

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298**FILED**

05/12/25

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C2312020

May 12, 2025

TO PARTIES OF RECORD IN CASE 23-12-020:

This proceeding was filed on December 12, 2023, and is assigned to Commissioner Karen Douglas and Administrative Law Judge (ALJ) Patricia B. Miles. This is the decision of the Presiding Officer, ALJ Miles.

Any party to this adjudicatory proceeding may file and serve an Appeal of the Presiding Officer's Decision within 30 days of the date of issuance (*i.e.*, the date of mailing) of this decision. In addition, any Commissioner may request review of the Presiding Officer's Decision by filing and serving a Request for Review within 30 days of the date of issuance.

Appeals and Requests for Review must set forth specifically the grounds on which the appellant or requestor believes the Presiding Officer's Decision to be unlawful or erroneous. The purpose of an Appeal or Request for Review is to alert the Commission to a potential error, so that the error may be corrected expeditiously by the Commission. Vague assertions as to the record or the law, without citation, may be accorded little weight.

Appeals and Requests for Review must be served on all parties and accompanied by a certificate of service. Any party may file and serve a Response to an Appeal or Request for Review no later than 15 days after the date the Appeal or Request for Review was filed. In cases of multiple Appeals or Requests for Review, the Response may be to all such filings and may be filed 15 days after the last such Appeal or Request for Review was filed. Replies to Responses are not permitted. (*See*, generally, Rule 14.4 of the Commission's Rules of Practice and Procedure at www.cpuc.ca.gov.)

If no Appeal or Request for Review is filed within 30 days of the date of issuance of the Presiding Officer's Decision, the decision shall become the decision of the Commission. In this event, the Commission will designate a decision number and advise the parties by letter that the Presiding Officer's Decision has become the Commission's decision.

/s/ KIMBERLY KIM for
Michelle Cooke
Chief Administrative Law Judge

MLC:jnf
Attachment

ALJ/POD-PM6/jnf

Decision **PRESIDING OFFICER'S DECISION OF ALJ MILES**
(Mailed 5/12/2025)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

County of Nevada,

Complainant,

vs.

Pacific Gas and Electric Company
(U39E),

Defendant.

Case 23-12-020

**PRESIDING OFFICER'S DECISION ADOPTING
SETTLEMENT AGREEMENT BETWEEN
COUNTY OF NEVADA AND PACIFIC GAS AND ELECTRIC COMPANY**

Summary

This decision grants the joint motion filed by the County of Nevada and Pacific Gas and Electric Company and approves and adopts the Settlement Agreement, which are attached to this decision as Appendices A and B.

This proceeding is closed.

1. Background

Complainant County of Nevada (Complainant, Nevada County or County) filed a Complaint with the California Public Utilities Commission (Commission) on December 12, 2023 (Complaint). The Complaint alleges that Pacific Gas and Electric Company (PG&E) violated Section VII.B of General

Order (GO) 177¹ in connection with PG&E's installation of a liquefied natural gas (LNG) injection station at 11613 Rough and Ready Highway, near Grass Valley, California.² The installation resulted in significant impacts to a well-known local landmark commonly referred to as "Hell's Half Acre."

The Complaint seeks a Commission order that directs PG&E to: (1) perform full restoration of the portions of Hell's Half Acre not occupied by the LNG injection station and access roads;³ (2) engage proactively with the County regarding all future infrastructure projects in the County, with specific requirements for information to be provided and outreach to be undertaken;⁴ and (3) acquire mitigation lands in the immediate vicinity of Hell's Half Acre and convey them to a local nonprofit under a permanent conservation easement.⁵

Defendant PG&E filed its Answer to the Complaint on February 29, 2024 (Answer). In its Answer, PG&E contends that it did not violate GO 177, Section VII.B. PG&E notes that it conducted adequate consultation with the County in the course of planning and installing the injection station, and that the Complaint itself provides description of multiple meetings and emails between itself and Nevada County staff concerning the proposed location and description of the gas transmission station project, the equipment to be utilized and activities occurring at the site, and the presence of wildflower habitat at the site.⁶

¹ Section VII.B of General Order 177 requires utilities to consult with local agencies regarding land use matters when locating gas facilities.

² See Complaint at 4.

³ See Complaint at 15.

⁴ See Complaint at 16.

⁵ See Complaint at 17.

⁶ See Answer at 2-4.

A prehearing conference (PHC) was held on March 26, 2024, to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary. At the PHC, Nevada County and PG&E (collectively, the “parties”) reported that settlement discussions were already underway and that they would provide the Administrative Law Judge (ALJ) with a joint settlement status report on or before May 10, 2024, to indicate where they are in resolving their disputes.

