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Ratesetting

TO PARTIES OF RECORD IN APPLICATION 25-04-004:

This is the proposed decision of Administrative Law Judge Zhen Zhang. 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 August 13, 2026, 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:abb

Attachment

Decision: PROPOSED DECISION OF ADMINISTRATIVE LAW JUDGE
ZHEN ZHANG (Mailed 7/8/2026)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company (U39E) for a Certificate of Public Convenience and Necessity Authorizing the Construction of the S-238 Hinkley Compressor Station Electrical Upgrades Project.

Application 25-04-004

DECISION GRANTING MOTION TO WITHDRAW APPLICATION

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DECISION GRANTING MOTION TO WITHDRAW APPLICATION

Summary

This decision grants Pacific Gas and Electric Company's motion to withdraw this instant application, with instructions for Pacific Gas and Electric Company's future cost recovery proceedings, including the next general rate case cycle.

This proceeding is closed.

1. Background

Section 1.1 provides a brief factual background for the proposed project. Section 1.2 provides the procedural background.

1.1. Hinkley Compressor Station Electrical Upgrades Project Overview

Pacific Gas and Electric Company's (PG&E) Hinkley Compressor Station (Hinkley station) is located in the community of Hinkley in San Bernadino County, California.¹ Hinkley station uses compressors to increase natural gas pressure to transport interstate gas supplies received on PG&E's backbone gas transmission lines² to Central and Northern California.³ Hinkley station receives natural gas from Topock Compressor Station, located approximately 152 miles to

¹ Although Hinkley station is not located within PG&E's service territory, it is a major compressor station on PG&E's backbone gas transmission system, which transports natural gas to millions of customers in California. Application of PG&E for a Certificate of Public Convenience and Necessity (CPCN) Authorizing the Construction of the S-238 Hinkley Compressor Station Electrical Upgrades Project, April 9, 2025, (Application), Exhibit B, Proponent's Environmental Assessment (PEA) at 5.6-2.

² Natural gas transported to California gas utilities via the interstate pipelines, as well as some of the California-produced gas, is delivered into PG&E's interstate natural gas transmission pipeline systems (commonly referred to as "backbone" pipeline system. Natural gas on the utility's backbone pipeline system is then delivered to the local transmission and distribution pipeline systems, or to natural gas storage fields.

³ PG&E's Motion to Withdraw Application No. 25-04-004 (PG&E Motion to Withdraw), February 4, 2026, Exhibit A.

the east and compresses the gas so it can move through the Tehachapi Mountains to Kettleman Compression Station, located approximately 200 miles to the northwest.⁴

Hinkley station, as part of the backbone of PG&E's natural gas transmission lines, serves customers across its service territory. PG&E's gas service territory serves approximately 4.5 million customer accounts within more than 70,000 square miles, extending from Bakersfield, California, in the south to Eureka, California, in the north. An extended outage at Hinkley station may impact PG&E's delivery of gas to millions of customers.⁵ Additionally, it may affect gas transmission system interconnections with other entities' systems that serve non-PG&E customers.⁶

Hinkley station has operated since 1951.⁷ Hinkley station generates its own electrical power with four natural gas generators. The generators operate electrical distribution switchgears,⁸ motor control centers (MCCs),⁹ and load centers.¹⁰ The electrical switchgear is connected to the station's MCCs and load

⁴ Application, PEA at 2-1.

⁵ *Id.*

⁶ *Id.* at 3-3.

⁷ Application, PEA, at 3-1.

⁸ Switchgear has switching devices (e.g. circuit breakers and fuses) that turn the power on or off to protect, control, maintain, and isolate the system's electrical equipment, including the switchgear itself. For example, switchgear is used to deenergize equipment downstream of the switchgear to allow work to be performed or to clear electrical faults downstream. Application, PEA at 3-1.

⁹ MCCs monitor and control station equipment such as motors, pumps, and fans. Application, PEA at 3-1. A typical MCC includes motor controllers, circuit breakers, panelboards, and transformers. Application, PEA at 3-2.

¹⁰ Application, PEA, at 3-1.

centers by electrical cable in conduits.¹¹ The MCCs and load centers manage electrical power to the station's equipment.

