

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

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October 17, 2025

Agenda ID #23824
Ratesetting

TO PARTIES OF RECORD IN APPLICATION 23-07-008:

This is the proposed decision of Administrative Law Judge Jeffrey Lee. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's November 20, 2025 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).

/s/ MICHELLE COOKE

Michelle Cooke

Chief Administrative Law Judge

MLC:sgu

Attachment

Decision **PROPOSED DECISION OF ALJ LEE** (Mailed 10/17/2025)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
California Resources Production
Corporation for a Certificate of Public
Convenience and Necessity to Operate
as a Gas Corporation in the State of
California

Application 23-07-008

DECISION DENYING APPLICATION

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DECISION DENYING APPLICATION

Summary

This decision denies Application 23-07-008. This decision also denies the request to hold this proceeding in abeyance made by the cities of Antioch and Brentwood, California; denies California Resources Production Corporation's motion to amend Application 23-07-008; and grants for a period of three years California Resources Production Corporation's motions to file certain materials as confidential under seal.

Application 23-07-008 is closed.

1. Background

1.1. CRPC's Application

On July 19, 2023, Applicant California Resources Production Corporation (CRPC) filed Application (A.) 23-07-008, requesting a Certificate of Public Convenience and Necessity (CPCN) from the California Public Utilities Commission (Commission). Specifically, CRPC seeks a Commission order designating it a "public utility gas corporation" pursuant to California Public Utility Code¹ Sections 216 and 222 to enable it to operate the 35.14 mile Union Island natural gas pipeline (UI Pipeline).² The Application states that CRPC previously operated the full UI Pipeline -- as a private party -- to transport

¹ Section references in this decision refer to the California Public Utilities Code (Pub. Util. Code), unless otherwise specified

² See Application of California Resources Production Corporation for a Certificate of Public Convenience and Necessity to Operate as a Gas Corporation in the State of California, filed July 19, 2023 (Application) at 1 and 18 ("In this application, CRPC is seeking an order granting it public utility status as a gas corporation to charge for transportation services along its UI Pipeline. CRPC files this application pursuant to the provisions of PU Code sections 216 and 220 [sic], and the Commission's Rules."). We note that CRPC likely intended to cite to Section 222 (defining "gas corporation").

natural gas for CRPC, its affiliates, and for third-party customers on a contractual basis, beginning in 2013.³ The UI Pipeline ceased transporting gas in May 2023.⁴

At all times during the pendency of A.23-07-008, CRPC has lacked legal rights to operate and maintain UI Pipeline segments within the public rights-of-way of Antioch and Brentwood, California (jointly, the Cities). The Cities previously granted those rights to CRPC through local franchise agreements that expired in 2021.⁵ To secure new franchise rights, CRPC initiated local

³ See Application at 1, 5, 20 and 21.

⁴ The Cities contend that CRPC operated the UI Pipeline for two years despite expiration of the company's franchise operating rights within the Cities. Cities' October 10, 2025 Updated, Supplemental Joint Response pursuant to Administrative Law Judge Jeffrey K. Lee's September 30, 2025 Email Ruling Requiring Parties to File Updated, Supplemental Responses to June 20, 2024 Administrative Law Judge's First Ruling (Cities' October 10, 2025 Supplemental Response) at 4; Cities Joint Protest at 6. See also, Response of California Resources Production Corporation to Administrative Law Judge Fogel's Ruling at the October 3, 2023 Prehearing Conference (CRPC Response to PHC Ruling) at 3. In addition, during the October 3, 2023 prehearing conference (PHC), CRPC confirmed that the UI Pipeline was not transporting natural gas as of that PHC date. October 3, 2023 PHC Transcript at 28.

⁵ See Application at 2, 20-21 and Appendix E (current and expired franchise agreements). The California legislature long ago vested local legislative bodies with the discretion to grant or deny franchise rights to gas pipeline companies. In *Cal. Res. Prod. Corp. v. Antioch City Council*, the Court of Appeal explained that a government's grant of franchise rights for a public utility to use public property is a discretionary privilege "created when a governmental agency authorizes private companies to set up their infrastructures on public property in order to provide public utilities to the public; i.e., when . . . gas . . . companies set up . . . pipes . . . across the streets and other public ways of a city." *Cal. Res. Prod. Corp. v. Antioch City Council*, 107 Cal. App. 5th 481, 488, 328 Cal. Rptr. 3d 388, 2024 Cal. App. LEXIS 815 (2024) (certified for partial publication on December 18, 2024), review denied by *Cal. Res. Prod. Corp. v. Antioch City Council*, No. S288604, 2025 Cal. LEXIS 783 (Cal., Feb. 11, 2025) (citing *Riverside County Transportation Com. v. Southern California Gas Co.* (2020) 54 Cal.App.5th 823, 857).

Specifically, a municipal government's elected legislative body (e.g., city council) exercises this discretion regarding franchise rights for natural gas pipelines within the local jurisdiction. California's Franchise Act of 1937, codified at Public Utilities Code section 6201 *et seq.*, provides in section 6202:

Footnote continued on next page.

administrative proceedings with each city. To date, neither City has reauthorized a franchise agreement or other permit allowing CPRC to operate the UI Pipeline segment within its jurisdiction.⁶

Prior to the filing of the Application with the Commission, CRPC filed an unsuccessful action to challenge Antioch's franchise agreement termination in Contra Costa County Superior Court. Antioch filed cross-claims in that court, seeking, *inter alia*, a judicial determination that CRPC abandoned its ownership interests in the UI Pipeline segment within Antioch's right-of-way upon its franchise termination. The court addressed CRPC's challenge as Phase I of that case and is presently deciding Antioch's cross-claims as Phase II. This ongoing litigation is generally referenced in this decision as the Pipeline Litigation.

In Phase I of the Pipeline Litigation, the court sustained Antioch's demurrer, dismissing CRPC's challenge to Antioch's franchise termination decision. The California Court of Appeal affirmed the lower court's decision on December 18, 2024, in *Cal. Res. Prod. Corp. v. Antioch City Council*.⁷ The California Supreme Court denied CRPC's petition for review on February 11, 2025, ending

The legislative body of any municipality may grant a franchise to any person, firm, or corporation, whether operating under an existing franchise or not, . . . to use, or to lay and use, pipes and appurtenances for transmitting and distributing gas or industrial gas for all purposes, . . . under, along, across, or upon the public streets, ways, alleys, and places within the municipality, upon the terms and conditions provided in this chapter.

⁶ See Application at 2, 20-21 and Appendix E (current and expired franchise agreements).

⁷ *Cal. Res. Prod. Corp. v. Antioch City Council*, 107 Cal. App. 5th 481, 328 Cal. Rptr. 3d 388, 2024 Cal. App. LEXIS 815 (2024) (issued November 19, 2024 and modified and certified for partial publication on December 18, 2024), review denied by *Cal. Res. Prod. Corp. v. Antioch City Council*, No. S288604, 2025 Cal. LEXIS 783 (Cal., Feb. 11, 2025). Pursuant to California Rules of Court, Rule 8.1110, the Court of Appeals' opinion was certified for publication with the exception of parts VI, VII, and VIII.

