

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



March 15, 2010

Advice Letter 3531-E

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

**Subject: The Jourdain Family Trust Easement, Amador County –
Request for Approval Under Section 851**

Dear Mr. Cherry:

Advice Letter 3531-E is effective February 25, 2010 per Resolution E-4290.

Sincerely,

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

Julie A. Fitch, Director
Energy Division

September 25, 2009

Advice 3531-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: The Jourdain Family Trust Easement, Amador County – Request for Approval Under Section 851

Purpose

Pacific Gas and Electric (“PG&E”) submits this advice letter seeking approval, under Public Utilities Code Section 851, of PG&E’s consent to grant the Jourdain Family Trust (“Jourdain”) use of PG&E property to remedy a 0.034 acre encroachment by the Jourdain Family House on PG&E’s Electra Tunnel Fee Strip located in Amador County (the “Property”). If granted, this easement will not only remedy the existing encroachment but it will also facilitate and support the Jourdain Family’s plans to complete all necessary activities required to place the Property on the market for sale. Commission approval of this easement is not adverse to the public interest and the existing minor encroachment does not interfere with PG&E’s operations or provision of utility services.

Background

PG&E owns land, buildings and other structures in connection with the provision of energy service throughout its service territory. The Electra Tunnel Fee Strip in Amador County, California, is one such property. Located on an unfenced and open space 100-foot fee strip, the Electra Tunnel is located 636 feet below ground and measures 13 feet in diameter. The Tunnel runs between the West Point Powerhouse and Lake Tabeaud, conveying water from upstream reservoirs to the Electra Powerhouse which is part of PG&E Mokelumne River Project.

The above-mentioned easement related to the encroachment of a small portion of the Jourdain Family House, consisting of a single-family dwelling and deck and fence discovered during a survey of the Property for a new septic system. The Jourdain Family House was built in 1973 and this encroachment, which occupies a total area of 0.034 acres, has existed since then. Of the total encroachment acreage, 0.004 acres is attributed to the corner of the house and a section of the deck. The remaining 0.03

acres of the total encroachment is attributed to a minor section of the fenced yard. The encroaching portion of these structures was constructed without PG&E's knowledge or consent, and PG&E believes that encroachment was inadvertent.

The Electra Tunnel is located within the Federal Energy Regulatory Board ("FERC") project boundary - FERC Project No. 137. On April 11, 2007, PG&E filed a Notice of Intent with FERC requesting the approval to grant an easement for 0.004 acres of encroachment. On June 19, 2007, FERC approval for the request was issued under Article 415, Paragraph (d)(7). A copy of the approval letter is attached herein as Attachment C-1. Following this approval, PG&E and the Jourdain family became aware of an error in the description of the encroachment (a section of the fence was inadvertently not included in the initial FERC NOI). To remedy the encroachment, PG&E on May 12, 2009, filed a new Notice of Intent with FERC seeking consent to revise the approved request of April 11, 2007 to include the 0.03 acres of a minor fence (*for a total of 0.034 acres*). FERC Approval for this request was received on July 9, 2009 and is included herein as Attachment C-2.

The Pacific Forest and Watershed Lands Stewardship Council ("Stewardship Council" or "SC"), a California non-profit corporation, has stated that it has no objection to this proposed easement, which will encumber a very small area of PG&E hydro-electric property that is part of the Watershed Lands covered by the Land Conservation Commitment ("LCC"). As the CPUC is aware, the LCC was established as part of the settlement agreement between PG&E, PG&E Corporation, and the Commission in I.02-04-026. The LCC has been clarified and supplemented by a stipulation dated September 25, 2003. Pursuant to the settlement agreement, PG&E created the SC to oversee and carry out the LCC.

Under the LCC, the Watershed Lands, including the PG&E property that would be subject to the proposed easement here, must be either: (1) subject to permanent conservation easements restricting development of the land to protect and preserve their beneficial public values, or (2) donated in fee simple to one of more public agencies or qualified non-profit conservation organizations that will ensure the protection of those beneficial values.

The SC plans to make Land Conservation and Conveyance Plan ("LCCP") recommendations to PG&E in the future pursuant to the Land Conservation Plan ("LCP") guidelines it has already adopted. In the meantime, the Governing Board of the SC has discretion to recommend that PG&E undertake certain individual transactions before an LCCP transaction has been made to PG&E and Section 851 approval received from the CPUC. The SC has developed a policy regarding third-party uses of lands subject to its jurisdiction.

Pursuant to the SC's Third-Party Use Policy, SC has reviewed PG&E's request for approval of the proposed Easement and found that it would be consistent with the long-term objectives of the settlement agreement, stipulation and LCP, and that there is no reasonable possibility that the easement or this use would interfere with the SC's land conservation planning and management efforts and objectives for the North Fork Mokelumne River Planning Unit. The Electra Tunnel Fee strip to be encumbered here is

within FERC boundaries and so will only be eligible for a conservation easement and not donation in fee in the LCCP. Consequently, the appropriate language has been included in Section 8 of the Jourdain Easement that provides that the Easement Area may be subject to a future conservation easement or easements. (See section (6) of this Advice Letter). Because the Jourdain easement will be recorded and will “run with the land,” all future owners will be on notice of this language as well.

