

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 28, 2008

Advice Letter 3198-E

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

Subject: Notification of Completed Transfer of Non-Exclusive
Easement for the Extension of the Lake Almanor
Recreational Trail Located in Plumas County in
Accordance with D.07-11-031

Dear Mr. Cherry:

Advice Letter 3198-E is effective February 26, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director
Energy Division



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

Fax: 415.973.7226

January 15, 2008

Advice 3198-E

(Pacific Gas and Electric Company ID U 39 E)

**Subject: Notification of Completed Transfer of Non-Exclusive Easement
for the Extension of the Lake Almanor Recreational Trail
Located in Plumas County in Accordance with D. 07-11-031**

Public Utilities Commission of the State of California

Purpose

In accordance with Ordering Paragraph 1 of Decision (D.) 07-11-031, dated November 16, 2007, Pacific Gas and Electric Company ("PG&E") hereby submits for filing to the Commission its notice that the transfer of a non-exclusive easement for the extension of the Lake Almanor Recreational Trail located in Plumas County has been completed.

Background

Pursuant to Public Utilities Code Section 851, PG&E filed Application (A.) 07-07-024 on July 27, 2007, and requested Commission approval to grant a permanent, non-exclusive easement for the extension of the Lake Almanor Recreational Trail located in Plumas County in the vicinity of Lake Almanor to the United States Forest Service (USFS). The Commission approved that request in D. 07-11-031, dated November 16, 2007. Ordering Paragraph 1 of the decision includes a requirement that the Commission be notified of the completed transfer within 60 days:

"Pacific Gas and Electric Company (PG&E) is authorized to convey a permanent, non-exclusive easement for the extension of the Lake Almanor Recreational Trail located in Plumas County in the vicinity of Lake Almanor to the United States Forest Service (USFS), as described in the application. When the final easement documents are executed, PG&E shall submit a copy by advice letter filing within sixty (60) days of this order."

A copy of the executed easement deed is attached to this advice letter as Attachment A.

REVISED

Notice

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

<http://www.pge.com/tariffs>

A handwritten signature in cursive script that reads "Brian Cherry / Int".

Vice President, Regulatory Relations

Attachment A

cc: Service List – A. 07-07-024

***** **SERVICE LIST Advice 3198-E** *****
APPENDIX A

By Electronic Delivery:

Angela K. Minkin
California Public Utilities Commission
Administrative Law Judge Division
505 Van Ness Avenue
San Francisco, CA 94102

Joseph A. Abhulimen
California Public Utilities Commission
Division of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102

Arocles Aguilar
California Public Utilities Commission
Legal Division
505 Van Ness Avenue
San Francisco, CA 94102

Brewster Fong
California Public Utilities Commission
Division of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102

Andrew Barnsdale
Energy Division
505 Van Ness Avenue
San Francisco, CA 94102

Sean Gallagher
California Public Utilities Commission
Energy Division
505 Van Ness Avenue
San Francisco, CA 94102

Diana L. Lee
California Public Utilities Commission
Legal Division
505 Van Ness Avenue
San Francisco, CA 94102

Pam Nataloni
California Public Utilities Commission
Legal Division
505 Van Ness Avenue
San Francisco, CA 94102

By Mail:

Tom Hunter
Public Works Director
County of Plumas
1834 East Main
Quincy, CA 95971

John S. Mc Morrow
County Planning Department Director
County of Plumas
1834 East Main
Quincy, CA 95971

Brent Handley
Director, Natural Resource Management
United States Department of Agriculture –
Forest Service
1323 Club Drive
Vallejo, CA 94592

Laurie Tippin
Forest Supervisor
United States Department of Agriculture Forest
Service – Lassen National Forest
2550 Riverside Drive
Susanville, CA 96130

Jane Goodwin
District Resource Officer
Lassen National Forest
Almanor Ranger District
P.O. Box 767
Chester, CA 96020

Al Vazquez
District Ranger
Almanor Ranger District
P.O. Box 767
Chester, CA 96020

Joshua S. Rider
USDA-OGC
33 New Montgomery St., 17th Floor
San Francisco, CA 94105-4511

California Environmental Protection Agency
1001 I Street
Sacramento, CA 95814

By mail (cont):