CRPC's legal challenge to Antioch's termination of the company's UI Pipeline franchise operating rights for the Antioch segment.⁸

Presently, the Superior Court is adjudicating Antioch's cross-claims for trespass, ejectment, and declaratory relief in Phase II of the Pipeline Litigation, addressing whether CRPC abandoned its ownership interests in the UI Pipeline segment within the City's right-of-way upon its franchise termination.⁹ In light of the delays and uncertainty caused by the pending Phase II and the Cities' respective administrative proceedings, both Cities requested that the Commission hold this proceeding in abeyance for an indeterminate period until the Pipeline Litigation is fully resolved.

In its Application, CRPC seeks the Commission's issuance of a CPCN conferring it public utility status primarily for the private company's stated purpose to acquire the authority to initiate eminent domain proceedings. CRPC states that granting it such new status would enable it to condemn a municipality's public rights-of-way for the company's proposed uses.¹⁰ Through that requested CPCN, CRPC aims to circumvent the Cities' franchise agreement expirations, Antioch's judicially-affirmed termination of CRPC's franchise rights,

⁸ *Cal. Res. Prod. Corp. v. Antioch City Council*, No. S288604, 2025 Cal. LEXIS 783 (Cal., Feb. 11, 2025).

⁹ On August 21, 2025, the Contra Costa County Superior Court issued an order to lift the stay litigation of Antioch's cross-complaint. *See* Cities' October 10, 2025 Supplemental Response at Exhibit 43 (Superior Court's August 21, 2025 Minute Order in MSN21-2354, *California Resources Production Corporation v. City of Antioch*).

¹⁰ *See* Application at 3 (stating that if the Application is granted, CRPC will use its new status as a public utility to "initiate an eminent domain action to confirm its existing right of way through the City of Antioch pursuant to Public Utilities Code sections 620 [sic] and 625, as necessary . . .") and 8. We note that Applicant may have intended to cite Section 613, stating "A gas corporation may condemn any property necessary for the *construction and maintenance* of its gas plant." (emphasis added). We further note that Sections 613, 620 and 625 provide limits on a gas corporation public utility's exercise of its eminent domain authority.

and the Cities' pending administrative proceedings regarding CRPC's operating rights for the UI Pipeline segments within both Cities.

If the Commission authorizes CRPC's application for a CPCN, CRPC proposes to begin committing the full UI Pipeline to public use and offering transportation services to third-party producers of natural gas from four gas fields on an open-access, tariffed basis under Commission jurisdiction.¹¹

Regaining use of the full UI Pipeline may also allow CRPC to resume its private business involving company affiliates and third-party customers on a contractual basis, as during the period up to 2023.

According to CRPC, upon receiving public utility status, it should be immediately exempted from various regulatory duties to the Commission imposed on public utility gas transporters by statute and Commission rules.¹² In addition, in January 2025, CRPC informed the Commission that, on October 24,

¹¹ See Application at 1, 8 and 9 ("CRPC submits this CPCN application for the narrow purpose of allowing the UI Pipeline to continue serving the Fields it currently serves, and to do so on an open-access basis."). See *Richfield Oil Corp. v. Public Utilities Com.*, 54 Cal. 2d 419 (1960) (private gas company was not a public utility subject to Commission jurisdiction because company did not dedicate its property to public use).

¹² See Application at 12-18 (Reporting Exemptions in sections VIII.A-VIII.D). First, CRPC states that the Commission should exempt the company from affiliate transaction rules that impose various restrictions and reporting requirements on transactions between energy utilities and their affiliates. Second, CRPC claims it should be exempt from the requirements of Pub. Util. Code Sections 818 through 851, that require Commission approval before a public utility issues stock payable at periods of more than 12 months (Section 818), engages in certain securities transactions (Section 830), or transfers certain utility property (Section 851). Third, CRPC requests freedom from Commission oversight of its rate-setting, contending it should be granted market-based rate authority because it lacks market power with respect to the services it intends to offer. Fourth, CRPC claims that upon the Commission's grant of market-based rate authority, it should be exempted from the reporting requirements set forth in General Order 65-A (financial information), General Order 77- K (data on officer and employee compensation, dues and donations, and legal fees), and General Order 104-A (annual reports).

2024, the company transferred its ownership interests in the UI Pipeline to its subsidiary, California Resources Pipeline Company, LLC (Successor Subsidiary).

On January 3, 2025, CRPC filed a motion to amend A.23-07-008 to substitute Successor Subsidiary as the CPCN applicant (Motion to Amend). As discussed below, we deny the Motion to Amend because the proposed amendment would not cure the defects requiring denial of the instant Application.

1.2. Factual Background

1.2.1. Applicant CRPC

CRPC is a corporation formed in 2014 under the laws of the state of Delaware. It is qualified to do business in California. CRPC's principal place of business is 1 World Trade Center, Suite 1500, Long Beach, California, 90831. It has approximately 1,090 employees across its locations and has an annual revenue of \$80.71 million. CRPC's corporate assets include ownership interests in the UI Pipeline (currently held through Successor Subsidiary) and over 30 oil and gas fields within the southern San Joaquin Valley.

1.2.2. UI Pipeline

The UI Pipeline is a 12.75-inch-diameter carbon steel natural gas pipeline extending 35.14 miles from the Union Island Gas field in western San Joaquin County to the Los Medanos meter station, located east of Pittsburg, California.¹³ It is buried at a minimum of four feet below the surface for its entire length, and passes through unincorporated portions of western San Joaquin and eastern Contra Costa counties, and then through the cities of Brentwood and Antioch, California.¹⁴ The natural gas moving through the UI Pipeline then flows into a

¹³ Application at 2.

¹⁴ Application at 2 and 20.

privately-owned pipeline at the Los Medanos meter station, owned by Chevron Pipeline Company (Chevron).¹⁵

1.2.3. CRPC Franchise Agreement Expirations and Pending Local Applications

CRPC presently holds franchise agreements with both San Joaquin County and Contra Costa County to operate and maintain the UI Pipeline in unincorporated areas within those counties.¹⁶ CRPC previously held franchise agreements with the City of Antioch and the City of Brentwood to operate and maintain the UI Pipeline within the Cities' respective rights-of-way. Those franchise agreements expired in February 2021.¹⁷

Antioch's most recent franchise agreement extension expired on February 7, 2021.¹⁸ On September 28, 2021, the Antioch City Council took official action not to renew it after extensive public comment.¹⁹ On November 2, 2021, Antioch issued a Notice of Termination, informing CRPC that the franchise agreement

¹⁵ The UI Pipeline was initially a 72.5-mile pipeline constructed by a consortium formed by Chevron and Union Oil Company of California (Unocal), in order to transport gas from the Union Island Gas field to a refinery in Richmond, California (Richmond Refinery). Application at 2. Contra Costa County conducted the California Environmental Quality Act (CEQA) review and approved the original 72.5-mile UI Pipeline in July 1990. Application at 5. The UI Pipeline began operating under the Chevron-Unocal consortium's ownership in 1991. Unocal subsequently transferred the original 72.5-mile UI Pipeline to Venoco, Inc. (Venoco). In 2013, CRPC, previously known as Vintage Production California LLC (Vintage), acquired the 35.14 mile eastern portion of the original UI Pipeline that extended from the Union Island Gas field to the Los Medanos transfer station.

