

**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
Charles F. Caldwell
Deborah R. Repman
1800 West Loop South, Suite 1680
Houston, Texas 77027
Tel. (713) 357-6228
ccaldwell@cblpipelinelaw.com
drepman@cblpipelinelaw.com

Attorneys for SFPP, L.P.

Dated: January 27, 2023

**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

Pursuant to Sections 454 and 455.3 of the California Public Utilities Code¹ 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 12.91 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.49-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, 2023, 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

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

approval, provided that the increase remains subject to retroactive Commission adjustment and refund with interest, as appropriate. The 12.91-percent increase in SFPP's intrastate transportation rates is estimated to result in additional annual revenue of approximately \$15.2 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 44-0, subject to refund.²

On January 28, 2022, SFPP submitted another application seeking to increase its rates that went into effect on March 1, 2021 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. On March 1, 2022, SFPP's additional

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

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.³ The Commission's review of SFPP's request for the full 25.527-percent rate increase remains pending before the Commission. However, on August 1, 2022 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.⁴ The parties acted in accordance with that directive and have engaged in ADR discussions related to both the A.21-01-015 and A.22-01-016 applications.

As noted herein, SFPP volumes continue to be low compared to historical levels, and SFPP's Commission-jurisdictional cost of service has increased above that set forth in the A.21-01-15 and A.22-01-016 applications. As such, SFPP is filing this Application because even under its currently effective rates, which reflect the two 10-percent rate increases made pursuant to Advice Letter No. 44-O and Advice Letter No. 46-O, SFPP continues to not recover its Commission-jurisdictional cost of service and earn a reasonable return on its utility investment.

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

⁴ 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).

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

Charles F. Caldwell
CBL Energy Law PLLC
1800 West Loop South, Suite 1680
Houston, Texas 77027
Telephone: (713) 357-6228
E-mail: ccaldwell@cblpipelinelaw.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. 49-O; and (3) the proposed rate reflecting the 12.91 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. 49-O, to be effective on March 1, 2023 (30 days from the submission of this Application and Advice Letter No. 49-O), is expected to result in an increase in revenues over current levels of approximately \$11.8 million. Increasing the rates by the full 12.91 percent requested in this Application, effective upon approval by the Commission, would result in an increase in revenues over current levels of approximately \$15.2 million.

The anticipated cost of service ("COS") and revenue impacts of both the 10 percent increase under Advice Letter No. 49-O and the 12.91 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 forecasted costs, revenues, and return on rate base, SFPP's current intrastate transportation rates, even if increased by 10 percent pursuant to Advice Letter No. 49-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 12.91 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 Exhibit D is based upon a 12-month base period from December 1, 2021 through November 30, 2022. 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 2023 Test Year ("2023 TY")). As set forth in Exhibit D, SFPP's 2023 TY achieved return analysis shows that the proposed 12.91 percent increase in intrastate transportation rates, which is inclusive of the 10 percent rate increase that is the subject of Advice Letter No. 49-O, would yield an achieved return on equity of 13.72 percent and an overall rate of return of 10.31 percent, both of which are within return levels that have been authorized by the Commission for regulated pipelines.⁵

The proposed rate increases are supported by SFPP's COS analysis and produce rates that are fair and reasonable, as more particularly set forth in Exhibit D.⁶ 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 12.91 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, 2021 through November 30, 2022. To the extent there was evidence that the base period figures

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

⁶ The Declaration of Erik G. Wetmore, attached hereto as Exhibit D, provides the facts and analysis supporting the requested rate increase.

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 the 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 12.91 percent, 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, 2023. 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 12.91 percent, effective upon approval from the Commission, is just and reasonable.

D. Proposed Schedule: SFPP proposes the following schedule:

Application Filed	January 27, 2023
Notice in Daily Calendar	TBD by CPUC Docket Office
Protests Due	30 Days After Daily Calendar Notice
Prehearing Conference	April, 2023
Applicant’s Opening Testimony	August, 2023
Intervenor Testimony Due	September, 2023
Applicant’s Rebuttal Testimony	October, 2023
Hearings	November, 2023
Concurrent Opening Briefs	December, 2023
Concurrent Reply Briefs	January, 2024
ALJ Draft Decision	March, 2024
Commission Decision	April, 2024

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.

