March 6, 2014

Advice Letter 4357-E

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

Subject: California State Route 299 Road Easement Agreement (Shasta County) – Request for Approval under Section 851

Dear Mr. Cherry:

PG&E requested approval to grant the California Department of Transportation (Caltrans) a nonexclusive road easement on a portion of PG&E’s property (Shasta County APN #: 023-350-003 and 023-350-006) that supports hydro-electric facilities along California State Route (SR) 299 in Shasta County.

This project will reduce the sharp turn radius of the road and the number and severity of accidents.

This transaction will not adversely affect public interest and the ability of PG&E to provide safe and reliable service to its customers.

Caltrans determined that this project is categorically exempt from the California Environmental Quality Act (CEQA) under Section 15301, Class 1(c) of the State CEQA Guidelines and issued a Notice of Exemption.

According to General Order 173, Rule 7.a(5), if a project does not require environmental review by the Commission as a Responsible Agency under CEQA, the Executive Director or the Director of the Energy Division may issue a disposition letter to approve this request.

Hence, PG&E’s request to grant the easement right is approved, effective March 9, 2014.

Sincerely,

Edward F. Randolph, Director
Energy Division
February 7, 2014

Advice 4357-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: California State Route 299 Road Easement Agreement (Shasta 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 the California Department of Transportation ("Grantee" or “Caltrans”) a non-exclusive road easement (“Easement”) on a portion of PG&E’s property that supports hydro-electric facilities along California State Route (“SR”) 299 in Shasta County (the “Property”). The Grantee will use the easement area for the realigning of the existing road to improve geometrics, and improve safety. Granting this easement will not interfere with PG&E’s hydro-electric operations or PG&E’s ability to provide utility services to its customers. In addition, granting this easement will not be adverse to the public interest; rather it will provide a public benefit by increasing public safety.

Background

PG&E owns land, buildings, and other facilities in connection with the provision of electric and natural gas services to its customers throughout northern and central California. In the provision of these services, PG&E relies on a portfolio of fee properties, rights-of-way, and facilities to support its electric and gas transmission activities. One such fee property is located eight miles east of the town of Burney along SR 299 in Shasta County, which supports PG&E’s hydro-electric operations and is part of PG&E’s Shasta Hydro Watershed Lands. There are no PG&E facilities in the vicinity of the proposed easement.

Grant of the Easement to the Grantee will not interfere with PG&E’s operations or service to its customers. The proposed Easement prohibits the Grantee from interfering in any way with PG&E’s use of the easement areas or the adjacent PG&E Property. This prohibition includes any activity that places any of PG&E’s facilities in violation of any provision of Commission General Orders 95, 112E, and
128, or any other legal requirements for operation of utility facilities. The proposed Easement further prohibits the Grantee from making use of the easement areas that would be incompatible with PG&E’s use of the adjacent Property.

While not interfering with PG&E’s ability to provide safe and reliable service, Caltrans use of the Easement will greatly enhance public safety. The Easement requested of PG&E, if granted, will facilitate improving horizontal curves, constructing 12-ft wide lanes and widening paved road shoulders of SR 299 to meet current Caltrans standards. According to Caltrans, an above-average number of accidents occur at this area of road, in part because the road has a sharp turn radius. Caltrans calculated that the current total collision rate, and accident rate involving fatality and injury, is approximately twice the statewide average. This roadway improvement Project, upon completion, is expected to reduce the number and severity of accidents along this section of SR 299.

For the above reasons, the Commission should approve this Section 851 request to grant the Grantee the Easement relating to this PG&E property, and find that doing so is not adverse to the public interest because it will not impair PG&E’s provision of utility service. Rather, the Easement will facilitate the improvement of a public road which upon completion will improve public health and safety in the area.

In accordance with General Order (G.O.) 173, PG&E provides the following information related to the proposed transaction:

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

<table>
<thead>
<tr>
<th>Pacific Gas and Electric Company</th>
<th>Lisa Harvey, Senior Right of Way Agent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Darren P. Roach</td>
<td>CA Department of Transportation</td>
</tr>
<tr>
<td>Law Department</td>
<td>1031 Butte St., Suite 205</td>
</tr>
<tr>
<td>P.O. Box 7442</td>
<td>Redding, CA 96001</td>
</tr>
<tr>
<td>San Francisco, CA 94120</td>
<td>Telephone: (530) 225-3201</td>
</tr>
<tr>
<td>Telephone: (415) 973-6345</td>
<td>Email: <a href="mailto:lisa_harvey@dot.ca.gov">lisa_harvey@dot.ca.gov</a></td>
</tr>
<tr>
<td>Facsimile: (415) 973-5520</td>
<td></td>
</tr>
<tr>
<td>Email: <a href="mailto:DPRC@pge.com">DPRC@pge.com</a></td>
<td></td>
</tr>
</tbody>
</table>

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

The Property is located adjacent to SR 299, in the outskirts of the small rural town Fall River Mills in Shasta County, more specifically identified as

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1 “The Commission has long recognized that the public interest is served when utility property is used for other productive purposes without inferring with the utility’s operations or the provision of utility services to the public.” (D.06-07-023, p. 1.)
Shasta County Assessor’s Parcels No. 023-350-003 and 023-350-006. The Property is owned by PG&E, and is currently vacant and covered with trees. The Legal Description and Drawing of the easement area is attached hereto as Attachment 2.

(c) Intended Use of the Property and Facilities:

The Grantee will utilize the Road Easement for the excavation, construction, maintenance and use of a public road as described above and identified in the Road Easement Agreement (Attachment 1).

