Post & Schell P.C.
ATTORNEYS AT LAW

17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
717-731-1970 Main
717-731-1985 Main Fax
www.postschell.com

Garrett P. Lent

glent@postschell.com
717-612-6032 Direct
717-731-1985 Direct Fax
File #: 200842

February 13, 2026

VIA ELECTRONIC FILING

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

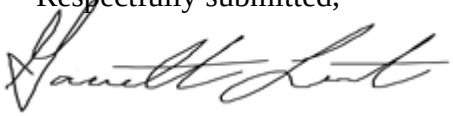
Re: Monroe Energy, LLC, *et al.* v. Laurel Pipe Line Company, L.P.
Docket Nos. C-2025-3053018

Dear Secretary Homsher:

Enclosed for filing in the above-captioned proceeding are Laurel Pipe Line Company, L.P. ("Laurel" or the "Company") Replies to the Exceptions of Monroe Energy, LLC ("Monroe"), Lucknow-Highspire Terminals, LLC ("LHT"), Sheetz, Inc. ("Sheetz"), and PBF Holding Company LLC ("PBF") (collectively, the "Complainants") in the above-referenced proceeding.

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

Respectfully submitted,



Garrett P. Lent

GPL/dmc
Enclosure

cc: The Honorable Eranda Vero (*via email; w/attachment*)
Office of Special Assistants (*via email; w/attachment*)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

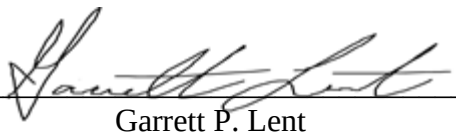
VIA E-MAIL ONLY

Todd S. Stewart
HMS Legal LLP
501 Corporate Circle, Suite 302
Harrisburg, PA 17110
Email: tsstewart@hmslegal.com
Counsel for Monroe Energy, LLC

Adeolu A. Bakare
Rebecca Kimmel
McNees Wallace & Nurick, LLC
100 Pine Street
Harrisburg, PA 17101
Email: abakare@mcneeslaw.com
rkimmel@mcneeslaw.com
Counsel for Lucknow Highspire Terminals, LLC and Sheetz, Inc.

Randall S. Rich
Pierce Atwood LLP
1875 K Street, NW, Suite 700
Washington, DC 20006
Email: rrich@pierceatwood.com
Attorneys for PBF Holding Company LLC
Pro hac vice

Date: February 13, 2026



Garrett P. Lent

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Monroe Energy, LLC, Lucknow-Highspire Terminals, LLC, Sheetz, Inc. and PBF Holding Company LLC,	:	Docket Nos. C-2025-3053018
v.	:	
Laurel Pipe Line Company, L.P.		

LAUREL PIPE LINE COMPANY, L.P.'S
REPLIES TO EXCEPTIONS

Christopher J. Barr, Esquire (DC ID #375372)
Post & Schell, P.C.
607 14th Street, N.W., Suite 600
Washington, DC 20005-2000
Phone: (202) 347-1000
Fax: (202) 661-6970
E-mail: cbarr@postschell.com

Admitted Pro Hac Vice

David B. MacGregor, Esquire (PA ID #28804)
Anthony D. Kanagy, Esquire (PA ID #85522)
Garrett P. Lent, Esquire (PA ID #321566)
Alice A. Wade, Esquire (ID # 335228)
Erin R. Kawa, Esquire (PA ID #308302)
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
Phone: (717) 731-1970
Fax: (717) 731-1985
E-mail: dmacgregor@postschell.com
E-mail: akanagy@postschell.com
E-mail: glent@postschell.com
E-mail: alice.wade@postschell.com
E-mail: EKawa@PostSchell.com

Date: February 13, 2026

Counsel for Laurel Pipe Line Company, L.P

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I. INTRODUCTION

Laurel Pipe Line Company, L.P. ("Laurel" or the "Company") hereby files its Replies to the Exceptions of Monroe Energy, LLC ("Monroe"), Lucknow-Highspire Terminals, LLC ("LHT"), Sheetz, Inc. ("Sheetz"), and PBF Holding Company LLC ("PBF") (collectively, the "Complainants"). In a principled, well-reasoned and fact-based Initial Decision dated January 14, 2026 ("Initial Decision" or "ID"), Administrative Law Judge Eranda Vero (the "ALJ") correctly denied the Formal Complaint in its entirety, and also denied the Complainants' Motion to Strike Portions of Laurel's Reply Brief. Complainants' Exceptions provide no basis for the Pennsylvania Public Utility Commission ("Commission") to disturb the ID, and should be denied.

Laurel has provided bi-directional service over a segment of its pipeline system since 2019 to the benefit of the shipping community and Pennsylvania as a whole. These bi-directional operations have allowed Laurel to re-purpose an underutilized asset to increase supply optionality on its system.[1] Despite the benefits provided since 2019, the Complainants assert for the first time in this proceeding—on the heels of the planned extension of beneficial, bi-directional service over an additional portion of the Laurel system—that bi-directional operations have caused or will cause unreasonable service. These claims are baseless and speculative. Rather, the Formal Complaint is nothing more than a veiled attempt by the Complainants to stymie competition in Pennsylvania, hold Laurel's operations captive to their whims, require Laurel to provide service that perfectly addresses their operations, and deny Laurel's shipping community as a whole and the Pennsylvania public at large the undisputed benefits provided by increasing the number of supply options available to Pennsylvania.

[1] ID, p. 120 ("Laurel capacity has been historically underutilized with each of the three segments (L718, L720, and L724) running at only about 1/3 of available capacity between November of 2019 to November 2024.").

The key issues[2] presented in this matter are: (1) whether bi-directional operation of the Laurel pipeline system, e.g., the "Bi-directional Service Extension,"[3] is an abandonment of service requiring Laurel to obtain a certificate of public convenience ("CPC"); (2) whether "Existing Bi-directional Service"[4] has resulted in unreasonable service; (3) whether the Bi-directional Service Extension will result in future unreasonable service after its implementation; and (4) whether Laurel has failed to adhere to or violated its Commission-approved Tariff[5] or its Tariff requires revision. On each of these issues, the ALJ applied the correct law to substantial evidence of record, properly assessed and weighed the credibility of the parties' evidence and witnesses, and provided a fulsome, well-reasoned discussion as to why the Complainants failed to carry their burden of proof and why the Formal Complaint should be denied in its entirety.[6]

On the CPC issue, the ID applied over a century of precedent to set the legal test that the Complainants were required to meet to demonstrate an abandonment occurred,[7] then weighed and assessed the evidence to conclude that the Complainants failed to demonstrate either (a) that Laurel intends to abandon existing east-to-west intrastate service or (b) that Laurel took actions to effect an intent to abandon such service, because Laurel's bi-directional operations specific preserve and

[2] Laurel notes that it argued below that the Commission lacked jurisdiction over Buckeye Pipe Line Company, L.P.'s ("Buckeye") decision to initiate interstate service, where existing intrastate service is not abandoned. *See, e.g.*, Laurel MB, Section V.A.1. This issue was not disposed of by the ALJ and need not be reached because the ID correctly found under state law that Laurel was not abandoning existing intrastate east-to-west service. Laurel continues to reserve the right to seek adjudication of any federal claims regarding this issue in federal court, should the Commission hold against Laurel on questions of state law. *See* Laurel MB, pp. 20-21.

