

**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: May 28, 2026

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(PLC-9) for Authority to Increase Rates for  
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**APPLICATION**

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, 2.3, and 3.2 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 12.626 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.

As explained herein, the requested rate increase of 12.626 percent reflects the appropriate increase if the Commission were to award SFPP the entirety of its requested rate increases that are the subject of the A.21-A.24 proceeding described in Section I, *infra*. To the extent the Commission does not approve the full amount of SFPP’s requested rate increases in the A.21-A.24 proceeding, SFPP maintains that the rates in Exhibit C are the appropriate rates to apply effective July 1, 2026, because they are the rates that would allow

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

SFPP to recover its CPUC-jurisdictional pipeline cost of service and earn a reasonable return on its pipeline investment.

SFPP is filing contemporaneously herewith Advice Letter No. 56-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 July 1, 2026, 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 and refund with interest, as appropriate. The 12.626-percent increase in SFPP's intrastate transportation rates is estimated to result in an annual revenue of approximately \$157.6 million, which is an increase of \$17.7 million over SFPP's current revenue levels. This revenue amount is necessary so that SFPP can recover its cost of service and earn a reasonable return on its pipeline investment, and this revenue amount is appropriate irrespective of the outcome of SFPP's pending applications described immediately in the section that follows.

#### **I. SFPP's Pending Rate Increase Applications**

There are four consolidated applications involving SFPP's intrastate pipeline transportation rates that are pending before the Commission (the "A21-24 proceeding").

A brief description of each of these applications follows:

- Application 21-01-015 ("A.21" or "A.21 Application") –filed on January 28, 2021 and seeks an aggregate increase of 25.527 percent to SFPP's then-current intrastate transportation rates. Contemporaneous with the submission of A.21, SFPP filed Advice Letter No. 44-O to increase its then-current intrastate transportation rates by 10 percent effective March 1, 2021

pursuant to Section 455.3. SFPP's 10-percent rate increase went into effect on March 1, 2021, subject to refund.

- Application 22-01-016 (“A.22” or “A.22 Application”) – filed on January 28, 2022 and seeks an increase of 10 percent to SFPP's then-current rates (*i.e.*, the rates that went into effect on March 1, 2021 pursuant to Advice Letter No. 44-O). Contemporaneous with the submission of A.22, SFPP filed Advice Letter No. 46-O to increase its then-current intrastate transportation rates by 10 percent effective March 1, 2022. This proposed increase went into effect on March 1, 2022 as requested, subject to refund.
- Application 23-01-016 (“A.23” or “A.23 Application”) – filed on January 27, 2023 and seeks an aggregate rate increase of 12.91 percent to SFPP's then-current rates (*i.e.*, the rates that went into effect on March 1, 2022 pursuant to Advice Letter No. 46-O). Contemporaneous with the submission of A.23, SFPP filed Advice Letter No. 49-O to increase its then-current intrastate transportation rates by 10 percent effective March 1, 2023. This proposed increase went into effect on March 1, 2023 as requested, subject to refund.
- Application 24-01-020 (“A.24” or “A.24 Application”) – filed on January 1, 2024 and seeks an aggregate of 18.663 percent to SFPP's then-current rates (*i.e.*, the rates that went into effect on March 1, 2023 pursuant to Advice Letter No. 49-O). Contemporaneous with the submission of A.23, SFPP filed Advice Letter No. 51-O to increase its then-current intrastate transportation rates by 10 percent effective March 1, 2024. This proposed increase went into effect on March 1, 2024 as requested, subject to refund. Also supported by A.24, SFPP filed Advice Letter No. 54-O on January 29, 2025 to increase its then-current rates by 5.187 percent effective March 1, 2025. This proposed increase went into effect on March 1, 2025 as requested, subject to refund.

An evidentiary hearing was held regarding the A.21-A.24 Applications from June 16 to June 20, 2025. Following the evidentiary hearing, the parties submitted opening and closing briefs to the Commission between September 2025 and January 2026. Resolution of the A.21-A.24 Applications remains pending before the Commission, with the statutory deadline for the issuance of an order resolving the issues raised by the A.21-A.24 Applications (“A21-24 Decision”) recently being extended to October 15, 2026.

## **II. Current Application**

SFPP continues to experience significant volume declines and increasing operating expenses. As a result, even if the Commission were to award SFPP the entirety of its requested rate increases that are the subject of the A.21-A.24 proceeding in the A.21-A.24 Decision, SFPP's rates would be insufficient to allow SFPP to recover its current and forecast operating expenses and earn a reasonable return on its pipeline investment. Therefore, SFPP is filing the subject Application seeking authorization to increase SFPP's current intrastate CPUC-jurisdictional pipeline rates to a just and reasonable level, with such rate adjustment being supplemental to the rate relief SFPP has sought in the A.21-A.24 Applications.

As SFPP explains below, to the extent the Commission determines that a hearing is necessary to evaluate this Application, this Application should be considered on a stand-alone basis and should not be consolidated with the A.21-A.24 proceeding. The Commission has already held an evidentiary hearing as to the issues raised by the A.21-A.24 Applications, the parties have fully briefed all of those issues to the Commission, and the Commission is expected to issue the A.21-24 Decision in the near future. Given the advanced stage of the A.21-A.24 proceeding, it would be wholly disruptive to those proceedings and could result in unnecessary delay of a final decision should this Application be consolidated with the A.21-A.24 proceeding. Therefore, in the event a hearing is necessary, SFPP requests that the Commission address the issues raised by this Application in a separate proceeding, as described further in Items 5.B and 5.D below.

**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: ekohlhausen@cblenergylaw.com

**3. 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.

**4. 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 in accordance with Rule 2.3.

**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. 56-O; and (3) the proposed rate reflecting the 12.626 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 currently 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 Benecia, Richmond and Concord to various destinations and airports in and around the Bay Area; (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.

SFPP also owns a number of terminals that are located at or near points on its pipeline system. Consistent with Commission precedent and prior directives to SFPP,<sup>2</sup> SFPP has always treated these terminals as non-jurisdictional assets.

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

The 10 percent increase to SFPP's existing intrastate transportation rates that is the subject of this Application and Advice Letter No. 56-O, to be effective on July 1, 2026 (30 days from the submission of this Application and Advice Letter No. 56-O), is expected to result in total revenues of \$153.9 million, which is an increase of \$14.0 million over SFPP's current revenue levels of approximately \$139.9 million. Increasing the rates by the full 12.626 percent requested in this Application, effective upon approval by the Commission, would result in total revenues of \$157.6 million, which is an increase of \$17.7 million over SFPP's current revenue levels. The cost of service ("COS") and revenue impacts of both the 10 percent increase under Advice Letter No. 56-0 and the 12.626 percent increase requested by this Application are justified based on SFPP's actual data and forecasts, as discussed herein and in the declarations attached hereto as Exhibits D and E.

Based upon its analysis of current and forecast costs, revenues, and return on rate

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<sup>2</sup> See, e.g., *Arco Products Co., et. al v. Santa Fe Pacific Pipeline, L.P.*, Decision 12-03-026 (2012).

base, even if SFPP were granted the full amount of the rate increases it requested in the A.21-A.24 Applications in the upcoming A.21-24 Decision, SFPP's intrastate transportation rates would still be insufficient to allow SFPP the ability to recover its COS and to earn a reasonable return on its pipeline investment. As demonstrated by SFPP's COS analysis presented in Attachment A of Exhibit D, the rates set forth in Exhibit C are necessary to enable SFPP the ability to recover its COS and earn a reasonable return on its pipeline investment.

**Base and Test Year:** SFPP's COS presented in Attachment A of Exhibit D is based upon a 12-month base period from April 1, 2025 through March 31, 2026. The COS analysis incorporates actual data for the 12-month base period, as adjusted to reflect changes in operating expenses that are reasonably anticipated to occur in the foreseeable future (such period, with adjustments, referred to herein as the "A.26 TY").

**Volumes:** SFPP proposes to use the actual volumes that it transported during the base period—221,287,379 barrels—to set the rates presented in Exhibit C. Since 2019, SFPP's volumes have trended downward, in large part because of public policies and consumers in the State of California shifting towards electric vehicles and away from gasoline powered vehicles. The actual A.26 TY volumes that SFPP proposes to use to establish the requested rates set forth in Exhibit C reflect that trend, as the 2026 TY volumes are significantly lower than SFPP's actual March 2023 to February 2024 volumes of 227,473,096 barrels, which is what SFPP recommended be used to set rates in the A.24 Application.

**Operating Expenses:** As Mr. Wetmore explains in his Declaration included in Exhibit D, SFPP primarily uses the actual operating expenses that it incurred during the base period to determine the just and reasonable rate levels set forth in this Application. However, SFPP makes the following adjustments to certain of that actual base period data to correlate with the expenses that SFPP reasonably anticipates incurring in the foreseeable future: (1) an increase of 3.75 percent to wages and salaries to reflect SFPP's forecast increase in compensation, (2) use of actual cash expenditures charged against a reserve during the base period, with the elimination of the corresponding reserve accruals recorded during the base period, (3) a normalized amount of integrity management expenses by replacing the actual base period expense with the annual average of integrity management expense incurred during the period January 2021 through March 2026, (4) upward adjustment to SFPP's actual environmental remediation cash expenditures to reflect known and measurable changes expected to occur in the foreseeable future, (5) a normalized amount of oil losses and shortages expenses by replacing the actual base period amount of oil losses and shortages expenses with the average oil losses and shortages expense for the five-year period of 2019 through 2023, and (6) SFPP has included one-million dollars of rate case litigation expense. SFPP notes that the operating expense amounts it has included in the A.26 TY COS based upon actual data and forecasts is entirely consistent with SFPP's testimony in the A.21-A.24 proceeding as to future expense expectations.

With these adjustments, SFPP includes operating expenses of \$111.5 million in the A.26 TY COS, which is approximately \$12.3 million higher than the operating expenses of \$105.2 million that SFPP included in the A.24 test year COS.

**Rate of Return:** As set forth in Attachment A of Exhibit D, SFPP's A.26 TY achieved return analysis shows that the proposed 12.626 percent increase in intrastate transportation rates, which is inclusive of the 10 percent rate increase that is the subject of Advice Letter No. 56-0, would yield an achieved return on equity of 14.16 percent and an overall achieved return of 10.67 percent.

Exhibit E attached hereto contains the Declaration of Dr. Michael J. Webb, wherein he explains and justifies the return on equity ("ROE") recommended for SFPP's A.26 TY. As described in more detail in his Declaration, Dr. Webb explains greater operational and regulatory risks that SFPP faces with respect to its California pipeline system that are either absent or significantly less extreme for other entities that operate elsewhere or that have geographically diversified pipeline assets. These risks create an asymmetric downside that necessitates an ROE positioned at the upper end of the zone of reasonableness.

To account for these risks, Dr. Webb recommends using a capital structure consisting of 60 percent equity and 40 percent debt because he believes this accurately reflects the risks SFPP faces operating a California-based liquids pipeline and aligns with the capital structure accepted by this Commission for California intrastate petroleum pipelines in D.24-05-007 and D.12-03.026. He recommends using a cost of debt of 5.44, which is Kinder Morgan, Inc.'s actual 2025 cost of debt. To calculate the ROE, Dr. Webb uses the two standard and widely accepted financial models, the Discounted Cash Flow ("DCF") model and the Capital Asset Pricing Model ("CAPM"), and applies these models to his selected proxy group, to generate a range of potential returns that establishes a zone of reasonableness. Dr. Webb explains that to establish SFPP's ROE within the zone of

reasonableness, considering SFPP's asymmetric risk profile, he recommends relying on the second-highest return generated by the DCF and CAPM analyses of the proxy group. This ensures that the ROE will compensate investors for the severe and localized risks of operating an intrastate petroleum pipeline in California's economic and regulatory environment. Following this methodology, Dr. Webb recommends an ROE of 14.16 percent.

**Achieved Return:** The proposed rates set forth in Exhibit C are supported by SFPP's A.26 TY COS analysis and are just and reasonable, as more particularly set forth in Mr. Wetmore's Declaration, which is attached hereto as Exhibit D. 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 12.626 percent increase that is the subject of this Application. Under scenario one, Mr. Wetmore determined that SFPP's overall achieved return is 4.28%, while SFPP's achieved return on equity is 3.51%. Under scenario two, Mr. Wetmore determined that, after applying SFPP's proposed 12.626% rate increase equally to each rate, SFPP's overall achieved return is 10.67%, and SFPP's achieved return on equity is 14.16%.<sup>3</sup>

## **6. SFPP'S Non-Carrier Terminal Assets**

As noted above, SFPP owns a number of terminals that are located at or near points on its pipeline system. Since their inception (in some cases over 70 years ago), SFPP has

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<sup>3</sup> Exhibit D at P 18.

always treated these terminals as non-jurisdictional assets, and it has entered into private contractual agreements with third parties that govern the rates and terms of service for use of the terminals.

