PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



Advice Letter 2994-E

September 20, 2007

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: Saintsbury Winery Easement Encroachment Agreement – Request for Approval Under Section 851

Dear Mr. Cherry:

Advice Letter 2994-E is effective May 24, 2007.

Sincerely,

Sean H. Gallagher, Director

Energy Division

5 W Salph



Brian K. Cherry Vice President Regulatory Relations 77 Beale Street, Room 1087 San Francisco, CA 94105

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

415.973.4977 Internal: 223.4977 Fax: 415.973.7226 Internet: BKC7@pge.com

February 27, 2007

Advice 2994-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

<u>Subject:</u> Saintsbury Winery Easement Encroachment Agreement - Request for Approval Under Section 851

Purpose

Pacific Gas and Electric ("PG&E") submits this filing requesting approval under Public Utilities Code Section 851 to enter into an Encroachment Agreement with Saintsbury Winery ("Saintsbury") permitting Saintsbury to construct a solar collection system within a PG&E easement located in Napa County, where the easement provides that no building or like structure shall be erected or constructed within the easement area.

Background

The Saintsbury 40-acre winery and vineyard is located in the southern most part of Napa and Sonoma Valley near Highway 29 and Highway 12 in Napa County ("Property"). The proposed solar collection system will be constructed within PG&E's easement area for the purpose of providing renewable solar energy to power Saintbury's bottling operation. For over a decade, Saintsbury winery has contributed significant amounts of fruit to winemaking in the Napa region as well as provided bottling for grapes grown in their own vineyards. Currently, Saintsbury

¹ Saintsbury is a participant in PG&E's Self Generation Incentive Program ("SGIP") which offers financial incentives to PG&E customers who install new, self-generation equipment to meet all or a portion of their electric energy needs at a particular location. The units may be renewable or non-renewable.

produces approximately 60,000 cases of wine annually, which places them in a higher energy usage tier.²

Winery energy consumption is generally concentrated during the summer/fall crush when energy costs are the highest. The proposed solar collection system would reduce Saintsbury's annual energy demand from the PG&E electric system by supplementing it with the renewable solar energy generated from the installed solar collection system.

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

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

Pacific Gas and Electric Company

Andrew L. Niven
Peter Van Mieghem
Law Department
P.O. Box 7442

San Francisco, CA 94120 Telephone: (415) 973-2902 Facsimile: (415) 973-5520

Email: PPV1@pge.com

Saintsbury Winery David Graves

1500 Los Carneros Avenue

Napa, CA 94559

Telephone: 707-252-0592 Facsimile: 707-252-0595

Email: Wavey@saintsbury.com

Leny M. Van Winden

1500 Los Carneros Avenue

Napa, CA 94559

Telephone: 707-252-0592 Facsimile: 707-252-059

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

PG&E owns, operates and maintains the Lakeville – Tulucay 230 kV electric transmission line ("Transmission Line"), a portion of which is located on the Saintsbury Winery and Vineyard located at 1500 Los Carneros Avenue, Napa County, California and identified as Assessors Parcel Number ("APN") 047-212-002. PG&E owns an easement for the transmission of electric energy and for all other purposes connected therewith, as set forth in the Grant of Easement dated January 20, 1955 and recorded in Volume 466 of Official Records at page 7, Napa County Records ("Easement"). The Easement provides in part that no building or like structure shall be erected or constructed on the premises (within the easement area).

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² California has over 1100 wineries that produce 500 million gallons of wine per year and contribute about \$33 billion to the state's economy. Energy consumption in the winery market is large - over 400 GWh of electricity per year - making it the largest consumer of electricity in CA's food industry.

The Property is owned by Leny M. Van Winden ("Van Winden") and is leased and operated by Saintsbury as a winery and vineyard. In this transaction Saintsbury will be the representative for the individual property owner, Van Winden, as Saintsbury is constructing the improvement on the Property. The only feasible location for the solar collection system has been determined by Saintsbury to be within PG&E's Easement. The proposed solar collection system is necessary to operate the winery's bottling operation using renewable solar energy. The project design allows for adequate access on both sides of the solar collection system so that PG&E maintenance activities for PG&E's Transmission Line can be performed without hindrance. Maps of the construction area are provided in Exhibit C to Attachment 1.

