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**PROPOSED DECISION** Agenda ID #23824 (Rev. 1  
Ratesetting  
2/5/26 Item #2

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 DISMISSING APPLICATION**

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**DECISION DISMISSING APPLICATION****Summary**

This decision dismisses without prejudice California Resources Production Corporation's (CRPC) Application (A.) 23-07-008, requesting a Certificate of Public Convenience and Necessity (CPCN) to operate as a public utility gas corporation. The application is not ripe because of pending parallel judicial and local administrative proceedings. The Commission cannot determine at this time whether CRPC qualifies as a "gas corporation" under Public Utilities Code Section 222 because (1) CRPC's ownership of the UI Pipeline segment within the City of Antioch's right-of-way has been challenged in a pending judicial action; and (2) CRPC has pending franchise requests to control, operate or manage the UI Pipeline segments within the Cities of Antioch and Brentwood.

CRPC or its successor in interest may file a new application for a CPCN to operate as a public utility gas corporation upon either confirmation of present ownership rights to all segments of the UI Pipeline or upon acquiring present rights to control, operate, or manage all segments of the UI Pipeline.

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 Code<sup>1</sup> Sections 216 and 222 to enable it to operate the 35.14 mile Union Island natural gas pipeline (UI Pipeline).<sup>2</sup> The Application states that 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.<sup>3</sup> The UI Pipeline ceased transporting gas in May 2023.<sup>4</sup>

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

<sup>2</sup> 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”).

<sup>3</sup> See Application at 1, 5, 20 and 21.

<sup>4</sup> 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

*Footnote continued on next page.*

At all times during the pendency of A.23-07-008, CRPC has lacked legal rights to control, operate, or manage 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.<sup>5</sup> To secure new franchise rights, CRPC initiated local administrative proceedings with each City. To date, neither City has

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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.

<sup>5</sup> 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:

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.

reauthorized a franchise agreement or other permit allowing CPRC to control, operate, or manage the UI Pipeline segment within its jurisdiction.<sup>6</sup>

Moreover, at all times during the pendency of A.23-07-008, CRPC or its successor-in-interest has held disputed ownership rights in the UI Pipeline segment within Antioch. Prior to the filing of the Application with the Commission, on December 27, 2021, CRPC filed a Petition for Writ of Mandamus and Complaint to challenge Antioch's franchise agreement termination in Contra Costa County Superior Court.

Antioch filed a cross-complaint against CRPC on February 10, 2022 that was amended on March 30, 2022. Antioch sought a permanent injunction requiring CRPC to abandon the Antioch segment, as well as other relief. Antioch challenged CRPC's prior, present, and future ownership rights to the UI Pipeline segment within the City, pleading, *inter alia*, that CRPC abandoned that UI Pipeline segment upon its 2021 franchise termination, thus causing ownership of that segment to vest in Antioch in 2021 under Section 10 of the expired franchise agreement.<sup>7</sup> The court sustained a demurrer to the pleading of that abandonment claim on October 4, 2022 and gave Antioch leave to amend that and other claims

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

<sup>7</sup> See July 18, 2024 Reply of CRPC to the Cities' Response to the ALJ's First Ruling at Exhibit A (October 4, 2022 Order Re: Cross-Defendant CRPC Demurrer to the Amended Cross-Complaint of City of Antioch; and City of Antioch's Amended Cross-Complaint Against Plaintiff and Petitioner [CRPC], dated March 30, 2022).

in a second amended complaint.<sup>8</sup> Antioch's second amended complaint has not yet been filed with the court.<sup>9</sup>

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 trial 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*.<sup>10</sup> The California Supreme Court denied CRPC's petition for review on February 11, 2025, ending CRPC's legal challenge to Antioch's termination of the company's UI Pipeline franchise operating rights for the Antioch segment.<sup>11</sup>

Presently, there remains uncertainty regarding ownership of the Antioch segment of the UI Pipeline. The Superior Court is adjudicating Antioch's cross-

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<sup>8</sup> See July 18, 2024 Reply of CRPC to the Cities' Response to the ALJ's First Ruling at Exhibit A (October 4, 2022 Order Re: Cross-Defendant CRPC Demurrer to the Amended Cross-Complaint of City of Antioch).

<sup>9</sup> November 6, 2025 Motion of CRPC to Reopen the Record at 3 (stating that "Once the [Second Amended Cross-Complaint] is filed, either as part of a stipulation or a motion, it will become part of the official court record . . .").

<sup>10</sup> *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.

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

claims in Phase II of the Pipeline Litigation.<sup>12</sup> Antioch has raised the issue of whether CRPC has abandoned or must abandon its prior ownership interests in the UI Pipeline segment within the City upon its 2021 franchise termination, contesting CRPC's ownership interests. In light of the delays and uncertainty caused by the pending Phase II litigation 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 public rights-of-way for the company's proposed uses.<sup>13</sup> Through that requested CPCN, CRPC may circumvent the Cities' franchise agreement expirations, Antioch's judicially-affirmed termination of CRPC's franchise rights, the Cities' pending administrative proceedings regarding CRPC's operating rights for the UI

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<sup>12</sup> 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*).

<sup>13</sup> *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.

Pipeline segments within both Cities, and Phase II Pipeline Litigation cross-claims.

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.<sup>14</sup> 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 other public utility gas transporters by statute and Commission rules.<sup>15</sup>

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<sup>14</sup> 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).

<sup>15</sup> 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-

*Footnote continued on next page.*

In addition, in January 2025, CRPC informed the Commission that, on October 24, 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 new CPCN applicant (Motion to Amend). As discussed below, we deny the Motion to Amend because the proposed amendment would not cure the defects requiring dismissal without prejudice of the instant Application and Successor Subsidiary has the opportunity to file a new 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 (transferred to Successor Subsidiary) and over 30 oil and gas fields within the southern San Joaquin Valley.<sup>16</sup>

### **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

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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).

<sup>16</sup> As discussed below, ownership interests in the Antioch segment of the pipeline is uncertain until resolved in the Phase II Pipeline Litigation.

County to the Los Medanos meter station, located east of Pittsburg, California.<sup>17</sup> 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.<sup>18</sup> The natural gas moving through the UI Pipeline then flows into a privately-owned pipeline at the Los Medanos meter station, owned by Chevron Pipeline Company (Chevron).<sup>19</sup>

### **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.<sup>20</sup> CRPC previously held franchise agreements with the City of Antioch and the City of Brentwood to operate and

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<sup>17</sup> Application at 2.

<sup>18</sup> Application at 2 and 20.

<sup>19</sup> 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.

<sup>20</sup> See Application at 2, 20-21 and Appendix E (current and expired franchise agreements).

maintain the UI Pipeline within the Cities' respective rights-of-way. Those franchise agreements expired in February 2021.<sup>21</sup>

Antioch's most recent franchise agreement extension expired on February 7, 2021.<sup>22</sup> Section 10 of that franchise agreement stated that upon a permitted abandonment, ownership of the Antioch pipeline segment "shall thereafter vest in [the] CITY."<sup>23</sup> On September 28, 2021, the Antioch City Council took official action not to renew it after extensive public comment.<sup>24</sup> On November 2, 2021, Antioch issued a Notice of Termination, informing CRPC that the franchise agreement was terminated, effective September 28, 2021.<sup>25</sup> Antioch's Notice of Termination ordered CRPC "to *immediately discontinue the use of all [CPHC]* pipelines that are in operation" within Antioch's "jurisdiction and *take any and all actions necessary to abandon* the pipelines."<sup>26</sup>

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.

