

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

In the Matter of the Application of SFPP, L.P.  
(PLC-9) for Authority to Increase Rates for  
Transportation of Refined Petroleum Products.

Application No. \_\_\_\_\_

**APPLICATION**

**CBL ENERGY LAW PLLC**

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Attorneys for SFPP, L.P.

Dated: January 30, 2024

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(PLC-9) for Authority to Increase Rates for  
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Pursuant to Sections 454 and 455.3 of the California Public Utilities Code<sup>1</sup> and in accordance with Rules 2.1, 2.2, 3.2, and 7 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission” or “CPUC”), SFPP, L.P. (“SFPP” or “Applicant”) respectfully requests that the Commission authorize SFPP’s proposal to increase its existing rates and charges for intrastate transportation of refined petroleum products by an aggregate total of 18.663 percent. SFPP is seeking the subject rate increase to allow it the ability to recover its Commission-jurisdictional cost of service and earn a reasonable return on its utility investment.

SFPP is filing contemporaneously herewith Advice Letter No. 51-O, in which SFPP requests that its currently effective rates for transportation on its jurisdictional California refined petroleum products pipeline system be increased by 10 percent effective March 1, 2024, subject to refund. Section 455.3 authorizes a pipeline to increase its rates by up to 10 percent upon the provision of 30 days’ notice and without the need for prior Commission approval, provided that the increase remains subject to retroactive Commission adjustment

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<sup>1</sup> All statutory references are to the California Public Utilities Code, unless otherwise noted.

and refund with interest, as appropriate. The 18.663-percent increase in SFPP's intrastate transportation rates is estimated to result in additional annual revenue of approximately \$23.4 million.

## **I. Background**

On January 28, 2021, SFPP filed an application seeking a 25.527-percent increase to its then-current intrastate transportation rates, which was docketed in A.21-01-015, and contemporaneously therewith SFPP filed Advice Letter No. 44-O to increase its then-current intrastate transportation rates by 10 percent effective March 1, 2021. On March 1, 2021, SFPP's 10-percent rate increase went into effect, subject to refund. On June 24, 2021, the Commission issued a resolution approving SFPP's 10-percent increase sought in Advice Letter No. 44-0, subject to refund.<sup>2</sup>

On January 28, 2022, SFPP filed an application seeking to increase its then-current rates (*i.e.*, the rates that went into effect on March 1, 2021 pursuant to Advice Letter No. 44-O) by an additional 10 percent; this application was docketed in A.22-01-016. SFPP noted in its January 28, 2022 application that it was seeking such rate increase because its current rates were not sufficient to allow SFPP to recover its Commission-jurisdictional cost of service and earn a reasonable return on its investment. Contemporaneous with the submission of the January 2022 application, SFPP filed Advice Letter No. 46-O to increase its then-current intrastate transportation rates by an additional 10 percent effective March 1, 2022 pursuant to Section 455.3 of the Commission's regulations. On March 1, 2022,

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<sup>2</sup> Public Utilities Commission of the State of California, Resolution O-0073 (issued June 24, 2021).

SFPP's additional 10-percent rate increase went into effect, subject to refund. On December 1, 2022, the Commission issued a resolution approving SFPP's 10-percent increase sought in Advice Letter 46-O, subject to refund.<sup>3</sup>

On January 27, 2023, SFPP filed an application seeking to increase its rates by an aggregate of 12.91 percent, which was docketed in A.23-01-016, and contemporaneously therewith SFPP filed Advice Letter No. 49-O to increase its then-current intrastate transportation rate by 10 percent effective March 1, 2023. SFPP noted in this application that its volumes continue to be low compared to historic levels and that its Commission jurisdictional cost of service has increased above that set forth in the A.21-01-015 and A.22-01-016 applications. On November 15, 2023, the Commission issued a resolution approving SFPP's 10-percent increase sought in Advice Letter No. 49-0, subject to refund.<sup>4</sup>

On August 1, 2022, then-Presiding ALJ McGary off-calendared the evidentiary hearing that was scheduled for A.21-01-015 and directed the parties to meet and confer to the Commission's Alternative Dispute Resolution ("ADR") Program Coordinator, Charles Ferguson.<sup>5</sup> The parties acted in accordance with that directive and have engaged in ADR discussions related to all applications referenced in the three dockets referenced above—A.21-01-015, A.22-01-016, and A.23-01-016.

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<sup>3</sup> Public Utilities Commission of the State of California, Resolution O-0080 (issued December 1, 2022).

<sup>4</sup> Public Utilities Commission of the State of California, Resolution O-0083 (issued November 16, 2023).

<sup>5</sup> E-Mail Ruling Off-Calendaring Evidentiary Hearing Dates and Directing Parties To Report To The Commission's Alternative Dispute Resolution Program Coordinator In The Interim, A.21-01-015 (issued Aug. 1, 2022).

As noted herein, SFPP volumes have continued to decline while the costs SFPP has incurred to provide intrastate transportation service on its pipeline system have increased above the costs presented in the most-recent A.23-01-016 application. As such, SFPP's current rates, which reflect the three 10-percent rate increases made pursuant to Advice Letter Nos. 44-O, 46-O and 49-O, remain insufficient to allow SFPP to recover its operating expenses and to earn a reasonable return on its investment. Therefore, SFPP is filing this Application seeking permission to increase its rates to a just and reasonable level.

**1. Applicant Information Required by Rule 2.1(a)**

SFPP is a Delaware limited partnership. Its principal place of business is 1001 Louisiana St., Suite 1000, Houston, TX 77002. Kinder Morgan Operating LLC "D" is the general partner of SFPP.

**2. Correspondence and Communication Information Required by Rule 2.1(b)**

Correspondence and communications concerning this Application should be directed to the following SFPP representatives:

Susan B. Kittey  
Kinder Morgan, Inc.  
1001 Louisiana Street, Suite 1000  
Houston, Texas 77002  
Telephone: (713) 420-6196  
E-mail: Susan\_Kittey@kindermorgan.com

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E-mail: ccaldwell@cblenergylaw.com

## **Organization and Qualification to Transact Business Documents Required by Rule 2.2**

Per Rule 2.2 of the Commission's Rules of Practice and Procedure, SFPP's Certificate of Good Standing in California is included as Exhibit A hereto.

### **3. Information Required by Rule 3.2**

#### **A. Balance Sheet and Income Statement:**

Financial statements, including the most recently available (unaudited) balance sheet and income statement for SFPP, are attached as Exhibit B hereto.

#### **B. Statement of Presently Effective and Proposed Rates:**

SFPP's existing and proposed rates for transportation on its Commission-jurisdictional pipeline system are reflected in Exhibit C. Specifically, Exhibit C sets forth the following regarding each intrastate transportation movement: (1) the currently effective transportation rate; (2) the proposed rate reflecting a 10 percent rate increase that is the subject of SFPP's Advice Letter No. 51-O; and (3) the proposed rate reflecting the 18.663 percent rate increase that is the subject of this Application.