California Resources Agency
1416 Ninth Street, Suite 1311
Sacramento, CA 95814

Department of the Interior
1849 C Street, NW
Washington D.C. 20240

U.S. Environmental Protection Agency
EPA Docket Center (EPA/DC)
Enforcement/Compliance Docket and
Information Center (ECDIC), MC 2201T
1200 Pennsylvania Avenue, NW
Washington, DC 20460

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

Utility type:

☒ ELC

☒ GAS

☐ PLC

☐ HEAT

☐ WATER

Contact Person: Linda Tom-Martinez

Phone #: (415) 973-4612

E-mail: LMT1@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3198-E**

Tier: [1]

Subject of AL: Notification of Completed Transfer of Non-Exclusive Easement for the Extension of the Lake Almanor Recreational Trail Located in Plumas County in Accordance with D.07-11-031

Keywords (choose from CPUC listing): Section 851

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.07-11-031

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: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

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: **November 16, 2007**

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

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave., San Francisco, CA 94102

jn@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian K. Cherry, Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com


PG&E ADVICE 3198-E


ATTACHMENT A

LD 2127-08-0433
USFS Trail Extension, Lake Almanor

Recorded at the Request of and After Recording Return to:
USDA FOREST SERVICE
3644 Avtech Parkway
Redding, CA 96002
Attn. John Schuyler

Correct as to Consideration, Description, and Conditions

 11/27/07
David T. Morton, Right-of Way Forester Date

DOCUMENTARY TRANSFER EXEMPT
U.S. FOREST SERVICE-DEPARTMENT OF AGRICULTURE
SIGNATURE 

EASEMENT DEED, BICYCLE AND PEDESTRIAN TRAIL

This Easement Deed ("Deed") is made and entered into this 12 day of December, 2007 (the "Effective Date") by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called "Grantor", and THE UNITED STATES OF AMERICA, hereinafter called "Grantee". In consideration of Fifteen Thousand Dollars and 00/100ths (\$15,000.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, Grantor hereby grants to Grantee, upon the terms and conditions set forth in this Deed, the following easement:

1. Recreational Trail Easement. A non-exclusive easement twenty-five (25) feet in width (the "Easement Area"), within which Grantee shall construct, maintain, use, and permit the use by pedestrians, bicycles and other non-motorized vehicles, of a ten (10) foot wide paved recreational trail. The Easement Area is situated on real property of Grantor located in the County of Plumas, State of California, described as follows:

East half of the Northeast quarter of Section 20
Township 27 North, Range 8 East, M.D.B.&M.

The location of the Easement Area is shown and described on EXHIBIT "A", sheets 1 through 3, inclusive, attached hereto and made a part hereof (being a portion of SBE No. 117-32-001, parcel 56).

Limitations on Use by Grantee.

(a) The grant contained in this Deed is for the purpose of allowing the United States Department of Agriculture, Forest Service to use the Easement Area in connection with the operation of the Lake Almanor Recreation Trail.

(b) The Easement Area and associated facilities, in their entirety, now and in the future, shall not be considered, in whole or in part, a project feature or related to or a part of Grantor's Upper North Fork Feather River Federal Energy Regulatory Commission ("FERC") Project 2105, and Grantor shall not be required to perform or contribute in any way to the operation and maintenance of the Easement Area or associated facilities.

(c) Nothing contained in this Deed shall be deemed to be a gift or dedication of land or rights to the general public, it being the Grantor's and Grantee's intention that this easement grant be strictly limited to the places and for the purposes expressed herein. 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 any use expressly allowed by a written or recorded map, agreement, deed or dedication) is by permission, and subject to control, of Grantor, in its sole discretion.

2. Limitations on Use by Third Parties. Grantee covenants and agrees to enforce the following:

(a) No overnight camping shall be allowed on the Easement Area.

(b) No campfires or heating devices of any kind shall be permitted on the Easement Area, except in areas that Grantor, in its sole discretion, designates from time to time as public campgrounds, and Grantee shall post signs to such effect.

(c) No stock animals, including, without limitation, horses, shall be permitted on the Easement Area, and Grantee shall post signs to such effect.

3. Condition of Easement Area. Grantee accepts the Easement Area in its existing physical condition, without warranty by Grantor or any duty or obligation on the part of Grantor to maintain the Easement Area. Grantee acknowledges that hazardous wastes, polychlorinated biphenyls (PCBs), special nuclear or byproduct materials, radon gas, formaldehyde, lead contamination, fuel or chemical storage tanks, electric and magnetic fields or other substances, material, products or conditions may be present in, on or about the Easement Area, hereinafter referred to as "potential environmental hazards." Grantor 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 Deed, including, but not limited to, the potential environmental hazards listed herein.