CBL Energy Law PLLC
Charles F. Caldwell
Deborah R. Repman
1800 West Loop South, Suite 1680
Houston, Texas 77027
Tel. (713) 357-6228
ccaldwell@cblpipelinelaw.com
drepman@cblpipelinelaw.com

Attorneys for SFPP, L.P.

Dated: January 27, 2023

VERIFICATION OF COUNSEL

I, Charles F. Caldwell, 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 27th day of January, 2023.



Charles F. Caldwell

EXHIBIT A

CERTIFICATE OF GOOD STANDING



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 26, 2023.

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

Certificate No.: 076792332

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.

EXHIBIT B

SFPP FINANCIAL STATEMENTS

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 09/30/2022	Year/Period of Report End of: 2022/ Q3
Comparative Balance Sheet Statement				
<p>1. 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.</p> <p>2. On line 30, include depreciation applicable to investment in system property.</p>				
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)
CURRENT ASSETS				
1	Cash (10)			
2	Special Deposits (10-5)			
3	Temporary Investments (11)			
4	Notes Receivable (12)			
5	Receivables from Affiliated Companies (13)	200	5,972,858	5,047,246
6	Accounts Receivable (14)		55,486,716	48,701,431
7	Accumulated Provision For Uncollectible Accounts (14-5)			
8	Interest and Dividends Receivable (15)			
9	Oil Inventory (16)			
10	Material and Supplies (17)		6,206,540	5,833,828
11	Prepayment (18)		5,671,663	1,506,687
12	Other Current Assets (19)			
13	Deferred Income Tax Assets (19-5)	230		
14	TOTAL Current Assets (Total of lines 1 thru 13)		73,337,777	61,089,192
INVESTMENTS AND SPECIAL FUNDS				
Investments in Affiliated Companies (20):				
15	Stocks	202		
16	Bonds	202		
17	Other Secured Obligations	202		
18	Unsecured Notes	202		
19	Investment Advances	202	798,962,231	769,966,962
20	Undistributed Earnings from Certain Invest. in Acct. 20	204	46,343,935	44,859,370
Other Investments (21):				
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)		845,306,166	814,826,332
	TANGIBLE PROPERTY			
28	Carrier Property (30)	213 & 215	2,024,368,683	1,973,129,779
29	(Less) Accrued Depreciation-Carrier Property (31)	216 & 217	715,669,312	680,712,663
30	(Less) Accrued Amortization-Carrier Property (32)			
31	Net Carrier Property (Line 28 less 29 and 30)		1,308,699,371	1,292,417,116
32	Operating Oil Supply (33)		172,067	159,597
33	Noncarrier Property (34)	220	847,664,287	827,795,359
34	(Less) Accrued Depreciation-Noncarrier Property (35)		336,009,204	318,873,676
35	Net Noncarrier Property (Line 33 less 34)		511,655,083	508,921,683
36	TOTAL Tangible Property (Total of lines 31, 32, and 35)		1,820,526,521	1,801,498,396
	OTHER ASSETS AND DEFERRED CHARGES			
37	Organization Costs and Other Intangibles (40)			
38	(Less) Accrued Amortization of Intangibles (41)			
40	Miscellaneous Other Assets (43)		1,582,513	1,695,286
41	Other Deferred Charges (44)	221	3,544,172	9,513,071
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)		5,126,685	11,208,357
46	TOTAL Assets (Total of lines 14, 27, 36 and 45)		2,744,297,149	2,688,622,277
	CURRENT LIABILITIES			
47	Notes Payable (50)			
48	Payables to Affiliated Companies (51)	225	540,379	51,097
49	Accounts Payable (52)		31,205,761	33,111,432
50	Salaries and Wages Payable (53)			
51	Interest Payable (54)			
52	Dividends Payable (55)			
53	Taxes Payable (56)		4,392,654	1,045,108

