

ATTACHMENT B:

**Settlement Agreement Between
South San Joaquin Irrigation District and
Pacific Gas and Electric Company**

ATTACHMENT B

**Settlement Agreement in
PG&E's Application for Approval of Regionalization Proposal Proceeding
(Application 20-06-011) Between South San Joaquin Irrigation District and
Pacific Gas and Electric Company**

**Settlement Agreement in
PG&E’s Application for Approval of Regionalization Proposal Proceeding
(Application 20-06-011) Between South San Joaquin Irrigation District and
Pacific Gas and Electric Company**

I. INTRODUCTION

On June 30, 2020, Pacific Gas and Electric Company (“PG&E”) filed Application (A.) 20-06-011 for approval of its Regionalization Proposal following the directions of the California Public Utilities Commission (“Commission”) in D.20-05-053. The Application was filed as part of PG&E’s implementation of its commitment in the Plan of Reorganization proceeding (I.19-09-016) “to reorganize [it]s operations into new regions to further improve safety and reliability and be more responsive to the needs of [its] customers.” (Application, p. 1). PG&E filed an Updated Regionalization Proposal on February 26, 2021. In accordance with Article 12 of the Commission’s Rules of Practice and Procedure (“Rule”), the Parties (as defined *infra* at Section II) mutually accept the terms and conditions stated herein and enter into this Settlement Agreement (“Settlement Agreement”) to resolve all disputed issues in this matter without the need for an evidentiary hearing before the Commission.

II. PARTIES

The Parties to this Settlement Agreement are the South San Joaquin Irrigation District (“SSJID”) and PG&E each of which individually may be referred to herein as a (“Party”) or collectively as the (“Parties”). Any reference below to a Section shall be deemed as a reference to a Section of this Settlement Agreement, unless otherwise specified.

A. SSJID Comments on PG&E’s Regionalization Proposals

SSJID filed comments on the Regionalization Proposal filed with the Application and the Updated Regionalization Proposal on December 16, 2020 and April 2, 2021, respectively. As discussed in those comments, SSJID is a special district that provides irrigation water in the cities of Escalon, Ripon and Manteca, and portions of San Joaquin County. SSJID has actively been working to provide electric service as a publicly owned utility (POU) in South San Joaquin County for a number of years, and PG&E has consistently opposed those efforts.¹ (Comments of SSJID on the Regionalization Proposal of PG&E (Dec. 16, 2020), p. 2.) SSJID’s comments suggest a lack of specificity regarding the community coordination and communication activities referred to in PG&E’s Regionalization Proposal and Updated Regionalization Proposal and express SSJID’s concerns about the potential competitive implications thereof with respect to its municipalization efforts. (*Id.* at pp. 3-4.)

SSJID raises its issues articulated above within the following issues identified in the Assigned Commissioner’s Scoping Memo and Ruling (issued October 2, 2020): (1) Whether

¹ The term “local publicly owned utility,” or POU, is defined in California Public Utilities Code Section 224.3. SSJID’s efforts to provide electric service as a POU are encompassed in the term “municipalization efforts” as used herein.

PG&E's regionalization proposal is reasonable, including its impact on safety and its cost effectiveness; and (2) the adequacy and completeness of PG&E's regionalization plan.

B. PG&E Response to SSJID's Comments

While PG&E has acknowledged SSJID's concerns, it disagrees with SSJID's request that the Commission include in any decision it issues in A.20-06-011 a prohibition against interference by PG&E with municipalization efforts as PG&E implements its regionalization proposal. PG&E views its regionalization effort as completely unrelated and indifferent to municipalization efforts, and its regionalization plan does not explicitly refer to municipalization efforts.