4. Construction and Maintenance. Grantee hereby covenants and agrees, at its sole cost and expense, to do the following:

(a) to maintain the Easement Area in good condition, clean and free of debris, and to repair the Easement Area, including, without limitation, any damage caused by Grantor raising or lowering the water level of Lake Almanor Reservoir, and to be responsible for the security and safety of the facilities installed hereunder.

(b) to the minimum extent necessary, to cut and clear timber and other vegetation in the construction, development and use of the Easement Area and related facilities. Grantee shall dispose of any merchantable timber, slash and other vegetation by removal, chipping, burning, burying, or lopping and scattering in a manner acceptable to Grantor. Grantee shall mark

any merchantable timber for clearing, and, prior to cutting, shall pay Grantor the fair market value of such timber. In the event that, upon sale of the timber, Grantee receives an amount in excess of the amount previously paid to Grantor by Grantee for such timber, Grantee shall pay such excess amount to Grantor within thirty (30) days of its receipt.

(c) to post signs, as approved by Grantor, at each point where the trail on the Easement Area crosses the boundary lines of Grantor's adjoining land, informing those using the trail that they are either entering or leaving Grantor's land.

(d) to post signs, where applicable and as approved by Grantor, warning those using the trail that the water contained in any rivers, streams, lakes or other watercourses crossed by or located adjacent to the Easement Area is not potable. Grantor does not, and shall not be deemed to, warrant the potability of the water contained within rivers, streams, lakes or other watercourses crossed by or located adjacent to the Easement Area.

(e) to install (and thereafter maintain in good condition and repair) barricades and signs, and to provide law enforcement to prevent access by any motor vehicle to the Easement Area.

(f) not to build structures on the Easement Area, and not to excavate or to fill where slope lengths exceed ten (10) feet, without the prior written approval of Grantor.

(g) to submit a written plan to Grantor detailing projected use and maintenance schedules for the current calendar year by January 15 of each such year. In addition, the plan shall designate the person responsible for maintenance and supervision of each segment of the Easement Area for the current calendar year.

(h) to submit to Grantor for approval, on or before April 1 of each year, a fire plan for prevention and, if necessary, suppression of any fires that may originate on or along the Easement Area.

(i) to install and thereafter maintain in good condition and repair, in a safe and reasonable manner, riprap, as necessary in the opinion of Grantor, along the shoreline of the Lake Almanor Reservoir. If Grantee fails to maintain the riprap, or any portion thereof, as determined by Grantor in its sole and absolute discretion, Grantee shall repair or remove the riprap, or a portion thereof, as directed by Grantor in writing. Riprap material shall consist of rocks only, and shall not contain any dirt or other spoils.

(j) not to make use of the Easement Area in any way that will endanger health, create a nuisance or otherwise be incompatible with existing uses of Grantor's adjacent property, in accordance with Paragraph C of the Federal Energy Commission's Order No. 313, issued December 27, 1965 (34 FPC 1546, 1549 & 1550). Grantee agrees to promptly remove any refuse, garbage or other debris and to abate any nuisance upon direction by Grantor.

(k) to repair any damage caused by Grantee, its officers, managers, agents, employees, contractors, invitees and/or permittees to Grantor's private roads, lanes, or other improvements within the Easement Area.

(l) to coordinate all activities regarding the easements granted herein to reasonably minimize any interference with the use by Grantor of the Easement Area and Grantor's adjoining lands.

5. Indemnification. The Federal Tort Claims Act, 28 U.S.C. 2671 et seq., is the sole authority for any liability in tort of the Grantee. The liability of any assignees, or successors in interest to the United States as holders of the Easement Area (individually "**Future Holder**" and collectively, "**Future Holders**") shall be as set forth below in paragraphs 6(a) - 6(d).