On September 15, 2009, the Stewardship Council’s Executive Director issued a letter, included herein as Attachment B, which acknowledged its review of the Jourdain Easement request and recommended that PG&E proceed with the proposed easement. The Stewardship Council Staff based its findings on: (1) the Third-Party Use Request Guidelines and Procedure adopted by the Stewardship Council, (2) the Stewardship Council’s staff review of the information provided by PG&E, including the proposed Easement language, and terms and conditions referenced above, and (3) the subject encroachment has been in existence for the past 37 years. Therefore, the SC has no objection to PG&E’s request for CPUC 851 approval of the proposed Jourdain easement. The Commission has routinely granted 851 approvals for third-party uses of watershed lands that are acceptable to the Stewardship Council, using language that can be found most recently at pages 2-3 of Resolution E-4270, issued on August 20, 2009.

In addition, granting this easement to the Jourdain Family Trust will not be adverse to the public interest. The Commission has repeatedly held that the relevant inquiry in Section 851 proceedings is whether the transaction is “adverse to the public interest.” (See, e.g. Universal Marine Corp., 1984, Cal. PUC Lexis 962 * 3; 14 CPUC 2d 644, 646; see also D.03-01-084, 2003 Cal. PUC LEXIS 72, *10. D.89-07-016 and D.01-05-076.) Furthermore, in approving productive compatible secondary uses of utility property, such as this easement, the Commission has long recognized that public interest is served when, as in this request, utility property is used for other productive purposes without interfering with the utility’s operations or affecting service to utility customers. (D.04-07-023, mimeo, p.13, *citing* D.02-01-058 [2002 Cal. PUC LEXIS 11, *9-*10], D.94-06-017, and D.92-07-007.) The Jourdain single family dwelling property’s 0.034 acre encroachment onto the Property does not interfere with PG&E operations or provision of utility service and granting this easement will in no way impair PG&E’s ability to deliver reliable service to its customers. In addition, if granted, this easement will be recorded and will run with the land, providing notice to all future home owners of PG&E’s ownership of this 0.034 acre portion of the Property. The Easement Agreement also includes indemnification and other standard provisions that provide further protection of ratepayers’ financial interests. These provisions are a reasonable compromise to avoid the cost of litigation. It would be unduly burdensome for the Jourdain Family to remove the encroaching portion of their house, deck and fenced yard. Also, the cost to ratepayers and Jourdain for litigation would far outweigh the value of this easement and the CPUC has approved similar such easement compromises for encroachments by residential structures. (See e.g., D.05-11-023.) As such, the Commission should approve this approach as not adverse to the public interest.

For all the above reasons, the Commission should grant this Section 851 easement request over PG&E fee property to the Jourdain Family Trust.

In accordance with the format of advice letter 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	Jourdain Family Trust
Andrew L. Niven	c/o Robert Jourdain
Gail L. Slocum	P.O. Box 1438
Law Department	Mendocino, CA 95460
P.O. Box 7442	
San Francisco, CA 94120	
Telephone: (415) 973-6583	
Facsimile: (415) 973-0576	
Email: GLSG@pge.com	

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

This request relates to a 0.034 acre section of PG&E property in Amador County consisting of a hundred (100) foot-wide fee strip that houses PG&E's Electra Tunnel. The Electra Tunnel is 13 feet in diameter and is located 636 feet underground. This fee strip is part of the parcel of land that is situated on the north half of the Northwest quarter of Section 14, Township 6 North, Range 12 East, MDB&M, described and designated 1, as reserved in the deed from Pacific Gas Electric Company to E.V. Rodman and Dolores G. Rodman, dated July 13, 1967, and recorded in the Book 167 of Official Records at page 34, Amador County Records. The Legal Description and Maps of the easement area is attached herein as Exhibit B 1-2 of the Easement Agreement included herein as Attachment A.

(3) Intended Use of the Property:

The Jourdain Family Trust intends to sell the Jourdain Family House, which is used for a single family dwelling. As such, granting this easement will facilitate the completion of preparatory activities necessary to place the aforementioned Property on the market and complete a sale.

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

PG&E will receive a one-time nominal fee of \$500 for granting the easement.

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

Any net compensation received by PG&E as a result of this transaction will be credited to Other Operating Revenue and be used to reduce generation revenue requirements in future General Rate Cases, consistent with conventional cost-of-service ratemaking.

(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:

As a result of this transaction, no PG&E property is being sold or disposed off. Thus, there will be no changes in PG&E's rate base as a result of granting the proposed easement. Further, granting this easement will not interfere with and/or affect PG&E ability to provide reliable service to its customers and the public at large. PG&E reserves the right to make use of this easement area for such purposes as it may deem necessary or appropriate if, and whenever, in the interest of its service to its customers or the public at large.

Further within Section 8(c) of the Easement Agreement, Jourdain acknowledges that PG&E may have previously granted, and may in the future grant, certain rights in and across the Easement Area to others including but not limited to a Conservation Easement, 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. Because the Jourdain Easement will be recorded and will "run with the land," all future owners will be on notice of this language as well. This further ensures that the easement has no adverse effect on the Commission-adopted Land Conservation Commitment, which further benefits the public interest, as discussed further above.