#### **C. General Description of SFPP's Property and Equipment:**

SFPP operates as a pipeline common carrier of refined petroleum products in six states, including California. SFPP has interstate tariffs on file with the Federal Energy Regulatory Commission and also has intrastate tariffs on file with the Commission covering movements within the State of California. SFPP also transports refined petroleum products for the United States Government in accordance with military rate tenders.

SFPP's intrastate pipeline system includes: (1) the North Line, which consists of

approximately 864 miles of trunk pipeline in five segments that transport refined petroleum products from Bay Area refineries at Richmond and Concord, California, to Brisbane, Sacramento, Chico, Fresno, Stockton, and San Jose, California, and Reno, Nevada; (2) the San Diego Line, a 135-mile pipeline serving major population areas in Orange County and San Diego, California; and (3) the West Line, which consists of approximately 515 miles of primary pipeline and transports refined petroleum products from the Los Angeles Basin to destinations in California and to Phoenix, Arizona, as well as a connection at Colton to Calnev Pipeline LLC.

#### **4. Justification for Requested Rate Increase**

The 10 percent increase to SFPP's current intrastate transportation rates that is the subject of this Application and Advice Letter No. 51-O, to be effective on March 1, 2024 (30 days from the submission of this Application and Advice Letter No. 51-O), is expected to result in an increase in revenues over current levels of approximately \$12.6 million. Increasing the rates by the full 18.663 percent requested in this Application, effective upon approval by the Commission, would result in an increase in revenues over current levels of approximately \$23.4 million.

The anticipated cost of service ("COS") and revenue impacts of both the 10 percent increase under Advice Letter No. 51-O and the 18.663 percent increase subject to this Application are embedded in SFPP's forecasts and the analysis supporting this Application. Exhibit D attached hereto, which contains the Declaration of Mr. Erik G. Wetmore and supporting attachments, sets forth the basis and the justification for SFPP's requested rate increases, including an analysis of SFPP's achieved return under the rate scenarios that are

the subject of this Application.

Based upon its analysis of current and forecast costs, revenues, and return on rate base, SFPP's current intrastate transportation rates, even if increased by 10 percent pursuant to Advice Letter No. 51-O, are insufficient to allow SFPP the ability to recover its COS and to earn a reasonable return on its utility investment. With respect to the impact of the proposed 18.663 percent increase that is the subject of this Application, SFPP's COS analysis, as shown in Exhibit D, demonstrates that such increase would allow SFPP the ability to recover its COS and earn a reasonable return on its utility investment.

SFPP's COS presented in Attachment A of Exhibit D is based upon a 12-month base period from December 1, 2022 through November 30, 2023. The COS analysis incorporates actual data for the 12-month base period, as adjusted to reflect known and measurable changes in operating expenses that are expected to occur in the foreseeable future (such period, with adjustments, referred to herein as the 2024 Test Year ("2024 TY")). As set forth in Attachment A of Exhibit D, SFPP's 2024 TY achieved return analysis shows that the proposed 18.663 percent increase in intrastate transportation rates, which is inclusive of the 10 percent rate increase that is the subject of Advice Letter No. 51-O, would yield an achieved return on equity of 13.18 percent and an overall achieved return of 10.04 percent, both of which are within return levels that have been authorized by the Commission for regulated pipelines.<sup>6</sup>

The proposed rate increases are supported by SFPP's COS analysis and produce

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<sup>6</sup> See, e.g., D.08-06-042 (Conclusion of Law No. 3); D.08-12-046, mimeo at 3-5.

rates that are just and reasonable, as more particularly set forth in Exhibit D.<sup>7</sup> Briefly summarized, to demonstrate the reasonableness of the proposed rate increases, Mr. Wetmore analyzed SFPP's achieved return under two scenarios: (1) revenue based on SFPP's existing intrastate transportation rates, and (2) revenue assuming the 18.663 percent increase that is the subject of this Application.

In preparing his achieved return calculations, Mr. Wetmore began with actual data from SFPP's books and records for the 12-month base period from December 1, 2022 through November 30, 2023. To the extent there was evidence that the base period figures would change in the foreseeable future with known and measurable accuracy, the base period figures were appropriately adjusted. Mr. Wetmore's declaration summarizes each of the various cost elements included in the COS analysis and the achieved return calculation, including: (1) operating expenses; (2) rate base; and (3) depreciation. Mr. Wetmore then addresses the revenue that SFPP would earn under the various rate scenarios described above, with revenue calculated based upon SFPP's actual base period volumes, which SFPP submits is reasonably representative of future volume levels.

## **5. Information Required for Rule 2.1(c) and Rule 7 Compliance**

This Application seeks authorization, pursuant to Sections 454 and 455.3 of the California Public Utilities Code, for SFPP to increase its existing intrastate transportation rates applicable to the provision of intrastate transportation service: (1) by 10 percent, effective upon thirty days' notice to its shippers; and (2) by an aggregate of 18.663 percent,

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<sup>7</sup> The Declaration of Mr. Erik G. Wetmore, attached hereto as Exhibit D, provides the facts and analysis supporting the requested rate increase.

effective upon approval by the Commission.

In conjunction with the filing of this Application, SFPP has contacted all shippers affected by the proposed rate increases, advised them of the impact of the proposed rate increases, notified them in writing of SFPP's intent to file this Application, and provided them with Commission and SFPP contacts to obtain further information about this Application. The form of notice provided to shippers, as well as the list of shippers to whom the notice has been sent, is attached as Exhibit E.

**A. Proposed Category:** SFPP proposes that the Application be treated as a "ratesetting" proceeding.

**B. Need for Hearing:** Hearings will be needed on this Application only to the extent a material issue of fact is raised by a timely protest. Accordingly, SFPP does not know whether a hearing will be required. If no hearing is required, SFPP would request that an ex parte decision approving the rate increase requested herein be issued by the Commission by July 1, 2024. If a hearing is required, SFPP proposes a schedule as set forth below.

**C. Issues Requiring Consideration:** The sole issue raised by this Application is whether SFPP's proposal to increase in intrastate transportation rates by 10 percent, effective 30 days from the submission of this Application and notice to shippers, and 18.663 percent, effective upon approval from the Commission, is just and reasonable.

