

15TH DISTRICT
STATE SENATOR
PATTY KIM

SENATE BOX 203015
THE STATE CAPITOL
HARRISBURG, PA 17120-3015
717-787-6801

716 COLONIAL ROAD
HARRISBURG, PA 17112
717-346-6278



Senate of Pennsylvania

COMMITTEES

LOCAL GOVERNMENT,
DEMOCRATIC CHAIR
AGING & YOUTH
APPROPRIATIONS
BANKING & INSURANCE
COMMUNITY ECONOMIC &
RECREATIONAL DEVELOPMENT

E-MAIL: SenatorKim@pasenate.com
FACEBOOK: @SenatorPattyKim
X: @SenatorPattyKim
INSTAGRAM: @SenatorPattyKim
WEBSITE: PASenatorKim.com

April 8, 2026

Hon. Stephen M. DeFrank, Chairman
Pennsylvania Public Utility Commission
400 North Street, Keystone Building
Harrisburg, PA 17120

Re: Proposed Extension of Bi-Directional Service on the Laurel Pipeline
PUC Docket No. C-2025-3053018 *Monroe Energy, LLC, et al. v. Laurel Pipeline Company, LLC*

Dear Chairman DeFrank:

I take this opportunity to provide input related to a case that is before the Commission. The above-referenced proceeding revolves around a significant consumer affordability issue that is of immense importance not only to the constituents of Senate District 15 but also to all Pennsylvanians, namely, access to reliable and competitively priced liquid fuel supplies, including gasoline, diesel and home heating oil. Given the ongoing conflict in the Middle East, this issue is even more critical and timely as gasoline prices in Pennsylvania will continue to rise until the conflict in Iran has concluded.

The Laurel Pipe Line Company, L.P. (“Laurel”) provides bi-directional service over the portion of the Laurel pipeline system that is located between Altoona and Pittsburgh. These bi-directional operations have allowed Laurel to re-purpose an underutilized asset to increase supply optionality on its system; this optionality has meant that shippers and Western Pennsylvania have benefited from increased supplies of competitively priced gasoline, diesel, and heating oil from *both* Midwest refineries and East Coast refineries. Laurel now seeks to implement an extension of bi-directional service—which would result in bi-directional operations between Pittsburgh and Reading. This would extend bi-directional benefits to even more of the shipping community and even more of the Commonwealth.

Importantly, Eastern and Central PA are currently supplied by three sources: Colonial pipeline (which moves product from refineries along the Gulf Coast), a few local refineries (using primarily foreign crude) and foreign gasoline imports. Disruption to any one of these sources (*e.g.* from a cyber-attack on Colonial or a war disrupting overseas shipments of crude oil or gasoline) will result—and indeed has already resulted—in dramatic price increases in the most populous parts of Pennsylvania.

Providing additional sources from approximately a dozen Midwest refineries, which have substantially expanded their output in the past decade using North American sourced crude, reduces this risk. Moreover, Laurel is not proposing a full reversal. If current suppliers can continue to supply competitively priced products to Pennsylvania consumers, they will be able to do so. In short, bi-directional operations are a win for the pipeline, a win for shippers, and a win for Pennsylvania.

Despite these benefits, a mere 10% of the shippers that use the Laurel pipeline system (4 out of 39 total shippers) filed a Complaint over five years into bi-directional operations. The Complaint was only filed after bi-directional operations were proposed to be extended, which would subject these four complainant-shippers to greater competition. The benefits of the extension of bi-directional operations to all shippers and to the public vastly outweigh the speculative harms alleged by those four parties.

On January 14, 2026, Administrative Law Judge Eranda Vero, issued an Initial Decision following multiple days of hearings and the development of a substantial evidence-based record.. Judge Vero's review showed that bi-directional operations over Laurel's underutilized pipeline system has benefited, and will continue to benefit, Pennsylvania, with such benefits including enhanced access to reliable and competitively priced liquid fuel supplies, including gasoline, diesel and home heating oil. .

Importantly, the bi-directional service extension will permit a continuation of westbound intrastate petroleum products transportation service under the same rates, terms and conditions and from the same origins near Philadelphia to the same destinations across Pennsylvania that it does today. In fact, the bi-directional service contemplated will continue the provision of westbound intrastate service by Laurel with additional eastbound service through the extension of bidirectional operations on Laurel's system.

The result of this bidirectional operation will be to continue to bring new, diversely sourced and competitively priced American petroleum supplies from refineries in the Midwest to consumers in western and central Pennsylvania, while continuing to transport the existing volume of product supplied to these markets from refineries located in the Philadelphia. Critically, it will provide Pennsylvanians with domestically sourced petroleum products; protect against potential cost increases and shortages stemming from current international conflicts and future geopolitical risk; and promote energy independence.

Thank you for consideration of my comments.

Sincerely,



Senator Patty Kim

cc. Matthew Homsher, PUC Secretary (mhomsher@pa.gov)