. Emery also declares expanded pipeline capacity as a "substantial" benefit" of bi-directional service.[75] Laurel's brief claims Mr. Emery demonstrated "how Laurel realized such benefits," including an increase in capacity from 300,000 barrels per day to 408,000 barrels per day on L718.[76] Laurel adds that this capacity could be further expanded with the use of virtual barrel deliveries.[77] Laurel's statement that a delivery point on L718 could accept 408,000 bpd is simply factually incorrect.

Mr. Emery testifies that the maximum delivery at any delivery point on the L718, L720, and L724 segments would be "up to" 408,000 bpd.[78] Mr. Emery's use of the language "up to" is critical, as these are maximum values and not necessarily the values that would occur in practice. Taking Mr. Emery's capacity values as a given, though, one can see that the maximum delivery of 408,000 bpd could not occur on L718 but could only possibly occur at a single delivery point on L724. Mr. Emery testifies that, as concerns east-west flows, "L724 from Booth thru Sinking Spring to Mechanicsburg has a capacity of 300,000 bpd; L720 from Mechanicsburg to Eldorado has a capacity of 264,000 bpd; and L718 segment from Eldorado to Coraopolis has a capacity of 180,000 bpd."[79] Mr. Emery also testifies that the L718 capacity, in a west-to-east flow configuration, from Coraopolis to Eldorado, is only 108,000 bpd.[80] So, the maximum west-to-east delivery at any delivery point would be constrained by the bottleneck on west-east flows on L718, at 108,000 bpd. The maximum east-west delivery at any delivery point can only occur at a point on L724, because the capacity on that segment exceeds the east-to-west capacity of any other segment. Adding the two values - maximum west-east capacity and maximum east-west capacity - together yields a

[75] *See* Laurel M.B. at 45-46.
[76] *See* Laurel M.B. at 46.
[77] *Id.*
[78] *See* Laurel St. No. 4-R at 6:4-5.
[79] *See* Laurel St. No. 4-R at 5:7-10.
[80] *See* Laurel St. No. 4-R at 6:3-4.

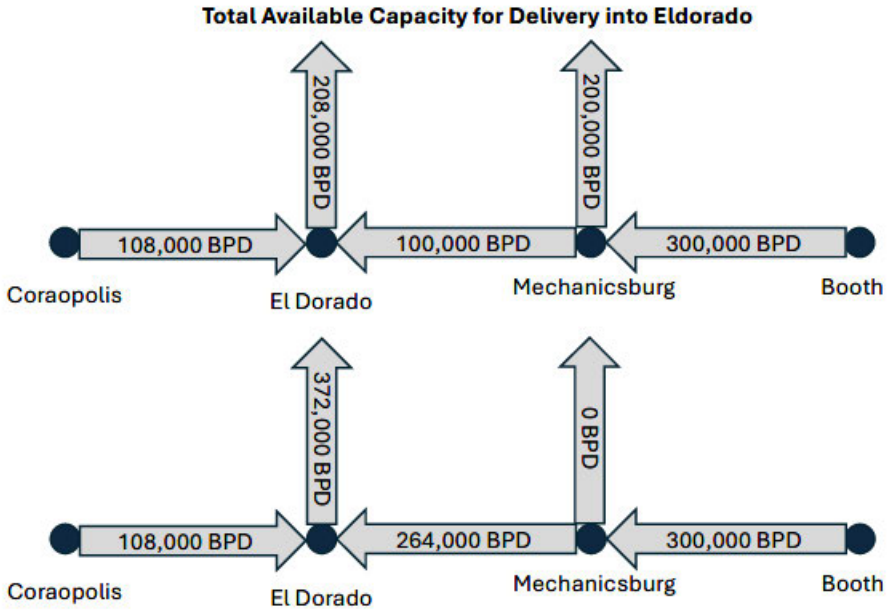
total quantity of 408,000 bpd, but that could occur only on the L724 segment, not at any delivery point on the L720 segment (where the maximum could be "up to" 264,000 bpd plus 108,000 bpd, or 372,000 bpd) and not at any delivery points on the L718 segment (where the maximum could be "up to" 180,000 bpd plus 108,000 bpd, or 288,000 bpd). Finally, as Complainants have emphasized throughout, with solid record support, accomplishing these maximum deliveries to a particular delivery point on any of the three segments means that no deliveries are occurring at any other delivery point on any of the three segments. To achieve the maximum deliveries that Mr. Emery touts, and that Laurel endeavors to support in its Main Brief, maximum flows from the west and maximum flows from the east must land at a single delivery point at the same time, leaving no capacity available for deliveries at any other delivery point. See Figures 1 and 2 below, which provide examples that illustrate the aforementioned capacity calculations.

Figure 1 - Total Available Capacity for Delivery into Mechanicsburg, on the L724 Segment[81]




[81] *See* Complainants' Exhibit TM-6.

Figure 2 - Total Available Capacity for Delivery into Eldorado, At The Intersection of the L720 and L718 Segments[82]




In addition to the obvious technical impossibility of, and the mathematical error in, this claimed benefit, Complainants note that the equipment necessary to realize Mr. Emery's increased combined capacity benefit does not even exist on much of the Laurel Pipeline. Complainant LHT owns the majority of downstream delivery tankage on the Laurel Pipeline system, and only one of its terminals – Coraopolis at the western end of the Laurel Pipeline - is currently equipped to receive product from both directions simultaneously.[83] And, even if the equipment were upgraded to allow bi-directional offloading, Complainants are not aware of current storage infrastructure that could support that capacity.[84] In sum, Mr. Emery's capacity calculations incorrectly neutralize all delivery points on Laurel to create a "benefit" that is not grounded in reality. Analysis of the actual capabilities of the Laurel Pipeline causes Mr. Emery's calculations and Laurel's attended capacity argument to fall apart.

[82] *See* Complainants' Exhibit TM-7.
[83] Tr. at 138:1-139:14.
[84] Tr. at 85:5-7.