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<sup>21</sup> See Application at 2, 20-21 and Appendix E (current and expired franchise agreements).

<sup>22</sup> 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

<sup>23</sup> See Application at 2, 20-21 and Appendix E (current and expired franchise agreements).

<sup>24</sup> See CRPC October 10, 2025 Supplemental Response at 3-4; Application at Exhibit E (Antioch Notice of Termination).

<sup>25</sup> See Application at Exhibit E (Antioch Notice of Termination).

<sup>26</sup> See Application at Exhibit E (Antioch Notice of Termination) (emphasis added).

In addition, on June 28, 2022, CRPC sought and was denied an Encroachment Permit from Antioch.<sup>27</sup> 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.<sup>28</sup> CRPC's administrative appeal to its Antioch Encroachment Permit request remains pending and in abeyance.<sup>29</sup>

Brentwood's franchise agreement with CRPC authorized CRPC to "construct, maintain, operate and remove" the UI Pipeline segment within Brentwood.<sup>30</sup> That franchise agreement expired on February 22, 2021.<sup>31</sup> CRPC applied for a franchise agreement extension with Brentwood that was heard by

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<sup>27</sup> 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).

<sup>28</sup> See Cities' October 10, 2025 Supplemental Response at 9. See also CRPC Response to ALJ Ruling Requiring Updated Response at 5-6.

<sup>29</sup> 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.

<sup>30</sup> See Application at Exhibit E (City of Brentwood Oil-CRPC and Gas Pipeline Franchise Agreement, effective February 22, 2016) (Brentwood Franchise Agreement).

<sup>31</sup> See Application at Exhibit E (Brentwood Franchise Agreement).

the Brentwood City Council on May 11, 2021.<sup>32</sup> That application has not been granted and remains pending before the Brentwood City Council.<sup>33</sup>

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.<sup>34</sup> 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.<sup>35</sup>

#### **1.2.4. Phase II Pipeline Litigation Status**

The Contra Costa Superior Court issued an August 21, 2025 order granting Antioch's motion to lift a litigation stay, allowing that court to decide Antioch's cross-claims in Phase II of the Pipeline Litigation.<sup>36</sup>

Antioch's amended cross-claims, alleging breach of contract, trespass, ejectment, and nuisance, and seeking an injunction requiring CRPC to permanently abandon the Antioch segment, as well as other relief, date back to March 30, 2022. Antioch challenged CRPC's prior, present, and future ownership rights to the UI Pipeline segment within the City, pleading, *inter alia*, that CRPC

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<sup>32</sup> 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.

<sup>33</sup> See CRPC October 10, 2025 Supplemental Response at 6; CRPC Response to ALJ Ruling Requiring Updated Response at 6.

<sup>34</sup> See Cities' October 10, 2025 Supplemental Response at 6.

<sup>35</sup> See CRPC October 10, 2025 Supplemental Response at 6.

<sup>36</sup> 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.

abandoned that UI Pipeline segment upon its 2021 franchise termination, thus causing ownership of that segment automatically to vest in Antioch in 2021 under Section 10 of the expired franchise agreement.<sup>37</sup>

The court sustained a demurrer to the pleading of that claim on October 4, 2022 and gave Antioch leave to amend that and other claims in a second amended complaint.<sup>38</sup> CRPC subsequently acknowledged that the court's ruling neither determined nor foreclosed Antioch's abandonment cross-claim or vesting of ownership of the Antioch pipeline segment with the City, nor prevented the court from ordering CRPC to abandon the Antioch pipeline segment.<sup>39</sup> Antioch's second amended complaint has not yet been filed with the court.

### **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

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<sup>37</sup> See July 18, 2024 Reply of CRPC to the Cities' Response to the ALJ's First Ruling at Exhibit A (October 4, 2022 Order Re: Cross-Defendant CRPC Demurrer to the Amended Cross-Complaint of City of Antioch; and City of Antioch's Amended Cross-Complaint Against Plaintiff and Petitioner [CRPC], dated March 30, 2022).

<sup>38</sup> See July 18, 2024 Reply of CRPC to the Cities' Response to the ALJ's First Ruling at Exhibit A (October 4, 2022 Order Re: Cross-Defendant CRPC Demurrer to the Amended Cross-Complaint of City of Antioch).

<sup>39</sup> Describing the court's demurrer ruling, CRPC insisted "To be clear, there has been no determination of the merits of Antioch's claims. 'It is not the ordinary function of a demurrer to test the truth of the plaintiff's allegations or the accuracy with which he describes the defendant's conduct. A demurrer tests only the legal sufficiency of the pleading.'" July 18, 2024 Reply of CRPC to the Cities' Response to the ALJ's First Ruling at 6 (citing *Berg & Berg Enters., LLC v. Boyle* (2009) 178 Cal.App.4th 1020, 1034. (citation omitted). See also, July 18, 2024 Reply of CRPC to the Cities' Response to the ALJ's First Ruling at 5 (recognizing that the Superior Court's October 4, 2022 demurrer ruling on the amended cross-complaint, stated "CRPC has not abandoned the pipeline;" but noting that "the Superior Court can order CRPC to remove the pipeline or abandon it," if there is no authority for the pipeline to remain in place).

Pipeline Litigation was working through the appellate process. Phase II was stayed pending completion of all such appeals. Throughout this proceeding, the parties presented voluminous filings addressing numerous issues, including, but not limited to protests, responses, replies, motions, status reports, and updates regarding the Pipeline Litigation and local proceedings, all filed under the strict requirements for truthfulness and candor imposed by Commission Rule 1.

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 (representing the natural gas non-core customer interests of Chevron U.S.A. Inc., Marathon Petroleum Company LP, and PBF Holding Company) and Pacific Gas and Electric Company.

The Scoping Memo identified a threshold question and issues 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 question and issues 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.<sup>40</sup>

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

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<sup>40</sup> See The City of Antioch and The City of Brentwood's Joint Reply Brief on Threshold Questions, Dec. 21, 2023 (Cities Joint Reply).

this Commission on each related matter.<sup>41</sup> 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.

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.*<sup>42</sup>

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 a Motion to Amend Its Application, 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

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<sup>41</sup> See Administrative Law Judge's First Ruling Requiring Parties To File A Response Within 10 Calendar Days (ALJ First Ruling) at 1.

<sup>42</sup> *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).

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.”<sup>43</sup> CRPC indicated that it “transfer[ed] the UI Pipeline to a subsidiary, California Resources Pipeline Company, LLC, [Successor Subsidiary] the transfer of which was effective in Q4 2024.”<sup>44</sup> CRPC requests that the application be updated to reflect the October 24, 2024 transfer in ownership to Successor Subsidiary.<sup>45</sup>

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

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<sup>43</sup> CRPC Motion to Amend at 1.

<sup>44</sup> 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.

<sup>45</sup> CRPC Motion to Amend at 4 and Exhibit B at 6.

