January 8, 2010

Advice Letter 3553-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: Bohemia Bridge and Storm Drainage Easement Modification  
(PG&E Wise Canal, Placer County) – Request for Approval  
Under Section 851

Dear Mr. Cherry:

Advice Letter 3553-E is effective December 17, 2009 per Resolution E-4306.

Sincerely,

Julie A. Fitch, Director  
Energy Division
November 3, 2009

Advice 3553-E  
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject:  Bohemia Bridge and Storm Drainage Easement Modification  
(PG&E Wise Canal, Placer County) – Request for Approval Under Section 851

Purpose

Pacific Gas and Electric Company (“PG&E”) submits this advice letter seeking approval, under Public Utilities (P.U.) Code Section 851, of PG&E’s consent to grant Bohemia Properties (“Bohemia”) a combined Bridge and Storm Drain Easement (“Easement”) along PG&E fee property located in the City of Auburn, Placer County, California. This fee property houses the Wise Canal (“Canal”) which supports PG&E’s hydro electric facilities. Bohemia intends to use the Easement to replace the existing two-lane Bohemia Bridge (“Bridge”) with a stronger and expanded two-lane bridge, allowing for efficient day-to-day use and emergency access of large heavy-duty vehicles and fire trucks. In addition, Bohemia will remove four existing 12-inch storm drains that cross the Canal and replace them with a single 36-inch storm drain. This new storm drain will be placed adjacent to the new Bridge. Commission approval of this easement modification will not be adverse to the public interest nor will it interfere with PG&E’s ability to provide reliable utility services to its customers.

Bohemia requests that this advice letter filing become effective by Commission resolution at or before the CPUC’s December 17, 2009 meeting, if possible. The urgency of this advice letter arises from the fact that Bohemia needs the modified easement to be granted in order to convey the property, and the new bridge would need to be in place before the adjacent property currently owned by Bohemia can be developed according to its commercial zoning designation. In addition, PG&E’s Canal operations will benefit once the old bridge is replaced; as the old bridge continues to deteriorate, the risk of harm to the Canal increases.
Background

PG&E owns land, buildings and other facilities in connection with the provision of electric and natural gas services to its customers throughout northern and central California. In the provision of these services, PG&E relies on a system of hydroelectric facilities to support its hydroelectric generation activities. One such hydroelectric facility is PG&E’s Wise Canal located in the City of Auburn, in the County of Placer and the State of California.

PG&E originally owned significant property near the Wise Canal in fee simple. In 1969, PG&E sold most of this fee simple property, specifically the property bordering the Canal, to Simplot Industries Incorporated (“Simplot”), as referenced in Grant Deed 2113-08-1360, attached herein as Attachment D. Simplot then transferred ownership of this property to the current owners, Bohemia. As a result, Bohemia acquired the rights to maintain and use the improvements and facilities which existed within the boundaries of the Canal lands. However, Bohemia is required under this agreement to notify and seek approval from PG&E if any configurations and modifications are made on facilities located on the property. Over the last 20 years, Bohemia has undertaken various development projects, all within the rights granted by PG&E, one of which is an access easement relating to the Bridge. In the past, the Bridge has been used as a pick-up truck turnaround, as well as an access route to various facilities that were previously located on the adjacent land.

Bohemia is currently marketing the site for its commercial zoned use, and has opened up negotiations with a third party for the development of a potential retail project on the land immediately adjacent to and served by the Bridge. Per the commercial zoning requirements, access to the property will primarily be through the aforementioned Bridge. The County has approved conceptual plans for the construction of a new bridge but no construction will take place until more detailed design-build and engineering level plans for the new bridge are submitted to the County. Based on these conceptual plans, it is estimated that the construction of the potential retail project on the adjacent land will involve the export over the Bridge of approximately 70,000 cubic yards of material from grading at the site. This translates to approximately 4,200 trips from the site. In its current condition, the existing Bridge cannot safely support the weight of the semi-trucks and emergency vehicles that would be required for such earthwork operations.

The existing narrow two-lane Bridge is over fifty years old, and does not, in its current construction, provide adequate structural integrity, size, and orientation to support potential development, pursuant to the existing commercial zoning, of the adjacent property. Therefore the construction of a new enlarged two-lane bridge across Wise Canal would need to take place prior to any potential future grading activities on those lands. The proposed new Bridge, using this wider easement, would safely support the potential future construction efforts, as well as the future day-to-day and emergency vehicle use of the Bridge. The new Bridge would also
ensure and support the safety of PG&E operations as well as reduce future maintenance costs.

Therefore, PG&E is seeking Commission authority to grant to Bohemia a non-exclusive Easement Modification establishing the enlarged footprint of the potential new bridge so that Bohemia can complete the sale of the property to the developer. This modified easement would be of adequate size to allow for the future excavation for, construction, installation, repair, replacement (with the initial or any smaller size), removal, maintenance and use of any new, wider Replacement Bridge within the portion of the Property described in Exhibit A and illustrated in Exhibit A-1 of the Easement Agreement, attached herein as Attachment A.

In addition, per the terms of the original easement grant, Bohemia is required to install and maintain certain drains to prevent runoff water from entering the Wise Canal. As part of the existing drainage system, Bohemia has four 14-inch storm drains. In an effort to improve the efficiency of the existing drainage system, Bohemia has proposed to replace the existing four 14-inch storm drain with a single 36-inch storm drain that will be located adjacent to the new Bridge. To facilitate this, PG&E is seeking Commission authority to grant Bohemia a non-exclusive Storm Water Pipeline Easement Modification designating the new and wider footprint location of this single storm water pipeline. This modified easement would be of adequate size to allow the potential future excavation for, construction, installation, repair, replacement, removal, maintenance and use of the potential future single pipe line for storm-water conveyance (along with the necessary and proper valves and other appliances and fittings, and devices for controlling electrolysis for use in connection with the pipe line) that might receive future local government approvals, within the portion of the Property described in Exhibit B and illustrated in Exhibit B-1 of the Easement Agreement.

PG&E has notified the Stewardship Council of the proposed Easement transaction, pursuant to that body’s Third Party Use Policy. PG&E attaches herein, as Attachment B, an October 20, 2009, letter from the Executive Director of the Stewardship Council which finds that there is no reasonable possibility that the proposed use will have an adverse impact on its long-term planning and management objectives for the Lower Drum Planning Unit. The Stewardship Council Staff based this finding on: (1) the Third-Party Use Request Guidelines and Procedure adopted by the Stewardship Council in 2004 and amended on September 26, 2007, and (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.

This easement modification qualifies for a pro-forma simple notification to the Federal Energy Regulatory Commission through PG&E’s Annual FERC Land-Use Conveyance Report, which is a standard ministerial filing made to FERC at the end of each year. The CPUC’s action on this Section 851 filing should precede that
FERC filing; this can be accomplished if a final CPUC resolution of approval is obtained at or before the CPUC’s December 17, 2009, business meeting.

For all the above reasons, the Commission should approve this Section 851 request to grant Bohemia an Easement Modification relating to this PG&E fee property and find that doing so is neither adverse to the public interest, nor will impair PG&E’s provision of utility service. Rather, the improvements to the existing Bridge and storm drain allowed by the Easement Modification will benefit PG&E by preventing potential damage to the Canal from the continued deterioration of this structurally inferior old Bridge.