Similarly, Laurel argues that bi-directional service on L718 has increased competition for petroleum product supplies in Pennsylvania, asserting this is "a win for shippers and a win for Pennsylvania consumers."[85] This is another vague economic assertion that could be true in theory, yet Laurel again produces no evidence demonstrating that the concept is borne out in reality. Even Laurel witness Dr. Webb conceded that he had no quantitative data proving lower prices or other economic benefit. [86] When asked by ALJ Vero, Dr. Webb said, "[T]he data's just too noisy to do that kind of analysis."[87]

Laurel's slipshod arguments claim benefits that may exist in theory but not in practice. When Laurel claims the current bi-directional service on L718 has proven to be in the interest of shippers and Pennsylvania customers, Laurel provides nothing more than amorphous benefits that fail to address or outweigh the issues Complainants have experienced with Laurel operations since 2019. In fact, bi-directional service could have exactly the opposite impact on Pennsylvania markets. As Laurel operates predominantly from the west to the east (and beyond Pennsylvania to Upstate New York), the current east coast supplies of petroleum products will seek other markets and sell their supplies elsewhere, leaving Pennsylvanians at the mercy of Midwest refiners and higher prices.

### 2. The Operational Issues Caused By Laurel's Existing Bi-Directional Service Are Sufficient To Constitute Unreasonable Service.

To support its claim that Complainants fail to demonstrate unreasonable service, Laurel uses many of the same cases also cited in Complainants' Main Brief. That a utility is not "mandated to furnish perfect service under Section 1501;"[88] that service must be "reasonably continuous and

[85] *See* Laurel M.B. at 47.
[86] Tr. at 763:23-764:7.
[87] Tr. at 764:5-7.
[88] *Syzmanski v. Peoples Gas Company, LLC,* Docket No. C-2024-3050758 (July 24, 2025); *White Oak Condominium Association, c/o L.J. Silberman, M.D. v. Peoples Natural Gas Company LLC,* Docket No. C-2015-

without unreasonable interruptions or delay;"[89] and that a utility may specify the terms and conditions for its provision of service in its tariff.[90] Complainants are, of course, aware of these standards and agree on their applicability to jurisdictional public utilities such as Laurel. The parties diverge where Laurel asserts that Complainants' claims are inconsistent with these standards.[91]

Complainants have never expected perfect service from Laurel, nor are they requesting that now. Laurel may posit that Complainants have "failed to demonstrate bi-directional operations caused any alleged service issues,"[92] but Complainants do not have to show a nexus between unreasonable service and existing bi-directional service or prove the reason such unreasonable service exists. Complainants need to show only that unreasonable service has occurred or is occurring. Complainants' explanation of service issues since the initiation of bi-directional service on L718 in 2019, provided through three sets of direct testimony from experienced shippers on the Laurel Pipeline, four days of evidentiary hearings, and a substantial portion of Complainants' Main Brief, builds a compelling case for a finding of unreasonable service.

Laurel cites *Ross E. Schell v. PPL Electric Utilities Corporation*, in an effort to buttress its argument that "delays or variance in the provision of such service do not violate Section 1501."[93] This case is easily distinguishable and provides little support for Laurel here. In *Schell*, the Commission determined that the complainant in that case failed to establish a prima facie case under Section 1501 after experiencing momentary power outages on four occasions. The

2485647 (March 30, 2016); *Michael Sirak v. Metropolitan Edison Company,* Docket No. C-2011-2279502 (Oct. 2, 2012).

[89] 66 Pa.C.S. § 1501.

[90] *Id.*

[91] *See* Laurel M.B. at 48.

[92] *Id.*

[93] *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).

Commission determined there was no indication that the power outages were due to "intentional action by PPL" or that "PPL could have prevented the outages," and the Commission observed that "PPL continuously took appropriate actions to restore service."[94] As such, the Commission found that PPL did not violate Section 1501. The Commission's rationale cannot be easily applied to Laurel in this case. A residential customer's complaint based on a handful of momentary outages that were caused by factors wholly outside the utility's control cannot be successfully analogized to Complainants' case here. The issues (i.e., transit time increases, operational volatility, and outages) that Complainants express in the instant case are due to intentional action by Laurel and could be prevented by Laurel, and Laurel has not taken any action to address the service issues, aside from continuous claims that Complainants' concerns are baseless.

Rather than acknowledge Complainants' concerns or work towards solutions, Laurel mischaracterizes the Complaint as Complainants' "first and only attempt to formally elevate concerns regarding impacts of existing bi-directional service."[95] In reality, Complainants have communicated issues and frustrations through Laurel and Buckeye channels as those issues arose.[96] Laurel wishes to discredit all service issues Complainants have experienced by the fact that a formal complaint was not filed sooner. In reality, Complainants do not work to monitor state regulations and elevate complaints accordingly. Complainant witnesses explain they communicated issues throughout the daily course of their jobs, but ultimately acknowledge that there is still a day job to do. Complainants have been doing their best to adapt to the operational changes and pitfalls of the bi-directional service initiated through the 2019 settlement by adjusting

[94] *Id.*
[95] *See* Laurel M.B. at 48.
[96] *See* Exhibit JDJ-1 at 10:15-11:11.

their practices, their training, and the business plans core to their operations.[97] Buckeye's PDO filed at FERC proposing extended bi-directional service was the proverbial straw that finally broke the proverbial camel's back. For Complainants, the Broadway 3 project is not something they can feasibly work around, as they have been trying to do with Broadway 2 since 2019.

Laurel makes several inaccurate observations of Complainants' argument. First, Laurel claims that because no formal complaint was filed sooner, Complainants' service quality claims lack credibility and appear to be motivated by other factors.[98] The Complaint and the entire record of this proceeding take the air out of that statement. Complainants have compiled years of quantitative data and qualitative shipper experience to create the foundation of their arguments. These arguments are not based on hypothetical scenarios, but instead are based on the day-to-day operations of the Laurel Pipeline since 2019. Laurel continues to paint a picture of a collective hidden agenda among shippers with this Complaint proceeding, which exists only in Laurel's mind. Complainants play relatively distinct roles in the markets that are served by the Laurel Pipeline, yet all share these same concerns and experiences, which are based on the collective expectations they have independently formed while working on commercial transactions that are to be supported by this pipeline. Complainants have each noticed the same operational issues since 2019 – increased volatility, increased transit times, increased outages, and a decrease in proactive communication from Laurel to address any of those scenarios.