(a) Future Holders shall, to the maximum extent permitted by law, indemnify, protect, defend and hold harmless Grantor, its parent corporation, subsidiary corporations, affiliates, officers, managers, directors, representatives, agents and employees (each, an "Indemnitee" and collectively, "Indemnitees") from and against all loss (including, without limitation, diminution in value), actions, demands, damages, costs, expenses (including, without limitation, clean-up costs, experts fees, and reasonable attorneys' fees and costs) and liability of whatever kind or nature (collectively, "**Claims**"), which arise from or are in any way connected with any: (a) injury to or death of persons, including but not limited to employees of Grantor or Future Holders; (b) injury to property or other interest of Grantor, Future Holders or any third party; (c) violation of a local, state or federal common law, statute, regulation, or ordinance including all laws relating to the environment; or (d) strict liability imposed by any law or regulation; so long as such Claims arise from or are in any way connected to Future Holder's occupancy or use of the Easement Area, or the exercise by Future Holder of its rights or the performance of, or failure to perform, Future Holder's duties under this Deed, excepting only (i) with respect to any Indemnitee, to the extent of any Claim arising from the sole negligence or willful misconduct of such Indemnitee, and (ii) with respect to Claims arising from the presence of hazardous substances or materials in, or about the Easement Area, Claims which do not arise from (x) hazardous substances or materials introduced by Future Holder, its officers, managers, agents, employees, contractors, invitees and/or permittees (y) the negligence or intentional misconduct of Future Holder, its officers, managers, agents, employees, contractors, invitees and/or permittees, or (z) the exacerbation of any environmental conditions on the Easement Area by Future Holder, its officers, managers, agents, employees, contractors, invitees and/or permittees. Without limiting the generality of the foregoing, Future Holders shall, to the maximum extent permitted by law, indemnify, protect, defend and hold Indemnitees harmless from and against Claims arising out of or in any way connected with any work of improvement constructed or installed at or on, labor performed on, or materials delivered to, or incorporated in improvements constructed on, the Easement Area at the request or for the benefit of Future Holder. In the event any action or proceeding is brought against any Indemnitee for any Claim against which Future Holder is obligated to indemnify or provide a defense hereunder, Future Holder, upon notice from Grantor shall defend such action or proceeding at Future Holder's sole expense by counsel approved by Grantor, which approval shall not be unreasonably withheld.

(b) Future Holders accept all risk relating to the occupancy and use of the Easement Area. Grantor shall not be liable to Future Holders for, and Future Holders hereby waive and release Grantor 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 an occurrence on or about the Easement Area, the condition of Easement Area, or the use or occupancy of the Easement Area, except in the case of any Indemnitee, to the extent that such

injury, damage, or loss was proximately caused by the sole negligence or willful misconduct of such Indemnitee.

(c) Future Holders shall, to the maximum extent permitted by law, indemnify, protect, defend and hold Indemnitees harmless against claims, losses, costs (including attorneys' fees and costs), liabilities and damages resulting from the failure of Future Holder, or any of its contractors or subcontractors, to comply with the insurance requirements set forth in Section 10 and Exhibit B. If Future Holder fails to so indemnify, defend or hold harmless any Indemnitee, then at Grantor's option, this Easement shall terminate, and the estate and interest herein granted to Future Holder shall revert to and revest in Grantor, if such failure continues for five (5) days following the giving of written notice of termination to Future Holder, unless within such time such failure is cured to the reasonable satisfaction of Grantor.

(d) The provisions of this Section 5 shall survive the termination of the easements granted in this Deed and shall survive the termination of this Deed.

6. Additional Facilities. Grantee shall not install any additional facilities within the Easement Area without the prior written consent of Grantor, which consent shall not be unreasonably withheld, and the prior consent of any governmental entity, including, without limitation, the Public Utilities Commission of the State of California ("CPUC") and/or FERC, to the extent required by applicable law or regulation. Grantee shall submit plans for installation of any additional facilities within the Easement Area to Grantor for its approval at the address specified in Section 12.

7. Abandonment, Termination. In the event Grantee abandons the facilities installed hereunder, this Deed and all of the rights of Grantee shall terminate. 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. By written notice to Grantee either before, or within sixty (60) days following, any termination of this Easement, Grantor may require Grantee, at Grantee's sole cost and expense, to remove all or a portion of the trail and any or all other facilities and/or equipment installed pursuant to this Deed, and to restore all or a portion of the Easement Area to as near to its original condition as practicable. Upon any such termination, Grantee shall execute, acknowledge and deliver to Grantor a quitclaim deed or such other documents or instruments, in a form reasonably acceptable to Grantor, as may be reasonably necessary to eliminate this Deed as an encumbrance on the title to the property subject to the easements granted herein.