**D. Proposed Schedule:** SFPP proposes the following schedule:

Application Filed	January 30, 2024
Notice in Daily Calendar	TBD by CPUC Docket Office
Protests Due	30 Days After Daily Calendar Notice
Prehearing Conference	April, 2024
Applicant’s Opening Testimony	August, 2024
Intervenor Testimony Due	September, 2024
Applicant’s Rebuttal Testimony	October, 2024
Hearings	November, 2024
Concurrent Opening Briefs	December, 2024
Concurrent Reply Briefs	January, 2025
ALJ Draft Decision	March, 2025
Commission Decision	April, 2025

**6. Exhibits**

As required by Commission Rules 15, 16, and 23, SFPP provides the following information and exhibits:

Exhibit A	SFPP Certificate of Good Standing
Exhibit B	SFPP Financial Statements
Exhibit C	Current and Proposed Rates
Exhibit D	Declaration in Support of Rate Increase
Exhibit E	Form of Notice to Shippers and Interested Parties

**WHEREFORE,** SFPP requests that the Commission issue an opinion and order approving the requested increases in SFPP’s refined petroleum products pipeline intrastate transportation rates as quickly as is practicable.

Respectfully submitted this 30th day of January, 2024 at San Francisco, California.

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By: /s/ Deborah R. Repman

Attorneys for SFPP, L.P.

Dated: January 30, 2024

VERIFICATION OF COUNSEL

I, Deborah R. Repman, declare:

I am an attorney at law duly admitted and licensed in the State of Texas, and I have my professional office at CBL Energy Law PLLC, 1800 West Loop South, Suite 1680, Houston, Texas 77027.

I am an attorney for Applicant, SFPP, L.P., in the above-entitled matter.

An officer of SFPP, L.P. is unavailable to make this verification on behalf of SFPP, L.P., and for that reason I am making this verification on behalf of SFPP, L.P.

I have read the foregoing Application and know its contents thereof.

I am informed and believe that the matters stated therein are true and, on that ground, I allege that the matters stated therein are true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at Houston, Texas on this 30<sup>th</sup> day of January, 2024.

A handwritten signature in black ink, appearing to read "Deborah R. Repman", with a long horizontal flourish extending to the right.

Deborah R. Repman

# **EXHIBIT A**



# Secretary of State Certificate of Status

I, SHIRLEY N. WEBER, PH.D., California Secretary of State, hereby certify:

**Entity Name:** SFPP, L.P.  
**Entity No.:** 198832200015  
**Registration Date:** 11/17/1988  
**Entity Type:** Limited Partnership - Out of State  
**Formed In:** DELAWARE  
**Status:** Active

The above referenced entity is active on the Secretary of State's records and is qualified to transact intrastate business in California.

This certificate relates to the status of the entity on the Secretary of State's records as of the date of this certificate and does not reflect documents that are pending review or other events that may impact status.

No information is available from this office regarding the financial condition, status of licenses, if any, business activities or practices of the entity.



**IN WITNESS WHEREOF**, I execute this certificate and affix the Great Seal of the State of California this day of January 23, 2024.

**SHIRLEY N. WEBER, PH.D.**  
**Secretary of State**

**Certificate No.:** 175731122

To verify the issuance of this Certificate, use the Certificate No. above with the Secretary of State Certification Verification Search available at [bizfileOnline.sos.ca.gov](http://bizfileOnline.sos.ca.gov).

## **EXHIBIT B**

Name of Respondent SFPP, L.P.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 09/30/2023	Year/Period of Report End of: 2023/ Q3
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**Comparative Balance Sheet Statement**

- For instructions covering this schedule, see the text and instructions pertaining to Balance Sheet Accounts in the USofA. The entries in this balance sheet should be consistent with those in the supporting schedules on the pages indicated.
- On line 30, include depreciation applicable to investment in system property.

Line No.	Item (a)	Reference Page No. for Annual (b)	Current Year End of Quarter/Year Balance (in dollars) (c)	Prior Year End Balance 12/31 (in dollars) (d)
	<b>CURRENT ASSETS</b>			
1	Cash (10)			
2	Special Deposits (10-5)			
3	Temporary Investments (11)			
4	Notes Receivable (12)			
5	Receivables from Affiliated Companies (13)	200	7,835,940	5,957,036
6	Accounts Receivable (14)		52,522,570	46,393,222
7	Accumulated Provision For Uncollectible Accounts (14-5)			
8	Interest and Dividends Receivable (15)			
9	Oil Inventory (16)			
10	Material and Supplies (17)		5,909,732	6,097,774
11	Prepayment (18)		5,334,728	15,756,637
12	Other Current Assets (19)			
13	Deferred Income Tax Assets (19-5)	230		
14	TOTAL Current Assets (Total of lines 1 thru 13)		71,602,970	74,204,669
	<b>INVESTMENTS AND SPECIAL FUNDS</b>			
	<b>Investments in Affiliated Companies (20):</b>			
15	Stocks	202		
16	Bonds	202		
17	Other Secured Obligations	202		
18	Unsecured Notes	202		
19	Investment Advances	202	975,014,470	831,942,702
20	Undistributed Earnings from Certain Invest. in Acct. 20	204	48,438,728	46,902,399
	<b>Other Investments (21):</b>			
21	Stocks			
22	Bonds			
23	Other Secured Obligations			
24	Unsecured Notes			
25	Investment Advances			
26	Sinking and other funds (22)			
27	TOTAL Investment and Special Funds (Total lines 15 thru 26)		1,023,453,198	878,845,101
	<b>TANGIBLE PROPERTY</b>			
28	Carrier Property (30)	213 & 215	2,095,717,191	2,047,780,271
29	(Less) Accrued Depreciation-Carrier Property (31)	216 & 217	761,898,253	728,452,367
30	(Less) Accrued Amortization-Carrier Property (32)			
31	Net Carrier Property (Line 28 less 29 and 30)		1,333,818,938	1,319,327,904

