

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298

September 30, 2025

**Agenda ID #23778****Ratesetting**

TO PARTIES OF RECORD IN APPLICATION 22-08-003:

This is the proposed decision of Administrative Law Judge Camille Watts Zagha. 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/ STEPHANIE WANG for

Michelle Cooke

Chief Administrative Law Judge

MLC:jnf

Attachment

Decision **PROPOSED DECISION OF ALJ WATTS-ZAGHA**  
(Mailed 9/30/2025)

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric  
Company for Approval of Zonal  
Electrification Pilot Project (U39G.)

Application 22-08-003

**DECISION DISMISSING PACIFIC GAS AND  
ELECTRIC COMPANY'S APPLICATION FOR  
ZONAL ELECTRIFICATION PROJECT AT  
CALIFORNIA STATE UNIVERSITY MONTEREY BAY**

**Summary**

This decision grants Pacific Gas and Electric Company's (PG&E) motion to withdraw this application for a zonal electrification project. As decarbonization strategies are a California policy priority, this decision requires PG&E to create a 'lessons learned' document to summarize policy [cost and ratepayer impacts](#), and operational take-aways from the experience of this project that may inform future electrification projects or policy in other proceedings, if relevant.

Application 22-08-003 is dismissed and this proceeding is closed.

**1. Background**

On August 11, 2022 Pacific Gas and Electric Company (PG&E) filed Application (A.) 22-08-003 and testimony requesting authorization for a zonal

electrification project (Project). Instead of replacing a gas pipeline in need of repair at California State University Monterey Bay (CSU Monterey Bay), PG&E

sought Commission approval to convert hundreds of dwellings currently served by gas and electric service to all-electric service and retire, rather than replace, the gas pipeline. PG&E proposed applying the funding approved to replace the gas pipeline<sup>1</sup> to instead retrofit dwellings for all-electric service by designing and managing the project, purchasing and installing electric appliances and performing necessary remediation on the dwelling. CSU Monterey Bay would waive its right to receive gas service in the future. Similar to the ratemaking for the pipeline replacement,<sup>2</sup> PG&E proposed capitalizing the cost of the Project, by a method it termed “regulatory asset treatment,” which would allow its shareholders to earn a rate of return on the Project. Upon Project completion, CSU Monterey Bay would own and be responsible for the appliances. PG&E asserted the Project compared favorably to the planned gas repair and “represents a unique opportunity to address customer safety needs, long-term rate affordability, customer energy preference, and alignment with California’s climate goals.”<sup>3</sup>

Over the course of the proceeding, PG&E proposed reducing the size of the Project as shown below.

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<sup>1</sup> PG&E already had approval and funding from the Commission to replace the pipeline. PG&E received approval and funding in its 2019 Gas Transmission and Storage rate case and in its 2023 General Rate Case.

<sup>2</sup> PG&E had the authority to spend approximately \$12 million for gas pipeline repair, including a 7 percent rate of return that its shareholders would earn on the project, amounting to approximately \$16.6 million in revenue that would be collected from ratepayers over the 30-year life of the asset. Decision (D.) 23-11-069 also authorizes PG&E to incentivize customers to switch from gas service to all electric service.

<sup>3</sup> PG&E A.22-08-003 at 2.

**Table 1:  
Changes In Project Size**

<b>Date</b>	<b>Type of Filing</b>	<b>Amount of Pipeline to be Retired</b>	<b>Number/Type of Dwellings</b>	<b>Estimated Carbon Avoided per year (metric tons)</b>
August 11, 2022/ October 6, 2022	Initial Application & Testimony/Public Notice Compliance Filing	~8 miles <sup>4</sup>	~1,200 dwellings, primarily renter-occupied except for 66 owners-occupied	2,278 <sup>5</sup>
December 19, 2022	Amended Application & Amended Testimony <sup>6</sup>	~6 miles	~600 dwellings primarily renter-occupied except for 66 owners-occupied	1,139
June 27, 2024	Supplemental Amended Testimony	~4-5 miles	~400 dwellings, all renter-occupied	Not presented

On January 7, 2025, PG&E filed a motion to request permission to withdraw its application and began exercising its option to terminate its agreement with CSU Monterey Bay.