Appeal's opinion, ending CRPC's challenge to Antioch's decision terminating its franchise agreement and concluding Phase I of the Pipeline Litigation.<sup>46</sup>

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 current owner of the Union Island Pipeline owner to transport natural gas through the City of Antioch for a term of 20 years."<sup>47</sup>

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.

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<sup>46</sup> 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).

<sup>47</sup> 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.

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.

The Commission issued a proposed decision in this proceeding on October 17, 2025.

On October 30, 2025, the Commission issued D.25-10-050 and extended the statutory deadline in this proceeding to April 3, 2026.

On November 6, 2025, CRPC filed a Motion to Reopen the Record.

As discussed below, on November 6, 2025, CRPC and Indicated Shippers filed comments on the proposed decision. The CRPC and the Cities filed reply comments on November 12, 2025.

On November 21, 2025 Indicated Shippers and the Cities filed their respective responses to CRPC's Motion to Reopen the Record.

#### **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

The Commission has jurisdiction over the activities of public utilities.<sup>48</sup> Pub. Util. Code Section 1001(a) provides the Commission with the authority to grant or deny a CPCN to a public utility.

In the instant Application, CRPC 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.<sup>49</sup>

As part of the CPCN process, 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 then separately 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 central threshold issue in this case” 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.”<sup>50</sup>

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<sup>48</sup> Pub. Util. Code Section 216(a).

<sup>49</sup> We note that CRPC’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.

<sup>50</sup> Scoping Memo at 2-3 (emphasis added). *See also*, Cities’ Joint Protest at 19. The Scoping Memo presents other issues that are not necessary for this decision.

#### 4. Discussion

As discussed below, the Application requesting a CPCN to operate the full UI Pipeline is not ripe for Commission review. At present, we cannot decide the scoped threshold issue under Pub. Util. Code Sections 216 and 222 without final determinations of CRPC's underlying rights to own, control, operate, or manage the UI Pipeline segments within the Cities. Those underlying rights are pending decisions in parallel judicial and local administrative proceedings. Accordingly, the Application is premature and dismissed without prejudice as unripe.

##### 4.1. Ripeness

The ripeness doctrine addresses the timing of review, preventing a tribunal from issuing "advisory opinions" on hypothetical matters.<sup>51</sup> The California Supreme Court recognized the doctrine's underlying principles in *Pacific Legal Foundation v. California Coastal Commission*, including to limit a tribunal's review to concrete facts:

[The ripeness doctrine] is rooted in the fundamental concept that the proper role of the judiciary does not extend to the resolution of abstract differences of legal opinion. It is in part designed to *regulate the workload of courts by preventing judicial consideration of lawsuits that seek only to obtain general guidance*, rather than to resolve specific legal disputes. However, the ripeness doctrine is *primarily bottomed on the recognition that judicial decisionmaking is best conducted in the context of an actual set of facts* so that the issues will be framed with

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<sup>51</sup> "The ripeness requirement, a branch of the doctrine of justiciability, prevents courts from issuing purely advisory opinions." *Pacific Legal Foundation v. California Coastal Com.* (1982) 33 Cal.3d 158, 170 (*Pacific Legal Foundation*); *Panoche Energy Center, LLC v. Pacific Gas & Electric Co.* (2016) 1 Cal.App.5th 68, 99. Although the "'precise content'" of the doctrine is "'difficult to define and hard to apply,'" generally speaking, a controversy is ripe "'when it has reached, but has not passed, the point that the facts have sufficiently congealed to permit an intelligent and useful decision to be made.'" *Pacific Legal Foundation*, 33 Cal.3d 158, 171.

sufficient definiteness to enable the court to make a decree finally disposing of the controversy.<sup>52</sup>

Consistent with these principles, the Commission has a “longstanding policy against issuing advisory opinions” to preserve judicial resources.<sup>53</sup> Where an application requests authority for a hypothetical activity, a decision issued by the Commission would constitute a prohibited advisory opinion.<sup>54</sup>

The Commission applies these ripeness principles expressly or implicitly to promote efficiency and conservation of resources when a parallel proceeding is pending.<sup>55</sup> This practice prevents our premature review of matters until resolution of parallel proceedings that may determine underlying rights and/or facts germane to our proceeding. A matter that is unripe is typically dismissed without prejudice to refiling upon determination of the necessary facts and/or rights through the parallel proceeding.

We articulated this approach to an application involving a parallel proceeding in D.10-06-006. There, the Commission considered whether the

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<sup>52</sup> *Pacific Legal Foundation v. California Coastal Com.*, 33 Cal.3d 158, 170 (1982) (emphasis added).

<sup>53</sup> See *Application of Women’s Energy, Inc.*, 75 CPUC 2d 624 (1997) (citing *Re California-American Water Co.*, 58 CPUC 2d 470 (1975) (holding that generally, the Commission does not issue advisory opinions in the absence of a case or controversy)).

<sup>54</sup> See *Application of Women’s Energy, Inc.*, 75 CPUC 2d 624 (1997).

<sup>55</sup> The Commission need not explicitly cite the ripeness doctrine to follow its principles in the face of a parallel proceeding. The Commission exercises its discretion to dismiss an application without prejudice to promote efficiency and conservation of its resources when a parallel proceeding is pending. See, e.g., D.25-10-037 (dismissing application without prejudice “for administrative efficiency” until pending Superior Court proceeding resolved).

application was ripe for review at a time while a parallel federal court proceeding remained pending.<sup>56</sup> We resolved the issue as follows:

The question before the Commission is whether to consider *at this time* the application of North County. On this question, we conclude that it is not prudent to commit Commission resources to a consideration of this application *at this time*. Furthermore, since statutory deadlines limit the time that the Commission can take to process a proceeding, it is not a preferred Commission policy to hold a proceeding “in abeyance” while awaiting the actions of courts or other regulatory agencies. Instead, *we will dismiss the application of North County without prejudice.*<sup>57</sup>

Significantly, we recognized there that the pending federal litigation might resolve all or part of that application, warranting that dismissal:

On the question before us – whether to proceed at this time – the arguments of MetroPCS and the Wireless Coalition are convincing. First, *it makes no sense to proceed with this matter while it is before the D.C. Circuit.* Initially, both parties sought resolution of this entire matter by the FCC, and MetroPCS is appealing the FCC’s decision to the D.C. Circuit. *The decision of that court may lead to a resolution of this matter, and will likely shed light on the many jurisdictional issues that the parties have raised in the FCC proceeding and in this proceeding, as well.* Thus, *awaiting the court decision may either resolve this matter or provide guidance that facilitates action by this Commission.*<sup>58</sup>

Similarly, for the reasons discussed below, the same disposition is appropriate here. We find the instant Application unripe while relevant issues remain pending in other *fora* whose decisions may either resolve this matter or

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<sup>56</sup> D.10-06-006 at 14 (identifying ripeness issue raised by party).

<sup>57</sup> D.10-06-006 at 16-17 (emphasis added) (dismissing application without prejudice upon ripeness arguments and due to parallel judicial proceeding).