Next, Laurel claims that none of Complainants' witnesses proffered "any meaningful quantification of delays or alleged harm caused by delays."[99] This is plainly inaccurate. Complainant witnesses' written and live testimonies described instances of increased transit times

[97] *See* Complainants' Exhibit SH-1 at 5:19-23; Complainants' Exhibit JDJ-1 at 8:15-9:3; Complainants' Exhibit KFS-1 at 3:16-4:2, 7:8-8:5.

[98] *See* Laurel M.B. at 48.

[99] *See* Laurel M.B. at 50.

on the Laurel Pipeline, batches arriving too early, last-minute changes to RVP schedules for the first time in Complainants' history working on Laurel, lengthy outages and subsequent changes to those outages announced with little notice, and an overall lack of communication from Laurel when any of these situations impacted the operations or customer relations of Complainants' businesses. The table below contains witness testimony excerpts that illustrate these issues.

| | | |
|---|---|---|
| Witness Mr. Jadlocki | "The maximum number of transit days, in what is considered a 10-day cycle, to move product westward from Linden to Altoona was 29.5 days in 2024 versus 15 days in 2019, close to a 100% increase in the number of days. Between 2016-2019, the average of the maximum number of days was 15.8 days while the average of the maximum number of days was 24.3 days between 2020-2024." | Complainants' Exhibit JDJ-1 7:14-18 |
| Witness Ms. Huzicko | "There has been a drastic increase in late deliveries into tankage to supply the western part of the state due to smaller and more abundant tie lines that gather product in Illinois, Indiana, Ohio, and Michigan to then meet up at Manua breakout storage to head [east] into Pennsylvania. Transit times from Eastern origins that were regularly 7 days to Altoona and 10 days to Pittsburgh grew to vary from these baseline times to sometimes double that time, with the variability difficult to manage. This forces LHT as a terminal company to deal with more frequent deliveries, | Complainants Exhibit SH-1 at 5:3-:12 |

| | | |
|---|---|---|
| | which means more "cuts" and product losses upon delivery, as noted above." | |
| Witness Mr. Summers | "In the last four to five years volumes have remained consistent, especially when you think about and look at the seasonality of – of volumes. And [during] that time we've both seen transit times and uncertainties come about as well as increase. And really the only variable there is the bi-directionality of the pipeline." | Tr. at 83:19-84:1 |
| Witness Mr. Summers | "If a shipment arrives several days before it is expected to arrive, which would typically be caused by use of virtual barrels or swaps, we may not have the ability to move it into tankage which can have logistical consequences." | Complainants Exhibit KFS-1 at 5: 7-9 |
| Witness Mr. Jadlocki | "If you were to add up all the known current outages through the end of October, it equates to 13 percent of the days in the year [2025]. That is very significant to a shipper community that is trying to provide steady business [in] Pennsylvania." | Tr. at 181:21-182:1. |
| Witness Mr. Jadlocki | "Both the frequency and the duration of outages have increased since Laurel implemented bi-directional service, [which] forces shippers like Sheetz to fall back on terminal relationships we have built over the years. These relationships are not always enough to overcome a long ten-day pipeline outage window." | Complainants Exhibit JDJ-1 at 4: 10-19 |

| | | |
|---|---|---|
| Witness Mr. Summers | "Buckeye has held our barrels in the line between Mechanicsburg and Altoona waiting for barrels coming from the West. Sometimes this caused 10 additional days to receive product into Altoona and Coraopolis. There was no communication of the changes in direction or the delays, nor did Buckeye update schedules on T4, an industry standard platform used by pipelines throughout the country." | Complainants Exhibit KFS-1 at 4:12-16 |
| Witness Mr. Summers | "Post bi-directional operation: We would run out of product at the terminals and there was no notification of the delay. Customers were upset and threatening to leave us." | Complainants Exhibit KFS-1 at 6:8-9 |

Complainants' witnesses used their extensive experience in pipeline operations and economics to convey shippers' deep concerns with service problems that have surfaced since bi-directional service initiation.[100] Additionally, Complainant shippers compiled and provided data showing increases in transit times with data from 2016 to present.[101]

Laurel consistently counters Complainants' transit time concerns with the lack of any transit time guarantee in Laurel's tariff, or any regulatory standard for transit times,[102] as if either of those factors gives Laurel license to allow open season for transit times on its pipeline. Importantly, Commission precedent does not require a tariff or regulatory violation for a complaint to constitute unreasonable service. For example, in a 2021 Commission Order determining the

[100] *See* Complainants' Exhibit TM-1 and Complainants' Exhibit JRM-1.
[101] *See* Complainants' Exhibit JDJ-4, JDJ-5, Confidential Exhibit SH-2.
[102] *See* Laurel M.B. at 49.

unreasonableness of an electric utility's service, the Commission looked for "service interruptions in excess of benchmark standards or other standards" to conclude the utility violated the Code.[103] There is no Commission precedent (and Laurel has produced no cases to suggest Commission precedent) requiring service interruptions to rise to the level of violating a utility's tariff in order to be considered "unreasonable" under Code Section 1501, particularly where the unreasonable service concerns an operational issue not directly addressed in the tariff. Complainants' experiences shipping on the Laurel Pipeline have conformed to patterns and created expectations among shippers as to transit time. This is necessary for the effective operation of Complainants' business on the Laurel Pipeline. Complainants' prior experience working on the Laurel Pipeline constitutes implicit standards that could be used in place of formal benchmarks (which Laurel does not have) as relevant to a reasonableness determination.[104]

Shippers have historically relied upon transit times that generally did not exceed ten days for shipments,[105] yet following commencement of bi-directional service on segment L718, shipments sometimes come in 5 days or 20 days.[106] Both extremes are far afield of Laurel's pre-2019 transit time numbers and shippers' expectations of transit times, which have historically been 8 to 12 days.[107] [**BEGIN HIGHLY CONFIDENTIAL**] [redacted] [**END HIGHLY CONFIDENTIAL**] These transit time ranges, which shippers consider to be commercially reasonable, are starkly juxtaposed against the transit time estimations Laurel witness Mr. Zeth references.