¹⁶ See Application at 2, 20-21 and Appendix E (current and expired franchise agreements).

¹⁷ See Application at 2, 20-21 and Appendix E (current and expired franchise agreements).

¹⁸ See Application at Exhibit E (Antioch Notice of Termination). The agreement was adopted by the Antioch City Council on December 12, 2017 as Ordinance 2133-C-S, and extended CRPC rights to "construct, maintain and operate" the UI Pipeline within the city limits for a five (5) year term. Application at Exhibit E

¹⁹ See CRPC October 10, 2025 Supplemental Response at 3-4; Application at Exhibit E (Antioch Notice of Termination).

was terminated, effective September 28, 2021.²⁰ Antioch's Notice of Termination ordered CRPC "to *immediately discontinue the use* of all [CPRC] pipelines that are in operation" within Antioch's "jurisdiction and *take any and all actions necessary to abandon* the pipelines."²¹

In addition, on June 28, 2022, CRPC sought and was denied an Encroachment Permit from Antioch.²² CRPC appealed that denial to the Antioch City Council and that appeal was held in abeyance by agreement of Antioch and CRPC pending the outcome of the Phase I Pipeline Litigation appeals.²³ CRPC's administrative appeal to its Antioch Encroachment Permit request remains pending and in abeyance.²⁴

CRPC's unsuccessful Phase I Pipeline Litigation claims challenged Antioch's franchise agreement termination in Contra Costa County Superior Court. As noted above, CRPC exhausted its judicial appeals to challenge Antioch's termination decision and did not prevail in those appeals.

²⁰ See Application at Exhibit E (Antioch Notice of Termination).

²¹ See Application at Exhibit E (Antioch Notice of Termination) (emphasis added).

²² See Cities' October 10, 2025 Supplemental Response at 9; CRPC October 18, 2024 Response to ALJ October 7, 2024 Ruling Requiring Parties to File Updated Responses to the June 20, 2024, Administrative Law Judge's First Ruling (CRPC Response to ALJ Ruling Requiring Updated Response) at 5-6; Cities November 26, 2024 Joint Supplemental Response to October 7, 2024 ALJ Ruling Requiring Parties to File Updated Responses to the June 20, 2024, Administrative Law Judge's First Ruling (Cities' First Supplemental Response) at 3 n.4; Application at 3 n.9 (describing Antioch City Code section 7-2.311, providing no permit required for "continuing use or maintenance of encroachments *installed by public utilities*") (emphasis added).

²³ See Cities' October 10, 2025 Supplemental Response at 9. See also CRPC Response to ALJ Ruling Requiring Updated Response at 5-6.

²⁴ See Cities' October 10, 2025 Supplemental Response at 9. See also Cities Third Supplemental Response at 2 and CRPC Third Supplemental Response at 2; and CRPC Response to ALJ Ruling Requiring Updated Response at 5-6; CRPC March 6, 2025 Second Supplemental Response to the October 7, 2024 Administrative Law Judge's Email Ruling Requiring Parties to File Updated Responses to June 20, 2024, Administrative Law Judge's First Ruling (CRPC Second Supplemental Response) at 2.

Brentwood's franchise agreement with CRPC authorized CRPC to "construct, maintain, operate and remove" the UI Pipeline segment within Brentwood.²⁵ That franchise agreement expired on February 22, 2021.²⁶ CRPC applied for a franchise agreement extension with Brentwood that was heard by the Brentwood City Council on May 11, 2021.²⁷ Over four years later, that application has not been granted and remains pending before the Brentwood City Council.²⁸

On February 28, 2025, CRPC's Successor Subsidiary filed an application for a franchise agreement with Antioch that remains pending with the Antioch City Council.²⁹ With a hearing on that application scheduled for November 11, 2025, CRPC requested that its Successor Subsidiary's application be taken off Antioch's hearing calendar and held in abeyance.³⁰

The Contra Costa Superior Court's August 21, 2025 order granting Antioch's motion to lift the litigation stay allows that court to decide Antioch's cross-claims in Phase II of the Pipeline Litigation.³¹ Antioch's cross-claims place

²⁵ See Application at Exhibit E (City of Brentwood Oil-CRPC and Gas Pipeline Franchise Agreement, effective February 22, 2016) (Brentwood Franchise Agreement).

²⁶ See Application at Exhibit E (Brentwood Franchise Agreement).

²⁷ See CRPC's October 10, 2025 Fourth Supplemental Response to Administrative Law Judge's Email Ruling Requiring Parties to File Updated, Supplemental Responses to June 20, 2024, Administrative Law Judge First Ruling (CRPC October 10, 2025 Supplemental Response) at 6; CRPC Response to ALJ Ruling Requiring Updated Response at 6; Application at 21.

²⁸ See CRPC October 10, 2025 Supplemental Response at 6; CRPC Response to ALJ Ruling Requiring Updated Response at 6.

²⁹ See Cities' October 10, 2025 Supplemental Response at 6.

³⁰ See CRPC October 10, 2025 Supplemental Response at 6.

³¹ See Cities' October 10, 2025 Supplemental Response at Exhibit 43 (Superior Court's August 21, 2025 Minute Order in MSN21-2354, *California Resources Production Corporation v. City of Antioch*); CRPC October 10, 2025 Supplemental Response at 5.

at issue Antioch's abandonment demand to CRPC and CRPC's ownership interests in the Antioch segment of the UI Pipeline. The issues and pendency of that litigation create uncertainty about whether CRPC (or its Successor Subsidiary) may dedicate the full UI Pipeline to public use as proposed in the instant Application.

1.3. Procedural Background

CRPC filed A.23-07-008 on July 19, 2023, accompanied by a Motion to File Under Seal the Confidential Version of its Application. At that time, the Phase I Pipeline Litigation was working through the appellate process.

On August 22, 2023, the Cities filed a joint protest to the Application. On August 25, 2023, the Public Advocates Office (Cal Advocates) filed a motion for party status, which was granted on August 31, 2023. On August 31, 2023, CRPC filed a reply to the Cities' joint protest.

On September 15, 2023, the assigned Administrative Law Judge (ALJ) issued a ruling setting a prehearing conference (PHC) date and directing that PHC statements be filed in advance of the PHC. On September 26, 2023, the Cities filed a joint PHC statement, and CRPC filed its own PHC statement.

