

**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. (SOUTHERN CALIFORNIA)

Application No. 23-06-022
(Filed June 30, 2023)

SETTLEMENT AGREEMENT

Crimson California Pipeline L.P. ("Crimson") and Phillips 66 Company ("Phillips 66") (each individually a "Party" and collectively the "Parties") hereby enter into this agreement as a settlement between Crimson and Phillips 66 of Crimson's Application No. 23-06-022 and the Intervention and Protest of Phillips 66 ("Protest") filed on August 10, 2023, which are pending before the California Public Utilities Commission ("Commission").

I. THE PARTIES

A. Crimson

Crimson is a pipeline company engaged in the transportation of crude petroleum in the state of California and is regulated as a "common carrier" by the Commission under Sections 211, 216, and 228 of the California Public Utilities Code.

B. Phillips 66

Phillips 66 is a shipper of crude petroleum on Crimson's southern California pipeline, and its shipments constitute the majority of the volumes shipped on that pipeline system.

II. THE TERMS OF AGREEMENT

A. Resolution of Protests Associated with Crimson A.23-06-022 and Advice Letter No. 58-0. Upon the Effective Date, this Settlement Agreement satisfies and extinguishes any and all claims of Phillips 66 with regard to its protests of Crimson's A.23-06-022 Application and Crimson's Advice Letter No. 58-0 associated with the Commission's D.24-05-007 and D.24-12-027 and the carrier's refund calculations associated therewith currently pending before the Commission as of the date of execution of this Settlement Agreement. In furtherance of this resolution, Phillips 66 shall, within 5 days of the Effective Date, file to withdraw its referenced protests related to these proceedings.

B. Motion for Commission Approval of Settlement. Upon execution of the Settlement Agreement, Crimson shall within 15 days file a Motion Requesting Approval of the Proposed Settlement with the Commission ("Motion").

C. Crimson Compliance Filing. Crimson shall, within 30 days of the Effective Date, file an advice letter implementing the terms of the Settlement Agreement, including a 12.52-percent increase in rates for the period of August 1, 2023 to July 31, 2024, the "Rate Period" necessary to achieve an additional \$3,518,744 in revenue and no more for the Rate Period. Phillips 66 agrees not to protest the Advice Letter filing so long as it is in conformance with the Settlement Agreement.

D. Settlement Payment. Subject to and upon issuance of a Commission decision granting the Motion and approving the Settlement Agreement, Phillips 66 shall, within 15 days of the Effective Date, remit to Crimson a payment of \$2,500,000 for its volumes shipped during the Rate Period, commensurate with and accounting for the above-referenced rate increase and the difference between the rate collected and the referenced rate increase. Of the referenced \$3,518,744 in additional revenue, Phillips 66 will be responsible for no more than \$2,500,000.

E. A.24-06-019. With regard to Docket No. A.24-06-019, Phillips 66 agrees that it shall not file a complaint challenging the rates Crimson has implemented and/or seeks to implement therein, and Crimson agrees that it will not seek to increase rates above those rates identified in its Application filed June 28, 2024, specifically the 36.92% rate increase described and identified therein.

III. COMMISSION ACTION ON THE SETTLEMENT AGREEMENT

A. Being mutually in favor of expeditious resolution of the pending Commission matters on the terms set forth in this Settlement Agreement, the Parties shall urge the Commission promptly to approve the Settlement Agreement, without condition or modification, as reasonable in light of the whole record, consistent with law, and in the public interest, pursuant to Rule 12.l(d) of the Commission's Rules of Practice and Procedure.

B. In the event the Commission rejects the Settlement Agreement or approves it subject to condition or modification, this Settlement Agreement and the Joint Motion will be void and of no legal effect; provided however, the Parties agree to negotiate in good faith to attempt to agree upon a revised settlement in the event the Commission or a reviewing court rejects this Settlement Agreement or approves it subject to condition or modification.

C. The Parties may, but have no obligation to, request rehearing or petition a court to review any order rejecting this Settlement Agreement or any portion thereof or approving it subject to condition or modification.

D. This Settlement Agreement shall be effective as of the date upon which a Commission order approving this Settlement Agreement without modification or condition is issued ("Effective Date"). If a timely objection to the Settlement Agreement is submitted to the

Commission, the Effective Date shall be the date upon which a final Commission order that approves the Settlement Agreement without modification or condition is no longer subject to rehearing or judicial review.

E. Phillips 66 and Crimson agree that the Settlement Agreement and any Commission approval of it shall not establish any precedent or practice with regard to Crimson's intrastate rates following the Effective Date, nor shall they alter existing precedent.

F. Phillips 66 and Crimson agree that the Settlement Agreement and any acceptance by the Commission of the rates derived from the Settlement Agreement shall not be deemed the adoption or approval of any cost element or ratemaking principle.

G. Phillips 66 and Crimson agree that the Settlement Rates established herein will not be deemed or considered, in any manner, reasonable for purposes of Section 734 of the California Public Utilities Code.

IV. OTHER TERMS AND CONDITIONS

A. The Parties acknowledge and agree that no amendments to this Settlement Agreement will be effective unless reduced to writing and signed by the duly authorized representatives of the Parties, or their lawful successors.


B. This Settlement Agreement will be binding on each signatory Party's successors, assigns, and affiliates, and inure to the benefit of each signatory Party's parents, subsidiaries and affiliates.


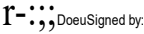
C. This Settlement Agreement may be executed in separate and identical counterparts.

V. EXECUTION

This Settlement Agreement is executed by the Parties, duly assembled on August 13, 2025, each of whom represents that he or she has the actual authority to bind their respective companies.

Crimson Midstream Holdings, LLC


By: Robert L. Waldron
Its: Chief Financial Officer
for Crimson Midstream Holdings, LLC

Phillips 66 Company 

[] August 13, 2025
By: Aileen Gray
Its: Managing Director, Commercial Business
Development for Phillips 66 Company

DATED: August 13, 2025