

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



April 7, 2010

**Advice Letter 3582-E**

Jane K. Yura  
Vice President, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10B  
P.O. Box 770000  
San Francisco, CA 94177

**Subject: Peckham Underground Sewer Line Easement – Request for  
Approval Under Section 851**

Dear Ms. Yura:

Advice Letter 3582-E is effective March 25, 2010.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director  
Energy Division



**Brian K. Cherry**  
Vice President  
Regulatory Relations

77 Beale Street, Room 1087  
San Francisco, CA 94105

*Mailing Address*  
Mail Code B10C  
Pacific Gas and Electric Company  
P.O. Box 770000  
San Francisco, CA 94177

Fax: 415.973.7226

December 22, 2009

**Advice 3582-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Peckham Underground Sewer Line Easement – Request for  
Approval Under Section 851**

**Purpose**

Pacific Gas and Electric Company (“PG&E”) submits this advice letter seeking approval, under Public Utilities (P.U.) Code Section 851, of PG&E’s consent to grant Mr. Donald Peckham (the “Grantee”) a permanent, non-exclusive easement on a portion of PG&E’s property, which supports a 230kV electric transmission tower-line corridor, located in the City of Antioch, County of Contra Costa, California (the “Property”).<sup>1</sup> The Grantee will use the easement for the installation, maintenance, and use of a sewer pipeline. This easement will not interfere with PG&E’s transmission operations or PG&E’s ability to provide utility services to its customers. In addition, granting this easement will not be adverse to the public interest; rather it will provide a public benefit by allowing for the construction of a sewer line that will improve current sanitation operations.

**Background**

PG&E owns land, buildings and other facilities in connection with the provision of electric and natural gas services to its customers throughout northern and central California. In the provision of these services, PG&E relies on a portfolio of fee

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<sup>1</sup> On behalf of Peckham, PG&E requests that, if this advice letter is not protested, the CPUC strongly consider expediting its review and approval through the use of a disposition letter issued by the Director of the Energy Division as allowed under A.B. 698, which was signed into law this Fall and becomes law effective January 1, 2010, making it then applicable to all pending and future eligible advice filings which are uncontested and categorically exempt from CEQA. Such letter approval treatment affects efficiencies that are appropriate in the context of uncontested 851s of this nature.

properties, rights-of-way, and facilities to support its electric transmission activities. One such fee property is located in the City of Antioch which supports PG&E's 230kV electric transmission corridor. The easement requested by PG&E, if granted, will facilitate the construction, use and maintenance of a 600-foot long section of 8-inch diameter sewer main pipeline (the "Project"). This Project, upon completion, will improve sewer services to the property adjacent to the easement area (the "Peckham Property"), as described and identified in the proposed Easement Agreement (the "Agreement"), attached as Attachment 1.

For the above reasons, the Commission should approve this Section 851 request to grant Mr. Peckham an Easement relating to this PG&E property, and find that doing so is not adverse to the public interest<sup>2</sup> because it will not impair PG&E's provision of utility service. Rather, the easement will facilitate the construction of a sewer pipeline which upon completion will improve sewer services in the adjacent area.

In accordance with the format for 851 Advice Letters directed in Resolution ALJ-202 (Appendix A, Section IV.), PG&E provides the following information related to the proposed transaction:

**(1) Identity and Addresses of All Parties to the Proposed Transaction:**

Pacific Gas and Electric Company	Donald E. Peckham
Lise H. Jordan	Address: 2640 Fox Circle
Gail L. Slocum	Walnut Creek, CA 94596
Law Department	Telephone: (925) 933-8835
P.O. Box 7442	
San Francisco, CA 94120	
Telephone: (415) 973-6583	
Facsimile: (415) 973-0516	
Email: GLSG@pge.com	

**(2) Complete Description of the Property Including Present Location, Condition and Use:**

The property consists of one irregular shaped, 18.9 acre parcel, which is located on the north side of East 18<sup>th</sup> Street, in the City of Antioch, California, more specifically identified as Contra Costa County Assessor's Parcel No. 051-052-006. The property is owned by PG&E and is improved with grape vines and a 230 kV transmission tower line. The topography of the Property is flat, and it has direct access to East 18<sup>th</sup> Street, with 446 feet of street frontage on its southern border. The vineyard is currently maintained by a third party who had previously entered into a license

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<sup>2</sup> "The Commission has long recognized that the public interest is served when utility property is used for other productive purposes without interfering with the utility's operations or the provision of utility services to the public." (D.06-07-023, p. 1.)

agreement with PG&E. The license for the property occupied by the vineyard does not in any way prohibit PG&E from entering into an easement agreement of this nature with Mr. Peckham, nor will the sewer have any adverse effects on the operations of the vineyard. The Legal Description and Drawing of the easement area is included as Exhibits A and B, respectively, to the Easement Agreement which is attached hereto as Attachment 1.