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

PG&E will receive a one-time nominal fee of $8,600 for granting the easement.

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

The property described in this advice letter is part of PG&E’s power generation facilities. Any compensation received by PG&E from Caltrans will be credited to Electric Other Operating Revenue and will be used to reduce the generation revenue requirement in future general rate cases, consistent with conventional cost-of-service ratemaking.

There is no reduction to rate base as a result of PG&E’s grant of Easement to Caltrans. PG&E is not selling or disposing of the property described in this advice letter.

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

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

(g) 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
(h) 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.

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

The fair market value for the proposed easement of $8,600 was determined by an appraisal, details of which are provided in Attachment 3.

(j) 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:

Not Applicable.

(k) Sufficient Information and Documentation (Including Environmental Review Information) to Indicate that All Criteria Set Forth in Rule 3 of General Order (“GO”) 173 are Satisfied:

PG&E has provided information in this Advice Letter to satisfy the eligibility criteria under GO 173 in that:

- The activity proposed in the transaction will not require environmental review by the CPUC as a Lead Agency;
- The transaction will not have an adverse effect on the public interest or on the ability of PG&E to provide safe and reliable service to its customers at reasonable rates;
- The transaction will not materially impact the rate base of PG&E; and
- The transaction does not warrant a more comprehensive review that would be provided through a formal Section 851 application.

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

PG&E is not aware of any additional relevant information other than what is included with this advice letter.

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2 During adoption of the Advice Letter pilot program in ALJ-186 (later followed by ALJ-202, ALJ-244 and ALJ-268), 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.)
(m) Environmental Information

Pursuant to GO 173, the Advice Letter program applies to proposed transactions that will not require environmental review by the CPUC as a lead agency under the California Environmental Quality Act ("CEQA") either because: (a) a statutory or categorical exemption applies (the applicant must provide a notice of exemption from the Lead Agency or explain by an exemption applies), or (b) because the transaction is not a project under CEQA (the applicant must explain the reasons why it believes that the transaction is not a project), or (c) because another public agency, acting as the Lead Agency under CEQA, has completed environmental review of the project, and the Commission is required to perform environmental review of the project only as a Responsible Agency under CEQA.

Per (a) above, the proposed transaction has been found exempt from CEQA by a governing agency; therefore, the proposed transaction will not require environmental review.

<table>
<thead>
<tr>
<th>Name of Agency:</th>
<th>California Department of Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Notice of Exemption:</td>
<td>April 15, 2013</td>
</tr>
</tbody>
</table>

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 February 27, 2014, which is 20 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4th Floor  
San Francisco, California 94102  
Facsimile: (415) 703-2200  
E-mail: EDTariffUnit@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 shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:
Any person (including individuals, groups, or organizations) may protest or respond to an advice letter. (General Order 96-B, Section 7.4.) The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

**Effective Date**

Pursuant to the review process outlined in General Order 173, PG&E requests that this Tier 2 advice filing become effective on March 9, 2014, which is 30 days from the date of filing.

**Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and/or via U.S. mail to parties shown on the attached list. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: http://www.pge.com/tariffs.

Vice President – Regulatory Relations

Attachments
******* SERVICE LIST Advice 4357-E *******

APPENDIX A

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

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

Jonathan Reiger
Legal Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 355-5596
jzr@cpuc.ca.gov

Mary Jo Borak
Energy Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703-1333
bor@cpuc.ca.gov

Edward Randolph
Energy Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703-2083
efr@cpuc.ca.gov

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

Andrew Barnsdale
Energy Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703-3221
bca@cpuc.ca.gov

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

Lisa Harvey, Senior Right of Way Agent
CA Department of Transportation
1031 Butte St., Suite 205
Redding, CA 96001
Telephone: (530) 225-3201
Email: lisa_harvey@dot.ca.gov
Company name/CPUC Utility No. Pacific Gas and Electric Company (ID U39 E)

Utility type: ☑ ELC ☐ GAS ☐ PLC ☐ HEAT ☐ WATER

Contact Person: Igor Grinberg
Phone #: (415) 973-8580
E-mail: ixg8@pge.com and PGETariffs@pge.com

EXPLANATION OF UTILITY TYPE
ELC = Electric
GAS = Gas
PLC = Pipeline
HEAT = Heat
WATER = Water

Advice Letter (AL) #: 4357-E
Tier: 2

Subject of AL: California State Route 299 Road Easement Agreement (Shasta County) – Request for Approval under Section 851

Keywords (choose from CPUC listing): Agreements

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

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

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: N/A

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: March 9, 2014

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:

California Public Utilities Commission
Energy Division
EDTariffUnit
505 Van Ness Ave., 4th Flr.
San Francisco, CA 94102
E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company
Attn: Brian Cherry
Vice President, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.com
Attachment 1:
Road Easement Agreement
LD __________
Road Easement to State of California

RECORDING REQUESTED BY, AND
WHEN Recorded RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
3600 Meadowview Drive
Redding, CA 96002
Attention: Land Agent

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

________________________
Signature of declarant or agent determining tax

(A portion of APN 023-350-03 & 06)

EASEMENT AGREEMENT
(Road Easement to State of California)

This Easement Agreement ("Agreement") is made and entered into this ______ day of
________, 2013 (the "Effective Date") by PACIFIC GAS AND ELECTRIC COMPANY, a
California corporation, hereinafter called "PG&E", and the STATE OF CALIFORNIA,
hereinafter called "Grantee."