[103] *Tiffany McCall v. PECO Energy Company*, C-2019-3012597 (November 18, 2021).
[104] *Tiffany McCall v. PECO Energy Company*, C-2019-3012597 (November 18, 2021).
[105] *See* Complainants' Exhibit KFS-1 at 4:8.
[106] *Id*. at 4:8-10.
[107] Tr. at 93:5-8.
[108] *See* Complainants' Exhibit JDJ-2

Laurel admits in its Main Brief that there is no guarantee for transit time length or variability and references the Laurel Shipper Notebook, describing the transit time estimates published in the Notebook as "regularly updated to reflect actual ranges of transit experience."[109] At Footnote 198 in its Main Brief, Laurel encourages comparison of Complainants' Exhibit JDJ-3 and Laurel Exhibit TZ-8.[110] These exhibits are the Shipper Manual's estimated transit time tables as updated on January 1, 2025 and July 1, 2025, respectively. The ranges represented in those tables, in fact, reflect the very volatility and commercial unreasonableness of transit times that Complainants have experienced.

For example, as evident from a comparison of those two charts, movements from Chelsea Junction to Eldorado have a range of 1-23 days, and movements from Chelsea to Coraopolis have a range of 3-24 days.[111] Complainant Sheetz testified that the Colonial Pipeline physically moves product to Booth and Linden from the Gulf Coast in 8 to 12 days, yet somehow Laurel cannot produce any tighter transit time windows than 20+ days for wholly intrastate movements.[112] Similarly large transit time windows can also been for shipments from the Midwest.[113]

Additionally, comparing transit time estimations from January 2025[114] to July 2025,[115] as Laurel recommends in its Main Brief,[116] shows Laurel's transit times are erratic, verging on nonsensical. For example, in January 2025, the transit time range from Booth to Eldorado was 1 to 23 days. In July, that same range became 7 to 24 days. In January 2025, movements from Booth to Coraopolis had a range of 6-25 days, and in July 2025, that range was 12-25 days. Laurel's

[109] *See* Laurel M.B. at 49.
[110] See Laurel M.B. at FN 198.
[111] See Complainants' Exhibit JDJ-3 at 1.
[112] *See* Complainants' Exhibit JDJ-1 at 5:4-6.
[113] *See* Complainants' Exhibit JDJ-3 at 2.
[114] *See* Complainants' Exhibit JDJ-3 at 1.
[115] *See* Laurel Exhibit TZ-8.
[116] *See* Laurel M.B. at FN 198.

Shipper Notebook transit time tables work to hoist Laurel by its own petard. Instead of supporting Laurel's argument that there are no transit time guarantees, the tables only further exemplify extreme transit time volatility (from both directions) that is commercially disruptive and commercially unreasonable.[117]

Laurel also contends that, because shippers cannot quantify damages from outages and transit time volatility, the outages and transit time volatility are somehow immaterial.[118] Laurel claims that no "party demonstrated that any of the outages resulted in them not receiving the shipments that they had timely nominated for transportation" and thus, cannot constitute unreasonable service.[119] Complainants produced evidence of five outages of varying duration in 2025 alone.[120] A quantification of damages is not necessary to show an outage is an interruption in pipeline service. Outages mean shippers cannot utilize the pipeline how they otherwise would, and outages necessarily force shippers to adapt nominations and storage, often without sufficient notice.[121] Complainants' inability to fully quantify the specific external damage of an outage does not somehow render unreasonable outages reasonable.

Finally, Laurel contends that Complainant witness Dr. Morris's analysis connecting bi-directional operations to transit time increases is without verification.[122] Dr. Morris examined Laurel witness Dr. Webb's data on transit times both before and after commencement of bi-directional service and relative to individual products (distillate, fuel oil, gasoline, kerosene, etc.).[123] Dr. Morris's analysis shows an increase in transit time ranging from 82 percent to 109

[117] Tr. at 85:1-8.
[118] *See* Laurel M.B. at 61-62.
[119] *See* Laurel M.B. at 62.
[120] *See* Complainants' Exhibit JDJ-1 at 4.
[121] *See* Complainants' Exhibit JDJ-1 at 5.
[122] *See* Laurel M.B. at 50-51.
[123] Tr. at 427:7-428:4.

percent – nearly doubling transit times from pre-bi-directional operations on Laurel.[124] Additionally, Dr. Morris reviewed not just the overall averages, but also the longest transit time for each product per month – averaging those monthly peaks for pre- and post-bi-directional service.[125] Aside from one distillate batch at Eldorado that increased 47 percent, all other values increased by *93 to 104 percent* in average monthly maximum transit times.[126]

Though Dr. Webb attempts to justify those increases by a decline in volumes on the Laurel Pipeline, Dr. Morris made it clear that Dr. Webb's statistical analysis does not tell the whole story; Dr. Webb uses too many control variables to hide actual differences.[127] To show this, Dr. Morris analyzed volumes shipping from Philadelphia to points downstream and found that volumes declined about 26 percent, which would translate to an increase in transit times of approximately 34-35 percent.[128] This clearly does not explain the aforementioned transit time increase of 90-100 percent. Additionally, Dr. Morris's findings are consistent with what Complainants found in their own experience actually shipping product on the pipeline.[129] Dr. Webb's results are inconsistent with his data and the observations of actual shippers. Although Laurel claims Dr. Morris could not explain what filters he applied to the ticketing data underlying his analysis,[130] it is in fact Dr. Webb's testimony that purports results that are confounding and inconsistent with reality.[131] Laurel lodges similar arguments in an attempt to discredit the transit time analyses from Ms. Huzicko and Mr. Jadlocki. Laurel argues that these witnesses failed to account for multiple variables, including shipments on non-Laurel facilities, shipments of different products, impacts of "split batches", and

[124] *Id.* at 428:10-12. *See also* Complainants' Exhibit JRM-10.
[125] Tr. at 428:13-22. *See also* Complainants' Exhibit JRM-11.
[126] Tr. at 428:23-429:4.
[127] *Id*. at 429:7-12.
[128] *Id*. at 429:20-430:2. *See also* Complainants' Exhibit JRM-12.
[129] *See* p. 20-22 of this Reply Brief.
[130] *See* Laurel St. No. 3-R at 94-95.
[131] Tr. 430 at 3-10.