On October 3, 2023, a PHC was held to address the issues of law and fact, determine the need for a hearing, set the schedule for resolving the matter, and address other matters as necessary. During the PHC, the assigned ALJ directed CRPC to file additional information by October 16, 2023, regarding Commission Rules of Practice and Procedure (Rules) 3.1(c) and 3.1(k)(1) and to answer the question, "Which obligations of a public utility is CRPC proposing to adhere to?" On October 16, 2023, CRPC filed the additional information.

On November 6, 2023, after considering the record of the proceeding, including the Application, the Cities' joint protest, CRPC's reply, the PHC

statements, discussion at the prehearing conference, and CRPC's responses to the ALJ's questions, Commissioner Karen Douglas issued a Scoping Memo and Ruling (Scoping Memo).

On December 18, 2023, and December 20, 2023, the assigned ALJ granted party status to Indicated Shippers and the Pacific Gas and Electric Company.

The Scoping Memo identified threshold questions for the parties to brief. CRPC, the Cities, Indicated Shippers, and PG&E filed opening briefs on December 6, 2023.

On December 20, 2023, A.23-07-008 was reassigned to ALJ Jeffrey Lee.

On December 21, 2023, CRPC, the Cities, Indicated Shippers, and PG&E filed reply briefs on the threshold questions identified in the Scoping Memo. The Cities' Joint Reply Brief on Threshold Questions included a request to hold A.23-07-008 in abeyance pending the outcome of the preexisting Pipeline Litigation.³²

On June 20, 2024, the assigned ALJ issued a ruling directing the parties to file status updates regarding the then-pending Phase I Pipeline Litigation appeal and all related proceedings to evaluate the Cities' abeyance request. That ruling ordered the parties to identify and describe each related matter that may be relevant to this Application and the consequences of a decision on A.23-07-008 by this Commission on each related matter.³³ The Cities and CRPC filed their opening responses on July 1, 2024. The Cities and CRPC filed replies on July 17 and 18, 2024, respectively.

³² See The City of Antioch and The City of Brentwood's Joint Reply Brief on Threshold Questions, Dec. 21, 2023 (Cities Joint Reply).

³³ See Administrative Law Judge's First Ruling Requiring Parties To File A Response Within 10 Calendar Days (ALJ First Ruling) at 1.

On October 7, 2024, the assigned ALJ issued a ruling directing the parties to file further updates. CRPC and the Cities filed timely updated responses on October 18, 2024.

On October 23, 2024, CRPC filed a supplemental updated response, informing the Commission that the California Court of Appeal issued an Oral Argument Notice on October 22, 2024, setting oral argument for CRPC's appeal (that had been consolidated with a related appeal) on November 12, 2024. The Cities filed a Joint Supplemental Response on November 26, 2024, providing a copy of the Court of Appeal's opinion in *California Resources Production Corporation v. City of Antioch, et al.*³⁴

On December 11, 2025, CRPC filed a Motion to Set a Status Conference. The Cities opposed that motion on December 26, 2024. CRPC filed a reply on January 6, 2025.

On January 3, 2025, CRPC filed its Motion to Amend, accompanied by a Motion to File a Confidential Version of its Motion to Amend Its Application Under Seal. CRPC states in its Motion to Amend that it seeks to amend "solely for the purpose of noticing the transfer of ownership of the Union Island Pipeline (UI Pipeline) from CRPC to California Resources Pipeline Company, LLC."³⁵ CRPC indicated that it "transfer[ed] the UI Pipeline to a subsidiary, California Resources Pipeline Company, LLC, [Successor Subsidiary] the transfer of which

³⁴ *Cal. Res. Prod. Corp. v. Antioch City Council*, 107 Cal. App. 5th 481, 328 Cal. Rptr. 3d 388, 2024 Cal. App. LEXIS 815 (2024) (certified for partial publication on December 18, 2024), review denied by *Cal. Res. Prod. Corp. v. Antioch City Council*, No. S288604, 2025 Cal. LEXIS 783 (Cal., Feb. 11, 2025).

³⁵ CRPC Motion to Amend at 1.

was effective in Q4 2024.”³⁶ CRPC requests that the application be updated to reflect the October 24, 2024 transfer in ownership to Successor Subsidiary.³⁷

The parties to the proceeding filed responses to CRPC’s Motion to Amend pursuant to a January 11, 2025 ALJ ruling. On January 31, 2025, the Cities filed a joint response opposing the Motion to Amend and Indicated Shippers filed a response in support of the motion. CRPC filed a reply brief on February 10, 2025.

On January 16, 2025, the Commission issued Decision (D.) 25-01-016 and extended the statutory deadline in this proceeding to July 31, 2025.

On February 14, 2025, the Cities filed a Supplemental Joint Response to the ALJ’s First Ruling Requiring Parties to File a Response, dated June 20, 2024, and Email Ruling Requiring Parties to File Updated Responses to the First Ruling, dated October 7, 2024. The Cities therein notified the Commission that the California Supreme Court had denied CRPC’s petition to review the Court of Appeal’s opinion, ending CRPC’s challenge to Antioch’s decision terminating its franchise agreement and concluding Phase I of the Pipeline Litigation.³⁸

On March 6, 2025, CRPC filed a second supplemental response to the October 7, 2024 Administrative Law Judge’s Email Ruling Requiring Parties to File Updated Responses to June 20, 2024, Administrative Law Judge’s First Ruling. CRPC informed the Commission about a pending franchise request filed by Successor Subsidiary on February 28, 2025 with Antioch. CRPC confirmed that a franchise, if granted by Antioch, would “allow [Successor Subsidiary], the

³⁶ CRPC Motion to Amend at 3 (footnote omitted). The proposed Amended Application states that the UI Pipeline was transferred from CRPC to Successor Subsidiary on October 24, 2024. CRPC Motion to Amend, Exhibit B at 6.

³⁷ CRPC Motion to Amend at 4 and Exhibit B at 6.

³⁸ Cities’ Second Supplemental Response at 1-2. *See also Cal. Res. Prod. Corp. v. Antioch City Council*, No. S288604, 2025 Cal. LEXIS 783 (Cal., Feb. 11, 2025).

current owner of the Union Island Pipeline owner to transport natural gas through the City of Antioch for a term of 20 years.”³⁹

On May 2, 2025, the assigned ALJ issued a ruling directing the parties to file further supplemental reports to update their responses to the June 20, 2024 Administrative Law Judge’s First Ruling regarding the Pipeline Litigation and pending administrative proceedings. CRPC and the Cities filed timely updated supplemental responses on May 9, 2025.

On July 29, 2025, the Commission issued D.25-07-022 and extended the statutory deadline in this proceeding to October 31, 2025.