32	Operating Oil Supply (33)		172,067	172,067
33	Noncarrier Property (34)	220	865,055,180	851,289,204
34	(Less) Accrued Depreciation-Noncarrier Property (35)		348,530,763	337,694,086
35	Net Noncarrier Property (Line 33 less 34)		516,524,417	513,595,118
36	TOTAL Tangible Property (Total of lines 31, 32, and 35)		1,850,515,422	1,833,095,089
	<b>OTHER ASSETS AND DEFERRED CHARGES</b>			
37	Organization Costs and Other Intangibles (40)			
38	(Less) Accrued Amortization of Intangibles (41)			
40	Miscellaneous Other Assets (43)		1,236,905	1,487,309
41	Other Deferred Charges (44)	221	1,435,831	3,468,797
42	Accumulated Deferred Income Tax Assets (45)	230		
43	Derivative Instrument Assets (46)			
44	Derivative Instrument Assets - Hedges (47)			
45	TOTAL Other Assets and Deferred Charges (37 thru 44)		2,672,736	4,956,106
46	TOTAL Assets (Total of lines 14, 27, 36 and 45)		2,948,244,326	2,791,100,965
	<b>CURRENT LIABILITIES</b>			
47	Notes Payable (50)			
48	Payables to Affiliated Companies (51)	225	7,845	458,611
49	Accounts Payable (52)		40,334,196	39,196,185
50	Salaries and Wages Payable (53)			
51	Interest Payable (54)			
52	Dividends Payable (55)			
53	Taxes Payable (56)		5,340,195	1,978,310
54	Long-Term Debt - Payable Within One Year (57)	226		
55	Other Current Liabilities (58)		23,503,070	19,879,354
56	Deferred Income Tax Liabilities (59)	230		
57	TOTAL Current Liabilities (Total of lines 47 thru 56)		69,185,306	61,512,460
	<b>NONCURRENT LIABILITIES</b>			
58	Long-Term Debt - Payable After One Year (60)	226	530,382,194	515,597,799
59	Unamortized Premium on Long-Term Debt (61)			
60	(Less) Unamortized Discount and Interest on Long-Term Debt (62)			
61	Other Noncurrent Liabilities (63)		76,196,367	66,470,422
62	Accumulated Deferred Income Tax Liabilities (64)	230		
63	Derivative Instrument Liabilities (65)			
64	Derivative Instrument Liabilities - Hedges (66)			
65	Asset Retirement Obligations (67)			
66	TOTAL Noncurrent Liabilities (Total of lines 58 thru 65)		606,578,561	582,068,221
67	TOTAL Liabilities (Total of lines 57 and 66)		675,763,867	643,580,681
	<b>STOCKHOLDERS' EQUITY</b>			
68	Capital Stock (70)	251	1,053,998,466	1,053,998,466
69	Premiums on Capital Stock (71)			
70	Capital Stock Subscriptions (72)			
71	Additional Paid-In Capital (73)	254		
72	Appropriated Retained Income (74)	118		
73	Unappropriated Retained Income (75)	119	1,216,825,680	1,092,208,784

74	(Less) Treasury Stock (76)			
75	Accumulated Other Comprehensive Income (77)	116	1,656,313	1,313,034
76	TOTAL Stockholders' Equity (Total of lines 68 thru 75)		2,272,480,459	2,147,520,284
77	TOTAL Liabilities and Stockholders' Equity (Total of lines 67 and 76)		2,948,244,326	2,791,100,965

Name of Respondent SFPP, L.P.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 09/30/2023	Year/Period of Report End of: 2023/ Q3
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**Income Statement**

1. Enter in column (c) the year to date operations for the period, and enter in column (d) the year to date operations for the same period of the prior year.  
2. Enter in column (e) the operations for the reporting quarter and enter in column (f) the operations for the same three month period for the prior year. Do not report annual data in columns (e) and (f).

Line No.	Item (a)	Reference Page No. in Annual Report (b)	Total current year to date Balance for Quarter/Year (c)	Total prior year to date Balance for Quarter/Year (d)	Current 3 months ended Quarterly only no 4th Quarter (e)	Prior 3 months ended Quarterly only no 4th Quarter (f)
	<b>ORDINARY ITEMS - Carrier Operating Income</b>					
1	Operating Revenues (600)	301	252,412,848	249,139,404	91,174,884	87,585,990
2	(Less) Operating Expenses (610)	302	183,431,666	162,863,877	62,648,822	58,355,955
3	Net Carrier Operating Income		68,981,182	86,275,527	28,526,062	29,230,035
	<b>Other Income and Deductions</b>					
4	Income (Net) from Noncarrier Property (620)	335	91,988,898	84,282,966	34,306,221	29,078,529
5	Interest and Dividend Income (From Investment under Cost Only) (630)	336	35,854,098	7,440,414	13,506,930	4,025,226
6	Miscellaneous Income (640)	337	264,450	162,663	61,719	49,294
7	Unusual or Infrequent Items--Credits (645)					
8	(Less) Interest Expense (650)		13,777,655	2,878,917	4,823,995	1,881,299
9	(Less) Miscellaneous Income Charges (660)	337	9,465	17,489	2,272	2,489
10	(Less) Unusual or Infrequent Items--Debit (665)					
11	Dividend Income (From Investments under Equity Only)					
12	Undistributed Earnings (Losses)	205	1,536,329	1,484,565	1,151,042	591,707
13	Equity in Earnings (Losses) of Affiliated Companies (Total Lines 11 and 12)		1,536,329	1,484,565	1,151,042	591,707
14	TOTAL Other Income and Deductions (Total Lines 4 thru 10 and 13)		115,856,655	90,474,202	44,199,645	31,860,968
15	Ordinary Income before Federal Income Taxes (Line 3 +/- 14)		184,837,837	176,749,729	72,725,707	61,091,003
16	(Less) Income Taxes on Income from Continuing Operations (670)		220,941	211,689	73,647	70,563
17	(Less) Provision for Deferred Taxes (671)	230				
18	Income (Loss) from Continuing Operations (Total Lines 15 thru 17)		184,616,896	176,538,040	72,652,060	61,020,440
	<b>Discontinued Operations</b>					
19	Income (Loss) from Operations of Discontinued Segments (675)*					
20	Gain (Loss) on Disposal of Discontinued Segments (676)*					
21	TOTAL Income (Loss) from Discontinued Operations (Lines 19 and 20)					
22	Income (Loss) before Extraordinary Items (Total Lines 18 and 21)		184,616,896	176,538,040	72,652,060	61,020,440
	<b>EXTRAORDINARY ITEMS AND ACCOUNT CHANGES</b>					
23	Extraordinary Items -- Net -- (Debit) Credit (680)	337				
24	Income Taxes on Extraordinary Items -- Debit (Credit) (695)	337				

25	Provision for Deferred Taxes -- Extraordinary Items (696)	230				
26	TOTAL Extraordinary Items (Total Lines 23 thru 25)					
27	Cumulative Effect of Changes in Accounting Principles (697)*					
28	TOTAL Extraordinary Items and Accounting Changes -- (Debit) Credit (Line 26 + 27)					
29	Net Income (Loss) (Total Lines 22 and 28)		184,616,896	176,538,040	72,652,060	61,020,440
	* Less applicable income taxes as reported on page 122					