**(3) Intended Use of the Property:**

The Grantee will utilize the easement to install, maintain and use a section of new sewer pipeline. This proposed easement will run in a north-south direction near the Property's eastern property line which is currently used as a dirt road. The proposed easement will be 10-feet wide and approximately 600 feet long, encumbering a total of 6,000 square feet.

**(4) Complete Description of Financial Terms of the Proposed Transaction:**

PG&E will receive a one-time nominal fee of \$1,000 for granting the easement.

**(5) Description of How Financial Proceeds of the Transaction Will Be Distributed:**

The property at issue in this advice letter is non-depreciable land used for electric transmission service and is currently included in PG&E's rate base. The PG&E electric transmission system is within the control of the California Independent System Operator and is subject to Federal Energy Regulatory Commission ("FERC") jurisdiction for ratemaking. All costs for PG&E's electric transmission system are now part of FERC ratemaking for transmission service in PG&E's transmission owner cases. In consideration for the easement, Peckham has agreed to pay PG&E a one-time fee of One Thousand Dollars (\$1,000) as the fair market value for the proposed easement. The fair market value for the easement was determined by a current valid appraisal and found acceptable to PG&E, the details of which are provided in Attachment 2. PG&E will account for this one-time fee as Electric Other Operating Revenue.

**(6) Statement on the Impact of the Transaction on Ratebase and Any Effect on the Ability of the Utility to Serve Customers and the Public:**

No PG&E property is being sold or disposed of, and as such, there are no changes to PG&E's rate base as a result of granting the proposed easement.

**(7) The Original Cost, Present Book Value, and Present Fair Market Value for Sales of Real Property and Depreciable Assets, and a Detailed Description of How the Fair Market Value Was Determined (e.g., Appraisal):**

Not applicable.

**(8) The Fair Market Rental Value for Leases of Real Property, and a Detailed Description of How the Fair Market Rental Value Was Determined:**

Not applicable.

**(9) For Fair Market Rental Value of the Easement or Right-of-Way and a Detailed Description of How the Fair Market Rental Value Was Determined:**

The fair market value for the easement was determined by an appraisal, details of which are provided in Attachment 2. PG&E has reviewed the aforementioned appraisal and accepted its findings on estimated values. PG&E believes that the appraised value accurately reflects and falls within the reasonable range for a fair market easement valuation.

**(10) A Complete Description of any Recent Past (Within the Prior Two Years) or Anticipated Future Transactions that May Appear To Be Related to the Present Transaction<sup>3</sup>:**

To PG&E's knowledge, there are no recent past transactions that appear to be related to the subject transaction.

**(11) Sufficient Information and Documentation (Including Environmental Review Information) to Indicate that All Criteria Set Forth in Section II(A) of Resolution ALJ-202 Are Satisfied:**

PG&E has provided information in this Advice Letter to meet the eligibility criteria under Resolution ALJ-202:

The California Environmental Quality Act ("CEQA") requires any California government agency approving a discretionary project to consider the environmental impacts of its decisions. (Cal. Pub. Res. Code, § 21080.) A

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<sup>3</sup> During adoption of the Advice Letter pilot program in ALJ-186 (later followed by ALJ-202), this category of information was included to enable the CPUC to ensure that utilities were not seeking to circumvent the \$5 million Advice Letter threshold by dividing what is a single asset with a value of more than \$5 million into component parts each valued at less than \$5 million, which is clearly not the case here. (See CPUC Resolution ALJ-186, issued August 25, 2005, mimeo, p.5.)

project is an activity that “may cause either a direct physical change in the environment, or a reasonable foreseeable indirect physical change in the environment” and either (a) is directly undertaken by any public agency, (b) is supported by contracts, grants, subsidies, loans, or other forms of assistance from a public agency, or (c) involves the issuance of a lease, permit, license, certificate, or other entitlement for use by one or more public agencies. (Cal. Pub. Res. Code, § 21065.) Accordingly, the Commission is typically required to consider the environmental consequences of projects that are subject to the Commission’s discretionary approval.

However, this project qualifies as categorically exempt under Section 15303(d) (which exempts “sewage and other utility extensions, including street improvements, of reasonable length”) and Section 15304(f) (which exempts minor trenching and backfilling where the surface is restored) of the CEQA Guidelines. (See, e.g., D.05-02-037 (trenching to install 663’-long water drainage pipe found categorically exempt under §15304(f).) Therefore, PG&E requests that the Commission find that this sewer project is categorically exempt from CEQA and that no additional environmental review pursuant to CEQA is necessary to approve this advice letter.

**(12) Additional Information to Assist in the Review of the Advice Letter:**

PG&E does not know of any other additional information that is readily available, other than what is already included with this filing.