(c) Intended Use of the Property and Facilities:

Saintsbury is requesting permission from PG&E in the form of an Encroachment Agreement (attached as Attachment 1) to construct a solar collection system below and adjacent to the Lakeville - Tulucay 230 kV line and within PG&E's easement area. The proposed solar collection system shall consist of a one hundred and five (105) foot by seventy one and six tenths (71.6) foot rectangular solar array mounted on two, ten (10) inch by six (6) inch steel columns, respectively twelve and two tenths (12.2) foot and ten and five tenths (10.5) foot high and will provide renewable solar energy to the winery's bottling operation. PG&E has determined that the solar collection system will not interfere with PG&E's present use and maintenance of its easement. The use is limited to a solar collection system and will have no impact on PG&E's current service to customers. Since the existing Easement provides in part that no building or like structure shall be erected or constructed on the premises (within the easement area), PG&E seeks to grant the Owners an Encroachment Agreement. proposed Encroachment Agreement is included herein (Attachment 1). Encroachment Agreement will require Saintsbury to maintain the solar collection system for the term of the Encroachment Agreement, unless PG&E exercises an express unilateral right to terminate the Encroachment Agreement on 90 days advance notice in the event the solar collection system ever interferes with PG&E's operations in the Easement, as more particularly described in the Encroachment Agreement (See Attachment 1). Under the terms of the proposed Encroachment Agreement, PG&E reserves the right to commence or resume the use of the easement area on the Property for any and all uses; and in the event that PG&E's operational needs should require removal and/or relocation of the solar collection system from within the easement area, such removal or relocation will be at the Owners' sole cost and expense.

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

PG&E is not collecting any use fees associated with granting Saintsbury the right to encroach within the Easement. By consenting to this prohibited construction

and use on the Easement, PG&E is supporting participants in PG&E's Self Generation Incentive Program. Placement of the solar collection system within the Easement does not rise to the level of a right that has any realizable economic value to PG&E.

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

Not applicable.

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

PG&E has provided information in this advice letter to meet the eligibility criteria under the advice letter pilot program. Under the California Environmental Quality Act ("CEQA") Checklist, the activity proposed in the transaction will not require environmental review by the CPUC as a lead agency. The proposed transaction will not have an adverse effect on the public interest. In fact, the proposed transaction will serve the public interest because Saintsbury is a participant in PG&E's Self Generation Incentive Program, and will enable Saintsbury to generate renewable solar energy to power its bottling operation while reducing energy demand. Since PG&E is not collecting any fees associated with granting Saintsbury an Encroachment Agreement, the proposed encroachment is well below the \$5 million threshold set forth for fee property and lease equivalents. Finally, the transaction does not involve the transfer or change in ownership of facilities currently used in utility operations.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

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

(k) CEQA Checklist

Exemption

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

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

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

Not applicable.

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

In accordance with the CEQA Guidelines adopted in Rule 2.4 of the Commission's Rules of Practice and procedure, PG&E contends that the project is exempt from CEQA. (Cal. Code Regs., tit. 14, §§15300, et seq.) Among the classes of exempt projects are "construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure." (*Id.*, § 15303.) Therefore, the proposed transaction is exempt from CEQA.

Prior or Subsequent CEQA review

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.

Need CEQA?

Not applicable.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than 30 days after the date of this filing, which is **March 29, 2007**. Protests should be mailed to:

> **CPUC Energy Division** Tariff Files, Room 4005 **DMS Branch** 505 Van Ness Avenue San Francisco, California 94102

Facsimile: (415) 703-2200

E-mail: jnj@cpuc.ca.gov and mas@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:

> Brian K. Cherry Vice President, Regulatory Relations

Pacific Gas and Electric Company 77 Beale Street, Mail Code B10C P.O. Box 770000 San Francisco, California 94177

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

Effective Date

Pursuant to the review process outlined in Resolution ALJ-186, PG&E requests that this advice filing become effective on **April 13, 2007**, which is 45 calendar days after the date of filing.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes to the General Order 96-A service list should be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at:

http://www.pge.com/tariffs

Vice President, Regulatory Relations

Attachments 1

cc: Service List – Advice Letter 2994-E - Appendix A

******* SERVICE LIST Advice 2994-E ********* APPENDIX A

****** STATE EMPLOYEE ********

Peter V. Allen Administrative Law Judge Division 505 VAN NESS AVE San Francisco CA 94102 3298 (415) 703-1123 pva@cpuc.ca.gov

Lynn T. Carew Administrative Law Judge Division 505 VAN NESS AVE San Francisco CA 94102 3298 (415) 703- 1721 Itc@cpuc.ca.gov

Andrew Barnsdale Energy Division 505 VAN NESS AVE San Francisco CA 94102 3298 (415) 703-3221 bca@cpuc.ca.gov

Junaid Rahman Energy Division 505 VAN NESS AVE San Francisco CA 94102 3298 (415) 355- 5492 jnr@cpuc.ca.gov

