



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

RESOLUTION NO. 170661

Introduced June 15, 2017

Councilmember Oh

RESOLUTION

Urging the Pennsylvania Public Utility Commission to maintain Philadelphia Refineries' Pipeline access to Western Pennsylvania Markets by denying Laurel Pipe Line Company, L.P.'s application, thereby supporting jobs and economic growth in Philadelphia and Southeastern Pennsylvania

WHEREAS, Laurel Pipe Line Company, L.P. ("Laurel") filed its original certificate of public convenience with the Pennsylvania Public Utility Commission ("PaPUC") in 1957 for the construction and operation of the Laurel Pipeline, which provides for the transportation of liquid petroleum products through a 350-mile pipeline extending from points of origin near Philadelphia to various destinations westward across the Commonwealth and terminating west of Pittsburgh; and

WHEREAS, Laurel's pipeline service has remained almost unchanged for nearly 60 years, providing refiners on the East Coast, particularly the southeastern Pennsylvania area, the ability to move their products into Pittsburgh-area markets; and

WHEREAS, On November 14, 2016, Laurel filed a line reversal application with the PaPUC to change the direction of petroleum products transportation services to delivery points west of Eldorado, Pennsylvania. This would end the westward flow of petroleum from southeastern Pennsylvania at Eldorado before it reaches Pittsburgh-area delivery locations. Since that time, several parties have filed protests urging the PaPUC to deny the application; and

WHEREAS, The Laurel pipeline reversal would significantly restrict southeastern Pennsylvania refiners' access to western Pennsylvania markets and would therefore impact the economic viability of these critical facilities; and

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WHEREAS, Numerous members of the Pennsylvania House of Representatives and the Pennsylvania Senate, as well as other local elected officials throughout the Commonwealth, have expressed their concerns to the PaPUC regarding the application and its potential impact on Pennsylvania consumers and southeastern Pennsylvania refiners; and

WHEREAS, Pittsburgh-area fuel retailers and marketers are currently able to purchase wholesale fuel products from either the Midwest or the East Coast depending on price and availability. A Laurel pipeline reversal would eliminate this option, making these retailers and marketers vulnerable to price spikes and supply shortages in the Midwest and destroying the competitive market environment while also raising consumer fuel prices; and

WHEREAS, Laurel claims that the line reversal will result in no public harm as alternative options exist for current pipeline customers to ship their products, including trucking products from various areas throughout the Commonwealth; and

WHEREAS, The application fails to establish that no public harm will result from these alternative transportation methods. It further fails to establish that these methods are economically viable to East Coast and Southeastern Pennsylvania refiners or that alternative transportation methods such as trucking are even feasible, given highway and product storage restraints; and

WHEREAS, Even if trucking is a viable option, the significant increase in truck traffic envisioned by Laurel would impact the safety of Pennsylvania highways and increase the amount of maintenance required to these highways, the cost of which is ultimately paid for by the citizens of the Commonwealth; and

WHEREAS, Southeastern Pennsylvania refiners provide thousands of family-sustaining jobs with significant health, welfare, and retirement benefits, including a large number of contractor and other indirect jobs; and

WHEREAS, Southeastern Pennsylvania refiners also provide a critical supply of petroleum products to the citizens of the Commonwealth and the East Coast in times of natural disasters and other crises such as during Hurricane Sandy in 2012, when the Commonwealth failed to experience supply shortages and price spikes that were seen in New Jersey and New York; and

WHEREAS, A loss of critical Southeastern Pennsylvania refining capacity would be detrimental to the public interests of the Commonwealth; now, therefore, be it

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RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That Council does hereby urge the Pennsylvania Public Utility Commission to maintain Philadelphia refineries' pipeline access to western Pennsylvania markets by denying Laurel Pipe Line Company, L.P.'s application, thereby supporting jobs and economic growth in Philadelphia and southeastern Pennsylvania.

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