**(13) Environmental Information**

a. Exemption

i. Has the proposed transaction been found exempt from CEQA by a government agency?

1. If yes, please attach notice of exemption. Please provide name of agency, date of Notice of Exemption, and State Clearinghouse number.

Not applicable.

2. If no, does the applicant contend that the project is exempt from CEQA? If yes, please identify the specific CEQA exemption or exemptions that apply to the transaction, citing to the applicable State CEQA Guideline(s) and/or Statute(s).

Yes. As explained in Section No. 11, the anticipated improvements within the proposed sewer easement are categorically exempt from CEQA under Sections 15303(d) and 15304(f) of the CEQA Guidelines. Therefore, under ALJ-202, the activity proposed in the subject transaction will not require environmental review by the CPUC.

b. Not a "Project" Under CEQA

- i. If the transaction is not a "project" under CEQA, please explain why.

Not applicable.

**Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail by facsimile or electronically, any of which must be received no later than **January 11, 2010**, which is 20 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division  
Attention: Tariff Unit, 4th Floor  
505 Van Ness Avenue  
San Francisco, CA 94102

Facsimile: (415) 703-2200  
E-mail: [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov) and [jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov)

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission.

Pacific Gas and Electric Company  
Attention: Brian Cherry  
Vice President, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

Facsimile: (415) 973-7226  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

**Effective Date**

Pursuant to the review process outlined in Resolution ALJ-202, PG&E requests that this advice filing become effective as soon as possible. PG&E agrees in advance to a shortened review and comment period and waiving its right to reply comments on a draft resolution approving this request, if the Energy Division deems a shortened period appropriate and/or necessary in order to expedite final approval. **PG&E submits this filing as a Tier 3.**

**Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being served on the Energy Division and the Division of Ratepayer Advocates. In addition, in accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address change requests should be directed to e-mail [PGETariffs@pge.com](mailto:PGETariffs@pge.com). Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs>.

A handwritten signature in cursive script that reads "Brian Cherry / mt".

Vice President, Regulatory Relations

Attachments

cc: Service List - Advice Letter 3582-E

\*\*\*\*\* SERVICE LIST Advice 3582-E \*\*\*\*\*  
APPENDIX A

Karen Clopton  
Administrative Law Judge Division  
505 Van Ness Avenue  
San Francisco, CA 94102  
(415) 703-2008  
kvc@cpuc.ca.gov

Myra J. Prestidge  
Administrative Law Judge Division  
505 Van Ness Avenue  
San Francisco, CA 94102  
(415) 703-2629  
tom@cpuc.ca.gov

Jonathan Reiger  
Legal Division  
505 Van Ness Avenue  
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(415) 355-5596  
jzr@cpuc.ca.gov

Chloe Lukins  
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(415) 703- 1637  
clu@cpuc.ca.gov

Julie Fitch  
Energy Division  
505 Van Ness Avenue  
San Francisco, CA 94102  
(415) 703-2059  
Jf2@cpuc.ca.gov

Brewster Fong  
Division of Ratepayer Advocates  
505 Van Ness Avenue  
San Francisco, CA 94102  
(415) 703- 2187  
bfs@cpuc.ca.gov

\*\*\*\*\* AGENCIES \*\*\*\*\*

Contra Costa County  
Public Works Department  
Attention: Julie Bueren  
255 Glacier Drive  
Martinez, CA 94553  
Telephone: (925) 313-2201  
Facsimile: (925) 313-2333

\*\*\*\*\* 3rd Party \*\*\*\*\*

Donald E. Peckham  
Address: 2640 Fox Circle  
Walnut Creek, CA 94596  
Telephone: (925) 933-8835

Hermelin Law Firm  
Attention: David Hermelin, Esq.  
Address: 706 Main Street, Suite C  
Martinez, CA 94553  
Telephone: (925) 228-6500  
Facsimile: (925) 228-6507  
Email: DH@Hermelinlaw.com

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY

### ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Linda Tom-Martinez

Phone #: (415) 973-4612

E-mail: lmt1@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3582-E**

**Tier: 3**

Subject of AL: **Peckham Underground Sewer Line Easement - Request for Approval Under Section 851 - Section 851 Transaction**

Keywords (choose from CPUC listing): Section 851

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: \_\_\_\_\_

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for:

Confidential information will be made available to those who have executed a nondisclosure agreement:  Yes  No

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: \_\_\_\_\_

Resolution Required?  Yes  No

Requested effective date: **Upon Commission Approval**

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

**CPUC, Energy Division**

**Tariff Files, Room 4005**

**DMS Branch**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

**jnj@cpuc.ca.gov and mas@cpuc.ca.gov**

**Pacific Gas and Electric Company**

**Attn: Brian K. Cherry**

**Vice President, Regulatory Relations**

**77 Beale Street, Mail Code B10C**

**P.O. Box 770000**

**San Francisco, CA 94177**

**E-mail: PGETariffs@pge.com**

# Advice 3582-E

Attachment 1

LD 2102-02-1839  
2009156 (22-09-088) 9 09 1  
PG&E Fee Property, Antioch  
Sewer Line Easement to Peckham

