June 19, 2006

Advice Letter 2825-E

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

Subject: Granting of PG&E Easements to Paul S. Taybi – Request for Clarification of Exemption Under General Order 69-C or, in the Alternative, Approval/Exemption Under Section 851/853 (b)

Dear Ms de la Torre:

Advice Letter 2825-E is effective June 22, 2006. A copy of the advice letter is sent herewith for your records.

Sincerely,

[Signature]

Sean H. Gallagher
Director
Energy Division
May 8, 2006

Advice 2825-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Granting of PG&E Easements to Paul S. Taybi – Request for Clarification of Exemption under General Order 69-C or, in the Alternative, Approval/Exemption under Section 851/853(b)

Purpose

Pacific Gas and Electric ("PG&E") respectfully submits this filing requesting Commission clarification that certain easements for the construction of driveways on PG&E property are exempt from Commission approval under General Order (G.O.) 69-C.

In the alternative, PG&E requests approval under Public Utilities Code § 851 to grant Paul S. Taybi ("Owner") an easement for the construction, maintenance, and use of a driveway and the right for the installation and maintenance of utilities on PG&E property. In addition, PG&E requests retroactive approval pursuant to Section 851 or, in the alternative, exemption from the requirement of prior approval pursuant to Section 853(b) for an easement PG&E granted to the Owner in 2001 for the construction, maintenance, and use of a separate driveway and the right for the installation and maintenance of utilities on PG&E property. PG&E did not obtain Commission approval for the easement granted in 2001 because PG&E believed that the agreement was exempt under G.O. 69-C, and therefore did not require Section 851 approval.

Background

In July 2001, PG&E negotiated an easement exchange with the Owner on PG&E’s electric transmission fee strip property located within the City of El Cerrito in Contra Costa County. PG&E needed to conduct vegetation removal close to its transmission line conductors, and the Owner granted PG&E an easement allowing transmission maintenance activities and overhang rights on his property (Attachment 1).
In exchange for granting PG&E an easement, the Owner requested rights for access and utilities to two property parcels he currently owns, on one of which he would like to develop a single family residence. The Owner was required to construct two separate driveways due to fire safety and access issues, and therefore sought two separate easements from PG&E. PG&E granted the first easement in 2001 to the Owner, allowing the construction, maintenance, and use of a driveway and the right to install and maintain utilities on PG&E’s property (Attachment 2). PG&E did not obtain Commission approval at the time the easement was granted because PG&E believed that the agreement was exempt under G.O. 69-C due to the G.O. 69-C language in the easement agreement, and therefore did not require Section 851 approval. Recently, the Owner decided to exercise an option for a second easement to construct a second driveway on PG&E’s property. Upon review of the request to exercise this easement option, PG&E determined that further Commission clarification was necessary to confirm the exemption of paved driveways under G.O. 69-C.

**Request for Commission Clarification of Exemption Under G.O. 69-C**

PG&E respectfully requests the Commission confirm that the construction of driveways is exempt under G.O. 69-C. Construction of driveways should fall within the parameters of GO 69-C. The text of GO 69-C provides as follows:

It is hereby ordered, that all public utilities covered by the provisions of Section 851 of the Public Utilities Code of this State be, and they are hereby authorized to grant easements, licenses or permits for use or occupancy on, over or under any portion of the operative property of said utilities for rights of way, private roads, agricultural purposes, or other limited uses of their several properties without further special authorization by this Commission whenever it shall appear that the exercise of such easement, license or permit will not interfere with the operations, practices and service of such public utilities to and for their several patrons or consumers;

Provided, however, that each such grant, other than a grant by a public utility to the State of California or a political subdivision thereof for a governmental use superior to the use by the public utility under the provisions of Section 1240.610 of the Code of Civil Procedure, or a grant to the United States Government or any agency thereof for a governmental use, shall be made conditional upon the right of the grantor, either upon order of this Commission or upon its own motion to commence or resume the use of the property in question whenever, in the interest of its service to its patrons or consumers, it shall appear necessary or desirable to do so;

And provided, further, that nothing herein applies, or shall be deemed to apply to crossings of railroads or street railroads by private or public roads, passengerways or footpaths, at grade or otherwise;
And provided, further, that the term “political subdivision” as used in this General Order is defined as set forth in Section 1402 of the Public Utilities Code.¹

The text of G.O. 69-C expressly authorizes a public utility to grant conditional use of utility property without prior Commission approval subject to several requirements: (1) the grant may not affect the utility’s ability to provide continued service to ratepayers, (2) the grant is for limited uses, and (3) the grant must be subject to a utility right of revocation (except for governmental agencies) if the utility or the Commission determines that revocation is necessary or desirable. D.03-06-052, 2003 Cal. PUC LEXIS 367. Clearly, GO 69-C applies to this case.

The approval of the easements will not interfere with the Company’s provision of quality service nor impair its ability to serve its customers. PG&E has determined that the driveways will not interfere with PG&E’s access to its transmission lines. Furthermore, under the terms of the both easement agreements, PG&E may terminate the Owner’s rights in accordance with G.O. 69-C, at any time, whenever PG&E should, in the interest of its service to the public, find it necessary or desirable to do so.

The paved driveways are required to address fire safety and access issues. In addition, granting the easements to the Owner facilitated an exchange which allowed PG&E an easement to conduct important vegetation removal and additional maintenance activities for PG&E’s transmission line conductors, thereby serving the public interest.

Consequently, the Commission should treat installation, maintenance and use of paved driveways as limited uses allowable under GO 69-C.

**In the Alternative, Request for Retroactive Approval Under Section 851 or Exemption Under Section 853(b) for the Easement Granted in 2001; and Approval Under Section 851 for the Second Easement**

In the alternative, PG&E requests that the Commission grant retroactive approval under Section 851 or exemption under Section 853(b) for the first easement granted in 2001, and approval under Section 851 for the second easement. Both easements allow the Owner to construct, maintain, and use a separate driveway and the right to install and maintain utilities on PG&E’s electric transmission fee strip property located within the City of El Cerrito in Contra Costa County.