### **1.1. Procedural Background**

Ten parties filed protests and responses to the application on September 12, 2023: The Utility Reform Network (TURN), the Coalition of

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<sup>4</sup> PG&E represented in its public notices that approximately 8 miles of existing gas pipeline was proposed to be retired and impacted buildings would be converted to all-electric service although PG&E's initial application proposed only approximately six miles of pipeline would be retired, associated with 1,200 dwellings.

<sup>5</sup> PG&E's initial application and testimony presented carbon emissions reductions based on electrification of 1,200 dwellings.

<sup>6</sup> PG&E amended its application and supporting testimony on December 19, 2022 and corrected public notices pursuant to Commission Rule of Practice and Procedure 3.2(e) to exclude Project impacts that were not part of PG&E's Project proposal.

California Utility Employees (CUE), National Resources Defense Council (NRDC), the Public Advocates Office at the California Public Utilities Commission (Cal Advocates), Indicated Shippers (IS), four Community Choice Aggregators, jointly (Joint CCAs), Southern California Gas Company (SoCalGas), Southern California Edison (SCE), Sierra Club, and Environmental Defense Fund (EDF).

In response to an Administrative Law Judge (ALJ) Ruling issued September 12, 2022, PG&E coordinated a meet-and-confer to clarify aspects of the project and discuss the schedule. Six of the ten parties participated in the meet-and-confer held on September 27, 2022.<sup>7</sup> A prehearing conference (PHC) was held remotely on September 29, 2022. At the PHC, all the parties represented<sup>8</sup> confirmed they had reviewed the notes circulated by PG&E from the meet-and-confer.

On October 6, 2022, PG&E filed proof that notice of A.22-08-003 was given to elected officials, newspapers, and to its customers, in accordance with Rule 3.2 of the Commission's Rules of Practice and Procedure (Rules).

The assigned Commissioner issued the Scoping Memo and Ruling (Scoping Memo) on November 22, 2022. As directed in the Scoping Memo, PG&E amended its application and supporting testimony on December 19, 2022 to clarify the factual foundation of the Project. On February 17, 2023, Cal Advocates, EDF, TURN, CUE, and IS filed testimony. On March 17, 2023, PG&E, CUE, IS,

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<sup>7</sup> The parties absent from the meet and confer were SCE, Joint CCAs, CUE and EDF.

<sup>8</sup> Joint CCAs did not participate in the prehearing conference held September 29, 2022.

TURN, SCE, Sierra Club and NRDC filed rebuttal testimony. Subsequent to the filing of rebuttal testimony, PG&E filed a status update on May 5, ~~2020~~[2023](#), and requested suspension in the proceeding schedule due to potential changes in factual issues. The ALJ held a status conference on May 30, 2023 at which PG&E provided additional detail on the change in circumstances necessitating a pause in the proceeding schedule. At the status conference, parties were amenable to pausing the proceeding schedule to allow time for PG&E to finalize a new agreement with CSU Monterey Bay.

PG&E filed additional status updates on October 13, 2023, December 29, 2023, and February 1, 2024. Pending the successful completion of an agreement between PG&E and CSU Monterey Bay, PG&E stated its intent to coordinate with all parties to the proceeding to propose a new proceeding schedule. On June 4, 2024, the Commission issued D.24-05-052 extending the statutory deadline of this proceeding until July 31, 2025 in order to allow time for PG&E to finalize the agreement with CSU Monterey Bay and directed PG&E to file a status update and proposed proceeding schedule.

On June 3, 2024, PG&E filed a status update explaining it had a near final draft of a definitive agreement with CSU Monterey Bay that was anticipated to be final on June 27, 2024. On June 4, 2024, the Commission issued D.24-05-052 extending the statutory deadline of this proceeding until December 31, 2025. On June 18, 2024, PG&E proposed a new schedule. On June 27, 2024, PG&E filed supplemental testimony. On July 24, 2023, the ALJ Ruling Revising Procedural Schedule set a new schedule.