[3] The proposal by Buckeye to initiate interstate service over the existing segments of the Laurel pipeline system located between Eldorado (near Altoona) and Sinking Spring (near Reading), in Pennsylvania, where Laurel's existing intrastate service would be maintained.

[4] The existing bi-directional service over the segment of Laurel's system located between Coraopolis (near Pittsburgh) and Eldorado (near Altoona), in Pennsylvania (i.e., "Line 718" or "L718"), which involves westbound intrastate service provided by Laurel and eastbound interstate service provided by Buckeye.

[5] Laurel Pipe Line Company, L.P. – Tariff Pa. P.U.C. No. 81 (effective Jan. 1, 2012), and Laurel Pipe Line Company, L.P. – Tariff Pa. P.U.C. No. 83 (effective July 1, 2024), collectively, the "Tariff." *See* Laurel Exhibit TZ-3.

[6] *See* ID, p. 147.

[7] ID, pp. 42-48, 51.

continue to provide east-to-west intrastate service.[8] While the Complainants latently attempted to bootstrap their CPC arguments by advancing the new theory for relief/cause of action that bi-directional operations are a "new" service on Brief, the ID rightly found this attempt to procedurally improper,[9] but also disposed of its merits and correctly denied the same.[10] Importantly, the Commission already decided these CPC issues when it determined that Laurel's existing CPC contains no limitation on the direction in which Laurel may provide service.[11] The ALJ properly reached this conclusion as well, and the Commission need not revisit this issue.[12]

On the unreasonable service issues, the ID again correctly applied the law to the facts of this case. With respect to the Complainants' claims that Existing Bi-directional Service was unreasonable, the ID conducts a detailed analysis of record evidence to conclude that the Complainants' failed to carry their burden of proving that Existing Bi-directional service caused an unreasonable increase in transit times, or otherwise caused an unreasonable degradation of existing intrastate service.[13] Similarly, the ID concludes Complainants failed to carry their burden of demonstrating the Bi-directional Service Extension is unreasonable, because Laurel successfully rebutted the Complainants evidence found that "Complainants' ultimate goal of maintaining the *status quo* on Laurel is near impossible to achieve."[14]

Finally, on the Tariff issues, the ALJ also correctly applied the law to the facts of record.[15]

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[8] *See, e.g.*, ID, p. 55 (concluding that Complainants cited no case law to support a determination that service is abandoned where its availability is preserved, and that bi-directional service inherently maintains east-to-west intrastate service).
[9] ID, pp. 31-35.
[10] ID, pp. 61-62.
[11] *Application of Laurel Pipe Line Company, L.P.*, Docket Nos. A-2016-2575829 and G-2017-2587567 (Opinion and Order entered July 12, 2018) ("*2018 Final Order*"), pp. 45-46.
[12] ID, p. 62.
[13] ID, pp. 92-123.
[14] ID, p. 143.
[15] ID, pp. 63-92.

The Complainants did not present any evidence that pointed to a provision of Laurel's Tariff that it violated through the provision of Existing Bi-directional Service or would violate by implemented the Bi-directional Service Extension.[16]

Perhaps recognizing that their case fails on the merits, and was properly rejected by the ID, the Complainants spend a significant portion of their Exceptions attempting to distract the Commission by raising procedural issues. The Commission should not take this bait, which is related solely to Complainants' procedural ploys and tactics that were properly rejected by the ALJ and the Commission.[17] As explained in Laurel's Main Brief and Reply Brief, the Complainants were wrong on the law and wrong on the facts. The ID applied the law to the facts of record, and denied the Complaint.

For these reasons, and those more fully explained herein and in Laurel's Briefs, Laurel submits that the Exceptions filed by the Complainants should be denied, and the ID should be adopted by the Commission as its final action without modification.

II. REPLIES TO THE EXCEPTIONS OF THE COMPLAINANTS

A. REPLY TO EXCEPTION NO. 1 – The Initial Decision correctly denied the Complainants' Motion to Strike. ID, pp. 28-31.

The Complainants' Exception No. 1 should be denied. It argues that the ALJ should have granted their Motion to Strike portions of Laurel's Reply Brief because: (1) references to a

[16] Laurel MB, pp. 73-79; Laurel RB, pp. 45-55.

[17] *See, e.g.* Tr. 82 (concluding that the Complainants' latent, improper attempts to modify the procedural schedule "looks a whole lot like a ploy" to obtain the hearing date originally proposed by the Complainants, which the ALJ had previously denied); *Monroe Energy, LLC, et al. v. Laurel Pipe Line Company, L.P.*, Docket No. C-2025-3053018 (Order Denying Complainants' Petition for Expedited Interlocutory Review and Answer to Material Question dated Sept. 8, 2025), pp. 10 ("It is clear that any claimed exigency or alleged prejudice is a direct consequence of Complainants' discovery strategy and choices"), 11 (denying Complainants' request and concluding that "[a]t its heart lies a discovery issue of Complainants' own making…); *Monroe Energy, LLC, et al. v. Laurel Pipe Line Company, L.P.*, Docket No. C-2025-3053018 (Opinion and Order denying Complainants' Petition for Expedited Interlocutory Review and Answer to Material Question entered Sept. 11, 2025), p. 18 ("Finding no cogent arguments upon which we should grant interlocutory review and consistent with the September 8, 2025 Order, we shall decline to answer the Material Question."). *See also, e.g.*, ID, pp. 31-38; *see also* Laurel RB, pp. 55-59.

secondary authority were used as evidence primarily to prove the truth of a matter asserted by Laurel's expert witness, Dr. Webb;[18] and (2) the legal sources cited by the ALJ demonstrated that these materials should be stricken.[19] Neither of these arguments withstand scrutiny.

Regarding the first argument, the secondary authority reference was clearly not offered as evidence, as confirmed in Laurel's Reply Brief[20] and its Motion to Strike,[21] as well as the ID.[22] Indeed, the ID's specific findings of fact do not include findings made with reference to, or in reliance on, this authority.[23] This reality alone is sufficient to deny Exception No. 1.

Moreover, the ID clearly explained that this reference was used like "treatises and reference materials" to "serve as persuasive authority to help explain specialized concepts relevant to the legal arguments presented."[24] The ID then confirmed that "Laurel's references to [this material] are not a part of the evidentiary record in this matter."[25] The Complainants ignore this discussion.