The first basis for exemption under Section 853(b) is that PG&E granted the easement in 2001 prior to the Commission’s interpretation of limited uses under G.O. 69-C in Decision (D.) 01-08-070.²

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² D.01-08-070 issued on August 23, 2001 in Application 01-06-043 granted limited exemption from the requirements of Public Utilities Code Section 851 for the lease of space at three substations for the installation of electric generation units.
The second basis for exemption under Section 853(b) is that PG&E’s failure to obtain Section 851 approval in advance of the transaction was made in good faith—PG&E believed that the easement was exempt under G.O. 69-C and that Commission approval was not necessary. The Commission has applied the Section 853(b) exemption in similar cases. For example, in D.02-01-055, the Commission found Section 853(b) applicable on the basis that the recipients of the property received the property at issue in good faith and that there was no evidence that PG&E’s failure to obtain prior approval under Section 851 was deliberate. This case offers an even stronger basis for this type of Section 853(b) exemption, because PG&E believed the easement granted in 2001 was exempt under G.O. 69-C and did not require Section 851 approval.

In the alternative, PG&E requests that the Commission issue an order granting retroactive approval of the easement agreement. In the past, the Commission has granted Section 851 approval to transactions nunc pro tunc (with the same effect as if done earlier), where failure to obtain approval was deemed inadvertent and where examination of the transfer has revealed no prejudice to ratepayers.³ In this instance, the 2001 easement agreement to Paul S. Taybi did not prejudice ratepayers and PG&E’s failure to obtain Section 851 approval was based on PG&E’s belief that the easement was exempt under G.O. 69-C. The Commission therefore would be justified in approving the easement agreement nunc pro tunc.

With respect to the second easement, the Owner was given a five-year option to exercise a second easement to construct a driveway and install utilities across PG&E property. The Owner has decided to exercise this option, and PG&E hereby requests Commission clarification that paved driveways are exempt from Commission approval under General Order (G.O.) 69-C. In the alternative, PG&E requests approval from the Commission under Section 851 to grant the proposed easement to Paul S. Taybi (Attachment 3).

Both of these easements would be suitable candidates for exemption under Section 853(b) on the grounds that Section 851 approval for such de minimus, non-controversial uses of PG&E property is not “necessary in the public interest.” The Commission has applied Section 853(b) in several recent rulings where, as here, Section 851 approval was not necessary in the public interest. For example, in its January 11, 2006 approval letter, the Commission found Section 853(b) applicable to an encroachment agreement that allowed De Young Properties 5224, L. P. to construct a concrete block sound wall on PG&E’s easement to address a noise pollution health hazard. Granting the

encroachment agreement in that case served the public interest by allowing utility property (the easement area) to be used to address a critical issue of public health in a manner that did not interfere with the utility’s operation or affect service to utility customers. See also D.05-10-013, which applied Section 853(b) exemption to an encroachment agreement allowing installation of an access ramp and stairs in the interest of public safety. Similarly, the easements at issue in this case are reasonable and serve the public interest. As the Commission recently reiterated, “The public interest is served when utility property is used for other productive purposes without interfering with the utility’s operation or affecting service to utility customers.” Both easements do not interfere in any way with the operation of PG&E's facilities, or with the provision of service to PG&E’s customers. Rather, the easements serve the public interest by allowing the Owner to establish driveways and utilities on his property for fire safety and access issues and in return, the Owner granted PG&E an easement to conduct important vegetation removal and additional maintenance activities for PG&E’s transmission line conductors.

In accordance with Resolution ALJ-186, Appendix B, Section III.B, PG&E provides the following information related to the proposed transaction:

(a) Identity of All Parties to the Proposed Transaction:

Pacific Gas and Electric Company
Andrew L. Niven
Peter Van Mieghem
Law Department
P.O. Box 7442
San Francisco, CA 94120
Telephone: (415) 973-2902
Facsimile: (415) 973-5520
Email: PPV1@pge.com

Paul S. Taybi
2 Ridgeway Lane
El Cerrito, CA 94530
Telephone: (510) 525-1500
Email: Pault@taybi.com

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

The proposed easement (like the easement granted in 2001) would cross PG&E’s electric transmission fee property, which is dedicated to its Oleum 115kV – “G” #1, Sobrante 115kV – “G” #1, and Sobrante 115kV – “R” #1 transmission lines, located on the west side of Ridgeway Lane, east of Terrace Drive in the City of El Cerrito, Contra Costa County (“Property”). The Property is designated as Assessors Parcel Number (APN) 505-302-0024 as well as State Board of

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Equalization (SBE) 135-7-102B-15 and, with the exception of PG&E’s transmission line, is currently vacant and undeveloped.

(c) Intended Use of the Property:

Both easement agreements allow the Owner to construct, maintain, and use separate driveways, as well as install and maintain utilities, on PG&E property. The easement granted to the Owner in 2001 allowed him to construct a driveway accessing Terrace Drive from his two adjoining property parcels. The proposed easement requested herein would allow the Owner to construct a second driveway accessing Ridgeway Drive on the southwest side of one of the property parcels. The construction of the driveways is necessary to meet fire safety and access issues on the Owner’s properties.

These projects do not interfere with PG&E’s existing facilities.

(d) Complete Description of Financial Terms of the Proposed Transaction:

In 2001, PG&E and the Owner negotiated an easement exchange. The value of the first easement, which the Owner granted to PG&E in 2001, had an appraised value of Twenty-Six Thousand Nine Hundred and Sixty-Six Dollars ($26,966). The easement PG&E granted to the Owner in 2001 had an appraised value of Thirty-Nine Thousand Three Hundred Dollars ($39,300). The Owner owed a difference of Twelve Thousand Three Hundred and Thirty Dollars ($12,330) to PG&E. However, PG&E agreed to reduce the difference by Ten Thousand Dollars ($10,000) in return for granting a five-year option to the Owner for the second easement, rather than granting the second easement in 2001. Therefore, the Owner paid a fee of Two Thousand Three Hundred and Thirty Dollars ($2,330) in 2001.

The second easement requested by the Owner has an appraised value of Twenty-Two Thousand Five Hundred and Thirty Dollars ($22,530). In 2001, the Owner paid ten percent or Two Thousand Two Hundred and Fifty-Three Dollars to PG&E ($2,253) as a deposit. The Owner will pay the remainder, Twenty Thousand Two Hundred and Seventy-Seven Dollars ($20,277), upon Commission approval of this advice letter.

(e) Indication of How Financial Proceeds of the Transaction Will Be Distributed:

The property at issue in this application 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 Corporation 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 exchange, Paul S. Taybi has agreed to pay PG&E a total fee of Twenty-Four Thousand Eight Hundred and Sixty Dollars ($24,860) for both easements. The $4,583 in payments received in 2001 has been recorded as Electric Other Operating Revenue. PG&E will also account for the remaining easement fee of $20,277 as Electric Other Operating Revenue. 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 the easements.