54	Long-Term Debt - Payable Within One Year (57)	226		
55	Other Current Liabilities (58)		16,024,511	92,814,161
56	Deferred Income Tax Liabilities (59)	230		
57	TOTAL Current Liabilities (Total of lines 47 thru 56)		52,163,305	127,021,798
	NONCURRENT LIABILITIES			
58	Long-Term Debt - Payable After One Year (60)	226	511,898,394	507,793,169
59	Unamortized Premium on Long-Term Debt (61)			
60	(Less) Unamortized Discount and Interest on Long-Term Debt (62)			
61	Other Noncurrent Liabilities (63)		71,265,331	61,057,953
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)		583,163,725	568,851,122
67	TOTAL Liabilities (Total of lines 57 and 66)		635,327,030	695,872,920
	STOCKHOLDERS' EQUITY			
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	1,053,606,084	937,068,044
74	(Less) Treasury Stock (76)			
75	Accumulated Other Comprehensive Income (77)	116	1,365,569	1,682,847
76	TOTAL Stockholders' Equity (Total of lines 68 thru 75)		2,108,970,119	1,992,749,357
77	TOTAL Liabilities and Stockholders' Equity (Total of lines 67 and 76)		2,744,297,149	2,688,622,277

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 09/30/2022	Year/Period of Report End of: 2022/ Q3	
Income Statement						
<p>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.</p> <p>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).</p>						
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)
	ORDINARY ITEMS - Carrier Operating Income.....					
1	Operating Revenues (600)	301	249,139,404	238,857,753	87,585,990	85,859,066
2	(Less) Operating Expenses (610)	302	162,863,877	192,780,421	58,355,955	53,011,193
3	Net Carrier Operating Income		86,275,527	46,077,332	29,230,035	32,847,873
	Other Income and Deductions					
4	Income (Net) from Noncarrier Property (620)	335	84,282,966	77,921,622	29,078,529	28,973,568
5	Interest and Dividend Income (From Investment under Cost Only) (630)	336	7,440,414	4,531,626	4,025,226	936,198
6	Miscellaneous Income (640)	337	162,663	249,168	49,294	82,851
7	Unusual or Infrequent Items--Credits (645)					
8	(Less) Interest Expense (650)		2,878,917	1,447,419	1,881,299	341,140
9	(Less) Miscellaneous Income Charges (660)	337	17,489	91,178	2,489	300
10	(Less) Unusual or Infrequent Items--Debit (665)					
11	Dividend Income (From Investments under Equity Only)					
12	Undistributed Earnings (Losses)	205	1,484,565	2,002,275	591,707	593,051
13	Equity in Earnings (Losses) of Affiliated Companies (Total Lines 11 and 12)		1,484,565	2,002,275	591,707	593,051
14	TOTAL Other Income and Deductions (Total Lines 4 thru 10 and 13)		90,474,202	83,166,094	31,860,968	30,244,228
15	Ordinary Income before Federal Income Taxes (Line 3 +/- 14)		176,749,729	129,243,426	61,091,003	63,092,101
16	(Less) Income Taxes on Income from Continuing Operations (670)		211,689	219,852	70,563	73,284
17		230				

	(Less) Provision for Deferred Taxes (671)					
18	Income (Loss) from Continuing Operations (Total Lines 15 thru 17)		176,538,040	129,023,574	61,020,440	63,018,817
	Discontinued Operations					
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)		176,538,040	129,023,574	61,020,440	63,018,817
	EXTRAORDINARY ITEMS AND ACCOUNT CHANGES					
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)		176,538,040	129,023,574	61,020,440	63,018,817
	* Less applicable income taxes as reported on page 122					

EXHIBIT C

CURRENT AND PROPOSED RATES

SFPP's EXISTING AND PROPOSED RATES

		Existing	Proposed	Percent
Origin	Destination	Rates	Rates	Change
Watson or East Hynes	Orange	\$ 0.2402	\$ 0.2642	10%
Watson or East Hynes	Hynes Junction	\$ 0.1041	\$ 0.1145	10%
Watson or East Hynes	Tustin	\$ 0.3355	\$ 0.3691	10%
Watson or East Hynes	Mission Valley	\$ 0.7673	\$ 0.8440	10%
Watson or East Hynes	San Diego	\$ 0.8011	\$ 0.8812	10%
Watson or East Hynes	Colton	\$ 0.3288	\$ 0.3617	10%
Watson or East Hynes	Imperial	\$ 0.7983	\$ 0.8781	10%
Watson or East Hynes	Ontario International Airport	\$ 0.3267	\$ 0.3594	10%
Watson or East Hynes	Miramar Junction	\$ 0.7234	\$ 0.7957	10%
Benicia or Richmond	Oakland	\$ 0.2374	\$ 0.2611	10%
Benicia or Richmond	Oakland Int'l Airport	\$ 0.2393	\$ 0.2632	10%
Benicia or Richmond	Brisbane	\$ 0.2681	\$ 0.2949	10%
Benicia or Richmond	San Francisco Int'l Airport	\$ 0.2681	\$ 0.2949	10%
Richmond or Concord	San Jose	\$ 0.2808	\$ 0.3089	10%
Richmond or Concord	Stockton	\$ 0.3544	\$ 0.3898	10%
Richmond or Concord	Sacramento	\$ 0.3886	\$ 0.4275	10%
Richmond or Concord	Roseville	\$ 0.4957	\$ 0.5453	10%
Richmond or Concord	Chico	\$ 0.6893	\$ 0.7582	10%
Richmond or Concord	Fresno	\$ 1.1882	\$ 1.3070	10%
Benicia, CA	Richmond	\$ 0.2312	\$ 0.2543	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	\$ 0.3879	\$ 0.4267	10%