8. Reserved Rights; Governmental Approvals. Grantor reserves the right to use the Easement Area for any and all purposes which will not unreasonably interfere with Grantee's enjoyment of the rights hereby granted. Without limiting the generality of the foregoing:

(a) Grantor reserves the right to close all or a portion of the Easement Area when, in Grantor's sole and absolute discretion, it has determined that fire danger warrants such closing, and Grantee agrees to effect such closing upon notice by Grantor.

(b) Grantor reserves the right to flood all or a portion of the Easement Area by raising or lowering the water level of Lake Almanor Reservoir in conjunction with the conduct of

its operation of FERC Project 2105, and, in accordance with Section 6(b) above, Grantor shall not be liable for any injury, damage or loss resulting therefrom.

(c) Grantor shall have the right to cross and recross the Easement Area at any point for any purpose in a manner that will not unreasonably interfere with Grantor's use of the Easement Area, including, without limitation, the right to construct, reconstruct, operate, use and maintain roads, the right to move logging equipment and the right to skid logs across the Easement Area.

(d) Grantor may have granted, or may in the future grant, others certain rights in and across the Easement Area, and the word "grant" as used herein shall not be construed as a covenant against the existence of any such rights.

(e) This Deed is conditioned on CPUC approval, and is made subject to all of the provisions of such approval, as more particularly set forth in CPUC Decision D 07-11-031 (Application No. 07-07-024), in like manner as though said provisions were set forth in full herein.

(f) Grantor reserves the right to use the Easement Area for all purposes related to FERC Project No. 2105, and 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.

9. Relocation. In the event Grantor's use of its lands shall at any time or times necessitate a relocation of all or a portion of the Easement Area, Grantor shall notify Grantee in writing of such necessity. Grantee, at its sole cost and expense, shall promptly effect such relocation to a location that, in Grantor's and Grantee's opinion, is practical and, in Grantor's sole opinion, can be done without conflict to Grantor's operations. At Grantor's request, Grantee, at its sole cost and expense, shall remove the trail on the pre-relocation Easement Area and restore the ground cover in such area to as near to its original condition as practicable.

10. Compliance; Safety; Insurance. Grantee shall comply, at Grantee's sole cost and expense, with all applicable governmental statutes, codes, ordinances, orders, permits, directives, guidelines, rules and regulations when conducting any and all activities related to this Deed and the easement granted hereunder. No construction authorized by this Deed shall be commenced by Grantee until Grantee has obtained any and all necessary permits, authorizations and approvals thereof. Grantor shall have a right to access and inspect the Easement Area at any time to confirm Grantee's compliance with the requirements of this Deed and applicable laws. Grantee shall procure, carry and maintain in effect throughout the term of this Deed, the insurance specified in Exhibit B hereof, provided that Grantor reserves the right to review and modify the coverages and limits of coverage required and the deductibles and/or self-insurance retentions in effect from time to time (but Grantor agrees that it will not increase required coverage limits more often than once in any five-year period). All insurance shall be written on forms and with insurance carriers acceptable to Grantor. For so long as the Grantee hereunder is an agency or instrumentality of the United States of America, any State or political subdivision thereof, Grantee may elect to self-insure for any or all of the required coverage. Grantee is also responsible for causing its agents,

contractors and subcontractors to comply with the insurance requirements of this Deed at all relevant times.

11. Mechanics' Liens. Grantee shall keep the Easement Area and Grantor's adjacent property free and clear of all mechanics' liens arising, or alleged to arise, in connection with any work performed, labor or materials supplied or delivered, or other activities performed by Grantee or at its request or for its benefit. If any mechanics' liens, or claims thereof, are filed against such property in connection with the activities or facilities set forth in this Deed, Grantee shall diligently pursue all necessary actions to satisfy such liens and remove such liens from title.

12. Notice. Any notices or communications hereunder shall be in writing and sent by first class mail, certified or registered, postage prepaid, or by national overnight courier, with charges prepaid for next business day delivery, addressed to the parties at the addresses listed below, or to such other addresses as the party may from time to time designate in writing. Notices shall be deemed received upon actual receipt of the notice by the primary party being sent the notice, or on the following business day if sent by overnight courier, or on the expiration of three business (3) days after the date of mailing.