SFPP is not proposing to change any of the rates it charges for use of the terminals through this Application, nor has SFPP included any of the costs incurred to provide those non-jurisdictional terminal services in the A.26 TY COS. Rather, SFPP is only seeking approval to increase the intrastate rates that SFPP charges for use of its CPUC-jurisdictional pipeline system. In *Arco Products Co., et. al v. Santa Fe Pacific Pipeline, L.P.*, Decision 12-03-026 (2012) (“2012 Order”), which is the Commission’s most recent order regarding SFPP’s system, the Commission found that SFPP’s terminals were not part of SFPP’s CPUC-jurisdictional pipeline system and ordered all costs associated with the terminals to be eliminated from SFPP’s cost-of-service. Consistent with this directive, SFPP only considered the revenues and costs related to its CPUC-jurisdictional pipeline operations when preparing the Application; it did not consider the revenues or costs related to its non-carrier terminal operations in the calculation of its proposed pipeline rates. Costs associated with its non-carrier terminal operations are identified as noncarrier in SFPP’s property and expense records, and, therefore, SFPP excluded all noncarrier costs in this Application.

SFPP acknowledges that several of its shippers have challenged its jurisdictional classification of its terminal assets in the A.21-A.24 proceeding and sought to credit terminal service revenues against pipeline revenue shortfalls; however, SFPP fully rebutted their challenges and explained the inappropriateness of such a revenue credit in the briefing

it submitted to the Commission in that proceeding. Accordingly, SFPP believes that it will prevail on the standalone nature of pipeline transportation rates and that the Commission will affirm the Commission's own ruling from the 2012 Order in the upcoming A.21-24 Decision and find that SFPP's terminals should be treated separately from its CPUC-jurisdictional pipeline system for purposes of setting rates. As such, this is the approach SFPP has followed in the Application. To the extent that the Commission or a shipper believes it is necessary to investigate SFPP's terminal assets and activities, then the Commission should clarify in its scoping order for the Application that this proceeding will only address SFPP's pipeline transportation rates and any issues with respect to the rates SFPP charges at its terminals, including which, if any, of the services provided at the terminals are jurisdictional, will be set for a separate proceeding and have no bearing on the rates to be charged for pipeline transportation services.

**7. Information Required for Rule 2.1(c) 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 pipeline transportation rates applicable to the provision of intrastate pipeline transportation service: (1) by 10 percent, effective July 1, 2026 (*i.e.*, upon 30 days' notice to its shippers); and (2) by an aggregate of 12.626 percent, effective upon approval by the Commission. As discussed above, the requested rate increase of 12.626 percent reflects the appropriate increase if the Commission were to award SFPP the entirety of its requested rate increases that are the subject of the A.21-A.24 proceeding described in Section I. To the extent the Commission does not approve the full amount of SFPP's requested rate increases in the

A.21-A.24 proceeding, SFPP maintains that the rates in Exhibit C are the appropriate rates to apply effective July 1, 2026, because they are the rates that would result in annual revenues of approximately \$157.6 million, and this is the revenue level that is necessary to allow SFPP to recover its CPUC-jurisdictional pipeline cost of service and earn a reasonable return on its pipeline investment.

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 submission of 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 F.

**A. Proposed Category:** SFPP proposes that the Application be treated as a pipeline "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 December 31, 2026. 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 pipeline transportation rates by 10 percent, effective 30 days from the submission of this Application and notice

to shippers, and 12.626 percent, effective upon approval from the Commission, is just and reasonable.

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

Application Filed	May 28, 2026
Notice in Daily Calendar	TBD by CPUC Docket Office
Protests Due	30 Days After Daily Calendar Notice
Prehearing Conference	Late July/August, 2026
Applicant’s Opening Testimony	December, 2026
Intervenor Testimony Due	January, 2027
Applicant’s Rebuttal Testimony	February, 2027
Hearings	March, 2027
Concurrent Opening Briefs	April, 2027
Concurrent Reply Briefs	May, 2027
ALJ Draft Decision	July, 2027
Commission Decision	August, 2027

**8. 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 of Erik G. Wetmore in Support of Rate Increase
Exhibit E	Declaration of Michael J. Webb in Support of Rate Increase
Exhibit F	Form Notice to Shippers

**9. REQUEST NOT TO CONSOLIDATE WITH A.21-A.24 PROCEEDING**

If a hearing is required, SFPP submits that the Commission should not consolidate this Application with the pending A.21-A.24 Applications because the Commission has already held an evidentiary hearing to address the issues raised by those applications, the parties have fully briefed all of those issues to the Commission, and the Commission is expected to issue the A.21-24 Decision in the near future. Given the late stage of those proceedings, it would be wholly disruptive and would cause unnecessary delay in the resolution of that proceeding and this Application. Therefore, SFPP requests that the Commission address the issues raised by this Application in a separate proceeding.

**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 28th day of May, 2026 at San Francisco, California.

Deborah R. Repman  
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Houston, Texas 77027  
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By: /s/ Deborah R. Repman

Attorneys for SFPP, L.P.

Dated: May 28, 2026

VERIFICATION OF COUNSEL

I, Elizabeth B. Kohlhausen, 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.

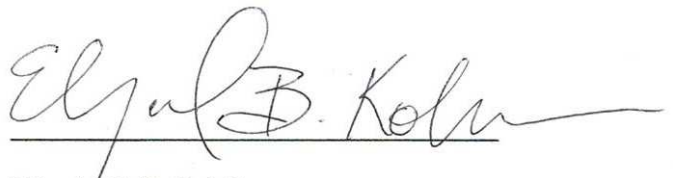
An officer of SFPP, L.P. is unavailable to make this verification on behalf of SFPP, L.P., and for that reason I am making this verification on behalf of SFPP, L.P.

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 28<sup>th</sup> day of May, 2026.

A handwritten signature in cursive script, reading "Elizabeth B. Kohlhausen", written over a horizontal line.

Elizabeth B. Kohlhausen

# **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 May 22, 2026.

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

**Certificate No.:** 461445930

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 12/31/2025	Year/Period of Report End of: 2025/ Q4
<b>Comparative Balance Sheet Statement</b>					
<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)	
<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	5,802,752	4,260,747	
6	Accounts Receivable (14)		61,741,495	59,688,425	
7	Accumulated Provision For Uncollectible Accounts (14-5)				
8	Interest and Dividends Receivable (15)				
9	Oil Inventory (16)				
10	Material and Supplies (17)		8,137,849	6,719,399	
11	Prepayment (18)		17,875,031	17,221,864	
12	Other Current Assets (19)		6,815,795		
13	Deferred Income Tax Assets (19-5)	230			
14	TOTAL Current Assets (Total of lines 1 thru 13)		100,372,922	87,890,435	
<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	1,525,674,813	1,275,313,377	
20	Undistributed Earnings from Certain Invest. in Acct. 20	204	52,240,293	50,560,863	
<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)		1,577,915,106	1,325,874,240	
<b>TANGIBLE PROPERTY</b>					
28	Carrier Property (30)	213 & 215	2,223,871,960	2,169,218,286	
29	(Less) Accrued Depreciation-Carrier Property (31)	216 & 217	874,004,741	822,206,567	
30	(Less) Accrued Amortization-Carrier Property (32)				
31	Net Carrier Property (Line 28 less 29 and 30)		1,349,867,219	1,347,011,719	
32	Operating Oil Supply (33)		190,233	189,434	
33	Noncarrier Property (34)	220	929,482,448	905,473,350	
34	(Less) Accrued Depreciation-Noncarrier Property (35)		392,150,992	371,766,614	
35	Net Noncarrier Property (Line 33 less 34)		537,331,456	533,706,736	
36	TOTAL Tangible Property (Total of lines 31, 32, and 35)		1,887,388,908	1,880,907,889	
<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)		817,921	1,019,439	
41	Other Deferred Charges (44)	221	2,584,903	7,880,496	
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)		3,402,824	8,899,935	
46	TOTAL Assets (Total of lines 14, 27, 36 and 45)		3,569,079,760	3,303,572,499	
<b>CURRENT LIABILITIES</b>					
47	Notes Payable (50)				
48	Payables to Affiliated Companies (51)	225	220,885	200,816	
49	Accounts Payable (52)		27,884,755	49,719,529	

50	Salaries and Wages Payable (53)			
51	Interest Payable (54)			
52	Dividends Payable (55)			
53	Taxes Payable (56)		1,919,610	2,312,905
54	Long-Term Debt - Payable Within One Year (57)	226		
55	Other Current Liabilities (58)		21,910,953	18,764,788
56	Deferred Income Tax Liabilities (59)	230		
57	TOTAL Current Liabilities (Total of lines 47 thru 56)		51,936,203	70,998,038
	<b>NONCURRENT LIABILITIES</b>			
58	Long-Term Debt - Payable After One Year (60)	226	572,920,491	555,964,364
59	Unamortized Premium on Long-Term Debt (61)			
60	(Less) Unamortized Discount and Interest on Long-Term Debt (62)			
61	Other Noncurrent Liabilities (63)		93,376,691	89,117,466
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)		666,297,182	645,081,850
67	TOTAL Liabilities (Total of lines 57 and 66)		718,233,385	716,079,888
	<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	1,795,581,971	1,532,105,642
74	(Less) Treasury Stock (76)			
75	Accumulated Other Comprehensive Income (77)	116	1,265,938	1,388,503
76	TOTAL Stockholders' Equity (Total of lines 68 thru 75)		2,850,846,375	2,587,492,611
77	TOTAL Liabilities and Stockholders' Equity (Total of lines 67 and 76)		3,569,079,760	3,303,572,499

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 12/31/2025	Year/Period of Report End of: 2025/ Q4	
<b>Income Statement</b>						
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)
	ORDINARY ITEMS - Carrier Operating Income					
1	Operating Revenues (600)	301	403,278,839	388,217,207		
2	(Less) Operating Expenses (610)	302	271,828,967	251,139,977		
3	Net Carrier Operating Income		131,449,872	137,077,230		
	Other Income and Deductions					
4	Income (Net) from Noncarrier Property (620)	335	161,303,165	156,245,967		
5	Interest and Dividend Income (From Investment under Cost Only) (630)	336	64,633,515	62,232,896		
6	Miscellaneous Income (640)	337	298,468	983,160		
7	Unusual or Infrequent Items--Credits (645)					
8	(Less) Interest Expense (650)		15,336,233	18,554,085		
9	(Less) Miscellaneous Income Charges (660)	337	81,835	56,872		
10	(Less) Unusual or Infrequent Items--Debit (665)					
11	Dividend Income (From Investments under Equity Only)					
12	Undistributed Earnings (Losses)	205	1,679,430	1,862,766		
13	Equity in Earnings (Losses) of Affiliated Companies (Total Lines 11 and 12)		1,679,430	1,862,766		
14	TOTAL Other Income and Deductions (Total Lines 4 thru 10 and 13)		212,496,510	202,713,832		
15	Ordinary Income before Federal Income Taxes (Line 3 +/- 14)		343,946,382	339,791,062		
16	(Less) Income Taxes on Income from Continuing Operations (670)		470,053	574,969		
17	(Less) Provision for Deferred Taxes (671)	230				
18	Income (Loss) from Continuing Operations (Total Lines 15 thru 17)		343,476,329	339,216,093		
	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)		343,476,329	339,216,093		
	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)		343,476,329	339,216,093		
	* 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	\$ 0.3057	\$ 0.3363	10%
Watson or East Hynes	Hynes Junction	\$ 0.1325	\$ 0.1458	10%
Watson or East Hynes	Tustin	\$ 0.4271	\$ 0.4698	10%
Watson or East Hynes	Mission Valley	\$ 0.9766	\$ 1.0743	10%
Watson or East Hynes	San Diego	\$ 1.0196	\$ 1.1216	10%
Watson or East Hynes	Colton	\$ 0.4185	\$ 0.4604	10%
Watson or East Hynes	Imperial	\$ 1.0160	\$ 1.1176	10%
Watson or East Hynes	Ontario International Airport	\$ 0.4158	\$ 0.4574	10%
Watson or East Hynes	Miramar Junction	\$ 0.9207	\$ 1.0128	10%
Benicia or Richmond	Oakland	\$ 0.3021	\$ 0.3323	10%
Benicia or Richmond	Oakland Int'l Airport	\$ 0.3045	\$ 0.3350	10%
Benicia or Richmond	Brisbane	\$ 0.3412	\$ 0.3753	10%
Benicia or Richmond	San Francisco Int'l Airport	\$ 0.3412	\$ 0.3753	10%
Richmond or Concord	San Jose	\$ 0.3574	\$ 0.3931	10%
Richmond or Concord	Stockton	\$ 0.4510	\$ 0.4961	10%
Richmond or Concord	Sacramento	\$ 0.4946	\$ 0.5441	10%
Richmond or Concord	Roseville	\$ 0.6309	\$ 0.6940	10%
Richmond or Concord	Chico	\$ 0.8773	\$ 0.9650	10%
Richmond or Concord	Fresno	\$ 1.5123	\$ 1.6635	10%
Benicia, CA	Richmond	\$ 0.2942	\$ 0.3236	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	\$ 0.4937	\$ 0.5431	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	\$ 0.3057	\$ 0.3443	12.626%
Watson or East Hynes	Hynes Junction	\$ 0.1325	\$ 0.1492	12.626%
Watson or East Hynes	Tustin	\$ 0.4271	\$ 0.4810	12.626%
Watson or East Hynes	Mission Valley	\$ 0.9766	\$ 1.0999	12.626%
Watson or East Hynes	San Diego	\$ 1.0196	\$ 1.1483	12.626%
Watson or East Hynes	Colton	\$ 0.4185	\$ 0.4713	12.626%
Watson or East Hynes	Imperial	\$ 1.0160	\$ 1.1443	12.626%
Watson or East Hynes	Ontario International Airport	\$ 0.4158	\$ 0.4683	12.626%
Watson or East Hynes	Miramar Junction	\$ 0.9207	\$ 1.0369	12.626%
Benicia or Richmond	Oakland	\$ 0.3021	\$ 0.3402	12.626%
Benicia or Richmond	Oakland Int'l Airport	\$ 0.3045	\$ 0.3429	12.626%
Benicia or Richmond	Brisbane	\$ 0.3412	\$ 0.3843	12.626%
Benicia or Richmond	San Francisco Int'l Airport	\$ 0.3412	\$ 0.3843	12.626%
Richmond or Concord	San Jose	\$ 0.3574	\$ 0.4025	12.626%
Richmond or Concord	Stockton	\$ 0.4510	\$ 0.5079	12.626%
Richmond or Concord	Sacramento	\$ 0.4946	\$ 0.5570	12.626%
Richmond or Concord	Roseville	\$ 0.6309	\$ 0.7106	12.626%
Richmond or Concord	Chico	\$ 0.8773	\$ 0.9881	12.626%
Richmond or Concord	Fresno	\$ 1.5123	\$ 1.7032	12.626%
Benicia, CA	Richmond	\$ 0.2942	\$ 0.3313	12.626%
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	\$ 0.4937	\$ 0.5560	12.626%