## **EXHIBIT C**

**SFPP's EXISTING AND PROPOSED RATES**

		<b>Existing</b>	<b>Proposed</b>	<b>Percent</b>
<b>Origin</b>	<b>Destination</b>	<b>Rates</b>	<b>Rates</b>	<b>Change</b>
Watson or East Hynes	Orange	\$ 0.2642	\$ 0.2906	10%
Watson or East Hynes	Hynes Junction	\$ 0.1145	\$ 0.1260	10%
Watson or East Hynes	Tustin	\$ 0.3691	\$ 0.4060	10%
Watson or East Hynes	Mission Valley	\$ 0.8440	\$ 0.9284	10%
Watson or East Hynes	San Diego	\$ 0.8812	\$ 0.9693	10%
Watson or East Hynes	Colton	\$ 0.3617	\$ 0.3979	10%
Watson or East Hynes	Imperial	\$ 0.8781	\$ 0.9659	10%
Watson or East Hynes	Ontario International Airport	\$ 0.3594	\$ 0.3953	10%
Watson or East Hynes	Miramar Junction	\$ 0.7957	\$ 0.8753	10%
Benicia or Richmond	Oakland	\$ 0.2611	\$ 0.2872	10%
Benicia or Richmond	Oakland Int'l Airport	\$ 0.2632	\$ 0.2895	10%
Benicia or Richmond	Brisbane	\$ 0.2949	\$ 0.3244	10%
Benicia or Richmond	San Francisco Int'l Airport	\$ 0.2949	\$ 0.3244	10%
Richmond or Concord	San Jose	\$ 0.3089	\$ 0.3398	10%
Richmond or Concord	Stockton	\$ 0.3898	\$ 0.4288	10%
Richmond or Concord	Sacramento	\$ 0.4275	\$ 0.4703	10%
Richmond or Concord	Roseville	\$ 0.5453	\$ 0.5998	10%
Richmond or Concord	Chico	\$ 0.7582	\$ 0.8340	10%
Richmond or Concord	Fresno	\$ 1.3070	\$ 1.4377	10%
Benicia, CA	Richmond	\$ 0.2543	\$ 0.2797	10%
Sepulveda Jct	Watson Station	\$ 0.0187	\$ 0.0187	0%
Watson VDC (Item 260)	R&R Tariff	\$ 0.0030	\$ 0.0030	0%
Richmond or Concord	Sacramento Airport Junction	\$ 0.4267	\$ 0.4694	10%

**SFPP's EXISTING AND PROPOSED RATES**

		<b>Existing</b>	<b>Proposed</b>	<b>Percent</b>
<b>Origin</b>	<b>Destination</b>	<b>Rates</b>	<b>Rates</b>	<b>Change</b>
Watson or East Hynes	Orange	\$ 0.2642	\$ 0.3135	18.663%
Watson or East Hynes	Hynes Junction	\$ 0.1145	\$ 0.1359	18.663%
Watson or East Hynes	Tustin	\$ 0.3691	\$ 0.4380	18.663%
Watson or East Hynes	Mission Valley	\$ 0.8440	\$ 1.0015	18.663%
Watson or East Hynes	San Diego	\$ 0.8812	\$ 1.0457	18.663%
Watson or East Hynes	Colton	\$ 0.3617	\$ 0.4292	18.663%
Watson or East Hynes	Imperial	\$ 0.8781	\$ 1.0420	18.663%
Watson or East Hynes	Ontario International Airport	\$ 0.3594	\$ 0.4265	18.663%
Watson or East Hynes	Miramar Junction	\$ 0.7957	\$ 0.9442	18.663%
Benicia or Richmond	Oakland	\$ 0.2611	\$ 0.3098	18.663%
Benicia or Richmond	Oakland Int'l Airport	\$ 0.2632	\$ 0.3123	18.663%
Benicia or Richmond	Brisbane	\$ 0.2949	\$ 0.3499	18.663%
Benicia or Richmond	San Francisco Int'l Airport	\$ 0.2949	\$ 0.3499	18.663%
Richmond or Concord	San Jose	\$ 0.3089	\$ 0.3666	18.663%
Richmond or Concord	Stockton	\$ 0.3898	\$ 0.4625	18.663%
Richmond or Concord	Sacramento	\$ 0.4275	\$ 0.5073	18.663%
Richmond or Concord	Roseville	\$ 0.5453	\$ 0.6471	18.663%
Richmond or Concord	Chico	\$ 0.7582	\$ 0.8997	18.663%
Richmond or Concord	Fresno	\$ 1.3070	\$ 1.5509	18.663%
Benicia, CA	Richmond	\$ 0.2543	\$ 0.3018	18.663%
Sepulveda Jct	Watson Station	\$ 0.0187	\$ 0.0187	0%
Watson VDC (Item 260)	R&R Tariff	\$ 0.0030	\$ 0.0030	0%
Richmond or Concord	Sacramento Airport Junction	\$ 0.4267	\$ 0.5063	18.663%

## **EXHIBIT D**

**DECLARATION OF ERIK G. WETMORE**

I, Erik G Wetmore, declare as follows:

1. I am a Principal in the consulting firm Turner Wetmore Collins, LLC, a firm that provides consulting services to the regulated sector of the energy transportation industry.
2. I have thirty-five years of professional experience, primarily in advising companies on ratemaking, financial, accounting, economic, and contract interpretation issues. My experience includes filing expert testimony in cost-of-service proceedings before the California Public Utilities Commission (“Commission” or “CPUC”), the Federal Energy Regulatory Commission (“FERC”), and various other regulatory commissions and courts. I received an M.B.A., with concentrations in Finance and Economics, from the University of Chicago Booth School of Business, and a B.A. in Mathematics and Economics from the University of California at Santa Barbara. I also earned a Certified Public Accountant license in the State of California.
3. I have provided testimony on behalf of SFPP, L.P. (“SFPP”), both before this Commission and before the FERC, on multiple occasions.
4. SFPP’s counsel requested that I develop SFPP’s CPUC-jurisdictional 2024 test year (“2024 TY”) cost of service, and the results of the requested analysis are presented in Attachment A that is attached to this declaration. Attachment A includes four pages: page 1 presents SFPP’s 2024 TY cost of service; page 2 presents SFPP’s achieved return results before and after SFPP’s proposed tariff rate increase that is the subject of this application; and pages 3 and 4 summarize SFPP’s rate base and operating expenses, respectively. In order to develop SFPP’s 2024 TY cost of

- service, I used a 12-month base period from December 1, 2022 through November 30, 2023—the most current data available. With respect to rate base, I included all property placed into service as of November 30, 2023. For the cost of capital elements (*i.e.*, capital structure, cost of debt, and the nominal equity rate of return), I relied on Dr. Michael J. Webb, whose recommendations are presented on page 1, lines 13 through 16, of Attachment A.
5. The purpose of my declaration is to summarize my development of SFPP’s 2024 TY cost of service. First, I review how I determined the portion of SFPP’s property and operating expense amounts that are attributable to CPUC intrastate service. For those costs that are incurred solely for CPUC intrastate service, that determination is straightforward. However, for costs incurred at SFPP facilities that provide both CPUC intrastate and FERC interstate transportation services (“joint-use” facilities), I have to separate those costs between the two jurisdictions. Second, I discuss the development of SFPP’s 2024 TY rate base. Third, I address test period adjustments that were necessary to develop the appropriate level of operating expense to include in SFPP’s 2024 TY cost of service. Finally, I address the development of SFPP’s 2024 TY cost of service, volumes, and revenues.
  6. To determine the CPUC intrastate portion of property and operating expense amounts at joint-use SFPP facilities, I developed a “Volumetric Route Directory.” The Volumetric Route Directory calculates the percentage of CPUC intrastate-versus FERC interstate-destined volumes that are transported through or offloaded at each delivery point along the joint-use facilities. These percentages are then applied to the property and operating expense amounts of each respective facility.