(f) Sufficient Information and Documentation (Including Environmental Review Information) to Indicate that All Criteria Set Forth in Section II(A) of Resolution ALJ-186 Are Satisfied:

PG&E has provided information in this advice letter to meet the eligibility criteria under the advice letter pilot program. Under the CEQA Checklist, the activity proposed in the transaction will not require environmental review by the CPUC as a lead agency. The proposed transaction will not have an adverse effect on the public interest. In fact, the proposed transaction will serve the public interest because under a negotiated easement exchange with the Owner, PG&E is able to perform necessary transmission maintenance and vegetation removal activities, and the exchanged benefit alleviates fire safety and access issues for the Owner. Payment for the proposed easement is well below the $5 million threshold set forth for fee property and lease equivalents. Finally, the transaction does not involve the transfer or change in ownership of facilities currently used in utility operations.

(g) 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:

Not applicable.

(h) For Sales of Real Property and Depreciable Assets, the Advice Letter Shall Include the Original Cost, Present Book Value, and Present Fair Market Value, and a Detailed Description of How the Fair Market Value Was Determined (e.g., Appraisal):

Not applicable.

(i) For Leases of Real Property, the Advice Letter Shall Include the Fair Market Rental Value, and a Detailed Description of How the Fair Market Rental Value Was Determined:

The fair market value for the proposed easement was determined by an appraisal, details of which are provided in Attachment 4.
(j) Additional Information to Assist in the Review of the Advice Letter:

No additional information is readily available, other than what is already included with this application.

(k) CEQA Checklist

**Exemption**

(1) Has the proposed transaction been found exempt from CEQA by a government agency?

The proposed transaction was not found exempt from CEQA by a government agency.

(a) If yes, please attach notice of exemption. Please provide name of agency, date of exemption, and state clearinghouse number.

Not applicable.

(b) If no, does the applicant contend that the project is exempt from CEQA? If yes, please identify the specific exemption or exemptions that apply, citing to the applicable CEQA guideline(s).

The CEQA Guidelines, adopted by the Commission in Rule 17.1(a) of the Commission’s Rules of Practice and Procedure, include a list of categories of projects that have been determined not to have a significant effect on the environment and that are therefore exempt from the provisions of CEQA. (Cal. Code Regs., tit. 14, §§15300, et seq.) Among the classes of exempt projects are “construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure.” (Id., § 15303.) In particular, subpart (e) specifically exempts the construction of accessory (appurtenant) structures including garages, carports, patios, swimming pools and fences. Section 15304 of the Guidelines exempts minor alternations to land, such as the creation of bicycle lanes. The activities listed under the CEQA exemptions are specifically identified as *examples* of activities that are exempt from CEQA. (See, e.g., § 15304, line 2 (“Examples include, but are not limited to”).) Because a private driveway is similar in nature and impact to the examples listed, the proposed transaction is exempt from CEQA.
**Prior or Subsequent CEQA review**

(1) Has the project undergone CEQA review by another government agency? If yes, please identify the agency, the CEQA document that was prepared (EIR, MND, etc.) and its date, and provide one copy of any and all CEQA documents to the Director of the relevant Industry Division with a copy of the advice letter. Be prepared to provide additional copies upon request.

The project has not undergone CEQA review by another government agency.

(2) Identify any aspects of the project or its environment that have changed since the issuance of the prior CEQA document.

Not applicable.

(3) Identify and provide section and page numbers for the environmental impacts, mitigation measures, and findings in the prior CEQA document that relate to the approval sought from the CPUC.

Not applicable

(4) Does the project require approval by governmental agencies other than the CPUC? If so, please identify all such agencies, and the type of approval that is required from each agency.

This project does not require approval by any governmental agencies other than the CPUC.

**Need CEQA?**

If no exemption is applicable, and no prior review has occurred, please identify what applicant believes is the correct level of CEQA review.

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 30 days after the date of this filing, which is June 7, 2006. Protests should be mailed to:

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

Facsimile: (415) 703-2200  
E-mail: jjr@cpuc.ca.gov and 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  
Director, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

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

Effective Date

Pursuant to the review process outlined in Resolution ALJ-186, PG&E requests that this advice filing become effective on June 22, 2006, which is 45 calendar 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. 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

Director, Regulatory Relations

Attachments 1-4

cc:  Service List – GO 96-A
     ALJ Peter V. Allen, CPUC
     ALJ Lynn T. Carew, CPUC
     Andrew Barnsdale, CPUC – Energy Division
     Junaid Rahman, CPUC – Energy Division
     Brewster Fong, DRA
     Paul S. Taybi
     Marc D. Stolman, Attorney at Law
Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39)**

<table>
<thead>
<tr>
<th>Utility type:</th>
<th>Contact Person: Bernard Lam</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ ELC ☑ GAS</td>
<td>Phone #: (415) 973-4878</td>
</tr>
<tr>
<td>☐ PLC ☐ HEAT ☐ WATER</td>
<td>E-mail: <a href="mailto:bxlc@pge.com">bxlc@pge.com</a></td>
</tr>
</tbody>
</table>

**EXPLANATION OF UTILITY TYPE**

| ELC = Electric | GAS = Gas |
| PLC = Pipeline | HEAT = Heat | WATER = Water |

Advice Letter (AL) #: **2825-E**

Subject of AL: Granting of PG&E Easements to Paul S. Taybi – Request for Clarification of Exemption under General Order 69-C or, in the Alternative, Approval/Exemption under Section 851/853(b)

Keywords (choose from CPUC listing): Sale of Facilities

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☑ One-Time ☐ Other ________________________________

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: ALJ-186

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL: ________________

Resolution Required? ☑ Yes ☐ No

Requested effective date: **June 22, 2006**

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). N/A

Tariff schedules affected: N/A

Service affected and changes proposed N/A

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

Protests and all other correspondence regarding this AL are due no later than 30 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

**CPUC, Energy Division**

Attention: Tariff Unit

505 Van Ness Ave.,
San Francisco, CA 94102

jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

**Pacific Gas and Electric Company**

Attn: Brian K. Cherry

Director, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

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1 Discuss in AL if more space is needed.
Advice 2825-E

