



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

**FILED**  
10-21-16  
04:59 PM

In the Matter of the Application of Crimson California Pipeline L.P. (PLC-26) for Authority to Increase Rates for Its Crude Oil Pipeline Services.

Application 16-03-009  
(Filed March 11, 2016)

**RESPONSE OF CRIMSON CALIFORNIA PIPELINE, L.P.  
TO  
MOTION TO COMPEL DISCOVERY**

CALDWELL BOUDREAUX LEFLER PLLC  
Charles F. Caldwell  
Deborah R. Repman  
1800 West Loop South, Suite 1680  
Houston, TX 77027  
Telephone: (713) 357-6228  
Email: ccaldwell@cblpipinelaw.com  
Email: drepman@cblpipinelaw.com

GOODIN, MACBRIDE, SQUERI, &  
DAY, LLP  
James D. Squeri  
505 Sansome St., Suite 900  
San Francisco, CA 94111  
Telephone: (415) 392-7900  
Email: jsqueri@goodinmacbride.com

Attorneys for Crimson California Pipeline, L.P.

Dated: October 21, 2016

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

In the Matter of the Application of Crimson California Pipeline L.P. (PLC-26) for Authority to Increase Rates for Its Crude Oil Pipeline Services.

Application 16-03-009  
(Filed March 11, 2016)

**RESPONSE OF CRIMSON CALIFORNIA PIPELINE, L.P.  
TO  
MOTION TO COMPEL DISCOVERY**

Pursuant to Rule 11.2(e) of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), Crimson California Pipeline, L.P. (“Crimson”) hereby responds to the Motion to Compel Discovery (“Motion”) filed by Phillips 66 Company (“Phillips”) on October 14, 2016.<sup>1</sup>

In its Motion, Phillips requests that the Presiding Judge order Crimson to provide full responses to certain data requests, alleging that Crimson’s responses to date have been “insufficient.” The Motion is premature and inaccurate.

As explained below, today Crimson will provide supplemental responses, including additional information and data, to the majority of the data requests at issue in the Motion. For those limited data requests identified in the Motion to Compel for which Crimson has not yet provided a supplemental response, Crimson has identified below its intended supplemental response date(s). Accordingly, Crimson submits that it would be premature for the Presiding Judge to rule on the Motion at this juncture, as Crimson is providing additional information and data for each of the data requests identified in the Motion. Rather, Crimson respectfully requests

---

<sup>1</sup> Phillips 66 Company, Motion to Compel Discovery, Case No. A.16-03-009 (Oct. 14, 2016).

that the Presiding Judge hold the Motion in abeyance to afford Phillips the opportunity to review the supplemental responses and additional information by Crimson. To the extent Phillips is not satisfied with the supplemental responses and additional information, Phillips has the right to file a supplement to its Motion to identify those data requests to which it remains unsatisfied.

Supplemental responses to be provided by Crimson. The Motion addresses 18 data requests that Phillips propounded to Crimson in its First and Second Sets of Data Requests. As indicated above, Crimson will provide supplemental responses to Phillips today for the majority of those 18 data requests. For each data request identified in the Motion, Table 1 describes briefly the supplemental response and data Crimson will provide today, if applicable, and, where a response remains pending, identifies the expected response date.

**Table 1**

<b>Phillips Data Request</b>	<b>Crimson Supplemental Response</b>
PHILLIPS 1-11	Crimson is providing a substantive narrative description explaining the process undertaken to allocate and assign costs to Crimson, including the allocation of corporate overhead costs (including corporate office costs). <sup>2</sup> Crimson is also producing workpapers and other supporting files showing the development and calculation of Crimson’s allocation factors.
PHILLIPS 1-12(b)	Crimson is providing an excel file showing throughput and related revenues by origin and delivery point for each month from January 1, 2015 to August 31, 2016.
PHILLIPS 1-15(b)	Crimson intends to file a supplemental response to this request by October 25, 2016.
PHILLIPS 1-20	As indicated for PHILLIPS 1-11, Crimson is providing a substantive narrative explanation regarding the process undertaken to allocate and assign costs to Crimson, including how employee costs are allocated and assigned to Crimson. Crimson is also clarifying that employees do not “log” their time as part of this process.

<sup>2</sup> Crimson notes that during the Meet and Confer with Phillips, Crimson sought clarification on what Phillips meant by “corporate office costs.” Phillips agreed to provide further clarification during the Meet and Confer, but did not do so and instead filed the Motion.