RECORDING REQUESTED BY, AND  
WHEN RECORDED RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY  
1850 Gateway Blvd., 8<sup>th</sup> Floor  
Concord, CA 94523  
Attention: Land Agent

Location: City/Uninc. \_\_\_\_\_  
Recording Fee \$ \_\_\_\_\_  
Document Transfer Tax \$ \_\_\_\_\_

- Computed on Full Value of Property Conveyed, or
- Computed on Full Value Less Liens &  
Encumbrances Remaining at Time of Sale

\_\_\_\_\_  
Signature of declarant or agent determining tax

(A portion of APN 051-052-006)

**EASEMENT AGREEMENT  
(Sewer Line Easement)**

This Easement Agreement (“**Agreement**”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ (the “**Effective Date**”) by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called “**PG&E**”, and DONALD EUGENE PECKHAM and MARY LUTHELLA PECKHAM, co-trustees, the Peckham Family Trust dated January 17, 1973, hereinafter called “**Grantee**.”

**RECITALS**

A. PG&E owns certain real property within the County of Contra Costa, State of California, more particularly described in **EXHIBIT “A”** and shown on **EXHIBIT “B”**, both of which are attached hereto and made a part hereof (hereinafter, the “**Easement Area**”).

B. Grantee is the owner of certain real property (the “**Benefitted Property**”) within the County of Contra Costa, State of California, described in **EXHIBIT “D”**, attached hereto and made a part hereof. Grantee proposes to construct an eight (8) inch sewer lateral within the Easement Area and in connection therewith, Grantee has requested that PG&E grant an easement for such purpose.

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 \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), and for good and valuable consideration, PG&E and Grantee agree as follows:

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

Sewer Line Easement. A non-exclusive easement to excavate for, construct, install, repair, replace (with the initial or any smaller size), remove, maintain and use a sewer lateral not exceeding eight inches (8") in diameter within 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 Easement Area or PG&E's adjacent property.

(c) Grantee shall not erect or construct any building or other structure other than the sewer lateral specifically authorized by this Agreement, or drill or operate any well, within five (5) feet of any of PG&E's electric or gas facilities.

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 PG&E's adjacent 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 Easement Area or PG&E's adjacent property poses or threatens to pose a hazard to the health or safety of persons on or about the Easement Area or PG&E's adjacent 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 ("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 any and all applicable requirements of the National Environmental Policy Act ("**NEPA**") and 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 Easement Area or PG&E's adjacent property. If PG&E determines in good faith that any such mitigation measures may adversely affect PG&E or the Easement Area or PG&E's adjacent property, or impose limitations on PG&E's ability to use the Easement Area or PG&E's adjacent 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 PG&E, unless within ten (10) days following delivery of such notice, Grantee gives notice to PG&E 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 Easement Area or PG&E's adjacent property, or to any contamination or suspected contamination on, within or underlying the Easement Area or PG&E's adjacent 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 Easement Area or PG&E's adjacent 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 ten (10) 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 Easement Area or PG&E's adjacent 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 Easement Area or PG&E's adjacent 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 Easement Area, 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 Easement Area or PG&E's adjacent 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;

(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 and inconvenience with the use by PG&E of the Easement Area and PG&E's adjoining lands;

(i) Fencing. Grantee agrees not to fence or enclose the Easement Area (except that Grantee may, with PG&E's permission, and Grantee will, upon PG&E's request, whenever construction work is being performed on, over or about the Easement Area, erect and maintain a temporary fence to surround and secure the area in which such work is being performed);

(j) PG&E 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"), including Claims arising from the passive or active negligence of the Indemnitees, 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 PG&E or Grantee (and including, but not limited to, injury due to exposure to EMFs and other Potential Environmental Hazards in, on or about the Easement Area or PG&E's adjacent property); (2) injury to property or other interest of

PG&E, Grantee or any third party; (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 acknowledges that 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 as a result of or in connection with Grantee's use or occupancy of the Easement Area, or any of the activities of Grantee and Grantee's Representatives, and 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, are expressly within the scope of the indemnity set forth above.

(c) Grantee's use of the Easement Area 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. If Grantee fails to so indemnify, protect, defend or hold harmless any Indemnitee, then at PG&E's option, this Agreement shall terminate, and the estate and interest herein granted to Grantee shall revert to and revest in PG&E, if such failure continues for five (5) days following the giving of written notice of termination to Grantee, unless within such time such failure is cured to the reasonable satisfaction of PG&E.

(e) The provisions of this Section 5 shall survive the termination of this Agreement.

