

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



January 10, 2005

Advice Letter 2594-E

Rose de la Torre
Pacific Gas & Electric
77 Beale Street, Room 1088
Mail Code B10C
San Francisco, CA 94105

Subject: Notification of executed easement agreement with the City of Santa Maria

Dear Ms de la Torre:

Advice Letter 2594-E is effective January 10, 2005. A copy of the advice letter is returned herewith for your records.

Sincerely,

A handwritten signature in cursive script that reads "Paul Clanon".

Paul Clanon, Director
Energy Division



Brian K. Cherry
Director
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

Mailing Address
Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

415.973.4977
Internal: 223.4977
Fax: 415.973.7226
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Internet: BKC7@pge.com

November 30, 2004

Advice 2594-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Notification of Executed Easement Agreement between
Pacific Gas and Electric Company and the City of Santa Maria**

Purpose

In accordance with Ordering Paragraph 4 of Decision (D.) 04-10-026, dated October 28, 2004, Pacific Gas and Electric Company (PG&E) hereby submits a copy of the final executed easement agreement between PG&E and the City of Santa Maria ("Santa Maria") authorizing PG&E under Public Utilities Code Section 851¹ to grant a non-exclusive easement to Santa Maria for construction, public access and maintenance of a multi-purpose trail over PG&E fee property.

Background

Pursuant to Public Utilities Code Section 851, PG&E filed A. 04-08-010 on August 10, 2004, and requested Commission approval to grant an easement over PG&E fee property to the City of Santa Maria for the construction, public access and maintenance of a multi-use trail along the right-of-way of the Santa Maria Valley Railroad. A concurrent motion for an expedited procedural schedule filed by PG&E was also granted. This proceeding was closed October 28, 2004. The final easement agreement between PG&E and Santa Maria was executed November 1, 2004.

Decision 04-10-026 included an order to submit a final agreement to the Commission upon execution of the document and within 30 days of the order. Ordering Paragraph 4 states:

"Within 30 days of issuing the grant, PG&E shall file an advice letter with the Commission noticing the completed transfer. "

¹ Unless otherwise noted, all statutory references are to the Public Utilities Code.

This filing will not increase any rate or charge, cause the withdrawal of service, nor conflict with any rate schedule or rule.

Effective Date

PG&E requests that this advice filing become effective on regular notice, **January 10, 2005**, which is 41 days after the date of filing.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for A. 01-12-033 and A. 01-03-006. The attached agreement was not mailed to parties on the electronic service list; however, copies are available upon request. Address changes should be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at:

<http://www.pge.com/tariffs/>

Brian K. Cherry / AWS

Director - Regulatory Relations

Attachment

cc: Service List – A. 04-08-010

LD 3410-34-1039
City of Santa Maria Multi-Purpose Trail Easement

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
4325 So. Higuera
San Luis Obispo, CA 93401
Attention: Land Agent

Location: City/Uninc _____
Recording Fee \$0.00 (Government Code Section 27383)
Document Transfer Tax \$0.00 (Revenue and Taxation Code Section 11922)

Signature of declarant or agent determining tax

(A portion of APN 111-510-066)

**EASEMENT AGREEMENT
(Multi-Purpose Trail)**

This Easement Agreement ("Agreement") is made and entered into this / day of NOV., 2004 (the "Effective Date") by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called "PG&E", and the CITY OF SANTA MARIA, a public body of the State of California, hereinafter called "Grantee."

RECITALS

A. PG&E owns certain real property within the City of Santa Maria, County of Santa Barbara, State of California, commonly known as the Fairway Fee Strip, (Assessor's Parcel Number 111-510-066) and more particularly described in **Exhibit A**, attached hereto and made a part hereof (hereinafter, the "**Property**").

B. Grantee is pursuing a project to establish a citywide system of bicycle paths and multi-purpose trails for public use, and in connection therewith, Grantee has requested that PG&E grant a non-exclusive easement for the installation, construction, reconstruction, resurfacing, replacement, repair, maintenance and use of a paved multi-purpose trail traversing the Property.

C. PG&E is willing to grant such easement on the terms and subject to the conditions set forth herein.

Now, therefore, in consideration of Grantee's agreement to pay the sum of One Thousand Dollars (\$1,000), and for other good and valuable consideration, PG&E and Grantee agree as follows:

1. Grant of Easement(s): PG&E hereby grants to Grantee, upon the terms and conditions set forth in this Agreement, the following easement:

A non-exclusive easement of variable width, with a paved area not exceeding ten (10) feet in width, to install, construct, reconstruct, resurface, replace, repair, maintain and use a paved multi-purpose trail, for use by pedestrians and bicycles and other non-motorized vehicles, within the portion of the Property, as depicted in Exhibit "B" attached hereto and made a part hereof (the "Easement Area").

2. Limitations on Use.

(a) The Easement Area, and any facilities permitted to be constructed thereon, are to be used by Grantee only for those uses permitted in Section 1 above, and for no other purpose.

(b) PG&E reserves the right to restrict access to the Easement Area or any portion or portions thereof in the event of fire, earthquake, storm, riot, civil disturbance, or other casualty or emergency, or in connection with PG&E's response thereto, or if emergency repairs or maintenance are required to PG&E facilities within or in the vicinity of the Easement Area, or otherwise when PG&E deems it advisable to do so, including in connection with events and emergencies occurring or affecting PG&E's business operations located elsewhere than in the immediate vicinity of the Property.

(c) Grantee shall not erect or construct any building or other structure, or drill or operate any well within the Easement Area.

3. Condition of Easement Area. Grantee accepts the Easement Area in its existing physical condition, without warranty by PG&E or any duty or obligation on the part of PG&E to maintain the Easement Area. Grantee acknowledges that one or more of the following (collectively, "Potential Environmental Hazards") may be located in, on or underlying the Property and/or the Easement Area:

(a) electric fields, magnetic fields, electromagnetic fields, electromagnetic radiation, power frequency fields, and extremely low frequency fields, however designated, and whether emitted by electric transmission lines, other distribution equipment or otherwise ("EMFs");

(b) Hazardous Substances (as hereinafter defined). For purposes hereof, the term "Hazardous Substances" means any hazardous or toxic material or waste which is or becomes regulated by Legal Requirements (as hereinafter defined) relating to the protection of human health or safety, or regulating or relating to industrial hygiene or environmental conditions, or the protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, including, but not limited to, laws, requirements and regulations pertaining to reporting, licensing, permitting, investigating and remediating emissions, discharges, releases or

threatened releases of such substances into the air, surface water, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of such substances. Without limiting the generality of the foregoing, the term Hazardous Substances includes any material or substance:

(1) now or hereafter defined as a "hazardous substance," "hazardous waste," "hazardous material," "extremely hazardous waste," "restricted hazardous waste" or "toxic substance" or words of similar import under any applicable local, state or federal law or under the regulations adopted or promulgated pursuant thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§6901 et seq.; the Clean Air Act, 42 U.S.C. §§7401 et seq.; the Clean Water Act, 33 U.S.C. §§1251 et seq.; the Toxic Substance Control Act, 15 U.S.C. §§2601 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §§136 et seq.; the Atomic Energy Act of 1954, 42 U.S.C. §§2014 et seq.; the Nuclear Waste Policy Act of 1982, 42 U.S.C. §§10101 et seq.; the California Hazardous Waste Control Law, Cal. Health and Safety Code §§25100 et seq.; the Porter-Cologne Water Quality Control Act, Cal. Water Code §§13000 et seq.; the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health and Safety Code §§25300 et seq.); and the Medical Waste Management Act (Health and Safety Code §§25015 et seq.); or

(2) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, and is now or hereafter regulated as a Hazardous Substance by the United States, the State of California, any local governmental authority or any political subdivision thereof, or which cause, or are listed by the State of California as being known to the State of California to cause, cancer or reproductive toxicity; or

(3) the presence of which on the Property poses or threatens to pose a hazard to the health or safety of persons on or about the Property or to the environment; or

(4) which contains gasoline, diesel fuel or other petroleum hydrocarbons; or

(5) which contains lead-based paint or other lead contamination, polychlorinated biphenyls ("PCBs") or asbestos or asbestos-containing materials or urea formaldehyde foam insulation; or

(6) which contains radon gas;

(c) fuel or chemical storage tanks, energized electrical conductors or equipment, or natural gas transmission or distribution pipelines; and

(d) other potentially hazardous substances, materials, products or conditions.

Grantee shall be solely responsible for the health and safety of, and shall take all necessary precautions to protect, its employees, contractors, consultants, agents and invitees, including, without limitation, the general public ("**Grantee's Representatives**") from risks of harm from Potential Environmental Hazards. Grantee acknowledges that it has previously evaluated the condition of the Easement Area and all matters affecting the suitability of the Easement Area for

the uses permitted by this Agreement, including, but not limited to, the Potential Environmental Hazards listed herein.

4. Grantee's Covenants. Grantee hereby covenants and agrees:

(a) Construction of Improvements. Grantee agrees to construct and install, at no cost to PG&E, such facilities and improvements ("**Improvements**") as may be necessary and appropriate for Grantee's permitted use, as specified in Section 1. All such construction shall be performed in accordance with detailed plans and specifications ("**Plans**") previously approved by PG&E, and shall comply with all Legal Requirements. Before commencing construction of any Improvements, Grantee shall obtain all permits, authorizations or other approvals, at Grantee's sole cost and expense as may be necessary for such construction. Without limiting the generality of the foregoing, Grantee shall be responsible for complying with the requirements of the California Environmental Quality Act ("**CEQA**") and satisfying, at Grantee's sole expense, any and all mitigation measures under CEQA that may apply to Grantee's proposed occupancy and use of the Easement Area, and to the construction, maintenance and use of Grantee's proposed Improvements and facilities. Grantee shall promptly notify PG&E of any and all proposed mitigation measures that may affect PG&E or the Property. If PG&E determines in good faith that any such mitigation measures may adversely affect PG&E or the Property, or impose limitations on PG&E's ability to use the Property as specified in Section 8, then PG&E shall have the right, without liability to Grantee, to give notice of termination of this Agreement to Grantee, whereupon this Agreement and the rights granted to Grantee shall terminate and revert in Grantor, unless within ten (10) days following delivery of such notice, Grantee gives notice to Grantor by which Grantee agrees to modify its proposed Project (as that term is defined under CEQA) so as to eliminate the necessity for such mitigation measures. In the event of such termination, PG&E and Grantee shall each be released from all obligations under this Agreement, except those which expressly survive termination. Grantee acknowledges and agrees that PG&E's review of Grantee's Plans is solely for the purpose of protecting PG&E's interests, and shall not be deemed to create any liability of any kind on the part of PG&E, or to constitute a representation on the part of PG&E or any person consulted by PG&E in connection with such review that the Plans or the Improvements contemplated by such Plans are adequate or appropriate for any purpose, or comply with applicable Legal Requirements. Grantee shall not commence construction or installation of any Improvements without the prior written consent of PG&E, which consent shall not be unreasonably withheld, conditioned or delayed, and the prior consent, to the extent required by applicable law or regulation, of the California Public Utilities Commission (hereinafter, "**CPUC**");

(b) Compliance with Laws. Grantee shall, at its sole cost and expense, promptly comply with (a) all laws, statutes, ordinances, rules, regulations, requirements or orders of municipal, state, and federal authorities now in force or that may later be in force, including, but not limited to, those relating to the generation, use, storage, handling, treatment, transportation or disposal of Hazardous Substances, as defined herein, or to health, safety, noise, environmental protection, air quality or water quality; (b) the conditions of any permit, occupancy certificate, license or other approval issued by public officers relating to Grantee's use or occupancy of the Easement Area; and (c) with any liens, encumbrances, easements, covenants, conditions, restrictions and servitudes (if any) of record, or of which Grantee has notice, which may be applicable to the Easement Area (collectively, "**Legal Requirements**"), regardless of when they become effective, insofar as they relate to the use or occupancy of the Easement Area by Grantee.

Grantee shall furnish satisfactory evidence of such compliance upon request by PG&E. The judgment of any court of competent jurisdiction, or the admission of Grantee in any action or proceeding against Grantee, whether or not PG&E is a party in such action or proceeding, that Grantee has violated any Legal Requirement relating to the use or occupancy of the Easement Area, shall be conclusive of that fact as between PG&E and Grantee;

(c) Notice of Enforcement Proceedings. Grantee agrees to notify PG&E in writing within three (3) business days of any investigation, order or enforcement proceeding which in any way relates to the Property, or to any contamination or suspected contamination on, within or underlying the Property. Such notice shall include a complete copy of any order, complaint, agreement, or other document which may have been issued, executed or proposed, whether draft or final;

(d) Non-Interference. Grantee agrees not to interfere in any way or permit any interference with the use of the Property by PG&E and other entitled persons. Interference shall include, but not be limited to, any activity by Grantee that places any of PG&E's gas or electric facilities in violation of any of the provisions of General Order Nos. 95 (Overhead Electric), 112 (Gas), and 128 (Underground Electric) of the CPUC or to any other Legal Requirements under which the operations of utility facilities are controlled or regulated. Grantee shall not erect, handle, or operate any tools, machinery, apparatus, equipment, or materials closer to any of PG&E's high-voltage electric conductors than the minimum clearances set forth in the High-Voltage Electrical Safety Orders of the California Division of Industrial Safety; which minimum clearances are incorporated herein by reference; but in no event closer than thirteen (13) feet to any energized electric conductors or appliances. Grantee shall not drill, bore, or excavate within thirty (30) feet of any of PG&E's underground facilities, including, but not limited to, gas pipelines, valves, regulators or electric conduits. Grantee shall provide notice to Underground Service Alert at 1-800-227-2600 at least two (2) business days prior to commencing any drilling, boring or excavating permitted hereunder to assist Grantee with locating any and all underground facilities, including, but not limited to, gas pipelines, valves, regulators or electric conduits;