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:

<table>
<thead>
<tr>
<th>Pacific Gas and Electric Company</th>
<th>Conkey Real Estate Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andrew L. Niven</td>
<td>James R. Conkey</td>
</tr>
<tr>
<td>Gail L. Slocum</td>
<td>735 Sunrise Ave. Suite 200</td>
</tr>
<tr>
<td>Law Department</td>
<td>Roseville, CA 95661</td>
</tr>
<tr>
<td>P.O. Box 7442</td>
<td>Telephone: (916) 783-3277</td>
</tr>
<tr>
<td>San Francisco, CA 94120</td>
<td>Facsimile: (916) 783-8820</td>
</tr>
<tr>
<td>Telephone: (415) 973-6583</td>
<td>Email: <a href="mailto:jrconkey@wizwire.com">jrconkey@wizwire.com</a></td>
</tr>
<tr>
<td>Facsimile: (415) 973-0576</td>
<td></td>
</tr>
<tr>
<td>Email: <a href="mailto:GLSG@pge.com">GLSG@pge.com</a></td>
<td></td>
</tr>
</tbody>
</table>

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

The PG&E property in question is a 2.882 acre fee property that houses the Wise Canal. PG&E’s property is situated in the County of Placer, State of California, and is commonly referred to as Wise Canal Fee Lands. This fee property is shown in Parcel Map 71812 filed in Book 9 of Parcel Maps, at Page 65, and Parcel Map 72133 filed in Book 9 of Parcel Maps, at Page 140, Official Records of Placer County, California. Under the proposed Easement Agreement, PG&E reserves the right to access the property to construct, reconstruct, maintain, operate and use these electric service facilities on the Property as PG&E deems appropriate for the conduct of its business to serve its customers and the public at large.

(3) Intended Use of the Property:

Bohemia will utilize the bridge easement, legally defined in Exhibit A of the Easement Agreement included herein as Attachment A, to excavate for,
construct, install, repair, replace, remove, maintain and use a new Bridge. The new Bridge will replace an existing 50-year old concrete Bridge that measures approximately 2,726 square feet (“sqft”) with a structurally superior new Bridge that would measures 7,078 sqft. Bohemia will further utilize the storm drainage easement, legally defined in Exhibit B of the Easement Agreement included herein as Attachment A, to excavate for, construct, install, repair, replace, remove, maintain and use a single pipeline for stormwater conveyance, with necessary and proper valves and other appliances and fittings, and devices for controlling electrolysis for use in connection with the pipeline. The new single 36-inch storm water pipeline will replace the existing four 12-inch storm water pipelines which cross the canal at four different locations. This single larger storm water pipeline would be located adjacent to the new bridge, in compliance with clearance requirements provided by PG&E hydro operations.

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

PG&E Rock Creek General Construction yard occupies the property adjacent to Bohemia’s property. During a survey of the Bohemia property, it was discovered that PG&E modular trailers and lighting had inadvertently encroached onto Bohemia’s property. Bohemia has proposed a remedy for the encroachment that entails PG&E providing the easement for the new Bridge construction in exchange for a lot line adjustment and resulting fee simple conveyance to PG&E from Bohemia that will rectify the encroachment.

Currently the existing two-lane Bridge occupies an area of 2,726 sqft and the new wider two-lane Bridge, if constructed in the future, would occupy an area of 7,078 sqft, 4,352 sqft more than the original easement area. The lot line adjustment that PG&E would receive measures 2,878 sqft. On a sqft basis, Bohemia will be receiving 1,474 sqft (0.032 acres) more of an easement than the fee simple land PG&E would receive as part of this transaction. However, an appraisal of the lot line adjustment and the easement area shows that the lot line adjustment fee simple interest was valued at $16,692 compared to the $8,267 valuation amount for the easement area. This makes sense, as an easement is not a full ownership interest in real property which is what PG&E will be receiving as a result of the lot line adjustment Bohemia will grant in exchange for the wider easement modification. As such, although PG&E’s easement may include more acreage, ratepayers are benefiting by foregoing the burden of paying an additional $8,425 to secure the lot line adjustment that PG&E needs in order to avoid having to remove PG&E’s existing encroaching facilities. As such, it is all the more reasonable for the Commission to accept the proposed mode of compensation for the easement, as the cost of securing the lot line adjustment would exceed (by $8,425) the revenues that PG&E
would receive from granting the wider easement to Bohemia. The CPUC has approved similar such exchange transactions in the past, (see e.g. Resolution E-4254 issued July 9, 2009.) and should do so here as it maximizes ratepayer benefits.

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

PG&E will not receive any financial proceeds as payment for granting the easement. PG&E will offer the easement in-kind to Bohemia in exchange for Bohemia granting PG&E a lot line adjustment to remedy PG&E encroachment onto Bohemia’s property.

(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:**

Because no PG&E property is being sold or disposed of as part of this transaction, there will be no changes to PG&E's rate base. 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, Bohemia 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. This ensures that the easement has no adverse effect on the Commission-adopted Land Conservation Commitment, which further benefits the public interest.

(7) **The Original Cost, Present Book Value, and Present Fair Market Value for Sales of Real Property where 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:

Bohemia retained the services Rosenthal Engineers to appraise the easement area and the lot line adjustment area. Based on their appraisal, Rosenthal Engineers valued PG&E’s grant of this wider easement at $8,267 and Bohemia’s grant of a fee simple interest to PG&E through a lot line adjustment at $16,692. PG&E has thoroughly reviewed the appraisal and accepts its findings, deeming them representative of the Fair Market Rental value for the Easement and the lot line adjustment to be received in exchange, and believes them to be sufficient for Commission decision making purposes. Because the Fair Market Value of the lot line adjustment PG&E is receiving is over twice the value of the wider easement PG&E is granting, the difference that constitutes consideration here is positive and benefits ratepayer interests.

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

Bohemia is in the process of finalizing design plans and securing the necessary approval from the Placer County Planning Department for the potential retail project discussed above. As far as any future transactions are involved, relative to PG&E property, Bohemia is required as part of the Easement Agreement to notify and seek approval from PG&E if any construction work on the adjacent property is undertaken or if any configurations and modifications to facilities located within the easement area are ever desired.

(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 an adverse effect on public interest because it will not interfere in any way with the operations of PG&E facilities, or with the provision of service to PG&E’s customers.

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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.)
- The compensation received as part of this transaction 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 under PG&E operations. Granting this easement modification will benefit ratepayers because Canal maintenance costs will be lower than they otherwise might have been given the risks posed by the over 50 year old, substandard existing bridge. Also the fee simple land interest being received by PG&E in exchange is worth more than the value of the wider easement being granted, and furthermore the cost of removing and relocating the encroaching PG&E facilities will be avoided.

- No California Environmental Quality Act (CEQA) review is required for the activities proposed in this transaction because the County has found the Bridge improvements categorically exempt, as described in Section 13 below.

- The transaction does not involve the transfer or change in ownership of facilities currently used in PG&E operations.

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

All information pertinent to this Advice Filing has been included herein.

(13) Environmental Information

a. Exemption

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

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

      In an Exemption Verification notice dated June 24, 2008, the Placer County Planning Department found that the activities proposed as part of the easement are categorically exempt from CEQA. Specifically, based on categorical exemption 18.36.040 Class 2(c), the Planning Department concluded that since there is negligible expansion due to the replacement of an existing facility, the project is categorically exempt from CEQA. Included in this Advice Filing as Attachment C, is a copy of Placer County's Planning Department’s Exemption Verification. PG&E believes that the
County’s Exemption Verification for this Bridge replacement corresponds to the categorical exemption provided in Section 15301 of the CEQA guidelines, for alterations of existing facilities involving negligible expansion of use. (See CPUC Resolution G-3423 concurring with the City of Suisun’s finding that a PG&E encroachment agreement with the City to construct a pedestrian and bike bridge was categorically exempt under §15301.)