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 Agreement, 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 Agreement, 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 of 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 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-\_\_\_\_\_ (Application No. \_\_\_\_\_), 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 and/or future facilities. 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 larger parcel of property containing the Easement Area, 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, with respect to the Easement Area and the use, occupancy and activities of Grantee, its employees and agents on or about the Easement Area, 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). Prior to Grantee's entry on the Easement Area, and thereafter thirty (30) days prior to the expiration date of any policy, Grantee shall provide PG&E with evidence of the insurance coverage, or continuing coverage, as required by this Agreement. 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 larger parcel of property containing the Easement Area 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 larger parcel of property containing the Easement Area 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  
1850 Gateway Blvd., 8<sup>th</sup> Floor  
Concord, CA 94523

With a copy to:

If by registered or certified mail, return receipt requested:

Pacific Gas and Electric Company  
P.O. Box 7442, Mail Code B30A  
San Francisco, CA 94120  
Attention: Wendy T. Coleman

If to Grantee:

Donald E. Peckham  
2640 Fox Circle  
Walnut Creek, CA 94596  
Telephone: (925) 933-8835

With a copy to:

Hermelin Law Firm  
Attention: David Hermelin, Attorney  
706 Main Street, Suite C  
Martinez, CA 94553  
Telephone: (925) 228-6500  
Email: dh@hermelinlaw.com

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. 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. This Agreement and the rights of Grantee hereunder are appurtenant to the Benefitted Property, and may not be separately assigned, transferred, conveyed or encumbered. Any purported assignment, transfer, conveyance or encumbrance violating the foregoing condition shall be void and of no effect.

18. 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.

19. 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.

20. No Offsets. Grantee acknowledges that PG&E is executing this Agreement in its capacity as the owner of the larger parcel of property containing the Easement Are, 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.

21. 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.

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

23. 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.

24. 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.

25. 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.

26. 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

Grantee

By: \_\_\_\_\_  
Loren Loo  
Its: Manager, Land Asset Management  
Technical & Land Services

\_\_\_\_\_  
Donald Eugene Peckham,  
as trustee aforesaid

\_\_\_\_\_  
Marty Luthella Peckham,  
as trustee aforesaid

EXHIBITS "A", "B", "C" and "D" attached

**DO NOT RECORD THIS PAGE**

Attach to LD 2102-02-1839

Area 2, Diablo Division

Land Service Office: San Francisco

Operating Department:

T2N, R2E, MDM

Sec. 21, E2 of NW4

FERC License Number(s): NA

PG&E Drawing Number(s): 204882,

PLAT NO.: B1811

LD of any affected documents: 2102-02-0394, 2102-02-0395, XXGT010599

LD of any Cross-referenced documents: NA

TYPE OF INTEREST: 11c

SBE Parcel Number: 135-7-32E, Pcl 9

(For Quitclaims, % being quitclaimed): NA

Order # or PM #: 40862423

JCN: 22-09-088

County: Contra Costa

Utility Notice Numbers: NA

851 Approval Application No. \_\_\_\_\_ Decision \_\_\_\_\_

Prepared By: DQT1

Checked By: TEP4

F3 & Associates, Inc.  
1610 CORPORATE CIRCLE  
PETALUMA, CALIFORNIA 94954  
PHONE (707) 762 - 9399  
FAX (707) 347 - 4500

EXHIBIT "A"  
LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF ANTIOCH, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, BEING A PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED AND DESIGNATED AS PARCEL IV IN THE DEED FROM ARLINGTON PROPERTIES COMPANY, LTD., TO PACIFIC GAS AND ELECTRIC CORPORATION, A CALIFORNIA CORPORATION, (HEREINAFTER "P.G.&E.") DATED JUNE 8, 1955 AND RECORDED IN BOOK 2551 OF OFFICIAL RECORDS, AT PAGE 283, CONTRA COSTA COUNTY RECORDS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LAYING ON THE EASTERLY LINE OF SAID LANDS OF P.G.&E. BEING ALSO THE NORTHWEST CORNER OF PARCEL 2 AS DESIGNATED AND SHOWN ON THAT CERTAIN RECORD OF SURVEY FILED IN BOOK 63 OF LICENSED SURVEYOR'S MAPS, AT PAGE 50, C.C.C.R., THENCE ALONG THE LINE COMMON TO SAID LANDS OF P.G.&E. AND PARCEL 2, SOUTH 01°04'48" WEST 20.00 FEET; THENCE LEAVING SAID LINE NORTH 88°55'12" WEST 10.00 FEET; THENCE RUNNING PARALLEL AND 10.00 FEET DISTANT FROM THE EASTERLY LINE OF SAID LANDS OF P.G.&E. NORTH 01°04'48" EAST 617.31 FEET TO A POINT LAYING ON THE WESTERLY EXTENTION OF THE SOUTHERLY LINE OF THAT CERTAIN PUBLIC SANITARY SEWER EASEMENT GRANTED TO THE CITY OF ANTIOCH BY TIN, INC., BY EASEMENT DEED RECORDED IN OFFICIAL RECORDS OF CONTRA COSTA COUNTY UNDER DOCUMENT NO. 2007-0194617, SAID POINT LAYING ALSO ON A CURVE CONCAVE NORTHEASTERLY FROM WHICH WHOSE RADIUS POINT BEARS NORTH 13°06'02" EAST 755.00 FEET DISTANT; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A SUBTENDED ARC OF 00°46'29" A DISTANCE OF 10.21 FEET TO A POINT LAYING ON THE EASTERLY LINE OF SAID LANDS OF P.G.&E.; THENCE ALONG SAID LINE SOUTH 01°04'48" WEST 595.25 FEET TO THE POINT OF BEGINNING.

