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

Application of SFPP, L.P. for authority,  
pursuant to Public Utilities Code Section  
455.3, to increase its rates for pipeline  
transportation services within California.

Application No. 09-05-014  
(Filed May 12, 2009)

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And Related Matters.

Application No. 08-06-008  
Application No. 08-06-009  
(Filed June 6, 2008)

**REPLY COMMENTS  
OF BP WEST COAST PRODUCTS LLC**

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Dated: July 19, 2010

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

Application of SFPP, L.P. for authority, pursuant to Public Utilities Code Section 455.3, to increase its rates for pipeline transportation services within California.

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OF BP WEST COAST PRODUCTS LLC**

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the Public Utilities Commission of the State of California (“Commission”), BP West Coast Products LLC (“BP West Coast”) respectfully submits these Reply Comments on the June 22, 2010 Proposed Decision of Administrative Law Judge Bemederfer (“Proposed Decision”). These Reply Comments respond to the July 12, 2010 “Comments of SFPP, L.P. on Proposed Decision of ALJ Bemederfer.”

SFPP conceded in its Comments that the Proposed Decision “does not reflect any legal, factual, or technical errors . . . .” SFPP Comments at 1. SFPP further acknowledged that it “has withdrawn its request for so-called ‘market-based’ rate authority” and “recognize[d] that the [Proposed Decision] has essentially rejected the request that the Commission give consideration to [factors] other than [cost of service] in evaluating the reasonableness of SFPP’s rates.” *Id.* at 1-2.

Although those concessions and observations should have ended the matter, SFPP did not stop there. Instead, SFPP argued that the purported “unique risks and competitive realities” faced by SFPP somehow justify consideration in setting cost-of-service based rates.

SFPP cannot claim to accept that the Proposed Decision correctly denied SFPP authority to charge market-based rates and correctly rejected SFPP’s request that the Commission give consideration to factors other than cost of service, then argue that non-cost-of-service factors should nevertheless be taken into account when setting SFPP’s rates. This is simply recasting the same argument in different terms - where previously SFPP sought authority to set rates on a basis other than its cost of service, SFPP now wants to take into account other factors when setting cost-of-service based rates. This is nothing more than a semantic game, and it should be rejected.

WHEREFORE, BP West Coast urges the Commission to affirm the Proposed Decision’s conclusions that SFPP’s rates may not be market-based and must be set on traditional cost-of-service principles.

Respectfully submitted,

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## CERTIFICATE OF SERVICE

I hereby certify that I have this day served by electronic mail the foregoing Opening Comments of BP West Coast Products LLC upon the persons listed below:

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Dated at Washington, D.C. this 19th day of July, 2010.

/s/ Thomas J. Eastment

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