<sup>58</sup> D.10-06-006 at 16-17 (emphasis added).

provide guidance that facilitates action by this Commission. At present, the Commission cannot decide the scoped threshold issue under Pub. Util. Code Sections 216 and 222 without final determinations of CRPC's underlying rights that are pending decision in parallel judicial and local administrative proceedings. In particular, the Superior Court must determine in the Phase II Pipeline Litigation whether Applicant owns the pipeline segment fixed in Antioch's rights-of-way. Separately, the parallel franchise and permit proceedings pending within Antioch and Brentwood may result in final determinations of Applicant's present rights to control, operate, or manage the UI Pipeline segments within each City. We cannot assume or adopt facts or rights contingent on those proceedings. To do so would result in consideration of one or more hypothetical scenarios.

Our decision here addresses only the timing of our review. It preserves a proper applicant's rights to pursue the instant Application when ripe. To be clear, that party may bring a new application to the Commission after one or more parallel proceedings resolve the circumstances of applicant's underlying rights to own, control, operate, or manage the UI Pipeline, including segments subject to the Cities' dispute.

#### **4.2. 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 it is premature for us to decide whether CRPC satisfies 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:<sup>59</sup>

***“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:

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<sup>59</sup> 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).

[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).

#### **4.2.1. “Gas Corporation”**

First, it is premature for us to determine whether CRPC is a “gas corporation” under Section 222 while the Phase II Pipeline Litigation and local administrative proceedings are pending. The results of those tribunals may provide relevant facts needed to determine whether CRPC will 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.

We recognize that CRPC previously held unchallenged ownership interest in the full UI Pipeline. However, it is undisputed that after expiration of CRPC’s franchise agreement in 2021, Antioch sued to contest CRPC’s ownership of the Antioch segment; filing its abandonment, trespass, ejectment, and declaratory relief cross-claims in the Phase II Pipeline Litigation. The cross-claims challenged CRPC’s ownership of the UI Pipeline, with Antioch claiming that ownership of the segment of the UI Pipeline located in Antioch vested in Antioch after termination of CRPC’s franchise agreement in 2021. The court granted Antioch leave to amend that claim through a second amended complaint that has not yet been presented to the court.

Because of the uncertainty created by the pending Phase II Pipeline Litigation, CRPC cannot clearly establish itself as “owning” the full UI Pipeline at

this time to qualify as a “gas corporation” to support a finding under Section 222. No party contests that ownership of the UI Pipeline segment within Antioch’s rights-of-way is disputed.

In addition, no party can accurately predict when the court(s) will decide Antioch’s Phase II cross-claims with finality. The Pipeline Litigation has been pending in the courts since CRPC filed its original December 27, 2021 Petition for Writ of Mandamus and Complaint. Phase I made its way through the California Court of Appeal, the California Supreme Court over a three-year period, and Phase II has now recommenced before the Superior Court more than four years later.

Until the uncertain ownership of the Antioch pipeline segment is resolved by the courts, it would be premature for the Commission to find at this time that CRPC (or its Successor Subsidiary) is the owner of the full UI Pipeline for purposes of Section 222. We are further wary of issuing a decision that may delay, conflict, or be inconsistent with an eventual property ownership determination that is within the province of the courts.

Here, CRPC established that it holds franchise rights to 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 for purposes of Section 222 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 under Section 222 (as a gas plant) at present. It may do so in the future, depending on the outcome of the pending parallel proceedings in Superior Court and the Cities.

Therefore, until undisputed rights of ownership, control, operation, or management of the full UI Pipeline are determined, the Application presents a hypothetical pipeline operation. As such, the Application is premature and unripe.

By finding this application is not ripe, this decision addresses the timing of Commission review. Nevertheless, it would be imprudent to continue to keep open this Commission proceeding indefinitely beyond the current April 3, 2026 statutory deadline, when it has already been pending for over 30 months.

A new application requesting designation as a gas corporation under Section 222 may be filed with the Commission by a proper party upon (1) confirmation of ownership rights to all segments of the full UI Pipeline with

certainty; or (2) an applicant acquiring present rights to “control, operate, or manage” all segments of the full pipeline.

#### **4.2.2. “Public Utility”**

CRPC seeks “public utility” status under Section 216(a)(1). Section 216(a) expressly requires CRPC to satisfy the Section 222 criteria for designation as a gas corporation. As discussed above, it is premature for us to determine CRPC’s ownership, control, operation, or managements of the full UI Pipeline (*i.e.*, gas plant), precluding its classification as a gas corporation under Section 222. Therefore, until showing it can satisfy Section 222, CRPC cannot establish itself as a public utility gas corporation that is capable of performing gas service or delivering gas service to “the public or any portion thereof” under Section 216(a)(1).

#### **4.2.3. 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.<sup>60</sup> 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.

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”

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<sup>60</sup> Application at 9.

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 at the time of our interim decision.

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.”<sup>61</sup> 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.<sup>62</sup>

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 conditional determination. Here, the record in the present proceeding establishes materially different and unique circumstances for the Applicant.

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<sup>61</sup> 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).

<sup>62</sup> 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-interim 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 and ongoing protests to CRPC's Application before this Commission. Consequently, unlike WesPac's construction CPCN application, for which no foreseeable opposition existed at the time of the interim decision, the instant Application remains highly contested at the Commission by the Cities of Antioch and Brentwood, and subject to the Phase II Pipeline Litigation currently in Superior Court.

The Application is also hypothetical. CRPC's ability to carry out what it proposes in its Application has been and remains lacking at present and is uncertain 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. The various pending administrative and judicial proceedings, may continue indefinitely.

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.<sup>63</sup> In

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<sup>63</sup> 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

*Footnote continued on next page.*

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 for public use.<sup>64</sup> That interim designation did not authorize, contemplate, or require WesPac to take present ownership and control of a pre-existing pipeline through eminent domain – and did not grant WesPac public utility status solely to bestow eminent domain powers to seize such necessary 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 at this time and under the present circumstances here would negate the requirement that CRPC establish its *present* ownership, control, operation, or management of the full UI Pipeline to qualify as a "gas corporation" under Pub. Util. Code sections 222 and a "public utility" under Pub. Util. Code section 216(a)(1). The record in this proceeding does not warrant granting CRPC's Application or request at this time.

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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.

<sup>64</sup> D.07-12-047 at 4, Conclusion of Law 2.

#### **4.3. CPCN to Operate the UI Pipeline**

CRPC's present request for a CPCN to operate the UI Pipeline is dismissed without prejudice.

##### **4.3.1. 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. Construction or extension are the express statutory purposes of a Commission gas pipeline CPCN.

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" in order to "begin . . . construction."<sup>65</sup> Moreover, the California Supreme Court established that Section 1001 only applies to public utilities.<sup>66</sup>

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<sup>65</sup> Pub. Util. Code Section 1002.5 also confirms the Commission is charged with addressing proposed gas pipeline *construction* CPCN's. Only upon making a finding that proposed gas pipeline *construction* projects are "in the state's best interest to [supply natural gas], the Commission shall expeditiously issue [CPCN's] for those *additional* natural gas pipeline capacity projects." Pub. Util. Code section 1002.5 (emphasis added). However, the UI Pipeline is already constructed and in existence. In its present circumstances, CRPC asks the Commission to grant a non-construction CPCN to empower the use of eminent domain to return the Antioch and Brentwood UI Pipeline segments to CRPC's ownership, control, operation, and management.