## **EXHIBIT D**

DECLARATION OF ERIK G. WETMORE

I, Erik G Wetmore, declare as follows:

1. I am a Principal with 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-five years of professional experience, primarily advising companies on ratemaking, accounting, economic, and financial matters. 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 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”) before both this Commission and the FERC on multiple occasions.
4. SFPP’s counsel requested that I develop SFPP’s CPUC-jurisdictional A.26 test year (“A.26 TY”) cost of service, the results of which are presented in Attachment A to this declaration. Attachment A includes four pages: page 1 presents SFPP’s A.26 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.
5. In developing the A.26 TY cost of service, I used a 12-month base period from April 1, 2025 through March 31, 2026, reflecting the most current data available.

- For the cost of capital components (i.e., capital structure, cost of debt, and the nominal equity rate of return), I relied on the recommendations of Dr. Michael J. Webb, as summarized in Attachment A.
6. The purpose of this declaration is to summarize my development of SFPP's A.26 TY cost of service. First, I describe how I determined the portion of SFPP's property and operating expenses attributable to CPUC intrastate service. For costs incurred solely to support 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 separate those costs between the two jurisdictions. Second, I discuss the development of SFPP's A.26 TY rate base. Third, I address test period adjustments necessary to determine the appropriate level of operating expense to include in SFPP's A.26 TY cost of service. Finally, I address the development of SFPP's A.26 TY cost of service, volumes, and revenues.
  7. 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. I then apply these percentages to the corresponding property and operating expense amounts for each facility. This is the same approach that I used to develop SFPP's cost of service in prior CPUC and FERC rate proceedings.
  8. 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 A.26 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 Docket Nos. A.21-01-015, A.22-01-016, A.23-01-016, and A.24-01-020.
9. 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. This data includes historical carrier property in service records through March 31, 2026 in electronic format and reflects original cost when placed in service. I applied the separation and allocation factors to these property amounts to calculate CPUC intrastate carrier property in service.
  10. To calculate annual depreciation expense, I multiplied the average annual carrier property balance, by FERC account, by the applicable depreciation rates in SFPP’s books and records and accumulated the results by year. For retirements, I adjusted accumulated depreciation for the original cost of retired assets, net of cost of removal. For transfers, I adjusted accumulated depreciation by adding (for transfers in) or subtracting (for transfers out) cumulative depreciation through the year of transfer.

11. AFUDC compensates investors for funds expended to construct or purchase pipeline assets before the assets are placed in service. I calculated AFUDC based on 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. I also removed capitalized interest during construction.
12. Working capital represents investments and prepayments necessary to support pipeline operations, including oil inventory, materials and supplies, and prepayments. I allocated total company working capital to SFPP's CPUC intrastate system based on the ratio of CPUC intrastate carrier property in service to total company property in service.
13. I did not make any test year adjustments to rate base in the A.26 TY cost of service.
14. To develop the amount of operating expenses to include in the A.26 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 (April 2025 through March 2026). 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.
15. I also made the following test period adjustments to operating expenses so that the A.26 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 3.75% increase in compensation.
  - Third, I normalized the amount of integrity management expense by replacing the base period amount of integrity management expense with the annual average of integrity management expense for the period of January 2021 through March 2026.
  - Fourth, I normalized the amount of oil losses and shortages expense by replacing the base period amount of oil losses and shortages expense with the annual average oil losses and shortages expense for the period of January 2021 through March 2026.
  - Fifth, I included forecasted CPUC rate case expense amortized over five years.
16. My calculation of SFPP's A.26 TY cost of service is set forth on page 1 of Attachment A. SFPP's A.26 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 A.26 TY cost of service is \$157.6 million.
17. To develop A.26 TY volumes, I used SFPP's actual base period volumes by destination, which totaled 221.3 million barrels. To calculate A.26 TY revenues, I multiplied SFPP's A.26 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).
  18. My calculation of SFPP's achieved overall return for the A.26 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 4.28%, and as shown on line 13, SFPP's achieved return on equity is 3.51%. As shown on line 12, after applying SFPP's proposed 12.626% rate increase equally to each rate, SFPP's overall achieved return is 10.67%, and as shown on line 13, SFPP's achieved return on equity is 14.16%.

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

Dated: May 25, 2026

Erik G. Wetmore

Erik G. Wetmore

# **ATTACHMENT A**

SFPP, L.P.  
 Cost of Service  
 For the A.26 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	\$276,326
2	Weighted Cost of Capital	Lns. (13 * 16) + (14 * 15)	10.67%
3	Total Return on Rate Base	Lns. (1 * 2)	\$29,489
4	Income Tax Allowance	D.11-05-045	-
5	Operating Expenses	Page 4 of 4, Ln. 19	\$111,536
6	Depreciation Expense	Schedule 4	\$15,801
7	Amortization of AFUDC	Schedule 5	\$737
8	Total Operating Expenses, Incl. Deprec. and Amort.	Lns. (5 + 6 + 7)	\$128,073
9	Total Cost of Service	Lns. (3 + 4 + 8)	\$157,563
10	Test Year Revenue at Current Rates	Revenue WP	\$139,901
11	Excess / (Deficient) Revenue	Lns. (10 - 9)	(\$17,662)
12	Test Year Revenue at Proposed Rates	Revenue WP	\$157,560
<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	5.44%
16	Equity Rate of Return (Nominal)	Dr. Webb	14.16%

SFPP, L.P.  
Rate of Return Summary and Depreciated Rate Base  
For the A.26 Test Year  
(\$000's)

Line No.	Description	Source	Without Rate Increase	With Rate Increase
1	CPUC Revenues	Revenue WP	\$139,901	\$157,560
2	Operating Expenses	Page 4 of 4, Ln. 19	\$111,536	\$111,536
3	Depreciation & Amortization	Page 1 of 4, Lns. (6 + 7)	\$16,537	\$16,537
4	Total Expenses	Lns. (2 + 3)	\$128,073	\$128,073
5	Income Tax Expense	D.11-05-045	-	-
6	Achieved Return	Lns. (1 - 4 - 5)	\$11,828	\$29,487
7	Imputed Interest	Ln. 9 * Page 1 of 4, Lns. (14 * 15)	\$6,013	\$6,013
8	Net Return	Lns. (6 - 7)	\$5,815	\$23,474
9	Total Net Rate Base	Page 1 of 4, Ln. 1	\$276,326	\$276,326
10	Equity Capital Percentage	Page 1 of 4, Ln. 13	60.00%	60.00%
11	Equity Portion of Rate Base	Lns. (9 * 10)	\$165,795	\$165,795
12	Overall Achieved Return	Lns. (6 / 9)	4.28%	10.67%
13	Return on Equity	Lns. (8 / 11)	3.51%	14.16%

SFPP, L.P.  
Original Cost Rate Base  
For the A.26 Test Year  
(\$000's)

Line No.	Description	Source	Amount
1	Carrier Property in Service	Schedule 4	\$554,090
2	AFUDC	Schedule 5	<u>\$25,423</u>
3	Subtotal	Lns. (1 + 2)	<u>\$579,513</u>
4	Accrued Depreciation	Schedule 4	(\$286,208)
5	Accumulated Amortization of AFUDC	Schedule 5	<u>(\$21,096)</u>
6	Subtotal	Lns. (4 + 5)	<u>(\$307,303)</u>
7	Net Book Plant	Lns. (3 + 6)	\$272,210
8	Working Capital	Schedule 6	\$4,116
9	Accumulated Deferred Income Taxes	D.11-05-045	<u>\$0</u>
10	Original Cost Rate Base	Lns. (7 + 8 + 9)	<u><u>\$276,326</u></u>

SFPP, L.P.  
 Summary of Operating Expenses  
 For the A.26 Test Year  
 (\$000's)

Line No.	<u>Description</u>	<u>Amount</u>
<u>OPERATIONS AND MAINTENANCE</u>		
1	300 Salaries and Wages	\$24,276
2	310 Materials and Supplies	\$1,645
3	320 Outside Services	\$29,210
4	330 Operating Fuel and Power	\$23,037
5	340 Oil Losses and Shortages	(\$4,549)
6	350 Rentals	\$11,668
7	390 Other Expenses	\$2,227
8	Total Operations Expense	<u>\$87,516</u>
<u>GENERAL</u>		
9	500 Salaries and Wages	\$8,417
10	510 Materials and Supplies	\$1
11	520 Outside Services	\$1,858
12	530 Rentals	\$107
13	550 Employee Benefits	\$4,399
14	560 Insurance	\$880
15	570 Casualty and Other Losses	\$0
16	580 Pipeline Taxes	\$6,666
17	590 Other Expenses	\$1,692
18	Total General Expense	<u>\$24,020</u>
19	Total Operating Expenses	<u>\$111,536</u>

## **EXHIBIT E**

**Declaration of Michael J. Webb**

I, Michael J. Webb, declare as follows:

**I. Introduction and Statement of Qualification**

1. My name is Michael J. Webb. I am Vice President with Regulatory Economics Group, LLC (“REG”), a consulting firm located in Reston, Virginia. My business address is 11180 Sunrise Valley Drive, Reston, Virginia 20191. I hold a PhD and MA in Economics from George Mason University and a BA in Economics from American University. I have 25 years of experience in the oil pipeline industry. I have provided testimony before the California Public Utilities Commission (“Commission” or “CPUC”), the Federal Energy Regulatory Commission (“FERC”), the National Energy Board (Canada), the Canadian Energy Regulator, the Kansas Corporation Commission, the Regulatory Commission of Alaska, the Wyoming Public Service Commission, the Virginia State Corporation Commission, the Railroad Commission of Texas, the American Arbitration Association, the Pennsylvania Public Utilities Commission, the Louisiana Public Utilities Commission, the Court of Chancery of the State of Delaware, and the District Court for the 269<sup>th</sup> District of Texas. In these forums, my testimony has addressed a variety of issues relating to oil pipeline regulation. I have attached my curriculum vitae as Exhibit No. MJW-1.
2. I have been asked by SFPP, L.P. (“SFPP”) to determine a just and reasonable Return on Equity (“ROE”) for its California intrastate pipeline operations. This declaration provides the Commission with the methodological framework and risk assessment that supports SFPP’s requested ROE. In Section II, I demonstrate the specific financial, regulatory, and operational risks SFPP faces operating within California, which necessitates the

recommended ROE to maintain SFPP's ability to attract capital. In Section III, I present my recommendations for Capital Structure and Cost of Debt. Finally, in Section IV, I present the calculation of the ROE, which utilizes a methodology designed to generate a return that reflects these elevated risks.