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).

Not Applicable.

b. Not a “Project” Under CEQA

   i. If the transaction is not a “project” under CEQA, please explain why.

      Not Applicable.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail by facsimile or electronically, any of which must be received no later than November 23, 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 waives its right to reply comments on a draft resolution approving this request. **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 and electronic approvals should be directed to e-mail PGETariffs@pge.com. Advice letter filings can also be accessed electronically at http://www.pge.com/tariffs.

Vice President, Regulatory Relations

Attachments

cc: Service List - Advice Letter 3553-E
APPENDIX A

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

******* AGENCIES *******

Placer County Planning Department
3091 County Center
Auburn, CA 95603
(530) 745-3000
planning@placer.com

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

Conkey Real Estate Development
James R. Conkey
735 Sunrise Ave. Suite 200
Roseville, CA 95661
Telephone: (916) 783-3277
Facsimile: (916) 783-8820
jrconkey@wizwire.com
Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

<table>
<thead>
<tr>
<th>Utility type:</th>
<th>Contact Person: Linda Tom-Martinez</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ ELC ☑ GAS</td>
<td>Phone #: (415) 973-4612</td>
</tr>
<tr>
<td>☐ PLC ☐ HEAT ☐ WATER</td>
<td>E-mail: <a href="mailto:lmt1@pge.com">lmt1@pge.com</a></td>
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</tbody>
</table>

**EXPLANATION OF UTILITY TYPE**

<table>
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<tr>
<th>ELC = Electric</th>
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<tbody>
<tr>
<td>PLC = Pipeline</td>
<td>HEAT = Heat</td>
</tr>
<tr>
<td>WATER = Water</td>
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</table>

Advice Letter (AL) #: **3553-E**

Tier: **3**

Subject of AL: **Bohemia Bridge and Storm Drainage Easement Modification (PG&E Wise Canal, Placer County) – Section 851 Transaction**

Keywords (choose from CPUC listing): **Section 851**

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

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

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

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

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

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

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

Resolution Required? ☑ Yes ☐ No

Requested effective date: **Upon Commission Approval on or before 12/17/09**

No. of tariff sheets: **N/A**

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

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

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

Tariff schedules affected: **N/A**

Service affected and changes proposed: **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 3553-E
Attachment A
Easement Agreement
CONSENT AND EASEMENT MODIFICATION AGREEMENT

This Agreement is made and entered into this ________________ day of ____________, 20___ (the “Effective Date”) by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called “PG&E”, and BOHEMIA PROPERTIES, LLC, a California limited liability company, hereinafter called “Bohemia.”

RECITALS

A. WHEREAS, PG&E as owner of the real property situate in the County of Placer, State of California, referred to as “canal lands” in the grant deed from PG&E to Simplot Industries Incorporated, (predecessor in interest of Bohemia and hereinafter called Simplot), dated September 9, 1969, and recorded in Volume 1267 of Official Records at Page 84, Placer County Records, granted to Simplot rights to maintain and use certain existing improvements and facilities as described in said deed dated September 9, 1969;

B. WHEREAS, pursuant to said deed dated September 9, 1969, Bohemia, as successor in interest of Simplot, shall not, without the express written consent of PG&E, replace any improvement or facility, or portion thereof, which is removed or destroyed or change the number or location of said facilities or improvements or change the dimensions thereof so as to increase the area of encroachment within said canal lands;

C. WHEREAS, Bohemia desires (a) to replace and enlarge the concrete bridge described in EXHIBIT “X” attached to said deed dated September 9, 1969, located at Station 7 + 59, to the location described in Exhibit “A” and shown on Exhibit “A-1”, both of which are attached hereto and made a part hereof (“Bridge Easement Area”) and (b) to remove the four (4) drain pipes described in said EXHIBIT “X” located at Stations 0 + 45, 1 + 59, 8 + 57 and 15 +24 and replace said drain pipes with one (1) larger drain pipe at the location described in Exhibit “B” and shown on Exhibit “B-1”, both of which are attached hereto and made a part
hereof ("Drain Pipe Easement Area"); (collectively, the Bridge Easement Area and the Drain Pipe Easement Area are hereinafter referred to as the "Easement Areas", and the removal, replacement and enlargement of said improvements and facilities are hereinafter collectively called the "Construction Work");

D. WHEREAS, PG&E is willing to consent to the Construction Work.

AGREEMENT

NOW, THEREFORE, PG&E consents to the Construction Work under the following terms and conditions

1. All such construction shall be performed in accordance with detailed plans and specifications ("Plans") which shall be submitted to and approved by PG&E, and shall 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 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 other enacted regulations, 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 Bohemia’s use or occupancy of the Easement Areas and Construction Work; and (c) with any liens, encumbrances, easements, covenants, conditions, restrictions and servitudes (if any) of record, or of which Bohemia has notice, which may be applicable to the Easement Areas and Construction Work ((a), (b) and (c) collectively, “Legal Requirements”), regardless of when they become effective, insofar as they relate to the Easement Areas and Construction Work by Bohemia. Bohemia shall furnish satisfactory evidence of such compliance upon request by PG&E. Bohemia shall obtain all permits, authorizations or other approvals, at Bohemia’s sole cost and expense as may be necessary for such construction. Without limiting the generality of the foregoing, Bohemia shall be responsible for complying with any and all applicable requirements of the National Environmental Policy Act ("NEPA") and the California Environmental Quality Act ("CEQA").

Bohemia shall not commence construction or installation of any improvements and facilities without the prior consent, to the extent required by applicable law or regulation, of the California Public Utilities Commission (hereinafter, “CPUC”) and of the Federal Energy Regulatory Commission (hereinafter, “FERC”). Bohemia acknowledges and agrees that PG&E’s review of Bohemia’s Plans is solely for the purpose of protecting PG&E’s interests, and shall not be deemed to create any liability of any kind on the part of PG&E, or to constitute a representation on the part of PG&E or any person consulted by PG&E in connection with such review that the Plans or the improvements and facilities contemplated by such Plans are adequate or appropriate for any purpose, or comply with applicable Legal Requirements.

2. Bohemia acknowledges that the portion of said canal lands occupied by said improvements and facilities are a part of the Federal Energy Regulatory Commission (“FERC”) Project No. 2310. PG&E reserves the right to use the Easement Areas and PG&E’s adjacent property, in all ways and for all purposes necessary or appropriate to its obligations as licensee
under FERC Project No. 2310. Bohemia shall not make use of the Easement Areas in any way which would be incompatible with overall project uses.

3. Bohemia acknowledges that PG&E may have previously granted, and may in the future grant, certain rights in and across the Easement Areas 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.

4. Bohemia shall not make use of the Easement Areas in any way which will endanger human health or the environment, create a nuisance or otherwise be incompatible with the use of the Easement Areas or PG&E’s adjacent property, by PG&E or others entitled to use such property.

5. This Agreement shall not become effective, notwithstanding that it may have been executed and delivered by the parties, and Bohemia shall not commence the Construction Work or other activities hereunder, unless and until the CPUC approves this Agreement and the easements as herein modified and other transactions contemplated between the parties hereto, by an order which is final, unconditional and unappealable (including exhaustion of all administrative appeals or remedies before the CPUC). Bohemia further acknowledges and agrees that PG&E makes no representation or warranty regarding the prospects for CPUC approval, and Bohemia hereby waives 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 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.