<sup>66</sup> 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).

As discussed above, it is premature to determine whether CRPC is a public utility under Section 216, because of the pending Phase II Litigation and local proceedings that may determine whether it may become a gas corporation under Section 222. The record establishes that CRPC cannot claim with certainty to become a public utility in the reasonably near future. As a result, CRPC does not currently qualify for a CPCN under Section 1001(a) for construction -- or any other purpose.

#### **4.3.2. 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 or non-operation of the full UI Pipeline. Because we have concluded above that it is premature to determine whether CRPC is a public utility gas corporation at this time, we do not address whether CRPC's proposed pipeline operation would satisfy the further considerations to obtain a CPCN under Section 1002(a).

#### **4.4. Conclusion**

CRPC's Application is premature and dismissed without prejudice as unripe. We cannot now determine whether CRPC is presently a public utility under Section 216, or a gas corporation under Section 222. CRPC therefore is ineligible for a CPCN under Section 1001(a) at this time.

This decision addresses the timing of Commission review. The risk of inconsistent decisions and principles of judicial economy compel us to avoid

deciding issues pending in other proceedings.<sup>67</sup> Here, we are not inclined to find whether or not CRPC or its Successor Subsidiary or the City of Antioch is the owner of the Antioch segment of the UI Pipeline while the court may address that issue in Phase II of the Pipeline Litigation. Instead, the risk of conflicting or inconsistent decisions between the Commission and the courts cautions us to await a final judicial determination upon which we may address the merits of issues raised by this Application. We also recognize that decisions on CRPC or Successor Subsidiary's franchise agreement proceedings in each City may perfect rights upon which findings under Section 222 might be made. Moreover, dismissal of this Application at this time will prevent confusion between this proceeding and the court's adjudication of the Phase II Pipeline Litigation by removing a potential conflict under the doctrine of "primary jurisdiction."<sup>68</sup> For this additional reason, dismissal of this Application is warranted.

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<sup>67</sup> See Section 4.1 above (Ripeness). See, e.g., D.24-01-037 at 7 ("It would be imprudent for the Commission to proceed with the instant proceeding . . . while C.17-09-023, addressing factual and legal issues that overlap with those raised by the present complaint . . . , is still actively being adjudicated. The risk of inconsistent outcomes is avoided, and the interests of judicial economy preserved, through awaiting the full and final outcome of C.17-09-023 prior to adjudicating . . . [the] present complaint . . . ."). See also D.24-01-037 at 5 and n. 2 (citing *Parklane Hosiery Co., Inc. v. Shore*, 439 U.S. 322 (1979)).

<sup>68</sup> CRPC informed the Commission that pendency of the instant proceeding would result in a delay in the court's proceedings, due to CRPC arguing the court should await a Commission decision on the Application under the doctrine of primary jurisdiction. See July 18, 2024 Reply of CRPC to the Cities' Response to the ALJ's First Ruling at 4 ("[A] delay in the Commission's determination would only cause further delay in the trial court proceedings based on the Doctrine of Primary Jurisdiction. That is, CRPC would argue that the merits of the cross-complaint cannot be fully adjudicated until the Commission first makes a determination on CRPC's application because status as a public utility would entitle it to maintain the pipeline within Antioch's public rights of way as a public utility either by virtue of Antioch City Code section 7-2.311 or through eminent

*Footnote continued on next page.*

This decision does not preclude a new application requesting designation as a public utility gas corporation under Sections 222 and 216 and for a CPCN under Section 1001 that may be filed with the Commission by a proper party upon (1) confirmation of ownership rights to all segments of the full UI Pipeline; or (2) an applicant acquiring present rights to “control, operate, or manage” all segments of the full UI Pipeline.

## **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.

During this proceeding two public comments appeared on the Docket Card for this proceeding. The first commenter 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. The second comment, submitted “[o]n behalf of the nearly half a million hardworking members of the State Building and Construction Trades Council of California,” supported local action through Antioch’s renewal of a franchise agreement application by

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domain, notwithstanding its lack of a franchise.”) (citation omitted; emphasis added). *See also* July 18, 2024 Reply of CRPC to the Cities’ Response to the ALJ’s First Ruling at 4 n. 2 (stating “The essence of the primary jurisdiction doctrine is this: If litigation presents issues that are not ‘within the conventional competence of the courts’ and ‘the judgment of a technically expert body’ would aid judicial decision making, then the court may refer those issues to that body.” (*Blue Cross of Cal., Inc. v. Superior Court* (2009) 180 Cal.App.4th 1237, 1260, citations omitted.)).

Successor Subsidiary to transport natural gas through the UI Pipeline for affordability and emission reduction purposes. No other public comments were received.

## **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. CRPC's Motion to Reopen the Record is denied.

### **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 abandoned and/or must abandon the UI Pipeline segment within Antioch, raising a dispute over ownership of that pipeline segment. 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. 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 again to April 3, 2026, based on the parties' reports regarding the status of the pending Pipeline Litigation and local proceedings. Now, over two-and-one-half years later, we have provided an adequate period of time for CRPC to establish the necessary ownership, control, operation, or management rights to the full UI Pipeline under Sections 216 and 222, identified as the threshold issue in the Scoping Memo.<sup>69</sup>

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 own, control, operate, or manage the UI Pipeline segments within either City's jurisdiction with finality by the extended statutory deadline or anytime into the reasonably foreseeable future.

As discussed above, this Application is unripe, warranting dismissal without prejudice, rather than holding it in abeyance indefinitely. Without the necessary clear ownership or legal rights to control, operate, or manage the full

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<sup>69</sup> 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.

UI Pipeline, as proposed in the Application, at present or in the reasonably foreseeable future, CRPC's Application presents a hypothetical pipeline operation.<sup>70</sup> After 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 dismissed without prejudice.

## 6.2. CRPC Motion to Amend

We deny CRPC's Motion to Amend the Application. That motion asserts that CRPC requests a purported "non-substantive" amendment to recognize the October 2024 transfer of ownership of the UI Pipeline to Successor Subsidiary.<sup>71</sup> 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 CRPC transferred its ownership interests in the UI Pipeline to Successor Subsidiary in October 2024. Those ownership interests dating back to the 2021 franchise termination were made uncertain by Antioch's cross-claims in the Phase II Pipeline Litigation. In

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<sup>70</sup> 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)).

<sup>71</sup> A proposed amendment presenting a *substantive* change to an application is prohibited after issuance of a scoping memo, pursuant to Rule 1.12.

addition, Successor Subsidiary filed a pending application to obtain a franchise agreement with Antioch. CRPC thereby confirms that Successor Subsidiary lacks present rights to operate that segment 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.<sup>72</sup>

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 to CRPC because it presently lacks undisputed ownership of and necessary rights to control, operate, or manage 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.

In addition, removal of CRPC as the applicant and substitution of a different entity as the sole applicant presents a substantive change to the Application after issuance of a scoping memo that is prohibited under Rule 1.12.

### **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

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<sup>72</sup> See CRPC October 10, 2025 Supplemental Response at 6.

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.

