



August 29, 2019

Tariff Files, Room 4005
Energy Division, Tariff Unit
California Public Utilities Commission
505 Van Ness Ave.
San Francisco CA 94102

Re: Advice Letter No. 42 of SFPP, L.P. (PLC-9); Compliance with Decision No. 14-12-057

Dear ED Tariff Unit:

SFPP, L.P. ("SFPP") hereby submits its Advice Letter No. 42 as a Tier 2 filing in compliance with Commission Decision No. 14-12-057 that was issued with an effective date of December 18, 2014.

Decision No. 14-12-057 adopted a comprehensive settlement of all pending Commission rate applications and complaints involving SFPP's California pipeline operations and related rates, including consolidated proceedings docketed as C. 97-04-025 et al. The settlement approved by D. 14-12-057 includes, among other things, the following provisions:

- (1) As of January 1, 2015, a surcharge shall be established to recover over a period of ten (10) years SFPP's increased Union Pacific Railroad right-of-way ("ROW") expense related to pending litigation, with a cap of \$45 million on the amount of supplemental ROW costs that SFPP is entitled to recover over the ten-year period. The previous ROW surcharge update went into effect on October 1, 2017 reflecting the final resolution with the UPRR.
- (2) The ROW Surcharge shall be trued-up every twelve months by calculating the actual amount collected over that period, adjusting the Supplemental ROW Cost Amount for accumulated Commission interest, and any change in the total cap due to settlement or disposition of the referenced UPRR litigation, and dividing the remaining total uncollected Supplemental ROW Cost Amount by the number of remaining years to arrive at a revised Target Annual Recovery Amount. The following year's ROW Surcharge shall be calculated by adjusting the previous year's \$/bbl ROW Surcharge at each destination point upwards or downwards by the ratio of the revised Target Annual Recovery Amount to the previous year's Target Annual Recovery Amount.

In compliance with D. 14-12-057, SFPP hereby submits the following revisions to its tariffs, effective October 1, 2019:

- (1) Tariff Cal PUC 139 (canceling Cal PUC No. 136) reflects a small reduction in the surcharge at some locations and no change from the previous year at others, reflecting the settlement with UPRR (See Attachment A) on SFPP's North system,

which in turn reduces or reflects no change in the total transportation rate for each destination shown. The base rate is unchanged.

- (2) Tariff Cal PUC 140 (canceling Cal PUC No. 138) reflects a small reduction in the surcharge at some of the locations and no change in the surcharge from the previous year at others, reflecting the settlement with UPRR (See Attachment B) on SFPP's South and West systems, which in turn reduces or reflects no change in the total transportation rate for each destination shown. The base rate is unchanged.

The required Advice Letter Summary Sheet is included as Attachment C.

SFPP is providing a copy of this advice letter to its shippers of record (See Attachment D hereto). The advice letter is also being served upon the parties in C. 97-04-025 et al.

Anyone may protest this advice letter to the California Public Utilities Commission. The protest must set forth the specific grounds on which it is based, including such items as financial and service impact. Protests must be made in writing and not later than twenty days after the date of this Advice Letter. The protest should be addressed to:

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

Copies of the protest should also be sent via telefax or e-mail, with a hard copy to follow to:

SFPP, L.P.
Mr. Bruce Reed
1001 Louisiana Street, Suite 1000
Houston, TX 77002
Telefax No.: (713) 420-1603
E-mail address: Tariff_Group@kindermorgan.com

Questions regarding the above may be directed to the undersigned at (713) 420-4687.

Sincerely,



Bruce Reed
Director-Tariffs and Regulatory Affairs