On September 30, 2025, the assigned ALJ issued a ruling directing the parties to file further supplemental reports to update their responses to the June 20, 2024 Administrative Law Judge’s First Ruling regarding the Pipeline Litigation and pending administrative proceedings. CRPC and the Cities filed their timely updated supplemental responses on October 10, 2025.

On October __, 2025, the Commission issued D.__-__-__ and extended the statutory deadline in this proceeding to April 3, 2026.

³⁹ CRPC Second Supplemental Response at 2 (emphasis added). CRPC also described a pending local encroachment permit application that it claims may allow CRPC’s successor in interest to operate the UI Pipeline within Antioch’s jurisdiction without exercising eminent domain:

California Resources Pipeline Company could maintain the Union Island Pipeline within Antioch’s public rights of way, such that it would not be required to abandon or remove the pipeline, as detailed in the July 18, 2024 Reply of California Resources Production Corporation to the Cities’ Response to the Administrative Law Judge’s First Ruling: **(1) CRPC obtains an encroachment permit** pursuant to Antioch City Code chapter 7-2,”

CRPC Second Supplemental Response at 2.

1.4. Submission Date

This matter was submitted on October 10, 2025, upon the filing of CRPC and the Cities' respective Supplemental Responses pursuant to the ALJ's September 30, 2025 ruling.

2. Jurisdiction and Burden of Proof

Pub. Util. Code Section 1001(a) provides the Commission with the authority to grant or deny a CPCN. In the instant Application, CPRC requests that the Commission designate it a public utility gas corporation and issue a CPCN to enable its proposed operation of the full UI Pipeline.⁴⁰

CRPC, as applicant, bears the burden to establish that it meets the requirements of Sections 216 and 222 to qualify as a public utility gas corporation by a preponderance of the evidence. In addition, if the Commission finds CRPC meets its burden to establish its qualifications as a public utility gas corporation, Applicant must satisfy its burden to establish that it is entitled to a CPCN under Section 1001.

3. Issues Before the Commission

As articulated in the Scoping Memo, the threshold issue is whether CRPC is a public utility gas corporation as defined by Pub. Util. Code Sections 216 and 222 that should be granted a certificate of public convenience and necessity to operate the UI Pipeline.⁴¹

⁴⁰ We note that CPRC's Motion to Amend the Application, if granted would substitute Successor Subsidiary as the current owner and proposed operator of the UI Pipeline to be designated a public utility gas corporation and CPCN applicant.

⁴¹ Scoping Memo at 5 (emphasis added). *See also*, Cities' Joint Protest at 19. The Scoping Memo presents other issues that are not necessary to resolve the application.

4. Discussion

As discussed below, CRPC has not established that it qualifies at present to be a public utility gas corporation under Sections 216 and 222. As a result, the Application requesting a CPCN to operate the full UI Pipeline is denied.

4.1. Public Utilities Code Sections 216 and 222

CRPC requests a Commission determination that it meets the statutory criteria to be a public utility gas corporation. For the reasons below, we find that CRPC does not presently satisfy those criteria under Sections 216 and 222.

To qualify to become a public utility gas corporation, CRPC must meet its burden to establish that it satisfies the statutory criteria under Sections 216 and 222. The legislature enacted the criteria of both Sections 216 and 222 using clear and unambiguous present tense language. Those sections allow for neither past (*i.e.*, expired) status nor uncertain future (*i.e.*, speculative) status to satisfy their criteria.

Section 216(a)(1) provides the operating eligibility status for classification as a public utility in California:

“Public utility” includes every common carrier, toll bridge corporation, pipeline corporation, *gas corporation*, electrical corporation, telephone corporation, telegraph corporation, water corporation, sewer system corporation, and heat corporation, where the *service is performed for*, or the *commodity is delivered to*, the public or any portion thereof. (emphasis added).

A California “gas corporation” is defined by Section 222 with language referring to a corporation’s present ownership, control, operation, or management activities, as follows:⁴²

⁴² See D.07-12-047 (similarly recognizing the “requirement of present ownership and control of pipeline assets” to be a “pipeline corporation” under Code Section 227) (emphasis added).

“Gas corporation” includes every corporation or person *owning, controlling, operating, or managing* any *gas plant* for compensation within this state, except where gas is made or produced on and distributed by the maker or producer through private property alone solely for his own use or the use of his tenants and not for sale to others. (emphasis added).

Section 221 identifies a “Gas plant” with reference to the present status of certain property:

[I]ncludes all real estate, fixtures, and personal property, *owned, controlled, operated, or managed* in connection with or to facilitate the production, generation, transmission, delivery, underground storage, or furnishing of gas, natural or manufactured, except propane, for light, heat, or power. (emphasis added).

4.1.1. “Gas Corporation”

First, CRPC is not a “gas corporation” under Section 222 because it did not meet its burden to establish itself as presently owning, controlling, operating, or managing a “gas plant,” *i.e.*, the full UI Pipeline at this time.

Here, CRPC established that it holds franchise rights to other segments of the UI Pipeline within San Joaquin and Contra Costa Counties that are not within the Cities. However, the record shows that CRPC presently lacks franchise rights to control, operate, or manage the pipeline segments within the public rights-of-way within both Antioch and Brentwood. Despite once holding now-expired franchise rights, CRPC failed to persuade the courts that its Antioch franchise agreement should be reinstated in Phase I of the Pipeline Litigation and is presently at risk of a judicial determination in Phase II that the company has abandoned (or must abandon) all rights to that Antioch segment of the pipeline. Moreover, the record also shows that CRPC’s franchise to operate and maintain the UI Pipeline segment within Brentwood is expired. CRPC also reported that it

requested that its Successor Subsidiary's franchise application with Antioch be held in abeyance by that city. In addition, CRPC established that it ceased operation of the UI Pipeline to transport gas in May 2023 and cannot identify a date certain by which it will secure such operating rights in either City.

As a result, CRPC has not established itself as "owning, controlling, operating, or managing" the full UI Pipeline as a gas plant at present or that it may do so in the reasonably near future. Therefore, we find that CRPC does not meet its burden to establish that it is a "gas corporation" under Section 222 at this time.

4.1.2. "Public Utility"

As discussed below, CRPC has not met its burden to establish that it is a "public utility" under Section 216(a)(1). Section 216(a) expressly requires CRPC to satisfy the Section 222 criteria for designation as a gas corporation. CRPC's inability to establish itself as presently "owning, controlling, operating, or managing" the full UI Pipeline (*i.e.*, gas plant) precludes its classification as a public utility. Therefore, CRPC cannot establish itself as a public utility that is capable of performing gas service or delivering gas service to "the public or any portion thereof" under Section 216(a)(1).