Attachment 1
LD 2401-04-1544

99030 (1544) (22-99-034) 2-99-2
Taybi Property Easement Exchange

AFTER RECORDING, RETURN TO

PACIFIC GAS AND ELECTRIC COMPANY
1030 Detroit Avenue
Concord, California 94518
Attn: Leo De Long

Location: City/County
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

EASEMENT

PAUL TAYBI

hereinafter called Grantor, in consideration of value paid by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called PG&E, the receipt whereof is hereby acknowledged, hereby grants to PG&E the right to suspend, replace, remove, maintain and use such wires and cables (supported by or suspended from poles, towers, or other structures located on lands adjacent to the hereinafter described lands) as PG&E shall from time to time deem to be reasonably required for the transmission of electric energy, and for communication purposes, together with a right of way, on, along and in all of the hereinafter described easement area which is situate in the City of El Cerrito, County of Contra Costa, State of California, and are described as follows

(APN 505-302-08)

A strip of land of the uniform width of 10 feet lying contiguous to and southerly of the northerly boundary line of the parcel of land described in the deed from Edward A. Pillsbury, Jr. and Carol H. Pillsbury, husband and wife, to Paul Taybi dated July 28, 1991 and recorded in Book 17170 of Official Records at page 430, Contra Costa County Records, and extending from the westerly boundary line of said lands easterly approximately 238 feet (measured along said northerly boundary line) to the southeasterly boundary line of said lands

Grantor further grants to PG&E

(a) the right of ingress to and egress from said easement area,
(b) should any tree or trees planted by Grantor hereunder exceed 15 feet in height at any
time, the Grantor shall have the duty, and PG&E shall have the right, at the Grantor's sole risk
and expense, to trim such trees to 15 feet or to the extent necessary to maintain proper clearances,
in the judgment of PG&E, for the protection of PG&E's electric transmission line traversing
PG&E's adjacent lands, and

(c) the right to install, maintain and use gates in all fences which now cross or shall
hereafter cross said easement area

PG&E hereby covenants and agrees

(a) not to fence said easement area,

(b) to repair any damage it shall do to Grantor's private roads or lanes on said lands, and

(c) to indemnify Grantor against any loss and damage which shall be caused by the
exercise of the rights herein granted, or by any wrongful or negligent act or omission of PG&E or
of its agents or employees in the course of their employment, provided, however, that this
indemnity shall not extend to that portion of such loss or damage that shall have been caused by
Grantor's comparative negligence or willful misconduct

Grantor reserves the right to use said easement area for purposes which will not interfere
with PG&E's full enjoyment of the rights hereby granted, provided that Grantor shall not erect or
construct any building or other structure, or drill or operate any well, or construct any reservoir
or other obstruction within said easement area, or construct any fences that will interfere with the
maintenance and operation of said facilities, except, however, that Grantor may maintain and use
the portion of Grantor's existing house which extends into the easement area. However, Grantor
shall not make any additions or improvements to said house which exceed 18 feet in height above
the present surface of the ground on or within said easement area, without receiving written
consent to do so from PG&E, provided, however, such consent shall not be unreasonably
withheld and will normally be granted to the extent that such proposed additions or improvements
higher than 18 feet above the present surface of the ground will not impair a radial clearance of 15
feet from any conductor, as it would be displaced from its position at rest while the temperature is
60° Fahrenheit and the conductor is subject to any wind pressure between 0 and 8 pounds per
square foot of projected cable area

The provisions hereof shall be to the benefit of and bind the successors and assigns of
the respective parties hereto, and all covenants shall apply to and run with the land

Dated 6/20, 2001

Paul Taybi
Diablo Division

T1N, R4W, MDB&M
Section 22, SE4ofNE4
Ref SME 135-7-102B, Pcl 15
Ref LD 2401-04-0472
PD31
Auth 40081276
Prepared JBO
Revised TEP (04/01)
file PD31Taybleasement1544doc1rev1.doc
STATE OF CALIFORNIA
COUNTY OF CONTRA COSTA

On JUNE 20, 2006 before me the undersigned a Notary Public for said State personally appeared

Paul TAYLOR

Personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are subscribed to the within instrument and acknowledged to me that

she/he/they executed the same in her/his/their authorized capacity(ies) and that by her/his/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

END OF DOCUMENT
EXHIBIT B

Showing a proposed access easement over a portion of the parcel labeled as Great Western Power Company 200 foot R.O.W. as shown on the Amended Official Map of Units 1 and 2 Berkeley Country Club Terrace as recorded in Book 1 of Official Maps at Page 25 Official Records of the County of Contra Costa California June 2000

LANGFORD LAND SURVEYING
11051 Skyline Boulevard Suite D
Oakland CA 94619
Phone (510) 520-5200 Sheet 1 of 1
Advice 2825-E

Attachment 2
PACIFIC GAS AND ELECTRIC COMPANY
1030 Detroit Avenue
Concord, California 94518
Attn Leo De Long

Location City/State
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

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EASEMENT

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called first party, hereby grants to PAUL TAYBI, hereinafter called second party, the right, subject to termination as hereinafter set forth, to construct, maintain and use a driveway and the right for the installation and maintenance of utilities within the strips of land, situate in the City of El Cerrito, County of Contra Costa, State of California, described as follows:

(APN 505-302-024)

STRIP 1

A strip of land of the uniform width of 20 feet lying contiguous to and easterly of the easterly boundary line of the city street known as Terrace Drive, and extending from the northerly boundary line of the Lot 600-A as shown upon the Amended Official Map of Units 1 and 2, Berkeley Country Club Terrace, filed March 3, 1930 in Book 1 of Official Maps at page 25, Contra Costa County Records, northerly 24 feet.

STRIP 2

A strip of land of the uniform width of 20 feet lying contiguous to and northerly of the northerly boundary line and the easterly prolongation thereof of said Lot 600-A and extending from the easterly boundary line of the strip of land hereinafter described and designated STRIP 1 easterly 238 30 feet.

Said driveway shall be used only as means of ingress to and egress from the lands of second party adjacent to lands of first party.

First party reserves the right to use the driveway within said strips, and to grant such right to others, without obligation to contribute to the maintenance thereof except to repair such damage it may cause by heavy trucking or other extraordinary use.

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[Signature]

P&G E.CO
COPY

- 1 -
Second party shall have the right to erect and maintain a locked gate across said STRIP 1, provided, however, that first party, its employees, licensees, agents, successors and assigns, shall have the right to pass through the locked gate. Said gate shall be provided with a locking device that may be fitted with multiple locks so that all persons authorized to use said driveway may have separate locks and keys and may open said gate independently of any other person.