On September 30, TURN, IS, and Sierra Club served supplemental testimony. On October 21, 2024, PG&E and EDF served supplemental rebuttal testimony. On November 1, 2024, PG&E filed a status update on the results of meet-and-confers and requested until November 15, 2024 to request evidentiary hearings. On November 15, 2024, PG&E filed an errata to its June 27, 2024 supplemental testimony. Also on November 15, 2024, PG&E filed a status update requesting the scheduled evidentiary hearings not occur on December 2 and 3, 2024 and proposing an additional status update be filed by December 6, 2024. On November 20, 2024, the ALJ set a status conference for November 26, 2024. At the status conference, the ALJ directed parties to meet and confer, file a motion to admit evidence, and propose a common briefing outline.

On November 27, 2024, the ALJ granted the Agricultural Energy Consumers Association's (AECA) November 25, 2024 motion for party status. On December 13, 2024 PG&E filed a motion to admit exhibits into evidence and a motion to adopt the briefing outline and stipulations by the parties. Also on December 13, 2024, PG&E and IS/AECA filed a motion for confidentiality of Exhibit IS-10. On December 20, 2024, the ALJ granted the motion to admit exhibits into evidence with the exception of Exhibit IS-10, denied the motion for confidentiality, and required clarification of the parties making the stipulations. On December 27, 2024, PG&E clarified the parties to the stipulated statements as itself, TURN, Sierra Club, CUE, and IS/ACEA. On July 18, 2025, the ALJ granted the motion to adopt the stipulations by the parties as clarified on December 27, 2024.



On January 7, 2025, PG&E filed a motion to withdraw A.22-08-003 (PG&E Motion). Also on January 7, 2025, EDF filed a Motion (EDF Motion) opposing the PG&E Motion and requesting clarification on the procedural schedule. On January 9, 2025, the ALJ issued a ruling suspending the briefing schedule, directed parties to meet and confer, and set a deadline for party responses to the motions. As directed, PG&E filed a summary of the meet-and-confer on January 15, 2025. By January 31, 2025, TURN, EDF, the Sierra Club, NRDC, and jointly IS/AECA responded to the PG&E Motion.<sup>9</sup> Also on January 31, 2025, IS/AECA and PG&E responded to the EDF Motion. On February 5, 2025 Sierra Club and PG&E filed replies to the responses to PG&E's Motion.

## **1.2. Submission Date**

This matter was submitted on February 5, 2025 upon the filing of replies to the responses to PG&E's motion to withdraw A.22-08-003.

## **2. Legal Standard**

Rule 11.1(d) of the Commission's Rules of Practice and Procedure (Rules) requires party motions requesting specific action related to an open proceeding "to concisely state the facts and law supporting the motion and the specific relief or ruling requested."<sup>10</sup>

In prior cases when an applicant moved to withdraw their application, the Commission has granted the motion only upon finding the motion reasonable and in the public interest. As cited by TURN and EDF, D. 15-07-037 states that

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<sup>9</sup> TURN filed its response to the PG&E Motion on January 29, 2025. Other responses to the PG&E Motion were filed January 31, 2025.

<sup>10</sup> Rule 11.1(d).

“[t]he Commission is obligated to determine based on the record whether the grant of the motion to withdraw is reasonable and in the public interest.”<sup>11</sup>

Although “the Commission usually grants motions to withdraw, the Commission may deny motions to withdraw when doing so is in the public interest and may pursue matters of public concern after an applicant has moved to withdraw an application.”<sup>12</sup> “The Commission may also deny a motion for withdrawal when the applicant requests withdrawal for the purpose of avoiding an adverse outcome.”<sup>13</sup> “Where the Commission grants a motion to withdraw and closes the proceeding, the Commission may impose conditions on future applications.”<sup>14</sup>

### **3. Issues Before the Commission**

The issue to be determined is whether PG&E’s motion to withdraw A.22-08-003 is reasonable and in the public interest and should be granted.

### **4. Whether to Grant PG&E’s Motion to Withdraw the Application**

#### **4.1. PG&E Motion and Subsequent Filings Supporting Its Motion**

PG&E states in the PG&E Motion that it intends to terminate the Project with CSU Monterey Bay for safety reasons and thus requests permission to withdraw its application.

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<sup>11</sup> TURN response at 4 and EDF response at 4, citing D.15-07-037 at 9.

<sup>12</sup> D.18-11-007 at 5.