BEARINGS BASED ON AND IDENTICAL WITH THAT CERTAIN RECORD OF SURVEY FILED ON JANUARY 23, 1978 IN BOOK 63 OF LICENSED SURVEYOR'S MAPS, AT PAGE 50, CONTRA COSTA COUNTY RECORDS.

COMPRISING 6,163 SQUARE FEET, MORE OR LESS.

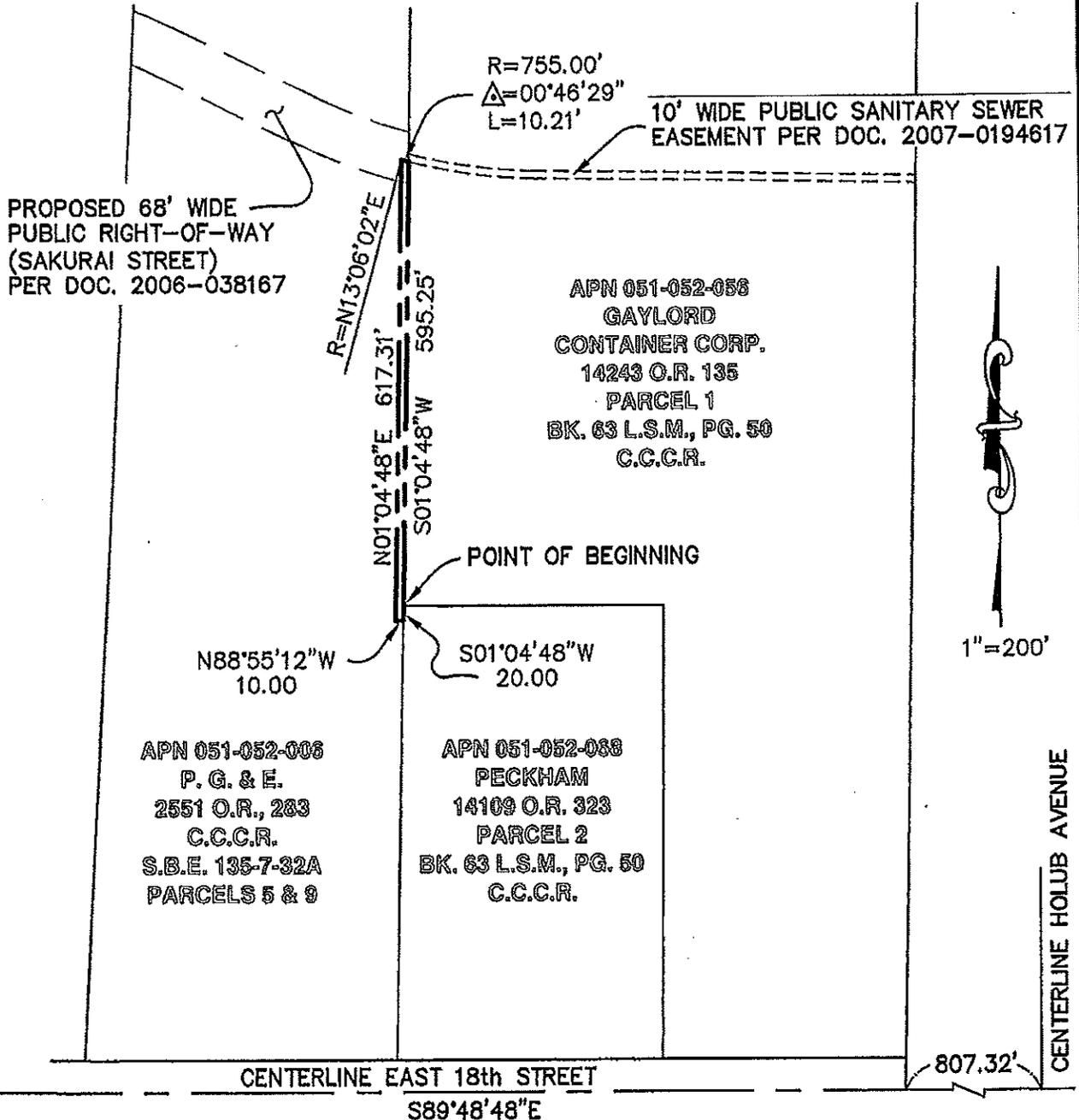
PREPARED BY:  
**F3 & Associates, Inc.**