The purpose of the Hinkley Compressor Station Electrical Upgrades Project (Project) is to replace and upgrade the aging electrical distribution system (switchgear, MCCs, load center, conduit, and cables) within Hinkley station. The Project will replace or modify existing electrical power switchgear, MCCs, and load center equipment. Connecting conduit and new or replacement cable will be installed between the switchgear and MCC locations. The Project also includes connecting portable backup generators that will directly power the ancillary support systems, bypassing the electrical distribution equipment that will be replaced during the project. PG&E's gas transmission system, including Hinkley Station's natural gas engine driven compressors, pipes, valves, and gas measurement assets, will not be modified by the Project.¹² Construction is estimated to begin in July 2026 and completed in May 2028.¹³

The Project will enable current standard safety procedures and operation, inspection and maintenance efficiency, and cost savings. The Project is located entirely within Hinkley station and will only modify the existing electrical distribution system that distributes and controls power within the station.¹⁴

1.2. Procedural Background

PG&E filed the instant application on April 9, 2025, pursuant to the California Environmental Quality Act (CEQA), and GO 177 for a CPCN. On

¹¹ *Id.*, at 2-1, 3-2.

¹² PG&E Motion to Withdraw, Exhibit A at 2.

¹³ Application, Exhibit C.

¹⁴ Application, PEA, at 2-2.

May 12, 2025, TURN and Cal Advocates filed protests. On May 20, 2025, PG&E filed a reply.

A prehearing conference (PHC) was held on November 3, 2025, with TURN and Cal Advocates in attendance. The topics considered at the PHC included the categorization of the proceeding, the scope of the proceeding, need for evidentiary hearings and the remaining schedule for the proceeding.

On November 24, 2025, the assigned Commissioner issued the Scoping Memo and Ruling in this proceeding and determined the initial issues and schedule of the proceeding.

On December 3, 2025, the Small Business Utility Advocates (SBUA) filed a motion for party status. The motion was granted on March 30, 2026, by Administrative Law Judge (ALJ) ruling.

On February 4, 2026, PG&E filed the "Motion to Withdraw Application No.25-04-004" (Motion to Withdraw) based on its commencement of work on the Project on January 20, 2026, under the emergency exemption in GO 177. On February 17, 2026, TURN filed a response. On February 19, 2026, Cal Advocates filed a response. PG&E filed a reply on March 13, 2026.

Pursuant to the ALJ's March 2, 2026, ruling that required PG&E to provide additional support for PG&E's Motion to Withdraw, PG&E filed answers to the ALJ's questions on March 11, 2026, as a compliance filing.

On March 2, 2026, the ALJ ruling set the due dates for written testimony and the evidentiary hearing to be held on May 14, 2026. TURN, Cal Advocates, and SBUA served prepared written testimony on March 25, 2026. PG&E served prepared written rebuttal testimony on April 17, 2026.

On April 22, 2026, the ALJ ruling granted the TURN and Cal Advocates' motion to reschedule the May 14, 2026, evidentiary hearing. The evidentiary hearing was re-calendared for June 12, 2026, and June 15, 2026.

On May 26, 2026, the procedural schedule was suspended to consider the record. The evidentiary hearing was taken off the hearing calendar.

2. CEQA Review on the Project

Pursuant to CEQA, the Commission, as the lead agency, must determine if any significant adverse effects on the environment would result from the Project, unless the Project is exempt. The Commission's CEQA team completed CEQA review of the Project in January 2026, prior to PG&E's Motion to Withdraw in February 2026.

On October 22, 2025, the Commission's Environmental Review Team filed a Notice of Completion with the Governor's Office of Land Use and Climate Innovation,¹⁵ and published the Draft Initial Study(IS)/Mitigated Negative Declaration (MND) for a 30-day public review period.¹⁶ The public comment period closed on November 21, 2025.¹⁷ The Commission's CEQA team received comments on the draft IS/MND from PG&E and the Yuhaaviatam of San Manuel Nation. The Commission's CEQA team considered all comments. The comments received resulted in minor changes to the Draft IS/MND, including clarifications, additions, or deletions resulting from specific responses to comments; and text changes to update information in the Draft IS/MND.

¹⁵ State Clearinghouse, SCH# 2025100950

¹⁶ Final IS/MND at 1-1 – 1-2. The Draft IS/MND and Final IS/MND are available at <https://ia.cpuc.ca.gov/environment/info/panoramaenv/Hinkley/index.html>.

¹⁷ Final IS/MND at 1-2.

The Commission issued the Final IS/MND in January 2026. The Final IS/MND included responses to comments received on the Draft IS/MND. The Final IS/MND concluded that, with the incorporation of the mitigation measures in the Mitigation Monitoring, Reporting and Compliance Program (MMRCP), the Project would not result in any significant impact to the environment.