RECATALS

A. PG&E owns certain real property within the County of Shasta, State of California,
commonly known as the Lake Britton watershed lands, State Board of Equalization Number 135-
045-028D-2 and more particularly described as the southeast quarter of the southwest quarter and
the southeast quarter of Section 18, T. 36N., R. 4E., M.D.M. (hereinafter, the "Property").

B. Grantee proposes to construct a road on the Property and in connection therewith,
Grantee has requested that PG&E grant an easement for the excavation, installation, construction,
reconstruction, repair, maintenance and use of such road.

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

Now, therefore, in consideration of Grantee’s agreement to pay the sum of eight thousand
six hundred Dollars ($8,600), 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 for the uses described below ("Permitted Uses"):

   **Road Improvements, Grading and Support.** A non-exclusive easement to excavate, install, construct, reconstruct, repair, replace, maintain and use road improvements, together with associated grading, support and landscaping on and in a portion of the Property (the "Easement Area") described in Exhibit A and shown upon Exhibit B attached hereto and made a part hereof.

2. **Limitations on Use.**

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

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

   (c) Grantee shall not erect or construct any building or other structure other than the road improvements specifically authorized by this Agreement, nor shall Grantee drill or operate any well, within five (5) feet of any of PG&E's electric or gas facilities.

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


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

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

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

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

(6) which contains radon gas;

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

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

Grantee shall be solely responsible for the health and safety of, and shall take all necessary precautions to protect, its employees, contractors, consultants, agents and invitees, including, without limitation, the general public (“Grantee’s Representatives”) from risks of harm from Potential Environmental Hazards. Grantee acknowledges that it has previously evaluated the condition of the Easement Area and all matters affecting the suitability of the Easement Area for the uses permitted by this Agreement, including, but not limited to, the Potential Environmental Hazards listed herein.
4. **Grantee’s Covenants.** Grantee hereby covenants and agrees:

(a) **Construction of Improvements.** Grantee agrees to construct and install, at no cost to PG&E, such facilities and improvements ("Improvements") as may be necessary and appropriate for Grantee’s Permitted Uses, as specified in Section 1. All such construction shall be performed in accordance with detailed plans and specifications ("Plans") previously approved by PG&E, and shall comply with all Legal Requirements, as defined below in Section 4(b). Before commencing construction of any Improvements, Grantee shall obtain all permits, authorizations or other approvals, at Grantee’s sole cost and expense as may be necessary for such construction. Without limiting the generality of the foregoing, Grantee shall be responsible for complying with any and all applicable requirements of the National Environmental Policy Act ("NEPA") and the California Environmental Quality Act ("CEQA") and satisfying, at Grantee’s sole expense, any and all mitigation measures under CEQA that may apply to Grantee’s proposed occupancy and use of the Easement Area, and to the construction, maintenance and use of Grantee’s proposed Improvements and facilities. Grantee shall promptly notify PG&E of any and all proposed mitigation measures that may affect PG&E or the Property. Prior to construction on the Improvements being commenced, if PG&E determines in good faith that any such mitigation measures may materially affect PG&E or the Property, or impose material limitations on PG&E’s ability to use the Property as specified in Section 8, then PG&E shall have the right, without liability to Grantee, to give notice of termination of this Agreement to Grantee, whereupon this Agreement and the rights granted to Grantee shall terminate and re vest in PG&E, unless within ten (10) days following delivery of such notice, Grantee gives notice to PG&E by which Grantee agrees to modify its proposed Project (as that term is defined under CEQA) so as to eliminate the necessity for such mitigation measures. In the event of such termination, PG&E and Grantee shall each be released from all obligations under this Agreement, except those which expressly survive termination. Grantee acknowledges and agrees that PG&E’s review of Grantee’s Plans is solely for the purpose of protecting PG&E’s interests, and shall not be deemed to create any liability of any kind on the part of PG&E, or to constitute a representation on the part of PG&E or any person consulted by PG&E in connection with such review that the Plans or the Improvements contemplated by such Plans are adequate or appropriate for any purpose, or comply with applicable Legal Requirements. Grantee shall not commence construction or installation of any Improvements without the prior written consent of PG&E, which consent shall not be unreasonably withheld, conditioned or delayed, and the prior consent, to the extent required by applicable law or regulation, of the California Public Utilities Commission (hereinafter, “CPUC”);

(b) **Compliance with Laws.** Grantee shall, at its sole cost and expense, promptly comply with (a) all laws, statutes, ordinances, rules, regulations, requirements or orders of municipal, state, and federal authorities now in force or that may later be in force, including, but not limited to, those relating to the generation, use, storage, handling, treatment, transportation or disposal of Hazardous Substances, as defined herein, or to health, safety, noise, environmental protection, air quality or water quality; (b) the conditions of any permit, occupancy certificate, license or other approval issued by public officers relating to Grantee’s use or occupancy of the Easement Area; and (c) with any liens, encumbrances, easements, covenants, conditions, restrictions and servitudes (if any) of record, or of which Grantee has notice, which may be applicable to the Easement Area (collectively, “Legal Requirements”), regardless of when they become effective, insofar as they relate to the use or occupancy of the Easement Area by Grantee. Grantee shall furnish satisfactory evidence of such compliance upon request by PG&E. The
(c) **Notice of Enforcement Proceedings.** Grantee agrees to notify PG&E in writing within three (3) business days of any investigation, order or enforcement proceeding which in any way relates to the Property, or to any contamination or suspected contamination on, within or underlying the Property. Such notice shall include a complete copy of any order, complaint, agreement, or other document which may have been issued, executed or proposed, whether draft or final;