Brewster Fong Division Ratepayer Advocates 505 VAN NESS AVE San Francisco CA 94102 3298 (415) 703- 2187 bfs@cpuc.ca.gov

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

Hillary Gitelman
Conservation, Development & Planning
Department
County of Napa
1195 Third Street, Suite 210
Napa, CA 94559
(707) 253-4417
Fax: (707) 253-4336
cdp@co.napa.ca.us

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

David Graves
Saintsbury Winery
1500 Los Carneros Avenue
Napa, CA 94559
Telephone: 707-252-0592
Facsimile: 707-252-0595
Email: Wavey@saintsbury.com

Leny M. Van Winden Arie C. and Leny M. Van Winden Family Trustee 1500 Los Carneros Avenue Napa, CA 94559 Telephone: 707-252-0592 Facsimile: 707-252-0595

(END OF APPENDIX A)

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)					
Company name/CPUC Utility No. Pacific Gas and Electric Company (ID U39)					
Utility type:	Contact Person: <u>Scott Muranishi</u>				
☑ ELC ☑ GAS	Phone #: (415) 973-0237				
□ PLC □ HEAT □ WATER	E-mail: s3m2@pge.com				
EXPLANATION OF UTILITY TYPE (Date Filed/ Received Stamp by CPUC)					
ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat	WATER = Water				
Advice Letter (AL) #: 2994-E					
Subject of AL: Saintsbury Winery E Section 851	asement Encroachi	ment Agreement - Request for Approval Under			
Keywords (choose from CPUC listing	g): <u>Section 851</u>				
AL filing type: \square Monthly \square Quarter	dy □ Annual ☑ Or	ne-Time 🗆 Other			
If AL filed in compliance with a Com	mission order, indi	cate relevant Decision/Resolution #:			
<u>ALJ-186</u>					
Does AL replace a withdrawn or reje	ected AL? If so, iden	ntify the prior AL: <u>N/A</u>			
Summarize differences between the	AL and the prior wi	ithdrawn or rejected AL¹:			
Desclution Descript do T Ves T No.					
Resolution Required? Yes No	2007	No of togist about 0			
Requested effective date: April 13, 2		No. of tariff sheets: $\underline{0}$			
Estimated system annual revenue e	· , —,—				
Estimated system average rate effect	· / 	T . 1			
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 ¹ : N/A					
Pending advice letters that revise the same tariff sheets: $\underline{N/A}$					
<u>-</u>	-	s AL are due no later than 30 days after the he Commission, and shall be sent to:			
		Pacific Gas and Electric Company Attn: Brian K. Cherry Vice President, Regulatory Relations 77 Beale Street, Mail Code B10C			
505 Van Ness Ave., San Francisco, CA 94102	P. (O. Box 770000			
jnj@cpuc.ca.gov and mas@cpuc.ca		n Francisco, CA 94177 mail: PGETariffs@pge.com			

 $^{^{\}mbox{\tiny 1}}$ Discuss in AL if more space is needed.

Advice 2994-E

Attachment 1

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY Land Services Office 111 Stony Circle Santa Rosa, CA 95401

Locati	on: City/Uninc
Recor	ding Fee \$
Docur	nent Transfer Tax \$
Va	is is a conveyance where the consideration and lue is less than \$100.00 (R&T 11911).
[] Co	mputed on Full Value of Property Conveyed, or
[] Co	mputed on Full Value Less Liens
&	Encumbrances Remaining at Time of Sale
Signat	ure of declarant or agent determining tax
(APN	1 047-212-002)

ENCROACHMENT AGREEMENT

This Encroachment Agreement (this "Agreement") is made and entered into this ___ day of ___, 2006 by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called "PG&E", and LENY M. VAN WINDEN, Successor-trustee of the ARIE C. and LENY M. VAN WINDEN FAMILY TRUST, dated August 6, 1991, hereinafter called "Owners."

RECITALS

- A. Owners are the fee title owners of certain real property within the County of Napa, State of California, Assessor's Parcel Number <u>047-212-002</u> (hereinafter, the "**Property**") legally described in **Exhibit "A"** attached hereto and made a part hereof.
- B. PG&E is the owner of a certain easement and right-of-way (the "Easement") for the transmission of electric energy and for all other purposes connected therewith, as set forth in the Grant of Easement dated <u>January 20, 1955</u> and recorded in Volume <u>466</u> of Official Records at page <u>7</u>, <u>Napa</u> County Records which provides in part that "no building or like structure shall be erected or constructed on the premises." The portion of the Property encumbered by the Easement is hereinafter referred to as the "Easement Area."
- C. Owners propose to construct a solar collection system and other improvements associated therewith (the "Improvements") on the Easement Area, the construction of which violates the prohibition against buildings or other structures contained in the Easement. The

Easement Area and the portion of the Easement Area subject to such encroachment (the "Encroachment Area") are legally described in Exhibit "B" attached hereto and made a part hereof, and are shown on the map attached as Exhibit "C".