Except as expressly set forth herein, this agreement shall not in any way alter, modify, or terminate any provision of said deed dated September 9, 1969.

This agreement shall inure to the benefit of and bind the successors and assigns of the respective parties hereto.

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation

By: _____________________________________________
   Loren Loo, Manager,
   Land Asset Management,
   Technical and Land Services

Dated: ________________________________

BOHEMIA PROPERTIES, LLC, a California limited liability company

By: _____________________________________________
   James R. Conkey
   Its: Managing Member

Dated: ________________________________
EXHIBIT "A"
BRIDGE EASEMENT

Being a portion of the South ½ of Section 33, T. 13 N., R. 8 E., M. D. M. and also being a portion of the P. G. & E. Wise Canal as shown on Parcel Map 71812 filed in Book 9 of Parcel Maps, at Page 65, and Parcel Map 72133 filed in Book 9 of Parcel Maps, at Page 140, Official Records of Placer County, being more particularly described as follows:

BEGINNING at a point located on a westerly line of said Wise Canal, said point being common to the most Northerly corner of said Parcel B and an Easterly corner of Parcel A as shown on said Parcel Map 72133; thence, along the lines common to said Westerly line and the Easterly line of said Parcel A the following two (2) courses: (1) North 01°03'20" East 27.84 feet; and (2) North 05°52'00" East 19.54 feet; thence leaving said common line North 59°37'01" East 106.02 feet to a point located in a line common to a Easterly line of said Wise Canal with a Westerly line of Parcel B as shown on said Parcel Map 71812; thence along the lines common with said Easterly line and the Westerly lines of said Parcel B the following four (4) courses: (1) South 08°18'40" East 43.27 feet; (2) South 45°48'40" West 17.08 feet; (3) South 04°44'00" East 25.20 feet and (4) South 07°57'20" East 8.01 feet; thence, leaving said common line the following two (2) courses: (1) South 41°49'43" West 66.16 feet to the beginning of a non-tangent curve; and (2) along a 120.50 foot radius curve to the left subtended by a central angle of 44°11'18" having a chord bearing South 02°36'53" West 90.65 feet, an arc length of 92.93 feet to a point located on a line common to a Westerly line of said Wise Canal with an Easterly line of said Parcel B shown on said Parcel Map 72133; thence, along the lines common to said Westerly line and the Easterly line of said Parcel B the following five (5) courses: (1) North 34°49'20" West 7.17 feet; (2) North 23°10'20" West 9.62 feet; (3) North 12°13'20" West 53.46 feet; (4) North 54°46'00" West 14.86 feet; and (5) North 01°03'20" E 51.18 feet to the Point of Beginning.

Containing 8,686 square feet, more or less.

End of Description

The Basis of Bearings for the above Legal Description is identical to that as shown on Parcel Map 72113 filed in Book 9 of Parcel Maps, at Page 140, Official Records of Placer County.

See Exhibit "B", plat to accompany description, attached hereto and made a part hereof.

This legal description was prepared by me or under my direct supervision pursuant to section 8729(a)(2) of the Professional Land Surveyors Act.

Precision Land Surveying, Inc.
Richard A. Marino, L.S.
EXHIBIT "B"
DRAINAGE EASEMENT

Being a portion of the South ½ of Section 33, T. 13 N., R. 8 E., M. D. M. and also being a portion of the P. G. & E. Wise Canal as shown on Parcel Map 71812 filed in Book 9 of Parcel Maps, at Page 65, and Parcel Map 72133 filed in Book 9 of Parcel Maps, at Page 140, Official Records of Placer County, being more particularly described as follows:

Commencing at a point located on a westerly line of said Wise Canal, said point being common to the most Northerly corner of Parcel B and an Easterly corner of Parcel A as shown on said Parcel Map 72133; thence, along the lines common to said Westerly line and the Easterly line of said Parcel B the following three (3) courses: (1) South 01º03’20” West 51.18 feet; (2) South 54º46'00” East 14.86 feet; and (3) South 12º13’20” East 43.19 feet to the Point of Beginning; thence, from said Point of Beginning and leaving said common line North 55º42’37” East 82.21 feet to a point located on a line common to an Easterly line of said Wise Canal with a Westerly line of Parcel B as shown on said Parcel Map 71812; thence along the lines common with said Easterly line and the Westerly lines of said Parcel B the following three (3) courses: (1) South 07º57’20” East 8.93 feet; (2) South 31º48’40” East 7.54 feet; and (3) South 31º30’40” East 4.47 feet; thence, leaving said common line South 55º42’37” West 83.41 feet to a point located on a line common to a Westerly line of said Wise Canal with an Easterly line of said Parcel B shown on said Parcel Map 72133; thence, along the lines common to said Westerly line and the Easterly line of said Parcel B the following three (3) courses: (1) North 34º49’20” West 1.05 feet; (2) North 23º10’20” West 9.62 feet; and (3) North 12º13’20” West 10.27 feet to the Point of Beginning.

Containing 1,647 square feet, more or less.

End of Description

The Basis of Bearings for the above Legal Description is identical to that as shown on Parcel Map 72113 filed in Book 9 of Parcel Maps, at Page 140, Official Records of Placer County.

See Exhibit "B", plat to accompany description, attached hereto and made a part hereof.

This legal description was prepared by me or under my direct supervision pursuant to section 8729(a)(2) of the Professional Land Surveyors Act.

Precision Land Surveying, Inc.
Richard A. Marino, L.S.

Date signed
October 20, 2009

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

Stewardship Council

Subject: Third Party Use Request for Easement Modification Agreement to Bohemia Properties LLC, Lower Drum Planning Unit, Placer County

Dear Ms. Battey:

On October 12, 2009, we received a notice from PG&E (Notice) for a Third Party Use Request affecting a portion of the Lower Drum Planning Unit within the Yuba – Bear River Watershed located in Placer County, California. The Lower Drum Planning Unit is subject to the Land Conservation Commitment established as part of the settlement agreement between PG&E Corporation, and the California Public Utilities Commission, as set forth in CPUC Decision 03-12-035. The Notice concerns a proposed easement modification agreement (Agreement) to allow construction of a wider bridge and a storm drain crossing Wise Canal in Auburn. Information regarding the request and a draft of the proposed Agreement was shared by Ms. Rebecca Doidge of PG&E by email.

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

- In 1969 PG&E sold adjacent land to the property but retained a 150 foot wide fee strip for the Wise Canal. In the deed, PG&E conveyed the right to the landowner to maintain the existing bridge and storm drain lines that cross the canal; however any future replacement or changing of dimensions requires the express written consent of PG&E.
- The adjacent landowner to the PG&E property, Bohemia Properties LLC (Bohemia), is improving their property to accommodate a commercial box store development. To meet Placer County’s development criteria, Bohemia must widen an existing bridge crossing the Wise Canal.
- PG&E is proposing an Agreement to allow for the widening of the bridge and the replacement of four 12 inch storm drains with one 36 inch storm drain pipe at a new location.
- The total additional easement area requested is 7607 square feet or 0.174 acres.
- In consideration of the proposed Agreement, Bohemia will convey land upon which PG&E has inadvertently constructed facilities that encroach approximately 5 feet onto Bohemia’s fee property.
- The additional land being conveyed to PG&E represents an additional 2878 square feet or 0.066 acre of fee property. To comply with the requirements of the Subdivision Map Act, Bohemia will complete a lot line adjustment.
- This land is anticipated to be retained by PG&E as part of the Land Conservation Commitment and thus will be subject to a conservation easement.
- Since this is a modification of an existing easement, FERC approval is not required. PG&E will, however, request CPUC approval for the easement modification under Section 851 of the Public Utilities Code. In addition, PG&E reserves the right to grant additional rights within the easement area, including a “Conservation Easement” (Section 3).
The bridge and storm drains have existed on site for at least the last 40 years

Pursuant to: (1) the Third Party Use Request Guidelines and Procedure adopted by the Stewardship Council in 2004 and amended on September 26, 2007, and (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, the Stewardship Council staff believes that there is no reasonable possibility that the proposed use will have an impact on the long term planning and management objectives for the Lower Drum Planning Unit.