(d) **Non-Interference.** Grantee agrees not to interfere in any way or permit any material interference with the use of the Property by PG&E and other entitled persons. Grantee shall not perform any activity 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), 112E (Gas), and 128 (Underground Electric) of the CPUC or to any other Legal Requirements under which the operations of utility facilities are controlled or regulated. Grantee shall not erect, handle, or operate any tools, machinery, apparatus, equipment, or materials closer to any of PG&E's high-voltage electric conductors than the minimum clearances set forth in the High-Voltage Electrical Safety Orders of the California Division of Industrial Safety; which minimum clearances are incorporated herein by reference; but in no event closer than ten (10) feet to any energized electric conductors or appliances. Grantee shall not drill, bore, or excavate within thirty (30) feet of any of PG&E's underground facilities, including, but not limited to, gas pipelines, valves, regulators, electric conduits, tower footings or foundations. Grantee shall provide notice to Underground Service Alert at 1-800-227-2600 at least two (2) business days prior to commencing any drilling, boring or excavating permitted hereunder to assist Grantee with locating any and all underground facilities, including, but not limited to, gas pipelines, valves, regulators or electric conduits;

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

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

(h) **Coordination.** Grantee agrees to coordinate all activities regarding the easements granted herein to reasonably minimize any interference and inconvenience with the use by PG&E of the Easement Area and PG&E’s adjoining lands, and;

(i) **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 written 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) Pursuant to Government Code Section 14662.6 and to the maximum extent permitted by law, Grantee shall 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, “**Indemnities**”) from and against all claims, losses (including, but not limited to, diminution in value), actions, demands, damages, costs, expenses (including, but not limited to, experts fees and reasonable attorneys’ fees and costs) and liabilities of whatever kind or nature (collectively, “**Claims**”), which arise from or are in any way connected with the occupancy or use of the Easement Area by Grantee or Grantee’s Representatives, or the exercise by Grantee of its rights hereunder, or the performance of, or failure to perform, Grantee’s duties under this Agreement, including, but not limited to, Claims arising out of: (1) injury to or death of persons, including but not limited to employees of 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 Indemnities 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, condition 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 vest in PG&E, if such failure continues for five (5) days following the giving of written notice of termination to Grantee, unless within such time such failure is cured to the reasonable satisfaction of PG&E.

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

6. Additional Facilities. Grantee shall not install any additional facilities or improvements in, on, under or over the Easement Area without the prior written consent of PG&E, which consent may be granted or withheld in PG&E’s sole and absolute discretion, and the prior consent, to the extent required by applicable law or regulation, of the CPUC. Grantee shall submit plans for installation of any proposed additional facilities within the Easement Area to PG&E for its written approval at the address specified in Section 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 PG&E may have previously granted, and may in the future grant, certain rights in and across the Easement Area to others, and the use of the word “grant” in this Agreement shall not be construed as a warranty or covenant by PG&E that there are no such other rights.

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

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

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

10. **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 and Grantee’s Representatives 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). 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. For so long as Grantee is an agency or instrumentality of the United States of America, the State of California or any political subdivision thereof, then Grantee may elect to self-insure for any or all of the required coverage. If Grantee is permitted to self-insure hereunder and elects to do so, Grantee shall be liable to PG&E for the full equivalent of insurance coverage which would have been available to PG&E if all required insurance policies had been obtained by Grantee from a third party insurer, in the form required by this Agreement, and shall pay on behalf of or indemnify PG&E for all amounts which would have been payable by the third party insurer. In addition, Grantee shall act with the same promptness and subject to the same standards of good faith as would apply to a third party insurance company. 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  
3600 Meadowview Drive  
Redding, CA 96002

With a copy to:

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

If to Grantee:

Department of Transportation-Caltrans  
Attention: Senior Right of Way Agent  
1031 Butte Street, Suite 205  
Redding, CA 96001

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 16). 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.** Grantee shall not assign, convey, encumber (other than as may be specifically permitted by the terms of this Agreement), or otherwise transfer the easements and other rights herein conveyed, or any portion thereof or interest herein, without the prior written consent of PG&E. Such consent may be given or withheld by PG&E for any reason or for no reason, provided, however, that notwithstanding the foregoing, PG&E agrees that its consent will not be unreasonably withheld, delayed or conditioned in the case of a proposed transfer or dedication to a governmental agency. Grantee acknowledges and agrees that in any instance where PG&E is required not to unreasonably withhold its consent, it shall be reasonable for PG&E to withhold its consent if any regulatory agency having or asserting jurisdiction over PG&E or the Easement Area, or having or claiming a right to review and/or approve the proposed transfer, fails
to grant approval thereof (or imposes conditions on such approval which are not acceptable to PG&E, in its reasonable discretion). Grantee further acknowledges and agrees that in any instance where PG&E is required not to unreasonably delay giving or withholding its consent, it shall be reasonable for PG&E to make application for approval to any regulatory agency having or asserting jurisdiction, and to defer the giving or withholding of consent, without liability hereunder for delay, during the pendency and for a reasonable time following the conclusion of any such regulatory proceedings.

17. 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.

18. 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.

19. 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.