III. SETTLEMENT TERMS AND CONDITIONS

The Parties agree to address SSJID's concerns regarding the Regionalization Proposal and Updated Regionalization Proposal (referred to as the Updated Regionalization Proposal below) as follows:

1. In response to SSJID's concerns regarding a lack of specificity summarized above, PG&E clarifies and confirms that its implementation of regionalization, as managed by the Regionalization Program Management Office ("PMO") and its successor(s), will not include any work to oppose municipalization efforts by SSJID. For purposes of this Settlement Agreement between PG&E and SSJID, PMO is defined as the director of the PMO and that person's direct reports.
2. PG&E shall ensure that PG&E and the PMO shall separate by work category and functionally any work or activity related to any PG&E efforts to oppose SSJID's municipalization efforts from PG&E's implementation of regionalization. The PMO shall document in writing the steps taken to implement and maintain this separation, and shall make such documentation available to the Commission or SSJID upon request.
3. SSJID acknowledges that PG&E (including Regional Vice Presidents, Regional Safety Directors, and/or their staff) may continue to respond to SSJID's municipalization efforts in other appropriate forums and proceedings, separate and apart from the regionalization proceeding (A.20-06-011) and/or implementation of the Updated Regionalization Proposal (including any revisions or updates thereto) as managed by the PMO.
4. SSJID acknowledges that the Updated Regionalization Proposal does not include an explicit reference to municipalization efforts.
5. To the extent that a dispute arises regarding PG&E's compliance with this Settlement Agreement, PG&E and SSJID agree to meet and confer to resolve said dispute informally, prior to undertaking any action before the Commission.

IV. GENERAL TERMS AND CONDITIONS

6. **Commission's Primary Jurisdiction.** The Parties agree that the Commission has primary jurisdiction over any interpretation, enforcement, or remedies regarding this Settlement Agreement. None of the Parties may bring an action regarding this Settlement Agreement in any State or Federal court or administrative agency without having first exhausted its administrative remedies at the Commission.
7. **Non-Severability.** The provisions of this Settlement Agreement are non-severable.
8. **Voluntary and Knowing Acceptance.** Each of the Parties acknowledges and stipulates that it is agreeing to this Settlement Agreement freely, voluntarily, and without any fraud, duress, or undue influence by any other Party. Each Party has read and fully understands its rights, privileges, and duties under this Settlement Agreement, including its right to discuss this Settlement Agreement with its legal counsel, which has been exercised to the extent deemed necessary.
9. **Settlement is Reasonable Based on the Record.** In executing this Settlement Agreement, each Party declares and mutually agrees that the terms and conditions are reasonable in light of the whole record, consistent with law, and in the public interest.
10. **Entirety of Agreement.** This Settlement Agreement constitutes the entire understanding and agreement of the Parties regarding the matters set forth herein. All prior oral or written agreements, settlements, principles, negotiations, statements, representations, or understandings whether oral or in writing regarding any matter set forth in this Settlement Agreement, are expressly waived and have no further force or effect. In the event there is any conflict between the terms and scope of this Settlement Agreement and the terms and scope of the accompanying joint motion in support of the Settlement Agreement, the Settlement Agreement shall govern.
11. **No Modification.** Until such time as the Commission has adopted this Settlement Agreement, the Settlement Agreement may not be altered, amended, or modified in any respect except in writing and with the express written and signed consent of all the Parties.
12. **No Reliance.** None of the Parties has relied or presently relies on any statement, promise, or representation by any other Party, whether oral or written, except as specifically set forth in this Settlement Agreement. Each Party expressly assumes the risk of any mistake of law or fact made by such Party or its authorized representative.
13. **Counterparts.** This Settlement Agreement may be executed in separate counterparts by the different Parties hereto and all so executed counterparts shall be binding and have the same effect as if all the Parties had signed one and the same document. All such counterparts shall be deemed to be an original and together constitute one and the same Settlement Agreement, notwithstanding that the signatures of the Parties and/or of a

Party's attorney or other representative do not appear on the same page of this Settlement Agreement.