In addition, CRPC is not a public utility because it has not previously dedicated -- and, at present, cannot dedicate -- the full UI Pipeline to public use. The prior dedication of -- or present right to dedicate -- the UI Pipeline for public use is a long-established prerequisite to qualify for public utility status under Section 216(a)(1).⁴³ However, prior to the expiration of the Cities' franchise

⁴³ See *Richfield Oil Corp. v. Public Utilities Com.*, 54 Cal. 2d 419, 424-425 (1960) (private gas pipeline company that supplied gas under private contract was not a public utility subject to

Footnote continued on next page.

agreements, CRPC operated the UI Pipeline only for private natural gas transport. CRPC has not operated the UI Pipeline as a public utility by dedicating it for public use. Now, after expiration of its franchise rights within the Cities, CRPC cannot operate or access those segments to dedicate the full UI Pipeline for public use. Moreover, the pending Phase II Pipeline Litigation abandonment determination regarding the Antioch segment casts an even greater cloud over CRPC's (and Successor Subsidiary's) present and future capacity to dedicate that portion of the UI Pipeline, foreclosing the company's operation as a public utility.

For the reasons above, CRPC cannot establish itself as meeting the criteria to be deemed a public utility at this time or in the reasonably near future. Therefore, we find that CRPC cannot meet its burden to establish that it presently satisfies the statutory requirements of Section 216(a)(1) to serve as a public utility.

4.1.3. Interim Decision D.07-12-047

To support its request for a determination that it meets the statutory criteria to be a public utility gas corporation, CRPC cites D.07-12-047.⁴⁴ There, the Commission issued an interim decision, conditionally and revocably, recognizing an applicant's *prospective* status as a public utility pipeline corporation under Sections 228 and 216. However, CRPC's reliance on that decision is misplaced under the company's present circumstances.

Commission jurisdiction because company did not dedicate its pipeline to public use). We discuss this issue further below in Section 4.1.3.

⁴⁴ Application at 9.

In interim decision D.07-12-047, at the applicant's request, the Commission declared WesPac Pipelines – Los Angeles LLC (WesPac), the proponent for a jet fuel pipeline construction project in A.07-04-003, to be a "pipeline corporation" within the meaning of Section 228, and a "public utility" under Section 216. The City of Gardena filed, but then withdrew, its protest to granting applicant WesPac such status. WesPac's request was therefore unopposed.

In D.07-12-047, the Commission preliminarily considered WesPac's "intention to acquire a pipeline and operate it as a common carrier was sufficient to satisfy the *requirement of present ownership and control of pipeline assets* under Public Utilities Code Section 227."⁴⁵ Notwithstanding our interim acknowledgment of WesPac's intentions, we expressly conditioned WesPac's final designation as a public utility pipeline corporation on both (1) WesPac constructing the proposed pipeline and (2) dedicating it to public use.⁴⁶

In contrast, CRPC's proposal in the instant Application is highly contested and differs in other important respects from the uncontested circumstances involving WesPac and our related *interim* decision, D.07-12-047.

Most notably, that interim decision was based on a developing record and the rationale that the proposed construction project there was unopposed and progressing through the ordinary course of environmental review at the time of our determination. Here, the record in the present proceeding establishes materially different circumstances for the Applicant.

⁴⁵ D.07-12-047 at 2 (emphasis added). We reasoned that we had the authority to issue that interim decision related to a prospective pipeline construction project because "a pipeline corporation is not required to obtain a *preconstruction* certificate of public convenience and necessity pursuant to Public Utilities Code Section 1001, as are other transportation concerns." D.07-12-047 at 2 (emphasis added).

⁴⁶ D.07-12-047 at 4, Conclusion of Law 2.

Unlike WesPac, CRPC is not engaged in an uncontested proceeding to construct a new pipeline and would not be subject to a post-decision review process. Instead, the record of this instant proceeding has been building consistently and confirms the following strong oppositions to prevent CRPC's UI Pipeline operation: the Cities' termination, non-renewal, and/or denial of CRPC's franchise agreements; Antioch's past and ongoing litigation, including the past Phase I and pending Phase II Pipeline Litigation; and both Cities' vigorous protests to CRPC's Application before this Commission. Consequently, unlike WesPac's uncontested application, presenting no foreseeable opposition at the time of the interim decision, the instant Application remains highly contested.

It is also very speculative. CRPC's ability to carry out what it proposes in its Application has been and remains lacking at present and is uncertain at best for the foreseeable future. CRPC's circumstances have persisted despite its many years of efforts through the Cities' internal administrative processes, Superior Court proceedings and judicial appeals. With the various pending administrative and judicial proceedings, if CRPC is unsuccessful in any forum, it may prevent applicant from operating the full UI Pipeline indefinitely.⁴⁷

In addition, CRPC's request for a *final* designation as a public utility gas corporation is fundamentally different than WesPac's grant of *interim* status. In WesPac's interim decision, we expressly stated that WesPac's public utility status would be rescinded if the proposed pipeline was not constructed and dedicated

⁴⁷ The lack of opposition and interim basis designation similarly distinguishes interim decision D.99-12-038 and final decision D.02-11-023, also cited by CRPC, from CRPC's present Application. There, interim decision D.99-12-038 determined that construction project applicant Wickland Pipelines LLC was a public utility pipeline corporation subject to the Commission's jurisdiction in connection with proposed construction and future operation of a common carrier jet fuel pipeline and tank farm. As in interim decision D.07-12-047, that application was unopposed and granted through a subsequent decision, D.02-11-023.

for public use.⁴⁸ That interim designation did not authorize WesPac to acquire present ownership and control of a pre-existing pipeline – and did not grant WesPac public utility status solely to bestow eminent domain powers to amass such assets by condemnation of public rights-of way. Instead, our express conditions in D.07-12-047 indicated the limited consequences of WesPac’s interim public utility designation. In contrast, CRPC does not seek such an interim, conditional designation. Instead, it seeks a final, unconditional designation granting it new powers, as a public utility, for the primary purpose of taking public property within the Cities by use of eminent domain.

A final Commission decision for CRPC here would negate the requirement that CRPC establish its *present* ownership and control of all UI Pipeline assets proposed to be dedicated for public use. Authorizing CRPC to initiate its vowed eminent domain proceedings to condemn the Cities’ public rights-of-way for the company’s use could thus circumvent the Cities’ oppositions to operation of the pipeline within their borders. The record developed in this proceeding does not warrant granting CRPC’s Application or request.

4.1.4. Conclusion

Accordingly, the record of this proceeding does not support a finding that would enable authorization of an interim or final designation of CRPC as a public utility gas corporation as defined by Sections 216 and 222.

4.2. CPCN to Operate the UI Pipeline

For the reasons below, CRPC’s present request for a CPCN to operate the UI Pipeline is denied.

⁴⁸ D.07-12-047 at 4, Conclusion of Law 2.

4.2.1. Section 1001(a)

In the instant Application, CRPC proposes no construction or extension involving the UI Pipeline. Instead, it seeks a CPCN merely to *operate* the existing pipeline under Section 1001. Section 1001(a) provides as follows:

A . . . *gas corporation*, . . . shall not begin the construction . . . of a line, plant, or system, or of any extension thereof, without having first obtained from the commission a certificate that the present or future public convenience and necessity require or will require its construction. (emphasis added).