SFPP's EXISTING AND PROPOSED RATES

		Existing	Proposed	Percent
Origin	Destination	Rates	Rates	Change
Watson or East Hynes	Orange	\$ 0.2402	\$0.2712	12.91%
Watson or East Hynes	Hynes Junction	\$ 0.1041	\$0.1175	12.91%
Watson or East Hynes	Tustin	\$ 0.3355	\$0.3788	12.91%
Watson or East Hynes	Mission Valley	\$ 0.7673	\$0.8664	12.91%
Watson or East Hynes	San Diego	\$ 0.8011	\$0.9045	12.91%
Watson or East Hynes	Colton	\$ 0.3288	\$0.3712	12.91%
Watson or East Hynes	Imperial	\$ 0.7983	\$0.9014	12.91%
Watson or East Hynes	Ontario International Airport	\$ 0.3267	\$0.3689	12.91%
Watson or East Hynes	Miramar Junction	\$ 0.7234	\$0.8168	12.91%
Benicia or Richmond	Oakland	\$ 0.2374	\$0.2680	12.91%
Benicia or Richmond	Oakland Int'l Airport	\$ 0.2393	\$0.2702	12.91%
Benicia or Richmond	Brisbane	\$ 0.2681	\$0.3027	12.91%
Benicia or Richmond	San Francisco Int'l Airport	\$ 0.2681	\$0.3027	12.91%
Richmond or Concord	San Jose	\$ 0.2808	\$0.3171	12.91%
Richmond or Concord	Stockton	\$ 0.3544	\$0.4002	12.91%
Richmond or Concord	Sacramento	\$ 0.3886	\$0.4388	12.91%
Richmond or Concord	Roseville	\$ 0.4957	\$0.5597	12.91%
Richmond or Concord	Chico	\$ 0.6893	\$0.7783	12.91%
Richmond or Concord	Fresno	\$ 1.1882	\$1.3416	12.91%
Benicia, CA	Richmond	\$ 0.2312	\$0.2610	12.91%
Sepulveda Jct	Watson Station	\$ 0.0187	\$0.0187	0.00%
Watson VDC (Item 260)	R&R Tariff	\$ 0.0030	\$0.0030	0.00%
Richmond or Concord	Sacramento Airport Junction	\$ 0.3879	\$0.4380	12.91%

EXHIBIT D

DECLARATION OF ERIK G. WETMORE

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 more than thirty years of professional experience, primarily in advising regulated energy transportation companies on ratemaking and regulatory accounting issues. My experience includes filing 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 2023 test year (“2023 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 2023 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 2023 TY cost of service, I used a 12-month base period from December 1, 2021 through November 30, 2022—the most current data available. With respect to rate base, I included all property placed into service as of November 30, 2022. 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 2023 TY cost of service. First, I review how I determined the portion of SFPP’s property and costs that are attributable to California intrastate service. For those assets that are used solely for 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 2023 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 2023 TY cost of service. Finally, I address the development of SFPP’s 2023 TY cost of service, volumes, and revenues.
6. To determine the California 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 intrastate- versus 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.

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 2023 TY cost of service and have correspondingly not adjusted SFPP's 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.
8. To calculate SFPP's CPUC-jurisdictional 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, 2022, 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-jurisdictional 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 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 intrastate system based upon the ratio of 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 2023 TY cost of service.
 13. To develop the amount of operating expenses to include in the 2023 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 2021

through November 2022). As discussed above, I applied the separation and allocation factors to these operating expense amounts, where applicable, to calculate SFPP's CPUC-jurisdictional operating expenses.