## **II. Unique and Elevated Risk Profile of SFPP**

3. To determine an ROE that is just and reasonable, it is necessary to account for the specific risk environment in which the utility operates. As a pipeline system concentrated in California, SFPP faces operational and regulatory risks that an entity that operates geographically diversified pipeline assets either does not face or faces to a much less significant degree. These risks create an asymmetric downside for SFPP that necessitates SFPP having an ROE that is positioned at the upper end of the zone of reasonableness.
4. The primary risk to a refined products pipeline such as SFPP is the loss of its supply of refined products. California has recently experienced closures or restructurings of key refineries, and these events have significantly reduced the state's production capacity for refined products. For example, the Marathon Martinez refinery and the Phillips 66 Rodeo refinery were reconfigured to produce renewable fuels (as opposed to refined petroleum products) in 2021 and 2024 respectively, while the Phillips 66 Santa Maria refinery shut down in 2023. Most recently, the Phillips 66 Los Angeles Refinery shut down operations in the fourth quarter of 2025. These retirements and conversions evidence the fundamental shift that has occurred in the California market for refined products. Unlike in the broader U.S. market, where refining capacity is generally stable or expanding in regions like the

Gulf Coast, California's refining landscape is in a state of managed decline. For SFPP, this decline creates a long-term volumetric risk that its national peers simply do not face.

5. California's crude and refined product infrastructure is currently not connected by pipeline to the massive hubs of the U.S. Gulf Coast or Midwest. The state is entirely dependent on localized refining or waterborne imports from the Pacific. The war in Iran has severely disrupted global shipping lanes, such as the Strait of Hormuz, resulting in a critical shortage of jet fuel throughout the Pacific region, which may impact California. SFPP delivers jet fuel either directly or via third party connections to multiple, major international airports in California. When geopolitical events disrupt the ability to import finished products into California ports, SFPP's intrastate system volumes are directly impacted because SFPP has minimal, if any, ability to fill its intrastate system with refined products produced in other states. This volatility is unique to pipelines such as SFPP operating in the California market, and, as a result, investors require a higher return for these entities to compensate for their vulnerability to global supply shocks.
6. In addition to its isolated infrastructure, California liquids pipelines face unique regulatory risks driven by legislative mandates to eliminate the consumption of liquid petroleum. In 2022, Governor Gavin Newsom enacted an energy policy that serves as the roadmap for California's energy transition. This policy establishes objectives to reduce liquid petroleum use by 94% and to entirely phase out oil extraction and refining by 2045. These mandates guarantee that intrastate crude oil and refined products pipelines, like SFPP, will be subject to long-term volumetric declines. Because these mandates are unique to California, SFPP's

peers throughout the country do not face this type of accelerated demand loss and a heightened risk of stranded assets.

7. Finally, it is important to contextualize these risks against the scale of other operations. The entities typically included in a standard CPUC or FERC proxy group are multi-national, multi-billion-dollar corporations. Their market capitalization and geographic diversity provide a safety net for regional supply shocks or localized regulatory mandates. SFPP possesses a fraction of that market capitalization and operates without geographic diversity. Therefore, as I discuss in Section IV, a median ROE derived from a national proxy group would not appropriately compensate SFPP for the compounded risks of supply loss, geopolitical isolation, and regulatory phaseouts that it faces. These risks instead necessitate adoption of an ROE from the upper tier of the financial models in order to appropriately compensate SFPP.

### **III. Capital Structure and Cost of Debt**

8. To determine a just and reasonable rate of return for SFPP, one must first establish an appropriate capital structure and cost of debt for SFPP's California operations. SFPP does not issue its own public debt or equity and, therefore, does not have its own capital structure. While SFPP's parent company, Kinder Morgan Inc. ("KMI"), issues both equity and debt, applying KMI's capital structure to SFPP would produce flawed results and is contrary to established regulatory standards. KMI is a multi-billion-dollar enterprise that operates across various geographic regions. As a result, its capital structure reflects a significantly lower risk profile than SFPP, which faces the asymmetric volumetric and regulatory risks outlined above in Section II.

9. I instead recommend the Commission utilize a capital structure consisting of 60 percent equity and 40 percent debt. This structure accurately reflects the risks SFPP faces operating a California-based liquids pipeline, and it aligns with the capital structure accepted by this Commission for California intrastate petroleum pipelines in D.24-05-007 and D.12-03.026.
10. For cost of debt, I have applied the implied weighted average interest rate of KMI's long-term debt, which is 5.44 percent. While SFPP faces a higher geographic and operational risk profile than KMI as a whole, relying on the parent company's cost of debt remains appropriate given SFPP's financing structure and its reliance on KMI's debt issuances.

#### **IV. Return on Equity**

##### **a. Proxy Group Selection**

11. The United States Supreme Court decision in *FPC vs. Hope Natural Gas* 320 US, 591 (1944) (hereinafter "*Hope*") constitutes one of the seminal cases in setting just and reasonable cost-based rates. *Hope* dictates that a rate falls within the zone of reasonableness if it balances the interest of the investor and the consumer, stating:

From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for capital costs of the business... By that standard the return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and attract capital.

12. In assessing whether a requested return achieves this balance, one must compare the utility to other publicly traded firms of similar risk. For this analysis, I have developed a proxy group consisting of the following six entities: (1) Enbridge Inc., (2) Energy Transfer LP,

(3) Enterprise Products Partners L.P., (4) MPLX LP, (5) ONEOK, Inc., and (6) Plains All American Pipeline, L.P. This group represents publicly traded, large-scale midstream operators and is consistent with prior CPUC proxy groups accepted by the Commission. However, in following the *Hope* standard of “corresponding risks,” it is important note that these multi-national proxy group members do not face the concentrated, localized, and asymmetric risks of SFPP’s California operations detailed in Section II.

13. To estimate the cost of equity, I used two standard and widely accepted financial models: the Discounted Cash Flow (“DCF”) model and the Capital Asset Pricing Model (“CAPM”). Applying the DCF and CAPM models to the proxy group generates a range of potential returns, thereby establishing a zone of reasonableness.

b. DCF Methodology

14. The first stage of the DCF calculation relies on dividends (or distributions) and average unit price. Dividing expected dividends by unit price determines the dividend yield. For example, if an investor purchased a unit for \$10 and this share entitled the investor to \$1.00 of dividends per annum, the dividend yield would be 10%.
15. Analysts also forecast growth in the earnings and dividends and the impact of that growth on price of units. This growth represents the other element of the investors’ expected return. If the investor expected the earnings and dividends to grow at five percent (5%) annually, the simple “growth” component of the expected equity rate of return would be five percent (5%).

I apply the discounted cash flow formula:

$$k = D_1/P_0 + g$$

Where:

k = estimated Equity Rate of Return,

$D_1$  = expected dividend at year end,

$P_0$  = company stock price, and

g = estimate of company's long-run future dividend and earnings growth.

16. As shown at Exhibit No. MJW-2, for each company I calculated the dividend yield for each of the preceding six months by dividing the respective month's annualized distribution by that month's average stock price. I then took the average of those six monthly yields to establish the base yields for each proxy company. Then, I made an adjustment by multiplying the yield by  $(1 + 0.5g)$ . This adjusted yield reflects average growth expected in the distribution during the period of the analysis.
17. Typically, the growth rate used in these proceedings consists of a two-stage weighted growth rate consisting of analysts' forecasts of earnings growth (given a 2/3 weight) and the projected growth in the gross domestic product (given a 1/3 weight). Consistent with this approach, I weighted by two-thirds Yahoo! Finance earnings per share median growth consensus estimate. Next, I averaged the forecast gross domestic product growth rate and then applied a weight of one-third.

18. I averaged the forecasted long-term gross domestic product growth reported by the following three sources: the U.S. Energy Information Administration’s Annual Energy Outlook, the IHS Global Insight’s U.S Economy 30-Year Focus, and the Social Security Administration’s OASDI Trustees Report.
19. The results of the DCF calculation for the proxy group members are shown below.

DCF Results Market Through March 31, 2026 SFPP Proxy Group		
		DCF
<b>OKE</b>	ONEOK, Inc.	10.48%
<b>MPLX</b>	MPLX LP	11.00%
<b>EPD</b>	Enterprise Products Partners, L.P.	13.33%
<b>PAA</b>	Plains All American Pipeline, L.P.	11.40%
<b>ENB.TO</b>	Enbridge	10.24%
<b>ET</b>	Energy Transfer	15.20%

c. CAPM Methodology

20. In addition to the DCF model employed above, SFPP was compared against the same group of proxy pipelines for a Capital Asset Pricing Model (“CAPM”) approach. CAPM measures return based on the relationship between systemic risk and expected return for assets. Specifically, the expected return on a security is equal to the risk-free return plus a risk premium, which is based on the beta of that security. A fundamental notion underlying CAPM is that risk-averse investors demand higher returns for assuming additional risk, and higher-risk securities are priced to yield higher expected returns than lower-risk securities. Thus, CAPM quantifies the additional return required for bearing incremental risk and provides a formal risk-return relationship. The formula for the CAPM is:

$$ER_i = R_f + \beta_i(ER_m - R_f)$$

Where:

$ER_i$  = expected return of investment,

$R_f$  = risk-free rate,

$\beta_i$  = beta of the investment, and

$ER_m$  = expected market return.

21. In accordance with CPUC precedent, the risk-free rate is represented by a six-month average of 30-year T-Bonds yields. Beta values are derived from Value Line reports from February 2026. Finally, the expected market return is based upon a DCF calculation for all dividend-paying members of the S&P 500. The results of the CAPM calculations are shown below.

CAPM Results Market Through March 31, 2026 SFPP Proxy Group		
		CAPM
<b>OKE</b>	ONEOK, Inc.	16.40%
<b>MPLX</b>	MPLX LP	12.82%
<b>EPD</b>	Enterprise Products Partners, L.P.	12.38%
<b>PAA</b>	Plains All American Pipeline, L.P.	15.00%
<b>ENB.TO</b>	Enbridge	11.04%
<b>ET</b>	Energy Transfer	14.17%

d. Zone of Reasonableness and Requested ROE

22. Applying the DCF and CAPM methodologies to the established proxy group generates a range of potential returns and establishes a zone of reasonableness. Standard regulatory

practice often defaults to the median of this range to establish a return. However, a median return is only appropriate when the utility in question represents an entity of average risk relative to the proxy group. As demonstrated in Section II, SFPP is not a pipeline that faces average risk. The supply loss, geopolitical isolation, and regulatory phaseouts that it faces make SFPP's operations uniquely risky. In addition, the entities comprising the proxy group are large, diversified corporations whose scale provides a buffer against the regional supply shocks that SFPP faces. Applying a median return to SFPP would mistakenly equate its elevated risk profile with the highly insulated risk profiles of its diversified peers. This, in turn, would fail to yield a return in line with the corresponding risks and impair SFPP's ability to attract capital.

23. Therefore, to establish SFPP within the zone of reasonableness in line with its asymmetric risk profile, my methodology relies on the second-highest return generated by the DCF and CAPM analyses of the proxy group. Utilizing the second highest output ensures that the authorized ROE compensates investors for the severe and localized risks of operating an intrastate petroleum pipeline in California's economic and regulatory environment.
24. As a result, I recommend an ROE of 14.16% for SFPP's California pipeline operations.

Model	Second Highest Result
DCF	13.33%
CAPM	15.00%
Composite	14.16%

**V. Conclusion**

25. For the reasons detailed in this declaration, applying a standard median return to SFPP's California pipeline operations would fail to appropriately compensate investors for the

acute and asymmetric risks that SFPP faces operating in this specific market. The compound threat of mandated volume decline and geographic isolation show that SFPP must be positioned at the upper end of the zone of reasonableness to maintain its financial integrity and attract capital. Relying on the second highest output of the two financial models better accounts for SFPP's circumstances; therefore, I recommend that the Commission authorize an ROE of 14.16% for SFPP's California intrastate pipeline operations.

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

Dated: May 28, 2026

Michael J. Webb

Michael J. Webb

# **ATTACHMENT A**

## **MICHAEL J. WEBB**

Vice President

Dr. Webb has more than twenty-five years of energy industry experience. Dr. Webb has extensive experience in all aspects of pipeline rate regulation at the Federal and State levels, as well as international levels. His testimony, on behalf of investor class was favorably cited in decision of the Delaware Court of Chancery that resulted in a judgement in favor of the class, and damages in excess of \$1.2 billion. He has filed expert testimony in numerous cases involving the calculation of cost-based rates. He has also prepared several applications for authority to charge market-based rates on interstate oil pipelines. He has filed testimony addressing issues of natural gas pipeline ratemaking and has been qualified as an expert in principles of natural gas rate making. He has prepared whitepapers and met with FTC Staff to gain approval for mergers on behalf of oil companies. Dr. Webb holds a PhD in economics from George Mason University in Fairfax, Virginia and has published in the journals *Public Choice* and *Natural Gas & Electricity*. His academic interests include applied microeconomics, industrial organization, and auction theory. He has taught courses in Law and Economics, the Economics of Regulation, and the Economics of Energy at the graduate and undergraduate level for 18 years.