Significantly, the plain language of Section 1001(a) authorizes the Commission to grant a CPCN to a “gas corporation.” Moreover, the California Supreme Court established that Section 1001 only applies to public utilities.⁴⁹ As discussed above, CRPC is neither a public utility under Section 216, nor a gas corporation under Section 222. The record establishes that CRPC cannot claim with certainty to become either in the reasonably near future. As a result, CRPC cannot qualify to receive a CPCN under Section 1001(a). Therefore, CRPC’s request for a CPCN under Section 1001 is denied.

4.2.2. Section 1002(a)

The parties have presented considerations relevant to evaluation of a CPCN application under Pub. Util. Code Section 1002(a), including the values of communities to be affected by CRPC’s operation of the full UI Pipeline. Because we have concluded above that CRPC is not a public utility gas corporation, we do not address whether CRPC’s proposed pipeline operation would satisfy the further considerations to obtain a CPCN under Section 1002(a).

⁴⁹ See, e.g., *Richfield Oil Corp. v. Public Utilities Com.*, 54 Cal. 2d 419, 433-434 (1960) (Pub. Util. Code section 1001 applies only to public utilities).

4.2.3. Conclusion

CRPC's request for a CPCN to operate the full UI Pipeline is denied. CRPC is neither a public utility under Section 216, nor a gas corporation under Section 222, and therefore is ineligible for a CPCN under Section 1001(a).

5. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that relevant written comments submitted in a proceeding be summarized in the final decision issued in that proceeding.

One relevant public comment appeared on the Docket Card for this proceeding. That comment asked the Commission "not to force the closure of the Union Island Pipeline" because the commenter would lose "modest" royalty income from the Lathrop field.

6. Pending Procedural Requests

As discussed below, the Cities' request to hold A.23-07-008 in abeyance is denied. CRPC's Motion to Amend the Application is denied. CRPC's two motions to file confidential materials under seal are granted.

6.1. Cities' Request to Hold Proceeding In Abeyance

In view of the foregoing, we deny the Cities' request to hold this proceeding in abeyance until conclusion of the Superior Court's Phase II Pipeline Litigation and/or the Cities' approval of necessary franchise agreements.

Pipeline Litigation Phase II will address Antioch's cross-claims for a judicial determination that CRPC has or must abandon the UI Pipeline segment within Antioch. No party has identified a definite date of resolution to that multi-year litigation or the pending franchise application decisions before the Cities. During the pendency of those various extended parallel proceedings in

other *fora*, this instant proceeding has been held largely in abeyance by the Commission.

While CRPC awaits a decision from the Superior Court that may determine whether CRPC abandoned the UI Pipeline segment within Antioch, CRPC continues to lack franchise rights to operate the pipeline within public rights-of-way of Antioch and Brentwood. The lack of franchise operating rights in even one City jurisdiction is fatal to CRPC's Application. This has been the case since July 19, 2023, when the instant Application was filed, initiating this proceeding.

The Commission is statutorily bound to resolve a ratesetting proceeding within 18 months by Section 1701.5. Here, the Commission previously extended that initial 18-month deadline to July 31, 2025, and then further extended it to October 31, 2025, and April 3, 2026 based on the parties' reports regarding the status of the pending litigation and local proceedings. Now, over two years later, we have provided an adequate period of time for CRPC to secure the necessary rights to operate the full UI Pipeline, as proposed in its Application.⁵⁰

No party has proposed a date certain until which we should hold this proceeding in abeyance. No party offered a definite estimate that CRPC (or Successor Subsidiary) would acquire or be denied sufficient rights to operate the UI Pipeline segments within either City's jurisdiction with finality by the extended statutory deadline or anytime into the reasonably foreseeable future.

⁵⁰ Moreover, Applicant implores the Commission to decide the threshold question in its October 10, 2025 Supplemental Response: "CRPC, and its affiliate California Resources Pipeline Company, have the right to have their claim of public utility status adjudicated in a timely fashion, and request that the Commission take action to resolve the pending threshold questions." CRPC October 10, 2025 Supplemental Response at 8. We do so in this decision.

Without the necessary legal rights to operate the full UI Pipeline, as proposed in the Application, at present or in the reasonably foreseeable future, CRPC's Application presents a hypothetical pipeline operation.⁵¹ After two years of litigation and local franchise proceedings, CRPC is no closer to resolving this defect in its Application. The Commission therefore will not continue to hold A.23-07-008 in abeyance.

Accordingly, the Cities' request to hold the proceeding in abeyance is denied. Instead, the instant Application is denied.

6.2. CRPC Motion to Amend

We deny CRPC's Motion to Amend the Application. That motion asserts that CRPC requests a "non-substantive" amendment to recognize the October 2024 transfer of ownership of the UI Pipeline to Successor Subsidiary.⁵² CRPC asks the Commission to substitute a new party -- Successor Subsidiary -- for CRPC as the applicant for a CPCN to operate the full pipeline.

In light of our analysis above, CRPC's proposed amendment does not cure the Application's defects through substitution of its Successor Subsidiary. Significantly, the proceeding record shows that Successor Subsidiary filed a pending application to obtain a franchise agreement with Antioch. CRPC thereby concedes that Successor Subsidiary lacks present rights to operate that segment

⁵¹ Where a CPCN application requests authority for a purely hypothetical activity, the Commission will not issue a prohibited "advisory opinion." *See, e.g., Application of Women's Energy, Inc.*, 75 CPUC 2d 624 (1997) (citing *Re California-American Water Co.*, 58 CPUC 2d 470 (1975)). In D.17-10-012, the Commission refused to grant a CPCN application where the applicant had temporarily suspended a construction project that "will not move forward by any known date." D.17-10-012 at 6. Here, CRPC and/or Successor Subsidiary's prospective operation of the UI Pipeline is even more remote than a temporary construction suspension. CRPC's dedication and operation of the full UI Pipeline will not move forward by any known date and, absent grants of franchise rights by both opposing Cities, may not occur at all.

⁵² A proposed amendment presenting a substantive change to an application is prohibited after issuance of a scoping memo, pursuant to Rule 1.12.

of the UI Pipeline within Antioch and has initiated a new process to obtain those rights. Moreover, CRPC requested that Antioch hold Successor Subsidiary's franchise application in abeyance, delaying a decision.⁵³

CRPC also fails to establish that Successor Subsidiary has secured or sought the necessary operating rights franchise from Brentwood. Therefore, it remains speculative whether or when Successor Subsidiary may secure franchise rights to operate that portion of the UI Pipeline. It is therefore similarly situated as CRPC because it lacks necessary rights operate the full UI Pipeline.

Based on the foregoing, CRPC's Motion to Amend is denied because substitution of CRPC's Successor Subsidiary as the CPCN applicant is futile and would not remedy the Application's defects.