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

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, STATE OF CALIFORNIA
a California corporation

By: ________________________________ By: ________________________________

Marvin Penner
Manager, Land Management

Name: ________________________________

Its: ________________________________

Exhibits A, B and C attached
Area 6, North Valley
Land Service Office: Redding
Operating Department: Shasta Hydro
T. 36N, R4E, MDM
Sec. 18, S1/2
FERC License Number(s): NA
PG&E Drawing Number(s):
PLAT NO. N/A
LD of any affected documents:
LD of any Cross-referenced documents:
TYPE OF INTEREST: 11c
SBE Parcel Number: 135-045-028D-2
(For Quitclaims, % being quitclaimed): NA
Order # or PM #: 2011124
JCN: NA
County: Shasta
Utility Notice Numbers: NA
851 Approval Application No. Decision
Prepared By: NOR
Checked By: JAT
Revision Number:
Exhibit “A”

That portion of the southeast quarter, and the southeast quarter of the southwest quarter of Section 18, T. 36 N., R. 4 E., M.D.M., lying within a strip of land of variable width, along a line described as follows:

Commencing at a standard B.L.M. brass-capped iron pipe marking the south quarter corner of said Section 18, as shown on the Official Plat of the Dependent Resurvey of said Section 18, accepted March 18, 1986, from which a standard B.L.M. brass-capped iron pipe marking the southeast corner of said Section 18, as shown on said Official Plat, bears N 89°38'09" E, 2647.93 feet;

thence, S 71°48'07" W, 910.60 feet to the POINT OF BEGINNING of this line;

thence, said strip being 300.00 feet in width, the sidelines lying 170.00 feet left and 130.00 feet right of this line, from a tangent bearing N 49°23'52" E, along a curve to the right having a radius of 1000.00 feet, through an angle of 28°37'05", a distance of 499.48 feet;

thence, N 78°00'57" E, 203.45 feet;

thence, along a tangent curve to the left having a radius of 750.00 feet, through an angle of 21°30'30", a distance of 281.54 feet;

thence, said strip being 290.00 feet in width, the sidelines lying 160.00 feet left and 130.00 feet right of this line, continuing along said curve to the left, through an angle of 57°54'30", a distance of 758.02 feet;

thence, N 1°24'02" W, 190.30 feet;

thence, said strip being 275.00 feet in width, the sidelines lying 160.00 feet left and 115.00 feet right of this line, along a tangent curve to the right, having a radius of 750.00 feet, through an angle of 86°01'44", a distance of 1126.12 feet;

thence, said strip being 205.00 feet in width, the sidelines lying 110.00 feet left and 95.00 feet right of this line, N 84°37'42" E, 250.00 feet;

thence, said strip being 150.00 feet in width, the sidelines lying 75.00 feet left and 75.00 feet right of this line, continuing N 84°37'42" E, 272.82 feet;

thence, said strip being 75.00 feet in width, the sidelines lying 0.00 feet left and 75.00 feet right of this line, continuing N 84°37'42" E, 309.12 feet to the POINT OF TERMINATION of this line;
Exhibit "A" (continued)

EXCEPTING THEREFROM that portion lying within the right of way conveyed to the State of California by FINAL ORDER OF CONDEMNATION recorded December 9, 1933 in Volume 88 at page 33, Official Records of Shasta County.

Containing 12.68 acres, more or less.

The bearings and distances used in the above description are based on the California Coordinate System of 1983 (1991.35), Zone 1. Divide distances shown by 0.999757 to obtain ground level distances.

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

Signature

Licensed Land Surveyor

Date 4/29/13

The grantor hereby further grants to grantee all trees, growths (growing or that may hereafter grow), and road building materials within said right of way, including the right to take water, together with the right to use the same in such manner and at such locations as said grantee may deem proper, needful or necessary, in the construction, reconstruction, improvement or maintenance of said highway.

The grantor, for itself, its successors and assigns, hereby waives any claim for any and all damages to grantor's remaining property contiguous to the right of way hereby conveyed by reason of the location, construction, landscaping or maintenance of said highway.
EXHIBIT C

INSURANCE REQUIREMENTS

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

A. Workers’ Compensation and Employers’ Liability

1. Workers’ Compensation insurance indicating compliance with any and all applicable labor codes, acts, laws or statutes, state or federal.

2. Employer’s Liability insurance shall not be less than One Million Dollars ($1,000,000) for injury or death, each accident.

B. Commercial General Liability

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability insurance “occurrence” form with no additional coverage alterations.

2. The limits shall not be less than Five Million Dollars ($5,000,000) per occurrence for bodily injury, property damage and products and completed operations. Defense costs are to be provided outside the policy limits.

3. Coverage shall include: a) an “Additional Insured” endorsement (ISO Additional Insured form CG 2010 or equivalent coverage) adding as additional insureds PG&E, its affiliates, subsidiaries, and parent company, and PG&E’s directors, officers, agents and employees with respect to liability arising out of work performed by or for Grantee. If the policy includes “blanket endorsement by contract,” the following language added to the certificate of insurance will satisfy PG&E’s requirement: “by blanket endorsement, PG&E, its affiliates, subsidiaries, and parent company, and PG&E’s directors, officers, agents and employees with respect to liability arising out of the work performed by or for the Grantee are included as additional insured”; and b) an endorsement or policy provision specifying that the Grantee’s insurance is primary and that any insurance or self-insurance maintained by PG&E shall be excess and non-contributing.

C. Business Auto

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, code 1 “any auto.”

2. The limit shall not be less than One Million Dollars ($1,000,000) each accident for bodily injury and property damage.