(e) Avoiding Dangerous Activities. Grantee agrees to conduct its activities and operations within and on the Easement Area in such a manner so as not to endanger the Property, PG&E's utility facilities, the environment and human health and safety. Grantee shall not cause or permit any Hazardous Substances, as defined herein, to be brought upon, produced, stored, used, discharged or disposed of on, or in the vicinity of the Property, except in compliance with all applicable Legal Requirements. Grantee shall be responsible for the cost of remediating any discharge or release of Hazardous Substances resulting from or arising in connection with Grantee's use of the Property, and shall immediately notify PG&E and the appropriate regulatory authorities where required by law, of any such release. If PG&E determines that Grantee's activities in any way endanger the Property, PG&E's utility facilities, the environment, or human health and safety, PG&E may, in PG&E's sole and absolute discretion, require that Grantee halt such activities until appropriate protective measures are taken to PG&E's satisfaction. Grantee shall hold PG&E harmless from any claims resulting from any delay under this paragraph. PG&E's right to halt activities under this paragraph shall not in any way affect or alter Grantee's insurance or indemnity obligations under this Agreement, nor shall it relieve Grantee from any of its obligations hereunder that pertain to health, safety, or the protection of the environment;

(f) Maintenance. Grantee agrees to maintain its facilities and Improvements in good condition and repair, and be responsible for the security of, the facilities installed hereunder, and to promptly remove any refuse, garbage or other debris;

(g) Repairing Damage. Grantee agrees to repair any damage it may cause to PG&E's facilities and improvements in or around said Easement Area;

(h) Coordination. Grantee agrees to coordinate all activities regarding the easements granted herein to reasonably minimize any interference with the use by PG&E of the Easement Area and PG&E's adjoining lands. Grantee further agrees not to block PG&E's access to PG&E's facilities;

(i) Grounding. Grantee agrees to ground all fences and gates according to PG&E's standardized grounding procedures within the Easement Area and near PG&E's overhead transmission lines; and,

(j) PG&E's Right to Cure. Grantee agrees that if Grantee fails to perform any act or other obligation on its part to be performed hereunder, and such failure is not remedied within fifteen (15) days following notice from PG&E (or in the case of an emergency, following such notice, if any, as may be reasonably practicable under the existing circumstances), PG&E may (but without obligation to do so, and without waiving or releasing Grantee from any of its obligations) perform any such act or satisfy such obligation, or otherwise remedy such emergency or such failure on the part of Grantee. All costs incurred by PG&E in responding to or remedying such failure by Grantee shall be payable by Grantee to PG&E on demand.

5. Indemnification; Release.

(a) Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold harmless PG&E, its parent corporation, subsidiaries and affiliates, and their respective officers, managers, directors, representatives, agents, employees, transferees, successors and assigns (each, an "Indemnitee" and collectively, "Indemnitees") from and against all claims, losses (including, but not limited to, diminution in value), actions, demands, damages, costs, expenses (including, but not limited to, experts fees and reasonable attorneys' fees and costs) and liabilities of whatever kind or nature (collectively, "Claims"), which arise from or are in any way connected with the occupancy or use of the Easement Area by Grantee or Grantee's Representatives, or the exercise by Grantee of its rights hereunder, or the performance of, or failure to perform, Grantee's duties under this Agreement, including, but not limited to, Claims arising out of: (1) injury to or death of persons, including but not limited to employees of Grantee (and including, but not limited to, injury due to exposure to EMFs and other Potential Environmental Hazards in, on or about the Property); (2) injury to property or other interest of PG&E, Grantee or any third party and (3) violation of any applicable federal, state, or local laws, statutes, regulations, or ordinances, including all Legal Requirements relating to human health or the environment, and including any liability which may be imposed by law or regulation without regard to fault; excepting only with respect to any Indemnitee, to the extent of any Claim arising from the sole negligence or willful misconduct of such Indemnitee. Without limiting the generality of the foregoing, Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold Indemnitees harmless from and against Claims arising out of or in connection with any work

of improvement constructed or installed at or on, labor performed on, or materials delivered to, or incorporated in any improvements constructed on, the Easement Area by, or at the request or for the benefit of, Grantee. In the event any action or proceeding is brought against any Indemnitee for any Claim against which Grantee is obligated to indemnify or provide a defense hereunder, Grantee upon written notice from PG&E shall defend such action or proceeding at Grantee's sole expense by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Grantee agrees that Grantee is liable for all Claims arising out of or in any way connected with releases or discharges of any Hazardous Substance, or the exacerbation of a Potential Environmental Hazard, occurring solely as a result of Grantee's use or occupancy of the Easement Area or the surrounding Property, or any of the activities of Grantee and Grantee's Representatives, and shall pay all costs, expenses and liabilities for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remediation and other response costs, including reasonable attorneys' fees and disbursements and any fines and penalties imposed for the violation of Legal Requirements relating to the environment or human health.

(c) Grantee's use of the Property shall be at its sole risk and expense. Grantee accepts all risk relating to its occupancy and use of the Easement Area. PG&E shall not be liable to Grantee for, and Grantee hereby waives and releases PG&E and the other Indemnitees from, any and all liability, whether in contract, tort or on any other basis, for any injury, damage, or loss resulting from or attributable to any occurrence on or about the Easement Area, the condition of Easement Area, or the use or occupancy of the Easement Area.

(d) Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold Indemnitees harmless against claims, losses, costs (including, but not limited to, attorneys' fees and costs), liabilities and damages resulting from the failure of Grantee, or any of its contractors or subcontractors, to comply with the insurance requirements set forth in **Exhibit C**, attached hereto and made a part hereof.

(e) If any court with jurisdiction determines that Grantee has breached any material term of this Agreement, including without limitation, the obligations set forth in this Section 5, this Easement shall terminate, and the estate and interest herein granted to Grantee shall revert to and revest in PG&E.

(f) The provisions of this Section 5 shall survive the termination of this Agreement with respect to incidents, occurrences, Claims, injuries and losses that take place during the time this Agreement is in effect.

6. Additional Facilities. Grantee shall not install any additional facilities or improvements in, on, under or over the Easement Area without the prior written consent of PG&E, which consent may be granted or withheld in PG&E's sole and absolute discretion, and the prior consent, to the extent required by applicable law or regulation, of the CPUC. Grantee shall submit plans for installation of any proposed additional facilities within the Easement Area to PG&E for its written approval at the address specified in Section 13.