Sincerely,

Allene Zanger

Executive Director

cc: Soapy Mulholland, Watershed Planning Committee Chair, Stewardship Council Board of Directors
Dave Sutton, Watershed Planning Committee Co-Chair
Advice 3553-E

Attachment C
Placer County’s Planning Department’s
Exemption Verification
EXEMPTION VERIFICATION

Fee $0.25 Receipt #08-0050929 Accepted by Date Received: 6/16/08 File #: DGP T4416

--TO BE COMPLETED BY APPLICANT--

Assessors Parcel Number(s) 052-102-052
Property Owner PG&E & Co C/O Robert Steigmeyer
Mailing Address 5555 Florin Perkins Road City Sacramento State 95826
Phone 916-386-5091 E-mail address
Project Location -- Be Specific Northeast of Hubert Way and Hwy 49
Proposed Project Remove and replace existing bridge across Wise Cannal.

1. Are any trees located on the property within 50' of any proposed grading? (if yes, show all tree locations and their driplines within 50' of any grading activity)
   YES NO
   X ___

2. Is the project within a floodplain?
   ___ X

3. Are any archaeological, cultural, or historical sites present?
   ___ X

4. Are any wetlands, riparian areas, or vernal pools present onsite?
   ___ X

5. Are any rare, threatened, or endangered species present onsite?
   ___ X

6. Is the project within an overflight zone of any airport?
   ___ X

7. Can the project impact, or be impacted by, either landfill operations, or sewage disposal facilities?
   ___ X

8. Is the project within the Tahoe Basin?
   ___ X

9. Is there any grading associated with this project?
   ___ X

10. Is there a significant (10,000 sq. ft. or more) amount of impervious surface (paving, roof, sidewalk, etc.) proposed?
    ___ X

11. Is there a potential for increased traffic?
    ___ X

Signature of individual completing this form
Tim Page 916-780-2005
Printed Name and Telephone Number

--TO BE COMPLETED BY REVIEWER--

Categorical Exemption Class and Number 18.36.040 Class 2 (c) - replacement of existing facility
Project Planner
Field Verification Date 6-24-08
Field Planner
Name
Title

TAPE Application & Brochure Masters: Exemption Verification.DOC; Rev. 8/06
Advice 3553-E

Attachment D
Grant Deed 2113-08-1360
PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called Pacific, hereby grants to SIMPLLOT INDUSTRIES INCORPORATED, a Utah corporation, hereinafter called Simplot, the real property, situate in the County of Placer, State of California, described as follows:

PARCEL I. The 4.82 acre parcel of land, situate in Section 33, Township 13 North, Range 8 East, M.D.R.& M., conveyed by H. T. Iyer and wife to Pacific Gas and Electric Company by deed dated June 16, 1917 and recorded in the office of the County Recorder of said County of Placer in Book 170 of Deeds at page 199; excepting therefrom the 1.339 acre parcel of land bounded by the line consisting of twenty-three (23) courses and described as beginning at a point in the south erly boundary line of the northeast quarter of the southeast quarter of said Section 33 and running thence

(1) north 1° 11' 20" east 25 feet, more or less, to a point which bears north 6° 38' 00" east 1375.86 feet from the 1-inch steel pin (with punch hole) marking the north quarter corner of said Section 33;

said point being a point in the existing fence, extending along the westerly side of Pacific Gas and Electric Company's canal traversing said Section 33 and known as Wise Canal; thence along the fence on the westerly side of said Wise Canal the following seven courses,

(2) north 6° 00' 00" east 299.98 feet,
(3) north 9° 03' 00" east 89.78 feet,
(4) north 4° 59' 20" east 67.57 feet,
(5) north 8° 43' 40" east 13.38 feet,
(6) north 2° 15' 00" east 60.64 feet,
(7) north 11° 11' 20" west 9.97 feet, and
(8) north 2° 46' 40" west 57.31 feet;

thence leaving said fence and running

(9) north 3° 55' 20" west 38.11 feet to a point herein for convenience called Point "A";

said Point "A" being a point in the fence along the westerly side of said Wise Canal; thence along said fence
(10) north 13° 05' 00" east 100 feet, more or less, to a point in the southeasterly boundary line of the railroad right of way of the Southern Pacific Company traversing said Section 33;

thence leaving said fence and running along the southeasterly boundary line of said railroad right of way

(11) northeasterly approximately 115 feet to a point on the face of an existing building located on the easterly side of said Wise Canal;

thence leaving the southeasterly boundary line of said railroad right of way and running along the face of said existing building

(12) south 5° 41' 40" west 175 feet, more or less, to a corner of said building;

thence leaving the face of said building and running

(13) south 5° 44' 40" west 17.52 feet to a point which bears south 79° 39' 00" east 81.35 feet distant from said Point "A";

(14) south 0° 57' 40" west 59.23 feet to a point in the existing fence extending along the easterly side of said Wise Canal;

thence running along said fence the following four courses

(15) south 7° 06' 20" west 116.65 feet,
(16) south 30° 36' 20" west 8.60 feet,
(17) south 30° 50' 20" east 16.30 feet, and
(18) south 5° 41' 40" west 144.03 feet to the corner of an existing building;

thence leaving said fence and running along the face of said building

(19) south 8° 26' 40" west 192.34 feet to a corner of said building and the beginning of an existing fence;

thence leaving the face of said building and running along said fence the following two courses;

(20) south 6° 56' 40" west 17.08 feet and
(21) south 6° 36' 00" west 25.21 feet;

thence leaving said fence and running

(22) south 7° 49' 20" east 20 feet, more or less, to a point in the southerly boundary line of the northwest quarter of the southeast quarter of said Section 33;

thence along the southerly boundary line of the northwest quarter of the southeast quarter of said Section 33

(23) westerly approximately 75 feet to the point of beginning.
PANCEL II. The parcel of land, situate in said Section 33, bounded on
the southerly side by the southerly boundary line of said Section 33,
bounded on the southwesterly side by the northeasterly boundary line of
the parcel of land conveyed by Pacific Gas and Electric Company to the
State of California by deed dated September 24, 1945 and recorded in
the office of said County Recorder in Book 475 of Official Records at
page 477, bounded on the northerly side by the northerly boundary lines
of the southeast quarter of the southwest quarter and the southwest
quarter of the southeast quarter of said Section 33 and bounded on the
easterly side by the line consisting of twenty-three (23) courses and
described as beginning at a point in the northerly boundary line of the
southeast quarter of the southeast quarter of said Section 33 and run-
ing thence