1. Grantee, the State of California (STATE), has the right to self-insure for any the insurance requirements required under this Agreement. The insurance carrier or carriers and form of policy (including any deductible amount), or any plan for self-insurance shall be subject to review and approval by PG&E, which approval may not be unreasonably withheld, conditioned or delayed.

2. The State of California has elected to self-insure for the motor vehicle and general liability coverages specified in this Exhibit C through a program of self-insurance. The State Attorney General administers the general liability program through an annual appropriation from the General Fund. The Office of Risk and Insurance Management administers the motor vehicle liability program.

3. Under this form of insurance, the STATE and its employees (as defined in Section 810.2 of the Government Code) are insured for any tort liability that may develop through carrying out official activities, including STATE official operations on non-State owned property. Should any claims arise by reason of such operations or under official contract or license agreement, they should be referred to the Attorney General of the State of California, Tort Liability Section, P.O. Box 944255, Sacramento, CA 94244-2550. Claims arising from operations of a State-owned vehicle should be forwarded to the Office of Risk and Insurance Management, P.O. Box 989052 MS-403, West Sacramento, California 95798-9502.

4. The State of California has entered into a Master Agreement with the State Compensation Insurance Fund to administer workers' compensation benefits for all State employees, as required by the Labor Code.
Attachment 2:
Legal Description and Drawing
Exhibit "A"

That portion of the southeast quarter, and the southeast quarter of the
southwest quarter of Section 18, T. 36 N., R. 4 E., M.D.M., lying within
a strip of land of variable width, along a line described as follows:

Commencing at a standard B.L.M. brass-capped iron pipe marking the south
quarter corner of said Section 18, as shown on the Official Plat of the
Dependent Resurvey of said Section 18, accepted March 18, 1986, from
which a standard B.L.M. brass-capped iron pipe marking the southeast
corner of said Section 18, as shown on said Official Plat, bears
N 89°38'09" E, 2647.93 feet;

thence, S 71°48'07" W, 910.60 feet to the POINT OF BEGINNING of this
line;

thence, said strip being 300.00 feet in width, the sidelines lying
170.00 feet left and 130.00 feet right of this line, from a tangent
bearing N 49°23'52" E, along a curve to the right having a radius of
1000.00 feet, through an angle of 28°37'05", a distance of 499.48 feet;

thence, N 78°00'57" E, 203.45 feet;

thence, along a tangent curve to the left having a radius of 750.00
feet, through an angle of 21°30'30", a distance of 281.54 feet;

thence, said strip being 290.00 feet in width, the sidelines lying
160.00 feet left and 130.00 feet right of this line, continuing along
said curve to the left, through an angle of 57°54'30", a distance of
758.02 feet;

thence, N 1°24'02" W, 190.30 feet;

thence, said strip being 275.00 feet in width, the sidelines lying
160.00 feet left and 115.00 feet right of this line, along a tangent
curve to the right, having a radius of 750.00 feet, through an angle of
86°01'44", a distance of 1126.12 feet;

thence, said strip being 205.00 feet in width, the sidelines lying
110.00 feet left and 95.00 feet right of this line, N 84°37'42" E,
250.00 feet;

thence, said strip being 150.00 feet in width, the sidelines lying 75.00
feet left and 75.00 feet right of this line, continuing N 84°37'42" E,
272.82 feet;

thence, said strip being 75.00 feet in width, the sidelines lying 0.00
feet left and 75.00 feet right of this line, continuing N 84°37'42" E,
309.12 feet to the POINT OF TERMINATION of this line;
EXCEPTING THEREFROM that portion lying within the right of way conveyed to the State of California by FINAL ORDER OF CONDEMNATION recorded December 9, 1933 in Volume 88 at page 33, Official Records of Shasta County.

Containing 12.68 acres, more or less.

The bearings and distances used in the above description are based on the California Coordinate System of 1983(1991.35), Zone 1. Divide distances shown by 0.999757 to obtain ground level distances.

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

Signature  

Licensed Land Surveyor

Date  

The grantor hereby further grants to grantee all trees, growths (growing or that may hereafter grow), and road building materials within said right of way, including the right to take water, together with the right to use the same in such manner and at such locations as said grantee may deem proper, needful or necessary, in the construction, reconstruction, improvement or maintenance of said highway.

The grantor, for itself, its successors and assigns, hereby waives any claim for any and all damages to grantor's remaining property contiguous to the right of way hereby conveyed by reason of the location, construction, landscaping or maintenance of said highway.
Attachment 3:

Appraisal
STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
APPRaisal TITLE PAGE

EXHIBIT 7-EX-21 (Rev 10/2005)

Project Limits: IN SHASTA COUNTY AT ABOUT 8 MILES EAST OF BURNEY FROM 1.0 MILE WEST OF HAT CREEK BRIDGE TO HAT CREEK BRIDGE

Type of Road and Title Required: Conventional Highway, Permanent Easement

DATES:

 FY Acqisition Certification FY Cost.

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The appraisals contained herein are confidential and have been prepared for Department use only as a step in the eminent domain process upon which to base offers of settlement and thereafter acquire said parcels by condemnation if the offer is refused.

The undersigned appraised the properties contained herein and recommend approval of this report:

Appraiser, Associate R/W Agent
Dannette Matchum

Calculations, content, and arrangement verified by:
Sammy R. Gentile

The undersigned has reviewed and approves or recommends approval of this report and certifies that the requirements of the R/W Manual have been met.

