PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Agenda ID# 24465

ENERGY DIVISION **RESOLUTION O-0101**

September 3, 2026

R E S O L U T I O N

Resolution O-0101. Torrance Basin Pipeline Company, LLC M-131 Crude Line, 10 Percent Rate Increase

PROPOSED OUTCOME:

- Approves Torrance Basin Pipeline Company, LLC's (Torrance Basin) request to increase rates by 10 percent for shipments of crude petroleum on the M-131 Crude Line in accordance with the provisions of Public Utilities Code Section 455.3 and General Order 96-B, Energy Industry Rule 5.3 and Energy Industry Rule 8.

SAFETY CONSIDERATIONS:

- No safety considerations associated with this resolution.

ESTIMATED COST:

- This Resolution is expected to increase shipper costs by $101,966 annually.

By Advice Letter 7-O, Filed on October 30, 2025.

SUMMARY

This Resolution O-0101 approves Torrance Basin Pipeline Company, LLC's (Torrance Basin) request to increase rates by 10 percent on its M-131 Crude Line pursuant to the provisions of Public Utilities Code Section 455.3 and General Order 96-B, Energy Industry Rule 5.3 and Energy Industry Rule 8.

BACKGROUND

Torrance Basin filed Tier 3 AL 7-O on October 30, 2025, requesting a 10 percent rate increase for crude oil transportation service on its M-131 Crude Line, which would result in a new tariff rate of $0.5122/bbl. The M-131 Crude Line delivers crude petroleum from the Kinder Morgan Carson Terminal to Torrance Refining Company LLC and the Valero Asphalt Plant. This increase was requested to be effective on December 1, 2025 under the provisions of Public Utilities Code Section 455.3.

NOTICE

Notice of AL 7-O was made by publication in the Commission's Daily Calendar on November 3, 2025.

PROTESTS

Advice Letter 7-O was not protested.

DISCUSSION

Torrance Basin filed Tier 3 AL 7-O seeking approval to increase rates on its M-131 Crude Line in accordance with the provisions of Public Utilities Code Section 455.3 and General Order 96-B, Energy Industry Rule 5.3 and Energy Industry Rule 8. This is not a ministerial determination that may be approved via staff disposition and must be approved by the Commission via resolution pursuant to General Order 96-B, General Rule 7.6.2.

This resolution is expected to increase Torrance Basin's pipeline revenue by $101,966 annually. Torrance Basin confirmed this amount in their response to Data Request 1.[1]

The rates requested by AL 7-O were not contested and no protests were filed.

Schedule B Statement A in AL 7-O demonstrates that under existing rates, Torrance Basin will undercollect its cost of service by $1,815,995. Under the proposed new rates,

[1] Torrance Basin response on May 25, 2026, an inadvertent transposition of numbers occurred in AL 7-O on page 2, Exhibit B, Part II #2.

total cost of service of $2,835,659 would exceed revenue of $1,121,630 by $1,714,029. Torrance Basin states that this cost of service supports a rate increase of 178.10 percent, but that it is only seeking a 10 percent increase.

The undercollection of $1,714,029 in AL 7-O is more than the undercollection of $1,622,645 in Torrance Basin's previously filed AL 6-O. This is driven by an increase in operating expenses in FERC Account 320 – Outside Services, which increased from $1,513,605 in 2024 to $1,729,497 in 2025, an increase of $215,892.

With respect to the substantive request, the Commission finds, based on the Energy Division's review of financial information provided in AL 7-O and the response to Data Request 1, an increase of 10 percent to the rates for the M-131 Crude Line is just and reasonable pursuant to Public Utilities Code Section 451.

The rates requested by AL 7-O are therefore approved effective December 1, 2025, consistent with Public Utilities Code section 455.3 and General Order 96-B.

COMMENTS

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

FINDINGS AND CONCLUSIONS

1. Torrance Basin AL 7-O requested to increase its rates by 10 percent for shipments of crude petroleum on the M-131 Crude Line in accordance with the provisions of Public Utilities Code Section 455.3 and General Order 96-B, Energy Industry Rule 5.3 and Energy Industry Rule 8.

2. AL 7-O seeks final approval for the requested rate increase, and therefore must be approved by Commission Resolution pursuant to General Order 96-B, General Rules 7.6.1 and 7.6.2.

3. The rates requested in AL 7-O are just and reasonable pursuant to Public Utilities Code Section 451.

THEREFORE IT IS ORDERED THAT:

1. The request of Torrance Basin Pipeline Company, LLC, in Advice Letter 7-O for a 10 percent rate increase on its M-131 Crude Line effective from December 1, 2025, as provided in Section 455.3 of the Public Utilities Code and General Order 96-B, is approved.

This Resolution is effective today.

The foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on September 3, 2026; the following Commissioners voting favorably thereon:

Commissioner Signature blocks to be added
upon adoption of the resolution

Dated __________________________________, at <Voting meeting location>, California