Regarding the second argument, while the Complainants claim that *Aldridge*[26] contradicts the ALJ's conclusion regarding Laurel's use of this material,[27] it plainly does not. The test in *Aldridge* refers to when a medical text is referred to by a witness on direct examination, governing the introduction of external facts into testimony—it is not meant to limit the use of secondary

[18] Compl. Exc., pp. 4-6.
[19] Compl. Exc., pp. 6-9.
[20] *See, e.g.*, Laurel RB, p. 24, n. 114 (referencing a statistical textbook in support of legal argument, i.e., JEFFREY M. WOOLDRIDGE, INTRODUCTORY ECONOMICS: A MODERN APPROACH 88 (5th ed. 2012)).
[21] Docket No. C-2025-3053018, Laurel Answer to Motion to Strike (dated Nov. 17, 2025), ¶¶ 8. 10-12.
[22] ID, pp. 30-31.
[23] *See* ID, pp. 6-22 (setting forth the findings of fact, which include no reference to Wooldridge).
[24] ID, p. 30. *See also* Laurel Answer to Motion to Strike, ¶ 8 (explaining that the Woolridge references function the same as citations to other secondary materials on brief, like dictionaries regarding generally-accepted definitions, governmental reports, or governmental websites, which were utilized by both Laurel and the Complainants in this proceeding).
[25] ID, p. 31 (emphasis added).
[26] Compl. Exc., p. 6 (citing ID at 30 (citing *Aldridge v. Edmunds*, 750 A.2d 292 (Pa. 2000))).
[27] Compl. Exc., pp. 6-9.

sources as a part of legal argument in briefing.[28] Here, the references were used as persuasive authorities, not as evidence. Applying *Aldridge* as requested by the Complainants to post-hearing briefs would improperly stifle the ability of parties to provide comprehensive legal argument, and would preclude reliance on secondary authorities in support of the same.[29]

The Complainants' Exception further attempts to re-write the purpose for which *Aldridge* was cited by the ALJ. As described above, the ALJ concluded that Laurel's secondary authority references are not a part of the evidentiary record, and the ALJ did not include these references or rely on those references to reach any findings of fact. *Aldridge* was, in fact, relied on by the ALJ to conclude Laurel's references were not, and were not considered, evidence.[30]

B. REPLY TO EXCEPTION NO. 2 – The Initial Decision correctly concluded that the Complainants improperly raised new theories for relief/causes of action for the first time in their Main Brief. ID, pp. 31-38.

Complainants' Exception No. 2 should be denied. In Exception No. 2, the Complainants assert the ID erred in rejecting two new theories for relief and/or causes of action advanced by the Complainants for the first time on Brief[31] because "[t]he basis of the Complaint has always been that capacity will still flow through those segments, but not in the way it does now. That is, by nature, an entirely new service."[32] This argument is entirely without merit.

First, and fatally, the Complainants' claim that the Bi-directional Service Extension is a "new service" requiring a CPC is reliant on 66 Pa.C.S. § 1102(a)(1).[33] The Complainants do not cite, and cannot cite, any averment Paragraph in their Formal Complaint that alleged a CPC was

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[28] *See Aldridge*, 750 A.2d. at 297-98.

[29] As highlighted by Laurel, both the Complainants and Laurel relied upon such secondary materials in briefing. Laurel's Answer to the Motion to Strike, ¶ 8, fns. 7-9.

[30] *See* ID, pp. 30-31 (citing *Aldridge* and concluding the references were not evidence).

[31] As conceded by the Complainants, the ALJ declined Laurel's request that she strike or disregard the other four new theories for relief and/or causes of action cited as improper by Laurel. Compl. Exc., p. 9.

[32] Compl. Exc., p. 11

[33] *See* Compl. MB, p. 18, fn. 37.

required under Section 1102(a)(1). By failing to allege this cause of action in the Formal Complaint, the Complainants are precluded from advancing it under the Commissions regulations and Pennsylvania law.[34] The ID recognized this fact, pointed out the glaring absence of such an averment from the Formal Complaint,[35] and confirmed that the Complainants never attempted to amend the Formal Complaint (as they would have been permitted to do).[36]

Second, the Complainants claim that "each of the 'ambushes' in the cited cases were attempts to introduce new evidence in reply briefs or reply exceptions."[37] This is, simply, incorrect. The Complainants' Exceptions cite *Parks*.[38] In *Parks*, the complainants sought to introduce new requests for relief on brief and reiterated these requests in their exceptions.[39] The Commission held:

> The Complainants' additional requests for relief concerned their request for an opt-out in the form of an accommodation to not have a smart meter installed at the Service Address. The additional requests for relief were in the Complainants' Main Brief and Supplemental Brief and repeated in their Exception. The ALJ addressed the relief requested in the Complaint. We find that the ALJ was correct in not addressing the additional requests for relief found in the Complainants' Briefs. The additional requests were not presented at the hearing and Penelec did not have an opportunity to hear the requests or respond to them at the hearing. Considering the requests at the briefing stage or in the Exception would violate Penelec's right to due process.[40]

It is clear from even the precedent cited by the Complainants, that the ALJ correctly applied precedent to identify—and prevent—an ambush.

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[34] Laurel RB, pp. 55-59 (explaining the Commission's pleading requirements and the well-understood legal principle that the *probata* is required by law to concur with the *allegata*).
[35] ID, p. 34 (explaining that "There is nowhere any mention or reference to 66 Pa.C.S. § 1102 (a)(1) concerning the initiation of new service.").
[36] ID, pp. 34-35.
[37] Compl. Exc., p. 10.
[38] *Courtney & James Parks v. Penelec, Docket No.* C-2018-3004227, 2024 Pa. PUC LEXIS 365 (2004) ("*Parks*").
[39] *Parks* at *15-17.
[40] *Parks* at *17-18.

Finally, even if there were any merit to the Complainants' Exception No. 2, **and there is none**, both the law and the facts applicable to this case demonstrate the "new service" theory should be rejected. First, the Complainants' argument that bidirectional service is a "new service" that requires a CPC must fail because it attempts to combine both intrastate and interstate service into one type of service. This cannot be the case because intrastate service is regulated by the Commission and interstate service is regulated by the Federal Energy Regulatory Commission ("FERC"). Further, Laurel fully explained the "nature and character of service" that it is authorized to provide in its Main Brief; Laurel is broadly authorized to provide petroleum products transportation service "in and across" Pennsylvania, without restriction to any specific direction, any specific origin and destination, at any specific capacity, or under any specific transit time.[41] The Commission recognized as much in its *2018 Final Order*.[42] The Bi-directional Service Extension does not contemplate **Laurel** providing a "new" service that differs from the "nature and character" of providing petroleum products transportation service "in and across" Pennsylvania; it contemplates Laurel maintaining and continuing to provide existing intrastate service and **Buckeye** providing a new **interstate** service.[43] The ALJ, in fact, reached this same conclusion and disposed of this issue "setting aside temporarily the [Complainants'] procedural impropriety."[44] Thus, even if the Commission determines it needs to address this latent, improper ambush, it can and should deny the Complainants' theory for relief.

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[41] Laurel MB, Section V.B.1.; *see also* Laurel RB, Section V.B.2.