(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:

PG&E believes that the negotiated easement fee falls within the acceptable market range of values for such easements as a secondary use of generation-related facilities, such as this easement used to remedy the encroachment by the Jourdain Family House, and is comparable to easement fees negotiated by other providers of easements in rights of way in rural areas. (See D.05-11-023)

To determine a fair rental value for this easement fee, PG&E researched acreage costs of comparable agricultural open space parcels within the vicinity of the Property. PG&E obtained sales figures for the last two years for thirteen parcels of land that have either been sold or are currently on sale. The parcel prices ranged from \$21,000/acre to \$1,250/acre. Averaging the thirteen properties, a value of \$6,595/acre was arrived at. This average was applied to the encroachment area of 0.0345, to arrive at a fair easement fee value of \$227.55. Based on this value, PG&E determined that a one-time payment of \$500 would suffice as an acceptable fee for the transaction that falls within the range of fair market value for such easements. Therefore PG&E requests that the Commission find this one-time nominal fee of \$500 to be reasonable. PG&E statement of Nominal Payment is included herein as Attachment D.

(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 Transaction¹:

Not applicable.

(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 within this advice letter to meet the eligibility criteria under the Section 851 Advice Letter pilot program. The proposed transaction will not have any adverse effect on public interest because it will in no way affect the existing operations of PG&E's hydro Electra Tunnel and its associated property, nor will it interfere with PG&E provision of utility services.

In addition, the compensation from the proposed easement is below the \$5 million eligibility requirement set forth in ALJ-202 for easements. Further, the transaction does not entail the transfer or change in ownership of facilities used for PG&E operations.

Pursuant to the CEQA requirements provided in ALJ-202, the transaction will not cause any physical change to the existing structure of this property. As such this transaction does not qualify as a project under CEQA nor will it require a review by the Commission as either a lead or responsible agency. Approvals that do not result in a direct or reasonable foreseeable indirect physical change to the

¹ 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.)

environment are not “projects” under CEQA and do not trigger a CEQA review (CEQA Guidelines Section 15060, subdiv. c & c2.)²

Neither this advice letter nor the transactions contained in the Easement Agreement for which approval is being sought will directly result in any physical change in use. If a situation arises in the future and the new owners propose modification of the property in question, the approval processes required by the primary land use authority would include any CEQA review that might be necessary, and CEQA Section 15303(a) exempting single family residences and related small facilities, as well as CEQA Section 15305 also exempts minor encroachment permits and other minor alterations in land use. (See e.g., D.05-03-015.)

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

Not applicable.

(13) Environmental Information

Pursuant to ALJ-202, the advice letter program only applies to proposed transactions that will not require environmental review by the CPUC as a lead or responsible agency under CEQA either because (a) a statutory or categorical exemption applies or (b) because the transaction is not a “project” under CEQA.

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).

The activities proposed in the Easement Agreement will not require environmental review by the Commission because the transaction is not a project under CEQA. See Section 13(b) below. In addition the previous encroaching single-family residential construction was and remains categorically

² In addition, prior construction of these encroachments on PG&E property were categorically exempt under Section 15303(a) of the California Environmental Quality Act, which exempts construction and location of limited numbers of new, small facilities or structures including one single-family residence.

exempt under Section 15303(a) of the California Environmental Quality Act, which exempts construction and location of limited numbers of new, small facilities or structures including one single-family residence. In addition the Commission has approved minor encroachments as categorically exempt under CEQA Section 15305. (See D.05-03.015.)

b. Not a "Project" Under CEQA

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

As described in Section (11), the transaction sought under the proposed Easement Agreement relates to an existing construction that will not physically change as a result of this Section 851 approval. Thus this transaction does not qualify as a "project" under CEQA. CEQA guidelines expressly provide that an activity is not subject to CEQA review if the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment. Because PG&E's proposed Easement Agreement with The Jourdain Family Trust will not result in any physical change to PG&E property it is not a "project" under CEQA.

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 **October 15, 2009**, 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 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
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

Effective Date

Pursuant to the review process outlined in Resolution ALJ-202, PG&E requests that this advice filing become effective by Commission resolution at the **December 17, 2009**, meeting, or 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 to help the State Department of Corrections avoid any losses of funding, as discussed earlier in this filing. **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 San Heng at (415) 973-2640. 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 3531-E

***** SERVICE LIST Advice 3531-E*****
APPENDIX A

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

Angela K. Minkin
Administrative Law Judge Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703-2008
ang@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
San Francisco, CA 94102
(415) 355-5596
jzr@cpuc.ca.gov

Chloe Lukins
Energy Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703- 1637
clu@cpuc.ca.gov

Julie Fitch
Energy Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 355-5552
jf2@cpuc.ca.gov

Kenneth Lewis
Energy Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703-1090
kl1@cpuc.ca.gov

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

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

Robert Jourdain
P.O. Box 1438
Mendocino, CA 95460

Stewardship Council
15 North Ellsworth Avenue, Suite 100
San Mateo, CA 94401
(650) 344-9072 (p) or (866) 791-5150 (toll free)
info@stewardshipcouncil.org

County of Amador
Planning Department
810 Court Street
Jackson, CA 95642
(209) 223-6380
planning@co.amador.ca.us

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) #: **3531-E**

Tier: 3

Subject of AL: **The Jourdain Family Trust Easement, Amador County – Request for Approval Under Section 851**

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 AL¹: _____

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: **December 17, 2009**

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 proposed¹: 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 3531-E

Attachment A

(Easement Agreement)

LD 2106-12-0776

Appurtenant Residence and Yard Easement (Electra Tunnel)
RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
Attention: Land Agent
5555 Florin Perkins, #100
Sacramento, CA 95816

Location: City – Pine Grove, CA

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 36-060-18

**EASEMENT AGREEMENT
(Single family residence and yard)**

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 **ROBERT L. JOURDAIN AND JOANNE C. JOURDAIN**, as successor trustees of the Jourdain Family Living Trust, dated June 10, 1991, hereinafter called “**Grantee**.”