<sup>13</sup> TURN response to PG&E motion at 4 and EDF response to PG&E motion at 4, citing D.18-11-007 at 5; D.18-12-005 at 3, citing D.04-06-016.

<sup>14</sup> D.18-11-007 at 6, D.23-02-025 at 3-4.

PG&E asserts that safety requires remediation of the old system (whether gas repair or electrification alternative) to conclude by December 15, 2026.<sup>15</sup>

PG&E asserts that the regulatory timeline is incompatible with the need to safely remediate the pipeline. PG&E calculates 2026 as the earliest the regulatory approval process would have concluded, which is too late to initiate the design and planning of the Project.<sup>16</sup>

As directed in the ALJ Ruling issued January 8, 2025, PG&E held a meet-and-confer with stakeholders to address unanswered questions in its motion. PG&E filed a status update on the meet and confer on January 16, 2025.

#### **4.2. Opposition to PG&E Motion**

TURN, NRDC, Sierra Club and EDF oppose granting the PG&E Motion to withdraw and recommend the Commission set briefing and decide on the application. TURN argues that PG&E provides vague and unsubstantiated assertions rather than fact-specific information. TURN further identifies public interest concerns that would merit continuation of the proceeding and identifies prior Commission cases where the Commission denied withdrawal of a proceeding to address matters of the public interest.

In the event the Commission grants PG&E's motion, TURN recommends the Commission adopt four conditions for the withdrawal. First, cap PG&E's cost recovery for pipeline replacement at PG&E's latest estimate for the Project.<sup>17</sup> Second, require PG&E to memorialize its lessons learned from experience with

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<sup>15</sup> PG&E report on January 15, 2024 Meet and Confer at 3.

<sup>16</sup> PG&E reply to responses to PG&E Motion at 2-4.

<sup>17</sup> TURN response dated January 29, 2025 at 3.

the Project in a report with all interested parties. Third, direct PG&E to reference this application in all future PG&E zonal building electrification proposals, including but not limited to Senate Bill 1221 implementation. Fourth, emphasize an existing option for the Commission to incorporate the record here in any proceedings considering PG&E's zonal electrification proposals.

EDF argues that PG&E may be attempting to avoid an adverse outcome in this proceeding, given the late timing of PG&E's safety assessment and that the issues concerning PG&E might have been addressed in the ongoing settlement negotiations and in briefs.<sup>18</sup> NRDC also argues PG&E is seeking to avoid an adverse outcome. NRDC supports its argument by claiming that PG&E did not prove the timing of the Project is infeasible and PG&E identifying contested issues as a concern.<sup>19</sup>

#### **4.3. Support for PG&E Motion**

IS/AECA supports PG&E's Motion, arguing the public interest is better served by parties litigating the issues broadly in the Commission's ~~Long-Term Gas System Planning~~[long-term gas system planning](#) proceeding Rulemaking [\(R.\)](#) 24-09-012. IS/AECA also identifies that it was reasonably foreseeable that PG&E could decide to cancel the Project at any point during the proceeding or after the close of the proceeding.<sup>20</sup> Finally, IS/AECA states the scoped issues in this proceeding are particular to the Project and not generally applicable to broader

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<sup>18</sup> EDF response to PG&E motion at 3, 5-6.

<sup>19</sup> NRDC response to PG&E Motion at 4.

<sup>20</sup> IS/AECA response to PG&E Motion at 7-8.

issues of how the Commission should effectuate the transition from away from gas service in California.

#### **4.4. EDF Motion**

The EDF Motion requested clarification on the briefing schedule, and recommended the Commission permit intervenor compensation in the event it granted PG&E's Motion. EDF also recommends the Commission determine whether PG&E misled the Commission and stakeholders about their timeline for completing remediation of the Project.

#### **4.5. Withdraw Reasonable and In the Public Interest**

It is reasonable and in the public interest to grant PG&E's motion to withdraw A.22-08-003 because PG&E has exercised its contractual option with CSU Monterey Bay to abandon the Project, making the Project moot.

The Project terms agreed to by PG&E and CSU Monterey Bay provided either PG&E or CSU Monterey Bay the option not to pursue the Project at any point.<sup>21</sup> Thus, A.22-08-003 has proceeded in light of the contract terms allowing for its termination even after any Commission authorization of the Project.