APPROVED: ☐
RECOMMENDED FOR APPROVAL: ☑

Office Chief, Appraisal
Region/District - North
Dave McCandles

APPROVED: ☑
RECOMMENDED FOR APPROVAL: ☐

Region/District Division Chief
Right of Way, Region/District 02
Karen Hawkins 4/5/13
I, hereby certify:
That I have personally inspected the property herein appraised and that the property owner has been afforded an opportunity to be present at the time of the inspection. A personal field inspection of the comparable sales relied upon in making said appraisal has also been made. The subject and the comparable sales relied upon in making said appraisal were as represented by the photographs contained in said appraisal.

That to the best of my knowledge and belief, the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed therein are based is correct, subject to limiting conditions therein set forth.

That I understand that such appraisal is to be used in connection with the acquisition of right of way for a highway to be constructed by the State of California with the assistance of Federal-aid highway funds, or other Federal funds.

That such appraisal has been made in conformity with the appropriate State laws, Title VI of the 1964 Civil Rights Act, and regulations, policies and procedures applicable to appraisal of right of way for such purposes; and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State.

That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.

That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property appraised.

That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the California Department of Transportation or officials of the Federal Highway Administration and I will not do so until so authorized by State officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

That my opinion of the total fair market value of parcel 14112-1 and 14113-1 included in this report and made a part hereof by reference, as of the 13th day of March 2013, is $12,400.00; and that such conclusion was derived without collusion, coercion or direction as to value.

Danette Matcham

Date: 3/13/2013
STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

SENIOR REVIEW CERTIFICATE AND
APPRaisal REVIEW REPORT

EXHIBIT
7-EX-24A (NEW 10/2005)

REG/DRT: N0/002       CO: SHA       RTE: 209       KP: P.M.

EXP AUTH: 01-09-2022  ARF: 1

1. I have not personally inspected the subject property nor the comparable data. I have read this report and I am satisfied
   with the relative comparability noted. I am familiar with the subject property neighborhood and general area and I have
   relied upon the photographs and exhibits in this report in analyzing and concurring in the conclusions contained herein.

2. The highest and best use of each property, as shown in the report, is reasonable and proper.

3. Gross Income Multipliers are ☐ supported with factual data. ☒ Not applicable.

4. The Cost Approach is ☐ supported by data from recognized sources. ☒ Not applicable.

5. The Income Approach to value, including the interest rates, is ☐ supported by data from the market. ☒ Not applicable.

6. Damages, Benefits and Construction Contract Work are ☐ correct and are supported in accordance with existing
   instructions. ☒ Not applicable.

7. The amount listed for each parcel in the certificate is the market value amount approved or recommended for approval to
   govern negotiation and settlement.

8. I understand that the approved value may be used in connection with a Federal-Aid highway project.

9. I have no direct or indirect, present or contemplated future personal interest in such property or in any benefit from the
   acquisition of such property appraised.

10. The amount approved or recommended for approval is not a directed amount; it was arrived at fairly, without coercion,
    and is based on appraisals and other factual data of record.

COMMENTS:

Parcel size (Before): ☐ PE: 4.10 ac

Parcel size (Aft): ☐ PE: 102.9 ac

Parcel No. | Appraised Land Value | improvements | Damages | CCW
-----------|----------------------|-------------|---------|------
14112-1    | $3,996.50            | $0          | $0      | $0
14113-1    | $8,364.50            | $0          | $0      | $0

Total Compensation: $12,362.00 or $12,400.00 (Rounded)

[Signature]
Date: April 5, 2013

[Signature]
DAVID McCANLESS
Senior Right of Way Agent
Project Delivery Branch, Eureka
CONFIDENTIAL
CONFIDENTIAL
CONFIDENTIAL
CONFIDENTIAL
CONFIDENTIAL
Attachment 4:

Notice of Exemption
NOTICE OF EXEMPTION

TO: ☒ Office of Planning and Research
    P.O. Box 3044
    Sacramento, CA 95812-3044

FROM: ☒ Department of Transportation
      Distric: 2, Redding
      Office of Environmental Management
      1657 Riverside Drive (MS 30)
      Redding, CA 96001

☐ County Clerk
   County of Sacramento
   600 8th Street
   Sacramento, CA 95814

Project Title

Traffic Operations & Safety Improvements

Project Location – City:

Project Location – County

Shasta

Description of Nature, Purpose, and Beneficiaries of Project(s):

Caltrans proposes a traffic operations and safety improvement project on a section of (SR) 299 in Shasta County, from (PM) 82.5 to 84.0. This project would improve traffic operations and highway safety with the following improvements:

- Extending a truck climbing lane
- Increasing the radius of the curves within the project
- Improving the cross-slopes and roadway transitions
- Adding 4 to 8 foot paved shoulders
- Upgrading highway drainage systems and metal beam guardrail as needed.

Completion of this project will require, but not be limited to: traffic control, tree removal, grading, culvert and guardrail replacement and modification, paving, striping and sign replacement.

Name of Public Agency Disposal Area:

The Department of Transportation (Caltrans)

Name of Person or Agency Carrying Out Project:

The Department of Transportation (Caltrans)

Exempt Status: (Check One) Section 6004: The State has been assigned, and hereby certifies that it has carried out, the responsibility to make this determination pursuant to Chapter e if Title 23, United States Code, Section 336 and (MOU) dated June 2010, executed between FHWA and the State. The State has determined that the project is a Categorical Exclusion under: 23 CFR 771.117 (c) (21)

☐ Ministerial (Sec. 21080(b)(1); 15268
☐ Declared Emergency (Sec. 2180(b)(3); 15269(a)
☐ Emergency Project (Sec.21080)(4); 15269(b)(c)
* Categorical Exemption Class 1 c (PRC 21084; 14 CCR 15301 et seq.) of the State CEQA Guidelines
☐ General Rule Exemption per CCR 1506(b)(3)

Reasons why project is exempt:

This activity will not result in a significant effect upon the environment.