7. Abandonment, Termination: In the event Grantee abandons the facilities installed hereunder, this Agreement shall terminate and all of the easements and other rights of Grantee hereunder shall revert to PG&E. The non-use of such facilities for a continuous period of two (2) years, unless such nonuse is due to factors outside Grantee's reasonable control, in which case such period is extended to four (4) years, shall be conclusive evidence of such abandonment. Upon any termination of this Easement, Grantee shall remove, at no cost to PG&E, such of Grantee's facilities and equipment installed pursuant to this Agreement as PG&E may specify. Upon any termination of this Easement, Grantee shall execute, acknowledge and deliver to PG&E a quitclaim deed or such other documents or instruments, in a form reasonably acceptable to PG&E, as may be reasonably necessary to eliminate this Agreement as an encumbrance on the title to the Easement Area or any larger parcel of property containing the Easement Area.

8. Reserved Rights. Subject to the provisions of Section 10 below, PG&E reserves the right to use the Easement Area for any and all purposes which will not unreasonably interfere with Grantee's facilities. Without limiting the generality of the foregoing:

(a) PG&E reserves the right to make use the Easement Area for such purposes as it may deem necessary or appropriate if, and whenever, in the interest of its service to its patrons or consumers or the public, it shall appear necessary or desirable to do so.

(b) Grantee acknowledges that PG&E may have previously granted, and may in the future grant, certain rights in and across the Easement Area to others, and the use of the word "grant" in this Agreement shall not be construed as a warranty or covenant by PG&E that there are no such other rights.

(c) Grantee shall not make use of the Easement Area in any way which will endanger human health or the environment, create a nuisance or otherwise be incompatible with the use of the Easement Area, the Property, or PG&E's adjacent property, by PG&E or others entitled to use such property.

(d) This grant is made subject to all applicable provisions of General Order No. 95 (Overhead Electric), General Order 112 (Gas) and General Order No. 128 (Underground Electric) of the CPUC, in like manner as though said provisions were set forth herein.

9. Governmental Approvals. This Agreement shall not become effective, notwithstanding that it may have been executed and delivered by the parties, and Grantee shall not commence construction or other activities hereunder, unless and until the CPUC approves this Agreement and the easements granted and other transactions contemplated hereby (including the adequacy of the compensation to be paid by Grantee), by an order which is final, unconditional and unappealable (including exhaustion of all administrative appeals or remedies before the CPUC). Grantee further acknowledges and agrees that PG&E makes no representation or warranty regarding the prospects for CPUC approval, and Grantee hereby waives all Claims against PG&E which may arise out of the need for such CPUC approval or the failure of the CPUC to grant such approval. This Agreement is made subject to all the provisions of such approval, as more particularly set forth in CPUC Decision D-⁰⁴⁻¹⁰⁻⁰²⁶~~insert decision number~~ (Application No. ~~Insert~~ ⁰⁴⁻⁰⁸⁻⁰¹⁰~~application number~~), in like manner as though said provisions were set forth in full herein.

10. Relocation. Subject to the provisions of this Section 10, the rights granted to Grantee herein shall forever be subordinate to PG&E's right to replace, reconstruct, relocate, operate and maintain PG&E's existing transmission lines which traverse the Easement Area and PG&E's adjacent lands. If PG&E's use of its reserved rights described above necessitates the relocation of any of Grantee's facilities, Grantee shall, at its own cost and expense, relocate such facilities to an alternate location mutually agreed upon between PG&E and Grantee, provided Grantee is given at least twenty (20) days prior written notice of such required relocation. Any such relocation of Grantee's facilities shall be coordinated and scheduled between PG&E and Grantee so as to minimize, to the extent practicable, any interference with Grantee's use and operation of its facilities resulting from such relocation. If no alternate location is available on the Property, this Agreement shall terminate.

11. Compliance; Insurance. PG&E shall have a right to access and inspect the Easement Area at any time to confirm Grantee's compliance with Legal Requirements and the provisions of this Agreement. Prior to the Effective Date of this Agreement, Grantee shall procure, and thereafter Grantee shall carry and maintain in effect at all times during the term of the Agreement, the insurance specified in Exhibit C, attached hereto and made a part hereof by this reference, provided that PG&E reserves the right to review and modify from time to time the coverages and limits of coverage required hereunder, as well as the deductibles and/or self-insurance retentions in effect from time to time (but PG&E agrees that it will not increase required coverage limits more often than once in any five-year period). All insurance required under this Agreement shall be effected under valid, enforceable policies issued by insurers of recognized responsibility, as reasonably determined by PG&E, and shall be written on forms and with insurance carriers acceptable to PG&E. Grantee is also responsible for causing its agents, contractors and subcontractors to comply with the insurance requirements of this Agreement at all relevant times (provided, however, that Grantee, in the exercise of its reasonable judgment, may permit contractors and subcontractors to maintain coverages and limits lower than those required of Grantee, provided the coverages and limits required by Grantee are commercially reasonable in light of applicable circumstances). Any policy of liability insurance required to be maintained hereunder by Grantee may be maintained under a so-called "blanket policy" insuring other locations and/or other persons, so long as PG&E is specifically named as an additional insured under such policy and the coverages and amounts of insurance required to be provided hereunder are not thereby impaired or diminished. In addition, liability insurance coverages may be provided under single policies for the full limits, or by a combination of underlying policies with the balance provided by excess or umbrella liability insurance policies.

12. Mechanics' Liens. Grantee shall keep the Property free and clear of all mechanics', material suppliers' or similar liens, or claims thereof, arising or alleged to arise in connection with any work performed, labor or materials supplied or delivered, or similar activities performed by Grantee or at its request or for its benefit. If any mechanics' liens are placed on the Property in connection with the activities or facilities set forth in this Agreement, Grantee shall promptly cause such liens to be released and removed from title, either by payment or by recording a lien release bond in the manner specified in California Civil Code Section 3143 or any successor statute.

13. Notice. Any notices or communications hereunder shall be in writing and shall be personally delivered or sent by first class mail, certified or registered, postage prepaid, or sent by national overnight courier, with charges prepaid for next business day delivery, addressed to the

addressee party at its address or addresses listed below, or to such other address or addresses for a party as such party may from time to time designate by notice given to the other party. Notices shall be deemed received upon actual receipt by the party being sent the notice, or on the following business day if sent by overnight courier, or on the expiration of three (3) business days after the date of mailing.

If to PG&E:

Pacific Gas and Electric Company
Attention: Land Agent
4325 So. Higuera
San Luis Obispo, CA 93401

With a copy to:

Pacific Gas and Electric Company
P.O. Box 7442, Mail Code B3OA
San Francisco, California 94120
Attention: Grant Guerra, Esq.

If to Grantee:

The City of Santa Maria
Department of Public Works
110 S. Pine Street, #101
Santa Maria, CA 93458-0951
Attention: Mr. Bruce Nybo

14. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

15. Entire Agreement. This Agreement supersedes all previous oral and written agreements between and representations by or on behalf of the parties and constitutes the entire agreement of the parties with respect to the subject matter hereof. This Agreement may not be amended except by a written agreement executed by both parties.