As identified by TURN, Sierra Club and EDF, PG&E's Motion filed January 7, 2025 was vague and unspecific about the safety risks and timeline for the capital work and the alternative Project. PG&E's Motion stated it needs to "make safety upgrades to the CSU Monterey Bay gas distribution facilities given

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<sup>21</sup> PG&E Motion filed December 13, 2024 to adopt the briefing outline and stipulations by the parties at stipulated statement 13 and stipulated statement 14. The zonal electrification alternative proposed by PG&E includes options for the utility or the customer to terminate the project at any point as evidenced by the terms for "off-ramps" in Definitive Agreement supporting PG&E's Supplemental Amended Testimony.

the delays and timing uncertainty in approval of the Project.”<sup>22</sup> Subsequent to filing its Motion, PG&E expanded on the need to abandon the Project in a status update filed January 16, in a response to the EDF Motion filed January 31, 2025, and in a reply to responses to PG&E Motion filed February 5, 2025. PG&E explains its internal reassessment of risk occurred between December 13, 2024 and January 7, 2024<sup>23</sup> and explains why even a portion of the Project cannot be executed as recommended by the Sierra Club and NRDC;<sup>24</sup> because the safety risk for both phases of the Project is equal.<sup>25</sup> PG&E states “PG&E has observed plastic fusion failures that may result in potential loss of containment events.”<sup>26</sup> In response to the Sierra Club’s request after the PG&E Motion, PG&E provided evidence of the leaks in the gas pipeline that was slated for remediation during 2024 and 2025.<sup>27</sup>

PG&E’s description of its safety assessment is adequate and consistent with its statements regarding the timeline to safely remediate the pipeline from the inception of the proceeding.<sup>28</sup> PG&E also adequately describes its estimation of the regulatory timeline and how the timeline for remediation conflicts with the regulatory timeline. Although the ~~estimation of a~~[Commission’s](#) decision on

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<sup>22</sup> PG&E Motion at 3 cited in EDF response to PG&E Motion at 6, Sierra Club reply to responses to PG&E Motion at 6, and TURN response to PG&E Motion at x.

<sup>23</sup> PG&E status update dated January 16, 2025 at 2.

<sup>24</sup> Sierra Club response to PG&E Motion at 10-11, NRDC response to PG&E Motion at 5-6.

<sup>25</sup> PG&E reply to responses to PG&E Motion at 6.

<sup>26</sup> PG&E response to EDF Motion at 2.

<sup>27</sup> Sierra Club response to PG&E Motion at Attachment D.

<sup>28</sup> PG&E response to EDF Motion and PG&E reply to responses to PG&E Motion.

PG&E's application was ~~likely~~estimated to be adopted by summer ~~in~~ 2025, PG&E assumes opposition to authorizing gas ratepayers to incentivize customers to abandon gas service may have resulted in intervenors exercising their rights of appeal. If exercised, the proceeding timeline would have likely stretched beyond the time possible to begin the Project. PG&E's judgement about substantial uncertainty necessitates initiating pipeline remediation now in order to conclude by the end of 2026.

TURN, EDF, Sierra Club, NRDC and PG&E correctly characterize other issues scoped in this proceeding as critical to the public interest, in particular the legal principles addressing utility and ratepayer funding of electrification projects and the practicality of zonal electrification within California's decarbonization toolkit. Indeed, PG&E introduced the Project as a case study in "how a utility can use building decarbonization as a tool to both reduce emissions and promote long-term gas ratepayer affordability."<sup>29</sup>

The Project as presented was in line with California's goals and would have provided clean energy for the campus and the region.<sup>30</sup> While helpful to advance California's electrification goals, the proceeding itself was limited to the

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<sup>29</sup> Exhibit PGE-01 at 1-2.