### **RELEVANT EXPERIENCE**

#### **Testifying Experience**

- Testimony relied upon by State and Federal Regulatory Agencies throughout North America.
- Formally qualified as an expert in FERC principles and natural gas ratemaking by the Delaware Court of Chancery and favorably cited in resulting decision.
- Filed numerous expert reports and pre-filed testimony before state and Federal regulatory agencies, Canadian regulatory agencies, arbitration panels, and courts.
- Subject to cross examination before various agencies, arbitration panels and courts numerous times.
- Assisted counsel in preparing cross examination regarding cost-based ratemaking and regulatory theory.

#### **Rate Regulation Issues**

- Filed multiple pieces of testimony before FERC and state regulatory agencies cost of service calculations on behalf of large energy companies.

- Filed multiple pieces of testimony before FERC and state regulatory agencies explaining the theoretical basis to include an Income Tax Allowance in the rates of tax pass through entities.
- Filed multiple pieces of testimony before the FERC explaining the theoretical basis to exclude Accumulated Deferred Income Tax (“ADIT”) from the rate base of pass through entities who are denied an Income Tax Allowance.
- Led project teams in developing data and preparing cost-of-service calculation in cost-based rate cases. Assisted multiple witnesses in drafting testimony regarding FERC requirements for cost-based ratemaking.
- Prepared cost-of-service filings, consistent with FERC regulations in 18 CFR § 346.2 on behalf of numerous oil pipelines.

### **Contract and Investor Disputes**

- Provided expert testimony on behalf of an investor class before the Court of Chancery of the State of Delaware that was favorably cited by the Court in finding liability and damages to the investor class in excess of \$800 million.
- Developed complex economic models to demonstrate that a lease between a joint venture operator and an affiliate had been conducted at arms-length and did not represent self-dealing, resulting in a favorable settlement for the client.
- Led a multi-witness project team opposing a claim of damages in a liquids terminal dispute, resulting in a finding of no damages for the client.

### **Damage Calculations**

- Provided damage calculations in a multimillion dollar action in a case before the American Arbitration Association.
- Calculated reparations under the Interstate Commerce Act for multiple entities.
- Led an international project team developing damage calculations associated with an international energy project in a case before the International

### **Market Analysis**

- Developed a complex economic model to demonstrate the substitutability of different grades of crude oil using both public and proprietary data.
- Presented analysis of refined product markets in Pennsylvania to demonstrate that a pipeline reversal was in the public interest.
- Developed econometric models to demonstrate how tolls on a private toll road were impacting traffic on the road and surrounding surface streets.

- Presented testimony to multiple state Commissions explaining how rates should be regulated in the presence of competition.

### **Antitrust Matters**

- Prepared a whitepaper for the Federal Trade Commission analyzing the competitive impact of a pipeline acquisition in the Eastern Pennsylvania area.
- Developed a computer-based model to analyze the competitive impact of an oil pipeline acquisition in the mid-continent region. Prepared a detailed whitepaper explaining the theory behind the analysis and the results of the analysis. Met with FTC Staff to discuss the results of the analysis.
- Analyzed the competitive impact of a refinery acquisition in the northeastern United States. Prepared multiple whitepapers reporting results of the analysis. Met with FTC Staff to discuss the results of the analysis.

### **Market-Based Rate Filings**

- Filed testimony and associated exhibits consistent with 18 CFR § 348 on behalf of Buckeye Linden Pipe Line Company LLC, Wood River Pipe Line, LLC, White Cliffs Pipeline, L.L.C, at MPLX Ozark Pipe Line, LLC at the FERC
- Assisted in the preparation of an application for market-based ratemaking authority and associated exhibits consistent with 18 CFR § 348 on behalf of Sunoco Pipeline, LP's market-based rate filing.
- Assisted in the preparation of expert testimony and exhibits filed in Shell Pipe Line Company LP in market-power case.
- Participated in the development of applications for market-based ratemaking authority on behalf of Chase Pipeline Company, Inc. West Shore Pipeline Company, Inc, and Marathon-Ashland Pipe Line LLC.

### **Acquisition Due Diligence**

- Participated in a project team analyzing the regulatory risk that a private equity fund faced if it acquired a controlling interest in liquids.
- Participated in a project team analyzing the regulatory risk that a pipeline company considering a conversion in ownership structure from a corporation to a master limited partnership could face if its rates were contested by its shippers.

## TESTIMONY

- Dec. 10, 2025 Filed Supplement Direct Testimony on behalf of Pembina Cochin, LLC addressing issued of competition before the Federal Energy Regulatory Commission in Docket No. OR25-4-000.
- Dec 4, 2025 Filed a statement in support of an Advice Letter on behalf of Crimson California Pipeline L.P. in support of retroactive recovery calculations.
- Sep. 12, 2025 Cross Examination and Redirect Testimony in support of Laurel Pipe Line Company, L.P. addressing economic and statistical issues before the Pennsylvania Public Utility Commission in Docket No. C-2025-3053018.
- Aug. 29, 2025 Filed Answering Testimony in support of Laurel Pipe Line Company, L.P. addressing economic and statistical issues before the Pennsylvania Public Utility Commission in Docket No. C-2025-3053018.
- July 30, 2025 Filed a statement in support of an Advice Letter on behalf of San Pablo Bay Pipeline Company LLC in support of modified retroactive recovery calculations.
- July 18, 2025 Filed a Declaration on behalf of San Pablo Bay Pipeline Company LLC updating a cost of service and achieved return figures in support of an amended 44.8 percent rate increase at the California Public Utilities Commission.
- July 16, 2025 Filed a statement in support of an Advice Letter on behalf of San Pablo Bay Pipeline Company LLC in support of retroactive recovery calculations.
- July 11, 2025 Submitted Supplemental Cross-Answering Testimony before the FERC on behalf of Colonial Pipeline Company under OR22-5-001, addressing issues related to retroactive damages and economic theory.
- June 30, 2025 Filed a Verified Statement on behalf of Crimson California Pipeline L.P. in support of a 10 percent rate increase at the California Public Utilities Commission.
- June 17-18, 2025 Presented oral testimony and cross examination on behalf of SFPP, L.P. at the California Public Utilities Commission Docket No. A.21-01-015 addressing issues related to risk, return on equity cost-of-debt and capital structure, cost-allocation and the jurisdictional status of terminal operations.

- May 29, 2025 Filed Answering Testimony on behalf of Colonial Pipeline at FERC responding to testimony of ATMI in Docket No. No. OR22-5-001 addressing issues related to damages and economic theory.
- May 19, 2025 Submitted Rebuttal Testimony on behalf of Colonial Pipeline at FERC in Docket No. IS25-268-000 addressing issues of price formation.
- April 25, 2025 Submitted Supplemental Rebuttal Testimony on behalf of SFPP, L.P. before the California Public Utilities Commission in Docket No. A.21-01-015 addressing issues related to risk, return on equity cost-of-debt and capital structure, cost-allocation and the jurisdictional status of terminal operations.
- Feb. 18, 2025 Filed an Affidavit on behalf of Pembina Cochin, LLC addressing issued of competition before the Federal Energy Regulatory Commission in Docket No. OR25-4-000.
- Jan. 29, 2025 Filed a Verified Statement on behalf of San Pablo Bay in support of a 10 percent rate increase at the California Public Utilities Commission.
- Dec. 20, 2024 Submitted an Affidavit at FERC in Support of the Reply Comments of the Designated Carriers in RM25-2-000 discussing the impact of oil pipeline rates on consumer prices.
- Nov. 26, 2024 Submitted an Affidavit at FERC in Support of the Comments of the Designated Carriers in RM25-2-000 discussing issues related to the FERC's Income Tax Policy and statistical issues.
- Oct. 23, 2024 Submitted Supplemental Declaration on behalf of Crimson California Pipeline L. P. in support of a rate increase for its Southern California Pipeline at the California Public Utilities Commission.
- Oct. 7, 2024 Submitted Supplemental Direct Testimony on behalf of SFPP, L.P. before the California Public Utilities Commission in Docket No. A.21-01-015 addressing issues related to risk, return on equity cost-of-debt and capital structure and cost-allocation.
- Jul. 26, 2024 Filed Cross-Answering Testimony on behalf of Colonial Pipeline at FERC responding to the testimony of FERC Trial Staff in Docket No. OR22-5-001
- June 28, 2024 Submitted Verified Statement on behalf of Crimson California Pipeline L. P. in support of a rate increase for its Southern California Pipeline at the California Public Utilities Commission.

- Feb 28, 2024 Oral Rebuttal Testimony and cross examination on behalf of the Board of Supervisors of Loudon County before the Virginia State Corporation Commission in Docket No. PUR-2023-00089 addressing regulatory issues associated with setting tolls for the privately owned Dulles Greenway.
- Feb 8, 12, 2024 Oral cross examination at the California Public Utilities Commission on behalf of KLM and San Pablo Bay Pipeline in Docket No. A.22-7-015 *et. al.* discussing principles of cost-based ratemaking, and supporting the pipeline's rate increase.
- Feb. 5, 2024 Submitted Rebuttal Testimony and Affidavit on behalf of Phillips 66 Pipeline LLC addressing issues related to cost-of-service calculations including return on equity, capital structure, and the application of the FERC's Opinion No. 154-B methodology in Docket Nos. IS21-747-000 and IS23-92-000 at the FERC.
- Jan 25, 2024 Filed a Verified Statement on behalf of San Pablo Bay in support of a 10 percent rate increase at the California Public Utilities Commission.
- Jan. 12, 2024 Filed Direct Testimony on behalf of the Board of Supervisors of Loudon County before the Virginia State Corporation Commission in Docket No. PUR-2023-00089 addressing regulatory issues associated with setting tolls for the privately owned Dulles Greenway.
- Dec. 29, 2023 Filed Rebuttal Testimony at the California Public Utilities Commission on behalf of KLM and San Pablo Bay Pipeline in Docket No. A.22-7-015 *et. al.* discussing principles of cost-based ratemaking, and supporting the pipeline's rate increase.
- Nov. 7, 2023 Filed a Verified Statement in support of emergency rate relief at the California Public Utilities Commission in Docket No. A.22-7-015 *et al.*
- Sept. 8, 2023 Filed Direct Testimony on behalf of KLM and San Pablo Bay Pipeline in Docket No. A.22-7-015 *et. al.* discussing principles of cost-based ratemaking, and supporting the pipeline's rate increase at the California Public Utilities Commission. .
- Jul. 19-20, 2023 Oral testimony and cross examination on behalf of Crimson California Pipeline L.P. in Docket Nos. A-22-06-017 and A-22-03-013 discussing principles of cost-based ratemaking, and supporting the pipeline's rate increase.
- Jun. 29, 2023 Submitted Verified Statement on behalf of Crimson California Pipeline L. P. in support of a 10 percent rate increase for its Southern California Pipeline at the California Public Utilities Commission.

- May 15, 2023 Submitted Supplemental Rebuttal Testimony on behalf of Crimson California Pipeline L.P. in Docket Nos. A-22-06-017 and A-22-03-013 discussing principles of cost-based ratemaking, and supporting the pipeline's rate increase.
- Mar. 17, 2023 Submitted Direct Testimony on behalf of Crimson California Pipeline L.P. in Docket No. A22-07-015 discussing cost-based ratemaking principles and supporting the rate increase of the KLM pipeline.
- Mar. 10, 2023 Submitted Direct Testimony Submitted and Affidavit on behalf of Phillips 66 Pipeline LLC addressing issues related to cost-of-service calculations including return on equity, capital structure, and the application of the FERC's Opinion No. 154-B methodology in Docket Nos. IS21-747-000 and IS23-92-000 at the FERC.
- Mar. 3, 2023 Submitted Verified Statement on behalf of Crimson Company California Pipeline, L.P. regarding its KLM System before the California Public Utilities Commission in addressing the cost of service, cost of capital and achieved return supporting the applicant's rate increase.
- Jan. 27, 2023 Submitted Verified Statement on behalf of San Pablo Bay Pipeline Company before the California Public Utilities Commission in addressing the cost of service, cost of capital and achieved return supporting the applicant's rate increase.
- Jan. 3, 2023 Submitted and Affidavit on behalf of Phillips 66 Pipeline LLC addressing issues related to cost-of-service calculations including return on equity, capital structure, and the application of the FERC's Opinion No. 154-B methodology in Docket No. IS23-92-000.
- Dec. 23, 2022 Submitted Rebuttal Testimony on behalf of Crimson California Pipeline L.P. in Docket Nos. A-22-06-017 and A-22-03-013 discussing principles of cost-based ratemaking, and supporting the pipeline's rate increase.
- Sept. 13, 2022 Submitted Direct Testimony on behalf of Crimson California Pipeline L.P. in Docket No. A-22-06-017 discussing principles of cost-based ratemaking, and supporting the pipeline's rate increase.
- Aug. 24, 2022 Submitted Verified Statement on behalf of Crimson California Pipeline L.P. in Docket No. A-20-06-010 responding to questions raised by ALJ and supporting the pipeline's rate increase.
- Aug. 6, 2022 Submitted Testimony on behalf of Crimson California Pipeline L.P. in Docket No. A-22-03-013 regarding surcharge to implement AB-864 safety measures.