- This is the same approach that I used to develop SFPP's 2021 Test Year cost of service in Docket No. A.21-01-015 and 2023 Test Year cost of service in Docket No. A.23-01-015. This is also the same approach that I have used to develop SFPP's cost of service in FERC rate proceedings.
7. To calculate rate base, I utilized the Depreciated Original Cost ("DOC") rate base methodology. Total DOC rate base consists of net carrier property in service, adjusted for an Allowance for Funds Used During Construction ("AFUDC") and working capital. In light of the Commission's determination in Decision No. 11-05-045 to deny inclusion of an income tax allowance in SFPP's cost of service, I conservatively have not included an income tax allowance in SFPP's 2024 TY cost of service and have correspondingly not adjusted SFPP's CPUC intrastate rate base for Accumulated Deferred Income Taxes (or ADIT). SFPP's rate base is summarized on page 3 of Attachment A. This is the same rate base methodology that I used to develop SFPP's 2021 Test Year cost of service in A.21-01-015 and 2023 Test Year cost of service in Docket No. A.23-01-015.
  8. To calculate SFPP's CPUC intrastate net carrier property in service, which is carrier property in service *less* accrued depreciation, I relied on detailed property data provided by SFPP, which includes total company historical carrier property in service records through November 30, 2023, in an electronic database format. This property data reflects the original cost of the property when initially placed in service. I applied the separation and allocation factors to these property amounts to calculate CPUC intrastate carrier property in service.

9. To calculate annual depreciation expense, I multiplied the average annual carrier property balance, by FERC account, by the applicable depreciation rates per SFPP's books and records. I accumulated the resulting annual depreciation expense by year. For retirements, I adjusted the annual accumulated depreciation expense balance for the original cost of the asset retired in the year the asset was retired, adjusted for cost of removal. For transfers, I calculated the cumulative depreciation expense up to the transaction year for the transfer and added (for transfers in) or subtracted (for transfers out) the resulting cumulative annual depreciation expense to or from the annual accrued depreciation balance.
10. AFUDC compensates investors for funds expended to construct or purchase pipeline assets before the assets are placed in service. I calculated AFUDC based upon SFPP's annual additions of CPUC intrastate carrier property in service, assuming capital projects are completed and placed in service evenly throughout the year. The cumulative balance of AFUDC is depreciated based upon SFPP's composite depreciation rate. Additionally, I removed any capitalized interest during construction.
11. Working capital consists of investments and prepayments required to support the ongoing operation of a pipeline. Specifically, for oil pipelines, working capital reflects the sum of the balances for oil inventory, materials and supplies, and prepayments. I allocated SFPP's total company working capital amounts to SFPP's CPUC intrastate system based upon the ratio of CPUC intrastate carrier property in service to total company property in service.
12. I did not make any test year adjustments to rate base in the 2024 TY cost of service.

13. To develop the amount of operating expenses to include in the 2024 TY cost of service, as such amount is shown on page 4 of Attachment A, I started with SFPP's actual operating expenses that were recorded in the base period (December 2022 through November 2023). As discussed above, I applied the separation and allocation factors to these operating expense amounts, where applicable, to calculate SFPP's CPUC intrastate operating expenses.
14. I also made several test period adjustments to the base period operating expenses so that the 2024 TY cost of service captures the appropriate level of operating expenses SFPP reasonably anticipates to incur during the period in which the requested rates would be in place. First, I included cash expenditures charged against a reserve during the base period and eliminated the corresponding reserve accruals recorded in the base period. Second, I adjusted the base period amount of salaries and wages expense to reflect a forecasted 4% increase in compensation. Third, I normalized the amount of integrity management expense by replacing the base period amount of integrity management expense with the average of integrity management expense for the five-year period of 2019 through 2023. Fourth, I adjusted the base period amount of environmental remediation cash expenditures for known and measurable changes expected to occur in the foreseeable future. Fifth, I adjusted the base period amount of fuel and power expense to reflect a forecasted 5% increase in underlying power costs. Sixth, I normalized the amount of oil losses and shortages expense by replacing the base period amount of oil losses and shortages expense with the average oil losses and shortages expense for the

- five-year period of 2019 through 2023. Seventh, I included forecasted CPUC rate case expense amortized over five years.
15. My calculation of SFPP's 2024 TY cost of service is set forth on page 1 of Attachment A. SFPP's 2024 TY cost of service is comprised of total return on rate base (line 3), operating expenses (line 5), depreciation expense (line 6) and AFUDC amortization expense (line 7). As shown on page 1, lines 1 through 3, of Attachment A, total return on rate base is calculated by multiplying SFPP's total rate base by its weighted cost of capital. I developed SFPP's weighted cost of capital by adding the equity rate of return to the debt cost, each weighted by the respective equity/debt capital structure, as provided by Dr. Webb. As shown on page 1, line 9, of Attachment A, SFPP's 2024 TY cost of service is \$148.9 million.
  16. To develop 2024 TY volumes, I used SFPP's actual base period volumes by destination, which totaled 226.1 million barrels. To calculate 2024 TY revenues, I multiplied SFPP's 2024 TY volumes by its existing rates (as shown on page 1, line 10, of Attachment A) and its proposed rates (as shown on page 1, line 12, of Attachment A).
  17. My calculation of SFPP's achieved overall return for the 2024 TY, both before and after SFPP's proposed rate increase, is set forth on page 2 of Attachment A. As shown on page 2, line 12, of Attachment A, assuming its existing rates, SFPP's overall achieved return is 1.41%, and as shown on line 13, SFPP's achieved return on equity is negative 1.21%. As shown on line 12, after applying SFPP's proposed 18.663% rate increase equally to each rate, SFPP's overall achieved return is 10.04%, and as shown on line 13, SFPP's achieved return on equity is 13.18%.

The foregoing declaration is submitted under penalty of perjury in  
accordance with the laws of the State of California.