<sup>30</sup> Governor's Executive Order B-55-18 expresses California's statewide goal to achieve carbon neutrality as soon as possible and no later than 2045. In 2022, the state legislature passed Assembly Bill (AB) 1279 (Muratsuchi), Stats. 2022, ch. 337 with the same goal. PG&E states in Exhibit PGE-01 at 1-1 it has established its own commitment to achieve a net zero energy system by 2040.

particulars of the Project, and parties stipulated that any decisions would not be precedential and would be applicable only to the Project itself.<sup>31</sup>

## **5. Intervenor Compensation and the Record of this Proceeding**

Parties are concerned that granting PG&E's motion would deprive eligible intervenors of the opportunity to seek compensation for a large portion of their work in this proceeding.<sup>32</sup> Intervenors filed protests, conducted discovery, reached agreements after extensive settlement discussions, and presented their positions in testimony and stipulations of facts. However, under the Commission's Rules and pursuant to Public Utilities Code Sections 1801–1812, intervenors may only request compensation for the costs associated with making a “substantial contribution to a Commission decision.

EDF and TURN request that the Commission allow intervenors to seek compensation for participation in this proceeding without a decision on the merits.<sup>33</sup> PG&E has stipulated that it will not object to intervenors seeking reasonable compensation for their substantial contribution to this proceeding.<sup>34</sup>

The requirements for intervenors to be compensated for participation in Commission proceedings are established by statute. Consistent with D.19-08-031, implementing the California Appeals Court's interpretation of the intervenor

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<sup>31</sup> PG&E motion filed December 13, 2024 to adopt the briefing outline and stipulations by the parties at stipulated statement 13 and stipulated statement 14; IS/AECA response to PG&E Motion at 4; and Sierra Club response to PG&E Motion at 9.

<sup>32</sup> EDF response to PG&E Motion at 8, IS/AECA response to EDF Motion at 2.

<sup>33</sup> TURN response to PG&E Motion at 13-14, EDF response to PG&E Motion at 8,

<sup>34</sup> PG&E reply to responses to PG&E Motion at 4.



compensation statutes, intervenor claims for compensation must link their contributions precisely to each Commission order or decision in this proceeding.<sup>35</sup>

TURN also recommends the Commission incorporate the record of this proceeding in future proceedings.<sup>36</sup> In the time between the initiation of this proceeding on August 11, 2022 and Joint Applicants' motion to withdraw on January 7, 2025, parties have made voluminous filings containing detailed cost estimates and estimates of impacts on ratepayers and on the utility. Parties provided large amounts of information relating to the issues examined in this proceeding that may also be relevant to future Commission proceedings. Parties stipulated to cost estimates based on Project parameters of retiring between 4-5 miles of gas pipeline and converting approximately 400 dwellings to all-electric service. In nominal dollars, the Project cost estimate is \$11,267,186 and the gas pipeline replacement cost estimate is \$578 per foot, which translates to a total of \$12,679,966.<sup>37</sup> The record also contains information on cost estimates, the type of costs that should be included in cost effectiveness tests to determine the value of electrification, whether customers and the utility should be financially incentivized to pursue decarbonization, impacts of stranded costs on ratepayers,

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<sup>35</sup> See *New Cingular Wireless PCS, LLC et al., v. Public Utilities Commission, Respondent; The Utility Reform Network et al., Real Parties in Interest*, 246 Cal. App. 4th 784; 2016 Cal. App. LEXIS 298. (*New Cingular Wireless I*) and *New Cingular Wireless PCS, LLC et al., v. Public Utilities Commission, Respondent; The Utility Reform Network et al., Real Parties in Interest*, 21 Cal.App.5th 1197, 2018 Cal. App. LEXIS 279 (*New Cingular Wireless II*).

<sup>36</sup> IS/AECA response to EDF Motion at 2, TURN response to PG&E Motion at 12-13.

<sup>37</sup> PG&E motion filed December 13, 2024 to adopt the briefing outline and stipulations by the parties at stipulated statement 19 and stipulated statement 30.

and customer acceptance. This information may hold value for other relevant proceedings.

It is reasonable for the Commission to ensure the record of this proceeding will be made available for use, if relevant to future proceedings. In addition, ~~within 90 days of this decision~~collaboratively with the parties, PG&E shall file a 'lessons learned' report ~~in this proceeding~~ summarizing ~~their~~ policy, cost and ratepayer impacts, and operational experiences with this project. ~~Parties in the related building decarbonization and long-term gas system planning rulemakings.~~<sup>38</sup> Within 30 days of the issuance of today's decision, PG&E is directed to circulate a draft 'lessons learned' report to parties for input. Within 60 days of the issuance of today's decision, PG&E shall incorporate party input and file the 'lessons learned' report in R.19-01-011 and in R.24-09-012. Additionally, parties may seek to bring work done in this proceeding into the long-term gas proceeding, or other relevant proceedings, where relevant.

