



PUBLIC UTILITIES COMMISSION505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298**FILED**

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March 26, 2026

Agenda ID #24118
Ratesetting

TO PARTIES OF RECORD IN APPLICATION 25-06-026:

This is the proposed decision of Administrative Law Judge Minh LeQuang. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's May 14, 2026, Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).

/s/ MICHELLE COOKE

Michelle Cooke

Chief Administrative Law Judge

MLC: asf

Attachment

Decision **PROPOSED DECISION OF ALJ LEQUANG (Mailed 3/ 26/ 2026)****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 Application No. for Its Crude
Oil Pipeline Services. (SOUTHERN
CALIFORNIA).

Application 25-06-026

**DECISION AUTHORIZING 10 PERCENT RATE INCREASE
ON CRIMSON CALIFORNIA PIPELINE L.P.'S
SOUTHERN CALIFORNIA PIPELINE SYSTEM****Summary**

This decision approves the unopposed request by Crimson California Pipeline L.P. to increase the rates it charges for transportation of crude petroleum products on its Southern California Pipeline System by 10 percent beginning August 1, 2025. We further authorize the retroactive charge and collection of the difference between rates billed and the approved rate beginning August 1, 2025, including interest calculated at the 90-day commercial paper rate. This decision denies Crimson California Pipeline L.P.'s request in its Miscellaneous Filing for an additional 3.16 percent rate increase beginning August 1, 2025.

This proceeding is closed.

1. Background

Crimson California Pipeline L.P. (Crimson or Applicant) is a California limited partnership authorized to do business in the State of California as a pipeline corporation as defined by California Public Utilities Code (Pub. Util. Code) Section 228. Crimson is a limited partnership with its principal place of business located in the city of Long Beach. Crimson's general partner is Crimson Pipeline LLC, which is wholly owned by Crimson Midstream Operating LLC. Crimson Midstream Operating LLC is wholly owned by Crimson Midstream Holdings LLC, a privately held company.

Crimson owns and operates a network of six common carrier crude oil pipeline systems in Southern California. The systems total approximately 300 miles of pipeline connecting various producing oil fields to refineries in the Los Angeles Basin. Its systems include crude oil pipelines and related infrastructure.

2. Application

Section 455.3(b)(5) of the Pub. Util. Code authorizes California oil pipeline companies to increase rates, without seeking prior Commission approval, by not more than 10 percent within a 12-month period, upon 30 days' notice to the Commission and all shippers. Such an increase remains subject to retroactive Commission adjustment and refund with interest, as appropriate.

On June 30, 2025, Crimson filed Application (A.) 25-06-026 requesting authority to increase the rates that it charges for transportation of crude oil on its Southern California Pipeline System by 10 percent effective August 1, 2025 (Application). Crimson did not file an advice letter seeking the 10 percent approval pursuant to Pub. Util. Code Section 455.3(b)(5).

3. Procedural Background

Crimson's Application appeared on the Commission's Public Calendar on July 3, 2025. No protests to the Application were received.

A prehearing conference was held on October 7, 2025. A Scoping Memo and Ruling (Scoping Memo) was issued on November 18, 2025, categorizing the proceeding as ratesetting and determining that evidentiary hearings were not necessary.

On January 15, 2026, the Administrative Law Judge (ALJ) issued a ruling requiring Crimson to file additional evidence.

On January 30, 2026, Crimson filed a Miscellaneous Filing which included the Declaration of Michael J. Webb (Miscellaneous Filing).

On February 6, 2026, Crimson responded to the January 15, 2026 Ruling by filing a response (Response No. 1).

On February 24, 2026, Crimson filed a Compliance Filing in support of its Miscellaneous Filing.

On February 24, 2026, the ALJ issued a ruling requiring Crimson to file additional information about its Miscellaneous Filing.

On March 4, 2026, Crimson responded to the February 24, 2026 Ruling by filing a response (Response No. 2).