If to Grantor:

Pacific Gas and Electric Company
Attention: Land Agent
350 Salem Street
Chico, CA 95928
Phone No. (530) 896-4256

With copy to:

(If by certified mail and/or telecopy)
Wendy T. Coleman, Esq.
Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, CA 94120
Phone No. (415) 973-6067
Fax Number: (415) 973-0516

(If by personal delivery or overnight courier)
Wendy T. Coleman, Esq.
Pacific Gas and Electric Company
77 Beale Street, Mail Code B30A
San Francisco, CA 94105

If to Grantee:

Lassen National Forest
Almanor Ranger District
Attn. Resource Officer
P. O. Box 767
Chester, CA 96020
Phone No. (530) 258-2141

With a copy to:

Joshua S. Rider
USDA-OGC
33 New Montgomery St., 17th Floor
San Francisco, CA 94105-4511
Phone No. (415) 744-2744

13. Governing Law. This Deed shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California, or federal law, as applicable.

14. Entire Deed. This 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 Deed may not be amended except by a written agreement executed by both parties.

15. Binding Effect. This Deed and the covenants and agreements herein contained shall be binding on, and inure to the benefit of, the parties hereto and their respective heirs, successors and assigns. No assignment by Grantee, however, shall relieve Grantee of any of its duties, obligations or liabilities hereunder, in whole or in part. The covenants of Grantor hereunder shall run with the land.

16. Assignment. The easement or other rights contained in this Deed may not be assigned, transferred or conveyed, in whole or in part, by Grantee without the prior written consent of Grantor, which consent may be given or withheld by Grantor for any or no reason, except that Grantor's consent shall not be required for a transfer of all or substantially all of the network of trails or recreational facilities of which the Lake Almanor Trail is a part to any governmental entity, or to a non-profit entity created for the purpose of operating such network of trails or recreational facilities; provided, however, that (a) prior notice shall be given to Grantor of any proposed assignment, transfer, or conveyance of Grantee's interest hereunder, and (b) no such assignment, transfer or conveyance shall be effective to transfer any interest of Grantee herein or in any easements or other rights conveyed herein, unless and until approval of such assignment, transfer or conveyance has been obtained from all governmental entities having jurisdiction. Grantor hereby agrees to execute, acknowledge and deliver such additional instruments as may be reasonably required to carry out the intent and purposes of this paragraph, provided such execution, acknowledgement and delivery shall be at no cost or expense to Grantor.

17. Collateral Assignment. Grantee shall not mortgage or encumber its right, title and interest arising under this Deed without the prior written consent of Grantor, which may be given or withheld in Grantor's sole discretion, as well as the consent of all governmental entities having jurisdiction.

18. Attorneys' Fees. The obligations of any assignees, or successors in interest to the United States as holders of the Easement Area (individually "**Future Holder**" and collectively, "**Future Holders**") shall be as set forth as follows: If as a result of any breach or default on the part of Future Holder hereunder, Grantor uses the services of an attorney in order to secure compliance with this Deed, Future Holder shall reimburse Grantor within ten (10) business days following written request for any and all attorneys' fees and expenses incurred by Grantor, whether or not formal legal proceedings are instituted. 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 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. 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 Deed. For purposes hereof, the reasonable fees of Grantor'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 Grantor's Law Department.

19. No Waiver. No waiver with respect to any provision of this Deed shall be effective unless in writing and signed by the party against whom it is asserted. No waiver of any provision of this Deed by a party shall be construed as a waiver of such provision on any subsequent occasion, or as a waiver of any other provision of this Deed.

20. No Offsets. Grantee acknowledges that Grantor is executing this Deed 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 Grantor and Grantee under this Deed. Further, Grantee covenants not to raise as a defense to its obligations under this Deed, or assert as a counterclaim or cross-claim in any litigation or arbitration between Grantor and Grantee relating to this Deed, any claim, loss, damage, cause of action, liability, cost or expense (including, without limitation, attorneys' fees) arising from or in connection with Pacific Gas and Electric Company's provision (or failure to provide) electricity and natural gas.

21. No Dedication. The provisions of this Deed are for the exclusive benefit of the parties and their successors and assigns, and shall not be deemed to confer any rights upon any person except such parties and their successors and assigns.