16. Binding Effect. This Agreement and the covenants and agreements contained herein shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, successors and assigns (subject to the provisions of Section 17). No assignment or delegation by Grantee, whether by operation of law or otherwise, shall relieve Grantee of any of its duties, obligations or liabilities hereunder, in whole or in part. The covenants of PG&E hereunder shall run with the land.

17. Assignment. Grantee shall not assign, convey, or otherwise transfer the easements and other rights herein conveyed, or any portion thereof or interest herein, without the prior written consent of PG&E. Such consent may be given or withheld by PG&E for any reason or for no

reason, provided, however, that notwithstanding the foregoing, PG&E agrees that its consent will not be unreasonably withheld, delayed or conditioned in the case of a proposed transfer or dedication to a governmental agency or any political subdivision of the State of California or the United States of America. Grantee acknowledges and agrees that in any instance where PG&E is required not to unreasonably withhold its consent, it shall be reasonable for PG&E to withhold its consent if any regulatory agency having or asserting jurisdiction over PG&E or the Easement Area, or having or claiming a right to review and/or approve the proposed transfer, fails to grant approval thereof (or imposes conditions on such approval which are not acceptable to PG&E, in its reasonable discretion). Grantee further acknowledges and agrees that in any instance where PG&E is required not to unreasonably delay giving or withholding its consent, it shall be reasonable for PG&E to make application for approval to any regulatory agency having or asserting jurisdiction, and to defer the giving or withholding of consent, without liability hereunder for delay, during the pendency and for a reasonable time following the conclusion of any such regulatory proceedings.

18. Collateral Assignment. Grantee shall not mortgage or encumber its right, title and interest arising under this Agreement without the prior written consent of Grantor, which may be given or withheld in Grantor's sole discretion, as well as the consent of all governmental agencies having jurisdiction.

19. Attorneys' Fees. Should either party bring an action against the other party, by reason of or alleging the failure of the other party with respect to any or all of its obligations hereunder, whether for declaratory or other relief, then the party which prevails in such action shall be entitled to its reasonable attorneys' fees (of both in-house and outside counsel) and expenses related to such action, in addition to all other recovery or relief. A party shall be deemed to have prevailed in any such action (without limiting the generality of the foregoing) if such action is dismissed upon the payment by the other party of the sums allegedly due or the performance of obligations allegedly not complied with, or if such party obtains substantially the relief sought by it in the action, irrespective of whether such action is prosecuted to judgment. Attorneys' fees shall include, without limitation, fees incurred in discovery, contempt proceedings and bankruptcy litigation, and in any appellate proceeding. The non-prevailing party shall also pay the attorney's fees and costs incurred by the prevailing party in any post-judgment proceedings to collect and enforce the judgment. The covenant in the preceding sentence is separate and several and shall survive the merger of this provision into any judgment on this Agreement. For purposes hereof, the reasonable fees of PG&E's in-house attorneys who perform services in connection with any such action shall be recoverable, and shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the relevant subject matter area of the law, in law firms in the City of San Francisco with approximately the same number of attorneys as are employed by PG&E's Law Department.

20. No Waiver. No waiver with respect to any provision of this Agreement shall be effective unless in writing and signed by the party against whom it is asserted. No waiver of any provision of this Agreement by a party shall be construed as a waiver of any subsequent breach or failure of the same term or condition, or as a waiver of any other provision of this Agreement.

21. No Offsets. Grantee acknowledges that PG&E is executing this Agreement in its capacity as the owner of the Easement Area, and not in its capacity as a public utility company or provider of electricity and natural gas. Notwithstanding anything to the contrary contained herein,

no act or omission of Pacific Gas and Electric Company or its employees, agents or contractors as a provider of electricity and natural gas shall abrogate, diminish, or otherwise affect the respective rights, obligations and liabilities of PG&E and Grantee under this Agreement. Further, Grantee covenants not to raise as a defense to its obligations under this Agreement, or assert as a counterclaim or cross-claim in any litigation or arbitration between PG&E and Grantee relating to this Agreement, any claim, loss, damage, cause of action, liability, cost or expense (including, but not limited to, attorneys' fees) arising from or in connection with Pacific Gas and Electric Company's provision of (or failure to provide) electricity and natural gas.

22. No Dedication. Nothing contained in this Agreement shall be deemed to be a gift or dedication of land or rights to the general public. The right of the public or any person, including Grantee, to make any use whatsoever of the Easement Area or any portion thereof, other than as expressly permitted herein or as expressly allowed by a recorded map, agreement, deed or dedication, is by permission and is subject to the control of PG&E in its sole discretion.

23. No Third Party Beneficiary. This Agreement is solely for the benefit of the parties hereto and their respective successors and permitted assigns, and, except as expressly provided herein, does not confer any rights or remedies on any other person or entity.

24. Captions. The captions in this Agreement are for reference only and shall in no way define or interpret any provision hereof.

25. Time. Except as otherwise expressly provided herein, the parties agree that as to any obligation or action to be performed hereunder, time is of the essence.

26. Severability. If any provision of this Agreement shall be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each provision of this Agreement shall be valid and enforced to the full extent permitted by law, provided the material provisions of this Agreement can be determined and effectuated.

27. Counterparts. This Agreement may be executed in identical counterpart copies, each of which shall be an original, but all of which taken together shall constitute one and the same agreement.

28. **WAIVER OF JURY TRIAL; VENUE. PG&E AND GRANTEE EACH HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, INCLUDING ANY CLAIM OF INJURY OR DAMAGE. PG&E AND GRANTEE ALSO AGREE THAT THE VENUE OF ANY SUCH ACTION, PROCEEDING OR COUNTERCLAIM SHALL BE IN THE COUNTY OF SAN FRANCISCO, CALIFORNIA. THE COVENANTS OF THE PARTIES CONTAINED IN THIS SECTION 28 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

29. Other Documents. Each party agrees to sign any additional documents or permit applications which may be reasonably required to effectuate the purpose of this Agreement. Provided, however, that PG&E will not be required to take any action or execute any document that would result in any cost, expense or liability to PG&E.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: 
Richard A. Gigliotti
Its: Real Estate Manager, Land Services

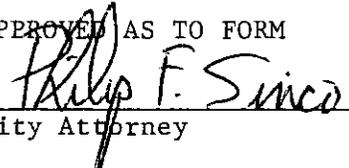
THE CITY OF SANTA MARIA,
a public body of the State of California

By: 
Tim S. Ness
Its: City Manager, City of Santa Maria

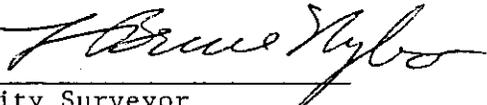
Exhibits A, B and C attached

Los Padres Division
San Luis Obispo Land Services
Electric Transmission
T10N, R34W, SBB&M
Section 27, NW ¼ of SE ¼
Plat No. VV-38-5
Dwg. No. – Exhibit "B"
LD 3410-34-0492
Interest: 11c, 42
SBE: 135-42-9, parcel 2
PM# 40327428
L# 96324.0
Santa Barbara County
Prepared: cjm
Checked: ajs
1/15/04

APPROVED AS TO FORM


for Philip F. Sinco
City Attorney

APPROVED AS TO CONTENT


Florence Nylos
City Surveyor

STATE OF CALIFORNIA

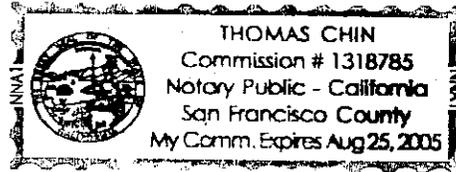
COUNTY OF San Francisco }SS.