CEQA requires that, prior to approving a proposed project, the lead agency consider the MND along with any comments received during the public review process, and that the lead agency adopt the MND only if it finds on the basis of the whole record that there is no substantial evidence that the project will have a significant effect on the environment and that the MND reflects the lead agency's independent judgment and analysis.¹⁸ If the lead agency adopts an MND, CEQA requires that it also adopt a program for monitoring or reporting on the changes or conditions required to mitigate or avoid significant environmental effects.¹⁹

As explained below, the Commission grants PG&E's Motion to Withdraw. Thus, the Commission does not grant PG&E a CPCN for the Project. There is no requirement for the Commission to make CEQA findings or to adopt the Final MND as part of a decision where a CPCN is not granted.

To retain the benefit of the data gathered and the technical and scientific analysis generated by the CEQA process, the Commission's CEQA team is authorized to convert the Final MND into a Master Environmental Assessment (MEA) document pursuant to Public Resources Code Section 21083, CEQA Guideline 15169. The MEA may contain useful information for future environmental studies in the vicinity of the Project, by this Commission or other

¹⁸ CEQA Guidelines Section 15074(a)-(b).

¹⁹ CEQA Guidelines Section 15074(d).

agencies. Additionally, the MEA may be useful in a future rate proceedings related to the Project.

The MEA will be posted on the Commission's CEQA website for the Project at:
<https://ia.cpuc.ca.gov/environment/info/panoramaenv/Hinkley/index.html>

The CEQA team is authorized to serve notice of the publication of the MEA on the service list for this proceeding.

3. Submission Date

This matter was submitted on March 13, 2026, date of PG&E's reply in support of its Motion to Withdraw this instant application.

4. PG&E's Motion to Withdraw

In its Motion to Withdraw this instant application, PG&E informed the Commission that it had started work on the Project pursuant to GO 177, Section IV.B.c., exemption for emergency projects.²⁰ PG&E explained that "on January 20, 2026, due to electrical equipment failures and ongoing obsolescence issues, PG&E commenced the Project to prevent an emergency, including Station outages that could result in loss of gas supply to customers."²¹ PG&E explained that if Hinkley station was not operational, the PG&E gas system may not have enough natural gas to meet demand.²² This is consistent with PG&E's previous statement at the PHC indicating that PG&E could be forced into looking at the emergency status for the Project under GO 177, which provides an exemption to

²⁰ PG&E Motion to Withdraw at 1.

²¹ *Id.* at 2.

²² *Id.* at 2; Pacific Gas and Electric Company's Compliance Filing Pursuant to Administrative Law Judge's Ruling on Additional Information and Revised Schedule (PG&E Compliance Filing), March 11, 2026, at 4.

the CPCN under for emergency conditions.²³ Both TURN and Cal Advocates express concerns about the cost of the Project, but do not oppose PG&E's Motion to Withdraw.²⁴ All parties agree that Project cost and cost recovery can be subject to a reasonableness review in a future general rate case (GRC), or other proceeding where PG&E seeks cost recovery for the Project from ratepayers.²⁵

For reasons discussed below, the Commission grants PG&E's Motion to Withdraw as reasonable and in the public interest.

5. Standard of Review

The Commission grants motions to withdraw where it is reasonable and in the public interest.²⁶

6. PG&E's Motion to Withdraw is Granted as PG&E Complied with GO 177

GO 177, Section IV.B.c. states that a CPCN is not required for emergency projects (for example: repairs, upgrades, replacements, restorations, as defined by CEQA Guidelines Section 15269, Public Resource (Pub. Res.) Code Sections 21060.3 and 21080(b)(2) and (4) to ensure safe and reliable gas supplies. CEQA Guidelines Section 15269(b) exempts:

²³ RT 35:7-36:6.

²⁴ TURN Response to PG&E Motion to Withdraw at 1 ("TURN does not opine on the factual or legal questions regarding the appropriateness of granting PG&E's request to withdraw the application based on the emergency exemption, though TURN questions the completeness of PG&E's factual showing."); Cal Advocates Response to PG&E Motion to Withdraw at 1 - 2 ("Cal Advocates cannot confirm PG&E's claim that it is entitled to an emergency exemption to GO 177 that allows PG&E to complete a \$93.5 million project without the need for a CPCN.").