Dated: January 30, 2024

Erik G. Wetmore

Erik G. Wetmore

# **ATTACHMENT A**

SFPP, L.P.  
 CPUC-Jurisdictional Cost of Service  
 For the 2024 Test Year  
 (\$000's)

Attachment A  
 Page 1 of 4

Line No.	Description	Source	Amount
1	Total Rate Base	Page 3 of 4, Ln. 10	\$271,372
2	Weighted Cost of Capital	Lns. (13 * 16) + (14 * 15)	10.04%
3	Total Return on Rate Base	Lns. (1 * 2)	\$27,239
4	Income Tax Allowance	D.11-05-045	-
5	Operating Expenses	Page 4 of 4, Ln. 19	\$107,833
6	Depreciation Expense	Schedule 4	\$13,270
7	Amortization of AFUDC	Schedule 5	\$604
8	Total Operating Expenses, Incl. Deprec. and Amort.	Lns. (5 + 6 + 7)	\$121,707
9	Total Cost of Service	Lns. (3 + 4 + 8)	\$148,946
10	Test Year Revenue at Current Rates	Revenue WP	\$125,520
11	Excess / (Deficient) Revenue	Lns. (10 - 9)	(\$23,426)
12	Test Year Revenue at Proposed Rates	Revenue WP	\$148,945
<u>Cost of Capital Components</u>			
13	Equity Capital Percentage	Dr. Webb	60.00%
14	Debt Capital Percentage	Dr. Webb	40.00%
15	Cost of Debt	Dr. Webb	5.32%
16	Equity Rate of Return (Nominal)	Dr. Webb	13.18%

SFPP, L.P.  
Rate of Return Summary and Depreciated Rate Base  
For the 2024 Test Year  
(\$000's)

Attachment A  
Page 2 of 4

Line No.	Description	Source	Without Rate Increase	With Rate Increase
1	CPUC Revenues	Revenue WP	\$125,520	\$148,945
2	Operating Expenses	Page 4 of 4, Ln. 19	\$107,833	\$107,833
3	Depreciation & Amortization	Page 1 of 4, Lns. (6 + 7)	\$13,874	\$13,874
4	Total Expenses	Lns. (2 + 3)	\$121,707	\$121,707
5	Income Tax Expense	D.11-05-045	-	-
6	Achieved Return	Lns. (1 - 4 - 5)	\$3,813	\$27,238
7	Imputed Interest	Ln. 9 * Page 1 of 4, Lns. (14 * 15)	\$5,779	\$5,779
8	Net Return	Lns. (6 - 7)	(\$1,966)	\$21,459
9	Total Net Rate Base	Page 1 of 4, Ln. 1	\$271,372	\$271,372
10	Equity Capital Percentage	Page 1 of 4, Ln. 13	60.00%	60.00%
11	Equity Portion of Rate Base	Lns. (9 * 10)	\$162,823	\$162,823
12	Overall Achieved Return	Lns. (6 / 9)	1.41%	10.04%
13	Return on Equity	Lns. (8 / 11)	-1.21%	13.18%

SFPP, L.P.  
 CPUC-Jurisdictional Original Cost Rate Base  
 For the 2024 Test Year  
 (\$000's)

Line No.	Description	Source	Amount
1	Carrier Property in Service	Schedule 4	\$518,284
2	AFUDC	Schedule 5	<u>\$23,667</u>
3	Subtotal	Lns. (1 + 2)	<u>\$541,952</u>
4	Accrued Depreciation	Schedule 4	(\$254,262)
5	Accumulated Amortization of AFUDC	Schedule 5	<u>(\$19,415)</u>
6	Subtotal	Lns. (4 + 5)	<u>(\$273,677)</u>
7	Net Book Plant	Lns. (3 + 6)	\$268,275
8	Working Capital	Schedule 6	\$3,098
9	Accumulated Deferred Income Taxes	D.11-05-045	<u>\$0</u>
10	Original Cost Rate Base	Lns. (7 + 8 + 9)	<u><u>\$271,372</u></u>

SFPP, L.P.  
 Summary of California Intrastate Operating Expenses  
 For the 2024 Test Year  
 (\$000's)

Line No.	<u>Description</u>	<u>Amount</u>
<u>OPERATIONS AND MAINTENANCE</u>		
1	300 Salaries and Wages	\$21,625
2	310 Materials and Supplies	\$1,925
3	320 Outside Services	\$30,313
4	330 Operating Fuel and Power	\$23,435
5	340 Oil Losses and Shortages	(\$2,096)
6	350 Rentals	\$10,593
7	390 Other Expenses	\$1,874
8	Total Operations Expense	<u>\$87,669</u>
<u>GENERAL</u>		
9	500 Salaries and Wages	\$6,250
10	510 Materials and Supplies	\$0
11	520 Outside Services	\$1,712
12	530 Rentals	\$100
13	550 Employee Benefits	\$3,833
14	560 Insurance	\$851
15	570 Casualty and Other Losses	\$0
16	580 Pipeline Taxes	\$5,833
17	590 Other Expenses	\$1,584
18	Total General Expense	<u>\$20,164</u>
19	Total Operating Expenses	<u>\$107,833</u>

# **EXHIBIT E**

# KINDER MORGAN

SFPP, L. P.

SFPP, L.P.

January 30, 2024

To All California Intrastate Shippers:

SFPP, L.P. (“SFPP”) is submitting an application to the California Public Utilities Commission under Section 455.3 of the Public Utilities Code requesting an increase in its intrastate rates. A copy of the application will be posted on the Kinder Morgan website in the SFPP Tariff section at [www.kindermorgan.com](http://www.kindermorgan.com).

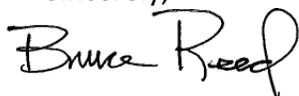
Pursuant to Section 455.3, SFPP has also submitted its Advice Letter No. 51-O to the CPUC requesting a 10 percent increase in its to become effective 30 days (March 1, 2024) after official notice to the CPUC and the shippers unless suspended by the CPUC. Copies of the affected tariffs (CPUC 151 and CPUC 152) have been submitted electronically to the Public Utilities Commission, Energy Division and are enclosed.

Any inquires related to this filing may be direct to:

Public Utilities Commission  
State of California  
Energy Division – Fourth Floor  
505 Van Ness Ave  
San Francisco, CA 94102

If you have any questions regarding this filing, please contact the undersigned by telephone at (713) 420-4687 or e-mail at [tariff.group@kindermorgan.com](mailto:tariff.group@kindermorgan.com).

Sincerely,



Bruce Reed  
Director Regulatory and Tariffs  
1001 Louisiana Street, Suite 1000  
Houston, TX 77002  
Voice: (713) 420-4687  
FAX: (713) 420-1603

**Cal PUC 151**  
(Cancels Cal PUC 149)

**SFPP, L.P.**  
**LOCAL PIPELINE TARIFF**

**CONTAINING**  
**RATES**

**APPLYING ON THE TRANSPORTATION**  
**OF**  
**PETROLEUM PRODUCTS**  
**BY PIPELINE**

**THIS TARIFF APPLIES TO INTRASTATE TRAFFIC ONLY**

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Rates herein are governed by **General Rules and Regulations** provided in SFPP, L.P.'s tariff **Cal PUC No. 133**, Supplements thereto and Reissues thereof.