On May 10, 2024, the parties filed a joint settlement status report, noting that settlement discussions were ongoing and productive, but that the parties would need additional time to complete their settlement negotiation. On June 6, 2024, the ALJ issued a ruling granting the parties an additional 60 days to continue settlement discussions and directing the parties to submit another status report by August 23, 2024.

The parties filed a second joint status report on August 23, 2024, indicating that settlement discussions continued to be productive and that they were optimistic that they were likely to achieve complete resolution of their disputes.⁷

On November 6, 2024, the parties filed a joint motion requesting an order extending the statutory deadline to June 12, 2025, with the Commission.⁸ On February 13, 2025, the parties reached an agreement in principle to resolve all

⁷ On October 23, 2024, the ALJ issued an email to the Parties and service list noting that the statutory deadline was fast approaching and directing the Parties to inform her of their intentions regarding resolution of the proceeding. On October 24, 2024 the Parties informed the ALJ by email that they intended to file a joint motion for a six-month extension of the statutory deadline, which would be followed by a settlement agreement and accompanying motion for approval.

⁸ The Commission granted an extension of the statutory deadline to May 1, 2025 by its Decision (D.) 24-12-016 dated December 5, 2024.

disputed issues, and on March 17, 2025, the parties filed a Joint Motion for Adoption of Settlement Agreement.⁹

On April 3, 2025, the parties filed an amendment to the Settlement Agreement. The amendment corrected the name of a new land management fund established as part of the Settlement Agreement. All subsequent references to the Settlement Agreement include the April 3, 2025 amendment to the Settlement Agreement.¹⁰

2. Submission Date

This matter was submitted on April 3, 2025, upon the parties' filing of the amendment to the Settlement Agreement.

3. Jurisdiction and Issue Before the Commission

PG&E is an investor-owned utility subject to the Commission's jurisdiction, control and regulation.¹¹

The Complaint was filed by Nevada County pursuant to the Commission's Rules of Practice and Procedure (Rule) 4.1(a)¹² and alleged that PG&E violated Section VII.B of GO 177, which requires utilities to consult with local agencies regarding land use matters when locating gas facilities. However, the parties reached a Settlement Agreement and filed a joint motion seeking approval and adoption of their Settlement Agreement to resolve all issues in this proceeding.

4. Burden of Proof and Settlement Agreement Review Standard

As the Complainant, the County would ordinarily bear the burden of proof to show that PG&E violated a rule, order, law, or tariff approved by the

⁹ The Settlement Agreement is Appendix A to this Decision.

¹⁰ The Amendment to the Settlement Agreement is Appendix B.

¹¹ Pub. Util. Code § 216(a).

¹² All subsequent Rules refer to the Commission's Rules of Practice and Procedure (Rule).

Commission¹³ and would ordinarily be required to meet the burden of proof by a preponderance of the evidence. However, as part of this proceeding, the Settlement Agreement was presented for approval by the Commission under Rule 12.1. A settlement may only be approved under Rule 12.1, if the Commission finds it to be reasonable in light of the whole record, consistent with the law, and in the public interest.

Here, the Parties jointly moved for approval and adoption of their proposed Settlement Agreement, and they must demonstrate that the proposed settlement meets the requirements of Rule 12.1. Only upon meeting those requirements is a settlement agreement eligible for adoption by the Commission.¹⁴

5. Settlement Agreement

The Settlement Agreement provides that PG&E will restore the portions of Hell's Half Acre not occupied by the LNG injection site and access roads in accordance with the provisions of: (1) the Restoration and Mitigation Monitoring Plan, (2) the Final Integrated Vegetation Management Plan, and (3) the Improved Consultation Protocol that PG&E developed in coordination with local stakeholders following its installation of the LNG injection site.¹⁵

¹³ *In Complaint of Service-All-Tech, Inc. v. PT&T Co.* (Cal. PUC, 1977) 83 CPUC 135, Decision (D.) No. 88223 (complaint relating to the disconnection of telephone service where the court found that complainant had the burden of proof and that complainant's "failure to present any evidence present[ed] a total lack of meeting that burden"); *see also Pacific Bell Telephone Company, d/b/a AT&T California vs. Fones4All Corporation* (Cal. PUC, 2008) D.08-04-043, 2008 Cal. PUC LEXIS 132.

¹⁴ D.12-10-019, Order Denying Rehearing of D.08-08-030 (October 11, 2012) at 14-15; D.09-11-008, Decision Denying Motion to Adopt Contested Settlement and Dismissing Application (November 20, 2009) at 6.

¹⁵ *See* Appendix A Settlement Agreement.