²⁵ PG&E Motion to Withdraw at 4; Cal Advocates Response to PG&E Motion to Withdraw at 2; TURN Response to PG&E Motion to Withdraw at 1; PG&E's Reply in Support of Motion to Withdraw Application No.25-04-004 (PG&E Reply in Support of Motion to Withdraw), March 13, 2026, p. 2.

²⁶ D.25-11-004 at 8; D.23-02-025 at 2 - 3; D.20-02-010 at 3; D.10-05-044 at 5, stating that when evaluating a motion to withdraw an application "there is an interest in protecting the Commission's 'capacity to address issues of continuing public interest.'"

Emergency repairs to publicly or privately owned service facilities necessary to maintain service essential to the public health, safety or welfare. Emergency repairs include those that require a reasonable amount of planning to address an anticipated emergency.

Pub. Res. Code Section 21060.3 states “Emergency means a sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property, or essential public services.” Pub. Res. Code Section 21080(b)(2) states CEQA does not apply to “(2) Emergency repairs to public service facilities necessary to maintain service” or “(4) Specific actions necessary to prevent or mitigate an emergency.”

Here, PG&E cited to GO 177 Section IV.B.c. in its Motion to Withdraw.²⁷ Attached to its Motion to Withdraw, PG&E sent a Tier 1 information-only submittal (Tier 1 Advice Letter) to the Commission’s Energy Division as required by GO 177, Section V.C2. Citing to Pub. Res. Code Section 21080(b)(4) and CEQA Guideline Section 15269, PG&E stated “Emergency projects include ‘specific actions necessary to prevent’ an emergency and repairs to facilities necessary to maintain essential service.” Similar to the Motion to Withdraw, in the Tier 1 Advice Letter, PG&E explained “component failures and ongoing obsolescence issues that emerged in late summer 2025 ... have elevated concerns that the Station’s electric distribution system may not remain functional through the CPCN application period. There is risk that an additional unrepairable system failure could occur impacting reliable gas supplies prior to a decision on issuance of the CPCN (scheduled for the third or fourth quarter of 2026).”²⁸ The Tier 1 Advice Letter was submitted within 60 days of initiating the project, as required

²⁷ PG&E Motion to Withdraw at 2.

²⁸ *Id.*, Exhibit A at 1, 4.

by GO 177 Section V.C.1. The Tier 1 Advice Letter was not subject to protest pursuant to GO 96-B.

The Commission finds PG&E complied with GO 177. No intervenors directly object to PG&E's Motion to Withdraw this instant application. PG&E is permitted to proceed with the Project based on the emergency exemption. Because GO 177 does not require the Commission to make any factual findings or legal conclusions regarding PG&E's claim for emergency exemption, this decision makes no such findings or conclusions that PG&E is entitled to the emergency exemption.²⁹

With PG&E's compliance with GO 177, no additional review related to a CPCN is required. To advance efficient allocation of resources, it is reasonable and in the public interest to grant the Motion to Withdraw.

PG&E and intervenors TURN and Cal Advocates agree that the Project's cost is subject to reasonableness review in future proceedings. However, the Commission finds specific direction related to cost recovery necessary. The Commission explains below.

7. Direction to PG&E in Future Cost Recovery Proceedings

PG&E agrees to provide a separate discussion in any rate case application testimony seeking recovery for the Project, with details of costs incurred or forecast, and an explanation of why these costs are reasonable.³⁰ PG&E objects to

²⁹ See *Creed-21 v. City of San Diego* (2015), 234 Cal.App.4th 488; *CalBeach Advocates v. City of Solano Beach* (2002) 103 Cal.App.4th 529; *Castais Lake Water Agency v. City of Santa Clarita* (1995) 41 Cal.App.4th 1257; *Western Mun. Water Dist. v. Superior Court* (1986) 187 Cal.App.3d 1104.

³⁰ PG&E Motion to Withdraw at 2.

TURN's recommendation to require information on compression capacity, pipeline capacity, and storage capacity as they relate to the Project's scope.

The Assigned Commissioner's Scoping Memo and Ruling in this proceeding anticipated the complex nature of the Project's costs. It states the cost issues are:

- a. Whether PG&E has already received Commission authorization to recover any costs for the Project from ratepayers, and if so, in what decision and in what amount;
- b. Whether PG&E is requesting in any other proceeding cost recovery authorization for any costs applicable to the Project, and if so where and in what amount;
- c. Whether the Project cost estimate is reasonable overall, including whether PG&E has demonstrated that the Project satisfies the proposed need at the lowest possible cost; and
- d. Whether, regardless of the venue for cost recovery authorization, the Commission should set a cost cap or provide any other cost recovery direction for the Project in this proceeding, and if so what that should be.