3.1. Submission Date

This matter was submitted on March 4, 2026 by Crimson's filing of Response No. 2.

3.2. Evidentiary Record

The evidentiary record in this proceeding consists of:

1. Crimson's Application including Exhibit A Certification Status, Exhibit B Financial statements, Exhibit C Current

- and Proposed Rates, Exhibit D Declaration of Michael J. Webb dated June 30, 2025;
2. Crimson's Miscellaneous Filing including Attachment A Declaration of Michael J. Webb dated January 30, 2026;
 3. Crimson's Response No. 1 including Attachment A Declaration of Robert Waldron dated February 6, 2026;
 4. Crimson's Compliance Filing including Attachment A, Exhibit MJW-2 dated February 24, 2026; and
 5. Crimson's Response No. 2 including Attachment A Declaration of Robert Waldron and Attachment B Workpapers dated March 4, 2026.

3.3. Standard of Review

The applicant bears the burden of proof to demonstrate by a preponderance of the evidence that its rate increase request is just and reasonable and that the ratemaking mechanisms are fair. That burden is met when the weight of evidence in support of the application has more convincing force than the evidence to the contrary.¹

4. Issues Before the Commission

The Scoping Memo identified the following issues for consideration in this proceeding:

1. Do the proposed rate increases comply with all applicable laws, regulations, general orders, and decisions of the Commission?
2. Is Crimson's proposal to increase rates by 10 percent effective August 1, 2025, reasonable and in the public interest?
3. Are there any safety considerations raised by Crimson's application?

¹ Decision (D.) 20-11-026 at 11.

4. Whether Crimson's application impacts the achievement of any goals of the Commission's Environmental and Social Justice (ESJ) Action Plan.
5. **Do the Proposed Rate Increases Comply with All Applicable Laws, Regulations, General Orders, and Decisions of the Commission?**

5.1. Application

The first issue is whether the rate increase request complies with all applicable law, general orders (GOs), rules, and Commission decisions such that it warrants approval. We find that it does.

The Application was filed pursuant to requirements of Pub. Util. Code Sections 454 and 455.3, and all relevant GOs, rules, and Commission decisions. Consistent with Section 455.3, the Application seeks Commission review and approval of the rate increase request. For the reasons discussed below on the reasonableness of the rate increase request, we determine that the rate increase request complies with all applicable law. The Application presents Crimson's evidentiary support and justification for the rate increase request. As such, we find that the Application complies with all applicable law, rules, and decisions.

5.2. Miscellaneous Filing

Section 455.3(b)(1) of the Pub. Util. Code requires pipeline corporations to give the Commission and all shippers no less than 30 days' notice of rate changes. On January 30, 2026, Crimson filed its Miscellaneous Filing requesting authorization to raise its rates by an additional 3.16 percent for a total of 13.16 percent effective August 1, 2025. Crimson's Application was filed on June 30, 2025 and provided the required 30 days' notice to all shippers for an effective date of August 1, 2025. However, Crimson's Miscellaneous Filing was filed on January 30, 2026 and does not provide the required 30 days' notice to all shippers for an effective date of August 1, 2025. As such, it is determined that Crimson

has not complied with the notice requirements set forth in Pub. Util. Code Section 455.3(b)(1) for an effective date of August 1, 2025.

Pursuant to Rule 1.12(a) of the Commission's Rules of Practice and Procedure (Rules), any amendment that makes a substantive change to a previously filed document such as an application, protest, complaint or answer must be filed prior to the issuance of the scoping memo and ruling. It is determined that Crimson's Miscellaneous Filing constitutes a substantive change to its previously filed application because it requests authority to raise its rates by an additional 3.16 percent to a total of 13.16 percent. Furthermore, Crimson's Miscellaneous Filing was filed on January 30, 2026, which is subsequent to the issuance of the Scoping Memo on November 18, 2025. As such, it is determined that Crimson's Miscellaneous Filing does not meet the requirements to qualify as an amended application under Rule 1.12(a).