5.1. Restoration and Mitigation Monitoring Plan

The goal of the Restoration and Mitigation Monitoring Plan, which covers the three-year period from 2024–2026, is to reestablish locally occurring native vegetation within the restoration area and to suppress growth and spread of invasive species at the project site. PG&E has contracted with a qualified Restoration Ecologist to oversee the restoration and monitoring work. The complete terms of the Restoration and Mitigation Monitoring Plan are included in the Settlement Agreement.

5.2. Vegetation Management Plan

The goal of the Final Integrated Vegetation Management Plan (Vegetation Management Plan) is to maintain the site to ensure safe and reliable operation of the LNG injection facility while enhancing the restoration area, including benefits to habitat for wildlife and native plants. Details of the Vegetation Management Plan are included in the Settlement Agreement.

5.3. Improved Consultation Protocol

In their Settlement Agreement, the Parties agree on an Improved Consultation Protocol (Consultation Protocol) intended to enhance communication and coordination between County staff and PG&E regarding infrastructure projects located within the County that: (1) require environmental review under the California Environmental Quality Act (CEQA) or National Environmental Protection act (NEPA); (2) have one acre of contiguous vegetation removal or ground disturbance that are not undergoing CEQA or NEPA review (other than standard electric vegetation management work); and (3) require PG&E to request an Encroachment Permit from the County and/or include road closures, weekend work, and/or night work. The Consultation Protocol specifies types of information, coordination, or both that PG&E is required to provide to

County staff for each type of project. The Consultation Protocol will remain in place for a five-year term, and the Parties agree to confer annually to discuss whether any modifications to the Consultation Protocol are necessary. The complete terms of the Consultation Protocol are included in the Settlement Agreement.

6. Discussion

As discussed below, the Settlement Agreement satisfies Rule 12.1 because it is reasonable in light of the record, consistent with the law, and in the public interest. The Settlement Agreement is approved and adopted.

6.1. Reasonableness

In approving a settlement, the Commission evaluates whether the approval of the Settlement Agreement is reasonable in light of the record.

The Settlement Agreement between Nevada County and PG&E represents reasonable compromises developed after careful review and extensive discussion between them; it was reached only after significant give-and-take through arms-length negotiations, and after each party had made concessions to resolve issues in a manner that reflects a reasonable compromise of their litigation positions.

Specifically, the purpose of the County's Complaint was to seek redress for the impacts to Hell's Half Acre resulting from the LNG injection facility and to improve coordination between County staff and PG&E such that future incidents related to other infrastructure projects could be avoided. The Settlement Agreement provides for site restoration, improved communication and coordination between the County and PG&E and offers long-term protection for local wildflower habitat. The Settlement Agreement ensures that PG&E is able to operate the LNG injection facility safely and to conduct future infrastructure projects in Nevada County in a safe and effective manner.

Therefore, in its totality, the Settlement Agreement reflects a reasonable balance of the interests of both parties in the proceeding and achieves an outcome that is beneficial to the interests of the communities in the area surrounding the LNG facility. Thus, the Settlement Agreement is reasonable in light of the record of this proceeding.

6.2. 6.2 Consistent with the Law

In reviewing a settlement, the Commission evaluates whether approval of the Settlement Agreement would be consistent with the law.

The Commission's GO-177 requires gas utilities to consult with local agencies regarding land use matters when locating gas facilities and to be responsive to: (1) the requirements of CEQA; (2) the need for public notice and opportunity for members of the public to be heard by the Commission; (3) the obligation of utilities to serve their customers in a timely and efficient manner, and (4) the requirement to review investments in gas infrastructure for consistency with California's long-term greenhouse gas emission reduction, air quality, equity, safety and reliability goals.¹⁶ The Complainant alleges that PG&E violated Section VII.B of GO-177, which requires public utilities to consult with local agencies about land use matters when deciding where to locate gas utility projects.

PG&E admitted no violation of GO-177, however, the Settlement Agreement's Improved Consultation Protocol in Section II of the Settlement Agreement provides that PG&E must communicate and coordinate with the County on any future gas or electric projects within Nevada County.¹⁷ This

¹⁶ See GO-177 Section II - "Purpose of this General Order."

¹⁷ See Settlement Agreement at page 5, Section 2.2 "Communication and Coordination with County Staff."

provision is consistent with the GO 177's requirements. Thus, the Settlement Agreement is consistent with the law applicable to this proceeding.

6.3. Public Interest

In approving a settlement, the Commission evaluates whether the approval of the Settlement Agreement is in the public interest. We find that the settlement serves the public interest by resolving competing concerns in a collaborative and cooperative manner.