14. I also made several test period adjustments to the base period operating expenses so that the 2023 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 3% 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 2018 through 2022. 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 2018 through 2022. Seventh, I included forecasted CPUC rate case expense amortized over five years.
15. My calculation of SFPP's 2023 TY cost of service is set forth on page 1 of Attachment A. SFPP's 2023 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 2023 TY cost of service is \$133.047 million.

16. To develop 2023 TY volumes, I used SFPP's actual base period volumes by destination, which totaled 227.3 million barrels. To calculate 2023 TY revenues, I multiplied SFPP's 2023 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 2023 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 4.46%, and as shown on line 13, SFPP's achieved return on equity is 3.96%. As shown on line 12, after applying SFPP's proposed 12.91% rate increase equally to each rate, SFPP's overall achieved return is 10.31%, and as shown on line 13, SFPP's achieved return on equity is 13.72%.

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

Dated: January 27, 2023

A handwritten signature in black ink, appearing to read "Erik G. Wetmore", written over a horizontal line.

Erik G. Wetmore

SFPP, L.P.
 CPUC-Jurisdictional Cost of Service
 For the 2023 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	\$259,771
2	Weighted Cost of Capital	Lns. (13 * 16) + (14 * 15)	10.32%
3	Total Return on Rate Base	Lns. (1 * 2)	\$26,798
4	Income Tax Allowance	D.11-05-045	-
5	Operating Expenses	Page 4 of 4, Ln. 19	\$92,732
6	Depreciation Expense	Schedule 4	\$12,928
7	Amortization of AFUDC	Schedule 5	\$590
8	Total Operating Expenses, Incl. Deprec. and Amort.	Lns. (5 + 6 + 7)	\$106,249
9	Total Cost of Service	Lns. (3 + 4 + 8)	\$133,047
10	Test Year Revenue at Current Rates	Revenue WP	\$117,832
11	Excess / (Deficient) Revenue	Lns. (10 - 9)	(\$15,216)
12	Test Year Revenue at Proposed Rates	Revenue WP	\$133,044
<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	5.21%
16	Equity Rate of Return (Nominal)	Dr. Webb	13.72%

SFPP, L.P.
Rate of Return Summary and Depreciated Rate Base
For the 2023 Test Year
(\$000's)

Attachment A
Page 2 of 4

<u>Line No.</u>	<u>Description</u>	<u>Source</u>	<u>Without Rate Increase</u>	<u>With Rate Increase</u>
1	CPUC Revenues	Revenue WP	\$117,832	\$133,044
2	Operating Expenses	Page 4 of 4, Ln. 19	\$92,732	\$92,732
3	Depreciation & Amortization	Page 1 of 4, Lns. (6 + 7)	\$13,517	\$13,517
4	Total Expenses	Lns. (2 + 3)	\$106,249	\$106,249
5	Income Tax Expense	D.11-05-045	-	-
6	Achieved Return	Lns. (1 - 4 - 5)	\$11,582	\$26,795
7	Imputed Interest	Ln. 9 * Page 1 of 4, Lns. (14 * 15)	\$5,414	\$5,414
8	Net Return	Lns. (6 - 7)	\$6,169	\$21,381
9	Total Net Rate Base	Page 1 of 4, Ln. 1	\$259,771	\$259,771
10	Equity Capital Percentage	Page 1 of 4, Ln. 13	60.00%	60.00%
11	Equity Portion of Rate Base	Lns. (9 * 10)	\$155,863	\$155,863
12	Overall Achieved Return	Lns. (6 / 9)	4.46%	10.31%
13	Return on Equity	Lns. (8 / 11)	3.96%	13.72%

SFPP, L.P.
 CPUC-Jurisdictional Original Cost Rate Base
 For the 2023 Test Year
 (\$000's)

Line No.	Description	Source	Amount
1	Carrier Property in Service	Schedule 4	\$497,160
2	AFUDC	Schedule 5	\$23,114
3	Subtotal	Lns. (1 + 2)	<u>\$520,274</u>
4	Accrued Depreciation	Schedule 4	(\$244,382)
5	Accumulated Amortization of AFUDC	Schedule 5	<u>(\$18,986)</u>
6	Subtotal	Lns. (4 + 5)	<u>(\$263,368)</u>
7	Net Book Plant	Lns. (3 + 6)	\$256,906
8	Working Capital	Schedule 6	\$2,865
9	Accumulated Deferred Income Taxes	D.11-05-045	<u>\$0</u>
10	Original Cost Rate Base	Lns. (7 + 8 + 9)	<u><u>\$259,771</u></u>