Second party shall construct and maintain the driveway within said strips, so as not to reduce the vertical clearance between first party's existing electric transmission lines and the ground thereunder below the minimum requirements set forth in General Order No. 95 of the Public Utilities Commission of the State of California.

Second party shall indemnify first party, its officers, agents and employees against all loss, damage, expense and liability resulting from injury to or death of persons, including, but not limited to, employees of first party or second party, or injury to property, including, but not limited to, property of first party or second party, arising out of or in any way connected with the use granted hereunder including the exposure to electric and magnetic fields and any loss, damage, expense, or liability caused or contributed to by the negligence, whether active or passive, of first party, excepting only such loss, damage, expense, or liability as may be caused by the sole negligence or willful misconduct of first party. In the event this indemnity is not enforceable, second party shall indemnify first party to the maximum extent allowed by law.

Second party shall not perform any work hereunder without giving first party at least one week's notice of second party's desire so to do in order that a representative of first party may be present for the inspection and approval of second party's operations hereunder, said notice shall be given to Pacific Gas and Electric Company, Land Department, 1030 Detroit Avenue, Concord Ca 94518.

Second party acknowledges first party's title in and to said strips and priority of first party's title therein and agrees never to assail or resist said title.

Furthermore, in accordance with General Order No. 69-C of the Public Utilities Commission of the State of California, first party reserves the right to terminate the easement herein granted whenever first party, in the interest of its service to the public, finds it necessary or desirable so to do.

The foregoing grant is made subject to all liens and encumbrances which may affect said lands and the word "grant" as used herein shall not be deemed to be a covenant against the existence of any thereof.

Time is of the essence of the provisions hereof.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto.
IN WITNESS WHEREOF the parties hereto have executed these presents this 5th day of July, 2001.

First Party

PACIFIC GAS AND ELECTRIC COMPANY

By  

Lu de Silva  
Manager, Land Services

Second Party

Paul Taybi

Diablo Division
T1N, R4W, MDB&M
Section 22, SE4ofNE4
Ref SBE 135-7-102B, Pcl 15
Ref LD 2401-04-0472
PD 31
Auth 40081976
Prepared JBO
file PD31Taybleaseament1545doc2 doc
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of San Francisco

On July 10, 2001, before me, Manalo B Evangelista, Notary Public personally appeared Lu de Silva.

☑ personally known to me
☐ 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 her/his/her/their authorized capacity(ies), and that by her/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.

Manalo B Evangelista, Notary Public

OPTIONAL
Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document
Title or Type of Document: Easement

Document Date: July 10, 2001 Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer
Signer's Name: 
☐ Individual
☐ Corporate Officer — Title(s): 
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other:

Signer is Representing: 
STATE OF CALIFORNIA  
COUNTY OF CONTRA COSTA  

SS

On JUNE 20, 2004 before me the undersigned a Notary Public for said State personally appeared  

PAUL TAYLOR

1. Personally known to me - OR 
   [ ] approved to me on the basis of satisfactory evidence to be the person(s) whose names are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in the 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

JOHN A. CARDARELLI  
Commission = 1269617 
Notary Public California Contra Costa County VY COMM ED Jul 2 2004

END OF DOCUMENT
EXHIBIT B
SHOWING A PROPOSED ACCESS EASEMENT
OVER A PORTION OF THAT PARCEL LABELED AS
GREAT WESTERN POWER COMPANY 200 FOOT RIGHT-OF-WAY
AS SHOWN ON THE AMENDED OFFICIAL MAP OF UNITS 1 AND 2
BERKELEY COUNTRY CLUB TERRACE AS RECORDED
IN BOOK 1 OF OFFICIAL MAPS AT PAGE 22
OFFICIAL RECORDS OF THE COUNTY OF CONTRA COSTA, CALIFORNIA
JUNE 2000

PACIFIC GAS AND ELECTRIC COMPANY
(SHOWN AS GREAT WESTERN POWER COMPANY ON OFFICIAL MAP)

TERRACE DRIVE
(50' WIDE)

CRAFT AVENUE
(50' WIDE)

LANGFORD LAND SURVEYING
11881 SAYLNE BOULEVARD SUITE D
OAKLAND CA 94619
PHONE (510) 530-5230

CB/98-12' TER AVE 150'-1" Z-D
Advice 2825-E

Attachment 3
EASEMENT

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called first party, hereby grants to PAUL TAYBI, hereinafter called second party, the right, subject to termination as hereinafter set forth, to construct, maintain and use a driveway and the right for the installation and maintenance of utilities within the strip of land, situate in the City of El Cerrito, County of Contra Costa, State of California, described as follows:

(APN 505-302-024)

The strip of land described in EXHIBIT A attached hereto.

Said driveway shall be used only as means of ingress to and egress from the lands of second party adjacent to lands of first party.

First party reserves the right to use the driveway within said strip, and to grant such right to others, without obligation to contribute to the maintenance thereof except to repair such damage it may cause by heavy trucking or other extraordinary use.

Second party shall have the right to erect and maintain a locked gate across said strip, provided, however, that first party, its employees, licensees, agents, successors and assigns, shall have the right to pass through the locked gate. Said gate shall be provided with a locking device that may be fitted with multiple locks so that all persons authorized to use said driveway may have separate locks and keys and may open said gate independently of any other person.

Second party shall construct and maintain the driveway within said strip, so as not to reduce the vertical clearance between first party's existing electric transmission lines and the ground thereunder below the minimum requirements set forth in General Order No. 95 of the Public Utilities Commission of the State of California.
Second party shall indemnify first party, its officers, agents and employees against all loss, damage, expense and liability resulting from injury to or death of persons, including, but not limited to, employees of first party or second party, or injury to property, including, but not limited to, property of first party or second party, arising out of or in any way connected with the use granted hereunder including the exposure to electric and magnetic fields and any loss, damage, expense, or liability caused or contributed to by the negligence, whether active or passive, of first party, excepting only such loss, damage, expense, or liability as may be caused by the sole negligence or willful misconduct of first party. In the event this indemnity is not enforceable, second party shall indemnify first party to the maximum extent allowed by law.

Second party shall not perform any work hereunder without giving first party at least one week's notice of second party’s desire so to do in order that a representative of first party may be present for the inspection and approval of second party’s operations hereunder, said notice shall be given to Pacific Gas and Electric Company, 3480 Buskirk Avenue, Pleasant Hill, CA 94523, Attention: Land Agent.