- Jul. 29, 2022 Submitted Declaration on behalf of San Pablo Bay Pipeline Company and KLM Pipeline Company before the California Public Utilities Commission in addressing the cost of service, cost of capital and achieved return supporting the applicant's rate increase.
- Jun. 30, 2022 Submitted Declaration on behalf of Southern California Pipeline System before the California Public Utilities Commission in addressing the cost of service, cost of capital and achieved return supporting the applicant's rate increase.
- Nov. 19, 2021 Submitted Rebuttal Testimony on behalf of SFPP, L.P. before the California Public Utilities Commission in Docket No. A.21-01-015 addressing issues related to risk, return on equity cost-of-debt and capital structure and cost-allocation.
- Oct. 1, 2021 Submitted Direct Testimony on behalf of SFPP, L.P. before the California Public Utilities Commission in Docket No. A.21-01-015 addressing issues related to risk, return on equity cost-of-debt and capital structure.
- Sep. 20, 2021 Submitted an Affidavit on behalf of Phillips 66 Pipeline LLC addressing issues related to cost-of-service calculations including return on equity, capital structure and the application of the FERC's Opinion No. 154-B methodology.
- Jun. 30, 2021 Submitted Declaration on behalf of Crimson California Pipeline California Pipeline L.P. before the California Public Utilities Commission addressing issues related to Cost of Service, and Return on Equity.
- Jun. 10, 2021 Direct Testimony and Cross Examination on behalf of Cenovus Energy, Inc. before the Canada Energy Regulator ("CER") in Docket for S.C. 2019, c 28, s. 10 regarding the Application of Enbridge Inc. requesting approval of tolling structure involving contract tolls on its Mainline.
- May 28, 2021 Submitted Declaration on behalf of San Pablo Bay Pipeline Company before the California Public Utilities Commission in Proceeding No. addressing issues related to Cost of Service and Return on Equity.
- Feb. 21-22, 2021 Direct Testimony and Cross Examination on behalf of Bandera Master Fund LP et al in the Court of Chancery of the State of Delaware Docket No. 2018-0372-JTL addressing issues related to issues of FERC ratemaking.
- Dec. 7, 2020 Submitted Evidence at the request of Cenovus Energy, Inc. before the Canada Energy Regulator ("CER") in Docket for S.C. 2019, c 28, s. 10 regarding the Application of Enbridge Inc. requesting approval of tolling structure involving contract tolls on its Mainline. The Evidence

recommended a methodology to employ to assess whether the tolls would be just and reasonable and consistent with the public interest.

- Nov. 10, 2020 Submitted Affidavit on behalf of SFPP, L.P. at the Federal Energy Regulatory Commission responding to issues rates by FERC Trial Staff and Complainants in Docket No. OR16-6-000 addressing issues related to adjustments to the calculation of the Return on Equity.
- Oct. 26, 2020 Oral Testimony on behalf of Colonial Pipeline Company in Docket No. OR18-7-002 addressing the proper methodology to employ in allocating cost between jurisdictional and non-jurisdictional services and issues related to depreciation.
- Oct. 19, 2020 Submitted Affidavit on behalf of SFPP, L.P. at the Federal Energy Regulatory Commission in Docket No. OR16-6-000 addressing issues related to adjustments to the calculation of the Return on Equity.
- Oct. 16, 2020 Submitted Rebuttal Expert Report on behalf of Bandera Master Fund LP et al in the Court of Chancery of the State of Delaware Docket No. 2018-0372-JTL addressing issues related to issues of FERC ratemaking.
- Sept. 11, 2020 Submitted Expert Report on behalf of Bandera Master Fund LP et al in the Court of Chancery of the State of Delaware Docket No. 2018-0372-JTL addressing issues related to issues of FERC ratemaking.
- Sept. 11, 2020 Submitted Affidavit on behalf of The Designated Carriers in Docket No. AD20-10-000 responding to issues raised by certain shipper comments regarding the appropriate factors to employ in calculating the Index the FERC applies to adjust oil pipeline rates.
- Aug. 17, 2020 Submitted Affidavit on behalf of The Designated Carriers in Docket No. AD20-10-000 regarding the appropriate factors to employ in calculating the Index the FERC applies to adjust oil pipeline rates.
- Aug. 13-14, 2020 Provided oral sur-rebuttal testimony and subject to cross examination on behalf of the Board of Supervisors of Loudon County before the State Corporation Commission in Docket No. PUR-2019-00218 addressing regulatory issues associated with setting tolls for the privately owned Dulles Greenway.
- Jul. 10, 2020 Submitted Direct Testimony on behalf of Williams MLP Operating LLC and Mockingbird Midstream Gas Services, LLC before the Railroad Commission of Texas in Docket No. GUD-10606 addressing regulatory economics issues associated with price discrimination.

- Jun. 26, 2020 Submitted Direct Testimony on behalf of the Board of Supervisors of Loudon County before the State Corporation Commission in Docket No. PUR-2019-00218 addressing regulatory issues associated with setting tolls for the privately owned Dulles Greenway.
- May 12-18, 2020 Oral testimony and cross examination on behalf of MPLX Ozark Pipe Line, LLC in Docket No. OR19-14-000 addressing issues related to product and destination markets and HHI calculations.
- Apr. 8, 2020 Filed Rebuttal Testimony on behalf of MPLX Ozark Pipe Line, LLC in Docket No. OR19-14-000 addressing issues related to product and destination markets and HHI calculations.
- Feb. 20, 2020 Filed Cross-Answering Testimony on behalf of Colonial Pipeline Company in Docket No. OR18-7-002 addressing the proper methodology to employ in allocating cost between jurisdictional and non-jurisdictional services and the economic life to use in depreciation calculations.
- Nov. 20, 2019 Filed Answering Testimony on behalf of Colonial Pipeline Company in Docket No. OR18-7-002 addressing the proper methodology to employ in allocating cost between jurisdictional and non-jurisdictional services.
- Sep 13, 2019 Filed Supplemental Direct Testimony on behalf of MPLX Ozark Pipe Line, LLC addressing issues related to product and destination markets and HHI calculations in Docket No. OR19-14-000
- Aug. 13, 2019 Filed an affidavit on behalf of Buckeye Pipeline Company, L.P. regarding the calculation of a substantial change in economic circumstances under the Energy Policy Act of 1992, in Docket No. OR19-26-000.
- Jul. 5, 2019 Filed an affidavit on behalf of Buckeye Pipeline Company, L.P. regarding the justness and reasonableness of rates it charges to transport jet fuel to the New York City Airports, in Docket No. OR19-26-000.
- Jun. 26, 2019 Filed an affidavit on behalf of the Association of Oil Pipe Lines discussing issues related to the calculation of the cost of capital in Docket No. PL19-4-000.
- Jun. 19, 2019 Filed an affidavit on behalf of SFPP, L.P. discussing methodology employed to calculate cost of capital used in SFPP's Page 700 in Docket No. IS19-508-000.
- Mar. 27, 2019 Filed an affidavit on behalf of MPLX Ozark Pipe Line, LLC addressing issues related to product and destination markets and HHI calculations in Docket No. OR19-14-000.

- Mar. 20-21, 2019 Oral testimony and cross examination on behalf of White Cliffs Pipeline, LLC at the Federal Energy Regulatory Commission in Docket No. OR18-9-000 addressing issues related to market power.
- Sept. 10, 2018 Filled an affidavit on behalf of SFPP, L.P addressing issues related to rates deemed just and reasonable by the Energy Policy Act of 1992 in Docket No. OR11-13-000 *et al.*
- Aug. 7, 2018 Filed affidavit on behalf of SFPP, L.P. in support of motion to reopen the record with regard to issues related to the impact of the Commission's Policy Statement on Income Tax Allowance in Docket No. IS08-390-000 *et al.*
- Jul. 30, 2018 Filed Supplemental Direct Testimony on behalf of White Cliffs Pipeline, L.L.C. containing a market power analysis in support of White Cliffs' application for authorization to charge market-based rates in Docket No. OR18-9-000
- Jul. 11, 2018 Filed affidavit on behalf of SFPP, L.P. explaining the basis for eliminating ADIT for a MLP that is not entitled to a tax allowance in Docket Nos. IS08-390-000 *et al.*
- Jun. 14, 2018 Filed Prepared Supplement Direct Testimony on behalf of West Texas LPG Pipeline Limited Partnership ("WTXP") addressing issues related to market power analyses in support of WTXP's application for authorization to charge market-based rates in Docket No. OR17-19-000.
- May 2, 2018 Filed Prepared Supplemental Direct Testimony on behalf of Wood River Pipe Lines LLC that contains a market power analyses in support of Wood River's application for authorization to charge market-based rates in Docket No. OR17-11-000.
- Apr. 9, 2018 Filed affidavit in support of the answer of Buckeye Pipeline Company, L.P. to the protest of various shippers to the tariff filing on Buckeye's Eastern Products System in Docket No. IS18-229-000.
- Apr. 9, 2018 Filed affidavit in support of the answer of Buckeye Pipeline Company, L.P. to the protest of various shippers to the tariff filing on Buckeye's Midwest Products System in Docket No. IS18-230-000.
- Mar. 22, 2018 Filed affidavit in support of the answer of White Cliffs Pipeline, L.L.C. to Protest of the Liquids Shippers Group to application of White Cliffs Pipeline, LLC's request for market-based ratemaking authority.
- Dec. 22, 2017 Filed affidavit in support of the request for rehearing of Plains Marketing, L.P. discussing pricing dynamics in the crude petroleum market.

- Dec. 21, 2017 Prepared Direct Testimony on behalf of White Cliffs Pipeline, L.L.C. in support of application for Market-Based Ratemaking Authority at the Federal Energy Regulatory Commission in Docket No. OR18-8-000.
- Nov. 7, 2017 Cross Examination on behalf of Laurel Pipe Line Company, L.P. at the Pennsylvania Public Utilities Commission in Docket No. A-2016-2575829 supporting Laurel's request to make operational changes to its pipeline service.
- Nov. 1, 2017 Filed Supplemental Rejoinder testimony on behalf of Laurel Pipe Line Company, L.P. at the Pennsylvania Public Utilities Commission in Docket No. A-2016-2575829 supporting Laurel's request to make operational changes to its pipeline service.
- Oct. 6, 2017 Filed Rejoinder testimony on behalf of Laurel Pipe Line Company, L.P. at the Pennsylvania Public Utilities Commission in Docket No. A-2016-2575829 supporting Laurel's request to make operational changes to its pipeline service.
- Aug. 31, 2017 Filed Rebuttal testimony on behalf of Laurel Pipe Line Company, L.P. at the Pennsylvania Public Utilities Commission in Docket No. A-2016-2575829 supporting Laurel's request to make operational changes to its pipeline service.
- Aug. 28, 2017 Filed Rebuttal Expert Witness Statement in Suburban Heating Oil Partners, LLC v. Buckeye Terminals LLC before the American Arbitration Association Case No. 01-16-0003-4900 involving the calculation of damages for alleged breach of contract.
- Aug. 7, 2017 Filed affidavit on behalf of Wood River Pipe Line, LLC responding to Protest of the application for Market-Based Ratemaking Authority at the Federal Energy Regulatory Commission in Docket No. OR17-11-000.
- Jul. 20, 2017 Cross Examination in Suburban Heating Oil Partners, LLC v. Buckeye Terminals LLC before the American Arbitration Association Case No. 01-16-0003-4900 involving the calculation of damages for alleged breach of contract.
- Jun. 26, 2017 Filed Rebuttal Expert Witness Statement in Suburban Heating Oil Partners, LLC v. Buckeye Terminals LLC before the American Arbitration Association Case No. 01-16-0003-4900 involving the calculation of damages for alleged breach of contract.
- Jun. 19, 2017 Filed Expert Witness Statement in Suburban Heating Oil Partners, LLC v. Buckeye Terminals LLC before the American Arbitration Association

Case No. 01-16-0003-4900 involving the calculation of damages for alleged breach of contract.

