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A2403009

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company (U39E) for Approval Under Public Utilities Code Section 851 to Lease Entitlements to Transmission Projects to Citizens Energy Corporation.

Application 24-03-009

**ADMINISTRATIVE LAW JUDGE’S RULING DIRECTING FILING OF
ADDITIONAL INFORMATION WITHIN 10 DAYS**

This ruling directs Pacific Gas and Electric Company (PG&E) to file and serve a response within 10 days of the date of this ruling.

1. Background

On March 12, 2024, PG&E filed Application (A.) 24-03-009 requesting approval under Public Utilities Code (Pub. Util. Code) Section 851¹ to lease entitlements to transmission projects to Citizens Energy Corporation (Citizens). A prehearing conference has been scheduled for 10:00 a.m. on Monday April 14, 2025.

¹ Pub. Util. Code Section 851(a): A public utility, other than a common carrier by railroad subject to Part A of the Interstate Commerce Act (49 U.S.C. Sec. 10101 et seq.), shall not sell, lease, assign, mortgage, or otherwise dispose of, or encumber the whole or any part of its railroad, street railroad, line, plant, system, or other property necessary or useful in the performance of its duties to the public, or any franchise or permit or any right thereunder, or by any means whatsoever, directly or indirectly, merge or consolidate its railroad, street railroad, line, plant, system, or other property, or franchises or permits or any part thereof, without first having either secured an order from the commission authorizing it to do so for qualified transactions valued above five million dollars (\$5,000,000), or for qualified transactions valued at five million dollars (\$5,000,000) or less, filed an advice letter and obtained approval from the commission authorizing it to do so.

2. Discussion

Upon review of Application and related documents, PG&E is directed to provide additional information, prior to the PHC, including the following:

1. Under the proposed Development, Coordination, and Option Agreement, what would Citizens Energy do with profits that are not donated for low-income ratepayer assistance?
2. Has PG&E conducted a cost-benefit analysis of the proposed Citizens Entitlement Leases compared to the typical method of investor-owned utility financing?
3. Does PG&E intend to only include transmission projects in Option Period Investment Tranches that do not require additional state permitting such as a Permit to Construct (PTC) or a Certificate of Public Convenience and Necessity (CPCN) or California Environmental Quality Act (CEQA) review?
4. Does PG&E intend to include in Option Period Investment Tranches any projects that will seek the Federal Energy Regulatory Commission (FERC) Construction Work in Progress incentive or other FERC incentives?
5. How much of the prepaid rent received by PG&E from Citizens for each of these lease entitlements would be reinvested by PG&E in electric infrastructure?
6. Did PG&E consider securitization as a way to address shortfalls in equity instead of leases? If not, why not?

If there are clarifications needed regarding the required information, Applicant may contact the assigned Administrative Law Judge by email at jack.chang@cpuc.ca.gov copying the service list.

Within 10 days of the date of this ruling, the Applicant shall provide the additional information as directed herein. Applicant's filing must be titled

“Response to Administrative Law Judge’s Ruling,” otherwise a new protest period will be triggered.

IT IS SO RULED.

Dated April 2, 2025, at San Francisco, California.

/s/ JACK CHANG

Jack Chang
Administrative Law Judge