\_\_\_\_\_  
GENE J. FEICKERT, JR., PLS 6608  
LICENSE EXPIRES 12/31/09

DATE: \_\_\_\_\_

# EXHIBIT "B"

GRAPHIC ILLUSTRATION FOR INFORMATIONAL PURPOSES ONLY



BASIS OF BEARINGS: BASED ON AND IDENTICAL WITH THE RECORD OF SURVEY FILED IN BOOK 63 OF LICENSED SURVEYOR'S MAPS, AT PAGE 50, CONTRA COSTA COUNTY RECORDS.

DATE  
02/27/2008

**SANITARY SEWER EASEMENT  
 IN FAVOR OF  
 LANDS OF PECKHAM  
 ANTIOCH, CALIFORNIA**

**F3 & Associates, Inc.**

DRAWN BY  
MEK

Land Surveying - Automated Grading Support

F3 PROJECT NO.  
7326

P.O. Box 5099, Petaluma, CA 94955  
 Phone (707) 762-9399 - Fax (707) 347-4500  
 www.F3-Inc.com

GENE J. FEICKERT, JR. PLS 6608

## 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 One Million Dollars (\$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 One Million Dollars (\$1,000,000) per occurrence [and Two Million Dollars (\$2,000,000) aggregate] for bodily injury, property damage and products and completed operations. Defense costs are to be provided outside the policy 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 One Million Dollars (\$1,000,000) each accident for bodily injury and property damage.

D. Pollution Liability

1. Coverage for bodily injury, property damage, including clean up costs and defense costs resulting from sudden and gradual pollution conditions including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, hydrocarbons, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water.
2. The limit shall not be less than One Million Dollars (\$1,000,000) each occurrence for bodily injury and property damage.
3. PG&E shall be named as additional insured.

E. 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 – Suite 2400  
One Market, Spear Tower  
San Francisco, California 94105

Pacific Gas and Electric Company  
1850 Gateway Blvd., 8<sup>th</sup> Floor  
Concord, CA 94523  
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.

**EXHIBIT "D"**

**BENEFITTED PROPERTY LEGAL DESCRIPTION**

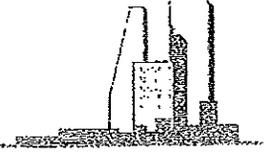
The parcel of land described in the deed from George Benson and others to Donald Eugene Peckham and Mary Luthella Peckham, as co-trustees, dated December 28, 1987 and recorded in Book 14109 of Official Records at page 322, Contra Costa County Records.

# Advice 3582-E

Attachment 2

# Polsley Appraisal

*Real Estate Appraisal and Consultation*



## **APPRAISAL REPORT**

Of

**One Underground Sewer Line Easement  
Encumbering a Pacific Gas and Electric Company Owned Property  
Located on the North Side of East 18<sup>th</sup> Street  
Antioch, California (APN 051-052-006)**

For:

Mr. David Hermelin, Esq.  
Hermelin Law Firm  
706 Main Street, Suite C  
Martinez, California 94553

As Of:

January 11, 2008

February 20, 2008

Mr. David Hermelin, Esq.  
Hermelin Law Firm  
706 Main Street, Suite C  
Martinez, California 94553

Re: Appraisal of an Underground Sewer Line Easement  
Encumbering a Pacific Gas and Electric Company Owned Property  
Located on the North Side of East 18<sup>th</sup> Street  
Antioch, California (APN 051-052-006)

Dear Mr. Hermelin,

At your request and authorization, I have prepared an appraisal of the above referenced easement.

The purpose of the appraisal is to estimate the fair market value of the easement, as defined within this report. The function of the appraisal is to establish value, to be used by the client for acquisition negotiations with the property owner, on behalf of Donald Peckham, who owns the adjacent property. It is my understanding that this easement is required in order to provide sewer services to the Peckham property, which is located immediately east of the subject property. This appraisal is reported in a restricted format.

In the course of my investigation I have personally inspected the subject property, as well as the general market area in which it is located. To estimate the fair market value of the proposed easement on the subject property, I have used the Sales Comparison Approach to value. The following sections summarize the data and methodology used in estimating the value of this easement.

**NOTE NO. 1:** Based on information provided by the client, the proposed easement on the subject property is assumed to encumber a total area of 6,000 square feet. This easement is also assumed to be as described to me by the client and Donald Peckham. No draft proposed easement document was provided for this appraisal.