Second party acknowledges first party's title in and to said strip and priority of first party's title therein and agrees never to assail or resist said title.

Furthermore, in accordance with General Order No. 69-C of the Public Utilities Commission of the State of California, first party reserves the right to terminate the easement herein granted whenever first party, in the interest of its service to the public, finds it necessary or desirable so to do.

The foregoing grant is made subject to all liens and encumbrances which may affect said lands and the word "grant" as used herein shall not be deemed to be a covenant against the existence of any thereof.

Time is of the essence of the provisions hereof.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF the parties hereto have executed these presents this ____ day of __________________, 20____.

First Party: ___________________________ Second Party: ___________________________

PACIFIC GAS AND ELECTRIC COMPANY  Paul Taybi

By ___________________________
Richard A. Gigliotti
Real Estate Manager - Land Services
EXHIBIT A
EASEMENT DESCRIPTION

SITUATED IN THE CITY OF EL CERRITO, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

A TWENTY FOOT WIDE EASEMENT OVER A PORTION OF THE 200 FOOT WIDE RIGHT OF WAY OF THE GREAT WESTERN POWER COMPANY, AS SHOWN ON THAT CERTAIN MAP ENTITLED “AMENDED OFFICIAL MAP OF UNITS 1 AND 2, BERKELEY COUNTRY CLUB TERRACE” FILED MARCH 3, 1930, IN BOOK 1 OF OFFICIAL MAPS, AT PAGE 25, CONTRA COSTA COUNTY RECORDS THE CENTERLINE OF SAID TWENTY FOOT WIDE EASEMENT IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHWESTERLY LINE OF THE 10 FOOT WIDE STRIP OF LAND (KNOWN TODAY AS RIDGEWAY LANE) AT THE EASTERLY END OF THE SAID 200 FOOT WIDE RIGHT OF WAY SHOWN ON SAID MAP, DISTANT THEREON S 41°08'50" E, 202.00 FEET FROM THE MOST EASTERLY CORNER OF LOT 579 AS SHOWN ON SAID MAP;

THENCE S 5°00'00" W, 12.33 FEET;

THENCE ALONG A TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 25.00 FEET, AN ARC LENGTH OF 36.22 FEET, THROUGH CENTRAL ANGLE OF 83°00'00";

THENCE S 88°00'00" W, 42.63 FEET;

THENCE ALONG A TANGENT CURVE TO THE LEFT WITH A RADIUS OF 25.00 FEET, AN ARC LENGTH OF 34.91 FEET, THROUGH A CENTRAL ANGLE OF 80°00'00";

THENCE S 8°00'00" W, 49.09 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID 200 FOOT WIDE RIGHT OF WAY, DISTANT THEREON N 77°24'25" E, 305.00 FEET FROM THE EASTERLY LINE OF TERRACE DRIVE AS SHOWN ON SAID MAP.

THE SIDELINES OF THIS EASEMENT SHALL LENGTHENED OR SHORTENED TO TERMINATE IN THE SOUTHWESTERLY LINE OF RIDGEWAY LANE AND IN THE NORTHERLY LINE OF LOT 601, AS SHOWN ON SAID MAP.

THIS EASEMENT IS SHOWN ON THE PLAT ATTACHED TO THIS DESCRIPTION, WHICH IS ENTITLED “EXHIBIT B”, AND IS HEREBY MADE A PART OF THIS DESCRIPTION.
EXHIBIT B
SHOWING A PROPOSED ACCESS EASEMENT
OVER A PORTION OF THAT PARCEL LABELED AS
"GREAT WESTERN POWER COMPANY" "200 FOOT RIGHT OF WAY"
AS SHOWN ON THE "AMENDED OFFICIAL MAP OF UNITS 1 AND 2,
BERKELEY COUNTRY CLUB TERRACE", AS RECORDED
IN BOOK 1 OF OFFICIAL MAPS, AT PAGE 25,
OFFICIAL RECORDS OF THE COUNTY OF CONTRA COSTA, CALIFORNIA,
JUNE 2000

PACIFIC GAS AND ELECTRIC COMPANY
(SHOWN AS GREAT WESTERN POWER COMPANY ON 11 OM 249)

CENTRLELINE OF A PROPOSED
20 FOOT WIDE ACCESS EASEMENT
(ALL CURVES ARE TANGENT)

600 A
600 B

TAYBI (96 005436)
SWANSON (96 005436)

501

TERRACE DRIVE
(50' WIDE)

RIDGEWAY LANE (10' WIDE)

GRAPHIC SCALE

( IN FEET )
1 INCH = 60 FEET

LANGFORD LAND SURVEYING
11881 SKYLINE BOULEVARD, SUITE D
OAKLAND, CA 94619
PHONE (510) 530-5200

JOB# 00-1321 DRAWING FILE = 1321PLAT.DWG

1 OF 1
Area 2, East Bay Region, Diablo Division
Land Service Office: GO
Operating Department: Electric Transmission
T1N, R4W, MDB&M
Section 22, SE4 of NE4
PG&E Drawing Number: 301817
AF: 2401-04-0472
TYPE OF INTEREST: 11c
SBE Parcel Number: 135-7-102B-Pcl 15
PM #: 40278320-0011 (Previously 2005091)
JCN: 22-99-034
County: Contra Costa
Prepared: JBO
Revised: TEP (5/25/01)
Revised: TEP (1-27-06)
Advice 2825-E

Attachment 4
February 26, 2001

Mr. Leo De Long
Pacific Gas & Electric Company
1030 Detroit Avenue
Concord CA 94518

Re: Appraisal of Easements to Encumber APN 505-302-024 and APN 505-302-008, El Cerrito, Contra Costa County, CA

Dear Leo:

At PG&E’s request I have completed an appraisal of the market value of proposed easement rights in the subject properties described below. My conclusions are subject to the Standard Assumptions And Limiting Conditions contained in the addenda as well as others in the text that follows. I inspected the subject properties most recently on February 9, 2001, which is also the effective date of value. My inspections were limited to exterior portions of the subject properties, and were conducted entirely from public streets or PG&E-owned property. Public records indicate no sale or transfer of any of the subject properties during the last three years. Based upon my investigation and analysis, I have concluded the following values for the proposed easements:

**PG&E to Taybi (Affecting S1)**
- Easement 1530: $22,530
- Easement 1545: $39,300

**Taybi to PG&E (Affecting S2)**
- Easement 1544: $26,970 ($26,966, rounded to nearest ten dollars)

I conducted this assignment as a complete appraisal. My findings and conclusions are presented in the form of this restricted use report prepared to conform to Standards Rule 2-2(e) of the Uniform Standards of Professional Practice (USPAP). It is intended for your sole use as the client, and not for dissemination. The client for this assignment is PG&E. I understand that the function of the appraisal will be for use in negotiating the exchange of easement rights in the subject properties.