Therefore, Crimson's request for authorization to increase its rates by an additional 3.16 percent is denied. Crimson did not provide the required 30 days' notice to its shippers for an effective date of August 1, 2025, and its Miscellaneous Filing constitutes a substantive change to its application that under the Commission's Rules should have been submitted as an amended application prior to issuance of the Scoping Memo.

As such, the Commission denies Crimson's request for an additional 3.16 percent rate increase but will continue to evaluate its request for authorization to increase its rates by 10 percent.

6. Is Crimson's Proposal to Increase Rates by 10 Percent Reasonable and in the Public Interest

The second issue is whether Crimson's proposal to increase rates by 10 percent is just and reasonable. Under Pub. Util. Code Section 451, all charges

demanded or received by a public utility for any service rendered shall be “just and reasonable.” Under Pub. Util. Code Section 454(a), a public utility shall not change any rate except upon a showing that the new rate is “justified.” Under Section 455.3, Crimson may implement a 10 percent increase after providing proper notice to its shippers, subject to subsequent Commission review and approval by Advice Letter. Crimson did not submit an Advice Letter to the Commission and instead sought the 10 percent increase in the Application. Crimson provided a table that displayed its operating revenue with no rate increase and with a 10 percent increase:²

	Test Period
No Rate Increase	\$30,128,608
10 percent Increase in Rates	\$33,139,938

Crimson contends that a proposed increase is reasonable given that the requested rate increases will provide Crimson the opportunity to realize the reasonable return on its utility investment.³ Crimson’s test year rate of return on equity will be 10.82 percent after applying rate increases.⁴

Based on the evidence, we agree that a 10 percent rate increase is justified. Crimson has applied for a rate that provides the revenue it has determined is necessary to operate its business reasonably, reliably and safely. As such, we find Crimson’s request to increase its rates by 10 percent to be just and reasonable.

² Application, MJW-2, Achieved Return at 1.

³ Application at 4.

⁴ Application, MJW-2, Achieved Return at 17.

7. Are There Any Safety Considerations Raised by Crimson's Application

The third issue for consideration in this matter is that of safety considerations. On January 15, 2026, Crimson was directed to provide evidence or testimony relating to safety considerations raised by its Application. Crimson submitted its Response No. 1 on February 6, 2026.

In its Response No. 1, Crimson indicates that no party has identified any safety concerns or related issues.⁵ Crimson asserts that this Application does not give rise to any safety considerations.⁶ Additionally, Crimson states that the requested rate increases include funding earmarked for safety investments and implementation of safety standards.⁷

It is noted that safety remains a fundamental priority for the Commission and is integral to all facets of a utility's operations. As such, we find that this Application does not present any safety concerns.

8. Whether Crimson's Application Impacts the Achievement of Any Goals of the Commission's ESJ Action Plan

The final issue for our consideration is whether the application negatively impacts any ESJ communities. In its Response No. 1, Crimson notes that its customers are large commercial oil companies and oil producers and that the increase in rates will be borne by Crimson's shippers.⁸

The rate increase request includes funding earmarked for implementation of environmental protection, and insufficient revenue poses a significant risk to

⁵ Response No. 1 at 1.

⁶ *Ibid.*

⁷ *Ibid.*

⁸ Response No. 1 at 2.

Crimson's ability to adequately maintain the pipeline.⁹ Failures in pipeline safety carry the potential for substantial environmental damage and public health hazards.¹⁰ Ensuring that ESJ communities are protected necessitates that Crimson has sufficient revenues to guarantee safe operations. As such, we find that Crimson's application aligns with and supports the objectives of ESJ.

9. Retroactive Recovery of Rate Increase

Pub. Util. Code Section 455.3(b)(5) provides that the Commission shall determine the appropriateness of allowing retroactive charge and collection of subsequently approved rate increases above 10 percent. The analysis set forth above that finds a rate increase of 10 percent just and reasonable also supports a determination that retroactive recovery of that rate increase with interest is appropriate. As a result, we authorize the retroactive charge and collection of the difference between rates billed and the rates approved by this decision beginning August 1, 2025, including interest calculated at the 90-day commercial paper rate.

10. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding. No Public Comments under Rule 1.18 have been filed for this proceeding.

⁹ *Ibid.*

¹⁰ *Ibid.*

11. Conclusion

The Commission authorizes Crimson to increase the rates charged for the intrastate transportation of crude oil on its Southern California pipeline system by 10 percent above the rates in effect prior to August 1, 2025.

12. Procedural Matters

This decision affirms all rulings made by the Administrative Law Judge and assigned Commissioner in this proceeding. All motions not ruled on are deemed denied.

13. Comments on Proposed Decision

The proposed decision of Administrative Law Judge Minh LeQuang in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on _____, and reply comments were filed on _____ by _____.

14. Assignment of Proceeding

Matthew Baker is the assigned Commissioner and Minh LeQuang is the assigned ALJ in this proceeding.

Findings of Fact

1. Crimson owns and operates a network of six common carrier crude oil pipeline systems in Southern California. The systems total approximately 300 miles of pipeline connecting various producing oil fields to refineries in the Los Angeles Basin. Its systems include crude oil pipelines and related infrastructure.

2. Pipeline corporations are public utilities under Pub. Util. Code Section 216(a).

3. In the Application, Crimson requests authority for a 10 percent rate increase effective August 1, 2025.

4. In the Miscellaneous Filing, Crimson requests authority for an additional 3.16 percent rate increase, for a total 13.16 percent rate increase effective August 1, 2025.

5. Crimson did not provide 30 days' notice to all of its shippers regarding the additional 3.16 percent rate increase to be effective August 1, 2025.

6. Crimson's Miscellaneous Filing is a substantive change to its application.

7. Crimson's Miscellaneous Filing was filed subsequent to the Scoping Memo.

8. The 10 percent rate increase will improve Crimson's rate of return on equity; Crimson's test year rate of return on equity will be 10.82 after applying the rate increase.

9. Crimson has applied for the revenues it determined necessary to conduct its business reasonably, reliably, and safely.

10. Safety is a fundamental concern of the Commission, and it is an issue in all aspects of a utility's business.

11. Crimson reasonably prioritizes safety and devotes adequate funds to achieve the required and necessary safety.

12. The proposed rate increase does not have a negative impact on any ESJ Communities.

Conclusions of Law

1. Crimson's rate increase request sought in this Application complies with and is consistent with all applicable Pub. Util. Code Sections, GOs, rules and Commission decisions.

2. Crimson's rate increase request sought in the Miscellaneous Filing does not comply with Pub. Util. Code Section 455.3(b)(1) and Rule 1.12(a).

3. A rate increase of 10 percent by Crimson is justified, reasonable, in the public interest and should be authorized.

4. The retroactive charge and collection by Crimson of the difference between rates billed and the rates approved by this decision beginning August 1, 2025, including interest calculated at the 90-day commercial paper rate, should be authorized.

5. Like all utilities under the Commission's jurisdiction, Crimson should be responsible for fulfilling its vital obligations to operate safely in all aspects of its business.

6. This proceeding should be closed.

ORDER

IT IS ORDERED that:

1. Crimson California Pipeline L.P. is authorized to increase its rates for transportation of crude petroleum products on its Southern California Pipeline System by 10 percent effective August 1, 2025.

2. Crimson California Pipeline L.P. is authorized to retroactively charge and collect the difference between rates billed and the rates approved by this decision beginning August 1, 2025, including interest calculated at the 90-day commercial paper rate.

3. Within 30 days of the issuance of this decision, Crimson California Pipeline L.P. shall file an Advice Letter detailing the revised tariffs approved by this decision.

4. Application 25-06-026 is closed.

This order is effective today.

Dated _____, at San Francisco, California.