- May 5, 2017 Filed Direct testimony on behalf of Wood River Pipe Line, LLC in support of application for Market-Based Ratemaking Authority at the Federal Energy Regulatory Commission in Docket No. OR17-11-000.
- Mar. 8, 2017 Oral testimony and cross examination of Crimson Pipeline, L.P. at the California Public Utilities Commission in Docket No. A.16-03-009 addressing issues related to cost of capital, risk and the use of the cost-of-service methodology in assessing whether rates are just and reasonable.
- Feb. 7, 2017 Filed Direct testimony on behalf of Laurel Pipe Line Company, L.P. at the Pennsylvania Public Utilities Commission in Docket No. A-2016-2575829 supporting Laurel's request to make operational changes to its pipeline service.
- Feb. 3, 2017 Filed 2<sup>nd</sup> Supplemental Rebuttal Testimony on behalf of West Texas LPG Pipeline Limited Partnership at the Railroad Commission of Texas in GUD No. 10455 regarding the calculation of cost-based rates in the presence of competition.
- Feb. 2, 2017 Oral testimony and cross examination in on behalf of SFPP, L.P. at the Federal Energy Regulatory Commission in Docket No. OR16-6-000 addressing issues related to cost of capital, risk, and billing determinants used to set cost-based rates for SFPP.
- Jan. 16, 2017 Filed Rebuttal Testimony on behalf of Crimson Pipeline, L.P. at the California Public Utilities Commission in Docket No. A.16-03-009 addressing issues related to cost of capital, risk and the use of the cost-of-service methodology in assessing whether rates are just and reasonable.
- Oct. 28, 2016 Filed Prepared Answering Testimony in response to Commission Trial Staff on behalf of SFPP, L.P. at the Federal Energy Regulatory Commission in Docket No. OR16-6-000 addressing issues related to the cost of capital.
- Oct. 21, 2016 Filed Supplemental Rebuttal Testimony on behalf of West Texas LPG Pipeline Limited Partnership at the Railroad Commission of Texas in GUD No. 10455 regarding the calculation of cost-based rates in the presence of competition.
- Oct. 18, 2016 Filed Prepared Answering Testimony in response to Commission Trial Staff on behalf of SFPP, L.P. at the Federal Energy Regulatory Commission in Docket No. OR16-6-000 addressing issues related to test period volumes and market evaluation.

- Sep. 19, 2016 Filed Affidavit on behalf of Enterprise TE Products Pipeline Company, LLC in Docket No. OR16-23-000, addressing issues related to cost-of-service and cost-allocation.
- Sep. 16, 2016 Filed Rebuttal Testimony on behalf of West Texas LPG Pipeline Limited Partnership at the Railroad Commission of Texas in GUD No. 10455 regarding economic theory underpinning the analysis of market rates.
- Aug. 17, 2016 Filed Direct Testimony on behalf of Crimson Pipeline, L.P. at the California Public Utilities Commission in Docket No. A.16-03-009 addressing issues related to cost of capital, risk and the use of the cost-of-service methodology in assessing whether rates are just and reasonable.
- Aug. 12, 2016 Filed Answering Testimony on behalf of SFPP, L.P. at the Federal Energy Regulatory Commission in Docket No. OR16-6-000 addressing issues related to cost of capital, risk, and billing determinants used to set cost-based rates for SFPP.
- Aug. 1, 2016 Filed Direct Testimony in support of the application for market-based ratemaking authority of Buckeye Linden Pipe Line Company LLC.
- Jul. 25, 2016 Provided Verified Statement on behalf of Crimson Pipeline, L.P. at the California public Utilities Commission in Docket No. A.16-03-009 addressing issues raised by shippers in response to request for emergency rate relief
- Jun. 15, 2016 Provided Verified Statement on behalf of Crimson Pipeline, L.P. at the California public Utilities Commission in Docket No. A.16-03-009 regarding the need for emergency rate relief.
- Mar. 11, 2016 Provided Testimony on behalf of Crimson Pipeline, L.P. at the California Public Utilities Commission in Docket No. A.16-03-009 regarding achieved return and cost of capital
- Oct. 8, 2015 Presented Oral Testimony on behalf of Buckeye Pipe Line Company, L.P. at FERC in Docket No. OR14-4-000 responding to testimony regarding the competitive status of certain markets served by the carrier
- Jul. 1, 2015 Provided Testimony on behalf of Newfield Production Company at the 269<sup>th</sup> District Court in Case No. 201534624 regarding FERC process and principles related to committed rates
- Jun. 26, 2015 Filed Prepared Answering Testimony on behalf of Buckeye Pipe Line Company, L.P. at FERC in Docket No. OR14-4-000 responding to

testimony regarding the competitive status of certain markets served by the carrier

- May 15, 2015 Filed Prepared Rebuttal Testimony on behalf of Zydeco Pipeline Company LLC at FERC in Docket No. IS14-607-000 *et al* responding to overhead cost allocation, rate design and cost of capital related issues
- Mar. 24-27, 2015 Presented Oral Testimony at FERC on behalf of Buckeye Pipe Line Company, L.P. in Docket No. OR12-28-001 regarding economic principles of cost allocation and evaluation of allocation methodology
- Jan. 20, 2015 Filed Prepared Answering Testimony at FERC on behalf of Buckeye Pipe Line Company, L.P. in Docket Nos. OR14-4-000 *et al.* regarding analyses underlying a market power determination
- Dec. 19, 2014 Filed Prepared Answering Testimony Responding to Commission Trial Staff at FERC on behalf of Buckeye Pipe Line Company, L.P. in Docket No. OR12-28-001 regarding economic principles of cost allocation and evaluation of allocation methodology
- Dec. 15, 2014 Filed Direct Testimony at FERC on behalf of Zydeco Pipeline Company LLC in Docket No. IS14-607-000 *et al* discussing regarding cost allocation and cost of capital issues
- Oct. 7, 2014 Filed Prepared Answering Testimony on behalf of Buckeye Pipe Line Company, L.P. at FERC in Docket No. OR12-28-001 regarding economic principles of cost allocation and evaluation of allocation methodology
- Aug. 7, 2014 Filed Rebuttal Written Evidence at the Canadian National Energy Board on behalf of Shell Trading Canada on matters regarding apportionment methodologies in Hearing Order RHW-001-2013
- Jul. 27, 2014 Filed Affidavit on behalf of SFPP, L.P. in Docket No. OR14-35 regarding the efficiency of the FERC's indexing methodology
- Jun. 4, 2014 Filed Direct Testimony at FERC on behalf of Shell Pipeline Company, L.P. in Docket No. IS14-104-000 *et al.* discussing regarding cost allocation and cost of capital issues
- Apr. 25, 2014 Filed Direct Written Evidence at the Canadian National Energy Board on behalf of Shell Trading Canada on matters regarding apportionment methodologies in Hearing Order RHW-001-2013
- Nov. 12-14, 2013 Presented oral testimony, cross examination before the Virginia State Corporation Commission regarding cost-of-service and rate design issues for a private toll road in PUE-2013-00011

- Nov. 4, 2013 Filed Affidavit at FERC on behalf of Buckeye Pipeline Company, L.P. in Docket No. OR14-4 in support of its motion to dismiss
- Oct. 15, 2013 Filed Rebuttal testimony at the Virginia State Corporation Commission regarding cost-of-service regulation and ratemaking issues in Case No. PUE-2013-00011
- Sept. 23, 2013 Filed prepared testimony at the Regulatory Commission of Alaska on behalf of BP Pipelines (Alaska) Inc. calculating a cost-based rate and providing theoretical support in Docket No. TL143-311
- Apr. 30, 2013 Submitted Joint Expert Report to the Virginia State Corporation Commission regarding cost-of-service regulation and ratemaking issues in Case No. PUE-2013-00011
- Apr. 29, 2013 Presented oral testimony and cross examination at the California Public Utilities Commission on behalf of SFPP, L.P. discussing theoretical principles of cost allocation with regard to Application No. 09-05-014
- Dec. 12, 2012 Filed Rebuttal Testimony at FERC on behalf of Enterprise TE Products Pipeline Company LLC in Docket No. IS12-203-000 on matters relating to rate design and cost-of-capital
- Nov. 5, 2012 Filed Direct Testimony at the California Public Utilities Commission on behalf of SFPP, L.P. discussing theoretical principles of cost allocation with regard to Application No. 09-05-014
- Oct. 10, 2012 Filed Verified Statement at FERC on behalf of Buckeye Pipeline Company, L.P. in Docket No. OR12-28-000 regarding the justness and reasonableness of the pipeline's rates
- Jul. 18, 2012 Filed Affidavit at FERC on behalf of Association of Oil Pipe Lines in Docket No. OR12-4-000 on issues related to assessing competition in the context of applications for market-based ratemaking authority
- Jul. 16, 2012 Filed Reply Verified Statement at FERC on behalf of Buckeye Pipeline Company, L.P. in Docket No. IS12-185-000
- Jul. 9, 2012 Filed Prepared Direct Testimony at FERC on behalf of Enterprise TE Products Pipeline Company LLC in Docket No. IS12-203-000 on matters relating to rate design and cost-of-capital
- May 15, 2012 Filed Verified Statement at FERC on behalf of Buckeye Pipeline Company, L.P. in Docket No. IS12-185-000 addressing issues related to ratemaking in the context of the company's ratemaking program

- Apr. 18-20, 2012 Presented oral testimony and responded to questions of Commissioners at the Public Service Commission of the State of Wyoming on behalf of Belle Fourche Pipeline Company in Docket no. 50000-61-PR-11 on issues related to cost-of-service and cost-of-capital
- Feb. 1, 2012 Filed Supplement Direct Testimony at the Public Service Commission of the State of Wyoming on behalf of Belle Fourche Pipeline Company in Docket No. 50000-61-PR-11 on issues related to cost-of-service and cost of capital
- Jan. 10-11, 2012 Presented Oral Testimony and cross examination at the FERC on behalf of Enbridge Pipelines (Southern Lights) LLC in Docket Nos. IS10-399-000 *et al.* on issues related to cost-of-service and rate design
- Jan. 9, 2012 Filed Supplemental Direct Testimony at FERC on behalf of SFPP, L.P. in Docket No. IS11-444-001 revising calculations to accord with Commission's new cost-of service ruling
- Jan. 6, 2012 Filed Rebuttal Testimony before the State Corporation Commission of the State of Kansas on behalf of Mid-America Pipeline Company, LLC in Docket No. 12-MDAP-068-RTS on issues related to cost-of-service and rate design
- Dec. 13, 2011 Filed Direct Testimony at FERC on behalf of SFPP, L.P. in Docket No. IS11-444-001 regarding the proposed indexation of pipeline rates and the economic principles of the Commission's indexing methodology
- Nov. 1, 2011 Filled Rebuttal Testimony at the Federal Regulatory Commission on behalf of Enbridge Pipelines (Southern Lights) LLC in Docket Nos. IS10-399-000 *et al.* on issues related to cost-of-service and rate design
- Oct. 25, 2011 Filed Affidavit on behalf of Mid-America Pipeline Company, LLC before the State Corporation Commission of the State of Kansas in Docket No. 12-MDAP-068-RTS in support of a Motion to Compel
- Oct. 14, 2011 Filed Direct Testimony before the Public Service Commission of the State of Wyoming on behalf of Belle Fourche Pipeline Company in Docket No. 50000-61-PR-11 on issues related to cost-of-service and cost-of-capital
- Aug. 19, 2011 Filed Direct Testimony before the State Corporation Commission of the State of Kansas on behalf of Mid-America Pipeline Company, LLC in Docket No. 12-MDAP-068-RTS on issues related to cost-of-service and rate design

- Jun. 7, 2011 Filed Direct Testimony at FERC on behalf of Enbridge Pipelines (Southern Lights) LLC in Docket Nos. IS10-399-000, *et al.* on issues related to cost-of-service and rate design
- Jul. 2, 2010 Presented oral cross examination of behalf of SFPP, L.P. addressing issues associated with cost allocation and volume projections in Docket No. IS09-437
- May 14, 2010 Filed Rebuttal Testimony on behalf of SFPP, L.P. addressing issues associated with cost allocation, and volume projections in Docket No. IS09-437
- May 10-11, 2010 Presented oral cross examination behalf of San Pablo Bay Pipeline Company, LLC at the California Public Utility Commission supporting its Application for market based rates in Docket No. A.08-09-024
- Apr. 15, 2010 Filed Direct Testimony on behalf of Kuparuk Transportation Company on cost of service issues before the Regulatory Commission of Alaska
- Feb. 23-24, 2010 Presented oral Testimony on behalf of SFPP, L.P. at the California Public Utilities Commission addressing issues associated with competition, sound regulatory policy, and macro-economic conditions in Docket No. 09-05-014
- Feb. 8, 2010 Filed Rebuttal Testimony on behalf of San Pablo Bay Pipeline Company LLC in Docket No. A-08-09-024 addressing issues related to competitive analysis of its markets
- Jan. 25, 2009 Filed Rebuttal Testimony on behalf of SFPP, L.P. at the California Public Utilities Commission addressing issues associated with competition, sound regulatory policy and macro-economic conditions in Docket No. A. 09-05-014
- Dec. 29, 2009 Filed Verified Statement on behalf of San Pablo Bay Pipeline, LLC supporting Motion to Compel in Docket No. A 08-09-024
- Dec. 11, 2009 Filed Direct Testimony on behalf of SFPP, L.P. addressing issues associated with cost-allocation, and volume projections in Docket No. IS09-437
- Sept. 21, 2009 Filed Affidavit supporting SFPP, L.P.'s Petition for Rehearing in Docket No. IS09-437
- Jun. 26, 2009 Presented Oral Sur-rebuttal testimony on behalf of SFPP, L.P. addressing issues associated with volume projections and economic conditions