As previously discussed, the provisions in the Settlement Agreement for protection of wildflower habitat, site restoration, and improved communication and coordination between Nevada County and PG&E, are clearly in the public interest. Public interest is also served by ensuring that PG&E will conduct future infrastructure projects in Nevada County in a safe and effective manner.

Here, the parties agree that PG&E will record a conservation easement over a portion of the Hell's Half Acre site, and that PG&E will donate the conservation easement to the Bear Yuba Land Trust (BYLT), a nonprofit organization whose purpose is to promote conservation of the region's natural, historical, and agricultural resources. PG&E will donate a \$200,000 endowment to BYLT for stewardship of the conservation easement. PG&E will additionally make a \$250,000 donation to BYLT's Wildflower Ridge Preserve Land Management Fund to benefit the Wildflower Ridge Preserve, which occupies 128 acres in proximity to Hell's Half Acre.

Approval of the Settlement Agreement serves numerous public interests noted above and resolves the issues in this proceeding in a creative manner while balancing competing concerns in a collaborative and cooperative manner. Thus, the Settlement Agreement is reasonable in light of the record of this proceeding.

7. Conclusion

Upon review of the record and evaluation of the Settlement Agreement, we find that the Settlement Agreement provides sufficient information to permit the Commission to discharge its regulatory obligations, resolves the concerns that Nevada County raised in its complaint, resolves all issues in this proceeding, and complies with Rule 12.1 requirements. The Settlement Agreement is therefore approved and adopted.

We applaud the parties' forward-thinking, creative approach to conserving the region's natural resources by creating an endowment to the BYLT (initially funded by PG&E) as part of its resolution of their disputes. We further applaud PG&E for agreeing to make a substantial donation to BYLT's Wildflower Ridge Preserve Land Management Fund.

8. Categorization and Need for Hearings

The Instruction to Answer dated January 30, 2024, categorized Case 23-12-020 as adjudicatory as defined in Rule 1.3(a) and anticipated that this proceeding would require evidentiary hearings. Because the parties have resolved their disputes and there are no remaining disputed/triable issues of material fact before the Commission, the evidentiary determination is changed to state that no evidentiary hearings are necessary.

9. Appeal or Review of Presiding Officer's Decision

The presiding officer's decision in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code. Pursuant to Rule 14.4 of the Commission's Rules of Practice and Procedure, any party may file an appeal of the presiding officer's decision within 30 days of the date the decision is served. In addition, any Commissioner may request review of the presiding

officer's decision by filing a request for review within 30 days of the date the decision is served.

10. Assignment of Proceeding

Karen Douglas is the assigned Commissioner and Patricia B. Miles is the assigned ALJ and Presiding Officer in this proceeding.

Findings of Fact

1. Complainant Nevada County filed its Complaint on December 12, 2023, alleging that PG&E violated Section VII.B of General Order 177 when it installed a LNG injection station.

2. Defendant PG&E answered the Complaint on February 29, 2024, noting that it had consulted Complainant's staff throughout planning and installation of the LNG injection station.

3. At the March 26, 2024 PHC, Nevada County and PG&E reported that settlement discussions were already underway to try to resolve their disputes.

4. On March 17, 2025, Nevada County and PG&E filed a Joint Motion for Adoption of their Settlement Agreement.

5. On April 3, 2025, Nevada County and PG&E filed an amendment to their Settlement Agreement.

6. The parties have resolved their disputes by way of their Settlement Agreement, leaving no remaining disputed/triable issues of material fact before the Commission.

Conclusions of Law

1. The Settlement Agreement, as amended by April 3, 2025 amendment, is consistent with the law.

2. The Settlement Agreement, as amended by April 3, 2025 amendment, is reasonable in light of the record.

3. The Settlement Agreement, as amended by April 3, 2025 amendment, serves the public interest.

4. The Settlement Agreement, as amended by April 3, 2025 amendment, attached to this decision as Appendices A and B, should be approved and adopted.

5. The Motion for Approval of Settlement, as amended by April 3, 2025 amendment, filed by Nevada County and PG&E should be granted.

6. Evidentiary hearings are not needed.

7. C.23-12-020 should be closed.

O R D E R

IT IS ORDERED that:

1. The Joint Motion for Approval of Settlement filed on March 17, 2025, is granted.

2. The Settlement Agreement, as amended by April 3, 2025 amendment, attached to this decision as Appendix A and B, is approved and adopted.

3. The hearing determination is changed to no hearings are necessary.

4. Case 23-12-020 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

APPENDIX A
Joint Motion for settlement with Exhibits

APPENDIX B
Joint Motion for Amendment