

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Item #12 (Rev. 1)

ENERGY DIVISION

Agenda ID #23917
RESOLUTION O-0100
JANUARY 15, 2026

R E S O L U T I O N

Resolution O-0100. San Pablo Bay Pipeline Company, LLC Billing and Collection of Retroactive Relief Authorized by D.25-06-044.

PROPOSED OUTCOME:

- Adopts with Modification San Pablo Bay Pipeline Company LLC's ("SPBPC") Billing and Collection of Retroactive Relief.
- SPBPC's retroactive recovery of \$902,926 is adjusted downward by \$8,243 to account for modifications to the calculation of interest owed. SPBPC shall bill and collect \$894,683 in retroactive recovery from shippers.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this resolution.

ESTIMATED COST:

- SPBPC is authorized to bill and collect \$894,683 in retroactive recovery from its customers.

By Advice Letter 28-O, Filed on July 16, 2025, and Advice Letter 28-O-A, filed on July 30, 2025.

SUMMARY

This Resolution authorizes San Pablo Pay Pipeline Company LLC ("SPBPC") to bill and collect \$894,683 in retroactive recovery from shippers. This amount is in accordance with D.25-06-044 with an adjustment made to the calculation of interest owed.

BACKGROUND

On July 3, 2025, the Commission issued D.25-06-044, which resolved the consolidated Applications A.22-07-015, A.23-01-015, A.23-03-001, and A.23-08-018. D.25-06-044 authorizes SPBPC to increase the rates charged for the intrastate transportation of crude oil by 11.67 percent for the period from September 1, 2022 to March 1, 2024. D.25-06-044 further authorizes SPBPC to retroactively charge and collect the difference between rates billed and the approved rate beginning March 1, 2023¹.

On July 17, 2025, SPBPC filed AL 28-O detailing the process for billing and collecting the retroactive rate of \$1.9566 approved per Ordering Paragraph 8 of D.25-06-044. In AL 28-O, SPBPC states that if Commission-authorized rates had been in effect from March 1, 2023 to March 1, 2024 (through February 28, 2024), the shippers would have paid an additional \$1,065,695.83, including interest.

On July 30, 2025, SPBPC filed supplement AL 28-O-A to correct its calculation of billing and collection of retroactive relief. AL 28-O-A explains that the initial AL 28-O filing failed to reflect the refund of rates in excess of the authorized rate charged to shippers who transported crude oil on the KLM system from Buena Vista Hills origins from October 2023 through February 2024. SPBPC's updated calculation for retroactive recovery is \$902,926.09. Supplemental AL 28-O-A replaced AL 28-O in its entirety.

AL 28-O and AL 28-O-A was suspended on August 15, 2025.

On August 19, 2025, Chevron Products Company, California Resources Corporation, and Valero Marketing and Supply Company ("Joint Protestants") submitted Joint Protest to AL 28-O and AL 28-O-A.

On August 25, 2025, SPBPC filed a Reply to Joint Protestants' protest.

In addition to the advice letter filing, SPBPC has filed two pending rate increase applications: A.24-01-016, filed on January 24, 2024, and A.25-01-009 filed on January 29, 2025.

¹ D.25-06-004 Ordering Paragraph 4.

NOTICE

Notice of AL 28-O was made by publication in the Commission's Daily Calendar on July 18, 2025. SPBPC states that a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

PROTESTS

SPBPC's Advice Letter 28-O and 28-O-A was timely protested by Chevron Products Company, California Resources Corporation, and Valero Marketing and Supply Company ("Joint Protestants") on August 19, 2025.

Joint Protestants argue that AL 28-O and AL 28-O-A fail to apply Commission authorized rates forward beyond February 2024 and that the advice letters also inflate interest collections by applying the interest rate to charges as if they were incurred on the first day of their respective fiscal quarter. Correcting for these errors would result in Crimson Utilities owing shippers \$6.6 million in refunds with nearly \$200,000 in interest.