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. Motion to Reopen the Record**

CRPC filed a Motion to Reopen the Record on November 6, 2025. That motion seeks to set aside the proposed decision and have admitted into the record a single document that appears to be an unfiled, unsigned, undated item styled as a "Second Amended Cross-Complaint" in the Phase II Pipeline

Litigation, *California Resources Production Corporation v. City of Antioch, et al.*, Case No. N21-2354, pending in Superior Court. CRPC concedes that the document it offers is a “proposed” version of a second amended cross-complaint.<sup>73</sup>

Commission Rule 13.15(b) limits reopening of the record for a proceeding submitted for decision: “A motion to set aside submission for the taking of additional evidence . . . shall *specify the facts claimed to constitute grounds in justification thereof, including material changes of fact or of law alleged to have occurred since the conclusion of the hearing*. It shall contain a brief statement of proposed additional evidence, and explain why such evidence was not previously adduced.”(emphasis added).

CRPC offers that document to call out a single sentence contained in paragraph 24: “Either CRPC or [Successor Subsidiary] CRPC LLC owns and/or controls the Antioch Pipeline.”

The Motion to reopen the record to admit the document is for the purpose of adding into the record that statement for our consideration. Here, the statement does not present a change to a material fact or law to the existing record that was closed. The statement called out by CRPC is cumulative of evidence already in the record that we have considered and upon which we have already made Findings of Fact in the proposed decision and maintained in this decision. The Commission recognizes throughout this decision that (1) CRPC transferred its ownership interests in the UI Pipeline to its Successor Subsidiary, and (2) CRPC and Successor Subsidiary’s ownership interest within Antioch

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<sup>73</sup> CRPC Motion to Reopen the Record at 3.

exists (but is uncertain and contested as a result of the pending Phase II Pipeline Litigation). We reflected those facts in the proposed decision and below in Findings of Fact Nos. 8 and 12. The document proffered for the record – even if credited -- would merely serve as cumulative evidence to support those Findings of Fact already made herein. Therefore, the proposed evidence would not change a material fact or law.

In addition, Rule 13.15(b) allows a party to move the Commission to set aside submission of the record for the taking of additional evidence on the grounds that there have been material changes of fact or law “alleged to have occurred since the conclusion of a hearing.” Here, there is no material change of fact or law since the proceeding was submitted on October 10, 2025.<sup>74</sup> The proceeding record shows that CRPC transferred its ownership interests in the UI Pipeline to Successor Subsidiary in October 2024. Purported paragraph 24 above does not purport to present new information after October 10, 2025.

Further, CRPC’s suggestion that the statement in paragraph 24 of the proposed document should serve as a judicial admission by Antioch establishing ownership or control of the UI Pipeline segment under Section 222 by Applicant or Successor Subsidiary is unavailing. First, courts recognize that allegations in an unfiled pleading are not judicial admissions.<sup>75</sup> Here, the document is

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<sup>74</sup> CRPC states that the proposed document was not previously adduced because the City of Antioch provided a copy to CRPC on a date after the proceeding submission date of October 10, 2025, when CRPC and the Cities filed their updated supplemental responses to the ALJ’s ruling regarding the Pipeline Litigation and pending administrative proceedings.

<sup>75</sup> See, e.g., *Betts v. City National Bank*, 156 Cal.App.4th 222, 235-36 (2007) (party not bound by allegations in a “proposed petition” because that “proposed petition was not a filed pleading

*Footnote continued on next page.*

unsigned, bears no date, shows no indication that it was filed with a court, and is not verified or sponsored by any person with knowledge of its origin. The proposed document has not been filed with the court and was not established as authentic or reliable. Second, adoption of the statement as CRPC urges would require the Commission blindly to ignore the existence of the Phase II Pipeline Litigation where Antioch disputed ownership and seeks a determination that CRPC has abandoned or must abandon the Antioch pipeline segment. We cannot do so.

CRPC's motion does not satisfy the requirements of Rule 13.15(b). Accordingly, the Motion to Reopen is denied.

#### **6.5. 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

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constituting a complaint or an answer in this proceeding" but instead was merely a petition that party "*proposed to file*").

Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure.

Opening comments were filed on November 6, 2025 by CRPC (CRPC Opening Comments) and Indicated Shippers (Indicated Shippers Opening Comments). Reply comments were filed on November 12, 2025 by the Cities (Cities Reply Comments) and on November 12, 2025 by CRPC (CRPC Reply Comments). All comments were considered and result in revisions to the decision summarized below.

*First*, CRPC Comments state that the proposed decision errs by considering whether CRPC *presently* owns, controls, operates or manages all portions of the UI Pipeline – including that within the Cities' rights of way – to satisfy Section 222.<sup>76</sup>

The Cities Comments state that the proposed decision correctly interpreted Sections 216 and 222 to require CRPC to hold present rights to own, control, operate or manage all portions of the UI Pipeline.<sup>77</sup> The Cities Comments correctly state that “where – as here – there is no current ownership and/or operation of a utility and future ownership and/or operation is speculative, the Commission has declined to grant a CPCN.”<sup>78</sup>

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<sup>76</sup> See CRPC Opening Comments at 4-7.

<sup>77</sup> See Cities Reply Comments at 2-4 and n.2 (citing Commission decisions D.99-08-050 and D.07-12-047).

<sup>78</sup> Cities Reply Comments at 3 and n.4 (citing D.95-01-014, where Commission declined to grant CPCN and holding proceeding in abeyance where applicant did not own facility and it was unclear whether applicant would be able to purchase facility; decision subsequently vacated as moot following applicant's withdrawal of application).

*Second*, CRPC Comments state that (1) it *is* the *present owner* of the UI Pipeline within the Cities; and (2) that status as present owner satisfies the ownership criteria to be a gas corporation under Section 222.<sup>79</sup> CRPC cites as evidence (attached to its Motion to Reopen the Record, addressed above) that Antioch admitted in an unfiled, proposed Second Amended Complaint in the Phase II Pipeline Litigation that CRPC or its Successor Subsidiary “owns and/or controls” the Antioch segment of the pipeline.<sup>80</sup> Indicated Shippers Comments state similarly that CRPC qualifies as a gas corporation under Section 222 because it (or Successor Subsidiary) presently *owns* the full UI Pipeline, including within Antioch.<sup>81</sup> Indicated Shippers and CRPC Comments state that Section 222’s language provides that an entity that either “*owns*, controls, operates, or manages” a gas plant may be a gas corporation.<sup>82</sup>

Indicated Shippers Comments state that CRPC’s present ownership rights in the UI Pipeline trump its lack of franchise rights within Antioch and Brentwood.<sup>83</sup> Indicated Shippers also comment that the proposed decision errs by determining that CRPC cannot be a public utility because it cannot dedicate

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<sup>79</sup> See CRPC Opening Comments at 7-8.

<sup>80</sup> See CRPC Opening Comments at 8.

<sup>81</sup> See Indicated Shipper’s Opening Comments at 5. Indicated Shippers Opening Comments was filed on behalf of the natural gas non-core customer interests of the following companies in this proceeding: Chevron U.S.A. Inc., Marathon Petroleum Company LP, and PBF Holding Company. Indicated Shipper’s Opening Comments at 1 n.1.

<sup>82</sup> See Indicated Shipper’s Opening Comments at 4-5 (emphasis added); CRPC Reply Comments at 3-4.