[42] *Application of Laurel Pipe Line Company, L.P.*, Docket Nos. A-2016-2575829 and G-2017-2587567 (Opinion and Order entered July 12, 2018) ("*2018 Final Order*"), pp. 45-46 (applying *Petition of Sunoco Pipeline, L.P., et al.*, Docket No. P-2014-2411941 (Opinion and Order Entered Oct. 29, 2014), and holding that "it is not necessary for us to also find a directional limitation in Laurel's 1957 Certificate, nor does the record before us support such a limitation.").

[43] Laurel RB, Section V.B.2.b.

[44] ID, pp. 61-62.

C. REPLY TO EXCEPTION NO. 3 – The ALJ properly concluded that Complainants failed to demonstrate bi-directional service is an abandonment of service, because they did not demonstrate Laurel intends to abandon existing east-to-west intrastate service. ID, pp. 52-53.

Exception No. 3 should also be rejected. It challenges the ALJ's conclusion that the proposed Bi-directional Service Extension does not constitute an abandonment of service because the Complainants did not prove Laurel intended to abandon east-to-west intrastate service.[45] The Complainants' arguments have no basis in law or fact, and were properly rejected by the ALJ.

At the outset, it is important that the Commission recognize, as the ALJ did, "Pennsylvania law has established that an '[a]bandonment is the relinquishment or surrender of rights or property' and requires 'an intention to abandon together with external acts by which the intention is carried into effect.'"[46] This principle is clearly and consistently articulated through more than a century of Pennsylvania case law.[47] Based on this well-established legal precedent, the ALJ properly concluded that the Complainants failed to show Laurel intended to abandon east-to-west intrastate service under Existing Bi-directional Service,[48] or the Bi-Directional Service Extension[49] because the availability of east-to-west intrastate service is preserved in each case.[50]

Granting the Complainants' Exception No. 3 would require the Commission to abandon over a century of case law, and to adopt a novel theory of "abandonment" despite the Complainants' failure to cite a single court case or Commission order to support this theory.[51]

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[45] Compl. Exc., pp. 11-13.
[46] ID, p. 51 (citing Laurel MB, p. 25).
[47] Laurel MB, pp. 25-31; ID, pp. 42, 51.
[48] ID, p. 52-53.
[49] ID, pp. 55.
[50] *See* ID, p. 55.
[51] ID, p. 55 ("Complainants have failed to cite to a single court case or Commission Order where service was determined to have been abandoned when the availability and the type of the jurisdictional service was preserved."); *see also* Laurel MB, Section V.B.3.b.

While the Complainants attempt to misdirect,[52] they ignore that the ALJ correctly distinguished between the abandonment found to occur in the *2018 Final Order* and the bi-directional service contemplated by "the expressed intention of Laurel and Buckeye as stated in the 2018 PDO, the 2019 Settlement and the Capacity Agreement."[53] Moreover, the ALJ correctly concluded that bi-directional service inherently requires east-to-west intrastate service to be maintained, that Laurel will continue to transport products at the same origin and destination points it does today, and Laurel's unrebutted expressed intent was a willingness to "extend the East to West Capacity Guarantee until December 31, 2028, and apply this guarantee to all segments affected by Existing Bi-directional Service or the Bi-directional Service Extension (i.e., Lines 718, 720, and 724)."[54]

Given Laurel's unrebutted evidence of its intent, the ALJ properly found that there was no evidence of Laurel's intent to abandon existing service. Indeed, the only "evidence" that the Complainants' point to in their Exceptions are that Laurel proposed a Bi-directional Service Extension and took steps to prepare for such Bi-directional Service Extension.[55] This is not evidence of an intent to abandon east-to-west intrastate service; it is evidence that Laurel intended to continue the provision of east-to-west intrastate service as a part of the Bi-directional Service Extension, and took affirmative operational steps to ensure it could continue to do so.

D. REPLY TO EXCEPTION NO. 4 – The ALJ properly concluded that the Complainants failed to prove a "change" in service is not an abandonment of service. ID, pp. 53-59.

The Complainants' Exception No. 4 restates their incorrect and novel theory that a "material change" in service is an abandonment of service.[56] The ALJ properly rejected this

[52] Compl. Exc., pp. 11-12.
[53] ID., p. 52.
[54] ID, p. 52; *see also* Laurel MB, pp. 31-38 and Laurel RB, pp. 8-9.
[55] Compl. Exc., p. 12.
[56] Compl. Exc., pp. 14-20.

argument, and so too should the Commission.

Again, the Complainants cite **zero** on-point legal precedent that supports their theory. The ALJ recognized this reality.[57] This lack of any legal basis for their claims (which run contrary to a century of case law) demonstrates the ID reached the correct, legally-sound result.

The Complainants next resort to arguing that the ALJ did not give appropriate consideration or weight to their evidence.[58] To the contrary, the ALJ's analysis of the Complainants' evidence was complete and showed that on each of the five operational points advanced by the Complainants, Laurel rebutted their claims.[59] The ALJ then correctly found that the Complainants did not present evidence to overcome Laurel's rebuttal case,[60] and concluded that Complainants failed to meet their burden of proof.[61]

The Complainants next attempt to read findings and conclusions into the *2018 Final Order* that do not exist.[62] Rather, the discussion of the "operational sequence" at issue *2018 Final Order* and the *2018 Recommended Decision*[63] is instructive, and justifies the conclusion that an abandonment has not and will not occur due to the Bi-directional Service Extension.[64]

The Complainants next try to analogize to the differences between a one-way vs. two-way highway, and focus on the use of swaps to conduct bi-directional service.[65] Both of these points

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[57] ID, p. 55.
[58] Compl. Exc., p. 14.
[59] *See, e.g.*, ID., pp. 55-58.
[60] ID, p. 58.
[61] ID, p. 58 ("Complainants failed to carry their burden of proving by a preponderance of the evidence that the changes in Laurel's operation of the pipeline post 2019 have been so 'material' in nature or size as to constitute an abandonment in service.").
[62] Compl. Exc., p. 15.
[63] *Application of Laurel Pipe Line Company, L.P.*, Docket Nos. A-2016-2575829 and G-2017-2587567 (Recommended Decision dated March 23, 2018) ("*2018 Recommended Decision*"), p. 50 (contrasting "one-step" initiation of interstate service with "two-step" abandonment plus new service).
[64] Laurel MB, pp. 17-18, 30-31.
[65] Compl. Exc., pp. 15-16.

actually prove bi-directional service is not an abandonment. Two-way highway operations require movement in both directions, as does bi-directional service. Furthermore, swaps are consistent with the fundamentally fungible nature of petroleum products,[66] and commonly used in both uni-directional and bi-directional pipeline operations.[67] In a further attempt to distract, the Complaints again attempt to rely on a pre-Existing Bi-directional Service document,[68] which Laurel fully explained had been mischaracterized by the Complainants.[69] Contrary to the Complainants claim that Laurel did not present evidence that its pre-service work remediated pre-service concerns, Laurel did so through the unrebutted testimony of Mr. Zeth.[70]

The Complainants' further argue that Laurel's intent to rely on "swaps" is evidence of abandonment because, according to the Complainants, swaps are not allowed under Laurel's Tariff.[71] This is false. Swaps are permitted under Item No. 40 of Laurel's Tariff. Laurel further addresses this meritless claim in its reply to Exception No. 10, *infra*.