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**NOTICE:** The provisions published herein will, if effective, not result in an adverse effect on the quality of the human environment.

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**ISSUED: January 30, 2024**  
**Advice Letter No. 51-O**

**EFFECTIVE: March 1, 2024**

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Issued By:  
Dax A. Sanders, for  
SFPP, L.P.  
1001 Louisiana Street,  
Suite 1000  
Houston TX 77002

Compiled By:  
Bruce Reed  
1001 Louisiana Street, Suite 1000  
Houston, TX 77002  
Voice: (713) 420-4687 Fax: 713) 420-1603  
E-mail: [Tariff\\_Group@kindermorgan.com](mailto:Tariff_Group@kindermorgan.com)

**Table of Rates**

(All movements via SFPP, L.P. pipelines from and within California. All rates in cents per barrel.)

FROM :	TO :	Map No.	Notes	(a) BASE RATE	(b) ROW Surcharge	(c) Total (a + b)
Benicia Richmond	Oakland Oakland Int'l AP Brisbane	1.	④ ⑤	28.72 [I] 28.95 [I] 32.44 [I]	.15 [U] .15 [U] .16 [U]	28.87 [I] 29.10 [I] 32.60 [I]
	San Francisco Int'l Airport	1.	① ④ ⑤	32.44 [I]	.16 [U]	32.60 [I]
	Richmond Concord	1.	④ ⑤	33.98 [I]	.17 [U]	34.15 [I]
	Stockton	2.	④ ⑤	42.88 [I]	.22 [U]	43.10 [I]
	Sacramento	2.	③ ④ ⑤	47.03 [I]	.24 [U]	47.27 [I]
	Sacramento Airport Jct	2.	① ④ ⑤	46.94 [I]	.24 [U]	47.18 [I]
	Rocklin	2.	④ ⑤	59.98 [I]	.32 [U]	60.30 [I]
	Chico	2.	④ ⑤	83.40 [I]	.44 [U]	83.84 [I]
	Fresno	3.	④ ⑤	143.77 [I]	.74 [U]	144.51 [I]
Benicia	Richmond	1.	④ ⑤	27.97 [I]	.15 [U]	28.12 [I]

**Exceptions to RULES AND REGULATIONS**  
**SFPP, L.P. Cal PUC No. 133, Supplements thereto and reissues thereof.**

**Item 40. Minimum Tender and Delivery Requirements**

- 40.1 The minimum quantity of any one Petroleum Product of like specification from one shipper which will be accepted shall be 5,000 Barrels.
- 40.2 The minimum quantity which shall be delivered at any destination station shall be 2,500 Barrels.
- 40.3 The minimum quantity of diesel fuel accepted from any point on the Benicia to Richmond pipeline is 10,000 barrels and must be preceded and followed by a minimum 5,000 barrel non-diesel batch from the origin to the destination, the sum of which is delivered to a single delivery point.

**Notes:**

①	Applies only to Turbine Fuel
③	Includes West Sacramento and Bradshaw Road
④	Carrier will make available gathering lines to Shippers for Petroleum Products entering its system at its Richmond and Concord origin points.
⑤	Item 260, "Watson Volume/Pressure Deficiency Charge" does not apply.

**Explanation of Reference Marks**

Reference Mark	Explanation
[I]	Increase
[U]	Unchanged

**SFPP, L.P.**  
**LOCAL PIPELINE TARIFF**

**CONTAINING**  
**RATES**

**APPLYING ON THE TRANSPORTATION**  
**OF**  
**PETROLEUM PRODUCTS**  
**BY PIPELINE**

THIS TARIFF APPLIES TO INTRASTATE TRAFFIC ONLY

---

Rates herein are governed by **General Rules and Regulations** provided in SFPP, L.P.'s tariff **Cal PUC No. 133**, Supplements thereto and Reissues thereof.

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**NOTICE:** The provisions published herein will, if effective, not result in an adverse effect on the quality of the human environment.

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**ISSUED: January 30, 2024**  
**Advice Letter No. 51-O**

**EFFECTIVE: March 1, 2024**

---

Issued By:  
Dax A. Sanders, for  
SFPP, L.P.  
1001 Louisiana Street,  
Suite 1000  
Houston TX 77002

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Bruce Reed  
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**Table of Rates**

(All movements via SFPP, L.P. pipelines from and within California. All rates in cents per barrel.)

FROM :	TO :	Map No.	Notes	(a) BASE RATE	(b) ROW Surcharge	(c) Total (a + b)
Watson East Hynes	Orange	1.	③	29.06 [I]	.15 [U]	29.21 [I]
	Hynes Junction	1.	③	12.60 [I]	.06 [U]	12.66 [I]
	Tustin	1	③	40.60 [I]	.20 [U]	40.80 [I]
	Mission Valley	1.	③	92.84 [I]	.48 [U]	93.32 [I]
	San Diego	1.	③	96.93 [I]	.51 [U]	97.44 [I]
	Colton	2.	③	39.79 [I]	.20 [U]	39.99 [I]
	Imperial	2.	③	96.59 [I]	.50 [U]	97.09 [I]
	Ontario Int'l AP	2.	①③	39.53 [I]	.20 [U]	39.73 [I]
	Miramar Junction	1.	②③	87.53 [I]	.46 [U]	87.99 [I]
Sepulveda Jct.	Watson Station (SFPP)	-	⑤ ⑥	1.87 [U]	na	na

**Exceptions to RULES AND REGULATIONS  
SFPP, L.P. Cal PUC No. 133, Supplements thereto and reissues thereof.**

**Item 40. Minimum Batch and Delivery Requirements**

The minimum quantities of any one Petroleum Product of like specification from one shipper which will be accepted at Origin and Delivered at Destination are shown in the table below.

<u>Origin</u>	<u>Destination</u>	<u>Minimum Batch</u>	<u>Minimum Delivery</u>
Watson, East Hynes	All Locations except as noted below: Colton, Ontario Colton for Calnev PL only	5,000 Bbls	2,500 Bbls
Watson, East Hynes		10,000 Bbls	5,000 Bbls
Watson, East Hynes		5,000 Bbls	5,000 Bbls

**Notes:**

①	Applies only to Turbine Fuel
②	Applies only to Products for US Military use.
③	It will be the responsibility of the Shipper to deliver Petroleum Products to Carrier's Watson and East Hynes origins.
⑤	Item 260, "Watson Volume/Pressure Deficiency Charge" does not apply.
⑥	It is a condition of acceptance of Petroleum Products for carriage that Shipper or its agent provides or makes arrangements to provide all pumping facilities and power necessary for movements under this tariff. The tariff rate for this movement is the responsibility of the Shipper.

**Explanation of Reference Marks**

<b>Reference Mark</b>	<b>Explanation</b>
[I]	Increase
[U]	Unchanged