<sup>83</sup> See Indicated Shipper’s Opening Comments at 8-9

the full UI Pipeline to public use.<sup>84</sup> Indicated Shippers relies on CRPC' status as owner of the UI Pipeline to comment that the company previously dedicated and – by defending that ownership (e.g., in Phase II of the Pipeline Litigation) – may presently dedicate the full UI Pipeline to public use.<sup>85</sup>

The Cities Comments state that the record shows that CRPC's "ownership of the portion of the Pipeline in Antioch is *disputed*, and its future ability to own, control, operate, or manage the Pipeline as a whole is entirely *speculative*."<sup>86</sup> The Cities also comment that "CRPC has not established that it owns the UI Pipeline. CRPC's current ownership of that portion of the UI Pipeline located in Antioch is hotly contested in the pending Pipeline Lawsuit in Contra Costa Superior Court."<sup>87</sup> They further comment that the record shows that "Antioch's claims for trespass and ejectment [in the Phase II Pipeline Litigation] are based in part on the fact that CPRC was required to abandon the portion of the Pipeline in Antioch when the City demanded that it do so – in November 2021 – at which time ownership of the abandoned portion would have vested in the City."<sup>88</sup> In addition, the Cities Comments state that CRPC represented in the record that it

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<sup>84</sup> See Indicated Shipper's Opening Comments at 8-9 and n. 36 (citing Proposed Decision at 20, Conclusion of Law 1).

<sup>85</sup> See Indicated Shipper's Opening Comments at 8-9 ("CRPC remains the *owner* of the UI Pipeline and is vigorously defending its *ownership*, not abandoning it; CRPC has expressly dedicated the pipeline to public use.") (citation omitted).

<sup>86</sup> Cities Reply Comments at 3 (emphasis added).

<sup>87</sup> Cities Reply Comments at 4.

<sup>88</sup> Cities Reply Comments at 4-5.

no longer owns the UI Pipeline, having transferred ownership to Successor Subsidiary in October 2024.<sup>89</sup>

In response to the Comments above, the Commission considered the parties' focus on the pending parallel proceeding in Superior Court that may determine ownership of the Antioch pipeline segment in the Phase II Pipeline Litigation with certainty and finality, as well as the pending local administrative proceedings that may result in franchise rights within Antioch and/or Brentwood. Those underlying rights and facts must be resolved through those proceedings in other *fora* so that the Commission may review the Application. As a result, consistent with Commission practice, the decision was modified from a disposition denying the Application on its merits due to the present circumstances, to a dismissal without prejudice as unripe.

More specifically, the decision was modified to reiterate and clarify that the Commission considers the present circumstances significant. The decision restates throughout that pending proceedings in other *fora* make a Commission decision premature under those present circumstances. The decision was revised to (1) clarify that CRPC/ Successor Subsidiary's "ownership" of the Antioch Pipeline segment is uncertain due to the pendency of Pipeline Litigation Phase II, as previously found in Finding of Fact 12; (2) remove as unnecessary a discussion regarding the merits of CRPC and Indicated Shippers' arguments regarding prior dedication of the UI Pipeline; and (3) explicitly state that upon resolution of the present uncertainty of ownership and/or other rights to the full UI Pipeline,

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<sup>89</sup> Cities Reply Comments at 5.

the proper party (*e.g.*, Successor Subsidiary) may file a new application with the Commission.

In sum, in response to the Comments above, the decision disposition was modified from a denial of the Application to a determination that the current circumstances makes it premature for the Commission to determine whether CRPC is a “public utility” or “gas corporation” under Pub. Util. Code sections 216(a)(1) and 222, warranting a dismissal without prejudice as unripe. Moreover, to avoid any prejudice, the decision was modified to explicitly state that a proper applicant may refile a new application.

*Third*, CRPC Comments state that the Commission’s interim decisions establishing public utility status in the *WesPac* and *Wickland* applications are equivalent to the final determination of public utility status sought by CRPC.<sup>90</sup>

The Cities Comments state that the proposed decision correctly recognized that Commission’s *WesPac* and *Wickland* decisions differ materially from CRPC’s circumstances because those parties were granted public utility status for (1) proposed new pipeline construction projects; (2) on an interim and conditional basis; and (3) where no parties contested that interim public utility designation.<sup>91</sup>

In response to Comments, the decision was revised to clarify the prior discussion addressing those issues.

*Fourth*, CRPC Comments state that the proposed decision denies CRPC due process by denying CRPC a meaningful opportunity to be heard in this

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<sup>90</sup> See CRPC Opening Comments at 8-11.

<sup>91</sup> See Cities Reply Comments at 3-4.

proceeding.<sup>92</sup> CRPC Comments also state that the Commission made findings of fact based on contested hearsay evidence, in contravention of the rule in *The Utility Reform Network v. Public Utilities Com.*, holding that “the Commission may not base a finding of fact solely upon hearsay evidence where the truth of the extra record statements is disputed.”<sup>93</sup> CRPC’s Comments do not specifically identify an offending Finding of Fact or any disputed hearsay evidence relied upon to make such a finding in the decision.

The Cities Comments state that the Commission did not deny CRPC due process or abuse its discretion through the proposed decision.<sup>94</sup> The Cities Comments state that (1) the proposed decision properly addresses the threshold issues in the Scoping Memo based on undisputed facts in the record – such as that ownership of the portion of the UI Pipeline in Antioch is disputed and, given the Pipeline Lawsuit, CRPC’s future ownership rights over that portion are speculative; (2) the proposed decision relies on facts to which all parties agree; (3) the Scoping Memo does not require further briefing or evidentiary hearings; and (4) CRPC had a meaningful opportunity to be heard and present evidence and argument related to the threshold issue decided.

In response to the Comments, the decision was revised to clarify that all parties presented extensive briefing, multiple undisputed status reports on local and judicial proceedings pursuant to ALJ requests – all filed pursuant to the

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<sup>92</sup> See CRPC Opening Comments at 11-12.

<sup>93</sup> *The Utility Reform Network v. Public Utilities Com.* (2014) 223 Cal.App.4th 945, 959 (emphasis added). See CRPC Opening Comments at 12 and n. 48.

<sup>94</sup> See Cities Reply Comments at 6.

duties of Rule 1 of the Commission Rules of Practice and Procedure. This decision presents a Commission determination of a legal question under the statutes it administers (Sections 216 and 222) based on *undisputed* facts in the record.

As discussed above, in response to Comments, the decision was also revised to dismiss the Application without prejudice as unripe rather than the prior denial of the Application in light of present circumstances (allowing for a new application upon changed circumstances) and more explicitly state that this decision addresses the timing of Commission review to avoid prematurely deciding ownership of the full UI Pipeline while the Superior Court may decide ownership of the Antioch segment in Phase II of the Pipeline Litigation.

Also in response to Comments, this decision was revised to clarify by explicitly instructing that it does not preclude a new application requesting designation as a public utility gas corporation under Sections 222 and 216 and for a CPCN under Sections 1001 and 1002 that may be filed with the Commission by a proper party upon (1) confirmation of ownership rights to all segments of the full UI Pipeline; or (2) an applicant acquiring present rights to “control, operate, or manage” all segments of the full UI Pipeline.