On November 1, 2004 before me, Thomas Chin, Notary Public,

personally appeared ***Richard A. Gigliotti***,

personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(s) whose name(s) is/ ~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Signature Thomas Chin

CAPACITY CLAIMED BY SIGNER: (x) Other: Real Estate Manager, Land Services

EXHIBIT "A"

VARIABLE WIDTH

MULTIPURPOSE TRAIL EASEMENT

THAT PORTION OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 10 NORTH, RANGE 34 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 10 NORTH, RANGE 34 WEST, SAN BERNARDINO BASE AND MERIDIAN, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA AND THE NORTHEAST CORNER OF THAT CERTAIN REAL PROPERTY DESCRIBED IN THE GRANT DEED RECORDED APRIL 24, 1968 AS INSTRUMENT No. 13210 IN BOOK 2229, PAGE 885 OF OFFICIAL RECORDS, RECORDS OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA; THENCE SOUTH 0° 46' WEST 714.40 FEET ALONG THE EASTERLY BOUNDARY OF SAID REAL PROPERTY AND THE EASTERLY BOUNDARY OF THE SOUTHWEST QUARTER OF SAID SECTION 27 TO THE NORTHEAST CORNER OF THE PARCEL OF LAND DESCRIBED AND DESIGNATED AS PARCEL I IN THE DEED FROM THE COUNTY OF SANTA BARBARA AND THE CITY OF SANTA MARIA TO THE SANTA MARIA PUBLIC AIRPORT DISTRICT DATED MARCH 9, 1964 AND RECORDED AS BOOK 2039, PAGE 509 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY; THENCE NORTH 89° 13' 30" WEST 15.3 FEET ALONG THE NORTHERLY BOUNDARY THEREOF TO A POINT ON THE EASTERLY BOUNDARY OF THE PARCEL OF LAND DESCRIBED AND DESIGNATED AS PARCEL II IN THE DEED FROM THE UNITED STATES OF AMERICA TO THE SANTA MARIA VALLEY RAILROAD COMPANY DATED MAY 27, 1964 AND RECORDED IN BOOK 2070, PAGE 1024 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY; THENCE NORTH 0° 30' EAST 714.4 FEET TO A POINT ON THE NORTHERLY BOUNDARY OF THE SOUTHWEST QUARTER OF SAID SECTION 27; THENCE SOUTH 89° 18' EAST 18.7 FEET ALONG SAID NORTHERLY BOUNDARY TO THE POINT OF BEGINNING. CONTAINING APPROXIMATELY 0.51 ACRES.

THE ABOVE DESCRIBED PARCEL IS ALSO DESCRIBED IN ITS ENTIRETY AS INSTRUMENT No. 3210 RECORDED APRIL 24, 1968 AS BOOK 2229 PGE 885 OF OFFICIAL RECORDS, RECORDS OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA

9805- MULTIPURPOSE TRAIL ON PG&E PPTY S/O McCOY LANE 1/5/04 11:22 AM



1/4/09

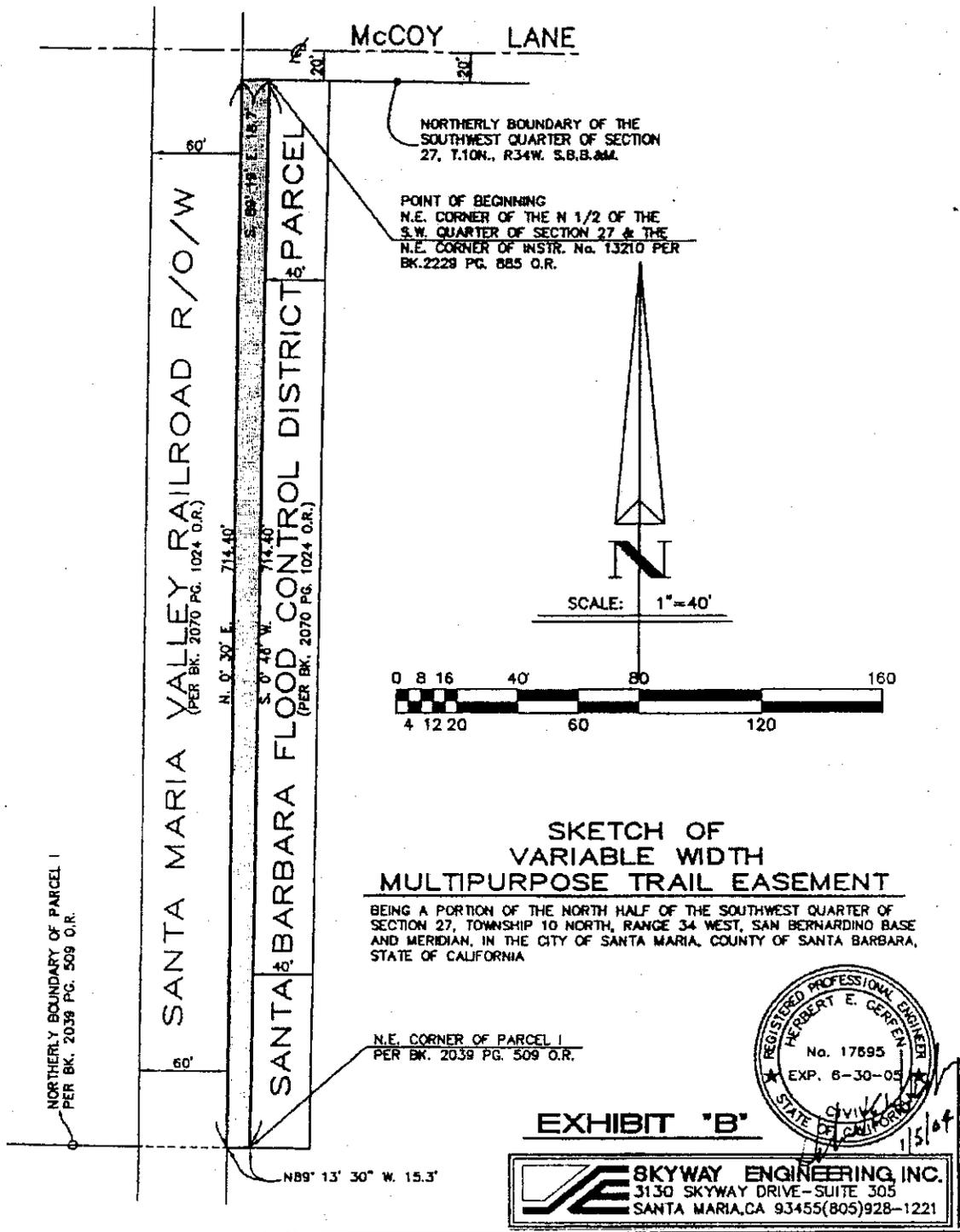


EXHIBIT C
INSURANCE REQUIREMENTS

Grantee shall procure, carry and maintain in effect throughout the term of this Agreement the following insurance coverage. Grantee is also responsible for its subcontractors maintaining sufficient limits of the appropriate insurance coverages.

A. Workers' Compensation and Employers' Liability

1. Workers' Compensation insurance indicating compliance with any and all applicable labor codes, acts, laws or statutes, state or federal.
2. Employer's Liability insurance shall not be less than \$1,000,000 for injury or death, each accident.

B. Commercial General Liability

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability insurance "occurrence" form with no additional coverage alterations.
2. The limits shall not be less than \$1,000,000 each occurrence and \$2,000,000 aggregate for bodily injury, property damage and products and completed operations. Defense costs are to be provided outside of limits.
3. Coverage shall include: a) an "Additional Insured" endorsement (ISO Additional Insured form CG 2010 or equivalent coverage) adding as additional insureds PG&E, its affiliates, subsidiaries, and parent company, and PG&E's directors, officers, agents and employees with respect to liability arising out of work performed by or for Grantee. If the policy includes "blanket endorsement by contract," the following language added to the certificate of insurance will satisfy PG&E's requirement: "by blanket endorsement, PG&E, its affiliates, subsidiaries, and parent company, and PG&E's directors, officers, agents and employees with respect to liability arising out of the work performed by or for the Grantee are included as additional insured"; and b) an endorsement or policy provision specifying that the Grantee's insurance is primary and that any insurance or self-insurance maintained by PG&E shall be excess and non-contributing.

C. Business Auto

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, code 1 "any auto."
2. The limit shall not be less than \$1,000,000 each accident for bodily injury and property damage.

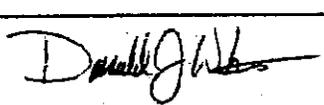
D. Additional Insurance Provisions

1. Upon the Effective Date of the Easement Agreement Grantee shall furnish PG&E with two (2) sets of certificates of insurance including required endorsements.
2. Documentation shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to PG&E.
3. The documents must be signed by a person authorized by that insurer to bind coverage on its behalf and submitted to:

Pacific Gas and Electric Company
Insurance Department - B24H
Post Office Box 770000
San Francisco, California 94177

Pacific Gas and Electric Company
4325 So. Higuera
San Luis Obispo, CA 93401
Attention: Land Agent

4. Upon request, Grantee shall furnish PG&E evidence of insurance for its agents or contractors.
5. PG&E may inspect the original policies or require complete certified copies at any time.

CERTIFICATE OF INSURANCE				ISSUE DATE (MM/DD/YY) 10/20/04	
PRODUCER Insurance and Risk Services, Inc. 400 Oceangate, 8th Floor Long Beach, CA. 90802 ph:(707)751-5856 fx: (707)751-5875	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.				
INSURED City of Santa Maria 110 East Cook Street Santa Maria, CA 93454	COMPANIES AFFORDING COVERAGE				
	COMPANY LETTER A	Exclusive Risk Management Authority of California			
	COMPANY LETTER B				
	COMPANY LETTER C				
COVERAGES					
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR ANY VENTURE. THE INSURANCE AFFORDED BY THE POLICIES LISTED IS SUBJECT TO ALL TERMS, EXCLUSIONS AND CONDITIONS OF EACH POLICY.					
CO LID	TYPE OF INSURANCE	POLICY #	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	EXCESS MUNICIPAL LIABILITY Memorandum of Coverage GENERAL LIABILITY <input checked="" type="checkbox"/> PREMISES / OPERATIONS <input checked="" type="checkbox"/> UNDERGROUND EXPLOSION & COLLAPSE HAZARD PRODUCTS / COMPLETED OPERATIONS <input checked="" type="checkbox"/> CONTRACTUAL <input checked="" type="checkbox"/> INDEPENDENT CONTRACTORS <input checked="" type="checkbox"/> BROAD FORM PROPERTY DAMAGE <input checked="" type="checkbox"/> PERSONAL / ADVERTISING INJURY <input checked="" type="checkbox"/> POLICE PROFESSIONAL LIABILITY <input checked="" type="checkbox"/> PUBLIC OFFICIALS E & O AUTO LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	SMA-0001-04	07/01/04	07/01/05	IN EXCESS OF A SELF INSURED RETENTION OF: \$ 250,000 BI, PD, WRONGFUL ACT OR OFFENSE EACH OCCURRENCE \$ 10,000,000 BI, PD, WRONGFUL ACT OR OFFENSE AGGREGATE \$ None
D	EXCESS WORKERS COMPENSATION & EMPLOYER'S LIABILITY UMBRELLA OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
OTHER					
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / SPECIAL ITEMS City wide bicycle paths and multi-purpose trails that are on the PG&E property know as the Fairway Fee Strip. See the attached Additional Insured Endorsement for details.					
CERTIFICATE HOLDER Pacific Gas and Electric Company P.O. Box 7442, Mail Code B30A San Francisco, Ca. 94120 Attn: Sharon Silverman, Esq.			SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.		
			AUTHORIZED REPRESENTATIVE 		
CRMA 30 07 03			22		

Exclusive Risk Management Authority of California

POLICY NUMBER: SMA-0001-04

THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE.

PLEASE READ IT CAREFULLY

ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

SCHEDULE

NAME OF ORGANIZATION: PG&E, its directors, officers, agents and employees:

As respects to the Easement Agreement between the City of Santa Maria and PG&E, know as the Fairway Fee Strip (Assessor's Parcel # 111-510-066.

The property is to be used as part of the City wide bicycle paths and multi-purpose trails for public use.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN Agency (Section 11) is amended to include as an insured the person or organization shown in the Schedule as an insured but only with respect to liability arising out of your operations or premises owned by or rented to you.

22-Oct-2004 02:36pm From-ROBERT F DRIVER

+949-251-1663

T-461 P.002/002 F-766

ISSUE DATE (MM/DD/YY)

CERTIFICATE NO.