RECITALS

A. PG&E owns certain real property situate in the County of Amador, State of California, more particularly described in **EXHIBIT A**, attached hereto and made a part hereof (Assessor’s Parcel No. 36-060-18, State Board of Equalization No. 135-03-004B parcel 4, hereinafter, the “**Property**”).

B. Grantee is the owner of certain real property (the “**Benefitted Property**”) situate in the County of Amador, State of California, commonly known as 11820 Gold View Way, Pine Grove, California, and more particularly described in **EXHIBIT D** (Assessor’s Parcel No. 36-280-14), attached hereto and made a part hereof. A portion of Grantee’s residence was constructed on Grantor’s property, and in connection therewith, Grantee has requested that PG&E grant an easement for that portion of Grantee’s single family residence and yard which occupies Grantor’s property and is appurtenant to the Benefitted Property.

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

Now, therefore, in consideration of Grantee's agreement to pay the sum of Five Hundred Dollars (\$500.00), and for other good and valuable consideration, PG&E and Grantee agree as follows:

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

(a) A non-exclusive easement to construct, install, repair, replace (with the initial or any smaller size), remove, maintain, occupy and use a single family residence and yard, over a portion of the Property described in **EXHIBIT 'B1'** and shown on **'EXHIBIT 'B2'** attached hereto and made a part hereof (the "**Easement Area**").

2. Limitations on Use.

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

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

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

(b) Hazardous Substances (as hereinafter defined). For purposes hereof, the term "**Hazardous Substances**" means any hazardous or toxic material or waste which is or becomes regulated by Legal Requirements (as hereinafter defined) relating to the protection of human health or safety, or regulating or relating to industrial hygiene or environmental conditions, or the protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, including, but not limited to, laws, requirements and regulations pertaining to reporting, licensing, permitting, investigating and remediating emissions, discharges, releases or threatened releases of such substances into the air, surface water, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of such substances. Without limiting the generality of the foregoing, the term Hazardous Substances includes any material or substance:

(1) now or hereafter defined as a "hazardous substance," "hazardous waste," "hazardous material," "extremely hazardous waste," "restricted hazardous waste" or "toxic substance" or words of similar import under any applicable local, state or federal law or under the regulations adopted or promulgated pursuant thereto, including, without limitation, the

Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§9601 et seq. (“CERCLA”); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§6901 et seq.; the Clean Air Act, 42 U.S.C. §§7401 et seq.; the Clean Water Act, 33 U.S.C. §§1251 et seq.; the Toxic Substance Control Act, 15 U.S.C. §§2601 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §§136 et seq.; the Atomic Energy Act of 1954, 42 U.S.C. §§2014 et seq.; the Nuclear Waste Policy Act of 1982, 42 U.S.C. §§10101 et seq.; the California Hazardous Waste Control Law, Cal. Health and Safety Code §§25100 et seq.; the Porter-Cologne Water Quality Control Act, Cal. Water Code §§13000 et seq.; the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health and Safety Code §§25300 et seq.); and the Medical Waste Management Act (Health and Safety Code §§25015 et seq.); or

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

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

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

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

(6) which contains radon gas;

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

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

Grantee shall be solely responsible for the health and safety of, and shall take all necessary precautions to protect, its employees, contractors, consultants, agents and invitees (“**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) 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.

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

(c) Non-Interference. Grantee agrees not to interfere in any way or permit any interference with the use of the Property by PG&E and other entitled persons. Interference shall include, but not be limited to, any activity by Grantee that places any of PG&E's gas or electric facilities in violation of any of the provisions of General Order Nos. 95 (Overhead Electric), 112 (Gas), and 128 (Underground Electric) of the California Public Utilities Commission (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;

(d) Avoiding Dangerous Activities. Grantee agrees to conduct its activities and operations within and on the Easement Area in such a manner so as not to endanger the Property, PG&E's utility facilities, the environment and human health and safety. Grantee shall not cause or permit any Hazardous Substances, as defined herein, to be brought upon, produced, stored, used, discharged or disposed of on, or in the vicinity of the Property, except in compliance with all applicable Legal Requirements. Grantee shall be responsible for the cost of remediating any discharge or release of Hazardous Substances resulting from or arising in connection with Grantee's use of the Property, and shall immediately notify PG&E and the appropriate regulatory authorities where required by law, of any such release. If PG&E determines that Grantee's activities in any way endanger the Property, PG&E's utility facilities, the environment, or human

health and safety, PG&E may, in PG&E's sole and absolute discretion, require that Grantee halt such activities until appropriate protective measures are taken to PG&E's satisfaction. Grantee shall hold PG&E harmless from any claims resulting from any delay under this paragraph. PG&E's right to halt activities under this paragraph shall not in any way affect or alter Grantee's insurance or indemnity obligations under this Agreement, nor shall it relieve Grantee from any of its obligations hereunder that pertain to health, safety, or the protection of the environment;

(e) 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;

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

(g) 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.

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

(d) Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold Indemnitees harmless against claims, losses, costs (including, but not limited to, attorneys' fees and costs), liabilities and damages resulting from the failure of Grantee, or any of its contractors or subcontractors, to comply with the insurance requirements set forth in **EXHIBIT C**, attached hereto and made a part hereof. 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 and the Federal Energy Regulatory Commission ("FERC"). 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 12.