D. Owners have requested that PG&E grant permission for the construction of the Improvements within the Easement Area. PG&E has determined that the Improvements, to be constructed pursuant to plans and specifications approved by PG&E, do not interfere with the present full use of the Easement Area by PG&E, and PG&E is therefore willing to agree to allow such encroachment on the Easement Area on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owners and PG&E hereby agree as follows:

- 1. <u>Consent to Encroachment.</u> Notwithstanding the prohibition in the Easement, PG&E hereby consents to the encroachment of the **Improvements** onto the Easement Area by approximately 6,613.2 square feet, in the manner and location as more specifically set forth in **Exhibit "B" and "C"** subject to the terms and conditions set forth herein. In addition, Owners shall have the right of ingress and egress over the Easement Area to obtain access to the Encroachment Area and the Improvements when necessary to fulfill Owners' obligations under this Agreement, in such areas as PG&E determines, in its sole and absolute discretion, will occasion the least practicable damage and inconvenience to PG&E, its facilities and operations.
- 2. Governmental Approvals. This Agreement shall not become effective, notwithstanding that it may have been executed and delivered by the parties, and Owners shall not commence any activity hereunder, unless and until the California Public Utilities Commission (the "CPUC") approves this Agreement by an order which is final, unconditional and unappealable (including exhaustion of all administrative appeals or remedies before the CPUC), and the terms and conditions of such CPUC approval are satisfactory to PG&E in its sole and absolute discretion. This Agreement is made subject to all the provisions of such approval, as more particularly set forth in CPUC Decision ______ (Application No. ______), in like manner as though said provisions were set forth in full herein.
- 3. Termination; Restoration. PG&E may terminate Owners' rights under this Agreement, at any time, upon ninety (90) days written notice to the Owners, if PG&E, in its sole and absolute discretion, should determine that Owners' use of the Easement Area is inconsistent with PG&E's operational needs in the future, or in any way interferes with, impairs or otherwise impedes PG&E's full use of facilities installed or that may be installed by PG&E in the vicinity of the Easement Area. Upon such termination, Owners, at Owners' sole cost and expense, shall remove all Improvements that encroach upon the Easement Area and shall repair and restore the Easement Area as nearly as possible to the condition that existed prior to the construction of said Improvements. Owners shall pay the entire cost of such removal and restoration, and PG&E shall have no liability for any costs caused by or related to any such termination. If Owners fail to remove all Improvements that encroach onto the Easement Area or fail to repair or restore the Property within said ninety (90) day period, PG&E may perform such removal, repair or restoration as necessary and recover

such costs and expenses therefore from Owners. Owners agree to allow access to PG&E onto the Property for such purpose, and Owners shall pay all such costs and expenses within ten (10) days of receipt of an invoice therefore. Owners further acknowledge that PG&E's termination right shall not be affected by any Improvements that Owners have made to the Easement Area, regardless of the nature or extent of those Improvements. Owners understand and agree that notwithstanding that Owners may have made a substantial investment in such improvements, Owners shall not be entitled to any compensation whatsoever for the termination of Owners' rights under this Agreement by PG&E. (Owners to initial here _______).

4. Indemnification; Release.

- Indemnification. Owners shall, to the maximum extent permitted by law, (a) indemnify, protect, defend and hold harmless PG&E, its parent corporation, subsidiaries and affiliates, and their respective officers, managers, directors, representatives, agents, employees, transferees, successors and assigns (each, an "Indemnitee" and collectively, "Indemnitees") from and against all claims, losses (including, but not limited to, diminution in value), actions, demands, damages, costs, expenses (including, but not limited to, experts fees and reasonable attorneys' fees and costs) and liabilities of whatever kind or nature (collectively, "Claims"), which arise from or are in any way connected with the occupancy or use of the Easement Area by Owners or Owners' contractors, agents, or invitees, or the exercise by Owners of its rights hereunder, or the performance of, or failure to perform, Owners' 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; (2) injury to property or other interest of PG&E, Owners 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, any Claim arising from the sole, active negligence or willful misconduct of such Indemnitee. In the event any action or proceeding is brought against any Indemnitee for any Claim against which Owners are obligated to indemnify or provide a defense hereunder, Owners upon written notice from PG&E shall defend such action or proceeding at Owners' sole expense by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.
- (b) Release. Owners accept all risk relating to its occupancy and use of the Easement Area. PG&E shall not be liable to Owners for, and Owners hereby waive, release, exonerate, discharge and covenant not to sue 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, the use or occupancy of the Easement Area by Owners, or PG&E's operation and maintenance of PG&E's facilities in the vicinity of the Easement Area, except in the case of any Indemnitee, any injury, damage, or loss arising from the sole, active negligence or willful misconduct of such Indemnitee.