*Fifth*, CRPC Comments that the Commission should exercise its discretion to grant the company eminent domain authority “to preserve its present ownership, control and management of the UI Pipeline, which would resolve the [proposed decision’s] concerns about the status of certain segments of the UI

Pipeline.”<sup>95</sup> As its final appeal, CRPC Comments conclude that “it is entirely appropriate for the Commission to consider granting that relief to address a parochial political [sic] decision that has a significant economic and environmental impact beyond the borders of the City of Antioch (or Brentwood, were it to act).”<sup>96</sup>

Indicated Shippers Comments state that the decision disregards CRPC’s existing ownership rights (addressed in comments above) and “ignores the fact that if granted a CPCN, CRPC would have the legal authority to operate and maintain the pipeline and secure necessary rights-of-way through eminent domain.”<sup>97</sup>

The Cities’ Comments state that CRPC and Indicated Shippers cannot rely on a potential eminent domain action to satisfy the statutory requirements for public utility status: “CRPC and Indicated Shippers argue – in circular fashion – that *if* CRPC is granted public utility status, *if* it institutes an eminent domain action, and *if* it is successful in that action and condemns the Cities’ property, then it would meet the criteria for public utility status.”<sup>98</sup> The Cities Comments state that CRPC has no precedent supporting the use of prospective eminent domain authority to circumvent statutory requirements for public utility status and that this theory would allow any party to satisfy the criteria to become a public utility simply by declaring an intent to seize public assets through

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<sup>95</sup> CRPC Opening Comments at 13. *See also*, CRPC Reply Comments at 1-3.

<sup>96</sup> CRPC Opening Comments at 13.

<sup>97</sup> Indicated Shipper’s Opening Comments at 11

<sup>98</sup> Cities Reply Comments at 5-6.

eminent domain.<sup>99</sup> In addition, the Cities' Comments state that the Commission should not elevate future eminent domain rights where the record does not support a finding of public utility status in a highly contested proceeding.<sup>100</sup>

In response to Comments, the decision was revised to clarify that under the circumstances reported by the parties, the uncertainty regarding CRPC's alleged ownership of the pipeline segment within Antioch should first be addressed to final decision by the court(s) in the Phase II Pipeline Litigation. A party having certain ownership of the full UI Pipeline may then apply for status as a public utility gas corporation under Sections 216 and 222. Such a party may seek a Commission CPCN.

*Sixth*, CRPC and Indicated Shippers Comments state that the proposed decision errs by failing to address policy issues related to gas transport through the UI Pipeline.<sup>101</sup> Indicated Shippers Comments state specifically that the Commission is required to grant CRPC a CPCN to *operate* the UI Pipeline under Section 1002.5.<sup>102</sup>

That section addresses proposed gas pipeline *construction* CPCN's by requiring the Commission to "consider the state's need to provide sufficient and competitively priced natural gas supplies for both present and anticipated future residential, industrial, commercial, and utility demand."<sup>103</sup> Only upon making a

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<sup>99</sup> See Cities Reply Comments at 6.

<sup>100</sup> See Cities Reply Comments at 6.

<sup>101</sup> See CRPC Reply Comments at 4-5; Indicated Shippers' Opening Comments at 11-14.

<sup>102</sup> See Indicated Shipper's Opening Comments at 11-13.

<sup>103</sup> Pub. Util. Code Section 1002.5 (emphasis added).

finding that proposed gas pipeline construction projects are “in the state’s best interest to do so, the Commission shall expeditiously issue [CPCN’s] for those additional natural gas pipeline capacity projects.”<sup>104</sup> Although acknowledging the UI Pipeline is already constructed and in existence, Indicated Shippers Comments state that the dormant pipeline is “analogous to new construction, given that CRPC will require the power of eminent domain to return the gas plant to service.”<sup>105</sup>

The Cities’ Comments state that “[CRPC and/or Indicated Shippers’] Comments’ claim that the decision would have adverse policy implications is unsupported by the record and relies on unproven and contested factual assertions beyond the threshold issues. By contrast, bestowing public utility status on a private company to permit it to continue its prior operations in the Cities against their will would set an improper precedent.”<sup>106</sup>

The decision was not revised in response to those Comments. CRPC and Indicated Shippers comments propose policy considerations and a statutory finding under Section 1002.5 that go beyond the scope of the threshold legal question addressed in this decision. Moreover, the required factual finding under Section 1002.5 cannot be made based on potentially disputed facts and upon the record that has not been sufficiently developed on the issue by the parties to this proceeding.

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<sup>104</sup> Pub. Util. Code Section 1002.5.

<sup>105</sup> See Indicated Shipper’s Opening Comments at 13.

<sup>106</sup> Cities Reply Comments at 5 n.18.

*Seventh*, a second public comment appeared on the Commission Public Comment tab of the online Docket Card, dated November 13, 2025. In response to the second public comment, the decision was revised to summarize the new public comment received.

*Eighth*, the decision was revised to reflect that (1) on October 30, 2025, the Commission issued D.25-10-050 and extended the statutory deadline in this proceeding to April 3, 2026; (2) on November 6, 2025, CRPC filed a Motion to Reopen the Record; and (3) on November 21, 2025 Indicated Shippers and the Cities filed their respective responses to CRPC's Motion to Reopen the Record.

*Ninth*, in response to Comments, the decision Findings of Fact 9, 10, 11, 13, 14; Conclusions of Law 1, 2, 3, 6, 9, 11; and, Order Paragraphs 1, 4, 8 were revised consistent with the clarifications and modifications summarized above.

## **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 control, operate, or manage the UI Pipeline segment within the City of Antioch.

10. CRPC and Successor Subsidiary lack necessary legal rights to control, operate, or manage 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 control, operate, or manage 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 control, operate, or manage 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 own, control, operate, or manage 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. It is premature to determine whether CRPC satisfies the statutory criteria under Public Utilities Code Section 216 to be designated as a "public utility."

2. It is premature to determine whether CRPC satisfies the statutory criteria under Public Utilities Code Section 222 to be designated as a "gas corporation."

3. It is premature to determine whether CRPC satisfies the statutory criteria under Public Utilities Code Section 1001(a) to 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 Motion to Reopen the Record should be denied.

7. 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.

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

9. Application 23-07-008 should be dismissed without prejudice as unripe.

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

11. A new application requesting designation as a public utility gas corporation under Sections 222 and 216 and for a CPCN under Sections 1001 and 1002 should be allowed to be filed with the Commission by a proper party upon (1) confirmation of ownership rights to all segments of the full UI Pipeline; or (2) an applicant acquiring present rights to "control, operate, or manage" all segments of the full UI Pipeline.

## **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 dismissed without prejudice as unripe.
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 Motion to Reopen the Record is denied.

5. 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.

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

7. Application 23-07-008 is closed.

8. A new application requesting designation as a public utility gas corporation under Sections 222 and 216 and for a CPCN under Sections 1001 and 1002 may be filed with the Commission by a proper party upon (1) confirmation of ownership rights to all segments of the full UI Pipeline; or (2) an applicant acquiring present rights to "control, operate, or manage" all segments of the full UI Pipeline.

This order is effective today.

Dated February \_\_, 2026 at San Francisco, California