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. 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 the Property is a part of FERC Project No. 137. PG&E reserves the right to use the Property, including the Easement Area, in all ways and for all purposes necessary or appropriate to its obligations as licensee under FERC Project No. 137. Grantee shall not make use of the Easement Area in any way which would be incompatible with overall project uses.

(c) 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.

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

(e) 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 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. 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 Property, 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.

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

12. 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
5555 Florin Perkins, #100
Sacramento, CA 95826
With a copy to:

If by registered or certified mail, return receipt requested:

Law Department
Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, CA 94120
Attn: Director & Counsel, Contracts Section (Real Estate)

If by personal delivery or overnight courier:

Law Department
Pacific Gas and Electric Company
77 Beale Street, Mail Code B30A
San Francisco, CA 94105
Attn: Director & Counsel, Contracts Section (Real Estate)

If to Grantee:

Robert Jourdain
P.O. Box 1438
Mendocino, CA 95460

If by personal delivery or overnight courier:

Robert L. Jourdain
45401 Indian Shoals Road
Mendocino, CA 95460

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

14. 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.

15. Binding Effect. This Agreement and the covenants and agreements contained herein shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, successors and assigns (subject to the provisions of Section 18). 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.

16. 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.

17. Collateral Assignment. Notwithstanding Section 16 above, Grantee may mortgage (or assign as collateral security pursuant to a deed of trust) its right, title and interest arising under this Agreement, to a lender or lenders ("**Mortgagee**"), without the necessity of PG&E's consent. PG&E agrees that a breach or default by Grantee, or its successors, transferees and assigns, under this Agreement shall not impair or render invalid the lien of any mortgage or deed of trust on Grantee's interest. PG&E agrees to give notice of any default by Grantee, or its successors, transferees and assigns, hereunder to any such Mortgagee of which PG&E has received written notice from Grantee specifying the address to which such notice may be delivered, and further agrees to provide any such Mortgagee with a reasonable opportunity to cure any default of Grantee, or its successors, transferees and assigns. PG&E agrees to execute, acknowledge and deliver any instrument to implement the rights of Grantee, or its successors, transferees and assigns or Mortgagees as provided in this paragraph, provided that such execution, acknowledgment and delivery shall be at no cost or expense to PG&E.

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

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

By: _____
Robert L. Jourdain, as trustee aforesaid

By: _____
Loren Loo
Manager, Land Asset Management
Technical & Land Services

Date: _____

By: _____
Joanne C. Jourdain, as trustee aforesaid

Date: _____

Date: _____

EXHIBITs A, B1, B2, C and D attached

Central Hydro – Area 5
Sacramento Hydro Support
Hydro
T. 6N, R.12E, Section 14, NW ¼
FERC License No.: 137
LD of any affected documents: 2106-12-0027 and 0446
Type of Interest: I1C
SBE Parcel No: 135-03-004B, parcel 1
Order # 10286803
County: Amador
851 Approval Application No. _____ Decision _____ (to be inserted when approved by CPUC)
Prepared by: CXAK
Checked by: MJHA

EXHIBIT A
PG&E PROPERTY

That portion of the parcel of land situate in the North half of the Northwest quarter of Section 14, Township 6 North, Range 12 East, MDB&M, described and designated 1, as reserved in the deed from Pacific Gas and Electric Company to E.V. Rodman and Dolores G. Rodman, dated July 13, 1967 and recorded in Book 167 of Official Records at page 354, Amador County Records.

SURVEYING
ENGINEERING
PLANNING

STEVEN W. BROWN
LAND SURVEYING

27 MAIN STREET
JACKSON, CA 95642
(209) 223-1061
FAX: (209) 223-3585



EXHIBIT 'B1'

DESCRIPTION OF EASEMENT

Beginning at the southeasterly corner of Lot 12, as said lot is described in Exhibit 'D,' being monumented on the ground by a 1/2" rebar tagged L.S. 2909; thence North 16° 55' 30" East, 44.05 feet, along the east boundary of said Lot 12 to the southwesterly corner of said easement and being the True Point of Beginning, thence along an existing fence the following 3 courses:

- 1) North 74° 43' 28" East, 42.26 feet; thence
- 2) North 13° 31' 21" West, 70.58 feet; thence
- 3) South 16° 55' 30" West, 83.36 feet, along said easterly boundary line to the True Point of Beginning.

A handwritten signature in black ink that reads "Steven W. Brown". The signature is written in a cursive style and is positioned above a horizontal dashed line.