Lastly, the Complainants claim the ID erred by recognizing that an abandonment is a "complete and permanent cessation of service," but then posit that "uni-directional service" will completely and permanently cease under the Bi-directional Service Extension.[72] The Complainants are simply wrong. Bi-directional service requires east-to-west intrastate service to

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[66] ID, p. 56; Laurel MB, pp. 36-37 and Laurel RB, p. 13.
[67] ID, p. 91.
[68] Compl. Exc., p. 16.
[69] Laurel RB, p. 32 (citing and discussing the rebuttal testimony of Laurel witness Mr. Zeth, which explained the providence of the document and rebutted the Complainants' attempts to argue this document was evidence of problems with Existing Bi-directional Service or the Bi-directional Service Extension).
[70] Laurel RB, p. 32; *see also* Laurel MB, p. 56, n. 250 ("While Mr. Miesner discusses a document regarding bi-directional operations, Complainants Exhibit No. TM-4, it was shown to be largely irrelevant and misinterpreted, by Mr. Zeth. Laurel St. No. 1-R at 35-36; Laurel Exhibits TZ-5 and TZ-6. Mr. Zeth further confirmed that a document identified as HIGHLY CONFIDENTIAL Laurel Cross Exhibit No. 20 was also misinterpreted and not representative of current Laurel facilities, equipment or operations. Tr. 601-602.").
[71] Compl. Exc., p. 17.
[72] Compl. Exc., pp. 18-19.

continue; if it did not, the service would not be bi-directional.[73] This argument is just a continuation of their incorrect position that a change, curtailment, diminution, or even non-use of a service is an abandonment.[74]

The Complainants' specific focus on the *Harris* decision is also misplaced.[75] The reasoning in *Harris* is clear, and clearly applicable. The Commission clearly held that "[t]he decision to change the method of operation from a pipeline trucking operation to a total trucking operation is a management decision which must be affirmed by this Commission unless the record supports a finding of a clear abuse of discretion by respondent."[76] The Complainants' attempt to distinguish *Harris* from the instant case given the insolvency faced by the utility is unpersuasive.[77] There is no requirement that utilities must be in the most dire of circumstances to change how they provide the service they are authorized to provide. And, at any rate, the record in this case demonstrates that the Laurel pipeline is underutilized from east-to-west.[78]

Finally, the Complainants reiterate their true goal in this case: require another proceeding to force Laurel to obtain a CPC that it is not required to obtain, in order to delay.[79] Even this would be unnecessary if the Commission determined an abandonment has occurred (and it has not) because Laurel has shown the Bi-directional Service Extension is in the public interest.[80]

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[73] ID, p. 55 (reasoning that a service is not abandoned if its availability is preserved).
[74] Laurel MB, pp. 25-31; Laurel RB, p. 8.
[75] Compl. Exc., pp. 19-20.
[76] Laurel MB, p. 29 (quoting *Harris v. Nat'l. Transit Co.*, 1976 Pa. PUC LEXIS 50, at *4-5 (Order Entered Aug. 27, 1976).
[77] Compl. Exc., p. 19.
[78] *See* Laurel MB, p. 69 (citing Laurel St. No. 3-R at 59).("Dr. Webb further explained that these segments are only running at approximately one-third of available capacity.318 Even during peak periods, the pipeline is running at approximately half of its available capacity.")
[79] Compl. Exc., p. 20 (arguing another proceeding is required for Laurel to obtain a CPC).
[80] Laurel MB, pp. 40-43 (citing Laurel St. Nos. 1-R, 3-R, and 4-R with respect to the benefits of the Bi-directional Service Extension).

E. REPLY TO EXCEPTION NO. 5 – The ALJ correctly found that the Complainants did not demonstrate the Bi-directional Service Extension is a "new service" requiring Laurel to obtain a CPC. ID, pp. 61-62.

The Commission should also deny Complainants' Exception No. 5. It claims that the ALJ erred in concluding that Bi-directional Service Extension does not involve a "new" intrastate service by Laurel that requires a CPC.[81] The Complainants' rely exclusively on a misread of the *2018 Final Order*, and ignore Laurel's existing CPC.[82]

As explained above, and in Laurel's Main Brief, Laurel's CPC:

> broadly authorizes it to provide transportation of petroleum products in and across Pennsylvania. The Commission authorized it to commence 'transporting, storing and distributing petroleum and petroleum products by means of pipelines and appurtenances, for the public. . . as more fully described in said application. . . .' The underlying application further clarified that the nature and character of service Laurel sought to provide was 'the transportation . . . of petroleum and petroleum products by means of pipelines . . . and other equipment and appurtenances for the public in and across the Commonwealth of Pennsylvania and other states of the United States.' The Commission did not limit Laurel to east-to-west service.[83]

The ALJ properly found that, "Laurel's CPC does not contain any clear restrictions or limitations related to minimum or maximum amount of service or capacity; specific origin points or destination points; minimum or maximum transit times; or direction."[84] Therefore, "all the 'changes in service' identified by the Complainant are well within and do not deviate from the service described in Laurel's 1957 CPC."[85]

To the extent the Complainants claim that the *2018 Final Order* required a CPC prior to the initiation of Existing Bi-directional Service, the Complainants are again incorrect. As

[81] Compl. Exc., pp. 20-21.
[82] Compl. Exc., pp. 20-21.
[83] Laurel MB, p. 22 (citations omitted).
[84] ID, p. 62.
[85] ID, p. 62.

described in the *2018 Final Order*, the Commission did not find a directional limitation in Laurel's CPC.[86] While the Commission did find a CPC necessary in that case, it was because, "Laurel [was] not simply asking to reverse the direction of flow on its pipeline, but it [was] asking to change its current service by eliminating the service availability and pricing in its tariff to the destination points west of Eldorado along the Laurel pipeline from eastern Pennsylvania origins, including the Philadelphia area."[87] There is zero evidence that Laurel is doing the same in this case; bi-directional service maintains the availability of all destination points. The Complainants' unsupported assertions to the contrary should be rejected.

F. REPLY TO EXCEPTION NO. 6 – The ALJ correctly concluded that the Complainants failed to demonstrate Existing Bi-directional Service and the use of swaps caused unreasonable service by way of increases in transit times. ID, pp. 115-123.