Following PG&E's Motion to Withdraw, TURN notes that there are challenges to understanding the Project's costs, including the following:

- a. Revenue requirements related to the Project authorized in the 2023 GRC may cover only a small portion of the \$93.5 million estimated cost, as the 2023 GRC authorized approximately \$25 million for work related to line item MAT 76P, which includes work at both Hinkley station and Topock station;³¹
- b. PG&E's own testimony in the current rate case Application (A.) 25-05-009 states that no Hinkley costs are included in the 2027 rate case forecast, but the current GRC case will

³¹ TURN Response to PG&E Motion to Withdraw at 7.

adopt a revenue requirement for 2027 based on a forecast of capital additions in 2025 and 2026;³²

- c. The amount of 2025 and 2026 costs of the Project are unclear as PG&E's 2027 GRC workpaper does not disaggregate Topock and Hinkley, and given PG&E's testimony that the Project is not part of the GRC application;³³ and
- d. 2026 will be the year before the next base year of 2027, and in TURN's experience, it is difficult to litigate a rate case actual costs that were recorded prior to the base year in a GRC.

The Commission agrees with TURN that it is important that PG&E provides adequate information so the Commission can review comprehensively the reasonableness of the Project. This includes at a minimum three topics:

1. The reasonableness of the scope of the Project;
2. The required emergency actions of the Project; and
3. Details of costs associated with equipment failures.

First, comprehensive cost review means whether the entire scope of the Project is reasonable. This requires information on the possible future reduction of compression capacity by removing or downsizing the currently installed compressors³⁴ and the necessary information to understand the need to maintain compression capacity at Hinkley based on a 1-in-10 peak day standard.³⁵

Second, due to PG&E's claim for an emergency exemption pursuant to GO-177, the reasonableness review should distinguish which costs are categorized as emergency costs. This proceeding did not investigate

³² *Id.* at 7 – 8, citing Exhibit PG&E-03 in A.25-05-009.

³³ *Id.* at 8.

³⁴ *Id.* 4.

³⁵ *Id.* at 5 – 6.

Cal Advocates' allegations of mismanagement that increased the Project costs,³⁶ to which PG&E objects.³⁷ However, the sequence of events before this proceeding and during this proceeding requires PG&E to provide details in future proceedings when it seeks cost recovery from ratepayers for the Project.

For example, PG&E states that by starting the Project on January 20, 2026, PG&E commenced the first phase of the Project. PG&E explains that the first phase of the Project would install portable generators, allowing the bypass of the electrical distribution equipment at Hinkley station and would effectively prevent emergency conditions.³⁸ If this one step could and does effectively prevent emergency conditions, then it would be helpful to understand why PG&E did not start this step when it received funding for work at Hinkley station in the 2023 GRC. PG&E emphasizes the importance of Hinkley station on the backbone gas system and the impact on millions of customers throughout California. Despite the importance of Hinkley station, and existing ratepayer funds, work did not start until January 20, 2026.

Third, PG&E explained that equipment failures in existing switchgear, MCC, and in all four power generation units, reduce both redundancy and reliability and increase the risk for unplanned station outages.³⁹ In future proceedings, reasonableness review should include the costs associated with the equipment failures identified by PG&E. This means the details associated with work to replace and upgrade parts of the electrical distribution system, including

³⁶ Cal Advocates Response to PG&E Motion to Withdraw at 3 - 4.

³⁷ PG&E Reply in Support of Motion to Withdraw at 5.

³⁸ PG&E Motion to Withdraw, Exhibit A at 4.

³⁹ PG&E Compliance Filing, at 1 - 2.

switchgear, MCCs, and load centers.⁴⁰ Such details will help the Commission to understand which aspects of the Project fit within the emergency exemption in cost recovery from ratepayers. The Commission understands that while allegations of mismanagement are outside the scope of this proceeding, it may be appropriate for the Commission's Safety and Enforcement Division to investigate such allegations.