**NOTE NO. 2:** Per the client's request, this appraisal is based on the definition of Fair Market Value from the State of California's Code of Civil Procedure. This definition of value is shown in the definitions section of this report.

**NOTE NO. 3:** The subject property is currently improved with grape vines and a PG&E transmission tower line. The client has informed me that the subject property's grape vines are maintained and harvested by a farmer, who has a lease on the property for this purpose. I have not been provided with a copy of this lease, and this appraisal assumes that this lease does not prohibit the proposed sewer line easement, and that this easement will have no affect on the grape vine operation.

**NOTE NO. 4:** This appraisal assumes that none of the above referenced grape vines on the subject property are located within the proposed easement area, and that the grape vine operation on the property will not be affected in any way by the proposed easement or the construction of the proposed sewer line within this easement.

**NOTE NO. 5:** According to the client and Donald Peckham, the portion of the subject property that would be encumbered by the proposed sewer line easement is currently used as a dirt road. This appraisal assumes that this road is not the only access point to the subject property, and that the proposed easement or the construction of the proposed sewer line within this easement would not prohibit access to any part of the subject property.

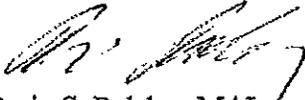
**NOTE NO. 6:** I have not been provided with any information regarding the potential area or time required for construction of the proposed underground sewer line within the proposed easement, and therefore I am unable to estimate the fair market value of any temporary construction easements. The value estimate for the proposed easement described in this report does not include any temporary construction easement value.

Based on my investigation and analysis, it is my opinion that the estimated fair market value of the proposed easement on the subject property, as of January 11, 2008, is:

**ONE THOUSAND DOLLARS**  
**(\$1,000)**

The conclusions contained herein are subject to the limiting conditions attached. This report has been developed and reported in conformity with and is subject to the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice (USPAP).

Respectfully submitted,  
**POLSLEY APPRAISAL**



Darin S. Polsley, MAI  
Certified General Real Estate Appraiser  
State of California #AG025350

**PG&E Gas and Electric  
Advice Filing List  
General Order 96-B, Section IV**

Alcantar & Kahl	Defense Energy Support Center	North Coast SolarResources
Ameresco	Department of Water Resources	Northern California Power Association
Anderson & Poole	Department of the Army	Occidental Energy Marketing, Inc.
Arizona Public Service Company	Dept of General Services	OnGrid Solar
BART	Division of Business Advisory Services	Praxair
BP Energy Company	Douglas & Liddell	R. W. Beck & Associates
Barkovich & Yap, Inc.	Douglass & Liddell	RCS, Inc.
Bartle Wells Associates	Downey & Brand	Recon Research
C & H Sugar Co.	Duke Energy	SCD Energy Solutions
CA Bldg Industry Association	Dutcher, John	SCE
CAISO	Ellison Schneider & Harris LLP	SMUD
CLECA Law Office	FPL Energy Project Management, Inc.	SPURR
CSC Energy Services	Foster Farms	Santa Fe Jets
California Cotton Ginners & Growers Assn	G. A. Krause & Assoc.	Seattle City Light
California Energy Commission	GLJ Publications	Sempra Utilities
California League of Food Processors	Goodin, MacBride, Squeri, Schlotz & Ritchie	Sierra Pacific Power Company
California Public Utilities Commission	Green Power Institute	Silicon Valley Power
Calpine	Hanna & Morton	Silo Energy LLC
Cameron McKenna	Hitachi	Southern California Edison Company
Cardinal Cogen	International Power Technology	Sunshine Design
Casner, Steve	Intestate Gas Services, Inc.	Sutherland, Asbill & Brennan
Chamberlain, Eric	Los Angeles Dept of Water & Power	Tabors Caramanis & Associates
Chevron Company	Luce, Forward, Hamilton & Scripps LLP	Tecogen, Inc.
Chris, King	MBMC, Inc.	Tiger Natural Gas, Inc.
City of Glendale	MRW & Associates	Tioga Energy
City of Palo Alto	Manatt Phelps Phillips	TransCanada
Clean Energy Fuels	Matthew V. Brady & Associates	Turlock Irrigation District
Coast Economic Consulting	McKenzie & Associates	U S Borax, Inc.
Commerce Energy	Merced Irrigation District	United Cogen
Commercial Energy	Mirant	Utility Cost Management
Consumer Federation of California	Modesto Irrigation District	Utility Specialists
Crossborder Energy	Morgan Stanley	Verizon
Davis Wright Tremaine LLP	Morrison & Foerster	Wellhead Electric Company
Day Carter Murphy	New United Motor Mfg., Inc.	Western Manufactured Housing Communities Association (WMA)
	Norris & Wong Associates	eMeter Corporation