**Subject Properties.** There are three subject properties, identified as S1, S2, and S3. I included S3 as a subject property because it is key to the analysis of the proposed easements. I did not conclude a value for S3, though, as it is not affected by any of the proposed easements, although it will benefit from the easements affecting S1.

**Subject property S1** consists of a portion of a PG&E transmission line right-of-way owned in fee. It can be identified by Contra Costa County APN 505-302-024 and SBE 135-7-102B Pcl. 15. It is currently improved for utility use with high capacity transmission lines on two rows of steel lattice towers. All adjacent uses are single-family residential. Based on the size shown on the assessor’s map, it measures 87,120 SqFt (2.00 acres). It slopes up steeply from Terrace Drive then down to Ridgeway Lane. Its highest and best alternative use, if there were no transmission lines, would be development for single-family residential use. The basis of value will be single-family residential land values.
February 26, 2001  
Mr. Leo De Long  
Pacific Gas & Electric Company  
Re: Appraisal of Easements, Paul Taybi & PG&E, El Cerrito  
Page 2 of 4  

PG&E proposes to grant one or two easements over S1 to Mr. Paul Taybi, the owner of two adjoining parcels. The easements will be for the purpose of providing legal access to S3, which is landlocked. Easement 1550 would run from Ridgeway Lane, up over a small rise, and then down the hill to S3. It would cross the subject property in a northeast-southwest alignment. It would measure approximately 3,004 SqFt (0.069 acres).

Easement 1545 would run from Terrace Drive to S3, and would measure approximately 5,240 SqFt (0.120 acres) in size. It would run along the southerly property line of S1, directly uphill from Terrace Drive. Copies of documents for both of these proposed easements are included in the addenda. Exhibit B, which shows the locations of the easements on S1, appears on a following page. Both easements will grant rights for access and utilities within the right-of-way.

Subject property S2 is an improved single-family lot located at 8714 Terrace Drive, adjacent to S1 and fronting on Terrace Drive. It can also be identified by APN 505-302-008. The assessed owner is Mr. Paul Taybi. According to FARES, Mr. Taybi acquired the property in 1992 from Edward A. Pillsbury, Jr., for $231,000. FARES also shows that the existing improvements consist of a 1,863 SqFt single-family house built in 1951. Adjacent land uses include the PG&E fee strip, a vacant lot to the rear (see S3 below), also owned by Mr. Taybi, and an improved single-family lot to the southeast at 8702 Terrace Dr. FARES shows that S2 measures 8,100 SqFt (0.186 acres). The highest and best use of S2 is its current single-family residential use.

Easement 1544 will encumber S2, and will involve a grant from Mr. Taybi to PG&E. As proposed, the easement will measure 2,285 SqFt (0.053 acres) and will grant overhang rights for transmission line use, but no rights for ground facilities. A copy of the easement document is included in the addenda. Exhibit B, which appears on a following page, also shows the location of this easement.

Finally, subject property S3 consists of a vacant and landlocked single-family lot located adjacent to S1 and behind S2. It is identified by APN 505-302-011. FARES indicates that Mr. Taybi acquired S3 from Loren R. & M. W. McQueen in 1996 for $25,000. This price appears to be considerably below market at the time, which is probably a function of its landlocked status. Based on information on file with the city, S3 measures 7,300 SqFt (0.168 acres) and under the current city code it would not constitute a legal lot because it lacks street frontage².

In December 1998, Mr. Taybi applied for a Certificate of Compliance (Certificate) from the City to enable the eventual development of S3. The Certificate was approved with conditions. These conditions require that permanent access rights for a public right-of-way be obtained. The required access easement will consist of a paved roadway with a minimum 15 ft. width. The access easement must be recorded, with a copy of the recorded document filed with the city. All conditions must be satisfied PRIOR to issuance of any development permits. The conditions also require that access be from the 8700 block of Terrace Drive. A copy of the Certificate and the supporting report prepared by the El Cerrito planning staff are included in the addenda. S3 can only be developed if easement access over S1 from Terrace Drive can be

1 First American Real Estate Solutions.  
2 Zoning Ordinance §18.24.160.
EXHIBIT B

SHOWING A PROPOSED ACCESS EASEMENT OVER A PORTION OF THAT PARCEL LABELED AS "GREAT WESTERN POWER COMPANY" "200 FOOT RIGHT OF WAY" AS SHOWN ON THE "AMENDED OFFICIAL MAP OF UNITS 1 AND 2, BERKELEY COUNTRY CLUB TERRACE", AS RECORDED IN BOOK 1 OF OFFICIAL MAPS, AT PAGE 25, OFFICIAL RECORDS OF THE COUNTY OF CONTRA COSTA, CALIFORNIA, JUNE 2000

LANGFORD LAND SURVEYING
11681 SKYLINE BOULEVARD, SUITE D
OAKLAND, CA 94619
PHONE (510) 530-5200 SHEET
DRAWN 05/2006 DRAFTED 06/10/06 1 OF 1
February 26, 2001
Mr. Leo De Long
Pacific Gas & Electric Company
Re: Appraisal of Easements, Paul Taybi & PG&E, El Cerrito
Page 3 of 4

obtained. This is the only access that meets the conditions of the Certificate. If this access cannot be obtained, then S3 will not be developable as a stand-alone lot. Clearly, if the property owner can obtain this access to S3, it will be a much more valuable property.

In its "as is" condition, the highest and best use of S3 is assemblage with an adjacent property for plottage value. Once access has been obtained and perfected, the highest and best use will be development for single-family residential use, as a stand-alone lot.

Neighborhood. The subject neighborhood is located in the East Bay hills on the west slope of the ridge that forms the easterly border of El Cerrito. Rough neighborhood boundaries include Kensington to the south; the flatland areas of downtown El Cerrito stretching along the length of San Pablo Ave. to the west; San Pablo to the north; and Wildcat Canyon Regional Park and portions of Richmond to the east.