- Jun. 18-19, 2009 Presented Oral Testimony on behalf of SFPP, L.P. at FERC in Docket No. IS08-390-002 addressing issues discussed in prepared Direct and Rebuttal Testimony
- Mar. 27, 2009 Filed Rebuttal Testimony at FERC discussing cost-allocation, depreciation, and the economic conditions associated with demand for refined petroleum products in SFPP's destination market
- Jan. 13, 2009 Filed Sworn Declaration on behalf of San Pablo Bay Pipeline, LLC supporting its Response to Tesoro's Motion for Summary Adjudication in Docket No. A.08-09-024
- Dec. 2-4, 2008 Presented Oral Testimony on behalf of SFPP, L.P. at FERC addressing theoretical issues related to allocation of cost and the economic life of the pipeline
- Oct. 16, 2008 Filed Direct Testimony at FERC on behalf of SFPP, L.P. in Docket No. IS08-390-002 discussing theoretical principles of cost allocation
- Sept. 30, 2008 Filed Direct Testimony on behalf of San Pablo Bay Pipeline Company LLC at the California Public Utilities Commission in Docket No. A.08-09-024 supporting its market based rates and examining the competition in origin and destination markets using conventional measures of market concentration and competition
- Sept. 9, 2008 Filed Answering Testimony at FERC on behalf of SFPP, L.P. in Docket No. OR03-5-000, discussing theoretical issues associated with cost-allocation and the economic life of the pipeline
- Jul. 6, 2007 Filed Affidavit at FERC in support of a motion for rehearing of Frontier Pipeline Company in Docket No. OR01-2-000 and OR01-4-000 discussing calculation of refunds owed by Frontier.

## INVOLVEMENT IN PRIOR REGULATORY MATTERS

### FERC Matters

- OR03-5-001 Complaint against the rates of SFPP's North Line and Oregon Line
- IS05-216-000 Protest against the rates of Mid-America Pipeline
- IS05-82-000,  
IS06-01-000 Protest and Complaint against TAPS CARRIERS rates

OR05-7-000	Sunoco Logistics Partners, L.C. Market Based Rate filing
OR96-2-000, IS98-1-000	Protest and complaint against SFPP's Sepulveda pipeline system
OR05-1-000	Petition for Declaratory Order Filed by Enbridge's Spearhead pipeline
OR01-2-000	Calculating reparations owed by Frontier to Big West and Chevron
OR02-10-000	Shell Pipe Line Company, LP application for market-based ratemaking authority
IS02-384-000	Protest and Complaint against Platte Pipe Line Company and Express Pipeline Company, LLC
OR96-2-000	Complaint against SFPP's rates
OR01-06-000	Application of West Shore Pipe Line Company for market-based ratemaking authority
OR01-03-000, OR01-05-000	Complaint against the rates of Anschutz Ranch East Pipeline Inc.
OR01-02-000, OR01-04-000	Complaint against the rates of Frontier Pipeline Company
OR01-1-000	Application of Chase Transportation Company for market-based ratemaking authority
OR00-1-000	Application of Marathon-Ashland Pipe Line, LLC for market-based ratemaking authority

**State Matters**

P-03-4	Protest and complaint at the Regulatory Commission of Alaska against the rates of the TAPS Carriers
TO-01147	Protest against Olympic Pipe Line Company, Inc's rate increase at the Washington Utilities and Telecommunications Commission
P97-4 and P97-7	Protest and complaint at the Regulatory Commission of Alaska against the rates of the TAPS Carriers

TX 1999-00532 Challenge to Arizona tax court's determination that SFPP's property should be valued at other than original cost

### **Other Entities**

Docket No. 42084 Analyzing the return of Valero's ammonia pipeline

Civ No. 96-Z-2451 Challenge to the rates charged by a CO<sub>2</sub> Pipeline in Federal District Court

Case No. 70 198 Challenge to a pro-rationing policy of Amoco Oil Company  
00294-99 filed before the American Arbitration Association

### **PUBLICATIONS AND PRESENTATIONS**

"Pipeline Economics 101" Presented at the 2019, 2018, 2017, 2011, and 2010 Annual Business Conference of the Association of Oil Pipe Lines

"Allocating Pipeline Capacity and Priority Service" Presented at the 2018 Annual Business Conference of the Association of Oil Pipe Lines

"State Regulation" Presented at the 2019, 2018 and 2017 Annual Business Conference of the Association of Oil Pipe Lines

"Market-Based Rates" Presented at the 2017, 2016, 2015, 2014, 2013, and 2012 Annual Business Conference of the Association of Oil Pipe Lines

"Introduction to FERC Ratemaking" Presented at the 2016, 2015 and 2014 Annual Business Conference of the Association of Oil Pipe Lines

"Cost of Service Concepts" Presented at the 2019, and 2015 Annual Business Conference of the Association of Oil Pipe Lines

"Pipeline Update" Presented at the November 2014 Mexican Energy Infrastructure Symposium

Webb, M.J and Williams, J.C "Price Regulation Allowing NGL Pipelines to Adjust to Current Conditions" Natural Gas & Electricity (August 2013) 17-22

Presentation at EUCI regarding all aspects of ratemaking for the liquid pipeline industry, December 2012

"Regulatory Basics for Oil Pipelines" Presented at the 2013, 2012, 2011, 2010, and 2009 Annual Business Conference of the Association of Oil Pipe Lines

"Ratemaking: Beyond the Basics" Presented at the 2011, 2010, 2009, and 2008 Annual Business Conference of the Association of Oil Pipe Lines

“New Developments in Pipeline Expansions: Executing the Deal” Presented at the 2011 Annual Business Conference of the Association of Oil Pipe Lines

“FERC 101” Presented at the 2008 and 2007 Annual Business Conference of the Association of Oil Pipe Lines

The Political Economy of the Israel Palestine Conflict: An Evolutionary Game Theory Approach: Doctoral Dissertation

Rowley, C.K and M. J. Webb “Israel and Palestine: the slow road to peace or the fast track to mutual annihilation” Public Choice (July 2007) 132: 7-26

“The Antitrust Review of Oil Pipe Line Mergers at the FTC” Presented at the 2007 Annual Business Conference of the Association of Oil Pipe Lines

“Surviving a Rate Case” Presented at the 2006 Annual Business Conference of the Association of Oil Pipe Lines

### Previous Relevant Employment

<i>Association of Oil Pipe Lines (1997-1998)</i>	<i>Intern</i> Prepared statistical analysis of pipe line failures from publicly available sources. Assisted Executive Director in employing economic theory to address industry concerns.
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### Education

<i>George Mason University</i>	PhD, Economics MA, Economics
<i>American University</i>	BA ( <i>Magna Cum Laude</i> ) International Relations, Economics

# **ATTACHMENT B**

DCF Results							
Market Through March 31, 2026							
SFPP Proxy Group							
		Yield	Growth	GDP	Wtd. Ave. Growth	6-mo Ave. Tld x (1+1/2 g)	Yield plus Growth
<b>OKE</b>	ONEOK, Inc.	5.49%	5.30%	3.93%	4.84%	5.64%	10.48%
<b>MPLX</b>	MPLX LP	7.80%	3.60%	1.96%	3.05%	7.94%	11.00%
<b>EPD</b>	Enterprise Products Partners, L.P.	6.59%	8.70%	1.96%	6.45%	6.87%	13.33%
<b>PAA</b>	Plains All American Pipeline, L.P.	8.62%	3.00%	1.96%	2.65%	8.75%	11.40%
<b>ENB.TO</b>	Enbridge	5.60%	4.80%	3.93%	4.51%	5.73%	10.24%
<b>ET</b>	Energy Transfer	6.44%	11.60%	1.96%	8.39%	6.82%	15.20%
	Median						13.33%

CAPM Results										
Market Through March 31, 2026										
SFPP Proxy Group										
		Beta	Risk Free Rate	S&P 500 IBES	Market Risk Premium	Beta x Market Risk	CAPM Cost of Equity	Market Cap (Mil)	Size Premium	Size Adjusted CAPM
<b>OKE</b>	ONEOK, Inc.	1.300	4.77%	13.71%	8.94%	11.62%	16.39%	55,760	0.01%	16.40%
<b>MPLX</b>	MPLX LP	0.900	4.77%	13.71%	8.94%	8.05%	12.81%	56,510	0.01%	12.82%
<b>EPD</b>	Enterprise Products Partners, L.P.	0.850	4.77%	13.71%	8.94%	7.60%	12.37%	81,780	0.01%	12.38%
<b>PAA</b>	Plains All American Pipeline, L.P.	1.100	4.77%	13.71%	8.94%	9.84%	14.60%	15,410	0.40%	15.00%
<b>ENB.TO</b>	Enbridge	0.700	4.77%	13.71%	8.94%	6.26%	11.02%	117,270	0.01%	11.04%
<b>ET</b>	Energy Transfer	1.050	4.77%	13.71%	8.94%	9.39%	14.15%	65,230	0.01%	14.17%
	Median									15.00%

Line	Model	Nominal
	Yahoo Finance Growth, 6-Month Average Distribution	
1	Yield DCF	13.33%
2	CAPM - VL Betas and IBES MRP	15.00%
3	Composite	14.16%

## **EXHIBIT F**

# KINDER MORGAN

SFPP, L. P.

SFPP, L.P.

May 28, 2026

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).

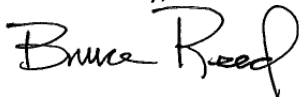
Pursuant to Section 455.3, SFPP has also submitted its Advice Letter No. 56-O to the CPUC requesting a 10 percent increase in its to become effective 30 days (July 1, 2026) after official notice to the CPUC and the shippers unless suspended by the CPUC. Copies of the affected tariffs (CPUC 160 and CPUC 161) 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) 420-4498

**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. [W]159133, 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: May 28, 2026**  
**Advice Letter No. 56-O**

**EFFECTIVE: July 1, 2026**

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Issued By:  
[W] Michael P. Garthwaite ~~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-[W]44981603  
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	Total Rate
Watson East Hynes	Orange	1.	③	33.63 [I]
	Hynes Junction	1.	③	14.58 [I]
	Tustin	1	③	46.98 [I]
	Mission Valley	1.	③	107.43 [I]
	San Diego	1.	③	112.16 [I]
	Colton	2.	③	46.04 [I]
	Imperial	2.	③	111.76 [I]
	Ontario Int'l AP	2.	①③	45.74 [I]
	Miramar Junction	1.	②③	101.28 [I]
Sepulveda Jct.	Watson Station (SFPP)	-	⑤ ⑥	1.87 [U]

<b>Exceptions to RULES AND REGULATIONS</b>			
<b>SFPP, L.P. Cal PUC No. [W]159433, Supplements thereto and reissues thereof.</b>			
<b>Item 40. Minimum Batch and Delivery Requirements</b>			
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

<b>Notes:</b>	
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.

<b>Explanation of Reference Marks</b>	
<b>Reference Mark</b>	<b>Explanation</b>
[I]	Increase
[U]	Unchanged
[W]	Wording

**Cal PUC 161**  
(Cancels Cal PUC 157)

**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. [W]159 133**, 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: May 28, 2026**  
**Advice Letter No. 56-O**

**EFFECTIVE: July 1, 2026**

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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	Total Rate
Benicia Richmond	Oakland Oakland Int'l AP Brisbane	1.	④⑤	33.23[I] 33.50 [I] 37.53 [I]
	San Francisco Int'l Airport	1.	①④⑤	37.53 [I]
Richmond Concord	San Jose	1.	④⑤	39.31 [I]
	Stockton	2.	④⑤	49.61 [I]
	Sacramento	2.	③④⑤	54.41 [I]
	Sacramento Airport Jct	2.	①④⑤	54.31 [I]
	Rocklin	2.	④⑤	69.40 [I]
	Chico	2.	④⑤	96.50 [I]
	Fresno	3.	④⑤	166.35 [I]
Benicia	Richmond	1.	④⑤	32.36 [I]

<b>Exceptions to RULES AND REGULATIONS</b> SFPP, L.P. Cal PUC No. [W] <u>159133</u> , Supplements thereto and reissues thereof.	
<b>Item 40. Minimum Tender and Delivery Requirements</b>	
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.

<b>Notes:</b>	
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.

<b>Explanation of Reference Marks</b>	
Reference Mark	Explanation
[I]	Increase
[W]	Wording