PHILLIPS 1-21	As indicated for PHILLIPS 1-11, Crimson is providing a substantive narrative explanation regarding the process undertaken to allocate and assign costs to Crimson, including how employee costs are allocated and assigned to Crimson. Crimson is also clarifying that employees do not “log” their time as part of this process.
PHILLIPS 1-22	As indicated for PHILLIPS 1-11, Crimson is providing a substantive narrative explanation regarding the process undertaken to allocate and assign costs to Crimson, including the entity that allocates overhead operating costs to Crimson.
PHILLIPS 1-23	As indicated for PHILLIPS 1-11, Crimson is providing a substantive narrative explanation regarding the process undertaken to allocate and assign costs to Crimson. Crimson is also producing workpapers and other supporting files showing the development and calculation of Crimson’s allocation factors.
PHILLIPS 1-25(a), (b), (e)	Crimson intends to provide a supplemental response to this request on October 25, 2016.
PHILLIPS 1-34	Crimson is providing a narrative explanation regarding how its corporate overhead costs are allocated to KLM Pipeline.
PHILLIPS 1-37	Crimson is providing a document listing the mileage distance between each origin point and destination point combination, as well as a narrative explanation regarding the calculation of such mileage.
PHILLIPS 1-39(c)	Crimson is providing a narrative explanation describing the anticipated calculation of KLM’s rate base.
PHILLIPS 1-40(a)	Crimson is providing a narrative explanation of the location of the segment mileage and diameter information requested in the data request.
PHILLIPS 1-45(f)	As indicated for PHILLIPS 1-11, Crimson is providing a substantive narrative explanation regarding the process undertaken to allocate and assign costs to Crimson.
PHILLIPS 2-2(a), (c)	Crimson is providing a narrative explanation listing the requested interconnections and a map showing the same, and a narrative explanation of the requested capital costs.
PHILLIPS 2-27 (a), (b)	Crimson is providing a narrative explanation of Dr. Webb’s definition of “long term debt” and directing Phillips to information previously provided that is responsive to this request.
PHILLIPS 2-34	Crimson is providing a narrative explanation and supporting documentation explaining its characterization of Tallgrass Energy Partners, L.P. as an oil pipeline company.
PHILLIPS 2-42(b)	Crimson is providing a narrative explanation highlighting certain information from audit reports previously provided by Crimson that are responsive to this data request.
PHILLIPS 2-50(e)	Crimson is providing an excel file showing the Midway Sunset crude oil prices for each month of the requested time period.

Characterization of the Meet and Confer. Crimson wishes to address certain assertions in the Motion with respect to the October 4th Meet and Confer between Phillips and Crimson. The Motion, while acknowledging that Crimson committed to provide (and, indeed, has provided) additional responsive information, overstates the degree to which Crimson relied on its pending objections in the Meet and Confer. Indeed, the Motion suggests that Crimson was “unwilling to provide further responsive information” to any of the listed data requests. However, that is not the case.

As to some requests, Crimson agreed to provide additional information or clarifications regarding information that has previously been produced. In other cases, Crimson asked questions of Phillips in an attempt to better understand exactly what information Phillips was seeking in its requests, and in what ways Phillips believed the responses it had received to date were insufficient. For example, PHILLIPS 1-11 requests information regarding allocation of “corporate office costs,” and Crimson sought clarification of what Phillips meant by “corporate office costs.” Although Phillips agreed to provide further clarification to Crimson regarding what information it was seeking in PHILLIPS 1-11, it has not to date done so. Instead, Phillips remained silent for ten days after the Meet and Confer and then filed its Motion. Crimson approached the Meet and Confer with a good faith intent to reach resolution with Phillips regarding the discovery issues, and it is Crimson’s intent to continue to attempt to resolve such discovery issues.

Respectfully submitted October 21, 2016 at San Francisco, California.

CALDWELL BOUDREAUX LEFLER PLLC  
Charles F. Caldwell  
Deborah R. Repman  
1800 West Loop South, Suite 1680  
Houston, TX 77027  
Telephone: (713) 357-6228  
Email: ccaldwell@cblpipelinelaw.com  
Email: drepman@cblpipelinelaw.com

GOODIN, MACBRIDE, SQUERI  
& DAY, LLP  
James D. Squeri  
505 Sansome Street  
San Francisco, CA 94111  
Telephone: (415) 792-7900  
Facsimile: (415) 398-4321  
Email: jsqueri@goodinmacbride.com

By /s/ James D. Squeri  
James D. Squeri

Attorneys for Crimson California Pipeline, L.P.