The Commission should deny Complainants' Exception No. 6.[88] Like the ALJ, the Commission should recognize the specific allegations advanced by the Complainants. The ALJ correctly highlighted that the Complainants "are specifically claiming that 'Existing Bi-directional Service on the Laurel Pipeline has resulted in unreasonable service under 66 Pa. C.S. § 1501,'"[89] which required the Complainants to prove unreasonable service was "caused by" Existing Bi-directional Service.[90] Thus, the ALJ determined that the Complainants failed to carry their burden of proof to demonstrate such a causal connection exists.[91]

Critical to the ALJ's correct determination are several facts that the Complainants failed to rebut. First, Laurel witness Dr. Webb performed a statistical analysis to isolate the effect of bi-

[86] *2018 Final Order*, pp. 45-46.
[87] *2018 Final Order*, p. 44.
[88] Compl. Exc., pp. 22-27.
[89] ID, p. 115 (emphasis added).
[90] ID, p. 116.
[91] ID, p. 123.

directional service on transit times, which showed that it increase was slight (i.e., about 12%), and the Complainants did not rebut this analysis.[92] Second, it is undisputed that Laurel's CPC, Tariff, Capacity Use Agreement, and the 2019 Settlement, do not contain any minimum or maximum transit times.[93] Similarly, no industry standard exists.[94] Rather, as the Complainants admitted and the ALJ correctly found, transit times area a "fluid concept" and inherently variable, and it is common to provide estimates regarding transit times and notify shippers of updates to these estimates when operational circumstances require such updates.[95] Indeed, after comparing the situation in this case to similar situations presented in complaints against taxicabs regarding wait times, the ALJ explained that "review and consideration of the carrier's communications with the customer was necessary to assess the quality of service provided by the common carrier" and correctly concluded that, while it may be true that transit times may have increased, so is "the fact that Laurel communicates regularly with its shippers regarding the schedule for a given cycle, based on real-time changes in the circumstances surrounding a given cycle."[96]

The Complainants' Exceptions simply ignore their own evidence which demonstrate that(a) transit times are reasonable when they provide an estimated time of delivery that is communicated to shippers, and (b) Laurel provides such commercially reasonable estimates.[97] The ALJ correctly concluded that these admissions were fatal to the Complainants' claims, and outweighed the other evidence they presented on this issue.

[92] ID, pp. 116-117; Laurel MB, pp. 48-55; Laurel RB, pp. 21-35.
[93] ID, p. 117 (citing Compl. MB, pp. 41-42 and Laurel MB, pp. 48-49).
[94] ID, p. 117.
[95] ID, pp. 117-18 (citing Complainants own briefs, the hearing transcript, and specific cross-examination of Monroe witness Mr. Summers who admitted that commercially reasonable transit times would be an estimate of the time frame for delivery, which is what Laurel provides and has provided for years).
[96] ID, p. 120 (citing Laurel St. No. 1-R at 25; Laurel Exhibit TZ-8; Tr. 414-416).
[97] Compl. Exc., pp. 22-23.

Furthermore, the ID also pointed out that the Complainants failed to submit any evidence of languishing products, explaining that:

> . . . the record in this case is devoid of evidence of any timely and properly submitted nominations having been rejected by Laurel, or of pro-rationing ever occurring during the Existing Bi-Directional Service due to capacity shortages on Laurel. On the contrary, Laurel capacity has been historically underutilized with each of the three segments (L718, L720, and L724) running at only about 1/3 of available capacity between November of 2019 to November 2024. There is also no evidence in the record of Complainants seeking to ship more barrels of product on Laurel but being prevented from doing so by Laurel's operation of bi-directional service. In this environment, Laurel's description of transit times being impacted by shipper volumes, shipper changes to their nominations that may require changes to the schedule, timing and availability of supply, and the requirement to meet the needs of all shippers where specific circumstances surrounding one shipper may impact all other transit times is more credible than Complainants' contention that Laurel is purposefully and substantially delaying the delivery of westbound products to accommodate the shipment of eastbound products.[98]

The Complainants also take umbrage with the fact that the ALJ properly found their witnesses' claims regarding transit times lacked credibility when they failed to raise these claims at any point prior to filing the instant Formal Complaint.[99] However, the import of this failure was made clear by Laurel witness Dr. Webb: "If increases in transit time were imposing significant cost on the shippers, presumably they could incur the cost to write an email to document this through the complaint mechanism. The fact that they have not suggests that at most the cost is minor. . ."[100] This lack of prior action serves as a basis for the ALJ's conclusion that "Complainants' actions indicate that they would not have complained of unreasonable service had Laurel and Buckey not filed the 2024 PDO with the FERC."[101]

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[98] ID, p. 121.
[99] Compl. Exc., pp.24-25.
[100] Laurel St. No. 3-R, pp 89-90.
[101] ID, p. 123.

The Complainants' final argument in Exception No. 6, is an attempt to cobble together citations to their Briefs and testimony to argue that bi-directional service and swaps resulted in increased transit times.[102] The ID, however, found Laurel's testimony regarding the statistical impact of bi-directional service on transit times to be more credible and fully explained the flaws in the Complainants' attempt to rebut Laurel witness Dr. Webb's analysis.[103]

G. REPLY TO EXCEPTION NO. 7 – The ALJ correctly found that the Complainants failed to prove that the Bi-directional Service Extension and the use of swaps will result in unreasonable service in the future. ID, pp. 126-133.

The Complainant's Exception No. 7 should be rejected by the Commission. This exception purports to take issue with the ALJ's finding that the Bi-directional Service Extension and use of swaps will result in unreasonable service.[104] Yet, outside of the exception heading, and a misrepresentative citation in footnote 90, the Complainants do not actually point to a single finding or conclusion in the ID.[105] In this regard, Exception No. 7 embodies the straw man fallacy, wherein the Complainants have fabricated an alternative analysis by the ALJ and attacked the same. This Exception should be denied on this basis alone.

The Complainants' arguments about Laurel's and Buckeye's worldview, and the ALJ's purported adoption of this worldview, similarly lack merit.[106] As explained by Laurel, the Company acts as a "gatekeeper" or "administrator" of the pipeline by applying its Commission-approved Tariff in order to provide reasonable and not unduly discriminatory service to **all**

[102] Compl. Exc., pp. 26-27.

[103] ID, pp. 116-17; *see also* ID, pp. 104-05 (explaining the critical differences in the analyses of transit times performed by Laurel witness Dr. Webb, and Complainant witness Dr. Morris).

[104] Compl. Exc., p. 27.

[105] The only citation to the ID in this exception in footnote 90 is to page 120 of the ID, wherein the Complainants argue "The ALJ acknowledges that transit times have significantly increased and become more volatile since 2019." Compl. Exc., p. 27. No such acknowledgment exists on page 120 of the ID, and the Complainants claim otherwise is simply false and misrepresentative.

[106] Compl. Exc., pp. 27-28.

shippers.[107] Stated differently: "Complainants are not requesting reasonable service; they are requesting unlawful and unreasonable preferential service that meets only their needs with zero regard for other shippers."[108]

The Complainants then attempt to argue that Laurel has "abdicated" this role to schedule the direction of flows in a reasonable and non-discriminatory manner to the mass balance of shipper nominations.[109] However, shipper nominations directly influence cycles, scheduling, batching, and receipt and delivery timing, regardless of uni-directional or bi-directional operations.[110] That is the nature of petroleum products pipelines.