exclusion of transit times of 3 days of less.[132] On the whole, these claims do not offer a persuasive basis to discredit the analyses of Complainants' witnesses. The record shows that interstate and intrastate volumes are commingled on the Laurel pipeline, making the distinction irrelevant for transit time purposes.[133] Laurel has offered no basis for concluding that the mix of products on the pipeline has changed or that such change is sufficiently material to drive the increase in transit times since 2019.[134] With regard to the impact of "split batches" Mr. Jadlocki testified that to his knowledge, Sheetz's practice of receiving deliveries at different delivery points has not changed since 2016, such that this is not a variable that could explain an increase in transit times since 2019.[135] Finally, Mr. Jadlocki explained that he excluded shipments with registered transit times of 3 days or less from his transit time analysis because such incidents are not physical product movements.[136] Laurel's unsupported attempts to downplay the impact of bi-directional service on transit times should be disregarded.

Contrary to Laurel's assertion, Complainants are not seeking "perfect transit times with no variability."[137] Complainants have adapted to increasingly uncertain transit times and unpredictable pipeline operation by Laurel since 2019, but Complainants' adaptability has limits and, in any event, does not excuse Laurel's provision of unreasonable service. Complainants have demonstrated through quantitative and qualitative data that pipeline operations have experienced a shift since bi-directional service began on L718. Complainants have aptly explained that this shift is sufficient to constitute unreasonable service.

[132] *See* Laurel Main Brief at 54-55.
[133] *See* Complainants Main Brief at 37 *citing* Tr. at 403:19-21.
[134] *See* Tr. 378.
[135] Tr. 383.
[136] Tr. 411.
[137] *See* Laurel M.B. at 55.

## D. COMPLAINANTS HAVE DEMONSTRATED THAT BI-DIRECTIONAL EXTENSION OVER LINES 720 AND 724 WILL RESULT IN UNREASONABLE SERVICE IN THE FUTURE.

### 1. Complainants' Claims Of Unreasonable Service Due to Bi-Directional Operations Are Ripe For Commission Review.

As a threshold matter, Laurel would have Complainants and the Commission believe that Complainants' arguments are not ripe because they "concern potential future service-related issues" and, therefore, "no case or controversy exists at this time."[138] Laurel correctly recites the ripeness standard that would apply to certain cases, but misapplies the standard as concerns the Formal Complaint and the circumstances present in this case. In this case, Laurel both characterizes Complainants' concerns over extended bi-directional service as speculative, and requested Commission approval to commence bi-directional service on L720 and L724 on November 1, 2025.[139] To request such approval necessarily implies that Laurel is ready to begin the very service over which Complainants brought this claim a mere two weeks after the filing of this Reply Brief. Under federal regulation, Buckeye could file a tariff modification with FERC to begin bi-directional service on just one day's notice.[140] "Speculative", therefore, seems a particularly faulty description of this aspect of the Formal Complaint.

Laurel uses caselaw in an effort to support its ripeness argument that is scarcely harmonious with the instant case. In *Treski et al. v. Kemper National Insurance Companies*, appellants' claims are rejected because they had not yet been denied full tort recovery and were, therefore, not ripe for adjudication.[141] *Treski* is a case regarding insurance coverage, and a scenario where all remedies had not yet been denied to appellants. Neither theme applies here. In *Aaron*

[138] *See* Laurel M.B. at 71.
[139] *See* Answer in Opposition of Laurel Pipe Line Company, L.P. to the Complainant's Joint Motion to Modify the Procedural Schedule, Docket No. C-2025-3053018, Filed on August 20, 2025, at 2.
[140] 18 CFR § 341.14.
[141] *Treski et al. v. Kemper National Insurance Companies*, 674 A.2d 1106, 1113 (Pa. Super. 1996).

*and Kelli Hovis v. National Fuel Gas Distribution Corporation*, the Commission found a Complaint premature because the relevant utility only voiced an intention to file a petition for abandonment, but had not yet made any formal filings.[142] Here, Buckeye has filed a PDO with FERC with its extended bi-directional service proposal and has undertaken significant operational maintenance to prepare for this service. In *Hovis*, formal initiation of abandonment had not yet occurred. Here, bi-directional service has been in effect since 2019 and sits poised to expand. In *Philadelphia Entertainment & Development Partners v. City of Philadelphia,* the court denied an emergency petition for review holding, "The courts should not give answers to academic questions or render advisory opinions or make decisions based on assertions as to hypothetical events that might occur in the future."[143] Laurel has introduced and invested capital in its Broadway 3 project for expanded bi-directional service as a service modification that *will* occur, not a hypothetical event that *might* occur. Finally, Laurel uses language, "any act or thing done or omitted to be done," to characterize Complainants' concerns as unripe due to a lack of conduct that has actually occurred.[144] The case from which Laurel extracts this language concerns a complaint proceeding in which the Commission sought to prevent events that are only speculative as to occur in the future.[145] This case, and each other case Laurel cites, works against its own ripeness argument by being plainly distinguishable from the facts at issue here.

Complainants remember well Laurel's preparation for extended bi-directional service on L718. Laurel's current PDO and actions (outages, hydrotests, pump installation, maintenance, etc.) throughout 2025 give Complainants operational *deja vu*. Laurel has undertaken the same types of

[142] *Aaron and Kelli Hovis v. National Fuel Gas Distribution Corporation*, Docket No. C-2008-2035033 (November 10, 2008).
[143] *Philadelphia Entertainment & Development Partners v. City of Philadelphia*, 937 A.2d 385, 392 (Pa. 2007).
[144] *See* Laurel M.B. at 71.
[145] *Mid-Atlantic Power Supply Assoc. v. PECO Energy Company,* Docket No. P-00981615 (January 11, 1999).

outages for the same purported reasons as it did in preparation for bi-directional service on L718. Laurel has also touted the Broadway 3 expansion project as the reason for these outages.[146] Laurel will not give shippers substantive details on its bi-directional expansion plans, but those plans must be concrete enough to warrant Buckeye's filing at FERC more than 10 months ago in stated anticipation of a Fall 2025 start of extended bi-directional service. Laurel gives Complainants no choice but to anticipate the imminent commencement of bi-directional service and prepare accordingly. This Formal Complaint is a necessary part of that preparation. It is ripe; it is not premature by any means.