22. No Third Party Beneficiary. No obligation of a party under this Deed is enforceable by, or is for the benefit of, any other third parties. The provisions of this Deed are for the exclusive benefit of the parties hereto and their respective successors and assigns and not for the benefit of any third person, nor shall this Deed be deemed to have conferred any rights, express or implied, upon any third person. It is expressly understood and agreed that no modification or amendment, in whole or in part, of this Deed shall require consent or approval on the part of any third party (other than any consent or approval required by applicable law to be obtained from any regulatory entity, including, but not limited to, the CPUC and/or FERC, having jurisdiction).

23. Captions. The captions in this Deed are for reference only and shall in no way define or interpret any provision hereof.

24. 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.

25. Severability. If any provision of this Deed shall be invalid or unenforceable, the remainder of this Deed shall not be affected thereby, and each provision of this Deed shall be valid and enforced to the full extent permitted by law, provided the material provisions of this Deed can be determined and effectuated.

26. Counterparts. This Deed 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 Deed.

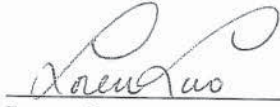
27. Other Documents. Each party agrees to sign any additional documents or permit applications which may be reasonably required to effectuate the purpose of this deed; provided however, that Grantor will not be required to take any action or execute any document that would result in any cost or expense to Grantor.

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

Grantor:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By:



Loren Loo
Manager, Land Asset Management
Technical and Land Services

Grantee:

UNITED STATES OF AMERICA,
Department of Agriculture

By:



Its:

Acting Forest Supervisor

Exhibits A and B attached

Area 6

Chico Land Service Office

Operating Department: Hydro

T. 27 N., R. 8 E., MDB&M

Sec. 20, E2 of the NE4

FERC License Number: 2105

PG&E Drawing Number: N/A

LD of any affected documents: N/A

LD of any Cross-referenced documents: N/A

Type of Interest: 11C, 24

SBE Parcel Number: 117-32-001, Parcel 56

(For Quitclaims, % being quitclaimed): N/A

Order# 2011151

JCN: N/A

County: Plumas

Utility Notice Numbers: N/A

Prepared By: JMC

Checked By:

Revision Number: N/A

USFS Easement (Lake Almanor) 11-19-07 jmc6 rev.doc

Almanor Trail Extension
Easement Description

That portion of the E 1/2 of the NE 1/4, Section 20, Township 27 North, Range 8 East, Mount Diablo Meridian, Plumas County, California, falling below the 4500 foot contour line of Lake Almanor (PG&E datum) as set out in the agreement recorded October 7, 1935, in Book 68, Page 308, of Deeds, being a strip of land 25 feet wide, 12 1/2 feet on each side of the following described centerline:

Commencing at the SE Section Corner of said Section 20, per Book 14 of Records of Survey, Pages 59-63, Plumas County, thence N19°43'06" W, 2,943.17 feet to the *Point of Beginning*, which is the intersection of said 4500 foot contour line of Lake Almanor with the centerline of the proposed Almanor Trail Extension (Sta. 40+16.3), thence along the centerline of the proposed trail:

N5°17'20"W, 92.41 ft.; thence N4°54'27"E, 89.87 ft.; thence N31°13'36"E, 101.84 ft.; thence N13°14'16"E, 49.09 ft.; thence N13°02'32"E, 107.94 ft.; thence N17°09'06"E, 98.67 ft.; thence N6°18'51"E, 59.02 ft.; thence N15°06'52"E, 69.12 ft.; thence N23°29'28"E, 55.84 ft.; thence N17°09'29"E, 98.67 ft.; thence N18°41'56"E, 45.65 ft.; thence N14°59'02"E, 97.51 ft.; thence N2°48'21"E, 54.74 ft.; thence N6°46'36"W, 113.26 ft.; thence N5°16'43"W, 22.96 ft., to the intersection of the centerline of the proposed trail (Sta. 51+72.9) with said 4500 foot contour line, from which the SE Corner of said Section 20 bears S11°15'35"E, 3,961.01 feet, said strip being 1,156.59 feet in length containing 0.66 acres. The side lines of said 25 foot easement to be extended or shortened to meet at angle points and to terminate at said 4500 foot contour line.

Basis of Bearing for this description is N0°06'22"W from the SE Corner of said Section 20 to PG&E marker No. 938 per the Record of Survey of 4500' Contour of Lake Almanor per Book 2 of Records of Survey, Page 47, filed in Plumas County.