The Complainants' further claim that Laurel offers no transparency as to how to it will schedule barrels under the Bi-directional Service Extension ignores evidence and reality.[111] It ignores the discretion of how this process will occur in the testimonies of both Laurel witnesses Mr. Zeth and Mr. Emery.[112] It also ignores the fact that Laurel communicates its schedules to shippers, updating these schedules in near real time, under uni- and bi-directional operations to reflect current nominations and pipeline operations.[113]

Finally, contrary to the Complainants' claims,[114] Laurel provided extensive testimony regarding how swaps function.[115] As explained by Mr. Zeth:

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[107] Laurel MB, p. 66; Laurel RB, pp. 20, 30 (citing Tr. 598-600 (Mr. Zeth explaining the role of Laurel as "administrator," or "gatekeeper," to enforce tariff requirements for the protection of all shippers)).

[108] Laurel RB, p. 21.

[109] Compl. Exc., pp. 28-29.

[110] Laurel MB, pp. 36-38, 57, 64-65; Laurel RB, p. 44; Laurel St. No. 1-R, pp. 23-24; Tr. 91, 94-96, 677.

[111] Compl. Exc., pp. 29-30.

[112] Laurel St. No. 1-R at 22-23, 41-42; Laurel St. No. 4-R at 40-41; Tr. 605-607 (Mr. Zeth describing how Laurel satisfies nominations from both directions on cross), 615-618 (Mr. Zeth describing how Laurel satisfies nominations from both directions in response to questions from the ALJ); Laurel Hearing Exhibit 1; Tr. 677.

[113] Laurel St. No. 1-R, pp. 25-26; Laurel Exhibit TZ-8 and Complainants Exhibit JDJ-3 at 1. .

[114] Compl. Exc., pp. 29-30

[115] *See* Laurel MB, at pp. 36-37, 46, 62-66; Laurel RB, pp. 41-42, 44-45, 47-48. Laurel further notes that, while the Complainants attempt to argue that "Complainants do know about bi-directional pipelines through experience" only Laurel's offered witnesses with experience operating and scheduling bi-directional pipelines, i.e., Mr. Emery (Laurel

> what the scheduler -the pipeline scheduler does is they get the mass of nominations, looks at those, and looks for offsetting movements. They will then optimize those movements with what are called swaps. So they'll more efficiently transfer those volumes and then they will physically move what volumes are not swapped that were nominated. So the barrels are still [receipted] in. A swap is still [receipted] into the pipeline. It will still utilize pipeline facilities. It will move a certain portion of the pipeline, but it does not move all the way from origin to destination. It will move to a certain point where it's swapped with an offsetting barrel.[116]

Further, Mr. Emery responded directly to the concerns raised by Witness Miesner in his testimony, noting that Mr. Meisner "does not provide any specific evidence that these risks [associated with swaps] have materialized since Laurel began its partial bi-directional service."[117] Mr. Emery further provided detailed explanations of swaps at the hearing.[118]

The ALJ correctly found that the Complainants' arguments against swaps were unsupported by the record because "the fact remains that shippers receive products that they put into the system at their requested delivery points."[119] Further, the ALJ correctly concluded that the Complainants failed to support their claims that Laurel did not have a strategy for implementing the Bi-directional Service Extension, and that the Bi-directional Service Extension will result in unreasonable service.[120]

St. No. 4-R at 1-2). Complainant witness Mr. Miesner on the other hand has no such direct experience and grounded none of his testimony in the actual operation of the Laurel pipeline. *See e.g.*, Laurel St. No. 4-R at 35;Tr. 263-264 (Mr. Miesner admitting he had never personally scheduled or been involved in the design or operation of a bi-directional pipeline); Tr. 296 (illustration of issues on Laurel not based on Laurel facts); Tr. 297-298 (bi-directional operational issue in testimony is not based on Laurel's facts); Tr. 313-314 (scheduling testimony not based on Laurel's actual practices). *See also* Laurel Cross Exhibit Nos. 23, 24 and 25.

[116] Tr. 531-532.

[117] Laurel St. No. 4-R, p. 44 (footnote omitted).

[118] Laurel MB, pp. 63-65 (citing Tr. 616-617, 643-644, 677, 679, 684-687, 696-697).

[119] ID, p. 142.

[120] ID, pp. 140-43.

H. REPLY TO EXCEPTION NO. 8 – The ALJ correctly concluded that Complainants failed to show the change of Reid Vapor Pressure ("RVP") requirements in January 2025 was unreasonable service. ID, pp. 146-147.

The Complainants' Exception No. 8 concerns the ALJ's finding that the Complainants failed to demonstrate that Laurel provided them with unreasonable service when it changed the RVP schedule.[121] As explained by the ALJ, the Complainants' assertion is unrelated to the bi-directional service claims that are the primary subject of the Complaint.[122] The Complainants argue that the ALJ ignores their concerns regarding the RVP change. However, the ALJ clearly addressed the Complainants' concerns about insufficient notice—it just was not the only evidence she considered.[123] As described in the Initial Decision,

> Complainants describe the change as a unilateral decision made by Laurel to frustrate their operations, whereas Laurel describes the same incident as the result of its efforts to accommodate the request of one of its shippers. While the record has several examples of Laurel making changes to its schedules to accommodate shippers' requests, it is unclear with regard to the procedures followed by the shippers to communicate those changes to Laurel. It is, therefore, unclear whether Laurel was violating those internal procedures or complying with them in the case of RVP changes. Yet, it is undisputed the RVP change happened at the request of a shipper, that no shipper communicated any objection to the change directly to Laurel, and that, barring similar requests in the future, Laurel will not change the historical RVP schedule again in the following years.[124]

The ALJ properly considered the evidence before her and properly determined that the Complainants did not meet their burden of proof. For these reasons, the Complainant's Exception No. 8 should be denied, and the ID should be affirmed.

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[121] ID, p. 147.
[122] ID, p. 146.
[123] ID, pp. 143-45.
[124] ID, p. 146.

I. REPLY TO EXCEPTION NO. 9 – The ALJ correctly interpreted the East to West Capacity Guarantee consistent with the 2019 Settlement. ID, pp. 84-85

The Complainants' Exception No. 9 repeats their flawed interpretation of the "East to West Capacity Guarantee" set forth in the 2019 Settlement, and memorialized in the Capacity Use Agreement, and Laurel's Tariff.[125] The East to West Capacity Guarantee provides that:

> Until December 31, 2026, outside of force majeure circumstances that impact Laurel's ability to provide such capacity, the available, physical capacity of east-to-west transportation on Carrier's system between Coraopolis and Duncansville, Pennsylvania (this segment also being known as 'Line 718' or 'L718') will be no less than 1,200,000 barrels per cycle (which is 120,000 barrels per day times ten days in a cycle), unless that obligation is terminated or modified earlier in accordance with the terms of the Settlement Agreement in PUC Docket No. C-2018-3003365 and FERC Nos. IS19- 277-000, IS19-277-001, IS19-278-000 and IS19-278- 001.[126]