Therefore, the Commission directs PG&E to include in its next rate case, or an application where PG&E seeks cost recovery of the Project, the following minimum information:

- a. An explanation of how PG&E optimizes intrastate pipeline capacity and storage capacity to meet the Peak Demand Supply Standard;
- b. A justification of the future compression capacity at Hinkley station based on historical and forecast gas average and peak throughputs at Hinkley station;
- c. An explanation of why the scope of work for the electrical upgrade work was reasonable in light of possible future downsizing of one or more of the existing compressors;
- d. Justification as to why the cost is reasonable based on the emergency exemption under GO 177;
- e. A separate table with the equipment listed in PG&E's March 11, 2026, Compliance filing, including costs and reasons as to why they are necessary as part of the emergency exemption under GO 177. This can include, but is not limited to, work to replace and upgrade parts of the electrical distribution system, such as switchgear, MCCs, and load centers;
- f. A detailed list of capital and expense costs by category and Maintenance Activity Type (MAT) code and year;

⁴⁰ Application, PEA, at 3-1.

- g. Capital costs that PG&E proposes to add to its rate base associated with the Project; and
- h. Any fees or costs associated with CEQA studies and reports for the Project pursuant to Rule 2.4 and 2.5 of the Commission's Rules of Practice and Procedure.

8. The Proceeding Record and Intervenors

Cal Advocates recommends that in any cost recovery for the Project PG&E "must file a motion to disclose the existence of the record in this proceeding and attach all documents that have been produced in discovery in A.25-04-004 to this motion."⁴¹ PG&E argues this is burdensome, especially when the discovery material contains confidential information.⁴² At the time Cal Advocates recommended this disclosure, written testimony had not been served.

The Commission acknowledges that intervenors have made considerable effort in discovery and the served testimony. Although the testimony is not part of the record, the intervenors' participation at the Prehearing Conference and responses to the Motion to Withdraw have contributed to this instant decision through the informational requirements placed on PG&E for future cost recovery.⁴³ The Commission encourages the intervenors to incorporate the material from this proceeding into future proceedings so the material in this case can be substantively linked to a final decision.

The Commission finds that Cal Advocates' recommendation to order PG&E to file a motion, with all records produced in discovery, would be burdensome. The Commission refrains from such an order as the exact needs of

⁴¹ Cal Advocates Response to PG&E Motion to Withdraw at 4.

⁴² PG&E Reply in Support of Motion to Withdraw at 4 - 5.

⁴³ *New Cingular Wireless PCS, LLC v. Pub. Utils. Com* (2018) 21 Cal.App.5th 1191; *see* D.18-11-007 and D.18-11-005 at 10.

future proceedings are to be determined in those proceedings at that time. Furthermore, any party may make a motion to move material from this proceeding into the record of future proceedings.

9. Conclusion

The Commission finds that PG&E has complied with the requirements of GO 177. The Commission finds PG&E's Motion to Withdraw reasonable and in the public interest. The Commission grants PG&E's Motion to Withdraw. The Commission directs PG&E to include information detailed in this decision in future rate recovery proceedings.

10. 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(a) requires that all written public comment submitted prior to the submission of the proceeding are part of the administrative record of the proceeding. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding. There were no comments submitted on the Docket Card for this proceeding prior to the submission date of March 13, 2026.

11. Procedural Matters

On April 9, 2025, PG&E filed a motion "For Leave to File Under Seal the Confidential Exhibit B to Application of [PG&E] for a [CPCN] Authorizing the Construction of the S-238 Hinkley Compressor Station Electrical Upgrades Project." No parties objected. For good cause shown, PG&E's April 9, 2025, motion is granted.

On March 11, 2026, PG&E filed a motion “For Leave to File Confidential Material in Compliance Filing Under Seal Under Rule 11.4.” No parties objected. For good cause shown, PG&E’s March 11, 2026, motion is granted.

This decision affirms all rulings made by the ALJ and assigned Commissioner in this proceeding. All motions not ruled on are deemed denied.

12. Comments on Proposed Decision

The proposed decision of ALJ Zhen Zhang 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. No comments were received.

13. Assignment of Proceeding

Matthew Baker is the assigned Commissioner and Zhen Zhang is the assigned ALJ in this proceeding.