## **6. 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 comment submitted in a proceeding be summarized in the final decision issued in that proceeding.

Thirty-six members of the public provided written comments on the Project, all from outside of the Monterey area. All but one of the commentators

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<sup>38</sup> In comments on the PD, JS, TURN and EDF recommended the Commission require PG&E to incorporate party input in the 'lessons learned' report.

doubt PG&E's contention that the Project was a better, cheaper and safer alternative to replacing the gas pipeline and doubt any refund to customers would have materialized. Two commentors found PG&E's informational materials insufficient to compare the costs and benefits of the Project. More than half of the commentors opposed the Project due to increased exposure to already high electric rates. Many commentors oppose California's goal to transition away from natural gas service in California citing reliability, price, and what they view as inconsistency in allowing natural gas for electric generation but not for end-users. Finally, one commentor self-identified as the project manager who supervised the installation of the pipeline at CSU Monterey Bay between 1981 and 1983 doubts the subject high-density polyethylene pipeline needs to be replaced and if it does, the price tag for replacement is too high.

## **7. Procedural Matters**

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

## **8. Comments on Proposed Decision**

The proposed decision of ALJ Camille Watts-Zagha 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. Comments were filed on October 20, 2025 by PG&E, EDF, and Indicated Shippers , and reply comments were filed on by October 27, 2025 by PG&E and TURN. Party comments on the proposed decision have been incorporated as appropriate in the decision.

## 9. Assignment of Proceeding

John Reynolds is the assigned Commissioner and Camille Watts-Zagha is the assigned ALJ in this proceeding.

### Findings of Fact

1. PG&E exercised its option to terminate its agreement with CSU Monterey Bay to develop the Project.
2. The evidentiary record in this proceeding could be helpful to future Commission proceedings addressing zonal electrification projects or decarbonization policies.

### Conclusions of Law

1. PG&E's motion to withdraw A.22-08-003 is reasonable and in the public interest.
2. It is reasonable for the Commission to require PG&E to disclose the existence of the record of this proceeding in any future applications or comments on Orders Instituting Rulemaking relating to zonal electrification or decarbonization policy filed within three years of the issuance date of this decision.
3. It is reasonable to require PG&E to ~~file~~[collaboratively draft](#) a 'lessons learned' report ~~in this proceeding~~ summarizing ~~their~~ policy, [cost and ratepayer impacts](#), and operational experiences with this project [and to file the report in R.24-09-012 and in R.19-01-011](#).
4. A.22-08-003 should be dismissed.

**O R D E R**

**IT IS ORDERED** that:

1. Pacific Gas and Electric Company's motion to withdraw this application is granted.

2. Pacific Gas and Electric Company shall disclose the existence of the record of this proceeding in any future applications or comments on Orders Instituting Rulemaking relating to zonal electrification or decarbonization policy filed within three years of the issuance date of this decision.

3. Within ~~90~~30 days of the issuance of this decision, Pacific Gas and Electric Company shall ~~file~~circulate to active parties to this proceeding a draft 'lessons learned' report ~~in this proceeding~~ summarizing their policy, cost and ratepayer impacts, and operational experiences with this project.

4. Within 60 days of the issuance of this decision, Pacific Gas and Electric Company shall incorporate party input and file a 'lessons learned' report summarizing the policy, cost and ratepayer impacts, and operational experiences with this project in Rulemaking 24-09-012 and in Rulemaking 19-01-011.

5. ~~4.~~ Application 22-08-003 is dismissed.

This order is effective today.

Dated \_\_\_\_\_, at San Francisco, California

<b>Summary report:</b> <b>Litera Compare for Word 11.6.0.100 Document comparison done on</b> <b>11/18/2025 10:37:18 AM</b>	
<b>Style name:</b> Default Style	
<b>Intelligent Table Comparison:</b> Active	
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<u>Move To</u>	0
<u>Table Insert</u>	0
<del>Table Delete</del>	1
<u>Table moves to</u>	0
<del>Table moves from</del>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	68