Contact Person: Amber Kelley
Telephone: (530) 225-3510

If filled by applicant:

1. Attach certified document of exemption finding.
2. Has a notice of exemption been filed by the public agency approving the project: Yes ☒ No ☐

Date Received for Filing at OPR:

Signature:

Amber Kelley
Environmental Branch Chief (R2), Redding
CATEGORICAL EXEMPTION/CATEGORICAL EXCLUSION DETERMINATION FORM - Caltrans proposes a traffic operations and safety improvement project on a section of Highway 299 in Shasta County, from post mile 82.5 to 84.0. (See continuation sheet, attached).

CEQA COMPLIANCE
Based on an examination of this proposal, supporting information, and the following statements (See 14 CCR 15300 et seq.):
- If this project falls within exempt class 3, 4, 5, 6 or 11, it does not impact an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law.
- There will not be a significant cumulative effect by this project and successive projects of the same type in the same place, over time.
- There is not a reasonable possibility that the project will have a significant effect on the environment due to unusual circumstances.
- This project does not damage a scenic resource within an officially designated state scenic highway.
- This project is not located on a site included on any list compiled pursuant to Govt. Code § 65962.5 ("Cortese List").
- This project does not cause a substantial adverse change in the significance of a historical resource.

CALTRANS CEQA DETERMINATION
Based on an examination of this proposal, supporting information, and the above statements, the project is:
- Categorically Exempt. Section 15301 Existing Facilities, Class 1, which includes "...minor alteration of existing public facilities...or topographic features, involving negligible or no expansion of use..."

Amber Kelley, Environmental Branch Chief
Amber Kelley 4/15/13
Signature Date

Chris Harvey, Project Manager
Chris Harvey 4/15/13
Signature Date

NEPA COMPLIANCE
In accordance with 23 CFR 771.117, and based on an examination of this proposal and supporting information, the State has determined that this project:
- does not individually or cumulatively have a significant impact on the environment as defined by NEPA and is excluded from the requirements to prepare an Environmental Assessment (EA) or Environmental Impact Statement (EIS), and
- has considered unusual circumstances pursuant to 23 CFR 771.117(b) (http://www.fhwa.dot.gov/hep/23cfr/771.htm - sec 771.117).

In non-attainment or maintenance areas for Federal air quality standards, the project is either exempt from all conformity requirements, or conformity analysis has been completed pursuant to 42 USC 7900(c) and 40 CFR 93.128, 49 CFR 93.127, 40 CFR 93.128.

CALTRANS NEPA DETERMINATION
- 23 USC 326: The State has been assigned, and hereby certifies that it has carried out, the responsibility to make this determination pursuant to Chapter 3 of Title 23, United States Code, Section 326 and a Memorandum of Understanding (MOU) dated June 7, 2010, executed between FHWA and the State. The State has determined that the project is a Categorical Exclusion under:
  - 23 CFR 771.117(c): activity (c)(2) "Highway safety...Improvement projects..."
  - Activity not listed in Appendix A of the MOU between FHWA and the State
- 23 USC 327: Based on an examination of this proposal and supporting information, the State has determined that the project is a CE under 23 USC 327.

Amber Kelley, Environmental Branch Chief
Amber Kelley 4/15/13
Signature Date

Chris Harvey, Project Manager
Chris Harvey 4/15/13
Signature Date

Date of Categorical Exclusion Checklist completion: 04/15/13 Date of ECR or equivalent: 04/15/13

Revised October 2012
Page 1 of 1
PROJECT DESCRIPTION

This project would improve traffic operations and highway safety with the following improvements:

- Extending a truck climbing lane.
- Increasing the radius of the curves within the project limits.
- Improving the cross-slopes and roadway transitions.
- Adding 4- to 8-foot paved shoulders.
- Upgrading highway drainage systems and metal beam guardrail as needed.

Completion of this project will require, but not be limited to: traffic control, tree removal, grading, culvert and guardrail replacement and modification, paving, striping and sign replacement.

ENVIRONMENTAL CONSIDERATIONS

An environmental evaluation has been completed which consists of a record search, field surveys and coordination with resource agencies. At the conclusion of this process, the following determinations were made:

Agency Coordination. The project limits are adjacent to private property and land managed by the US Forest Service (Forest Service). Caltrans has coordinated with the Forest Service and their concurrence will be required prior to construction.

Biological Resources. The project limits have been surveyed for biological resources including sensitive plants and wildlife, and sensitive habitats. Sensitive plant and animal species are in the vicinity, however none occur within the project limits. Additional information can be found in the Natural Environment Study on file with Caltrans.

Cultural Resources. The project limits have been surveyed for cultural resources including historic, prehistoric and historic architectural resources. Cultural resources within the project limits have been evaluated. Additional information can be found in the Historic Property Survey Report/Archaeological Survey Report (HPSR/ASR) on file with Caltrans.

Right-of-Way. Additional Right-of-Way from private property will be required to complete the proposed improvements.

ADDITIONAL INFORMATION

Construction drawings, and focused environmental studies are on file for this project at the Caltrans, District 2 office located at 1657 Riverside Drive, Redding, California.
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