First, Joint Protestants claim that Crimson improperly withholds relief from March 2024 forward and that the current rates in place exceed the rates authorized in D.25-06-044. Joint Protestants reject that A.24-01-016 provides a basis for maintaining a 10 percent interim increase effective March 1, 2024. Joint Protestants notes a few issues with A.24-01-016: 1) A.24-01-016 only requested an increase in rates charged on SPB routes and cannot be applied to KLM; 2) A.24-01-016 was clear that its proposed 10 percent (interim) rate increase was not a new rate case, but a change in furtherance of the rate cases resolved by D.25-06-044; and 3) A.24-01-016 is a functional and procedural nullity that was already denied by D.25-06-044. Therefore, the effective rate from March 1, 2024 through February 28, 2025 should be the \$1.9566/bbl approved in D.25-06-044 rather than the current effective rate of \$2.1429/bbl.

SPBPC responded to the protest of Joint Protestants on August 25, 2025.

SPBPC states that Joint Protestant's argument is premised on the legally untenable assertion that the rate authorized by D.25-06-044, \$1.9566 per barrel, continues through the present to be the only applicable Commission authorized rate for SPBPC, dismissing SPBPC's pending rate application, A.24-01-016; as a "nullity" and simply ignoring the relevance of SPBPC's pending rate application, A.25-01-009. SPBPC also stands by its

calculation of retroactive payments with interest, disagreeing with Joint Protestants' correction that would reduce retroactive payments with interest by \$8,243.

Regarding the first issue, SPBPC further explains that D.25-06-044 cannot be dispositive of the separate, non-consolidated, and pending proceeding A.24-01-016 and cannot render it a nullity. According to SPBPC, the rate from March 1, 2024 through February 28, 2025 should not be \$1.9566/bbl; there is also a separate pending application A.25-01-009 for rates March 1, 2025 forward that cannot be determined via D.25-06-044.

DISCUSSION

After review of AL 28-O, AL 28-O-A, Joint Protestants' Protest, and related documents in the A.24-01-016 and A.25-01-009 proceedings, we find that SPBPC's advice letter filing is reasonable and should be accepted, with the exception of a minor adjustment of \$8,243 in interest.

The Joint Protestants do not contest SPBPC's calculation of the undercollection in rates from March 1, 2023, to February 28, 2024, other than the calculation of interest. The primary contentious issue between SPBPC and Joint Protestants is determining what should be the current effective rate from March 1, 2024 forward. The two parties disagree on what interim rates should or should not be in place, which result in different conclusions of either \$902,926.09 in retroactive collection from shippers, or \$6.6 million in refunds to shippers.

Public Utilities Code 455.3 allows for oil pipeline utilities to increase rates by no more than 10 percent per 12-month period after 30 days' notice. On January 25, 2024, SPBPC filed A.24-01-016 seeking to increase rates by 10 percent, subject to refund with interest. This increased the then-effective rate from \$1.9481/bbl to \$2.1429/bbl for the period March 1, 2024 through February 28, 2025. On January 29, 2025, SPBPC filed A.25-01-009 seeking rate increase and submitting 30-day notice of another 10 percent interim increase subject to refund. This increased the effective rate from \$2.1429/bbl to \$2.3571/bbl from March 1, 2025 forward.

As shown in Figure 1 of their protest, Joint Protestants believe that the 10 percent interim rate increase from A.24-01-016 should no longer be effective. Their argument is that the rate determined in D.25-06-044, which resolved the consolidated proceedings A.22-07-015, A.23-01-015, A.23-03-001, and A.23-08-018, should also apply to the March 1, 2024 through February 28, 2025 period and therefore A.24-01-016 is

“nullified”. Joint Protestants refer to language in SPBPC’s A.24-01-016 filings and documentation to support this point.