- 5. <u>Compliance with Laws</u>. Owners shall, at its sole cost and expense, promptly comply with 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, with the conditions of any permit, relating to Owners' use or occupancy of the Easement Area.
- 6. <u>Alterations</u>. Except for the Improvements authorized to be constructed pursuant to this Agreement, Owners shall not construct any additional buildings or structures on the Easement Area, nor shall Owners make any alteration, addition or improvement to the Easement Area that would increase the Encroachment Area, either horizontally or vertically. Owner shall not drill, bore or excavate on the Easement Area except in connection with construction of the Improvements pursuant to plans and specifications approved by PG&E, or a removal of the Improvements as required by this Agreement.
- 7. <u>Damage or Destruction</u>. In the event that the Improvements which encroach onto the Easement Area shall be destroyed or demolished, Owners shall not rebuild the Improvements on any part of the Easement Area except pursuant to plans and specifications approved by PG&E.
- 8. <u>Condition of Easement Area.</u> Owners accept the Encroachment Area and 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. Owners understand that numerous hazards, environmental or otherwise, may be located in, on, or underlying the Easement Area, and that hazardous materials may be used in connection with PG&E facilities that may be operated in the Easement Area, and agrees that entry onto the Easement Area is at Owners' sole risk and expense
- 9. <u>Maintenance</u>. Owners shall be responsible for the maintenance of the Improvements in good condition and repair, and Owners shall coordinate all activities regarding the maintenance of the Improvements to reasonably minimize any interference with the use by PG&E of the Easement Area, and Owners shall conduct its activities in such a manner so as not to endanger the Easement, the environment and human health and safety. Owners shall be responsible for remediation of any hazardous materials release caused by Owners, and to clean and remove debris and/or promptly repair any damages to the Easement Area following any entry or activity by Owners, returning the Easement Area to a like or better condition.
- 10. <u>Reserved Rights</u>. PG&E reserves the right to use 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. Furthermore, PG&E reserves the right to restrict access to the Easement Area if emergency repairs or maintenance are required to PG&E facilities in the vicinity of the Easement Area.
- 11. <u>Insurance</u>. Prior to the Effective Date of this Agreement, Owners shall procure, and thereafter Owners shall carry and maintain in effect at all times the following insurance: Worker's Compensation in compliance with applicable labor codes, acts, laws or statutes, state or federal, where Owners perform work and Employer's Liability insurance with limits not be less than \$1,000,000 for injury or death, each accident; Commercial General Liability for bodily injury and

property damage with limits of not less than \$1,000,000 each occurrence/\$2,000,000 aggregate; Business Auto, code 1 "any auto" combined single limit no less than \$1,000,000 each accident. Owners are also responsible for causing its agents, contractors and subcontractors to comply with the insurance requirements of this Agreement at all relevant times.

12. <u>Notice</u>. 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, if sent by personal delivery upon actual receipt by the party being sent the notice, or on the expiration of three (3) business days after the date of mailing, or on the following business day if sent by overnight courier

If to PG&E:

Pacific Gas and Electric Company Attention: Jim Dunlap 111 Stony Circle Santa Rosa, CA 95401

With a copy to:

Pacific Gas and Electric Company P.O. Box 7442, Mail Code B3OA San Francisco, California 94120 Attention: Grant Guerra

If to Owners:

Leny Van Winden 1500 Los Craneros Avenue Napa, CA 94559

With a copy to:

David Graves 1500 Los Carneros Avenue Napa, CA 94559

- 13. <u>Governing Law</u>. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.
- 14. <u>Entire Agreement</u>. This Agreement and the Deed, 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 the parties.