6.3. CRPC Requests to File Under Seal

Pursuant to Rule 11.4, CRPC filed two unopposed motions to file confidential materials under seal: (1) a July 19, 2023 Motion to File Under Seal the Confidential Version of its Application and (2) a January 3, 2025 Motion to File Under Seal the Confidential Version of its Motion to Amend the Application.

In its July 19, 2023 motion, CRPC seeks to file its income statements and balance sheet, presented as Appendix C to the Application, as confidential materials under seal. CRPC represents that those financial documents contain proprietary and sensitive business information that, if disclosed publicly, could place CRPC at an unfair business disadvantage. The Commission has granted similar requests in the past and does so here. Accordingly, CRPC is granted leave to file as confidential materials under seal Appendix C to the Application.

⁵³ See CRPC October 10, 2025 Supplemental Response at 6.

In its January 3, 2025 motion, CRPC seeks to file the income statements and balance sheet of Successor Subsidiary presented as Appendix C to the Amended Application, found in Exhibit B to CRPC's Motion to Amend, as confidential materials under seal. CRPC represents that those financial documents contain proprietary and sensitive business information that, if disclosed publicly, could place CRPC and/or Successor Subsidiary at an unfair business disadvantage. The Commission has granted similar requests in the past and does so here. Accordingly, CRPC is granted leave to file as confidential materials under seal Appendix C to the Amended Application, appended as Exhibit B to CRPC's Motion to Amend.

6.4. Other Pending Motions

This decision affirms all rulings made by the Administrative Law Judge and assigned Commissioner in this proceeding. All motions that have not been expressly resolved by the assigned Administrative Law Judge are deemed denied.

7. Category of Proceeding

This matter has been categorized as ratesetting. Hearings are no longer necessary.

8. Comments on Proposed Decision

The proposed decision of assigned Administrative Law Judge Jeffrey Lee in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on _____, and reply comments were filed on _____ by _____.

9. Assignment of Proceeding

Karen Douglas is the assigned Commissioner and Jeffrey Lee is the assigned ALJ and Presiding Officer in this proceeding.

Findings of Fact

1. The full UI Pipeline is a 12.75-inch-diameter carbon steel natural gas pipeline extending 35.14 miles from the Union Island Gas field in western San Joaquin County to the Los Medanos meter station east of Pittsburg, California.
2. CRPC filed A.23-07-008 to obtain a Commission order designating it as a public utility gas corporation under Sections 216 and 222.
3. CRPC filed A.23-07-008 to obtain a CPCN under Section 1001 to operate all segments of the UI Pipeline as a public utility gas corporation in California.
4. CRPC previously operated the full UI Pipeline as a private party to transport natural gas for CRPC, its affiliates, and for third-party customers on a contractual basis, beginning in 2013.
5. CRPC's franchise agreement authorizing it to operate and maintain the UI Pipeline segment through the City of Antioch expired in February 2021, and Antioch did not renew the franchise agreement.
6. CRPC's franchise agreement authorizing it to operate and maintain the UI Pipeline segment through the City of Brentwood expired in February 2021, and Brentwood did not renew the franchise agreement.
7. The UI Pipeline ceased transporting gas in May 2023.
8. CRPC's Successor Subsidiary succeeded CRPC as the owner of CRPC's interests in the UI Pipeline in October 2024.
9. CRPC and Successor Subsidiary lack necessary legal rights to operate and maintain the UI Pipeline segment within the City of Antioch.

10. CRPC and Successor Subsidiary lack necessary legal rights to operate and maintain the UI Pipeline segment within the City of Brentwood.

11. CRPC and/or Successor Subsidiary are engaged in pending local administrative proceedings within Antioch and Brentwood to acquire necessary legal rights to operate and maintain the segments of the UI Pipeline within the Cities' respective jurisdictions.

12. The Contra Costa Superior Court is presently adjudicating the City of Antioch's cross-claims alleging, *inter alia*, that CRPC abandoned the UI Pipeline segment within Antioch in *California Resources Production Corporation v. City of Antioch, et al.*, Case No. MSN21-2354, that may determine whether CRPC and/or Successor Subsidiary holds any ownership interests in the UI Pipeline segment within Antioch's right of way.

13. Without franchise agreements from each of the Cities, CRPC lacks the necessary rights to operate the full UI Pipeline, which traverses through the public-rights-of-way of the Cities.

14. The pending judicial and local administrative proceedings do not have dates certain by which CRPC and/or Successor Subsidiary may obtain any and all necessary legal rights to operate and maintain the segments of the UI Pipeline within the Cities' respective jurisdictions with finality.

15. Pursuant to Rule 11.4, CRPC filed motions for leave to file as confidential materials under seal (1) Appendix C to the Application and (2) Appendix C to the Amended Application, appended as Exhibit B to CRPC's Motion to Amend.

Conclusions of Law

1. CRPC does not satisfy the statutory criteria under Public Utilities Code Section 216 at present and should not be designated as a "public utility."

2. CRPC does not satisfy the statutory criteria under Public Utilities Code Section 222 at present and should not be designated as a “gas corporation.”

3. CRPC does not satisfy the statutory criteria under Public Utilities Code Sections 1001(a) at present and should not be granted a certificate of public convenience and necessity to operate the full UI Pipeline.

4. The Joint Request to Hold Proceeding In Abeyance by The City of Antioch and The City of Brentwood should be denied.

5. CRPC’s Motion to Amend Its Application should be denied.

6. CRPC’s motions to file as confidential materials under seal (1) Appendix C to the Application and (2) Appendix C to the Amended Application, appended as Exhibit B to CRPC’s Motion to Amend, should be granted for a period of three years after the date of this decision.

7. All pending motions which have not been expressly addressed by the assigned Administrative Law Judge or the Assigned Commissioner should be denied.

8. Application 23-07-008 should be denied.

9. Application 23-07-008 should be closed.

O R D E R

IT IS ORDERED that:

1. Application 23-07-008 of California Resources Production Corporation for a Certificate of Public Convenience and Necessity to Operate as a Gas Corporation in the State of California is denied.

2. California Resources Production Corporation’s Motion to Amend Its Application is denied.

3. The Joint Request to Hold Proceeding In Abeyance by The City of Antioch and The City of Brentwood is denied.

4. California Resources Production Corporation's motions to file as confidential materials under seal (1) Appendix C to the Application and (2) Appendix C to the Amended Application, appended as Exhibit B to CRPC's Motion to Amend, are granted for a period of three years after the date of this decision. During this three-year period, this information shall not be publicly disclosed except on further Commission order or ALJ ruling. If California Resources Production Corporation believes that it is necessary for this information to remain under seal for longer than three years, California Resources Production Corporation may file a new motion showing good cause for extending this order by no later than 30 days before the expiration of this order.

5. All pending motions which have not been expressly addressed by the assigned Administrative Law Judge or the assigned Commissioner are denied.

6. Application 23-07-008 is closed.

This order is effective today.

Dated November __, 2025 at San Francisco, California