SFPP, L.P.
 Summary of California Intrastate Operating Expenses
 For the 2023 Test Year
 (\$000's)

Line No.	<u>Description</u>	<u>Amount</u>
<u>OPERATIONS AND MAINTENANCE</u>		
1	300 Salaries and Wages	\$17,550
2	310 Materials and Supplies	\$1,597
3	320 Outside Services	\$23,551
4	330 Operating Fuel and Power	\$19,975
5	340 Oil Losses and Shortages	(\$1,085)
6	350 Rentals	\$9,486
7	390 Other Expenses	\$2,034
8	Total Operations Expense	<u>\$73,107</u>
<u>GENERAL</u>		
9	500 Salaries and Wages	\$6,943
10	510 Materials and Supplies	\$9
11	520 Outside Services	\$1,557
12	530 Rentals	\$139
13	550 Employee Benefits	\$3,645
14	560 Insurance	\$683
15	570 Casualty and Other Losses	\$0
16	580 Pipeline Taxes	\$5,612
17	590 Other Expenses	\$1,037
18	Total General Expense	<u>\$19,625</u>
19	Total Operating Expenses	<u>\$92,732</u>

EXHIBIT E

FORM OF NOTICE TO SHIPPERS AND INTERESTED PARTIES

KINDER MORGAN

SFPP, L. P.

SFPP, L.P.

January 27, 2023

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.

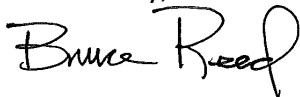
Pursuant to Section 455.3, SFPP has also submitted its Advice Letter No. 49-) to the CPUC requesting a 10 percent increase in its to become effective 30 days (March 1, 2023) after official notice to the CPUC and the shippers unless suspended by the CPUC. Copies of the affected tariffs (CPUC 147 and CPUC 148) 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.

Sincerely,



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

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.

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

ISSUED: January 27, 2023
Advice Letter No. 49-O

EFFECTIVE: March 1, 2023

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

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.	④⑤	26.11 [I] 26.32 [I] 29.49 [I]	.15 [U] .15 [U] .16 [U]	26.26 [I] 26.47 [I] 29.65 [I]
	San Francisco Int'l Airport	1.	①④⑤	29.49 [I]	.16 [U]	29.65 [I]
Richmond Concord	San Jose	1.	④⑤	30.89 [I]	.17 [U]	31.06 [I]
	Stockton	2.	④⑤	38.98 [I]	.22 [U]	39.20 [I]
	Sacramento	2.	③④⑤	42.75 [I]	.24 [U]	42.99 [I]
	Sacramento Airport Jct	2.	①④⑤	42.67 [I]	.24 [U]	42.91 [I]
	Rocklin	2.	④⑤	54.53 [I]	.31 [U]	54.84 [I]
	Chico	2.	④⑤	75.82 [I]	.43 [U]	76.25 [I]
	Fresno	3.	④⑤	130.70 [I]	.73 [U]	131.43 [I]
Benicia	Richmond	1.	④⑤	25.43 [I]	.15 [U]	25.58 [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.

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

ISSUED: January 27, 2023
Advice Letter No. 49-O

EFFECTIVE: March 1, 2023

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
Email: 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)
Watson East Hynes	Orange	1.	③	26.42[I]	.15 [U]	26.57 [I]
	Hynes Junction	1.	③	11.45 [I]	.06 [U]	11.51 [I]
	Tustin	1	③	36.91 [I]	.20 [U]	37.11 [I]
	Mission Valley	1.	③	84.40 [I]	.47 [U]	84.87 [I]
	San Diego	1.	③	88.12 [I]	.50 [U]	88.62 [I]
	Colton	2.	③	36.17 [I]	.20 [U]	36.37 [I]
	Imperial	2.	③	87.81 [I]	.49 [U]	88.30 [I]
	Ontario Int'l AP	2.	①③	35.94 [I]	.20 [U]	36.14 [I]
	Miramar Junction	1.	②③	79.57[I]	.45 [U]	80.02 [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

Reference Mark	Explanation
[I]	Increase
[U]	Unchanged