- 15. <u>Binding Effect</u>. 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 17 below). No assignment or delegation by Owners, whether by operation of law or otherwise, shall relieve Owners of any of its duties, obligations or liabilities hereunder, in whole or in part. The covenants of Owners hereunder shall run with the land.
- 16. <u>Assignment</u>. This Agreement and the rights of Owners hereunder are appurtenant to the Property presently owned by Owners and may not be separately assigned, transferred, conveyed or encumbered. Any purported assignment, transfer, conveyance or encumbrance violating the foregoing condition shall be void and of no effect.
- 17. 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.
- 18. <u>Survival of Obligations</u>. Owners' obligations under Sections 3 and 4 of this Agreement, and all representations, warranties, indemnities or other provisions which by their nature survive termination shall survive the exercise of PG&E's termination rights pursuant to Section 3 of this Agreement.
- 19. <u>No Waiver</u>. No waiver with respect to any provision of this Agreement shall be effective unless in writing and signed by the party against whom it is asserted. No waiver of any provision of this Agreement by a party shall be construed as a waiver of any subsequent breach or failure of the same term or condition, or as a waiver of any other provision of this Agreement.
- 20. <u>Captions</u>. The captions in this Agreement are for reference only and shall in no way define or interpret any provision hereof.
- 21. <u>Counterparts</u>. 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.
- 22. <u>Recording</u>. Owners hereby consent and agree to the recording by PG&E of this Agreement against the Property. Owners agree to sign any additional documents reasonably required to complete such recording.
- 23. <u>Ratification of Deed</u>. Except as modified by this Agreement in regard to the Property, all of the terms, conditions and provisions of the Deed shall remain in full force and

effect and are hereby ratified and confirmed. To the extent the terms of the Deed are inconsistent with this Agreement, the terms of this Agreement shall control.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

"PG&	ÈE"	"Own	ers"			
	IFIC GAS AND ELECTRIC COMPANY, ifornia corporation					
By:	Richard A. Gigliotti	Leny		Winden,	as	Successor-trustee
		aidics	uiu			

LEGAL DESCRIPTION

Lot Four (4), as shown upon that certain Map entitled "Map of Subdivisions of Lots 1, 2, 3, 4, 5, 6, and 7, of the Rancho Rincon De Los Carneros, Napa County, California", filed April 15th., 1909, in Book 2 of Maps at page 14, in the office of the County Recorder of the County of Napa, State of California.

Excepting therefrom: Commencing at a point on the Southern line of North Avenue, distant thereon North 52½ degrees East 640 feet from the point of intersection thereof with the Eastern Line of Carneros Avenue, formerly Main Avenue, as the same are shown on the Map above referred to; thence continuing along the Southern line of North Avenue North 52½ degrees East 291 feet; thence South forty (40) degrees East 150 feet; thence South 52½ degrees West 291 feet; thence North - 40 degrees West 150 feet to the point of commencement.

APN: 47-212-02

2405-04-0418

VIOUIS O. WURZ and ANNA I. WURZ, husband and wife,

Lot 4, as said Lot 4 is shown upon the Map of Subdivisions of Lots 1, 2, 3, 4, 5, 6, and 7 of the Rancho Rincon de los Carneros filed for record in the office of the County Recorder of said County of Napa in Book 2 of Maps at page 14; save and excepting therefrom the parcel of land conveyed by Ralph Ira Hewitt and wife to Edward F. Tipper and wife by deed dated August 4, 1947 and recorded in the office of said County Recorder in Book 272 of Official Records at page 330.

The aforesaid strip extends entirely across said lands and is particularly described as follows, to-wit:

A strip of land of the uniform width of 75 feet lying equally on each side of that certain line which begins at a point in the southwesterly boundary line of said Lot 4, said southwesterly boundary line being the centerline of a county road, from which the 3/4 inch bolt marking the intersection thereof with the centerline of the county road extending along the northwesterly boundary line of said Lot 4 bears N. 38° 43' W. 296.3 feet distant and runs thence N. 81° 07' E. 715 feet, more or less, to the southeasterly boundary line of said Lot 4.

First party, for the consideration aforesaid, further grants to second party, the right of ingress to and egress from said strip over and across said lands by means of roads and lanes thereon, if such there be, otherwise by such route or routes as shall occasion the least practicable damage and inconvenience to first party, provided, that such right of ingress and egress shall not extend to any portion of said lauds which is isolated from said strip by any public road or highway, now crossing or hereafter crossing said lands.

First party shall have the right to use said strip for purposes not inconsistent with second party's full enjoyment of the rights hereby granted, provided that first party shall not erect or construct any building or other structure, or drill or operate any well, within said strip.

Second party shall have the further right to install, maintain and use gates in all fences which now cross or shall hereafter cross said strip.

Second party shall also have the right from time to time to trim and to cut down and clear away any and all trees and brush now or hereafter on said strip and shall have the further right from time to time to trim and to cut down and clear away any trees on either side of said strip which now or hereafter in the opinion of second party may be a hazard to said towers, wires or cables, by reason of the danger of falling thereon, provided, however, that all trees which second party is hereby authorized to cut and remove, if valuable for timber or wood, shall continue to be the property of first party, but all tops, lops, brush and refuse wood shall be burned or removed by second party.