**2. Laurel's Claims Of Future Benefits From Bi-Directional Service Extension Are Ambiguous And Uncertain At Best.**

Laurel claims many of the same amorphous benefits from extended bi-directional service that it claims for existing bi-directional service: increased competition, lower prices, and increased diversity of supply.[147] The same false claims of current under-utilized capacity that will be expanded under bi-directional service appear in Laurel's argument here. For the same reason as stated in Section C of this brief, these claims lack technical feasibility and are, thus, wholly unreliable.

Laurel continues to claim that "underutilization" on the pipeline is the culprit for increased transit times, and offers bi-directional service, both existing and extended, as the silver bullet. **[BEGIN HIGHLY CONFIDENITAL]** [redacted]

[146] *See* Complainants' Exhibit JDJ-1 at 5:11-15.
[147] *See* Laurel M.B. at 67-69.
[148] Tr. 548:20-550:7; *See also* Laurel Exhibit TZ-6.

[redacted] **END HIGHLY CONFIDENTIAL**]

Laurel similarly reiterates that "basic economic theory demonstrates [extended bi-directional service] will have a positive impact on promoting competition and reducing prices."[152] Laurel, again, wishes to rely on abstract principles over daily operational realities. As Complainant witness Mr. Summers explains:

> Operational issues will drive product shortages and ultimately higher prices. If shipments of gasoline or diesel are missed, delayed, or permanently removed as a result of this complicated system, there will be shortages of fuel and Pennsylvanians will pay more. Higher prices will also be driven by the cost of switching to lower RVP grades of gasoline earlier than necessary. Additionally, with greater incentives to ship through the state of PA to NY, it could result in less product overall being delivered into the state of Pennsylvania. Buckeye provides no realistic guarantee that new Midwest volumes will even end up in Pennsylvania, as Buckeye tariffs appear to be intended to provide an incentive to move product through PA and into other markets such as New York and New Jersey.[153]

While inconvenient for Laurel, these are the practical consequences of the proposed Broadway 3 project. And while Laurel attempts to characterize "the threat of competition" as the "primary reason why the Complainants are so opposed to bi-directional service extension," Complainants' own testimony and commercial activity disprove this claim. [**BEGIN HIGHLY CONFIDENTIAL**] [redacted]

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[149] *Id.*

[150] *Id.* Laurel had previously argued that **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **END HIGHLY CONFIDENTIAL**] Tr. 548:7-14

[151] *See* Argument C of this Reply Brief at 28-29.

[152] *See* Laurel M.B. at 67.

[153] *See* Complainants' Exhibit KFS at 11:5-15.

[redacted]

[redacted]**END HIGHLY CONFIDENTIAL**]

Laurel disguises economic theories as tangible benefits to Complainants, the entirety of the shipping community, and customers across Pennsylvania. These purported benefits fold when compared to the service issues Complainants have experienced, the threat to the availability of access to local suppliers, and fear they will further experience with bi-directional expansion. Complainants remain unconvinced.

### 3. Laurel Still Does Not Offer Any Explanation For How It Will Accomplish Extended Bi-Directional Service.

Laurel attempts to discredit Complainants' concerns about extended bi-directional service by claiming those concerns are "premised on their claims regarding existing bi-directional service on L718" alone, and do not necessarily translate to service on L720 and L724.[156] Laurel claims that it will operate bi-directional service on L720 and L724 under the same tariff, and therefore the same operations and standards as it currently operates L718, but that claim is

[154] *See* Laurel M.B. at 67-68.
[155] Tr. at 118: 13-25.
[156] *See* Laurel M.B. at 72.

[redacted]

specious. Laurel's existing tariff does not align with Laurel's existing conduct.[157] Moreover, Laurel has offered no details on its extended bi-directional service operation that would ameliorate Complainants' concerns about existing bi-directional service on L718 applying to extended bi-directional service. Laurel's "business as usual" claims are unreasonable on their face. Laurel fails to provide operational plans or details of any kind to inform shippers of what to expect with the Broadway 3 expansion project[158], and yet Laurel simultaneously complains of vagueness in Complainants' arguments. Laurel cannot have it both ways.

As throughout Laurel's testimony, its Main Brief offered no insight into how Laurel plans to effectuate this proposed bi-directional service extension. Laurel attempts to discredit Complainant witness Mr. Miesner for using his "generalized experience" and no "Laurel-specific" facts for the basis of his testimony.[159] Mr. Miesner's experience is precisely what makes him qualified to speak on the topic, and, to the extent Mr. Miesner did not use Laurel-specific details for his bi-directional service examples, it is because those examples do not exist. Mr. Miesner could find no materials explaining Laurel's plans for bi-directional service, and what he did find, Laurel quickly dismissed as "largely irrelevant."[160] Laurel claims Mr. Miesner "ignored the fact that pipelines will modify their systems in order to respond to new market circumstances."[161] Even if Laurel is effectuating the Broadway 3 project to respond to new market circumstances, Laurel is doing it behind closed doors. If expanded bi-directional service were as beneficial to shippers as Laurel claims, would why is Laurel not providing shippers with all necessary details for the

[157] *See* Section E, *infra*.
[158] Tr. at 84:15-21.
[159] *See* Laurel M.B. at 56.
[160] *See* Laurel M.B. at FN 250.
[161] *See* Laurel M.B. at 58.

commencement of such a service modification to operate as smoothly as possible? Laurel's choice to shroud its operational plans in mystery necessarily raises questions as to the integrity of Laurel's benefit arguments and more importantly, raises questions about Laurel's aptitude to undertake extended bi-directional service without significant service disruptions to intrastate shippers.

### E. LAUREL'S PROPOSED EXPANSION OF BI-DIRECTIONAL SERVICE AND ITS APPARENT USE OF ARBITRARY, UNDEFINED, UNEXPLAINED, AND UNREPORTED SWAPS IN PROVIDING PUBLIC UTILITY SERVICE VIOLATE LAUREL'S TARIFF AND THE PUBLIC UTILITY CODE.