14. **Binding upon Full Execution.** This Settlement Agreement shall become effective and binding on each of the Parties as of the date when it is fully executed. It shall also be binding upon each of the Parties' respective successors, subsidiaries, affiliates, representatives, agents, officers, directors, employees, and personal representatives, whether past, present, or future.
15. **Commission Adoption Not Precedential.** In accordance with Rule 12.5, the Parties agree and acknowledge that unless the Commission expressly provides otherwise, Commission approval and adoption of this Settlement Agreement does not constitute approval of or precedent regarding any principle or issue of law or fact in this or any other current or future proceeding.
16. **Enforceability.** The Parties agree and acknowledge that after issuance of the Commission decision approving and adopting this Settlement Agreement, the Commission may reassert jurisdiction and reopen this proceeding to enforce the terms and conditions of this Settlement Agreement.
17. **Finality.** Once fully executed by the Parties and adopted and approved by a Commission Decision, this Settlement Agreement fully and finally settles any and all disputes among and between the Parties in this proceeding, unless otherwise specifically provided in the Settlement Agreement.
18. **No Admission.** Nothing in this Settlement Agreement or related negotiations may be construed as an admission of any law or fact by any of the Parties, or as precedential or binding on any of the Parties in any other proceeding whether before the Commission or in any state or federal court or administrative agency. Further, unless expressly stated herein this Settlement Agreement does not constitute an acknowledgement, admission, or acceptance by any of the Parties regarding any issue of law or fact in this matter, or the validity or invalidity of any particular method, theory, or principle of ratemaking or regulation in this or any other proceeding. This Settlement Agreement represents a compromise of disputed claims between the Parties after arm's-length negotiations. The Parties have reached this Settlement Agreement after taking into account the possibility that each Party may or may not prevail on any given issue.
19. **Authority to Sign.** Each Party executing this Settlement Agreement represents and warrants to the other Party that the individual signing this Settlement Agreement and the related Motion has the legal authority to do so on behalf of the Party.
20. **Limited Admissibility.** Each Party signing this Settlement Agreement agrees and acknowledges that this Settlement Agreement shall be admissible in any subsequent Commission proceeding for the sole purpose of enforcing the Terms and Conditions of this Settlement Agreement.

21. **Estoppel or Waiver.** Unless expressly stated herein, the Parties' execution of this Settlement Agreement is not intended to provide any of the Parties in any manner a basis of estoppel or waiver in this or any other proceeding.
22. **Approval of Settlement Agreement.** The Parties agree to seek approval of the Settlement Agreement and to use their reasonable best efforts to secure Commission approval of it without change, including by filing a joint motion seeking approval of this Settlement Agreement. If non-settling parties oppose the approval of the Settlement Agreement in whole or in part, the Parties will meet and confer to discuss an appropriate course of action which may or may not include, at the discretion of each Party, filing joint reply comments. The provisions of this Section shall impose obligations on the Parties immediately upon the execution of this Settlement Agreement.
23. **Rejection or Modification of the Settlement Agreement.** The Parties agree that if the Commission fails to adopt this Settlement Agreement in its entirety and without modification, the Parties shall convene a settlement conference within 15 days thereof to discuss whether they can resolve the issues raised by the Commission's actions. If the Parties cannot mutually agree to resolve the issues raised by the Commission's actions, the Settlement Agreement shall be rescinded, and the Parties shall be released from their obligation to support the Settlement Agreement. Thereafter the Parties may pursue any action they deem appropriate but agree to cooperate in establishing a procedural schedule. The Parties reserve all rights set forth in Rule 12.4 of the Rules of Practice and Procedure.
24. **Settlement of all disputed issues.** This Settlement Agreement resolves all issues raised by SSJID in this proceeding and shall remain in effect until five years from the effective date of a Commission Decision approving this Settlement Agreement.

VI. CONCLUSION

The Parties hereto have duly executed this Settlement Agreement on behalf of the Parties they represent as of the date appearing below their respective signature.


SOUTH SAN JOAQUIN IRRIGATION
DISTRICT

By:  _____

Name: Peter Rietkerk
General Manager

Date: August 30, 2021

PACIFIC GAS AND ELECTRIC
COMPANY

By:  _____

Name: Robert S. Kenney
Senior Vice President, Regulatory Affairs

Date: August 30, 2021

A.20-06-011 ALJ/BRC/jnf

(END OF ATTACHMENT B)