Steven W. Brown L.S. 5257
Lic. Exp. 12-31-09

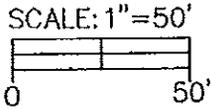
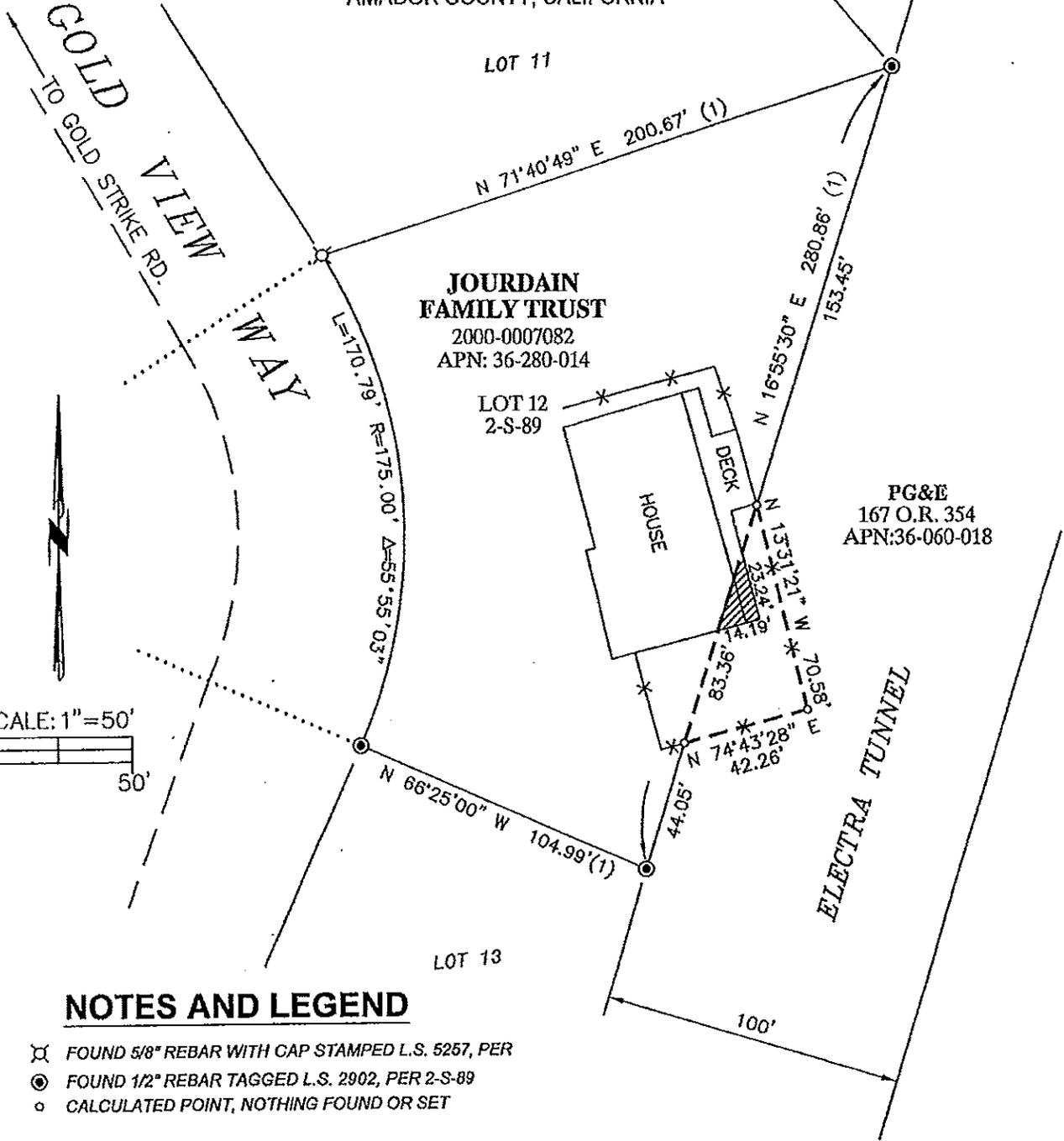
03/26/2009

Date



EXHIBIT 'B2'

NW 1/4 OF SEC. 14, T.6N., R.12E., M.D.M
 AMADOR COUNTY, CALIFORNIA



NOTES AND LEGEND

- ⊗ FOUND 5/8" REBAR WITH CAP STAMPED L.S. 5257, PER
- ⊙ FOUND 1/2" REBAR TAGGED L.S. 2902, PER 2-S-89
- CALCULATED POINT, NOTHING FOUND OR SET

— EASEMENT AREA, TOTAL 1490 SQ.FT.
 HOUSE AND DECK, TOTAL 164 SQ.FT.

(1) RECORD DATA PER 2-S-89

STEVEN W. BROWN- LAND SURVEYING

27 MAIN ST. JACKSON, CA 95642 (209)223-1061
 SCALE: 1"=50' MAR. 2009 W.O. 3588

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. 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 (\$1,000,000.00) per occurrence and one million (\$1,000,000.00) 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.

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

Pacific Gas and Electric Company
Attention: Land Agent
5555 Florin Perkins, #100
Sacramento, CA 95826

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.

SURVEYING
ENGINEERING
PLANNING

STEVEN W. BROWN
LAND SURVEYING

27 MAIN STREET
JACKSON, CA 95642
(209) 223-1061
FAX: (209) 223-3585



EXHIBIT 'D'

DESCRIPTION OF BENEFITTED PROPERTY

Lot 12 of Pine Acres Unit No. 9, as said Lot is shown and delineated on the subdivision map for Pine Acres Unit No. 9 filed in Book 2 of Subdivision Maps at Page 89 (2-S-89) filed in the office of Amador County Recorder; also being portion of the northwest 1/4 of Section 14, T. 6N., R. 12E., M.D.M., Amador County, California.

A handwritten signature in black ink that reads "Steven W. Brown". The signature is written in a cursive, flowing style.