(1) south 1° 11' 20" west 55 feet, more or less,
to a point which bears north 6° 58' 00" east
1296.81 feet from the 1 inch steel pin (with
punch hold) marking the south quarter corner
of said Section 33;

said point being a point in the existing fence extending along the west-
erly side of said Wise Canal; thence running along said fence the follow-
ing six courses,

(2) south 5° 38' 00" east 14.85 feet,
(3) south 12° 05' 20" east 33.46 feet,
(4) south 23° 02' 20" east 9.62 feet,
(5) south 34° 41' 20" east 39.36 feet,
(6) south 46° 02' 40" east 28.39 feet and
(7) south 50° 13' 20" east 78.99 feet to the
corner of an existing building;

thence leaving said fence and running along the face of said building

(8) south 47° 47' 40" east 50.83 feet to a
corner of said building and the beginning
of a fence extending along the westerly side
of said Wise Canal;

thence leaving the face of said building and running along said fence the
following two courses,

(9) south 44° 18' 20" east 165.83 feet and
(10) south 58° 40' 00" east 109.78 feet;

thence leaving said fence and running

(11) south 47° 53' 40" east 23.91 feet to the
corner of an existing building;

thence running along the face of said building

(12) south 58° 58' 20" east 130.33 feet to a
corner of said building and the beginning
of an existing fence extending along the
westerly side of said Wise Canal;

thence leaving the face of said building and running along said fence the
following ten courses,

(13) south 51° 49' 40" east 54.96 feet,
(1) south 58° 18' 00" east 9,544 feet,
(12) south 42° 29' 20" east 188,48 feet,
(13) south 50° 51' 40" east 69.96 feet,
(14) south 44° 11' 00" east 80.30 feet,
(15) north 20° 37' 00" east 138.01 feet,
(16) south 27° 55' 40" east 127.93 feet,
(17) north 30° 01' 40" west 116.87 feet,
(18) south 18° 39' 40" west 173.59 feet and
(19) south 3° 38' 40" east 161.88 feet;

thence leaving said fence and continuing

(23) south 3° 38' 40" east 77 feet, more or less,
to a point in the southerly boundary line of
said Section 33.

Containing 17,886 acres and being a portion of the south half of the
south half of said Section 33.

PARCEL III. Beginning at an intersection of fences on the easterly
side of said Wise Canal, from which the 1 inch steel pin (with punch
hole) marking the south quarter corner of said Section 33 bears south
38° 21' 40" west 1157.74 feet distant and running thence along the
existing fence extending along the easterly side of said Wise Canal

(1) north 55° 14' 20" west 337.21 feet to the
corner of an existing building;

thence leaving said fence and running along the face said existing build-
ing

(2) north 51° 05' 20" west 204.45 feet to a corner
of said building and the beginning of an exist-
ing fence extending along the easterly side of
said Wise Canal;

thence leaving the face of said building and running along said fence
the following six courses,

(3) north 43° 05' 20" west 16.34 feet,
(4) north 41° 17' 00" west 8.67 feet,
(5) north 41° 00' 40" west 8.97 feet,
(6) north 39° 30' 00" west 9.28 feet,
(7) north 31° 22' 40" west 9.19 feet and
(8) north 31° 40' 40" west 7.54 feet;

thence leaving said fence and running

(9) north 7° 49' 20" west 57 feet, more or less,
to a point in the northerly boundary line of
the southwest quarter of the southeast quarter
of said Section 33;

thence running along the northerly boundary line of the southwest quarter
of the southeast quarter of said Section 33

(10) easterly approximately 500 feet to a point
which bears north 1° 26' 40" east from the
point of beginning;
thence leaving the northerly boundary line of the southwest quarter of the southeast quarter of said Section 33 and running

(11) south 1° 26' 40" west 435 feet, more or less, to the point of beginning.

Containing 2,882 acres, and being a portion of the southwest quarter of the southeast quarter of said Section 33.

The 1,339 acre parcel of land excepted from the parcel of land hereinbefore described and designated PARCEL I and the lands bounded on the north by the southerly boundary line of said 1,339 acre parcel of land, bounded on the southwest by the northeasterly boundary line of the parcel of land hereinbefore described and designated PARCEL II, bounded on the northeast by the southwesterly boundary line of the parcel of land hereinbefore described and designated PARCEL III and bounded on the east by the southerly prolongation of the easterly boundary line of said parcel of land designated PARCEL III shall hereinafter for convenience be referred to as "canal lands".

Pacific further grants to Simplot, subject to the terms, conditions and covenants hereinafter set forth, the right to maintain and use Simplot's improvements and facilities, or portions thereof, described on EXHIBIT "X" attached hereto and hereby made part hereof, which now exist within the boundary lines of said canal lands; provided, however, that Simplot shall not, without the express written consent of Pacific, replace any improvement or facility, or portion thereof, which is removed or destroyed or change the number or location of said facilities or improvements or change the dimensions thereof so as to increase the area of encroachment within said canal lands.

Pacific also grants to Simplot the right to enter upon said canal lands for the purpose of (a) maintaining and repairing said improvements and facilities, and (b) replacing, reconstructing, maintaining and repairing the existing fence along the boundary lines of said canal lands or constructing new fencing to replace any building or buildings which now form a boundary of said canal lands and may hereafter be removed.

Pacific further grants to Simplot the right to enter upon and to cross over said canal lands for the purpose of providing ingress to and egress from the real property hereby conveyed which lies easterly of said canal lands or any other lands which Simplot now owns, or may hereafter acquire, in the vicinity
of and contiguous to the real property hereby conveyed.

RESERVING to Pacifico, its successor and assigns:

(a) the right of ingress to and egress from said canal lands and other
lands of Pacific adjacent to the real property hereby conveyed, and any rights
of way and easements hereinafter described, by means of roads and lanes on
the real property hereby conveyed, if such there be, otherwise by such route
or routes over and across the real property hereby conveyed as shall occasion
the least practicable damage and inconvenience to Simplot.

(b) the existing facilities for the transmission and distribution of
electric energy together with the right to reconstruct, replace, remove,
maintain and use said facilities and a right of way there along.

(c) the existing transformers, meters and facilities for transforming,
metering and distributing electric energy which are located within the 16
foot by 16 foot area enclosed by a fence and situate within the parcel of
land hereinbefore described and designated PARCEL I and westerly of the westerly
boundary line of the 1.339 acre parcel of land excepted from said parcel
of land designated PARCEL I, together with the right to reconstruct, replace,
remove, maintain and use said facilities.

(d) the existing gas transmission facilities together with the right to
excavate for, install, replace (of the initial or any other size), maintain
and use such pipe lines as Pacifico shall from time to time elect for conveying
gas, with necessary and proper valves and other appliances and fittings,
and devices for controlling electrolysis for use in connection with said pipe
lines, and adequate protection therefor, and also a right of way, within the
strip of land described as follows:

A strip of land of the uniform width of 10 feet lying contiguous
to and northeasterly of the northeasterly boundary line of the parcel
of land conveyed by Pacific Gas and Electric Company to the State of
California by deed dated September 28, 1968 and recorded in the office
of the County Recorder of said County of Placer in Book 475 of Official
Records at page 477 and extending from the northerly boundary line of
the parcel of land described in the deed from Pacific Gas and Electric
Company to the County of Placer dated February 14, 1968 and recorded
in the office of said County Recorder in Book 1005 of Official Records
at page 285 northeasterly 1072 feet.