Laurel's claim that it need not modify its Rules and Regulations tariff in order to provide extended bi-directional service made possible largely by so-called "swaps" ignores the very purpose of a tariff. The Code requires Laurel "to set forth all rules and regulations which apply generally to all classes of service covered by the tariff, and definitions of technical terms and abbreviations used in the tariff, the meanings of which are not common knowledge and cannot be gathered exactly from the context in which used."[162] Laurel's tariff does not explain how Laurel currently provides bi-directional service or how Laurel will provide expanded bi-directional service. Nor does the tariff address or provide any guidance or parameters on Laurel's use of swaps in providing service, or any rules the pipeline's schedulers must follow when they consider and implement swaps. Moreover, the tariff is silent and does not require Laurel to keep records of its swaps or to provide periodic reports to enable customers and the Commission to evaluate Laurel's performance in light of its public utility obligations.

Numerous witnesses sought to explain how Laurel uses bi-directional service and swaps at hearing. Beyond some general statements by Laurel's witnesses regarding how the pipeline uses

[162] Complainants' M.B. at 28-29, 31 and FN 82, citing 52 Pa. Code § 53.25.

swaps and plans to use swaps for expanded bi-directional service,[163] however, the record remains unclear. Clearly there is a lack of the common knowledge and understanding of these technical terms that the Code requires to be defined in the tariff.

Laurel attempts to demonstrate in its Main Brief that the tariff properly describes its services, but the silence, missing information, and inconsistencies with existing provisions result in a guessing game for shippers and violate the requirement that tariff terms and conditions be just and reasonable and not unduly discriminatory or preferential.[164] Laurel's Main Brief concocts a series of irrelevant excuses that attempt to shift the Commission's focus to the Complainants rather than justify the pervasive deficiency of the tariff. Laurel contends that (i) Complainants have not provided evidence supporting tariff modification[165] or written testimony addressing tariff revisions,[166] (ii) westbound intrastate service will continue under the Capacity Obligation,[167] (iii) expanded bi-directional service is a "new interstate service" provided by Buckeye, not Laurel,[168] (iv) Complainants did not complain for five years,[169] (v) the remedial measures proposed to address and attempt to mitigate the exponential increase in Laurel's transit times under even limited bi-directional service are unworkable,[170] and (vi) Complainants are seeking a competitive advantage.

Complainants are not going to waste many words rebutting Laurel's specious arguments, some of which also are addressed elsewhere in this Brief. In particular, the tariff issues addressed in Complainants' Main Brief[171] are legal issues that do not require evidence. The Commission

[163] *See* Laurel Statement No. 4-R at 6, 19; *see also* Laurel Statement No. 1-R at 23.
[164] 66 P.a. C.S. § 1301.
[165] *Id.*at 75.
[166] *See* Laurel M.B. at 73.
[167] *Id.*
[168] *Id.* at 74.
[169] *Id.* at 76-77.
[170] *Id.* at 77-79.
[171] *See* Complainants' M.B. at 28-34.

does not need an expert to tell it the tariff is silent or deficient, or when the service actually provided is not described or circumscribed. The tariff speaks (or in this case it does not speak) for itself.

Laurel admits it does not intend to honor the obligations of its Capacity Obligation in Item No. 90 of the tariff. The record clearly shows that by expanding west-to-east service to Sinking Spring, Laurel will be unable to provide 120,000 barrels each day of east-to-west capacity between Eldorado and Coraopolis (or to any points west of Sinking Spring). Given the incentives to Buckeye, it appears that Laurel intends to flow from west-to-east on most days.[172] Westbound service will be intermittent, not daily as required in Item No. 90.[173]

Laurel's contention that the bi-directional expansion is about Buckeye's interstate service simply slices the baloney too thin to withstand reasoned scrutiny. This case involves *Laurel's* capacity. Buckeye leases capacity on the Laurel Pipeline for Buckeye's interstate service, subject to the approval and pleasure of this Commission, which has jurisdiction over that physical asset. Buckeye receives service from Laurel through that capacity and Laurel cannot justify and has not justified the clear impairment of Laurel's intrastate east-to-west capacity that will result from expanded service from the west to Sinking Spring; service that is subject to the jurisdiction of this Commission. Laurel's semantic games should not override facts.

There is no requirement in the Commission regulations or precedent that Complainants raise concerns with the pipeline before filing a complaint or that dictates when a party has experienced sufficient deterioration of service or increased risk with respect to transportation of product to trigger a complaint. The complaint in this proceeding resulted from Buckeye's surprise filing at FERC proposing to expand bi-directional service beyond the point agreed to in 2019. The

[172] *Id.* at 30.
[173] *See* Laurel Statement No. 1-R at 22:19-20.

entirety of Laurel's severely diminished service, interrupted or significantly delayed deliveries, the lack of transparency and communication with shippers, and ultimately the expansion of bi-directional service that caused the parade of horribles to begin with led Complainants to challenge Laurel at the Commission. The Commission should ignore this red herring.

Further, having alleged that Complainants offered no testimony or evidence regarding the tariff, Laurel attacks the tariff remedy proposed by LHT's witness to require reasonable transit time with a penalty to enforce the pipeline's behavior. Laurel's answer that no petroleum products pipeline has such a tariff provisions begs the question. Shippers need reliability and public utility service is intended to provide that result. It is Black Letter Law that the Commission's discretionary authority is expansive when fashioning a remedy[174] and given the egregious increase in Laurel's transit times and the impact of those delays on shippers and consumers demonstrated by the record,[175] the Commission should not be deterred by Laurel's claim that no other petroleum products pipeline has such a requirement or remedy in its tariff. Perhaps that is because other pipelines recognize that they are duty-bound to deliver reliable and reasonable service with predictable transit times and do not require a remedial tariff measure to provide such service.[176]

Finally, the complaint in this proceeding is not about competition. Neither the Complainants nor east-coast shippers requested expanded west-to-east service. East Coast refineries, supplemented by shippers' access to the Colonial Pipeline, enable a reliable, nearby source of supply sufficient to meet the needs of the Pennsylvania markets Laurel serves. Despite

[174] *Blue Pilot Energy, LLC v. Pennsylvania Public Utility Commission*, 241 A.3d 1254, 1261 (2020) ("[The Commission] has unquestionable authority to ensure that Blue Pilot meets it's obligation to comply with PUC regulations.").