Mooser Lane is the primary east-west arterial street, and Arlington Ave. is the primary north-south arterial. The subject properties are located just a short distance upslope from the intersection of these two neighborhood arterial streets.

The predominant neighborhood land uses are single-family residential. Most of the homes are relatively modest in size and design, and were constructed in the 1940s, 1950s and earlier. However, consistent with the trend in other similar Bay Area neighborhoods, there has been a burst of new single-family home construction activity, much of it involving demolition of older homes to make way for much larger new houses. In the subject neighborhood, these new houses sell for approximately $700,000 to $900,000.

Besides single-family homes, other notable land uses include Mira Vista Country Club (Cutting Blvd. E of Arlington), Hillside Natural Area (west side of ridge, below subject properties), Wildcat Canyon Regional Park (east side of ridge), as well as several churches and a convent. All are compatible with the predominant single-family residential use. I noted no environmental obsolescence that would be detrimental to typical neighborhood uses.

Zoning. The subject properties are located in a single-family residential (R-1) zoning district. Principal permitted uses are single-family or similar low intensity uses. Minimum lot sizes are generally 5,000 to 6,000 sq ft, setback are 5 ft. and 10 ft, and maximum site coverage is 50%. An excerpted copy of the R-1 zoning ordinance is included in the addenda.

Valuation. I used Across-the-Fence (ATF) methodology to establish a base value rate for the easements that will encumber the S1 PG&E fee strip. I used the sales comparison approach to establish a base value rate for the easement that will encumber S2. I included S3 in the analysis but did not estimate a value for it. The basis of value for both S1 and S2 is vacant land suitable for single-family residential development.

There has been a considerable amount of sales activity involving single-family land parcels in the last few years. I identified six single-family lot sales that occurred in 2000. They are summarized on the Market Data Summary on a following page. They indicate selling prices ranging from $105,000 to $212,500 per lot, with a modal tendency towards the upper end of the range. Two of the three highest priced sales are also nearest the subject properties. I

3 Corner lots.
<table>
<thead>
<tr>
<th>Lot Sales</th>
<th>Location</th>
<th>APN</th>
<th>Date</th>
<th>Zoning</th>
<th>Price</th>
<th>SizeSF</th>
<th>PriceSF</th>
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<tbody>
<tr>
<td>1</td>
<td>1551 REGENCY CT, EL CERRITO 94530</td>
<td>505-130-006-6</td>
<td>12/11/00</td>
<td>R1 (B2)</td>
<td>$190,000</td>
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<td>2</td>
<td>8239 TERRACE DR, EL CERRITO 94530</td>
<td>505-222-023-2</td>
<td>8/9/00</td>
<td>R1</td>
<td>$212,500</td>
<td>10,125</td>
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<td>3</td>
<td>338 ARLINGTON BLVD, EL CERRITO 94530</td>
<td>505-303-033-3</td>
<td>3/15/00</td>
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<td>8,100</td>
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<td>4</td>
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<td>$10.41</td>
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<table>
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<th>Basement Sales</th>
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<th>Zoning</th>
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<th>PriceSF</th>
<th>As % of Fee</th>
<th>Buyer</th>
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</thead>
<tbody>
<tr>
<td>101</td>
<td>ADJ. 810 ARLINGTON AVE, EL CERRITO 94530</td>
<td>505-301-014</td>
<td>1/18/80</td>
<td>R1</td>
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<td>PG&amp;E</td>
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<td>GRIZZLY PEAK BLVD, VIC. SKYLINE, OAKLAND CA</td>
<td>048H-7524-006</td>
<td>9/17/98</td>
<td>RES</td>
<td>$25,000</td>
<td>5,703</td>
<td>$4.38</td>
<td>49%</td>
<td>PG&amp;E</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Seller</th>
<th>Buyer</th>
</tr>
</thead>
<tbody>
<tr>
<td>LO CHANG S</td>
<td>BERSANO EUGENIA</td>
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<tr>
<td>CHEN &amp; CHOW 1996</td>
<td>ADDISON ALONZO C</td>
</tr>
<tr>
<td>HIRSCHMAN ALBERT W JR &amp; ANTONIA M</td>
<td>VITALE AARON D &amp; JANIE M</td>
</tr>
<tr>
<td>TONG JONES &amp; SANDRA</td>
<td>HOM WILLIAM &amp; LINDA K</td>
</tr>
<tr>
<td>TONG SY</td>
<td>VASILAS ZANNIS</td>
</tr>
<tr>
<td>CHANG YIN-HSING &amp; HUDY-CHYUN</td>
<td>VASILAS ZANNIS</td>
</tr>
<tr>
<td>JANDALI FIRAS &amp; A. NASSER</td>
<td>FELTON ROBERT W.</td>
</tr>
</tbody>
</table>
concluded a vacant lot value of $190,00 for S2. This translates to a base value rate of $23.46/SqFt, which I rounded to $23.50/SqFt for use in the analysis.

For S1, the PG&E fee strip, I used an ATF methodology. I based my value analysis on a $15/SqFt value rate, which reflects an average for the six lot sales. This is consistent with the ATF approach, which makes no adjustments for size, shape or other physical characteristics. S2’s higher value rate is a function of its small size relative to the comparable sale properties. The six comparable sales indicate a mean unit selling price of $15.75/SqFt and a median unit selling price of $14.39/SqFt. $15/SqFt falls squarely between the two.

To calculate the easement values I multiplied an “easement factor” of 50% by the base value rate for each of the subject properties. The 50% factor is supported by the two easement sales shown on the Market Data Summary. It is also consistent with rules of thumb used within the industry, and with my own experience valuing many different kinds of easements. Easements are rarely bought or sold in the open market; therefore, data involving actual arm’s length easement transactions are rare.

The calculation of easement value is shown below:

**Calculation of Easement Value**

<table>
<thead>
<tr>
<th>Description</th>
<th>Basis</th>
<th>Base Value Rate</th>
<th>x Size SqFt</th>
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<td>2,295</td>
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If you have any questions, or require clarification of any of the points covered, please feel free to phone me at 415/397-1168.

Respectfully submitted,
J. KAEUPER & COMPANY

John R. Kaeuper, MAI

Addenda
Easement Documents
Zoning Excerpt
Certificate of Compliance for APN 505-302-011
Appraiser’s Certification
Definitions
Standard Assumptions and Limiting Conditions
Appraiser’s Qualifications
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