Simplot hereby covenants and agrees that:

(1) in the event any building or portion thereof which now forms a bound-
ary of said canal lands is removed or destroyed, to an extent that in the
opinion of Pacific said building, or portion thereof, no longer forms an
effective barrier to access to said canal lands, then Simplot shall construct
a fence of a type acceptable to Pacific which will coincide with the boundary
lines of said canal lands as hereinbefore described and will prevent access to
said canal lands;

(2) all fences now existing along the boundaries of said canal lands and
the general easterly boundary of said 17,266 acre parcel of land and all bridges
crossing over said canal, shall continue to be the property of Simplot and
Simplot shall, at its sole cost and expense, maintain said fences and bridges
in their present locations and in a good and safe condition;

(3) Simplot shall keep each existing gate, and any gate it may hereafter
construct, in the fences along the boundary lines of said canal lands pro-
vided with a locking device for the purpose of keeping each gate locked and
shall lock the gates on traveling through the passage way thereby provided.
The locking device shall contain two locks and Pacific shall have the key to
one lock and Simplot the key to the other and unlocking either lock shall
permit the opening of the gate;

(4) Pacific shall have the right, from time to time, to install gates
equipped with a locking device of the type described in paragraph (3) above
at such location or locations as Pacific shall deem necessary and Simplot
shall at all times provide and maintain adequate access to all gates in said
fences;

(5) Simplot shall block or otherwise obstruct any passage to said canal
lands through all buildings which form a boundary of said canal lands and shall
not construct any new openings in said buildings which would permit access to
said canal lands;

(6) Simplot shall not perform any work within the fenced portions of said
canal lands without giving Pacific at least 48 hours notice of Simplot's desire
so to do and such work shall be performed in a manner as to cause the least
practicable damage to said canal lands and interference with Pacific's operation
of said canal; said notice shall be given to Pacific Gas and Electric Company,
363 Sacramento Street, Auburn, California, Attention: Superintendent Hydro
Production, Telephone 885-2431;
(7) Simplot shall conduct all operations on the real property hereby conveyed, and agrees to conduct all operations on other lands which Simplot now owns or may hereafter acquire in the vicinity of and contiguous to said real property, so as not to cause any pollution, contamination, or obstruction of the water in said canal. In the event any such pollution, contamination or obstruction shall result from or be caused by Simplot’s operations then Simplot shall, upon receipt of notice from Pacific so to do and at its sole cost and expense, eliminate the cause or causes of such pollution, contamination or obstruction; and

(8) Simplot shall indemnify Pacific against and hold it harmless from any and all loss, damage, and liability for damages, whether for damage to or loss of property, or injury to or death of person, which shall in any way arise out of or be connected with Simplot’s operations on said canal land, and shall further indemnify Pacific against and hold it harmless from all damage or liability for damage, whether for damage to loss of property, or injury to or death of person, which shall arise out of or be connected with leaks, breaks, seepage and drainage from said Wise Canal and from Pacific’s Middle Fiddler Green Canal situated on lands of Simplot adjacent to the real property hereby conveyed.

As a condition to this grant Simplot has installed certain drains to prevent drain and runoff waters from its mill and lumber stockpiles from entering said Wise Canal and without limiting the generality of the foregoing terms and conditions Simplot agrees that Simplot will, at Simplot’s sole cost and expense, maintain said drains, keep them free and clear of all debris and upon request from Pacific so to do replace said drains.

The real property hereby conveyed is no longer necessary or useful to Pacific in the performance by it of its duties to the public.

The provisions hereof shall inure 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.

IN WITNESS WHEREOF Pacific has executed these presents this 9th
day of September, 1969.

PACIFIC GAS AND ELECTRIC COMPANY

By

Its Vice-President-Personnel and General Services

Attest

Assistant Secretary

SIMLOT INDUSTRIES INCORPORATED hereby accepts the foregoing grant sub-
ject to the terms and conditions therein and agrees to all the covenants
therein set forth.

SIMLOT INDUSTRIES INCORPORATED

By

Its President

And By

Its

APPROVED

Division Manager

APPROVED

Vice President — Engineer

APPROVED

VICE PRES.-ELEC. OPER.
ENJOY 2051 CORPORATION
IDaho
STATE OF IDAHO

County of Ada

On this 2nd day of September, in the year 1969, before me, Doria J. Alapaugh, a Notary Public in and for the said Ada County, duly commissioned and sworn, personally appeared

John M. Dahl, Vice President

Known to me to be the

of the corporation that executed the within instrument, and to be the person who executed the said instrument on behalf of said corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the Ada County of Ada, the day and year in this certificate first above written.

Doria J. Alapaugh

Notary Public in and for the Ada County of Ada, State of Idaho

My Commission Expires April 22, 1970

ENJOY 2051 CORPORATION
STATE OF CALIFORNIA
City and County of San Francisco

On this 12th day of September in the year 1969, before me, Lucille Mullen, a Notary Public in and for the said City and County of San Francisco, County, duly commissioned and sworn, personally appeared

D. G. Smith and D. H. Allison

Known to me to be the Vice President-Personnel and General Services and the Assistant Secretary, respectively,

of the corporation that executed the within instrument, and to be the person who executed the said instrument on behalf of said corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the City and County of San Francisco, the day and year in this certificate first above written.

Lucille Mullen

Notary Public in and for the City and County of San Francisco

My Commission Expires January 23, 1971
Attended to the deed from Pacific Gas and Electric Company to Simplot Industries Incorporated for the purpose of enumerating facilities and improvements of Simplot's which exist within the lands retained by Pacific for its Wise Canal.

I. Portions of existing buildings, building foundations, and roof eaves now existing within said canal lands.

II. The improvements and facilities located by reference to stations along a line which begins at a Pacific Gas and Electric Company marker at the downstream end of the Wise Canal culvert under the Southern Pacific Railroad and traverses downstream along the westerly side of said canal as follows:

<table>
<thead>
<tr>
<th>STATION</th>
<th>FACILITY OR IMPROVEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 + 45</td>
<td>12 inch drain pipe extending across said canal.</td>
</tr>
<tr>
<td>1 + 59</td>
<td>12 inch drain pipe extending across said canal.</td>
</tr>
<tr>
<td>1 + 72</td>
<td>12 inch water pipe extending across said canal.</td>
</tr>
<tr>
<td>1 + 89</td>
<td>Center line of concrete bridge across said canal 16 feet wide and 41 feet long.</td>
</tr>
<tr>
<td>2 + 17</td>
<td>At 14 feet from fence on westerly side of canal there are anchors for guy wires which extend across said canal to a smoke stack on the real property conveyed.</td>
</tr>
<tr>
<td>2 + 40</td>
<td>On westerly side of said canal the anchor for a 25' guy wire to support a pole located inside fence on westerly side of canal at station 2 + 58.</td>
</tr>
<tr>
<td>2 + 50</td>
<td>Canal center line crossing of overhead sawdust conveyor and all supports necessary thereto. Conveyor 30 feet above ground.</td>
</tr>
<tr>
<td>2 + 58</td>
<td>Pole located inside fence on westerly side of canal.</td>
</tr>
<tr>
<td>2 + 80</td>
<td>On westerly side of canal another anchor for guy wire from pole at station 2 + 58.</td>
</tr>
<tr>
<td>3 + 16</td>
<td>Canal center line crossing of overhead sawdust conveyor and all supports necessary thereto. Conveyor 40 feet above ground.</td>
</tr>
<tr>
<td>Station</td>
<td>Facility or Improvement</td>
</tr>
<tr>
<td>---------</td>
<td>------------------------</td>
</tr>
<tr>
<td>3 + 36</td>
<td>Enclosed overhead conveyor belt of sawdust and chips. Structure 8 feet wide, 7 feet high and 79 feet long.</td>
</tr>
<tr>
<td>3 + 50</td>
<td>On easterly side of canal, 10 inch hot water pipe 10 feet above water level, discharging into canal.</td>
</tr>
<tr>
<td>3 + 93</td>
<td>Easterly side of canal, overhead stream pipe 25 feet above ground running parallel with and 2 feet from fence, together with necessary supports therefor.</td>
</tr>
<tr>
<td>4 + 52</td>
<td>At 10 feet from fence on westerly side of canal there are anchor guy wires which extend across said canal to a smoke stack on the real property conveyed.</td>
</tr>
<tr>
<td>4 + 56</td>
<td>At 14 feet from fence on easterly side of canal beginning of foot bridge parallel to said canal, bridge is 4 feet wide and 22 feet long.</td>
</tr>
<tr>
<td>4 + 64</td>
<td>1 inch hot water pipe on westerly side and discharging into canal.</td>
</tr>
<tr>
<td>4 + 72</td>
<td>Canal center line crossing of overhead conductor. Conduct 9 feet above ground.</td>
</tr>
<tr>
<td>5 + 09</td>
<td>Canal center line crossing of 3 wire conductor.</td>
</tr>
<tr>
<td>5 + 18</td>
<td>Canal center line crossing of overhead 4 inch electric conductor.</td>
</tr>
<tr>
<td>5 + 20</td>
<td>At 10 feet from fence on easterly side of canal an 8 feet by 12 feet wood building 10 feet high. Building to be removed as soon as possible.</td>
</tr>
<tr>
<td>6 + 46</td>
<td>On westerly side of canal a concrete pad for former building.</td>
</tr>
<tr>
<td>6 + 72</td>
<td>6 inch water pipe crossing canal.</td>
</tr>
<tr>
<td>7 + 28</td>
<td>Center line of concrete bridge across canal. Bridge 31 feet wide and 40 feet long.</td>
</tr>
<tr>
<td>7 + 39</td>
<td>At 2 feet from fence on westerly side of canal 25 feet high pole.</td>
</tr>
<tr>
<td>8 + 15</td>
<td>2 inch water pipe across canal.</td>
</tr>
<tr>
<td>8 + 43</td>
<td>Canal center line crossing of 12 inch drain pipe.</td>
</tr>
<tr>
<td>9 + 42</td>
<td>At 4.5 feet from fence on westerly side of canal 30 feet high pole and conductor extending to pole at station 8 + 15.</td>
</tr>
<tr>
<td>15 + 24</td>
<td>Canal center line crossing of 12 inch drain pipe.</td>
</tr>
</tbody>
</table>
NOTE - ASSESSOR'S BLOCK & LOT NUMBERS SHOWN IN COPIES
WELLS FARGO BANK, National Association, an association organized under the laws of the
United States of America, having its principal office in the City and County of San
Francisco, State of California, successor to Mercantile Trust Company, and FIRST NATIONAL
CITY BANK, a national banking association having its Head Office in the Borough of Man-
hattan, City and State of New York, successor to The National City Bank of New York, as
Trustees under that certain First and Refunding Mortgage dated December 1, 1920, executed
by PACIFIC GAS & ELECTRIC COMPANY, as supplemented and amended to the date hereof, which
said Mortgage and the Supplements thereto (hereinafter sometimes referred to as "Mortgage"),
or certificates pertaining thereto, have heretofore been recorded or re-recorded in the
County hereinafter specifically designated as follows:

<table>
<thead>
<tr>
<th>Document</th>
<th>Date</th>
<th>Recorded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>First and Refunding Mortgage</td>
<td>Dec. 1, 1920</td>
<td>May 19, 1921</td>
</tr>
<tr>
<td>Re-recorded</td>
<td></td>
<td>Sept. 18, 1935</td>
</tr>
<tr>
<td>Certificate of Re-recording</td>
<td>Aug. 11, 1943</td>
<td>Official Records</td>
</tr>
<tr>
<td>First Supplemental Indenture</td>
<td>Apr. 23, 1925</td>
<td>June 11, 1925</td>
</tr>
<tr>
<td>Second Supplemental Indenture</td>
<td>Oct. 1, 1931</td>
<td>January 6, 1932</td>
</tr>
<tr>
<td>Third Supplemental Indenture</td>
<td>Mar. 1, 1941</td>
<td>March 28, 1941</td>
</tr>
<tr>
<td>Fifth Supplemental Indenture</td>
<td>May 15, 1950</td>
<td>June 15, 1950</td>
</tr>
<tr>
<td>Sixth Supplemental Indenture</td>
<td>May 1, 1954</td>
<td>May 7, 1954</td>
</tr>
<tr>
<td>Seventh Supplemental Indenture</td>
<td>May 21, 1958</td>
<td>May 26, 1958</td>
</tr>
</tbody>
</table>
STATE OF CALIFORNIA

CITY AND COUNTY OF SAN FRANCISCO

On this 14th day of January, in the year of our Lord One Thousand Nine Hundred and Twenty, before me, SELMA R. CONLAN, a Notary Public in and for said City and County and State, residing therein, duly commissioned and sworn, personally appeared W. E. DAWSON and A. W. FRIEDK known to me to be

VICE PRESIDENT and ASSISTANT TRUST OFFICER

respectively, of WELLS FARGO BANK, N.A., Trustee, one of the Corporations described in and that executed the within instrument, and also known to me to be the persons who executed it on behalf of the said Corporation therein named, and they acknowledged to me that such Corporation executed the same as such Trustee, as therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal, at my office in the City and County and State aforesaid the day and year in this certificate above written.

[Signature]

Notary Public in and for said City and County of San Francisco, State of California

[Seal]

My Commission Expires ______________, 19__.
do hereby release from the lien and operation of said Mortgage and reconvey to PACIFIC GAS AND ELECTRIC COMPANY, its successors and assigns, free and clear of the operation of the said Mortgage that certain real property situate in the said County and State described as:

That certain real property situate in the County of Placer, State of California, and more particularly described in the deed from Pacific Gas and Electric Company to SIMPLOT INDUSTRIES INCORPORATED dated September 9, 1969, and recorded on October 27, 1969, in the Official Records of said County in Book 1207 at Page 84,

saving and excepting from the foregoing and from the operation of this release any estates, interest, or other rights reserved to said PACIFIC GAS AND ELECTRIC COMPANY in the said deed:

TO HAVE AND TO HOLD unto PACIFIC GAS AND ELECTRIC COMPANY, its successors and assigns, forever, free and clear of the lien and operation of said Mortgage; provided, however, that all of the rest of the property now subject to the lien and operation of the said Mortgage shall remain subject to the lien and operation thereof as heretofore, unaffected by this release.

IN WITNESS WHEREOF, said WELLS FARGO BANK, N.A., and FIRST NATIONAL CITY BANK, as Trustees of the trusts declared in and created by the aforesaid Mortgage, have caused this instrument to be executed by their respective officers thereunto duly authorized as of the 7th day of JANUARY, 1970.

FIRST NATIONAL CITY BANK
as one of the Trustees as aforesaid,

By: [Signature]
Vice President, Trust Officer

Attorn: [Signature]
Assistant Trust Officer

WELLS FARGO BANK, N.A.
as one of the Trustees as aforesaid,

By: [Signature]
Vice President

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