CPEIA-WC-396

CERTIFICATE OF COVERAGE

10/21/04

CSAC Excess Insurance Authority

C/O DRIVER ALLIANT INSURANCE SERVICES, INC.
 P.O. BOX 6450
 NEWPORT BEACH, CA 92658-6450
 LICENSE #OC36861
 PHONE (949) 756-0271 / FAX (949) 756-2713

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BELOW.

COVERAGE AFFORDED BY: **A - CSAC Excess Insurance Authority**

COVERAGE AFFORDED BY: **B -**

COVERAGE AFFORDED BY: **C -**

COVERAGE AFFORDED BY: **D -**

COVERAGE AFFORDED BY: **E -**

CPEIA MEMBER:
 LOCAL AGENCY WORKERS' COMPENSATION EXCESS JPA (LAWCX) AND MEMBER AGENCIES
 C/O BICKMORE RISK SERVICES ATTN: MARY ALVISO
 1020 19TH STREET, SUITE 200
 SACRAMENTO, CA 95814

Coverages
 THIS IS TO CERTIFY THAT THE MEMORANDUMS OF COVERAGE LISTED BELOW HAVE BEEN ISSUED TO THE MEMBER NAMED ABOVE FOR THE PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE COVERAGE AFFORDED BY THE MEMORANDUMS DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH MEMORANDUMS.

CD LTR	TYPE OF COVERAGE	MEMORANDUM NUMBER	COVERAGE EFFECTIVE DATE (MM/DD/YY)	COVERAGE EXPIRATION DATE (MM/DD/YY)	LIABILITY LIMITS
A	OTHER EXCESS W.C. & EMPLOYERS' LIABILITY	CPEIA-04-EWC-32	07/01/2004	07/01/2005	W.C.: \$95,000,000* EXCESS OF \$2,000,000 E.L.: \$5,000,000* EXCESS OF \$2,000,000

SUBLIMIT: \$20 MILLION PER OCC/ANNUAL AGG. AS RESPECTS TERRORIST ACTIVITY EXCLUDING NBCR EXCESS OF \$10 MILLION
 * LIMITS APPLY PER OCCURRENCE FOR ALL PROGRAM MEMBERS COMBINED.
 AS RESPECTS MULTI PURPOSE TRAIL EASEMENT AGREEMENT.
 CITY OF SANTA MARIA IS A MEMBER OF LAWCX.

Certificate Holder
 PACIFIC GAS & ELECTRIC COMPANY
 4325 S. HIGUERA
 SAN LUIS OBISPO, CA 93401

Cancellation
 SHOULD ANY OF THE ABOVE DESCRIBED MEMORANDUMS BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE


 CSAC - EXCESS INSURANCE AUTHORITY

**PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)**

ABAG Power Pool	Department of Water & Power City	Northern California Power Agency
Accent Energy	Dept of the Air Force	Office of Energy Assessments
Aglet Consumer Alliance	DGS Natural Gas Services	Palo Alto Muni Utilities
Agnews Developmental Center	DMM Customer Services	PG&E National Energy Group
Ahmed, Ali	Douglass & Liddell	Pinnacle CNG Company
Alcantar & Elsesser	Downey, Brand, Seymour & Rohwer	PITCO
Anderson Donovan & Poole P.C.	Duke Energy	Plurimi, Inc.
Applied Power Technologies	Duke Energy North America	PPL EnergyPlus, LLC
APS Energy Services Co Inc	Duncan, Virgil E.	Praxair, Inc.
Arter & Hadden LLP	Dutcher, John	Price, Roy
Avista Corp	Dynegy Inc.	Product Development Dept
Barkovich & Yap, Inc.	Ellison Schneider	R. M. Hairston & Company
BART	Energy Law Group LLP	R. W. Beck & Associates
Bartle Wells Associates	Energy Management Services, LLC	Recon Research
Blue Ridge Gas	Enron Energy Services	Regional Cogeneration Service
Bohannon Development Co	Exelon Energy Ohio, Inc	RMC Lonestar
BP Energy Company	Exeter Associates	Sacramento Municipal Utility District
Braun & Associates	Foster Farms	SCD Energy Solutions
C & H Sugar Co.	Foster, Wheeler, Martinez	Seattle City Light
CA Bldg Industry Association	Franciscan Mobilehome	Sempra
CA Cotton Ginners & Growers Assoc.	Future Resources Associates, Inc	Sempra Energy
CA League of Food Processors	G. A. Krause & Assoc	Sequoia Union HS Dist
CA Water Service Group	Gas Transmission Northwest Corporation	SESCO
California Energy Commission	GLJ Energy Publications	Sierra Pacific Power Company
California Farm Bureau Federation	Goodin, MacBride, Squeri, Schlotz &	Silicon Valley Power
California Gas Acquisition Svcs	Hanna & Morton	Simpson Paper Company
California ISO	Heeg, Peggy A.	Smurfit Stone Container Corp
Calpine	Hogan Manufacturing, Inc	Southern California Edison
Calpine Corp	House, Lon	SPURR
Calpine Gilroy Cogen	Imperial Irrigation District	St. Paul Assoc
Cambridge Energy Research Assoc	Integrated Utility Consulting Group	Stanford University
Cameron McKenna	International Power Technology	Sutherland, Asbill & Brennan
Cardinal Cogen	Interstate Gas Services, Inc.	Tabors Caramanis & Associates
Cellnet Data Systems	J. R. Wood, Inc	Tansev and Associates
Chevron Texaco	JTM, Inc	Tecogen, Inc
Chevron USA Production Co.	Kaiser Cement Corp	TFS Energy
Childress, David A.	Korea Elec Power Corp	TJ Cross Engineers
City of Glendale	Luce, Forward, Hamilton & Scripps	Transwestern Pipeline Co
City of Healdsburg	Marcus, David	Turlock Irrigation District
City of Palo Alto	Masonite Corporation	U S Borax, Inc
City of Redding	Matthew V. Brady & Associates	United Cogen Inc.
CLECA Law Office	Maynor, Donald H.	URM Groups
Constellation New Energy	McKenzie & Assoc	Utility Cost Management LLC
Cooperative Community Energy	McKenzie & Associates	Utility Resource Network
CPUC	Meek, Daniel W.	Wellhead Electric Company
Creative Technology	Mirant California, LLC	Western Hub Properties, LLC
Cross Border Inc	Modesto Irrigation Dist	White & Case
Crossborder Inc	Morrison & Foerster	WMA
CSC Energy Services	Morse Richard Weisenmiller & Assoc.	
Davis, Wright Tremaine LLP	Navigant Consulting	
Davis, Wright, Tremaine, LLP	New United Motor Mfg, Inc	
Defense Fuel Support Center	Norris & Wong Associates	
Department of the Army	North Coast Solar Resources	