At this time, A.24-01-016 is still an active and pending proceeding. Protestants of that proceeding (who are the Joint Protestants to the advice letter) have filed a motion to dismiss A.24-01-016², and the presiding ALJ has not yet ruled on this motion. Until A.24-01-016 is either dismissed or resolved, the 10 percent interim rate in place due to the application is in effect. Similarly, until A.25-01-009 is resolved, the 10 percent interim increase associated with that application is in effect.

The proceeding will ultimately determine the Joint Protestant’s contention that A.24-01-016 is a nullity and if refunds to shippers are appropriate. We make no determination on those issues here. In the meantime, we find SPBPC’s AL 28-O-A to be a reasonable approach as it appropriately seeks an undercollection from shippers from March 1, 2023 to February 28, 2024, which is prior to the period of time that is at issue in the motion. As noted earlier, the shippers do not contest SPBPC’s calculation of the undercollection from March 1, 2023 to February 28, 2024, other than the interest which we address below.

Regarding the second contention of appropriate level of interest owed, SPBPC and Joint Protestants provide differing methodologies to calculate interest. This results in a minor difference of \$8,243 in retroactive collections, assuming current effective rates are maintained.

At the end of each quarter, SPBPC applied the 90-day daily average commercial paper rate, as published by the Federal Reserve, to calculate interest owed. Joint Protestants disagree with this methodology, arguing that SPBPC improperly applies the quarterly interest rate to all retroactive charges incurred during the entire quarter. This effectively treats the retroactive charges as if they were incurred at the beginning of the quarter. However, retroactive charges are incurred across all months. In addition, SPBPC incorrectly applies interest to retroactive charges beginning in the period the volumes were shipped. Because volumes are calculated monthly, the total volume for the month would not be known and billed until after the end of the month. Therefore, interest should not accrue on any retroactive payments until at least the beginning of the month after the volumes were shipped. For the reasons above, interest should be accrued monthly and should not accrue until the beginning of the following month.

² [Motion of Valero Marketing and Supply Company, Chevron Products Company, and California Resources Corporation to Dismiss](#), submitted on August 18, 2025.

In its Reply to Protest, SPBPC reiterated its disagreement of Joint Protestants' calculation of interest but provide no specific refute to Joint Protestant's arguments. We find that Joint Protestant's methodology is reasonable. Interest should not be accrued before charges are incurred. Therefore, we adopt the alternative calculation that reduces retroactive charges by \$8,243, from \$902,926 to \$894,683.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this Resolution must be served on all parties and subject to at least 30 days public review. Any comments are due within 20 days of the date of its mailing and publication on the Commission's website and in accordance with any instructions accompanying the notice. Section 311(g)(2) provides that this 30-day review period and 20-day comment period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day review and 20-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments ~~and will be placed on December 11, 2025. No parties submitted comments on the Commission's agenda no earlier than 30 days from today~~ draft resolution.

FINDINGS AND CONCLUSIONS

1. D.25-06-044 Ordering Paragraph 8 directed San Pablo Bay Pipeline Company, LLC to file an Advice Letter to detail the process for billing and collecting retroactive charges
2. A.24-01-016 is still an active and pending proceeding before the Commission and the 10 percent interim rate increase associated with the application is still in effect.
3. A.25-01-009 is still an active and pending proceeding before the Commission and the 10 percent interim rate increase associated with the application is still in effect.
4. Joint Protestants' methodology for calculating level of interest owed is reasonable and should be adopted.

THEREFORE IT IS ORDERED THAT:

1. The request of the San Pablo Bay Pipeline Company, LLC for retroactive cost recovery as requested in Advice Letter 28-O-A is approved with a downward adjustment of \$8,243, resulting in a retroactive cost recovery of \$894,683.
2. This retroactive cost recovery is subject to refund to shippers pending disposition of any final rate increase to be approved through A.24-01-016 and A.25-01-009.

This Resolution is effective today.

Commissioner Signature blocks to be added
upon adoption of the resolution

The foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on ~~(DATE)~~ January 15, 2026; the following Commissioners voting favorably thereon:

Dated _____, at <Voting meeting location>, California