[175] *See* Argument C(2) of this Reply Brief at 30-39.

[176] When the shoe is on the other foot, the pipeline has no problem penalizing shippers. For example, if a shipper changes its nomination within three (3) business days prior to the scheduled lifting date, Laurel charges that shipper a significant penalty of up to 40 cents per barrel depending upon the date of the nomination change. Tariff Item No. 140.

the significant discounts Buckeye provides to Midwest refiners to move product to the east, Pennsylvania-based shippers nominate supply from those refineries only when they cannot access supply at Chelsea Junction because Laurel has chosen to operate from west-to-east or has shut down segments of the pipe for maintenance or to further Buckeye's ambitions. A change is coming, unless the Commission acts. This complaint is about Laurel's lack of transparency, and the impact that failure has on reliable public utility service. Shippers need to know the rules, and Laurel needs to follow them.

Notwithstanding the spurious claims in its Main Brief, Laurel ignores multiple sections of its Rules and Regulations tariff that are plainly inconsistent with Laurel allowing its affiliate Buckeye to expand service from the west on Laurel's capacity as far east as Sinking Spring. Despite its claims at hearing, the record shows that Laurel will be unable to meet the requirement in Item No. 90 of Laurel's tariff incorporating the *daily* Capacity Obligation of 120,000 barrels per day of "*available* physical capacity east-to-west transportation" established in the 2019 Settlement. The capacity obligation is daily; not when Laurel and its schedulers feel like doing so.

For example, Laurel can only physically move products in one direction at a time.[177] It cannot provide available physical capacity for shipping jet fuel from Chelsea Junction in the east to Coraopolis in the west when Laurel is flowing unleaded gasoline from Chicago to Sinking Spring.[178] Even when the products match, flow over physical capacity from east-to-west is not available as Laurel's witnesses concede that such deliveries are made, if at all, through swaps.[179] If Laurel is flowing unleaded gasoline from the west to Sinking Spring, it cannot physically flow unleaded gasoline from Chelsea Junction to destination points west of Sinking Spring, including

[177] Tr. at 244:25-245:13.
[178] *Id.* at 609:10-19; 610:2-7, 15-18.
[179] *Id.* at 616:19-617:7 and 617:9-27.

key terminals or markets at Coraopolis, Altoona, Delmont, Eldorado, Carlisle, Mechanicsburg, Highspire, or even to Sinking Spring itself. And because Laurel keeps no record of its swaps,[180] there is no record evidence that deliveries to these points can be fulfilled by swaps.

Laurel points to Item No. 10(B) in an effort to underpin its proposed bi-directional service, noting it "reserves the right to establish and later pumping sequences and schedules to facilitate the efficient use and operation of its facilities."[181] However, this Item does not mention or envision swaps and must be read to limit Laurel to the physical operation of pumping and scheduling to operate its system.[182] Moreover, Laurel's interpretation of Item 10(B) would read the Capacity Obligation in Item No. 90 out of the tariff. Laurel is required to make physical capacity available every day under that Capacity Obligation. If it can unilaterally foreclose that capacity, decline to physically accept product at Chelsea Junction, and claim to rely on undefined swaps to provide service, the Capacity Guarantee is no guarantee at all.

Further, Laurel's use of swaps is not described in the tariff, violating Section 53.25 of the Code[183] Reliance on swaps to operate the system violates several tariff sections, including Item No. 10(B) as noted above (pumping sequences), Item No. 15 (segregated batches), and Item No. 65 (no backhauls). The absence of recordkeeping for swaps makes it impossible to determine whether Laurel is in compliance with its tariff and fulfilling its physical Capacity Obligation under the settlement and Item No. 90.

Laurel's Main Brief fails to make a case that the Commission should permit it to rely on swaps that are not described, defined, or circumscribed by its tariff to provide public utility service. Accordingly, regardless of whether the Commission permits Laurel to expand bi-directional

[180] *Id.* at 531:13-16; see also Complainants' Exhibit C4.
[181] *See* Laurel M.B. at 74-5.
[182] *See* Complainants' M.B. at 32.
[183] *See* Complainants' M.B. at 32-3

service as far east as Sinking Spring, it must require the pipeline to clearly explain in its tariff how it uses swaps to provide service and to establish reasonable operational limits to enable shippers to reasonably predict Laurel's operations in order to adjust their own upstream and downstream actions and procedures and permit the Commission to enforce Laurel's public utility obligations to the citizens of the Commonwealth.

## IV. CONCLUSION

Laurel is unsuccessful in its claims 1) that the Commission lacks jurisdiction over initiation of extended bi-directional service, 2) that Complainants have failed to show an abandonment of service, 3) that Complainants have failed to show existing or future bi-directional service constitutes or will constitute unreasonable service, and 4) that Complainants have failed to demonstrate that Laurel has failed to adhere to its tariff. As such, Laurel must seek a CPC if it intends to allow its affiliate Buckeye to proceed with extended bi-directional service and must be required to address the claims of unreasonable service due to existing bi-directional operations on the Laurel Pipeline.

**WHEREFORE**, Complainants respectfully request the following relief:

- Laurel Must be Required to File, for Commission Consideration, An Application for a Certificate of Public Convenience If It Desires To Further Extend Bi-Directional Service;[184]
- Laurel Must Be Required to File, for Commission Consideration, Changes to Existing Tariffs If It Desires To Further Extend Bi-Directional Service;[185]
- The Commission Should Impose Changes To Laurel's Tariff Rules And Regulations To Address Existing Unreasonable Service;[186]
- The Commission Should Consider the Potential for Future Unreasonable Service In The Context of Its Consideration of Whether Laurel Should Be Required To File A CPC Application and Tariff Changes To Extend Bi-

[184] *See* Complainants' M.B. at 58.
[185] *See* Complainants' M.B. at 59.
[186] *See* Complainants' M.B. at 60.

Directional Service, and, Should Address Such Potentiality In The Context Of Those Future Laurel Filings.[187]

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[187] *See* Complainants' M.B. at 61.

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