Second party shall also have the right to mark the location of said strip by suitable markers set in the ground or on said towers, but said markers when set in the ground shall be placed in fences or other locations which will not interfere with any reasonable use first party shall make of said strip.

Second party shall repair any damage it shall do to first party's private roads or lanes on said lauds, and shall indemnify first party against any loss and damage which shall be caused by the exercise of said ingress and egress, or by any wrongful or negligent act or omission of second party or of its agents or employees in the course of their employment.

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

IN WITNESS WHEREOF first party has executed these presents this

Executed in the presence of

Edgan L Smitte

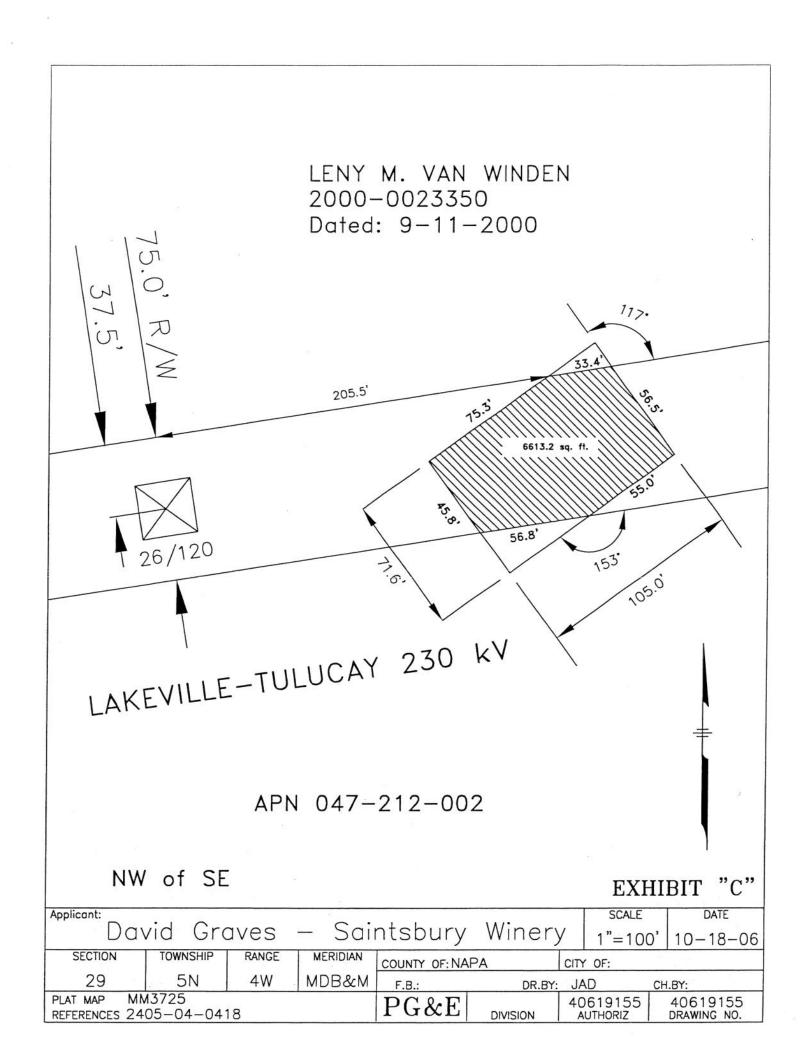
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20253

North Bay Divinion

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State of California, County of San Francisco City and A. D. One Thousand Nive Hundred and Fifty-five a Notary Public in and for said City and County, residing therein, duly commissioned and MARIE H. STANLEY sworn, personally appeared Edgar D. Smith ., known to me to be the same person whose name is subscribed to the within instrument, as a witness thereto, who, being duly sworn, deposed and said, that he resides in the Marin State of California, that he was present and saw Louis O. Wurz and Anna I. Wurz (personally known to him to be the person. S. described in and who executed the said instrument, as part. 1.28. thereto), sign and execute the same, and that, at their request, he, the said affiant, thereupon subscribed his name as a witness thereto. Bu Mitness Migrent, I have bereauto set my band and affixed my official seal, at my office, in the San Francisco Notary Public in and for the City and County of Sen Francisco State of California Liy Commission Expires November 22, 1955



CERTIFICATE OF ACKNOWLEDGMENT OF NOTARY PUBLIC

STATE OF)	
COUNTY OF) ss.)	
On,,	before me, the undersigned, p, personally known to me (or proved	to me on the basis of
acknowledged to me that he/she/they	(s) whose name(s) is/are subscribed to the executed the same in his/her/their authore instrument, the person(s), or the entity up nt.	rized capacity(ies) and
WITNESS my hand and official seal.		
	(Seal)	
Signature		