Findings of Fact

1. PG&E filed the Motion to Withdraw this instant proceeding on February 4, 2026.
2. TURN and Cal Advocates did not oppose PG&E’s Motion to Withdraw.
3. PG&E informed the Commission that it started work on the S-238 Hinkley Compressor Station Electrical Upgrades Project (Project) on January 20, 2026.
4. PG&E informed the Commission’s Energy Division it started work pursuant to General Order (GO) 177 Section IV.B.c. exemption for emergency projects and is exempt from the requirement to obtain a CPCN.
5. PG&E sent the Tier 1 Information Only Submittal (Tier 1 Advice Letter) to the Commission’s Energy Division, pursuant to GO 177 Section V.C.2.
6. PG&E followed the requirements of General Order 177 related to Section IV.B.c. and Section V.C.2.

7. Comments on the Initial Study (IS)/Mitigated Negative Declaration (MND) were received during the public review period.

8. The MND has been finalized.

9. Because the Commission will not be granting a CPCN for the Project, there is no requirement for the Commission to make CEQA findings or certify the Final MND.

Conclusions of Law

1. PG&E's unopposed Motion to Withdraw is reasonable and in the public interest, and should be granted.

2. In future cases where PG&E seeks cost recovery for the S-238 Hinkley Compressor Station Electrical Upgrades Project, the following information should be included, at a minimum:

- a. An explanation of how PG&E optimizes intrastate pipeline capacity and storage capacity to meet Peak Demand Supply Standard;
- b. A justification of the future compression capacity at Hinkley based on historical and forecast gas average and peak throughputs at Hinkley;
- c. An explanation of why the scope of work for the electrical upgrade work was reasonable in light of possible future downsizing of one or more of the existing compressors;
- d. A detailed listing of capital and expense costs by equipment, category, and year;
- e. Include in the list justification as to why the cost is reasonable based on the emergency exemption under GO 177; and
- f. Include a separate table with the equipment listed in PG&E's March 11, 2026, Compliance filing, including costs and reasons as to why they are necessary as part of the emergency exemption under GO 177.

3. To retain the benefit of materials generated by the CEQA process, the Commission's CEQA team is authorized to convert the Final MND into a Master Environmental Assessment (MEA) document pursuant to Public Resources Code Section 21083, CEQA Guideline 15169.

4. PG&E's April 9, 2025, unopposed motion "For Leave to File Under Seal the Confidential Exhibit B to Application of PG&E for a CPCN Authorizing the Construction of the S-238 Hinkley Compressor Station Electrical Upgrades Project" should be granted.

5. PG&E's March 11, 2026, unopposed motion "For Leave to File Confidential Material in Compliance Filing Under Seal Under Rule 11.4" should be granted.

6. This proceeding should be closed.

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company's Motion to Withdraw Application 25-04-004 is granted.

2. In future cases where Pacific Gas and Electric Company (PG&E) seeks cost recovery for the S-238 Hinkley Compressor Station Electrical Upgrades Project, the following information shall be included, at a minimum:

- a. An explanation of how PG&E optimizes intrastate pipeline capacity and storage capacity to meet the Peak Demand Supply Standard;
- b. A justification of the future compression capacity at Hinkley station based on historical and forecast gas average and peak throughputs at Hinkley station;
- c. An explanation of why the scope of work for the electrical upgrade work was reasonable in light of possible future downsizing of one or more of the existing compressors;

- d. Justification as to why the cost is reasonable based on the emergency exemption under General Order (GO) 177;
- e. A separate table with the equipment listed in PG&E's March 11, 2026, Compliance filing, including costs and reasons as to why they are necessary as part of the emergency exemption under GO 177. This can include, but is not limited to, work to replace and upgrade parts of the electrical distribution system, such as switchgear, Motor Control Centers, and load centers;
- f. A detailed list of capital and expense costs by category and Maintenance Activity Type code and year;
- g. Capital costs that PG&E proposes to add to its rate base associated with the Project; and
- h. Any fees or costs associated with California Environmental Quality Act studies and reports for the Project pursuant to Rule 2.4 and 2.5 of the Commission's Rules of Practice and Procedure.

3. Pacific Gas and Electric Company's (PG&E) April 9, 2025, motion "For Leave to File Under Seal the Confidential Exhibit B to Application of PG&E for a Certificate of Public Convenience and Necessity Authorizing the Construction of the S-238 Hinkley Compressor Station Electrical Upgrades Project" is granted.

4. Pacific Gas and Electric Company's March 11, 2026, motion "For Leave to File Confidential Material in Compliance Filing Under Seal Under Rule 11.4" is granted.

5. All motions not ruled upon are deemed denied.

6. Application 25-04-004 is closed.

This decision is effective today.

Dated _____, at San Francisco, California