The Complainants' Exception No. 9 should be rejected because, as discussed in Laurel's Main Brief, none of the Complainant witnesses testified that Laurel has not complied or will not comply with the existing East to West Capacity Guarantee.[127]

It should also be rejected because the Complainants':

> tortured interpretation of the Capacity Use Agreement is based upon their belief that the word "available" as set forth in Section 6(b) of the Capacity Use Agreement and Item No. 90(A) of the Tariff, means that 120,000 bpd of capacity on Line 718 can only be used and must only be used to provide east-to-west movements, regardless of the actual nominations of each cycle.[128]

This absurd argument was fully addressed in Laurel's Reply Brief. "Available" means that:

> for each cycle, Laurel must have "available" 1.2 million barrels of capacity from east-to-west for shippers' use when nominations for that cycle become due. If total east-to-west and west-to-east nominations are not at a level where (a) at least 1.2 million east-to-west barrels have been nominated or (b) 1.2 million east-to-west barrels cannot be physically transported, then Laurel can use its

[125] Compl. Exc., pp. 31-37.
[126] Laurel TZ-3 at 13 (Item No. 90(A)).
[127] Laurel MB, p. 37.
[128] Laurel RB, p. 49.

> capacity how it wishes. If total east-to-west and west-to-east nominations are at a level where 1.2 million east-to-west barrels have been nominated and 1.2 million east-to-west barrels cannot be physically transported, Laurel must ensure those 1.2 million barrels can be physically moved—i.e., Laurel must apply Item No. 90 of its Tariff as the pipeline is in an allocation scenario.[129]

Indeed, "[t]he capacity obligations delineated in the Agreement do not require Laurel to let unused capacity on its pipeline system go to waste when nominations in a cycle are below the high of 40,000 bpd for Buckeye and 120,000 bpd for the east-to-west shippers."[130] The ID's interpretation of the East to West Capacity Guarantee is correct.

The Complainants' arguments to the contrary[131] simply ignore the fact that if the parties to the 2019 Settlement wanted to restrict the use of Laurel's pipeline capacity in this way, and require 120,000 bpd to be set aside and **only be used** for east-to-west movements, they could have used this language.[132] However, they did not do so. Thus, the ID properly rejected the Complainants' attempts to rewrite this provision of the 2019 Settlement and Laurel's Tariff.

Complainant's Exception No. 9 should be denied, and the ID should be affirmed.

J. REPLY TO EXCEPTION NO. 10 – The ALJ correctly found that Complainants did not carry their burden to prove Laurel's use of swaps violates its Tariff. ID, pp. 90-92.

The Complainants further except to the ALJ's finding that Laurel's use of swaps does not violate Laurel's Tariff.[133] As discussed in Laurel's Main Brief, swaps are permitted under Item No. 40 of Laurel's Tariff, which states "Carrier is under no obligation to deliver the identical

[129] Laurel RB, p. 50 (*Available*, Black's Law Dictionary (6th ed. 1990) (defined, *inter alia*, as "suitable; usable; accessible; obtainable"); *see also Available*, Cambridge Dictionary, https://dictionary.cambridge.org/dictionary/english/ available (lasted visited October 15, 2025) (defined as "able to be bought or used.").
[130] ID, p. 78.
[131] Compl. Exc., pp. 33-36.
[132] Laurel RB, p. 50.
[133] Compl. Exc., pp. 37-40.

Commodities received, but may deliver Commodities of substantially the same specifications."[134] The Complainants claim that the ALJ misinterpreted this provision to permit swaps because it does not use that precise word and that ". . . the silence in the tariff speaks for itself and the ALJ's findings are erroneous and must be reversed on review."[135]

The Complainants' arguments asked the ALJ, and asks the Commission, to hold that Laurel must guarantee the same physical molecules injected by a shipper at Chelsea Junction are ultimately delivered to Coraopolis. This ignores the fungible nature of petroleum products and Item No. 40 of Laurel's Tariff.[136] The ID correctly rejected this argument.

Moreover, Item No. 10(B) of the Tariff states, "Carrier reserves the right to establish and alter pumping sequences and schedules to facilitate the efficient use and operation of its facilities."[137] Swaps are an extension and a result of the fungible nature of petroleum products transported by pipeline, and specifically involve "scheduling" to efficiently operate the pipeline.[138] Thus, swaps are authorized by the Tariff. Again, the ID correctly recognized this reality.

The ALJ also correctly denied the Complainants' further claim that swaps violate Item Nos. 15 and 65 of the Tariff.[139] Laurel addressed these arguments in its Reply Brief.[140] The Complainants pivot in their Exception No. 10 to try to argue their claim is a "legal, not a factual one."[141] This is nothing more than an attempt to avoid the burden of proof that was properly placed on the Complainants in this proceeding. Even if this argument was based on the interpretation of

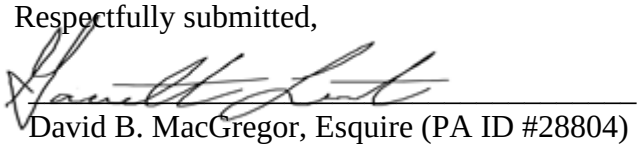
[134] Laurel MB, p. 63 (quoting Laurel Exhibit TZ-3 at 10)
[135] Compl. Exc., p. 39
[136] Laurel MB at 63.
[137] Laurel Exhibit TZ-3 at 4.
[138] Laurel MB at 63-65.
[139] Compl. Exc., p. 39.
[140] Laurel RB, pp. 53-54.
[141] Compl. Exc., p. 38.

Laurel's Tariff, Complainants were still required to prove their interpretation is correct, which they did not do. Complainant's Exception No. 10 should be denied, and the ID should be affirmed.

III. CONCLUSION

WHEREFORE, for all of the foregoing reasons, Laurel Pipe Line Company, L.P. respectfully requests that the Pennsylvania Public Utility Commission: (1) deny the Exceptions of the Complainants Monroe Energy, LLC, Lucknow-Highspire Terminals, LLC, Sheetz, Inc., and PBF Holding Company LLC; and (2) adopt the Initial Decision of the Administrative Law Judge Eranda Vero as its final action without modification.

Respectfully submitted,



Christopher J. Barr, Esquire (DC ID #375372)
Post & Schell, P.C.
607 14th Street, N.W., Suite 600
Washington, DC 20005-2000
Phone: (202) 347-1000
Fax: (202) 661-6970
E-mail: cbarr@postschell.com

Admitted Pro Hac Vice

David B. MacGregor, Esquire (PA ID #28804)
Anthony D. Kanagy, Esquire (PA ID #85522)
Garrett P. Lent, Esquire (PA ID #321566)
Alice A. Wade, Esquire (ID # 335228)
Erin R. Kawa, Esquire (PA ID #308302)
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
Phone: (717) 731-1970
Fax: (717) 731-1985
E-mail: dmacgregor@postschell.com
E-mail: akanagy@postschell.com
E-mail: glent@postschell.com
E-mail: alice.wade@postschell.com
E-mail: EKawa@PostSchell.com

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Counsel for Laurel Pipe Line Company, L.P.