CERTIFICATE OF ACKNOWLEDGMENT OF NOTARY PUBLIC

STATE OF	.)			
COUNTY OF) ss.)			
On,,	_, before me, , personally k	the undersigned,	3283	
satisfactory evidence) to be the pers acknowledged to me that he/she/the that, by his/her/their signature(s) on person(s) acted, executed the instrum	ey executed the sar the instrument, the p	me in his/her/their aut	horized capaci	ity(ies) and
WITNESS my hand and official seal.				
	((Seal)		
Signature				

PG&E Gas and Electric Advice Filing List

General Order 96-A, Section III(G)

ABAG Power Pool
Accent Energy

Aglet Consumer Alliance
Agnews Developmental Center

Ahmed, Ali Alcantar & Kahl

Ancillary Services Coalition

Anderson Donovan & Poole P.C.

Applied Power Technologies

APS Energy Services Co Inc

Arter & Hadden LLP

Avista Corp

Barkovich & Yap, Inc.

BART

Bartle Wells Associates

Blue Ridge Gas

Bohannon Development Co BP Energy Company Braun & Associates C & H Sugar Co.

CA Bldg Industry Association

CA Cotton Ginners & Growers Assoc.

CA League of Food Processors

CA Water Service Group
California Energy Commission
California Farm Bureau Federation
California Gas Acquisition Svcs

California ISO
Calpine
Calpine Corp

Calpine Gilroy Cogen

Cambridge Energy Research Assoc

Cameron McKenna
Cardinal Cogen
Cellnet Data Systems
Chevron Texaco

Chevron USA Production Co.

City of Glendale
City of Healdsburg
City of Palo Alto
City of Redding
CLECA Law Office
Commerce Energy
Constellation New Energy

CPUC

Cross Border Inc
Crossborder Inc
CSC Energy Services
Davis, Wright, Tremaine LLP
Defense Fuel Support Center
Department of the Army

Department of Water & Power City

DGS Natural Gas Services

Douglass & Liddell

Downey, Brand, Seymour & Rohwer

Duke Energy

Duke Energy North America

Duncan, Virgil E.

Dutcher, John

Dynegy Inc.

Ellison Schneider

Energy Law Group LLP

Energy Management Services, LLC

Exelon Energy Ohio, Inc Exeter Associates Foster Farms

Foster, Wheeler, Martinez Franciscan Mobilehome

Future Resources Associates, Inc

G. A. Krause & Assoc

Gas Transmission Northwest Corporation

GLJ Energy Publications

Goodin, MacBride, Squeri, Schlotz &

Hanna & Morton Heeg, Peggy A.

Hitachi Global Storage Technologies

Hogan Manufacturing, Inc

House, Lon

Imperial Irrigation District

Integrated Utility Consulting Group International Power Technology Interstate Gas Services, Inc. IUCG/Sunshine Design LLC

J. R. Wood, Inc JTM, Inc

Luce, Forward, Hamilton & Scripps

Manatt, Phelps & Phillips

Marcus, David

Maynor, Donald H.

Matthew V. Brady & Associates

MBMC, Inc.
McKenzie & Assoc
McKenzie & Associates
Meek, Daniel W.
Mirant California, LLC
Modesto Irrigation Dist
Morrison & Foerster

Morse Richard Weisenmiller & Assoc.

Navigant Consulting
New United Motor Mfg, Inc
Norris & Wong Associates
North Coast Solar Resources
Northern California Power Agency
Office of Energy Assessments

OnGrid Solar

Palo Alto Muni Utilities

PG&E National Energy Group Pinnacle CNG Company

PITCO Plurimi, Inc.

PPL EnergyPlus, LLC

Praxair, Inc. Price. Rov

Product Development Dept R. M. Hairston & Company R. W. Beck & Associates

Recon Research

Regional Cogeneration Service

RMC Lonestar

Sacramento Municipal Utility District

SCD Energy Solutions Seattle City Light

Sempra

Sempra Energy

Sequoia Union HS Dist

SESCO

Sierra Pacific Power Company

Silicon Valley Power

Smurfit Stone Container Corp Southern California Edison

SPURR

St. Paul Assoc

Sutherland, Asbill & Brennan Tabors Caramanis & Associates

Tecogen, Inc TFS Energy Transcanada

Turlock Irrigation District

U S Borax, Inc United Cogen Inc. URM Groups

Utility Cost Management LLC
Utility Resource Network
Wellhead Electric Company
Western Hub Properties, LLC

White & Case WMA