Steven W. Brown L.S. 5257
Lic. Exp. 12-31-09

03/26/2009

Date



Advice 3531-E

Attachment B

(Stewardship Council Approval Letter)

September 15, 2009



Jayne Battey
Director of Land Services
Pacific Gas & Electric Company
245 Market Street, Mail Code: N10A
San Francisco, CA 94105

Subject: Third Party Use Request for New Easement Agreement for Jourdain Residence, North Fork Mokelumne, Amador County

Dear Ms. Battey:

On July 28, 2009, we received a notice from PG&E (Notice) for a Third Party Use Request (Request) affecting a portion of the North Fork Mokelumne Planning Unit within the Upper Mokelumne Watershed located in Amador County, California. The North Fork Mokelumne Planning Unit is subject to the Settlement Agreement and Stipulation between PG&E and the California Public Utility Commission. The Notice is for a new easement agreement (Agreement) for a portion of a single family residence (house and deck) that encroaches onto PG&E land (Residence). Information regarding the request and a draft of the proposed Agreement was shared by Mr. Steve Koop of PG&E by email.

According to information provided by PG&E to the Stewardship Council, we understand that:

- PG&E is proposing an easement to the Jourdain family to allow the encroachment of the Residence onto PG&E land.
- The Residence encroaches onto PG&E land by 164 square feet and the fenced yard encroaches an additional 1326 square feet. The total area of the encroachment is 1490 square feet (0.03 acre).
- PG&E owns this 100 foot wide strip of property in fee for the operation and maintenance of the Electra Tunnel which is a project feature of the Mokelumne River FERC Project (FERC Project No. 137) and is entirely within FERC Project boundaries.
- This land will be retained by PG&E as part of the Land Conservation Commitment. PG&E has requested and received FERC approval to convey the easement.

The Agreement contains terms and conditions (Section 6) that prohibit any additional facilities or improvements within the easement area without PG&E's written approval which may be granted or withheld at PG&E's sole discretion. In addition, PG&E reserves the right to grant additional rights within the easement area, including a "Conservation Easement" (Section 8(c)).

Of note, the subject encroachment has existed for the past 37 years and was not noticed until a 2006 survey for an engineered septic system was conducted.

Pursuant to: (1) the Third Party Use Request Guidelines and Procedure adopted by the Stewardship Council in 2004 and amended on September 26, 2007, (2) the Stewardship Council's staff review of the information provided by PG&E, including the proposed easement language, and terms and conditions referenced above, and (3) the subject encroachment has been in existence for the past 37 years, the

Stewardship Council staff believes that there is no reasonable possibility that the proposed use will have an adverse impact on the long term planning and management objectives for the North Fork Mokelumne Planning Unit.

Sincerely,

A handwritten signature in cursive script that reads "Allene Zanger".

Allene Zanger

Executive Director

cc: Soapy Mulholland, Watershed Planning Committee Chair, Stewardship Council Board of Directors
Dave Sutton, Watershed Planning Committee Co-Chair

Advice 3531-E

Attachment C (1 & 2)

(FERC Approval Letters)

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D. C. 20426

OFFICE OF ENERGY PROJECTS

Project No. 137-114-California
Mokelumne River Hydroelectric Project
Pacific Gas and Electric Company

June 19, 2007

Mr. Ross C. Jackson
Senior License Coordinator
Pacific Gas and Electric Company
P.O. 770000, Mail Code N11C
San Francisco, CA 94117

POWER GENERATION		
ORIG. RCJ	JUN 22 2007	CO: JUSTICE
FERC NO. 137	TRACK NO. 2068542	CLMP
FILE NO. 026,118	ACTION FILE	

Subject: Notice of intent to grant an easement within project boundary

Dear Mr. Jackson:

On April 11, 2007, you filed a notice of intent with the Commission to grant an easement for an encroachment of approximately 9 feet onto Pacific Gas and Electric Company (PG&E) property for a housing structure that has existed for 34 years. This notice was filed under article 415 (d) of the project license.¹ According to your filing, the corner of the house and deck that encroach 9 feet onto PG&E property were built approximately 34 years ago with the understanding that it was entirely on the owner's property. It has come to the attention of the current owners due to the installation of a new septic system, so they are now requesting permission for the encroachment.

Paragraph (d)(7) of article 415 states that you may convey fee title to, easements or rights-of-way across, or leases of project lands for other uses, if; (i) the amount of land conveyed for a particular use is five acres or less; (ii) all of the land conveyed is located at least 75 feet, measured horizontally, from project waters at normal surface elevation; and (iii) no more than 50 total acres of project lands for each project development are conveyed under this clause (d)(7) in any calendar year. Article 415 grants you the authority to convey such easements of project lands, 45 days after submitting a letter of notification to the Commission.

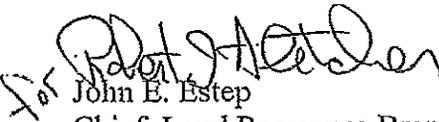
¹ 97 FERC ¶61,031 Order Approving Settlement Agreement and Issuing New License (October 11, 2001).

Project No. 137-114

Based on our review of your filing, we find that the proposed conveyance qualifies under paragraph (d)(7) of article 415, and your submittal fulfills the filing requirements. You are reminded that you have the continuing responsibility to ensure that the proposed use of the conveyed lands will occur in a manner that will protect the recreational, scenic, and other environmental values of the project, in a manner consistent with project purposes.

Thanks you for your cooperation. If you have any questions, please contact Hillary Berlin at (202) 502-8915.