Exp. 6/30/09

EXHIBIT B

INSURANCE REQUIREMENTS

For so long as the Grantee hereunder is an agency or instrumentality of the United States of America, any State or political subdivision thereof, Grantee may elect to self-insure for any or all of the required coverage. Grantee is also responsible for causing its agents, contractors and subcontractors to comply with the insurance requirements of this Deed, as set forth below, at all relevant times.

A. Workers' Compensation and Employers' Liability

1. Workers' Compensation insurance or self-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 \$1,000,000 for injury or death, each accident.

B. Commercial General Liability

1. Commercial General Liability coverage with respect to the Easement Area and the use, occupancy and activities by and on behalf of Grantee, its employees and agents on or about the Easement Area, including construction and other related activities on the Easement Area, against claims for bodily injury (including death) and property damage (including loss of use), and at least as broad as the Commercial General Liability insurance occurrence policy form CG 00 01, or a substitute form providing equivalent coverage, covering liability imposed by applicable laws upon Grantee and such other insured parties ("Commercial General Liability Insurance"), having limits of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate, for bodily injury and property damage, personal injury liability, and products and completed operations. Defense costs are to be provided as an additional benefit and not included within the limits of liability of the Commercial General Liability Insurance. Products and completed operations coverage shall remain in effect until two (2) years following completion of construction.
2. Coverage shall include: a) an "Additional Insured" endorsement (ISO Additional Insured form CG 2026, or a policy provision or substitute endorsement providing equivalent coverage, as reasonably approved by Grantor) adding as additional insureds Grantor, its directors, officers, agents and employees with respect to liability arising out of work performed by or for Grantee; and b) an endorsement or policy provision specifying that the Grantee's insurance is primary and that any insurance or self-insurance maintained by Grantor shall be excess and non-contributing.

C. Additional Insurance Provisions

1. Upon the Effective Date of the Easement Deed, and before commencing any work, Grantee shall furnish Grantor with two (2) sets of certificates of insurance evidencing all required insurance for Grantee, including copies of required endorsements.
2. All policies shall provide (or be endorsed to provide), and all certificates of insurance shall expressly specify, that the insurer will provide Grantor thirty (30) days advance written notice of policy cancellation, failure to renew, or reduction of coverage.
3. Certificates of insurance must be signed by a person authorized by that insurer to bind coverage on its behalf. Certificates and endorsements shall be submitted to:

Pacific Gas and Electric Company Insurance Department One Market, Spear Tower, Suite 2400 San Francisco, California 94105	Pacific Gas and Electric Company 350 Salem Street Chico, California 95928 Attention: Land Agent
--	--
4. Upon request, Grantee shall furnish Grantor evidence of insurance for its agents or contractors.
5. All insurance required under this Deed shall be effected under valid enforceable policies issued by insurers of recognized responsibility, as reasonably determined by Grantor.
6. Should Grantee elect to self-insure for any required insurance, Grantee shall be liable to Grantor for the full equivalent of insurance coverage which would have been available to Grantor if the applicable insurance policies had been obtained by Grantee from a third party insurer, in full compliance with the provisions of this Exhibit B, and shall pay on behalf of or indemnify Grantor 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.
7. 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 Grantor 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.
8. Grantee agrees to deliver complete certified copies of all policies, and/or to permit Grantor to inspect the original policies at any time and from time to time at Grantor's request.

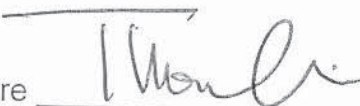
STATE OF CALIFORNIA

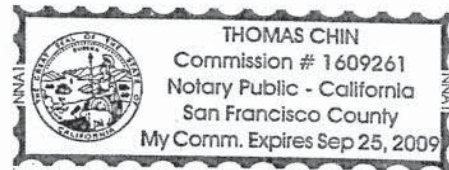
COUNTY OF San Francisco }SS.

On December 17, 2007 before me, Thomas Chin, Notary Public,
personally appeared ***Loren Loo***

personally known to me ~~(or proved to me on the basis of satisfactory evidence)~~ to
be the person(s) whose name(s) is/ ~~are~~ subscribed to the within instrument and
acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~
authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed
the instrument.

WITNESS my hand and official seal.

Signature 



CAPACITY CLAIMED BY SIGNER: (x) Other: Manager, Land Asset Management
Technical and Land Services

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

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
Dynergy 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
Matthew V. Brady & Associates
Maynor, Donald H.
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, Roy
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 Resource Network
Wellhead Electric Company
White & Case
WMA