Sincerely,



John E. Estep
Chief, Land Resources Branch
Division of Hydropower
Administration and Compliance

cc: Randal Livingston
P.O. 770000, Mail Code N11E
San Francisco, CA 94117

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D. C. 20426

OFFICE OF ENERGY PROJECTS

Project No. 137-136--California
Mokelumne Project
Pacific Gas and Electric Company

July 9, 2009

Mr. Ross C. Jackson
Senior License Coordinator
Pacific Gas and Electric Company
P.O. 770000, Mail Code N11C
San Francisco, CA 94117

Subject: Notice of intent to grant an easement within project boundary

Dear Mr. Jackson:

On May 12, 2009, you filed a notice of intent with the Commission to revise an approved easement under article 415, paragraph (d) (7) of the license for the Mokelumne Project. This notice was filed under article 415 (d) of the project license.¹ The original easement for an encroachment of approximately 9 feet onto Pacific Gas and Electric Company (PG&E) property for a housing structure that had existed for 34 years was approved by the Commission on June 19, 2007. According to your filing, your original application omitted a fence and you are now revising the easement to include the fence, bringing the total encumbered project land to 0.34 acre.

Paragraph (d)(7) of article 415 states that you may convey fee title to, easements or rights-of-way across, or leases of project lands for other uses, if; (i) the amount of land conveyed for a particular use is five acres or less; (ii) all of the land conveyed is located at least 75 feet, measured horizontally, from project waters at normal surface elevation; and (iii) no more than 50 total acres of project lands for each project development are conveyed under this clause (d)(7) in any calendar year. Any conveyance granted under paragraph (d) is also subject to the conditions specified in paragraph (e) of the article. Article 415 grants you the authority to convey such easements of project lands, 45 days after submitting a letter of notification to the Commission.

¹ 97 FERC ¶61,031 Order Approving Settlement Agreement and Issuing New License (October 11, 2001).

Project No. 137-136

-2-

Based on our review of your filing, we find that the proposed conveyance qualifies under paragraph (d)(7) of article 415, and your submittal fulfills the filing requirements. You are reminded that you have the continuing responsibility to ensure that the proposed use of the conveyed lands will occur in a manner that will protect the recreational, scenic, and other environmental values of the project, in a manner consistent with project purposes.

Thanks you for your cooperation. If you have any questions, please contact me at (202) 502-8915.

Sincerely,



Hillary Berlin
Environmental Biologist
Division of Hydropower
Administration and Compliance

cc: Randal Livingston
P.O. 770000, Mail Code N11E
San Francisco, CA 94117

Advice 3531-E

Attachment D

(Nominal Payment Summary Statement)



NOMINAL PAYMENT SUMMARY STATEMENT

REV. 4/21/04

GRANTOR: PG&E	DATE: 4/14/19	
PG&E AGENT: Carol Ackerson		COUNTY: Amador
CONSULTANT:	CHARGE NO.: 10286803	APN: 036-28-014

Project Scope: Applicant is requesting an easement from PG&E for residence and yard encroaching on PG&E property. House was built in 1973 and the encroachment has existed since that time. When survey for new septic system was conducted in 2006, the encroachment was noted. Applicant is in the process of selling the property and has requested an easement for the portion of the house, deck and yard that encroach into this fee strip. Electra Tunnel is located within a 100' wide fee strip and 636 feet underground.

Land Use: Electra Tunnel -

Highest and Best Use: Location is a steep hillside w/no buildings located below the fee strip of land.

Damages, Claims, Severance or Benefits Not Involved: Adequate Market Data Available:

Market Source(s): Realquest and Amador County MLS

Recommended Nominal Payment: \$500

Valuation Calculations:

Comps were pulled for agricultural vacant land as this strip of land cannot have improvements. Very few sales of this type of land have been recorded in the last two years. Attached is an excel spreadsheet showing land sales for the last two years as well as land currently on the market. Land in this subdivision are ½ acre residential lots with utilities in place. Land below the tunnel 100' wide fee strip is too steep for building.

Property values for land sold in the last two years and current listings range from \$21,000/acre to \$1,250/acre. Taking the average from all 13 properties, value is \$6,595/acre x 0.0345/acre = \$225.55 for the easement area.

RECOMMENDED: Recommend a nominal fee payment of \$500.00

**Carol Ackerson
Land Agent**

COMMENTS:

APPROVED

APPRAISAL ADMINISTRATOR SUPERVISOR

DATE:

**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	Southern California Edison Company
Cameron McKenna	Hitachi	Sunshine Design
Cardinal Cogen	International Power Technology	Sutherland, Asbill & Brennan
Casner, Steve	Intestate Gas Services, Inc.	Tabors Caramanis & Associates
Chamberlain, Eric	Los Angeles Dept of Water & Power	Tecogen, Inc.
Chevron Company	Luce, Forward, Hamilton & Scripps LLP	Tiger Natural Gas, Inc.
Chris, King	MBMC, Inc.	Tioga Energy
City of Glendale	MRW & Associates	TransCanada
City of Palo Alto	Manatt Phelps Phillips	Turlock Irrigation District
Clean Energy Fuels	Matthew V. Brady & Associates	U S Borax, Inc.
Coast Economic Consulting	McKenzie & Associates	United Cogen
Commerce Energy	Merced Irrigation District	Utility Cost Management
Commercial Energy	Mirant	Utility Specialists
Consumer Federation of California	Modesto Irrigation District	Verizon
Crossborder Energy	Morgan Stanley	Wellhead Electric Company
Davis Wright Tremaine LLP	Morrison & Foerster	Western Manufactured Housing Communities Association (WMA)
Day Carter Murphy	New United Motor Mfg., Inc.	eMeter Corporation
	Norris & Wong Associates	